

Fashion with Integrity

Fashion with Integrity is at the heart of everything we do at ASOS and it ensures that we source sustainably, trade ethically and inclusively, and work with others to transform the impact of our business on people, planet, animals and the environment. And, it's in line with what our 20-something customers tell us really matters to them.

Our corporate responsibility, ethical trade and sustainable sourcing experts work closely with the people in our offices, warehouses, supply chain and local communities to bring our strategy to life in both our business and our supply chain. Our stakeholders help us to identify and prioritise the issues that are most important to our business and also provide expertise to help us tackle the big ethical and sustainable challenges facing the industry.

7 out of 200 brands in the Fashion Transparency Index¹

Transformation through collaboration

In September 2018, we hosted 'The Future of Fashion: Transformation through Collaboration'. Bringing together our top-selling 90 brands, including Levi's, Adidas, Nike and Puma, alongside organisations such as Fashion Revolution, the World's Global Style Network and the Business & Human Rights Resource Centre, we discussed worker rights, purchasing practices, transparency, circularity and raw materials.

¹ The Fashion Transparency Index rates 200 of the world's biggest fashion brands based on their public disclosure of "policy and commitments, governance, supply-chain traceability, supplier assessment and remediation, and new 'spotlight issues' covering gender equality, decent work, climate action and responsible consumption and production".

² This means our own created garments. For third-party engagement, see page 29.

³ Recycled or organic, or aligning to standards of the Better Cotton Initiative or Cotton Made in Africa.

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 1,000 factories and 156 suppliers in 23 countries, tracking the journey of an ASOS garment² – and reducing exposure to environmental and social risks along the way – is a highly complex, but critical challenge.

Sustainable sourcing

We now know the country of origin for 41% of textile fibres and have verified that 83% of the cotton we use is sustainably sourced³ – keeping us on-track to meet our 2025 Sustainable Clothing Challenge pledge of 100% more sustainable cotton in the next five years. In March 2019, we formally banned mohair, cashmere, silk, feathers/down, bone, horn, shell and teeth across both our own brands and those we edit.

To map and identify environmental risks in our supply chain, we use the Higg Index. This year we increased the number of sites in our supply chain engaging in the Index by over 70%, helping us improve our purchasing decisions and rewarding those suppliers with high environmental standards. We also joined the Zero Discharge of Hazardous Chemicals Roadmap to Zero Programme, collaborating with industry stakeholders to drive sustainable chemical management in the textile and leader supply chains.

PETA applauds ASOS for leading the charge for compassion in fashion.

Yvonne Taylor,
Director of Corporate Projects, PETA

Fashion with Integrity – our stakeholders

- ASOS Plc Board of Directors
- Customers
- Employees
- Contractors
- Charity partners
- Supply chain workers
- Suppliers of fashion products
- Suppliers of non-stock products and services
- Third-party brands sold on ASOS.com
- Industry partners
- Investors
- Local communities around ASOS sites
- Local, UK and international governments and agencies
- Non-Governmental Organisations
- Regulatory authorities
- British Retail Consortium
- UN Global Compact

For a full list of our stakeholders go to [asosplc.com](https://www.asosplc.com)

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 through an interactive supply chain map and factory list, which are updated every two months. In the last 12 months, we conducted 690 unannounced factory audits against our Supplier Ethical Code with expert third-party auditors. For more detail on our Ethical Trade programme, see our website.

Trusted textiles

With the ASOS Certification programme, we can back up the sustainability claims we make, including fibre origin and social, environmental and chemical standards at factory level. We are also signatories to the Sustainable Clothing Action Plan and in our latest report we demonstrated a reduction in our water footprint of 12.2% and our carbon footprint of 14.6% for every tonne of clothing sold in the UK (2012 baseline).

Extending our approach to third-party brands

Our Branded Responsible Sourcing programme allows us to extend our ethical trading practices and sustainable sourcing principles to the 950+ brands on the ASOS site. Self-assessments give us a clear picture of the ethical and sustainable practices of the overwhelming majority of our third-party brands. To deepen this, we've issued e-guidebooks on key topics created alongside the Centre for Sustainable Fashion. We've also hosted monthly ethical trade workshops for over 80 brands and provided 'deep dive' workshops to those requesting extra support.

We host regular collaborative events, including our annual House of Lords Forum, in which 13 of our third-party brands pledged to take further action to mitigate modern slavery risks. This forum was co-hosted with Baroness Lola Young, Co-Chair of the All-Party Parliamentary Group on Ethics and Sustainability in Fashion.

“ To make change stick, we need to make it systemic. We've still got some way to go, but the consultations, workshops and events we've delivered over the past year have led to a step-change in our third-party brand programme.

Simon Platts, Sourcing Director, ASOS

Reducing modern slavery risk in India

Our audit programme identified the prevalent use of contract labour in our Indian supply chain and the associated risk of modern slavery. We partnered with local organisation Kaarak to conduct an investigation in 13 factories in Delhi, which highlighted a significant opportunity to improve practices surrounding the recruitment and employment of contract workers. In August 2019, we worked with our partner Impactt to deliver HR training to 16 workers from six factories in Delhi. Participants told us the training was "vital and informative" and we will be following up with an impact assessment in December 2019.

“The Ethical Trade team at ASOS are available to talk to if we have any questions for them and are willing to help where they can. Their existing policies are also a big help – as a smaller company, we have fewer resources and time to spend developing documents like these from scratch.”

Chloe Broster, Plaza Group (whose brands include: Maya, Anaya and Dolly & Delicious).

Worker welfare: 2018/19 milestones

Worker rights: as part of the implementation of our Global Framework Agreement with IndustriALL Global Union in our Turkish supply chain, an app now allows workers to instantly and anonymously report rights violations to an independent complaints handler employed by IndustriALL Global Union. The app has been downloaded 1,465 times so far.

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 third Modern Slavery Statement and, in partnership with Anti-Slavery International and the IndustriALL Global Union, we're developing a mechanism to monitor recruitment and employment of migrant workers in our Mauritian supply chain.

Child labour: working with KADAV in Turkey and CCR CSR in China, we've now discovered and remediated 15 cases of child labour since 2016.

Supplier engagement: 83 ASOS suppliers attended conferences on ethical trade and sustainable sourcing (with a focus on modern slavery) in the UK, China and India.

Business with integrity

At ASOS we believe in being a business that behaves in the right way. Our core values define who we are. We call this The ASOS Way. To make sure we're always supporting these values, we've established Do The Right Thing – the ASOS Code of Integrity. Our people can anonymously report any concerns about upholding the Code via a confidential hotline 'Speak Up'. More information on The ASOS Way and Do the Right Thing are available on [asosplc.com](https://www.asosplc.com)

Lower-carbon operations

As a growing company, we need to decouple our growth from emissions and extend this to our supply chain. We are committed to reducing our carbon intensity per customer order (for business operations only) every year to 2020. Our latest data (2017/18⁴) shows our total operational carbon emissions to be 236,720 tonnes of carbon dioxide equivalent, a 10% reduction on the previous year. This reduction was mainly delivered by improving the efficiency of garment distribution and we continue to engage with our delivery carriers to increase the use of low-carbon vehicles.

Rail over road

In the UK and Germany, it's now our standard process to transport all containers from port to fulfilment centre by rail as opposed to road. This not only reduces carbon emissions and improves air quality, but it also delivers cost efficiencies. We are now exploring rail for longer distances (e.g. from China to Germany) and look forward to reporting progress soon.

Responsible Procurement

Our Responsible Procurement programme seeks to drive visibility, promote integrity and mitigate risk in our non-stock supply chain and operations. We're currently reviewing our due diligence processes and we are working with our vendors to fully integrate ethical and working standards.

Supporting inclusive dance in the community

At the start of 2019, we embarked on an exciting new partnership with Candoco, an inclusive dance company. With our support, Candoco were able to offer a residential summer school for able-bodied and non-able-bodied dancers.

“There is so much physical talent and artistic potential out there among young disabled and non-disabled adults and a huge demand for wider representation in the dance sector, and yet there is simply not enough access to training or routes into the profession. Our exciting partnership with ASOS enabled Candoco to use our expertise in inclusive dance practice to provide an unparalleled learning opportunity for these young artists.”

Charlotte Darbyshire,
Artistic Co-Director, Candoco



ASOS Foundation

This year we're celebrating 10 years of the ASOS Foundation. We're proud of what we've achieved alongside our charity partners. Our priority has always been to help young people around the world overcome barriers to education, skills and jobs. With support from ASOS, our suppliers, customers and employees, we've been able to tackle homelessness and poverty, through education, water and sanitation. Here are just some of the projects we've supported:

UK: We work with **Centrepoint** to support young people at risk of homelessness. The ASOS Foundation is the headline funder of the Centrepoint Helpline which has now reached more than 10,000 vulnerable young people, providing them with the information and support they need to help reduce the risk of homelessness. We also fund Centrepoint's mental health, counselling, and welfare services.

The ASOS Foundation tackles barriers to employment through our partnership with the **Prince's Trust**. 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.

Kenya: Project Pipeline is an ASOS Foundation programme in collaboration with **SOKO Community Trust** and **Wildlife Works Carbon Trust**. It seeks to provide water, develop talent and wellbeing through training, infrastructure and education, and establish trade opportunities. As well as funding a rainwater-harvesting system to supply drinking water for 7,000 people since 2014, the Foundation has launched **Stitching Academy Kenya**, with more than 40 young women and men successfully completing courses in the financial year ending 2018. In the last year, our work with SOKO has focused on issuing girls with washable, reusable sanitary pads made from the ASOS Made in Kenya offcuts. In 2018, these were shared with over 1,500 girls, alongside hygiene and confidence training, in six schools.

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 this year we launched a third home for 25 girls in Gurugram.

£4.1 million+ donated to our charity partners since 2009



20,000
young people supported
by ASOS Foundation
programmes

Non-financial disclosures

We comply with the requirements under the provisions contained in sections 414CA and 414CB of the Companies Act 2006. The information provided below is to help our stakeholders to find relevant information on key non-financial matters within this report. In addition to the information contained in this report we are already reporting under the following frameworks: Carbon reports, Modern Slavery Statements and UN Global Compact.

| Reporting requirement | Relevant information |
|---|---|
| Description of the business model | Business model, pages 12-13 |
| Non-financial key performance indicators | Are we on track?, pages 14-15 |
| Supply Chain | Fashion with Integrity section, pages 28-31 Principal Risks, pages 34-37 |
| Environmental matters | Fashion with Integrity section, pages 28-31 |
| Employees | CEO's Operational overview, pages 5-8 People section, pages 26-27 |
| Social matters | ASOS Foundation, page 31 |
| Human Rights | Fashion with Integrity section, pages 28-31 |
| Anti-corruption and Anti-bribery | Fashion with Integrity, pages 28-31 Principal Risks, pages 34-37 |
| Description and management of principal risks and impact of business activity | Are we on track?, pages 14-15 Risk Report, pages 32-37 |

For a more in-depth understanding of our policies and access to our full reporting information on key non-financial reporting matters, please refer to [asosplc.com/corporate-responsibility](https://www.asosplc.com/corporate-responsibility)

⁴ Environmental data is unavailable at the time of this report launching due to different data year-ends. However, you can access 2018/19 performance when available at [asosplc.com](https://www.asosplc.com).