

## ASOS response to Business & Human Rights Resource Centre questionnaire – 19<sup>th</sup> May

### **In the 12-month period directly before the COVID-19 outbreak:**

*Please answer all questions and provide YES, NO or numerical answers where requested. We also welcome additional information and context.*

1. What are the maximum number of days from invoice date within which you pay your suppliers (e.g. 30, 60, 90, 180 days)?

*Our standard payment terms for own-brand suppliers are aligned with the ACT Purchasing Practices guidelines and have not been changed or extended as a result of Covid-19. The number of days is commercially sensitive information we cannot share publicly.*

2. When is payment for orders typically made (i.e. after shipping, upon receipt of goods, partial payment in advance of production, etc.)?

*Standard payment terms for our own-brand suppliers are a set period of days after receipt of goods.*

3. In this period, have you asked suppliers for a discount after placing an order? **Y/N**

Yes.

- a. If yes, what percentage of FOB was the discount (if varying, please list all percentages)?

*In September 2019 ASOS implemented a 3% discount; it is the only time ASOS has applied such a discount. It followed a number of years of significant investment – more than £500m – by ASOS into its growth, and reflected the increased business we had been able to give our suppliers as a result of this and our ambition to continue to grow in the future, to the benefit of our suppliers. This discount was applied at the supplier level, not at manufacturing level, and we had conversations with our suppliers at the time to ensure that any concerns around workers in their factory base were properly addressed. A group of senior ASOS representatives met daily to review any specific concerns or questions raised by suppliers so that these could be escalated and resolved.*

4. Do your contracts have clauses for financial penalties:
  - a. For suppliers for contract non-compliance (e.g. for late delivery, wrong specs etc.)? **Y/N**  
Yes.
  - b. For you (the buyer) to be held financially liable (in the form of a payment premium or otherwise) for changes in orders after a PO has been raised (order volume, order specs, order deadline etc.)? **Y/N**  
No.

### **In the period since the COVID-19 outbreak:**

*Please answer all questions and provide YES, NO or numerical answers where requested. We also welcome additional information and context.*

5. Have you committed to pay in full for:
  - a. All completed orders? **Y/N**
  - b. All in-production orders? **Y/N**

*Yes we have, and we have published a detailed statement on our plc site outlining the steps we have taken. You can read it here: <https://www.asosplc.com/~media/Files/A/Asos-V2/reports-and-presentations/working-with-our-suppliers-during-covid-19-May-2020-update.pdf>*

6. Have you extended your usual payment times? **Y/N**

*No.*

- a. If yes, what are current payment terms (in days, e.g. 90, 180, 230 etc.)?
- b. Are you supporting suppliers with access to local finance with a letter of credit or through other means? **Y/N**

*Yes, we are facilitating requests similar to this on a case-by-case basis with suppliers.*

7. Have you requested a discount for any orders? **Y/N**

*No.*

- a. If yes what, percentage of FOB (if varying, please list all percentages)?

8. Have you taken any other steps (outside of order payment) to ensure workers in your supply chain have been paid wages for March and April, or will be paid wages or otherwise provided for during periods of lockdown? **Y/N**

*Yes. In addition to supporting suppliers with issues on a case-by-case basis and maintaining communication with our suppliers, we are actively engaged in a number of initiatives such as ACT, ETI and have endorsed the ILO Global Proposal for action on Covid-19 as well as continuing to engage with local stakeholders including NGOs and unions in country. Further information is included in our public statement: <https://www.asosplc.com/~media/Files/A/Asos-V2/reports-and-presentations/working-with-our-suppliers-during-covid-19-May-2020-update.pdf>*

9. Where production is ongoing, have you taken steps to ensure suppliers are implementing measures to protect garment workers from infection (i.e. social distancing, sanitising practices, providing adequate protective equipment)? **Y/N**

*Yes. We have shared WHO- & Government-issued guidance with our suppliers on health & safety measures to protect workers from Covid-19 and have asked them to report their compliance with these guidelines.*

10. Are you paying shareholder dividends? **Y/N or N/A for companies without public shareholders**

*No.*

11. Please add any additional comments (optional):

*No further comment.*