Board of Directors

Jørgen Lindemann
Chair

José Antonio Ramos Calamonte
Chief Executive Officer

Mat Dunn
Chief Operating Officer and Chief Financial Officer

Patrick Kennedy
Senior Independent Director and Chair of the Audit Committee

Mai Fyfield
Independent Non-executive Director

Karen Geary
Independent Non-executive Director and Chair of the Remuneration Committee

Luke Jensen
Independent Non-executive Director

Nick Robertson
Founder and Non-executive Director

Eugenia Ulasewicz
Independent Non-executive Director and Chair of the ESG Committee

Anna Suchopar
General Counsel & Company Secretary

Board of Directors continued

Committee key

A Audit Committee
N Nomination Committee
● Denotes Chair of a Committee
R Remuneration Committee
E ESG Committee

Jørgen Lindemann
Chair

Appointed: Non-executive Director in November 2021 and Chair in August 2022

External Appointments: Chair of Miinto and a board member of Bambuser AB

Experience: Jørgen has strong experience of leading digital-first businesses. He is chair of Miinto, the Danish-based online fashion marketplace, a role he has held since 2021, and he is also on the board of Bambuser AB, the Swedish-based global live video-shopping technology company. Jørgen is the former President and CEO of Modern Times Group (MTG), the Swedish-based digital entertainments business, where he worked from 1994 to 2020. He also sat on the board of Zalando as a non-executive director from 2016 to 2021. His other previous roles include chair of DreamHack, Turtle Entertainment and NOVA Broadcasting Group, non-executive director and co-chair of FTV Prima and CTC Media Inc, and non-executive director of Kongregate.

Committees N ●

José Antonio Ramos Calamonte
Chief Executive Officer

Appointed: June 2022

External Appointments: None

Experience: Since taking over as ASOS' Chief Executive Officer in June 2022, José has launched a multi-year plan to scale and grow the business in the UK and internationally. Supported by the Board and senior leadership team, José leads our c.3,000 ASOSers to give ASOS customers around the world the confidence to be whoever they want to be.

José joined the Group in January 2021 as Chief Commercial Officer, where he was responsible for leading and driving our product and trading strategy globally.

Prior to joining ASOS, José was chief executive officer at Portuguese fashion company, Salsa Jeans between 2019 and 2021. Before that, he led on commercial strategy for high-profile brands including Esprit, Carrefour Spain and Inditex during his 23-year career.

José has extensive multichannel experience, having worked across both online and physical retail, with expertise in trading, merchandising, price and promotion. He started his career at McKinsey & Company.

Mat Dunn

Chief Operating Officer and Chief Financial Officer

Appointed: Chief Financial Officer in April 2019 and Chief Operating Officer in October 2021

External Appointments: None

Experience: Mat is a chartered management accountant with over 20 years of post-qualification experience. He has significant international experience in both developed and developing markets, as well as experience leading major commercial and functional improvement and transformation programmes.

Before ASOS, Mat held various financial planning, management and leadership positions at SABMiller plc from 2002, before joining EMI Music Limited as chief financial officer of their Global Catalogue division in 2009. He returned to SABMiller plc in 2010, where he held the role of chief financial officer of Asia until 2014 before becoming chief financial officer of South African Breweries Limited from 2014 until 2015. In 2015, Mat joined the board of Britvic plc as chief financial officer.

Patrick Kennedy

Senior Independent Director

Appointed: January 2022

External Appointments: Chair of Bank of Ireland Group plc and CarTrawler

Experience: Over a 30-year career, Patrick has held a range of senior roles, having started at KPMG and McKinsey & Company. From 2006 to 2014 he was chief executive of Paddy Power plc and before that worked for Greencore Group plc, including as chief financial officer. He is currently chair of Bank of Ireland, chair of CarTrawler, the B2B travel technology company, and honorary treasurer of the Irish Rugby Football Union. He was previously a non-executive director of Elan Corporation plc, where he chaired the Leadership, Development and Compensation Committee, and a non-executive director of Paddy Power plc, where he chaired the Audit Committee.

Committees A R N

Mai Fyfield

Independent Non-executive Director

Appointed: November 2019

External Appointments: Non-executive director of Roku, a US-listed entity, Nationwide Building Society, BBC Commercial and The Football Association Premier League Limited

Experience: Mai was chief strategy and commercial officer at Sky plc until October 2018, responsible for leading strategy and Sky's commercial partnerships across the Sky Group. During her time at Sky, she was a key player in the growth and diversification of the business and has extensive international and digital experience. Prior to joining Sky in 1999, Mai spent eight years working as an economic advisor to blue-chip companies in a number of different industries, both in the UK and the US.

Committees A R E

Board of Directors continued

Committee key

A Audit Committee
N Nomination Committee
● Denotes Chair of a Committee
R Remuneration Committee
E ESG Committee

Karen Geary
Independent Non-executive Director

Appointed: October 2019

External Appointments: Non-executive director of National Express Group plc, Sabre Insurance Group plc and PageGroup plc

Experience: Karen is a former FTSE 100 HR director with an extensive track record in the technology industry. Between 1998 and 2013, Karen was with The Sage Group plc, where she built the HR function and was a member of the executive committee from 2004. Between 2014 and 2016, Karen was chief people officer at Wandisco, Inc., based in the US. She was most recently with Micro Focus International, the FTSE 100 software company, as chief human resources officer, having initially joined the business as a non-executive director and chair of the remuneration committee in 2016.

Karen brings over 20 years of executive leadership experience across start-up and listed blue-chip organisations, as well as international HR and business transformation experience across a variety of industries, particularly in Europe and the US.

Committees N R● E

Luke Jensen
Independent Non-executive Director

Appointed: November 2019

External Appointments: Executive director of Ocado Group plc, chief executive officer of Ocado Solutions Limited and non-executive director of Hana Group

Experience: Luke is currently chief executive officer of Ocado Solutions, a position he has held since 2017 and joined the Board of Ocado Group plc, the FTSE 100 listed online grocer and technology company, in 2018. Prior to this, Luke was a senior advisor at Boston Consulting Group between 2015 and 2017, and between 2008 and 2014, Luke held various roles at J Sainsbury plc, including group development director, where he was responsible for online and all customer-facing digital activities. Luke has extensive experience in logistics, strategy and technology in the retail sector, on an international scale.

Committees A N

Nick Robertson
Founder and Non-executive Director

Appointed: Co-founded ASOS.com Ltd in 2000, and served as its Chief Executive Officer until September 2015, when he became a Non-executive Director

External Appointments: Non-executive director of AFCW plc and Gandys International Limited

Experience: Nick's career began in 1987 at the advertising agency Young & Rubicam. In 1991, he moved to Carat, the UK's largest media planning and buying agency. In 1995, he co-founded Entertainment Marketing Ltd, a marketing services business. He is Chair of the ASOS Foundation, a registered charity funded by ASOS which works to improve the lives of young people in the UK and overseas through long-term partnerships with established local charities. Nick was awarded an OBE in 2011 for his achievements in the world of fashion retailing.

Committees E

Eugenia Ulasewicz
Independent Non-executive Director

Appointed: April 2020

External Appointments: Non-executive director of Signet Jewelers Limited, Vince Holding Group and Dufry AG

Experience: Eugenia has both US and international public company board experience in the global retail sector including e-commerce, travel retail, stores and connected consumers. Her current boards include Dufry AG, Signet Jewelers and Vince Holding Corp. She also served on the board of Bunzl plc, a FTSE 100 company, for nine years.

Her deep retail career included merchant and operator roles at Bloomingdales, Galeries Lafayette and Saks Fifth Avenue. Prior to her transition to full time board service she was President, Burberry Americas for over a decade.

Committees A R E

Anna Suchopar
General Counsel & Company Secretary

Appointed: June 2019

External Appointments: None

Experience: Anna was appointed General Counsel & Company Secretary in June 2019 and leads our Governance function. Her remit includes Legal, Company Secretarial, Data Protection, Business Assurance and Corporate Responsibility, including the ASOS Foundation. As Company Secretary, Anna supports the ASOS Plc Board and Committees. She is also Executive Sponsor for our Fashion with Integrity (FWI) programme, which includes supporting the ESG Committee and chairing both the Governance Working Group and FWI Steering Committee.

Formerly IP Manager at Virgin Group, she has spent much of her career in London and Geneva and joined ASOS in 2014.

She trained and qualified as a UK solicitor at Taylor Wessing LLP, practising in Taylor Wessing's market-leading Intellectual Property & Media Team for five years.

Changes during the year

Ian Dyson – Chair
(and previously Non-executive Director)
Stepped down on 1 August 2022

Adam Crozier – Chair
Stepped down on 28 November 2021

Nick Beighton – Chief Executive Officer
Stepped down on 11 October 2021

Corporate Governance Report

Chair's Governance statement

Dear shareholder

I am pleased to present the Corporate Governance Report for the year ended 31 August 2022. The Board and I remain committed to maintaining the highest levels of corporate governance to allow for effective decision-making, which has been particularly important with the changes in the composition of the Board during the year and amidst the volatility and uncertainty of the external environment. The Board has had to adapt to many changes during the year, including its composition, the Company's performance and the external environment, and having effective governance in place has allowed the Company to make critical business decisions to promote its success both in the short and long term.

Leadership changes

We have made important changes to the Board's composition during the year. As reported in last year's Annual Report, Ian Dyson stepped into the role of Chair in November 2021, to replace Adam Crozier, and led the search process for a Chief Executive Officer (CEO). I was also appointed to the Board in November 2021 as Non-executive Director, followed by Patrick Kennedy, who joined the Board in January 2022 as Senior Independent Director and Chair of the Audit Committee. In June 2022, we announced the appointment of José Antonio Ramos Calamonte as CEO, following an extensive search process led by Ian Dyson and the Nomination Committee.

José, who was previously Chief Commercial Officer of ASOS, is an experienced international retailer with deep multinational experience and a track record of driving innovation, and the Board believe he is the right person to lead the Company through the next phase of growth.

On conclusion of the CEO search process, we announced that Ian Dyson had decided that it was the right time for him to step down from the Board after nearly nine years' service. Following a short handover process, Ian left the Board in August 2022. Further to my statement in the Strategic Report on page 2, on behalf of the Board I would like to thank Ian Dyson for the substantial contribution he has made to ASOS over his nine-year tenure as a Non-executive Director, Chair of the Audit Committee, Senior Independent Director, and latterly as Chair of the Board.

In August 2022, we announced that the Board and Mat Dunn had agreed a phased plan under which Mat would step down from his roles as Chief Operating Officer and Chief Financial Officer (CO&FO) on 31 October 2022, as we restructure our Executive team. I would like to take this opportunity to thank Mat for the enormous contribution he has made to ASOS over the past three years, in particular during his time as interim CEO. Mat has worked tirelessly to ensure that the Group has been able to make continued strategic progress, despite the prevailing market conditions that have existed since the global pandemic. On behalf of the Board, we wish him well in the next chapter of his career.

We have also announced that Karen Geary, Luke Jensen and Eugenia Ulasewicz will not be seeking re-election at the Annual General Meeting (AGM). Luke will step down from the Board on 31 October 2022, Karen will step down from the Board on 1 December 2022 and Eugenia will step down from the Board at the conclusion of the AGM. I would like to thank them all for their contribution to the Board over the past three years, particularly Karen's dedication as Remuneration Committee Chair. More on the changes to the Board and the appointment process can be found in the Nomination Committee Report on pages 79 to 81.

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Biographies of the Board can be found on ***pages 58 to 61***.

Main Market Listing

One of our key decisions during the year was our move from the Alternative Investment Market (AIM) to the Main Market of the London Stock Exchange in February 2022. Our listing on AIM for the past 20 years has been an important part of the Group's development, but the Board agreed that the time was right to move to the Main Market as we focus on the delivery of our medium-term guidance and longer-term growth ambitions.

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More information on our Main Market Listing can be found on ***page 67***.

Compliance with the 2018 UK Corporate Governance Code

1	Board Leadership and Company Purpose	Page(s)
A	Effective Board	70
B	Purpose, values and culture	64
C	Governance framework	69
D	Stakeholder engagement	67, 20-23
E	Workforce policies and practices	107
2	**Division of Responsibilities**	**Page(s)**
F	Role of the Chair	69
G	Independence	70
H	External commitments and conflicts of interest	70
I	Board resources	70
3	**Composition, Succession and Evaluation**	**Page(s)**
J	Appointments to the Board	70
K	Board skills, experience and knowledge	58-61
L	Annual Board evaluation	71
4	**Audit, Risk and Internal Control**	**Page(s)**
M	External Auditor and Internal Auditor	75-78
N	Fair, balanced and understandable review	73
O	Internal financial controls and risk management	77
5	**Remuneration**	**Page(s)**
P	Linking remuneration with purpose and strategy	84
Q	Remuneration Policy review	99
R	Performance outcomes in 2022	86

Governance

Maintaining appropriate standards of corporate governance is essential for good management of the business. As a Board, we recognise the need for ensuring an effective corporate governance framework is in place to give our stakeholders the confidence that the business is being run effectively.

The 2018 UK Corporate Governance Code (the Code) is applicable to ASOS for the financial year ended 31 August 2022. The Company has applied the principles and complied with the provisions of the Code, with the following exceptions:

- Provision 12: Between the period of Ian Dyson's appointment as Chair of the Board on 29 November 2021 and Patrick Kennedy's appointment as Senior Independent Director (SID) on 13 January 2022, the Company did not have a SID.
- Provision 24: Between the period of Ian Dyson's appointment as Chair of the Board on 29 November 2021 and 14 January 2022, Ian Dyson maintained the role of Chair of the Board and Chair of the Audit Committee. An Audit Committee meeting was held on 14 January 2022, which was chaired by Ian Dyson and attended by Patrick Kennedy as a member, in consideration of it taking place on Patrick's second day in role. This meeting was therefore not chaired by an independent director, however at that time there were six independent members of the Audit Committee.
- Provision 36: The Remuneration Committee has kept its policy on ALTIS holding periods and post-employment shareholdings under regular review. Although the Company is not currently compliant with this provision, we are proposing changes to our Remuneration Policy (details of which can be found on page 85) which include the introduction of a two-year holding period for all future ALTIS awards and a post-employment shareholding requirement.

  The Remuneration Policy will be submitted for shareholder approval at the Annual General Meeting on 11 January 2023 and, if passed, the Company will be compliant with provision 36. In addition to this, José Antonio Ramos Calamonte's new CEO service contract includes a specific provision relating to holding periods.
- Provision 38: The pension allowance for the CO&FO is currently 10% of base salary. In order to reflect best practice and comply with the Code, his pension contribution will reduce to 5% of salary from 1 December 2022, at which point it will align with the rate available for the majority of the workforce until he leaves employment on 31 December 2022. The pension provision for the CEO is aligned with the wider workforce at 5% of base salary. The pension provision for the CO&FO's successor will be aligned with the wider workforce at 5% of base salary. The Company is therefore not currently compliant with this provision, but will be compliant from 1 December 2022.

Details of our compliance with the Code, the composition of our Board, corporate governance arrangements, processes and activities during the year, and reports from each of the Board's Committees, are set out on the following pages. A full version of the Code is available from the Financial Reporting Council website at frc.org.uk.

Jørgen Lindemann
Chair
28 October 2022

Corporate Governance Report
continued

Board leadership and Company purpose

Our purpose, culture and strategy

The Board is responsible for setting ASOS' vision, purpose and values, as well as satisfying itself that there is an appropriate culture throughout the Group to ensure the necessary resources are in place to execute the Group's vision – to be the world's number one fashion destination for fashion-loving 20-somethings – and to ultimately deliver long-term growth of the Group and generate value for our shareholders. In order to achieve this vision, we are focused on our purpose to give our fashion-loving 20-somethings the confidence to be whoever they want to be, as well as being guided by our values – to be authentic, brave, creative and disciplined, in everything we do. The Group is built on an inclusive culture which encourages passion, enthusiasm and development so ASOSers can bring their best selves to work. We recognise that it is our differences which make us stand out from the crowd.

The Board acknowledges that it is accountable to stakeholders for ensuring that the Group is appropriately managed and achieves its objectives in a way that is supported by the right culture and behaviours. The Board is responsible for ensuring that its activities reflect the culture of the Group, set the tone from the top and drive the right behaviours with our ASOSers.

The Board monitors the Company's culture in a variety of ways.

- Our designated Non-executive Director for employee engagement, Karen Geary, met with employee representatives throughout the year (described in more detail on page 67), allowing her to assess first-hand whether ASOSers are living by our values. This also highlighted concerns over the cost-of-living crisis in the UK.
- The Board has oversight and approves all of the Group's policies. During the year the Board approved a new Anti-Bribery and Corruption Policy which sets out clear expectations and mandates for every ASOSer to perform the Group's business with integrity and in accordance with applicable laws. Any serious allegations of breaches of corporate policies or other forms of wrongdoing are duly investigated, acted on and brought to the Audit Committee and Board's attention.
- The Nomination Committee received updates during the year on the results of the employee engagement survey (the ASOS Vibe), which provides key insights into people data and trends and levels of engagement.

Doing 20-something fashion better than anyone else is what ASOS is about, and the Company is laser-focused on meeting the needs of its target consumers and has a clear understanding of their needs and characteristics. At ASOS we recognise the importance of effective corporate governance in supporting the long-term success and growth of the Group. Good corporate governance facilitates clear delegation of authority from the Board through to our Executive Committee, Operating Board and beyond, to promote clear, disciplined decision-making and ensure the effective execution of our strategic priorities.

More information on the Company's business model and strategy can be found on pages 18-19 and 24-25 and a full description of the Board's activities and decision-making during the year can be found on pages 66-67.

Board activities during the year

Board meetings

The Board held eight scheduled meetings during the year and met a further seven times to discuss matters of a time-sensitive nature, including the Company's Main Market Listing and Board composition changes. Directors are expected to attend all Board and relevant Committee meetings. The table on page 65 sets out attendance at all Board and Committee meetings held during the year ended 31 August 2022.

The Board and its Committees receive appropriate and timely information before each meeting, a formal agenda is produced for each meeting, and Board and Committee papers are distributed several days before meetings take place, allowing all Board members to contribute, even if they cannot attend. Any Director can challenge proposals, and decisions are taken democratically after discussion. Any Director who feels that any concern remains unresolved after discussion may ask for that concern to be noted in the minutes of the meeting, which are then circulated to all Directors. Specific actions arising from such meetings are agreed by the Board or relevant Committee and then followed up by management. The Directors have access to the advice and services of the Company Secretarial team, including the General Counsel & Company Secretary, who is responsible for ensuring that all Board procedures have been complied with. The appointment and removal of the Company Secretary is a matter reserved for the Board as a whole. Individual Directors are also able to take independent legal and financial advice at the Group's expense when necessary, to support the performance of their duties as Directors. During the year, the Chair met with the Non-executive Directors without the Executive Directors being present. The Directors are also updated on the Group's business areas and the regulatory and industry-specific environments in which they operate by way of written briefings and meetings with senior executives and, where appropriate, external parties. Appropriate training is also available to all Directors to develop their knowledge and ensure they stay up to date on matters for which they have responsibility as a Board member. In addition, a Directors' and Officers' Liability insurance policy is maintained for all Directors.

	Plc Board meetings			Committee meetings							
				Audit		Remuneration		Nomination		ESG	
	Eligible to attend	Scheduled meetings attended	Additional meetings attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Jørgen Lindemann[1]	11	6/6	4/5	3	3/3	–	–	11	8/11	–	–
José Antonio Ramos Calamonte[2]	1	1/1	–	–	–	–	–	–	–	–	–
Mat Dunn	15	8/8	7/7	–	–	–	–	–	–	–	–
Patrick Kennedy[3]	9	5/5	4/4	3	3/3	7	7/7	9	9/9	–	–
Karen Geary[4]	15	8/8	7/7	2	2/2	10	10/10	13	13/13	2	2/2
Mai Fyfield[5]	15	8/8	5/7	4	4/4	10	10/10	–	–	2	2/2
Luke Jensen[6]	15	8/8	5/7	4	4/4	–	–	13	11/13	–	–
Nick Robertson[7]	15	8/8	5/7	–	–	–	–	–	–	2	2/2
Eugenia Ulasewicz[8]	15	8/8	6/7	4	4/4	7	5/7	6	6/6	2	2/2
Ian Dyson[9]	15	8/8	6/7	2	2/2	3	3/3	13	12/13	–	–
Adam Crozier[10]	3	2/2	0/1	–	–	–	–	3	3/3	–	–
Nick Beighton[11]	1	1/1	N/A	–	–	–	–	–	–	–	–

1 Jørgen Lindemann did not attend the Nomination Committee meetings on 18 November 2021 and 25 April 2022, due to pre-existing commitments. A full briefing was given to Jørgen on the proceedings at these meetings. He did not attend the Nomination Committee meeting on 7 June 2022 due to a conflict of interest.
2 José Antonio Ramos Calamonte was appointed to the Board on 16 June 2022.
3 Patrick Kennedy was appointed to the Board on 13 January 2022.
4 Karen Geary stepped down as a Member of the Audit Committee with effect from 1 February 2022 in order to join the newly established ESG Committee following committee composition changes.
5 Mai Fyfield was unable to attend the unscheduled Board meetings on 10 October 2021 and 7 February 2022 due to pre-existing commitments. A full briefing was given to Mai on the proceedings at these meetings.
6 Luke Jensen was unable to attend the unscheduled Board meetings on 10 October 2022 and 14 June 2022 and the Nomination Committee meetings on 25 April 2022 and 7 June 2022 due to pre-existing commitments. A full briefing was given to Luke on the proceedings at these meetings.
7 Nick Robertson was unable to attend the unscheduled Board meetings on 10 October 2021 and 14 February 2022 due to pre-existing commitments. A full briefing was given to Nick on the proceedings at these meetings.
8 Eugenia Ulasewicz was unable to attend the unscheduled Board meeting on 10 October 2021 and Remuneration Committee meetings on 27 May 2022 and 5 August 2022 due to pre-existing commitments. A full briefing was given to Eugenia on the proceedings at these meetings. Eugenia stepped down as a member of the Nomination Committee on 1 February 2022 in order to take the role of Chair of the newly established ESG Committee and to become a member of the Remuneration Committee following committee composition changes.
9 Ian Dyson did not attend the Nomination Committee meeting on 7 October 2021 or the unscheduled Board meeting on 10 October 2021 due to a conflict of interest. Ian was appointed Chair of the Board on 29 November 2021 and stepped down as a member of the Remuneration Committee. He stepped down as Chair of the Audit Committee on 14 January 2022.
10 Adam Crozier did not attend the unscheduled Board meeting on 10 October 2021 due to a conflict of interest. Adam stepped down from the Board on 28 November 2021.
11 Nick Beighton stepped down from the Board on 11 October 2021.

Corporate Governance Report
continued

Board activities

The main topics reviewed, monitored, considered, debated and approved by the Board during the year are outlined below. Meeting agendas are agreed in advance by the Chair in conjunction with the CEO, CO&FO and Company Secretary to ensure the appropriate balance of standing agenda items and strategic or functional deep dives. The Board recognises the importance of weaving the views of its key stakeholders into its deliberations and decision-making process, as well as promoting the long-term success of the Company, so this forms a key part of the Board's discussions.

Strategy	• Regular progress updates on the seven themes of transformation. • The Board met numerous times to discuss the Company's delisting from AIM and listing on the Main Market to ensure the Board were satisfied with the accuracy of the information contained within the Prospectus. • Following Russia's invasion of Ukraine, the Board promptly engaged in discussions to agree the Group's stance. • Post-year end, the Board approved the new strategy for the commercial operating model.
Executive updates	• The Group's financial performance was monitored by the Board at each meeting. • Reviewed the preliminary customer experience strategy, providing the Directors with an overview of how improving customer experience would strengthen our competitive advantage and brand differentiation, creating distinction and relevancy within the global market, as well as the first steps in achieving this. • Reviewed the initial steps being taken to improve end-to-end stock management within the Group, part of ASOS Reimagined, outlining initial steps to create a truly cross-functional way of working between the commercial and supply chain teams. • The Board received an update on the 'Data as a Fuel' transformation theme, providing the Directors with an overview of the Group's current data capabilities and outlining the progress which had been made since the Capital Markets Day, as well as the short-term priorities and objectives for the next phase of the transformation. • The Group Supply Chain Director provided regular updates to the Board on the operation of the Group's supply chain network, the Group's stockholding capabilities and to seek approval for key supply chain contracts. The Board were particularly focused on the supply chain challenges faced during the year such as labour shortages and global shipping delays, and the impact this had on ASOS' suppliers.
People & culture	• The Board were provided with an assessment of the talent within the Group, to evaluate whether the Group has the required capabilities and readiness to successfully execute our medium-term goals. • The Board received an overview of the results of the employee engagement survey (ASOS Vibe) to understand the culture, values and current levels of engagement within the Group.
Governance & risk	• Reviewed the results of the annual evaluation of its and the Committees' effectiveness to discuss recommendations and determine an action plan for FY23. • The Committee Chairs provided updates and recommendations following each Committee meeting. • Reviewed the Group's principal risks taking into account the current levels of uncertainty and volatility created by the increased inflation and how these risks and opportunities should best be managed within the Group. • The Board has delegated authority to the Audit Committee for oversight of the Group's whistleblowing procedures. The Audit Committee reports any escalations to the Board where necessary and the Board received bi-annual reports. • Established a forward agenda and functional updates.
Standing items	• Reviewed and approved the Company's trading updates, full and half-year results and the Annual Report and Accounts. • Approved the budget for FY22. • Received regular updates from the Company Secretarial and Investor Relations teams. • The Board regularly reviewed shareholder views and insights gathered from meetings with the Company's top shareholders, as well as received briefings from the Company's brokers.

The table below sets out the key topics the Board discussed and debated during the year and identified how the Board considered its stakeholders and their priorities during their discussions and decision-making.

Matter considered	Deliberations	Stakeholder
Main Market Listing	The Board discussed during the year whether it was the right time for the Company to move to the Main Market. During these discussions, the needs of each of the key stakeholders were considered. The reason for the move was to elevate ASOS' profile with investors to allow the appropriate focus on delivering our medium-term guidance and longer-term growth ambitions, to help deliver greater shareholder wealth and long-term success. The Board considered the impact the move would have on ASOSers, as well as the impact it would have on suppliers and customers, all of which were considered to be minimal. It was therefore agreed by the Board that the move to the Main Market should be approved given the potential advantages that it could bring.	Customers ASOSers Shareholders Suppliers
Fifth fulfilment centre	During the year, the Board periodically considered a proposal to open a fifth fulfilment centre in Europe to ensure sufficient capacity within our supply chain network. Discussions involved the impact to key stakeholders, such as the effect the investment at this point in time would have to long-term success and shareholder wealth, impacts to customers, such as delivery propositions and stock profile, job creation opportunities the new site would bring, the likely positive impact the site would have to the local community, as well as the impact managing a new warehouse would have on ASOSers.	Customers Shareholders Community

Our s.172 statement and more information on stakeholder engagement can be found on pages 20 to 23

Main Market Listing

In February 2022, we were delighted to announce the Company's listing on the main market for listed securities on the London Stock Exchange (the Main Market). Over the past 20 years listed on the Alternative Investment Market (AIM), the Company demonstrated a proven track record, built a broad shareholder base, and has adopted, applied and reported against the UK Corporate Governance Code for several years. Our listing on AIM has formed an important part of our development, but the Board agreed that, given ASOS' size and scale, it was the right time to move to the Main Market as we focus on delivering our medium-term guidance and longer-term growth ambitions, and in order to further enhance the Company's corporate profile and recognition, as well as accessing a broader group of global institutional shareholders.

Engagement with ASOSers

Our ASOSers are the people behind our brand. Our purpose is to give people the confidence to be whoever they want to be and we want to allow our employees to do just that. The priorities of our ASOSers are carefully considered as part of the Board's decision-making.

During the year, Karen Geary, our designated Non-executive Director for employee engagement, met with a cross-section of ASOSers, including our employee forum, the Voices Network, to discuss topics including cost of living, ASOS culture, wellbeing and remuneration. Karen Geary and Ian Dyson also attended one of the monthly Voices Network meetings to discuss workload, wellbeing, reward, culture and engagement. Karen provided updates to the Board following all engagement activities to ensure ASOSer views are kept at the centre of the Group's decision-making. At the start of his tenure as Chair of the Board, Ian Dyson attended a Town Hall session with all ASOSers to answer questions and provide an overview of his role and priorities. The results of the employee engagement survey, the ASOS Vibe, were also shared with the Board.

For more information on ASOSer engagement see *page 21*.

Relations with shareholders

ASOS is committed to communicating openly with its shareholders to ensure that its strategy and performance are clearly understood. During the year, numerous activities were undertaken to engage with our shareholders.

More information about our engagement with shareholders can be found on *page 22*.

Results and routine announcements

We communicate with shareholders through our full-year and half-year announcements and trading updates. We also invite institutional shareholders and analysts to attend presentations either in person or virtually, following our full-year and half-year announcements. The presentation slides and webcasts of the presentations are available at asosplc.com.

Shareholder meetings

The Annual General Meeting (AGM) is the principal forum for dialogue with private shareholders, although engagement is possible at other times on request. Last year's AGM was held on Tuesday 7 December 2021 at our head office in London. The Chair and Chair of each Committee, as well as all other Directors, attended the AGM and were available to answer shareholder questions. Shareholders were also given the opportunity to ask questions to the Directors ahead of the meeting via email. Shareholders vote on each resolution by way of a poll and the results of voting were published on our website asosplc.com.

The next AGM will be held at 12 noon on Wednesday 11 January 2023 at our head office in London. Full details are included in the Notice of Meeting, which is sent to shareholders at least 21 days before the meeting. All current Directors, with the exception of Mat Dunn, Karen Geary and Luke Jensen, who will have stepped down from the Board, will attend the AGM and will be available to answer questions raised by shareholders. Shareholders will vote on each resolution by way of a poll.

Corporate Governance Report
continued

Website and shareholder communications

Our website asosplc.com provides a range of corporate information on our business, results and financial performance, including copies of our Annual Report and Accounts, announcements and presentations.

Meetings, roadshows and conferences

The Directors actively seek to build a mutual understanding of objectives with institutional shareholders. Shareholder relations are managed primarily by the Executive Directors and Director of Investor Relations, supported by our Chair and SID as appropriate. A calendar of events during the year is set out below. In addition, analyst notes and brokers' briefings are reviewed to achieve a wide understanding of investors' views. The Board is kept informed of the views and concerns of major shareholders through briefings from the Executive Directors, and investment reports from analysts. The Non-executive Directors, including the Committee Chairs, are available to meet with major shareholders whenever required to discuss issues as they arise.

Date	Conference	Location
September 2021	Capital Markets Event: Fashion with Integrity – Our 2030 Programme	In-Person/Virtual Global
October 2021	Full Year Results Roadshow	Virtual Global
November 2021	Capital Markets Day	In-Person/Virtual Global
November 2021	Capital Markets Day Roadshows	In-Person/Virtual Global
November 2021	JP Morgan Best of British Seminar	In-Person
January 2022	Berenberg Speed Dating	Global Virtual
January 2022	Exane – The Retail Tour	Global Virtual
February 2022	Main Market Listing Roadshows	Global Virtual
April 2022	Half Year Results Roadshows	In-Person/Virtual Global
May 2022	UBS Pan European Small and Mid-Cap Conference	In-Person
May 2022	HSBC US Investor Event	Virtual USA
May 2022	JP Morgan European Technology, Media and Telecoms Conference	In-person
May 2022	Bank of America: Consumer E-Commerce 'Virtual' Fieldtrip	Global Virtual
July 2022	CEO Roadshow	In-Person/Virtual Global
August 2022	New Chair Roadshows	In-Person/Virtual Global

Division of responsibilities

Board Structure: The table below sets out our governance framework and outlines the division of responsibilities between the Chair and the CEO, as agreed by the Board, along with a summary of the roles of the Senior Independent Director, the Executive Directors and the Non-executive Directors, and our Committees.

The Board

The Board is responsible for the long-term sustainable success of the Company, by ensuring that ASOS, its subsidiaries and all its businesses (the Group) are managed for the long-term benefit of all shareholders, while having regard for employees, customers, suppliers, and our operational impact on the community and environment. It sets the Group's purpose, strategy and values and is accountable to shareholders for ensuring that the Group is appropriately managed and achieves its objectives in a way that is supported by the right culture and behaviours. The Board sets the Group's risk appetite, and reviews the controls applied to operate the business in line with that appetite. It determines, monitors and oversees risk management processes, financial controls and audit processes to ensure ASOS operates effectively and sustainably in the long term.

Chief Executive

- Responsible for proposing the strategic focus to the Board
- Implementation and execution of strategy
- Leading the engagement of ASOS through the Executive Committee

Chair

- Responsible for running the business of the Board
- Ensures the effectiveness of the Board and appropriate strategic focus and direction
- Promotes high standards of corporate governance
- Encourages open debate between the Executive and Non-executive Directors

Senior Independent Director

- Trusted intermediary for other Non-executive Directors
- Supports the Chair
- Appraises the Chair's performance
- Available to shareholders where concerns arise

Non-executive Directors

- Scrutinise and constructively challenge the performance of management in the execution of our strategy
- Provide sound independent judgement to Board discussions
- Protect long-term shareholder value

The Board has delegated specific responsibilities to the Board Committees: Audit, Nomination, Remuneration and ESG. The duties of each Committee are set out in the Committees' Terms of Reference, which are available at asosplc.com. Details of each of the Committee's activities during the year are set out in the Committee reports on pages 72 to 105. The minutes of Committee meetings are shared with all Directors and each Committee Chair provides a verbal report on Committee activities to the Board following each Committee meeting. Each Committee has access, at the cost of the Group, to the resources, information and advice that it deems necessary to enable the Committee to discharge its duties.

Audit Committee

The Audit Committee's principal responsibilities are to:

- Monitor the integrity of ASOS' financial statements in relation to the Group's financial performance
- Review the effectiveness of the internal and external audit processes
- Review the effectiveness of the Group's financial and internal controls, including the process for the evaluation, assessment and management of risk

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More information on the composition, responsibilities and activities of the Audit Committee are set out in the separate Audit Committee Report on ***pages 72 to 78***.

Nomination Committee

The Nomination Committee's principal responsibilities are to:

- Monitor the structure, size and composition of the Board and its Committees
- Identify the balance of skills, knowledge, diversity and experience on the Board and recommend new Board and/or Committee members to the Board as appropriate
- Review the time commitment and independence of the Non-executive Directors, including potential conflicts of interest
- Oversee talent and succession plans for senior management
- Ensure that an appropriate and tailored induction is undertaken by all new Board members and that training and development is available to existing Board members

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More information on the composition, responsibilities and activities of the Nomination Committee are set out in the separate Nomination Committee Report on ***pages 79 to 81***.

Remuneration Committee

The Remuneration Committee's principal responsibilities are to:

- Determine and recommend to the Board the Group's overall Remuneration Policy and monitor the ongoing effectiveness of that policy
- Determine and recommend to the Board the remuneration of the Executive Directors, the Chair and other members of the Executive Committee
- Monitor, review and approve the levels and structure of remuneration for other senior managers and employees
- Determine the headline targets for any performance-related bonus or pay schemes

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The composition, responsibilities and activities of the Remuneration Committee are set out in the Directors' Remuneration Report on ***pages 84 to 105***, along with our Remuneration Policy and details of how that policy was implemented during the year to 31 August 2022.

ESG Committee

We have now established an ESG Committee to ensure the effective delivery of our Fashion with Integrity 2030 programme and management of ESG risk.

The ESG Committee's principal responsibilities are to:

- Provide oversight to the ASOS Plc Board in relation to the Group's ESG strategy and activities
- Define the Group's ESG strategy
- Review practices and initiatives of the Group relating to ESG matters
- Ensure compliance with legal and regulatory requirements, including corporate governance, principles and industry standards, applicable to the Group and that all stakeholders receive appropriate information about the Group's ESG activities

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More information on the composition, responsibilities and activities of the ESG Committee are set out in the separate ESG Committee Report on ***pages 82 to 83***.

Disclosure Committee

To verify the accuracy and oversee the timeliness of Group disclosures and material information as per the regulatory framework.

Executive Committee

The Board delegates responsibility for the day-to-day management of the Group to the Executive Committee. Led by the CEO, the Executive Committee is collectively responsible for developing and implementing the strategy, operational plans and budgets; monitoring overall operational and financial performance; overseeing key risks; and management development. The Executive Committee meets on a weekly basis and formally on a monthly basis.

Operating Board

The Executive Committee delegates authority to the Operating Board to manage short-term activities related to trading, commercial performance, customer acquisition and operational execution, to drive profitability and the ASOS vision. The Operating Board meets on a weekly basis.

Corporate Governance Report continued

Composition, succession and evaluation

Board composition

The Board is currently composed of the Chair, two Executive Directors (CEO and CO&FO) and six Non-executive Directors, five of whom are considered to be independent. There were some changes to the composition of the Board of Directors during the year with the appointment of José Antonio Ramos Calamonte as CEO and two Non-executive Directors (Jørgen Lindemann and Patrick Kennedy) who joined us throughout FY22, as well as the appointment of Jørgen Lindemann as Chair in August 2022.

Biographies for the Directors as at the date of this report are set out on ***pages 58 to 61***.

The Chair is satisfied that all Non-executive Directors have sufficient time to commit to their role on the Board, although it is noted that a lot of additional meetings were required during the year which meant that not all Board members were able to attend due to pre-existing commitments. In these instances, those Directors were given briefings on the matters discussed and agreed. Where possible, Board meetings are scheduled two years in advance and when adhoc meetings are scheduled, every effort is made to ensure maximum attendance by the Board, but on occasion, for time critical matters, allowances have needed to be made. Any changes to the time commitments and interests of its Directors are reported to and, where appropriate, agreed with the rest of the Board. None of the Directors are considered to be overboarded. The Board is satisfied that its Directors have an appropriate balance of skills and experience, and there is a suitable balance between independence of character and judgement, and knowledge of the Group, to enable it to discharge its duties and responsibilities effectively. All Directors are encouraged to use their independent judgement and to constructively challenge all matters, whether strategic or operational. We have effective procedures in place to monitor and deal with conflicts of interest.

We recognise the importance of diversity across our organisation and see it as a key driver of business success. We are committed to creating an inclusive culture where our ASOSers reflect the diversity of the customers we serve. We are passionate about creating an environment where every ASOSer is given the opportunity to contribute and use their talents, skills and experiences to help make ASOS the number one online destination for fashion-loving 20-somethings.

We believe that a diverse Board, with a broad range of skills, backgrounds, knowledge and experience, is essential to maintaining Board effectiveness and competitive advantage. So, diversity of skills, background, knowledge and gender are all considered when making new appointments to the Board. All appointments are made on merit, taking into account suitability for the role, composition and balance of the Board, to ensure that the Group has the right mix of skills, experience, independence and knowledge to perform effectively and drive our next stage of growth. The Board considers suitably qualified applicants from as wide a range as possible, with no restrictions on age, gender, religion or ethnic background.

The Group will only engage with executive search firms who have signed up to the voluntary Code of Conduct on gender diversity and best practice to ensure that the pool of candidates is as wide and diverse as possible. We aim to maintain a level of at least 30% female Directors on the ASOS Plc Board over the short to medium term. The Board ensures that procedures are in place to underpin this policy on diversity, including in its succession planning for senior management. As part of our Fashion with Integrity 2030 programme, we have committed to at least 50% female and over 15% ethnic minority representation at every leadership level by 2030. We will also publish a Diversity, Equity & Inclusion strategy and roadmap for the ASOS Platform, our customers and our people by 2023.

Board appointments

The Board, on the recommendation of the Nomination Committee, makes decisions regarding the appointment and removal of Directors and there is a formal, rigorous and transparent procedure for appointments. To help their understanding of ASOS and provide an insight into the experience of an ASOS employee, all new Directors receive a comprehensive, formal induction tailored to their needs, including site visits, briefings from senior managers on key areas of the business and meetings with external advisors. In accordance with the UK Corporate Governance Code, all of our Directors stand for re-election annually at every AGM. Mat Dunn, Karen Geary, Luke Jensen and Eugenia Ulasewicz will not be standing for re-election at the next AGM. The Board unanimously believes that the contributions of each Director standing for re-election continue to be effective. We therefore encourage shareholders to support the re-election and, in the case of José Antonio Ramos Calamonte and Patrick Kennedy election, at the AGM on 11 January 2023.

For more information on Board changes see the Nomination Committee Report on ***pages 79 to 81***.

Evaluation of the effectiveness of the Board and its Committees

An effective Board is vital to our success and, to ensure the Board continues to operate as efficiently as possible, and that each Director is sufficiently committed to their role, the Board conducts annual evaluations of its performance, as well as that of its Committees and individual Directors. Following last year's externally facilitated evaluation, we carried out this year's review internally led by the Chair and Company Secretary. The evaluation was facilitated via anonymous online questionnaires which enabled the Board to provide comments on a range of matters. Similar to last year's review, the exercise had a particular focus on the clarity of the strategic plan and execution, succession planning and talent development and the Board's engagement with key stakeholder groups including the Executive Committee, employees, and investors, as well as addressing core aspects of Board and Committee performance. The results of the questionnaires were analysed and summarised into a report which was reviewed and discussed by the Board to agree recommendations to implement in FY23.

FY21 update

Following last year's externally facilitated evaluation, the Board agreed that the focus for FY22 would be on reviewing the coverage of Board agendas, to reassess the time devoted to key strategic topics, and to maintain a high level of focus on the succession and people agenda. During the year a forward planner was established for the Board which scheduled deep dives into key strategic topics throughout the year, including the end-to-end product journey and data strategy, and ensured sufficient time was devoted to discussion. The Board improved its oversight of the people agenda, with more updates on employee engagement activities and data, however, this is a key focus for FY23, particularly succession planning.

FY22 insights & FY23 focus

The overall sentiment from this year's Board evaluation was that the Board and its Committees are operating effectively, however the fact that it was a year of transition, following management and Board changes, was recognised and reflected in the results of the review. There were no material issues to report.

The key areas of focus for FY23 highlighted by the Board in the review were:

- Stakeholders: Improve the Board's insights into each stakeholder group by regularly reporting against agreed KPIs; increase the Board's exposure to employees and more deep dive sessions on stakeholders, particularly customers and suppliers.
- Executive team: Improve the Board's dynamic with the Executive Committee by increasing engagement and providing support onboarding new members of the Executive team.
- Board resources: Improve the quality of Board papers by reducing the length and introducing a summary cover note.

Audit Committee Report

Committee Chair
Patrick Kennedy

Members
Mai Fyfield Luke Jensen Eugenia Ulasewicz

Committee responsibilities

The Committee's principal responsibilities are to:

- Monitor the integrity of the Group's financial statements in relation to the Group's financial performance.
- Review the effectiveness of the internal and external audit processes.
- Review the effectiveness of the Group's internal controls, including the process for the evaluation, assessment and management of risk.

Terms of Reference

The full Terms of Reference for the Committee, which are reviewed and approved annually, are available on our corporate website, asosplc.com. They were last reviewed on 6 October 2022.

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

Audit Committee Chair's statement

On behalf of the Board, I am pleased to present this year's Audit Committee Report. This report provides an insight into the Committee's activities during the year, sets out how the Committee operates, and the key areas of focus for the year ahead.

The composition of the Committee changed during the year as a result of new appointments and role changes:

- I joined the Board as Non-executive Director and Senior Independent Director in January 2022 and was appointed Chair of the Committee with immediate effect, taking over from Ian Dyson, who was required to step down as Chair of the Committee following his appointment as Chair of the Board. I would like to thank Ian for his support and guidance following my appointment.
- Jørgen Lindemann stepped down from the Committee following his appointment as Chair of the Board in August 2022, although he still regularly attends meetings.
- Karen Geary stepped down from the Committee in order to join the newly established ESG Committee, following a number of committee composition changes that took place in February 2022.

We announced in October 2022 that Luke Jensen would be stepping down from the Board on 31 October 2022 and that Eugenia Ulasewicz would be stepping down from the Board at the conclusion of the Annual General Meeting; there will therefore be more changes made to the composition of the Committee during FY23.

The Committee continues to play a key role in helping the Board fulfil its corporate governance responsibilities, which include monitoring the Group's financial reporting practices, reviewing the effectiveness of the Group's External Auditor and the Internal Audit function, risk management framework and cyber security. During the year, the Committee also considered the following:

- The evolution of risk management at ASOS, including approving the Group's new Risk Management Standard, taxonomy and appetite.
- A deep dive into the Group's ransomware attack plan.
- The Group's insurance renewal programme, including the proposed approach to the FY23 renewal.
- The Group's progress with control enhancements arising out of the due diligence undertaken when the Company listed on the Main Market of the London Stock Exchange.
- Accounting estimates and judgements, including in relation to inventory provisioning, refund accruals, the useful economic lives of assets, legal contingencies, consideration of alternative performance measures, in particular adjusted profit measures, and consideration of whether any post balance sheet events (refer to Note 28) were adjusting or non-adjusting events. Other matters considered included management's going concern and viability assessment, the accounting implications of the Group's Partner Fulfils proposition, the conflict between Russia and Ukraine, and the Topshop brands' fair value assessment following completion of the acquisition accounting.
- A competitive tender process for the Group's statutory external auditor contract, following which the Committee approved the re-appointment of PricewaterhouseCoopers LLP (PwC) as the Group's External Auditor for the year ending 31 August 2024.

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Full details of the tender process are set out on *pages 76 to 77*.

Patrick Kennedy
Audit Committee Chair
28 October 2022

Committee membership and activities

The members of the Committee are independent Non-executive Directors who possess the necessary depth of financial and commercial expertise to fulfil their role. Detailed information on the experience, skills and qualifications of all Committee members can be found on pages 58 to 61. The Board is satisfied that the Committee Chair, Patrick Kennedy, has recent and relevant financial experience for the purposes of satisfying the UK Corporate Governance Code. As stated in last year's report, Ian Dyson was appointed Chair of the Board on 29 November 2021 but remained Chair of the Audit Committee to allow a smooth transition until his successor, Patrick Kennedy, was appointed on 13 January 2022.

Although not members of the Audit Committee, the Board Chair, Executive Directors, General Counsel & Company Secretary, Director of Group Finance and Director of Internal Audit & Risk are also invited to attend meetings, unless they have a conflict of interest. Other senior members of the business are invited to attend meetings as appropriate. The Group's External Auditor, PwC, is also invited to attend Committee meetings unless they have a conflict of interest. The Committee Chair and members regularly meet with both the External and Internal Auditors, without the Executive Directors or members of the Finance team present, to ensure that open lines of communication exist. The Committee also receives advice as needed from KPMG, EY and Slaughter and May LLP on tax and legal issues relating to corporate matters.

The Committee held four scheduled meetings during the year and the attendance by members at Committee meetings can be seen on page 65. The Committee works to a structured programme of activities and meetings to coincide with key events around our financial calendar and, on behalf of the Board, to provide oversight of the Group's risk management processes. Following each meeting, or whenever it is appropriate, the Committee Chair reports the main discussion points and findings to the Board and the Board has access to the Committee's papers.

Committee performance

During the year we conducted an internal evaluation of the effectiveness of the Board and its Committees. The review highlighted that the Committee and its Chair continue to perform effectively with no significant concerns, and the Committee has the necessary level of expertise and independent challenge to keep operating effectively. During FY23, the Committee will be focused on supporting the Finance team on its transformation plan, ensuring risk discussions are framed around risk appetite and enhancing the Committee's method of evaluating the performance of the Internal Audit function and the External Auditor.

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For more information on this process, see the Corporate Governance Report on ***page 71***.

Financial reporting

The Committee's main responsibility in the Group's financial reporting is to review, with management and the External Auditor, the quality and appropriateness of the full- and half-yearly financial statements. The Committee focuses on the quality of accounting policies and practices, the appropriateness of underlying assumptions, judgements and estimates made by management, key audit matters identified by the External Auditor, the clarity of the disclosures and compliance with financial reporting standards, an assessment of whether the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy, and advising the Board on the form and basis underlying the long-term Viability Statement. The Committee received reports from management identifying critical accounting judgements, significant accounting policies and the proposed disclosure of these in this Annual Report.

The Committee discussed areas of risk with the External Auditor and agreed for the following areas of heightened risk to be reviewed and assessed in the audit of our performance in the financial year to 31 August 2022:

- Capitalisation of internal staff costs: given the high level of internal development of software there is a risk that staff costs are inappropriately capitalised.
- Inventory valuation: having regard to the significant level of inventory holdings in both the UK and overseas warehouses, and the fast-moving nature of the fashion market, there is an increased risk that the closing inventory is not accurately recorded or that the inventory provisioning is not complete in the financial statements.
- Going concern: a review of the Group's going concern was included as an area of heightened risk during the audit process.

The Committee reviewed the appropriateness of management's accounting in relation to each of these significant risks and PwC reported to the Committee on the work performed in assessing each during their audit.

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Details of this work are provided in PwC's Audit Report on ***pages 112 to 119***.

Fair, balanced and understandable

The Committee considered this Annual Report and Accounts for the year ended 31 August 2022, taken as a whole, and concluded that the disclosures, as well as the processes and controls underlying its production, were appropriate. The Committee recommended to the Board that the Annual Report and Accounts for the year ended 31 August 2022 is fair, balanced and understandable while providing the necessary information to assess the Company's position and performance, business model and strategy.

Audit Committee Report continued

The Committee's principal activities during the year included:

Financial reporting	• Reviewed the Annual Report and Accounts and assessed whether they were fair, balanced and understandable, the material judgements and estimates involved in the preparation of the financial statements (for more information, refer to Note 1.8 on page 129), and management's going concern and viability assessments and proposed disclosures. • Considered the External Auditor's report on the full- and half-year results. • Reviewed the full- and half-year results announcements. • Reviewed the principal accounting judgements and estimates applied in the preparation of the Group's financial results, including inventory provisioning, refund accruals, the useful economic lives of assets, legal contingencies, management's assessment of items to be excluded from adjusted profit before tax and management's assessment of whether any post balance sheet events were indicative of circumstances in existence at the balance sheet date (for more information, refer to Note 28 on page 153). • Other matters considered included going concern and viability, the accounting implications of the Group's Partner Fulfils proposition, the conflict between Russia and Ukraine, and the Topshop brands' fair value assessment following completion of the acquisition accounting.
External audit	• Conducted a competitive tender for the statutory external audit contract. • Appraised the effectiveness and performance, independence and objectivity of our External Auditor. • Considered the external audit fees and terms of engagement. • Approved updates to the Group's policy on non-audit services.
Risk and internal controls	• Ensured that effective controls, processes, assessments and mitigations were maintained. • Monitored the Group's Risk Register, including the completeness of the process to identify the Group's principal and emerging risks and movements in such exposures, particularly in relation to new and emerging risks connected to the impact of the increased inflationary pressures and geopolitical uncertainty. • Reviewed and approved the Group's new risk management standard, risk taxonomy and risk appetite. • Received updates on material litigation. • Reviewed the Group's Whistleblowing Policy and escalation matrix and reviewed updates on whistleblowing matters. • Reviewed the Group's Gifts & Hospitality Policy and considered reports on the Group's execution of the Policy.
Internal audit	• Reviewed and approved the new in-house Internal Audit & Advisory Charter. • Monitored and reviewed the effectiveness and independence of the Internal Audit function. • Reviewed Internal Audit reports and monitored the implementation of Internal Audit recommendations. • Oversaw the implementation and status of outstanding actions arising from the Financial Position and Prospectus Procedures undertaken as part of the Company's Main Market Listing.
Other matters	• Approved revised Terms of Reference for the Committee. • Received updates on tax matters and approved the Group's Tax Strategy. • Reviewed the Group's ransomware attack plan. • Reviewed outputs of the Group's fraud risk assessment. • Received an update on the Group's approach to Business Continuity. • Reviewed the cyber security processes and systems and the work of the Cyber Security team. • Reviewed the Group's FY23 insurance renewal approach.

Significant accounting estimates and areas of judgement

Area of focus	Actions taken
Inventory provision	The Committee considered the inventory provision for FY22, noting its reduction since FY21. The primary driver behind the reduction was the utilisation of specific stock provisions created in FY21 to alleviate warehouse capacity constraints through physical jobber activity. Management also updated the methodology for the Group's Net Realisable Value stock provision to capture expected losses on the whole stock portfolio over the total lifecycle, resulting in a more robust provision for website sell-through. The Committee was satisfied with management's assessment. As a result of the post balance sheet decision to change the Company's operating model, management assessed how to classify the costs associated with reshaping the Company's stock profile and concluded that they would be excluded from adjusted profit before tax in FY23. The Committee was satisfied with management's conclusion that the operating model change had no impact to FY22.
Useful economic life of assets	The Committee reviewed management's conclusions following the annual review of the useful economic life (UEL) of the Group's assets. This included a review of the fulfilment centre automation assets and the Enterprise Resource Planning systems in light of the recent Truly Global Retailer project, as well as categorisation and alignment of assets to ensure a consistent approach was applied. The review resulted in both increases and decreases to UELs and an overall net increase in the weighted average UEL. The Committee was satisfied with the assessment conducted for FY22 and the resulting estimated depreciation and amortisation charge for FY22.
Returns provision	The Committee assessed the methodology used by management to calculate the returns provision recognised at year end. Management continue to apply consistent methodology per IAS 37 guidelines. The expected rate was calculated based on recent trends versus a 'pre-COVID 19' base year as a comparator (FY19), which management felt was reasonable as a base to reflect customer behaviour and changing sentiment, and has been supported by the returns received since the beginning of September. The Committee considered that the provision was adequate.
Alternative performance measures (APMs)	The Committee considers it important to take account of both the statutory measures and the APMs when reviewing these financial statements. In particular, items excluded from adjusted profit before tax were reviewed by the Committee. Adjusted profit before tax this year was £22.0m – the excluded items are detailed within Note 2 of the financial statements. The Committee is satisfied that the presentation of these items is clear, applied consistently across years and that the level of disclosure is appropriate.
Legal contingencies	The Committee considered whether any contingencies were required for ongoing litigation and were satisfied with management's conclusion that none were required.

Other key areas of focus	Actions taken
Going concern and viability	The Committee undertook a detailed review of the business's financial liquidity over the viability assessment period of three years, taking into account cash flows, current levels of debt and the availability of future finance. The analysis included sensitivities to further macroeconomic downturns, global supply chain shortages, working capital shocks and climate change. Based on this, the Committee confirmed that the application of the going concern basis for the preparation of the financial statements continued to be appropriate, and recommended the approval of the viability statement. For further information, see pages 54 to 56 of this Annual Report.

External audit

The Committee has primary responsibility for overseeing the relationship with the External Auditor, PwC. This includes monitoring and reviewing their objectivity and independence on an ongoing basis, recommending their appointment, re-appointment and removal, and approving the scope of the statutory audit and fees. PwC presented to the Committee its detailed audit plan for the 2022 financial year, which outlined its audit scope, planning materiality and its assessment of key audit risks. The Committee also received reports from PwC on its assessment of the accounting and disclosures in the financial statements and financial controls.

PwC presented its proposed audit plan to the Committee for discussion, to make sure the focus of its work remains aligned to the Group's strategy. The Committee is keen to make sure its External Auditor feels able to challenge management and has the access it requires to report on matters that may not be part of the statutory audit but which, in the opinion of the External Auditor, should be brought to the attention of the Committee. PwC is afforded such access through attendance at each Committee meeting, supported by other meetings held during the year with the Committee Chair without management present. When carrying out its statutory audit work, PwC also has access to a broader range of employees and different parts of the business. If any information is picked up as part of this process, it would report to the Committee anything that it believes the Committee should know in order to fulfil its duties and responsibilities. As audit partner, Neil Grimes is authorised to contact the Committee Chair directly at any time to raise any matters of concern.

The fees paid to PwC for the financial year to 31 August 2022 were £1,160k (2021: £390k) plus £1.3million in fees for work required to support the Company's Main Market listing. This included £1,036k for audit services, of which £240k related to overruns for the 2021 statutory audit. The Committee reviewed and discussed the fee proposal and was engaged in agreeing the audit scope. The total fees for non-audit services paid to PwC during the year were £124k. The services provided relate to PwC's half year review of our interim results and ESG Assurance. The total fees for non-audit services (excluding the fees for the work required to support the Company's Main Market Listing) represented 24.4% of the Group audit fee payable to PwC during the year. PwC were chosen for the above non-audit services due to their in-depth knowledge of the Group, which made them the most suitable supplier, whilst not impairing their independence and objectivity.

Audit Committee Report continued

To help safeguard PwC's objectivity and independence, the Committee has a formal Policy on Non-Audit Services, which the Committee reviewed as part of the Company's move from the Alternative Investment Market to the Main Market of the London Stock Exchange, to ensure alignment with the Financial Reporting Council's Revised Ethical Standard (2019). The Committee oversees the process for approving all non-audit work provided, in line with the Group's Policy on Non-Audit Services. The Policy states that the Committee has pre-approved the CFO to have authority to commission the External Auditor to undertake non-audit work where there is a specific project with a cost that is not expected to exceed £50,000. Services between £50,000 and £250,000 must be approved by the Audit Committee Chair, and if over £250,000 approval from the Committee Chair and one other Committee member is required before being carried out. PwC may only provide such services if the service does not conflict with their statutory responsibilities and ethical guidance. PwC may only provide such services if the service does not conflict with their statutory responsibilities and ethical guidance. When reviewing requests for permitted non-audit services, the Committee representatives will assess the nature of the non-audit services, whether the skills and experience make the External Auditor the most suitable supplier of the non-audit service, whether the provision of such services impairs the External Auditor's independence or objectivity, whether there are safeguards in place to eliminate or reduce to an acceptable level any threat to objectivity and independence in the conduct of the audit resulting from the provision of such services by the External Auditor, and the fee to be incurred for non-audit services, both for individual non-audit services and in aggregate, relative to the Group audit fee. Independence and objectivity of the External Auditor is the key priority and the Company would not enter a situation where there could be a reduced level of independence with regards to the external audit; either perceived or actual.

The Committee assesses the quality, effectiveness, objectivity and independence of the audit provided by PwC each year, seeking the views of the Board. The Committee had regard to PwC's confirmation that it maintains appropriate internal safeguards in line with applicable professional standards, fulfilment of the agreed external audit plan, the content, insights and value of their reports to the Committee, the policies we have in place to safeguard PwC's independent status and the tenure of the audit engagement partner not being greater than five years. The audit partner has a good understanding of the Group and the Committee values their early engagement, and their robustness and perceptiveness, in handling key accounting and audit judgements throughout the year, in particular the External Auditor demonstrated professional scepticism and challenge on the valuation of inventories and the assumptions in the going concern and viability assessments. Based on this assessment, the Committee concluded that there had been appropriate focus and challenge by PwC throughout the audit, and that PwC remained objective and independent in its role as External Auditor.

The independence and objectivity of the External Auditor is a fundamental safeguard to the interests of the Group's shareholders and in line with the associated regulation, the previous PwC audit partner rotated off the audit following the conclusion of the audit for the year ended 31 August 2021 and the Committee approved the appointment of Neil Grimes as audit partner for the year ended 31 August 2022.

External Audit tender

PwC has acted as the Group's statutory External Auditor since 2008. In July 2021, the Committee approved a proposal to commence a competitive tender process for the Group's statutory External Auditor contract to take place in FY22. Initially it was intended that the successful firm would be appointed at the next AGM for the financial year ending 31 August 2023; however the Committee considered the impact of various factors, including the Company's Main Market Listing, the change in Committee Chair and the independence requirements for participating firms, and concluded that the successful firm should be appointed for the financial year ending 31 August 2024, in order to allow a smooth transition, should a new firm be successful, and for the tender process to be in line with FRC best practice.

The below outlines the competitive tender process:

1. Selection criteria and timetable

The Committee agreed a proposed timeline for the tender process in July 2021 (outlined below). In accordance with the approved timetable, management began the process of meeting with audit firms and prospective partners to determine their capabilities.

Audit Tender timeline

July-December 2021
- Audit Firm Selection Process to determine a long list of audit firms

January 2022
- Main Market Listing intention announcement & engagement with the Competition and Markets Authority
- Agreement of shortlisted audit firms to invite to tender

April 2022
- Issue tender document and supporting information to the participating firms

May 2022
- Management meetings with prospective firms
- Invitation to present issued

June 2022
- Presentations from the prospective firms to the Decision Making Panel (the DMP) and evaluation by the DMP of the presentations

July 2022
- Recommendation of appointment of the new auditor by the DMP to the Committee
- Recommendation of appointment of the new auditor to the Board for approval

An initial review of the audit market was conducted, to include a range of firms, including those outside of the four largest public accounting firms, using a pre-determined selection criteria to allow management to rank each of the firms and determine a long list. The key selection criteria were discussed and agreed to include: the auditor's size, geographical coverage, FTSE 350 auditor experience, quality of audit work and independence.

2. Invitation to tender

Management discussed the prospective tender with the firms invited to tender and confirmed their independence for the audit of the Company for the year ending 31 August 2024. The Committee appointed a Decision Making Panel (the DMP) to act as a Sub-Committee to oversee the process, which included the Committee Chair, the CO&FO, interim CFO, Director of Internal Audit & Risk and another member of the Board.

We asked each of the prospective firms to prepare a detailed proposal and presentation. The firms were invited to meet with key internal stakeholders to gather information to help pull together their proposals, supported by the establishment of a data room to allow access to consistent information to support the firm's tender proposals. The following criteria were approved to assess the shortlisted firms throughout the tender process:

- Team and partner credentials.
- Firm credentials such as geographical presence, client base, technical departments and FRC quality scores.
- Business and industry expertise including ESG considerations.
- Audit approach and transition, including transformation and use of technology for the audit engagement.
- Value for money.

3. Formal presentations

Proposal documents were submitted to the DMP and each of the firms gave formal presentations to the DMP, at which each had the opportunity to discuss their presentation and answer questions.

4. Selection of new auditor

Following careful consideration of the proposal documents and formal presentations, the DMP recommended to the Committee the re-appointment of PwC as the Group's External Auditor covering the year ending 31 August 2024 to the year ending 31 August 2027, when PwC will have completed a 20-year tenure as the Group's External Auditor. PwC have expressed their willingness to continue as the Group's External Auditor. A resolution to re-appoint PwC and a resolution to enable the Directors to determine their remuneration will be proposed at the next AGM.

The Company is not currently in compliance with the requirements of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Responsibilities) Order 2014 for the financial year under review. The Committee considered this when deliberating over when the successful audit firm should be appointed and agreed that it was beneficial to delay the appointment to FY24, in order to ensure that the tender process was conducted in line with the FRC's best practice, to ensure the new Committee Chair could take an active role in the tender process, to allow the newly appointed External Auditor to shadow an audit (should we have appointed a different firm) and considering independence requirements which would restrict two audit firms from participating in the tender, meaning the tender would not be as fulsome as possible. We communicated our plan to the Competition and Markets Authority (CMA), who stated that, subject to the Company providing written confirmation of the completion of the tender process by the end of July, enforcement action against the Company would not be an administrative priority for the CMA. We complied with the CMA's request. We will be compliant with the Order in FY24 and plan to conduct our next tender process in 2027 for the audit of the financial year ending 31 August 2028.

Risk management and internal controls

The Board has delegated responsibility for overseeing the effectiveness of the Group's internal controls and risk management systems to the Committee. This includes in relation to financial reporting, the preparation of Group accounts, the implementation of Group policies, including whistleblowing matters, and risk management. The Committee has a policy of continuous identification and review of principal business risks, review of assurance over internal controls, and considers how risks may affect the achievement of business objectives and determines appropriate mitigation, taking into account the Group's risk appetite, in accordance with the requirements of the Guidance on risk management, internal controls and related financial and business reporting published by the FRC.

The Executive Committee implements the internal controls and processes and provides assurance on compliance with these processes. On a day-to-day basis, the Group risk management process is managed and co-ordinated by the General Counsel & Company Secretary and the Director of Internal Audit & Risk, to ensure there is a more integrated, deeper focus on applying and evolving risk management and internal controls throughout the business.

The key elements of the Group's internal controls in relation to financial reporting and risk management, are as follows:

- An established organisation structure with clear lines of responsibility and a disciplined management and committee structure which facilitates regular performance review and decision-making.
- A robust, budgeting, forecasting and financial reporting process.
- The Board discusses and approves the strategy, objectives, annual planning process and budget.
- Management regularly monitors and considers developments in accounting regulations and best practice in financial reporting and, where appropriate, reflects these developments in the financial statements. The Committee is also kept up to date on such developments. Any recommendations from the External Auditor, the FRC and others in respect of financial reporting are assessed with a view to continuous improvement in the quality of the Group's financial statements. The Committee and the Board review the draft Annual Report and the Committee receives reports from management and the External Auditor on significant accounting judgements, changes in accounting policies and estimates and any other significant matters relating to the financial statements.
- Various policies, procedures and guidelines underpinning the development and financing operations of the business, including delegation of authority and anti-bribery and corruption, together with guidance and support from central functions including legal, human resources, information technology, tax, company secretarial, health and safety, and security. These policies, procedures and controls are embedded within and enforced through ASOS' processes.
- A risk management and Internal Audit function.
- Management regularly reviews risks to achieving business objectives and identifies mitigating controls and actions.
- Compliance with certain policies, standards and controls is monitored by activities of our finance, treasury, human resources, technology, legal, data protection and business assurance & risk functions.
- The Design Authority provides oversight, prioritisation and approval of strategic projects included within the ASOS Reimagined Strategy.
- A whistleblowing process that enables concerns to be reported confidentially and on an anonymous basis and for those concerns to be investigated. The Committee reviews a summary of whistleblowing reports and outcomes every quarter.
- The Committee reviews the scope and results of Internal Audit work across the Group, and monitors management's implementation of their recommendations.
- The Committee regularly receives and discusses the Group's Risk Register, including all significant and any identified emerging risks, and how inherent and residual risk exposures have changed during the period.

Audit Committee Report continued

The Committee can confirm that it reviewed the Group's internal controls and risk management systems and concluded that there was an effective control environment in place across the Group during FY22, and up to the date on which these financial statements were approved. No significant failings or weaknesses were identified.

Our Risk Registers are formally reviewed every six months to identify the likelihood and business impact of any material or emerging risk, as well as any mitigating factors or controls. This review feeds into a robust assessment of the principal and emerging risks facing the Group bi-annually, which the Committee and the Board review. Progress and key themes coming out of the risk reviews are reported to the Executive Committee and the Audit Committee. During the year, the Committee reviewed and approved a new 'ASOS Risk Standard', an evolution of the risk management process, to strengthen the Group's existing foundations and a maturing of the enterprise risk framework.

More details on our new ASOS Risk Standard, risk management processes and Risk Register are on ***pages 46 to 47***.

During the year, the Committee was updated on the significant improvements made to the Group's Business Continuity Plans (BCP), which included implementing lessons learnt from the COVID-19 pandemic and further development of Business Impact Analyses mapping out critical activities and processes, to help understand what is needed to protect the resources we are dependent on to run the business and these results have been used to refine further or create new BCPs.

The Committee reviewed the Whistleblowing Policy, toolkit and escalation process during the year. The Whistleblowing Policy outlines the ways the Group's employees can report concerns about suspected impropriety or wrongdoing (whether financial or otherwise) on a confidential basis, and anonymously if preferred. This includes an independent third-party chatbot that employees can use to raise problems and report concerns, completely anonymously and confidentially. Any matters reported are investigated by either the General Counsel & Company Secretary or the Director of Internal Audit & Risk (the Company's Whistleblowing Officers) and are escalated to the Committee as appropriate. Whistleblowing is a standing item on the Committee's agenda, with a report summarising notifications received during the prior quarter submitted to the Committee before each meeting. Additionally, the Committee discussed the implications of the new EU Whistleblowing Directive and considered whether the Group's whistleblowing policies and procedures were sufficient to meet the standards required by the EU Whistleblowing Directive. The Committee also reviewed whistleblowing and grievance mechanisms within our supplier factories.

During the year, the Committee continued to monitor our progress in strengthening and developing the Group's cyber security measures and conducted a deep dive into our ransomware attack plans. Our approach to cyber security continues to be elevated. The level of security controls and processes that have been put in place over the last few years have been essential to our fast-moving, high-growth business and our adaptation to working from home more often. The Committee also monitored the physical security measures that have evolved to counter risks to our physical supply chain and offices. A Fraud Risk Assessment exercise was completed which included a cross-functional fraud risk identification workshop, risk scoring exercise, and follow-up discussions to identify key controls over selected ASOS fraud risks. The results of the exercise were reported to the Committee and are being used by management to further strengthen existing fraud risk controls. The Committee is satisfied that the risk management and internal controls systems for all parts of the business operated effectively for the financial year to 31 August 2022 and up to and including the date of this report.

ASOS is committed to conducting business in an ethical and honest manner and implementing and enforcing systems to prevent bribery. ASOS has zero-tolerance for bribery and corrupt activities and does not condone bribery, be it direct or indirect with any person or organisation. We are committed to acting professionally, fairly, and with integrity, in all business dealings and relationships, wherever in the world we operate.

Internal Audit

The primary role of our Internal Audit function is to support the Board to protect the assets, reputation and sustainability of the Group. The Internal Audit function provides independent assurance as to the adequacy and effectiveness of the Group's internal controls and risk management systems. During the year, the Committee oversaw the in-housing of the Internal Audit function, led by our Director of Internal Audit & Risk, and in January 2022 approved a new in-house Internal Audit & Advisory Charter, as well as key changes to the in-house methodology and updated risk-based internal audit approach. The Committee considers the Internal Audit function to be operating effectively and the quality, experience and expertise of the function is appropriate for the business.

The Committee reviewed and approved the proposed schedule of planned internal audits to be undertaken at the start of the financial year. The plan was based on Internal Audit's assessment of key financial, operational and strategic risks to the business. The following key internal audits were completed during the year: Transformation Delivery, Cyber Governance, Key financial controls-Accounts Payable, Financial Crime-Fraud Risk Assessment, Data Privacy Key Controls, Commercial Controls (Product Setup), and Shadow IT. The following internal audits are in-flight: Fashion with Integrity–Own Brand Supplier Monitorings, UK Fulfilment Centres-Returns, Partner Fulfils, Payroll, Cloud Resilience follow-up, and Key Fraud Controls. Summaries of all key internal audit reviews, activity and resulting reports are shared with the Committee for review and discussion. Following each review, an Internal Audit report is provided to the management responsible for the area reviewed and the relevant Executive Committee member. These reports outline Internal Audit's opinion of the management control framework in place, together with actions indicating improvements proposed or made as appropriate. The Executive Committee has responsibility for ensuring the timely implementation of any recommendations and actions resulting from the completion of an audit, monitored by the Committee.

A revised schedule of internal audit review projects for the financial year to 31 August 2023 was approved by the Audit Committee in July 2022.

Nomination Committee Report

Committee Chair
Jørgen Lindemann

Members

Karen Geary · Patrick Kennedy · Luke Jensen

Committee responsibilities

The Committee's principal responsibilities are to:

- Monitor the structure, size and composition of the Board and its Committees.
- Identify the balance of skills, knowledge, diversity and experience on the Board and recommend new Board and/or Committee members to the Board as appropriate.
- Review the time commitment and independence of the Non-executive Directors, including potential conflicts of interest.
- Oversee talent and succession plans for senior management.
- Ensure that an appropriate and tailored induction is undertaken by all new Board members and that training and development is available to existing Board members.

Terms of Reference

The full Terms of Reference for the Committee, which are reviewed and approved annually, are available on our corporate website asosplc.com. They were last reviewed on 20 July 2022.

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

Nomination Committee Chair's statement

During the year, the main focus of the Committee has been on the recruitment of a new Chief Executive Officer (CEO), embedding our newest Non-executive Directors, adapting to the changes to Board composition during the year and maintaining the effective boardroom dynamic of the ASOS Plc Board, as well as continuing to evolve our talent and succession plans for senior management and monitoring the development of the Group's approach to Diversity, Equity & Inclusion (DEI).

CEO recruitment

The Committee's main focus over the year has been on the appointment of a new CEO. The Committee set rigorous criteria for the role, both in terms of technical capabilities and cultural and style attributes, exploring both internal and external candidates. After a thorough selection process, the Committee made the unanimous decision to recommend to the Board the appointment of José Antonio Ramos Calamonte as a Director and CEO. José is an experienced international retailer, with deep multichannel experience and a record of driving innovation. José joined the Group in January 2021 as Chief Commercial Officer and during his tenure he has had a significant impact on the Group and has transformed the Commercial function.

More details on José's future plans are on ***pages 4 to 5 and 24 to 25***.

Board composition

The Committee considers all of the Non-executive Directors, with the exception of Nick Robertson, to be independent in accordance with UK corporate governance requirements and they continue to show commitment, make effective contributions and effectively challenge management. The Directors' commitment was highlighted by their willingness to make time to attend the additional Board and Nomination Committee meetings, informal calls and other Board communication throughout the year. During the year, the Committee kept the composition of the Board and its Committees under review, including a review of tenure, as well as the balance, diversity, experience and skill set of the Board. Due to this ongoing review, a number of changes were made to the Board during the year. I joined the Board as Non-executive Director in November 2021 and Patrick Kennedy was appointed Senior Independent Director and Chair of the Audit Committee in January 2022, following a rigorous selection process.

Following the departure of Adam Crozier, Ian Dyson was appointed Chair of the Board in November 2021 in order to lead the CEO search process, work with the Executive team to ensure the Company was best positioned to transition to the new CEO, and further build on the strength of the Board. Once this process had concluded, and following a short handover period, Ian stepped down in August 2022 and I was appointed as his successor. Some changes to the composition of the Committees were also made during the year, to address the new appointments, changes in Board Chair and the establishment of the ESG Committee, to ensure that all Committees have the right balance of skills and experience. In August 2022, we announced that the Board and Mat Dunn had agreed a phased plan under which Mat would step down from his roles as Chief Operating Officer and Chief Financial Officer as we restructure our Executive team. Mat steps down from the Board on 31 October 2022 and the Committee will focus on the recruitment of his successor in FY23. We have also announced that Karen Geary, Luke Jensen and Eugenia Ulasewicz will not be seeking re-election at this year's Annual General Meeting (AGM). Luke will step down from the Board on 31 October 2022, Karen will step down on 1 December 2022 and Eugenia will step down at the conclusion of the AGM.

Nomination Committee Report continued

The Committee engaged with Russell Reynolds Associates to assist with the CEO and Non-executive Director searches; it has no other connection to the Group and is a signatory to the Enhanced Voluntary Code of Conduct for Executive Search Firms.

Diversity

The Board recognises that diversity, in the broadest sense, enables wider perspectives, which encourage more effective discussions and better decision-making, and is crucial for an effective Board. It also sets the tone for Diversity, Equity & Inclusion (DEI) throughout the business. The Board's policy on diversity establishes the importance of diversity in the broadest sense, not just gender or ethnicity, but also experience, skills, professional background and tenure. Russell Reynolds Associates supports our approach to diversity in providing a diverse selection of candidates for Board appointments; the selection is then based upon merit and objective criteria.

DEI is firmly on the Committee's agenda – it has been monitoring the progress made on the 'Be Diverse' goal of our Fashion with Integrity (FWI) 2030 programme. This goal sets out our commitment to driving DEI across every aspect of our business, particularly focusing on leadership representation and ensuring every ASOSer is empowered to be their most authentic self at work. The Committee received updates on progress against our initial targets, which are focused on achieving 50% female and 15% ethnic minority representation across our combined leadership population by the end of FY23 and at every leadership level by the end of FY30.

More information on our diversity initiatives and the rest of our 2030 FWI programme is on ***pages 32 to 35***.

Succession and talent

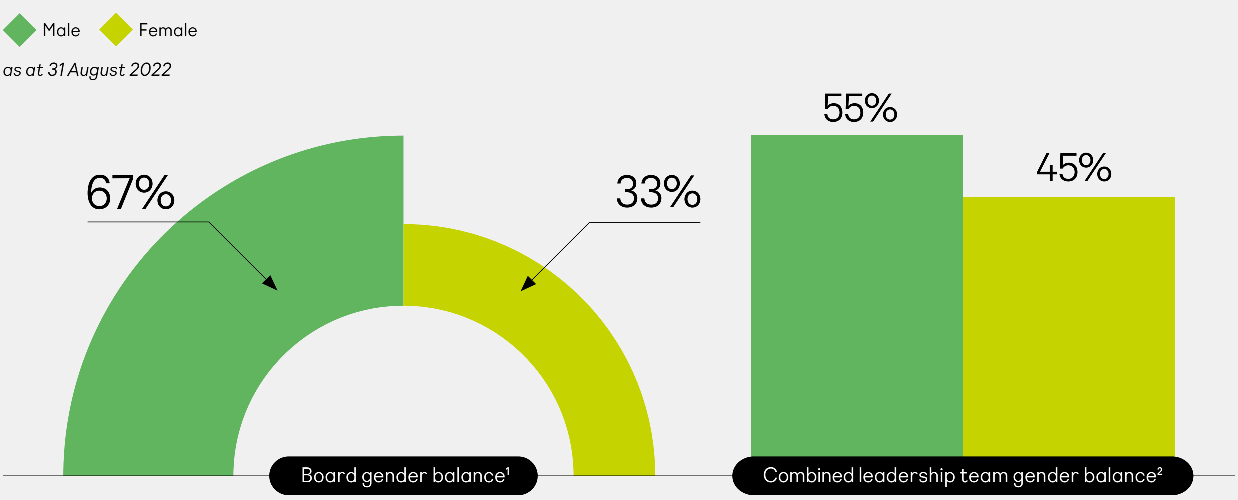
A key focus for the Committee during FY23 will be on the composition of the Executive Committee and the succession pipeline for the Executive Committee and senior management roles, including a rigorous internal talent review, to ensure we have the right individuals to support the Group in delivering the strategy. The Committee will also ensure that the right development planning is in place for high-potential ASOSers, so we retain and motivate our key talent and can meet the future needs of the business.

The Committee has also focused on employee engagement during the year, including a review of the results of our employee engagement survey, the ASOS Vibe, and regular Board interaction with ASOS' employee forum, the Voices Network.

Committee's focus for FY23

The Committee's focus for the next financial year will be on succession planning for the Board and Executive Committee, monitoring the review of talent within the Group and the evolution of the training and development plans, continuing to promote employee engagement and the search for a new CFO.

Jørgen Lindemann
Nomination Committee Chair
28 October 2022



1 We have three women on the PLC Board and six men.
2 Percentage of women in our 238 Leadership roles (defined as Head of and above).

Board skills matrix

Skill/experience	No. of NEDs
Finance/Accounting	1
Consumer/Retail	6
Strategy	5
E-commerce	3
Technology/Digital	3
HR/People	1
Logistics	1
Regulatory environment	1
International	5

NED induction case study

"My induction was comprehensive and tailored to my needs, enabling me to swiftly understand the way that ASOS operates, its strengths and challenges, allowing me to effectively contribute to the Board."

Jørgen Lindemann
Chair

Upon their appointment to the Board, Patrick Kennedy and Jørgen Lindemann each received a tailored induction plan to gain a thorough understanding of the business and their role as Non-executive Directors.

Both received an induction pack comprising a broad range of materials and information, including previous Board and relevant Committee papers, shareholder analysis, key policies, financial performance and risk management and internal controls, to provide a broad overview of the Group.

Introductory meetings were held with key stakeholders, including each member of the Board and Executive Committee, other key senior managers, such as the Director of Risk & Internal Audit and Director of Investor Relations, and our external brokers and advisors. As Patrick Kennedy was coming into the role of Chair of the Audit Committee, additional time was spent covering key issues with relevant internal and external stakeholders. Jørgen also received a further induction when he was appointed Chair of the Board.

ESG Committee Report

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.

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.

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

Directors' Remuneration Report

Remuneration Committee Chair's statement

Committee Chair
Karen Geary

Members
Mai Fyfield Patrick Kennedy Eugenia Ulasewicz

Activities during the year and up to the date of this report

- Considered the alignment of executive remuneration with the strategy of ASOS and the effectiveness of the current policy, including a review of alternative structures.
- Preparation of our first formal Remuneration Policy following the Company's move from the Alternative Investment Market to the Main Market of the London Stock Exchange which is set out on pages 99 to 105 and which we will be seeking binding shareholder approval for at the next AGM.
- Conducted a consultation with shareholders regarding our new Remuneration Policy and its proposed implementation for FY23.
- Reviewed and confirmed the outcomes of the FY22 annual bonus and the FY20 three-year ASOS Long Term Incentive Scheme (ALTIS) awards for Executive Directors and senior management.
- Reviewed and approved the Chair's, Executive Directors' and senior managers' pay and benefits during FY22, in the context of their performance, Company performance, stakeholder and shareholder experiences.
- Set the remuneration package for José Antonio Ramos Calamonte (José Ramos) on his appointment as Chief Executive Officer (CEO).
- Agreed Nick Beighton and Mat Dunn's remuneration arrangements on leaving the Company.
- Set performance measures for the FY23 annual bonus and ALTIS awards for Executive Directors and senior management, in line with our updated Remuneration Policy.
- Considered the relationship between executive pay and wider workforce pay, and reviewed gender and ethnicity pay gap data.
- Considered corporate governance provisions and market practice relating to executive and wider workforce pay, including a review of arrangements and implementation of new share plans in connection with the Company's move from the Alternative Investment Market to the Main Market of the London Stock Exchange.
- Engaged with employee representatives on executive pay and pay across the wider workforce.

Dear shareholder

On behalf of the Board, I am pleased to present the Remuneration Committee's report for the year to 31 August 2022. This year the report introduces our new Remuneration Policy, our first as a Main Market listed business. This will be put forward for shareholder consideration and binding vote at the next AGM. It also includes the annual report on remuneration, describing how the current Policy was put into practice during FY22 and how the new Policy will be implemented in FY23, which will be put to an advisory vote.

Our Remuneration Policy

ASOS Plc listed on the Main Market of the London Stock Exchange in February 2022; therefore, we will be submitting a formal Remuneration Policy for the first time for shareholder approval at the next AGM. However, in practice, for several years we have chosen to operate a Remuneration Policy for Directors in line with the regulations for Main Market companies and reported this in previous Annual Reports.

During the year, the Committee undertook a review of the Remuneration Policy to ensure that it continues to support the execution of our strategy. In view of the recent management changes at ASOS during the year and the current external environment, we took the view that it was not appropriate to make significant changes to the Policy this year. We have made some changes to enhance our alignment with corporate governance best practice which are set out below, and the Committee intends to conduct a wholesale review of remuneration in FY23.

New policy features for FY23

The following changes have been introduced to more closely align our remuneration structure for Executive Directors with best practice in the Main Market.

- **Introduction of annual bonus deferral –** A deferral element has been added to the annual bonus scheme. Any bonus earned up to 50% of salary will be paid in cash, and any additional bonus earned above this will be split equally between a portion paid in cash and a portion deferred into shares for three years. Therefore, if the maximum bonus is achieved, one-third of the bonus will be delivered in shares.
- **ALTIS (ASOS Long Term Incentive Scheme) holding period –** The total time horizon of the ALTIS has been extended to five years by adding a two-year holding period (i.e. three-year performance period plus two-year holding period).

- **Post-employment shareholding guideline –** We have extended our shareholding requirements to apply post-employment. Going forward, a former Executive Director will be expected to retain their full shareholding guideline (i.e. 200% of salary) for the first year following cessation of employment and half of this amount (i.e. 100% of salary) for a second year thereafter.

The Committee believes that these three features of the executive remuneration framework will strengthen the alignment of our executives' interests with the interests of our shareholders, encouraging the delivery of sustainable, long-term performance.

Board changes

José Ramos

José Ramos was appointed CEO of the Company on 16 June 2022. His remuneration structure is as follows:

Base salary	£700,000
Pension and benefits	5% of base salary in-line with the rate of pension available to the wider workforce Benefits allowance of £12,500 plus other benefits, including private medical insurance and life assurance
Annual Bonus	Maximum of 150% of salary
ALTIS	Maximum of 250% of base salary
Share ownership guideline	200% of base salary

The Committee set the CEO's package, taking into consideration his skills and experience, the role responsibilities as CEO of a Main Market company of ASOS' size and global reach, internal and external relativities and the package of the previous CEO.

On 23 June 2022, José was granted a top-up ALTIS award of 25% of his new base salary to bring his ALTIS award for FY22 more in line with the policy for Executive Directors. See page 92 for further details.

Jørgen Lindemann

Jørgen Lindemann was appointed Chair of the ASOS Plc Board with effect from 1 August 2022, with Ian Dyson stepping down from the Board on the same date. Jørgen receives a fee of £350,000 per annum in line with the Remuneration Policy, as set out on page 101.

Mat Dunn

We announced on 17 August 2022 that Mat Dunn would step down from his Chief Operating Officer and Chief Financial Officer (CO&FO) roles as ASOS restructures its Executive team. It is not envisaged that the combined CO&FO role will continue after restructuring. Mat will continue in his roles and as a member of the Board until 31 October 2022 and will remain employed until the end of the calendar year to provide transitional support.

In determining Mat's remuneration arrangements on departure, the Committee followed the approach set out in the existing Remuneration Policy which is aligned to UK good practice. Mat will receive his usual salary, pension and benefits until 31 December 2022 and a payment in lieu of notice in relation to these elements for the remainder of his 12-month notice period. He remained entitled to receive an annual bonus for the full FY22 year and is also eligible to receive a bonus in respect of FY23, pro-rated to the date he steps down from the ASOS Plc Board on 31 October 2022.

The Committee intends to treat Mat as a good leaver for the purpose of his outstanding incentives, reflecting his contribution during his time at ASOS, particularly in the past year where he led the business while we were without a CEO, and given that his combined role will not be retained in the new Executive team following the restructuring. His FY21 and FY22 ALTIS awards will be pro-rated to his departure date of 31 December 2022 and remain subject to performance, and vest on their normal vesting dates. He will not be entitled to a FY23 ALTIS award.

Full details of Mat Dunn's remuneration arrangements on departure are disclosed on ***page 93***.

Performance in FY22

Following a challenging year for ASOS, and against the backdrop of a highly volatile and tough macroeconomic environment, the strength of our brand and our compelling customer offer has enabled the business to deliver revenues of £3,936.5m and total sales growth of 4% (on a constant currency basis, excluding Russia) . The second half of the year proved more challenging than we expected, with inflationary pressures on consumers increasing markedly as the year progressed, impacting consumers' confidence and discretionary income. As a result, growth in the second half was lower than we had anticipated. The UK, ASOS' core operation, delivered good performance, with sales up 7% year-on-year, despite the weakening consumer environment. This was supported by a curated offer and differentiated visual language, leading to growth in the active customer base and a further increase in Premier customers. Strong Topshop performance, with sales up 105% year-on-year, reinforced revenue growth in the UK, US and EU and drove margin expansion.

Remuneration outcomes for the year ended 31 August 2022

Below sets out the performance outcomes of our FY22 annual bonus and FY20 ALTIS.

FY22 Annual Bonus

The annual bonus for FY22 was based 30% on revenue, 30% on PBT, 15% on free cash flow, 10% on ESG metrics linked to progress against our Fashion with Integrity (FWI) 2030 programme goals and 15% on strategic objectives.

Whilst progress was made against the ESG and strategic elements, the financial metrics were not met and the Remuneration Committee determined that no bonus will be paid to the Executive Directors for FY22.

FY20 ALTIS

Measures	Weighting	Actual achievement	Vesting
Revenue growth	35%	12.9%	11.0%
Diluted EPS	35%	22.9p[1]	0.0%
Relative TSR	30%	Below median	0.0%

1 Consistent with the approach taken in FY21, actual performance for the diluted EPS condition has been assessed using an adjusted profit before tax of £22.0m, an adjusted tax rate, and with the convertible bond treated as dilutive. This is also consistent with how adjusted measures are used as the basis for assessing the outturn of the Group bonus plan and with the restatement of the ALTIS scheme targets which took place at the Remuneration Committee meeting in May 2021.

Directors' Remuneration Report continued

The ALTIS awards granted in FY20 were based on 35% revenue growth, 35% diluted EPS and 30% relative TSR over a three-year performance period measured from 1 September 2019 to 31 August 2022. The overall vesting level for the FY20 ALTIS is 11.0% of maximum for the CO&FO and for the former CEO, who remained entitled to receive a pro-rated FY20 ALTIS as part of his departure terms. José Ramos had not joined the Company at the time of the FY20 ALTIS grant. The Group's performance for these metrics and the vesting calculation were audited and approved by our auditors, PwC. Full details are provided on page 91.

The Committee carefully considered whether the ALTIS vesting outcome fairly reflected the underlying performance of the business as well as the experience of shareholders and stakeholders during the period, using the discretion framework developed in 2020 to support the Committee in determining whether any discretion should be exercised. In particular the Committee considered:

1. Financial and share price performance over the three-year period, both on an absolute basis and compared to our sector peers
2. Ongoing challenges in the retail market and the wider economy resulting from the COVID-19 pandemic
3. Non-financial performance and delivery of our strategic aims over the three-year period
4. Overall remuneration outcomes under the bonus and ALTIS in recent years and the wider pay context at ASOS

The Committee considered that, in the round, the overall vesting outcome of 11% was appropriate.

Remuneration in FY23

Salary

The Committee has reviewed the salary levels of the Executive Directors. Given that José Ramos was appointed in June 2022, the Committee agreed that he will not receive an increase this year. Given the announcement that Mat Dunn will be leaving the Company on 31 December 2022, he also will not receive an increase. The salary for the new CFO will be set on appointment.

FY23 incentives

All incentive awards in relation to FY23 will be made in accordance with the new Remuneration Policy. The Committee reviewed the performance measures for the bonus and ALTIS for FY23 and a summary is set out below.

Annual bonus performance measures

The annual bonus will continue to include three financial measures: 30% revenue, 30% adjusted profit before tax and 15% adjusted free cash flow. The remaining 25% will form a combined ESG and strategic measure, with performance within this measured against targets for Diversity, Equity & Inclusion (DEI), gross margin, stock turn, active customer base and an individual measure.

The strategic measures were carefully chosen to ensure that they are aligned to our most critical business priorities for the year ahead. Our commitment to ESG through our industry leading FWI 2030 programme continues to influence everything we do, and the annual bonus for FY23 will include an ESG measure focused on DEI (linked to female and ethnic minority leadership goals). The 'other strategic' measures will be role specific for each Executive Director, with the CEO's being linked to building and developing the senior leadership team. The new CFO's individual measure will be confirmed on appointment.

ALTIS performance measures

The Committee reviewed the ALTIS performance measures and concluded that the current framework remains appropriate. Therefore, performance will again be measured on 30% EPS growth, 30% revenue growth, 25% relative total shareholder return and 15% ESG. ESG will continue to be measured on progress over the three-year performance period towards our key 2030 objectives, in relation to our four FWI pillars: (1) Be Net Zero; (2) Be More Circular; (3) Be Transparent; (4) Be Diverse.

Colleague engagement and wider workforce remuneration

During the year, I met with ASOS' employee engagement network, the ASOS Voices Network, on a number of occasions, to discuss employee views on remuneration (both at executive and wider employee levels), and other matters of interest to them. We also held a dedicated session to discuss executive remuneration and wider employee remuneration matters, including the proposed Remuneration Policy for Executive Directors. Further details of employee engagement are set out on page 21.

The Committee receives regular updates on pay initiatives for the wider workforce. This year we have been focused on ensuring that we offer fair pay across our workforce, particularly in light of the current cost-of-living crisis. Whilst not fully accredited, ASOS is formally committed to being a Living Wage employer and the Committee receives updates from management to ensure we continue to honour this commitment. To ease cost of living pressures, and prior to the New Living Wage announcement, effective 1 September 2022, employees earning a full time equivalent base salary of below or equivalent to £25,000 per annum received an exceptional salary increase of 4.5%, a one-off payment of £500, and an additional support with lunch vouchers.

Shareholder engagement

The Committee carried out a shareholder consultation with ASOS' major shareholders in September 2022 to obtain feedback on our proposed Remuneration Policy, Executive remuneration structure for FY23 and the executive remuneration package more generally. We were pleased that shareholders understood that we considered it prudent not to make significant changes to the Remuneration Policy this year given the recent management changes at ASOS and the current external environment and were generally supportive of the governance-related changes we have made.

Some shareholders noted an expectation that ESG measures should form a larger part of the ALTIS award and that the apparel sector should have a higher proportion of remuneration directly attributed to sustainability factors overall. The Committee will continue to reflect on this feedback and the weighting of ESG measures as we develop our Remuneration Policy.

Shareholders understood that the inclusion of operating metrics within the Bonus better reflects business imperatives and this has been the consistent feedback we have received in previous years. However, some shareholders noted that operating metrics do indirectly impact financial outcomes and therefore could be attributed to incentives twice. We also noted feedback that there may now be too many metrics in the Bonus, potentially diluting their impact. The Committee will take this feedback into account in the design of any new Remuneration Policy.

Some shareholders have sought re-assurance that our current Policy is sufficient to recruit and retain senior executives. Now that the CEO recruitment has been concluded, we believe that the structure and quantum of our current remuneration packages are broadly in line with the external market, in particular other Main Market listed companies. Our existing remuneration policy also has flexibility to enable us to grant 'buy out' share awards to new Executive Directors. As a result of moving to Main Market, we have introduced new rules for the ALTIS (the ALTIS Rules). Under these ALTIS Rules, whilst the maximum annual award that can be granted under normal circumstances is 250% of base salary, our new ALTIS Rules allow, in exceptional circumstances, for grants of up to 500% of salary in any given year. The Remuneration Committee believes that this should be sufficient to support further recruitment as we continue to build the senior management team.

On behalf of the Committee, I would like to thank shareholders for their input and engagement during this consultation, and throughout the year. Their input has been invaluable for the Committee to better understand shareholder views and to shape the Committee's thinking for the policy review in FY23, as well as ensuring a productive and collaborative relationship regarding future policy decisions.

Concluding remarks

I am stepping down from the Board on 1 December 2022. I would like to thank my Committee colleagues for their support during my tenure.

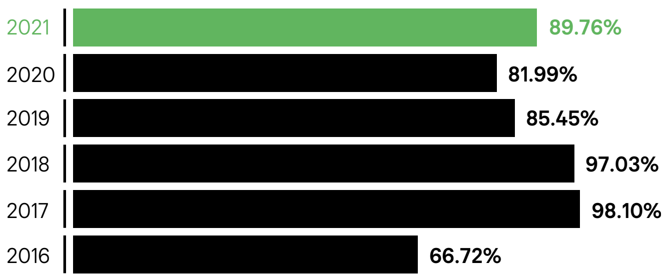
In the meantime, we look forward to receiving your support for the Directors' Remuneration Policy and Directors' Remuneration Report at the upcoming AGM on 11 January 2023.

Karen Geary
Remuneration Committee Chair
28 October 2022

Annual remuneration votes 2021

Total votes cast	83,497,968
Votes for	74,417,329
Votes against	8,493,661
Votes withheld (abstentions)	586,978

Historic annual remuneration votes



Annual Report on Remuneration

Summary of FY23 implementation of Remuneration Policy

The purpose of ASOS' Remuneration Policy is to attract, retain and motivate high-calibre, high-performing, engaged employees with the necessary skills to implement the Group's strategy in order to create long-term value for shareholders. Our Policy must reward people for their contributions to the success of ASOS in a fair and responsible manner, over both the short and the long term.

The following provides details of how the Remuneration Policy will be implemented for the year ending 31 August 2023.

Base salary

The CEO was appointed on 16 June 2022, therefore the Committee agreed that there will be no increase to the CEO's salary from 1 December 2022. His salary will next be reviewed with effect from 1 December 2023.

In light of his announced departure, the CO&FO's salary will also not be increased. The salary of the new CFO will be set upon appointment.

Pension

The pension is a defined contribution arrangement or salary supplement. The pension allowance for the CEO is 5% of salary which is aligned with the rate available for the majority of the workforce. The pension allowance for new Executive Directors including the new CFO will be 5%. The pension allowance for the CO&FO is currently 10% of base salary, but will be reduced to 5% from 1 December 2022.

Other benefits

Normal company benefit provision of a package of taxable benefits offered through our flexible benefits scheme, ASOS Extras, which offers all employees a fixed value depending upon their seniority, and can be used either to buy a variety of benefits or be taken in cash. The Executive Directors receive a flexible benefits allowance of £12,500 per annum.

Other benefits include private medical insurance and life assurance.

Annual Bonus

The maximum opportunity will be 150% of salary.

Any bonus earned up to 50% of salary will be paid in cash, and any additional bonus earned above this will be split equally between a portion paid in cash and a portion deferred into shares for three years.

The annual bonus targets are commercially sensitive and will be disclosed at the end of the performance year, as in prior years.

The performance measures for FY23 will be based on the following:
- 30% revenue
- 30% adjusted profit before tax
- 15% adjusted free cash flow
- 25% strategic & ESG (DEI target)

For FY23 the Strategic & ESG objectives are:

DEI (female and ethnic minority leadership goals), gross margin, stock turn, number of active customers, and the personal objective for the CEO will be to continue to build and develop the senior leadership team.

ALTIS

The normal maximum opportunity will remain at 250% of salary. Up to 25% of the award may vest for threshold performance.

The performance measures for FY23 will be based on the following:
- 30% EPS growth
- 30% revenue growth
- 25% relative TSR
- 15% ESG

Due to the current challenging external and business environment, the Committee has not yet agreed the ALTIS targets. It is intended that the targets will be agreed before the grants are made in November and be disclosed in the RNS announcement which will be made at the time the ALTIS awards are granted.

Share ownership guidelines
The shareholding guideline for Executive Directors is 200% of salary and they will normally be expected to hold 50% of any shares acquired on vesting until the guidelines has been met. The post-employment shareholding requirement is for Executive Directors to retain their full shareholding guideline (i.e. 200% of salary) for the first year following cessation of employment and half of this amount (i.e. 100% of salary) for a second year thereafter. Where a departing Executive Director has not built up this level of shareholding, their actual shareholding on departure will be subject to the guideline.
Non-executive Director fees
The Non-Executive Directors' fees were reviewed in October 2022. No changes were made to the fees set out below: Non-executive Chair £350,000 Non-executive Director £56,230 SID Fee £10,000 Committee Chair Fee £10,000 Committee Membership Fee £2,500 per Committee

Provision 40 disclosures

In developing our approach to remuneration, the Committee was mindful of Provision 40 of the UK Corporate Governance Code. The Committee considers that the Company's executive remuneration framework addresses the following factors:

Clarity	The Committee has provided clear disclosures regarding our Remuneration Policy, its alignment to our purpose and strategy, and the necessary performance requirements. The changes we have made to the Remuneration Policy have been supported by the context of strategic alignment and market practice. We have consulted with our shareholders and employees on the new Remuneration Policy and provided clarity on the relationship between the successful implementation of our strategy and executive remuneration.
Simplicity	Our remuneration structures, including their rationale and operation, are simple to understand and familiar to stakeholders.
Predictability	Our Remuneration Policy contains details of the range of opportunity levels available for each component of pay, including the maximum opportunity level. Actual incentive outcomes vary depending on the level of performance achieved against specific measures.
Proportionality	The link between the annual bonus and ALTIS schemes and the achievement of ASOS' strategy and the long-term performance of the Group is clearly defined. The use of ALTIS holding periods and our shareholding guidelines (including post-employment) ensure that Executive Directors have a strong drive to ensure that performance is sustainable over the long term. The discretion available to the Committee ensures that outcomes do not reward poor performance.
Risk	The Committee has satisfied itself that the remuneration arrangements do not encourage risk taking or other behavioural risks. The Committee has the discretion to apply malus and clawback in certain circumstances, including in the event of any behavioural risks.
Alignment to culture	The Committee ensures that the performance measures for the annual bonus and ALTIS support the Group's purpose, strategy and culture. This is supported by the inclusion of ESG-related performance measures in both schemes, by ensuring the Committee understands the remuneration of the wider workforce and engaging with stakeholders.

Annual Report on Remuneration continued

Details of how ASOS' Remuneration Policy has been applied in the year to 31 August 2022 are set out below. The Committee considers that the Policy operated as intended in the year. Certain information within this section has been audited as highlighted.

Directors' remuneration table (audited)

The remuneration of the Directors for the year to 31 August 2022 and the year to 31 August 2021 is set out in the tables below.

Executive Director		Base salary £	Benefits[2] £	Pensions[3] £	Total fixed £	Bonus £	LTIP[4] £	Total variable £	Total remuneration £
José Ramos[1]	**2022**	**126,615**	**22,879**	**5,833**	**155,327**	**0**	**0**	**0**	**155,327**
	2021	–	–	–	–	–	–	–	–
Mat Dunn[5]	**2022**	**566,932**	**23,160**	**54,924**	**645,016**	**0**	**29,561**	**29,561**	**674,577**
	2021	453,500	17,897	56,687	528,084	620,343	209,777	830,120	1,358,204
Nick Beighton[6]	**2022**	**68,889**	**4,164**	**8,907**	**81,960**	**0**	**26,755**	**26,755**	**108,715**
	2021	608,250	21,517	78,647	708,414	819,921	198,524	1,018,445	1,726,859
Total	**2022**	**762,436**	**50,203**	**69,664**	**882,303**	**0**	**56,316**	**56,316**	**938,619**
	2021	1,061,750	39,414	135,334	1,236,498	1,440,264	408,301	1,848,565	3,085,063

Non-executive Director		Base fee[7] £	Additional fee £	Total expenses[8] £	Total remuneration £	Basis for additional fee
Mai Fyfield	**2022**	**55,922**	**5,208**	**0**	**61,130**	**Member of Audit, Remuneration & ESG Committees**
	2021	55,000	–	176	55,176	–
Karen Geary	**2022**	**55,922**	**13,750**	**12,218**	**81,890**	**Remuneration Committee Chair and Member of Nomination & ESG Committees**
	2021	55,000	10,000	2,531	67,531	Remuneration Committee Chair
Luke Jensen	**2022**	**55,922**	**3,750**	**1,430**	**61,102**	**Member of Audit & Nomination Committees**
	2021	55,000	–	202	55,202	–
Jørgen Lindemann[9]	**2022**	**71,339**	**3,750**	**24,796**	**99,885**	**Member of Audit & Nomination Committees until appointed Chair of Board on 1 August 2022**
	2021	–	–	–	–	–
Patrick Kennedy[10]	**2022**	**35,702**	**15,744**	**9,223**	**60,669**	**SID & Audit Committee Chair and Member of Remuneration & Nomination Committees**
	2021	–	–	–	–	–
Nick Robertson[11]	**2022**	**55,922**	**1,458**	**0**	**57,380**	**Member of ESG Committee**
	2021	55,000	–	36	55,036	–
Eugenia Ulasewicz[12]	**2022**	**55,922**	**9,583**	**121,934**	**187,439**	**ESG Committee Chair, Member of Audit & Remuneration Committees**
	2021	55,000	–	1,672	56,672	–
Ian Dyson[13]	**2022**	**249,318**	**3,636**	**6,610**	**259,564**	**See Note 13**
	2021	55,000	15,000	166	70,166	SID & Audit Committee Chair
Adam Crozier[14]	**2022**	**84,848**	**–**	**–**	**84,848**	**–**
	2021	350,000	–	36	350,036	–
Total	**2022**	**720,817**	**56,879**	**176,211**	**953,907**	
	2021	680,000	25,000	4,819	709,819	

1 José Ramos was appointed CEO on 16 June 2022, therefore only his remuneration between 16 June 2022 and 31 August 2022 is shown in this table.
2 José is entitled to a relocation allocation allowance of £40,000 per year until 4 January 2024 related to his relocation from Portugal to the UK to take up his previous role as Chief Commercial Officer. The benefits shown in this table includes the relocation allowance José received from his appointment as CEO until year end. The Executive Directors receive a flexible benefits allowance of £12,500 per annum, which can be used either to buy a variety of benefits or be taken in cash through our flexible benefits scheme, ASOS Extras. Other benefits include private medical insurance, group income protection and life assurance.
3 The Executive Directors' pension contributions shown above were paid in cash. On 1 December 2021, the pension contribution for Mat Dunn changed from 12.5% to 10% of base salary.
4 For 2022, this includes the FY20 ALTIS award as detailed on page 91. Based on a share price of £9.89, being the average share price for the last quarter of the financial year, from 1 June to 31 August 2022. The share price depreciated during the vesting period and therefore no portion of the award relates to share price gain. The figures for 2021 are the adjusted figures to show the share price of £24.82 on the day before the vesting date on 31 October 2021 (previously shown as £374,716 for Mat Dunn and £354,662 for Nick Beighton, former CEO).
5 Mat Dunn received an additional temporary salary allowance of £5,000 per month to reflect the additional responsibilities he undertook, leading the day-to-day operation of the business on a temporary basis until we appointed a new CEO. This is reflected in his base salary in the table.
6 Nick Beighton stepped down as CEO and from the Board on 11 October 2021. The table above outlines the remuneration he received between 1 September 2021 and 11 October 2021. He received a salary, pension and benefits until 31 December 2021, and a payment in lieu of notice in relation to salary, pension and benefits in respect of his remaining 12-month notice period (until 11 October 2022), details of which are outlined on page 93. Nick's benefits figure for 2021 has been updated to correct an error (previously shown as £20,490).
7 The base fee for Non-executive Directors increased to £56,230 effective from 1 December 2021.
8 The taxable expenses include travel and other expenses related to their role and have been grossed up for tax, where applicable.
9 Jørgen Lindemann was appointed as Non-executive Director on 1 November 2021 and Chair of the ASOS Plc Board on 1 August 2022.
10 Patrick Kennedy was appointed Non-executive Director, Senior Independent Director and Chair of the Audit Committee on 13 January 2022.
11 Nick Robertson donated all of his base service fee and his additional fee to the ASOS Foundation.
12 Eugenia Ulasewicz was appointed Chair of the newly established ESG Committee on 1 February 2022. Eugenia's taxable benefits figure for 2021 has been updated to correct an error (previously shown as nil).
13 Ian Dyson served as Non-executive Director, Senior Independent Director and Chair of the Audit Committee until he was appointed Chair of the ASOS Plc Board on 29 November 2021. Ian stepped down as Chair of the Board on 1 August 2022.
14 Adam Crozier stepped down as Chair of the Board on 28 November 2021.

Annual bonus for the year ended 31 August 2022 (audited)

For the CO&FO, the annual bonus plan for the year ended 31 August 2022 was based on the following financial metrics:

	Weighting	Threshold	Target	Maximum	Performance achieved	Outcome
Adjusted PBT[1]	30%	£100m	£125m	£140m	£22.0m	Below threshold
Revenue growth[2]	30%	+10%	+13%	+15%	2%	Below threshold
Adjusted Free Cash Flow[3]	15%	(£20.0m)	£0m	+£20.0m	(£321.6m)	Below threshold

1 Adjusted for £53.9 million of adjusting items.
2 Constant currency basis.
3 Adjusted for payment of £18.2 million of adjusting items.

The remainder of the bonus was based 10% on ESG metrics linked to progress against our FWI 2030 programme goals and 15% on strategic objectives.

Whilst progress was made against the ESG and strategic elements, the financial metrics were not met and the Remuneration Committee determined that no bonus will be paid to the Executive Directors for FY22.

FY20 ALTIS awards vesting for performance to 31 August 2022 (audited)

The ALTIS awards with a performance period ending on 31 August 2022 are due to vest on 31 October 2022. These awards were based on revenue growth, diluted EPS and relative TSR over the three-year performance period from 1 September 2019 to 31 August 2022. The performance targets and level of achievement against those targets were as follows:

Measures	Weighting	Targets	Percentage vesting	Actual achievement	Vesting
Revenue growth	35%	Below 12.5% 12.5% Between 12.5% and 17.5% 17.5% or above	0% 25% Between 25% and 100%[1] 100%	12.9%	11.0%
Diluted EPS	35%	Below 76.8p 76.8p Between 76.8p and 130.0p 130.0p or above	0% 25% Between 25% and 100%[1] 100%	22.9p[2]	0.0%
Relative TSR	30%	Below median At median Between median and upper quartile At or above upper quartile	0% 25% Between 25% and 100%[1] 100%	Below median	0.0%

1 Straight-line interpolation between points in the range.
2 Consistent with the approach taken in FY21, actual performance for the diluted EPS condition has been assessed using an adjusted profit before tax of £22.0m, an adjusted tax rate, and with the convertible bond treated as dilutive. This is also consistent with how adjusted measures are used as the basis for assessing the outturn of the Group bonus plan and with the restatement of the ALTIS scheme targets which took place at the Remuneration Committee meeting in May 2021.

Details of vesting:

Executive Director	Number of shares granted	Number of shares vesting	Date of vesting	Value of awards vesting[1]
Mat Dunn	27,173	2,989	31/10/2022	£29,561
Nick Beighton[2]	24,594	2,705	31/10/2022	£26,755

1 Based on a share price of £9.89, being the average share price for the last quarter of the financial year, from 1 June to 31 August 2022, as is normal practice.
2 Nick Beighton stepped down from the Board on 11 October 2021 and remained employed by the Group until 31 December 2021. He was granted good leaver status for his remaining unvested ALTIS awards. This award will vest subject to time pro-rating to 31 December 2021. His original award was over 31,609 shares prior to time pro-rating.

José Ramos had not joined the Company at the time the FY20 ALTIS award was granted.

The Committee carefully considered whether the ALTIS vesting outcome fairly reflected the underlying performance of the business as well as the experience of shareholders and stakeholders during the period. This included a discussion on ASOS' financial and non-financial performance and strategic progress, the wider economic environment and the historic wider pay context at ASOS. The Committee considered that, in the round, the overall vesting outcome of 11% was appropriate and no discretion was exercised.

Adjustments to FY20 and FY21 ALTIS targets

In April 2020, ASOS raised net proceeds of £239.4million through issuing additional shares; in February 2021, the Topshop brands were purchased from Arcadia for £292.4million; and in April 2021 the Company raised a further £500million by issuing convertible bonds. These transactions were not anticipated at the time the performance targets for the FY20 and FY21 awards were set.

In May 2021, the Remuneration Committee approved changes to the targets for the FY20 and FY21 ALTIS awards which adjusted for these three events. The changes impacted the revenue and EPS targets only and ensure actual performance can be assessed against them on a like-for-like basis.

Annual Report on Remuneration continued

The change between the original targets and the revised targets for the two awards are as follows:

FY20 ALTIS

Measures	Performance scenario	Original targets	Revised targets
Revenue growth	Threshold	10%	12.5%
	Maximum	15%	17.5%
EPS growth	Threshold	71.0p	76.8p
	Maximum	121.8p	130.0p

The revised targets in the above table have been used in the final performance assessment for the FY20 ALTIS shown on page 91.

FY21 ALTIS

Measures	Performance scenario	Original targets	Revised targets
Revenue growth	Threshold	10%	12.2%
	Maximum	20%	22.2%
EPS growth	Threshold	138.6p	161.2p
	Maximum	179.9p	206.7p

Details of the performance outcome relative to the revised targets shown above will be disclosed in the FY23 Directors' Remuneration Report.

ALTIS awards granted in the year (audited)

In the year under review, an ALTIS award was granted to the CO&FO on 23 November 2021. Details of the award are as follows:

Basis of award	Type of award	Number of shares granted	Face value of award[1]	% vesting for threshold performance	Performance period
250% of base salary	Conditional share award at nil cost	48,791	£1,312,478	25%	01.09.21 – 31.08.24

1 Based on the five-day average share price of £26.90 as at 22 November 2021.

As part of the terms of his appointment as CEO, José Ramos was granted an ALTIS award on 23 June 2022 to bring his award for FY22 more in-line with our policy for Executive Directors. Details of the award are as follows:

Basis of award	Type of award	Number of shares granted	Face value of award[1]	% vesting for threshold performance	Performance period
250% of base salary[2]	Conditional share award at nil cost	20,612	£174,996	25%	01.09.21 – 31.08.24

1 Based on the five-day average share price of £8.49 as at 22 June 2022.
2 Based on base salary of £700,000.

The performance conditions for these awards are in the table below, with performance measured over the three-year period from 1 September 2021 to 31 August 2024, and vesting on 31 October 2024:

Measures	Weighting	Threshold performance (25% vesting)	Maximum performance (100% vesting)
EPS growth (CAGR)[1]	30%	24.5%	29.5%
Revenue growth (CAGR)[1]	30%	15%	20%
Relative TSR	25%	Median	Upper quartile
ESG – FWI goals	15%	See below[2]	See below[2]

1 EPS targets represent average p.a. growth to FY24 compared to FY21 EPS (excluding the one-off COVID-19 benefit). Revenue growth targets represent average p.a. growth rates compared to FY21 reported revenue.
2 ESG performance will be assessed based on the extent of the Company's progress over the period FY22 to FY24 toward the Company's key 2030 objectives, in relation to the Company's four FWI pillars: (1) Be Net Zero; (2) Be More Circular; (3) Be Transparent; (4) Be Diverse. The Committee will judge progress in the round and determine what vesting outcome is appropriate based on the extent and nature of the progress achieved.

The relative TSR comparator group consists of the following companies: Boohoo Group, Boozt, Brown Group, Farfetch, Global Fashion Group, H&M, Inditex, JD Sports Fashion, Joules Group, Marks & Spencer, Next, Revolve Group, THG Holdings and Zalando.

Before José was appointed CEO, he was granted the following awards in his role as Chief Commercial Officer:

Basis of award	Type of award	Number of shares granted	Face value of award[1]	% vesting for threshold performance	Performance period
125% of base salary[1]	Conditional share award at nil cost	21,433	£576,548[2]	25%	01.09.21 – 31.08.24[4]
100% of base salary[1]	Conditional share award at nil cost	20,319	£461,241[3]	N/A	N/A

1 Based on base salary when Chief Commercial Officer.
2 Based on the five-day average share price of £26.90 as at 22 November 2021.
3 Based on the five-day average share price of £22.70 as at 13 January 2022.
4 Performance measures and targets for this award are as shown on page 92.

Payments for loss of office (audited)

Nick Beighton

Nick Beighton stepped down from the Board on 11 October 2021 but remained employed and available to support the Group until 31 December 2021. In line with the Remuneration Policy at that time, he received salary, pension and benefits to 31 December, and he received an annual bonus for the full FY21 year. He received a payment in lieu of notice in relation to salary, pension and benefits, in respect of his remaining notice period to 10 October 2022.

His FY19 ALTIS vested as normal on 31 October 2021. He was granted 'good leaver' status for his remaining unvested ALTIS awards. These will vest in line with the original scheduled vesting dates, subject to performance conditions and time pro-rating to 31 December 2021. His outstanding SAYE option was cancelled in November 2021. Expenses of £10,000 for legal fees and £50,000 for outplacement costs were paid on his behalf.

Details of payments made to Nick Beighton during the year to 31 August 2022, following his stepping down from the Board on 11 October 2021 and until he left employment on 31 December 2021, are set out below:

Base salary	£137,778
Pension	£15,588
Benefits	£10,680
Payment in lieu of notice period	£537,381
Legal and outplacement costs	£60,000
Total	£761,427

Mat Dunn

On 17 August 2022 it was announced that Mat Dunn would step down from his Chief Operating Officer and Chief Financial Officer (CO&FO) roles as ASOS restructures its Executive team. It is not envisaged that the combined CO&FO role will continue after the restructuring. Mat will continue in his roles and as a member of the Board until 31 October 2022 and will remain employed until 31 December 2022 to provide transitional support. Mat's remuneration arrangements on departure are in line with the leaver treatment set out in the Remuneration Policy and are summarised as follows:

- Mat will receive his usual salary and normal benefits during the remainder of his employment and thereafter will receive an amount in lieu of his salary for the remainder of his 12-month notice period.
- Mat will be eligible to receive a bonus in respect of FY23, pro-rated to the date he steps down from the ASOS Plc Board (31 October 2022), which will be assessed and paid in the normal way.
- Mat's FY20 ALTIS will vest as normal on 31 October 2022 (as outlined on page 91). Given that the combined CO&FO role will not be retained in the new executive team, the Committee intends to treat Mat as a good leaver in respect of outstanding ALTIS awards granted on 20 November 2020 and 23 November 2021, which will be assessed and pro-rated to 31 December 2022 as detailed below and will vest on the normal vesting date, subject to the satisfaction of applicable performance conditions. He will not be entitled to a FY23 ALTIS award.

Date of grant	Number of shares subject to award	Number of shares pro-rated for time	Number of shares pro-rated for time
23 November 2021	48,791	21,655	31 October 2024
20 November 2020	25,633	19,939	31 October 2023
20 November 2019	27,173	27,173	31 October 2022

- Mat is eligible to have expenses paid on his behalf in relation to legal fees, up to £10,000, and outplacement support, up to £25,000.

There were no other payments made for loss of office during the year to 31 August 2022.

Payments to past Directors (audited)

There were no payments made to any past Directors during the year to 31 August 2022.

Annual Report on Remuneration continued

Directors' interests in share plans (audited)

Director	Share option scheme	Date of grant	31 August 2021 (no. of shares)	Granted during the year to 31 August 2022 (no. of shares)	Lapsed during the year to 31 August 2022 (no. of shares)	Vested during the year to 31 August 2022 (no. of shares)	31 August 2022 (no. of shares)	Vest date/ period
José Ramos	RSU[1]	16.02.21	4,272	–	–	4,272	–	12.04.22
	ALTIS[2]	16.02.21	12,511	–	–	–	12,511	31.10.23
	ALTIS[2]	23.11.21	–	21,433	–	–	21,433	31.10.24
	RSU[3]	14.01.22	–	20,319	–	–	20,319	50% on 31.10.22 and 50% on 30.04.23
	ALTIS[2]	23.06.22	–	20,612	–	–	20,612	31.10.24
Mat Dunn	ALTIS[2]	28.06.19	22,216	–	13,753	8,463	–	31.10.21
	ALTIS[2]	20.11.19	27,173	–	–	–	27,173	31.10.22
	ALTIS[2]	20.11.20	25,633	–	–	–	25,633	31.10.23
	ALTIS[2]	23.11.21	–	48,791	–	–	48,791	31.10.24
Nick Beighton[4]	ALTIS[2]	24.10.18	21,027	–	13,018	8,009	–	31.10.21
	ALTIS[2]	20.11.19	31,609	–	7,015	–	24,594	31.10.22
	ALTIS[2]	20.11.20	34,475	–	19,160	–	15,315	31.10.23
	SAYE	27.11.20	510	–	510	–	–	–

1 Conditional award over shares under the rules of the ASOS Long Term Incentive Scheme, with no performance conditions applying to the award.
2 Conditional award over shares under the rules of the ASOS Long Term Incentive Scheme. Performance conditions for those awards are set out in the relevant remuneration report for the year of grant.
3 Conditional award over shares under the rules of the ASOS Long Term Incentive Scheme, with no performance conditions applying to the award, but vesting of each award is subject to continued employment.
4 Nick Beighton stepped down as CEO on 11 October 2021. Reflecting his contribution during his long period of service with ASOS, he was treated as a 'good leaver' in respect of inflight FY20 and FY21 ALTIS awards, which have been retained and will vest in line with their original schedule, subject to performance testing and time pro-rating to 31 December 2021, the date of his departure. His outstanding SAYE option lapsed on 31 December 2021.

Directors' shareholdings (audited)

The Directors who held office at 31 August 2022 had the following interests, including family interests, in the shares of ASOS Plc. A shareholding guideline is in place for the Executive Directors; this is 200% of salary for the CEO and CFO.

Director	Beneficially owned as at 31 August 2021 (no. of shares)	Beneficially owned as at 31 August 2022 (no. of shares)	Outstanding share options (ALTIS) (no. of shares)	Shareholding guideline met
José Ramos	–	3,705	74,875	No
Mat Dunn	12,002	20,644	101,597	No
Jørgen Lindemann	–	62,052	N/A	N/A
Mai Fyfield	2,000	2,000	N/A	N/A
Karen Geary	641	641	N/A	N/A
Luke Jensen	15,733	15,733	N/A	N/A
Patrick Kennedy	23,000	53,000	N/A	N/A
Nick Robertson	3,336,414	2,886,414	N/A	N/A
Eugenia Ulasewicz	500	500	N/A	N/A

Former Directors	Beneficially owned as at leaving date (no. of shares)
Ian Dyson[1]	15,205
Adam Crozier[2]	20,770
Nick Beighton[3]	156,121

1 As at 1 August 2022.
2 As at 28 November 2021.
3 As at 11 October 2021. Nick Beighton was compliant with the shareholding guideline for Executive Directors as at the date he stepped down from the Board. He is not subject to any post-employment shareholding requirements.

On 19 October 2022, Jørgen Lindemann purchased 48,000 shares, meaning he now holds 110,052 shares in the Company. There were no other changes to the Directors' share interests between 31 August and 28 October 2022.

Pay gap reporting

We will be publishing our next Gender Pay Gap reports for April 2022 early next year. We remain of the view that the UK gender pay gap is not a symptom of unequal pay for equal work among men and women, but rather there being more men than women in senior roles across the relevant UK businesses.

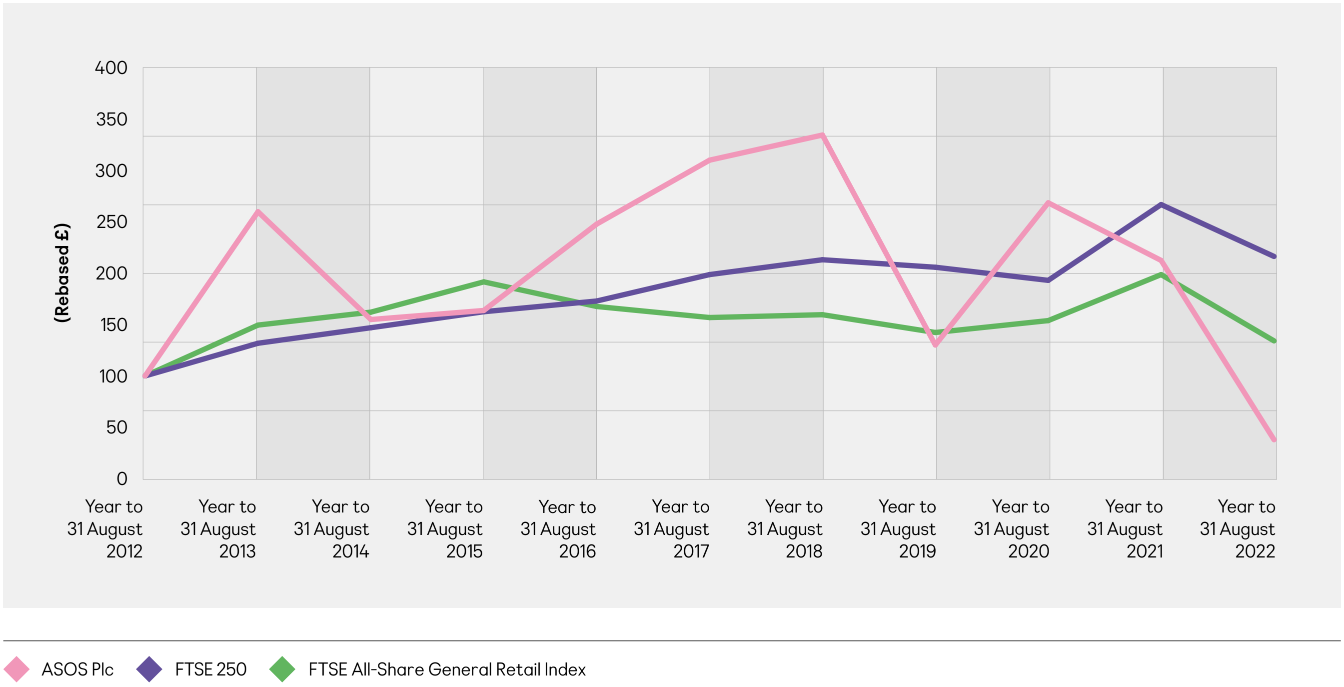
In addition, ASOS carries out an annual equal pay audit, checking the pay of men and women doing the same or similar roles. Our audits continue to show that our pay policies and practices pay men and women equally for equivalent roles. Our pay range system ensures ASOSers are paid fairly based on their skills, qualifications, experience and performance.

We will also be publishing our Ethnicity Pay Gap data for the second year in a row as part of our FWI objectives to ensure ASOS is a diverse and inclusive workplace.

Diversity continues to be a key area of focus for ASOS and our 2030 FWI goals include stretching targets of achieving at least 50% female representation and over 15% ethnic minority representation across our combined leadership team by 2023, and at every leadership level by 2030.

Performance and CEO remuneration comparison

This graph shows the value, by 31 August 2022, of £100 invested in ASOS Plc on 31 August 2012 compared with that of £100 invested in the FTSE 250 and the FTSE All-Share General Retail Indices. These are the indices that the Company is a member of and between them they show the Company's performance against both the broader market and the retail sector. The other points plotted are the values at the intervening financial year ends.



CEO remuneration history

The table below sets out the remuneration data for Directors undertaking the role of CEO during each of the past ten financial years.

	Year to 31 August 2013	Year to 31 August 2014	Year to 31 August 2015[4]	Year to 31 August 2016[5]	Year to 31 August 2017	Year to 31 August 2018	Year to 31 August 2019	Year to 31 August 2020	Year to 31 August 2021	Year to 31 August 2022[6]
Total remuneration (£)[1]	803,843	337,193	81,280	1,199,520	3,072,259	2,904,614	848,487	1,730,323	1,726,859	264,042
Annual bonus %[2]	60.0%	–	–	70.0%	65.0%	–	–	93.7%	89.9%	–
Long-term incentive %[3]	–	–	–	–	99.1%	100%	27.0%	31.2%	38.1%	11.0%

1 Gains made under the long-term incentive plans are recognised above in the financial year of the performance period to which they relate. The value shown for the FY21 award was calculated using a share price of £24.82, being the closing share price on the day before the vesting date on 31 October 2021. The value shown for the year to 31 August 2022 is based on the average share price for the last quarter of the financial year to 31 August 2022. This will be adjusted to reflect the share price at the point of vesting on 31 October 2022.
2 Annual bonus percentage figure shows the percentage of the individual's maximum bonus percentage received in that financial year.
3 Long-term incentive percentages show the percentage of the award that vested in the financial year.
4 During the year to 31 August 2015, Nick Robertson opted to waive receipt of £442,580 of his base salary, and any entitlement to bonus.
5 Nick Robertson stepped down as CEO and was succeeded by Nick Beighton on 2 September 2015.
6 During the year to 31 August 2022, Nick Beighton stepped down as CEO on 11 October 2021 and José Ramos was appointed CEO part way through the year on 16 June 2022, therefore this table shows the remuneration Nick received between 1 September 2021 and 11 October 2021 (£108,715) and the remuneration José received between 16 June 2022 and 31 August 2022 (£155,327). José had not joined the Company when the FY20 ALTIS was awarded. No bonus was paid in FY22.

Annual Report on Remuneration continued

Percentage change in Directors' remuneration

The table below shows the percentage change in the Directors' salary/fees, benefits and annual bonus over the last three years, compared with all employees of ASOS. This is a voluntary disclosure as no employees are directly employed by ASOS Plc.

	FY22			FY21			FY20		
% change	Salary/Fees	Benefits[8]	Bonus	Salary/Fees	Benefits[8]	Bonus	Salary/Fees	Benefits[9]	Bonus[10]
All employees	13.0%	-4.5%	-100%	16.1%	37.6%	7.9%	7.1%	13.2%	100%
Executive Directors									
José Ramos[1]	–	–	–	–	–	–	–	–	–
Mat Dunn[2]	25.0%	29.4%	-100%	5.6%	2.0%	49.7%	1%	9.1%	100%
Non-executive Directors									
Jørgen Lindemann[3]	–	–	–	–	–	–	–	–	–
Mai Fyfield	2.24%[7]	-100%	–	–	300%	–	–	–	–
Karen Geary	2.24%[7]	383%	–	–	6,900%	–	–	–	–
Luke Jensen	2.24%[7]	608%	–	–	400%	–	–	–	–
Patrick Kennedy[3]	–	–	–	–	–	–	–	–	–
Nick Robertson	2.24%[7]	-100%	–	–	–	–	–	-97%	–
Eugenia Ulasewicz	2.24%[7]	7,191%	–	–	–	–	–	–	–
Former Directors									
Adam Crozier[4]	0%	-100%	–	–	–	–	–	-91%	–
Nick Beighton[5]	0%	0%	-100%	6.5%	2.3%	2.2%	1%	19.6%	100%
Ian Dyson[6]	536.4%	3,882%	–	–	300%	–	–	-92%	–

1 José Ramos was appointed CEO part way through FY22 on 16 June 2022.
2 Mat Dunn received an additional temporary salary allowance of £5,000 per month during FY22 to reflect his additional responsibilities leading the day-to-day operation of the business on a temporary basis until the CEO was appointed. Mat Dunn's target and maximum bonus opportunity was increased during FY21 to align with the CEO. Mat Dunn was appointed to the Board part way through FY19 on 23 April 2019, therefore his salary and benefits have been pro-rated for FY19 for the purpose of the FY20 calculation.
3 Jørgen Lindemann and Patrick Kennedy joined the Board part way through FY22.
4 Adam Crozier was appointed to the Board part way through FY19 on 29 November 2018, therefore his fee has been pro-rated for FY19 for the purpose of the FY20 calculation.
5 Nick Beighton was given a flexible benefits allowance of £12,500 in FY20.
6 Ian Dyson was appointed Chair of the Board on 29 November 2021.
7 The base fee for Non-executive Directors was increased to £56,230 effective 1 December 2021.
8 Once COVID-19 social and travel restrictions started to lift, Board and Committee meetings were held in person leading to an increase in Director travel and other expenses in FY21 and again in FY22.
9 Reduction in benefits in FY20 was due to a reduction in expenses claimed during that year.
10 No bonus was paid in FY19.

CEO pay ratio

The table below shows the ratio of the total remuneration paid to the CEO for 2021/22 against the upper quartile, median and lower quartile full-time equivalent remuneration of ASOS' UK employees. This is the third year of reporting a pay ratio and data from the last two financial years is shown for comparison.

	Method	P25	P50	P75
2021/22	Option C	9:1	6:1	4:1
Full-year equivalent 2021/22	Option C	29:1	17:1	11:1
2020/21	Option C	68:1	35:1	25:1
2019/20	Option C	73:1	38:1	24:1

The first calculation for 2021/22 uses the total remuneration paid to Nick Beighton between 1 September 2021 and 11 October 2021 and the total remuneration paid to José Ramos between 16 June 2022 and 31 August 2022 (as disclosed on page 90). There was a period during the financial year, between 12 October 2021 and 15 June 2022, that the Company did not have a CEO, therefore the second calculation (Full-year equivalent 2021/22) provides the ratios if José Ramos had been CEO for the full financial year.

The Company has chosen Option C as it enabled the use of readily available data that was current to ASOS' year end. The employees at P25, P50 and P75 were identified based on salaries at 31 August 2022, and their total remuneration was calculated, including salary, benefits, flex allowance and pension as at that date plus 2021/22 bonus outturns (all three employees are outside the ALTIS population). No omissions, estimates or adjustments were included in the calculation.

The total remuneration of these individuals and a small number of others positioned around each quartile were compared to determine whether the employees at P25, P50 and P75 were most representative of pay levels at these quartiles. Based on that review of similarly ranked roles, the remuneration of all three individuals was deemed to be representative of the relevant quartile.

The base salary and total remuneration for the employees used in the above calculations are as follows:

	P25	P50	P75
Base salary	£26,443	£40,521	£63,519
Total remuneration	£28,032	£47,668	£71,593

The Committee is satisfied that the ratio is consistent with the Group's wider policies on employee pay, reward and progression. Executive Directors receive a greater proportion of their remuneration in elements tied to performance, including participation in the ALTIS which operates at the most senior levels. This means that the pay ratio will vary in large part due to incentive outcomes each year. No bonus was paid this year (compared to 89.9% of maximum last year), and no ALTIS awards were due to vest to José Ramos this year (compared to a 38.1% of maximum outcome for Nick Beighton in 2020/21), which has led to a reduction in the pay ratio for 2021/22.

Relative importance of spend on pay

The following table shows ASOS' actual spend on pay (for all employees) relative to retained profit. This has been used as a comparison as this is a key metric that the Board considers when assessing the Company and Group's performance. To date, no dividend has been paid by ASOS Plc and there is no intention to pay a dividend at this stage as all monies are being retained in the business for future investment.

1 The above includes capitalised staff costs and excludes share-based payments charge.

2 See Note 2 of financial statements for more information.

Non-executive Directors' dates of appointment

Non-executive Director	Date of appointment	Notice period	Appointment end date in accordance with letter of appointment	Total length of service as at 31 August 2022
Jørgen Lindemann	1 November 2021	None	AGM 2022	<1
Mai Fyfield	1 November 2019	None	AGM 2022	2.8
Karen Geary	1 October 2019	None	AGM 2022	2.9
Luke Jensen	1 November 2019	None	AGM 2022	2.8
Patrick Kennedy	13 January 2022	None	AGM 2022	<1
Nick Robertson[1]	2 September 2015	None	AGM 2022	7
Eugenia Ulasewicz	16 April 2020	None	AGM 2022	2.3

1 Nick Robertson is the Founder and former CEO of ASOS. He stepped down from the role of CEO and assumed the role of Non-executive Director on 2 September 2015.

Annual Report on Remuneration continued

Overview of Remuneration Committee

Composition of the Remuneration Committee

The Remuneration Committee currently comprises four independent Non-executive Directors: Karen Geary (Chair), Mai Fyfield, Patrick Kennedy and Eugenia Ulasewicz. Ian Dyson also served on the Committee for part of the year until 29 November 2021. Appropriate members of the management team, as well as the Committee's advisors, are invited to attend meetings as appropriate, unless there is a potential conflict of interest. The remuneration of Non-executive Directors, other than the Chair, is determined by the Chair of the Board and the Executive Directors.

Committee's responsibilities

The Committee's principal responsibilities are to:

- Determine and recommend to the Board the Group's overall Remuneration Policy, and monitor the ongoing effectiveness of that Policy.
- Determine and recommend to the Board the remuneration of Executive Directors, the Chair and the other members of the Executive Committee.
- Monitor, review and approve the levels and structure of remuneration for other senior managers and employees.
- Determine the headline targets for any performance-related bonus or pay schemes.
- Determine specific targets and objectives for any performance-related bonus or pay schemes for the Executive Directors and the other members of the Executive Committee.
- Review and approve any material termination payment.

Terms of Reference

The full Terms of Reference for the Committee, which are reviewed and approved annually, are available on our corporate website, asosplc.com. These were last updated on 6 October 2022.

Committee composition and effectiveness

Details of the Committee's experience can be found on pages 58 and 61. The Committee's membership was and remains fully compliant with the 2018 UK Corporate Governance Code. The outcome of the Committee's annual performance evaluation, undertaken as part of the Group's internal evaluation of the effectiveness of the Board and its Committees, showed high scores for the effectiveness of the Remuneration Committee, including the management of meetings, information received and performance of the Committee Chair.

Advisors to the Remuneration Committee

The Committee has engaged the external advisors listed below to help it meet its responsibilities.

Committee advisor

- Deloitte has been the independent advisor to the Committee since 2019 and were appointed by the Committee following a competitive tender process. Deloitte are signatories to the Remuneration Consultants' Code of Conduct, and the Committee is satisfied that the advice that it receives is objective and independent. Total fees for advice provided to the Committee were £157,000 in the financial year to 31 August 2022 on a time and materials basis. The Deloitte engagement partner and advisory team that provide remuneration advice to the Committee do not have any connections with the Group or individual Directors that may impair their independence. Separately, during the year other parts of Deloitte also advised the Group in relation to financial advisory, consulting, taxation, accounting services and financial modelling support as part of business planning and analysis.
- When required, ASOS also receives advice relating to remuneration matters from Lewis Silkin LLP, KPMG LLP, and Slaughter and May LLP on reward, tax and legal matters respectively. As a matter of course, the Committee also receives advice and assistance as needed from our Chief People Officer, Reward Director, Head of Reward, General Counsel & Company Secretary and Executive Directors.

Key areas of focus for the year ahead

- Engaging with shareholders in relation to our approach to remuneration for 2023/24.
- Review and approve any salary increases for the Executive Committee.
- Determine 2022/23 annual bonus outcome and FY21 ALTIS awards vesting.
- Approve 2023/24 ALTIS awards, and 2023/24 annual bonus.
- Continue to monitor regulatory and legislative developments.
- Conducting a full review of variable pay.

Remuneration Policy

ASOS Plc listed on the Main Market of the London Stock Exchange in February 2022 and we will therefore be submitting our Remuneration Policy for binding shareholder approval for the first time at our upcoming AGM on 11 January 2023. In line with the regulations, the new Policy for ASOS' Executive and Non-executive Directors will operate for up to the three years from the date of approval at the AGM on 11 January 2023.

Although this is the first year that the Company will be subject to a binding vote on the Remuneration Policy, the Company has been following the requirements for Main Market listed companies in practice for a number of years and therefore already has an established policy. During the year, the Committee considered the current Policy and agreed that, given the recent management changes at ASOS during the year and the current external environment, it was not appropriate to make significant changes to the Policy this year, but a wholesale review will be undertaken in FY23. Generally, the shareholders we consulted with were supportive of this approach and to the proposed changes to the Policy.

The Committee followed a detailed decision-making process which included discussions on the proposals for the Policy at a number of Committee meetings. Where changes to elements of the package were discussed, the Committee considered multiple approaches before reaching a decision. During this time the Committee considered input from management and its independent advisors, as well as ASOS' major shareholders and employees, to ensure that various perspectives were considered. To avoid any conflicts of interest, no Directors were involved in conversations relating to their own pay. However, Executive Directors were kept well-informed to ensure alignment with wider employee remuneration structures and strategic goals.

The Committee noted that the existing policy has previously delivered a strong correlation between reward outcomes and underlying performance. It has ensured that the Remuneration Policy continues to:

- Encourage strong performance and engagement, both in the short and long term.
- Enable the Group to achieve its strategic objectives and create sustainable shareholder value.
- Make sure high performance is required to access high rewards.
- Ensure that the total reward cost to ASOS is affordable and sustainable.

In view of the Company's move to the Main Market of the London Stock Exchange, the Committee reviewed the corporate governance features in place and agreed to make the following enhancements:

1. Introduction of annual bonus deferral – In line with best practice in the Main Market, we are proposing to add a deferral element to the annual bonus scheme.
2. ALTIS (ASOS Long Term Incentive Scheme) holding period – In line with best practice and as outlined in our Main Market Prospectus, we are proposing to extend the total time horizon of the ALTIS to five years by adding a two-year post-performance period holding period (i.e. three-year performance period plus two-year holding period).
3. Post-employment shareholding guideline – To further align ourselves with best practice, we are proposing to extend our shareholding requirements to apply post-employment. The Committee believes that these three features of the executive remuneration framework will strengthen the alignment of our executives' interests with the interests of our shareholders, encouraging the delivery of sustainable, long-term performance. Further details on the proposed changes are outlined on page 101.

The full Remuneration Policy that shareholders are asked to approve at the AGM taking place on 11 January 2023 is set out below and will be available on our website at asosplc.com.

Remuneration Policy table

The following table sets out the proposed Remuneration Policy. This table also applies to any other individual who is required to be treated as an Executive Director under the applicable regulations.

Base salary		
Purpose and link to strategy	**Operation**	**Maximum**
Reflects an individual's responsibilities, experience and performance in their role.	Salaries are normally reviewed annually, with changes being effective from 1 December. When determining salary levels, the Committee takes into account factors including: • Responsibilities, abilities, experience and performance of an individual. • The performance of the individual in the period since the last review. • The Group's salary and pay structures and general workforce salary increases. Periodically the Committee reviews market data for FTSE-listed and other retail and internet/technology-based companies to ensure salaries remain appropriate in this context.	There is no defined maximum base salary. Executive Directors' salary increases will normally be in line with the typical level of increase awarded to other employees. Increases may be above this level in certain circumstances, including: • Where a new Executive Director has been appointed to the Board at a lower than typical market salary to allow for growth in the role. • Where an Executive Director has been promoted or has had a change in responsibilities. • Where there has been a significant change in market practice. • Other exceptional circumstances.

Remuneration Policy continued

Pension			
Purpose and link to strategy	**Operation**	**Maximum**	
To contribute financially post retirement.	Defined contribution arrangement or salary supplement. Only base salary is pensionable. ASOS' contribution depends on the employee's seniority and may be matched to the level of contributions the employee chooses to make.	Contribution aligned to the wider workforce, which is currently 5% of base salary.	
Other benefits			
Purpose and link to strategy	**Operation**	**Maximum**	
To support the personal health and wellbeing of employees. To reflect and support ASOS culture.	Package of taxable benefits offered through our flexible benefits scheme, ASOS Extras, which offers all employees a fixed value depending upon their seniority, and can be used either to buy a variety of benefits or be taken in cash. Other benefits include private medical insurance and life assurance. The Executive Directors currently receive a flexible benefits allowance of £12,500 per annum (though this may be increased as part of any review of the employee benefits policy). Reasonably incurred expenses will be reimbursed. Where necessary any benefits or expenses may be grossed up for taxes. The Committee may introduce other benefits to the Executive Directors if this is considered appropriate taking into account the individual's circumstances, the nature of the role and practice for the wider workforce. Where an Executive Director is required to relocate to perform their role, appropriate one-off or ongoing benefits may be provided (such as housing, schooling etc.).	There is no maximum level of benefits.	
Annual bonus			
Purpose and link to strategy	**Operation**	**Maximum**	**Measures**
Provides a link between remuneration and both short-term Group and individual performance. Annual bonus deferral encourages the delivery of sustainable, longer-term performance and strengthens the alignment of Executive Directors with shareholders' interests.	The annual bonus is earned based on performance against targets set by the Committee. Targets are reviewed annually. Bonus payments are not pensionable. The Committee will retain the discretion to adjust bonus payouts if it considers that the outcome does not reflect the underlying performance of the business or participants during the year, including the Company's performance against set metrics, or that the payout is not appropriate in the context of circumstances that were unexpected or unforeseen when the targets were set. Any annual bonus earned up to a value of 50% of salary will be paid in cash. Any further bonus earned above this value will normally be delivered 50% in cash and 50% in shares to be deferred for three years. Malus provisions apply to the deferred bonus shares. Clawback applies to vested deferred bonus shares for a period of three years from the date of award. See page 104. The Committee may decide to pay the entire bonus in cash where the amount to be deferred into shares would, in the opinion of the Committee, be so small it is administratively burdensome to apply deferral.	Maximum annual bonus opportunity of 150% of base salary.	The annual bonus is normally measured over a one-year period and may be based on a mix of financial, operational, strategic and individual performance measures. Normally at least 50% of the bonus will be based on financial measures. The Committee determines the exact metrics each year depending on the key goals for the forthcoming year. Up to 25% of the bonus is paid for achieving a threshold level of performance and the full bonus is paid for delivering stretching levels of performance. Below threshold performance, no payment is made. The Committee sets bonus targets each year to ensure they are appropriately stretching in the context of the strategy.

ASOS Long Term Incentive Scheme (ALTIS)

Purpose and link to strategy	Operation	Maximum	Measures
Supports the strategy and business plan by incentivising and retaining the ASOS senior management team in a way that is aligned with both ASOS' long-term financial performance and the interests of shareholders.	Annual awards of shares to selected employees, which vest after three years subject to the achievement of performance conditions. Clawback and malus provisions allow awards to be recouped in certain circumstances for a period of five years from date of award (see page 104). The Committee retains the discretion to adjust the vesting level if it considers that the vesting outcome does not reflect the underlying performance of the business or participants during the three-year performance period, including the Group's performance against customer metrics, or that the payout is not appropriate in the context of circumstances that were unexpected or unforeseen when the targets were set. A two-year post-vesting holding period will normally apply to ALTIS awards granted from FY23 onwards.	The maximum annual award that can be granted under the ALTIS in normal circumstances is 250% of base salary, although the ALTIS rules allow for grants of up to 500% of salary in any given year.	Awards may vest based on financial, non-financial and strategic performance conditions which are aligned to the Company's strategy (the satisfaction of which is determined by the Committee) and normally measured over at least three years. The measures for the FY23 award are relative TSR (25%), EPS growth (30%), revenue growth (30%) and ESG (15%). Any substantial or significant change to measures will be subject to shareholder consultation. Up to 25% of the award vests for threshold levels of performance, increasing to 100% of the award for stretching performance. The Committee sets targets each year that are stretching and motivational.

Share ownership guidelines

Purpose and link to strategy	Operation	Maximum
Increases alignment between the Board and shareholders. Shows a clear commitment by all Executive Directors to creating value for shareholders in the long term.	The shareholding guideline for Executive Directors is 200% of salary. Under the guidelines Executive Directors are expected to hold 50% of any shares acquired on vesting of the ALTIS or the Deferred Bonus Plan, and any subsequent share awards thereafter (net of tax), until the expected shareholdings are achieved. A post-employment shareholding guideline applies whereby Executive Directors are normally expected to hold 100% of their in-employment shareholding guideline for one year following stepping down from the Board, reducing to 50% of their in-employment shareholding guideline for the second year following stepping down from the Board. Where an Executive Director's shareholding at the time of their departure is below these limits, they will normally be expected to hold their actual shareholding for the time period above. This guideline only applies to incentive awards granted from FY23 onwards.	Not applicable.

All-employee share plan

Purpose and link to strategy	Operation	Maximum
Increase alignment between employees and shareholders in a tax-efficient manner. Supports retention of employees.	A HMRC-approved all-employee Save As You Earn share option scheme (SAYE) encourages employees to take a stake in the business, aligning their interests with those of shareholders. Other all-employee plans may be introduced if appropriate.	Participation in any all-employee share plan is subject to the same maximum as for all other participants, which is determined by the Company in accordance with the applicable legislation.

Non-executive Directors

Purpose and link to strategy	Operation	Maximum
Provide fees appropriate to time commitments and responsibilities of each role.	Cash fee normally paid on a monthly basis. Fee levels are set taking into account the responsibilities of the Non-executive Directors and fees at companies of a similar size and complexity. Supplementary fees are paid for holding additional roles, for example Board Committee Chairs and members and the Senior Independent Director. The Company may pay an additional fee to a Non-executive Director should the Company require significant additional time commitment in exceptional circumstances. The Chair receives a consolidated fee. Fees are reviewed periodically. In addition, reasonable business expenses (together with any tax thereon) may be reimbursed. Additional benefits may be introduced if considered appropriate.	There is no prescribed maximum. In aggregate, fees paid to all Directors will not exceed the limit set out in the Company's Articles of Association.

Remuneration Policy continued

Selection of performance measures

For the ASOS annual bonus and ALTIS, our policy is to choose performance measures that help drive and reward the achievement of our strategy and also provide alignment between Executives and shareholders. Our incentive awards are designed to align with ASOS' strong and stretching performance culture, driving outcomes that benefit our shareholders, customers and ASOSers.

The Committee reviews metrics each year to ensure they remain appropriate and reflect the strategic direction of ASOS. The measures used in the FY23 annual bonus reflect ASOS' KPIs for the year. They are based on revenue, adjusted profit before tax, adjusted free cash flow, ESG and strategic objectives. Revenue and profit continue to be key measures of success for the business. The free cash flow metric reflects the Group's ongoing focus on maintaining a strong cash position to enable further growth and expansion. The strategic objectives reflect our evolving areas of business focus. Our ESG metric, focused on our FY23 externally stated DEI commitment ensures ASOS will continue its journey towards being a truly global retailer in a responsible and sustainable way.

Long-term performance targets for FY23 are based on a combination of absolute and relative performance. TSR provides strong alignment with shareholders and will be measured against a bespoke group of online and retail competitors in Europe and the US (companies are set out on page 92) as this provides a robust and relevant benchmark. The group comprises a balance of UK, US and European companies who would broadly speaking be seen to be relevant peers by our shareholders. EPS is considered an objective and well accepted measure of Group performance which reinforces the objective of achieving profitable growth. Revenue captures top-line growth and is a key element of our progress towards our mission. ESG measures performance against our targets for the Fashion with Integrity programme.

Targets for each performance measure are set by the Committee with consideration of an extensive set of reference points including internal plans and budgets, forecasts for the sector, relevant sector benchmarks and external expectations.

Due to the current challenging external and business environment, the Committee has not yet agreed the ALTIS targets. It is intended that the targets will be agreed before the grants are made in November and be disclosed in the RNS announcement which will be made at the time the ALTIS awards are granted.

Performance is measured on a sliding scale, so that incentive payouts increase pro-rata for levels of performance between the threshold and maximum performance targets.

Recruiting new Executive Directors and senior executives

When recruiting any Executive Director or senior executive, we seek to apply consistent policies on fixed and variable remuneration components in line with the Remuneration Policy set out on pages 99 to 101. This helps to ensure that any new Executive Director or senior executive is on the same remuneration footing as existing Executive Directors or senior executives respectively, while still taking into account the skills and experience of the individual, the market rate for a candidate of that experience and the importance of securing the relevant individual.

Any new Executive Director's remuneration package would typically include the same elements, and be subject to the same constraints, as those of the existing Executive Directors performing similar roles. This means a potential bonus opportunity of up to 150% of base salary and potential incentive opportunity of up to 250% of base salary. However, under our ALTIS rules, we have the flexibility to grant awards of up to 500% of base salary and therefore the increased maximum level of variable remuneration which may be awarded on recruitment (excluding any buy-outs referred to below) is 650% of salary.

The Committee has the discretion to include other elements of pay which it feels are appropriate taking into account the specific commercial circumstances (e.g. for an interim appointment). However, this would remain subject to the limit on variable remuneration set out above. The rationale for any such component would be appropriately disclosed in the relevant Remuneration Report.

The Committee may make additional awards on joining in order to secure the appointment of an Executive Director or senior executive. This is considered where an individual forfeits outstanding variable pay opportunities or contractual rights at a previous employer as a result of appointment. In these circumstances the Committee may offer compensatory payments or awards, in such form as the Committee considers appropriate, taking into account all relevant factors including the form of awards, expected value and vesting timeframe of forfeited opportunities. When determining any such 'buy-out', the guiding principle would be that awards would generally be on a 'like-for-like' basis unless this is considered by the Committee not to be practical or appropriate. Any such proposal for Executive Directors requires the prior approval of the Remuneration Committee.

Where an Executive Director is required to relocate from their home location to take up their role, the Committee may provide assistance with relocation (either via one-off or ongoing payments or benefits). In the event that an internal candidate is promoted to the Board, legacy terms and conditions would normally be honoured, including any accrued pension entitlements and any outstanding incentive awards.

To facilitate any buy-out awards outlined above, in the event of recruitment the Committee may grant awards to a new Executive Director relying on the exemption in the Listing Rules, which allows for the grant of awards to facilitate, in unusual circumstances, the recruitment of an Executive Director, without seeking prior shareholder approval or under any other appropriate Company incentive plan.

In cases of appointing a new Non-executive Director, the approach will normally be consistent with the Policy.

Executive Directors' service contracts and payments for loss of office

It is our policy that all Executive Directors should have rolling service contracts with an indefinite term, but a fixed period of notice of termination. The services of all Executive Directors may be terminated on a maximum of 12 months' notice by the Company or the individual. An individual's status may be determined by the Committee in accordance with the rules of any applicable scheme. The Committee may exercise discretion to determine the final amount paid. Our usual approach to remuneration when an Executive Director leaves is explained below with the treatment of each Executive Director being determined by the Committee, in light of the particular circumstances of the departure. In respect of any bonus or ALTIS awards, this determination will be in accordance with the relevant plan rules.

ASOS also retains flexibility to pay reasonable legal fees and other costs incurred by the individual that are associated with the termination (including the settlement of claims brought against ASOS) and to provide outplacement services. In circumstances in which a departing Executive Director may be entitled to pursue a legal claim, ASOS may negotiate settlement terms and, with the approval of the Committee on the remuneration elements therein, enter into a settlement agreement accordingly. In addition, ASOS would honour any legal entitlements, such as statutory redundancy payments or awards made by any tribunal or court, which Executive Directors may have on, or in respect of, termination.

The individual is expected to take reasonable steps to seek alternative income to mitigate the cost of any such payments.

The Committee has discretion to determine that salary in lieu of notice may be paid, up to a maximum of 12 months' salary. In such circumstances, the Committee would usually seek to make a phased payment where possible. An Executive Director who leaves may, at the discretion of the Committee, receive up to a maximum 12 months' worth of pension and other benefits (or a payment in lieu of such pension and benefits). However, the Committee retains the discretion to determine that pension or other benefits will be paid to the date of cessation of employment only.

The Committee will determine the amount of bonus that will be paid to an Executive Director (if any) and the date of payment of any such bonus. There is no right to receive a bonus payment, however, the Committee may determine that the Executive Director may receive a pro-rated bonus and/or that bonus payments remain subject to performance. Executive Directors may be required to defer such portion of any bonus as the Committee may determine into a share award for such period as the Committee decides.

The treatment of leavers under the ALTIS and Deferred Bonus Plan (DBP) will be determined in accordance with the ALTIS and DBP rules as relevant. 'Good leavers' under the ALTIS and DBP are those who leave ASOS as a result of ill-health, injury, disability, the sale of their employing entity out of the ASOS group, or in any other circumstances that the Committee considers appropriate.

In good leaver circumstances, unvested DBP awards will usually vest in full on the normal vesting date unless the Committee determines that they should vest earlier. In circumstances where the Executive Director is not a good leaver, an award will lapse.

In good leaver circumstances, unvested ALTIS awards may vest in accordance with the ALTIS rules. ASOS' normal practice is for unvested ALTIS awards to vest on the normal vesting date to the extent that the Committee determines (taking into account the extent to which performance conditions have been satisfied and the proportion of the performance period that has elapsed and other relevant factors). Any applicable holding periods will normally continue to apply. However, the Committee may disapply time pro-rating and/or any post-vesting holding periods and accelerate the vesting date of unvested ALTIS awards in certain circumstances. In circumstances where the Executive Director is not a good leaver, an unvested ALTIS award will lapse. Vested ALTIS awards will normally remain subject to any applicable holding period (unless the Committee determines otherwise) and so are normally released in accordance with the normal release date except in case of summary dismissal in which case vested ALTIS awards will lapse.

In the event of a change of control of the Group, DBP awards will normally vest in full. ALTIS awards will vest to the extent determined by the Committee taking into account the factors it considers relevant which may include: (i) the extent to which performance conditions have been satisfied; (ii) underlying performance; (iii) such other factors as the Committee may consider relevant; and (iv) unless the Committee determines otherwise, the proportion of the performance period that has elapsed. Awards subject to a holding period will normally be released. Alternatively, the Committee may determine that DBP and ALTIS awards will be exchanged for equivalent awards which relate to shares in a different company.

If there is a demerger, winding-up or other material corporate event, the Committee may allow ALTIS and DBP awards to vest on the same basis as for a takeover.

Upon exit or change of control, SAYE awards will be treated in line with the SAYE plan rules and in line with HMRC guidance.

Executive Directors' contracts are available to view at the Company's registered office.

Consideration of shareholder and broader stakeholder views

The Committee is committed to open dialogue with shareholders and our approach is to engage directly with them and their representative bodies when considering any significant changes to Executive Director remuneration arrangements. The Committee considers shareholder feedback received following the AGM as well as any additional feedback and guidance received from time to time, and this is taken into account when developing the Group's remuneration framework and practices. Assisted by its independent advisor, the Committee also actively monitors developments in corporate governance and market practice to ensure the structure of executive remuneration remains appropriate.

The employee forum is used to capture feedback from ASOSers and during the year the Chair of the Remuneration Committee held a Q&A session with the forum to discuss executive remuneration, as well as remuneration of the wider workforce, although they were not directly consulted in the development of the policy. The proactive dialogue that exists with suppliers and customers means that there are channels of communication with all stakeholders.

Remuneration Policy continued

Malus and clawback provisions

The Committee has the discretion to recover any value delivered (or which would otherwise be delivered) under the annual bonus and the ALTIS in certain circumstances, where it believes the value is no longer appropriate.

Malus applies to unvested DBP and ALTIS awards. Clawback applies to vested DBP and ALTIS awards. These provisions may be invoked at the Committee's discretion at any time within five years from the date an award is granted under the ALTIS, within three years from the date an award is granted under the DBP, in exceptional circumstances, which may include:

- A material misstatement in the Group's published results.
- An error in assessing the performance conditions applicable to an ALTIS award or the size of a bonus by reference to which a DBP award is granted or in determining the number of shares subject to an award, or the assessment or determination being based on inaccurate or misleading information.
- Misconduct on the part of the relevant participant.
- The participant's beach of any restrictive, confidentiality, or non-disparagement covenants or other similar undertakings.
- A determination that the participant has caused a material loss for the Group as a result of reckless, negligent or wilful acts or omissions, or inappropriate values or behaviour.
- A material failure of risk management by any Group member.
- A determination that the participant is responsible for or had management oversight over a member of the Group being censured by a regulatory body or suffering a significant detrimental impact on its reputation.
- The Company or entities representing a material proportion of the Group becoming insolvent or otherwise suffering corporate failure.

Terms of share awards

Awards under any of the Company's share plans referred to in this report may:

- Be granted as conditional share awards, nil-cost options, nominal cost options or in such other form that the Committee determines has the same economic effect.
- Have any performance conditions applicable to them amended or substituted by the Committee if an event occurs which causes the Committee to determine an amended or substituted performance condition would be more appropriate and not materially less difficult to satisfy.
- Incorporate the right to receive an amount (in cash or additional shares) equal to the value of dividends which would have been paid on the shares under an award that vest up to the time of vesting (or where the award is subject to a holding period, release). This amount may be calculated assuming that the dividends have been reinvested in the Company's shares on a cumulative basis.
- Be settled in cash at the Committee's discretion.
- Be adjusted in the event of any variation of the Company's share capital or any demerger, delisting, special dividend or other event that may affect the Company's share price.

Payments outside policy

The Committee reserves the right to make any remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the proposed Remuneration Policy set out in this report, where the terms of the payment were agreed (i) before the Policy came into effect, or (ii) at a time when the relevant individual was not a Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company. For these purposes, 'payments' includes the Committee satisfying awards of variable remuneration, and an award over shares is 'agreed' at the time the award is granted. This Policy applies equally to any individual who is required to be treated as a Director under the applicable regulations.

External appointments

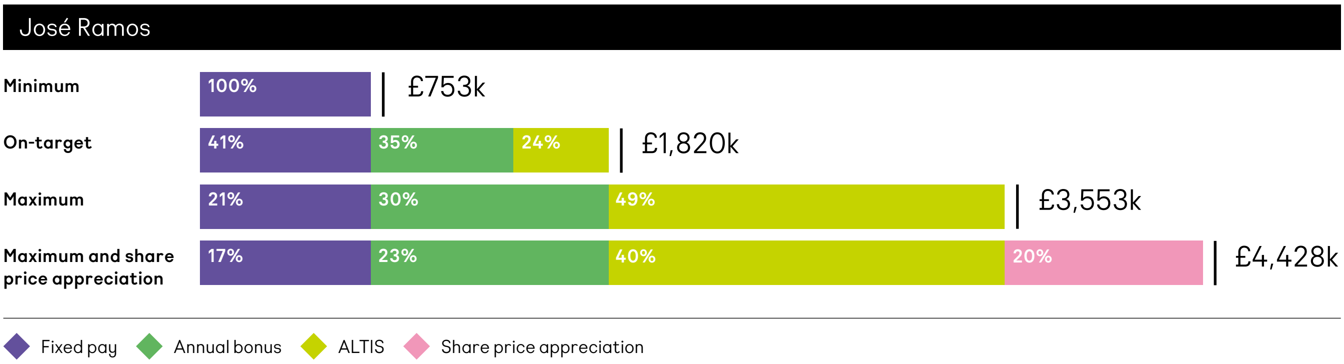
Executive Directors are normally permitted to hold one approved non-executive directorship of another company and to retain the fees earned from such an appointment. Additional appointments may be considered in exceptional circumstances.

Non-executive Directors' letters of appointment

Non-executive Directors do not have service contracts with ASOS. Instead, they have letters of appointment which provide for a maximum of three months' notice of termination by the Company or the individual at any time, with no pre-determined amounts of compensation.

Non-executive Directors' letters of appointment are available to view at the Company's registered office.

Total potential remuneration for Executive Directors in FY23



The chart above provides an illustration of the potential remuneration for the CEO under the new Remuneration Policy in FY23.

Basis of calculation:

- Minimum – fixed pay only (salary + benefits + pension or pension allowance). The benefits are based on the actual figure for 2021/22.
- Target – fixed pay, plus target bonus opportunity of 90% of salary, plus 25% of the face value of the ALTIS award on grant (i.e. 62.5% of salary).
- Maximum – fixed pay, plus maximum bonus opportunity of 150% of salary, plus the full face value of the ALTIS award on grant (i.e. 250% of salary).
- Maximum plus 50% share price growth – as per the maximum scenario outlined above including an assumed 50% share price growth for the ALTIS award.

Minor amendments

The Committee may make minor amendments to the Policy set out above (if required for legal, regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without requiring prior shareholder approval for that amendment.

Committee discretion

The Committee operates under the powers it has been delegated by the Board. In addition, it complies with rules that are either subject to shareholder approval or by approval from the Board. These rules provide the Committee with certain discretions which serve to ensure that the implementation of the Remuneration Policy is fair, both to the individual Director and to the shareholders. The Committee also has discretion to vary the level of the various components of remuneration. This, together with malus and clawback provisions, enables the Committee to better manage risks. The extent of such discretions is set out in the relevant rules, and the maximum opportunity for incentive awards is set out in the Policy table on pages 99 to 101. To ensure the efficient administration of the variable incentive plans outlined, the Committee will apply certain operational discretions.

These include the following:

- Selecting the participants in the plans on an annual basis.
- Determining the timing of grants of awards and/or payments.
- Determining the quantum of awards and/or payments (within the limits set out in the Policy table).
- Determining the extent of vesting based on the assessment of performance as well as taking into account the experience of shareholders and other stakeholders over the vesting period.
- Determining whether malus or clawback shall be applied to any award in the relevant circumstances and, if so, the extent to which it shall be applied.
- Making the appropriate adjustments required in certain circumstances, for instance for changes in capital structure, or to take into account exceptional items.
- Determining 'good leaver' status for incentive plan purposes and applying the appropriate treatment.
- Undertaking the annual review of weighting of performance measures and setting targets for the annual bonus plan and other incentive schemes, where applicable, from year to year.

If an event occurs which results in the annual bonus plan or ALTIS performance conditions being deemed no longer appropriate (e.g. material acquisition or divestment), the Committee will have the ability to amend the performance conditions and/or targets, provided that the revised conditions are not materially less challenging than the original conditions. Any use of the above discretion would, where relevant, be explained in the Annual Report on Remuneration and may, as appropriate, be the subject of consultation with the Group's major shareholders.

Remuneration for other ASOS employees

The Remuneration Policy for Executive Directors has been developed with consideration of the reward philosophy, strategy and policy for ASOSers across the whole organisation. Where possible, we aim to create alignment between the way executive remuneration is structured and the way ASOSers more generally are rewarded. Inevitably, there are some differences between our management and the rest of the business. This is typically a result of developing reward arrangements that are competitive for the different talent markets from which we recruit or to which we risk losing staff. The policy for Executive Directors and the senior levels within ASOS' leadership group also places a larger emphasis on pay-at-risk through incentives and long-term remuneration through the ALTIS programme.

All employees are entitled to base pay, benefits and pension contributions, and during the financial year 176 employees received an award under the ALTIS. ASOS operates a Save As You Earn scheme for all employees. We encourage a strong culture of ownership across the organisation and encourage all ASOSers to behave and think like owners. For FY22, the general salary increase across the workforce was 2.5% and this was allocated based on performance.

Directors' Report

The Directors present their report for the year ended 31 August 2022.

Corporate Governance Statement

Our Corporate Governance Statement setting out how the Company has complied with the UK Corporate Governance Code 2018 (the Code) can be found on page 63. A description of the main features of our internal control and risk management arrangements in relation to the financial reporting process can be found on pages 77 to 78. A description of the composition and activities of the Board and its Committees, including our approach to diversity, is set out on pages 66 and 70. A full version of the Code is available from the Financial Reporting Council website at frc.org.uk.

Significant events since the end of the financial year

Changes to Group operating model: In October 2022, the Board approved changes to the Group's commercial model. The updated model aims to operate a shorter buying cycle with an accelerated speed to market, facilitating an enhanced customer proposition that offers new products, more regularly. To achieve this, it is planned to introduce more off-site clearance routes that will enable the Group to clear inventory earlier in its life-cycle than previously, therefore reducing the overall breadth of inventory held in fulfilment centres, which in turn will reduce the volume that is currently sold on promotion via the ASOS site. To transition to the new model, a reshaping of the inventory portfolio is required, and as a result additional inventory provisions in the range of £100 million to £130 million are expected to be recognised in the next financial year. Of this, between £95 million and £120 million is in relation to inventory currently held on the Group's balance sheet which will now be sold through alternative clearance channels, rather than through the website. The remainder relates to committed inventory spend which will be recognised as inventory in the next financial year, that will also be predominantly sold through off-site clearance channels as a result of the new model.

It has been considered whether any adjustments are required to the current year financial statements. Whilst the proposal was both formed and approved after the balance sheet date, the Group has specifically considered whether the change in operating model indicates that inventory held at the year-end requires further write-downs to net realisable value in order to sell. The anticipated write-downs next year only arise out of the decision to sell or dispose of inventory through other channels to facilitate an enhanced customer offer. Absent the change in model, it would be sold through ASOS.com, for which the existing year-end provisions are appropriate. The Group has therefore concluded that the approved change does not provide evidence for conditions that existed at the balance sheet date.

It was also considered whether the change is an indication that the Group's non-current assets may require impairment. Whilst a reduction in stock levels held at fulfilment centres is anticipated, the overall cash flow of the Group is expected to improve, primarily through improved margin through lower ongoing mark-downs as well as improved working capital in the longer term through reduced stockholding. Furthermore, whilst any future decisions to exit warehouses could potentially result in further impairment charges, no decisions in relation to this have been made. It is therefore concluded that the updated commercial model does not provide indication that the Group's non-current assets are impaired at the year-end.

As the programme will support future underlying profit improvement, it was considered whether it is appropriate to report these costs within adjusted profit. Whilst they arise from changes in the Group's trading operations, they comprise a major business change, they can be separately identified, are material in size and are not reflective of ordinary in-year trading activity. The costs will therefore be presented as adjusting items in the next financial year and excluded from adjusted profit before tax.

Changes to Group funding: In October 2022, the Group agreed an amendment to its £350m revolving credit facility (RCF), with existing financial covenants ceasing to apply until February 2024, and providing the Group with much enhanced flexibility. A new minimum liquidity covenant will apply until the maturity of the RCF. As part of this amendment, the Group's bank lenders have agreed an accordion option to increase the RCF to circa £400m, allowing the incorporation of newly committed ancillary facilities. The amendment also provides for additional reporting disclosures and security by way of fixed and floating charges over certain Group assets.

More information on both post-balance sheet events can be found on page 153. There have been no other material events affecting the Group since 1 September 2022.

Subsidiaries

The Group has 27 subsidiaries, including a branch of ASOS.com Limited registered in the Netherlands. A complete list, including the branch outside of the UK, is provided in Note 8 of the parent Company financial statements on page 159.

Dividends

As last year, the Directors do not recommend the payment of a dividend (2021: £nil).

Strategic Report

This is set out on pages 1 to 56 of the Annual Report and includes an indication of likely future developments.

Risk management and principal risks

A description of the principal risks facing the business, and the Group's approach to managing those risks, is on pages 46 to 53. Information on the Group's foreign currency risks is set out in Note 19 of the financial statements.

Articles of Association

Our Articles of Association can only be amended by special resolution and are available at asosplc.com.

Share capital

The issued share capital of the Company as at 31 August 2022 was 99,940,235 ordinary shares of 3.5 pence each. Full details of the issued share capital, together with the details of shares issued during the year to 31 August 2022, are shown in Note 18 to the financial statements on page 142. As far as the Company is aware, there are no restrictions on the voting rights attaching to the Company's ordinary shares and the Company is not aware of any agreements which may result in restrictions in the transfer of securities or voting rights. No securities carry any special rights.

Powers for the allotment and acquisition of the Company's own shares

The Company was authorised by shareholders at the 2021 AGM to purchase in the market up to 4,991,855 shares, being 5% of the issued ordinary share capital. No shares were bought back under this authority during the year ended 31 August 2022. This is a standard authority which is renewable annually and the Directors will be seeking to renew this authority at the next AGM.

At the 2021 AGM, the Directors were also granted authority to allot ordinary shares in the Company up to an aggregate amount of £1,153,118. This authority will expire at the next AGM, at which the Directors will be seeking to renew this authority.

Directors

The following Directors have held office since 1 September 2021 and up to the date of this report:

Name	Date of appointment/resignation
Jørgen Lindemann	1 November 2021
José Antonio Ramos Calamonte	16 June 2022
Mat Dunn	23 April 2019
Patrick Kennedy	13 January 2022
Mai Fyfield	1 November 2019
Karen Geary	1 October 2019
Luke Jensen	1 November 2019
Nick Robertson	6 June 2000
Eugenia Ulasewicz	16 April 2020
Nick Beighton	Stepped down on 11 October 2021
Adam Crozier	Stepped down on 28 November 2021
Ian Dyson	Stepped down on 1 August 2022

Biographies of the Directors as at the date of this report are set out on pages 58 to 61. In accordance with the Company's Articles of Association and the 2018 UK Corporate Governance Code, all continuing Directors will offer themselves up for re-election, or election, by shareholders at the next AGM, with the exception of Mat Dunn, Karen Geary, Luke Jensen and Eugenia Ulasewicz.

The general powers of the Directors are contained within UK legislation and the Company's Articles of Association (the 'Articles'). The Directors are entitled to exercise all powers of the Company, subject to any limitations imposed by the Articles or applicable legislation. The rules for appointing and replacing Directors are set out in the Company's Articles of Association. Directors can be appointed by ordinary resolution of the Company or by the Board. The Company can remove a Director from office by passing an ordinary resolution or by notice being given to all Directors. There are no agreements in place with any Director that would provide compensation for loss of office or employment resulting from a change of control.

The interests of the Directors and their closely associated persons in the share capital of the Company as at 31 August 2022, along with details of Directors' share options and awards, are contained in the Directors' Remuneration Report on pages 93 to 94. At no time during the year did any of the Directors have a material interest in any significant contract with ASOS or any of its subsidiaries.

We maintain Directors' and Officers' liability insurance which gives appropriate cover for any legal action brought against its Directors. The Group has also provided an indemnity for its Directors, which is a qualifying third-party indemnity provision, for the purposes of section 234 of the Companies Act 2006. This was in place throughout the year and up to the date of approval of the financial statements.

Employee Benefit Trust

We use an Employee Benefit Trust to facilitate the acquisition of ordinary shares in the Company for the purpose of satisfying awards and options granted under ASOS share schemes. During the financial year, we used both the Employee Benefit Trust (EBT) and the Link Trust (LT) to satisfy awards granted under our Save As You Earn, ATLIS and SIP share schemes:

- The EBT is a discretionary trust, the sole beneficiaries being employees (including Executive Directors) and former employees of the Group who have received awards under the Save As You Earn and ALTIS schemes (or their close relations in the event of their death). The trustee of the EBT is Apex Financial Services (Trust Company) Limited, an independent professional trustee company based in Jersey. Under the terms of the Trust Deed, we fund the EBT to purchase on the EBT's own account ordinary shares in the Company on the open market in return for the EBT agreeing to use the ordinary shares in the Company that it holds to satisfy certain outstanding awards and options made under the Company's share schemes.
- The LT holds shares awarded under the SIP solely for the benefit of current employees (including Executive Directors) who participate in it. The trustee of the SIP is Link Asset Services Limited, an independent professional trustee company based in the United Kingdom. Under the terms of the Trust Deed, we fund the LT to buy the shares on the open market and retain those shares on behalf of the underlying beneficiaries.

Substantial shareholders

As at 28 October 2022, the Company was aware of the following interests in 3% or more of its ordinary share capital:

Major shareholder	Holding	As a % of issued shares
Aktieselskabet af 5.5.2010	26,004,404	26.02%
Camelot Capital Partners	11,011,990	11.02%
T. Rowe Price Group	9,970,893	9.97%
Frasers Group Plc	5,100,000	5.10%
Schroders Plc	4,211,570	4.21%

As at 31 August 2022, the EBT and LT (combined) held 229,182 shares in ASOS Plc (2021: 236,701 shares). The total value in reserves was a credit balance of £2.1 million (2021: credit balance of £2.1 million). The EBT and LT are both recognised within the EBT reserve for accounting purposes. The Group's accounting policies are detailed within Note 1 to the financial statements and movements are detailed in the Consolidated Statement of Changes in Equity on page 120.

Stakeholder engagement

For more information on how the Group engages with its stakeholders see pages 20 to 23 and pages 67 to 68.

Employee engagement

Information relating to how the Group engages with its workforce is on pages 10 to 13 and 21. As a Disability Confident Committed Employer, we're committed to taking steps to make sure our recruitment process and culture is inclusive for people with disabilities. We're committed to positively contributing to a change in attitudes, behaviours and culture, helping our ASOSers fulfil their potential and be whoever they want to be, right now and in the future.

We always seek to anticipate and provide reasonable adjustments as required during our interview process and we support any existing ASOSers who acquire a disability or long-term health condition to help them to stay in work. We work with organisations such as Mencap and Genuis Within to provide specialist support and advice for individual ASOSers, their manager and their teams.

We have a suite of accessibility tools available to all ASOSers and whether they have a physical disability, a mental disability or just a personal preference, our tools allow ASOSers to deliver great results. To support with the roll-out and the use of these tools, we've run a series of masterclasses for all ASOSers to join and we're embedding these tools into every stage of the employee lifecycle. This year we've launched our Disability Network to drive changes in the areas that matter most and, as part of our ALL IN Events Series, have run panel discussions about disability and accessibility.

Directors' Report continued

Energy and carbon emission reporting

Our reporting period for energy and carbon emissions is aligned to our financial year, from 1 September to 31 August.

	Unit of measurement	UK portion			Total global		
		FY22	FY21	% change	FY22	FY21	% change
Energy consumption used to calculate emissions – for gas and electricity	kWh	33,550,755	29,112,563	15%	59,433,989	55,857,795	6%
Scope 1 – emissions from combustion of gas	tCO_2e	2,258	2,064	9%	3,351Ⓐ	3,602	-7%
Scope 2 – emissions from purchased electricity – location based	tCO_2e	4,507	3,854	17%	11,497Ⓐ	11,338	1%
Total gross emissions	tCO_2e	6,765	5,918	14%	14,848	14,940	-1%
Intensity ratio – tCO_2e/£m revenue – location based	tCO_2e/ £m revenue				3.77	3.84	-2%

Market based emissions	Unit of measurement	UK portion			Total global		
		FY22	FY21	% change	FY22	FY21	% change
Scope 2 – emissions from purchased electricity – market based	tCO_2e	0	0	0%	2,860Ⓐ	3,150	-9%
Intensity ratio – tCO_2e/£m revenue – market based	tCO_2e/ £m revenue				1.58	1.73	-9%

Quantification and reporting methodology: We have followed the 2020 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard (Operational Control boundary), Ofgem environmental impact measurements for fuel sources, and have used the 2022 UK Government's Conversion Factors for Company Reporting. Other intensity factors acquired through EIA and EEA for US and German markets. Energy data is obtained from a hierarchy of HH data, meter readings, invoices and finally estimates if necessary. Only 2% of total energy data presented is estimated. A more detailed reporting principles and methodology document can be found on our website asosplc.com/fashion-with-integrity/limited-assurance/.

Assurance: PricewaterhouseCoopers LLP (PwC) conducted an independent limited assurance engagement on selected GHG emissions data for the year ended 31 August 2022 shown with the symbol Ⓐ in the table above, in accordance with International Standard on Assurance Engagements 3000 (revised), and the International Standard on Assurance Engagements 3410, issued by the International Auditing and Assurance Standards Board. A copy of PwC's report and our methodology to which it relates is available on our website asosplc.com/fashion-with-integrity/limited-assurance/.

Energy Management Statement: This year we have continued to work with our dedicated energy management and procurement partner, Amber Energy, to progress energy management across the organisation. Building upon the energy efficiency audits that took place last year, we began the process to roll out energy efficiency projects with a primary focus on HVAC optimisation and controls. We have also further identified the feasibility for on-site solar PV systems across our assets and more progress is expected to be made on this in 2023.

Greenhouse Gas Management Statement: At the start of the financial year we set out new, long-term ambitions on managing and reducing our greenhouse gas emissions. Through our new Be Net Zero goal, within Fashion with Integrity, we have set new carbon reduction goals, calculated with the Carbon Trust and in line with Science-Based Targets initiative criteria. These include goals covering our scope 1 and 2 emissions and the majority of our scope 3. These goals were verified by the Science Based Targets initiative in September and this year we have been focused on integrating them into the business and building roadmaps to help reduce emissions and achieve the long-term targets.

Research and development

The Company did not carry out any research and development activities during the year (2021: £nil).

Political donations

No political donations have been made during this financial year (2021: £nil).

Authority will be sought to authorise the Company to make political donations up to the value of £100,000 at the next AGM. The Group's policy is that it does not, directly or through a subsidiary, make political donations; however, this resolution has been proposed to make sure the Group and its subsidiaries do not, because of the wide-reaching definition in the Companies Act 2006, unintentionally breach the Act.

Annual General Meeting

The Annual General Meeting of the Company will be held at 12 noon on 11 January 2023 at Greater London House, Hampstead Road, London, NW1 7FB. The Notice of Meeting will be available to view on asosplc.com, sufficiently in advance of that meeting.

Statement on disclosure of information to auditors

The Directors confirm that, so far as each is aware, there is no relevant audit information of which the Group's auditors are unaware. Each of the Directors has taken all the steps he or she should have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be re-appointed will be proposed at the next AGM.

Environmental, Social and Governance (ESG) disclosures

Details of our ESG commitments are on pages 32 to 35 and 82 to 83.

Additional disclosures

Information that is relevant to this report, and which is also incorporated by reference, including information required in accordance with the UK Companies Act 2006 and Listing Rule 9.8.4R, can be found as follows:

	Annual Report page reference
Likely future developments in the business	24 to 25
Financial instruments and financial risk management	157 and 77
Risk management and principal risks	46 to 53
Corporate Governance Report	57 to 108
S.172 statement	20
Viability Statement & Going Concern	54 to 56
Statement of capitalised interest	128
Related party transactions	149
Climate-related disclosures consistent with TCFD	36 to 44

The Company has chosen, in accordance with section 414C(11) of the Companies Act 2006, and as noted in this Directors' Report, to include certain matters in its Strategic Report that would otherwise be required to be disclosed in this Directors' Report. The Strategic Report can be found on pages 1 to 56. Other information requirements set out in LR 9.8.4R are not applicable to the Company.

Disclaimer

The purpose of this Annual Report is to provide information to the members of the Company and it has been prepared for, and only for, the members of the Company as a body, and no other persons. The Company, its Directors and employees, agents and advisors do not accept or assume responsibility to any other person to whom this document is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed.

A cautionary statement in respect of forward-looking statements contained in this Annual Report appears on the inside back cover of this document.

By order of the Board

Anna Suchopar
Company Secretary
28 October 2022

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and Accounts and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and the Company financial statements in accordance with UK-adopted international accounting standards.

Under Company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The Directors consider that the Annual Report and Accounts and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Governance Report confirm that, to the best of their knowledge:

- the Group and Company financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities and financial position of the Group and Company, and of the loss of the Group; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

Anna Suchopar
Company Secretary
28 October 2022