



Impact Report 2018

YOOX
NET-A-PORTER
GROUP

Chairman and CEO statement



Chairman and CEO statement

Sustainability and luxury can go hand in hand; we believe they must. This belief has driven us for a decade. In 2009, we became sustainable fashion pioneers with the launch of YOOXYGEN, a platform for sustainable products and brands created by YOOX. In 2016, we became a fur-free pioneer across all our platforms. Since then, we have gone on to launch many new initiatives centred on driving positive change.

Innovation and pushing boundaries define our company and brands. In that spirit, we are renewing our approach to sustainability in 2019, to ensure we continue to stay ahead of the expectations of our customers and other stakeholders.

We know our customers are increasingly passionate about many sustainability issues, with a new emphasis on sustainable fashion, on climate change and responsible use of packaging and plastics. The work we have been doing aligns well with these priorities.

We've also observed increasing sensitivity to diversity. We have always believed in empowering women and are living proof that this leads to a successful company. We take great pride in the representation of women in our business: women make up 63% of our workforce and 50% of our leadership team.

We are especially committed to increasing the number of women in tech jobs through a programme of action and influence led by our Women in Tech programme.

We are especially committed to increasing the number of women in tech jobs through a programme of action and influence led by our Women in Tech programme. To spark a love for technology in children and young people, especially girls, we believe strongly in digital education, combining it with imagination and innovation to help develop outstanding leaders for tomorrow. Since 2016, we have engaged over 5,400 young people – more than 50% of whom were girls - through partnerships with Imperial College London, Fondazione Golinelli and others.

Chairman and CEO statement

While I'm convinced that diversity strengthens our business, we need to build resilience in other ways too. Climate change is a generation-defining issue that we all need to address vigorously. Our company is committed to reducing our impact, within our business, in our supply chain and in the products we sell. Our Italian offices and logistics hubs are using 100% renewable energy, one year ahead of our 2020 target and we are also reducing our energy demand globally. We're driven to do more, with less.

At the same time, we are striving to provide more, for everyone. For us, this means upholding human rights in our business and in our supply chain. We promote ethical, transparent supply chains and products through external certifications and standards, such as the Responsible Jewellery Council and we remain committed to the principles of the UN Global Compact for business.

In becoming part of Richemont, a world leading luxury group, we will continue in our strong commitment to sustainability and share our vision with Richemont and the GROUP's Maisons.

We believe that operating at the intersection of sustainability, technology and fashion gives us a unique opportunity for real impact.

As a pioneer in our industry, we always have a bias towards action. That is why we work hard to translate our sustainability vision into concrete steps. We believe that operating at the intersection of sustainability, technology and fashion gives us a unique opportunity for real impact. With a renewed focus in 2019, we will do our best to make a positive change in the world in big ways and small.

Federico Marchetti
Chairman and CEO
YOOX NET-A-PORTER GROUP

About this report

Welcome to our 2018 Impact Report.

This report covers all YOOX NET-A-PORTER GROUP activities including the YOOX, NET-A-PORTER, MR PORTER and OUTNET websites as well as the GROUP's ONLINE FLAGSHIP STORES division that designs and manages ONLINE FLAGSHIP STORES for leading fashion and luxury brands looking to offer their latest collection on the internet.

This is our third report as YOOX NET-A-PORTER GROUP and the first under the management of Compagnie Financière Richemont S.A. We report annually, and our 2016 Sustainability Report and 2017 Non-financial declaration are available at www.ynap.com/pages/sustainability/.

This report covers the 2018 calendar year and has been prepared in accordance with the GRI Standards: Core option. A GRI Index and UN Global Compact Communication on Progress linking table are available on pages 57 to 66.

Where material and feasible, we report on value chain impacts such as delivery and our supply chain.

We have not sought external assurance for this report. To ensure its accuracy, the report has been reviewed by internal stakeholders and we have engaged external consultants to provide guidance and expertise.

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Our approach to sustainability



Our approach to sustainability

We defined our sustainability strategy in 2016 following the merger of YOOX and NET-A-PORTER. This strategy has guided our actions since then, helping us to meet the expectations of our customers and other stakeholders, and improve our social and environmental impact.

Having laid the foundations of our long-term approach to sustainability, in 2019 we will review our strategy and set ambitious targets to ensure we continue to improve our performance in this area.

Our sustainability vision is built on three pillars:



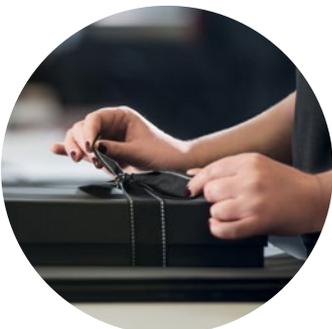
Education

We promote quality education as a foundation for improving people's lives.



Empowering women

We are building an inclusive, global workforce and empowering women.



Responsibility

We operate our business responsibly and we are focused on reducing impacts.



Governance and ethics



Governance and ethics

Ethical behaviour and responsible business conduct are fundamental to our success. On 20th June 2018, YOOX NET-A-PORTER was delisted from the Milan Stock Exchange and from 1st August, 2018 YOOX NET-A-PORTER has been subject to the management and coordination of Compagnie Financière Richemont S.A.

The current composition of the YOOX NET-A-PORTER Board of Directors, as confirmed by the shareholders' meeting held in November 2018, comprises eight Directors. Federico Marchetti was appointed Chairman and CEO and the Board includes mainly Richemont representatives. The Board of Directors is ultimately responsible for the management of YOOX NET-A-PORTER and can delegate its functions to one or more Directors. See Richemont's website for details of their governance structures.

YOOX NET-A-PORTER is currently working alongside Richemont on compliance with Richemont's new Standards of Business Conduct. The standards define the way in which we work within the organisation, and with our clients, suppliers and shareholders. The principles of good corporate governance are aligned to YOOX NET-A-PORTER's current standards and working practices, and how all parts of the GROUP conducts its business.

During the reporting period the YOOX NET-A-PORTER Ways of Working document set out our business practices and our values – the behaviour we expect from all people at YOOX NET-A-PORTER. Our Code of Ethics sets the principles and rules that guide our day-to-day business activities.

YOOX NET-A-PORTER's Supplier Code of Conduct requires our business partners to fully comply with the laws, rules and regulations in the countries in which we operate. It requires compliance with internationally recognised standards relating to labour legislation and human rights, as well as industry specific ethical standards relating to the sourcing of materials and products.

Governance and ethics

YOOX NET-A-PORTER's Enterprise Risk Management approach is based on ISO 31000, and concerns itself with a wide range of risks, including risks relating to sustainability and human rights. The GROUP Compliance, Ethics and Risk Committee deliberates on and oversees initiatives to address events – both opportunities and threats – with an impact on the GROUP's achievement of strategic objectives and on the Corporate Compliance model.

Richemont defined transparency in its materiality assessment to encompass non-financial reporting. In the release of its 2016 and 2018 Sustainability Reports and in the 2017 NFI statement, YOOX NET-A-PORTER has provided ongoing and detailed transparency regarding its business, its commitment to sustainability and its performances.

A new Sustainability and Inclusion function will be created in April 2019. This function will accelerate the progress around our sustainability vision and pillars in 2019 and beyond through strong partnership with all internal and external stakeholders.





Stakeholder engagement



Stakeholder engagement

Our business affects a broad range of stakeholders inside and outside our business. Our stakeholders are individuals and groups who are significantly impacted by our business either directly or within our value chain.

We engage with our stakeholders on a regular basis, so we can continue to meet their expectations and tackle the issues that matter most to them. We respond directly to their concerns; for example, we launched our sustainable packaging project after customers raised this as a key issue.

Stakeholder	How we engage	Key issues
Customers	Customer panel; Net Promoter Scores; personal shoppers; customer care; customer events; social media; UX Research and Data Insight Teams	Customer service and satisfaction; product availability; transparency (origin/traceability of product); responsible sourcing; sustainable packaging; data protection
Employees	Structured performance management; learning and development academy platform; internal social teams; SA8000 social performance team; internal intranets; training on GROUP Ways of Working	Health, safety and wellbeing; employee recruitment; development, training and retention; diversity and inclusion; employee engagement
Richemont	Interim and annual result presentations; ongoing monitoring and reporting; individual meetings and daily interactions	Financial performance; governance and business ethics; compliance to GROUP directives

Stakeholder engagement

Stakeholder	How we engage	Key issues
Suppliers and strategic partners	Supplier Code of Conduct; supplier audits; daily interactions	Responsible sourcing; ethical, social and environmental standards; quality of products; fair payment terms
Brand partners	Performance meetings; daily interactions; website reviews	Design of digital products; logistics; services such as customer care and packaging; e-commerce management
Community and NGOs	Corporate citizenship activities; dialogue and participation in initiatives such as UN Global Compact and RE100	Community partnerships; economic impact; employment opportunities; ethical, social and environmental practices
Academic institutions	External training and courses held by GROUP managers; field projects for students	Student engagement; employment opportunities; sharing knowledge
Industry and trade associations	Partnerships, relationships and roundtables with industry associations such as Altagamma, Walpole and RJC	Align, implement and share best practices; ethical, social and environmental practices
The media	Company announcements; meetings with press and media representatives; press briefings; advertising	Consumer attitudes to luxury; technology and sustainability-related trends; responsible sourcing and ethical standards

Stakeholder engagement

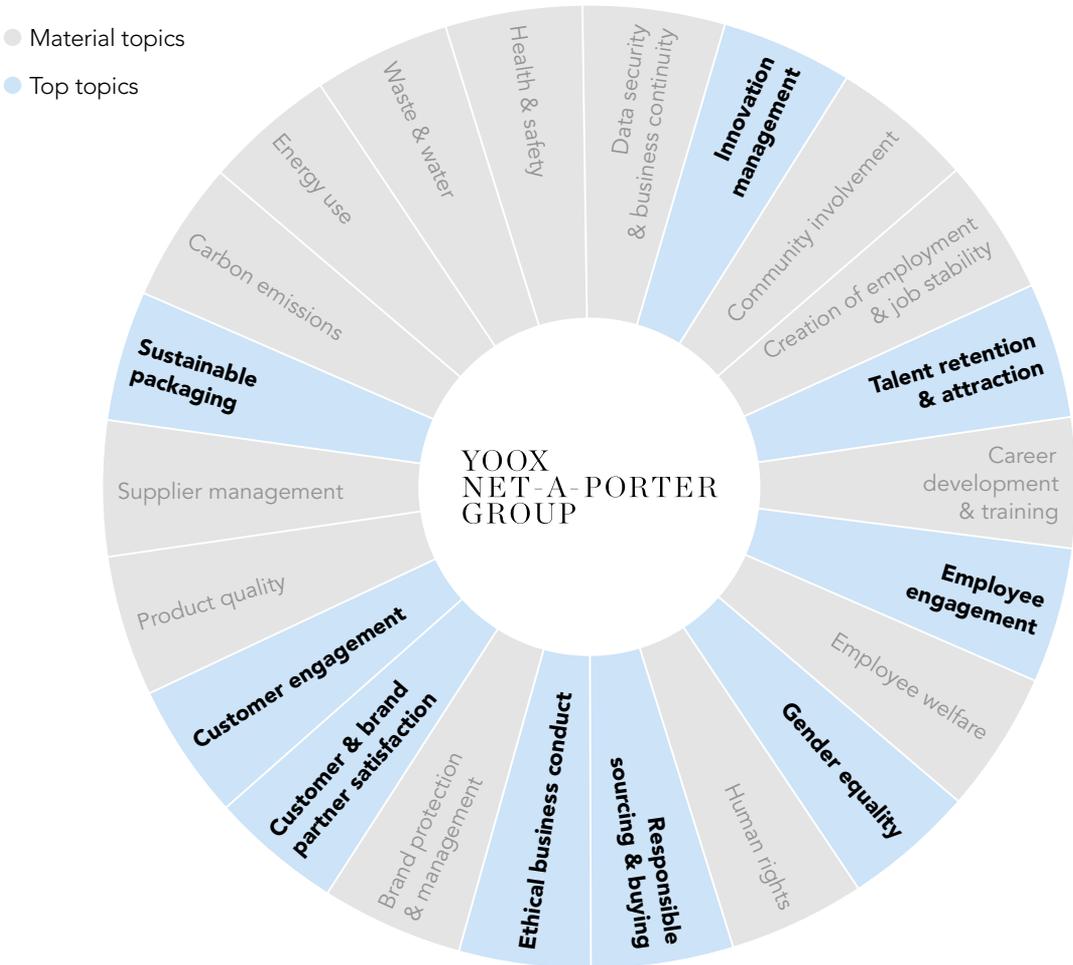
Materiality

By focusing on what matters most to our business and stakeholders, we can make a real difference and deliver on our stakeholders' needs, in our operations and our value chain.

In 2016 we worked together to understand the topics that matter most to our business. We reviewed the activities of fashion, luxury and e-commerce peers, internal activities and best practice indices to identify key topics. We then engaged stakeholders including 24,000 customers, 11 key partners and almost 40 employees to prioritise these topics.

Through this engagement we identified the nine key topics that mattered most to both internal and external stakeholders while retaining a longer list of 22 material topics to manage. These topics have helped define the content of this report.

As part of our wider strategy review we are reassessing the material topics we prioritise whilst also looking to align to Richemont's priorities.



An overhead photograph of several young women sitting on a grey carpeted floor, each using a laptop. They are wearing white t-shirts with various logos and designs. The scene is brightly lit, and the perspective is from directly above.

Education and our people



Education and our people

Exceptional people drive our business forward and we are proud to have some of the most talented people in the industry working with us.

We're creating a culture that nurtures talent by developing our people, ensuring their wellbeing, and fostering innovation; in essence, creating a place where people want to work and can thrive. In the wider community, we are promoting digital skills to inspire the next generation of innovators.

We are growing fast – employee numbers rose by 7% to 5,046 colleagues in 2018 – and attracting, retaining and educating more and more talent to our business remains a critical focus and forms part of our strategy.

Key data

5,046

employees worldwide

34

average age

42%

of our people are aged 30 or under

93

nationalities among our employees

63%

of employees are female

93%

of employees are in permanent roles

60%

of senior managers are hired from the local community

100%

of employees receive annual performance reviews

Education and our people

Developing and supporting our people

Creating a place people want to work starts with our company culture. Guided by our values, we're committed to inspiring our people through learning and development activities, the opportunity to experience different cultures, supporting wellbeing and promoting work/life balance.

As a result of these efforts, we are proud to have been recognised as a Top Employer in Italy for the fifth consecutive year. This certification is a fantastic achievement and follows the rigorous evaluation of our policies, culture, benefits and other initiatives.

Creating a great place where people thrive is about promoting their health and wellbeing and responding to their needs.

Wellbeing

Creating a great place where people thrive is about promoting their health and wellbeing and responding to their needs.

The employee-led YOOX NET-A-PORTER Social Team brings together individuals from all levels and sections of the business to strengthen the bonds between all colleagues and contribute to the community and environment. In 2018 the team organised a rich schedule of events including Kids Days, where parents can bring their children to the office; Christmas parties; fundraising; sports activities; and cultural events.

We also offer benefits including life, medical and personal insurance; paternity, maternity and family care leave; paid sick leave; and an employee discount on our multi-brand online stores, according to location, employment and contract type.

To ensure a safe working environment we have a BS OHSAS 18001:2007 certified Workplace Health and Safety Management System in Italy and Japan. This is supported by training and consultations with employees.

Education and our people



Developing talent

Investment in our people is crucial to delivering our short and long-term goals. We want to equip our people for success, helping them to connect, learn and grow.

Our high-performance culture hinges on well-defined individual objectives, which are set during regular performance reviews between employees and their managers. 100% of our employees receive feedback, support, direction and tips for continuous improvement through our MYPR annual performance review process. We are continuously improving our performance review process and will review MYPR in 2019 to ensure it continues to be appropriate for our diverse workforce.

Investment in our people is crucial to delivering our short and long-term goals.

Education and our people

The Academy

To support continuous personal development, we will be launching The Academy in 2019. This is a new way to help our people to continuously develop their knowledge and skills, building our people up for our shared success.

The Academy will enable access to over a 1,000 new digital learning units, face-to-face events, learning programmes and playlists. Additionally, our people will have the ability to share learning and connect to others through the Academy platform. Training is suggested based on role and then quickly personalised to an individual's interests. Reflecting our commitment to digital education, the Academy will give colleagues access to digital essentials and technology training. As well as YOOX NET-A-PORTER content, over time The Academy will provide access to Richemont learning materials and programmes.

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Four flagship Academies – Fashion, Operations, Technology and Corporate – provide access to job-related training, a Leadership and Management Academy will help our people managers and leaders develop the capabilities they need, while the Essentials Academy will provide core skills and capabilities.

In 2018, we estimate that 5,850 training hours of internal training were provided by our Learning and Development function. Many additional hours were spent on creating the new training platform and developing new training content.

Education and our people

Digital education

We are part of a thriving digital economy. We want to inspire young people to boost their digital skills, especially girls and others traditionally underrepresented in the sector.

We believe it is important to spark this interest early and develop it throughout students' academic careers. We support programmes aimed at school-aged children as well as partnerships with universities.

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Inspiring the innovators of tomorrow

Since 2016, in partnership with institutions around the world – from Imperial College London and Fondazione Golinelli in Bologna, and with the support of YOOX NET-A-PORTER Tech team – we have invested in a Digital Education Programme. We aim at inspiring the next generation, especially young girls, to learn about technology through the lens of fashion.

Our programmes cover the whole lifecycle of learning: supporting the teaching of digital skills at primary and secondary schools; incubating tech talent in secondary school students; and partnering with world-class higher education institutes including Bocconi University.

Beyond ensuring the next generation is provided with the skills they will require to thrive in our digitalised world, we place a particular focus on educating girls to tackle the lack of diversity in the technology industry.

New research, commissioned by the GROUP in 2018, has shown the need for positive role models in technology to inspire girls to pursue careers in technology. In fact, half of the girls interviewed hold a belief that technology careers are “unexciting” and more than two-thirds think that roles in tech are predominantly linked to gaming and IT consultancy.

Education and our people



More than 1,500 future innovators took part in an inspiring programme of free activities provided by YOOX NET-A-PORTER and Fondazione Golinelli as part of the international EU Code Week. The 3–18-year-olds had the opportunity take part in engaging activities including programming smart gadgets and flying robots, using agile methodology and robotics. To highlight the contribution women have made to the tech sector, we also ran workshops and activities celebrating Ada Lovelace, the first programmer in history.

In the UK, we partner with Imperial College London on “Imperial CodeLab Powered by YOOX NET-A-PORTER GROUP” which introduces children to coding and looks to tackle the lack of diversity and gender equality within the technology industry.

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With YOOX NET-A-PORTER, we have widened our digital education offering, developing programmes to inspire students and give them the skills to build their “digital consciousness”.

Andrea Zanotti
President, Fondazione Golinelli



Education and our people

Imperial CodeLab runs a programme of weekly coding lessons throughout the year. In addition, we have hosted different special hackathons and fashion-related digital games at our state-of-the-art Tech Hub in London, inviting local schools to learn how to code. HRH The Prince of Wales and HRH The Duchess of Cornwall also attended one of those events during a visit. Our digital education programme reached 3,400 children and young people in 2018 and over 5,400 children since 2016. In 2018, 55% of those trained were girls and 67% of the children attending the Imperial CodeLab powered by YOOX NET-A-PORTER classes were inspired to study computer science at GCSE level.

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Through our partnership with SDA Bocconi School of Management in Milan, we are supporting a new module on e-commerce for fashion and design, which is part of the university's Master in Fashion, Experience & Design Management (MAFED). This five-day course is taught by YOOX NET-A-PORTER employees, with 48 students receiving training in 2018, with more due to finish in 2019. Four MAFED students were selected to take part in a three-month field project with us, receiving training on design thinking and coding, and two of the students were then taken on as interns in 2019.

Looking forward, we aim to further expand the next generation's access to digital skills, via these partnerships, and also, as a member of the European Commission's Digital Skills and Jobs Coalition, set up to provide training for digital jobs to 1 million young people by 2020.

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Through Imperial CodeLab powered by YOOX NET-A-PORTER, we hope to inspire the next generation of tech innovators and attract more girls to the tech industry. 67% of the students attending these classes feel inspired to study computer science at GCSE level; this is real testament to what can be done when exploring coding through a creative approach, such as the lens of fashion.”

Susan Eisenbach
Professor of Computing, Imperial College London



Empowering women



Empowering women



We pride ourselves on building an inclusive workforce that celebrates diversity and empowers women. We are proud to empower female leaders and are committed to increasing the representation of women in the tech industry.

To attract and retain female employees we are promoting women within our business and offering flexible working arrangements to support families. In 2018, we were delighted to be named as one of The Times Top 50 Employers for Women. This is the UK's most comprehensive and prestigious listing of employers that are leading the way on workplace gender equality and making it part of their business strategy at all levels.

We believe in the equal treatment of people regardless of race, gender, nationality, sexual orientation, social status, physical appearance, religion and political persuasion and this is communicated to all our employees through the "YNAP Ways of Working".

Empowering women

Promoting inclusion

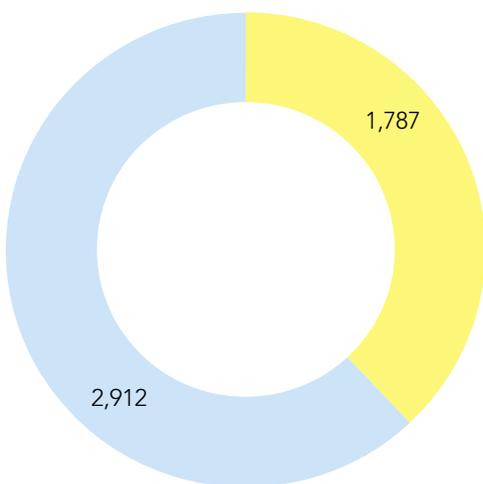
We are committed to supporting and promoting inclusion starting from our workforce. Women are well represented at all levels in our business: 63% of our employees, 53% of senior and middle managers and 50% of the executive team are female. But we want to go further, and ensure YOOX NET-A-PORTER GROUP is a place where everyone is supported and encouraged to be their best.

YOOX NET-A-PORTER GROUP is a technology-focused company – while the ratio of women employed in tech compares favourably with the wider technology industry, this remains a sector where men tend to account for a higher proportion of the total. Due to the greater representation of men, in addition to tech roles typically commanding a higher pay premium, this causes a gender pay gap within the business. We recognise there is room for improvement and are resolutely committed to boosting the representation of women working in tech – which today is already 30% in the UK, almost double the tech industry average. We are also encouraging school children, particularly girls, to pursue a career in technology.

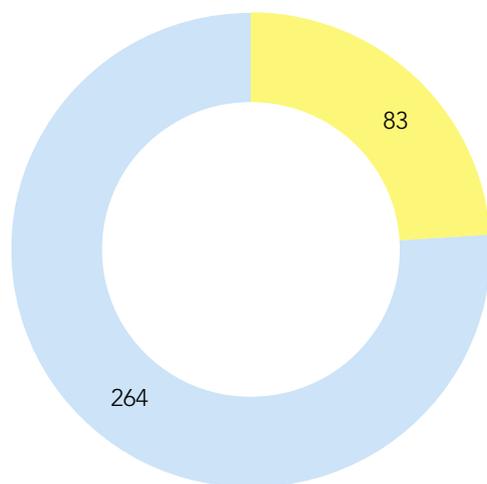
This year, we report an improvement in the overall mean pay gap of 2.9%. In addition, our continued efforts to address the pay gap in our tech teams has resulted in an improvement in the mean pay gap in technology of 6%.

Contract types

Permanent



Fixed term or temporary contract



● Male
● Female

Empowering women

Supporting parenthood

With a young workforce we are keen to support new parents, particularly mothers, to help them return to work after having children and balance work and family life. We're working with partners who share our values to build an inclusive work culture and promote gender equality.

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For three years we have partnered with Valore D – an Italian association promoting women's leadership in the corporate world – to support initiatives to advance this agenda. In 2018, we designed and piloted a parenthood workshop together, to support mothers-to-be and mothers returning to work. The workshop touched on the various stages of parenthood and, through discussions and activities, women were able to share their experiences in a safe and welcoming space. Women left with tools to help create a healthy work/life balance with their new families, a stronger sense of belonging and a network of women they could call upon for support.

In addition to in-house workshops, some of our high-potential women were able to participate in Valore D's development course alongside women from other companies to learn essential skills to advance their personal and professional development.

Conscious of the challenges women face returning to the workforce, we have participated in the initiative "Insieme per il lavoro" (Together for work) launched by the City of Bologna. The City of Bologna partnered with the Curia to support people with difficulties in returning to work after a long absence. Through this project we welcomed 14 new employees (64% women) to our logistic centre in Bologna in 2018 and intend to continue to partner and support the project.

Empowering women



Smart and flexible working

Initiatives that make it easier for people to balance their home and work lives are crucial for employees with children. Our family-friendly and flexible working policies and practices, supported by technological solutions, help carers in the business, both female and male, to thrive.

We are committed to growing an inclusive and supportive culture by developing flexible working programmes within the workplace. Our Smart Working initiative, which allows employees to work from home one day each week, is being rolled out globally in all offices. In our distribution centres, we also offer innovative forms of flexibility to better cope with peak times.

School holidays can be a tricky balancing act for parents, who need to cover child care and find time to spend with their children. We provide up to 50% discounts on around 50 summer camps near our Italian offices, through a partnership with KidInTown. To help parents spend more time with their children, and other employees to make the most of their summer, we have introduced “Summer Working Hours” in most of our locations, which allows employees to leave work at 1pm on Fridays during the summer months.

Empowering women

We are using the power of technology, and specifically mobile phones, to support flexible working and enable employees to access YOOX NET-A-PORTER services seamlessly. Our Mobile Transformation project is focused on developing mobile apps tailored to improve communications, enable knowledge sharing and help our people work more flexibly. From entering their office and arranging meetings, to accessing corporate documents and locating colleagues, our people are able to work from their phones. This makes it as easy to work from home or whilst on the move as it is in the office.

Gender neutral job descriptions

Attracting the very best people to join our YOOX NET-A-PORTER team is essential to our business. To find the talented individuals our business depends upon, we attend careers fairs, host open days, promote opportunities online and ask employees for their recommendations through our Bring a Talent referral programme. As a result, we review tens of thousands of candidates each year.

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Changing a few words on a job description sounds like a small change but it has such a big impact. Women have noticed and applied for these roles. They have actively chosen to work with us because of the changes we have made to job adverts and recruitment processes. Cumulatively, these small, incremental changes can have a huge impact, in our business and more broadly.”

Rosemary Hitchcock
Head of Technology and Women in Tech programme member

Empowering women

We always seek to find the best person for every role. Our analysis of Tech job descriptions revealed that adverts in this field used very masculine vocabulary; therefore in 2018 our Tech teams began using a tool to help teams and HR write more gender-neutral job descriptions using more “feminine-coded” words to attract more women.

Our Women in Tech community, an employee resource group working to support women and create a better future, partnered with our recruitment teams to promote inclusive language in job descriptions. In addition to wording, the teams also included an emphasis on soft skills and highlighted opportunities to work flexibly. Through these small actions we have seen more women apply for Tech roles, especially women with children who appreciate the flexibility we can offer.

Incredible women

As well as supporting female employees this year we have celebrated incredible women in society – through a special issue of Porter magazine, an Incredible Women Gala and exclusive charity collections.

The Incredible Women issue of Porter magazine and the Incredible Women Gala both reflected the major events of 2018 including the #metoo and #timesup campaigns. The magazine featured voices of incredible women from a range of industries, all of whom had a positive impact in the year, including actress Julianne Moore, digital crusader Whitney Woolfe Herd, and Clare Waight Keller, who is the first female artistic director at Givenchy and designed Meghan Markle’s wedding gown. The theme for the third Incredible Women Gala in Los Angeles was “One year stronger” and celebrated the women who have changed the global discourse.

The Incredible Women issue of Porter magazine and the Incredible Women Gala both reflected the major events of 2018 including the #metoo and #timesup campaigns.

Empowering women



We're seeing more and more young women using their voices to challenge the accepted norms on issues like gender, sexuality, body image, equal pay and the environment. So, we celebrated these young women in our first Incredible Girls issue of Porter magazine. Featuring activists, playwrights, poets, scientists, sportswomen, actresses and more, each of the young women is using her voice and platform to challenge norms.

But this isn't just an annual acknowledgement of the impact women can and do have. We include incredible women in Porter features throughout the year and also supported International Women's Day with an exclusive range of T-shirts from top designers.

Responsibility



Responsibility

We are committed to leading sustainable positive change in our industry.

We want to give our customers more sustainable choices, increase transparency, work with suppliers who share our values, reduce our impact on climate change and support charities through our operations.

Style and sustainability – meeting our customers' priorities

Our customers come to us looking for luxury, style and fashion, but they have other expectations too and sustainability is increasingly part of their shopping demands.

Our customers come to us looking for luxury, style and fashion, but they have other expectations too and sustainability is increasingly part of their shopping demands.

We listen to and engage with our customers in many ways, including through our customer panel, Voice of the Customer programme, Net Promoter Scores and directly through personal shoppers, customer events and social media. Ethics and animal welfare rank highly in their priorities, which makes a real difference in guiding our strategy.

We're committed to helping our customers make more sustainable and responsible choices, while still delivering the style and quality they expect.

Responsibility



Promoting sustainable fashion

Our commitment to provide customers with trustworthy fashion choices started in 2009 with the launch of YOOXYGEN, the first-to-market online platform exclusively dedicated to responsible brands.

For the last ten years, YOOXYGEN has continuously spearheaded initiatives that have brought together established and emerging talents from across the fashion spectrum to enable a better fashion future.

Focusing on promoting and inspiring a new generation of fashion brands, in 2018 we transformed The Next Talents – YOOX's fashion scouting programme – into The Next Green Talents, which requires the selected designers to place sustainability values at the core of their brands.

In 2018, with Vogue Italia, YOOX scouted seven promising sustainable designers to present their collections during Milan Fashion Week and sell them on YOOXYGEN in over 100 countries.

Responsibility

All the brands were focused on a sustainable creative and productive process and came from all over the world: Sylvia Enekwe and Olivia Okoji of Gozel Green from Nigeria, Bobby Bonaparte and Max Kingery of Olderbrother from the USA, ByBrown, the Dutch brand of British designer Melanie Brown, Unravelau of Laura Meijering from Holland, Tiziano Guardini from Italy, Chain of Lucía Chain and Nous Etudions of Romina Cardillo from Argentina.

In New York, YOOXYGEN's union with The New School's Parsons School of Design continued with the 2018 edition of the YOOXYGEN Award. Marissa Petteruti received the annual accolade and was granted a six-month internship and the backing to create a capsule collection. Marissa's collection – which features transformable garments inspired by research of everyday wardrobes – will be launched in May 2019.

Nurturing brands, and offering our customers access to exciting new talents, is central to how we do business. To continue our role as an incubator of the industry's talent, NET-A-PORTER launched The Vanguard programme to identify and support the next generation of designers. The Vanguard provides three to four designers per season with expert mentorship focusing on business strategy, marketing and buying training, as well as sessions on social media, tech and sustainability. In 2018, the programme provided Les Rêveries, Martinez, RUH and Gu_de with the platform and skills for success.

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Sustainable fashion urgently needs to go big. For the past decade, we've promoted and supported the pioneers putting sustainability and inclusion at the heart of their creativity. As our customers increasingly look for conscious options, YOOXYGEN will continue to be a catalyst in making sustainable fashion the new normal.”

Federico Marchetti
Chairman and CEO of YOOX NET-A-PORTER GROUP



INTRODUCTION

EDUCATION

WOMEN

RESPONSIBILITY

INFORMATION

Responsibility

Community support through fashion

Fashion, design and technology are our passion, and they run through everything we do including our support for charities. In addition to community programmes close to our five main offices in Italy, the UK and the US which focus on digital skills and fashion design, we also engage our customers and support charities close to our heart using the power of fashion. Across our brands we are working to use fashion as a force for good.

Exclusive t-shirts for International Women's Day

To recognise International Women's Day NET-A-PORTER launched six exclusive t-shirts with proceeds supporting Women for Women International, a non-profit organisation that helps female survivors of war to rebuild their lives. The t-shirts — from Stella McCartney, Ganni, Off White, Bella Freud, Rosie Assoulin and Chloé — include each designer's interpretation of female bravery and empowerment, from Ganni's tongue-in-cheek 'Girls on Top' t-shirt to Bella Freud's T-shirt which focused on the inclusive power of love.

“

The work of Women for Women International is nothing short of inspirational and is a wonderful testimony of sisterhood. It was our great pleasure to support them for International Women's Day with the help of some of our wonderful designers. 2018's campaign raised enough to support over 170 women through the charity's year-long training programme.”

Alison Loehnis
President NET-A-PORTER & MR PORTER

Responsibility

Anna Dello Russo flash sale

NET-A-PORTER partnered with VOGUE editor and global style icon Anna Dello Russo to host a flash sale of her iconic wardrobe in support of the British Fashion Council Education Foundation.

Renowned for her flamboyant style, Anna Dello Russo has long been the star of global street style. 150 pieces from Anna Dello Russo's personal collection were sold via NET-A-PORTER's Instagram Stories and featured some of the world's most covetable brands including Balenciaga, Gucci, Celine, Alaïa, Prada and Louis Vuitton. We donated 100% of the purchase price to the British Fashion Council Education Foundation.

MR PORTER shirts for Father's Day

To celebrate Father's Day MR PORTER supported two separate UK and US charity partnerships. In the UK, we donated the profits from the sale of exclusive Orlebar Brown t-shirts and selected blue shirts went to The Royal Marsden Cancer Charity. While in the US, MR PORTER donated the profits from the sale of selected white shirts to GOOD+ Foundation.

#SHEINSPIRESME car boot sale

We believe that women are key to forging a better world. THE OUTNET is partnering with Women for Women International (WfWI), a charity that invests in the social and economic empowerment of marginalised women in conflict-affected countries, to extend that belief beyond our business.

For the second time we were the title sponsor of the #SheInspiresMe car boot sale, the biggest one yet. 2018's #SheInspiresMe car boot sale saw over 1,500 shoppers exploring 45 car boots including fashion, food and drinks and beauty. Shoppers could get high fashion items at great prices – from designers and brands including: Alex Eagle, Temperley London, Charlotte Olympia, M.i.h Jeans, Maria Kastani and Hikari Yokoyama – while empowering women worldwide. The event raised an incredible £222,500 to support the work of Women for Women International.

A photograph of two women on a boat. The woman in the foreground has long brown hair with bangs and is wearing a white top and large, colorful earrings. The woman in the background has dark hair pulled back and is wearing a floral-patterned top. They are both looking towards the camera. The background shows a blue sky and a green, hilly landscape.

“

We are excited to announce THE OUTNET as title sponsor for the #SheInspiresMe Car Boot Sale for the second year in a row. The work that Women for Women International does to empower women worldwide is something we are very proud to support. The 2018 event was a fantastic success and we are looking forward to helping raise even more donations this year!”

Emma Mortimer
Managing Director, THE OUTNET



INTRODUCTION

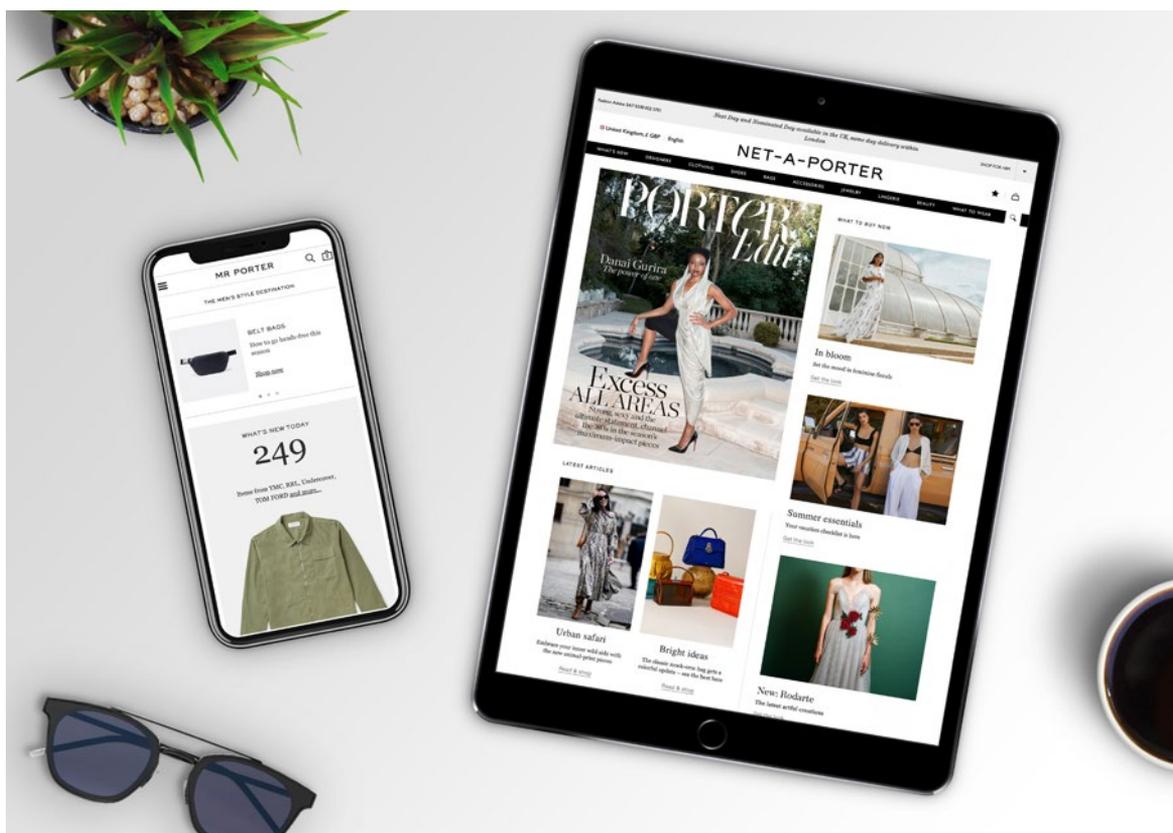
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Protecting customer data

We offer the ultimate luxury customer experience; part of that is getting the basics right. As much as they expect high fashion, responsible brands and impeccable delivery, our customers want and expect us to take care of their personal data. We use state-of-the-art data security systems and standards to protect data, guarantee the security of transactions carried out on our sites and ensure the highest level of protection of our customers' data. As a result, we did not suffer any relevant personal data loss or event during 2018.

With the new GDPR requirements coming into force, we have assessed and updated our processes in all our locations and have provided training to employees in Italy and the UK. As well as updating our own processes, we are working with ONLINE FLAGSHIP STORES to ensure their compliance too.

Responsibility

Working with suppliers

There is a growing awareness of the need for greater sustainability in fashion supply chains. We are working with our suppliers to increase transparency and sustainability.

We work with thousands of brands to purchase millions of products for resale through our multi-brand luxury and fashion online stores. NET-A-PORTER, MR PORTER and THE OUTNET have 2,200 direct suppliers, with another 2,217 working with YOOX. Through our supply chain, we support local economies and communities. 81% of YOOX suppliers are Italian, and 28% of NET-A-PORTER, MR PORTER and THE OUTNET suppliers are based in the UK.

We work with thousands of brands to purchase millions of products for resale through our multi-brand luxury and fashion online stores.

We have a zero-tolerance approach to child labour and modern slavery and work to uphold and support human rights throughout our supply chain. We publish a modern slavery statement every year to detail our approach in this area.

We require all our suppliers, whether they supply goods for resale or products and services for our own use, to abide by the terms of our Supplier Code of Conduct. These terms include fair and equal remuneration for men and women; compliance with local minimum wages; preventing child, forced, bonded or compulsory labour and modern slavery; and meeting local laws and regulations. Suppliers must ensure that working conditions in their supply chain also meet these standards.



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Our procurement processes include checking a supplier's certification with the Social Accountability standard (SA8000) and performance against criteria based on the principles of international human rights.

As well as checking individual suppliers, we periodically evaluate the parts of our operations and supply chain most exposed to the risk of human rights violations. During the reporting period, there were no cases of discrimination or human rights violations.

Responsible buying and sourcing

Luxury and quality are by-words for the products we sell, but our customers demand more. We have structured processes to guarantee and monitor the quality and safety of the products we sell, upholding high standards and traceability. Our customers also want products that are made responsibly, and that respect human rights and support animal welfare.

The mining of precious metals such as gold and platinum can have severe social and environmental impacts. As a certified member of the Responsible Jewellery Council (RJC), we fulfil its responsible business practices. Independent RJC certification addresses human rights, labour rights, environmental impact, product disclosure and many more important topics in the jewellery supply chain. Our certification scope includes all of our multi-brand online stores.

NET-A-PORTER has been a certified member of the Responsible Jewellery Council since 2014. In 2018, we extended the certification to cover all legal entities of the GROUP, which are managing fine jewellery, until 2021. RJC Members are independently audited against the RJC Code of Practices.

We committed to a no-fur policy through the International Fur Free Retailer Program in 2016. Our multi-brand online stores support animal welfare by excluding items and accessories made from animal fur. We have a long-standing relationship with the Humane Society of the United States (HSUS) and the Italian Anti-vivisection League (LAV), and through our engagement with these organisations we keep abreast of relevant animal welfare issues and initiatives.

Responsibility



8 by YOOX – ensuring a responsible supply chain

In 2018, YOOX launched their own-brand 8 by YOOX, a collection of stylish essentials for women and men.

In launching this brand, we wanted to ensure the supply chain was sustainable. Working with a sustainable fashion consultancy, we have conducted comprehensive supply chain mapping and developed an environmental and social assessment. All our suppliers received two self-assessment questionnaires to determine the level of risk. The highest risk suppliers will be audited against the SA8000 standard or we will choose not to work with them. This is supported by a new contract which sets out our expectations regarding responsible supply and ensures suppliers are working in strict compliance with our Code of Conduct.

Responsibility

Reducing our environmental impact

We are committed to managing our business responsibly and reducing our impact on the environment in our operations and our value chain.

We recognise the importance of using resources and materials wisely and the growing concern about plastics. Climate change is a real and imminent threat to our planet; we are committed to reducing our greenhouse gas emissions and playing our part in reducing emissions globally.

To manage our environmental impact, we have an environmental management system in place, which is certified to ISO 14001 in Italy and Japan.

Our packaging ensures items move between our hubs and reach our customers in perfect condition. We are committed to achieving this responsibly. YOOX was the first to introduce the Ecobox™ in 2009 and now all boxes across all our businesses are 100% recyclable and use FSC certified cardboard. For our luxury business line – NET-A-PORTER and MR PORTER – we are using additional packaging including ribbons, protective bags and paper. All standard ribbons, bags, tissue paper and beauty protection bags are already recyclable, and we are looking for other opportunities to improve recyclability, including changing signature ribbons and bags to recyclable materials.

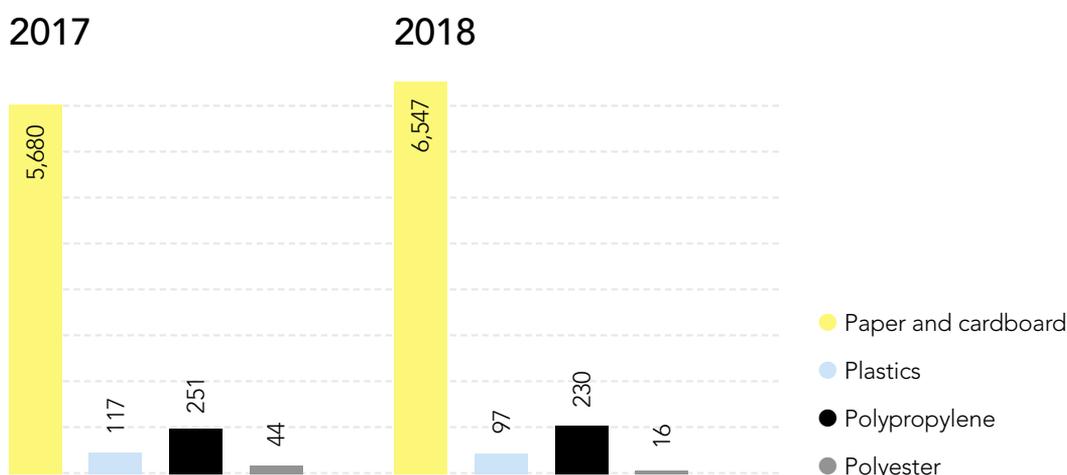


Responsibility

This complements a wider review of NET-A-PORTER's packaging. We are working with environmental data specialist Trucost to understand the environmental impact of NET-A-PORTER's packaging and the best material options, the first luxury online retailer to do this.

As a first step, we have developed new sustainability guidance for NET-A-PORTER and MR PORTER packaging. This sets out the core considerations for packaging design, including the function of the packaging, reduction of the packaging materials and key factors when choosing materials.

Sustainable packaging tonnes



We are working to better understand our packaging materials and how we measure them which has led to restatements of data, including paper and plastics. We have also removed cotton data which was misclassified in 2017 and is not used in our packaging.

Data is based on either packaging purchased or/and the number of deliveries which can cause deviation between the years. For example, 2018 PPL figures have dropped despite business growth due to a large order of PPL packaging materials in late 2017. Data from 2016 is not included as changes in methodology means this data is not comparable.

We are now conducting a detailed assessment of NET-A-PORTER's and MR PORTER's packaging using the natural capital approach, which identifies the environmental cost of pollution, resource use and other impacts in financial terms. This will help us understand the environmental impacts of our packaging across all life cycle stages and help us optimise future designs.

Responsibility



Reducing waste

We are committed to reducing single-use plastic across the GROUP and are working to reduce and recycle our waste in all areas of our operations from warehouse initiatives to more cultural approaches. Our waste derives primarily from packaging and office materials and we provide facilities to separate waste materials.

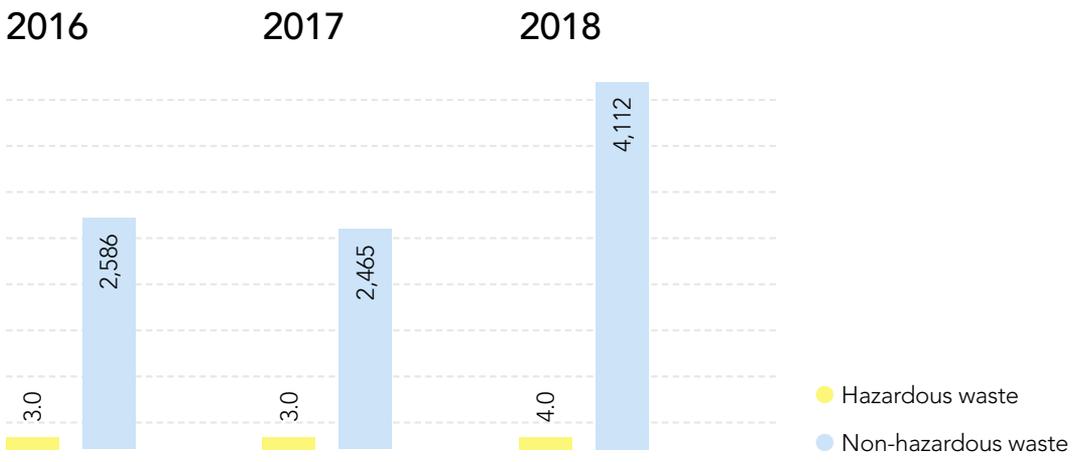
We are working to bring plastic-free kitchens to our Italian office facilities, offering ceramic cups and filtered tap water in line with our offices elsewhere. This follows research that showed in 2018 employees in Italy consumed an average of 94 plastic bottles each per year – approximately 1.86 tonnes of plastic waste – compared to just one bottle per employee in the UK and 27 bottles in the US. To help reduce this figure in the short-term, YNAP Social arranged for each employee in Italy to be given a reusable aluminium bottle as a Christmas present.

Responsibility

Porter magazine partnered with Parley for the Oceans in a lush photoshoot and feature with model Anja Rubik aimed at raising awareness of ocean plastics. Following the partnership, we created the internal No Plastics Collective to collect ideas from our teams about how to get rid of single-use plastics from our operations.

Porter magazine partnered with Parley for the Oceans in a lush photoshoot and feature with model Anja Rubik aimed at raising awareness of ocean plastics.

Waste produced tonnes



For 2018 waste data excluded waste generated at the London offices, offices and logistics centre in Hong Kong and Tokyo, and the Shanghai warehouse.

For 2017 waste data excluded waste generated at the offices in Italy, the Clifton logistics centre, the London Tech Hub, offices and logistics centre in Hong Kong, Shanghai and Tokyo.

'Hazardous waste' primarily includes toner and electronic equipment. 'Non-hazardous waste' includes the disposal of mixed recyclable packaging, metal and generic waste.

Some legal entities do not collect or monitor waste data because they have offices in multi-tenant buildings where waste is collected all together. Therefore we increased the scope for our waste reporting through estimation.

Responsibility



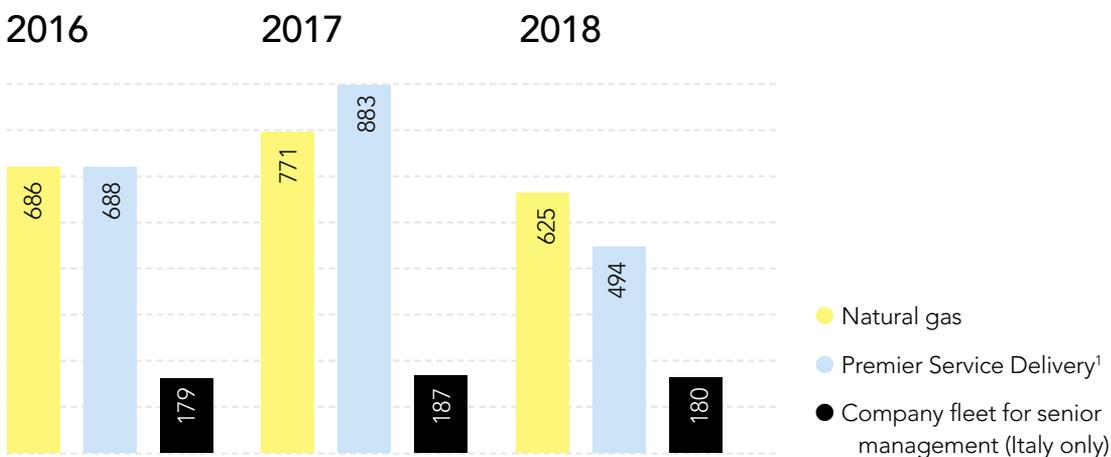
Fighting Climate Change

Climate change is widely regarded as the most serious environmental challenge that the world faces. YOOX NET-A-PORTER is committed to fighting climate change by reducing our environmental footprint.

Most of our carbon emissions come from three sources: operating our offices and logistic centres (see energy efficiency below); business travel; and third-party distribution activities.

We are reducing our impact from business travel by using greener forms of transport and reducing travel where possible. We are introducing electric vehicles for local employee travel in Italy and a new taxi pooling application, which will be launched in 2019, will make it easier for employees to share lifts between key locations such as the office and the airport.

GHG scope 1 emissions tCO₂



1 In our Premier Service, emissions decreased due the closure of our DC1.5 warehouse at the end of 2017. As DC1.5 was further from the centre of London than DC1, its closure reduced kilometres driven for the UK by 36%. We have also improved the efficiency of Premier Service routes and increased drops per driver in the UK, the US and Hong Kong.

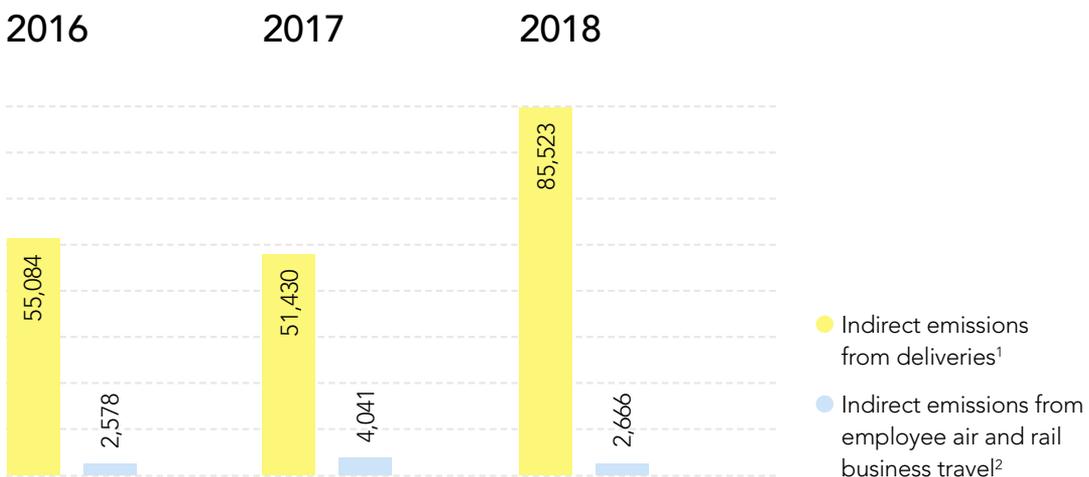
Responsibility

Our international presence means some air travel is necessary; however, we launched a new advanced video conferencing tool in 2018 and offer other remote meeting facilities to give alternatives to face-to-face meetings. This helped us to reduce our carbon intensity for business travel per employee by 34%. In 2019 we are launching our new travel policy, which highlights the environmental impacts of travel and encourages employees to consider meeting virtually to embed these alternatives in our company culture.

Sending products to our customers contributes a significant part of our carbon footprint. We monitor and report on the environmental impacts connected to product shipments to final customers. In 2018, we expanded the scope of our third-party logistics carbon reporting, which now covers around 80% of deliveries.

Our goal to reduce our impact on climate change is shared with Richemont. We work to reduce our GHG emissions from gas, fuel, electricity, business travel and logistics (scope 1, 2 and 3) as much as possible each year and are participating in the Richemont offsetting programme.

GHG scope 3 emissions tCO₂



1 Indirect emissions from deliveries of goods were calculated on the basis of reports provided directly by the carriers, mainly UPS, DHL and FEDEX. The increase of indirect emissions for deliveries is correlated with including FEDEX in the scope and an increase in business activity.

2 Indirect emissions from air travel were calculated using specific coefficients for "domestic", "short-haul" and "long-haul" flights. Emissions from railway travel were calculated using the 'national rail' category.

Responsibility

Energy efficiency

We are committed to maximising energy savings and efficiency across our logistic centres and offices.

Energy consumption – buildings	2016	2017	2018
● Natural gas (m ³) ¹	368,594	338,702	298,183
● Electricity purchased (kWh) ²	25,150,840	24,383,281 ³	29,710,471
● From renewable sources (kWh)	9,185,526	10,985,249 ⁴	19,391,499
● From non-renewable sources (kWh)	15,965,314	13,398,033	10,318,972

1 Natural gas is used in some offices for heating.

2 Some 2017 electricity data was estimated (new In-Season Hub in Milan and London Tech Hub).
Data includes only premises that are directly owned or rented by the company.

3 Methodology changed to align with Richemont data collection procedures.
2017 corrected: previous number was 20,982,856.

4 Methodology changed to align with Richemont data collection procedures.
2017 corrected: previous number was 7,329,542.

We want all our new buildings to be sustainable. The newly opened 15.1 segment of our Interporto logistic centre in Bologna is certified under the Building Research Establishment Environmental Assessment Method (BREEAM) as “excellent” (the second highest out of five) with the certification process in progress for building 15.2 and for our new Luxury Logistic Hub in Milan. The latter is showcasing our use of state-of-the-art technologies to monitor stock, replenish local distribution centres and track items at every stage of the distribution channel, while automated shuttle systems have energy recovery features.

The newly opened 15.1 segment of our Interporto logistic centre in Bologna is certified under the Building Research Establishment Environmental Assessment Method (BREEAM).

In four of our main buildings in the UK and Italy, we are using building management systems to manage and monitor electricity use, lighting, temperature control and humidity. This information enables us to optimise the energy efficiency of these buildings.

Responsibility

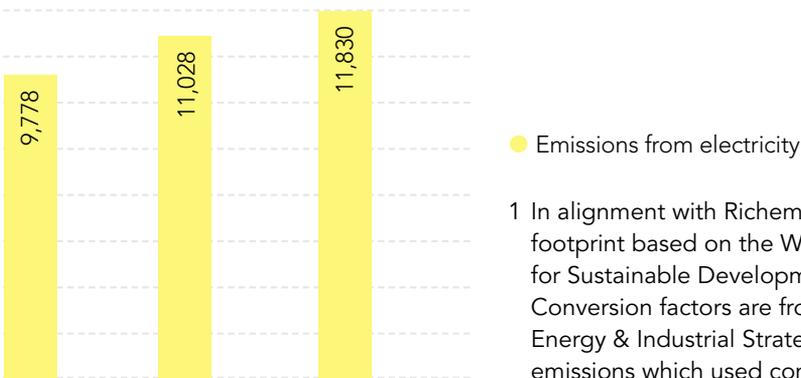
Renewable energy

To reduce carbon emissions and our dependence on fossil fuels, we have renewed our commitment to sourcing 100% renewable power by 2020. We've formalised this by signing up to the RE100 international campaign and we are on track to meet this goal.

Our Italian operation now uses 100% renewable energy and globally our renewable energy use has increased from 45% in 2017 to 65% in 2018.

GHG scope 2 emissions¹ tCO₂

2016 2017 2018



1 In alignment with RicheMont we calculate our carbon footprint based on the World Business Council for Sustainable Development's Greenhouse Gas Protocol. Conversion factors are from UK Department for Business, Energy & Industrial Strategy except for 2018 scope 2 emissions which used conversion factors from IEA.

Green IT

We are adopting the most efficient technologies for data centres and server farms, both in house and external. We have reduced the size and energy use of our servers by using blade technology. As well as being more efficient blades use fewer materials and the service models reduce impacts and increase longevity. In addition, we are increasing efficiency by using cooling systems that draw on the air or water table to reduce energy use, and reusing energy where possible.

One of our two main data centres can produce 30% of the energy requirements through energy recycling. Heat pumps, used to cool the data centre, also produce electricity and heating for the office and can reduce carbon emissions by 20%. The other main data centre boasts a cooling system that draws on the water table aiming to reduce energy use by 50%.



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About YOOX NET-A-PORTER GROUP

YOOX NET-A-PORTER GROUP is the world's leading online luxury and fashion retailer. The GROUP is a global company with Anglo-Italian roots, the result of a game-changing merger, which in October 2015 brought together YOOX GROUP and THE NET-A-PORTER GROUP, two companies that have revolutionised the luxury fashion industry since their birth in 2000.

YOOX NET-A-PORTER GROUP is a unique business with an unrivalled offering covering all luxury fashion customer segments, through its multi-brand luxury online stores NET-A-PORTER and MR PORTER; its multi-brand fashion online stores YOOX and THE OUTNET; and its numerous ONLINE FLAGSHIP STORES "Powered by YNAP".

We deliver products to more than 3 million customers in over 180 countries. With offices and distribution centres in the United States, Europe, the Middle East, Japan, China and Hong Kong, we employ more than 5,000 colleagues and engage with approximately 4,500 partners.

Since August 2018, YOOX NET-A-PORTER GROUP has been subject to the management and coordination of Compagnie Financière Richemont S.A. YOOX NET-A-PORTER was delisted from the Milan Stock Exchange on 20th June 2018.

Established
2000

11
operational languages

3m
customers

10
currencies

180+
countries served

8
distribution centres

11
customer care centres

7
digital production facilities



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GRI Index

General disclosure

GRI disclosure	Location	Additional information
102-1 Name of the organization	About YOOX NET-A-PORTER	
102-2 Activities, brands, products, and services	About YOOX NET-A-PORTER	
102-3 Location of headquarters	About YOOX NET-A-PORTER	
102-4 Location of operations	About YOOX NET-A-PORTER	
102-5 Ownership and legal form	About YOOX NET-A-PORTER	
102-6 Markets served	About YOOX NET-A-PORTER	
102-7 Scale of the organization	About YOOX NET-A-PORTER	Financial data is not included the scale of the organisation due to company confidentiality
102-8 Information on employees and other workers	Empowering Women	See tables below

Employees by employment contract and gender	Male	Female	Total
Permanent	1,787	2,912	4,699
Fixed term or temporary contract	83	264	347
	1,870	3,176	5,046

Employees by employment type and gender	Male	Female	Total
Full time	1,806	3,004	4,810
Part time	64	172	236
	1,870	3,176	5,046

Employees by employment contract and region	Italy	UK	US	China	Japan	Hong Kong	Other
Permanent	1,523	1,837	1,086	4	33	200	17
Fixed term or temporary contract	197	95	5	34	12	2	1
	1,720	1,932	1,091	38	45	202	18

The above figures include warehouse staff who were insourced in 2018, providing greater job security and benefits. In addition to the above we hired 152 internships in 2018 (24 male, 128 female) which are generally paid.

102-9 Supply chain	About YOOX NET-A-PORTER	
102-10 Significant changes to the organization and its supply chain	About YOOX NET-A-PORTER	
102-11 Precautionary Principle or approach	Responsibility – Environment	We apply the precautionary principle to sustainability issues
102-12 External initiatives	Throughout	
102-13 Membership of associations	Throughout	
102-14 Statement from senior decision-maker	Chairman and CEO statement	



GRI Index

GRI disclosure	Location	Additional information
102-16 Values, principles, standards, and norms of behavior	Governance	
102-18 Governance structure	Governance	
102-40 List of stakeholder groups	Materiality	
102-41 Collective bargaining agreements	GRI Index	34% (1,726) of our permanent or fixed term employees are covered by collective bargaining agreements (data correct as of 28 February 2019)
102-42 Identifying and selecting stakeholders	Materiality	
102-43 Approach to stakeholder engagement	Materiality	
102-44 Key topics and concerns raised	Materiality	
102-45 Entities included in the consolidated financial statements	About this report	Financial and non-financial reporting covers: Yoox Net-A-Porter Group S.p.A., YNAP Corporation (Net-a-Porter), YNAP Corporation Branch (YOOX), YOOX KK, Mishang Trading, The Net-a-Porter Group Ltd, The Net-a-Porter Group Asia Pacific Ltd, The Net-a-Porter Group China Ltd, MIDDLE EAST HOLDING YOOX ASIA, MIDDLE EAST TRADING
102-46 Defining report content and topic Boundaries	Materiality	
102-47 List of material topics	Materiality	
102-48 Restatements of information	Throughout	
102-49 Changes in reporting	About this report	
102-50 Reporting period	About this report	
102-51 Date of most recent report	About this report	
102-52 Reporting cycle	About this report	
102-53 Contact point for questions regarding the report	About this report	
102-54 Claims of reporting in accordance with the GRI Standards	About this report	
102-55 GRI content index	GRI index	
102-56 External assurance	About this report	

Material issues

CUSTOMER ENGAGEMENT

GRI disclosure		Location	Additional information
103	Management approach	Materiality	This material issue is covered in the general disclosures, in particular 102-42, 102-43, 102-44
N/A	Narrative	Materiality	This material issue is covered in the general disclosures, in particular 102-42, 102-43, 102-44

CUSTOMER AND BRAND PARTNER SATISFACTION

GRI disclosure		Location	Additional information
103	Management approach	Materiality	This material issue is covered in the general disclosures, in particular 102-42, 102-43, 102-44
N/A	Narrative	Materiality, Responsibility – Style and sustainability – meeting our customers' priorities	This material issue is covered in the general disclosures, in particular 102-42, 102-43, 102-44

EMPLOYEE ENGAGEMENT

GRI disclosure		Location	Additional information
103	Management approach	Materiality	This material issue is covered in the general disclosures, in particular 102-16, 102-18, 102-42, 102-43, 102-44
N/A	Narrative	Materiality	This material issue is covered in the general disclosures, in particular 102-16, 102-18, 102-42, 102-43, 102-44

ETHICAL BUSINESS CONDUCT

GRI disclosure		Location	Additional information
103	Management approach	Governance	
205-1	Operations assessed for risks related to corruption	Governance	The GROUP has operations in Europe, United States, United Arab Emirates, China and Japan. Thus, it has been considered that the most part of the countries has an acceptable Corruption Index.
205-2	Communication and training about anti-corruption policies and procedures	Governance	We introduced mandatory training for all employees on the YOOX NET-A-PORTER Ways of Working (Business Conduct) in October 2018.

GENDER EQUALITY

GRI disclosure		Location	Additional information
103	Management approach	Empowering women	
406-1	Incidents of discrimination and corrective actions taken	Empowering women	No incidents of discrimination were reported in 2018

INNOVATION MANAGEMENT

GRI disclosure		Location	Additional information
103	Management approach	Website	
N/A	Narrative	Education, Responsibility – Style and sustainability – meeting our customers' priorities Website newsroom	Our commitment to and fostering of innovation – both technical and design – isn't measured but is explained within the report and on our website

GRI Index

TALENT RETENTION AND ATTRACTION

GRI disclosure	Location	Additional information
103	Management approach	Education, Empowering women
401-1	New employee hires and employee turnover	See tables below
New employees and employees who left by gender		Male Female Total
Employees hired		538 1,113 1,651
Employees left		467 841 1,308
New employees and employees who left by age		<30 30–40 41–50 >50
Employees hired		1,048 417 132 54
Employees left		709 456 100 43
New employees and employees who left by region		Italy UK US China Japan Hong Kong Other
Employees hired		443 716 362 12 12 95 11
Employees left		246 588 362 10 3 98 1
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Empowering women In certain cases, employee benefits are differentiated based on type of employment contract (permanent and fixed term) and type of employment (full or part time). In particular, insurance coverage and special arrangements for medical services in Italy are recognised only to employees under permanent contracts. In the United States, the welfare programmes and benefits referred to above are available exclusively to employees under permanent contracts. In China and Hong Kong, benefits are available only to full-time employees. Lastly, in Japan, special arrangements for life insurance are provided only to full-time employees. All employees are given a personal discount that can be used in the GROUP's multi-brand online stores.
404-3	Percentage of employees receiving regular performance and career development reviews	Education

RESPONSIBLE SOURCING AND BUYING

GRI disclosure	Location	Additional information
103	Management approach	Responsibility – Working with suppliers
414-2	Negative social impacts in the supply chain and actions taken	Responsibility – Working with suppliers
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Responsibility – Working with suppliers, Modern Slavery Statement

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SUSTAINABLE PACKAGING

GRI disclosure	Location	Additional information
103 Management approach	Responsibility – Environment	
301-1 Materials used by weight or volume	Responsibility – Environment	

WASTE AND WATER

GRI disclosure	Location	Additional information
103 Management approach	Impacts – Environment	We promote the responsible management of water in all our offices and logistic centres, although water represents only a small part of our overall environmental impact. Most of the water we use comes from the municipal water network and it is mainly used for restroom facilities.
303-1 Water withdrawal by source	Impacts – Environment	Due to changes in methodology and expansion of scope we have not reported on water use for 2018 to ensure the accuracy and comparability of this information.
Water use		2018
Water use (m ³)		103,987
The GROUP is making an effort to expand the water consumption reporting scope. In 2018, water consumption was excluded for YOOX Asia and Middle East Trading.		
306-2 Waste by type and disposal method	Responsibility – Environment	Partially met. With many of our sites based in multi-tenancy buildings where waste is managed centrally, it is not currently possible to report waste disposal method. We are working to be able to accurately report this metric in future.
307-1 Non-compliance with environmental laws and regulations	Responsibility – Environment	We saw no non-compliances with environmental laws and regulations in 2018

BRAND PROTECTION AND MANAGEMENT

GRI disclosure	Location	Additional information
103 Management approach	Responsibility – Working with suppliers	
417-1 Requirements for product and service information and labelling	Responsibility – Working with suppliers	
419-1 Non-compliance with laws and regulations in the social and economic area	Responsibility – Working with suppliers	We saw no non-compliances with social or economic laws and regulations in 2018

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CARBON EMISSIONS

GRI disclosure	Location	Additional information
103 Management approach	Responsibility – Working with suppliers	
305-1 Direct (Scope 1) GHG emissions	Responsibility – Environment	
305-2 Energy indirect (Scope 2) GHG emissions	Responsibility – Environment	
305-3 Other indirect (Scope 3) GHG emissions	Responsibility – Environment	
305-5 Reduction of GHG emissions	Responsibility – Environment	

CAREER DEVELOPMENT AND TRAINING

GRI disclosure	Location	Additional information
103 Management approach	Education	
404-1 Average hours of training per year per employee	Education	In 2018 we estimate we delivered 5,850 hours' training. This does not include health and safety or other compliance training. As this information is estimated we cannot provide a breakdown on gender or employee category; we are working to collect this information for 2019.

COMMUNITY INVOLVEMENT

GRI disclosure	Location	Additional information
103 Management approach	Responsibility – Community support through fashion	
413-1 Operations with local community engagement, impact assessments, and development programs	Responsibility – Community support through fashion	We have community programmes targeting digital skills and fashion design alongside our five main offices in Milan, Bologna, London and New York, representing the locations with 94% of our workforce.

CREATION OF EMPLOYMENT AND JOB STABILITY

GRI disclosure	Location	Additional information
103 Management approach	Education	
202-2 Proportion of senior management hired from the local community	Education	In total, in 2018 78% of new senior hires had the same nationality as their employing company (seven of eight new senior managers). Being a global company, we are creating more international opportunities for all our employees, including senior leaders. These opportunities reflect the international and inclusive nature of our business and creates leaders who both understand the needs of our customers and can lead global teams.

DATA SECURITY AND BUSINESS CONTINUITY

GRI disclosure	Location	Additional information
103	Management approach	Responsibility – Working with suppliers
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Responsibility – Working with suppliers
		There were no substantiated complaints concerning breaches of customer privacy or losses of customer data in 2018

SUPPLIER MANAGEMENT

GRI disclosure	Location	Additional information
103	Management approach	Responsibility – Working with suppliers
408-1	Operations and suppliers at significant risk for incidents of child labour	Responsibility – Working with suppliers, Modern slavery statement
		The GROUP is committed to periodically evaluating the functions most exposed to the risk of human rights violations, in all areas of its own operations and in the working life of its employees, particularly with regard to the use of forced or child labour, forms of intimidation and harassment, including verbal, risks to health and the physical integrity of the workplace and discrimination in any form. During the reporting period, there were no cases of discrimination or human rights violations. No complaints were submitted against the company regarding human rights or its impact on society.
204-1	Proportion of spending on local suppliers	Responsibility – Working with suppliers
		Through our supply chain choices, the GROUP contributes to the economic growth of its local areas. In our direct supply chain (for resale on our multi-brand sites) 28% of NET-A-PORTER, MR PORTER and THE OUTNET suppliers are in the UK, 35% in the US and 17% are from Italy and France. YOOX is served by an international portfolio of 2,217 direct suppliers, including 63 suppliers for its private label. 81% of YOOX suppliers are Italian and 19% are from other countries.
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Responsibility – Working with suppliers
		In 2018 we reported: <ul style="list-style-type: none"> • No proceedings or legal actions were initiated against the GROUP with regard to illegal competition, anti-competitive conduct or monopolistic practices. • No significant sanctions or non-monetary penalties were imposed against the GROUP due to lack of compliance with laws or regulations applied in the countries in which the GROUP operates.
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Responsibility – Working with suppliers, Modern slavery statement
		The GROUP is committed to periodically evaluating the functions most exposed to the risk of human rights violations, in all areas of its own operations and in the working life of its employees, particularly with regard to the use of forced or child labour, forms of intimidation and harassment, including verbal, risks to health and the physical integrity of the workplace and discrimination in any form. During the reporting period, there were no cases of discrimination or human rights violations. No complaints were submitted against the company regarding human rights or its impact on society.

ENERGY USE

GRI disclosure	Location	Additional information
103 Management approach	Responsibility – Environment	
302-1 Energy consumption within the organisation	Responsibility – Environment	

PRODUCT QUALITY

GRI disclosure	Location	Additional information
103 Management approach	Responsibility – Working with suppliers	
416-1 Assessment of the health and safety impacts of product and service categories	Responsibility – Working with suppliers	

HEALTH AND SAFETY

GRI disclosure	Location	Additional information
103 Management approach	Education	
403-5 Worker training on occupational health and safety	Education	<p>Delivered 7,193 hours' training on health and safety across our main locations, with each employee receiving 1.84 hours' training on average.</p> <p>This includes induction training for new hires. This is tailored to the individual's working environment with warehouse staff receiving manual handling training and office staff training on display screen equipment.</p> <p>We also have specific training for fire marshals, first aid, mental health first aid (for UK) and workers' representatives (Italy) and specific training for HSE team to maintain the legal qualifications.</p> <p>All trainers are qualified to local requirements and use external trainers where needed. Where possible we use e-learning and evaluate training effectiveness through a test or observations.</p>

HUMAN RIGHTS

GRI disclosure	Location	Additional information
103 Management approach	Governance, Responsibility – Working with suppliers, Modern Slavery Act report	
412-1 Operations that have been subject to human rights reviews or impact assessments	Governance, Modern Slavery Act report	<p>The GROUP is committed to periodically evaluating the functions most exposed to the risk of human rights violations, in all areas of its own operations and in the working life of its employees, particularly with regard to the use of forced or child labour, forms of intimidation and harassment, including verbal, risks to health and the physical integrity of the workplace and discrimination in any form. During the reporting period, there were no cases of discrimination or human rights violations. No complaints were submitted against the company regarding human rights or its impact on society.</p>

GRI Index

EMPLOYEE WELFARE

GRI disclosure	Management approach	Location	Additional information
103	Education		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Empowering women	<p>In certain cases, employee benefits are differentiated based on type of employment contract (permanent and fixed term) and type of employment (full or part time). In particular, insurance coverage and special arrangements for medical services in Italy are recognised only to employees under permanent contracts. In the United States, the welfare programmes and benefits referred to above are available exclusively to employees under permanent contracts. In China and Hong Kong, benefits are available only to full-time employees. Lastly, in Japan, special arrangements for life insurance are provided only to full-time employees. All employees are given a personal discount that can be used in the GROUP's multi-brand online stores.</p>

UNGC Communication on Progress Index

Human rights	Principle 1 Businesses should support and respect the protection of internationally proclaimed human rights	Responsibility – Working with suppliers
	Principle 2 Business should make sure they are not complicit in human rights abuses	Responsibility – Working with suppliers
Labour	Principle 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Education Responsibility – Working with suppliers
	Principle 4 Businesses should uphold the elimination of all forms of forced and compulsory labour	Responsibility – Working with suppliers Modern slavery statement
	Principle 5 Businesses should uphold the effective abolition of child labour	Responsibility – Working with suppliers
	Principle 6 Businesses should uphold the elimination of discrimination in respect of employment and occupation	Responsibility – Working with suppliers
Environment	Principle 7 Businesses should support a precautionary approach to environmental challenges	Responsibility – Environment
	Principle 8 Businesses should undertake initiatives to promote greater environmental responsibility	Responsibility – Environment
	Principle 9 Businesses should encourage the development and diffusion of environmentally friendly technologies	Responsibility – Environment
Anti-corruption	Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery	Governance

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INFORMATION

LET US KNOW WHAT YOU THINK

We welcome your views on our sustainability approach and activities.

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For more about YOOX NET-A-PORTER GROUP's sustainability activities visit www.ynap.com/sustainability

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