

# **ASOS plc Greenhouse Gas ('GHG') emissions data and Group Scope 1 & Scope 2 Greenhouse Gas Reporting Principles and Methodologies for Data Subject to Independent Limited Assurance**

**Reporting period 1<sup>st</sup> September 2021 to 31<sup>st</sup> August 2022**

## **1. Introduction**

This document outlines the criteria and supporting methodologies that have been adopted to prepare greenhouse gas emissions for ASOS plc ('ASOS') based on data for the reporting period year ended 31<sup>st</sup> August 2022. ASOS Group is defined as the legal entity ASOS plc and its subsidiaries.

The Directors of ASOS are responsible for:

- Developing appropriate criteria against which to assess our performance in relation to the reported information and applying these consistently;
- Measuring and reporting the selected greenhouse gas emissions data, based on the reporting criteria, in a manner that provides relevant, complete, reliable, unbiased/neutral, comparable and understandable information;
- Ensuring that those criteria are relevant and appropriate to the company and the users of the selected information and are either attached to the Annual Report and Accounts 2022 for the year ended 31<sup>st</sup> August 2022 or remain available, unchanged, to the users of the Annual Report and Accounts 2022 for the year ended 31<sup>st</sup> August 2022 and our assurance report for as long as those reports are made available by PricewaterhouseCoopers LLP ('PwC');
- Designing, implementing and maintaining internal control procedures that provide adequate control over information in respect of our ESG operations and the preparation and presentation of information in the 'energy and carbon emission reporting' section of the Annual Report and Accounts 2022 for the year ended 31<sup>st</sup> August 2022 that is free from material misstatement, whether due to fraud or error;
- Selecting and applying appropriate policies, and making estimates that are reasonable in the circumstances;
- Producing the 'energy and carbon emission reporting' section of the Annual Report and Accounts 2022 for the year ended 31<sup>st</sup> August 2022, including underlying data and a statement of directors' responsibility, which provides a balanced reflection of our performance in this area and discloses (with supporting rationale) matters relevant to the intended users of the 'energy and carbon emission reporting' section of the Annual Report and Accounts 2022 for the year ended 31<sup>st</sup> August 2022; and
- Retention of sufficient, appropriate evidence to support the reported data and assertions.

## Reporting Principles:

### 2. Organisation Boundary and Scope of Emissions

#### a) Emissions & Sources

ASOS includes Scope 1 and Scope 2 GHG emissions, as defined in Section 92 of the Climate Change Act 2008 [carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF<sub>6</sub>)], emitted during the reporting period within its reporting of selected GHG data for the year ended 31<sup>st</sup> August 2022. The unit of measurement reported is tCO<sub>2</sub>e.

The following sources of emissions are included within the report:

- **Total Global Scope 1 emissions from combustion of gas:**

This refers to the combustion of natural gas only, which is used for stationary equipment, e.g. gas boilers within ASOS operations.

Refrigerant use is excluded from the emissions reporting scope but will be included in future years once a consistent approach to data collection has been implemented for this source.

Fuels used for the purposes of running irregularly used equipment, such as back-up generators, are excluded from the emissions reporting scope but will be included in future years once a consistent approach to data collection has been implemented for this source.

Transportation devices are excluded from the emissions reporting scope as ASOS does not own any petrol or diesel company-owned vehicles or long-term leased vehicles (leases over 14 days). ASOS owns only 1 Electric Vehicle. Fuel used for business travel in employee-owned vehicles is captured within Scope 3.

- **Total Global Scope 2 emissions from purchased electricity (location and market based):**

This includes emissions from the generation or purchase of electricity that is consumed in owned or controlled equipment (as defined in the operational control section below) within ASOS operations. Consumption associated with use of electric vehicles/forklifts operated by site operators (such as DHL) is included if the electricity has been paid for by ASOS.

Heat and steam are excluded from the emissions reporting scope because they are not relevant to ASOS.

Scope 2 emissions are reported under both Location-based and Market-based methods (see section 3b for further information).

## **b) Organisational Boundary**

ASOS plc follows the GHG Protocol and adopts an Operational Control boundary approach in its annual GHG reporting. This includes all relevant sources of emissions over which ASOS has the full authority to introduce and implement its operating policies at the operation.

Under the Operational Control approach, 100% of the calculated impact arising from Group companies and subsidiary entities over which ASOS has operational control is included.

On an annual basis the organisational boundary is reviewed to ensure that any new operations are included where necessary. This is completed using the organisational structure from the Company Secretary. From this a review of sites is completed to identify what, if any, new sites fall within the scope of the emissions reporting (e.g., the property assets associated with a company acquisition) and any sites which are no longer within the reporting scope (e.g., divested entities etc). The updated organisational and property records are then reconciled to determine the boundary for the reporting year, after which the emissions source data is requested from the appropriate site contacts.

Emissions from legal entities acquired during the financial year will be incorporated into the annual greenhouse gas report in the next reporting period in accordance with the scope and boundary criteria set out in this document. Emissions from entities disposed of during the year are included up to the date of disposal within the respective annual reporting year. There have been no relevant acquisitions or disposals in the current reporting period.

## **c) Operational Control**

To determine the operational boundary of the GHG inventory, a site will be considered under our control when energy supplied to the premises occupied by ASOS is metered and billed based on the actual amount consumed, for example:

- Where we have a contract directly with the electricity and natural gas suppliers - the site is considered under our control, or;
- Where electricity and natural gas is paid by the landlord and re-charged to us based on the actual amount we have consumed (i.e., metered amount) - the site is considered under our control.

Where we pay a fixed fee for energy as part of our rental payments (i.e., regardless of the amount actually consumed) then the site is considered not under our control and therefore emissions associated with this energy usage would be captured in Scope 3 emissions, which is not in scope for assurance during the current reporting period.

If a new site is occupied by ASOS during the reporting period then it is included in our operational boundary (if meeting our operational control definition above) from the lease start date. In the current reporting period this has occurred with the lease of a new supply chain warehouse in Austell, Atlanta.

Data for this site has been included from its lease start date (June 2022) until the end of the reporting period.

### **3. Reporting Format**

#### **a) Reporting Period**

ASOS produces its Annual Report and Accounts for the 12-month period ('financial year') of 1<sup>st</sup> September to 31<sup>st</sup> August and the Greenhouse Gas emissions reporting aligns to this period. The Greenhouse Gas emissions reporting in the Annual Report and Accounts for the financial year ended 31<sup>st</sup> August 2022 is aligned to the methodology within this document. These are presented in absolute values.

#### **b) Emission Factors**

We adopt the conventional approach in calculating our carbon emissions through the collection of primary source data in their appropriate units (e.g., kilowatt-hours (kWh), litres (L), kilograms (kg), kilometers (km) etc.) and converting into the associated carbon emissions using the relevant emissions factors.

ASOS has used the following factors to calculate the emissions for the 12 months from 1<sup>st</sup> September 2021 to 31<sup>st</sup> August 2022.

- **Total Global Scope 1 emissions from combustion of gas:**  
Scope 1 emission factors are updated annually using the most recent factors published by the UK Department for Business, Energy and Industry Strategy and the UK Department for Environment, Food and Rural Affairs (BEIS/DEFRA).
- **Total Global Scope 2 emissions from purchased electricity (location and market based):**  
Under the Location-based method, we use country specific electricity grid-average greenhouse gas emission factors. For UK sites, these are taken from the most recent factors published by the UK Department for Business, Energy and Industry Strategy and the UK Department for Environment, Food and Rural Affairs (BEIS/DEFRA). For international sites, the most recent factors published by the IEA are used. For the reporting year, the 2021 trade adjustment factors have been used.

Under the Market-based method, the emission factors are applied using the following data hierarchy, as per Table 6.3 in the GHG Protocol Scope 2 Guidance:

1. Energy attribute certificates or equivalent instruments (unbundled, bundled with electricity, conveyed in a contract for electricity, or delivered by a utility);
2. Contracts for electricity, such as power purchase agreements (PPAs) and contracts from specified sources, where electricity attribute certificates do not exist or are not required for a usage claim;

3. Supplier/Utility emission rates, such as standard product offer or a different product (e.g. a renewable energy product or tariff), and that are disclosed (preferably publicly) according to best available information;
4. Residual mix (subnational or national) that uses energy production data and factors out voluntary purchases;
5. Other grid-average emission factors (subnational or national) – see Location-based method.

#### **4. Activity Data**

Electricity and gas consumption data is collected via our third party energy streaming service Wattics, which is provided to ASOS through our contract with Amber Energy plc. This data can be streamed in half hourly, hourly, daily, weekly, monthly or yearly portions. The data is streamed directly from onsite meters and validated against monthly invoices. For sites in which ASOS occupy only a certain portion of the building (and where there are no separate energy meters/contracts), the occupancy percentage has been applied to the invoice of the whole building.

In the absence of availability of primary half hourly data and invoices, missing time periods are estimated. Where primary source data is not available, estimates are made by following the hierarchy from the same month in the year prior. Where possible, this is checked against earlier years to ensure no anomalies were used. Where estimations are required in new sites without invoice histories, the data will be estimated using the average consumption per day from the available invoices.

The electricity and gas consumption data are then converted into GHG emissions using the appropriate factors (see section 2a for further information).

#### **Restatement Policy**

Where information becomes available, we will restate prior year's figures using the latest available data to make data as comparable between years as possible. Where restatements have been made for specific indicators, these will clearly be outlined in our Annual Report and GHG emissions data in Fashion with Integrity reports.

Restatements are considered necessary if there is a change of greater than 5% (our significance threshold) of the reported data. Restatements may be needed as a result of:

- Structural change: Where we experience a structural change (e.g., due to an acquisition) in future periods, we will recalculate the baseline accordingly applying an "all-year" approach to this recalculation (data for all years between the base year and the reporting year will be updated).
- Changes in calculation methodology or improvements in the accuracy of emission factors or activity data that result in a significant impact on the emissions data.
- Discovery of significant errors, or a number of cumulative errors, that are collectively significant.

## **Assurance**

In addition to our own internal processes and governance, ASOS commissions an independent third-party assurance of its Scope 1 and Scope 2 Greenhouse Gas emissions prior to publication in the annual accounts.

For the financial year ended 31st August 2022, PricewaterhouseCoopers LLP ('PwC') were appointed to undertake Independent limited assurance of ASOS plc's Scope 1 and Scope 2 greenhouse gas emissions data in accordance with the International Standard on Assurance Engagements ISAE 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', and the International Standard on Assurance Engagements 3410 'Assurance engagements on greenhouse gas statements'. Their assurance opinion can be located on our company website here: [www.asosplc.com/fashion-with-integrity](http://www.asosplc.com/fashion-with-integrity)