

Fashion with Integrity

The turbulent events of the past year have highlighted how important it is for ASOS to continue to operate responsibly in everything we do, from the way we manage our supply chain to how we serve and speak to our customers. It has also made it clear that we must go further to find solutions to the challenges that we, our industry and our customers face.

In September 2019, millions around the world marched for climate action, underlining the need for us to continue to strive for environmental sustainability in the way our products are made and the way our business operates. Nearly nine months later, the tragic death of George Floyd inspired a global wave of support for the Black Lives Matter movement and showed that there is much we can do to scrutinise and improve our own efforts in this area. In the midst of these events, and as we have written elsewhere in this report, the COVID-19 pandemic has also encouraged us to work even more closely with our local communities and charities, and shown the role we can play in being there for our customers and working together with our supply chain partners, whose continued support is critical to our success.

Much has changed in the past 12 months but the need to work together to find solutions to our shared global challenges has never been greater. Our Fashion with Integrity programme ensures that we are a part of finding these solutions, putting them into action across all aspects of the business.

Our work within Fashion with Integrity is divided into four key pillars: our products, our business, our customers and our communities.

Ethical trade

Our Ethical Trade programme holds us to account when it comes to human rights impacts associated with producing our garments. We share factory information with our customers and other stakeholders such as IndustriALL Global Union through an interactive supply chain map and factory list, which are updated every two months. In the last 12 months, we have conducted 690 unannounced factory audits against our Supplier Ethical Code with expert third-party auditors. Our audit programme has started to expand to include tier 2 (see above) in all regions. More detail on our Ethical Trade programme is available at asosplc.com.

Our products

We work hard to produce and sell great products that are also responsibly produced and sustainably sourced. We focus on three main areas: ethical trade, sustainable sourcing and engaging with third-party brands.

We're committed to using our growing global reach to respect people, animals and the planet, with great products that our customers can trust. With approximately 896 factories and 173 suppliers in 24 countries, tracking the journey of an ASOS garment – and reducing exposure to environmental and social risks along the way – is critical to our business. So far, we've fully mapped tiers 1, 2 and 3 of our supply chain and partially mapped tiers 4 and 5.

Tier	Definition	Example	Status
Tier 1	Main production sites	Factory which cuts, sews, finishes ASOS Brands product and ships to ASOS	Fully mapped
Tier 2	Process integral to production	Provider of one or more processes, e.g. stitching, cutting, packing, quality control, warehouses	Fully mapped
Tier 3	Enhancements to product	Provider of one or more processes, e.g. printing, dyeing, laundry, embroidery	Fully mapped
Tier 4	Fabric and components	Fabric mills, tanneries, hardware and trims	Partially mapped
Tier 5	Raw materials	Textile fibres, natural and man-made materials	Partially mapped

Case study: 'Preventing modern slavery in Mauritius'

In 2019, ASOS joined Anti-Slavery International, IndustriALL Global Union and local organisations from Bangladesh and Madagascar in a project to tackle modern slavery risks in global supply chains in Mauritius. Bringing together NGOs, trade unions and corporate partners, the project uses innovative technological solutions to tackle risks facing migrant workers in or travelling to Mauritius, backed by funding from the UK Home Office under its Modern Slavery Innovation Fund.

Responding to COVID-19

Garment workers in the global supply chain face significant economic risk as a result of unpaid wages due to COVID-19. We have supported these workers by committing to pay for all own-brand orders, and by ensuring our standard payment terms – which are aligned with the ACT Purchasing Practices guidelines – have not been changed or extended as a result of the pandemic. Additionally, we have continued to place new orders with our suppliers, ensuring they can continue to do business, provide employment and pay wages, and have been in constant dialogue with them to ensure that adequate health and safety measures are in place to protect workers. The pandemic has illustrated the need for long-term sector-wide improvements in order to protect workers, and to achieve this, we are committed to continuing to collaborate with our suppliers, partners, NGOs and the wider industry to achieve real and lasting change.

Sustainable sourcing

More sustainable fibres

40% of all our textiles are now produced through more sustainable farming practices or using recycled materials. 85% of the cotton we use is verified sustainably sourced – keeping us on track to meet our 2025 commitment to source 100% more sustainable cotton in the next five years.

All of our more sustainable products come from verified supply chains, using third-party certification standards that cover farming practices, organic, recycled, and better fibre manufacturing processes.

Responsible Edit

In June 2019, ASOS launched our Responsible Edit, providing customers with easy access to our range of environmentally-conscious fashion. It allows customers to filter products by whether they are recycled (made from, or partially made from, recycled materials) or use sustainable materials, which includes organic and responsibly sourced fabrics, fibres and other materials.

For our ASOS brands such as ASOS DESIGN, we require these products to contain a minimum of 50% recycled or sustainable fibres, except for recycled cotton where we require a minimum of 20%, and for suppliers to provide us with relevant validations or certifications to confirm compliance with our responsible edit criteria.

Each product description includes sustainability information to help consumers understand the credentials and raise awareness of sustainable materials.



Circular fashion

We continue to increase the recycled fibre content in our products, with an emphasis on synthetic fibres like polyester and nylon, as well as recycled cotton. We have trained 100% of our designers on circular design principles, which have now been translated into a fully circular collection, with the ASOS look and feel, minimum use of materials and waste generation. Jointly with the Centre for Sustainable Fashion, part of the London College of Fashion, we have now finalised a set of circular design guides that will be shared with partners and peers as part of a collective effort to close the loop in affordable fashion.

In early 2020, we also launched a YouTube series dedicated to product aftercare, that works with talent to educate our audience on ways to update existing fashion items in their wardrobe.

Improving processes in our supply chain

To identify environmental risks in our supply chain, we use the Higg Index. This helps us improve our purchasing decisions and reward those suppliers with high environmental standards, as well as address risks in our supply chain. Currently 43% of the ASOS DESIGN product on our site has been produced by a supplier that has completed the Higg Index within the last two years and we continue to work with our supplier base to increase this to 100%.

Worker welfare

Worker rights: As part of the implementation of our Global Framework Agreement with IndustriALL Global Union in our Turkish supply chain, in 2018 we launched an app which allows workers to instantly and anonymously report rights violations to an independent complaints handler employed by IndustriALL Global Union. As of December 2019, the app has been downloaded 3,348 times and we continue to work in collaboration with our partners on the ground to remediate any grievances raised.

Purchasing practices and living wage: As an active participant in the Action, Collaboration, Transformation (ACT) initiative, we assessed our purchasing practices within the ACT framework and became the first ACT brand to survey our suppliers against ACT's Supplier Purchasing Practices Assessment.

Modern slavery: We published our fifth in-depth Modern Slavery Statement and continued our critical friend partnership with Anti-Slavery International, which supports us with our human rights due diligence processes.

Child labour: We continue to work closely with our NGO partners KADAV in Turkey and CCR CSR in China to remediate incidences of child labour we've previously identified in both countries. We've now discovered and remediated 15 cases of child labour since 2016. No cases were identified in the last year, but we remain vigilant and alert to possible risks worldwide.

Supplier engagement: In the last reporting period, we conducted modern slavery training in collaboration with the Ethical Trading Initiative in China. Three webinar sessions were held for 62 factories and 29 suppliers, enhancing suppliers' knowledge on modern slavery. In the UK, all suppliers and factories are required to attend a face-to-face or online Fast Forward training session. Training provides information for employers on how to embed good management systems for legal and ethical compliance and includes a session on modern slavery.

We are also signatories to the Sustainable Clothing Action Plan and in our 2019 report we demonstrated a reduction in our water footprint of 10%, our carbon footprint of 20% and 4% waste reduction for every tonne of clothing sold in the UK (against a 2012 baseline).

Engaging with third-party brands

Our Third-Party Brands Programme allows us to extend our ethical trading practices and sustainable sourcing principles to the 850+ brands on the ASOS site, with the aim of influencing their approach in these areas and encouraging collaboration to transform the industry.

Self-assessments give us a clear picture of the ethical and sustainable practices of the overwhelming majority of our third-party brands. With our Minimum Requirements acting as the core of our Programme, we’ve issued training materials on key topics and have hosted ethical trade workshops to support non-compliant brands in meeting our expectations. We’re also committed to encouraging brands to move beyond compliance by engaging them through events to promote knowledge-sharing and create opportunities for collaboration.

In August 2020, we took our Third-Party Brands Programme one step further, and asked our partner brands that manufacture in the UK to sign up to four commitments, including signing the Transparency Pledge – requiring them to regularly and publicly disclose their supply chains – and joining the Fast Forward auditing programme, which we co-founded with other UK retailers in 2014 in order to tackle ethical trade and modern slavery issues in the UK fashion supply chain. We co-hosted a workshop with the Fast Forward organisation in September 2020 and we will continue to support our brand partners further in meeting these new commitments over the coming months.

Sustainable packaging

In 2020 we became signatories of the Ellen MacArthur Foundation’s New Plastic Economy Global Commitment, demonstrating our commitment to improving the environmental performance of our packaging and reducing our contribution to global plastic pollution. As signatories we are committed to the following goals:

Commitment	Progress
By 2025, we aim to have removed at least 50% of the range of our own-brand packaging when compared to a 2018 baseline	To date we have reduced the range of own-brand packaging we use by 40%
100% of plastic packaging to be reusable, recyclable, or compostable by 2025	Our packaging is recyclable in principle, however we continue to work to improve the level of packaging successfully recycled
At least 30% post-consumer recycled content and 100% recycled/renewable content used in plastic packaging by 2025	ASOS garment bags currently contain 90% recycled content, and ASOS outer mailing bags currently contain 80% recycled content, with post-consumer recycled content, returned from ASOS customers, making up at least 10% of this figure in both
Take action to move from single-use towards reuse models where relevant by 2025	We have developed a prototype reusable mailbag and have started preliminary trials

As we continue to grow as a company, we recognise the role that we can play in mitigating our impact on global issues such as climate change and plastic pollution. We are committed to sustainable operations and doing business the right way, by finding solutions to the global challenges that we face.

Carbon 2020

This year saw the end of our long-term carbon emission reduction strategy: Carbon 2020. Announced in 2015, this strategy set the goal of reducing our operational carbon emissions every year until 2020. The programme was a success: we’ve reduced our emissions every year and cut our emissions intensity (tCO₂e/customer order) by 30% in this time. This is the equivalent of avoiding 110,000 tonnes of carbon emissions.

We are constantly striving to decarbonise our operations, for example by prioritising sea, road and rail freight, and working collaboratively with our supply chain partners to advance low-carbon innovations. These range from using electric vehicles for delivery, to the implementation of 100% renewable energy throughout our office portfolio and maximising the amount of recycled content in our packaging.

With Carbon 2020 now coming to a close, we’re in the process of setting even more ambitious, long-term targets to reduce ASOS’ carbon footprint, which we’ll be announcing soon.

Our customers

Our purpose is to give young people the confidence to be whoever they want to be, and this is something we’re always striving to achieve. We aim to reflect the needs and expectations of our customers by ensuring that our products and communications are responsible, inclusive and celebrate diversity.

Supporting at home

Throughout the COVID-19 pandemic many of our customers went through experiences that were completely new to them, required to stay home and miss loved ones. We wanted to support our customers throughout this period and we used our social media channels to reach out and engage with them. Our collaboration with charity Ditch the Label sought to help our customers by providing inspiration and ideas for how to manage their days positively and perhaps try something new in an effort to support them and their mental health. We also launched a new franchise called At Home With ASOS where we shared tips for mindfulness, yoga sessions and other things to engage our followers and customers going through a strange time during lockdown.

Our communities

We invest time and resources to make a real difference to our local communities. We do this directly as a brand but also through our charity, the ASOS Foundation.

COVID-19 pandemic

It’s been more important than ever during this year to support our local communities through the pandemic, and to be there for the people who have been most affected by it. In March and April it became clear the stress that many of our local hospitals were under and the incredible work that NHS staff across the UK were doing. We understood that many key workers would benefit from care packages and basics such as sweatshirts, underwear, moisturiser, and tote bags to carry their PPE in. In total we sent out over 4,000 of these packages to eight of our local NHS hospitals in an effort to support those who were working so hard to protect us.

Community partnerships

We donated £10k to our charity partner FAD to fund their 2020 Fashion Futures project. The charity aims to diversify the fashion industry by campaigning for change and supporting underrepresented young people who want to access creative industries. The Fashion Futures programme upskills these young people by providing fashion-focused programmes that equip them with the technical and professional skills needed for a career in fashion.



Additionally, we created charity fundraising products such as our Heroes range and our collaboration with Help Refugees on our Choose Our NHS and Carers products to raise money for important causes. We have also partnered with Oxfam to donate £1 from every pack of ASOS face coverings sold to their Coronavirus Emergency Relief Fund. In total we have donated over £500,000 to local NHS Trusts and front line charities through this activity.

ASOS Foundation

We open doors, we remove barriers. We help young people change their lives for the better.

This is the purpose of the ASOS Foundation and our partnerships in the UK, Kenya and India are critical as young people face the new and difficult challenges caused by COVID-19. With support from ASOS, our suppliers, colleagues and customers, we partner with charities to provide infrastructure, training and support to enable disadvantaged young people to reach their potential.

UK: We work with Centrepoin to support young people at risk of homelessness. The ASOS Foundation is the headline funder of the Centrepoin Helpline which has now reached more than 15,000 vulnerable young people, providing them with the information and support they need to help reduce the risk of homelessness. The Helpline has seen a 50% increase in call volume as a result of COVID-19 and its work to help young people newly at risk of becoming homeless continues to be vital.

The ASOS Foundation tackles barriers to employment through our partnership with The Prince’s Trust and its work to support young people into training and employment has never been more important. Workplace programmes funded by the ASOS Foundation give young people the skills and confidence they need to help them move into work, further education or training. Over 600 young people have completed an ASOS programme in Retail, Technology and Customer Care since 2009, and 44 graduates have been offered permanent roles since the partnership began. This year we have developed our first ever online training course for Customer Care, delivered remotely, enabling young people to gain new skills and experience whilst complying with social distancing requirements.

Kenya: The SOKO Community Trust was established in 2013 with the goal of providing local people with the practical skills needed to see sustainable improvements in their lives and lift themselves out of poverty. Together we launched Stitching Academy Kenya in 2014, delivering a two-month course teaching advanced, expert-standard tailoring skills. Since opening, 183 graduates have passed through the Academy with two-thirds subsequently moving into permanent employment. 20 graduates now work within the main SOKO factory (20% of the workforce) which produces the ASOS Made In Kenya range. Funding also supports the Kujyuwa Initiative, which works with schools to provide education and washable, reusable sanitary pads, produced by the SOKO factory, to local students.

India: In partnership with Udayan Care, we’re enabling orphaned and abandoned children to grow up in a safe and stable family environment. Since 2009, we’ve sponsored family homes for over 70 children, along with access to high quality education and vocational training. The ASOS Foundation also funds the construction of bespoke properties for the charity and in 2019 launched its third home.

Case study: Low emission deliveries

With a significant share of our operational emissions originating from deliveries and returns, we work closely with our wide network of international carriers to support and foster sustainable or low-carbon innovations. These include alternative fuel vehicles, switching from higher carbon vehicles to those with a reduced intensity such as electric bikes, route optimisation and increased vehicle efficacy, all of which result in carbon savings.

One project we’ve been working on this year is a new fleet of electric vehicles from one of our German carrier partners, Liefery. Since the project launched in March 2020, Liefery has driven more than 15,000km and delivered over 2,000 ASOS orders in zero emissions vans, saving three tonnes of carbon in a few short months. These savings will only increase as the partnership continues.