

ASOS Gender and Ethnicity Pay Gap Report 2022

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asos

FOREWORD

ASOS' purpose is all about giving people the confidence to be whoever they want to be – and that includes ensuring our culture is one which is inclusive, encourages passion and prioritises development so every ASOSer can bring their best self to work.

In September 2021, our Fashion with Integrity strategy set out our 'Be Diverse' goal, which focuses on increasing representation of women and ethnic minorities across our leadership teams. As a result, we've promoted more women into leadership roles this year than the previous two years, embedded Diversity, Equity & Inclusion (DE&I) into our recruitment processes and appointed a dedicated DE&I Director to support this important agenda.

While these are important steps in the right direction, this report clearly shows that we must go further to truly drive diversity, equity, and inclusion across every aspect of our business. Our gender pay gaps remain too high and while our ethnicity gaps are much smaller, there are disparities between business functions and different ethnicities.

Our results are driven by the structure of our business and demographic differences between functions and seniority levels. Women are underrepresented in senior, higher paid roles across ASOS, particularly in our Tech teams; and we have significantly more women and

ethnic minority ASOSers in entry-level roles within our Commercial and Customer Care teams. These challenges are not unique to ASOS, but it is clear we need to think differently if we're going to close our gap.

At ASOS, we have passion and drive in everything we do – and that includes our commitment to DE&I. As you'll see in this report, we are already taking further action and working closely with our employee networks to make change happen. This includes our Women in Tech employee network, who champion female representation and talent within our Technology teams.

When I set out my change agenda to strengthen ASOS in October 2022, I made very clear my personal commitment to refreshing leadership and culture across the business. I know that overcoming these barriers will take time and dedication, but I firmly believe that ASOS will only fulfil its potential by creating a brilliantly inclusive and diverse workplace for everyone.



José Antonio Ramos Calamonte
CEO, ASOS



"We must go further to truly drive diversity, equity, and inclusion across every aspect of our business."



Calvin Klein Jeans

THE
NORTH
FACE

OSOS

Gender pay gap

Gender pay & bonus gap

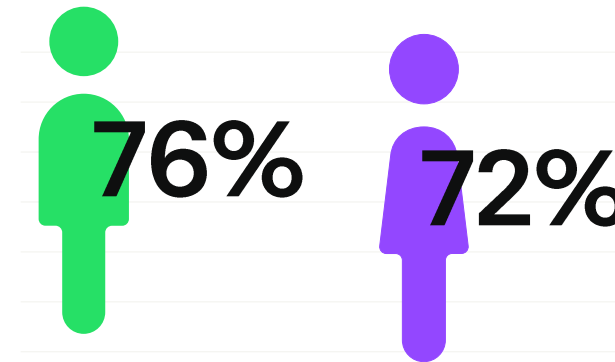
The difference between the earnings of men and women.

	2021	2022		
Mean pay gap	32.3%	31.1%	▼	1.2
Median pay gap	44.8%	45.5%	▲	0.7
Mean bonus gap	59.5%	51.8%	▼	7.7
Median bonus gap	53%	49.8%	▼	3.2

 M: 34%
  F: 66%

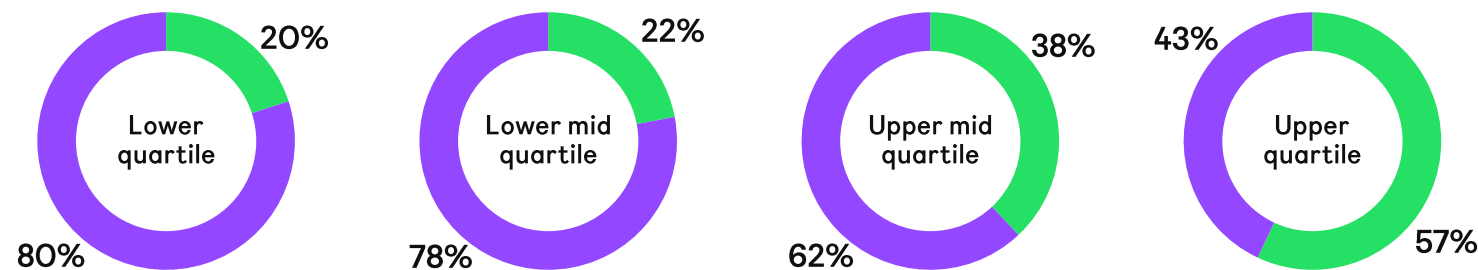
Bonus awards

The proportion of men and women receiving bonus pay.



Pay quartiles

The proportion of men and women by quartile pay bands.



Key points

- Our gender pay gap is driven by the larger proportion of men than women in higher paying senior roles, particularly in our Technology team, where salaries tend to be higher than in other parts of the business. We also have significantly more women in entry-level roles in our Commercial and Customer Care teams, where salaries are lower than in other parts of the business. Our Technology, Commercial and Customer Care teams make up 67% of our total workforce.
- More women occupy our highest paying quartile than before (up by 2%). However, we continue to see high volumes of women recruited into our lower grades and therefore lower paid roles. Female representation in our lowest pay quartile has increased by 2%, which is why we have seen an increase in the median gender pay gap.
- Our mean and median bonus gaps have decreased due to more women being hired or promote into higher earning positions with higher bonuses, but the gaps are still too high.



Ethnicity pay gap

Ethnicity pay & bonus gap

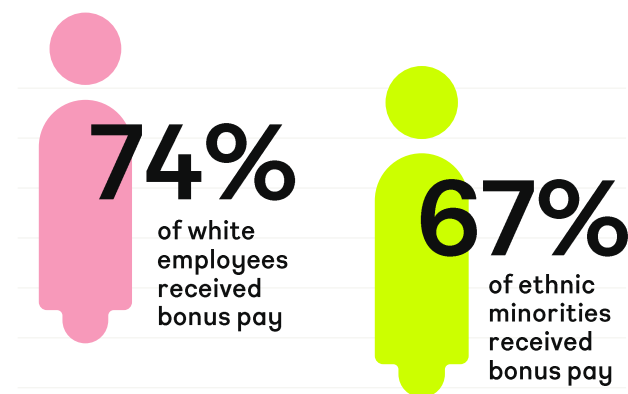
The difference between the earnings of our ethnic minority employees and white employees.

	2021	2022	
Mean ethnicity pay gap	4.5%	1.6%	▼ 2.9
Median ethnicity pay gap	-5.9%	-7.4%	▲ 1.5
Mean ethnicity bonus gap	30.7%	26.7%	▼ 4.0
Median ethnicity bonus gap	1.1%	1.6%	▲ 0.5

W: 77% EM: 23%

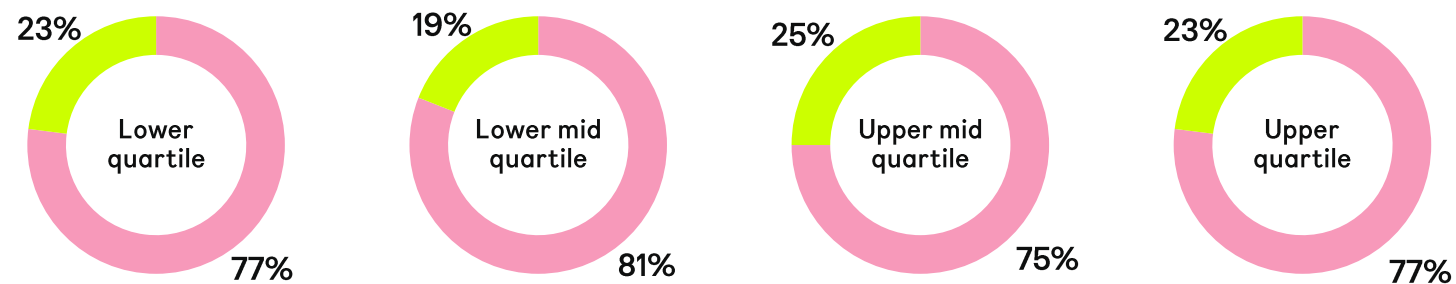
Bonus awards

The proportion of ethnic minority and white employees receiving bonus.



Pay quartiles

The proportion of ethnic minority employees and white employees quartile pay bands.



Key points

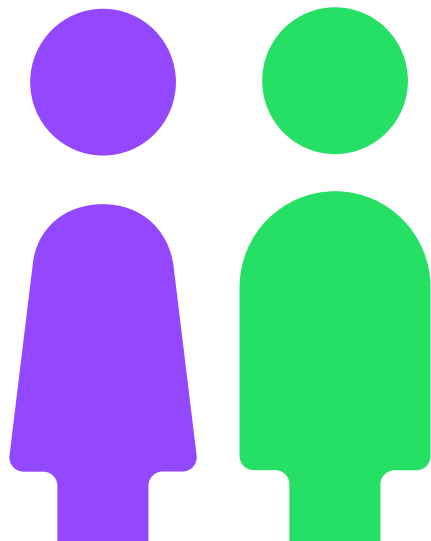
- Ethnic minority ASOSers represent 23% of our total workforce, an increase of nearly 4% since 2021.
- Over the last 12 months we have increased ethnic minority representation within our top two highest paying quartiles by 5%. We also now have strong Asian/Asian British representation (31%) in our Technology team. Whilst this has reduced our mean ethnicity pay gap, it has widened our median ethnicity pay gap, now at -7.4%.
- Black/Black British ASOSers are more likely to work in our Customer Care and Commercial teams where salaries are typically lower, however, proportionately more Black ASOSers were promoted this year than any other ethnic minority.
- Colleagues declaring their ethnicity has increased to 94%, providing us a more accurate reflection of our ethnicity pay gaps.
- Increasing representation across higher paid roles is a priority and we have set targets to improve our leadership representation as part of the Be Diverse goal of our Fashion with Integrity strategy.

REDUCING THE GAPS

Progress and actions

As set out in our Fashion with Integrity strategy, we are targeting to reach at least 50% female and over 15% ethnic minority representation across our combined leadership team (Heads of, Directors and Executives) by 2023, and at every leadership level by 2030. This includes over 40% female representation in Technology, Product Management and Data Science roles by 2030.

Since the data snapshot of 5 April 2022, our actions to reduce the pay gaps whilst embedding an inclusive culture at ASOS includes:



Leadership

We are promoting more women into leadership roles – we have promoted 10 women this year vs 4 in the previous year.

Data as of 31 August 2022 shows female leaders are increasing, from 42.1% to 44.4%. Ethnic minority representation across leadership is improving from 6.9% to 10%. Female representation in Technology has risen from 27.7% to 31.3%.

We have appointed an experienced Director of DE&I to lead our strategy.

Recruitment

Our recruitment platform is helping us ensure best practice in recruiting diverse talent and capturing the right data.

We now review every job advert to remove gender and other types of biased or prohibitive language.

With the support of two diversity recruiters, we are creating a network of diverse talent and attracting them to our business. Our focus is on business areas with low female and ethnic minority representation and we're also working with leaders on a talent recruitment strategy.

This year we will launch training for managers on inclusive hiring practices to support them with gender balanced shortlists and diverse representation during interview panels.

REDUCING THE GAPS

Employee networks

Our networks such as Race & Equality Heads and Hearts, Parents & Carers, and Women in Tech are driving changes across ASOS.

For example, our Women in Tech network is embedding an inclusive culture and championing female talent. We are seeing good progress – in the last year, we have promoted more women internally, compared to the previous year.

Cultural programmes

Our DE&I ALL IN Learning Programme challenges our thinking and encourages ASOSers to reflect on DE&I in everyday activities.

Our Reverse Mentoring programme bridges diversity gaps between ASOSers and senior leaders.

Ongoing engagement around key DE&I moments supports our focus on retention and inclusivity of our ethnic minority employees.

Pay

Our FY23 pay review focused on ensuring fair pay. Pay adjustments were also made to ensure that ASOSers pay reflects the new Real Living Wage.

As with previous years, we awarded a higher rate of increase to those paid at lower levels of our pay ranges.

Policies

Our policies provide crucial support to ASOSers going through health-related or personal life events, including paid leave and flexible working for colleagues going through the menopause, cancer treatment or gender transition.

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