



Tom Tugendhat MP, Chair, Foreign Affairs Committee
Nusrat Ghani MP, Business, Energy & Industrial Strategy Committee
Darren Jones MP, Chair, Business, Energy & Industrial Strategy Committee
By email to: FAC@parliament.uk

11 February 2021

Dear Mr Tugendhat, Ms Ghani and Mr Jones,

Forced labour in the Xinjiang Uyghur Autonomous Region

Thank you for your letter of 27th January 2021 requesting further detail on ASOS' approach to sourcing from the Xinjiang Uyghur Autonomous Region (XUAR) in China. As a responsible retailer committed to protecting the human rights of people throughout our supply chain and eradicating modern slavery risks wherever they exist, we are pleased to respond with the requested information.

Summary

ASOS is proud to stand against modern slavery. Through our partnerships with IndustriALL Global Union and Anti-Slavery International, we have been working to eliminate any risk of exposure to the XUAR throughout our supply chain and have signed the Coalition to End Forced Uyghur Labour's Call to Action. As part of that commitment, we have conducted a review of the manufacturing Tiers (Tiers 1-3) of our supply chain and have taken action to ensure we have no connections to the XUAR.

Like many other retailers, we source a substantial amount of cotton through the Better Cotton Initiative (BCI), which accounts for much of the 85% more sustainable cotton we source for our own-brand products. While BCI does not offer traceability to farm, it has ceased all field-level activities in the XUAR, and we are confident that there is limited risk of exposure in the farming tiers of our supply chain. Through the Call to Action, we are committed to further improving traceability to farm for our cotton over the months ahead, including through concerted industry engagement with the BCI.

Impact of recent acquisitions

Following our very recent acquisition of the Topshop, Topman, Miss Selfridge and HIIT brands, we are working closely with our incoming teams and suppliers to assess potential risk in the XUAR region and what steps we can take to ensure these new parts of our business align with our broader commitment. This work will take some time but is crucial to our plans to take firm action on this issue. As this work is ongoing, all statistics and detail in this letter pertain to the ASOS business in exclusion of those brands.

Background

ASOS reported on the Xinjiang region in our January 2020 Modern Slavery Statement, which you can read in detail [here](#). Since then we have been working closely with civil society organisations and the Coalition to End Forced Uyghur Labour, which continues to highlight reports of human rights abuses being perpetrated against Uyghurs and other Turkic- and Muslim-majority peoples in the XUAR and other parts of China.

The Coalition has issued a [Call to Action](#) asking brands to commit to cutting all ties with suppliers implicated in forced labour and ending all sourcing linked to forced labour from the Uyghur Region, from cotton to finished garments, within twelve months. ASOS signed this Call to Action in late 2020 and is committed to taking all steps laid out within, in line with our responsibilities under the UN Guiding Principles on Business and Human Rights. Further, by committing to the Call to Action, we are committing to credible dialogue with the global Uyghur community, who act as the representatives for the victims in XUAR.

We have already undertaken a review of [Tiers 1-3](#) of our supply chain and have taken action to ensure that we have no manufacturing linked to the Xinjiang Uyghur Autonomous Region at these levels, including to ensure no manufacturing facilities are employing Uyghurs through the reported forced labour transfer schemes. We will



continue to monitor risks in Tiers 1-3 and take decisive action in line with the Brand Commitment as soon as risks are identified.

We are also committed to taking all credible steps within our control to gain visibility of Tiers 4 and 5 of our supply chain in the XUAR by November 2021. We already have confidence in significant parts of Tiers 4 and 5: c.85% of the cotton in our own-brand products is from more sustainable sources, the majority of which is from the [Better Cotton Initiative \(BCI\)](#), which has ceased all field-level activities in the XUAR. However, as BCI's Mass Balance Chain of Custody model does not include traceability from product to farm, ASOS will work with the industry to encourage BCI to move ahead with its consultation and to develop higher levels of traceability as quickly as possible, with an immediate focus on reduction of risks relating to cotton produced in China. We will also continue our work switching our cotton to more sustainable sources, helping us gain visibility of the remaining 15% of our cotton.

In addition to signing the Call to Action and the steps we have taken within our own supply chain, we have written to our third-party brand partners, informing them of our expectation that they will undertake similar actions for their own supply chains. We will also continue to engage closely with the Coalition, Uyghur rights organisations, trade unions, our third-party brand partners, and industry and civil society partners including Anti-Slavery International, to ensure that the actions we are taking are sufficient to protect Uyghur workers throughout China and the world.

Turning to your specific questions:

1. What is the nature and extent of your company's operations in Xinjiang?

ASOS has no direct operations in Xinjiang and has no direct or indirect suppliers operating in the region in Tiers 1-3 of our own-brand supply chain. There is limited risk of links to the XUAR in Tiers 4 and 5 of our supply chain (farm level), however as outlined above, we have taken (and continue to take) steps to further reduce this risk – including by banning any cotton produced in the region – and we have confidence in the majority of our supply chain at those levels. We have also written to our third-party brand partners asking them to apply a similar ban on cotton sourced from the XUAR and hosted a workshop with Anti-Slavery International and other brand partners on our approach to the region. Both activities were designed to address non-ASOS products sold on our platform in addition to our own-brand supply chain.

2. What specific raw materials arriving in UK markets are sourced from Xinjiang?

We are not aware of any raw materials in ASOS-brand products arriving in the UK that have been sourced from Xinjiang. At a wider industry level, we would consider products containing cotton to be a risk area given the level of XUAR cotton in the global supply chain. As outlined above, ASOS is a retailer of own-brand products as well as those from third-party brands. We are encouraging our brand partners to also take steps to remove any connection to the region.

3. Are any of your products assembled in factories deemed to be at risk of using forced labour?

We have reviewed Tiers 1-3 (manufacturing) of our ASOS supply chain to ensure that we have no links to the XUAR, including by ensuring that our other own-brand suppliers in China do not use and have not used government-provided labour. For an assessment of risk of forced labour in the rest of our supply chain, please review our January 2020 [Modern Slavery Statement](#). Our next modern slavery statement is due out in the coming months and will provide an update on this issue.

4. Which Chinese companies are involved in your supply chains?

A detailed list of Tiers 1-3 of our supply chain is publicly available [here](#) and updated every few months. We also proactively share this list with IndustriALL Global Union, with which we signed a Global Framework Agreement in 2017, and Anti-Slavery International, which acts as our 'critical friend' in critiquing our modern slavery policies. As part of our commitment under the Call to Action, we are also actively working to trace Tiers 4 and 5 of our supply chain in China.



5. How do you ensure that companies at every stage of your supply chain meet their contractual obligations regarding anti-slavery and anti-human trafficking laws?

We have a wide range of policies, procedures and partnerships in place to ensure our suppliers are respecting the rights of the people they employ. We communicate policies and expectations to our suppliers and third-party brands. Suppliers are contractually required to meet our robust supplier ethical code, available [here](#), and our third-party brand partners are required to sign up to our Five Minimum Requirements, detailed [here](#) on our plc site.

All new ASOS suppliers receive a handbook outlining our expectations, focussing on freedom of association and collective bargaining. In the UK, suppliers and factories are required to attend a training session on Fast Forward, the industry-leading auditing methodology designed to tackle modern slavery risks in the UK. We have also recently required our brand partners with UK manufacturing footprints to sign up to Fast Forward as a condition of doing business with ASOS.

We conduct unannounced audits at least once per year across all tier 1 and tier 2 factories. These audits give us a realistic picture of actual working conditions and help us to meet the three pillars of our ethical trade programme: visibility of our supply chain and transparency; addressing social impacts; and ongoing monitoring.

In China specifically, we have carried out modern slavery training with our suppliers in conjunction with the Ethical Trading Initiative, with three webinars attended by 62 factories and 29 suppliers.

Finally, and as outlined above, we have taken several steps to ban any connection with the XUAR, including requiring suppliers to declare and disengage from any relationships with companies from the region.

6. What is ASOS's approach to assessing and scrutinising its supply chains to ensure that materials are ethically sourced?

We follow the principle that 'we can't manage what we don't know', so improving traceability and visibility of our materials is a key objective for ASOS. As mentioned above, and as with many of our industry colleagues, we work with organisations such as the Better Cotton Initiative in order to improve cotton sourcing. While the BCI has ceased all field-level activities in the region, more work must be done in order to ensure brands using BCI cotton are able to trace cotton to source, which remains a priority over the coming year.

We also have several partnerships and policies in place to improve traceability of other materials. For example, in order to ensure our wood-based fibres do not come from ancient or endangered forests, we work with environmental NGO Canopy and have achieved 95% transparency on fibre origins. More detail on our progress in this area is available [here](#).

7. Where materials from unethical sources are identified, how does your company respond and what steps are taken to mitigate the risk of future occurrences?

Where issues are identified, our process is to conduct an on-site investigation and to discuss a remediation plan with suppliers and factories to ensure that they meet our standards. If they are unwilling to improve, we will proceed to a responsible exit of the relationship. More details on the specific steps we are taking to mitigate risk and remediate issues is available in detail on pages 10 and 11 of our latest modern slavery statement, [here](#).

8. What is your information-gathering process for your Modern Slavery statements, and how do you verify this information? What is your process for acting on the findings of your Modern Slavery statements?

We have a dedicated Ethical Trade team responsible for monitoring and addressing modern slavery and human rights risk across our supply chain throughout the year. As specialists in this area, the team, which is supported by resource on-the-ground in key sourcing countries such as China and Turkey, has visibility and awareness of these issues, informed by consistent and ongoing engagement with civil society organisations, governments, unions, and NGOs. Key partnerships for ASOS include our Global Framework Agreement with IndustriALL Global Union, and our 'critical friend' relationship with Anti-Slavery International. Both organisations, alongside our other NGO partners (detailed in our modern slavery statements) play a key role in validating and verifying the information we publish in our modern slavery statements. We also ensure that our modern slavery statements include detailed plans on the actions that ASOS will take to mitigate emerging and identified risks. We take care



to report back on these in subsequent reports so that we can be held to account by our partners and other external stakeholders.

We believe all UK brands have a responsibility to understand and address their impact on workers and their communities, work constructively with their suppliers, support trade unions and, critically, protect workers from Modern Slavery and exploitation. The European Commission will introduce legislation in 2021 to make human rights due diligence mandatory for EU companies. We would support the Government in introducing mandatory human rights due diligence here in the UK, building on the foundations of the Modern Slavery Act 2015. It is our view that, where possible, any such legislation should not only cover companies that are headquartered in the UK, but also those based outside of the UK that seek to sell to customers in the UK through online marketplaces, especially those with close links to China. In the absence of a legal obligation to act, too many businesses – both here and further afield – are failing to meaningfully address issues within their global supply chain. We would urge your Select Committees to raise this issue with the relevant governmental departments.

I hope the above information is helpful. ASOS is proud to stand against forced labour and modern slavery, wherever it may exist, and we appreciate this opportunity to place our position on the record.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Nick Beighton', is positioned below the text 'Yours sincerely'.

Nick Beighton
Chief Executive Officer
ASOS plc



Foreign Affairs Committee

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From the Chair
Tom Tugendhat MP

Nathan Stower
Head of Public Affairs
ASOS
Letter by email: Nathan.Stower@asos.com

27 January 2021

Dear Mr Stower,

We are writing to you following recent reports that parts of UK companies' supply chains include materials and/or labour sourced from the Xinjiang Uyghur Autonomous Region of China. As part of the Foreign Affairs and Business, Energy and Industrial Strategy Committees' inquiries into the Xinjiang detention camps, we are reaching out to a number of businesses to establish a clearer understanding of commercial activity in the region, and what private companies perceive their ethical responsibilities to be in this area.

We would be grateful if you could address the following questions:

1. What is the nature and extent of your company's operations in Xinjiang?
2. What specific raw materials arriving in UK markets are sourced from Xinjiang?
3. Are any of your products assembled in factories deemed to be at risk of using forced labour?
4. Which Chinese companies are involved in your supply chains?
5. How do you ensure that companies at every stage of your supply chain meet their contractual obligations regarding anti-slavery and anti-human trafficking laws?
6. What is ASOS's approach to assessing and scrutinising its supply chains to ensure that materials are ethically sourced?
7. Where materials from unethical sources are identified, how does your company respond and what steps are taken to mitigate the risk of future occurrences?
8. What is your information-gathering process for your Modern Slavery statements, and how do you verify this information? What is your process for acting on the findings of your Modern Slavery statements?

It would be helpful to have a response to this letter by 10 February 2021. We intend to place your response in the public domain.

Best wishes,

TOM TUGENDHAT MP
CHAIR, FOREIGN AFFAIRS COMMITTEE

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**NUSRAT GHANI MP
BUSINESS, ENERGY AND INDUSTRIAL STRATEGY COMMITTEE**

Handwritten signature of Darren Jones in black ink.

**DARREN JONES MP
CHAIR, BUSINESS, ENERGY AND INDUSTRIAL STRATEGY COMMITTEE**