

ESG Committee Report



ESG Committee Chair's statement

On behalf of the Board, I am pleased to present ASOS' first ESG Committee Report covering our activities since its establishment in February 2022.

The importance of ESG is undeniable. Stakeholders are increasingly knowledgeable and interested in ESG and we've seen this directly through increased scrutiny from investors, our employees, partners and customers. It is important for us to have a robust approach to managing ESG, which is primarily achieved through our FWI programme. Our approach to business has been guided by our FWI programme since 2010 but in 2021 we decided it was time for even bolder action and we were proud to launch our FWI 2030 programme in September 2021. Focused on four key goals – Be Net Zero, Be More Circular, Be Transparent and Be Diverse – it shows 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 FWI in 2010.

For more information on our FWI 2030 programme see [pages 32 to 35](#).

Demonstrating the importance of ESG and our big commitment to this topic, during the year, the Board approved the creation of the ESG Committee. This report will provide an insight into the discussions and work undertaken by the Committee since February 2022 and an overview of the Committee's plans for FY23.

The role of the Committee is to provide oversight of ASOS' ESG strategy, in particular the FWI 2030 programme and progress against our targets and KPIs, and to offer the Board detailed oversight of ESG matters and how ESG is woven into the overall ASOS strategy while also understanding and managing the risk around it, and signing off the framework used to measure progress against the goals. We believe the Committee will contribute to the long-term success of the Company, for the benefit of our customers, employees, suppliers and other key stakeholders and the societies in which we operate.

When establishing the Committee, the Board worked to ensure that members brought a range of skills and experience appropriate to the Committee's remit. As Chair, I have experience in the area of ESG – I am a member of Chapter Zero, the UK chapter of the Climate Governance Initiative, and I am currently chair of a committee specifically focused on ESG matters and a member of a committee with ESG matters in its remit for external global companies. I also have experience in global retail, brand management and as a strong business strategist. Mai Fyfield has extensive experience in leading the development and implementation of strategies, namely at Sky plc where she was chief strategy and commercial officer until October 2018 and she is now a non-executive director on a number of boards. Karen Geary is our designated Non-executive Director for employee engagement and has engaged with employees during the year to understand their views on key social matters. She is also a member of Chapter Zero and Chair of the Remuneration Committee, which introduced ESG measures in the executive remuneration structure last year, and has extensive experience in Diversity, Equity & Inclusion matters as a result of her HR career. Finally, Nick Robertson has pioneered FWI at ASOS since its inception during his tenure as CEO, and he has been Chair of the ASOS Foundation since it was established in 2013.

Committee Chair

Eugenia Ulasewicz

Members

Mai Fyfield Karen Geary Nick Robertson

Committee responsibilities

The Committee's principal responsibilities are to:

- Define the Group's Environmental, Social & Governance (ESG) and Fashion with Integrity (FWI) strategies, including related targets and key performance indicators (KPIs).
- Provide oversight on the execution of the ESG and FWI strategies and the Group's progress against its targets and KPIs in relation to ESG, including ESG risk management and external ESG index results.
- Provide oversight of the key policies and programmes required to implement the ESG strategy.
- Review the practices and initiatives of the Group relating to ESG matters to ensure they remain effective and ensure compliance with legal and regulatory requirements, including corporate governance principles and industry standards.
- Review the effectiveness of the Group's FWI 2030 programme, including the governance arrangements for ensuring its successful delivery and monitoring its overall performance.
- Oversee how the Group's ESG and FWI strategies are communicated to all stakeholders.
- Offer recommendations to the ASOS Plc Remuneration Committee on ESG-specific targets for executive remuneration packages.

Terms of Reference

The full Terms of Reference for the Committee, which will be reviewed and approved annually, are available on our corporate website, [asosplc.com](#). They were approved on 31 March 2022.

Committee membership, together with attendance at meetings, is detailed in the table on page 65.

During the year, the Committee met twice and provided updates to the Board after each meeting. Both the CEO and CO&FO have been invited to attend all meetings, along with senior managers responsible for delivering the FWI 2030 programme.

The Committee's first meeting in March 2022 focused on:

- Our overall approach to ESG and FWI, including the formation of our FWI 2030 programme and the four goals: Be Net Zero, Be More Circular, Be Transparent and Be Diverse.
- Understanding each FWI 2030 goal, the KPIs behind each goal to measure success, the rationale behind each goal and the KPIs, our progress so far and the roadmap of key milestones to 2030.
- Our ESG governance structure, including the newly-established FWI Working Group, which is a cross-functional group that manages the delivery of key FWI goals and ensures appropriate cross-functional collaboration, and the Governance Working Group, which makes sure we are disciplined in our governance and doing the right thing in relation to how we do business.
- Approving our first FWI progress update report, which we will provide regularly to coincide with our half-year financial results. This report looked back on the progress we made during FY21 with a particular focus on progress against our KPIs.
- Our progress preparing for the adoption of new disclosures required by the Task Force on Climate-related Financial Disclosures (TCFD).
- Update from our Director of Corporate Affairs, noting the Group's response to Russia's invasion of Ukraine.

The Committee's second meeting in July 2022 focused on:

- Progress against the four goals of the FWI 2030 programme and key priorities and challenges for FY23.
- Overview of work by an external partner to establish roadmaps for pillars 1-3 (Be Net Zero, Be More Circular and Be Transparent), align roadmap dependencies, assess progress towards each KPI, including critical next steps and identification of the strategic enablers required to support the delivery of our FWI ambitions.
- Updates on ESG reporting projects ahead of year end, including TCFD analysis with Willis Towers Watson and work with PwC on Scope 1 & 2 emission assurance – important steps in improving the robustness of our ESG reporting and meeting stakeholder and governmental expectations.
- Further update on the TCFD disclosures and the ESG disclosures in this Annual Report.
- Update on the investigation by the Competition & Markets Authority announced in July.
- Quarterly updates, including ESG benchmarks, ASOS Foundation update, Investor Relations update, policies, publications and training.

The Committee's FY23 focus will be on each of the four FWI 2030 goals, as well as continued oversight and scrutiny of the FWI 2030 programme and our ESG agenda and ESG-specific training for Committee members and the wider Board.

Eugenia Ulasewicz
ESG Committee Chair
28 October 2022

