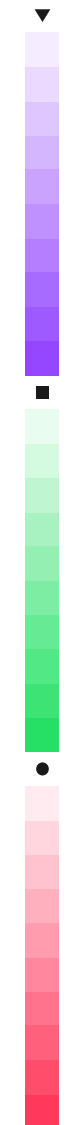


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# Fashion with Integrity: Progress Update


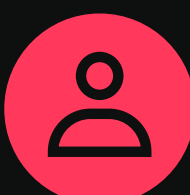


September 2020-August 2021

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asos



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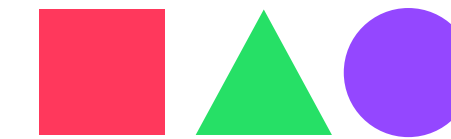
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## FOREWORD

# Mat Dunn, Chief Operating Officer, ASOS



We were immensely proud to launch our new 2030 programme for Fashion with Integrity in September 2021.

Focused on four key goals – Be Net Zero, Be More Circular, Be Transparent and Be Diverse – it reflects our commitment to doing business responsibly, delivering benefits for people and reducing our impact on the planet, building on the decade of progress since we first launched Fashion with Integrity in 2010.

Our teams have continued to push our activity forward in the months following the launch, whether by trialling new projects, exploring new relationships or setting up new processes internally.

As part of our programme, we have committed to providing regular progress updates each year. This report is our first such progress update, published to coincide with our first-half financial results for our current financial year. It looks back on the progress we

made in the previous financial year (September 2020 to August 2021) with a particular focus on progress against KPIs.

Much of the period we cover in this report was spent developing those KPIs and our 2030 goals before their publication in September. Alongside setting our long-term ambitions, we spent FY21 laying the foundations for future delivery. As part of that, we're working towards achieving external assurance for our future Fashion with Integrity progress updates.

In addition to covering FY21, in this update you'll find details on some of the key projects that we've focused on in the six months since we launched our 2030 programme. More detail on those projects, and on our activity throughout the whole of this reporting year, will be set out in our progress update next year.

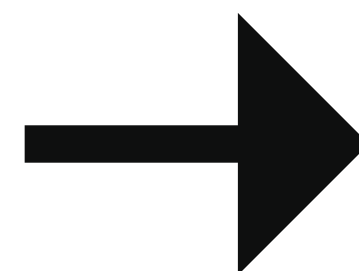
We look forward to sharing more then.



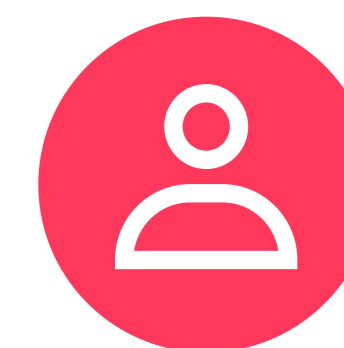
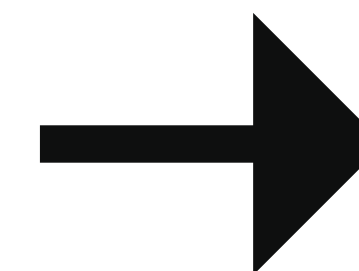
## FOREWORD

# Our 2030 goals

Planet



People



Be Net Zero

Through **Be Net Zero**, we'll achieve net zero carbon emissions across our value chain by 2030, driven by emissions reduction targets verified by the Science Based Targets initiative.

Be More Circular

Through **Be More Circular**, we'll embrace more circular systems that prioritise extending the life of garments and conserving resources, and we'll ensure 100% of ASOS own-brand products and packaging are produced using more sustainable or recycled materials.

Be Transparent

Through **Be Transparent**, we'll accelerate progress on transparency and human rights within our own supply chain and the wider fashion industry.

Be Diverse

Through **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.



## 2021 HIGHLIGHTS

# People

## September 2020

Following our announcement of strengthened requirements for third-party brands that manufacture in the UK, we held a workshop with our partner brands in September to support them in signing up to the auditing programme Fast Forward, which was co-founded by ASOS in 2014 to address challenges specific to UK manufacturing.

## November 2020

To support our independent boutiques and small businesses on ASOS Marketplace, we waived commission and rental fees over the peak trading period.



Developing our 2030 programme for Fashion with Integrity has been a key focus over the past year. But we've also continued to push forward through a wide range of initiatives.

# Planet

## September 2020

We kickstarted the year with the launch of our first-ever circular design collection, a proof of concept for how we can create commercial products using our circular design strategies. Since then, we've continued to roll out our circular design training programme for all our teams involved in product and brought our learnings together in an internal circular design guidebook in June 2021, co-produced with the Centre for Sustainable Fashion, part of London College of Fashion.

## October 2020

To help educate our people about the importance of biodiversity and the crucial role of pollinators to our planet, we expanded our Berlin honeybee project to bring honeybees to five of our sites. Managed by local beekeepers, proceeds from the honey they produce goes towards the ASOS Foundation.

## November 2020

We conducted energy efficiency audits at all major operational sites (except Atlanta due to COVID-19 travel restrictions) and agreed an action plan for energy efficiency for each, increasing our share of renewable electricity consumption to ~80% across our global operations.



## December 2020

We published our latest UN Global Compact Communication on Progress at the end of 2020, and for the first time mapped all our work under Fashion with Integrity against the UN's Sustainable Development Goals.

## 2021 HIGHLIGHTS

### February 2021

February marked the four-year anniversary of our funding of the Centrepointhelpline, giving young people at risk of homelessness a route to access vital support.

### March 2021

We announced our commitment to publishing the supply chains of our newly-acquired brands – Topshop, Topman, Miss Selfridge and H&M – for the first time by the end of 2021.

For International Women's Day, we supported the Prince's Trust's Women Supporting Women initiative, donating through the ASOS Foundation and launching an edit of female-owned brands on ASOS.

### April 2021

Together with international youth charity Ditch the Label, we launched a #StopAsianHate support hub to help prevent Asian hate and support those impacted

We published our fifth Modern Slavery Statement, becoming the first brand to include external commentary within its statement, from Anti-Slavery International. Along with our statement, we publicly called for the introduction of mandatory due diligence legislation in the UK, which would ensure companies are taking action to identify and address modern slavery risks within their supply chains.

We launched our industry leading Future Leaders Programme, in accordance with our Race at Work Charter commitments to take action to support ethnic minority career progression. The programme is a 13-month fully funded level five apprenticeship with a recognised CMI qualification and our biggest apprenticeship to date, with 71 in the first cohort.

### January 2021

As part of our work to reduce the impact of our operations, we launched consolidated returns in key markets, allowing our customers to combine multiple returns into one parcel – reducing emissions associated with multiple returns.



### April 2021

We launched two separate clothing donation initiatives with DPD and Oxfam, helping our customers to extend the life of their clothes.



### May 2021

We achieved Level 3 (Maturing) status in Textile Exchange's Material Change Index, highlighting our commitment to transitioning to more sustainable fibres and the progress we've made so far.



## 2021 HIGHLIGHTS

### June 2021

We hit the £500,000 mark for donations raised for disability charity Scope from ASOS sample donations since 2016.

### July 2021

We started work with a new charity partner, Look Good Feel Better, to fundraise for their work in providing confidence for cancer patients through beauty treatments and workshops. As well as selling a dedicated charity beauty box, we sent all proceeds from lipstick sales on National Lipstick Day to the charity.

In support of Exist Loudly's work to create and facilitate spaces of joy, community, and care for Black LGBTQ+ youth across the UK, our Collusion team created and launched a dedicated product range for Pride month. Through it we're funding

the charity's first long-term programme for Black LGBTQ+ youth who are not in education, work, or training, which will build employability skills, community, and confidence.

We launched The 'All IN' events series which featured changemakers, innovators and collaborators. Run in collaboration with our Race Equality Heads and Hearts Employee Groups, the event series aimed to educate and uplift our ASOSers – touching on all aspects of DEI – from race equality and intersectionality, to celebrating different cultures and perspectives.

### August 2021

We launched a product collaboration with Love Music Hate Racism, supporting the campaign's UK artist residency programme to develop talent and funding a podcast on promoting racial unity and supporting young emerging artists.

Continuing our partnership with the British Paralympics Association, we kitted out the ParalympicsGB team with opening ceremony, closing ceremony and formal outfits for the Tokyo 2020 Games.



### June 2021

We launched our internal trial of reusable mailing bags. 3,000 trial reusable bags were placed in circulation among our staff, so we could gather feedback on their performance.

### July 2021

We published our latest operational carbon emissions report for the 2019/20 financial year. We delivered a 13% absolute reduction in operational carbon emissions over that year, meaning that since 2015/16, we've reduced operational emissions per order by 45%.

# Be Net Zero

## Progress against KPIs in FY21

Through **Be Net Zero**, we'll achieve net zero carbon emissions across our value chain by 2030, driven by emissions reduction targets verified by the Science Based Targets initiative and aligned to the Paris Agreement's target to limit global temperature growth to 1.5C above pre-industrial levels. And we'll be carbon neutral in our direct operations (offices, fulfilment centres, deliveries and returns) from 2025, having achieved a 45% reduction in operational emissions per order from 2015 - 2020.

<sup>1</sup>[Our adjusted FY21 PBT figure of £126.3m](#), which excludes an estimated Covid-19 benefit of £67.3m, has been used for calculations against our £profit KPIs. This provides a more accurate view of our performance.

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

Progress has been made in procuring renewable electricity across our global operations, reducing our direct emissions. Our Atlanta fulfilment centre currently accounts for most of our Scope 1 and 2 emissions. We're developing plans to move to renewable energy at the site, bringing it in line with our other operations.

Target	FY21 Result
87% reduction	59% reduction

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

We continue to make encouraging progress in reducing our transportation emissions, working with our delivery partners to support the switch to electric vehicles and more sustainable methods of long-distance shipping. The opening of the Atlanta fulfilment centre to serve North American customers has particularly driven down emissions.

Target	FY21 Result
58% reduction	42% reduction

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

Our FY21 result is driven by an increase in PBT. To reduce our emissions, we're engaging with our suppliers to better understand their emissions profiles and energy usage. Currently 45% of Tier 1 facilities by volume have completed the Higg Index Facility Environmental Module (FEM), giving us a better understanding of performance and improved data quality. We are working to increase this figure.

Target	FY21 Result
58% reduction	17% reduction <sup>1</sup>

► **Two thirds of partner brands (by emissions) signed up to setting targets in line with Science Based Targets initiative (SBTi) requirements by 2025**

We work with a wide range of partners, from leading international brands to smaller, more local partners. Larger brands are both more likely to have set science-based targets with SBTi and account for a greater proportion of our business and associated branded emissions. We plan to work more closely with our smaller brand partners to support them in engaging with the SBTi process.

Target	FY21 Result
66% of brands (by emissions) signed up	53% of brands (by emissions) signed up



# Our FY21 Carbon Footprint

Almost all our emissions currently fall under Scope 3, which includes transportation, own-brand product manufacture, and branded product manufacture. In contrast Scope 1 and 2 emissions account for significantly less than 1% of emissions. As outlined earlier, our next key initiative in reducing Scope 1 and 2 emissions is to transition to renewable energy at our Atlanta fulfilment centre.

## Tackling Scope 3 emissions

Our transportation emissions are associated with two key activities: emissions associated with bringing product into the business and emissions associated with product delivery to customers and returns. Inbound product emissions are influenced by industry trends and choice of sourcing location. While sea freight is generally preferred from an emissions perspective for long-lead sourcing, use of air freight remains an important option for shorter-lead times, especially when experiencing constraints in international supply chains. The opening of our fulfilment centre in Atlanta has significantly reduced the transportation emissions for North American deliveries and returns.

Since 2017 we have worked with the Sustainable Apparel Coalition (SAC) to measure and assess our environmental performance and those of the factories producing ASOS products. This includes energy sources and associated greenhouse gas emissions. In calendar year 2021, 107 Tier 1 (manufacturing level) facilities completed the Higg Index Facility Environmental Module (FEM) representing 45% of our business by volume.

As part of this we have started an assessment of energy usage among our Tier 1 suppliers and greenhouse gas targets. 12% of our Tier 1 factories by volume have set a greenhouse gas target that has been verified by an external party. We are encouraged by this initial figure but will be working to increase it in future. The average FEM score from all participating factories was 38 out of 100, based on a combined average score for management (41), energy (61), water use (52), wastewater (37), and air emissions (21), waste (29), and chemicals (25).

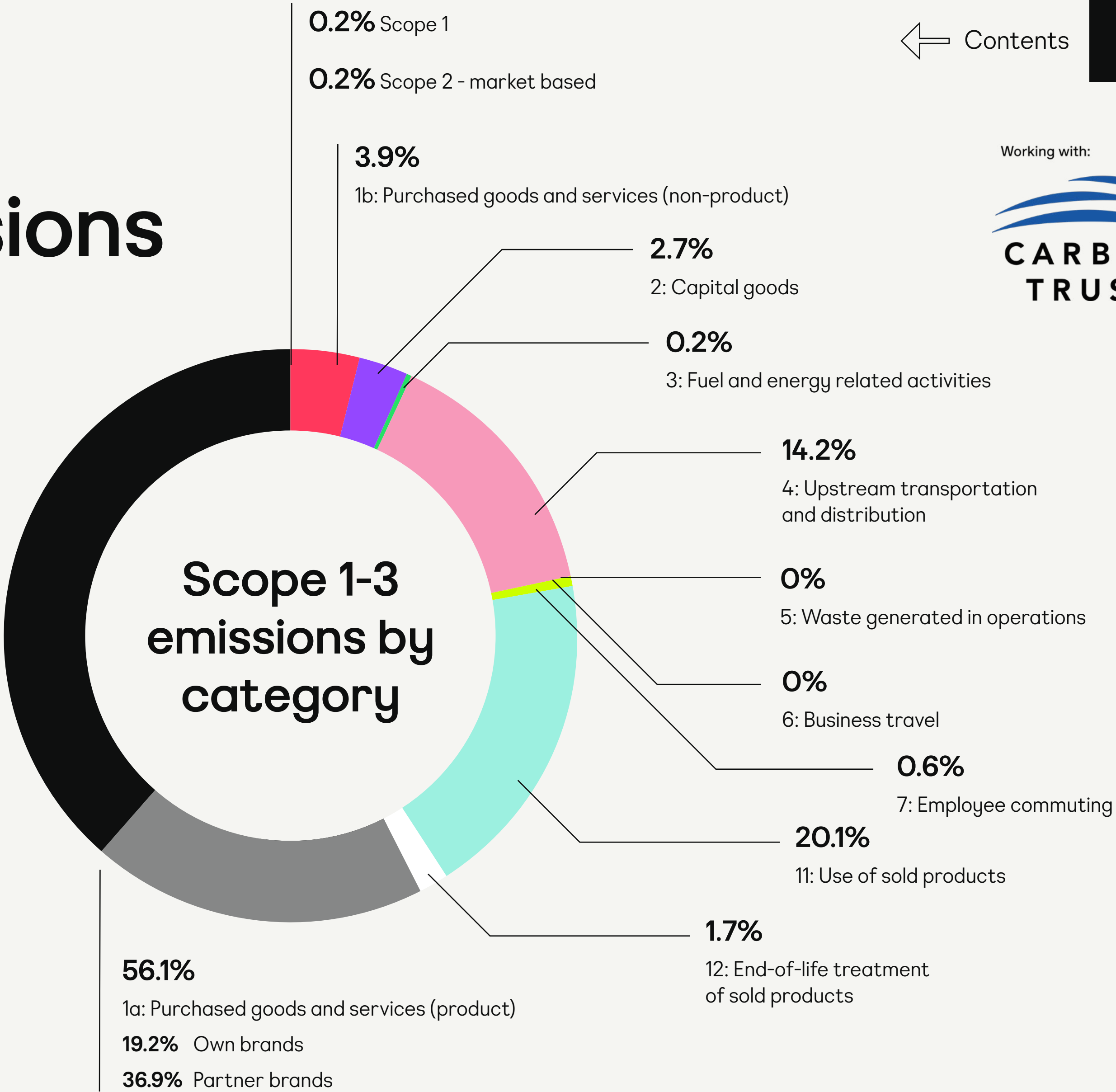
To support our work on addressing brand partner emissions, we are encouraging our brand partners to engage with organisations such as the Science-Based Targets initiative in setting ambitious emissions reduction targets themselves. We are planning to host a brand partner engagement event later this year which will focus on the requirements of our FWI programme and sharing of best practice between brands.





# Our FY21 carbon emissions

GHG Scope and Category	Total Emissions (t CO2e)	% of total
Scope 1	3,596	0.2%
Scope 2 - market based	3,150	0.2%
Scope 3: 1a: Purchased goods and services (product)	849,659	56.1%
Own brands	290,812	19.2%
Partner brands	558,847	36.9%
Scope 3: 1b: Purchased goods and services (non-product)	58,718	3.9%
Scope 3: 2: Capital goods	41,007	2.7%
Scope 3: 3: Fuel and energy related activities	3,156	0.2%
Scope 3: 4: Upstream transportation and distribution	215,192	14.2%
Scope 3: 5: Waste generated in operations	485	0%
Scope 3: 6: Business travel	99	0%
Scope 3: 7: Employee commuting	9,195	0.6%
Scope 3: 11: Use of sold products	303,963	20.1%
Scope 3: 12: End-of-life treatment of sold products	25,359	1.7%
Total Scope 1 and 2 emissions - market based (t CO2e)	6,747	
Total Scope 3 emissions (t CO2e)	1,506,834	
Total Scope 1, 2, and 3 emissions - market based (t CO2e)	1,513,581	



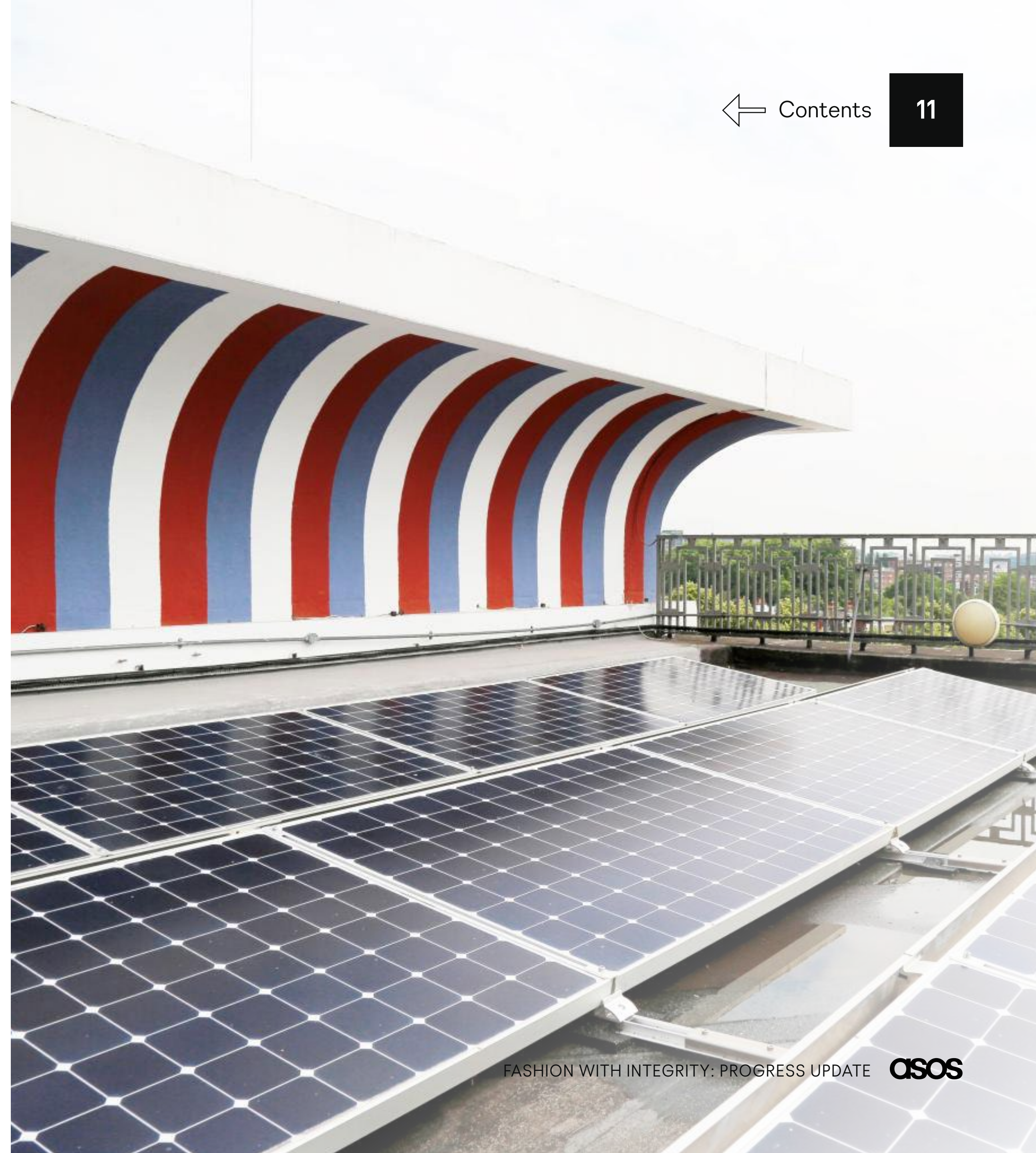
We have worked with the Carbon Trust on these calculations.



# An update on H1

In the first half of FY22, our focus has been on laying the groundwork for future delivery. We have continued to make progress against our operational sustainability targets. Energy consumption improved across our fulfilment centres and was down 25% vs FY20 in Atlanta. We are currently rolling out an energy management framework across our sites, which will include more regular reporting on energy consumption, so we can further improve energy management across our portfolio.

In this period, we have also trialled 'less CO2 deliveries' with customers in France. This initiative highlights the delivery method with the lowest carbon impact at checkout (typically Standard delivery) to encourage customers to choose this option. We will share the results of this trial in a future update.





# Be More Circular

## Progress against KPIs in FY21

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.

- ▶ 100% of own-brand products made from recycled or more sustainable materials by 2030, with pathways in place for prioritising high-impact materials

Please see the table on page 13 for a full breakdown of our fibre mix.

Target	FY21 Result
100%	31%

- ▶ By 2023, we'll publish a public-facing circularity strategy to allow us to embed circular design strategies by 2030

Work is progressing through engagement with key stakeholders and development of the groundwork of the strategy.

Target	FY21 Result
Publish in 2023	N/A

- ▶ Facilitate product recovery programmes in key markets by 2030

Target	FY21 Result
2030	N/A

- ▶ 100% of own-brand packaging made from more sustainable or recycled materials and be widely recyclable by 2025

- Mailing bags - 80% recycled material
- Garment bags – 90% recycled material
- Mailboxes – 100% recycled material/FSC-certified
- Garment packaging i.e. card/paper – over 90% of ASOS Design garment packaging uses sustainable or recycled materials. We're working to identify and improve this figure for newly acquired brands.

Target	FY21 Result
100% more sustainable / recycled	80%+

- Cardboard currently 100% widely recyclable. Flexible plastics are not yet widely recyclable. Due to be implemented in UK in 2025.
- To support recycling, we are encouraging our customers to send used packaging back to us with returns. We processed ~450 tonnes of used packaging into mailbags in FY21, representing close to 10% of the recycled plastic in our mailbags. We are also adding new wording to our packaging to encourage customers to check local soft plastic recycling.

Target	FY21 Result
100% widely recyclable	9%



PLANET | BE MORE CIRCULAR

While historically we have reported on volumes of fabric by product sold on a calendar year basis, we have recalculated this year to report on volumes by product brought into the business by financial year, offering a more accurate view of our purchasing behaviour and better aligning to carbon emissions reporting.

As a result we are unable to provide comparisons with previous year’s data but will do this going forward. This year’s figures also include data from our brands acquired in February 2021 for the first time.<sup>2</sup>

While only our Better Cotton Initiative numbers can currently be externally verified, we are in the process of updating our systems to better verify and track materials data. We aim to provide more assurance on our fabric mix and greater granularity on individual fibres from next year.

Material	% of total fibre mix	% more sustainable <sup>3</sup>	Defined as	Target and date
Cotton	45%	61%	Better Cotton Initiative (54%), organic and recycled (7%)	100% by 2025
Polyester	24%	7%	Certified recycled, i.e. Global Recycle Standard or Recycled Claim Standard	100% by 2030
Cellulosic fibres (i.e. Viscose)	7%	16%	Certified, i.e. - TENCEL™ Lyocell, TENCEL™ Lyocell x REFIBRA™, TENCEL™ Modal, LENZING™ ECOVERO™ Viscose, Livaeco by Birla Cellulose	100% by 2030
Other	24%	2%	N/A	100% by 2030

<sup>2</sup> Brands acquired in February 2021 are Topshop, Topman, Miss Selfridge and H&M.

<sup>3</sup> All data except for BCI figures based on supplier declaration and ASOS internal assessment.





# An update on H1

In November we published the ASOS Circular Design Guidebook in conjunction with the Centre for Sustainable Fashion (CSF), a research centre based at London College of Fashion, part of University of the Arts London which we have been working with since 2018. This 112-page interactive resource, adapted from an internal guidebook rolled out last year, was released to help designers, students and fashion brands design and create fashion products that support the circular economy. It also offers for the first time a detailed public breakdown on ASOS' nine circular design strategies, developed through consultation with CSF and with input from the Ellen MacArthur Foundation through participation in its Make Fashion Circular Initiative. Read more about our circular design guide below.

In addition to our guidebook, we have furthered our work on the development of our public-facing circularity strategy, to be published next year. Our efforts have focused on engaging with key stakeholders and identifying our end goal for circularity at ASOS. We look forward to sharing more in due course.

The period was also marked by an accelerated focus on our sustainable materials strategy. We have been laying the groundwork to achieve our new sustainable and recycled materials goals, developing updated guides for our commercial teams, and supporting training and engagement. We have also been establishing a firmer base for future reporting, including reviewing processes and investing in real-time data tracking to help our teams make quicker and more informed decisions around materials.

[Circular design guide →](#)









PEOPLE | BE TRANSPARENT

# Be Transparent

## Progress against KPIs in FY21

Through **Be Transparent**, 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 partner brands have signed up to the Transparency Pledge 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.

- ▶ 100% of ASOS own-brand products will have supply chains mapped to raw material level by 2030, extending our existing supply chain mapping

Target	FY21 Result
100% to Tier 5	Tiers 1 to 3: <b>100%</b> Tier 4: <b>89%</b> of suppliers engaged with on fabric source Tier 5: <b>0%</b> , mapping in progress

- ▶ From 2023, we'll publish an annual human rights strategy and implementation report, focused on freedom of association, gender empowerment, wages, and modern slavery

Target	FY21 Result
From 2023	N/A

- ▶ 100% of partner brands on ASOS will have committed to the Transparency Pledge and new ASOS Ethical Trading policy by 2025 at the latest

Target	FY21 Result
100% by 2025	By volume of business: <b>45%</b> Our initial activity against this target has focused on our larger brands, many of which will have already engaged with the Transparency Pledge. We are now accelerating our focus on our smaller brand partners, who we anticipate will require greater support.

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

Target	FY21 Result
100%	Sustainability information is currently shown to customers on product pages, for example in product titles and fabric composition. We are working on plans to improve this.



# An update on H1

Since launching our new goals in September, we've worked to strengthen our existing relationships and establish new ones to support the business in achieving its aims: including empowering workers, improving working conditions, addressing business impact, and engaging on policy and legislation.

In October, we signed a new partnership agreement with Anti-Slavery International (ASI), building on the existing relationship we established in 2017. Under the new agreement, which extends to 2025, ASI will provide us with dedicated resource to support the development of the next phase of our modern slavery strategy. This will form a core part of our forthcoming human rights strategy, to be published next year. Together with ASI we have also formed an internal modern slavery working group, comprised of people from across our business and a representative from ASI, to coordinate activity to address modern slavery risks.

To further the development of our human rights strategy, we have also commenced discussions with leading independent women's rights organisations in key sourcing areas with a view to establishing formal relationships. With women comprising 56% of the people in our tier 1-3 supply chain<sup>4</sup> and approximately 80% of workers in the global garment supply chain, improving gender equality and empowering women will be vital to achieving our goals.

In recent months we have formally opened the Migrant Resource Centre (MRC) in Mauritius, following the release of new funding from ASOS in October. The additional investment will contribute to the running of the centre and support Anti-Slavery International in continuing to provide technical advice, monitoring, and learning support to the MRC's staff. The MRC was established as part of an innovative project funded with the Modern Slavery Innovation Fund of the UK Home Office, in collaboration with ASOS, ASI, IndustriALL Global Union and a local trade union, Confédération des Travailleurs et Travailleuses des Secteurs Public et Privé (CTSP) in 2019. This marked the first time a brand, NGOs and a trade union had

worked together in this way. Since then, the MRC has been supporting and providing advice to migrant workers, alongside facilitating access to remedy should workers need to report grievances independent from their employers.

We have continued with our ongoing ethical trading activity. We have sustained our efforts to map Tier 4 of our supply chain, building on our existing 100% mapping of Tiers 1-3; carried out 344 unannounced audits in Tier 1 – 3 sites; launched a new Homeworking Policy and a new Freedom of Association and Collective Bargaining Policy; updated our Migrant Worker Policy, Child Labour Remediation Policy and Supplier Code of Conduct; maintained our engagement with NGOs, campaigners and benchmarking organisations on key issues facing the industry; and worked with our NGO partners to support advocacy on key subjects, for example calling for Mandatory Human Rights and Environmental Due Diligence legislation in the UK.

<sup>4</sup>[www.ilo.org](http://www.ilo.org)



# Be Diverse

## Progress against KPIs in FY21

Our purpose is to give our customers the confidence to be whoever they want to be, and the same goes for our people. Through **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. 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 by 2030.

- ▶ **At least 50% female and over 15% ethnic minority representation across our combined leadership team by 2023 and at every leadership level by 2030**

Target	FY21 Result
50% female	42% across leadership
Over 15% ethnic minority	7% across leadership

- ▶ **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**

Target	FY21 Result
No statistically significant differences in engagement scores between demographics	4pt decrease in gap between highest and lowest engaged demographics (from 7% to 3%, Jan '21 to Aug '21) and... 71% of ASOSers agree we are taking the right action to improve DEI

- ▶ **Over 40% female representation in Technology, Product Management and Data Science roles by 2030**

Target	FY21 Result
Over 40%	28%

- ▶ **We'll publish a Diversity, Equity and Inclusion (DEI) strategy and roadmap for the ASOS platform, our customers, and our people by 2023**

Target	FY21 Result
Publish in 2023	N/A



# An update on H1

We're pleased with the progress we're making against our Be Diverse goal. In December, we were ranked Number 8 on the 2021/22 Inclusive Top 50 UK Employers List. It ranks UK-based organisations that promote inclusion across all protected characteristics throughout each level of employment within their company, including age, disability, gender, LGBT, race, faith & religion. In the same month we also won the Diversity & Inclusion Award at The Rewards 2021, recognising a company or organisation that has promoted diversity and inclusion within their own workforce or contributed to industry-wide initiatives.

Those awards capped a strong finish to the 2021 calendar year, which also saw us publish our **ethnicity pay gap** (EPG) data for the first time and launch a new package of policies to provide crucial support to colleagues of all genders and circumstances going through health-related life events.

The former was published alongside our Gender Pay Gap report and showed median pay for ethnic minority employees is now 5.9% higher compared to their white counterparts, a 21.2% improvement in the overall median ethnicity pay gap since 2020. Read more about our gender and ethnicity pay gaps below.

Our **health-related life events** policy framework will enable our people to take the time away from work that they need, while also increasing awareness of the impact of such common life events and breaking down the taboos around these issues and taking time off when it is needed. The policies are gender neutral and apply to everyone regardless of who they are or their circumstances. The events covered include pregnancy loss; fertility treatment; the menopause; and wider health-related life events such as cancer treatment or gender reassignment surgery.

More recently, as part of our Race at Work Charter commitments, we commenced our second cohort of our **reverse mentoring programme** for our Executive Committee. Every Committee member is receiving mentoring from a more junior ASOSer from an ethnic minority background to share their lived experiences and help our leaders become more aware of the inequities in everyday life.

We will also soon be launching our **DEI learning programme**. This is a 12+ month programme that goes beyond the Equality Act to present engaging and thought-provoking material that will help to build new habits and create long-lasting change. The programme aims to spark a behavioural shift within ASOS to further the DEI agenda; ensure all ASOSers are DEI advocates; and ensure all ASOSers have the confidence to be whoever they want to be.

Finally, we've progressed work on the development of our DEI strategy and roadmap for the ASOS platform, our customers and our people. We look forward to sharing more detail on that next year.

**Gender and Ethnicity Pay Gap Report** →



## GOVERNANCE &amp; BENCHMARKING

# Governance and benchmarking

Since launching our new Fashion with Integrity strategy in September 2021, we have formalised a new ESG governance structure. While we had initially planned to form an ESG Committee chaired by the CEO and attended by Executives and relevant internal teams, we have now elevated our ESG Committee to a Board-level committee. This is led by Independent Non-Executive Director Eugenia Ulasewicz and is comprised of Independent Non-Executive Directors Karen Geary and Mai Fyfield, as well as Founder and Non-Executive Director Nick Robertson. This move will enhance Board oversight of our Fashion with Integrity programme and ensure progress and delivery against our goals.

Reporting into this Board-level ESG Committee are our FWI Working Group and Governance Working Group, both announced in September. To ensure greater consistency of approach, General Counsel & Company Secretary Anna Suchopar now chairs both groups, acting as the key liaison between the Board and the Executive. As part of our operational excellence programme, we have also appointed Responsible Sourcing Director Simon Platts to a new role as Commercial ESG & Sustainability Director, reflecting his role in driving progress across both our People and Planet pillars within our Commercial team.

Our executive team holds collective responsibility for delivery of our Fashion with Integrity programme. Accordingly, and as announced in September, we are ensuring that ESG metrics are built into executive remuneration plans as part of our broader consultation on remuneration. More detail on this will be shared in the annual report.

Our ESG governance structure is responsible for delivering the Fashion with Integrity strategy and goals, as well as wider ESG risk and performance management. We manage ESG related risks in the same way as all other business risks, with senior-level management and oversight. ESG considerations and our approach to Fashion with Integrity continue to guide our business decisions. This was evidenced in our suspension of sales to Russia in early March 2022 when, against the backdrop of the continuing war, we decided it was neither practical nor right to continue to trade in the country.

We continue to monitor the potential impact of upcoming legislation on our business, including environmental legislation, and to constructively engage with government on these topics.

To strengthen our approach to ESG risk identification, we are currently developing our first-ever TCFD (Taskforce on Climate-related Financial Disclosure) analysis with a third-party expert (Willis

Towers Watson), which will help us to understand climate-related risks and opportunities under different climate change scenarios. This will be included in our annual report later this year.

We understand the importance of transparency and disclosure. We are pleased to be recognised as best practice in the Fashion Transparency Index's Traceability Analysis for updating our supplier list every two months. We are also accelerating voluntary ESG reporting, and later this year will be completing our first CDP disclosure.

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's Brand and retailer module, and will continue to publish detailed modern slavery statements each year.

We will be publishing our next progress update looking at FY22 at this time next year. As set out in September, that report will build on our existing reporting to ensure compliance with both SASB and GRI.

We will also be working to achieve external assurance in future reporting. All data in this year's report has been internally validated.

MSCI

AA

Sustainalytics

23.9

CDP

N/A

Ecovadis

39



# Additional reporting

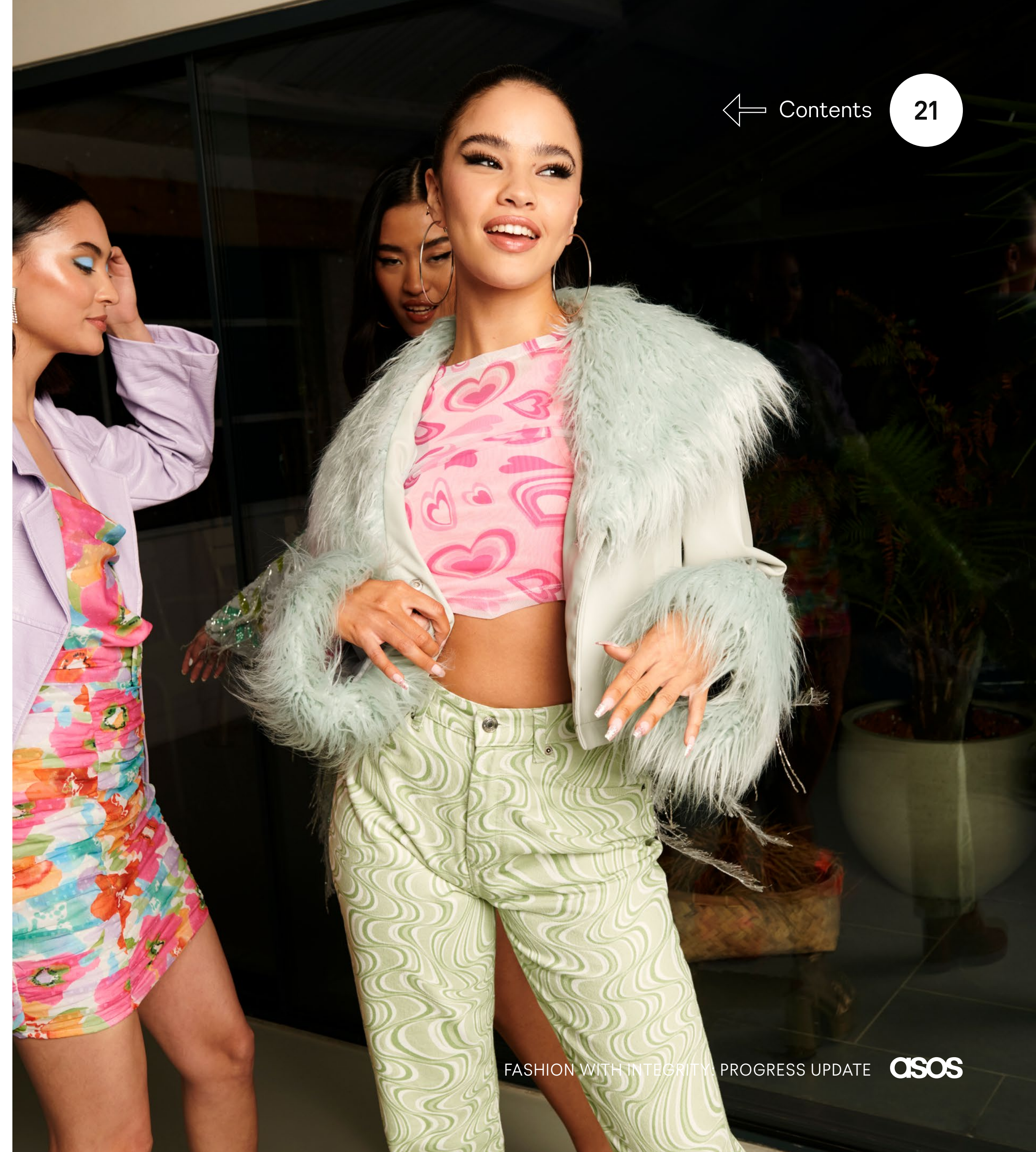
ASOS Modern Slavery Statement (Feb 2020 – Jan 2021) →

UN Global Compact Communication on Progress 2020-2021 →

Gender and Ethnicity Pay Gap Report 2020/21 →

Fashion with Integrity – Our 2030 Programme →

Annual Report 2021 →





# Methodology statement

Data in this report, unless specifically stated, has not been verified or assured by a third-party. ASOS has calculated data points and performance against KPIs using best practice guidance where this exists and has completed internal data validation checks on calculations.

As we continue our Fashion with Integrity journey, we will seek to achieve external assurance of performance data in future FWI and ESG reporting.

A summary of the methodologies and systems used to collect and calculate key performance indicators discussed in this report can be found here:

## Carbon emissions

ASOS has followed best practice as laid out in the GHG Reporting Protocol – Corporate Standard (Operational Control boundary) across Scope 1, 2 and 3 emissions. We have also worked with partners the Carbon Trust on the development of a Scope 1, 2 and 3 carbon emissions reporting tool and to calculate these emissions for FY21. We have used emission factors from the 2021 UK Government’s Conversion Factors for Company Reporting combined with industry-specific factors such as from the Sustainable Apparel Coalition’s Higg Materials Sustainability Index (MSI).

## Sustainable materials

A breakdown of our most significant materials can be found in the table on page 13. We calculate our more sustainable fibres percentages using internal systems, working with suppliers and external tools (such as the Sustainable Clothing Action Plan calculator). Better Cotton Initiative data is obtained directly from the external Better Cotton Platform (BCP). We are in the process of updating our systems to better verify and track materials data and we aim to provide more assurance on our fabric mix and greater granularity on individual fibres from next year.

## Energy consumption

Energy consumption used to calculate our scope 1 and 2 emissions is tracked in a central energy management platform (Fabriq). Energy data is obtained from a hierarchy of half-hourly (HH) data, meter readings, invoices, and finally estimates if necessary. Only 1% of total energy data presented is estimated. This data is regularly reviewed by energy management and procurement partners, Amber Energy, and used for internal reporting and project management.

## Diversity metrics

Data to provide updates against our Be Diverse KPIs has been collated using our HR Information System (HRIS), Workday. We use the same ethnic group definitions as the UK Census and data is reviewed regularly via internal dashboards and reporting. Data on employee engagement is taken through the ASOS Vibe, our new confidential employee engagement programme in partnership with Glint. Through integration with Workday, we can view engagement levels of different functions, teams, and demographics. The survey is completed at least twice a year.





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