



# MODERN SLAVERY STATEMENT

2015/16

Slavery, servitude, forced labour and human trafficking (modern slavery) are issues of increasing global concern, affecting all sectors, regions and economies. Modern slavery is fundamentally unacceptable within our business and supply chains and is an important element in our overall approach to business and human rights. ASOS is committed to respecting, protecting and championing the human rights of all those who come into contact with our operations, including employees, stock and non-stock supply chain workers, customers and local communities. We accept our responsibility to support transparency and honesty; to find and resolve problems, and to work with others to protect the rights of workers, particularly those who are most vulnerable to abuses such as modern slavery.

This statement has been published in accordance with the Modern Slavery Act (2015). It sets out the steps taken by ASOS plc during the financial year ending 31 August 2016 to prevent modern slavery in our business operations and supply chains.

## ABOUT ASOS

ASOS is an online fashion destination, selling womenswear, menswear, footwear, accessories, gifts and beauty products via our website to millions of young 'twenty something' fashion lovers in 231 countries and territories.

### FACTS & FIGURES 2015 - 2016

<b>£1,444.9m</b> <b>REVENUE</b>	<b>2,700</b> direct ASOS employees	<b>192</b> ASOS label suppliers	<b>498</b> ASOS brand factories
<b>85,000</b> PRODUCTS ON OUR WEBSITE	<b>88%</b> of ASOS supplier factories are located in Bulgaria, China, India, Romania, Turkey and UK	<b>OVER 850</b> THIRD PARTY BRANDS	<b>100,497</b> ASOS brand manufacturing workers

### BUSINESS STRUCTURE

ASOS is based in the UK, with a head office in London, a smaller technology office in Birmingham and a customer care centre in Hemel Hempstead. ASOS fulfilment centres are located in Barnsley (UK) and Berlin (Germany), with additional third party-run returns and reprocessing sites in Australia, USA, Poland and the UK.

## SUPPLY CHAINS

We divide our supply chain into two separate areas:

1. Products for re-sale on our website, including ASOS brand products ('ASOS brand') and other third party brands' products ('third party brands').
2. Non-stock items and services, including outsourced customer deliveries, logistics, IT, cleaning, customer care and catering ('Non-stock').

ASOS brand products are designed in-house and manufactured by third party supplier factories. The Sourcing Department manages ASOS brand supply chain. The Ethical Trade and Sustainable Sourcing teams are located within this department to ensure product and raw material suppliers are selected based on ethical and sustainable as well as commercial criteria. Product supply chains are complex involving a number of different manufacturing processes. ASOS maps and describes them as follows:

TERM	DEFINITION	EXAMPLE	STATUS
Tier 1	Main production sites	Factory which cuts, sews, finishes ASOS brand product and ships to ASOS	Fully mapped
Tier 2	Primary process subcontractors	Provider of one or more processes e.g. stitching, cutting, packing, quality control, warehousing	Partially mapped - completion 2017/18
Tier 3	Secondary process subcontractors	Provider of one or more processes e.g. printing, dyeing, laundry, embroidery	Partially mapped - completion 2017/18
Tier 4	Fabric and components	Fabric mills, tanneries, hardware and trims	Partially mapped - completion 2018/19
Tier 5	Raw materials	Textile fibres, natural and synthetic materials	Key commodities mapped 2020

Table 1: Tier structure of ASOS brand supplier factories

**Supply chain transparency is a priority for ASOS. We recognise the importance of this for supply chain due diligence and workers' rights issues and will be publishing a list of all mapped and approved factories by 31 March 2017.**

ASOS sells over 850 third party brands which are all required to declare their human rights and environmental policies to ASOS as part of their contractual obligations. We are currently developing an in-house team within Sourcing to support third party brands with their ethical and sustainability performance.

ASOS non-stock products and services are managed through a central Procurement team, supported by ASOS Corporate Responsibility and ASOS Legal teams.

## POLICIES AND CONTRACTUAL CONTROLS

We continuously develop our Fashion with Integrity corporate responsibility strategy based on the UN Global Compact's four pillars of human rights, labour standards, environmental and anti-corruption principles and with reference to the United Nations Guiding Principles on Business and Human Rights.

ASOS' main operational policies related to respecting, protecting and remedying the human rights of all those who work on behalf of ASOS, are our **Human Rights Statement** and **Do the Right Thing - ASOS Code of Integrity** which apply to all areas of ASOS business and supply chains.

Recognising the human rights risks inherent in global sourcing, ASOS has been developing its ethical trade programme since 2008 in order to protect workers against human rights abuses, including forced or compulsory labour. Since 2009, ASOS brand and third party brand suppliers have been contractually required to comply with the **ASOS Supplier Ethical Code**. This will be extended to non-stock suppliers in 2017. In 2016 the Supplier Ethical Code was updated and now includes a separate section providing greater detail on what constitutes forced or compulsory labour, or modern slavery.

Related supplier policies that support action on modern slavery include **ASOS Migrant and Contract Worker Policy** and **ASOS Child Labour Policy**.

### ASOS Migrant and Contract Worker Policy

Newly developed in 2015, sets out supplier requirements to safeguard the rights and welfare of migrant and contract workers, two groups vulnerable to exploitation and modern slavery

### Supply Chain Transparency

Publication of ASOS mapped and approved factories by March 2017

### ASOS Child Labour Policy

Revised this year and now prohibiting the recruitment of young migrant workers through labour agents

Other documents relevant to preventing modern slavery in ASOS' operations include: People Handbook, Diversity and Inclusion Statement, Whistleblowing Policy, Grievance Procedure, Appeals policy, Anti-Bribery Statement.

# DUE DILIGENCE

## GOVERNANCE

The Chief Executive and ASOS Executive Committee are responsible for ensuring ASOS meets its human rights responsibilities. They are supported by the Director of Corporate Responsibility, Sourcing Director and Head of Ethical Trade.

Human rights and modern slavery are key elements of an annual corporate risk assessment process overseen by the General Counsel and Company Secretary on behalf of the ASOS plc Board. The assessment is developed with the participation of 45 senior leaders within the organisation.

In 2015-16 members of Sourcing, Ethical Trade, Sustainability and Corporate Responsibility met weekly and reported back to the ASOS Executive Committee, to whom any issues of concern were escalated. We have recognised the need for a more formal approach and will be launching a new Fashion with Integrity governance structure with plc Board oversight and independent advisors in 2017.

Over 2015-16 a working group was established to assess and respond to the risk or incidences of modern slavery, and to respond formally to the legislation. The group was facilitated by the Director of Corporate

Responsibility and Head of Ethical Trade, and included representatives from across the business, including People Team, Supply Chain, Legal and Non-stock Procurement.

The following departments are responsible for carrying out day to day implementation of policies and procedures that support ASOS in meeting its human rights responsibilities: People Experience Team (ASOS employees), Company Secretariat (whistleblowing), Corporate Responsibility (Fashion with Integrity strategy), Procurement (non-stock suppliers), Sourcing (product suppliers) and Supply Chain (outsourced logistics partners).

## RISK ASSESSMENT

ASOS recognises that there is a risk of modern slavery in any area of our business where there is:

- Migrant labour (country to country or within a country)
- High presence of refugees
- Young workers and risk of child labour
- Contract and agency workers
- Women workers
- Outsourced human resources function

The scope of the modern slavery working group's risk assessment in 2015 included ASOS brand manufacturers, non-stock suppliers, third party brand suppliers and ASOS direct employees.

Certain countries within our operations may have one or more of these modern slavery risks. Countries of highest risk are detailed in Table 2. Each area of the business was reviewed to set priorities and actions:

**High priority:** ASOS brand product manufacture, labelling and packaging, offices and fulfilment centres.

**Medium priority:** third party brands and non-stock suppliers with a high risk of forced or compulsory labour as determined by the presence of migrant workers or labour providers in the low skilled job sector.

**Low priority:** non-stock suppliers with a low risk of forced or compulsory labour.

We have looked at a number of risks across our business, and have concluded that our immediate focus must be on product manufacture. Whilst we acknowledge that modern slavery can be found in all economies, countries, industries and areas of operation, our initial analysis has identified that the areas at highest risk of modern slavery within ASOS operations, are garment manufacturing supply chains. Over the past eight years ASOS has developed ethical trading policies and programmes with the aim of discovering and addressing these issues. This gives us a strong platform from which to investigate issues of modern slavery.

## ETHICAL TRADE PROGRAMME

ASOS employs a team of ethical trade specialists ('The Regional Team') based in our key product sourcing regions. This ensures that those responsible for driving ethical standards and supporting our supply partners understand country specific risks including forced or compulsory labour. The Regional Team is supported by ethical trading experts in the Sourcing team at ASOS head office in London. The entire international team meets regularly for strategy development, training and conferencing.

See [here](#) for full details on our Ethical Trade Programme.

ASOS has developed its own detailed ethical trade audit methodology which is designed to support and encourage transparency as well as compliance with our Supplier Ethical Code. Whilst we are mindful of the limitations of

audits, our programme provides valuable input into our wider risk assessment and programme work. As we are also aware that perpetrators will work to conceal these issues from auditors, all **ASOS factory audits are now unannounced.**

In 2015-16 we also reviewed our assessment methodology and added specific modern slavery indicators. These indicators cover:

- Presence of migrant workers
- Use of labour providers or recruitment agents
- Evidence of informal or indirect recruitment
- Physical observations
- Work and accommodation
- Terms of employment
- Child labour

The indicators are used to assess the risk of the modern slavery during site audits. Should any indicators be discovered, our Regional Team immediately alerts head office ethical trade managers to agree actions. Before publication, our modern slavery indicators were reviewed by human rights organisation, Verité.

ASOS' commercial actions have a direct impact on suppliers and factories' ability to meet our Ethical Standards. We regularly review our own purchasing practices in order to identify ways to strengthen supplier relationships, and ultimately improve working conditions to try and prevent incidences of modern slavery from occurring. This process also involves requesting feedback from suppliers on ASOS' buying practices through conferences, workshops and anonymous surveys.

# RISK AND STEPS TAKEN

ASOS' due diligence processes have identified a number of potential modern slavery risks that could be present within our business operations and supply chain. These risks have been summarised in the table below, along with preventative steps taken and a set of commitments based on gaps apparent in ASOS' existing programmes. These are our particular focus areas.

MODERN SLAVERY RISK	WHAT'S THE ISSUE?	STEPS TAKEN 2015-16	COMMITMENTS 2016-17
<b>MIGRANT LABOUR</b>	<ul style="list-style-type: none"> <li>Migrant workers paying recruitment fees may be trapped in bonded labour and be subjected to inferior employment terms</li> <li>Labour recruiters create an additional layer between employers and workers, leaving workers exposed to deceptive or coercive recruitment practices</li> <li>Migrant workers often do not understand their rights in the destination country and the terms of their employment</li> <li>Countries of highest risk: Mauritius, China</li> </ul>	<ul style="list-style-type: none"> <li>Developed Migrant and Contract Labour Policy</li> <li>Conducted in-depth migrant worker assessments in Mauritian factories</li> <li>Delivered two-supplier meetings in Mauritius on migrant labour recruitment</li> <li>Initiated ETI Mauritius Migrant Labour working group</li> <li>Met with Mauritian Government Minister for Labour in May 2016 to raise concerns about risks faced by migrant workers in Mauritian factories and explain the requirements of UK Modern Slavery legislation</li> <li>Met with British High Commissioner in Mauritius in July 2016 to discuss migrant labour issues within context of Modern Slavery Act</li> </ul>	<ul style="list-style-type: none"> <li>Map and carry out risk assessment of migrant labour across ASOS brand supply chain</li> <li>Identify and engage with key NGO and Trade Union stakeholders on our migrant labour programme in Mauritius</li> <li>Implement Mauritius factory improvement plans</li> <li>Develop an action plan and pre-departure training to address the root cause of worker exploitation through the migrant worker recruitment process</li> </ul>
<b>REFUGEE LABOUR</b>	<ul style="list-style-type: none"> <li>Refugees are particularly vulnerable to human trafficking and forced, bonded and compulsory labour</li> <li>Refugees may not have access to legal means of employment, therefore increasing vulnerability</li> <li>Countries of highest risk: Turkey</li> </ul>	<ul style="list-style-type: none"> <li>Developed a robust approach on exploitation and discrimination of refugees in Turkey in conjunction with other ETI members</li> <li>Child labour remediation in Turkey</li> </ul>	<ul style="list-style-type: none"> <li>Continue to participate in the ETI Turkey Working Group</li> <li>Clearly communicate and embed policy on refugee labour to our supply chain where the employment of refugees may occur, ensuring legal employment and protection of this group</li> </ul>
<b>CHILD LABOUR AND YOUNG WORKERS</b>	<ul style="list-style-type: none"> <li>Children and young workers are more vulnerable to forms of modern slavery such as compulsory and forced labour as well as human trafficking</li> <li>Insufficient HR processes mean that young workers may be employed and enter the work place without sufficient checks to ensure their age, ability and safety in the work place</li> <li>Countries of highest risk: China, India, Turkey</li> </ul>	<ul style="list-style-type: none"> <li>Strengthened Child Labour Policy to reinforce ASOS' position on forced or compulsory labour</li> <li>Implemented unannounced assessments across sites manufacturing ASOS brand</li> <li>Child labour remediation in Turkey</li> </ul>	<ul style="list-style-type: none"> <li>Conduct further risk-assessment of supply chain to understand where key risks of child labour exist by region, product area and type of factory</li> <li>Map and visit lower tier sites, where there may be a higher risk of child labour</li> </ul>
<b>CONTRACT AND AGENCY WORKERS</b>	<ul style="list-style-type: none"> <li>Contract workers are often less secure in their employment, may have less rights in the workplace and are therefore more vulnerable to exploitation</li> <li>Labour recruiters create an additional layer between employers and workers, leaving workers exposed to deceptive or coercive recruitment practices</li> <li>Countries of highest risk: India, Turkey, UK</li> </ul>	<ul style="list-style-type: none"> <li>Developed a Migrant and Contract Labour Policy</li> <li>Commenced modern slavery assessments at all ASOS brand factories in addition to ASOS ethical assessments</li> <li>Identified issues in Northern India where security guards' original ID documents were being held by contractors</li> <li>Carried out audits of distribution centre agency labour providers</li> <li>Continued pay parity between entry level permanent and agency workers in distribution and returns reprocessing centres</li> </ul>	<ul style="list-style-type: none"> <li>Implement risk-assessment of supply chain to understand where key risks of contract and agency workers exist by region, product area and type of factory</li> <li>Revise assessment methodology in India and roll out to ASOS brand supply chain</li> <li>Develop Fair Hiring Toolkit for India suppliers recruiting contract workers</li> </ul>

# RISK AND STEPS TAKEN

MODERN SLAVERY RISK	WHAT'S THE ISSUE?	STEPS TAKEN 2015-16	COMMITMENTS 2016-17
<b>WOMEN WORKERS</b>	<ul style="list-style-type: none"> <li>Women are particularly vulnerable to exploitation, human trafficking and bonded labour</li> <li>All source countries</li> </ul>	<ul style="list-style-type: none"> <li>Identified the need for a specific programme focusing on female workers in our ASOS brand supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Develop a gender empowerment programme for the ASOS brand supply chain through training at factory level for both management and workers with an initial pilot in Turkey</li> </ul>
<b>OUTSOURCED HR FUNCTIONS</b>	<ul style="list-style-type: none"> <li>ASOS' responsibility to prevent risks of modern slavery extends beyond our direct operations and to those we outsource or that our suppliers outsource</li> <li>Countries of highest risk: India, UK</li> </ul>	<ul style="list-style-type: none"> <li>Updated ASOS Code of Integrity sent out to all non-stock suppliers to include a section on respecting human rights</li> <li>Carried out risk assessment of ASOS top 100 non-stock suppliers</li> <li>Conducted ethical audits of outsourced companies and labour agencies responsible for our fulfilment and returns processing centres in UK, Germany and Poland</li> <li>Implemented 100% unannounced audits to reduce the likelihood of audit evasion</li> <li>Commenced modern slavery assessments at all ASOS brand factories in addition to ASOS audits</li> <li>Confidential worker hotline in UK ASOS brand supply base and UK operations</li> <li>Created new roles in the Sourcing team responsible for reviewing third party brand suppliers' ethical trade programme</li> </ul>	<ul style="list-style-type: none"> <li>Publish ASOS brand factory list by end March 2017</li> <li>All non-stock contracts to require compliance with the ASOS Supplier Ethical Code, Child Labour Policy and ASOS Migrant and Contract Worker Policy in 2017</li> <li>Strengthen Term &amp; Conditions for ASOS brand suppliers</li> <li>Develop a reward and progression strategy to drive improvements in purchasing practices</li> <li>Extend confidential worker hotline to include ASOS brand global supply base</li> <li>Implement anonymous worker survey in ASOS brand Turkey manufacturing sites</li> <li>Implement ethical trade programme for third party brand suppliers</li> </ul>

Table 2: Risks and steps taken to prevent modern slavery in ASOS supply chains 2015-16

## ASSESSMENT OF EFFECTIVENESS IN PREVENTING MODERN SLAVERY

We are aware of the complex nature of modern slavery and acknowledge that it remains difficult to find and effectively remedy without addressing root causes. ASOS is committed to protecting and promoting the fundamental right of freedom of association within our business operations and supply chains. We recognise the role that freedom of association plays in protecting vulnerable people against modern slavery and other human rights abuses.

We understand that success in this area is unlikely to be achieved by brands working independently. As long term members of the Ethical Trading Initiative and a number of multi stakeholder programmes, we believe that the key to real progress is collaboration - across industries, and with NGO, state and Trade Union partners. ASOS is addressing modern slavery risks through its membership of the following initiatives:

**ETI:** ASOS has been a member of an alliance of companies, non-governmental organisations and Trade Unions called the Ethical Trading Initiative (ETI) since 2009. ASOS regularly attends ETI meetings and participates in a number of working groups set up to address labour rights issues. ASOS formed a Working Group with other ETI members in 2015 who are sourcing from Mauritius to improve migrant worker recruitment processes (page 6).

**Fast Forward:** An initiative involving other major UK retailers, aimed at addressing **UK specific supply chain issues** (page 6).

# ASOS BRAND

The Ethical Trade Team carried out 430 factory assessments during 2015/16. Where modern slavery risks are regional or industry-wide, we are working in collaboration with our suppliers, industry colleagues, and other key stakeholders on programmes to address and remediate them.

Examples of risks and particular areas of focus 2015/16 and ongoing:

## FOCUS ON MIGRANT LABOUR IN MAURITIUS

We identified that the factories supplying our product in Mauritius employ the highest number of migrant workers in our supply chain. Over 53% of those working in Mauritian garment factories are migrant workers recruited from Bangladesh, India, Sri Lanka or Madagascar. Migrant workers frequently pay fees to recruitment agencies prior to gaining employment abroad. These fees may cover costs including the recruitment itself, travel, visa and other administrative or hidden costs. Recruitment fees can leave workers trapped in situations where they have little choice but to work until their debt is repaid. Following consultation with Verité, a human and labour rights organisation, we conducted detailed reviews of all 11 factories in our Mauritian supply chain. Through these reviews, which included off-site interviews with workers, we identified a number of opportunities to improve factory recruitment and employment practices.

We are currently working with suppliers to act upon findings and recommendations to better protect migrant workers. We recognise that the situation is complex. ASOS will monitor supplier factories closely and enforce our policy on recruitment processes, but we cannot improve the situation with an audit-based approach alone. We need to work collaboratively with others, including governments and local actors, to find a sustainable solution. One option under consideration is to fund the provision of pre-employment training for potential workers in Bangladesh, thus raising awareness of their employment rights. The Mauritian government is a key actor and we believe that along with other retailers, suppliers, international and local groups as well as the workers themselves, ASOS can play a strong role in advocacy and support.

## FOCUS ON UNAUTHORISED SUB-CONTRACTING IN TURKEY

Any audit programme can only provide a snap-shot of conditions in a factory. By committing to 100% unannounced audits and the publication of our factory list we are aiming to maximise the effectiveness of the audit programme. However, there is a risk of illegal sub-contracting, where a supplier uses an unauthorised manufacturing site that has not been approved or covered by ASOS ethical audits. Some of the ways we are reducing this risk is by consolidating our supply chain, strengthening our terms and conditions of trading, and increasing our presence locally in all our sourcing regions.

A situation occurred in September 2016, when a journalist revealed that a factory in Turkey, contracted to make ASOS brand products, was outsourcing the ASOS brand to unapproved subcontractors which were employing under-age Syrian workers. We took swift action to find these subcontractors and ensure protection for any vulnerable people working there. In total we found seven Syrian child workers between the ages of 11 and 15. We worked with their families to remove them from work and place them back in long term education. We have committed to providing a local living wage for each child during the full period of education, up to and beyond the legal working age, where this is appropriate for each child. We have connected adult Syrian workers in these undeclared subcontractors to relevant local support agencies.

ASOS takes the situation of Syrian refugees in Turkey very seriously and has been engaged with the ETI and its members on this issue since 2014. We have committed to taking a common approach towards our Turkish suppliers with other ETI members, emphasising that exploitation of and discrimination against Syrian refugees working within the sector is fundamentally unacceptable.

We have signed up to the ETI's Turkey programme which aims to establish a long-term business and human rights platform for the apparel industry in Turkey. Alongside this programme we are also engaging in a long term project to map our supply chain to the lowest tier levels, enabling us to control our order placement and address issues at all levels of our supply chain and in every source country.

## FOCUS ON THE UK FAST FORWARD PROGRAMME

ASOS became a founding member in 2014 of Fast Forward, a new initiative involving other major UK retailers, aimed at addressing UK specific supply chain issues.

The Fast Forward programme focuses on prevention of worker exploitation and mistreatment of workers in UK supply chains, in particular identifying risks of modern slavery. Factories are required to demonstrate good practice measures to engage with their workers to proactively detect and remedy modern slavery issues. The programme assesses modern slavery risks in several different forms:

- Where the employer knowingly holds workers in slavery
- Where there is an intermediary supplying workers to the employer, who is negligent or naive to the risks
- Where an organised individual or gang supplies workers to the employer in a legitimate supply chain

Since 2015 all of our UK audits have included a Forced Labour Indicator Report for each factory. The programme includes workshops for all suppliers and manufacturing sites, including a detailed section on Modern Slavery. There is a multi-language confidential whistleblowing helpline, through which workers can report any modern slavery issues or other abuses.

In the case of modern slavery risks being identified there is a range of remedial actions that ASOS will pursue, including:

- Reporting to the National Crime Agency, local Police Modern Slavery unit or other relevant authority
- Alerting Fast Forward group members and collaborate on response
- Reviewing business relationship

In 2017 we will carry out follow up workshops for UK suppliers to include modern slavery training and extend the programme to include lower tier sites in the UK, including third party warehouses.

## THIRD PARTY BRAND SUPPLIERS

ASOS stocks over 850 third party brands, representing 56% of sales.

Whilst third party brand suppliers are required to confirm acceptance of ASOS Ethical Standards at contract stage, we are currently unable to verify the performance of all third party brand suppliers, particularly those suppliers who are not part of Ethical Trading Initiative or other multi-stakeholder programmes. To address some of the modern slavery and other human rights and environmental risks within this sector we have created new roles within our Sourcing team to be responsible for deeper work with our third party brand partners, including the

introduction of a new third party brands' ethical trade programme.

Our vision is to act as a catalyst for change, sharing the best practice achieved by third party brands with mature ethical trading programmes with developing companies, and driving improvement across the industry.

We are structuring our new approach to supporting third party brands' ethical performance under the headings 'collaborate, influence, guide and train'. This recognises the diversity of our partnerships which offer opportunities to

learn from and collaborate with established third party brand partners with strong human rights programmes; to influence those who are currently not demonstrating a high level of commitment; and importantly to support smaller, new third party brands in building their capacity for ethical trade and sustainability as they grow.

We believe that there are significant opportunities to develop collaborative programme work with our third party brand partners to the ultimate benefit of workers in supply chains and business operations.

## NON-STOCK PROCUREMENT

ASOS recognises that it has a responsibility, and an opportunity, to embed ethical purchasing practices within both stock and non-stock procurement. Until 2015, the focus of our ethical trade programmes has been on ASOS brand product manufacturing sites. However, during 2015, work began on extending the approach to non-stock providers of goods and services. Initially ASOS carried out a risk assessment of its top 100 non-stock suppliers, which together represent 82% of non-stock procurement by value. Examples of these include freight handling, distribution, order fulfilment, returns processing and outsourced customer care agents. Contract terms for all these suppliers are being systematically reviewed to ensure that

wage rates are agreed, transparent and fair, and that ASOS retains the right to carry out social audits of the suppliers' activities and premises. Currently, all non-stock contracts require compliance with the ASOS Code of Integrity 'Do the Right Thing'. From 2017, all non-stock contracts will additionally require compliance with the ASOS Supplier Ethical Code, ASOS Child Labour Policy and ASOS Migrant and Contract Worker Policy.

In 2016, ASOS engaged independent specialists to carry out ethical trade audits of the outsourced companies and labour agencies responsible for our fulfilment and returns processing centres in the UK, Germany and Poland. No incidences of modern slavery were found during these

audits. However, we identified a high proportion of migrant workers at the Polish reprocessing centre and we are working closely with its management to ensure these workers are provided with adequate employment protection.

ASOS has committed to paying the Living Wage Foundation rate to all UK outsourced employees and has a roadmap in place to achieve this by 2018. In 2015-16, the Procurement team began a cycle of supplier contract updates to reflect this commitment, beginning with head office cleaning, catering and security contracts. These were updated to ensure employees are paid at least the London Living Wage from 1 September 2016 (rate set by the Living Wage Foundation).

## REPORTING MECHANISMS

ASOS has a number of formal and informal feedback mechanisms across its operations and works hard to create a culture where employees can share concerns and ideas. For those who wish to give anonymous feedback, ASOS has an independently operated 24/7 helpline for employees called "We're Listening", through which they can raise any concerns, including about human rights and working conditions. The helpline is communicated widely and regularly. Reports are received by ASOS' General Counsel and Company Secretary for investigation and remediation, and remain

strictly confidential at all times. In 2015-16 the helpline covered ASOS employees and contractors in ASOS premises. 'We're Listening' will be extended in 2017 to provide a whistleblowing service to workers in ASOS brand supplier factories in all major sourcing regions.

ASOS also operates a whistleblowing hotline for all 800 workers and 24 factories in its UK supply chain. Once a complaint has been received either via the hotline or directly, ASOS' UK regional associate is alerted and investigates the report.

ASOS is currently developing a worker survey for Turkish factories to enable workers to provide anonymous feedback via their mobile phones on their working conditions. ASOS' aim is to roll this out to other regions once the survey has been refined following the Turkish pilot.

We will continue to develop tools and resources to ensure worker participation and awareness of rights, in conjunction with our NGO and Trade Union colleagues to enable long term sustainable change.

# TRAINING

We have used the Modern Slavery Act as an opportunity to embed greater understanding of human rights within our product supply chains, and importantly, to extend this awareness to other business areas and thus change our approach to third party branded and non-stock purchasing. We have trained those employees most directly involved in purchasing decisions in the risks of modern slavery across our wider business operations, and developed specific further training interventions targeted at different levels and groups within the business. For example, we have deepened our Ethical Trade team's understanding of the key indicators of modern slavery, by hosting a training session for the entire global audit team at head office in London. ASOS CEO and Executive Directors have been briefed and are engaged in regular discussions on human rights and modern slavery, and individual directors have spent time with auditors and suppliers within factory and distribution centre environments to help them gain a better understanding of the issues these sites face.

In addition we have developed several other modern slavery training opportunities for employees and suppliers by:

- Collaborating with Verité and other retailers to develop focussed training on modern slavery for personnel responsible for commercial relationships with suppliers
- Developing training in ethical trade and purchasing practices for buyers of ASOS brand and third party branded product
- Running annual supplier workshops for ASOS brand suppliers. These have been launched in UK, Turkey, China and Mauritius and will be extended to all main other sourcing regions in 2017.
- Participating in the Fast Forward UK factory programme which ensures ASOS UK suppliers are trained in compliance and ethical standards within the UK garment industry, including modern slavery

## FURTHER STEPS

This statement marks our commitment to ensure ASOS has the appropriate risk assessment and due diligence processes to eradicate from our wider supply chains and to contribute to wider initiatives addressing its root causes. The Risk Assessment table on page 4 and 5 identifies further steps in relating to specific ASOS brand supply chain risks. In addition we make the following commitments at organisational level:

### COMMITMENTS 2016 - 2017

- Publish our factory list on ASOS corporate website by 31<sup>st</sup> March 2017
- Extend UK whistleblowing helpline to cover all ASOS brand sourcing regions in relevant languages
- Establish a formal corporate responsibility governance structure reporting to ASOS plc Board
- Review employee and non-stock supplier policies to ensure they provide adequate protection against modern slavery
- Launch an ethical trade support programme for third party brand suppliers
- Improve stakeholder engagement by working directly with a human rights NGO in the role of 'critical friend'
- Significant increase in number of ASOS ethical trade team and Regional Team members world wide

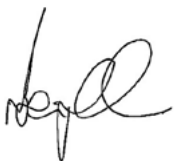
### COMMITMENTS 2017 - 2020

- Collaborate further with industry peers, NGOs and trade unions to address systemic issues which are at the root of labour abuses and therefore create opportunity for actions against modern slavery to flourish
- Extend supplier compliance and ethical standards training to all sourcing regions
- Review how reward and progression strategy can be used to drive improvements in purchasing practices
- Extend UK Living Wage (as defined by the Living Wage Foundation) to all UK outsourced workers, including third party distribution, fulfilment and customer care centre workers and their agency employees

As a fast growing and changing organisation, we need to be particularly aware of emerging risks and to be alert to the dynamic nature of both modern slavery and the impacts leading from our own operations. We will therefore continue to reflect on, develop and extend our approach to modern slavery, both in the breadth of approach across non-stock and third party brands' supply chains and in the depth of work within product sourcing regions.

ASOS' Modern Slavery Statement 2015/2016 was prepared by the ASOS Modern Slavery working group and approved on behalf of the ASOS Board of Directors on 31<sup>st</sup> January 2017.

Signed



**Nick Beighton**  
CEO, ASOS plc  
January 2017