



17<sup>th</sup> January 2022

Business & Human Rights Resource Centre,

Thank you for your email and inviting us to respond to recent reports regarding garment workers' wages in Karnataka, India.

We are deeply concerned by reports of the non-payment of the minimum wages in the Karnataka supply chain and have been engaging with this issue. The people in our supply chain are a core part of how we do business, and our code of conduct clearly states that the non-payment of minimum wage is a critical issue for ASOS, with business implications for suppliers identified as not meeting our expectations.

We have reviewed the actions outlined in your email, and are committed to collaborating with our suppliers, their employees, civil societies, and the wider industry to ensure that these are implemented.

We have a consolidated indirect supply chain (through agents) in Karnataka (Appendix A). Our first action on this issue was to contact all our suppliers to get clarity on the situation. We asked them to provide an update on whether their factories have paid workers 100% of wages since 2020, including Variable Dearness Allowance (VDA). We are conducting desktop reviews where suppliers have confirmed that they paid 100% wages, including VDA. We plan to visit the sites on the ground in the coming months to complete an on-site verification by reviewing documentation and carrying out worker interviews.

While our suppliers await a new hearing on the subject on 7th Feb, we have informed them that as a responsible business we expect any outstanding dues to be cleared and will work with them to achieve this.

To support our efforts, we are collaborating with our peers in other brands sourcing from the region, the Ethical Trading Initiative, and Worker's Rights Consortium.

We will continue to keep all relevant parties updated as we proceed with the next steps on this issue and welcome the continued support of the BHRRC.

Many thanks

Adil Rehman  
Head of Ethical Trade, ASOS

**Appendix A**

ASOS Karnataka supply chain

Strands International
Raised on Denim Unit 1
Fashion Line Apparels
Sunrise Fashions II
English Blazer
Indian Design