

ASDA



Creating Change for Better

Environmental, Social & Governance Report 2021



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Welcome from our owners

In their first year of co-ownership of Asda, TDR Capital and Mohsin and Zuber Issa reflect on progress made on Asda's ESG agenda and their plans to grow the business to create a sustainable future.

Despite another year of unprecedented change and uncertainty, the Asda team continues to adapt and innovate for our customers, colleagues and communities. While keeping shelves stocked and many thousands in work, we've also made progress on our Creating Change for Better promises and remained a consistent force for good.

From continuing to reduce our carbon emissions and stepping up our support for local communities, against a challenging backdrop 2021 has been year of progress on our ambition to create change for better, growing our business in a way that creates a sustainable future for our company and generations to come.

As a growth business serving almost every postcode in the UK through our various store formats and online presence, employing 145,000 colleagues and sourcing from around 4000 suppliers, we have the opportunity to make an important contribution to people and planet. Through this report, we will share our progress on the key ESG issues that matter to our business and to you, our stakeholders.

Despite the ongoing and immediate challenges presented by the pandemic and global unrest, we have not lost sight of our role in broader issues faced by society today. Climate change is an urgent and devastating global problem that presents material risks to supply chains and our ability to achieve sustained growth now and in the medium to long term. In this report, you'll see we are committed to playing our part in both protecting and regenerating our planet. We're providing greater transparency through our reporting, including sharing our full carbon footprint and roadmap to operational net zero for the first time.



We have also continued our journey to more sustainably source our key commodities and in our efforts to reduce waste in our business, be that operational, food or packaging, as well as bringing our refill zones to more customers across the UK.

You can read more about our **Better Planet progress here.**

In the wake of the pandemic, public health has been thrust into the spotlight in a way that none of us could have predicted, and as a grocery retailer we're concerned about the growing inequalities affecting health outcomes. We know the difference having access to a healthy diet and lifestyle can make, and understand our role in providing opportunities to make better choices.

Our community work continues to go from strength to strength and through Asda Foundation we have increased our investment into our local communities. In 2021 we channelled our efforts into tackling barriers to kids reaching their full potential, focusing on food poverty, inclusion and wellbeing, and we will continue to build on this moving forwards. We also celebrated the 25th anniversary of our award-winning fundraising and behaviour-change breast cancer awareness campaign Tickled Pink and we have bold plans for the next five years – including breaking £100m in fundraising for essential services, awareness and research.

We continued to make progress on being a truly inclusive retailer where people love to work and shop. We know women are underrepresented at management levels in retail and so we've set ourselves new targets to increase the proportion of female general store managers to 30% by 2025. And whilst our operations are UK-focused, our supply chain is global. Asda has operated under Walmart's responsible sourcing programme for the past 20 years, and in 2021 took the opportunity to start to build a bespoke human rights programme that focuses on Asda's business, supply chain and risks.

You can read more about our **Better Lives progress here.**

And finally, as we put plans in place to take this business into a period of sustained growth, we're doing so in a responsible way. Particularly where we're moving off Walmart programmes and processes, we're working to install new compliance programmes that support this expertise and passion towards our Creating Change for Better agenda. Good governance is a fundamental factor, and welcoming Lord Rose as Chairman and Dame Alison Carnwath as non-Executive Director in 2021 strengthened our leadership.

Read more about how we hold ourselves accountable to be a **Better Business, here.**

Asda has a bright future – and we're excited to play our part in accelerating this great business. The scale of Asda's reach means we can make an important contribution to both society and the planet, and we're committed to continuing progress across our ESG agenda so that we can create lasting, positive change for better.

Mohsin and Zuber Issa TDR Capital

UK's Lowest Priced
Supermarket



Winner, Online
Supermarket of the Year

2021 Key Stats

- 
£23,488.5m
revenue
- 
745,000+
colleagues (91,000+ FTE)
- 
675¹
Asda and Asda Living stores UK-wide
- 
37
Asda on the Move wholesale sites
- 
75.5m
customer trips each week
- 
3900+
active suppliers
- 
323²
Petrol Filling Stations

¹ 615 = 396 superstores, 156 supermarkets, 30 Supercentres and 33 Living stores.
² 323 = 179 automated sites, 83 'Drive to Pay' kiosks, 5 'Walk to Pay', 39 adjacent to stores and 17 standalone petrol stations as at 31 December 2021.

ESG strategy

In 2021, we listened to customers, colleagues and wider stakeholders to ensure our Creating Change for Better strategy was future-fit to make the greatest impact possible on ESG issues faced by our communities, society and the planet.

To align further with stakeholder expectations, we restructured our Creating Change for Better programme to comprise three, rather than four, pillars, covering our commitments to ESG best practices:

Environmental

Better Planet: We aim to work to protect and conserve the world around us through sustainable practices and initiatives.

Social

Better Lives: We aim to remove the barriers to opportunity, health and wellbeing for our customers, colleagues and communities.

Governance

Better Business: We hold ourselves to the highest standards of responsible business, to ensure Asda is a fair, safe and transparent place to work and shop.

Within these pillars, we now have our clearest view to date of the most important topics to our business and to our stakeholders, derived from a detailed materiality assessment.

LEARN MORE

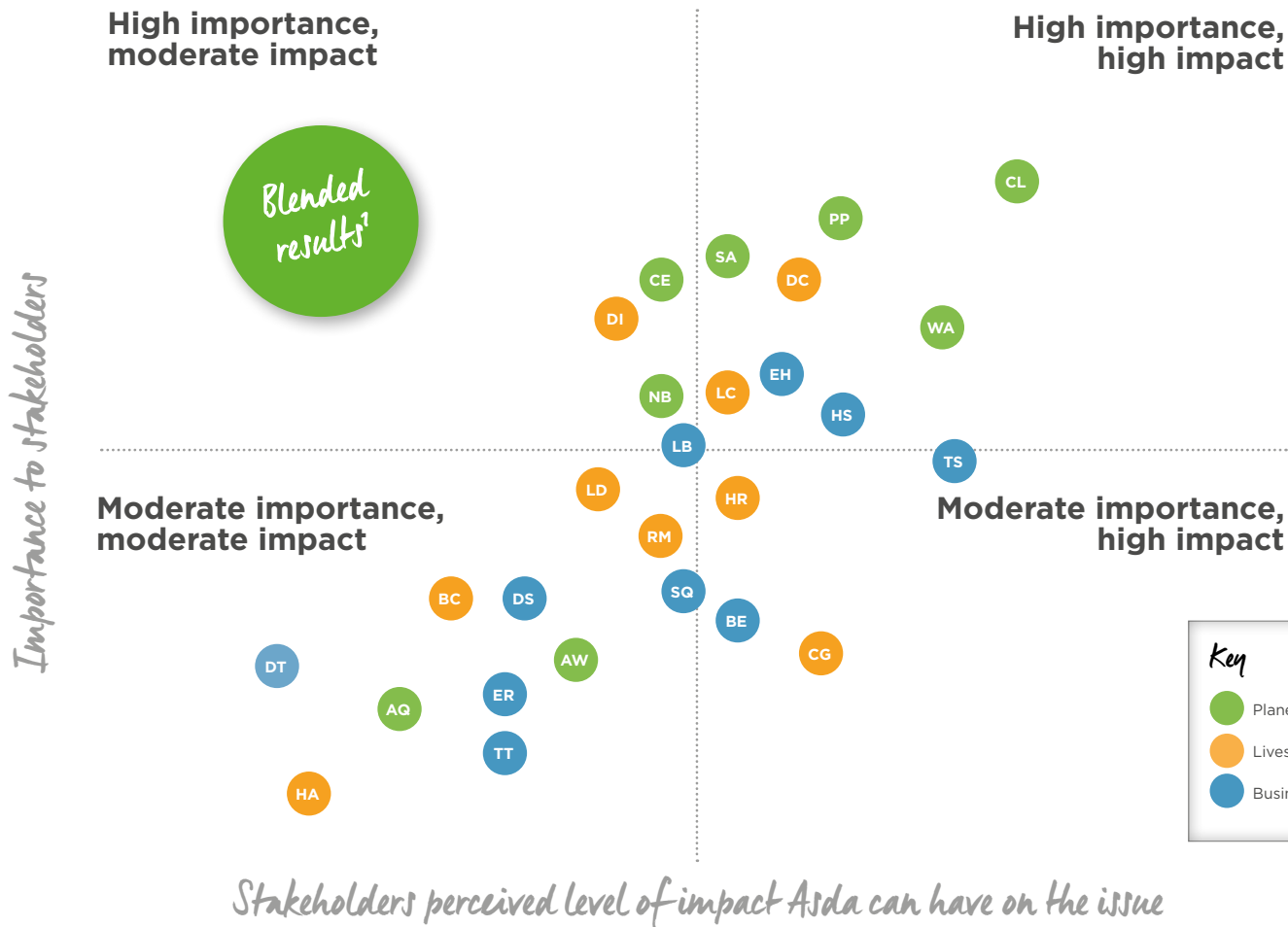
[More on Creating Change for Better](#) →

[Find out more about our commitments](#) →



How we prioritise ESG topics

Our strategic priorities are rooted in rigorous analysis of international best practices, sustainability principles, regulations and megatrends. In 2021, we commissioned PWC to engage a wide range of stakeholders in a materiality assessment that also involved peer review and wider research. Below is a summary of the ESG issues prioritised by importance to stakeholders and the impact we can have as a company.



Topics

- AQ** Air quality
- AW** Animal welfare
- BC** Behaviour change and awareness
- BE** Business ethics and compliance
- CG** Charitable giving
- CE** Circular economy
- CL** Climate and energy
- DS** Data Security
- DT** Digital transformation
- EH** Employee health, safety, wellbeing, and rights
- ER** Executive remuneration
- WA** Food and operational waste
- SQ** Food safety and quality
- DC** Healthy, inclusive, sustainable dietary choices
- HR** Human rights
- DI** Inclusive workplace (D&I)
- LD** Learning and development
- LB** Local and British sourcing
- HA** Making healthcare services accessible and affordable
- SA** Making sustainability accessible and affordable
- NB** Natural capital and biodiversity
- PP** Plastic and packaging
- RM** Responsible marketing
- HS** Supporting customer health and safety
- LC** Supporting local communities
- TT** Tax transparency
- TS** Transparent and responsible sourcing

[Find out more about the Materiality Assessment](#) →

¹ These comprised more than 200 Asda colleagues, two suppliers/partners, two industry bodies, nine NGOs and one investor. Customer Views were fed into the overall results and were obtained by leveraging previous research commissioned by Asda and conducted by ResearchBods.

Our focus



These ESG topic areas are ones upon which Asda can have a major impact, namely our climate change response, how we deal with packaging, food and operational waste, enabling our customers to enjoy healthy, sustainable diets and supporting our local communities. These priority issues are given extra focus and resource, to ensure that we remain on track and moving at pace to meet our commitments.

Meanwhile, we remain vigilant of emerging priorities such as biodiversity, circular economy and equity, diversity and inclusion, and have teams actively progressing all other areas of ESG topics identified in the materiality matrix (see page 6).

LEARN MORE

[Our ESG Approach](#) →



Change for Better beyond Asda

Our ESG programme spans the entire Asda value chain, from farm to fork, and customers to colleagues.



Agriculture and production

Agricultural inputs
Working with rural communities

Nature

Working with farmers to protect nature, and promote animal welfare

Carbon

Emissions produced indirectly by activities in our supply chain, such as farming (Scope 3).

Improving practices at a farm level to help protect and restore natural resources and ensure animals are treated humanely and with respect.

Sourcing and processing

Production
Processing
Transportation

Nature

More sustainably sourcing ingredients, deforestation

Carbon

Emissions produced indirectly by activities in our supply chain, such as processing raw materials (Scope 3)

Workers

Protecting the human rights of those working in the supply chain

Sourcing ingredients in a way that protects and restores nature, while respecting human rights. We're working to prevent the waste of food, plastic and packaging and promote low-carbon transportation.

Direct operations

Logistics
Transportation
Stores and online

Carbon

Direct emissions from our business and activities, including transporting our products to our stores (Scopes 1 & 2)

Waste

Food waste, plastic and packaging

People

Colleague engagement, diversity and inclusion, colleague development

We're taking steps to transport our food to stores with low-carbon logistics, and direct any surplus edible food to those who need it most. We're fostering a safe, inclusive workplace where our colleagues can grow and develop.

Customers and communities

Purchase use
Disposal
Community impact

Nutrition

Healthy products, ingredients and labelling, educational campaigns

Community

Food poverty, local communities, national charities

Ethics

Ethics and compliance

We're making healthier choices easier, innovating to increase the proportion of healthy, sustainable products in our own-brand ranges, and raising awareness of healthy living among our customers. We operate as an ethical business and support our communities.



We aim to protect and conserve the world around us through sustainable practices and initiatives.

Environmental Better PLANET

CO₂



Better PLANET

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[Our environmental impact at Asda →](#)

[Our strategic commitments →](#)



Greener at Asda Price

Sustainable choices that save our customers money, cut our costs and protect our planet.



Carbon

Our mission →

Eliminating carbon emissions

Our vision for 2040 →

An end to end net zero carbon emissions business

Our 2025 priorities →

- ✓ **Priority 1**
50% lower direct GHG emissions
- ✓ **Priority 2**
Develop measurement of Scope 3 non-direct emissions



Nature

Sourcing and farming which respects and restores

A regenerative impact on nature, all food sustainably produced

- ✓ **Priority 3**
Top 20 commodities more sustainably sourced
- ✓ **Priority 4**
Develop natural resource stewardship programme



Waste

Elimination of food, product and packaging waste

A zero waste world, where nothing goes in the bin

- ✓ **Priority 5**
Zero operational waste¹
- ✓ **Priority 6**
Reduce Food Waste by 20%
- ✓ **Priority 7**
Reduce packaging and drive 100% recyclability of what remains



Customer Value

Greener choices which save our customers money

Carbon neutral baskets which save our customers money

- ✓ **Priority 8**
Enable Asda customers to shop more sustainably
- ✓ **Priority 9**
Rapid acceleration of cheaper, greener products

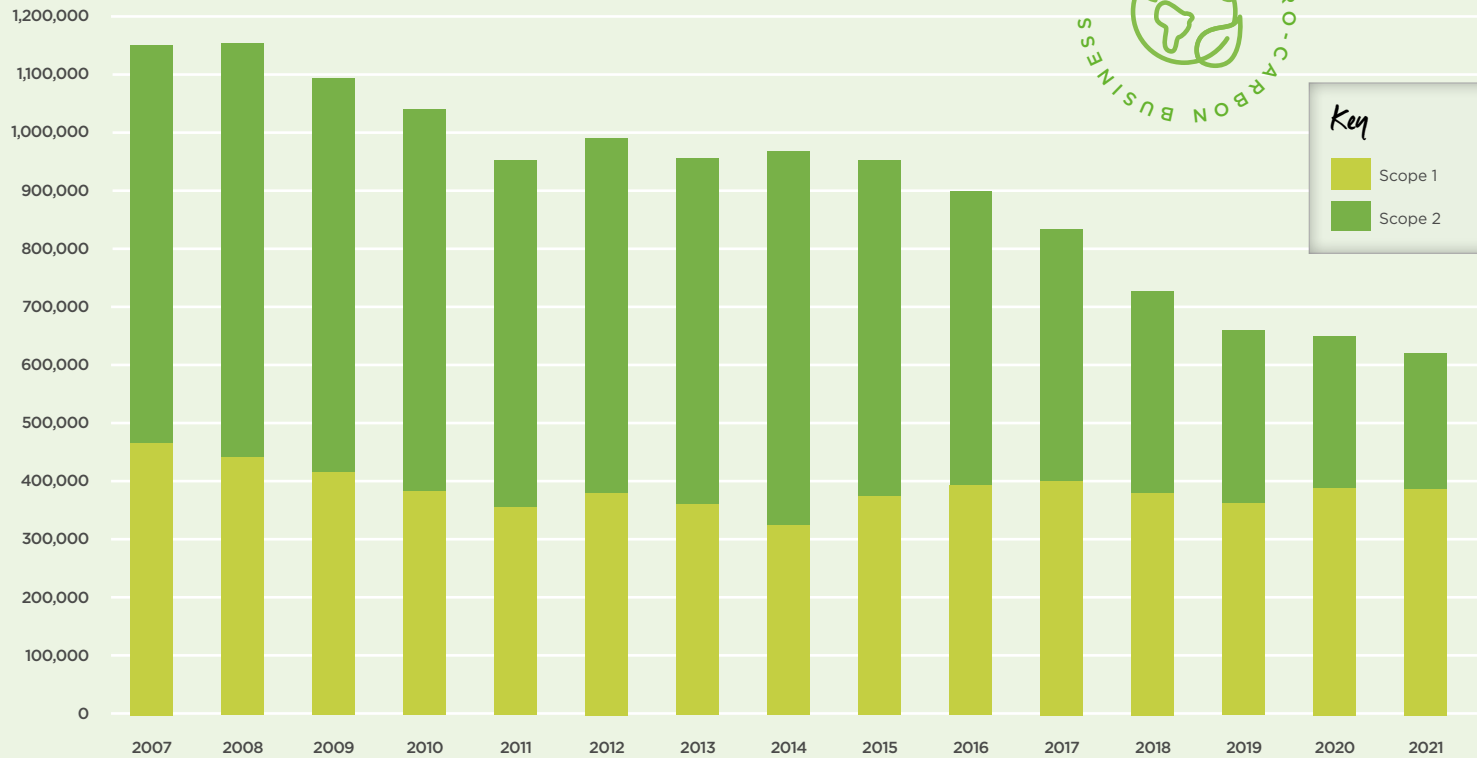
¹ Asda definition of zero waste is 90% diversion from landfill and incineration (including energy recovery) or 90% of operational waste reused, redistributed, recycled.



Carbon

In 2021, we passed more milestones on our path to becoming a net zero-carbon business by 2040. Alongside actions to reduce direct and indirect greenhouse gas (GHG) emissions, we also mapped our value chain so that we can extend climate action into our supply chains.

Change in annual emission by Scope 1 and 2 since 2007¹



Key

- Scope 1
- Scope 2

Our Science-based reduction aligned targets¹ build on a 14 year track record of reducing our carbon emissions:

- 
 Our 2021 Scope 1 and 2 footprint stood at 624,679 tonnes CO2 equivalent (tCO2e) - representing a 5% decrease on 2020 and an overall 35% decrease since our 2015 baseline year.
- 
 Scope 1 emissions² (fuel, fleet and refrigerants) have dropped by a further 1%.
- 
 We continued our transition to lower carbon refrigeration systems, achieving a 19.45% reduction in direct refrigerant emissions intensity³.
- 
 We have reduced Scope 1 and 2 total energy consumption intensity by 7% from our 2015 baseline (0.7% on 2020) through initiatives such as LED lighting upgrades, new fridge shelf edge technology, fridge controls optimisation and energy efficiency trials.
- 
 We remain on track to source 50% of our electricity from renewable energy sources by 2025.

¹ Science-based targets are defined by the Science-Based Targets Initiative as those designed to limit global warming well-below 2°C above pre-industrial levels and pursue efforts to limit warming to 1.5°C. At Asda, and under our previous ownership, our science-based target was aligned to follow the principles of SBTi. In 2022 we committed to setting our own SBTi target.
² Scope 1 refers to direct emissions from fuels such as natural gas or diesel used onsite, vehicles owned and operated by the organisation, fuel oil we use across our estate and any fugitive emissions associated with refrigerant gases. Scope 2 consists of indirect emissions from the generation of purchased electricity consumed in operations. Scope 2 emissions are reported using the GHG protocol location based approach. All electricity is accounted for using the average UK grid emissions intensity of 0.2556 kgCO2e/kWh. We have calculated and reported our emissions in line with the GHG Protocol Corporate Accounting and Reporting standard (revised edition and emission factors from the UK Governments GHG Conversion factors company reporting 2020 and the Carbon Trusts internal emission factor data base. The emissions are reported using the financial control approach. The calculations include data from 1st Jan-31st of December each year.
³ Measured tCO₂e per foot of retail space.



CHANGE FOR BETTER IN ACTION

On the road to greener transport

2,176 tCO₂^e reduction in fleet emissions from 2020

In 2021, we increased our bio-gas HGV fleet to 342 vehicles and invested in six biogas stations, giving Asda the largest biogas-powered HGV fleet in the UK. Our aim is to operate almost 1,000 biogas trucks and invest in 10 further biogas stations by 2024, as we complete the programme.

Meanwhile, our Asda Online fleet of 3,000 vehicles were all upgraded with Lightfoot software that enables drivers to operate more efficiently and safely. Connected to the vehicle's on-board computer, the system converts data into live driving advice in order to reduce fuel and carbon emissions.

Our next priority is to electrify the Asda Online delivery fleet by 2028 and we are already underway with work to overcome range, charge speeds and infrastructure challenges.

On employee travel emissions we have become the first British supermarket to:

Commit to switch all 600+ company cars to electric by 2025.

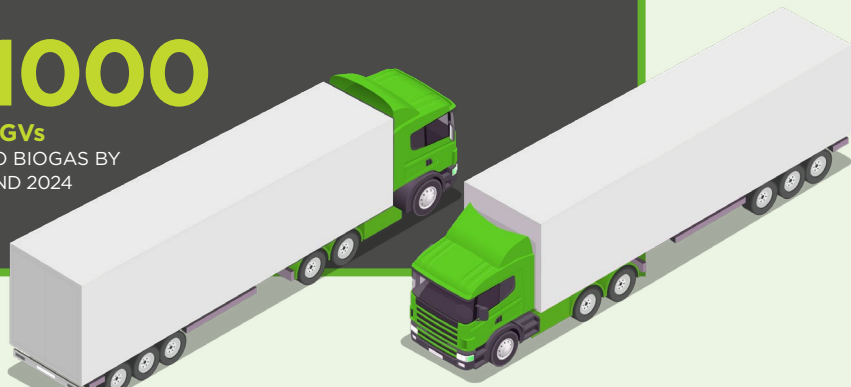
And not forgetting the impact of customers driving to our stores:

We installed more free e-vehicle charging points at 19 West Yorkshire stores, thanks to a new partnership with Engie.

342 **1000**

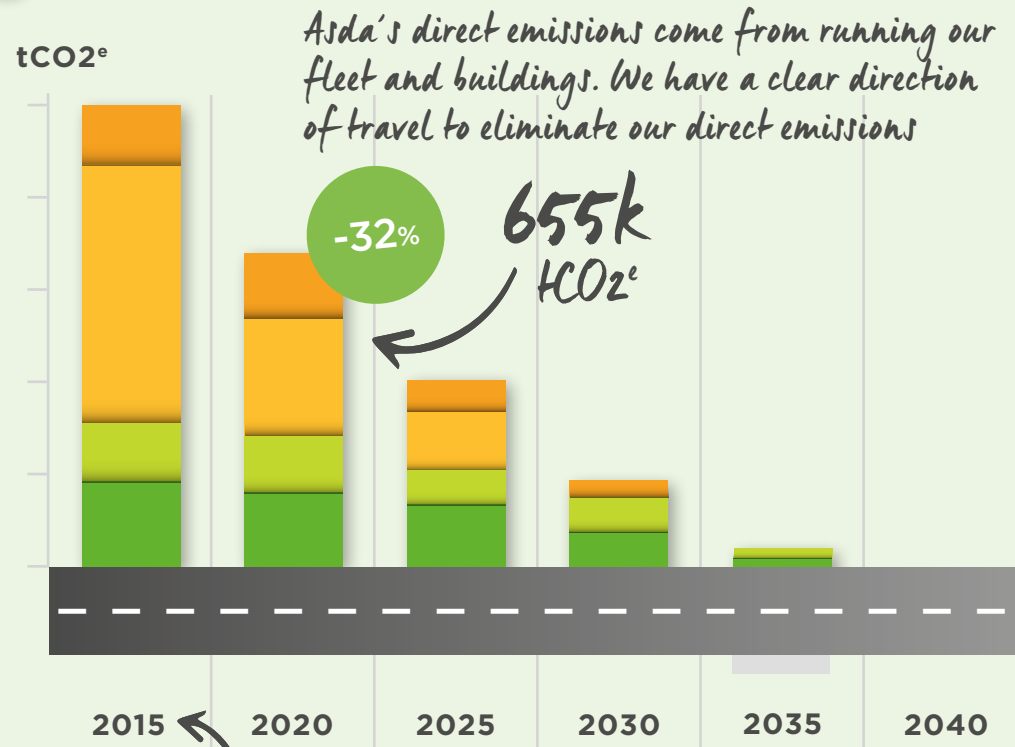
HGVs TO BIOGAS IN 2021

HGVs TO BIOGAS BY END 2024



Roadmap to net zero

In 2021, we worked with PWC to establish a clear roadmap to achieving net zero greenhouse gas emissions within our own operations, as we work towards end-to-end net zero by 2040.



Key

■ Fleet	■ Refrigeration
■ Electricity	■ Offsets
■ Heating	



Our total carbon footprint

When combined with our existing Scope 1 and 2 data, we are now able to establish a value chain baseline for our carbon emissions and have committed to setting a Scope 1, 2, 3 and FLAG¹ science-based target. We'll set this ahead of our previous 2025 deadline.

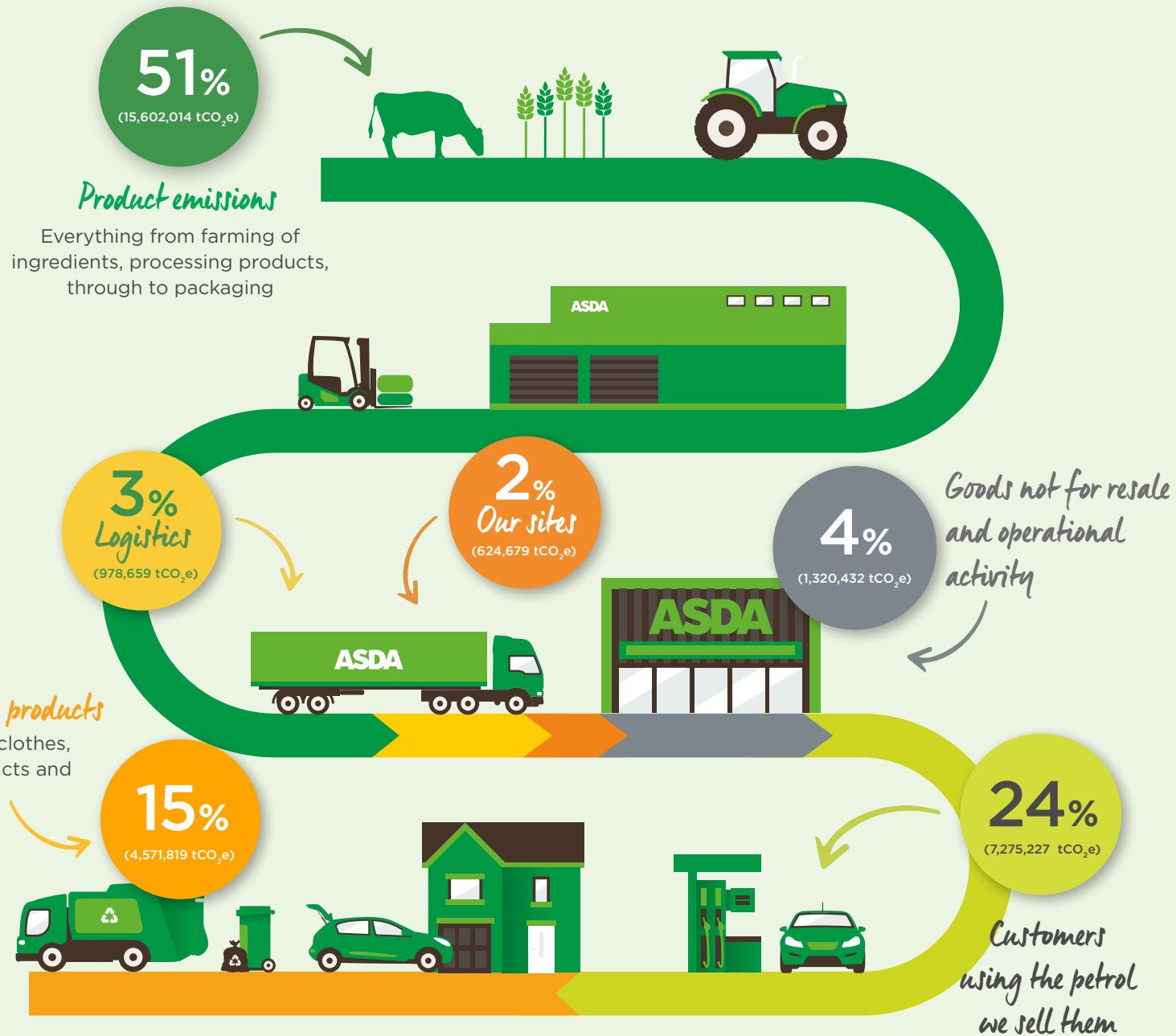
While undertaking this work, we continue to engage suppliers, dedicating our 2021 supplier sustainability conference to asking 150 of our strategic supplier partners to make climate commitments for the products they sell us before the end of 2022.

Our full carbon footprint baseline is 30,372,830 tCO₂e (-2% on 2020)



Understanding our climate impact across the value chain

In 2021, we worked with the Carbon Trust on a landmark project to model our Scope 3 GHG footprint².



¹ Forest, Land and Agriculture (FLAG)
² The model covers where we have either operational control or a significant ability to influence either directly or indirectly and all goods directly purchased by Asda to be sold to end customers. Exclusions to the model: upstream and downstream leased assets, downstream transportation and distribution, processing of sold products and Asda franchises.



Nature

We are committed to sourcing in ways that respect and restore nature. With a focus on our Top 20 most widely used ingredients or materials, we can now report that 10 are more sustainably sourced.



Tea

100% of own brand tea (excluding flavoured teas) Rainforest Alliance Certified.



Bananas

100% bananas Rainforest Alliance Certified or Fairtrade certified.



Soya (in animal feed)

74% certified traceable to origin systems (see our CCFB website for more info)



Coffee

100% ground and bean coffee Rainforest Alliance Certified or Fairtrade certified.

Cocoa

95% of our cocoa is sustainability sourced through either Rainforest Alliance Certification, Barry Callebaut Cocoa Horizons or Fairtrade certification.



Fish

99% Marine Stewardship Council certified or working towards certification under a Fishery Improvement Project.





Polyester

36% recycled content certified to the Global Recycled Standard scheme.



Timber, paper and pulp

98.6% of paper-based products come from forests certified by the Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification.



Palm oil

99.8% total certified physical sustainable palm¹.



Cotton

91% Better Cotton, organic or Recycled Cotton. Made in Africa certified.



Next steps

for commodity sourcing

Expanding to incorporate more commodities and tailored to those that are most significant to our business, in 2022 and beyond we'll be focusing on:

- Beef
- Berries
- Chicken
- Dairy
- Grapes (table and wine)
- Lamb
- Pork
- Rice
- Soft citrus
- Wheat

Find out more about responsibly sourced fibres at George →

Find out more about deforestation →

Find out more about sustainable seafood →

1. Mass balance (36.9%) + segregated (62.8%) + identify preserved (0.1%) = 99.8%. See our CCFB website for more details.

Developing biodiversity plots

Asda's joint programme with Syngenta on Green Headlands has continued to expand the acreage of biodiversity plots sown to nearly 1000 acres.

The mixes sown have been assessed for insect life and abundance and for nutrient capture for subsequent crops. The biodiversity plots are sown on land historically left bare at the end of potato and other root crops' fields. The Green Headlands work shows this land can be usefully deployed for biodiversity improvement and to retain nutrients.

[Find out more about our Farming and Nature practices](#) →

Asda Syngenta Greenhead project showing biodiversity plots grown alongside field vegetable production



Backing more sustainable farming in Britain

In 2021, 100% of our own-brand dairy (milk, cream, butter and cheddar), eggs, potatoes and primary and breaded chicken came from British farms. We also sourced 90% British beef by December 2021, with supply chain challenges preventing us from achieving our 100% target.

We continued to engage with 100 British farmers on a range of sustainability challenges through 2021. We held a number of collaborative sessions with dairy farmers as part of the Arla¹ dairy farming development programme. We also collected more soil and biodiversity data from produce growers as part of our ongoing trials to support healthy soils and high crop yield and quality, while attempting to reduce risks such as flooding and erosion and also enhancing habitats for wildlife. Some of our long-standing potato and onion farmers have applied a tool to assess chemical, physical and biological soil health, developed for us by the National Institute of Agricultural Botany (NIAB) and the University of Cambridge Institute for Sustainability Leadership, to highlight risk spots in individual fields. This pilot will continue into 2022 in order to refine the soil health tool with focus group feedback, before rolling it out more widely by 2025.



83% of International Procurement & Logistics (IPL) contracted potato suppliers had pollinating bio-diversity areas within their cropping area

¹ Arla is a large European dairy co-operative and supplier to Asda.



Waste

Through an end to end focus on waste and moving towards circular economies, we can eliminate waste of all kinds – from the field or factory, to supermarket shelves and customer homes.

Food Waste

As a major food retailer, we are determined to do whatever we can to reduce food waste, right across the value chain. Today, 99.4% of the food we handle completes the value chain journey to customers' homes.

COVID-19 lockdowns and supply chain disruption brought significant challenges for forecasting and, as a result, our overall food surplus increased in 2021. We are pleased, however, that we increased both the proportion of our total surplus redistributed and the absolute number - redistributing 18% more food than in 2020 and 75% more than in 2019. Our full food waste and redistribution (tonnage) data is available to [view here](#).

18% more food surplus redistributed

Find out more about Waste at Asda →



CHANGE FOR BETTER IN ACTION

What happens to surplus food at Asda?

Since 2013 Asda has been working with FareShare to donate surplus food caused by over-supply, damages or short-date codes directly from our chilled depots. Since then we have expanded our charity donation programme to include our home offices, ambient depots and since 2020 all stores have been able to donate surplus through FareShare Go.



When we have bread that is too stale to be donated to charity we send it to be used for animal feed.

In 2021, 1071 tonnes of bread was sent for animal feed, +39% vs 2020



Inedible food is sent for anaerobic digestion.

This creates energy and the by-product called digestate is used as a fertiliser for farms



Stores donate flowers and food from three areas: fruit and vegetables, bakery and ambient, including food packets, cans and bottles (food with a best before date).

Since 2018 we have donated over 8.2m meals from our store donation programme



Split multipacks of products are sent for resale.



Quality rejections at chilled depots are donated to FareShare.

Operational Waste

Asda has been a zero waste to landfill business since 2019 and is working hard to deliver zero waste through group wide efforts to reduce, reuse, recycle and redistribute operational waste.

Our definition of zero waste is 90% of all operational waste being reused, recycled, repurposed or donated to charity, with zero waste to landfill. We aim to achieve this by 2025 and in 2021 stood at 88.1%, up 0.1% on 2020, with nothing ending up in landfill again as in 2020. We're constantly looking for ways to drive down our waste and to create new uses for our waste products at the end of its life, as we work towards our target.

Waste from stores is collected and delivered for recycling via our nine Asda service centres. The cardboard is most likely to return to Asda as a new cardboard box, while some of our plastic film is given a second life as an Asda Bag for Life.





Plastic & Packaging

Sometimes, without good packaging, food has a shorter shelf life and can be damaged or destroyed. This means a higher chance of wasted food and risks to human health or nutrient intake.

However, we recognize that packaging, particularly single-use plastic, is a material issue for Asda and for the entire sector. Our strategy continues to be to work product-by-product, store-by-store to reduce our packaging and/or wherever possible replace with more recyclable material.

In 2018, we set a target to reduce our primary plastic packaging by 9,750 tonnes by 2021 relative to our 2017 baseline, which we exceeded in 2020 with a reduction of 9,821 tonnes.¹ We are now working through the latest science and data before making a further reduction commitment, to make sure we don't drive any unintended consequences. We also know that relative targets only tell part of the story and, in 2020, absolute Asda Brand primary packaging increased by 5% in weight. Plastic packaging tonnage increased by 6% and plastic packaging pieces increased by 2%. This was predominantly driven by significantly increased sales of categories with heavier packaging such as pasta sauces, dairy, soft drinks, cleaning and homecare, and desserts & baking. The growth in sales for these categories was in sync with the COVID-19 related market trends in 2020.

We did, however, continue to make progress towards our 2025 target of 100% recyclability, with 85% of total packaging recyclable at home (2019: 84%) and a further 4.5% recyclable at our stores (2019: 4.4%).

We also continued to increase the recycled content of our plastic packaging, helping to stimulate the market for recycled materials and enabling investment in new recycling infrastructure and technologies. In 2020, we estimate there was 28.5% recycled content in our own-brand primary plastic packaging (2019: 24.8%).

In 2021 we improved our measurement systems so that we can now identify any non-compliant materials by supplier and work with them to drive complete eradication of 'problematic' plastics.

This data relates to 2020; 2021 data will be added to our website later when available. Consumer purchasing patterns remained uneven in 2021 and this will likely reflect in the 2021 packaging footprints.



We're working product-by-product, store-by-store to use the lowest impact packaging we can...

28.5% Recycled content of Asda Brand primary packaging (2019: 24.8%), meaning we are on track for at least 30% by 2025.

85% of Asda Brand packaging is recyclable in customer homes via kerbside collections (2019: 84%), a further 4.5% of Asda Brand packaging is accepted in our stores for recycling.

¹ Relative target measuring weight saved per unit multiplied by annual sales volume.



Where next?

Creating a circular economy for fashion

By working towards a circular economy¹ for fashion, we can eliminate waste in our stores, warehouses and supply chains.

George is committed to the Ellen MacArthur Foundation's Jeans Redesign Project - working with our designers and suppliers to design products to be used more, made to be made again, and made from safe and recycled or renewable materials.

This means that we use organic cotton or FSC Certified man-made cellulosic fibres, no hazardous chemicals, the styles are durable, and we design them to be easily recyclable.

Providing a framework for the industry to provide clothing that is safe and made from renewable materials.



George is part of the **SUSTAINABLE APPAREL** Coalition to engage factories and garment processors in environmental sustainability



A new life for old tech

Having worked with musicMagpie, a circular economy pioneer in refurbished technology, to sell pre-owned DVDs and CDs in Asda stores for a number of years, in 2021 we launched an exciting consumer opportunity around electronic waste (e-waste).

Anyone can get an instant valuation for their mobile phones, either online or at a musicMagpie SMARTDrop kiosk in our stores. When the device is dropped into the kiosk, the consumer is paid instantly via their bank or PayPal account. Our teams then get the device to musicMagpie quickly and safely for refurbishing – creating a fully circular system for hardware.

musicMagpie



“WE ARE THRILLED THAT A BUSINESS OF ASDA'S PRESTIGE AND NATIONAL REACH HAS RECOGNISED THE VALUE OF MUSICMAGPIE'S UNIQUE CIRCULAR ECONOMY MODEL, AND IS NOW PREPARED TO SCALE UP OUR PARTNERSHIP SO DECISIVELY AND QUICKLY.”

Steve Oliver, Chief Executive and co-founder musicMagpie



¹ A circular economy is a systemic approach to economic development designed to benefit businesses, society, and the environment. In contrast to the 'take-make-waste' linear model, a circular economy is regenerative by design and aims to gradually decouple growth from the consumption of finite resources. <https://archive.ellenmacarthurfoundation.org/explore/the-circular-economy-in-detail>.



Customer value

Making sustainability accessible, engaging and affordable for customers is how we can really create change for better. As a value-focused retailer, there is a role for Asda to support customers to shop more sustainably.

We know that price is one of the biggest barriers to customers shopping in more sustainable ways. In 2021, our customer research¹ ahead of COP26 found that 76% of consumers suggested lower prices would help them shop more sustainably, with 56% saying greater choice; and 50% of consumers wouldn't spend more on sustainable products. That's why **we are committed to making it easier for our customers to shop sustainably** by helping our customers discover simple greener choices which won't cost more.

“OUR RESEARCH SHOWS THAT CONSUMERS FROM ALL BACKGROUNDS CARE ABOUT SUSTAINABILITY BUT DON'T EXPECT TO PAY MORE FOR A GREENER ALTERNATIVE WHEN THEY SHOP.”

Susan Thomas, Senior Director of Commercial Sustainability, Asda

The Grocer² magazine found that an Asda basket was £5.79 cheaper than the next lowest-priced supermarket when comparing 33 green products²



CHANGE FOR BETTER IN ACTION

More refill options for customers in 2021

Greener at Asda Price means customers shopping in any of our refill zones will pay the same or less for a product than its packaged equivalent. Our refill zones are currently available at stores in Middleton, York, Toryglen and Milton Keynes where customers can fill up on more than 75 big brand dry products, including Mars pet food, Napolina pasta, Yorkshire Tea, Taylors of Harrogate Coffee, Dr Oetker and Silver Spoon. We also offer prefill returns for Coca Cola, Alberto Balsam, Persil, Radox, Simple, while feature bays include Brita, Soda Stream, P&G, Cif Eco refill and Ocean Saver.



We extended refill to 3 more stores, including our biggest ever in York, and an 'in parent aisle' in Toryglen to compare how customers react.

¹ Survey of 3000 UK consumers in October 2021.
² Green products are defined as organic, plant-based or easy to recycle.



Did you know?

We mapped our full carbon impact, so we can work to drive down emissions wherever they arise.

The Grocer magazine found that a 'green' Asda basket was £5.79 cheaper than the next lowest-priced supermarket



Refill

75 big brand dry products & Asda own brand products

85% of Asda Brand packaging is recyclable in customer homes via kerbside collections



The iPhone 11 was the most traded mobile phone in 2021 at musicMagpie SMARTDrop kiosks in Asda



35% reduction in scope 1 & 2 carbon emissions since 2015



100%

of our own brand dairy², eggs, potatoes and chicken came from British farms.

We distributed 18% more surplus food than in 2020

3.3m school uniforms³ with responsibly sourced fibres sold

The George Preloved vintage fashion range has diverted 20,500 garments from prematurely ending up in landfill¹



¹ Since 2020
² Dairy includes milk, cream, butter and cheddar. Chicken includes primary and breaded chicken.
³ A school uniform comprises shirt/polo, bottoms (trousers, skirts, dresses) and a jumper/sweater. All cotton in our uniforms is 100% responsibly sourced via Better Cotton, all polyester will have a minimum of 30% recycled content certified by Global Recycling Standard and all viscose will be from managed forests and FSC Certified.



We aim to remove the barriers to opportunity, health and wellbeing for our customers, colleagues and communities

Social Better LIVES



Better LIVES

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Better Lives for all

We aim to remove the barriers to opportunity, health and wellbeing for our customers, colleagues and communities.



Customers



Local Communities



Colleagues



Supply Chain Communities

Our mission →

Supporting our customers to enjoy healthy, sustainable diets

Enabling togetherness, connections and resilience in Asda communities

Empowering colleagues to be their best selves

Ensuring the dignity of the people who make the products we sell

Our vision for 2040 →

A quantifiable positive benefit on our customers' health

A long-term, positive social impact on the communities we serve

A measurably more inclusive business, providing opportunities for colleagues to progress

A mature, proactive, data-led programme that manages risk in partnership with suppliers

Our priorities →

- ✓ Priority 1¹
Increase the proportion of healthy own brand products to 60%
- ✓ Priority 2¹
Increase number of Live Better products to 1,200
- ✓ Priority 3¹
Grow Asda Plant Based sales by 100%

- ✓ Priority 6³
Improve outcomes for 5 million kids in Asda communities
- ✓ Priority 7³
A safe, inclusive space to meet in every Asda community
- ✓ Priority 8³
To raise £100m for Asda Tickled Pink

- ✓ Priority 4²
Establish and improve our colleague Wellbeing Index
- ✓ Priority 5²
30% female General Store Managers

- ✓ Priority 9²
Implement a Human Rights due diligence approach that goes beyond audit
- ✓ Priority 10²
Develop principles of remedy for issues in our supply chain

1 2024 priority.
2 2025 priority.
3 2026 priority.



Customer health

As a major food retailer in the UK, we have a key role to play in making healthier food affordable and appealing. We're extending this idea into other essential services, making healthcare convenient and accessible to more who need it.

In 2020 we set out our ambition to increase the proportion of healthy own-brand products to 60% and introduce **1,200 Live Better** product lines by 2024. We've since added 484 new Live Better product lines, bringing our total to 746. The criteria for qualifying for the Live Better icon is aligned to the OFCOM Nutrition Profiling model and the Eatwell guide as well as to our own category specific nutrition criteria.



We also made a significant investment on our fresh fruit and vegetables with the launch of our in-store greengrocers (in 150 of our stores) all of whom have had **nutrition and health training** from Asda's qualified Nutritionists to support their role, which included prep videos, top tips for including fruit and veg in the diet, waste prevention and what counts as one of your five a day.

484
Live Better product lines added in 2021

We continued to reformulate to improve the nutritional content of our products and cater for all diets. For example, we fortified with vitamins and minerals our dairy alternative drinks ranges and our Free From cheese range to match the nutrient profile of their dairy equivalent, and also fortified our Free From bread to match the equivalent wheat product.



The power of plants

Aiming to make healthy and sustainable diets easy for customers, we collaborated with the Institute of Grocery Distribution (IGD), researchers at the University of Leeds and other retailers and manufacturers to test strategies to encourage customers to make healthy and sustainable choices and drive long-term behaviour change. As part of the IGD activity, Asda is currently running trials in six stores, which have been selected in order to understand differences across geographies and socioeconomic groups of customers.

Meeting the growing demand for plant-based diets, our Asda Plant Based range, which is accredited by The Vegan Society, continued to go from strength to strength, growing by 33.1% on 2020 (by value).

This follows our 2020 commitment to grow Asda plant based sales by 100% by 2023.



CHANGE FOR BETTER IN ACTION

Greengrocers in stores

To promote fresh fruit and vegetables, we launched our in-store greengrocers trial at 150 stores in the second half of 2021.

Our greengrocer experts are on hand to support customers and to ensure the fresh produce area is kept to a high standard of quality, availability and presentation. Greengrocers are just one example of our £9 million investment in choice and quality of fresh fruit and veg, including more Extra Special items and making fresh produce areas in our stores even more inviting.

A new approach

Upcoming UK government legislation will restrict locations in which supermarkets can sell products high in fat, sugar and salt, so we're looking at how to best implement these changes for our customers.

At six of our stores we have been trialling exclusion zones for products high in fat, sugar and salt around shop entrances, and we've improved healthier product signposting in high footfall areas and made layout changes in bakery, end of aisle promotions, confectionary aisles, frozen fruit and checkouts.



“THE FRESH PRODUCE SECTION IS ONE OF THE MOST POPULAR LOCATIONS IN OUR STORES AND MORE THAN HALF OF OUR BEST-SELLING LINES BY VOLUME ARE GENERATED FROM THIS AREA. WE ARE MAKING THIS INVESTMENT TO ENHANCE THE EXPERIENCE OUR CUSTOMERS RECEIVE WHEN SHOPPING FOR FRESH FRUIT AND VEG.”

Mike Snell, Managing Director, Fresh Produce, Asda

CHANGE FOR BETTER IN ACTION



Pharmacy and Optical Care

We offer a range of NHS and private healthcare services and have been proud to play our role in the UK's COVID-19 vaccine rollout, being the first UK supermarket to open a COVID-19 vaccination centre in January 2021, the first to give booster vaccinations and the first to reward young people for getting a vaccine.



1st UK supermarket to deliver COVID-19 booster vaccinations and to reward young people for getting vaccinated.

In total, we delivered 185,653 COVID-19 vaccinations and 157,352 flu vaccinations on behalf of the NHS and for patients privately over the course of 2021.

Alongside their vital role during the pandemic, our in-store pharmacies have continued to innovate, adding a new Online Doctor service, which provides consultations in extended hours, with affordable treatments available within 24 hours of a consultation (including doorstep delivery options).

What's more, all 254 Asda Pharmacy sites stayed open throughout the pandemic, providing a continuity of care for other health needs, along with our 157 Asda Opticians.

CHANGE FOR BETTER IN ACTION

Our men's health study

Asda Pharmacy conducted a study¹ into men's health, seeking to establish the factors preventing them from getting health advice.

The findings were concerning: 61% of men stated they tend to bottle up health concerns as they don't want to worry anyone, whereas 27% said they feel embarrassed to talk about a problem face-to-face, with 60% agreeing they would be significantly more likely to seek medical advice if consultations were online. With our new Online Doctor service, we're helping to overcome these worries and by giving men get help and advice in confidence.

"FOR MEN WHO ARE RELUCTANT TO SEE A DOCTOR FACE TO FACE, AN ONLINE SERVICE SUCH AS ASDA PHARMACY'S ONLINE DOCTOR SERVICE IS THE PERFECT SOLUTION."

Gareth Thomas, Former Wales Rugby Player, working with us to help encourage men to get help for health worries.



¹ The survey was conducted between 17-20 August 2021 amongst an independent online panel of 2,001 men in the UK aged over 18.



CHANGE FOR BETTER IN ACTION

Making shopping even more inclusive

Hidden Disabilities

Around 85,000 colleagues were trained to be Sunflower Allies within the Hidden Disabilities Sunflower Scheme in 2021. We made 14,000 sunflower lanyards available to customers in our stores and supported the Distance Aware Scheme for shielding customers in each of the four nations of the UK.



Dementia Support

For people with dementia or other hidden disabilities, background noise can be distracting and disorientating so and we have increased shopfloor training in dementia so our colleagues understand the impact of dementia and how it changes customers' needs.

A more accessible Asda

We have updated the Asda store locator online to provide better accessibility information in each one of our stores, including information about changing places bathroom facilities, braille guns and hearing loops which are available in a number of stores across the country.

Store Locator



Quieter Hour

We've trialled having a 'quieter hour' in stores since 2018, during the quiet hour we dim the lights and turn down the music. Quieter hour is a permanent fixture across our stores from 2pm to 3pm on Mondays to Thursdays to help alleviate the pressure of shopping and increase inclusivity for those with hidden disabilities and additional needs.

Purple Tuesday

To show our support of Purple Tuesday, we turned all our Asda logos purple to draw attention to the challenges that disabled people face and to highlight the call to action to improve customer service. We were also the main sponsor of Purple365, a learning subscription service to access knowledge, and practical approaches to provide better every day experiences for disabled people and their families.

Audio map to help visually impaired customers

Always looking to the future, our trial tech store in Stevenage tested more technologies to improve inclusivity in 2021. One such example was the use of GoodMaps Explore, a navigational app which was originally built to help those from the sight loss community. Based on the positive feedback received from our blind customers and those experiencing shopping on their own for the first time we are looking at expanding the use of this tech to more stores.

Equity, Diversity and Inclusion at Asda →



"Purple is absolutely delighted Asda is our Purple 365 partner. To change the disability conversation requires organisations to take all their colleagues on the journey. Through knowledge, understanding, new approaches and confidence. Asda is doing exactly that and is the ideal partner to take everyone else with us. We are equally proud they are supporting Purple Tuesday."

Mike Adams OBE, CEO, Purple

"HAVING THE SUNFLOWER LANYARD HAS HELPED ME TO EXPLAIN MY CONDITION TO BOTH COLLEAGUES AND CUSTOMERS ALIKE SO THEY GAIN AN UNDERSTANDING OF HOW THIS CONDITION AFFECTS ME."

Zoe Dolphin, Online Grocery colleague in Asda Westbrook, suffers from Fibromyalgia



Supporting local communities



As UK communities began to emerge from the worst of the pandemic in 2021, we committed to a five-year plan that sees £50m worth of investment in our local communities and charity partners in the UK.

Our new Community Strategy builds on Asda's strong community heritage and our network of 391 Community Champions to strengthen community resilience, increase togetherness, and improve wellbeing.

Over the past year:

- ✓ Asda's charity, Asda Foundation, committed over £3.7m¹ in grants.
- ✓ Asda Foundation supported over 10,000 organisations and Asda colleagues.
- ✓ Our Asda colleagues also volunteered 367,737 hours of time², valued at £5.15 million.

Since we launched the Asda 'Community Champion' role in 2012, we have provided a dedicated colleague in all large stores with a focus on local charity fundraising and community support. The work of Community Champions, with Asda Foundation, remains a lifeline for many grassroots community groups and charities. Community Champions usually spend their time out and about delivering practical support, listening to our communities' needs, and working with local people to channel funding and assistance where it was needed the most.

Supporting local communities →



¹ Total includes contributions from Fight Hunger donations, Asda Foundation grants, corporate donations, activity resources, match funding, membership fees and donations through National Charity CRM initiatives. Based on BFSI criteria and data submission.
² Time² refers to Community Champions' wages incorporating number of hours and individual hourly pay per individual.



CHANGE FOR BETTER IN ACTION

Grassroots giving, in good times and bad

Our own charity, Asda Foundation, has been supporting Asda communities for more than 30 years, investing £40m+ to date.

In 2021, due to the pandemic, Asda Foundation moved its flagship Green Token Giving activity online to ensure that local community groups and charities could continue to receive vital funding at a time when they needed it more than ever. This enabled Asda customers to nominate and vote for their favourite local good causes, meaning shoppers can vote anywhere at any time, both instore and online.

Throughout 2021, Asda Foundation was committed to supporting communities through the lockdown and then bringing them back together to reunite, celebrate togetherness and assist local groups as they resumed activities in person again. In 2021 Asda Foundation spent £1.35m doing this.

“ALTHOUGH A MYRIAD OF LOCAL BUSINESSES HAVE BEEN WORKING ON GREAT OPPORTUNITIES TO SECURE SUPPORT, ONE CORPORATE HAS SHOWN REAL RESILIENCE THROUGH ITS CHARITY, ENSURING KINSHIP AND SUPPORT DURING LOCKDOWNS. THAT CHARITY IS ASDA FOUNDATION.”

Alexander Stewart, Member of the Scottish Parliament speaking at the Members Business Debate at the Scottish Parliament.

Asda Foundation →

£3.7m

Given by Asda Foundation to support small community groups and charities with local activities



10,000+

Organisations reached through Asda Foundation funding



CHANGE FOR BETTER IN ACTION

Creating Asda Better Starts

Our new platform for delivering a brighter future and tackling the barriers to children getting on. It's based on the simple belief that for children to reach their full potential, they need to have a positive beginning in life.

To us, this translates as:

- Removing hunger as a barrier to learning.
- Boosting wellbeing through participation and connection.
- Promoting inclusion so children feel seen and heard.

Through some of the transformational work we have done to fight hunger alongside FareShare and the Trussell Trust, our work with equality charities such as Diversity Role Models, and our 22 years of support for BBC Children in Need, we have a strong heritage of community support that has made a difference to children's lives. But as we navigated the year, we recognised that we could do more to help kids get a better start in life, and that we could have a greater impact by directly targeting our efforts to tackle hunger and promote inclusion and wellbeing on children and young people.

Our charity, Asda Foundation, has supported the Better Starts strategy by launching an under 18 Asda Better Starts grant that will support local grass roots community groups to give children the best possible start in life.

Helping children realise their potential

As a major family food retailer, levelling up opportunities for youngsters across the UK is something we are passionate about.

In 22 years, we've raised over **£28 million** to support disadvantaged children and young people through George cause-related marketing products and instore fundraising and awareness. Since 2020, we've been supporting children in crisis through BBC Children in Need's Emergency Essentials programme, which provides grants for families living in severe financial, health and social difficulties. It provides items that meet children's most basic needs such as bed to sleep in, a cooker to provide them with a hot meal, and any other items and services that are critical to children's wellbeing.

In 2021, we raised over £2.5 million, and we supported over 18,000 children and young people with an emergency essential item using monies raised in 2020.

BBC
**Children
in Need**



Tackling barriers:

Hunger

Through our Fight Hunger Create Change partnership, we invested over **£25 million** since 2018 as part of a three-year partnership with FareShare and the Trussell Trust. Together, we've transformed their charity infrastructure and resilience to tackle both the immediate symptoms of poverty by providing more food and tackling the root causes to create sustainable change to those facing poverty. Asda Better Starts builds on this work, by providing a clear focus on children and removing hunger as a barrier to learning and reaching their potential.

“AT A TIME WHEN DEMAND FOR FARESHARE’S SERVICE HAS NEVER BEEN HIGHER, ASDA’S SUPPORT HAS BEEN NOTHING SHORT OF TRANSFORMATIONAL.”

Lindsay Boswell, CEO, FareShare



“THE FIGHT HUNGER CREATE CHANGE PARTNERSHIP HELPS US TO PROVIDE IMMEDIATE SUPPORT, BUT ALSO HELPS US CONTINUE TO PUSH FOR THE CRUCIAL CHANGES, THAT WILL GET MONEY INTO THE POCKETS OF PEOPLE WHO NEED IT MOST.”

Emma Revie, CEO The Trussell Trust

Food Poverty →

CHANGE FOR BETTER IN ACTION

Supporting children in our local communities

Asda Community Champions supported social investment company, Rethink Food, to trial the creation of community shops in primary schools

Run by pupils for pupils, and with food sourced by Rethink Food, the shops give struggling families access to food without stigma, due to their focus on the environmental impacts of food waste as opposed to food poverty.

Supporting local communities with Food Drives

In May, 382 Asda stores took part in the month-long food drive as part of our wider Fight Hunger Create Change partnership, through which we've enabled 100 million meals to be donated to more than 1 million people in crisis since 2018.

Christmas Boxes

Community champions nominated schools and delivered special Christmas Eve boxes filled with festive treats and gifts to 20,000 disadvantaged schoolchildren aged 7-11 to bring some Christmas magic.

Asda Better Starts →



So far we have helped 500 pupils divert 112,000 meals from landfill (2021/22 academic year)



Customers donated vital food and hygiene essentials to support their community



Full of books, activities, movie vouchers and treats

CHANGE FOR BETTER IN ACTION

Diversity Role Models' partnership in schools

We've partnered with UK equalities charity, Diversity Role Models, to help create Asda Better Starts for more kids in schools.

Diversity Role Models delivers student workshops featuring LGBT+ or ally role models who speak openly about their lived experiences, building young people's empathy so they can understand the (often unintended) impact of their language and actions. In the last year, our support has enabled the charity to fund a new Marketing and Communications Officer role, which has resulted in a 160% uplift in Facebook activity and a threefold increase in Twitter traffic - awareness and debate that are critical to helping build education systems that enable every young person to feel valued and supported, whoever they are.



'In the last year, our support has enabled the charity to enrol 33 more schools on funded workshops for the 2021/22 academic year. It has also helped the charity to fund a new Marketing and Communications Officer role, which has resulted in a 160% uplift in Facebook activity and a threefold increase in Twitter traffic'.

In order to ensure sustained change, DRM also trains school governors, staff, and parents/carers.

Tackling barriers:

Inclusion

A genuine commitment to equity, diversity and inclusion internally and externally means that we play a role in promoting its importance and targeting our support to those people and places most affected. Our £100,000 donation to Diversity Role Models in 2021 set the scene for our commitment to drive diversity and inclusion through education. As we build on this through Asda Better Starts, we hope to make a real difference where children feel a strong sense of identity and pride in being their true selves.



Wellbeing

Asda Better Starts aims to give children and young people a head start by supporting positive mental health. We want to deepen our work with partners like BBC Children in Need to help children understand and express their feelings and to support inclusive positive wellbeing.



Asda Spaces and Places

For communities to thrive they need safe, inclusive destinations to bring everyone together and build community resiliency and belonging.

Asda Spaces and Places is our platform to build community togetherness. 'Spaces' may be Asda stores, where we encourage community connections and giving, while 'Places' are in the surrounding neighbourhoods, where we build community resilience through Community Champion outreach activities, colleague volunteering and grants from our charity, Asda Foundation.



Small grassroots organisations play a vital role in their community, making positive change and improving people's lives every day, but the challenge for many is having the appropriate space and place to bring people together to deliver their fantastic work. To address this issue, we will be launching new spaces within our stores, providing access to safe and inclusive spaces for community groups to meet and bringing people together. Asda Foundation launched its Investing in Spaces and Places higher value grants in October 2021, aimed at local groups working to improve community spaces and places. Grants between £5,000 and £25,000 will be awarded in the Summer of 2022, totalling £750,000.

CHANGE FOR BETTER IN ACTION

Community rooms - welcoming spaces for all

Since 2015 we have welcomed over 200,000 community visitors through the doors of our seven bespoke community rooms at our stores in Eastlands, Colne, Gravesend, Hull Mount Pleasant, Middleton, Cape Hill and Watford.

These free, inclusive spaces have been a lifeline for many local groups especially in the last year.

Our Eastlands store, for example, has served groups including the Manchester Sensory Support Service and local support groups on dementia, bereavement and men's mental health, to name just a few.

"OUR ROOM HAS BROUGHT ME CLOSER TO MY LOCAL COMMUNITY AND BROUGHT MY COMMUNITY CLOSER TO ASDA."

Naomi, Eastlands Community Champion, Asda



Groups and individual visitors have told us we are helping to reduce the stigma and potential barriers compared to a traditional community centre. People who use the room have given us very positive feedback, sharing how they like the room being inside our store and accessible directly from the shop floor. They are grateful for the free wifi, use of the kitchen and a large welcoming space to meet.

[Find out more about Investing in Spaces and Places](#) →

Charity Partnerships

25 years of supporting breast cancer charities

Asda Tickled Pink, our platform to help change the future of breast cancer in the UK, has made a tangible difference to early diagnosis rates since 1996.

Championing regular breast and pec checking and fundraising for life-changing life-changing support, education and research has been delivered through fun and engaging in-store activities and through our exclusive range of Tickled Pink products. These activities have been vital for Breast Cancer Now's world-class research and life-changing support services, such as their Helpline, there for anyone affected by breast cancer to cope with the emotional impact of the disease. They also support CoppaFeel! to move closer to our joint target of ensuring an extra 600,000 young people are regularly checking their boobs and pecs by the end of 2024

While the pandemic halted most charity fundraising and heavily dented fundraising streams, we quickly reacted and pivoted to more digital-led fundraising methods to ensure that we maintained our fundraising commitments and ability to continue to raise awareness.

Founding funder of UK's first breast cancer Tissue bank, Over 10,000 samples have been allocated to research projects

Funded over **500,000** hours of research overall

10 pilot research grants
8 new labs

Enabled over **400** scientific discoveries to prevent breast cancer, save lives and live well with disease, driving forward progress on a global stage.



Someone Like Me has matched over **6,700** people with trained volunteers offering peer-to-peer emotional support

“WITH YOUR ONGOING SUPPORT, WE CAN BE THERE FOR ANYONE AFFECTED BY BREAST CANCER, THE WHOLE WAY THROUGH, PROVIDING SUPPORT FOR TODAY AND HOPE FOR THE FUTURE. SO THANK YOU, ASDA TICKLED PINK. YOU HAVE PLAYED A HUGE PART IN MAKING BREAST CANCER NOW THE CHARITY IT IS TODAY.”
Baroness Delyth Morgan, CEO, Breast Cancer Now

“BEING PART OF THE TICKLED PINK PARTNERSHIP IS TRULY GAME-CHANGING FOR US AND TOGETHER WE WILL BRING OUR BOOB-CHECKING, LIFE-SAVING MESSAGE TO EVEN MORE YOUNG PEOPLE ACROSS THE NATION.”
Natalie Heskell, CEO, CoppaFeel!

Asda colleagues

We continue to build an even more inclusive workplace, supporting all aspects of colleague wellbeing and offering great learning and career opportunities to make Asda a place where our colleagues feel inspired and empowered to be their best selves.

Proud to be Asda. Proud to be You



Our amazing colleagues are at the heart of everything we do, and they are what makes us Asda. Our Proud to be Asda Awards are about recognising, celebrating and most importantly saying thank you to these extra special colleagues. Find out more about our 2021 winners [here](#).

departments on age, disability, ethnicity, gender, pride and wellbeing, with each group chaired by a senior director or vice president.

Creating a lasting culture of inclusion and empowerment is about building collective knowledge and confidence, measuring diversity with solid data, inspiring leadership and strong governance.

A further diversity and inclusion highlight in 2021 was supporting Diversity in Retail's Ethnic Minority Development Programme, which welcomed two Asda colleagues to receive one-to-one mentoring from UK business leaders – two of our own executives also signed up as mentors.

Our five colleague-led inclusion networks (Disability, Ethnicity, Gender, LGBTQIA+ and Wellbeing) continued to raise awareness and dialogue in the workplace. Colleagues could also access support through closed connection groups, including baby loss, carers fertility, menopause, trans, non-binary and gender fluid. And, we added inclusion working groups across our main business

We also took steps to improve the data we hold, with the launch of Our Asda Census, giving colleagues the opportunity to self-declare diversity data and help us to make more informed plans and targets in this space.



1,720
nominations for the
Proud to be Asda award



Ron Teskowski

Won a Proud to be Asda Colleague award in 2021. An Asda Online delivery driver in Leeds, Ron made a potentially life-saving intervention for vulnerable customers during heavy snow storms.



Black, Asian and Minority Ethnic voices

At Asda we're passionate and committed about building a business that's diverse and inclusive. Each day we're listening to our colleagues and understanding their experiences - working to create an environment that is inclusive, safe and supportive for all our colleagues, so they can be their best selves.

"IT'S REALLY IMPORTANT TO CREATE ROLE MODELS THAT OUR YOUNGER COLLEAGUES CAN LOOK UP TO, SO THEY CAN SEE THAT THEY CAN MAKE IT TOO AND I AM PROUD TO BE ABLE TO DO THAT. I HAVE LOTS OF PEOPLE TO BE THANKFUL FOR SEEING MY POTENTIAL - SEEING ME, NOT MY COLOUR. MY ADVICE IS, DON'T LET ANYONE FORGET ABOUT YOU - SPEAK UP AND I HOPE, LIKE ME, YOU WILL BE SURPRISED BY THE OPPORTUNITIES THAT WORKING IN A BIG BUSINESS LIKE OURS CAN OFFER YOU."

Azhar Allahdad



Azhar Allahdad



Azhar Allahda is our Middlesbrough Pharmacy Manager and won Highly Commended in the 2021 Retail, Hospitality and Tourism category of BAME Apprenticeship awards.

Jerome Nunes has worked for us for 22 years in five different stores. His parents are from Jamaica and he was born in London.



Jerome Nunes

"I WANT MY SON TO BE SEEN, TO BE PROUD OF HIS HERITAGE AND TO BE ABLE TO BRING THIS PART OF HIM EVERYWHERE HE GOES. IT'S GREAT TO SEE THINGS STARTING TO CHANGE. YOU KNOW, I'M NOT BOTHERED ABOUT THE 1% WHO ARE OPENLY RACIST. IT'S THE 80% WHO ARE BYSTANDERS WHO I KNOW CAN MAKE THE DIFFERENCE HERE."

Jerome Nunes

Inclusion initiatives in our stores →

Equity, diversity and inclusion strategy →

Inclusive culture

2,777 managers undertook training to build and lead more inclusive teams throughout the year.

Diverse recruitment

Enabling hiring managers to recruit from a diverse candidate pool.



Leadership development

We welcomed 15 women onto our Accelerate leadership programme in 2021, meaning that over 53% of learners were women, while five female senior directors joined a new Elevate initiative.

Apprenticeships

In 2021, female participation in higher level apprenticeships (levels 5, 6, 7) stood at 51%.

Towards a gender balance

While equal remuneration and development opportunities apply to all our employees, like many businesses, an imbalance of men and women exists in certain roles.

We know that there is a broad underrepresentation of women in retail leadership and currently only 24% of our general store managers are female. We want to improve that, so we're targeting that, by 2025,

30% of our general store manager roles will be held by women

We'll report back on how we're doing each year.

In 2021, our gender pay gap figures stood at:

6.1% **Median hourly gender pay gap**
(2020: 5.5% against a UK average of 15.4%)

8.0% **Mean hourly gender pay gap**
(2020: 8.4% against a UK average of 14.6%)

[Read our full gender pay gap report](#) →

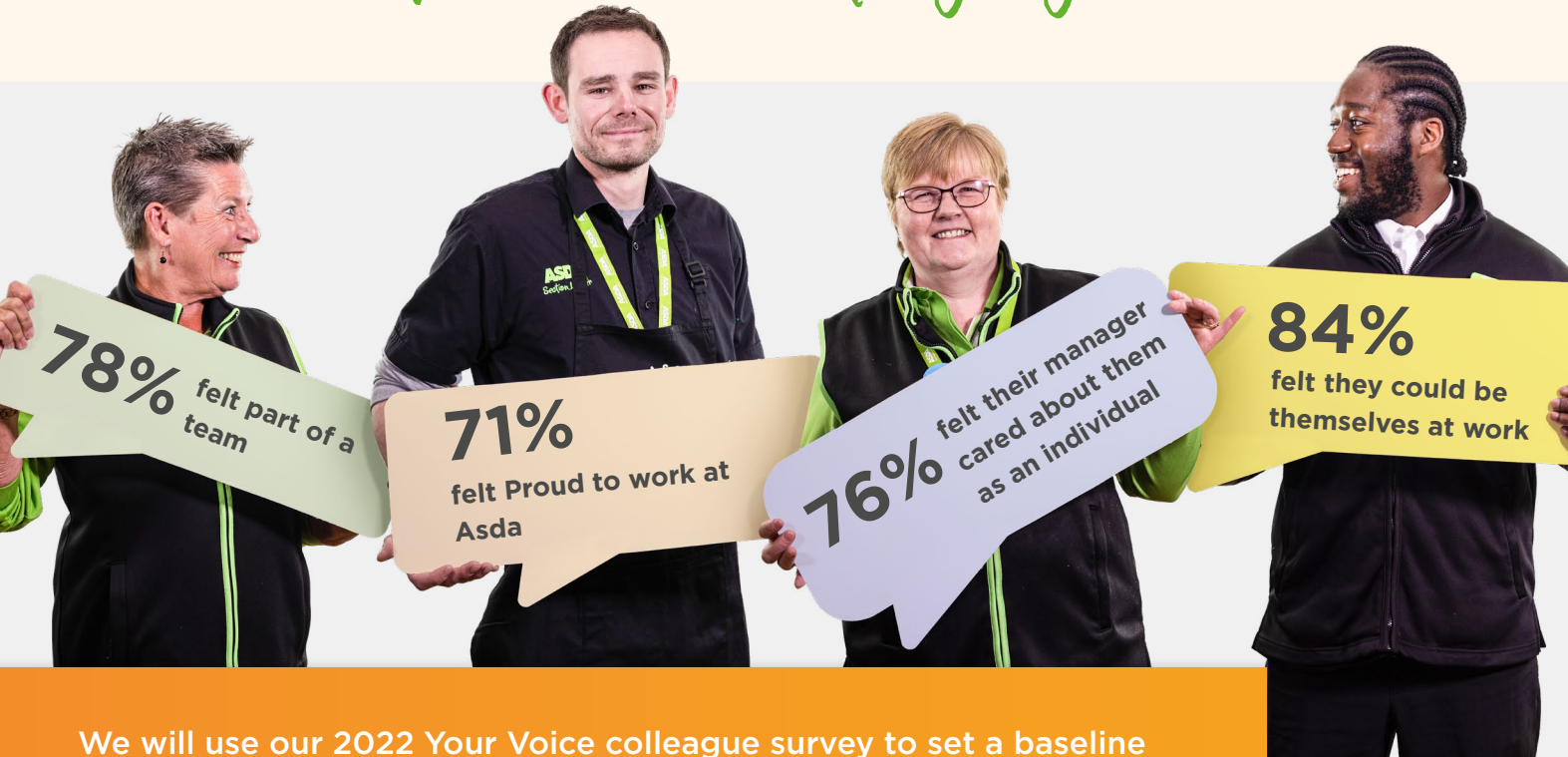




Keeping well through 2021

In a time of continued social isolation, economic uncertainty and health worries for many, we pivoted our wellbeing programmes, either in-person or via the online wellbeing portal, to mental, social, financial and physical support programmes.

Your Voice Survey highlights



We will use our 2022 Your Voice colleague survey to set a baseline for a new wellbeing index and report back on this in future reports.



Mental wellbeing

We train at least one manager in every store and depot via our partnership with Rethink Mental Illness. Once trained, our managers lead a one-hour session with their teams on recognising the signs of mental ill health, how to support colleagues and where to signpost for further help and support. We introduced a Woebot app, which is available through GroceryAid, has offered our colleagues virtual support. We also launched a new Do Good, Feel Good initiative, inspiring colleagues to take small actions to nurture their mental wellbeing.



28,000 colleague visits to our online wellbeing portal

Social wellbeing

Our colleagues told us that being heard is an important part of their social wellbeing in the workplace and is something we take very seriously across our business. We listened to the feedback of 71,157 colleagues in our annual Your Voice survey and through 'Our Asda Ideas', where we encourage colleagues to put forward suggestions to improve our business. We received 454 suggestions, ranging from reusing packaging to mastectomy bra signposting for George customers.



Physical wellbeing

As part of Mental Health Awareness Week¹, the Great Asda Adventure encouraged colleagues to get outside and connect with nature. We smashed our target of 55 million steps - the steps it would take to walk between each of our stores, depots and home offices - with the equivalent of 88 million steps walked, run, cycled or even danced.

Financial wellbeing

In 2021, we joined Help to Save, a government-backed scheme where anyone receiving working tax credit, universal credit or child tax credit can earn bonus payments on their savings. Affordable loans were rolled out, which could be repaid through salary and we expanded our budgeting tips and tools, videos and webinars. For those having to shield, we offered full pay, with extra occupational health support on return to work.

[Our health and wellbeing strategy](#) →

CHANGE FOR BETTER IN ACTION

Flexible Working: Work where it works

Taking learning from the COVID-19 pandemic, we confirmed last year that a hybrid working model would become a permanent option for head office colleagues.

This 'work where it works' approach enables colleagues to select the best location to do their job, which could be from home, head office or a store or depot. We have adapted a range of people programmes to home settings, including our 'You Can Be' career development programme and the Data Academy online hub for salaried colleagues to build their skills as data professionals or everyday data users. We also provided support for line managers to be able to lead their teams remotely.

“HAVING CONSULTED EXTENSIVELY WITH COLLEAGUES ABOUT FUTURE WAYS OF WORKING, WE KNOW THEY WELCOME THE INCREASED FLEXIBILITY OF REMOTE WORKING. HOWEVER, THEY ALSO ACKNOWLEDGE THERE IS SOME WORK THAT IS SIMPLY BETTER DONE FROM THE OFFICE, SO AS WE MOVE FORWARD A HYBRID WORKING MODEL IS THE RIGHT APPROACH.”

Jacki Simpson, Vice President of People Operations, Asda

¹ Mental Health Awareness Week runs for a week each year in May.

CHANGE FOR BETTER IN ACTION

Keeping goods on the road

According to the Road Haulage Association¹, the HGV industry suffered a shortage of up to 100,000 specialist drivers in 2021.

This presented extra challenges to a role which is already seeing a lack of young people taking up LGV training, making our Level 2 LGV driver apprenticeship more important than ever. With 15 colleagues completing it in 2021 (and another 136 in progress), that's more drivers out there to help us to keep feeding the nation.

15 COLLEAGUES COMPLETED THE LEVEL 2 LGV DRIVER APPRENTICESHIP COURSE IN 2021



Growing with Asda

Our apprenticeship programme offers opportunities to work and learn in a number of different roles.

In 2021 32,000 learning places were taken up by Asda colleagues. Our three apprenticeship intakes (March, June and September) welcomed 539 colleagues starting on an apprenticeship (up from 451 in 2020), with 819 working towards an apprenticeship by the end of the year.

[Investing in apprenticeships](#) →

32,000
learning places
taken up by Asda
colleagues



CHANGE FOR BETTER IN ACTION

The Asda Academy made a range of leadership training courses available to all salaried colleagues throughout 2021, while our Accelerate programme enabled senior managers to learn more about all aspects of leadership. Approximately one in five participants have gone on to gain a promotion to senior director-level. Likewise, our Elevate programme raised capabilities in topics such as innovation and change leadership for our senior directors.

[Our learning and development strategy](#) →

¹ RHA: A Report on the Driver Shortage, 2021 <https://www.rha.uk.net/LinkClick.aspx?fileticket=ICIOC-FWmVo%3D&portalid=0×tamp=1627564639720>.



Human rights

Many millions of people around the world play a part in keeping Asda shelves stocked and we have a responsibility to ensure the dignity of every worker in our supply chain. Under new ownership, 2021 provided an opportunity to develop a programme that focuses squarely on Asda, our suppliers and the supply chain risks associated with our business.

Using Sedex's platform, we have been able to design a programme that is focused on continuous improvement and risk management, while also being simpler for suppliers. Driven by the known limitations of social audits and a desire to move beyond audit, this data-led approach means we are now better informed about risks within our global supply chains and how we can drive impact for the benefit of those who make the products we sell.

Our vision is that automation will enable our colleagues to move away from administering the programme, to more proactively partnering with suppliers and stakeholders to understand and manage risk. For instance, a tiered response process means higher-risk facilities are prioritised for engagement to address non-conformances and risk.

Our focus has been on establishing an effective supply chain human rights approach aligned with the UN Guiding Principles for Human Rights and what human rights mean for our business and supply chain.

We are adding more policies and processes that support our 'beyond audit' approach and deliver human rights due diligence. NGOs and stakeholders remain central to this ongoing work to refine our approach.

With a more accurate picture of risks and supplier compliance, we have greater visibility of what is happening on the ground, including where improvements are being made. As well as being better positioned to manage risks alongside suppliers, the more simplified system means we can contribute further insight and empower partnerships, with a focus on vulnerable groups such as women and migrant workers in the supply chain.

Transparency in this area is key, and so in 2022 we will publish our Tier 1 Food, Non-Edible Grocery, Produce and General Merchandise sites, which supply Asda branded or exclusive products. This builds on disclosures of Tier 1 (since 2014) and Tier 2 (since 2019) site lists for our George brand.

Our Partners



CHANGE FOR BETTER IN ACTION

George: Supporting suppliers and the wider community



Building on years of working to protect workers' rights, the George for Good strategy involves working with partners like the Ethical Trading Initiative to improve labour conditions.

In 2021, the George Supplier Academy continued to reach a broad range of suppliers with online COVID-19-friendly training. Now active in five countries, the Academy helps garment factory workers expand their skills and improve their chance of promotions, income and job satisfaction.



For more than a decade, George has been partnering with HOPE Worldwide Bangladesh to improve conditions for garment workers and offer skills and training programmes. Thanks to George funding, the Jamgara School of HOPE continued to reach 94% of students with virtual classes accessible via mobile phone. It has also reached families with vaccine programmes, with 150 parents registering in a single month.



[George's full Tier 1 and Tier 2 factory listings for 2021](#) →

1 Q1-Q3 2021 sales only.

A blossoming future for rose-farming communities in Kenya



Our Fairtrade roses mean our customers can support women flower growers and their communities.

In 2021 we sold 501,100 bunches of Fairtrade roses, 160,000¹ of these were from Karen Roses Limited, in Kenya. Karen Roses uses the Fairtrade Premium to subsidise the children's education and creche facilities of the women working on its farm. It also plants 1,000 tree saplings every year with the aim to protect land, tackle climate change, and support wider environmental sustainability in the region.



CHANGE FOR BETTER IN ACTION



Action on modern slavery

In 2021, we were proud to join the Slave-Free Alliance and to undertake its gap analysis of hidden risks in our own supply chain.

The analysis commended our transparency and detail of disclosure, “excellent” policy examples, strong executive leadership, structured delivery programme and “open culture”. We are now addressing the recommended actions, including ensuring clearer cohesion between our modern slavery working group (and IPL’s steering group), modern slavery sponsor and executive board; modifications to our modern slavery statement to future-proof it in light of incumbent legislation; implementing a consistent risk mapping process and supplier terms and conditions; and scaling up group-wide internal engagement, including training.

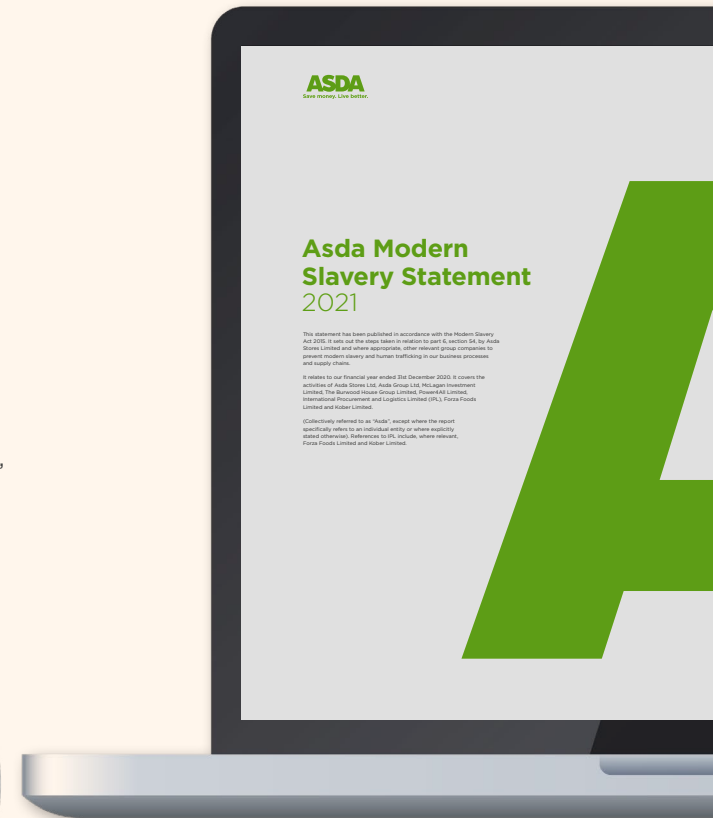
“WHAT WAS QUICKLY REALISED DURING THE GAP ANALYSIS PROCESS WAS THE WILLINGNESS OF SELECTED STAKEHOLDERS TO ENGAGE WITH OPENNESS AND HONESTY. IT WAS ALSO CLEAR THAT THERE IS AN OPEN CULTURE WITHIN THE BUSINESS, WHICH ALLOWS FOR THE PROGRESSIVE DEVELOPMENT OF AGENDAS, SUCH AS THAT FOR MODERN SLAVERY.”

Slave-Free Alliance, in relation to their gap analysis of supply chain risks 2021

We delivered more activities in partnership with Stronger Together, an alliance working to reduce the risks of forced labour and human trafficking by providing resources for suppliers. In 2021, 372 delegates from Asda suppliers attended Stronger Together training. Stronger Together also helped us to set up a network of Modern Slavery Champions across Asda responsible sourcing, labour and employment and ethics teams.

82% of our HGV drivers have now completed the ‘What have you seen?’ modern slavery awareness and training

Our responsible sourcing strategy →





Did you know?

GREAT ASDA ADVENTURE

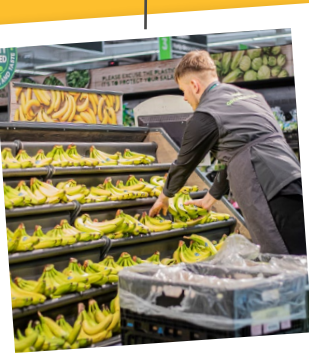
8 6 m

Steps⁴ taken in the Great Asda Adventure



the equivalent to almost twice round the world!

45,000+ sold in 2021



We launched our in-store greengrocers trial at 150 stores

484 more Live Better products now in stores



£77m raised³



"In 22 years we have raised over £28m"



£25m¹ investment

to enable FareShare and Trussell Trust to donate

100m meals² across the UK



ASDA Foundation,

Grants worth £3.7m donated to small community groups

84%

felt they could be themselves at work

P

Apprenticeships: 15 new Level 2 LGV Drivers on the road

¹ £25m: 2018-2021
² A meal can be defined as 420g of food, definition from WRAP.
³ 1996 to 2021.
⁴ Mental Health Awareness Week runs for a week each year in May.



We hold ourselves to the highest standards of responsible business, to ensure Asda is a fair, safe and transparent place to work and shop.

Governance Better Business



IN THIS SECTION



Ethics and Compliance
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[How we're building a better business at Asda →](#)

[Strategic commitments →](#)

Growing the right way

We hold ourselves to the highest standards of responsible business, to ensure Asda is a fair, safe and transparent place to work and shop.



Ethics and compliance



Economic contribution



ESG governance



Transparent disclosure

Our mission →

Doing the right thing, always

Be a positive force for the UK economy and our supply chain

Rigorous governance that holds us accountable

Robust reporting that stakeholders can trust

Our vision for 2040 →

An agile compliance programme tailored to our needs

Be the retailer of choice for the UK's innovative suppliers

An ESG culture from top to bottom

Best in class ESG disclosure

Our priorities →

✓ *Priority 1*
Operate an Ethics and Compliance programme that supports our growth following Walmart separation

✓ *Priority 2*
Work collaboratively with our suppliers and champion innovation

✓ *Priority 3*
Support SMEs with surplus Apprenticeship Levy

✓ *Priority 4*
ESG KPIs for key colleagues

✓ *Priority 5*
Data for material ESG issues externally audited

Ethics and compliance

Our comprehensive ethics and compliance programme underpins all we do, helping our colleagues to make the right decision and be proud to wear the Asda badge. With the move from Walmart ownership back into British hands, we have started to create bespoke programmes in areas such as Cyber Security, Anti-Corruption and Health and Safety.



85% **Ethics**
of colleagues stated they could report unethical concerns without worrying about the consequences.

0% **Labour and employment**
Zero furlough financing accepted from the Government.

94% **GSCOP (Groceries Supply Code of Practice)**
of direct Asda suppliers say Asda consistently or mostly follows the Groceries Supply Code of Practice (Groceries Code Adjudicator survey 2021).

✓ **Food safety**
Allergen labelling enhanced in line with Natasha's Law.

[Statement of Ethics](#) →

Economic contribution

The last year saw further disruption to our economy, with COVID-19 impacting workforce productivity and exacerbating wider supply chain challenges.

As well as keeping over 145,000 people in work without accepting any government furlough, we kept cash flowing for UK small suppliers, paying them immediately on receipt of their invoices.

We worked collaboratively with our suppliers to support them through significant supply chain disruption, deploying our own drivers and vehicles to help suppliers facing driver shortages, temporarily delisting low-volume lines to enable suppliers with labour shortages to focus on their most important products, and extending our lead times for imported goods to allow suppliers to plan further ahead.

We also continued to develop our strategy to bring relevant partnerships to our customers, ending 2021 with 34 live partnerships across 1000 locations in 374 stores - creating shared value for Asda and our partners.



CHANGE FOR BETTER IN ACTION

Nurturing innovative suppliers

Our commercial teams support suppliers to grow - from workshops on specific product lines, to leadership conferences and our annual supplier conference.

In 2021 we implemented the RangeMe product discovery platform, making it even easier for suppliers to engage with our buyers at the click of a button.

We also launched an incubator programme to support emerging and entrepreneurial brands in bringing exciting products into its stores. The Nurture programme gives small and medium-sized innovative suppliers easier access to shelf space and the opportunity to work with Asda in getting new products into the hands of shoppers. Nurture will see a rolling calendar of product launches that align to different 'themes', with the aim of surprising and delighting customers. Suppliers selected to join the programme will also have access to data to help them develop and improve their range, as well as a suite of online and end-to-end supply chain training and a dedicated team to support their growth.

We're also working in partnership with Psalt Rise, nurturing underrepresented talent within our supply chains by championing black-owned businesses.



The Asda Nurture programme aims to surprise and delight customers with regular new product launches

[Find out more about Asda Nurture](#) →

Investing in apprenticeship skills

As a large employer paying the government apprenticeship levy, we can transfer any unused funds (up to a maximum of 25%) to help other non-levy paying organisations pay for apprenticeship training.

So, in 2021 we pledged £1.2m of our unused levy to support small and medium enterprises (SMEs) in clusters around Leeds, London, Manchester and Leicester. As a trailblazer among UK retailers in this area, this transfer enabled more than 140 apprentices to start an apprenticeship at more than 40 SME businesses during the last year, giving young people the opportunity to develop new skills and small businesses the support to develop talent that they may otherwise not be able to afford.

“IT’S FANTASTIC TO SEE A MAJOR EMPLOYER LIKE ASDA USING THEIR UNSPENT APPRENTICESHIP LEVY FUNDING TO SUPPORT SMALLER BUSINESSES IN GREATER MANCHESTER.”

Andy Burnham, Mayor of Greater Manchester
June 2021

[Governance at Asda](#) →



ESG governance

At Asda, ESG is designated as a strategic programme - meaning it is regarded as crucial to our future growth. In 2021, we refined our ESG governance structures to reflect this prominence.

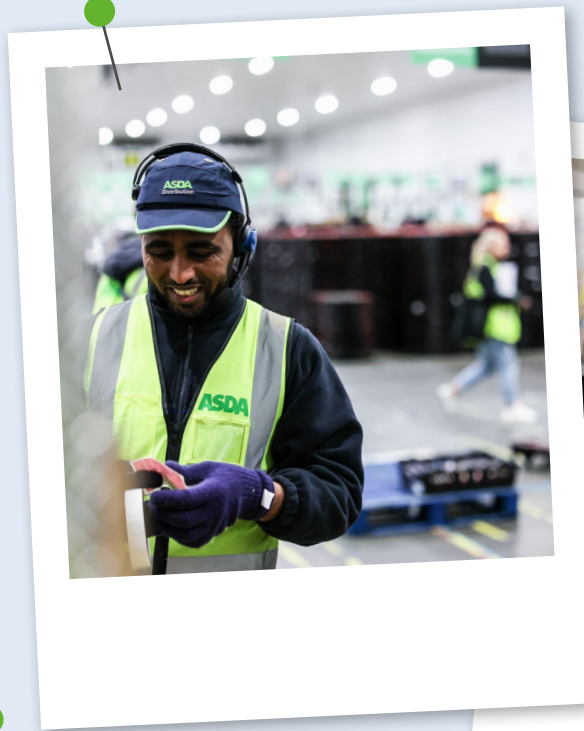


Transparent disclosure

At Asda, we've always believed in straight forward, honest communications - and that is at the heart of our ESG reporting. We want our progress - the good and the not so good - to drive wider change.

This report covers the 2021 calendar year and relates to Asda Group Limited and subsidiaries including International Procurement Logistics (IPL). It has been prepared in accordance with Global Reporting Initiative (GRI) core standards and the United Nations (UN) Sustainable Development Goals (SDGs). This report provides a comprehensive view of our approach to ESG issues and our performance in 2021 and in some cases 2020 (due to data availability).

All disclosures made in the report and on the website are checked and evidenced by internal experts. In 2021, we introduced a dedicated ESG claims management software system to capture and substantiate all our ESG disclosures. This was a significant milestone in how we govern and manage ESG credibly and transparently. The data and disclosures made within this Report are correct to the best of our knowledge, as at the publishing date of July 2022.





Did you know?



Launched our Nurture incubator programme



Appointment of Lord Rose as Chairman and Dame Alison Carnwath as Non-Exec Director

Zero furlough financing accepted from the Government

£1.2m surplus Apprenticeship Levy pledged to small and medium enterprises



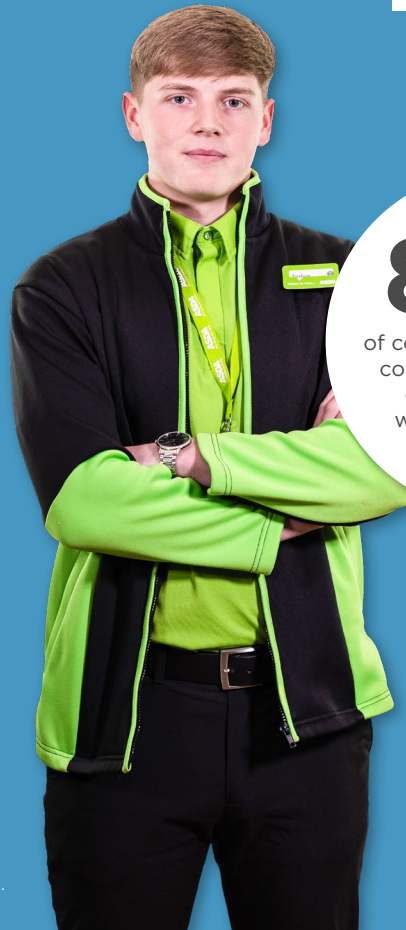
GSCOP

94%¹

of suppliers ranked Asda as

"consistently or mostly"

following the Groceries Supply Code of Practice



85%

of colleagues stated they could report unethical concerns without worrying about the consequences


34 live partnerships across 1000 locations in 374 stores.



How are we doing?

These scorecards assess our progress against our key performance indicators. We have not included commitments published in the 2020 ESG Report that were classed as ongoing commitments rather than time-bound targets, but you can see our 2020 report and its commitments [here](#).

	Strategic commitment	Target date	Baseline	2020	2021	Comments	SDG
Carbon	Reduce GHG emissions (Scope 1 & 2) by 50%	2025	957,918 tCO ₂ e (2015)	32% reduction on baseline 655,358 tCO ₂ e	35% reduction on baseline 624,679 tCO ₂ e	We will re-base our commitments upon setting a new science-based target.	7, 13
	Develop measurement of non-direct scope 3 emissions, then set targets to 2025	2025	N/A	Scope 3 measured: 30,298,632 tCO ₂ e	Scope 3 measured: 29,748,151 tCO ₂ e Committed to setting an SBTi target.	We will set a science-based target encompassing Scopes 1, 2, 3 and FLAG ahead of our 2025 deadline.	12, 13
Nature	More sustainably source our top 20 commodities:	2025					2, 12
	- Bananas		100% (2020)	100%	100%	Rainforest Alliance or Fairtrade	
	- Cocoa		46% (2020)	46%	95%	Rainforest Alliance, Barry Callebaut or Fairtrade for all products with more than 12% cocoa	
	- Coffee (ground and bean)		100% (2021)	N/A	100%	Rainforest Alliance or Fairtrade certified	
	- Cotton		60% (2020)	60%	91%	Better Cotton, Organic or Recycled cotton certified	
	- Fish		98% (2020)	98%	99%	MSC certified or working towards certification in a fisheries partnership	
	- Palm Oil		99.6% (2020)	99.6%	99.8%	RSPO physically certified (mass balance or segregated), 0.2% covered by certificates	
	- Polyester		12% (2020)	12%	36%	Recycled content certified to Global Recycled Standard scheme	
	- Soya		74% (2021)	N/A	74%	Certified to schemes benchmarked against the FEFAC sourcing guidelines (2021) with desired criterion 34 & fixed cut off date of 2020	
	- Tea (OB, excluding flavoured teas)		100% (2021)	N/A	100%	Rainforest Alliance certified	
- Timber, Paper and Pulp	98.6% (2020)	98.6%	98.6%	FSC, PEFC Certified or recycled material			
- Viscose	22% (2020)	22%	67%	FSC Certified			
- NEW: Beef; Berries; Chicken; Dairy; Grapes (table and wine); Lamb; Pork; Rice; Soft citrus; Wheat	-	-	-	-	Setting a baseline and to begin reporting in 2022		
Develop a natural resources stewardship programme	2025	N/A	N/A	N/A	Piloted soil health tool for further roll out in 2022. Joint programme with Syngenta on Green Headlands continues to expand acreage of biodiversity plots.	14, 17, 13	


		Strategic commitment	Target date	Baseline	2020	2021	Comments	SDG
Waste	Achieve zero-waste operations	2025	88% (2020)	88% 100% diversion from landfill	88.1% 100% diversion from landfill	Our zero-waste target is 90% of all operational waste reused , recycled , repurposed , donated to charity by 2025 with zero to landfill. We have sent zero operational waste to landfill since 2019.	12, 13	
	Reduce food waste by 20%	2025	26,826	26,848 tonnes (+0.08% increase vs baseline)	28,807 tonnes (7.3% increase vs baseline)	Total food surplus increased in 2021 with surplus impacted by colleague absences due to COVID-19 impacting markdown and donation processes, and supply chain challenges disrupting forecast accuracy. We have redistributed 18% more food in 2021 vs 2020 and 75% more than in 2019.	12, 13	
	Reduce own-brand primary plastic packaging by 15% (9,750 tonnes)	2021	65,000 tonnes (2017)	55,179 (-9821 tonnes)	N/A	Relative target measuring weight saved per unit multiplied by annual sales volume. Absolute plastic packaging increased in 2020 as a result of COVID-19 related sales shifts.	12, 13	
	Reduce packaging and drive 100% recyclability of what remains	2025	N/A	85% - Recyclable at Kerbside 4.5% - Recyclable in large stores with bags Total: 89.5%	To be published later in 2022	Our 2021 packaging figures will be published once available later in the year.	12, 13	
Value	Enable Asda customers to shop more sustainably	2025	N/A	N/A	-	-	1, 2, 10, 13	
	Rapidly expand cheaper, greener alternatives	2025	N/A	N/A	-	Expansion of refill offer to four more stores, with Greener at Asda Price guarantee.	1, 2, 10, 17	



	Strategic commitment	Target date	Baseline	2020	2021	Comments	SDG
George for Good:							
Fibre sourcing	100% of the cotton for our own-brand clothing and soft home textile products more responsibly sourced	2025	60% (2020)	60%	91%	Better Cotton, Organic or Recycled cotton certified	12, 13, 14, 15
	Source viscose from traceable sources with a low environmental impact	2025	22% (2020)	22%	67%	FSC Certified	12, 13, 14, 15
	Source 100% polyester with a minimum of 30% recycled content	2025	12% recycled content (2020)	12% Recycled content	36% Recycled content	-	12, 13, 14, 15
Waste	All factories reporting through the Higg Index* *This commitment previously related to mills only, but has now been expanded to incorporate all factories/sites	2022	N/A	60% of our supplier factories/sites**	91% of our supplier factories/sites**	George has been engaged with the Higg Index (HI) since 2019 and all supplier factories are requested to be engaged with the HI. **A supplier may have one or more facilities	12, 13, 14, 15
	Eliminate all hazardous waste being released into the soil, water and air	2025	N/A	N/A	222 (of 277 known 'wet finish') supplier facilities/sites are engaged	Measured by supplier engagement with the ZDHC platform. 'Wet finishing' is the part of the process where the most chemical interaction takes place e.g. dyeing and finishing, laundry and print units.	12, 13, 14, 15
Packaging	50% of hangers reused or recycled	2025	2018	20%	17.5%	Stepped back last year as COVID-19 had a significant impact on the handling of hangers. We are working hard to improve this with increased comms to stores and to our customers.	12, 13, 14, 15
	30% recycled content in all garment polybags	2025	N/A	0%	0%	Rolling change on all orders to take place from January 2022.	12, 13, 14, 15
	All George packaging to be 100% recyclable	2025	N/A	80%	83%	-	12, 13, 14, 15
	All primary paper-based packaging from sustainable sources	2025	N/A	80%	100%	FSC Certified	12, 13, 14, 15

	Strategic commitment	Target date	Baseline	2020	2021	Comments	SDG
Health	1,200 Live Better products to be on offer	2024	0 (2019)	262 (+262)	746 (+484)	The criteria for qualifying for the Live Better icon is aligned to the OFCOM Nutrition Profiling model and the Eatwell guide as well as to our own category specific nutrition criteria.	3
	Increase the proportion of healthy (non-high fat, salt or sugar content) of Asda's own brand products to 60%	2024	55% (2020)	55%	54%	While this stepped back this year, we continue to reformulate our own-brand products in order to achieve our target.	3
	Reduce red traffic lights on Asda products year on year	2024	22% (2020)	22%	23%	-	3
	Continue to improve the nutritional content of Asda Little Angels infant food range in line with government guidance	2024	N/A	N/A	N/A	We continued to work on improvements, removing one line with added salt, replacing three lines with lower sugar alternatives and improving the sweet to savoury ratio at total range level.	3
	Grow Asda Plant Based sales by 100%	2023	2020	N/A	33.1%	-	3, 12
	Cartoon characters to be removed from high fat, sugar and salt (HFSS) own-brand products (excluding seasonal food and drinks)	2022	N/A	>35 product lines remaining	2 lines remaining	Remaining packaging due to change in 2022.	3
Supporting Local Communities	Across 2018-2021 we will donate £20m through our Fight Hunger Create Change partnership to help tackle poverty in the UK	2021	£0 (2018)	£24.2m	£27.0m	-	1, 2, 3, 17
	We aim to enable our charity partners to provide an additional 24m meals every year by 2021	2021	0 (2018)	66m additional meals per year	113m additional meals per year	We continue to collect food and essentials for food banks through donation trolleys in Asda stores.	1, 2, 3, 10
	NEW Reach 5 million children in Asda communities through Asda Better Starts	2026	0	N/A	N/A	Measured through work delivered by Asda Community Champions and charity/community partners.	1, 2, 3, 10
	NEW Boost community wellbeing by providing a safe, inclusive place to meet in Asda communities	2026	-	8 Asda Community Rooms 4424 donations of space in Asda stores	8 Asda Community Rooms 5049 donations of space in Asda stores	Tracked through the provision of Community Rooms in Asda stores, the donation of space for community groups and through the number of groups funded by Asda Foundation's Investing in Spaces and Places Grant stream.	3
	NEW Raise £30m for Asda Tickled Pink over the next five years, bringing our total fundraising to £100m over 30 years	2026	£76.8m (2021)	£3.3m £70.9m total	£5.9m £76.8m total	-	1, 3, 10

 Better LIVES	Strategic commitment	Target date	Baseline	2020	2021	Comments	SDG
Supporting Local Communities	NEW Set a baseline and then a target to increase breast checking amongst Asda colleagues and customers	2022	N/A	N/A	N/A	-	3
	NEW Empower 8,000 community groups per year to tackle issues in their local community through Asda Foundation	2026	N/A	7,100	10,000	-	1, 2, 3
Colleagues	NEW Create a new colleague wellbeing index and set a baseline	2022	N/A	N/A	N/A	We intend to set targets and report against this baseline in subsequent reports.	3
	NEW Increase percentage of female General Store Managers to 30%	2024	24% (2021)	N/A	24%	-	5, 10
Supply Chain Communities	NEW Implement a Human Rights due diligence approach that goes beyond audit	2025	N/A	N/A	N/A	In 2021 we established our bespoke Human Rights programme following Walmart separation.	3, 5
	NEW Develop principles of remedy for issues in our supply chain	2025	N/A	N/A	N/A	-	5, 10

 Better BUSINESS	Strategic commitment	Target date	Baseline	2020	2021	Comments	SDG
Ethics and Compliance	Operate an Ethics and Compliance programme that supports our growth following Walmart separation	N/A	N/A	N/A	N/A	Following separation from Walmart in 2021 we have established bespoke programmes in a number of areas that were previously managed globally.	3
Economic Contribution	Increase the volume of products sourced from UK suppliers (including chicken*, dairy**, wheat and potatoes) and source 100% British beef	2021	N/A	N/A	100% UK chicken, dairy, wheat and potatoes 90% UK beef by December (excluding Christmas speciality lines)	Owing to supply chain constraints, we were unable to fulfil the commitment to source 100% UK beef. * chicken includes primary and breaded chicken. ** dairy includes milk, cream, butter and cheddar.	12
	NEW Work collaboratively with our suppliers and champion innovation	N/A	N/A	N/A	Nurture programme launched	In early 2022 we launched our first tranche of Nurture supplier products to customers.	12
	NEW Support SMEs with surplus Apprenticeship Levy	N/A	N/A	N/A	N/A	£1.2m pledged to SMEs	-

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.

Across our pillars, we are contributing towards the majority of the [UN's 2030 Sustainable Development Goals \(SDG's\)](#).



Better Planet

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

Whether it's sourcing our products from land or sea, we strive to protect and restore these ecosystems and their biodiversity. We are developing our roadmap to net zero by 2040 (or sooner) and reducing emissions and waste are central to providing our customers with good value without costing the earth.



Better Lives

(SDG 1, 2, 3, 4, 5, 8, 10, 12 and 17)

Encompassing our colleagues and customers and all who contribute to our business around the world. We provide food and drink to support a healthy, sustainable diet and in-store Pharmacies and Opticians provide affordable healthcare.

We respect and support our colleagues to create a diverse, inclusive, fair, safe and enjoyable place to work.

We fundraise and raise awareness for our national charity partner, Tickled Pink and support our local communities enabling togetherness, connections and resilience in Asda Communities.



Better Business

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

Operating as an ethical, compliant and responsible business is at our core. We act with integrity at all times and respect and support our suppliers and partners.

Global Reporting Content Index

General Standard Disclosures		
Disclosure number	Disclosure title	Location
GRI 100 : General disclosure		
Organisational profile		
102-1	Name of the organisation	Asda Group Ltd
102-2	Activities, brands, products, and services	The principal activity of Asda Group Limited is the retail of food, clothing (George), general merchandise, optical, pharmacy and fuel services throughout the United Kingdom and online.
102-3	Location of headquarters	Leeds, United Kingdom
102-4	Location of operations	United Kingdom
102-5	Nature of ownership and legal form	ESG Report 2021: Governance Structure p.52
102-6	Markets served	ESG Report 2021: Under new ownership p.3
102-7	Scale of the organisation	ESG Report 2021: Welcome p.4
102-8	Information on employees and other workers	Information on employees and other workers ESG Report 2021: Asda colleagues p.36-41 CCFB Website: Better Lives/Great Place to Work
102-9	Supply chain	Asda Supply Chain
102-10	Significant changes to the organisation and its supply chain	Asda Supply Chain ESG Report 2021: Under new ownership p.3-4
102-11	Precautionary Principle or approach	Our approach to risk management means we consider social and environmental impacts in our strategic or operational decisions.
102-12	External initiatives	Membership of Associations ESG Report 2021: Carbon p.11, Nature p.14, Waste p.17 ESG Report 2021: Healthier products and accessible healthcare p.25-27 ESG Report 2021: Supporting local communities p.28 - 35 ESG Report 2021: Asda colleagues p.36 ESG Report 2021: Human rights p. 42
102-13	Membership of Associations	Membership of Associations
Strategy		
102-14	Statement from senior decision-maker	ESG Report 2021: CEO's letter p. 3-4 ESG Report 2021: ESG strategy p.6 CCFB Website: Strategy/ESG Approach/Trends Defining report content and topic boundaries

Ethics and integrity

102-16	Values, principles, standards, and norms of behaviour	Statement of Ethics CCFB Website: Better Business/Ethics and Compliance
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Governance

102-18	Governance structure	ESG Report 2021: ESG Ethics and Compliance p.47 ESG Report 2021: Governance Structure p.51 CCFB Website: Strategy/ESG Approach/Trends
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Stakeholder engagement

102-40	List of stakeholder groups	Stakeholders and Approach to Stakeholder Engagement ESG Report 2021: How we prioritise ESG topics p.6 ESG Report 2021: Our focus p.7
102-41	Collective bargaining agreements	Collective bargaining agreement
102-42	Identifying and selecting stakeholders	Identifying and selecting stakeholders
102-43	Approach to stakeholder engagement	Stakeholders and Approach to Stakeholder Engagement ESG Report 2021: ESG Strategy p.6 ESG Report 2021: ESG Strategy p.7 ESG Report 2021: Asda Colleagues p.39-40 ESG Report 2021: Human Rights p.42 CCFB Website: Strategy/ESG Strategy/Materiality Assessment
102-44	Key topics and concerns raised	ESG Report 2021: ESG Strategy p. 6-7 ESG Report 2021: Asda Colleagues p.36-40 ESG Report 2021: Human Rights p.42 CCFB Website: Strategy/ESG Strategy/Materiality Assessment

Reporting practice

102-45	Entities included in the consolidated financial statements	ESG Report 2021: Transparent disclosure p.52
102-46	Defining report content and topic boundaries	This report has been prepared in accordance with the GRI Standards: Core option. Defining report content and topic boundaries Our ESG Approach ESG Report 2021: ESG strategy p.5-8 ESG Report 2021: ESG Strategy p.6
102-47	List of material topics	Defining report content and topic boundaries ESG Report 2021, ESG Strategy p.6-7
102-48	Restatements of information	No restatements of information applicable from last year's report
102-49	Changes in reporting	Defining report content and topic boundaries ESG Report 2021, ESG strategy p.5-8
102-50	Reporting period	1 Jan to 31 Dec 2021
102-51	Date of most recent report	6-May-20
102-52	Reporting cycle	Annual

102-53	Contact point for questions regarding the report	If you are a journalist contact the Asda Press Office Team on https://corporate.asda.com/newsroom/contact-media-relations Or contact the Asda ESG Team directly at esg@asda.co.uk
102-54	Claims of reporting in accordance with the GRI Standards	ESG Report 2021: GRI Content Index p. 61-64 Defining report content and topic boundaries CCFB Website: Strategy/ESG Reporting
102-55	GRI content index	ESG Report 2021: GRI Content Index p. 61-64 Defining report content and topic boundaries CCFB Website: Strategy/ESG Reporting
102-56	External assurance	ESG Report 2021: Transparent Disclosure p.52 Defining report content and topic boundaries

GRI 300 : Environmental

(103-1, 103-2, 103-3)	Management approach (103-1, 103-2, 103-3)	Our ESG Approach Stakeholders and Approach to Stakeholder Engagement Defining report content and topic boundaries Statement of Ethics Better Planet Overview - link to CCFB site ESG Report: Carbon, Nature, Waste (inc Food, Operational), Plastic and Packaging p.11 to p.21
301-2	Recycled input materials used	CCFB Website: Better Planet/Waste/Plastic and Packaging
(103-1, 103-2, 103-3)	Management Approach (103-1, 103-2, 103-3)	Our ESG Approach Stakeholders and Approach to Stakeholder Engagement Defining report content and topic boundaries Statement of Ethics CCFB Website: Better Planet/Waste/Plastic and Packaging ESG Report: Carbon, Nature, Waste (inc Food, Operational), Plastic and Packaging p.11 to p.21
301-2	Energy consumption within the organisation	ESG Report 2021: Carbon p. 11-13 Streamlined Energy and Carbon Reporting Summary 2021
(103-1, 103-2, 103-3)	Management Approach	Our ESG Approach Stakeholders and Approach to Stakeholder Engagement Defining report content and topic boundaries Statement of Ethics CCFB Website: Better Planet/Waste/Plastic and Packaging ESG Report: Carbon, Nature, Waste (inc Food, Operational), Plastic and Packaging p.11 to p.21
302-4	Reduction of energy consumption	ESG Report 2021: Carbon p. 11-13 Streamlined Energy and Carbon Reporting Summary 2021
103	Management approach (103-1, 103-2, 103-3)	ESG Report 2021: Carbon p. 11-13 Streamlined Energy and Carbon Reporting Summary 2021 Our ESG Approach Defining report content and topic boundaries CCFB Website: Better Planet/Carbon
305-1	Direct (Scope 1) GHG emissions	ESG Report 2021: Carbon p. 11-13 Streamlined Energy and Carbon Reporting Summary 2021 CCFB Website: Better Planet/Waste/Plastic and Packaging CCFB Website: Better Planet/Carbon
305-2	Energy indirect (Scope 2) GHG emissions	ESG Report 2021: Carbon p. 11-13 Streamlined Energy and Carbon Reporting Summary 2021 CCFB Website: Better Planet/Carbon

305-3	Other indirect (Scope 3) GHG emissions	ESG Report 2021: Carbon p. 11-13 Streamlined Energy and Carbon Reporting Summary 2021 CCFB Website: Better Planet/Carbon
305-5	Reduction of GHG emissions	Streamlined Energy and Carbon Reporting Summary 2021 ESG Report 2021; Carbon p.11-13 CCFB Website: Better Planet/Carbon
103	Management approach (103-1, 103-2, 103-3)	Our ESG Approach CCFB Website: Better Planet/Carbon
306-1	Waste generation and significant waste-related impacts	ESG Report 2021: Waste p. 17-18 CCFB Website: Better Planet/Waste
306-2	Management of significant waste-related impacts	ESG Report 2021: Waste p. 17-18 CCFB Website: Better Planet/Waste

GRI 400: Social

103	Management approach (103-1, 103-2, 103-3)	Defining report content and topic boundaries Our ESG Approach CCFB Website: Better Lives/Great Place to Work Health and Safety Policy Statement
403-6	Promotion of worker health	ESG Report 2021: Asda Colleagues p.39-40
103	Management approach (103-1, 103-2, 103-3)	Our ESG Approach Defining report content and topic boundaries CCFB Website: Better Lives/Great Place to Work
405-1	Diversity of governance bodies and employees	405-1 - ESG Report: Asda colleagues p. 35-38 Information on employees and other workers CCFB Website: Better Lives/Great Place to Work/EDI
405-2	Ratio of basic salary and remuneration of women to men	ESG Report 2021, Asda Colleagues p.38 Asda Gender Pay Gap Report 2021
103	Management approach	Our ESG Approach ESG Report: Supporting local communities p.28-p.35 Defining report content and topic boundaries CCFB Website: Better Lives/Supporting Local Communities/Overview
413-1	Operations with local community engagement, impact assessments, and development programs	ESG Report 2021: Supporting local communities p. 28-34 CCFB Website: Better Lives/Supporting Local Communities/Overview Asda Foundation
103	Management approach (103-1, 103-2, 103-3)	Asda Supplier Standards Our ESG Approach Defining report content and topic boundaries
416-1	Assessment of the health and safety impacts of product and service categories	Asda Supplier Portal Asda Supplier Standards Transparency policy March 2022 CCFB Website: Better Lives/Supporting Local Supply Chain Communities



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