

The background of the image is a complex, high-contrast black and white pattern. It consists of numerous small, irregular black shapes and lines of varying thicknesses scattered across a white background, creating a dense, noisy, or 'static' effect. This pattern is reminiscent of digital noise or a heavily corrupted image.

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ASOS Gender Pay Gap Report

April 2020

What's in this report?

03 Let's talk openly: the importance of diversity & inclusion at ASOS

04 Key terms: what the stats tell us

05 How we're measuring up: our pay stats

06 How we're measuring up: our bonus stats

07 What's the deal? The reasons for our gap

08 Our journey: promoting gender balance

Let's talk openly: the importance of diversity and inclusion at ASOS

Diversity and inclusion is at the heart of everything we do at ASOS. If we're a more diverse and inclusive place to work, we'll be a more successful one too. Our purpose is to give you the confidence to be whoever you want to be. It's a brave statement, rooted in the desire to be truly inclusive, and it includes us standing up for what we believe in as we continue to build a fairer ASOS.

We're legally required to report on the gender balance between men and women, but we understand that not everyone's gender identity fits comfortably within this binary. At ASOS, we want everyone to feel comfortable expressing their gender identity in the way that's right for them and we're working closely with our partners at Stonewall to make our workplace inclusive for our non-binary and trans ASOSers. In the future, we'd love to be able to express our reporting on people who identify as male, people who identify as female and people who identify as non-binary.

In this report, you'll find our headline gender pay gap figures and we'll talk you through what they mean. Whilst we're making positive progress in some areas, you'll see that there is still an imbalance. So, we'll explain what we've done so far and what we'll be doing going forward to improve the gender balance at ASOS.

Nick Beighton, ASOS CEO

Key terms: what the stats tell us

Gender pay or equal pay?

The gender pay gap shows us the difference in the average amount that men and women earn at ASOS in the UK. It tells us how gender diverse we are and factors such as the number of female leaders we have can make a big difference to the gap. Gender pay is not the same as equal pay (pay inequality has been illegal for years). Our pay range system ensures ASOSers are paid fairly based on their skills, qualifications, experience and performance – never gender. We're confident that men and women are paid equally for equivalent roles.

Mean or median?

Mean and median figures are useful in different ways. The mean figure shows the full range of what we pay, while the median gives a better idea of the pay gap because it isn't affected by those few individuals at the top or bottom of the pay range that can skew the figures.

What are pay quartiles?

Pay quartiles show the proportion of men and women in four pay bands, which is calculated by dividing the workforce into four equal parts, after ranking all hourly rates from low to high. Pay quartile 4 is made up of ASOSers with the highest hourly rates, and pay quartile 1 the lowest hourly rates.

What's the date?

Our figures must be calculated using a specific reference date, called the 'snapshot date', which is 5 April each year. Pay statistics in this report are based on April 2019 payroll, which is the pay period in which the snapshot date falls. Bonus calculations are based on the 12 months up to 5 April 2019.

How do they work?

We compare average hourly rates and average bonuses for male and female ASOSers in the UK. We're legally required to report on the gender balance between men and women.

How we're measuring up: **our pay stats**

Our pay gaps

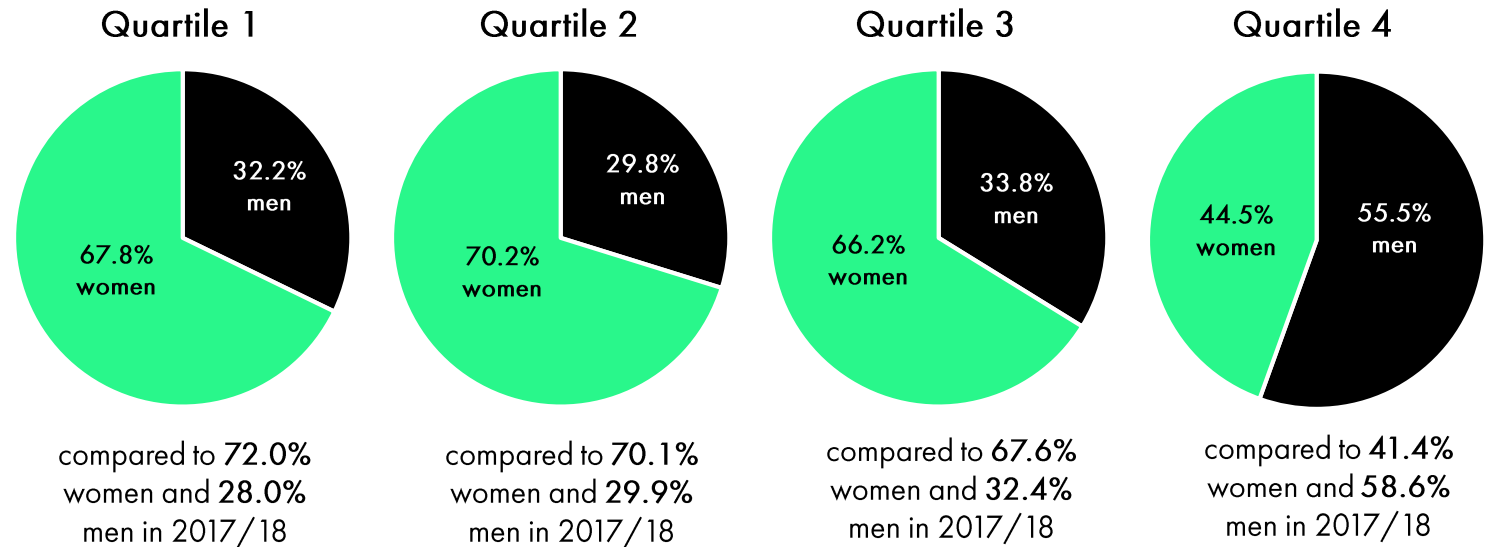
Our Mean Pay Gap **got smaller** in 2018/19

26.6% compared to 29.7% in 2017/18

Our Median Pay Gap **got smaller** in 2018/19

24.0% compared to 32.7% in 2017/18

Our pay quartiles



What do these numbers show?

Our mean and median pay gaps are getting smaller, which shows positive progress as the average hourly rate of ASOSers is becoming more balanced. This is being driven by a better gender balance across the majority of ASOS career levels, including an increase in women in senior management roles, which we classify as 'Heads Of' or above, as well as an increase in men in entry-level positions. These improvements are also reflected in the higher female representation in pay quartile 4 (the quartile with the highest hourly rates) and the increase in men in pay quartile 1 (the quartile with the lowest hourly rates). **We're really happy with the progress we've made in reducing the pay gaps since we started publishing these statistics. We know we still have plenty of room for improvement and you can read about our commitments to doing so on page 8 onwards.**

How we're measuring up: **our bonus stats**

Our bonus gaps

Our Mean Bonus Gap **got bigger** in 2018/19

71.0% compared to 67.1% in 2017/18

Our Median Bonus Gap **got bigger** in 2018/19

91.4% compared to 41.9% in 2017/18

The percentage of men and women who received a bonus

A **smaller** percentage of women received a bonus in 2018/19

6.1% compared to 61.2% in 2017/18

A **smaller** percentage of men received a bonus in 2018/19

10.1% compared to 60.0% in 2017/18

What do these numbers show?

The **mean bonus gap** has increased. The three main components included in this year's bonus gap calculations are: Refer a Friend payments (small bonuses paid out if a contact is referred to and hired by ASOS), ASOS Aces awards (for outstanding performers in the business), and payments made under the vesting of the 2015 ASOS Long-Term Incentive Scheme (ALTIS).

Our leadership team is slightly male-heavy, meaning more men than women received a payment for ALTIS 2015 (57% of those who received a payment were male). More men fill the most senior roles at ASOS (CEO for example), which has resulted in higher ALTIS payments for men on average, as more senior roles have higher award opportunities. ALTIS 2015 payments also drove the higher percentage of men who received a bonus.

Additionally, the annual ASOS Bonus Plan did not pay out in October 2018, which has increased this year's mean bonus gap, as we are comparing relatively small Refer a Friend payments and ASOS Aces awards to much larger ALTIS payments.

The **median bonus gap** is much higher than previous years. This is because the median bonus gap is comparing one woman's Refer a Friend bonus (£750) to one man's ALTIS payment (£8,737). In previous years, the median bonus gap has compared the same type of bonus for men and women – the ASOS Bonus Plan payment.

What's the deal? The reasons for our gap

There are 3 key drivers for our gender imbalance which contribute to our pay gaps. These remain unchanged compared to the previous reporting year.

Reason 1:

Our business model

Our gender pay gap is heavily affected by having lots more women in entry-level roles across the business than men.

Women make up 63% of our in-house Customer Care team, and an even greater percentage of women, 86%, work in our Retail team. We're proud that such talented women want to work at ASOS. However, most of these roles are entry-level.

We also have a lot of entry-level roles in supply chain and logistics which are predominantly filled by men. Because this team is outsourced to a third party supplier, however, they don't count towards our gender pay gap figures.

Reason 2:

We have a gender imbalance in our leadership group

Women make up 64% of our overall workforce but only fill 41% of our senior roles, which we categorise as 'Heads Of' or above. However, we're making great progress – last year, women made up a much smaller percentage of senior positions, at just 31%.

Reason 3:

There's a shortage of females in the Tech industry

Only 16% of the UK's Tech workers are women. It's a universal issue that ASOS can't tackle alone, but we're committed to help lead the way, for example through our work with the Prince's Trust and our Women In Tech group. Currently, 29% of our Tech team are made up of women and 23% of our engineering team are women. Our female representation in these areas has improved since last year (previously 26% in Tech, 20% in engineering), but there is still more work to be done.

Note: All ASOS statistics on this page are as of February 2020

Our journey: promoting gender balance

Our 2019 Gender Pay Gap report clearly highlighted our commitment to making meaningful progress in our journey to gender equality and outlined a number of planned initiatives (our report can be viewed [here](#)). We remain pragmatic about not being able to transform overnight, as it will take time to get to where we want to be.

The good news, however, is we have made significant progress in many areas. The next pages outline our progress to date, as well as the initiatives we'll be focussing on going forward, all of which have a strong evidence base for promoting and improving gender balance in the workplace.

Gender-mixed interview process

Gender-mixed interview panels are in full swing in our Software Engineering teams, where we have the highest number of job opportunities within our Technology function. A large group of female ASOSers across Tech & HR are partnering with their male counter-parts to interview & assess the suitability of candidates looking to join our growing Tech team. We believe that a gender-mixed interview process will make a significant improvement to the overall candidate experience and will also inspire female talent to join us. We're in the process of rolling out interview skills training to our current cohort of ASOSers who'll be involved in gender-mixed interviewing. We also have plans to extend the training, so we can roll out gender-mixed interviewing across our Technology function.

Trialling returnships

We're planning to trial returnships for 10 women in our Operations and Technology departments. Returnships will be aimed at women who've taken time away from the workplace. They will have a development plan that concentrates on sharpening their previous experience and technical ability. We'll be forming a partnership with an external specialist and have almost concluded exploratory conversations with two major players. Our preferred supplier will be in place by the end of this financial year and they'll begin supporting us with recruitment and the creation of a development programme for a late 2020 launch.

Our journey: promoting gender balance

Partnership with Applied

We are continuing our partnership with Applied, who use world-leading behavioural science methodologies to improve hiring processes. The purpose of this partnership is to reduce gender-biased language in job adverts, which may prevent women applying for roles at ASOS. Job adverts are our first opportunity to attract, engage and excite a would-be applicant to a career at ASOS. This means the language, tone, and even length of our job adverts are important to open our doors to the most diverse talent pool available.

Since its roll out in early 2019, Applied has quickly become a mainstay in our talent acquisition process, as ASOS continues to invest and commit to having a diverse and balanced workforce. Following its implementation as part of our sourcing & advertising processes for all vacancies, some 900+ job adverts have passed through the tool. We have already begun to see the benefit of clearer, more attractive & crucially, more gender neutral job adverts in some of our core functions, where previously we had much higher male numbers join us, than female. We have seen a 15% increase in the number of female hires in Finance since we launched Applied and a 17% increase in our Procurement team in the same period.

Our next step is to roll out the Applied tool to line managers across ASOS – we hope to share some promising statistics around this in next year's report!

Internal mobility

Creating an even playing field is really important when it comes to gender in the workplace, and promotions and internal moves give us an opportunity to do just that. Our Technology teams now advertise their internal vacancies as a default. They have introduced changes following feedback from Women in Tech to make the promotion process fairer and more transparent, to minimise the potential for bias and to give everyone a fair chance when applying for a promotion or internal move.

Our journey: promoting gender balance

Promoting flexible working

We're taking steps to help ASOSers better understand the opportunities to work flexibly, to support what works for them and their families. We refreshed and championed our flexible working guidelines for our Technology function earlier this year, to ensure that as many people as possible get the opportunity to work flexibly. We believe this can make a real difference in supporting everyone's career success and be an important contributor for women in particular, given they are more likely to have caring responsibilities. This is really important in our Technology teams, where there are proportionately fewer women. We've also carried out a number of flexible working pilots for ASOSers in Customer Care, including fixed shift trials and part-time teams. We are exploring which approaches work best for our Customer Care teams and our next step is the launch of a banked hours system.

Family friend offering

Our family friendly offering has been published on our careers site to promote better transparency around family leave to prospective new hires.

Behavioural interviewing & training

Over 300 managers have been trained in behavioural interviewing to ensure more fairness and consistency around hiring. More than 150 ASOSers have also been through unconscious bias training.

Reporting on gender identity

We've mentioned that we're legally required to report on the gender balance between men and women, but in the future, we'd love to be able to express our reporting on people who identify as male, people who identify as female and people who identify as non-binary. Last year, we updated our new starter onboarding process to allow us to capture and record gender identity information in our HR system, Workday (including the ability to select a gender identity which is different to your legal gender, and identify as non-binary or gender-fluid). Our current ASOSers can also update this information anytime via Workday.

