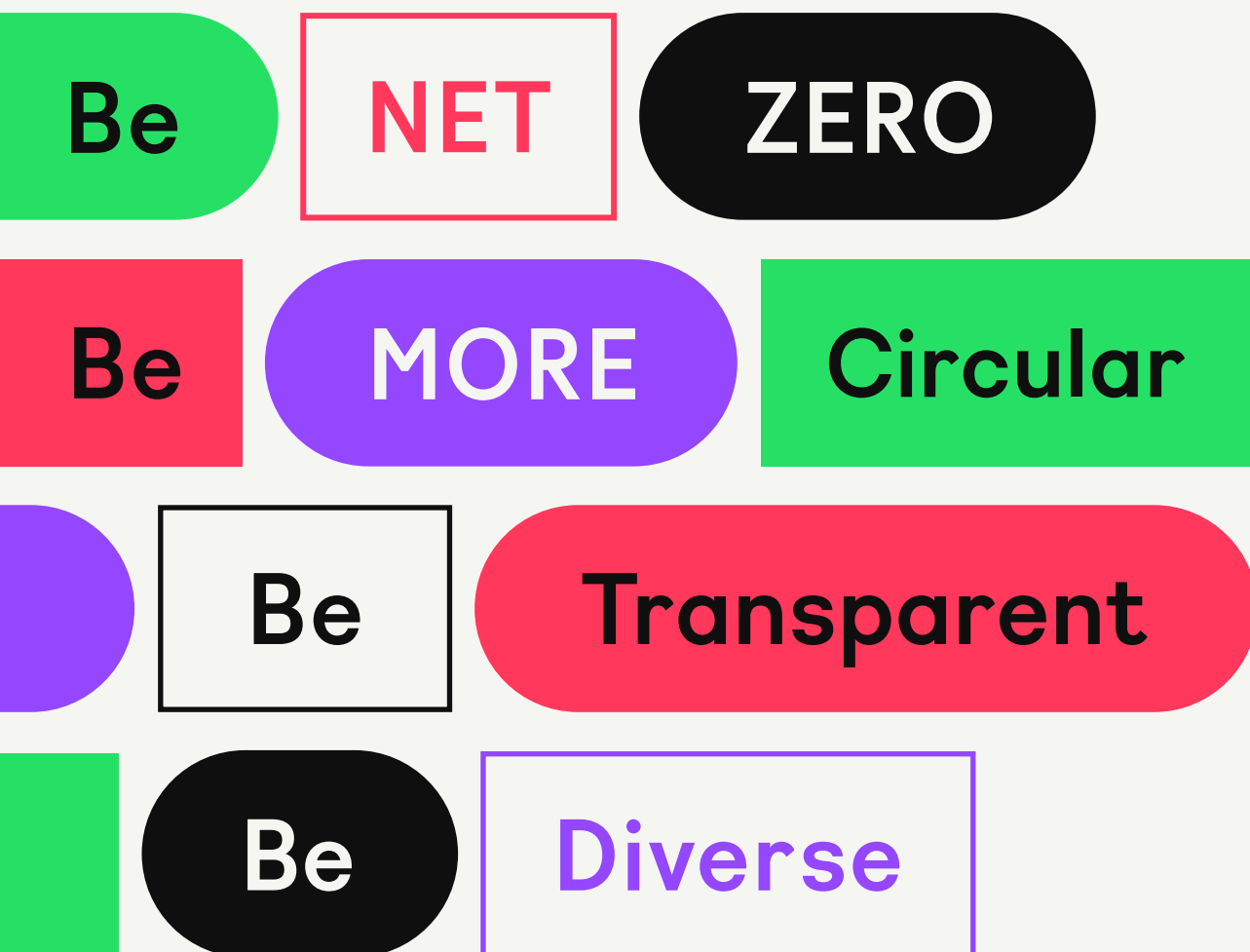


Fashion  
With  
Integrity

Our 2030 Strategy

orsos





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# A letter from our CEO



I'm proud to work in fashion. Ours is an industry that brings joy, gives people confidence and provides millions of jobs around the world.

We at ASOS are firm believers that we should be judged on what we do, not what we say. That's why, just over a decade ago, we launched our Fashion with Integrity programme, which has guided our approach to business and our drive to be a responsible company that delivers positive benefits for people and minimises its impact on the planet.

In the years since launch, there has been a welcome and growing interest in the people who make fashion and an increasing understanding of the industry's impact on the planet, from consumers, colleagues, and society at large. Along with that has come an even greater imperative to act.

This year, we're reinforcing our commitment to Fashion with Integrity by setting four ambitious new 2030 goals: Be Net Zero, centred around our carbon emissions; Be More Circular, about transitioning to more circular systems; Be Transparent, focused on transparency and human rights; and Be Diverse, encompassing diversity, equity and inclusion. As we focus on our mission to become the world's number one destination for fashion-loving twenty-somethings, these goals will help us to be a truly global retailer in a responsible and sustainable way.

By 2030, we'll be a net zero emissions company, not just in our operations – where we'll be carbon neutral by 2025 – but through our entire value chain. To achieve that, we'll build on the progress of the last six years, having reduced our operational carbon emissions per order by 45% since 2015. And we'll extend our work to cover our end-to-end value chain, where our greatest impacts lie, so we can deliver the ambitious targets we've set.

Our focus on circularity and product sustainability will be key to delivering our net zero ambitions. This will see us move away from a linear take-make-dispose model and embrace more circular systems that extend the life of garments and conserve resources through better material choices and more sustainable processes. We'll accelerate the implementation of circular design strategies across our product range and ensure that our products will be made using more sustainable or recycled materials by 2030. And in support of our ambitions, we'll facilitate product recovery programmes in our key markets by the same year.

Building on our legacy of robust action in this space, we'll accelerate transparency and progress on human rights within our supply chain and the wider industry, including through mapping our supply chain to the raw material level and working with third-party brands to ensure they sign up to the Transparency Pledge. In addition to new transparency commitments, we'll be publishing and implementing a detailed human rights strategy from 2023.

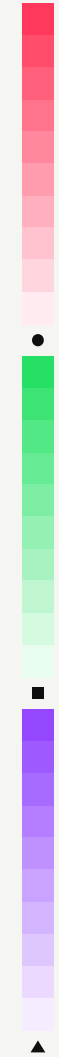
Finally, as the world continues its long overdue reckoning with systemic racism, we're fostering a more diverse, equitable and inclusive company, where everyone can be their authentic self. Our initial focus will be on achieving over 50% female representation and more than 15% ethnic minority representation (reflecting societal demographics in our UK home market) across our leadership group from 2023, and at every leadership level by 2030.

Crucially, we won't be able to achieve any of these goals alone. As we've seen throughout the last decade of Fashion with Integrity, collaboration and engagement with other brands, civil society organisations and government is critical to drive lasting change. Delivering each of our goals will not only require us to work closely with our existing partners, but to forge relationships with new ones and further develop our engagement with our brand partners too.

At ASOS, our purpose is to give our customers the confidence to be whoever they want to be. Part of that is offering products that don't compromise the ethics and values that we share with them. I'm excited that, through Fashion with Integrity, we'll be offering even more ethical and sustainable choices going forward.

I'm delighted to share our strategy for building a more responsible and resilient future for ASOS.

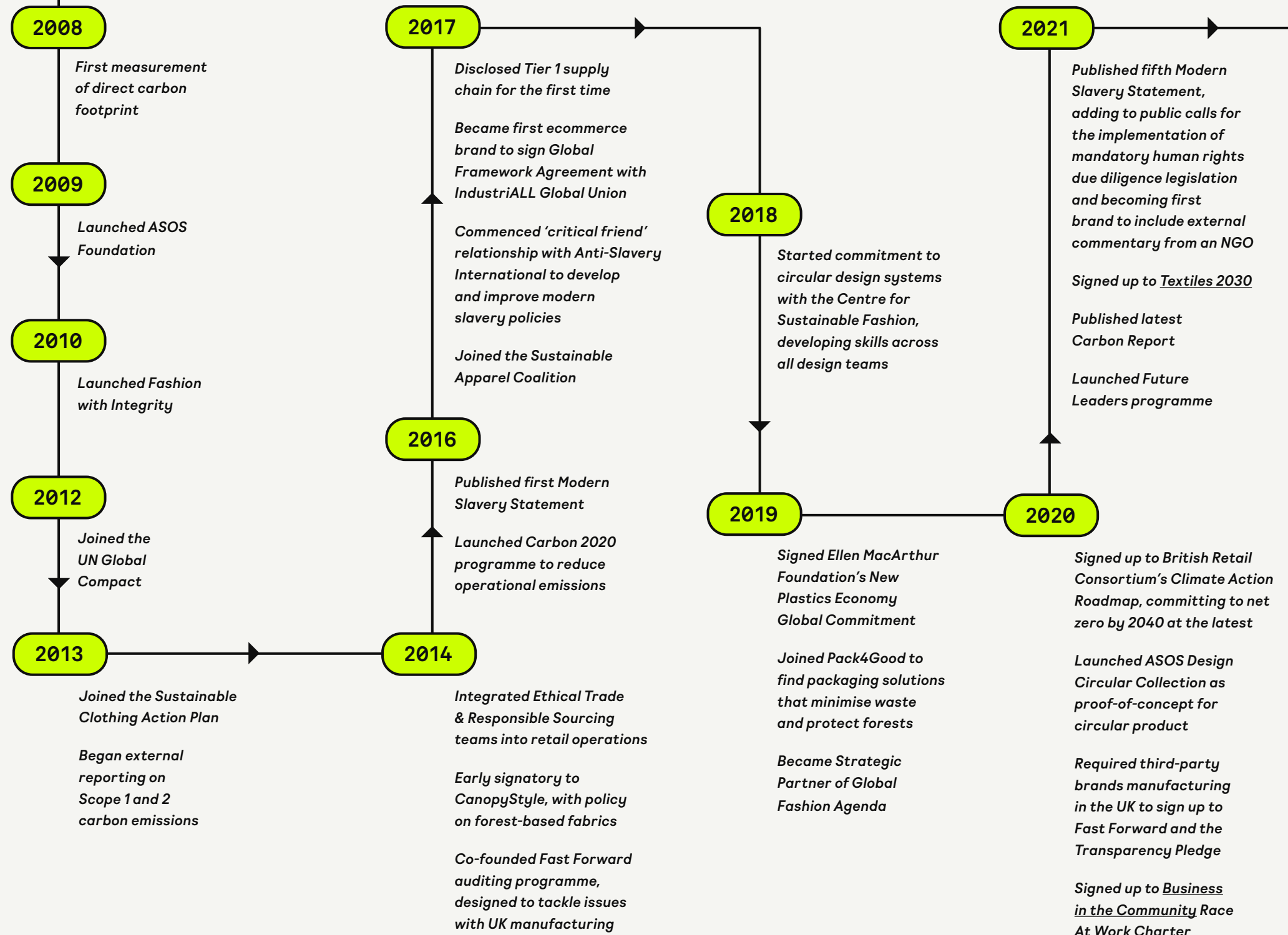
Nick Beighton  
CEO, ASOS



# Our sustainability journey: the last 10 years

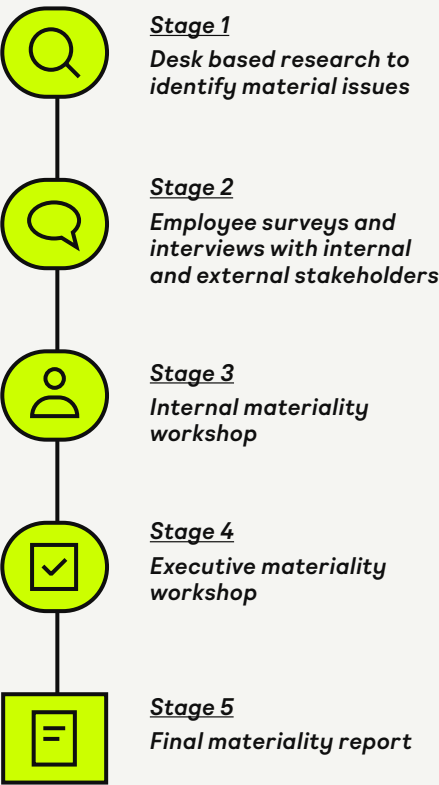
We believe in fashion as a force for good. More than a decade ago, we set out on our *Fashion with Integrity* journey. We're proud of what we've achieved working with our people, our suppliers and the wider industry.

START HERE

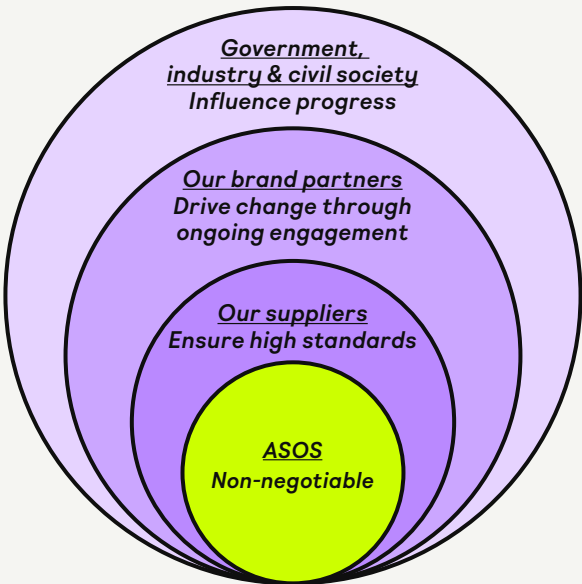


# Engaging our stakeholders

Our materiality process



Influencing change



Collaboration is core to everything we do. It’s critical to our success and to creating positive change across the industry. As we grow and evolve, our stakeholders are important voices for our business, and that includes playing a central role in our strategy for Fashion with Integrity.

To set robust and relevant goals for Fashion with Integrity to 2030, we completed a formal materiality assessment.

The materiality assessment was carried out by an external reporting expert in line with the industry standard approach to sustainability strategy development based on guidance provided by the Global Reporting Initiative (GRI)<sup>1</sup> and the Sustainability Accounting Standards Board (SASB).

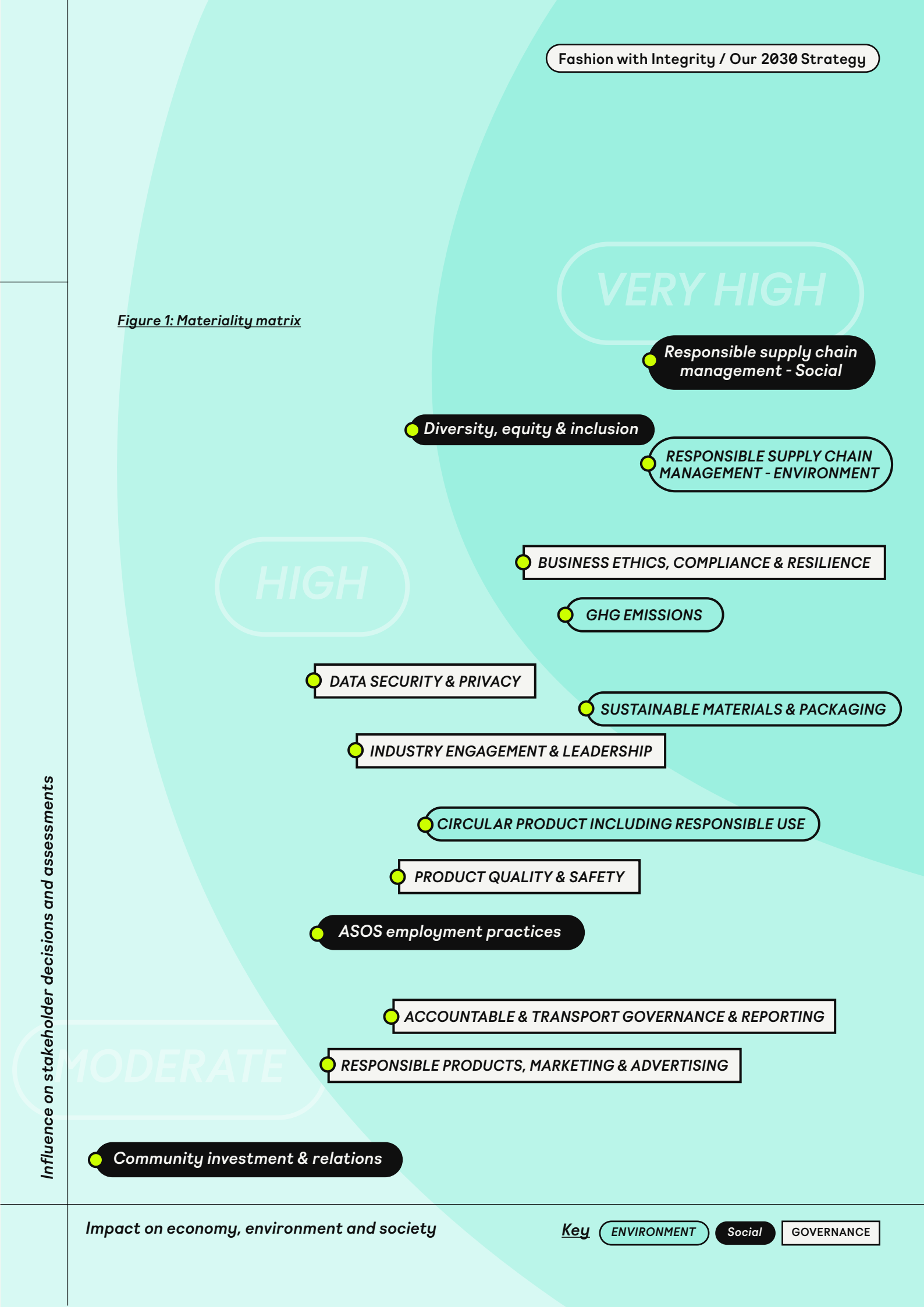
The process involved engagement with employees, investors, global brand partners and suppliers, and human rights and fashion sustainability organisations, to identify the most important areas of focus for our strategy.

Our material issues

We have focused on the most material issues as the basis for our 2030 strategy and goals. This is not an exhaustive list of issues – to streamline the process we combined many issues into one, particularly where they were interlinked. For example, environmental supply chain management covers water use, chemical compliance, and animal welfare policies. Any issues that we haven’t included here or in our four goals are still important to ASOS. We will continue to tackle them through our wider programme of work under Fashion with Integrity.

<sup>1</sup>The GRI states companies should focus their efforts on topics that reflect the organisation’s economic, environmental, and social impacts, and the issues that most influence the decisions of stakeholders.

Figure 1: Materiality matrix



# The next 10 years: our 2030 goals

Fashion with Integrity guides our approach to business at ASOS. Since 2010, it's been our programme for moving us forward in a more responsible and sustainable way. We're proud of the progress we've made in those years. Now it's time for even bolder action.

Our four 2030 goals are the next step in our sustainability mission. Our updated strategy is focused on delivering positive benefits for people and minimising our impact on the planet, underpinned by four big goals: Be Net Zero, Be More Circular, Be Transparent and Be Diverse.

Achieving these goals will make us a net zero emissions business that embraces circular design systems and uses 100% more sustainable and recycled materials in our own-brand products and packaging. Our progress will be driven by a more diverse team with equity and inclusion at its heart, leading a business where transparency and human rights remain central to our approach.



## PLANET

### Minimising our impact on the planet

*We're transforming into a net zero emissions business that embraces more circular systems to manage waste and resources wisely.*

## BE NET ZERO

*We'll achieve net zero carbon emissions across our value chain by 2030, driven by emissions reduction targets, and will be carbon neutral in our direct operations by 2025.*

## Be More Circular

*By 2030, we'll have shifted towards more circular systems, ensuring 100% of ASOS own-brand products and packaging are made from more sustainable or recycled materials, prioritising circular design and facilitating product recovery programmes.*



## PEOPLE

### Delivering positive benefits for people

*We're expanding transparency and human rights progress across our supply chain and setting new diversity, equity and inclusion goals for our business.*

## Be Transparent

*By 2030, we'll have led improvements in supply chain transparency and human rights within our supply chain and the wider industry.*

## BE DIVERSE

*We'll drive diversity, equity and inclusion across every aspect of our business, with a focus on leadership representation and ensuring every ASOSer can be their authentic self at work.*





# Be Net Zero

Fashion brings confidence to millions of people around the world. But that comes at a cost. Estimates suggest the fashion industry produces between 3% and 10% of carbon emissions globally<sup>2</sup>.

Through our Be Net Zero goal, we'll achieve net zero across our value chain by 2030 and will be carbon neutral in our direct operations (offices, fulfilment centres, deliveries and returns) from 2025.

We'll get there through decarbonisation targets we've set in collaboration with the Carbon Trust, a global climate change and sustainability consultancy, and which have been verified by the Science Based Targets initiative.

We've already achieved a 45% reduction in operational emissions per order between 2015 and 2020<sup>3</sup>. This goal marks a new step forward in our existing carbon programme, moving beyond the 2040 net zero commitments we've already made through the British Retail Consortium's Climate Action Roadmap.

## What we've done to date

### CARBON 2020

In 2016, we launched our Carbon 2020 programme to tackle our operational carbon emissions by prioritising energy efficiency, reducing delivery and packaging emissions, and increasing our use of renewable energy. By the end of our 2019 financial year, Carbon 2020 delivered a 30% reduction in emissions per order, including consecutive reductions in emissions intensity in each year of the programme.

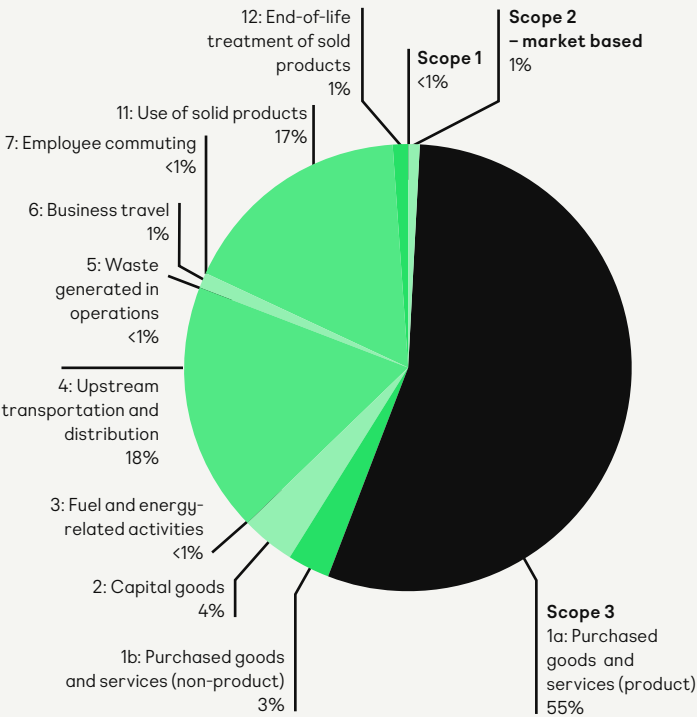
### STARTING TO DECOUPLE GROWTH FROM OPERATIONAL EMISSIONS

In 2020, we delivered a further 21% year-on-year reduction in operational emissions per order, as well as a 13% reduction in absolute (total) emissions. Those reductions were achieved through the move to more localised fulfilment in North America with the launch of our Atlanta fulfilment centre; prioritising sea or road freight over air freight for inbound products; further enhancing recycled plastic content in packaging; and switching to renewable energy for 75% of our global electricity consumption footprint across all our sites.

### OUR SUPPLY CHAIN

We've been a member of the Sustainable Clothing Action Plan since 2012. From 2013 to 2019 (the latest data available), we reduced the carbon emissions associated with products sold in the UK by 20%. Since 2017, we've also been collating data from across Tiers 1-3 of our supply chain using the Sustainable Apparel Coalition's Higg Index, giving us an understanding of where within our product ranges our highest impacts lie.

Figure 2: 2018/19 baseline Scope 1, 2 and 3 market-based emissions (%)



Category	Total Scope 1, 2 and 3 emissions - market based (tCO <sub>2</sub> e)
Scope 1	3,279
Scope 2 - market based	9,202
Scope 3:	
1a: Purchased goods and services (product)	730,902
1b: Purchased goods and services (non-product)	42,397
2: Capital goods	58,891
3: Fuel and energy-related activities	3,162
4: Upstream transportation and distribution	245,957
5: Waste generated in operations	286
6: Business travel	5,926
7: Employee commuting	4,053
11: Use of sold products	226,229
12: End-of-life treatment of sold products	12,387
	1,342,670

<sup>2</sup> <https://www.mckinsey.com/~/media/mckinsey/industries/retail/our%20insights/fashion%20on%20climate/fashion-on-climate-full-report.pdf>

<sup>3</sup> View our latest [Carbon Report](#), available on our plc site, for more detail on our emissions reduction activities and how we've decoupled growth from our operational emissions.

## What we'll do

To reach our goal, we've calculated science-based targets<sup>4</sup> with the Carbon Trust and verified these with the Science Based Targets initiative to hold us accountable and drive progress. Our Scope 1 and 2 (direction emissions) targets commit us to reducing emissions intensity in line with requirements to limit the global temperature increase to a maximum 1.5°C, the target set by the 2015 Paris Agreement. We have set goals covering more than two-thirds of our Scope 3 emissions, to further drive carbon reductions across the ASOS value chain. Our Be More Circular target will also be key to reducing emissions associated with product manufacture in Scope 3.

### CONTINUE PROGRESS IN OPERATIONAL EMISSIONS

Building on our work to reduce operational emissions, we'll offset all emissions resulting from our offices, fulfilment centres, deliveries and returns from 2025. By the same year, we'll transition to renewable energy in all ASOS-leased sites<sup>5</sup> and implement renewables on-site where possible. We'll work with our partners to implement lower carbon logistics and transport alternatives, including electric vehicles. And we'll reduce Scope 1 and 2 emissions per order by 87% by 2030.

### RENEWED FOCUS ON PRODUCTS, MATERIALS AND THIRD-PARTY BRANDS

The area of our business with the highest emissions is product manufacture (own brands and branded). We'll reduce product supply chain emissions by targeting fibre switching, moving to more sustainable production processes, including by using renewable energy, and supporting our suppliers to use energy and resources more efficiently. Delivering our Be More Circular goal will be critical to ensuring we reach our emissions reduction targets.

From 2022, we'll report CO<sub>2</sub> emissions for our supply chain as well as our operations, working together with our suppliers and brand partners to accelerate change at scale. This will include engaging with third-party brands to ensure they've set carbon reduction targets in line with science-based target requirements, sharing best practice across brand partners, and using our influence as a multi-brand platform to educate – and learn from – others.

### CARBON OFFSETS

From 2030, we'll offset all residual direct and indirect CO<sub>2</sub> emissions in our value chain (product manufacture through to customer deliveries and returns) through certified carbon offset projects, prioritising and accelerating nature-based solutions that remove carbon from the atmosphere.

## Critical friends and partners



***"The Carbon Trust is proud to have supported ASOS with the creation of science-based targets, aligned to climate science and global ambitions required to keep global warming within 1.5°C."***

Hugh Jones.

*Managing Director at the Carbon Trust Advisory*



## Our KPIs

**01.**  
Reduce Scope 1 and 2 emissions/order by **87%** by 2030 vs 2018/19 baseline.

**02.**  
Reduce own-brand product emissions/£profit by **58%** by 2030 vs 2018/19 baseline.

**03.**  
Reduce transportation emissions/£profit by **58%** by 2030 vs 2018/19 baseline.

**04.**  
**2/3** of third-party brands (by emissions) signed up to setting targets in line with SBTi requirements by 2025.

<sup>4</sup>Science-based targets are greenhouse gas (GHG) emissions reduction targets grounded in climate science. The Science Based Targets initiative offers a range of target-setting resources and guidance, and independently assesses and approves companies' targets in line with its strict criteria.

<sup>5</sup>75% of our global electricity usage is currently powered by renewable energy.



# Be More Circular

## Planet 🌍



With increasing pressure on the planet, the fashion industry needs to move away from a linear take-make-dispose model. Through our Be More Circular goal, we'll embrace more circular systems that prioritise extending the life of garments and conserving resources by making better material choices and using more sustainable processes.

We'll ensure that 100% of ASOS own-brand products and packaging are produced using more sustainable or recycled materials by 2030. We'll also continue to expand our use of circular design strategies across our full own-brand product range, and we'll facilitate product recovery programmes in key markets, to enable our customers to extend the life of their garments.

## What we've done to date

### TRANSITIONING TO SUSTAINABLE MATERIALS

Around 30% of the materials mix for our own-brand products is currently more sustainable<sup>6</sup>, delivered through a wide range of independent organisations and sustainability industry standards, such as the Global Organic Textile Standard or the Recycled Claim Standard.

As our most widely used material, we've focused on improving the sustainability of the cotton we source in particular. The majority of our cotton is defined as more sustainable, and is either organic, recycled or sourced through the Better Cotton Initiative<sup>7</sup>.

We were an early signatory to the CanopyStyle initiative and are tracking the annual Hot Button Report to eliminate any potential risk of sourcing from ancient and endangered forests.

### DESIGNING FOR CIRCULARITY

We've trained all our ASOS Design product teams on circular design through our partnership with the Centre for Sustainable Fashion since 2018.

In 2020, we launched our first circular design collection showing key circular design principles in action. We have continued to roll out circular training to all teams involved in product development.

We're playing an active role in the acceleration of the industry's move towards circularity. We've joined Textiles 2030, an expert-led initiative harnessing the expertise of UK leaders in sustainability, have a partnership with the Centre for Sustainable Fashion, are a strategic partner of Global Fashion Agenda and are members of the Ellen MacArthur Foundation.

<sup>6</sup>Year to February 2021.

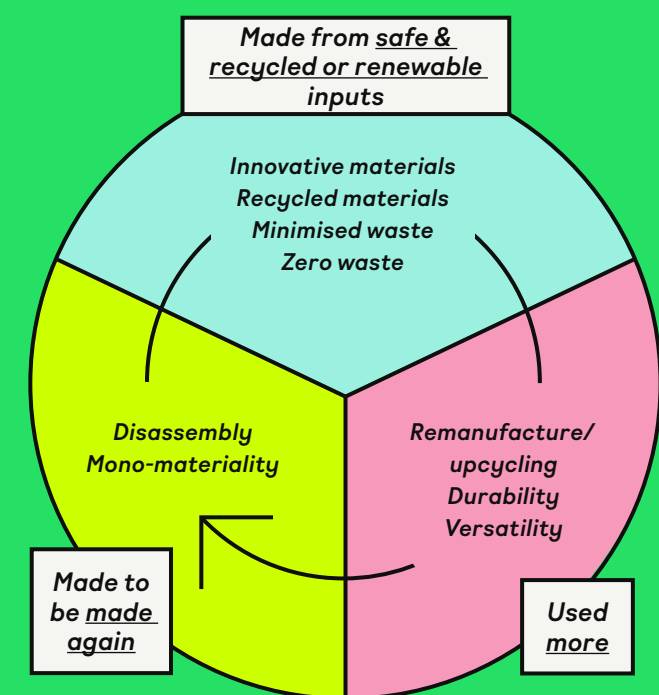
<sup>7</sup>Pre-pandemic, we sourced 83% more sustainable cotton across our ASOS brands. These figures exclude those from brands acquired by ASOS in 2021.

**Figure 3:**

## What is circular design?

The Ellen MacArthur Foundation's vision for circular fashion has defined three pillars for the future of fashion: products are used more; they are made with safe and recycled or renewable materials; and they are made to be made again. To put it simply: we reduce the amount of waste and pollution our products create, we keep our pieces in active use for as long as possible, and we return resources back into the fashion system.

We've taken those three pillars to define nine circular design strategies: the 'how-to' methods for embedding circularity in product. Our design teams are actively innovating in this area, and each designer has access to an ASOS circular design guide, co-developed with the Centre for Sustainable Fashion. We'll be publishing our circular design guidebook with more detail on our principles this year.



## What we'll do

### INVESTMENT AND INNOVATION IN MATERIALS

Setting a goal to use 100% more sustainable or recycled materials in our own-brand products and packaging by 2030 puts us on the path to innovation and investment. There will be challenges in achieving our ambitions, from recycling infrastructure and material availability to inspiring behavioural change. By setting our goals, we can further stimulate industry demand for more sustainable materials and drive innovation, including in next generation<sup>8</sup> materials, supported by investments in our own textile recovery programmes.

### PROGRESS CIRCULAR SYSTEMS

We're going to be an active voice in the development of agreed circular design strategies across the industry. Through our membership of Textiles 2030, our partnership with Global Fashion Agenda, our membership of the Ellen MacArthur Foundation and our work with the Centre for Sustainable Fashion, we'll play an active role in driving industry change.

To support the development of industry-wide guidelines on circular design, we'll publish our circular design guide this year, helping industry colleagues understand the design strategies we used to launch our circular range in 2020 (see Figure 3). And we're going to keep rolling out internal training and working closely with our suppliers to make our circular product vision a reality.

Building on our circular design guide, we'll also set out a public-facing circularity strategy by 2023, sharing our progress in implementing circular design strategies and circular systems across our business and setting out our next steps with targets and timelines.

### ENHANCED MATERIAL TRANSPARENCY

Mapping our supply chain to Tiers 4 and 5, the material level, will give us greater understanding of where we can drive impact, enabling us to make better material choices. As part of our commitment to transparency and to keep us fully accountable to our customers and our stakeholders, from next year we'll publish regular updates on our fibre mix to encourage external scrutiny. We'll also shift our fibre reporting schedules to align with our financial calendar so we can report more accurately and regularly.

***"The Centre for Sustainable Fashion's programme of research and education, co-developed with the ASOS sustainability team, has encouraged cultures and practices of sustainability that can contribute to vital transformation."***

***Professor Dilys Williams,***

***Director of the Centre for Sustainable Fashion at London College of Fashion, UAL***

### Critical friends and partners



## Our KPIs

01.

100%

of own-brand products

made from recycled or more sustainable materials by 2030, with pathways in place for prioritising high-impact materials, i.e. our existing commitment to sourcing 100% more sustainable cotton by 2025.

02.

By

2023

we'll publish a public-facing circularity strategy to allow us to embed circular design strategies by 2030.

03.

100%

of own-brand packaging

made from certified sustainable or recycled materials and be widely recyclable by 2025.

04.

Facilitate programmes for

recycling and reuse

in key markets by 2030.

<sup>8</sup>Materials produced from agricultural residues or other lower-impact feedstocks, for example.



# Be Transparent

People



Transparency is the foundation to delivering long-term, tangible benefits for people in the fashion supply chain and advancing human rights. It means knowing exactly who makes our products, where and how they’re made – at every stage of our supply chain – and making this information publicly available. It enables us to identify and fix issues, ensure workers are respected and their rights protected, and gives our customers confidence that the clothes we deliver don’t compromise their values. And it holds us to account by ensuring external partners and audiences can track our impact.

Through our Be Transparent goal, we’ll accelerate progress on transparency and human rights within our own supply chain and the wider fashion industry. We’ll provide full public transparency of every own-brand product sold on ASOS by 2030 and ensure 100% of third-party brands have signed up to the Transparency Pledge<sup>9</sup> by 2025. Through a detailed public-facing human rights strategy released each year from 2023, we’ll set out our plans to deliver benefits for people by empowering women in the supply chain, to further support freedom of association, and to work to achieve a living wage.

## What we’ve done to date

We’re serious about setting high ethical standards and supporting our suppliers to meet them, and we have a legacy of industry-leading work in this space.

### SUPPLY CHAIN MAPPING

Our supply chain is fully mapped to Tier 3 and publicly disclosed every three months and audits are carried out at least once per year for Tier 1 and Tier 2 facilities. We take an audit and ‘beyond audit’ approach, setting high ethical standards and assessing and supporting our suppliers to help meet them. We also collaborate with a wide range of stakeholders to bring about long-lasting improvements in supply chain working conditions. By making our supply chain public, we ensure that those stakeholders can hold us to account.

### ETHICAL TRADE PARTNERS

Our Ethical Trade programme prioritises transparency, improving wages, health and safety, addressing and reducing modern slavery risks, and identifying and stopping child labour.

Non-governmental organisations (NGOs) and industry coalitions play a vital part in driving real change in complex supply chains. We’re signatories to the Transparency Pledge, and Anti-Slavery International has acted as our ‘critical friend’ since 2017, advising us on our modern slavery policies. In 2017, we became the first ecommerce brand globally to sign a Global Framework Agreement with IndustriALL Global Union, affirming our support for freedom of association.

Figure 4: Our Tiers

	Definition	Example	Status
TIER 01	Main production sites	Factory which cuts, sews, finishes ASOS Brands product and ships to ASOS	Fully mapped
TIER 02	Process integral to production	Provider of one or more processes, e.g. stitching, cutting, packing, quality control, warehouses	Fully mapped
TIER 03	Enhancements to Product	Provider of one or more processes, e.g. printing, dyeing, laundry, embroidery	Fully mapped
TIER 04	Fabric and components	Fabric mills, tanneries, hardware and trims	Partially mapped Fully mapped by 2030 at the latest
TIER 05	Raw materials	Textile fibres, natural and manmade materials	Partially mapped Fully mapped by 2030 at the latest

<sup>9</sup>The Transparency Pledge is an industry coalition that requires signatories to make transparent every element of their supply chain.

## DRIVING UP STANDARDS IN THE UK

In 2014, we co-founded the Fast Forward auditing programme to address issues specific to UK manufacturing. We have encouraged our brand partners to sign up to Fast Forward, and in 2020 we introduced additional new requirements for third-party brands supplying ASOS with garment products manufactured in the UK. Those brands are now required to sign up to Fast Forward and to the Transparency Pledge – and we’ve hosted workshops to support them in doing so.

In 2020, we joined the Governance Board of the Apparel and General Merchandising Public and Private Protocol. It brings together stakeholders (including brands, suppliers, local government authorities, trade unions, campaign groups, enforcement agencies and NGOs) with the aim of raising working standards within the UK fashion manufacturing sector.

We sit on the steering committee of Highfields Committee Centre in Leicester and have contributed to the funding of two community outreach workers to ensure workers are educated on their rights. We’re also working with trade unions to establish ‘Workplace Access’, through which brands such as ASOS can facilitate union access to factories and develop relationships with suppliers and workers in order to provide support and assistance where needed.

We’ve continued to play an active role in the development of legislation around modern slavery. As well as responding to consultations, such as that around the forthcoming Single Enforcement Body for Employment Rights, we publicly called for the UK Government to implement mandatory human rights due diligence legislation, which would require companies trading in the UK to take action to identify and address human rights risks.

## What we’ll do

As a retailer of our own brands and third-party brands, we’ll use our unique position in the industry to drive transparency, raise standards and influence change.

### ENHANCE SUPPLY CHAIN TRANSPARENCY

We’ve already mapped and regularly publish updated lists of our Tier 1-3 suppliers. We’ll work to achieve full transparency down to Tier 5 for our own supply chain by 2030 at the latest by investing in the necessary technology and working with partners.

As we head towards 2030, we’ll build transparency in other areas, too, such as worker wages, union membership and audit results.

### HUMAN RIGHTS REPORTING

Our critical friend partnership with Anti-Slavery International and our Global Framework Agreement with IndustriALL Global Union have been central to our approach to human rights and ethical trade since 2017<sup>10</sup>. To take our programme forward, we will develop and publish a wide-ranging human rights strategy and implementation report every year from 2023. Building on our modern slavery reporting, this will set out our strategy and progress on living wage, access to remedy, freedom of association, and gender empowerment, all of which are key to ensuring human rights are protected and respected.

We’ll share this with Labour Behind the Label, part of the Clean Clothes Campaign – a network of trade unions and NGOs dedicated to improving working conditions – for independent monitoring of our strategy and progress, as well as sharing with Anti-Slavery International and IndustriALL Global Union.

### WORK WITH OUR PARTNER BRANDS

By 2025, all third-party brands with products for sale on ASOS will have signed up to the Transparency Pledge. Looking to 2030, we’ll expect all our brand partners to have gone beyond the minimum requirements of the Transparency Pledge to meet their broader responsibilities to workers in their supply chain. We’ll continue to evolve our approach to ensure we’re pushing our third-party brands to meet best practice.

***“It is essential that ASOS is ambitious in both setting and meeting its sustainability commitments. There is no getting away from the impact that fashion has on people and the planet, but change is possible. In making these commitments, ASOS and its brand partners must set a benchmark for others to follow and achieve the goal of fashion with integrity.”***

Jasmine O’Connor,  
CEO, Anti-Slavery International

## Critical friends and partners



## Our KPIs

01.

100%

of ASOS own-brand

products will have supply chains mapped to raw material level by 2030, extending our existing supply chain mapping.

02.

100%

of third-party brands

on ASOS will have committed to the Transparency Pledge and new ASOS Ethical Trading policy by 2025 at the latest.

03.

From 2023, we’ll

publish an annual

HUMAN RIGHTS STRATEGY

AND IMPLEMENTATION REPORT

focused on freedom of association, gender empowerment, wages and modern slavery.

04.

Customers

will be able to easily view and interact with information on the sustainability credentials of 100% of ASOS-brand products by 2030.

<sup>10</sup>To learn more about our NGO partnerships, read our latest [Modern Slavery Statement](#).



People🧑



[Read more](#) about our recent partnership with *Exist Loudly*, a London-based organisation committed to creating spaces of joy, community and care for Black LGBTQ+ youths

# Be Diverse

**Our purpose is to give our customers the confidence to be whoever they want to be, and the same goes for our people. We're proud of the culture we've built at ASOS. Through our Be Diverse goal, we'll drive diversity, equity and inclusion across every aspect of our business, with a focus on leadership representation and ensuring every ASOSer can be their authentic self at work.<sup>11</sup>**

Our initial targets are focused on achieving 50% female and over 15% ethnic minority representation across our combined leadership team by 2023, and at every leadership level<sup>12</sup> by 2030.

ASOS is a diverse platform that champions self-confidence and body positivity. We'll continue to take our role as an inclusive brand seriously, ensuring we're standing up for what matters for our people and our customers around the world and supporting greater diversity within the fashion industry. As a fashion business, the majority of the workers in our supply chain are female. We'll deliver programmes that support gender empowerment and education on human rights, working closely with local community organisations and experts on the ground.

## What we've done to date

**AN INCLUSIVE AND SUPPORTIVE WORKPLACE**  
We're committed to fostering an inclusive and supportive environment for all our people and have programmes in place to drive diversity, equity and inclusion across the business.

We've signed up to the Business in the Community Race at Work Charter, built diversity and inclusion objectives into our executive team's objectives and established a 'Race Equality Heads and Hearts Group' to provide a safe space for people to talk about their experiences and to help shape our approach to these issues. We've launched Future Leaders, a 13-month programme prioritising the 200+ ethnic minority women in mid-level roles at ASOS.

We've signed up to the Government's Disability Confident scheme to continue our journey to becoming a truly Disability Confident Committed employer. We've set up a dedicated disability network to drive changes in the areas that matter most and have run workshops for our people to make the most of the accessibility tools available to them at work.

We've established a dedicated LGBTQ+ workplace equality network, providing specific wellbeing resources for our LGBTQ+ colleagues and running regular education and awareness sessions for all our people.

We're proud members of the cross-industry network Inclusive Companies, and are pleased to be working with them to help us on our journey to being the most inclusive ASOS we can be.

**OUR EXTERNAL IMPACT**  
We've been partnering with ParalympicsGB since 2015, kitting out the team for Rio 2016, PyeongChang 2018 and Tokyo 2020.

We conducted a full accessibility audit on our website and app during 2018-19 and have been working continuously since then to make the ASOS shopping experience more inclusive. From adding alternative text to images, to providing sound and captions on product videos and improving adaptability for keyboard-only users, the improvements aim to account for everyone's unique needs and experiences.

As part of Pride, we've launched several high-impact charity partnerships over several years, including with GLAAD and more recently with Black LGBTQ+ youth organisation Exist Loudly – directly funding a masterclass programme led by established advocates and creatives to foster queer Black communities and empower young creative talent.

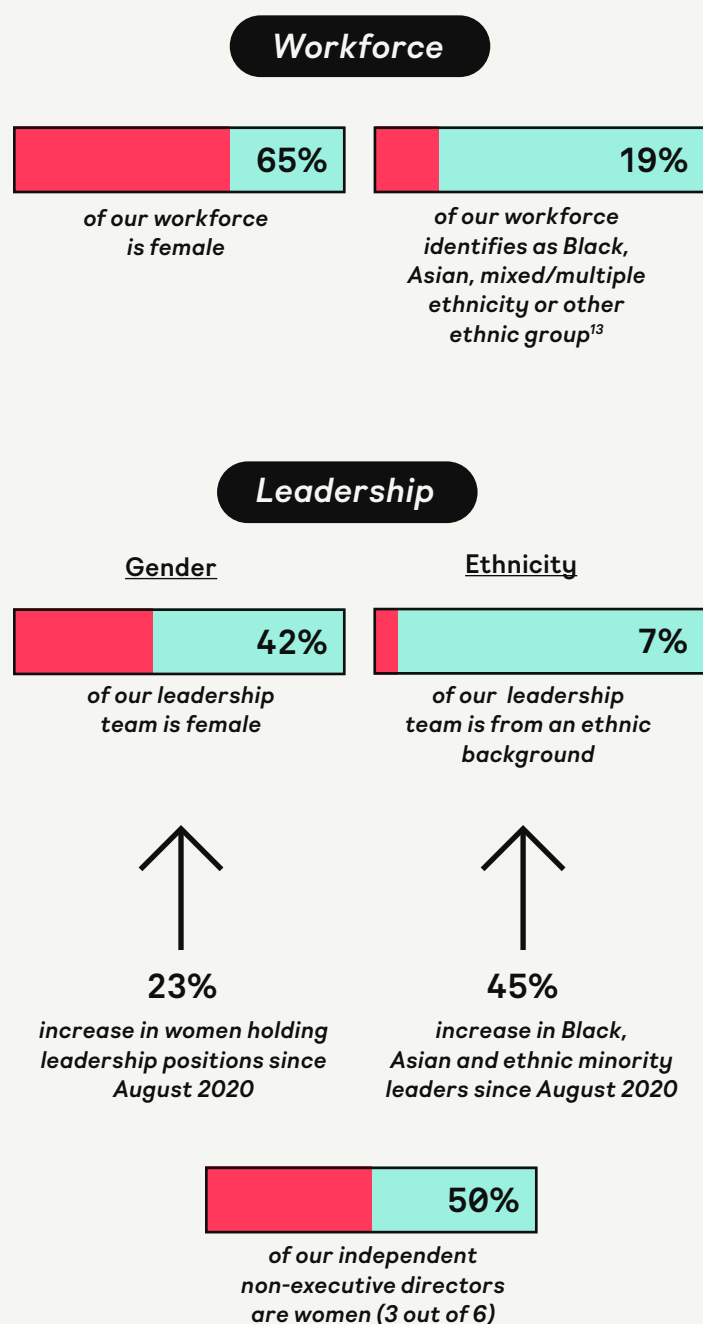
**REPORTING AND DATA**  
We're developing a true picture of the demographic make-up for our business, with new data fields added for sexual orientation, gender identity and ethnicity. While labels can be reductive, we're encouraging our people to share information with us so we can make improvements in the areas that matter most.

As part of our Race at Work charter commitments, we'll be publishing our Ethnicity Pay Gap data for the first time this year, alongside our Gender Pay Gap reporting.

<sup>11</sup>Currently measured based on representation of women and ethnic minorities as data availability is currently limited across other elements of diversity. We will continue to evolve our KPIs as data availability improves.  
<sup>12</sup>Heads Of, Directors, C-Suite and Executive Directors, and Non-Executive Directors.



Figure 5: Our workforce data



## What we'll do

### EMBRACING DIVERSITY

We're going to diversify our talent pipeline and improve female and ethnic minority representation in leadership and engineering, product and science roles. To get there, we're investing in new recruitment technology that transforms the way we hire – starting with tracking and monitoring diversity criteria from application through all stages of the recruitment process. From 2025, we will ensure that no more than 75% of any one gender or ethnicity is included in a shortlist for any role. And we're putting inclusivity directly at the heart of our new Employer Value Proposition – be whoever you want to be at ASOS. This aligns with our long-established purpose and will help us become the employer of choice for under-represented communities and ensure a diverse talent pool at all levels.

### FOCUSING ON EQUITY

Building on our Future Leaders programme, we're developing a Technical Skills Development programme for women in engineering and science, helping us elevate the people on the margins. And we'll continue our work with the Prince's Trust through the ASOS Foundation to reach disadvantaged or marginalised people and support social mobility.

### DRIVING INCLUSION AND BELONGING

We'll continue to prioritise internal education and awareness programmes and introduce additional internal workplace equality networks. While our initial targets are focused on gender and ethnicity, we acknowledge that diversity, equity and inclusion intersect with far broader notions of identity – whether that's disability, neurodiversity, sexual orientation, family status, gender identity, religion or more. We'll drive inclusion for all our people through our work against this goal, ensuring everybody at ASOS feels they can be their authentic self at work.

***"Our vision is that by building a diverse talent pipeline at ASOS, the wider sector will also benefit – both now and for years to come."***

Jo Butler,

Chief People Officer, ASOS

### Critical friends and partners



The Prince's  
Responsible  
Business Network  
Race at Work Charter signatory



INCLUSIVE COMPANIES  
MEMBER

## Our KPIs

01.

AT LEAST 50%

female and

OVER 15%

ethnic minority

representation across our combined leadership team by 2023, and at every leadership level by 2030.

02.

OVER 40%

female

representation in engineering, product and science (technology) roles by 2030.

03.

ZERO

statistically significant differences in engagement scores and functional attrition rates across all demographics from 2030, with all ASOSers able to be their authentic selves at work.

04.

We'll publish a

DIVERSITY, EQUITY, INCLUSION

strategy

and roadmap for the ASOS platform, our customers and our people by 2023.

<sup>13</sup>Above the 14% national average.

# Governance and reporting

Underpinning this strategy, its goals and KPIs is a new approach to ESG (Environment, Social and Governance) governance and reporting. Creating a new approach to ESG governance will ensure the effective delivery of the strategy and management of ESG risk.

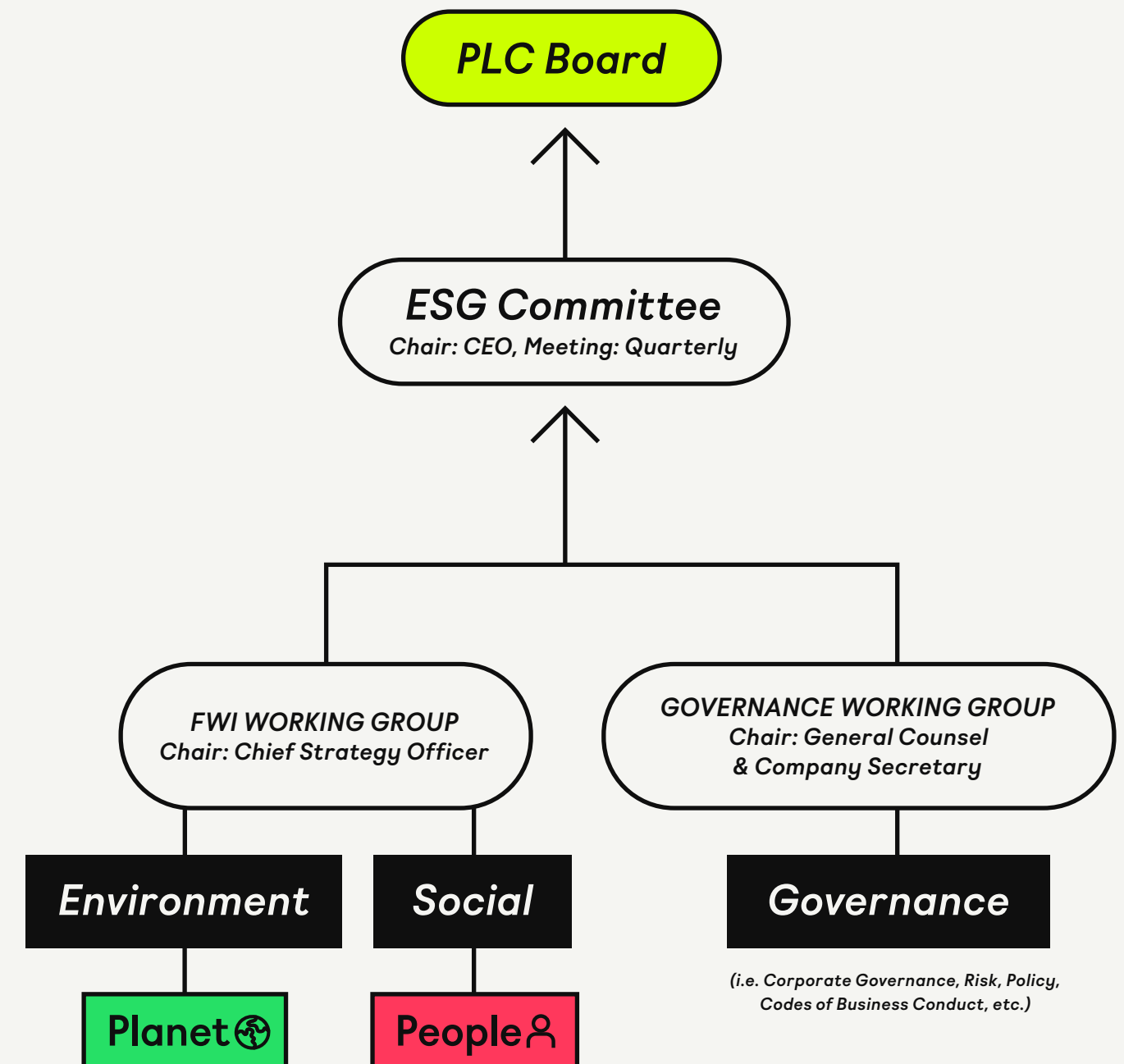
## Governance

ESG and Fashion with Integrity at ASOS will be governed by a newly formed ESG Committee, chaired by the CEO and attended by members of the ASOS executive team and those accountable for delivering our Fashion with Integrity (FWI) and ESG programme. This committee will meet quarterly, reporting to the ASOS Plc Board on a six-monthly basis.

Under this newly formed committee will be two distinct working groups: the FWI working group and Governance working group. These groups will be responsible for delivering the FWI strategy, its core goals and wider ESG risk and performance management. The working groups will meet regularly, collaborate on key activities and will report to the ESG Committee quarterly.

To ensure effective delivery, we will measure progress against the 2030 goals in leadership objectives and increase our focus on sustainability alongside business outcomes in reviews. This is already part of the CEO's incentive arrangements, and from FY22 the wider ASOS executive team will each be set relevant FWI-linked objectives, which will impact their remuneration.

Figure 6: Governance structure



## Reporting

Our approach to reporting will provide transparency on progress and performance through regular annual updates. From 2022, these will be aligned to half-year results in our financial calendar and reporting standards including Task Force on Climate-Related Financial Disclosures (TCFD), SASB and GRI. We'll also continue to contribute and report to industry bodies and benchmarks, such as the Fashion Transparency Index, Textiles 2030, the Ellen MacArthur Foundation, and the Sustainable Apparel Coalition, and will continue to publish detailed modern slavery statements each year. From 2023, we'll be publishing annual updates on our human rights strategy, ensuring we're compliant with any future legislation on mandatory human rights due diligence.

We will also regularly provide updates on our activities against the UN Global Compact's Ten Principles, as we have done since becoming a signatory in 2012. In our latest [UN Global Compact Communication on Progress](#) in 2020, we included information on how we are supporting the achievement of the UN Sustainable Development Goals (SDGs) for the first time. More detail on how our new strategy maps to the UN SDGs is provided in Figure 8.

Figure 7:  
Current ESG benchmarking



20.9



AA

















Scores from 2022



Scores from 2022

Figure 8: SDG mapping

UN Sustainable Development Goal	Direct influence through goal	Indirect influence through goal or other FWI activity	UN Sustainable Development Goal	Direct influence through goal	Indirect influence through goal or other FWI activity
 1 NO POVERTY	Be Transparent (1.1, 1.2)	Be Transparent (1.5)	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Be More Circular (12.2, 12.4, 12.5) Other FWI activity (12.4)	Be Transparent (12.6)
 2 ZERO HUNGER			 13 CLIMATE ACTION		BE NET ZERO (13.2, 13.B) Be Transparent (13.B)
 3 GOOD HEALTH AND WELL-BEING		Be More Circular (Target 3.9) Be Transparent (3.9) Other FWI activity (3.9)	 14 LIFE BELOW WATER		Be More Circular (14.1) Other FWI activity (14.1)
 4 QUALITY EDUCATION	Be Truly Inclusive (4.4, 4.5, 4.7)	Be Transparent (4.2, 4.7)	 15 LIFE ON LAND	Be More Circular (15.1, 15.2, 15.3)	BE NET ZERO (15.1, 15.2) Other FWI activity (15.7)
 5 GENDER EQUALITY	Be Truly Inclusive (5.1, 5.5)	Be Transparent (5.A, 5.C)	 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Be Transparent (16.2, 16.3, 16.5, 16.7, 16.10, 16.A) Be Truly Inclusive (16.B)	
 6 CLEAN WATER AND SANITATION	Be More Circular (6.4, 6.6) Other FWI activity (6.3)	Be Transparent (6.1, 6.2, 6.B)	 17 PARTNERSHIPS FOR THE GOALS	Be More Circular (17.9) Be Transparent (17.9, 17.10, 17.16, 17.17)	BE NET ZERO (17.7, 17.9, 17.16, 17.17)
 7 AFFORDABLE AND CLEAN ENERGY	BE NET ZERO (7.1, 7.2, 7.3, 7.B)				
 8 DECENT WORK AND ECONOMIC GROWTH	BE NET ZERO (8.4) Be More Circular (8.3, 8.4) Be Truly Inclusive (8.5, 8.6) Be Transparent (8.7, 8.8)				



