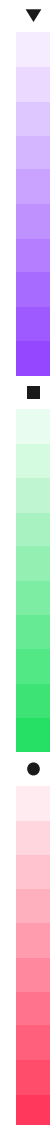


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# Fashion with Integrity: Progress Update

September 2021-August 2022

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asos

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## FOREWORD

# José Antonio Ramos Calamonte, CEO, ASOS

Fashion is about self-expression and empowerment. It helps to give all of us the confidence to be whoever we want to be, whether that's our customers or our people at ASOS. So, who does ASOS want to be? We want to continue to give our customers the fashion they want, when they want it. At the same time, we want to be a business that cares for people, while working to reduce our impact on the planet. Achieving these aims together is a huge challenge, but it is not impossible. We can and must do both, as we believe that there can be no future for fashion without sustainability.

Our Fashion with Integrity (FWI) programme, which launched in 2010, is a vital part of our strategy and will remain a key part of our DNA as we build ASOS' future. This, our second Progress Update report, sets out our

performance in our last financial year (FY22), which ran from 1st September 2021 to 31st August 2022.

Our commitment to FWI remains as strong as ever, despite the challenging and volatile environment we are operating in. We have achieved some important successes over the last year: from being recognised as the top-ranked UK fashion brand in the Fashion Transparency Index, to launching our second circular design collection. Plus, we know that collaboration is essential to achieving our own goals and wider industry change – which is why this year we made it mandatory for all our new partner brands to commit to joining The Transparency Pledge.

Continued...



**“Fashion with Integrity will remain a key part of our DNA as we build ASOS' future.”**



## FOREWORD

We also acknowledge there is a lot still to do.

Performance against our Be Net Zero goal and our GHG emissions targets is disappointing. This is an area where we are investing time and resource to improve our performance. In this report we have also changed our net zero goal to reflect the latest best practice. We are all experiencing the impacts of climate change, and we take our role in reducing our own contribution seriously.

Our ability to deliver on FWI depends on a strong ASOS with a refreshed culture, with greater innovation and creativity across the business. We continue to make progress towards our goal of at least 50% female and over 15% ethnic minority representation across our combined leadership team by 2023 and at every leadership level by 2030. Importantly, we published Ethnicity Pay Gap Data for the first time. And I'm proud that we ranked Number 8 in the Inclusive Companies Top 50 UK Employers list.

**ASOS is full of talented and creative individuals who care about creating a more ethical and sustainable future for our business.**

We move forward with our eyes firmly on our vision – to become the go-to global destination for fashion-loving 20-somethings and to deliver sustainable long-term growth in the interests of all our stakeholders: our customers, suppliers and communities, our ASOSers, and our investors. This will be a long journey, but we are clear that Fashion with Integrity must and will remain a key part of that vision.



**José Antonio Ramos Calamonte**  
CEO, ASOS





FOREWORD

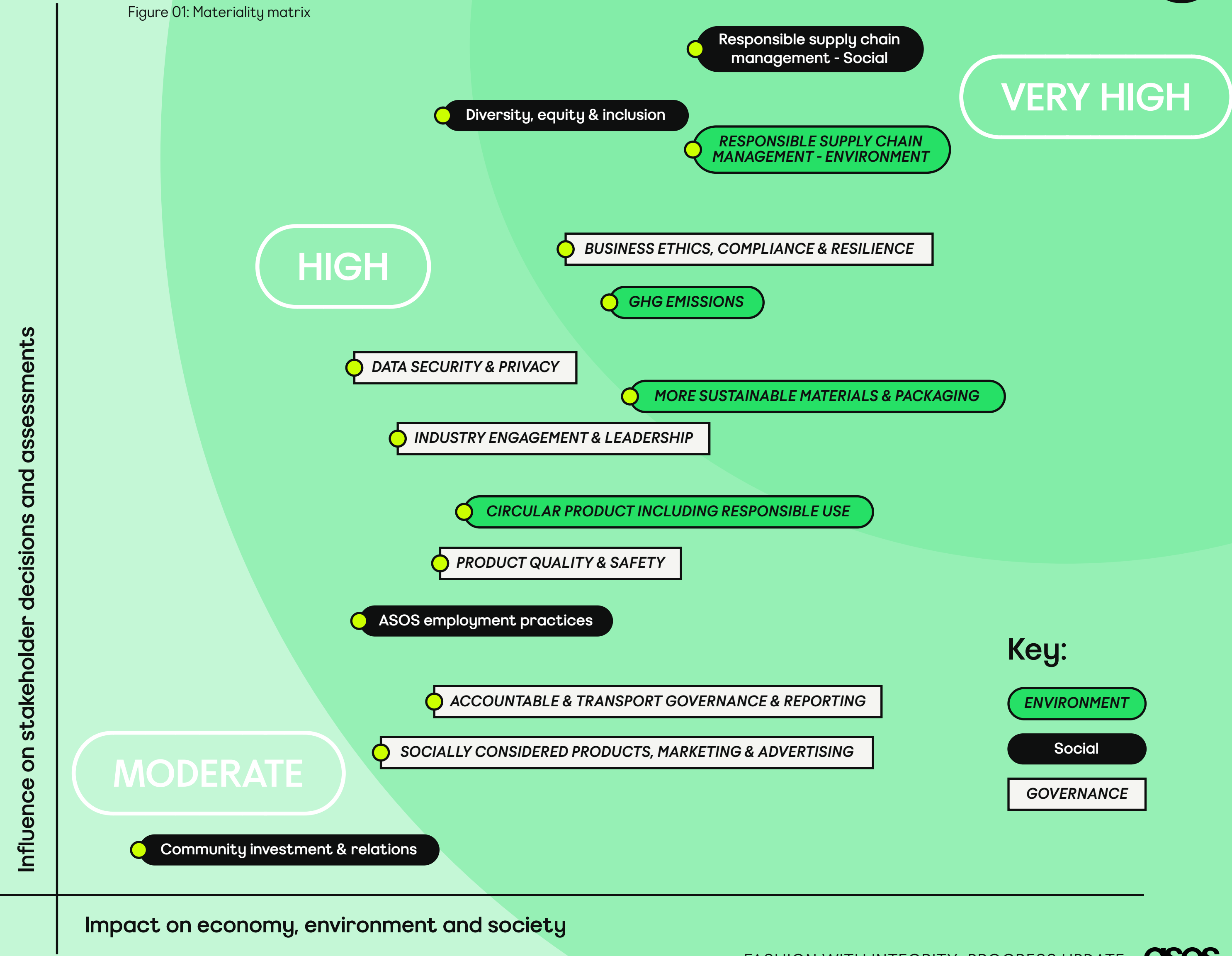
# Fashion with Integrity overview

In 2021, to set new and relevant goals for Fashion with Integrity, we completed a formal materiality assessment.

This assessment was carried out by an external reporting expert in line with the industry standard approach to sustainability strategy development, based on guidance provided by the Global Reporting Initiative (GRI) and the Sustainability Accounting Standards Board (SASB). The process involved engagement with employees, investors, global brand partners and suppliers, and human rights and fashion sustainability organisations, to identify the most important areas of focus for our strategy.

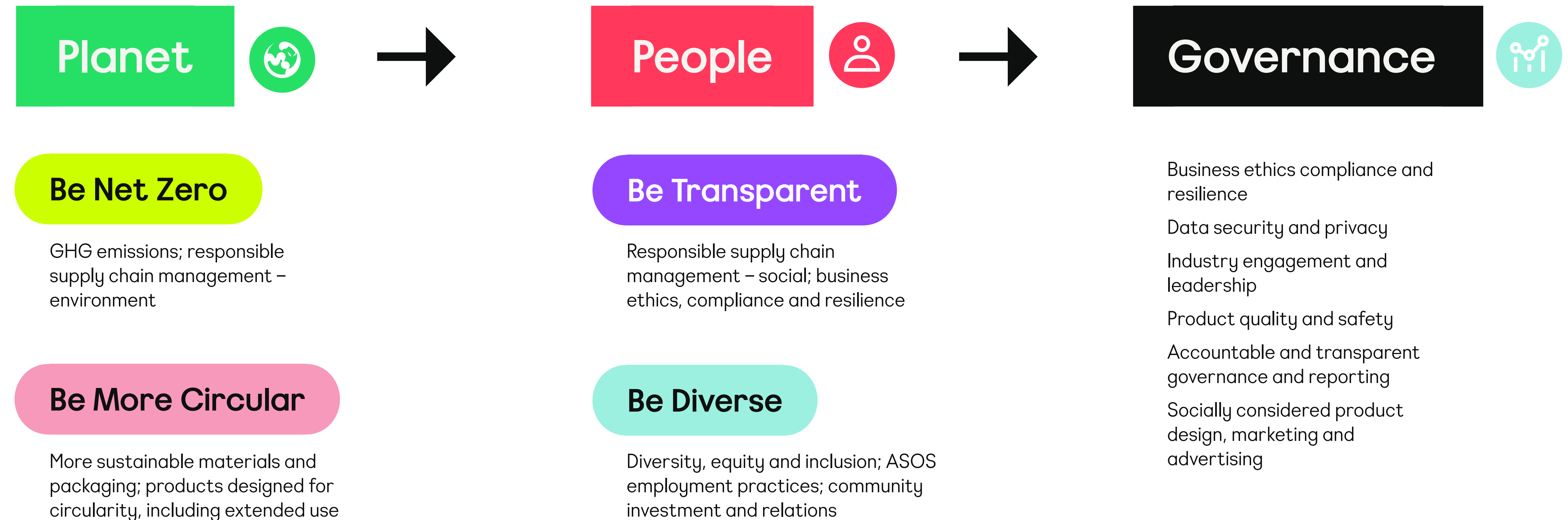
From this came our programme’s four key goals: Be Net Zero, Be More Circular, Be Transparent and Be Diverse. Underpinning each is a series of metrics and key performance indicators (KPIs) to enable us to measure and communicate our progress.

Figure 01: Materiality matrix



## FOREWORD

# Material topics overview



For a full definition of each of our material issues, head to page 54.





# Be Net Zero

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## Be Net Zero highlights

# Milestones in 2022

We ran a scenario analysis, understanding the climate-related risks and opportunities facing the business, aligning to the TCFD recommendations

[See our TCFD report here.](#)

Supplier facilities comprising approximately 70% of business volume responded to the Higg FEM.<sup>1</sup>

We've engaged with new and existing brand partners through the rollout of a new and improved self-assessment questionnaire.

We achieved [limited assurance](#) from PwC of our Scope 1 and Scope 2 market-based and location-based carbon emissions.

<sup>1</sup>Head to page 14 for more detail on this.



# Our FY22 carbon emissions

Scope and Category	FY22 Result (tCO2e)	FY21 Result (tCO2e) <sup>3</sup>
Scope 1	3,351	3,596
Scope 2 - market based	2,860	3,150
Scope 3 - location-based	11,497	
Scope 3: 1a Purchased goods and services (product)	913,108	849,659
Own brand product (product and packaging)	332,757	290,812
Partner brands (product and packaging)	580,351	558,847
Scope 3: 1b Purchased goods and services (non-product)	23,015	58,718
Scope 3: 2: Capital goods	53,780	41,007
Scope 3: 3: Fuel and energy related activities	3,609	3,156
Scope 3: 4: Upstream transportation and distribution	349,979	215,192
Scope 3: 5: Waste generated in operations	519	485
Scope 3: 6: Business travel	1,535	99
Scope 3: 7: Employee commuting	9,869	9,195
Scope 3: 11: Use of sold products	349,125	303,963
Scope 3: 12: End-of-life treatment of sold products	27,958	25,359
Total Scope 1 and 2 emissions (market based)	6,211	6,747
Total Scope 3 emissions	1,732,497	1,506,834
Total Scope 1, 2, and 3 emissions (market based)	<b>1,738,708</b>	<b>1,513,581</b>

## Carbon emissions

ASOS continues to follow best practice as laid out in the GHG Reporting Protocol – Corporate Standard (Operational Control boundary) across Scope 1, 2 and 3 emissions. We have also worked with partners the Carbon Trust on the development of a Scope 3 carbon emissions reporting tool to calculate these emissions and update methodologies where best practice has evolved.

We have used emission factors from the 2022 UK Government’s Conversion Factors for Company Reporting combined with industry-specific factors such as from the Sustainable Apparel Coalition’s Higg Materials Sustainability Index (MSI).<sup>2</sup>

For our 2018/19 baseline data, head to [Fashion with Integrity: Our 2030 Strategy](#) (page 6).

<sup>2</sup> [Higg MSI Methodology July 2022](#)

<sup>3</sup> Please note that due to changes to calculations between years, Scope 3 emissions for categories 1a (own-brand product and packaging) and 4 (transportation), total Scope 3 emissions and total emissions are not directly comparable to last year. See [Fashion with integrity: 2020-2021](#).



# Progress against our targets

We're on the path to Be Net Zero through decarbonisation targets (our KPIs) aligned with the Paris Agreement and verified by the Science Based Targets initiative (SBTi).

Since the launch of our updated Fashion with Integrity programme in 2021, the Science Based Targets initiative has published its [Corporate Net-Zero Standard](#) for businesses on how to define achieving net zero carbon emissions. It focuses on setting and achieving stringent, long-term absolute emissions reductions targets before pursuing net zero via other means such as offsetting.

Achieving net zero emissions as soon as possible and in line with the Paris Agreement remains our commitment as a business. We will be setting a new net zero target date as soon as is practicable, in line with the SBTi's new best practice. By updating our Be Net Zero goal and using the investment in offsets it would have required, we can better direct our resources towards decarbonisation and emissions reduction.

Reducing our carbon emissions intensity as much as possible remains a priority, in line with our verified science-based targets (SBTs), which form our Be Net Zero KPIs (overleaf) and [can also be found on the SBTi website](#). We remain focused on achieving these, putting us on the pathway to achieve net zero in the future.

Our SBTs are set against intensity metrics designed to account for our future growth and use profit-based intensity metrics in line with best practice. As part of the SBTi verification, we are required to review our targets against the latest criteria and guidance at least every five years to ensure they remain credible and robust. We will provide an update on the timing of our next review when this has been scheduled. We expect it to be completed well in advance of the five-year deadline.





# Be Net Zero

## Progress against our targets

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

FY21 Performance: 59% reduction	FY22 Performance: 64% reduction
------------------------------------	------------------------------------

Scope 1 emissions refer to the combustion of natural gas used for stationary equipment. Scope 2 emissions per this KPI are calculated using a market-based method.

We have delivered a further reduction in Scope 1 and 2 emissions this year, with a fall in absolute emissions from natural gas use and a fall in absolute Scope 2 emissions driven by efficiency projects across our sites.

In addition, electricity use at our new Lichfield fulfilment centre, which ramped up operations at the site during the reporting period, is covered by renewable energy contracts and so has not added to market-based emissions.

We achieved [limited assurance](#) from PwC of our Scope 1 and Scope 2 market-based and location-based carbon emissions.

[Click to read our methodology](#)

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

FY21 Performance: 42% reduction (/£ profit) 39% reduction (/£ revenue) Absolute: 215,192 tCO2e	FY22 Performance: 443% increase (/£ profit) 1% reduction (/£ revenue) Absolute: 349,979 tCO2e
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Transportation emissions refer to GHG emissions associated with all transport covered in Scope 3 Category 4 Upstream Transportation and Distribution (inbound, inter-warehouse transfers, outbound and returns). £ profit is calculated based on our final adjusted profit before tax for the financial year.

Calculating emissions on a £ profit basis, while aligned with best practice, has resulted in a very significant year-on-year variation in our performance against this KPI. For FY21, we used our adjusted profit before tax (PBT) figure (excluding estimated Covid-19 benefit) of £126.3m. For our FY22 results, however, the adjusted PBT was £22m. We have provided emissions on a per £ revenue intensity basis and absolute basis for comparison.

Additionally, this year we worked with the Carbon Trust on a new tool for measuring emissions against this KPI. Deliveries and returns were previously calculated based on data from our main markets and then applying an average to Rest of World deliveries and returns. The Carbon Trust has updated our methodology and split the Rest of World (ROW) data into regions, which more accurately reflects the distance and travel type (i.e., longer distances to ROW territories fulfilled via airfreight). As a result, this year’s reported absolute transport emissions (reported on page 9) are not directly comparable with last year’s figures. We will re-baseline using the updated methodology for next year.

[Click to read our methodology](#)



# Be Net Zero

## Progress against our targets

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

FY21 Performance: 17% reduction (/£ profit) 13% reduction (/£ revenue) Absolute emissions: 290,812 tCO2e	FY22 Performance: 438% increase (/£ profit) 2% reduction (/£ revenue) Absolute emissions: 332,757 tCO2e
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This KPI considers Scope 3 cradle-to-gate emissions associated with the manufacture of all products purchased by ASOS as part of our 17 own brands.

Calculating emissions on a £ profit basis, while aligned with best practice, has resulted in a very significant year-on-year variation in our performance against this KPI. For FY21, we used our adjusted profit before tax (PBT) figure (excluding estimated Covid-19 benefit) of £126.3m. For our FY22 results, however, the adjusted PBT was £22m. We have provided emissions on a per £ revenue intensity basis and absolute basis for comparison.

On an absolute basis, our emissions in this area have increased from 290,812 tCO2e to 332,757 tCO2e. In part, this has been driven by an increase in average energy use in factories in our supply chain. This is due to an increase in the number of factories reporting through the Higg FEM (Facilities Environmental Module), and a recalculation of average energy use.

[Click to read our methodology](#)

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

FY21 Performance: 53%	FY22 Performance: 64%
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We have made good progress against this KPI, both through a rationalisation in the total number of partner brands and an increase in products purchased from brands aligned to the Science Based Targets initiative.

Please note that this KPI is calculated by looking at the proportion of emissions generated by brands that have either committed to setting SBTs or have already set SBTs. It does not refer to the total number of ASOS brand partners that have signed up to setting SBTs.

[Click to read our methodology](#)



# Our emissions

## Scope 1 and 2

During FY22 we've continued to make solid progress towards reducing Scope 1 and 2 emissions. We recorded a 63.9% reduction, against our KPI of reducing scope 1 and 2 emissions/order by 87% by 2030 vs 2018/19 baseline.

Importantly, we've also enhanced our reporting by seeking external assurance for our Scope 1 and 2 emissions for the first time. PricewaterhouseCoopers LLP (PwC) conducted an independent limited assurance engagement on selected GHG emissions data for the year ended 31 August 2022 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.

### **Moving towards renewable energy across our operations**

We are currently rolling out an energy management framework across our sites, which will include more regular reporting on energy consumption to further improve energy management across our portfolio. 82% of our global electricity consumption comes from renewable sources. More broadly for energy (electricity and natural gas), 63% in our UK operations comes from renewable sources and 57% of energy in our global operations comes from renewable sources.





## Scope 3 emissions

To further drive emissions reductions across the ASOS value chain, we set targets covering more than two-thirds of our Scope 3 emissions. We aimed to engage with third-party brands to make sure they set carbon reduction targets in line with Science-Based Target (SBT) requirements, sharing best practices across brand partners, and using our influence as a multi-brand platform to educate – and learn from – others.

Furthermore, we've deepened our engagement with the Sustainable Apparel Collection (SAC), of which we've been members since 2017. This year the SAC has updated its membership requirements to include both the verification of the SAC Brand and Retail Module (BRM – [you can find ASOS' here](#)), and to include SBTs.

As part of our efforts to reduce our environmental footprint along the value chain, we ask suppliers to ASOS-owned brands to complete the SAC Higg Facility Environmental Module (FEM), which helps us gather a better understanding of how our suppliers' facilities measure and evaluate their environmental performance.

To help our suppliers on this journey to improve their environmental performance, we hosted a webinar series around the time that facilities completed the Higg FEM. The series included guests from top suppliers, membership partners (Aii – Apparel Impact Institute) and the Higg verification body, Bureau Veritas. Each session aimed to demonstrate the value of Higg FEM, how to complete it, examples of how to improve scores as well as the importance of verifying data and how to do this with a verification partner. This was all aimed at increasing the number of facilities completing the Higg Index and increasing the number of facilities setting environmental targets.

We're pleased to report that in FY22, 200 Tier 1-4 facilities responded to the Higg FEM representing 70% of our top suppliers by business volume intake.

Following the work started last year, we have continued assessing the energy usage among our Tier 1-4 facilities and greenhouse gas emissions reduction targets. 15% of our Tier 1-4 facilities by volume have set emissions

reduction targets that has been verified by an external party, up from 12% in 2021.

The average Higg FEM score from verified Tier 1-4 facilities was 65 out of 100, based on a combined average score for management (75), energy (88), water use (78), wastewater (70), air emissions (48), waste (48), and chemicals (48).



# Update on H1 2023

In the first half of FY23, we've focused on helping our suppliers improve their approach to sustainability. We started work with an external consultant to conduct research on two of our top sourcing regions and their grid energy profile. This research will help our teams get a better understanding of the grid energy available to our top suppliers, as well as international governments' targets to improve access to renewable energy.

We have also made additional steps in transport. We launched a new partnership with delivery company

[HIVED](#) to fulfil our Greater London 'ASOS Instant' same-day delivery orders using electric vans, cars and bikes. We also appointed [Maersk](#) as our strategic global logistics partner, consolidating multiple partnerships with different providers into our overarching global agreement. This enables us to have a better view of our inbound supply chain and its associated emissions, calculated with standard GLEC compliant methodology and available through Maersk's emissions dashboard.



We were recognised as a  
2022 Supplier Engagement  
Leader by CDP





# Be More Circular



# Be More Circular **highlights**

# Milestones in 2022

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In June 2022, we launched our second circular design collection featuring over 40 pieces for the Spring/Summer season, all based on the Ellen MacArthur Foundation's vision of a circular economy for fashion.

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To accelerate impact and foster consistency across the industry, we started working with H&M, BESTSELLER and Zalando on circular design as part of the newly-formed Circular Design Consortium. At first the ambition was to align our approaches – such as securing agreement on circular design terminology – and to learn from each other. Now we are expanding the scope to drive further impact and scale.

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We have been working with the Textiles 2030 network to develop and shape the Textiles 2030 Circular Design Toolkit.



# Be More Circular

## Progress against our targets

With increasing pressure on the planet, the fashion industry needs to move away from a linear take, make, waste model. Through Be More Circular, we will embrace more circular systems – extending the life of garments by making better material choices, using circular design strategies, and engaging with our partners.

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

FY21 Performance: <b>31%</b>	FY22 Performance: <b>N/A</b>
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We are not disclosing performance against this KPI this year due to our ongoing review of our systems and processes for material attribution. Please see page 20 for more detail.

[Click to read our methodology](#)

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

FY21 Performance: <b>N/A</b>	FY22 Performance: <b>On track for publication</b>
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We have continued to develop our work in this area and will publish our strategy – focused on ASOS own-brand products – before the end of calendar year 2023.

[Click to read our methodology](#)



# Be More Circular

## Progress against our targets

- Facilitate product recovery programmes in key markets by 2030

FY21 Performance: N/A	FY22 Performance: <b>We launched a take-back and resale pilot with Thrift+ in the UK in June 2022, allowing customers to request an ASOS x Thrift+ bag via a link on our website, then use it to send pre-loved clothes for Thrift+ to be sold online, or donated to Thrift+'s charity and recycling partners.</b>
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Product recovery programmes refer to programmes designed to extend the life of garments whether through repair, recycling, rental, or resale propositions, operated by ASOS directly or through a third-party. See page 49 for more on how we are measuring progress against this KPI.

[Click to read our methodology](#)

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

FY21 Performance: <b>80%+ recycled materials 9% widely recyclable</b>	FY22 Performance: <b>80%+ recycled materials 8% widely recyclable</b>
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See page 49 for more detail on how we calculate performance against this KPI.

See 'our packaging use' section for more detail on wider packaging procurement.

Our plastic mailing bags and garment bags are certified by the Global Recycled Standard.

[Click to read our methodology](#)



# Our materials data

In July 2022, the UK Competition and Markets Authority announced that it had opened an investigation into several fashion retailers, including ASOS, as part of its review of greenwashing in the fashion retail sector that followed the publication of the Green Claims Code. We continue to co-operate with the CMA in its investigation.

We have been reviewing our processes for attribution of more sustainable materials within our systems. This work commenced last year and was briefly discussed in our previous Progress Update, where we said we would look to update our systems to better verify and track materials data.

For example, since November 2021, we have been working closely with our main label provider, Trimco, to develop

and roll out a dedicated database – Trimco T&T – to store and manage sustainable material certificates for ASOS own brand products. This will improve visibility of our suppliers’ compliance on certification, enabling us to assess their performance and help them make progress, and it is also more user-friendly for our partners.

This is one example of the changes we are currently implementing. As this work and the investigation is ongoing, we have not disclosed our materials data in this report. We will disclose this data in a future Progress Update following the conclusion of the investigation and implementation of changes to our systems.





## PLANET | BE MORE CIRCULAR

### Case study

## ASOS' 2nd circular design collection

In June 2022, we launched our second circular design collection featuring over 40 pieces across clothing and accessories for the 2022 Spring/Summer season, alongside a trial partnership with resale service Thrift+.

Each of the styles in the circular design collection meets our circular design criteria<sup>4</sup>, which is based on the Ellen MacArthur Foundation's vision of a circular economy for fashion. As part of this, all products in the collection are made from recycled, renewable, or innovative materials. All denim meets our commitment to the Ellen MacArthur Foundation's Jeans Redesign

Project – a set of guidelines that provide an industry standard for circular denim.

The collection builds on our previous circular design collection in September 2020, and follows the publication in November 2021 of the [ASOS Circular Design Handbook](#). This is a 112-page interactive resource, put together with the Centre for Sustainable Fashion at the London College of Fashion, to help ASOS teams and external designers, students and fashion brands design and create fashion products that support the circular economy.

<sup>4</sup>These set out what is required for a product to be considered 'circular design' and have been developed in consultation with industry experts. More details can be found in our [ASOS Circular Design Handbook](#).





# Collaborating with key partners

**We believe that one of the most effective ways for fashion to move away from a linear take, make, waste model at scale is through industry collaboration. Our memberships of industry organisations and engagement with partners help to create a common language for circular design.**

A key example of this is our work with the Textiles 2030 network circular design workstream to develop and shape the Textiles 2030 Circular Design Toolkit. The aim of this guide is to create a consistent set of principles, from an independent voice, that the UK

fashion and textile industry can use as a framework to guide designing for circularity in their own businesses. Textiles 2030 hopes this will “lay the foundations to further explore the impact savings and develop metrics relating to the strategies, in collaboration with signatories, and allow us to develop further tools that will support the circular design decision-making process.”

To accelerate impact and foster consistency across the industry, we started working with H&M, BESTSELLER and Zalando on circular design as part of the newly-formed Circular Design Consortium. At first the ambition was to align our approaches – such as securing agreement on circular design terminology – and to learn from each other. Now we are expanding the scope to drive further impact and scale.





# Spotlight on FY23

We've been working to improve our understanding of circularity to develop a robust and comprehensive strategy in this complex area, which we are on track to publish later this year. We've carried out in-depth research to help us understand how to implement circularity in the fashion industry. Our areas of research have included circular economy principles, circularity and legislation, the circular eco-system in fashion, competitor positioning to ensure common language and benchmarking, stakeholder insights, and brand partner relationships to circularity. We believe this will enable us to identify the key areas in which we can have the most impact, and then tailor our strategy accordingly: all aiding our end goal to Be More Circular.

Last year, through our renewed partnership with Centre for Sustainable Fashion – a University of the Arts London research centre based at London College of Fashion - we were able to gather lessons learned and feedback from the product development teams who worked on our circular design collections. This feedback is helping us to refine our process for developing these products in future, which will be vital in supporting the implementation of our circular design strategies at scale.





# Be Transparent



# Be Transparent

## highlights

# Milestones in 2022

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We introduced a self-assessment questionnaire for Tier 3 suppliers, increasing our visibility of working conditions at Tier 3 factories.

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We commissioned a human rights saliency assessment, which will serve as a basis for our Human Rights Strategy to be published in 2023.

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We established a new partnership with a local women's rights organisation in Morocco (Mobilising for Rights Associates - MRA Women) for our supply chain's upcoming gender equality programme.



# Progress against our goals

Through Be Transparent, our goal is to accelerate progress on transparency and human rights within our own supply chain and the wider fashion industry. Plus, through a detailed public-facing human rights strategy released each year from 2023, we'll set out our plans to empower women in the supply chain, to further support freedom of association, and to work to achieve a living wage.

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

FY21 Performance: <b>100% of Tier 1-3 factories mapped.<sup>5</sup></b>	FY22 Performance: <b>100% of Tier 1-3 factories mapped.</b>
--	--

ASOS own-brand products are those products that are sold under 17 own brands. We have 100% visibility of the location, workforce size, migrant workforce and gender split for our Tier 1-3 supplier facilities (factories), as declared to us by our suppliers. This number refers to the total number of supplier facilities that are onboarded onto our supply chain, regardless of whether we have submitted order requests, as of 31/08/2022.

Click to read our methodology

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

FY21 Performance: <b>45% (FY21 intake value)</b>	FY22 Performance: <b>50% (FY22 intake value)</b>
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In 2022 we launched an updated screening system to strengthen our partner brand onboarding processes.

We calculate this value by looking at each brand by the size of its business with ASOS in monetary value during the reporting year. This gives us a percentage for how much of our total intake by value came from brands that have committed to signing or signed the [Transparency Pledge](#).

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<sup>5</sup>Tier 1: main production site, factory which cuts, sews, finishes ASOS Brands product and ships to ASOS  
Tier 2: process integral to production, provider of one or more processes  
Tier 3: enhancements to product, provider of one or more processes  
More information is available in our factory list [here](#).



# Progress against our goals



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

FY21 Performance: <b>N/A</b>	FY22 Performance: <b>On track for publication during 2023</b>
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We will publish a Human Rights strategy for Tier 1-3 of our ASOS-owned brands product supply chain by the end of calendar year 2023. To support this, a human rights saliency assessment has been managed and delivered by an external consultant in conjunction with key internal and external partners.

[Click to read our methodology](#)

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

FY21 Performance: <b>N/A</b>	FY22 Performance: <b>N/A</b>
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We are closely monitoring policy developments in this space to ensure our approach aligns with future legislative requirements, including around green claims, provision of information to consumers, and new mechanisms such as Digital Product Passports.

[Click to read our methodology](#)



# Engaging with our suppliers

It's important that we set high ethical standards for ourselves and our suppliers and that we support our partners to meet these. Each of our Tier 1 and 2 factories receives an audit at least every 12 months. This fiscal year, we carried out 520 audits in our Tier 1 and 2 supplier factories (representing c. 70% of our total Tier 1-2 suppliers). Once an audit has been carried out, the ethical trade team assigns the factory a risk rating according to our grading system. We then communicate this risk rating to the supplier, alongside a corrective action plan (if needed), and work with our suppliers to make sure corrective actions have been implemented.

As part of our audits, when a factory is found in violation, we work with them to support remediation and develop a corrective action plan based on the audit findings and, in line with our Timebound Remediation Policy for all Tier 1 and 2 factories, reserve the right to develop exit plans or terminate our relationship with suppliers based on compliance issues. For more information on our suppliers, see our [suppliers' factories list](#) and our [interactive supply chain map](#).

<sup>6</sup><https://ir.design-portfolio.co.uk/viewer/88/29470>

## Engaging with suppliers in response to the invasion of Ukraine.

Following the invasion of Ukraine and ASOS' decision to suspend sales in Russia<sup>6</sup>, we wrote to our European suppliers and brand partners to remind them of our expectations on the employment of refugees in our supply chain and shared guidance to respond to the risk of exploitation of this group. Although we are currently not able to source from Ukraine, we remain in contact with our suppliers on this issue. We are also working with Anti-Slavery International to develop further guidelines for suppliers in countries receiving and employing Ukrainian refugees.



## PEOPLE | BE TRANSPARENT

# H1 2023 Update

In September 2022, we published our policy on [Gender Equality in Supply Chain](#). This focuses on working with women's human rights defenders and civil society stakeholders for gender empowerment in our supply chain and includes the development of country-specific implementation programmes. Following the introduction of the policy, a workshop with 14 women's rights and workers' rights local civil society organisations, [Mobilising for Rights Associates](#), was held in November 2022 to discuss and develop an implementation plan for Morocco. A similar workshop was held in January in Sri Lanka to develop the implementation plan in this country.

We're also making good progress on the development of our Human Rights strategy. As a first step, we commissioned a saliency assessment delivered by an external partner, Human Level. In October 2022, we finished interviews with 40 stakeholders (internal and external) which formed the basis of our assessment.

We focused on the risks posed to society at large (saliency issues), rather than to businesses (materiality issues). By December 2022, the data had been gathered and a first draft of the saliency assessment was completed.

Furthermore, October 2022 saw the publication of our seventh Modern Slavery statement. We stated our intention to revise our Modern Slavery strategy with our partner Anti-Slavery International, placing a key focus on the environment and the impact on human rights. To deepen our commitment in this area, in November 2022 we signed a partnership with GoodWeave International – a non-profit organisation working to end child, forced and bonded labour in global supply chains in India – to focus on fashion apparel and jewellery suppliers in India. We'll roll out our programme with GoodWeave in H2.





## PEOPLE | BE TRANSPARENT

# Partner brand onboarding

Strengthening our partner brand onboarding processes is another key area of Be Transparent. Since January 2022 we've engaged with over 200 brands to educate them on the importance of supply chain transparency.

In June 2022, through our new self-assessment process, we mandated that all new brand partners must commit to joining The Transparency Pledge, which means publicly disclosing their Tier 1 supply chains by 2025.





## PEOPLE | BE TRANSPARENT

# Looking ahead (H2 2023)

Following the results of the human rights saliency assessment, later this year we'll be publishing our first human rights strategy.

To further our gender policy across our supply chain, we'll support the establishment of gender-sensitive grievance mechanisms at factory-level in Morocco and Sri Lanka. This will be aided by independent women's rights organisations we're partnering with at country-level. Pilot implementation is on track to be completed this FY with rollout to commence across our supply chain from next year.

Our upcoming smartphone app dedicated to gender issues is another important part of this process. Available to all women working in the industry in Morocco and Sri Lanka, it will include information on gender-based violence and harassment, women's rights, and available local support and grievance mechanisms for women. The app will be developed with local women's rights organisations and is planned to launch in August 2023.







# Be Diverse



## Be Diverse highlights

# Milestones in 2022

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Launched partnership with Love Music Hate Racism.

Signed up to the government's Disability Confident Committed Scheme – Level 1.

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Launched important new policies to provide support for employees going through health-related life events.

Published Ethnicity Pay Gap data for the first time.

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Ranked number 8 in the Inclusive Companies<sup>7</sup> Top 50 list, our first listing.

Supported Show Racism the Red Card's 'Wear Red Day' for the first time and honoured the first anniversary of the 'Race & Equality Heads and Hearts' employee network.

<sup>7</sup> The Inclusive Top 50 UK Employers is a definitive annual list of UK based organisations that promote inclusion across all protected characteristics, throughout each level of employment within their company. It represents the promotion of all strands of Diversity including Age, Disability, Gender, LGBT, Race, Faith & Religion.



**Be Diverse****highlights**

Continued...

# Milestones in 2022

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We launched the ALL IN Learning Programme business-wide.

The programme won gold at the New York Festival TV and Film Awards in the Attitudinal Training category and was a finalist in category for Production Design / Art Direction.

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We debuted our new charitable partnership with Safe Space Alliance to support them in creating, verifying and enforcing a global directory of safe spaces for members of the LGBTQ+ community.

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We returned to London Pride 2022, while making a debut at CSD Berliner and Belfast Pride.

We were pleased to launch Out & Out – our always-on YouTube franchise showcasing and spotlighting LGBTQ+ talent.



# Our progress against our targets

Our purpose is to give our customers the confidence to be whoever they want to be – and the same goes for our people. Through Be Diverse, we aim to drive diversity, equity and inclusion across every aspect of our business, with a focus on leadership representation and ensuring every ASOSer can be their authentic self at work. The initial targets of our FWI 2030 programme are focused on achieving 50% female and over 15% ethnic minority representation across our combined leadership team by 2023, and at every leadership level by 2030.

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

FY21 Performance: <b>i) 42% female leaders</b> <b>ii) 7% ethnic minority leaders</b> <b>Both as of 31st August 2021</b>	FY22 performance: <b>i) 44% female leaders</b> <b>ii) 10% ethnic minority leaders</b> <b>Both as of 31st August 2022</b>
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This year we were included in the [FTSE Women Leaders Review](#) for the first time. We were ranked third among the FTSE 250 Index for female representation at Exec Committee and direct report level.

The leadership levels assessed under this KPI are Head of, Directors, and Executives. Data is based on self-declaration of gender and ethnicity, with ethnic minority referring to all non-white backgrounds as defined by the Office for National Statistics.

Click to read our methodology

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

FY21 Performance: <b>28%</b>	FY22 Performance: <b>31%</b>
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Performance against this KPI is based on self-declaration of gender. Our percentage is calculated as a proportion of the whole tech workforce, not just those who have declared their gender.

Click to read our methodology



# Our progress against our targets

► Zero statistically significant differences in engagement scores and functional attribution rates across all demographics from 2030, with all ASOSers able to be their authentic selves at work

<p>FY21 Performance:</p> <p>4pt decrease in gap between highest and lowest engaged demographics significant (from 7% to 3%, Jan '21 to Aug '21) differences in engagement scores between demographics</p> <p>71% of ASOSers agree we are taking the right action to improve DEI</p>	<p>FY22 performance and unit of measure:</p> <p>We are reviewing how best to measure progress against this KPI and will report back on our performance in next year's update.</p>
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Click to read our methodology

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

<p>FY21 Performance: N/A</p>	<p>FY22 performance and unit of measure:</p> <p>We are on track to publish this strategy by the end of 2023.</p>
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Click to read our methodology



## PEOPLE | BE DIVERSE

# Taking care of our ASOSers

We want the experience of our people to be like no other – an experience that ASOSers love, where they learn, collaborate, embrace change and can be authentic, brave, creative and disciplined in everything they do. That’s why it’s more important than ever to listen to our people and understand how they’re feeling, and then act on those insights.

We introduced updated gender-neutral health policies in October 2021 to support all health and life-related events. These policies apply to everyone, regardless of their circumstances. As a result, ASOSers who suffer a pregnancy loss will be able to take ten days’ paid leave. This policy extends to miscarriage, ectopic pregnancy, molar pregnancy and abortion, and will apply both to the individual that was pregnant, or a partner who was pregnant and a surrogate. We want to recognise that the impact and grief of pregnancy loss is felt by individuals, couples and families, as well as the biological mother.

Furthermore, ASOSers who are undergoing fertility treatment, or are supporting a partner, can have an additional five days paid leave per cycle to attend and recover from appointments. We will support staff going through gender transition. Our policies also include flexible working for those going through menopause and up to six weeks’ paid leave for wider health-related events such as cancer and escaping domestic abuse.

We recognise that all of us face unexpected challenges in life and sometimes these can create very difficult circumstances which mean we need to step away from or change how we work. We introduced these new policies to reassure all ASOSers that they will continue to be supported, personally and financially, throughout those difficult times.





# Engaging our employees

**This year we have made several improvements to our internal systems and activity to help support representation within our business:**



- ▶ We now capture and analyse DE&I data at the application stage through a new system, which feeds directly into a dashboard used by our recruitment teams.
- ▶ At the hiring manager briefing stage, we use a templated document that prompts a discussion around the process and diversity of interview panels.
- ▶ We have sought to reduce bias in our screening in areas such as Buying & Merchandising by removing initial sift and putting all candidates who pass basic application screening questions through to interview screening. This broadens our pool of talent for entry-level opportunities that don't require prior experience.
- ▶ We have partnered with Fashion Minority Report to offer three Design Assistant placements, which have been successfully extended.
- ▶ We have also partnered with the Crystal Palace Foundation to run employability workshops (pipelining broader/more diverse talent from a social mobility point of view), as well as Black Girls in Tech and the internal Women in Tech group on various events (such as Women of Silicon Roundabout) and initiatives to increase the diversity of our Tech talent pool.
- ▶ In April 2022 we launched a best-in-class learning programme that goes beyond traditional DEI training. The programme features our own ASOSers sharing their lived experiences, and so shows the power of getting comfortable with being uncomfortable, promotes active listening and drives empathy. All senior leaders went through an experiential and immersive Courageous Conversations session to provoke vulnerability and empower them to truly engage in the DEI conversation.



## PEOPLE | BE DIVERSE

# Developing our employees

We believe the relationship between leadership and development and DEI is vital to progress against our goal to Be Diverse.

Reverse mentoring is a key part of this. The programme was launched as one of the commitments made under the Race at Work Charter. Running for 9 months, each mentor is matched with a senior leader to share their lived experiences and help to bridge the gap between our ASOSers and senior leaders.

Finally, our Future Leaders programme launched in May 2021 with the cohort completing in August 2022. This 13-month programme prioritised ethnic minority women in mid-level roles at ASOS. Those who completed the programme gained a Level 5 Operations/Departmental Manager certificate and Chartered Management status with the Chartered Management Institute (CMI).

# Diversity beyond ASOS

We recognise it's not enough to build diversity within ASOS – we want this to extend beyond our business. That's why the partnership between The Prince's Trust and the ASOS Foundation, our official charity, is so important. Since 2010, we've worked with The Prince's Trust to support hundreds of young people, providing them with key STEM skills and invaluable insight into the world of fashion, technology and customer care at ASOS.





## PEOPLE | BE DIVERSE

# Update on H1 2023

In October, we hosted a series of events across the business for Black History Month – the theme being ‘Time for Change: Action not Words’. Our events included the launch of our ‘Show Racism the Red Card’ charity printed t-shirt. We also committed £25,000 to the charity to help its work, including the delivery of anti-racism training workshops.

To raise awareness of the inequalities faced in women’s football, this year we partnered with footballer Chloe Morgan as part of our second year of support for ‘Show Racism the Red Card’. Alongside a penalty shoot-out event, we ran a social media campaign with West Ham, Liverpool and Watford football clubs to highlight the racism faced by black and ethnic minority footballers. In June, we announced a two-year partnership with LGBTQI+ led non-profit organisation, Safe Space Alliance.

This collaboration includes the YouTube series Out & Out, featuring prominent members of the LGBTQI+ community. Finally, in December we announced a partnership with Fashion Minority Report, a culture change-making business which aims to help fashion brands create inclusive workplaces to help inspire the next generation of creatives and drive diversity across the industry.

We were pleased to be ranked 8th in the Inclusive Companies’ Inclusive Top 50 UK Employers list for 2022-23 in December. This ranks UK-based organisations that promote inclusion across all protected characteristics throughout each level of employment within their company, including age, disability, gender, LGBT, race, faith & religion.





# Looking ahead (H2 2023)

We are continuing to strengthen our DEI initiatives. As well as reverse mentoring, this includes our Liberating Leaders programme, which focuses on creating exceptional leaders at ASOS by supporting their development and helping them to inspire ASOSers to be whoever they want to be.

We'll also continue to engage with key DEI moments such as Pride and International Women's Day. Furthermore, we'll keep developing our DEI strategy and roadmap, which we look forward to sharing more details about later this year.





# Governance



GOVERNANCE

# Accountable and transparent governance and reporting

ESG and Fashion with Integrity at ASOS is governed by the Board-level ESG Committee. During FY22, this was chaired by Independent Non-Executive Director Eugenia Ulasewicz, alongside Mai Fyfield, Karen Geary and Nick Robertson as members. The Committee is scheduled to meet four times a year and the CEO and relevant Executive Directors are invited to attend each meeting, along with senior managers responsible for delivering the FWI 2030 programme. See page 82 of our [2022 Annual Report](#) for more information on the role and responsibilities of our ESG Committee.

Reporting to this Board-level ESG Committee are our FWI Working Group and Governance Working Group, both chaired during FY22 by the General Counsel & Company Secretary, Anna Suchopar, who acted as the key liaison between the ASOS Plc Board and the Executive team. These Working Groups are comprised of a cross-functional team of senior leadership, representing all key areas of the business. The FWI Working Group was responsible for the formation of the new FWI strategy announced in September 2021. The group oversaw the development of the strategy and associated

environmental and social commitments, including our verified science-based carbon reduction targets. The FWI Working Group meets monthly and the Governance Working Group meets bi-monthly, with both reporting updates to the ESG Committee on a quarterly basis. We continue to work on improving transparency in reporting and we are pleased that our efforts are being recognised by industry benchmarks and ESG raters and rankers. In 2022, we were recognised as a Supplier Engagement Leader by CDP. We were also the highest rated UK brand in the Fashion Transparency Index.





# Business ethics, compliance and resilience

We take integrity very seriously at ASOS. We have developed strong policies to help us govern how we do business and to hold ourselves, our employees and our partners to high ethical and legal standards.

All individuals working at ASOS are bound by our company policies, which are communicated to all our employees and partners. These policies include:

- [ASOS Whistleblowing Policy](#)
- [ASOS Anti-Bribery and Corruption Policy](#)
- ASOS Anti Money Laundering and Counter Terrorism Financing Policy
- ASOS Anti-Facilitation of Tax Avoidance Policy

This year, the Board approved a new Anti-Bribery and Corruption Policy which sets out clear expectations

and mandates every employee to perform the Group's business with integrity and in accordance with applicable laws. Any serious allegations are duly investigated, acted on and brought to the Audit Committee's attention, with delegated authority from the Board.

To monitor adherence to these principles, we have a confidential whistleblowing hotline, called Spot, which is monitored by our risk management teams to ensure any issues are dealt with appropriately. Employees can also raise issues directly with contacts named in the Policies.

Our **Code of Conduct** is issued to our employees worldwide and outlines the significant legal and ethical issues that frequently arise in the course of business. It describes the key responsibilities all employees, directors and officers are expected to uphold and comply with in conjunction with our values and policies. All corporate employees are issued anti-bribery and corruption training and are required to attest to understanding the policy. Business partners have the anti-bribery and corruption policy communicated to them via the supplier portal

with alerts when this changes. Requirements are also integrated into contracts. Anti-bribery and corruption risks are assessed on a risk-based approach annually. A triggered assessment can also be performed at any point due to internal and/or external factors.

Our Code of Conduct sets guidelines and requirements for our employees and any other entity doing business with us, including suppliers of goods and services, third-party brands, and joint venture partners. Within our supply chain, factory auditors share their contact details with all workers during an audit for them to raise concerns outside the workplace.



## GOVERNANCE

### Industry engagement and leadership

We continue to engage with key players within the fashion industry, industry bodies and non-profits to help drive sustainable change. We are engaging with several external initiatives, such as Textiles 2030 and Zero Discharge of Hazardous Chemicals, and are member of key associations, including Textile Exchange and the Ellen MacArthur Foundation. See our full list in the GRI Index.

### Data security and privacy

Cybersecurity is a critical component of risk management at ASOS, consisting of global information security and privacy compliance programs focused on the Company's information systems, cybersecurity practices and protection of consumer and employee personal data and confidential information. We have a dedicated Cyber Security team whose responsibility is to continuously monitor for any internal and external signs of confidential data loss.

Among carrying out frequent audits and ensuring awareness campaigns are rolled out on a regular basis, we provide data protection training to ASOS employees on an annual basis to mitigate risk. The Audit Committee

team is responsible for reviewing the cyber security processes and systems and work of the Cyber Security team.

### Product quality and safety

Every product should meet both our customers' expectations and our standards. All our suppliers are required to complete product testing through Bureau Veritas- or ASOS-accredited laboratories. BV is a global company with labs in 34 countries, enabling suppliers within our manufacturing regions to have access to labs regardless of their location.

### Socially considered products, marketing and advertising

Our Corporate Responsibility team manages and develops guidelines for our Commercial, Studios and Marketing departments, to ensure that our products, marketing, and advertising are delivered in a responsible way. These guidelines are continuously updated and supported by an online training module for our Commercial teams, annual in-person training, and monthly email updates highlighting any recent issues and additional guidance relevant to upcoming trends.

For our Studios team, our guidelines ensure product is photographed in the most appropriate way with guidance on all shoot considerations such as model selection and treatment, styling, hair and make-up, and any props. Additional guidance for culturally specific ranges such as Modest Wear and South Asian Wedding Wear are also developed.

#### South Asian Wedding Collection

This collection, first launched in April 2021 and now a permanent ASOS range, was developed to better represent our customers and all the occasions they attend. To ensure this was designed and delivered in a culturally authentic and relevant way, we launched our South Asian Sounding Board, a group of ASOSers of South Asian heritage, who consulted on the end-to-end process, from the design of the collection to make sure colour choices, embellishments and prints were culturally relevant, to the styling, content, and talent considerations to ensure the range was marketed to our customers responsibly. The Sounding Board also recommended South Asian-owned brands offering South Asian wedding wear who were successfully onboarded into the ASOS partner brand portfolio as a result.



## ABOUT THIS REPORT

# About this report

This report covers the financial year ending 31 August 2022. Our approach to reporting provides transparency on progress and performance through regular annual updates. Our FWI Progress Report aligns with the release of our half-year results in our financial calendar and reporting standards including Task Force on Climate-Related Financial Disclosures (TCFD), SASB and GRI. Detail on how our strategy maps to the UN SDGs is provided in Figure 8 on page 15 of our [Fashion with Integrity: Our 2030 Strategy](#). Further information on our alignment with the SDGs is provided in our [2022 UN Global Compact Advanced Communication on Progress](#).

## Methodology and calculations

Data in this report, unless specifically stated, has not been verified or assured by a third-party. ASOS has completed internal data validation checks on calculations.

A summary of the methodologies and systems used to collect and calculate key performance indicators discussed in this report is overleaf.





ABOUT THIS REPORT

# Be Net Zero

- ▶ **Reduce scope 1 and 2 emissions/order by 87% by 2030 vs 2018/19 baseline**  
(baseline available on page 6 of [Fashion with Integrity: Our 2030 Strategy](#))

Click to read our detailed methodology statement

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

Scope 1 emissions refer to the combustion of natural gas used for stationary equipment, e.g. gas boilers within ASOS operations. While estimated emissions from refrigerant use and fuels used for running irregularly used equipment (such as back-up generators) were included in the baseline year and SBTi targets, they have been excluded from this reporting cycle due to these estimates being immaterial. Refrigerant use and fuels will be included in future years once a consistent approach to data collection has been implemented for these sources.

Scope 2 emissions per this KPI are calculated using a market-based method. This includes emissions from the generation or purchase

of electricity that is consumed in owned or controlled equipment within ASOS operations. Consumption associated with use of electric vehicles/forklifts operated by site operators (such as DHL) is included if the electricity has been paid for by ASOS. Heat and steam are excluded from the emissions reporting scope because they are not material to ASOS.

Emissions per order is calculated by dividing the Scope 1 and Scope 2 (market-based) emissions described above by the total number of orders placed on [asos.com](#) across all products and regions within the reporting year. This provides us with the tCO2e per order.

Transportation emissions refer to GHG emissions associated with all transport covered in Scope 3 Category 4 Upstream Transportation and Distribution (inbound, inter-warehouse transfers, outbound and returns). £ profit is calculated based on our final adjusted profit before tax for the financial year.

This year, we have worked with the Carbon Trust on a new tool for measuring emissions against this KPI. Deliveries and returns were previously calculated based on data from our main markets and then

applying an average to Rest of World deliveries and returns. The Carbon Trust has updated the methodology used to calculate our emissions and split the Rest of World data into regions, which more accurately reflects the distance and travel type. As a result, this year's reported absolute transport emissions (reported on page 9) are not directly comparable with last year's figures. We will re-baseline using the updated methodology next year.



## ABOUT THIS REPORT

# Be Net Zero

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

This KPI considers Scope 3 cradle-to-gate emissions associated with the manufacture of all products purchased by ASOS as part of our [17 own brands](#).

To support with calculating progress against this KPI and other product emissions, our external partners Carbon Trust developed a value chain carbon footprint model for ASOS.

Emissions are calculated using material weights and supplier data from Higg FEM (see page 14). Non-clothing items did not have detailed

material weights by material type and are calculated using intake units and monetary value, which were then linked to a relevant Life Cycle Assessment (LCA) study or environmentally extended input-output (EEIO) factor to estimate associated emissions.

Items sold on [asos.com](#) and through any wholesale partnerships are included in this metric.

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

ASOS' goal is that by 2025 at least 66% of the emissions generated by our partner brands (brands not owned by ASOS) will come from brands committed to setting science-based targets in line with the [Science Based Targets initiative](#) (SBTi), as reported on the SBTi website.

To support with calculating progress against this KPI and other product emissions, our external partners Carbon Trust developed a value chain carbon footprint model for ASOS.

This calculates the carbon emissions for Scope 3 category 1a (branded products, including packaging for Face + Body only) using our product intake using our product intake data. Products are then linked to a relevant Life Cycle Assessment (LCA) study to determine the average cradle to gate emissions for a product of that nature. Where an LCA was not available the market value of the product was paired with a relevant environmentally extended input-output (EEIO) factor to estimate the associated emissions.

The Supply Chain Model and Footprint is calculated to align with the accepted international standard for GHG value chain modelling. Progress is calculated using the tool and applying the average cradle to gate emissions against all branded products sold during the reporting period. This data is cross-checked against our brand partner list and the SBTi website to determine how much of our scope 3 emissions are generated by products produced by partners who have committed to set, or already set, verified science-based targets.

As this data is based on intake units, the KPI does not currently include brands sold through the ASOS platform using the Partner Fulfils model. As this business model grows we will explore how best to incorporate into our measurement.

Sales made through ASOS Marketplace are also excluded.



## ABOUT THIS REPORT

# Be More Circular

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

To publish ASOS' circularity strategy for ASOS-owned brands by end of calendar year 2023.

- **Facilitate product recovery programmes in key markets by 2030**

Product recovery programmes refer to programmes designed to extend the life of garments whether through repair, recycling, rental, or resale propositions, operated by ASOS directly or through a third-

party. We are developing a tighter definition of 'key markets' to help better inform future reporting and will also review the best way of measuring performance against this KPI using data.

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

For packaging, 'more sustainable or recycled materials' refers to certified recycled inputs only. This definition may change if additional sustainable materials become available in future.

'Packaging' refers to the garment bags, mailing bags and mailing boxes used in shipping an item from our fulfilment centre to our customers.

'Widely recyclable' currently refers to recycling through kerbside collections in the UK only. We are working with an expert third-party to map recycling infrastructure in various key markets which will inform our measurement of this KPI in future.

Based on the above definitions, the 8% figure for widely recyclable is based on our assessment of the number of orders delivered in cardboard boxes to our customers in the UK only. If our total volume of packaging procured across our entire value chain (rather than customer deliveries) is considered, this number increases significantly due to the incorporation of shipping boxes used in transportation into our fulfilment centres.



# Be Transparent

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

ASOS own-brand products are those products that are sold under 17 [own brands](#).

We have 100% visibility of the location, workforce size, migrant workforce and gender split for our tier 1-3 supplier facilities (factories) that live on our database. We disclose the total number of supplier facilities that are in our systems, regardless of whether we have submitted order requests, as of 31/08/2022.

- Tier 1: main production sites which perform the following operations: cutting, sewing, finishing and shipping of ASOS own-brand products.
- Tier 2: facilities contracted by ASOS tier 1 facilities to carry out

integral operations for the production of ASOS-own products, such as stitching, cutting, packaging, quality control and warehousing.

- Tier 3: facilities contracted by ASOS tier 2 facilities which carry out activities vital for the finished product, such as printing, dyeing, laundry and embroidery.
- Tier 4: any facilities involved in the development of fabrics and components, such as fabric mills, tanneries, hardware and trims.
- Tier 5: facilities involved in the procurement of materials in their raw or unprocessed natural state that are intended to make up ASOS own-brand finished product.

- **100% of partner brands of ASOS will have committed to the Transparency Pledge and new ASOS Ethical Trading policy by 2025 at the latest (by value of business)**

ASOS' partner brands are those brands sold on our platform through a wholesale relationship. Partner Fulfill brands are excluded currently but we will look at how to incorporate in future.

We calculate this value by looking at each brand by the size of its business with ASOS in monetary value during the reporting year. This gives us a percentage for how much of our total intake by value came from brands that have committed to signing or signed the [Transparency Pledge](#).

Only apparel and footwear brands who we have purchased products from during the year are included in this number. Our longer-term

ambition is to expand this goal to include Face + Body brands in the years ahead.

Data for this KPI includes both brands that are currently signed up to the Transparency Pledge and those who have committed to ASOS to sign by 2025.

Our goal is for 100% of ASOS' partner brands to have committed to publicly disclosing their Tier 1 supply chains, either on their own website or via the open supply hub, and to have aligned their code of conduct with the [ASOS Partner Brands Ethical Trading policy](#) by 2025 at the latest.



## ABOUT THIS REPORT

# Be Transparent

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

We will publish a Human Rights strategy for Tier 1-3 of our ASOS-owned brands product supply chain by the end of calendar year 2023.

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

We are closely monitoring policy developments in this space to ensure our approach aligns with future legislative requirements, including around green claims, provision of information to consumers, and new mechanisms such as Digital Product Passports.





## ABOUT THIS REPORT

# Be Diverse

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

### Female representation

By 2030, we aim to have at least 50% self-declared females' representation across all three levels of leadership team: Heads of, Directors, and Executives. Our target for 2023 is to achieve 50% self-declared females' representation across our combined leadership team of Heads of, Directors, and Executives.

### Ethnic minority representation

By 2030, we aim to have over 15% ethnic minority representation across each of our three leadership team levels. By 2023, ASOS set a target to achieve 15% representation across our combined leadership team. We collect information on ethnicity using the same fields and classifications as the Office of National Statistics to align reporting to benchmarks. Ethnic minority representation is calculated as groups not from a white background (i.e. 'any other white background' would not be calculated as an ethnic minority).

We calculate our female and our ethnic minority representation across our combined leadership teams on a monthly basis by dividing the number of individuals that identify themselves as female and from an ethnic minority divided by the total number of leaders, with each figure as calculated on the last calendar day of the month. These figures are calculated as a percentage of all staff, rather than of those who have declared their ethnicity or gender.

Data on female and ethnic minority representation is collected through our HR Information System, Workday.

► **Over 40% female representation in engineering, product and science (technology) roles by 2030**

By 2030, we aim to have over 40% self-declared females in roles within the engineering, product (technology) and data science fields of expertise.

We calculate our female representation across these roles each month by dividing the number of individuals that identify themselves as female divided by the total number of individuals employed within the Technology Business Unit, which comprises the roles listed above.



## ABOUT THIS REPORT

# Be Diverse

- Zero statistically significant differences in engagement scores and functional attrition rates across all demographics from 2030, with all ASOSers able to be their authentic selves at work

We are reviewing how best to measure and report progress against this KPI in future and will provide an update in next year's report.

- We'll publish a diversity, equity, inclusion strategy and roadmap for the ASOS platform, our customers and our people by 2023

We will publish this strategy by the end of calendar year 2023.





# Our material issues definitions

As detailed on page 5, in 2021 we completed a formal materiality assessment. To do so we grouped multiple issues into overarching issue areas, defined here. Please note these definitions are not an indication of work ASOS is doing against each issue.

## Products designed for circularity, including extending the life of products

Own brand and third-party brands

Definition: Designing and manufacturing products in line with the principles of the circular economy: ensuring they can remain in use for as long as possible, have multiple uses, make use of recycled materials, and are able to be recycled at the end of their lives. Also, offering our customers advice, education, and guidance on caring for their garments in an environmentally friendly way.

## More sustainable materials and packaging

Own brand and third-party brands

Definition: The raw materials, fabrics, and fibres that go into garments and packaging, the environmental impacts associated with these, and associated certifications. This also covers the shift to more innovative, recyclable and sustainable materials.

## Responsible supply chain management – Environment

Own brand and third-party brands

Definition: Working with product suppliers across the value chain to ensure environmental compliance and overall reduction of our environmental impacts throughout the product life cycle.

## GHG emissions

Including own brand, third-party brands, non-stock, and business operations

Definition: Managing risks associated with increased emissions, which have financial, regulatory, physical, and social implications for ASOS and the wider fashion industry. Addresses how we are reducing our greenhouse gas emissions. Includes emissions from: ASOS itself, the manufacture of own-brand and branded goods, and non-stock suppliers, and includes Scope 1, 2 and 3 emissions.



ABOUT THIS REPORT

Responsible supply chain management – Social

Own brand, third-party brands and non-stock

Definition: Management of and adherence to fair, ethical, traceable and transparent supply chain practices within our own brands, third-party brands, and non-stock operations.

Diversity, equity and inclusion (DEI)

Own brand and third-party brands, ASOS operations

Definition: Focusing on embedding diversity (e.g. gender, religion, sexual orientation, ethnicity, nationality, socioeconomic status, language, disability, and age) within ASOS products, designs, marketing, and operations. Ensuring ASOS is an inclusive brand.

ASOS employment practices

Direct ASOS employees only

Definition: Our implementation of fair and equitable (across both gender and ethnicity) employment policies and procedures, approach to recruitment, and safe and healthy working conditions. This applies to direct ASOS employees only.

Community investment and relations

Including ASOS Foundation

Definition: How we make a positive social impact by investing in the communities in which we operate, leading to strengthened relationships with the local community and our improved reputation.

Business ethics, compliance, and resilience

Definition: Being an ethical business accountable, transparent and managing its risks for the longevity of the business. This way we can quickly adapt to disruptions while maintaining business operations.

Product quality and safety

Own brand and third-party

Definition: Ensuring that products are of high quality, meet consumer needs, and are free of deficiencies or defects.

Data security and privacy

Definition: Proper and compliant handling of data: how we collect and use data, plus clear and open communications around this.



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Accountable and transparent governance and reporting

Definition: Making sure we are accountable, transparent and inclusive by engaging with key external stakeholders on major business decisions that could impact wider society. Also, regularly and openly report on our business.

Socially considered product design, marketing and advertising

Definition: Marketing our products in a way that does not encourage unsustainable consumption, but encourages our customers to shop in a way that preserves resources and considers socioeconomic and cultural issues. Making sure our wider partnerships and propositions are responsible and appropriate for our customers.

Industry engagement and leadership

Including third-party brand engagement

Definition: Collaborating with the wider fashion industry to drive engagement and activism on sustainability. This is through the establishment of clear and ambitious targets, commitments and standards. Collaborating with third-party brand partners to ensure they meet our standards.



## ABOUT THIS REPORT

# Sustainability reporting frameworks

## Global Reporting Standards

ASOS has reported the information cited in this GRI content index for the period Sept 1st 2021-August 31<sup>st</sup> 2022 with reference to the GRI Standards.

### General disclosures

#### 2-1 Organisational details

ASOS is a publicly-traded company listed on the London Stock Exchange. The Company is headquartered at Greater London House, Hampstead Road, London, NW1 7FB, United Kingdom.

#### 2-2 Entities included in the organisation's sustainability reporting

Throughout the report, ASOS discloses data that refers to the performance of ASOS's own-brands, unless specified otherwise. See the list of subsidiaries considered in the development of our sustainability reporting on page 159 of our 2022 Annual Report.

#### 2-3 Reporting period, frequency and contact point

ASOS publishes a sustainability progress report annually. This report covers fiscal year 2022, starting on September 1st 2021, and ending on August 31st 2022.

Key contact points: <https://www.asosplc.com/get-touch>

#### 2-4 Restatements of information

No restatements of information have been made in the year.

#### 2-5 External assurance

Please find our limited assurance [here](#).

#### 2-6 Activities, value chain and other business relationships

Information on ASOS and the brands can be found on pages 8-9 of our 2022 Annual Report.

The list of markets we operate can be found on pages 26-27 of the 2022 Annual Report.

See page 28 of this report for more information on our engagement with our suppliers.

#### 2-7 Employees

See page 11 of the 2022 Annual Report

See page 37 of this report



ABOUT THIS REPORT

2-8 Workers who are not employees

For a list of our Tier 1-3 suppliers and the number of workers at each facility, please see our [Supplier List](#). Please note that this refers only to workers in our product supply chain and does not include figures relating to non-stock supply chain, i.e. fulfilment centres.

2-9 Governance structure and composition

See page 69 of our 2022 Annual Report

2-10 Nomination and selection of the highest governance body

See page 79 of our 2022 Annual Report

2-11 Chair of the highest governance body

See page 58 of our 2022 Annual Report

2-12 Role of the highest governance body in overseeing the management of impacts

See page 82 of our 2022 Annual Report

2-13 Delegation of responsibility for managing impacts

See page 82 of our 2022 Annual Report and page 43 of this report.

2-14 Role of the highest governance body in sustainability reporting

See page 83 of our 2022 Annual Report

2-15 Conflicts of interest

See page 70 of our 2022 Annual Report

2-16 Communication of critical concerns

See page 77 of our 2022 Annual Report.

2-17 Collective knowledge of the highest governance body

See page 81 of our 2022 Annual Report

2-18 Evaluation of the performance of the highest governance body

See page 70 of our 2022 Annual Report

2-19 Remuneration policies

See page 99 of our 2022 Annual Report

2-20 Process to determine remuneration

See page 84 of our 2022 Annual Report

2-21 Annual total compensation ratio

See page 96 of our 2022 Annual Report

2-22 Statement on sustainable development strategy

See our CEO’s statement on page 3

2-23 Policy commitments

Our policies can be found on our [website](#)

2-24 Embedding policy commitments

We require our employees and partners to respect our policies and Code of Conduct. For more information on how we engage with our suppliers, please see page 28 of this report.

2-25 Processes to remediate negative impacts

See page 28 of this report.

2-26 Mechanisms for seeking advice and raising concerns

See page 44 of this report.

2-27 Compliance with laws and regulations

See page 20 of this report for more information on our engagement with the UK’s Competition and Markets Authority.



ABOUT THIS REPORT

2-28 Membership associations

- British Retail Consortium - Member
- The Climate Pledge - Signatory
- Textile Exchange - Member
- Better Cotton Initiative – Member
- Member of the Ellen MacArthur Foundation
- Textiles 2030 – Signatory
- Sustainable Apparel Coalition – Member
- Global Fashion Agenda – Strategic Partner
- ACT (Action, Collaboration, Transformation) - Member
- The Accord on Fire and Building Safety in Bangladesh – Signatory
- The Accord on Fire and Building Safety in Pakistan - Signatory
- Ethical Trading Initiative – Member
- Fast Forward – Founding Member
- Better Work – Partner
- IndustriALL Global Union – Global Framework Agreement signatory
- Inclusive Companies – Member
- Disability Confident – Scheme member
- Race at Work Charter (Business in the Community) - Signatory.

A list of organisations and associations we work with as part of our approach to modern slavery is available in our [latest Modern Slavery Statement](#)

2-29 Approach to stakeholder engagement

See page 20 of our 2022 Annual Report

2-30 Collective bargaining agreements

ASOS’ employees at its Lichfield and Barnsley fulfilment centres are covered by Collective Bargaining Agreements.

Material Topics

205: Anti-corruption 2016

3-3 Management approach

See page 44 for more information on Ethics and Anti-Corruption Training

205-1 Operations assessed for risks related to corruption

Anti-bribery and corruption risks are assessed on a risk-based approach annually. A triggered assessment can also be performed at any point due to internal and/or external factors.

205-2 Communications and training about anti-corruption policies and procedures

All employees receive anti-bribery and corruption training and a requirement to attest to understanding the policy.

301: Materials 2016

3-3 Management approach

See page 20 of this report

301-1 Materials used by weight or volume

See page 20 of this report

301-2 Recycled input material used

See page 20 of this report

302: Energy 2016

3-3 Management approach

See page 108 of our 2022 Annual Report

See page 13 of this report



ABOUT THIS REPORT

302-1 Energy consumption within the organization

See page 108 of our 2022 Annual Report for the total energy consumption used to calculate emissions for gas and electricity

See page 9 of this report

In 2022, ASOS consumed 25,804,974.01 kWh from non-renewable energy (Scope 2 emissions for US site + Scope 1 emissions for all global sites), approximately 70% for gas and 30% for electricity (location-based)

33,629,014.79 kWh have been consumed from renewable sources<sup>8</sup> (Scope 2 emissions from all UK sites and German site)

ASOS’ total electricity consumption for 2022 was 41,135,797.41 kWh (Scope 2 emissions)

302-3 Energy intensity ratio for the organisation

0.60kWh/order

302-5 Reduction of energy consumption

See page 108 of our 2022 Annual Report

305: Emissions 2016

3-3 Management approach

See page 108 of our 2022 Annual Report

See page 13 of this report

305-1 Direct (Scope 1) GHG emissions

See page 108 of our 2022 Annual Report

See pages 9 and 13 of this report

305-2 Energy indirect (Scope 2) GHG emissions

See page 108 of our 2022 Annual Report

See pages 9 and 13 of this report

305-3 Other indirect (Scope 3) GHG emissions

See pages 9 and 14 of this report

305-4 GHG emissions intensity

See page 108 of our 2022 Annual Report

305-5 Reduction of GHG emissions

See page 108 of our 2022 Annual Report

See pages 9, 13-14 of this report

GRI 308: Supplier environmental assessment 2016

3-3 Management of material topics

See page 14 of this report

308-1 New suppliers that were screened using environmental criteria

All suppliers being considered to join the ASOS supply chain are asked to complete a new supplier form which includes a number of sustainability-related questions. This process is being updated to ask more specific questions on energy use and Higg FEM completion (see page 14).

308-2 Negative environmental impacts in the supply chain and actions taken

In FY22, 200 Tier 1-4 facilities responded to the Sustainable Apparel Coalition’s Higg Facility Environmental Management module 2021<sup>9</sup>, which represents 70% of ASOS business intake volume for FY21.

<sup>8</sup> Electricity backed by Renewable Energy Guarantee of Origin (REGO) certificates from solar, wind, tidal, hydroelectric and biomass generation sources

<sup>9</sup>The reporting period for the Higg FEM ran from January 1 to April 30, 2022 and measured performance from January 2021 to December 2021. As a result we have used a comparable period for intake volumes, FY21 (which ran September 2020 – August 2021).



ABOUT THIS REPORT

405: Diversity and equal opportunities 2016

3-3 Management approach

See page 12 of our 2022 Annual Report  
See page 35 of this report

405-1 Diversity of governance bodies and employees

See pages 10-11 of our 2022 Annual Report for our gender breakdown  
45% of our employees are below the age of 30 years old, with approximately 52% between the age of 30-50 years old and 3% above the age of 50 years old. 22% of employees identify as an ethnic minority<sup>10</sup>

405-2 Ratio of basic salary and remuneration of women to men

Our Gender Pay Gap Report is available on the ASOS plc site [here](#).

407: Freedom of association and collective bargaining 2016

3-3 Management approach

Our suppliers are required to support workers’ rights to freedom of association through our [Freedom of Association and Collective Bargaining Policy](#). As part of our monitoring process, we assess suppliers uphold our requirements through our social audit program.

407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

See page 28 of this report on our approach to engaging with suppliers as a result of social audits findings.

408: Child labour 2016

103 Management approach

Read our Modern Slavery Statement [here](#).  
Read our [Child Labour, Remediation and Young Worker Policy](#).

408-1 Operations and suppliers at significant risk for incidents of child labour

Read our Modern Slavery Statement [here](#).

409: Forced or compulsory labour 2016

3-3 Management approach

Read our Modern Slavery Statement [here](#).  
Read our [Migrant Workers Policy](#).

409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour

Read our Modern Slavery Statement [here](#).

414: Supplier social assessment 2016

3-3 Management approach

See page 28 of this report

414-1 New suppliers that were screened using social criteria

During FY22, we onboarded 113 new Tier 1-2 factories, all of which received a social audit.

414-2 Negative social impacts in the supply chain and actions taken

In FY22, we carried out 520 social audits across our Tier 1-2 supplier facilities. All supplier facilities have received corrective action plans (CAP) where needed as part of audit follow up. CAP reports have also been signed by the factory at the end of an audit agreeing to the improvement actions.

<sup>10</sup>We collect information on ethnicity using the same fields and classifications as the Office of National Statistics to align reporting to benchmarks. We currently use the term ‘ethnic minority’.



ABOUT THIS REPORT

Sustainability Accounting Standards Board (SASB)

Management of Chemicals in Products	Discussion of processes to maintain compliance with restricted substances regulations	<p>ASOS requires that all vendors who supply materials and/or finished goods must comply with all regulatory local and international laws and ASOS’ Restricted Substance List (RSL). Suppliers participating in the Higg FEM are also required to report on chemical usage and ASOS considers this data in supplier-related decisions, including work renewals.</p> <p>See our <a href="#">Chemical Policy and Restricted Substances List</a></p> <p>As well as mandatory chemical testing before going into production we have a due diligence program in place that ensures that high risk bulk products are tested before shipment, stopping any chemical non-compliant products reaching our FCs and to our customers.</p> <p>All our suppliers attend chemical management training, delivered in partnership with Bureau Veritas and the ASOS chemical team to ensure our suppliers have full understanding of global legislation chemical management best practices.</p>
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	<p>Our technologists assess the risk of every product. High-risk products are selected for due diligence testing, ensuring bulk high-risk product is consistent and free of contamination.</p>
Environmental Impacts in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 in compliance with wastewater discharge permits and/or contractual agreement	<p>All of ASOS’ suppliers are required to adhere to all applicable laws and regulations of the regions in which they operate. Suppliers are expected to promptly develop and implement plans and programs to correct any non-compliant environmental practices. ASOS’ supplier facilities adhere to local laws regarding wastewater discharge permits. ASOS works closely with suppliers on the remediation process which includes root cause analysis, goal setting, corrective action planning and follow-up to ensure they are in line with local laws and global legislation.</p>



ABOUT THIS REPORT

Environmental Impacts in the Supply Chain (continued)	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition’s Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	<p>In FY 2022, 200 Tier 1-4 facilities responded to the Higg Index FEM module representing 70% of our top suppliers by business volume intake.</p> <p>See page 14 for more information on how we assess our suppliers’ environmental performance and read our <a href="#">Own-Brand Supplier Environmental Code of Conduct</a></p>
Labour Conditions in the Supply Chain	Percentage of (1) Tier 1 supplier facilities and (2) supplier facilities beyond Tier 1 that have been audited to a labor code of conduct; (3) percentage of total audits conducted by a third-party auditor	<p>In FY22, we carried out 520 social audits in our Tier 1-2 factories, equating to approximately 70% of our Tier 1-2 supply chain.</p>
	Priority non-conformance rate and associated corrective action rate for suppliers’ labor code of conduct audits	<p>As part of our social audits, when a factory is found in violation, we work with them to support remediation and develop a corrective action plan based on the audit findings and, in line with our Timebound Remediation policy for all Tier 1 and 2 factories, and failure to adherence to the policy we reserve the right to develop the responsible exit plans based on compliance issues.</p> <p>Read our <a href="#">Responsible Exit Policy</a></p>
	Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	<p>See our Modern Slavery Statement <a href="#">here</a>.</p> <p>See pages 14 and 28 for information on ASOS’ approach to supplier engagement.</p>



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Raw materials sourcing	(1) List of priority raw materials; for each priority raw material: (2) environmental and/or social factor(s) most likely to threaten sourcing, (3) discussion on business risks and/or opportunities associated with environmental and/or social factors, and (4) management strategy for addressing business risks and opportunities	<p>The following policies around sourcing raw materials can be found on the <a href="#">ASOS plc site</a>.</p> <ul style="list-style-type: none"><li>• Animal Derived Materials Policy</li><li>• Cotton Sourcing Policy</li><li>• Environmental Code of Conduct</li><li>• Man-Made Cellulosic Fibre Policy</li></ul>
Activity metrics	Number of tier 1 suppliers	<p>Approximately 60% of our suppliers’ factory base for ASOS-owned products are tier 1 suppliers.</p> <p>Please note that this is based on ASOS’ tier definitions, as detailed on the <a href="#">ASOS plc site</a>.</p>
	Number of suppliers beyond tier 1	<p>Approximately 40% of our suppliers’ factories base for ASOS-owned products are tier 2 and 3.</p> <p>Please note that this is based on ASOS’ tier definitions, as detailed on the <a href="#">ASOS plc site</a>.</p>





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