



United Nations Global Compact

COMMUNICATION ON PROGRESS

JULY 2012 | JULY 2013

Basic Level

5<sup>th</sup> July 2013

# Chief Executive Statement of Support

5th July 2013

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

Dear Mr Secretary-General,

We became a new signatory to the UN Global Compact in July 2012, and one year on I am now pleased to be sharing with you ASOS's first Communication on Progress.

We started formalising our corporate responsibility approach in 2008 with the appointment of our Head of Corporate Responsibility and the launch of our ethical trade programme. Since then, under the umbrella of our corporate responsibility strategy, Fashion with Integrity, we have improved the way we measure our impact on the environment and have made great strides in developing supportive, fair and transparent relationships with our employees, suppliers, customers and the communities where we have a presence.

Earlier this year we published our first online corporate responsibility report in which we express our public commitment to the UN Global Compact. We also provide an index for our stakeholders in our report, signposting where they can find more information about how ASOS supports each of the Global Compact principles.

This Communication on Progress builds upon information available on our new corporate responsibility website and sets out how we implement and measure progress against the policies and goals we have in place that uphold the Global Compact principles. We will publish our 2013, and all future COPs, on our corporate responsibility website.

I would like to share with you here some of ASOS's corporate responsibility achievements, under each principle area, during the last year:

- **Protecting Human Rights:** We developed a human rights statement, publicly outlining our support for international standards including the Universal Declaration on Human Rights, ILO Labour Conventions and the UN Guiding Principles on Business and Human Rights.

- **Promoting Labour Standards:** We expanded our global ethical trade team from 8 to 12 experts during the last year. The team visited over 200 of our manufacturing sites to provide support, advice and training to suppliers to help them meet ASOS Ethical Trade Standards.
- **Protecting the Environment:** We made all of our packaging, one of our significant environmental impacts, 100% recyclable and worked with our suppliers to make our plastic delivery bags 30% lighter. We have rapidly grown the range of products in our Green Room, the section of our website where we showcase and sell all of our sustainable fashion. We have also developed the 'Sustainable Signpost' system for our customers, due to be launched in 2013, to help them identify products on our websites that have social or environmental benefits.
- **Supporting anti-corruption measures:** As well as covering our employees ASOS's anti bribery statement also extends to our supply chain. During the last year we trained suppliers in Turkey and India on our company business integrity standards. We also launched Speak Up, our confidential helpline where any concerns about our business integrity can be reported.

We remain a committed Global Compact member and will continue to look for new opportunities to further embed the principles into all aspects of our strategy, culture and operations. I am excited about the prospect of ASOS taking an increasingly active role in this global community and helping to advance corporate responsibility more widely.

Yours sincerely,



Nick Robertson  
Chief Executive, ASOS

# 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

- We have developed a human rights statement in which we publicly commit our support for the UN Declaration of Human Rights, the ILO labor conventions and the UN Guiding Principles on Business and Human Rights.
- We require our suppliers to meet the human rights standards set out in our Code of Conduct and Ethical Standards document.
- 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 to be. Our regional ethical trade teams regularly risk assess 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.

### Our Goals:

- Train 100% of our Buyers and Merchandisers in human rights and ethical purchasing practices.
- Boost support for manufacturers, suppliers and supply chain workers by providing them with appropriate training resources to help them meet our standards.
- Establish community-based projects aimed at improving workers' welfare and tackling the root causes of human and labour rights abuses.
- Extend our Ethical Code of Conduct to cover non-product suppliers and business partners.

## 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.
- Kate Bostock, Executive Director of Product and Trading is responsible for overseeing and regularly reviewing our approach to human rights.
- 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.
- All new starters receive information on policies relating to human rights in their induction training. Our buyers and merchandisers receive

Measurement of  
outcomes

regular training on how to support and promote human rights within the supply chain.

- We launched “Speak Up” in 2012, our confidential helpline through which employees can raise concerns.

**Achievements:**

- During the last reporting year we produced a human rights statement and a human rights matrix, which set out ASOS’s standards related to human rights and how these are monitored.
- We launched Speak Up, a helpline through which employees can confidentially report any concerns they may have about ASOS.
- We visited 209 supplier sites in order to assess and monitor working conditions and to provide support where required.
- We trained 40 suppliers on human rights and labour standards.

# 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

- 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 have also produced a separate Young Worker and Child Labour Policy to ensure our suppliers have effective systems in place to check the ages of all recruited employees and assess specific young worker risks.
- ASOS's Ethical Trade team conduct regular risk assessments of our supply chain to identify and monitor labour practice risks.
- As part of our commitment to human rights 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.

### Our Goals:

- Boost support for manufacturers and suppliers from our regional ethical team.
- Further expand the ethical trade team.
- Establish community-based projects aimed at improving workers' welfare and tackling the root causes of poor working conditions.
- Continue to collaborate with ETI working groups and members.
- Develop an overseas travel security programme, including country-specific risk assessments, security advice and training.
- Align our approach with the Business Disability Forum's Disability Standards.

## Implementation

- Kate Bostock, Executive Director of Product and Trading is responsible for overseeing and regularly reviewing our approach to managing labour practices in our supply chain.
- 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.
- We have created a UK-based ethical trade management team and established regional ethical trade teams in China, Eastern Europe, Turkey and India, now comprising 12 ethical trade experts in total.
- ASOS's 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 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 labour standards within our supply chain. In addition, our buyers and merchandisers receive training on how to support and promote labour rights within the supply chain.
- We launched "Speak Up" our confidential helpline through which employees can raise any concerns they may have.
- During the last year we became a member of the Business Disability Forum, an organisation providing advice and tools to businesses to help them understand better how to support employees and potential employees with disabilities.
- We are in the process of implementing an integrated global human resources IT system, the "People Hub" that will enable us to store, access and analyse more detailed data about our employees and their careers, and enable us to monitor our progress in promoting equality and diversity
- Our annual employee engagement survey, Shape It, is one of the forums through which employees can provide feedback, opinions and suggestions on how ASOS could improve working conditions.
- 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 earlier this year.

## Measurement of outcomes

### Achievements

- We expanded our ethical trade team from 8 to 12 during the last year.
- We established a database to record, analyse and report supplier and factory performance on ethical trade KPIs.
- We introduced manufacturing site assessment, grading and improvement procedures.

- We visited 209 supplier sites in order to assess and monitor working conditions and to provide support, where required.
- We trained 40 suppliers on our Ethical Trade Standards and Programme.
- We ran 10 induction workshops for ASOS new starters, covering topics such as ethical trade.
- 95% of employees responded to our annual employee engagement survey, Shape It.



# 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

- 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:

- Develop a set of ambitious carbon, energy, water, waste and recycling targets and a set of relevant KPIs.
- Install energy meters in all buildings by September 2013.
- Develop a 'green' IT strategy to help reduce our emissions from energy use and travel.
- Begin a feasibility project for microgeneration of electricity at our fulfilment centre.
- Increase our recycling rate from 40% to 70%.
- Develop a closed loop recycled packaging system, so every bag returned by a customer goes back to our suppliers to be recycled.

### Sustainable Fashion Goals:

- Complete our in-house system to enable us to measure sustainable material content in our products.
- Complete our 'materials sourcing strategy' for Menswear and Womenswear own-label products.
- 'Sustainable Signpost' icons to go live across The Green Room and asos.com.
- Build on our sustainable materials library.

## Implementation

- Launch a pilot programme to assess water use, carbon emissions and waste produced during the lifecycle of ASOS own-label items.
- Kate Bostock, Executive Director of Product and Trading is responsible for overseeing and regularly reviewing our environmental management approach.
- 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.
- All new starters receive information on our environmental policy and sustainable fashion initiatives. Throughout the year our buyers, designers, press and marketing staff receive regular training via sustainable fashion masterclasses which focus on our sustainable fashion themes and principles. Our buyers also receive training on the environmental requirements we expect our suppliers to meet.

### Sustainable Business Activities:

- The biggest contribution to our carbon footprint is emissions from customer deliveries. We are working with our delivery partners to minimise these emissions by:
  - reducing packaging, thereby allowing more packages to be loaded onto one delivery trailer maximising its capacity
  - introducing fuel saving technologies such as route planning software to cut the length of journeys
  - researching low-carbon vehicles and fuels
  - awarding contracts to logistics 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:
  - 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)
  - moving to a new fulfilment centre in Barnsley, Yorkshire, which has been rated 'excellent' by BREEAM (the Building Research Establishment's environmental assessment method)
  - developing a 'green' IT strategy to make our computers more energy efficient, expand our use of video conferencing, and further digitise our creative and buying processes.
- We source over 3 million kg of packaging a year, making it a significant environmental impact for us. We are addressing this through initiatives such as using lighter packaging to help reduce emissions from customer deliveries, and increasing recycled content and improving its recyclability.
- We monitor our suppliers' ability to meet our environmental standards through regular visits by our regional ethical trade teams.

### Sustainable Fashion Activities:

- We have created a set of signposts for customers that will be used on our sites to help them identify products that we sell that have social or environmental benefits.

Measurement of  
outcomes

- We started creating our library of sustainable materials last year, to help our buying and design teams find the most sustainable materials for their upcoming ranges.
- ASOS joined Sustainable Clothing Action Plan (SCAP) in 2012. They are supporting us to lower water, carbon and waste in our supply chain.

**Sustainable Business Achievements:**

- All of the energy purchased directly by us for our premises used a green energy tariff.
- Installed more energy efficient lighting systems in all our premises.
- All of our boxes and bags are now 100% recyclable.
- Made our plastic delivery bags even lighter.

**Sustainable Fashion Achievements:**

- All new employees were given induction training on sustainable fashion.
- We grew our total number of sustainable fashion items from 300 to over 1,500 per season.
- We developed the 'Sustainable Signpost' system to highlight important features of our sustainable products and brands.
- Won the Retail Leader award at the Source Awards 2012 recognising our commitment to sustainability.

# Anti-Corruption

## Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

### Assessment, Policy and Goals

- We have an anti-bribery policy in place which prohibits any form of corruption, namely, facilitation payments and inappropriate gifts and entertainment.
- 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.

### Goals

- In 2013, we will develop more comprehensive business integrity e-learning, which all employees will complete annually, to bolster our message and policies and increase awareness among existing employees.

### Implementation

- Andrew Magowan, General Counsel and Company Secretary is responsible for overseeing and regularly reviewing our business integrity standards and performance.
- 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.
- All new starters complete a business integrity e-learning course when they join ASOS.
- Our buyers and merchandisers receive training on how to promote our anti-bribery stance within our supply chain.
- 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.

### Measurement of outcomes

### Achievements

- We launched Speak Up, a helpline through which employees can confidentially report any concerns they may have about ASOS.
- We trained 40 suppliers in India and Turkey on our business integrity standards.
- We developed a business integrity e-learning course for new starters.
- We incorporated information on business integrity into our integrated global human resources IT system, the “People Hub”.

## Online Corporate Responsibility Report Links:

### General

- UN Global Compact Index:  
<http://www.asosplc.com/responsibility/fashion-with-integrity/the-united-nations-global-compact.aspx>

### Human Rights

- Human Rights Statement:  
<http://www.asosplc.com/responsibility/fashion-with-integrity/the-united-nations-global-compact/human-rights.aspx>
- Human Rights Matrix:  
[http://www.asosplc.com/~ /media/Files/A/ASOS/documents/ASOS\\_Human\\_Rights\\_Matrix.pdf](http://www.asosplc.com/~ /media/Files/A/ASOS/documents/ASOS_Human_Rights_Matrix.pdf)
- Ethical Code of Conduct:  
<http://www.asosplc.com/~ /media/Files/A/ASOS/documents/asos-ethical-code-of-conduct.pdf>
- Ethical Standards:  
<http://www.asosplc.com/~ /media/Files/A/ASOS/documents/asos-ethical-standards.pdf>

### Labour Standards

- ASOS Ethical Trade Programme:  
<http://www.asosplc.com/responsibility/ethical-trade.aspx>
- Ethical Code of Conduct:  
<http://www.asosplc.com/~ /media/Files/A/ASOS/documents/asos-ethical-code-of-conduct.pdf>
- Ethical Standards:  
<http://www.asosplc.com/~ /media/Files/A/ASOS/documents/asos-ethical-standards.pdf>
- Young Worker and Child Labour Policy:  
<http://www.asosplc.com/~ /media/Files/A/ASOS/documents/asos-young-worker-and-child-labour-policy.pdf>
- Equality and diversity:  
<http://www.asosplc.com/responsibility/sustainable-business/our-people/safety-and-well-being.aspx>
- Pay and compensation:  
<http://www.asosplc.com/responsibility/sustainable-business/our-people/building-a-career.aspx>
- Health and safety: <http://www.asosplc.com/responsibility/sustainable-business/our-people/safety-and-well-being.aspx>

### Environment

- Environment: <http://www.asosplc.com/responsibility/sustainable-business/the-environment.aspx>
- Environmental policy:  
[http://www.asosplc.com/~ /media/Images/A/ASOS/content-images/ASOS\\_Environmental\\_policy\\_web.jpg](http://www.asosplc.com/~ /media/Images/A/ASOS/content-images/ASOS_Environmental_policy_web.jpg)
- Carbon and energy: <http://www.asosplc.com/responsibility/sustainable-business/the-environment/carbon-and-energy.aspx>

Anti-Corruption

- Packaging and waste:  
<http://www.asosplc.com/responsibility/sustainable-business/the-environment/packaging-and-waste.aspx>
- Sustainable fashion: <http://www.asosplc.com/responsibility/sustainable-fashion.aspx>
- Business integrity: <http://www.asosplc.com/responsibility/fashion-with-integrity/the-united-nations-global-compact/business-integrity.aspx>
- Anti-bribery statement:  
[http://www.asosplc.com/~/\\_media/Files/A/ASOS/documents/Anti-bribery%20statement.pdf](http://www.asosplc.com/~/_media/Files/A/ASOS/documents/Anti-bribery%20statement.pdf)