

Responsible Exit Policy

ASOS strives for long-term relationships with our suppliers; however, we acknowledge that there may be times a supplier or factory exit may be necessary. For these occasions, we have set out our supplier/ factory exit process to help prevent any adverse impacts on workers and to ensure we are in line with our [commitments to the ACT](#) Initiative on Living Wages. This includes commitments around ensuring fair terms of payment, better planning and forecasting and responsible exit strategies (see [ACT Responsible Exit Policy for details](#)).

This responsible exit policy applies to our entire supply chain, whether sourcing directly with a factory or through an agent/ supplier. If an exit is supplier-led, the same responsible exit process will be completed to prevent an adverse impact on the factory workers.

We expect our suppliers and factories to take all action necessary to support us with these aims and commitments by working collaboratively with us where a supplier/factory exit is necessary.

Prior to Exiting – Internal Communications and Initial Risk Assessment

The relevant ASOS departments¹ will conduct an impact assessment and will engage internally to try and address reasons for exiting and will collect information including, but not limited to, the below:

1. Factory details (including name, country of production, teams using the factory and the duration of the business relationship with the factory)
2. Reason for exiting.
3. Information on the history with the supplier including discussions on improvement plans.
4. The exiting order volume as a percentage of factory capacity (based on the previous 12 months of production) and whether this percentage has varied significantly in recent months.
5. The anticipated final order placement and final shipment dates for all goods manufactured in the factory.

Please note: when a decision to exit a factory is due to a high-risk rating, final warning letter, or Accord Article 21 escalation, there will be times when some of the above steps would have been performed already by ASOS. Where this occurs, ASOS will not repeat those steps as part of the responsible exit process.

Exiting Factories – Communication with Suppliers and Ongoing Risk Assessment

Intention to exit factories will be communicated to the relevant contact at the supplier/factory and will be accompanied by a clear timeline for exiting the factory. Suppliers are required to share the exit timeline with all factories.

ASOS will further engage with the suppliers/factories (including where possible, with the trade unions in the factories) regarding the impact of the withdrawal on workers and will assess the

¹ Relevant departments are those who are or need to be involved in the process of a potential or actual exit. The main aim is to collaboratively decide, plan and take action. At ASOS, these departments will be Sourcing, Ethical and Buying and Legal (when required).

exit timeline accordingly, in order to allow the factory to alleviate any adverse impact on workers.

On occasions, unavoidable terminations of employment due to factory exit will be carried out. If this occurs, those terminations must be carried out by the employer/factory in accordance with local law and the [Fair Labor Association's Retrenchment Guidance](#). The factory/employer must ensure that all wages, severance pay, and other benefits are paid to the workers according to local law and the [Fair Labor Association's Retrenchment Guidance](#).

In these circumstances, the supplier/factory must:

1. provide, at the earliest possible opportunity, written notice to the workers of the possibility of employment termination and the reasons, therefore.
2. consult with worker(s) and their representatives before a final decision to dismiss is taken.
3. ensure that all possible alternatives to employment termination are explored and that workers who are to be dismissed are treated fairly as per ACT guidance..
4. ensure that worker(s) whose employment will be terminated are selected objectively.
5. allow worker(s) whose employment will be terminated time off during the notice period to apply for other jobs.

All suppliers should keep detailed records showing how and when the above actions were taken. ASOS reserves the right to request copies of such records for verification purposes which the supplier/factory shall promptly provide to ASOS.

Immediately After Exiting – Assessing Adverse Impact on Workers

Our Global Framework Agreement with IndustriALL Global Union have been central to our approach to human rights and ethical trade since 2017.

Where negative impacts to workers as a consequence of a factory exit are brought to the attention of ASOS or IndustriALL, and/or ACT, ASOS will engage with and/or IndustriALL in a process of mediation and where applicable agree on remediation. We expect suppliers and factories to take any action necessary to support with the remediation process; this can include but not limited to worker consultation regarding any dismissal and ensuring workers are paid their dues.

If you have any queries regarding this procedure, please contact us on ethicaltrade@ASOS.com.