

Asda Creating Change for Better 2020/21

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May 2021

How our strategy supports the UN's 2030 Sustainable Development Goals

Our action on sustainability supports the broader, global UN-led push for a fairer, more sustainable world. In particular, our efforts are contributing towards the large majority of the UN's 2030 Sustainable Development Goals (SDG's). For example, our work to tackle food poverty is helping to achieve zero hunger (SDG 1), while our efforts to reduce our carbon footprint are supporting global efforts on climate action (SDG 13).

THE GLOBAL GOALS For Sustainable Development



Which parts of our business does our strategy cover?

Our CCFB strategy covers every aspect of our business, from food to general merchandise. It also covers International Procurement and Logistics, the part of our business that imports produce from abroad and directs it to our Asda distribution centres across the country. Increasingly, our George fashion brand will become part of this strategy, building on its existing George for Good sustainability strategy.



Better Planet (SDG 1, 2, 7, 10, 12, 13, 14, 15 and 17)

Whether it's sourcing our products from land or sea, we must strive to protect and restore these ecosystems and their biodiversity. Through our operations and supply chain, reducing emissions and waste are central to providing our customers with good value without costing the earth.



Better Communities (SDG 1, 2, 3, 4, 10 and 17)

We work with our communities and local people to help eradicate poverty, support children in crisis and enable breast cancer research and awareness. Food is our core business so we use our expertise and food donations to fight hunger.



Better Lives (SDG 3, 10, 12 and 17)

The food and drink, as well as the services we provide, must support and enhance our customers' health at a price that is affordable. Our Pharmacy and Optical store footprint also enables us to make healthcare more affordable and accessible to our customers.



Better Business (SDG 3, 4, 5, 8, 10, 12, 13 and 17)

As a business we respect and support our colleagues to create a diverse, inclusive, fair, safe and enjoyable place to work. This also extends to how we treat and work with our suppliers and partners – an ethical and compliant business from end to end.

Creating Change for Better commitments overview

The goals, commitments and targets we've made through our Creating Change for Better strategy are designed to help Asda aim high, hold ourselves accountable and move as rapidly as possible towards fulfilling our ambitions. Our commitments will galvanise action across our business, led by our senior leaders, supported by robust policies and programmes, and above all, propelled forward by the hard work and dedication of all our colleagues. We'll monitor and report our progress transparently, starting with this, our first annual ESG Report, and importantly, we'll continue to review and evaluate our goals to meet society's evolving needs.

Retailers are operating in a challenging environment and making progress on sustainability is tough for us all. We cannot alone influence the major social and environmental issues we're addressing through our strategy. We are also partly reliant on technological advances and the contribution and commitment of partners and suppliers, and are affected by external factors such as political will, policy changes, economic uncertainty and market volatility. We'll be clear about our challenges and honest about barriers to progress. But we won't stop trying and we won't be afraid to try new solutions and learn from our experiences – for example, trialling innovative approaches at our new Asda Middleton Sustainability store in Leeds.



ESG Area	Target	Deadline	SDGs
Carbon	Our 2040 vision: An end to end net-zero carbon emissions business		
Commitment 1	50% lower direct GHG emissions (Scope 1 & 2), vs a 2015 baselinee	2025	7, 13
Commitment 2	Develop measurement of non-direct scope 3 emissions, then set targets to 2025		12, 13
Nature	Our 2040 vision: A regenerative impact on nature, all food sustainably produced		
Commitment 3	Top 20 commodities sustainably sourced	2025	2, 12, 14, 15
Commitment 4	Develop a natural resource stewardship programme		



ESG Area	Target	Deadline	SDGs
Waste	Our 2040 vision: A zero-waste world, where nothing goes in the bin		
Commitment 5	Zero-waste operations	2025	12, 13
Commitment 6	Reduce food waste by 20%, vs a 2015 baseline		
Commitment 7	Reduce packaging and drive 100% recyclability of what remains		
Value	Our 2040 vision: Carbon-neutral baskets which save our customers money		
Commitment 8	Enable Asda customers to shop more sustainably	2025	1, 2, 10, 13
Commitment 9	Rapid expansion of cheaper, greener alternatives		1, 2, 10, 17
George	Our Sustainability Strategy		
Responsibly Sourced Fibres	<ul style="list-style-type: none">100% of our own-brand clothing and soft home textile products will be responsibly sourcedWe are committed to sourcing viscose from traceable sources with a low environmental impactWe are committed to sourcing 100% polyester with a minimum of 30% recycled content	2025	12, 13, 14, 15
Hazardous Waste	<ul style="list-style-type: none">We aim to eliminate all hazardous waste being released into the soil, water and airWe will actively participate in the Microfibre Consortium to reduce ocean plasticsWe aim for all mills to be reporting through Higg index	2025	
		Ongoing 2022	
Packaging	<ul style="list-style-type: none">50% of hangers will be reused or recycled30% recycled content in all garment polybagsAll George packaging will be 100% recyclableAll primary paper-based packaging from sustainable sources	2025	



ESG Area	Target	Deadline	SDGs
Supporting local communities	Stores to use donations of time, goods and space to support local communities	Ongoing	1, 10
	Community Champions to allocate grants to community groups (with funding provided by the Asda Foundation)		
Fighting poverty	Community Champions to allocate grants to community groups (with funding provided by the Asda Foundation)	2021	1, 2, 3, 17
	Ensure all stores have the ability to donate food by end 2020 (now achieved)		
	Across 2018-2021 we will donate £20m through our Fight Hunger Create Change partnership to help tackle poverty in the UK		
	We aim to enable our charity partners to provide an additional 24m meals every year by 2021		
Helping disadvantaged children	Building on our 20-year BBC Children in Need partnership to support disadvantaged children, we will support the charity's efforts to deliver emergency essentials to children and their families in the wake of crisis	Ongoing	1, 4, 17
Partnering with breast cancer charities to help prevent breast cancer	We will fundraise to help research into a cure and treatments for breast cancer	Ongoing	3
	We will fundraise to enable provision of breast cancer care and support services		
	We will raise awareness and provide better information to help encourage a culture of self-checking and support prevention efforts		



ESG Area	Target	Deadline	SDGs
Reformulation	Increase the proportion of healthy (non-high fat, salt or sugar content) of Asda own-brand products to 60%	2024	3
	Reduce red traffic lights on Asda own-brand products year on year		
	Continue to improve the nutritional content of Asda Little Angels infant food range in line with government guidance		
Communications	Continue to label all own-brand products in line with the UK's front-of-pack labelling scheme	2022	3
	Asda's Live Better icon was introduced in 2020 to signpost the healthiest options in our own-brand ranges. 1,200 Live Better Products to be on offer by 2024	2024	
	Cartoon characters to be removed from high fat, sugar and salt (HFSS) own-brand products (excluding seasonal food and drinks)	2022	
Innovation	Grow Asda Plant-Based sales by 100%	2023	3, 12
	Continually engage with and support initiatives to address the UK's nutrition and obesity challenges, including through national campaigns, expert working groups and relevant academic projects	Ongoing	3, 17
Value	Provide a great value destination for healthcare products, services and advice that customers can trust	Ongoing	3
Healthcare	Provide a broad range of healthcare services at times and in ways that meet customer needs	Ongoing	3
Shopping Experience	Create a supportive shopping experience for customers with disabilities	Ongoing	10



ESG Area	Target	Deadline	SDGs
Health and Wellbeing	We will increase the percentage of colleagues who answer positivity to <i>'my manager cares about me as an individual'</i> in the colleague survey	Ongoing	3, 8
	We will make sure our colleagues have access to resources to support their mental, emotional, physical and financial well-being, including management support enabled by manager upskilling		
Diversity and Inclusion	We will maintain the 2020 score for <i>'I feel free to be myself every day at work'</i> in the colleague survey	Ongoing	8, 10
	We will continue to improve our development curriculum to include conscious inclusion training and monitor attendance to ensure all line managers attend required modules		5, 8, 10
	We will be a member of the Ban the Box campaign by 2021 (Achieved Nov 2020)	End of 2021	8, 10
	We will sign up to the BiTC Race at Work Charter in 2021 (Achieved March 2021)		
	We will achieve Disability Confident Level 2 accreditation in 2021 (Achieved Jan' 2021)		
	We will achieve silver level accreditation for Inclusive Employers	Ongoing	5, 8, 10
	We will increase the number of Female Store Managers		
Learning and Development	We will increase the percentage of colleagues who answer positively to <i>'I am supported by my manager in my personal development'</i> in the colleague survey	Ongoing	4, 8
	We will continue to invest in the skills development of our colleagues, supporting them in their career in Asda, outside of Asda and their life beyond		
	We will continue to support our colleagues to realise their potential in Asda		



ESG Area	Target	Deadline	SDGs
Modern Slavery	Regularly assess modern slavery risks to prioritise and strengthen our efforts, and work with our suppliers to improve their human rights performance	Ongoing	8
Supplier engagement	Work in partnership with our suppliers and strive to be fair and clear in all our dealings with them – measured through the Groceries Supply Code of Practice (GSCOP) survey	Ongoing	8
British sourcing	Increase the volume of products sourced from UK suppliers (including chicken, dairy, wheat and potatoes) and source 100% British beef	2021	12, 13, 17
George	Our ultimate ambition is for 100% transparency across our supply chain	Ongoing	8, 17
Health & Safety	We are committed to keeping our customers and colleagues safe, promoting their welfare and providing high standards of safety	Ongoing	3
Ethics & Compliance	Treating people with respect, acting with personal integrity and complying with the laws of the communities in which we operate across our 14 focus areas	Ongoing	3, 8