

Audit Committee Report

Audit Committee Report

Natasja Laheij Committee Chair

Members

- ▶ Christine Cross
- ▶ Wei Gao
- ▶ José Manuel Martínez Gutiérrez

Terms of Reference

The full Terms of Reference for the Audit Committee are available on our website, asosplc.com.

→ [Read more detail on the Audit Committee's attendance at meetings](#)
See table on page 77.

Committee responsibilities

The Committee's principal responsibilities are to:

- Monitor the integrity of the Group's financial statements in relation to the Group's financial performance.
- Provide advice to the Board on whether the Annual Report is fair, balanced and understandable.
- Review the Group's accounting policies and significant estimates and judgements.
- Review the effectiveness of the external audit processes, including monitoring External Auditor independence, and report external audit findings to the Board.
- Monitor and review the effectiveness of the Internal Audit function.
- Review the effectiveness of the Group's internal controls, including the process for the evaluation, assessment and management of risk.
- Oversee the Group's whistleblowing, compliance, security and fraud prevention procedures.

Dear shareholder,

I am pleased to present the Audit Committee ("Committee") Report for the year ended 31 August 2025. This report should be read in conjunction with the compliance report on page 76, which shows how the Company has complied with the UK Corporate Governance Code (the "Code") 2018.

In next year's Annual Report we will commence reporting against the 2024 Code excluding Provision 29 of the 2024 Code, which will be reported against in our FY27 Annual Report. Throughout the period, we continued to receive periodic updates on how the Group is preparing for the new 2024 Code requirements.

We also concluded a formal external audit tender process, which resulted in the recommendation to appoint KPMG as External Auditor with effect from FY27, which was endorsed by the Board. Further details of the full process are set out on page 88.

The Board is confident that I possess the necessary recent and relevant financial expertise to have served as Chair of the Committee, and affirms that each member of the Committee has the relevant experience and competence pertinent to the Company's sector.

On behalf of the Committee, I wish to express our appreciation to Dave Murray for his service as Chief Financial Officer (CFO) until 30 June 2025. We welcomed the appointment of Aaron Izzard as CFO effective 1 July 2025, and the Committee looks forward to collaborating with him more closely going forward.

This will be my final Audit Committee Report as I am delighted to be stepping into the role of Chair of the Company upon release of our FY25 results. A search for a new Independent Non-executive Director who can lead the Committee commenced in August 2025 and we will update shareholders on the appointment in due course.

Natasja Laheij
Audit Committee Chair
21 November 2025



The Committee's principal activities during the year included:

Financial reporting	<p>Integrity of the financial statements and formal announcements</p> <ul style="list-style-type: none"> Reviewed the Annual Report, and supporting information, and concluded that the Annual Report was fair, balanced and understandable as detailed below. Reviewed the full and half-year results announcements. <p>Significant financial and reporting matters</p> <ul style="list-style-type: none"> Scrutinised key accounting judgements and estimates applied in the preparation of the Group's financial results. These included inventory provisioning, management's assessment of items to be excluded from adjusted profit before tax, and the assumptions/judgements included within management's going concern, viability, impairment and deferred tax recoverability reviews. <p>More information can be found in Significant financial reporting matters and judgements on page 87.</p> <p>Assumptions in support of going concern and viability assessments</p> <ul style="list-style-type: none"> Considered the viability and going concern statements and their underlying assumptions. Evaluated going concern over an 18-month period, which included a review of financial plans and assumptions, access to financing and the challenging economic environment and the adaptability of financial plans. Considered the appropriateness of a three-year viability assessment period after modelling the impact of certain scenarios arising from the Group's Principal risks. <p>More information can be found in the Long-term viability statement on pages 61 to 62, the Going Concern statement on page 129, and the Significant financial reporting matters and judgements on page 87.</p>
External Audit	<ul style="list-style-type: none"> Reviewed and agreed the scope of the external audit process prior to commencing the FY25 audit. Considered the External Auditor's reports on the full-year and half-year results. Appraised the effectiveness and performance, independence and objectivity of our External Auditor. Considered the external audit fees and terms of engagement. Reviewed the Non-Audit Services Policy and approved all non-audit services provided by the External Auditor. Conducted a formal and competitive External Auditor tender process in accordance with Minimum Standard requirements.
Risk and internal controls	<ul style="list-style-type: none"> Reviewed and provided oversight of the Group's risk management processes including those for identifying the Group's Principal and emerging risks and ensuring that effective controls, processes, assessments and mitigations were maintained. Monitored the Group's Principal risk and new Group risk registers and approved our updated Principal Risk disclosures set out on pages 56 to 60. Reviewed any movements in Principal risks, including those indicated through work to capture our Group risks in H2 FY25 and bi-annual reviews of functional risk registers. Reviewed the Group's risk appetites including any proposed changes and recommended them for approval to the Board. Approved the Group's Enterprise Risk Management Policy setting out accountability and responsibility for the oversight and management of risks between the Board Committee and Senior Leaders. Monitored progress with ASOS Controls Programme (ACP) activities developing ASOS' control framework to ensure readiness for the new Code provisions for internal controls and the new failure to prevent fraud offence under the Economic Crime and Corporate Transparency Act 2003. Received updates on enhancements to the Group's financial controls. Received an update on the Group's business continuity activities. Received regular updates from the Chief Information Security Officer on cyber security controls, activities and incidents including security KPIs. Received an update from the Data Protection Officer on the Group's data protection activities to ensure compliance with GDPR and other related data privacy laws. Received an update on the risk landscape and risk mitigating activities for other compliance matters including Anti-Bribery & Corruption, Sanctions, Anti-Fraud, Anti-Money Laundering and Third-Party Risk Management.

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Internal Audit	<ul style="list-style-type: none">▪ Monitored and reviewed the effectiveness and independence of the Internal Audit team.▪ Reviewed findings from internal audits and monitored the implementation of management’s remediation actions.▪ Reviewed the Internal Audit team’s strategy and operating model.▪ Approved the Internal Audit team’s Charter including its defined purpose and authority within the Group.▪ Reviewed and approved the FY26 Internal Audit plan and team resourcing based on assessment of the Group’s key financial, operational and compliance risks, and strategic aims.▪ Reviewed and approved changes to the Internal Audit plan and broader strategy to ensure this remained aligned to movements and maturity of the Group’s control environment, the Group’s risk profile and priorities under our transformation agenda.
Other matters	<ul style="list-style-type: none">▪ Received updates on tax matters and approved the Group’s Tax Strategy.▪ Reviewed and approved the Group’s Treasury Policy.▪ Reviewed the Group’s Whistleblowing Policy and escalation matrix and received updates on whistleblowing matters.▪ Received updates on compliance including the implementation of the Group’s Gifts & Hospitality Policy.▪ Received updates from the CFO on other finance matters.▪ Received updates on current or threatened material litigation.▪ Received internal updates regarding the requirements of the new 2024 Code and the Financial Reporting Council’s (FRC’s) Minimum Standard for Audit Committees.▪ Reviewed the Committee’s Terms of Reference and recommended updates to the Board for approval.

Committee activities

The Committee convened four times during the year, which aligns with its regular meeting schedule. Details regarding member attendance are provided on page 77. Agendas are developed based on an annual forward-looking agenda, prepared with input from the CFO and Company Secretarial team, to ensure that the Committee’s responsibilities are addressed in accordance with the Group’s financial reporting cycle. After each meeting, the Committee Chair provides the Board with a summary of the main discussion points, together with any necessary recommendations as and when required.

Although not members of the Committee, the Board Chair, CEO, CFO, General Counsel & Company Secretary, Head of Internal Audit & Risk and Group Financial Controller are also invited to attend Committee meetings unless they have a conflict of interest. Other ASOSers may be invited to attend for a specific agenda item or items where relevant. The Group’s External Auditor, PricewaterhouseCoopers LLP (PwC), is also invited to attend Committee meetings. The Committee Chair and members regularly meet with both the External Auditor and Head of Internal Audit & Risk in private. As is needed, the Committee also receives advice from advisors on any tax or legal issues which may arise.

Corporate reform

The Committee continued to prepare for the corporate reforms, including the new requirements of the 2024 Code including the Minimum Standard.

Throughout FY25 we complied with the provisions of the Minimum Standard, with the exception of engaging with shareholders on the scope of the external audit which was deemed to be the role of the Committee given its knowledge and experience of the Company.

The Committee continues to maintain oversight of the evolving controls framework to ensure the business is well-positioned to meet future regulatory requirements. As reported last year, the ASOS Controls Programme (ACP) was established in FY24 to design, implement and embed a comprehensive controls framework aimed at enhancing the Group’s control environment. In alignment with the updated control reporting requirements introduced by the 2024 Code, the ACP plays a central role in ensuring compliance and continuous improvement. The programme is under the sponsorship of the CFO, with the Committee receiving regular updates on progress, key milestones and strategic approaches to the framework’s implementation.

The focus this year has been on refining the scope of the programme and continuing to identify the material controls across the business that mitigate the Group’s Principal risks. The Committee has reviewed and endorsed the proposed framework, which aligns with the Group’s established Risk Management methodology (see pages 52 to 55). This phase has also included early assurance activities over the material controls identified so far.

The ACP has become a standing item in the Committee’s governance cycle, with updates now embedded into regular reporting and oversight processes. The Committee has also considered external benchmarking and engaged with advisors to ensure the programme remains aligned with emerging market practice and regulatory expectations. Planning for assurance activities is underway, with a focus on validating control design and effectiveness across key risk areas. The programme also supports the Group’s readiness for new regulatory requirements, including the Economic Crime and Corporate Transparency Act, which came into effect in September 2025.

The ACP provides a foundation for continued enhancement of ASOS’ governance and risk management practices. The next phase of the programme will focus on deepening assurance over the Group’s material controls, reinforcing the existing control environment and supporting continued operational and strategic resilience.

Board and Committees’ performance review

Following the Committee review, it was agreed to extend Committee meetings going forward to allow sufficient time to fulfil the Committee’s responsibilities given the corporate reforms.

Oversight of the ACP will be a key area of focus for the Committee throughout FY26 alongside cyber security.

Full details of our Board and Committees’ performance review are on page 80.

Significant financial reporting matters and judgements

Area of focus	Actions taken
Going concern and viability	<p>The Committee undertook a detailed review of the financial liquidity of the Group over an 18-month period to support the going concern assessment, and a three-year period to support the viability assessment. In doing so, the Committee challenged management's assessment of forecast cash flows, including sensitivity to trading and expenditure plans, and for the potential impact of certain scenarios, including reductions to forecast revenues and margin, and working capital outflows. The Committee also considered the Group's financing facilities, noting the refinancing announced post year-end on 13 November 2025 (see note 29 on page 167 for further information).</p> <p>Based on this, the Committee confirmed that the application of the going concern basis for the preparation of the financial statements continued to be appropriate, with no material uncertainties noted. It was also concluded that the Group is able to meet its liabilities as they fall due over the viability period of three years. For further information, see pages 61 to 62.</p>
Inventory provisions	<p>The Committee reviewed the inventory provisions for FY25, noting a reduction in the overall provision compared to FY25. As of 31 August 2025, gross inventory totals £523.5m, against which an inventory provision of £121.2m has been recognised (FY24: £163.3m). This reduction primarily reflects the utilisation of non-underlying provisions relating to the one-off clearance of aged stock.</p> <p>Management provided the Committee with updates on the work performed to validate the appropriateness of key estimates used in respect of inventory provisions. Particular consideration was given to the overall level of provisioning and refinements to methodology as the Group embedded its new commercial model.</p> <p>The Committee concluded that the methodology for calculating the net realisable values of inventories, including management's estimates on provisions, was appropriate.</p>
Alternative Performance Measures (APMs)	<p>The Committee considers it important to take account of both the statutory measures and the APMs when reviewing these financial statements. In particular, items excluded from adjusted profit before tax were reviewed by the Committee. The adjusted loss before tax this period was £(98.2)m, with a reported loss before tax of £281.6m (2024: £(126.0)m and £(379.3)m) – the excluded items are detailed within note 3 of the financial statements. The most significant item relates to impairment and other costs associated with the mothballing of the Group's distribution centre in Atlanta.</p> <p>The Committee is satisfied that the presentation of these items is clear, applied consistently across years, in line with Group policy, and that the level of disclosure is appropriate. In addition, the Committee focused on ensuring that the Group's APMs are not given undue prominence over figures derived from the financial statements. The Committee ensured that clear, tailored explanations are provided for the inclusion of each APM, and that all APMs are properly reconciled to the most directly comparable line items in the financial statements.</p>
Impairment of non-financial assets	<p>The Committee closely reviewed the impairment assessment related to the Atlanta fulfilment centre, following the Board's decision to either sell or mothball the site after the completion of the automation project. The Committee reviewed management's assumptions used to determine the site's recoverable amount of £nil, which was based on the fact the site would be mothballed and is not currently being actively marketed. This resulted in a specific impairment and closure costs of £175.8m.</p> <p>In addition to this review, the Committee assessed the broader impairment testing of tangible and intangible assets, including goodwill, across the Group. This included challenging key assumptions, such as projected cash flows and discount rates, and reviewing sensitivities within the value-in-use models. Whilst the headroom is highly sensitive to changes in the assumptions, no further impairments were required following the wider review, and the Committee was satisfied with the robustness of the impairment assessments and that appropriate disclosures had been made.</p>
Recognition of deferred tax assets	<p>The Committee reviewed management's assessment of the recognition of deferred tax assets in line with IAS 12 Income Taxes. In determining the amount of deferred tax assets to recognise, management made significant estimates regarding the Group's future profitability, considering factors such as revenue growth, profit margins and cost management strategies. The Committee was satisfied that the estimates made were reasonable and aligned with the Group's broader going concern and impairment assessments. As at 31 August 2025, the Group has recognised net deferred tax assets of £44.7m. A further £126.9m of deferred tax assets have not been recognised.</p>

Fair, balanced and understandable

The Committee advises the Board on whether the Annual Report and Accounts are fair, balanced, and understandable, and whether they give shareholders sufficient information about the Company's financial position, performance, business model and strategy. As part of its formal remit, the Committee ensures that disclosures are transparent and accurate, and challenges management as needed. Where necessary, updates are made to enhance clarity and completeness. The External Auditor supports this by

performing a statutory audit in line with relevant standards, laws and regulations.

The Committee's activities in this regard included:

- Reviewing the processes and controls that support the preparation of the Annual Report, with confirmation that the reporting team and Senior Leaders fully understood their roles and responsibilities.
- Receiving an advanced draft of the full Annual Report and providing feedback, with amendments incorporated as required before final approval.

- Being presented with a summary of the key matters included in the Annual Report, highlighting both positive and negative factors.
- Reviewing and discussing the key factors considered in determining whether the Annual Report is fair, balanced and understandable.

The Committee recommended to the Board that the FY25 Annual Report is fair, balanced and understandable while providing the necessary information to assess the Company's position and performance, business model and strategy.

Audit Committee Report cont.

External Auditor

The Committee is responsible for recommending to the Board the appointment, reappointment, remuneration and removal of the External Auditor prior to resolutions being put to shareholders at the Company's Annual General Meeting. When considering whether to recommend the reappointment of the External Auditor, the Committee considers a range of factors, including the effectiveness of the external audit, the period since the last audit tender was conducted, and the ongoing independence and objectivity of the External Auditor. Any non-audit services are commissioned in accordance with the Group's Non-Audit Services Policy and must ensure that there is no issue as regards to independence and objectivity of the External Auditor.

PwC continued as the Company's External Auditor for FY25 following reappointment at the Company's Annual General Meeting on 22 January 2025. The Committee believes that it is in the best interest of its shareholders for PwC to remain as External Auditor for the next year and therefore recommends that PwC be reappointed as Company auditors for FY26.

External Auditor tender

PwC has acted as the Group's statutory External Auditor since 2008. The previous competitive tender process took place in FY22, whereby it was concluded that PwC would remain as the Company's External Auditor. Neil Grimes was appointed as audit partner from FY22, following the former audit partner rotating off.

When considering the appropriate timing for an audit tender, the Committee takes into account the value of continuity, the independence and objectivity of the auditor and lead audit partner, and the outcome of the annual audit effectiveness review. Although ASOS only became a main-market listed company in 2022, PwC has been the Group's auditor since 2008, and the current lead audit partner's five-year term ends following the FY26 audit. In light of this, and to ensure a smooth transition, the Committee determined it was appropriate to conduct an audit tender for the FY27 audit. As such, a formal and competitive tender process was conducted in FY25.

Audit tender process

In March 2025, ASOS initiated a formal External Auditor tender process for the FY27 statutory audit onwards, which was run in accordance with relevant regulatory and governance requirements, including the Minimum Standard. The Audit Committee established a dedicated Tender Committee comprising two members of the Committee (including the Committee Chair), the Group Financial Controller, and the CFO. The Tender Committee was responsible for designing and running the tender, including defining the scope, timetable and evaluation criteria, and it reported back to the full Committee throughout.

Initial 'Requests For Information' were issued to five firms. Of the firms invited to tender, three agreed to participate and, following a series of partner meetings, the Committee concluded not to proceed further with one of the three firms. 'Requests for Proposals' were therefore issued to two shortlisted firms. This process ran in parallel with each firm conducting an audit independence assessment for the purpose of commencing as External Auditors from FY27.

The tender process comprised two phases. In the initial discovery phase, participating firms were granted access to a secure data room and attended briefings with senior members of the Finance, Legal, Tax, Treasury, Technology, and Internal Audit teams to deepen their understanding of ASOS' business model, operating environment and control landscape. The second phase focused on deep-dive thematic workshops (covering audit methodology, ESG and technology), followed by formal written proposals and presentations on how the firms would structure their audit at an operational level and work with our management team.

Each firm was assessed against defined evaluation criteria – including team quality and sector experience, understanding of ASOS and its operating model, audit methodology, and the maturity and relevance of proposed technology platforms. A particular focus was placed on the firms' ability to deliver a high-quality, scalable audit in the context of ASOS' size, pace and evolving control environment.

On 30 July 2025, it was announced that the Board had approved the appointment of KPMG as statutory auditor for the year ending 29 August 2027. The appointment is subject to the approval by shareholders at the FY26 Annual General Meeting. A plan will be put in place during FY26 to enable a smooth transition. Going forward, the Committee anticipates that the audit will be put out to tender at least every ten years.

External Auditor independence, objectivity and effectiveness

PwC has reported to the Committee that, in its professional judgement, it is independent within the meaning of regulatory and professional requirements and the objectivity of the audit engagement partner and audit staff is not impaired.

The Committee evaluated the External Auditor's independence and objectivity by reviewing factors such as audit tenure, non-audit fees, and the overall relationship and the auditor's self-assessment of its independence. The Committee is satisfied that PwC maintains the necessary independence to ensure that the integrity and the objectivity of the audit is safeguarded.

Neil Grimes has been the Company's audit partner since FY22, and is considered by the Committee to have a good understanding of the Group and acts with integrity.

The Committee confirms that the Company is in compliance with the requirements of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Responsibilities) Order 2014 for FY25.

The Committee oversees the relationship with the External Auditor and reviews audit effectiveness. The audit scope, approach, materiality and areas of focus are agreed well in advance of the audit to align on expectations and timeframes.

A feedback session is held following each audit to discuss what went well and to identify areas for continuous improvement to feed into the next audit planning process.

The Committee assesses audit effectiveness through review of the quality of the audit reports and ancillary documents provided by the auditors, consideration to the opinions of the CFO and his senior finance team and through collective views of the audit partner and his team.

The Committee holds private sessions with PwC without management present to discuss feedback from the audit. The Committee ensures that the External Auditor has challenged management and received the access it required to conduct an effective audit, and in a timely manner. If PwC has any concerns about access to information, or the information received, it would be reported to the Committee in order for the Committee to fulfil its responsibilities.

The Committee Chair regularly meets with the audit partner privately and he is authorised to contact the Committee Chair at any time if he wishes to raise any matters of concern.

Based on this collective analysis, the Committee is satisfied that PwC had applied appropriate and robust focus and challenge throughout the audit.

Non-audit services provided by the External Auditor

Before commissioning non-audit services, the Committee must ensure that there is no issue as regards to independence and objectivity and other potential providers are adequately considered.

Any non-audit services provided must be in accordance with the Group's Non-Audit Services Policy ("Policy"), which states that:

- the CFO has pre-approved authority to commission the External Auditor to undertake non-audit work for a specific project expected to be less than £50,000;
- non-audit services expected to be between £50,000 and £250,000 must be approved by the Committee Chair; and
- non-audit services expected to be over £250,000 must be approved by the Committee Chair and one other Committee member before being carried out.

PwC may only provide such services if the service does not conflict with their statutory responsibilities and ethical guidance. When reviewing requests for permitted non-audit services, consideration is given to whether the skills and experience make the External Auditor the most suitable supplier of the non-audit service, taking into account independence or objectivity, and the fee to be incurred for non-audit services, both for individual non-audit services and in aggregate, relative to the Group audit fee.

The fees paid to PwC for the financial year to 31 August 2025 were £1.5m (2024: £2.6m). This included £1.3m for External Audit services. The Committee reviewed and discussed the fee proposal and was engaged in agreeing the audit scope.

In FY25, PwC provided non-audit services of £0.2m (2024: £0.2m) for its work on the half-year review of our interim results. The total fees for non-audit services represented 15% of the Group audit fee payable to PwC during the period.

The Committee agreed that the non-audit services provided during the financial period should be provided by PwC due to their in-depth knowledge of the business and is therefore an efficient means of receiving non-audit services.

In line with the Policy, the Committee reviewed the level of non-audit fees incurred during the year. As required by the Policy and the FRC's Revised Ethical Standard (2019) ("Ethical Standard"), the Committee assessed whether the fees for permitted non-audit services breached the cap of 70% of the average statutory audit fee over the preceding three financial years, and confirmed that this cap was not exceeded in FY25.

The Committee will continue to keep the level of non-audit fees relative to audit fees under review to ensure we meet the requirements of the Ethical Standard.

Employment of former External Auditors

Any employment of former employees of External Auditors would be considered on a case-by-case basis and would take into account the Auditing Practices Board's Ethical Standards on such appointments. Any such appointments would require approval from the CFO, the Committee or the Board depending on the seniority of the appointment.

Internal Audit

Our Internal Audit team supports the Board and Committee by providing independent assurance over the adequacy and effectiveness of the Group's risk management and internal control framework. The Committee reviews and approves the Internal Audit Plan for each financial year and monitors progress against it in each meeting. The plan is based on Internal Audit's assessment of the Group's key financial, operational, compliance and technological risks to its continuing operations and the success of its strategy. During the year, the Committee reviewed and approved changes to the plan to ensure this remained aligned to the Group's strategic priorities, changes in the Group's risk profile and evolving business activities.

The internal audits completed for FY25 were:

- a) CMA Undertaking – Reporting Assurance;
- b) Factory Audit Programme;
- c) Cyber Controls – Incident Management;
- d) Treasury Key Controls – Follow Up;
- e) Tech Infrastructure Outsourcing;
- f) Key VAT Controls;
- g) Project Governance & Oversight Controls;
- h) Purchasing Strategy Controls;
- i) Influencer Risk Management;
- j) Health & Safety Programme Design; and
- k) IT General Controls Programme.

Reports outlining findings on risk management, together with control gaps and agreed remediation actions, were shared with the relevant Management Committee member following each internal audit. Management Committee members and other Senior Leaders are accountable for timely completion of any actions.

Full reports were also shared with the Committee Chair and key members of the Management Committee including the CEO, CFO and General Counsel and Company Secretary. Summaries of the latest reports published and the results of monitoring action closure are shared with all Committee members in quarterly meetings.

During the period the Committee reviewed the effectiveness of the Internal Audit team with reference to their annual self-assessment, actions from ongoing continual improvement processes and any feedback provided by Senior Leaders and Committee members. The Committee considers that the Internal Audit team remains effective and has appropriate levels of quality, experience and expertise.

Risk management and internal controls

The Committee is responsible for the ongoing review of the Group's risk management and internal controls framework, including for matters relating to financial reporting, such as for the:

- identification, assessment, management and mitigation of the Group's principal and emerging risks;
- oversight of the preparation of the Group's accounts;
- monitoring of the implementation of key Group policies; and
- oversight of the investigation of whistleblowing matters.

The Committee regularly reviews and assesses business risks, reviews assurance over related internal controls and considers how these risks may affect the achievement of strategy and the Group's external reporting. This included overseeing and participating in a refresh of our Principal and Group risks in H2 FY25.

Management Committee members and other Senior Leaders are responsible for the day-to-day implementation of internal controls for managing risks and for ensuring sufficient assurance is obtained over the effectiveness of controls. The Group's risk management process is sponsored by the CFO and co-ordinated with support of the Head of Internal Audit & Risk, to maintain the right level of control throughout the Group aligned to risk appetite. Further details on the Group's risk management approach are provided on pages 52 to 55.

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Key elements of the Group's internal controls framework in relation to risk management and financial reporting include:

- Established organisational structures and reporting lines to provide clarity of accountability and responsibility for decision making, facilitate effective governance and enable effective decision making. Further details on governance structures are provided on pages 52 to 53, 76 and 93.
- The ACP which was established in FY24 to design, implement and embed a comprehensive controls framework aimed at enhancing the Group's control environment.
- Key policies, procedures and guidelines that underpin the Group's financial, operational and compliance activities such as our Delegation of Authority, Whistleblowing, Anti-Bribery and Corruption, Anti-Facilitation of Tax Evasion, and Anti-Fraud. The Committee also reviews a quarterly summary of whistleblowing reports and outcomes.
- Standards, processes, controls and frameworks to embed and ensure compliance with requirements, and to manage key risks.
- Compliance monitoring activities such as those through central functions including Finance, Risk Management, Legal, Compliance, People Experience, Technology, Data Privacy, Tax, Treasury, Company Secretarial, Health and Safety and Security.
- Ongoing Committee review of the scope and results of the Internal Audit team's work across the Group and monitoring of management's implementation of related remedial actions.
- Regular discussion of the Group's principal and emerging risks, including changes to risk exposures during the period, and changes to mitigating controls and actions.
- Robust budgeting and forecasting processes including Board discussion and approval of strategy, objectives, annual planning processes and budgets.

- Regular monitoring of developments and changes in accounting standards, other requirements including best practices in financial reporting and reflecting these in the Group's financial statements where appropriate. These include recommendations from the External Auditor and the FRC.
- The Committee and the Board review the draft Annual Report and Accounts and receive reports from management and the External Auditor on significant accounting judgements and estimates, changes in accounting policies and any other significant matters relating to the Group's financial reporting.

Based on the work undertaken during the year, the Committee reviewed the effectiveness of the Group's risk management and internal control systems and the assurance received from management, Internal Audit and other assurance providers.

The Committee concluded that it had received sufficient information to support the Board's confirmation that it has monitored and reviewed the effectiveness of these systems during the year and up to the date of approval of the financial statements.

Areas for further strengthening were identified through the ASOS Controls Programme and Internal Audit and Risk Management activities, and the Committee will continue to oversee management's progress in addressing these as part of the ongoing enhancement of the control environment.

Our business Risk Registers are formally reviewed every six months to ensure that all existing risks are captured and their potential likelihood and impact are understood. The process also identifies mitigating factors, controls and any further actions needed to manage the risks and considers emerging risks that require monitoring. Progress with mitigation and key themes identified are reported to responsible Management Committee members. The reviews also feed into a robust assessment of the Group's Principal and emerging risks by the Management Committee, the Audit Committee and the Board.

Whistleblowing

The Whistleblowing Policy, which was reviewed and reapproved by the Committee during the period, outlines how concerns about suspected wrongdoing (financial or otherwise) can be reported. The Group uses an independent, anonymous whistleblowing tool (Spot) as one route to collect reports. Employees can raise their concerns or issues they suspect via the portal or by directly contacting one of the six nominated Whistleblowing Officers.

Any matters reported are investigated by a Whistleblowing Officer and escalated to the Committee as appropriate and guided by the Whistleblowing Policy. Reporting on the nature and, where appropriate, content of reports received during the quarter are provided to the Committee at each meeting alongside updates on related Group training and communications.

Cyber security

The Committee receives quarterly updates from the Cyber Security Leadership Team on emerging cyber threats, risk and security incidents and progress against the security strategy, including management KPIs.

Anti-bribery and corruption

The Group has a zero-tolerance approach to bribery and corruption and is committed to conducting business in an ethical and honest manner. All ASOSers are expected to act professionally, fairly and with integrity in all business dealings and relationships in all parts of the world. Anti-bribery and corruption training is provided to new starters and refreshed annually. This ensures all ASOSers are aware of their responsibilities and forms part of the wider systems and controls we have implemented and enforce to prevent bribery.