

Modern Slavery Statement 2020

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This statement has been published in accordance with the Modern Slavery Act 2015. It sets out the steps taken in relation to part 6, section 54, by Asda Stores Limited and where appropriate, other relevant group companies to prevent modern slavery and human trafficking in our business processes and supply chains.

It relates to our financial year ended 31st December 2019. It covers the activities of Asda Stores Ltd, Asda Group Ltd, McLagan Investment Limited, The Burwood House Group Limited, Power4All Limited, International Procurement and Logistics Limited (IPL), Forza Foods Limited and Kober Limited.

(Collectively referred to as "Asda", except where the report specifically refers to an individual entity or where explicitly stated otherwise). References to IPL include Forza Foods Limited and Kober Limited.

Introduction

01

“ Within our supply chain, there is no place for Modern Slavery, plain and simple.

Unfortunately, to address this criminal activity in an effective way across industries and governments is anything but simple. At Asda, we continued to make strides and improve our ways of working in 2019 to ensure that we play a meaningful part and can make a real difference by enabling us to prevent, identify and take appropriate action to protect the people who are contributing to our business every day. After all, retail is a people business at its core.

We are pleased to share our fourth modern slavery statement which details the progress we have made to the way we assess, engage and prioritise our work to combat modern slavery. Throughout 2019 we have taken great steps forward to maximise our impact and collaborate with relevant industry partners, and we continue to work closely with our suppliers and service providers in line with our parent company Walmart's Responsible Sourcing Compliance programme to address these issues in a number of innovative ways.

We have been able to build upon our fantastic work in previous years and demonstrate progress against our objectives. We continue to refine our approach, assess risks and work with suppliers to build momentum and to ensure we can make a real impact. In addition to this, we have directly supported survivors of modern slavery to move forward from past traumas via our health and wellbeing pilot 'Ingredients for Life', and most recently in February 2020 we announced that we have joined as a

Sponsor of the Responsible Recruitment Toolkit which will bring further support to our business and supply chain to minimise the risks of worker exploitation and maximise the fair and ethical treatment of job seekers and workers in our supply chains around the world.

As we report on our progress for 2019 we are increasingly mindful of the escalating global challenge presented by COVID-19 and the expected longer-term challenges this unprecedented event will bring to our own business, colleagues, suppliers, and ultimately workers all over the world. Now, more than ever, we remain committed to doing the right thing as a business. That includes continuing to build on the foundations laid by the Modern Slavery Act to improve our business processes, policies and risk identification and mitigation.



Roger Burnley

President and CEO

Signed on behalf of the Asda Board

01.05.2020

A handwritten signature in black ink, appearing to read 'R Burnley'.

Our business

02



In 2019, we have worked across our business to embed the modern slavery agenda via the Modern Slavery Working Group and our 'Creating Change for Better' Strategy to become business as usual practice.

Our Responsible Sourcing colleagues are fully embedded allowing more joined up thinking, partnership and conversations to happen before any issues may occur.

Our approach to addressing modern slavery

03

The umbrella term ‘Modern Slavery’ refers to situations of exploitation that a person is not able to refuse or leave because of threats, violence, deception and/or abuse of power.

In 2019 we continued with our holistic engagement strategy to combat modern slavery within business processes and supply chains. Core to this work remains the role of the Modern Slavery Working Group (MSWG), which meets quarterly to review progress, set objectives and drive this work forward within our business. The group has three core themes highlighted by the infographic below, used to drive our engagement with the risk of modern slavery across our business processes and supply chains.

Asda has collaborated with internal and external stakeholders to embed our work on Modern Slavery within the business and with greater accountability for working group members. This group further provides insight and activity to other forums across our business including our Corporate Social Responsibility programme ‘Creating Change for Better’. Last year we added additional focus, with representatives joining from Asda Logistics Services and our George apparel business.



Building our strategy

Our collective approach to modern slavery.

Engaging through initiatives & partnerships

How we collaborate to address issues and build capacity alongside partners and other retailers for the benefit of all.

Assessing the risk

A data led assessment of modern slavery across our business processes and supply chains.

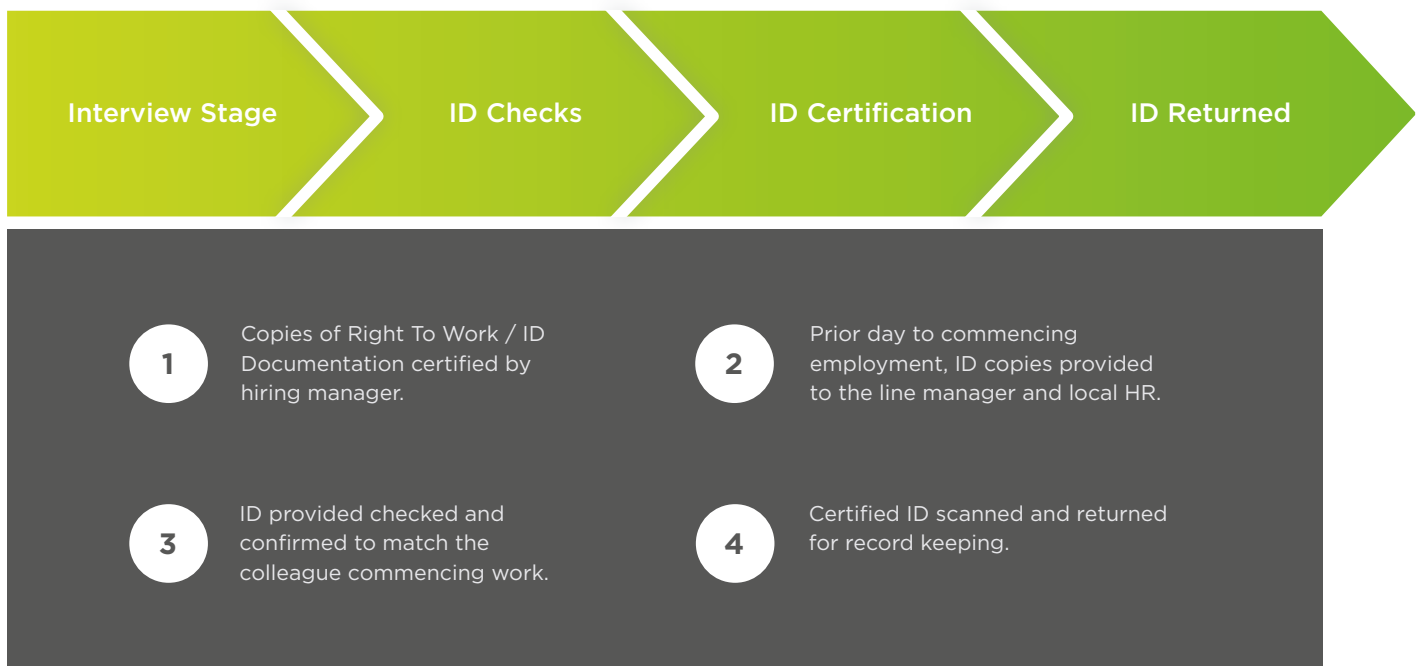
We continue to see engagement in this topic grow, both within our business and externally. Since the upload of our last Modern Slavery Statement in May 2019 we have seen on average 22 views per week of this document.

Business Process

The labour model within our Asda Group businesses varies depending on the nature of the activity. To assess these risks and work to understand them better we have implemented information background checks on certain direct and third party employees using a risk based approach.

Asda runs quarterly duplicative bank account checks on all direct employees to highlight if wages are being paid into shared bank accounts. Asda Stores Limited's labour provider also checks agency labour providers on an annual audit basis. Their audits include duplicative bank account, address and next of kin information checks.

Our IPL produce and food processing business undertakes duplicative bank account and address checks on the first day of employment and then quarterly after that, with their core group of labour agencies undertaking the same checks on a number of cadences. Should a concern be identified then the incident management process would be followed and the concerns raised with both internal and external stakeholders including Asda Ethics, senior leadership, the steering group and where appropriate relevant authorities, for example the GLAA or the Police.



A new process for hiring managers has been introduced in IPL to mitigate the risk of modern slavery. In addition to the usual right to work checks on the day of interview, a further check has been introduced which needs to be completed on the colleagues' 1st day in line with the process above.

To assess the operation and compliance of Asda's tenants¹ with modern slavery legislation the Responsible Sourcing team have partnered with our colleagues in Property to identify key tenants, for example car wash operators. In addition, as we increase the number of partnerships we offer to customers within our stores and online operations, we have been working closely with Commercial teams to provide wording, insight and best practice

to accurately represent the expectations we as Asda have of our business partners during small scale pilots and major roll outs. Any future contracts and agreements with Asda will now feature a standard Modern Slavery clause requiring partners to be compliant with the Modern Slavery Act.

In addition to the above Asda Stores Ltd have also amended our business process management system for on boarding GNFR suppliers to allow checks in relation to compliance with the Modern Slavery Act. Where suppliers may not be compliant or only partially compliant with the Act, this control measure enables conversations and decision making with the supplier and/or business representative as appropriate.

¹ 'Tenant' is defined as a person or business who occupies land or property rented from Asda as Landlord. This can range from our in-store concession units and cafes up to multinational businesses that occupy space within or next to our stores.

Our committees & governance

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In order to properly assess risk and drive change in the business, we have a strong governance structure of committees, working groups and executive board interaction to oversee the execution of the modern slavery strategy and provide guidance and approval.

■ Committee ■ Attendees

Executive Board							
Chief Executive Officer & President	Chief Operating Officer	Chief Merchandising Officer	Chief Customer Officer	Chief Financial Officer	Chief Supply Chain Officer*	Chief People Officer	General Counsel, Company Secretary

* As of January 2020

Our most senior authorising level comprising of Asda Board members who will ultimately sign off our modern slavery statement.

Compliance, Ethics, Risk & Audit Committee			
Chief Executive Officer & President	Chief Ethics & Compliance Officer	Chief Financial Officer	General Counsel, Company Secretary

Enables Asda to continue to operate in accordance with applicable laws and regulations. In this instance, any authorisations or recommendations regarding modern slavery that require approval come to this forum.

Modern Slavery Working Group				
Chief Merchandising Officer	General Counsel, Company Secretary	Director, Technical IPL	Senior Director Sourcing George	Senior Director Human Resources
Senior Manager Labour & Employment	Senior Director Corporate Affairs	Director Responsible Sourcing	Chief Ethics & Compliance Officer	Senior Director, Central Logistics ALS

Made up of senior leaders from across Asda this group provides strategic direction to how we combat modern slavery. It is the corner stone to our work and is essential for bringing the topic into the spotlight at the most senior levels. It is chaired by our Senior Vice President for commercial.

In 2019, Asda has continued to engage the most relevant areas of our business as we remain vigilant about risk. The inclusion of a Senior Director from our logistics division has supported the focus on driver training and the group is looking further into waste services and wider logistics as an emerging area.

IPL Modern Slavery Steering Group

In order to properly assess risk and drive change in the business, IPL have introduced an independent Modern Slavery Steering Group. This cross-functional group provides a strong governance structure, overseeing the execution of IPL's modern slavery agenda, providing guidance and approval.

IPL Modern Slavery Steering Group					
IPL Group Legal Director & Company Secretary	IPL Group People Director	IPL Group Technical Director	IPL Group Sustainability Manager	Asda Responsible Sourcing Manager	IPL Responsible Sourcing Manager

Our policies

05

To effectively communicate our expectations on modern slavery, we have implemented policies and procedures that are designed to support our high standards in ethical and responsible supply chain practices.

They cover how we source our products, employ people appropriately, and how we operate and interact with modern slavery legislation in our business and with suppliers.

All Asda colleagues, contractors and third-party workers are expected to adhere to our Modern Slavery Policy. It sets out the responsibilities of each colleague, including the requirement to immediately report any concerns or suspicions of modern slavery.

Colleague responsibilities



- ☒ Follow Asda's Recruitment Policy at all times, ensuring modern slavery risks are mitigated.
- ☒ Managers to issue all new colleagues with a contract of employment stating rights and entitlements and follow all appropriate checks – evidence that bank accounts belong to the colleagues, right to work checks e.g. obtain proof of ID.
- ☒ Use Asda's approved employment agency partner only – they are verified and are regularly audited.
- ☒ Ethical recruitment practices - under no circumstances must bribes be accepted to recruit or favour workers.
- ☒ Hourly paid colleagues must always clock in and out.

The policy also includes details of what the business is doing to combat modern slavery at a corporate level, such as creating and sharing supporting policies and procedures that apply to many parts of the business. We are committed to raising awareness of modern slavery through colleague training and communication campaigns, enabling our colleagues to have the most up-to-date information to remain engaged with this complex issue.

All IPL colleagues, contractors and third-party workers are expected to adhere to either the colleague modern slavery policy or the supplier modern slavery policy ([IPL supplier modern slavery policy](#)). The policies set out the responsibilities of each person, including the requirement to immediately report any concerns or suspicions of modern slavery.

The policies also include details of what IPL is doing to combat modern slavery at a corporate level, such as creating and sharing supporting policies and procedures that touch many parts of the business.

Asda Stores Ltd works with our labour provider Geometric Results International (GRI) who run our labour provider framework. GRI work with a panel of Agencies to provide labour to Asda Stores Limited.

Responsible Sourcing

Responsible Sourcing is a key subject matter area of our Ethics and Compliance programme, where resources, structure and guidance are provided. With oversight of around 6,000 facilities worldwide, we are committed to promoting worker dignity, including addressing issues such as modern slavery.

Our [Standard for Suppliers](#) are the foundation of the Responsible Sourcing programme and reflect the deeply rooted values of service to the customer, respect for the individual, striving for excellence and acting with integrity.

The Standards provide clear fundamental expectations for suppliers and their supply chains. At Asda our relationship is with the suppliers, and in turn suppliers have the relationship with the facilities that produce the products we sell. As such we expect our suppliers to cascade our values throughout their supply chains. Failure to adhere to the Standards for Suppliers may result in consequences up to and including termination of business.

All suppliers of Goods for Resale (GFR) products

They have clear policies and procedures and make available resources such as toolkits to their providers. This approach means that they are able to use best practice and share learning across multiple Agencies on behalf of Asda and help them implement strategies to combat modern slavery.

For example, GRI access the skills of organisations such as Slave Free Alliance with whom they partner to investigate allegations and incidents or advise on policy and strategy development.

A toolkit has been developed and implemented by GRI in collaboration with Asda and is intended to support GRI's panel of agencies to implement a strategy for their business to tackle modern slavery, as well as make clear GRI's and Asda's expectations.

To complement the Asda process, IPL work with a core group of labour agencies that support operational sites. Developed with the guidance from the Association of Labour Providers (ALP), IPL have an onboarding procedure and audit programme that ensures that our labour providers have stringent policies and procedures in place. This helps to ensure that all agency worker regulations and modern slavery prevention initiatives are adhered to, to protect the agency worker and the business.

are required to comply with [Walmart's Standard for Suppliers](#) and the [Responsible Sourcing Disclosure Policy](#). This means all supplier facilities must be disclosed and made available for audit, in accordance with [Walmart's Risk-Based Approach](#).

In 2019, we provided updated [policy](#) wording covering all Goods for Resale (GFR).

Since 2018 we have in place specific requirements for suppliers of Goods and Services Not for Resale (GNFR) in order for suppliers to be fully aware of our expectations of their conduct. The policy is available to all suppliers via our externally facing [supplier website](#).

We are working closely with suppliers to remind them of their obligations under the legislation and are partnering with them to move the industry forward. In addition to the above, our IPL business is currently reviewing the steps needed to implement wording into their GNFR requirements to match that of their GFR requirements, and in 2020 will issue the policy to all suppliers.

Employer Pays Principle

Workers should not pay for a job and that the costs of recruitment should be borne not by the worker but by the employer. Our [Responsible Recruitment Statement of Principles](#) includes a public commitment in support of the Employer Pays Principle. Asda joined the Responsible Recruitment Toolkit RRT in early 2020 to support the implementation of these principles.



Assessing risk

06

In last year's statement we highlighted the methodology we developed to assess the risk of modern slavery to our business and how this translates into relevant activity. We have continued to refine and evolve our approach and use of this tool by improving the data within it.

Modern Slavery Risk Register

Establishes inherent strategic risks that modern slavery presents to our business processes and supply chains, logs existing mitigations and presents a prioritised list of focus areas within a Risk Register.

Forced Labour Dashboard

The FLD dynamically presents comprehensive indicators on suppliers/functions audit performance to establish metrics to track improvement and further focus our approach.

Subject matter experts / local knowledge

Subject matter experts within markets and business functions sense check findings, address concerns, establish initiatives and collaborate with suppliers to bring about the required change.

In order to continuously improve our approach and focus on areas where we can have the maximum impact we feed information back to the Risk Register and update our Forced Labour Dashboard. This methodology is used to focus our approach and drive insight into areas which impact the Asda business. In 2019 we highlighted three focus areas: our George (China) business, UK vegetables (IPL) and Bananas from Colombia and Costa Rica (also IPL).

Asda data is combined with insight from Sedex risk scoring, and, as specified within our objectives last year we have improved the functionality and accuracy of our tool. This has been achieved through data cleansing to provide the most representative information of activity within our supply chain through active suppliers and areas of risk. This refinement has meant that we have been able to sort our data comprehensively and find new data points to assist us in making decisions. For example, we are now able to separate Asda data from other Walmart global markets and isolate suppliers and facilities forming Asda's specific supply chain. This provides a more accurate reflection of potential risk specific to our business. In 2019, this improvement in data accuracy is directing us to a more in depth review of our General Merchandise and Non-Edible Grocery business areas. We will therefore continue our efforts and activity with George and IPL and in 2020 we will seek to understand more about underlying issues which may be occurring within these new areas.

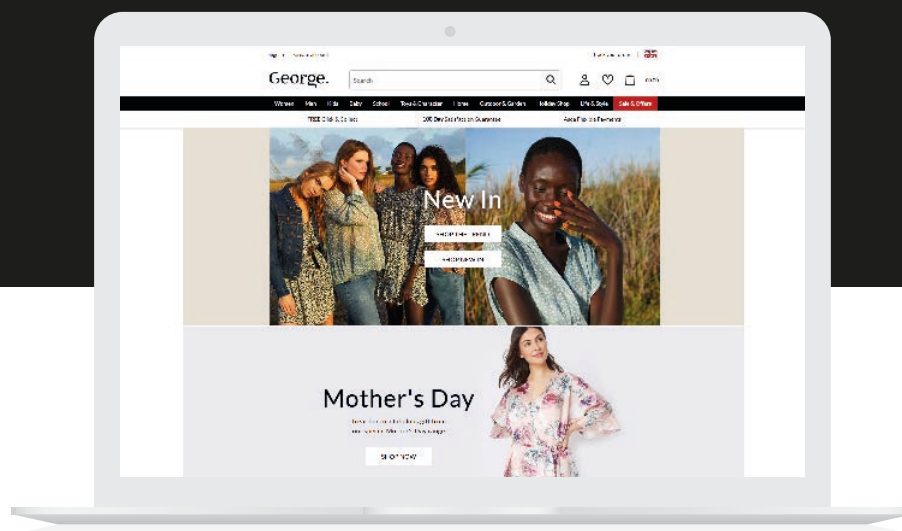
George.

Launched in 1989, George at Asda is now sold in over **560 stores** and through [George.com](https://www.george.com), one of the fastest growing online fashion businesses serving over **800,000 customers** a week.

Sourcing from **249 suppliers** and **788 factories** in **26 countries**, George prides itself on quality, affordability, and style across all product areas from clothing and footwear, to jewellery and accessories.

Our George business is a great example of how we tell the story of the work we do to combat modern slavery globally.

Continuing our work highlighted in our 2019 modern slavery statement, based on the findings of our Forced Labour Dashboard, our Responsible Sourcing Compliance colleagues have been focusing on how working hours are impacted by decisions within supply chains end-to-end. We have approached this complex topic alongside suppliers, brands and global colleagues to provide us with a holistic understanding of how we can work to stop these practices becoming exploitative.



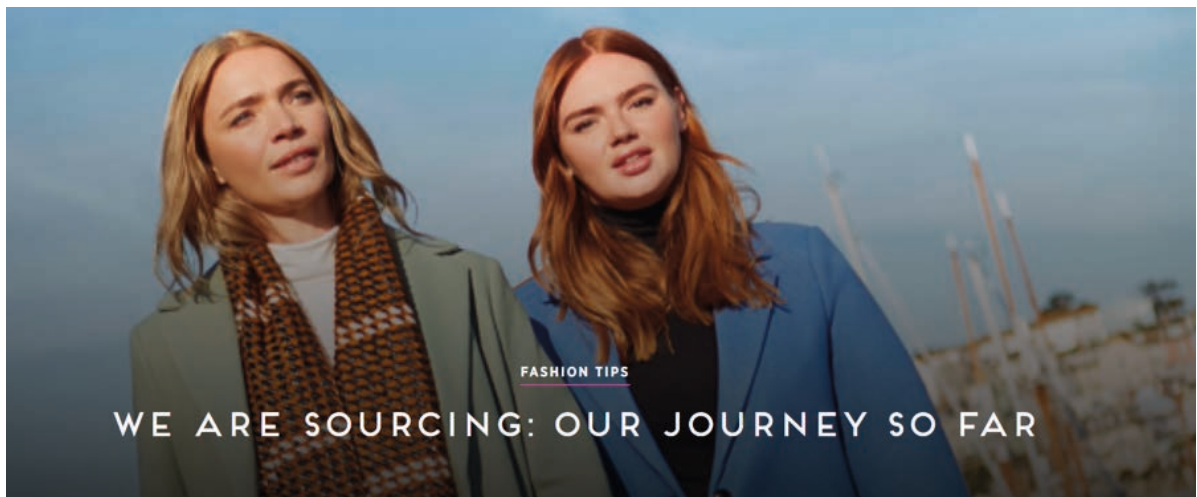
In order to better frame our work we developed the following key question:

How do we engage end-to-end to better understand how working hours impact facilities in the supply chain, with a pilot focusing on production within China?

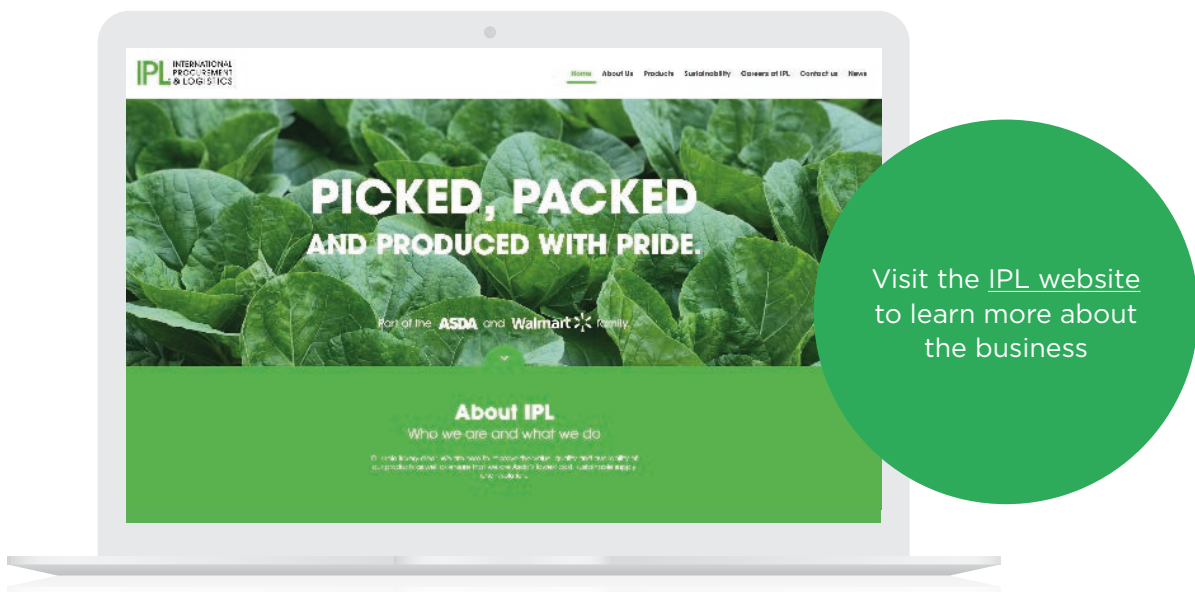
With this information, we have begun to prioritise our activity with a focus on training and awareness to suppliers and our commercial teams of the impact that buying practices can have within facilities. In 2020, we intend to collaborate with various external stakeholders about working hours more generally sharing our approach and insights to start to make a difference.

Alongside this work, we have mapped our [second tier supply chain](#) and provide transparency via our Sourced by George website to customers on where their products are manufactured. Via social media we share the stories of George products.

In 2020, we will continue our focus on China and the associated commercial practices and suppliers' operations relating to working hours, and we will consider opportunities to expand the pilot to other markets as appropriate.



Incorporated in April 2004, IPL was acquired by Asda in 2009 and is now one of the largest privately owned food processing businesses in the UK, sourcing a variety of different products from around the world, specifically for Asda customers, ranging from fresh fruit and vegetables, nuts and dried fruit, house plants and flowers and award winning wines. IPL operates from 10 sites across the UK and has presence in 7 countries across the globe, providing a sustainable sourcing model and helping Asda to deliver value to its customers. The IPL group of companies also include Forza Foods Limited and Kober Limited, which procure and supply cooked meats and bacon products respectively.



IPL Case Study

At an early afternoon break at one of IPL's processing sites, an agency worker divulged to a permanent colleague that they were allegedly experiencing a situation that could be regarded as modern slavery. They indicated that their bank card had been removed by an individual and they were given a weekly allowance of £20 for subsistence.

The colleague reported these concerns immediately to the site management per company protocols. In the first instance, site management managed to remove the agency worker from the line and placed them in a safe meeting room away from the production facilities, in order to discuss the full facts and extent of the issue.

The agency worker claimed there were up to 6 or 7 additional workers under the same conditions at their accommodation (owned by the labour provider).

The police were called and attended quickly, proceeding to question the victim through a police interpreter, with support from the onsite HR representative. The HR department reported the matter to IPL's Legal Team in addition to logging the incident with the Ethics Hotline in line with company policy.

Over the next few hours, the agency worker remained at IPL's site whilst the police investigated.

The police obtained all relevant details and left site before the rest of the factory finished their shift. The police advised that they would pass intelligence onto a specialist team within their division and commended the business on the clear actions it took to protect the agency worker in this situation.

In the days following the incident, IPL continued to communicate with the police to provide necessary information, and although the agency worker was no longer working at IPL, we understand that they have now been removed from this situation and have, at their request, been flown back to their home country.

Our incident management process

Asda's Responsible Sourcing team work closely with teams from across our business to look into allegations, intelligence and trends to understand more about where we might need to work with suppliers to raise concerns, close out issues and investigate exploitative practices.

Reports and allegations are received into our business in a numbers of ways:

- Directly from colleagues, individuals, workers, suppliers, audit firms or other 3rd parties (generally this is via our global Ethics reporting helpline).
- Indirectly via intelligence from media, external partners or enforcement agencies.

All incidents are assessed and where appropriate investigated in partnership with our Global Responsible Sourcing Investigations Team, with a suitable response provided to business partners and directly to suppliers. We actively partner with suppliers, host remediation conversations and support them in their compliance with our Standards for Suppliers. A number of these incidents were investigated and successfully remediated in 2019.

Due diligence

07

Asda applies a risk-based approach to establish scope of audits globally, working closely with approved third party audit providers such as the Business Social Compliance Initiative, Responsible Business Alliance and Sedex Members Ethical Trade Audit to promote continuous improvement.

Efforts are focused on all aspects of our Responsible Sourcing programme, with particular attention paid to issues related to forced labour and trafficking, both issues within modern slavery. For example, our approved audit programmes are encouraged to continually enhance the methodologies used to identify and report forced labour indicators and to find ways to effectively evaluate compliance with the Employer Pays Principle.

We revised our overall escalation criteria with a particular emphasis on potential indicators of forced labour. Through our enhanced and refined escalation process we have seen increased escalations of possible incidents of forced labour, which we believe to be the result of additional training and awareness raising.

While our programme relies upon third party audits, we assess each audit independently and review it for certain higher-risk findings, including indicators of forced and underage labour, and unsafe working conditions. If these indicators are present, the audit is escalated within the business for additional review and potential investigation.

All audits undertaken on behalf of Asda must be undertaken by auditors registered with the Association of Professional Social Compliance Auditors (APSCA). We do this to deliver a consistent standard in the audits we review and the experience of those facilities under audit.

Initiatives & partnerships - collaboration

Collaboration is key to successfully addressing modern slavery. The risks are complex, systemic, industry-wide and beyond the ability of any single organisation to solve. By working with industry stakeholders, non-profit organisations, governments and others, we are striving to improve transparency, empower workers and create positive change throughout supply chains. We are doing this in four ways;

1

Collective partnerships

Large strategic industry groups collaborating to find solutions to complex global issues within modern slavery.

2

Asda specific initiatives

Our own initiatives to combat modern slavery and support survivors.

3

Targeted initiatives

Issue specific initiatives, for example the Responsible Car Wash Scheme.

4

Political engagement

Responding to consultation requests and contributing to best practice.

**In 2019 our colleagues have been active
in the following ways to further our
work to combat modern slavery.**

Collective partnerships

Ethical Trade Initiative (ETI)

We have been working with the Ethical Trade Initiative (ETI) to inform their strategic direction, via consultation with our Responsible Sourcing Compliance team and establishing our engagement plan for future interactions based on shared priorities and areas of impact such as Modern Slavery.



Food Network for Ethical Trade (FNET)

We have been collaborating with suppliers and other retailers through the Food Network for Ethical Trade (FNET) to identify, manage and respond to global food supply chain ethical trade risks; to improve the food industry's understanding of ethical trade; to identify and facilitate collaboration opportunities, and to promote trust and support the expansion of this forum for sharing issues and best practice. Insight and intelligence from this forum is brought back into our business and shared with relevant colleagues and suppliers.



The British Retail Consortium (BRC)

The British Retail Consortium's Ethical Labour Working Group is chaired by our Director of Responsible Sourcing Compliance and is a key industry forum for understanding the direction of legislation and providing feedback.



Speaking at conferences & forums

To promote greater awareness to the industry and wider public, we regularly speak at conferences and forums to move forward global efforts to combat modern slavery. In November 2019, our Director of Responsible Sourcing Compliance joined the panel at the Responsible Recruitment UK Forum and participated in discussions examining the barriers to Responsible Recruitment in supply chains and what can be done to overcome them.



Asda specific initiatives

Creating Change for Better

'[Creating Change for Better](#)' is Asda's promise to build a better world and a more sustainable future through everything we do. Under our "Better Business" pillar we engage the wider business about our work regarding modern slavery and activities to support workers within supply chains. This strategy enables modern slavery to be part of a core business strategy and to clearly articulate the steps we are taking to combat this complex topic.



What Have You Seen?

'What have you seen?' is Asda's internal campaign to raise awareness amongst our colleagues with particular focus on Heavy Goods Vehicle (HGV) drivers about the indicators of modern slavery and what to do if they have concerns for someone's safety. We recognise that our drivers through their day to day activities may see potential indicators of modern slavery and the aim of this training is to upskill them in spotting signs and knowing how they should report any concerns.



Ingredients for Life

We know that one of the biggest challenges for survivors of modern slavery can be making the move from a supported environment, for example a safe house, to living independently.

[Ingredients for Life](#) is an Asda pilot programme designed to teach cookery skills to survivors of modern slavery. Developed in partnership with charity City Hearts we offered lessons utilising a syllabus developed by our Head Innovation Chef to teach many of the building blocks required for cooking and boosting health and wellbeing. These sessions were held at our Innovation Kitchens within our Home Office in Leeds.



The syllabus focuses on areas that survivors have told us are most important to them. It includes nutrition, food safety and hygiene. As well as practical cookery skills, Ingredients for Life is helping participants to build confidence and develop their skills, working as part of a team to help them move forward positively in their rehabilitation journey.

We're examining the feasibility of growing the programme in 2020 by extending it to involve our supply chain partners and other charities.



Asda Memberships

Objective	Role	Information
Ethical Labour Working Group (British Retail Consortium)	Chair	This forum brings together retailers, public officials and charities to respond to issues and advocate for solutions impacting modern slavery from remedy to legislation changes. Asda actively lead on the agenda convening members on private/public collaboration. For example, members of the group were aligned to support an appeal to the government to fund the Modern Slavery Helpline where a decision remains pending.
Stronger Together	Members	A founding member of Stronger Together, Asda continues to utilise the tools and resources available through the membership to support suppliers on training and awareness and strategic direction.
Ethical Trading Initiative	Members	Our membership within the ETI enables us to collaborate on supply chain issues with trade unions and NGOs as well as convene a collective voice with Government advocating involvement and influencing policy and change for worker welfare. Specifically the output of our involvement in the ETI's Modern Slavery sub-group has seen collaborative consultation on strengthening modern slavery legislation.
Food Network for Ethical Trade	Members	Our membership has enabled us to be part of various conversations to address emerging risk in different sectors including warehousing and logistics.
Spanish Ethical Forum	Members	<p>Spain is an important sourcing region for IPL and one that continues to attract negative media attention relating to worker exploitation and specifically to sexual harassment and poor living conditions.</p> <p>IPL and Asda continued to support their Spanish supply base by continuing their membership of The Spanish Ethical forum, a forum which enables suppliers to meet and share learnings and ultimately take ownership of the issues.</p>

Bright Future

We are supporting a programme called [Bright Future](#) that's all about helping survivors of modern slavery towards employment. Bright Future was launched in 2017 by charity City Hearts alongside the Co-Op. Since then it has expanded to involve 28 charities and 21 businesses, including Asda.



In 2019, our IPL business have been working with City Hearts to understand how they might best be able to support survivors of modern slavery via the Bright Future programme. In October 2019 IPL became members and are now accessible on the National Matching System, set-up to match potential survivors with available job opportunities.

Over the next year we intend to evaluate the opportunity of the programme's model to Asda's logistics business to understand where we might be able to offer work placements to candidates.

Targeted initiatives

Responsible Car Wash Scheme

Hand car washes are well-documented as a high risk industry. In 2018, we joined the Responsible Car Wash Scheme, established by the Downstream Fuel Association, GLAA, HSE and a number of national retailers including Asda, to make sure affiliated operators act ethically and improve the industry as a whole, and to mitigate a prominent business process risk. The aim of the organisation is to target unethical labour practices and ensure compliance with regulations via ethical audits and certification, allowing customers to select an ethical car wash and allow enforcement agencies to focus on unscrupulous operators. Asda has been involved in the establishment of this programme and is working as part of the pilot stage within the Midlands. We believe involvement in initiatives such as this will drive improvements within the industry as a whole ensuring legal trading, adherence to environmental regulations and the appropriate protection of workers.



Asda supported the delivery of the Responsible Car Wash Scheme pilot in 2019. The main findings have been reported and fed back to the panel of scheme sponsors and then subsequently to ministers informing the future direction of the programme.

Global Memberships

By working with industry stakeholders, non-profit organisations, governments and others we are striving to improve transparency, empower workers and create positive change throughout supply chains.

Initiative/group	Role	Information
Leadership Group For Responsible Recruitment (Institute for Human Rights and Business)	Steering Committee	Our membership facilitates our objective of: Creating Demand for responsible recruitment by raising awareness about the positive benefits of ethical practices and developing tools to help suppliers implement the Employer Pays Principle Increasing Supply of ethically sourced labour by creating an enabling environment and supporting the development and implementation of systems to identify and use ethical recruitment agencies Improving protection for migrant workers through our advocacy for effective regulation as members.
Issara Institute	Strategic Partner	Independent NGO based in Southeast Asia and the United States tackling issues of human trafficking and forced labour through technology, partnership, and innovation.

Case study

International Organisation for Migration & Asda

A partnership to better understand migration flows and recruitment practices in South East Asia.

Migrant workers are often exploited during the recruitment and deployment phases of the migration cycle by unscrupulous labour brokers or recruiters that charge excessive fees, provide misleading information about the job offer, or seek to impose control over workers through retaining workers' identity documents, withholding of salaries and restricting their freedom of movement.

Asda is committed to working jointly with its suppliers to protect migrant workers, help transform the international recruitment industry and eliminate unethical recruitment practices.

In this vein, Asda invited all suppliers with facilities in Thailand and Malaysia to participate in a joint Walmart initiative with the International Organization for Migration (IOM), the migration agency of the United Nations, to better understand the scope and scale of international labour supply chains and to build company and recruiter capacity on ethical recruitment and migrant worker protection.

Over 80% of supplier facilities nominated by ASDA for participation in this initiative actively participated in the programme in Thailand and Malaysia and we hope that through this work and the partnership with the IOM² we are able to make the recruitment process safer and those involved more aware of the risks, as well as allowing them to share best practices.

² IOM is the leading inter-governmental organization in the field of migration and works closely with governmental, intergovernmental and non-governmental partners.

Political engagement

We have continued to work with the Home Office and provide feedback on topics relating to the evolution of modern slavery legislation. In addition we provide support and advice to our Walmart colleagues in Canada as they move towards national legislation.

In 2019 we met with both National and Regional Police leads to understand the challenges facing policing, how a business such as Asda could assist in combatting this crime and to establish a database of police contacts to assist colleagues in incidents, should they arise.

We have collaborated with local enforcement agencies such as Gangmasters and Labour Abuse Authority (GLAA) on specific cases of alleged modern slavery to collectively bring resolve and share intelligence.

We continue to support the Home Office by feeding into discussions relating to the development and introduction of a single state-owned Modern Slavery Registry. This follows a call by the Independent Anti-slavery Commissioner in 2018 to improve business compliance with the legislation requirements following the introduction of the Act in 2015. The registry will aim to reduce business confusion about where to file modern slavery statements, provide businesses with a single repository in which to file statements and enable other stakeholders – such as investors, consumers, non-governmental organisations, trade unions and contracting companies or local authorities – to quickly and easily identify whether a particular company has complied with the Act.

“

In 2019 Asda, the GLAA and National Crime Agency partnered to investigate intelligence relating to forced labour in global supply chains.

Asda undertook an investigation including in country supplier visits, data gathering and analysis. We look forward to collaborating with Asda in the future to further improve global supply chains and evaluate intelligence.

Ian Walker – Head of Intelligence GLAA

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Training & awareness

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We are equipping Asda colleagues with the skills they need to engage with the complexities of modern slavery, whether that's part of their role at Asda or as they go about their daily lives. An educated and informed colleague is vigilant to these issues and can respond accordingly.

All Asda Home Office line managers with supplier facing or sourcing roles and selected retail colleagues receive modern slavery training via an e-learning module designed in partnership with Stronger Together.

The module defines modern slavery and indicators to look out for, and provides information on UK legislation, case studies, best practice and what to do if a colleague has concerns for someone's safety. Following the training of over 2,600 colleagues in 2018, mandatory training was provided to a further 94 colleagues as part of their induction in 2019.

The modules available to Asda colleagues and suppliers are shown in the tables below. Our Responsible Sourcing Training Academy provides access to foundational training for all suppliers and their supply chains worldwide. Participants learn and understand how to identify signs and mitigate the effects of modern slavery. In 2019, we have continued to engage the business through training and awareness and we see the ongoing value and benefit from this with a workforce that is aware and ready to respond. Further incidents of suspected modern slavery have been reported, and this has enabled us to take action and inform the relevant authorities to investigate further.

Module Name	Syllabus information
Modern slavery eLearning module	Provides an insight into the issue of modern slavery and how you can help prevent it and deal with it if you suspect it. Includes case studies and best practice for hiring managers.
Tackling forced labour in global supply chains - UK	A customised course that works with selected industries covering specific roles and how issues may manifest themselves in the trainees industry.

When incidents do occur, we are focused on investigating thoroughly, supporting any involved colleagues, testing our reporting process and taking action to support remediation where possible.



Currently more than 5,000 suppliers globally are enrolled into the Academy.

Enrolled suppliers have access to a number of modules to aid their efforts to combat modern slavery and forced labour.

Module Name	Summary
Responsible recruitment of facility workers	Describes effective recruitment practices that can help build a skilled and productive workforce and aid compliance with labour laws.
Responsible sourcing for suppliers	Describes how a responsible sourcing management system is an important component to a well-functioning business. When suppliers and/or facilities purchase and source products, raw materials, and components, responsible sourcing helps to reduce risk to their business.
Communication and feedback process	Describes the communication and feedback process, provides key elements and examples for consideration in an effective worker communication strategy, and suggests guidelines for creating a communication and feedback process policy.
Wages and hours	<p>Describes the benefits of having a wages and hours management system to help facilities remain compliant on a number of topics; wages (compensation), hours, benefits, breaks, rest days, holidays and leave.</p> <p>It aims to prevent illegal or excessive wage deductions or withholdings, delayed wage payments and irregular payments.</p>

We have continued to focus on the skills colleagues require to undertake their roles, support suppliers and remain vigilant to risks. In 2019 we have delivered tailored modules to specific business roles to build capacity and understanding of this complex topic.

Responsible Buying Training overview

This course covers all aspects of the Walmart Responsible Sourcing programme and gives commercial teams the tools they need to understand the potential impact they could have on issues such as working hours. In 2019, 23 colleagues were trained across 3 sessions and the training will be continued for all new colleagues in the future.

Technical Manager Training

Across our IPL and Asda business in 2019, we have delivered upskilling training to 36 colleagues in roles where additional awareness will assist us in improving our responsible sourcing practices. A key part of this process is to raise their awareness of modern slavery and what to do on supplier and site visits if they have concerns for someone's safety. We have undertaken this across Food, General Merchandise, George and Goods Not For Resale.

IPL are committed to raising awareness of modern slavery through colleague training and communication campaigns enabling colleagues to have the most up-to-date information and remain engaged with this complex issue.

Supplier Engagement & Partnerships

Stronger Together

This year we engaged with our Technical and Quality Managers to provide external Stronger Together training to 39 colleagues sharing an industry perspective of the risk and additional messaging around the topic as a whole, the impacts on victims, indicators and best practice.



‘What Have You Seen?’

In our 2019 Statement, we set an objective to increase awareness of the indicators of modern slavery for colleagues who may have closer proximity to those in conditions of modern slavery. We have progressed this by focusing on our Heavy Goods Vehicle drivers within our Asda Logistics Services Division as they travel the UK’s road networks, visit industrial areas, the communities we serve and rest areas nationwide. It is our goal to provide them with the skills required to understand and act should they have reason to do so.

We chose to engage our driver colleagues in a reflective and thought provoking programme as an addition to their Driver Certification Professional Competence sessions. Our ALS Regional Training Team delivered the module to over 600 colleagues. An initial notification to their handheld devices set the scene and rationale for training, giving the drivers time to reflect on the topic, its impact and what they may have seen prior. Additionally, drivers were provided with a pocket sized reference tool following their training with a QR Code which directs them to the [Modern Slavery Helpline](#), should they need to report concerns.

Driver feedback

Driver feedback to this training has been positive and well received, with drivers saying “that they will be more aware when parked up and collecting backhauls” and “[it] opens awareness of what to look out for”. Driver training is currently 27% complete with the remaining training to be completed throughout 2020.



A number of awareness activities have taken place during the year including:

National Anti-slavery Day: Asda marked this day delivering an awareness campaign across the business, holding drop-in sessions for colleagues to discuss any concerns, challenges or issues, or just to learn more. The opportunity was also taken to engage with the supply base to highlight the Stronger Together free of charge training modules available to suppliers and their supply chains through our online portal.

In 2019, IPL has mapped seasonal spikes, particularly around events such as Christmas and Mothers’ Day where there is additional increase in demand for temporary/seasonal workers at IPL facilities, and plans to provide additional resources to raise awareness of the indicators of modern slavery and what to do if colleagues have concerns for someone’s safety.

Objectives progress summary

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Below is a summary of progress made in 2019, and our plans to continue to enhance, refine and improve further throughout 2020.

Objective	2019	2020
Enhance our Risk Assessment	<p>Further refine and evaluate tools developed in 2018 to assess risk and measure progress. Progress: Through data cleansing we have been able to provide the most representative information of activity through active suppliers and areas of risk. As part of this refinement we've increased data accuracy meaning we are better able to sort our data and identify risk to assist us in making decisions.</p> <p>Undertake additional due diligence of tenants and service providers to further evaluate them within our hierarchy of risk. Progress: Upon evaluation of tenants and service providers additional due diligence measures have been implemented through completion of Modern Slavery Statement compliance checks. Further mapping activity remains ongoing.</p> <p>Further evaluate the output of our hierarchy of risk for George and IPL focus areas. Progress: Evaluation of our hierarchy of risk for previous focus areas identified has taken place and these areas continue to remain a key focus. The new iteration of our risk data highlights more specific areas of the business in General Merchandise and Non-edible Grocery potentially requiring focus and these will be explored further during 2020.</p>	<p>Evaluate and enhance our risk management tools to drive insight and impact supporting improvements in future risk focus areas.</p> <p>Continue work on our previously identified focus areas within our George and IPL businesses</p> <p>Develop Modern Slavery KPI metrics which will enable us to assess, monitor and track our efforts and support resource allocation in priority areas.</p>
Increased Training and Awareness	<p>Review and update the e-learning modules. Progress: Training e-learning modules have been reviewed, content updated and delivered additionally, Responsible Buying training has been developed and implemented within the George business giving commercial teams the tools they need to understand the potential impact the decisions they make could have on issues such as overtime.</p>	<p>Enhance company-wide awareness of indicators of modern slavery with an all colleague training platform to support and develop further understanding of potential concerns.</p>

	<p>Increase awareness of the indicators of modern slavery for colleagues who may have closer proximity to those in conditions of modern slavery.</p> <p>Progress: Dedicated Lunch and Learn sessions alongside Responsible Sourcing training have been utilised as the mechanism to deliver increased awareness to Buyers and Food and Produce Technical Managers to support and enhance their understanding.</p> <p>Increased awareness has also been delivered with the launch of driver training with Asda Logistics Services and additionally, on October 18th 2019 to mark National Anti-Slavery Day, we held business wide drop-in sessions, encouraging colleagues across the business to ask questions and learn more about modern slavery.</p> <p>Tailored messaging to assist colleagues in understanding purchasing practices and their associated impact.</p> <p>Progress: We have delivered key messages through new and bespoke Responsible Buying Training to specific colleagues to assist them in understanding how potentially negative purchasing practices and behaviours could increase the risk of Modern Slavery occurrence.</p>	<p>Review and evolve our training tools for Buyers, Merchants and Technical Managers maintaining up-to-date content and relevant case studies delivering relatable and real-life scenarios.</p> <p>Roll out our “what have you seen?” training within our European haulage operations to cover all drivers within the business.</p> <p>Provide reference tools and guides to colleagues visiting suppliers to increase awareness.</p> <p>Enhance integration within the overall Asda and IPL businesses providing end to end coverage across systems, processes and policies.</p>
Steps to strengthen policy	<p>Implement and communicate our Modern Slavery Policy to GFR suppliers to drive awareness and compliance.</p> <p>Progress: Our Modern Slavery Policy has now been updated and made relevant to all areas of the business and supply chain. The policy is available both internally and externally, to the supply chain via our Supplier Website and through internal systems for all colleagues.</p>	<p>Review policies for effectiveness and evolve as required in line with strengthening legislation and consultations</p> <p>Progress implementation of the Responsible Recruitment Toolkit throughout the business and supply chains.</p>
Increased focus on partnerships	<p>Engage with external partners to benchmark our objectives and inform our strategy in 2019.</p> <p>Progress: Asda’s engagement with Stronger Together has increased during 2019 and we have been able to benchmark our objectives and Modern Slavery Statement to better inform our future strategy to further mitigate our risks.</p>	<p>Collaborate with appropriate third parties to improve the alignment of our policies, strategies and statement – Suppliers, NGO’s and Not for Profit organisations.</p> <p>Continue to actively engage with collective partnerships and member organisations to support and share learning and best practice.</p>

	<p>Explore our new partnerships and integrate them within our business processes and supply chains.</p> <p>Progress: We have continued to engage with the ETI Modern Slavery Working Group and with the Food Network for Ethical Trade supporting and participating in collaborative working groups.</p>	<p>Sharing best practice from our programme further to drive innovation and collaboration at industry and partnership meetings and with our supply base.</p> <p>Develop and establish the global Forced Labour Centre of Excellence with Walmart to share best practice and learning across our global businesses.</p>
<p>Increased focus on scalable initiatives</p>	<p>Deliver Asda: Ingredients for Life pilot – a culinary programme that puts survivors of modern slavery, their skills and journey to independence at its core.</p> <p>Progress: We have directly supported survivors of modern slavery to move forward from past traumas via our health and wellbeing pilot – Ingredients for Life. The pilot delivered a culinary programme which placed survivors of modern slavery in a programme to increase their skills along with supporting their journey to independence.</p> <p>Identify sites where Bright Future could be successfully implemented within our IPL business.</p> <p>Progress: Through Bright Future we have identified a site within our IPL business which is awaiting a placement of a survivor.</p>	<p>Deliver Ingredients for Life pilot alongside a supply chain partner and partner charities to assess feasibility and impact of scaling enabling survivor support on a wider scale outside of our own business.</p> <p>Host a Bright Future placement within IPL business and review opportunities within our wider business to support survivors and enabling them to develop new skills and experience.</p>