



# UN GLOBAL COMPACT COMMUNICATION ON PROGRESS

**ACTIVE LEVEL**

**JULY 2013 - 2014**

## CHIEF EXECUTIVE STATEMENT OF SUPPORT

27th June 2014

H.E. Ban Ki Moon  
Secretary-General  
United Nations  
New York, NY10017  
USA

Dear Mr Secretary-General,

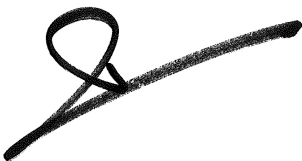
ASOS has been a signatory to UN Global Compact since 2012, and I am pleased to be reaffirming our continued support of its Ten Principles, in this our second Communication on Progress.

The Ten Principles of the UN Global Compact are reflected in ASOS' corporate responsibility programme, Fashion with Integrity, which is comprised four pillars with the following aims:

- **Ethical Trade:** Committed to being a responsible retailer where every worker in our supply chain is respected and protected.
- **Sustainable Business:** Achieving growth in a way that adds social value and minimises environmental impacts.
- **Sustainable Fashion:** Using more sustainable materials in our ranges and promoting socially and environmentally sound fashion to our customers
- **Community:** Aiming to make a positive difference to young people's lives in the communities where we operate.

This Communication on Progress builds upon information available on our corporate responsibility website and sets out how we implement and measure progress against the policies and goals we have in place. We also provide an index for our stakeholders on our website, signposting where they can find more information about how ASOS supports each of the Global Compact principles. The Global Compact Index can be found [here](#). All ASOS Communication on Progress submissions will be available to download in the next update of our online corporate responsibility report, due in October 2014.

In 2013 ASOS attended its first UN Global Compact local networking meeting to share knowledge on how businesses can better promote human rights, and we will continue to look for new opportunities to further embed the Principles into all aspects of our strategy, culture and operations. We remain committed to the aims of the Global Compact and to advancing corporate responsibility within the fashion industry more widely.



Nick Robertson  
Chief Executive Officer, ASOS Plc

# HUMAN RIGHTS

**PRINCIPLE 1: BUSINESSES SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS**

**PRINCIPLE 2: BUSINESSES SHOULD MAKE SURE THAT THEY ARE NOT COMPLICIT IN HUMAN RIGHTS ABUSES**

## ASSESSMENT, POLICY AND GOALS

### Assessment and policy



- In our human rights statement we publicly commit to supporting the UN Declaration of Human Rights, the ILO Labour Conventions and the UN Guiding Principles on Business and Human Rights.
- Our human rights approach largely focuses on safeguarding the rights of workers within our global supply chain, where we perceive the greatest human rights' risks for our business to be.
- Our newly revised Ethical Trade Strategy sets out our commitment to being a responsible retailer, where every worker in our supply chain is respected and protected. The strategy's three year objectives are aimed at ensuring:
  1. workers in our supply chain have good worker-management relations, are employed in safe environments and have improved financial security
  2. our sourcing practices are reviewed against our Ethical Standards and are continuously improved
  3. our suppliers share our ethical trade vision and work with us to achieve it.
- We also expect our suppliers to meet the human rights standards set out in our Ethical Code of Conduct and Ethical Standards document.
- Our regional Ethical Trade teams regularly visit supplier sites, monitor whether they are upholding our standards and provide support, where required.
- The principles set out in the ASOS Way, our Company values, provide the foundation for job descriptions, our recruitment and selection processes, employees' objectives and performance measures.
- We pride ourselves on being a fair and supportive employer, which means providing equal opportunities to all of our people. All new starters receive a contract, employee handbook and a set of the company standards, the ASOS Way, clearly explaining employees' rights and responsibilities.
- We joined the Business Disability Forum in 2012 and are aligning our approach with the Forum's Disability Standard, a set of ten criteria designed to help all aspects of the business become 'disability-smart'.
- We have a country risk assessment process and training programme in place to help ensure the safety of ASOS employees when they are traveling abroad.

## Our goals



- explore ways to improve worker management dialogue in factories
- continue to work with suppliers to improve health and safety standards
- implement worker wage improvement initiatives
- regularly review and improve ASOS' purchasing practices
- improve buyer understanding of the impact of purchasing practices on worker rights
- increase the support provided to suppliers to help them protect labour rights and advance their ethical trade programmes
- raise internal awareness and provide training to design and communication teams on how to be mindful of indigenous, cultural and religious rights when designing and marketing products
- produce an action plan for business-wide implementation of the Business Disability Forum's Standard, following completion of our internal audit.

## IMPLEMENTATION

### Implementation



- Our human rights matrix, which includes clear guidelines on the rights of employees, customers, supply chain workers and communities, demonstrates the policies we have in place to protect and promote the rights of these stakeholders and how we monitor them.
- Our Corporate Responsibility Leadership Group is responsible for overseeing and regularly reviewing our approach to human rights. The Group comprised of Head of Corporate Responsibility, directors of the Retail and People departments, General Counsel & Company Secretary and Senior Ethical Trade & Sourcing Manager meets six times a year to discuss risks and to set policies and standards relating to human and labour rights, environmental impacts and business integrity.
- ASOS' Ethical Trade team conduct regular supplier risk assessments and visits to identify and monitor human rights risks and provide support where required.
- All new starters receive information on policies relating to human rights in their induction training. Our buyers and merchandisers receive regular training on how to support and promote human rights within the supply chain.
- "Speak Up" is our confidential helpline through which employees can discuss any issue or concern with someone impartial. Speak Up is free, independent, available 24/7 and is 100% confidential.
- We have established a working group comprised of representatives from each department to carry out an internal audit to review how we will implement the Business Disability Forum's Standard.
- In 2013 we carried out an internal risk assessment and safety review of every country visited by ASOS employees. We sought specific security advice for high-risk countries and now offer personal security updates and training for colleagues who plan to visit these areas.

## ACHIEVEMENTS

### Achievements }

- We attended our first UN Global Compact local network meeting to discuss how businesses could better promote human rights.
- We developed the corporate responsibility section of the company intranet to improve communication with our expanding global workforce on important areas of our Fashion with Integrity framework, such as human rights and labour standards.
- We have begun a programme of engagement on issues such as cultural diversity and human rights within our supply chain with the wider fashion industry through our Marketplace blog.
- We developed a new ethical purchasing practices module for ASOS' new Retail Brilliance Course for buyers and merchandisers, which outlines what they can do to protect worker rights.
- We identified a number of strategic projects to be implemented over the next three years aimed at improving workers' human rights.
- We visited 332 supplier sites in 2013 in order to assess and monitor worker rights and to provide support to help meet our ethical standards.
- We carried out an internal risk assessment and safety review of every country visited by ASOS employees in order to provide personal security updates and training to those traveling overseas.

## LABOUR RIGHTS

PRINCIPLE 3: BUSINESSES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING

PRINCIPLE 4: THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR

PRINCIPLE 5: THE EFFECTIVE ABOLITION OF CHILD LABOUR

PRINCIPLE 6: THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION

### ASSESSMENT, POLICY AND GOALS

#### Assessment and policy



- Our newly revised Ethical Trade Strategy sets out our commitment to being a responsible retailer, where every worker in our supply chain is respected and protected. The strategy's three year objectives are aimed at ensuring
  1. workers in our supply chain have good worker-management relations, are employed in safe environments and have improved financial security
  2. our sourcing practices are reviewed against our Ethical Standards and are continuously improved
  3. our suppliers share our ethical trade vision and work with us to achieve it.
- We require our suppliers to meet the ethical requirements set out in our Code of Conduct and Ethical Standards document. Our stance is derived from the UN Declaration on Human Rights and the ILO Labour Conventions, and covers: terms of employment for workers at manufacturing sites, including preventing forced and compulsory labor; freedom of association and the right to collective bargaining; wages and working hours; young workers; maintaining a fair and respectful working environment; health and safety.
- We also have a separate Young Worker and Child Labour Policy in place to ensure our suppliers have implemented effective systems to check the ages of all recruited employees and assess specific young worker risks.
- The principles set out in the ASOS Way, our Company values, provide the foundation for job descriptions, our recruitment and selection processes, employees' objectives and performance measures.
- We pride ourselves on being a fair and supportive employer, which means providing equal opportunities to all of our people. All new starters receive a contract, employee handbook and a set of the company standards, the ASOS Way, clearly explaining employees' rights and responsibilities.
- We joined the Business Disability Forum in 2012 and are aligning our approach with the Forum's Disability Standard, a set of ten criteria designed to help all aspects of the business become 'disability-smart'.

#### Our goals



- explore ways to improve worker management dialogue in factories
- continue to work with suppliers to improve H&S standards
- implement worker wage improvement initiatives

- regularly review and improve ASOS' purchasing practices
- improve buyer understanding of the impact of purchasing practices on worker rights
- increase the support provided to suppliers to help them protect labour rights and advance their ethical trade programmes
- produce an action plan for business-wide implementation of the Business Disability Forum's Standard, following completion of our internal audit.

## IMPLEMENTATION

### Implementation }

- Our Corporate Responsibility Leadership Group meets six times a year to discuss risks and to set policies and standards relating to human and labour rights, environmental impacts and business integrity.
- Our Sourcing Director is responsible for overseeing and regularly reviewing our approach to managing labour practices in our supply chain. Our Procurement & Facilities Director is responsible for the health and safety of all our employees.
- ASOS' Ethical Trade programme helps us to ensure that our products are sourced from manufacturers who operate in a way that respects workers' rights, maintains safe working conditions, upholds local employment laws and protects the environment.
- We have a UK-based Ethical Trade management team and established regional Ethical Trade teams in China, Eastern Europe, India, Turkey and UK, now comprising 11 ethical trade experts in total. We have changed how we manage ethical trade at ASOS. We recently created a new sourcing department and the Ethical Trade team now sits within this function. By restructuring in this way we aim to put ethical trade at the very heart of supply chain sourcing decisions.
- ASOS' Ethical Trade team conduct regular supplier risk assessments and visits to identify and monitor labour practices and provide support where required.
- We have been a member of an alliance of companies, non-governmental organisations and trade union organisations called the Ethical Trading Initiative (ETI) since 2009. We regularly attend ETI meetings and participate in several working groups set up to tackle labour rights issues.
- All new employees receive information on how we protect their labour rights during induction training, as well as on our Ethical Trade programme and how we manage supply chain labour standards. In addition, our buyers and merchandisers receive training on how to support and promote labour rights within the supply chain.
- "Speak Up" is our confidential helpline through which employees can discuss any issue or concern with someone impartial. Speak Up is free, independent, available 24/7 and is 100% confidential.
- The People Hub, our integrated global human resources IT system, enables us to store, access and analyse more detailed data about our employees and their careers, and monitor our progress in promoting equality and diversity
- We regularly consult our employees on any proposed changes to employment terms and conditions. For example in 2012 we conducted a company-wide consultation on benefits and used employee feedback to create a flexible benefits scheme, launched in 2013.

## ACHIEVEMENTS

### Achievements }

- We launched our three year Ethical Trade vision and strategy in October 2013, aimed at protecting and respecting every worker in our supply chain.
- We implemented a new supplier assessment process to ensure we only work with factories that comply with our principles.
- We developed a new ethical purchasing practices module for ASOS' new Retail Brilliance Course for buyers and merchandisers which outlines how they can protect worker rights.
- We identified a number of strategic projects to be implemented over the next three years, aimed at improving workers' rights.
- During 2013 we visited 332 supplier sites in order to assess and monitor worker rights and to provide support to help meet our ethical standards.
- We established employee hiring and development requirements for ASOS China.
- ASOS' Barnsley fulfilment centre won the British Safety Council International Safety Award in 2013.
- We developed the corporate responsibility section of the company intranet to improve communication with our expanding global workforce on important areas of our Fashion with Integrity framework, such as human rights and labour standards.
- We have begun a programme of engagement on issues such as cultural diversity and human and workers' rights within our supply chain with the wider fashion industry through our Marketplace blog.

# ENVIRONMENT

**PRINCIPLE 7: BUSINESSES SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES**

**PRINCIPLE 8: UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY**

**PRINCIPLE 9: ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES**

## ASSESSMENT, POLICY AND GOALS

### Assessment and policy



- ASOS' Environmental Policy sets out our approach to managing our environmental impacts and commitments, and covers: continuously improving environmental performance; reducing pollution; using resources more efficiently; consider environmental criteria when leasing and using office buildings and when procuring goods and services; measuring and cutting our carbon footprint; managing waste; complying with all environmental legislation and requirements.
- We began measuring our carbon footprint in 2008; this exercise has demonstrated that our biggest environmental impacts come from the carbon emissions resulting from customer deliveries, the running of our buildings and packaging and waste.
- Our Ethical Trade Code of Conduct and Standards for suppliers also include environmental requirements. Suppliers must assess and manage waste, water and energy and hazardous substances.

### Sustainable Business goals



- clarify and extend our banned chemicals list, raise awareness with suppliers and increase due diligence testing on chemical compliance
- extend our waste packaging management and compliance programmes to cover additional territories
- review all of our packaging with our suppliers to ensure that we are providing the most effective solutions to customers, with the least environmental impact.

### Sustainable Fashion goals



- expand the range of products in The Green Room to include womenswear Outlet, Marketplace and beauty, as well as menswear Own label, Brands and Outlet
- increase customer engagement by redesigning The Green Room website to promote the stories behind the featured ethical and eco conscious brands
- work with womenswear and menswear own label departments to increase the use of sustainably sourced materials in their ranges
- continue to work with SCAP to find ways to reduce our water, waste and carbon footprint within our supply chains.

## IMPLEMENTATION

### Overall implementation

- Our Corporate Responsibility Leadership Group meets six times a year to discuss risks and to set policies and standards relating to human and labour rights, environmental impacts and business integrity.
- Andrew Magowan, General Counsel & Company Secretary is responsible for overseeing and regularly reviewing our environmental management approach.

### Sustainable Business implementation

The biggest contribution to our carbon footprint is emissions from customer deliveries. We are working with our delivery partners to minimise these emissions by:

- continuously reviewing and reducing packaging, thereby allowing more packages to be loaded onto one delivery trailer maximising its capacity
- working in partnership with our third party delivery partners, who are introducing fuel saving technologies such as route planning software to cut the length of journeys and researching low-carbon vehicles and fuels
- including environmental criteria in our tendering process enabling us to award contracts to partners who are working to reduce their own emissions

The energy efficiency and carbon reduction measures we have put in place in our buildings include:

- extending our Barnsley fulfilment centre by over 25%, enabling us to hold more stock and therefore reducing the number of miles our vehicles travel by 200,000 per year, saving 250 tons of carbon. Our fulfilment centre has been rated 'excellent' by BREEAM (the Building Research Establishment's environmental assessment method)
- installing more efficient lighting systems in the buildings we own
- purchasing energy using a green energy tariff (this applies when we directly purchase our own energy)

Our packaging initiatives include:

- using lighter packaging to help reduce emissions from customer deliveries, and increasing recycled content and improving its recyclability
- working closely with our waste packaging advisory service to ensure we comply with international regulations on consumer waste
- We are also supporting community infrastructure in Kenya where one of our suppliers is based, by building a water rock catchment and tank system which is providing drinking water for 7,000 local people
- We monitor our suppliers' ability to meet our environmental standards through regular visits by our regional Ethical Trade teams.

### Sustainable Fashion implementation

- The Green Room, launched on Womenswear in 2010, is a section of our website where our customers can find out about and buy all of our sustainable fashion and beauty.
- We now tag with a 'Signpost' image all products that we sell that have a social or environmental benefit. Not only does this promote sustainable fashion to our customers and make it easy for them to buy it, but it will also helps our buying teams choose sustainable fashion for next season's clothing lines.
- ASOS Marketplace is a platform that provides anyone, anywhere with opportunity to buy or sell pre-owned fashion items.

- We take unwanted clothing items and materials and give them a new lease of life in our Reclaimed Vintage men and women's collections, helping our customers to consume less resources.

## ACHIEVEMENTS

### Sustainable business achievements



- We extended our Barnsley warehouse by over 25% reducing the number of miles our vehicles travel by 200,000 per year, saving 250 tons of carbon.
- We built two new Eurohub warehouses in Poland and Germany to cut down on stock and vehicle movements across Europe, thereby helping us to reduce emissions.
- We maintained our CarbonNeutral status by managing and assessing our emissions, and investing in carbon offset schemes that include a social and environmental benefit.
- We have brought our UK packaging standards in-line with international standards, enabling us to increase the number of products that we can send to our customers in a bag rather than a box, and allowing us to load more packages onto delivery trailers.
- We built a water rock catchment and tank system in a rural Kenyan village which is providing drinking water for 7,000 local people.

### Sustainable fashion achievements



- We set up a Sourcing team and established a Fabric Manager post. As part of their remit they help our buying and design teams to source materials and products more sustainably
- In conjunction with Sustainable Clothing Action Plan (SCAP) we measured the water use, carbon emissions and waste of ASOS own-label products manufactured in the UK.
- We defined a sustainable cotton strategy for own label products. Cotton was identified during our lifecycle analysis work as being one of the most natural resource intensive materials we use.
- 'Sustainable Signpost' icons have gone live across The Green Room and ASOS.com to highlight important features of our sustainable products and brands.
- We continued to expand our sustainable materials library so that our creative teams have even more choice when designing new product ranges.
- We developed a product sustainability module for ASOS' new Retail Brilliance Course for buyers and merchandisers.
- We trained 109 buyers and merchandisers on our Product Sustainability Programme. SCAP also trained individuals from our buying, design, press and marketing on lifecycle analysis.

# ANTI-CORRUPTION

## PRINCIPLE 10: BUSINESSES SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY

### ASSESSMENT, POLICY AND GOALS

- |                       |   |   |
|-----------------------|---|---|
| Assessment and policy | } | <ul style="list-style-type: none"><li>• In 2013 we launched “Doing the Right Thing”, the ASOS Code of Integrity which promotes integrity, best practice and appropriate corporate behaviours across our business in the following areas:<ul style="list-style-type: none"><li>• complying with laws</li><li>• prohibiting and combating corruption and bribery</li><li>• dealing fairly in business</li><li>• contracting openly with connected parties</li><li>• ensuring gifts and hospitality are appropriate</li><li>• protecting company assets and information.</li></ul></li><li>• We have developed a set of supplier Ethical Standards and Code of Conduct, that all suppliers must sign up to if they want to do business with us, which includes business integrity.</li></ul> |
| Our goals             | } | <ul style="list-style-type: none"><li>• revise our “Do the Right Thing” employee e-learning course</li><li>• implement more detailed reporting on gifts and hospitality received, and given, by ASOS employees</li><li>• enhance our due diligence process for key third party suppliers and service providers in selected countries and industries.</li></ul>  |

### IMPLEMENTATION

- |                |   |   |
|----------------|---|---|
| Implementation | } | <ul style="list-style-type: none"><li>• Andrew Magowan, General Counsel &amp; Company Secretary is responsible for overseeing and regularly reviewing our business integrity standards and performance.</li><li>• Our Corporate Responsibility Leadership Group meets six times a year to discuss risks and to set policies and standards relating to human and labour rights, environmental impacts and business integrity.</li><li>• At the end of each financial year senior managers are required to confirm any incidences of non-compliance with ASOS’ Do the Right Thing Code.</li><li>• All new starters complete a business integrity e-learning course when they join ASOS.</li><li>• We include information on business integrity on our integrated global human resources IT system, the ‘People Hub’.</li><li>• Our buyers and merchandisers receive training on how to promote our anti-bribery stance within our supply chain.</li></ul> |
|----------------|---|---|

- In 2012, we launched “Speak Up” our confidential helpline through which employees can raise any concerns about business integrity. All new starters are given wallet cards containing information about Speak Up. The helpline is also promoted on posters displayed in all of our offices. Concerns are then passed to our General Counsel for investigation and remain strictly confidential.

## ACHIEVEMENTS

### Achievements }

- In 2013 we launched Doing the Right Thing, ASOS’ new Code of Integrity, which has now been embedded across the ASOS Group.
- We have identified and are now implementing enhanced processes and controls to ensure the Code is being applied on the ground.