

ASDA

Modern Slavery Statement 2022

ASDA



ASDA
Creating
CHANGE
for Better

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Welcome

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 31 December 2021. It covers the activities of Asda Stores Ltd, Asda Group Ltd, McLagan Investments 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, where relevant, Forza Foods Limited and Kober Limited.



Foreword

I am very pleased to share Asda's sixth Modern Slavery Statement. This statement outlines the work we carry out and the progress we have made to combat Modern Slavery, and the steps taken to prevent this issue from occurring within our business and supply chains.

2021 was another challenging year, in which it has been important that we have continued to support our internal stakeholders, colleagues, suppliers, and work with third party organisations to make progress in this area.

Due to the global pandemic and the pressures on global supply chains, we have seen increased risk of incidents of Modern Slavery such as the UK guidance on sourcing from Xinjiang due to Human Rights violations, and the risks of illegal recruitment and payment of fees for workers in the supply chain. To best address these risks; we have increased our focus on partnerships and collaboration to understand the root cause and takes steps to mitigate the risk where relevant.

Moving into new ownership has provided us with an opportunity to develop new ways of working and enabled movement from a Walmart global approach to an Asda centric Responsible Sourcing programme. Our programme is designed to make sure that we understand, monitor and manage the risks that may be present within our supply chain, by collaborating with suppliers to deliver impact globally. The data and insights we will gather will allow us to anchor our approach to mitigating the risks of Modern Slavery in our business and supply chains and establishing our beyond audit approach to Human Rights due diligence.



Mohsin Issa CBE
Asda Co-Owner

Signed on behalf of the Asda board on 22nd April 2022

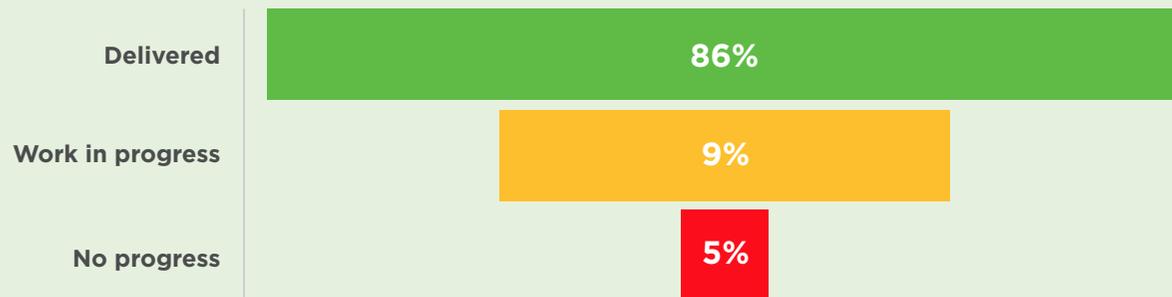


SECTION ONE

Objectives Progress Summary

Modern Slavery Objectives 2021 Summary

This section covers a high-level summary of our progress in 2021 across our key objectives and deliverables. Please see Section 8 for future focus, our objectives and deliverables for 2022.

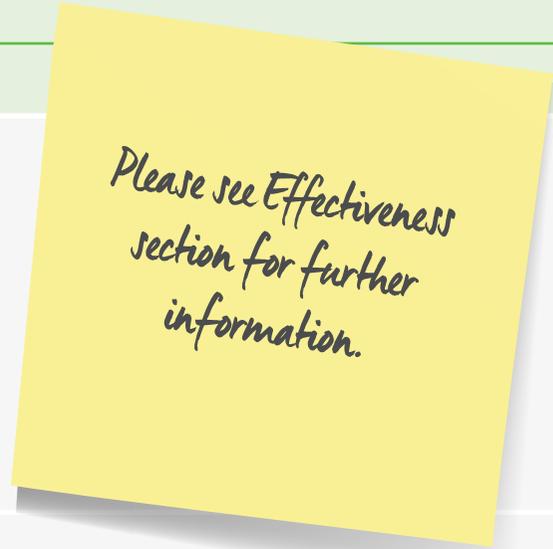


Objective Area and Deliverable	Commentary
<p>Enhance our Risk Assessment Continue work on our previously identified areas of focus within the Asda and IPL business.</p>	<p>In 2021 we identified further areas of improvement in relation to mitigating risk for Labour provision, and we have continued to work with the Asda Talent Acquisition team, Labour and Employment team and GRI to continuously improve processes and procedures. All Labour agencies via GRI (for Asda) and IPL are required to link to Asda/IPL on Sedex and complete an SAQ (in line with other areas of the business).</p> <p>The Modern Slavery risk assessment was reviewed, updated and enhanced following separation from Walmart to ensure it is reflective of the risks relevant to Asda. A Compliance Risk and Assurance team was put in place in Q4 2021 to work across all subject matter areas, including Modern Slavery, to provide management with assurance over the execution of the Asda Compliance programme and to identify opportunities to continuously improve and enhance its maturity.</p>

<p>Continue to evolve our risk management tools driving insight and impact through an Asda focused lens, extend work on previous focus areas and provide greater coverage for GNFR.</p> <p>Evaluate and enhance our risk management tools to drive insight and impact supporting improvements in future risk areas.</p>	<p>A GNFR roadmap was developed to identify the risk areas and understand which to prioritise as a focus for 2021 and beyond.</p> <p>We have explored the opportunity for improved due diligence for high-risk product sourcing to establish and validate traceability and provenance via scientific forensic testing</p> <p>As we have worked to build our baseline for the Responsible Sourcing programme, we have been working to ensure our data is robust, reflective of our supply chains and focuses on risk. With this we have improved the accuracy of our data and as such, will enable us to develop greater insights into issues such as forced labour. Our commitment in 2022 is to update and refresh our forced labour dashboard with this information to understand any salient Modern Slavery risks. One of the main benefits of this approach is that we have been able to increase the accuracy of our data which has enabled us to better understand risk and where incidents of forced labour may be more likely in our supply chain.</p>
<p>Increased training and awareness</p> <p>Continue to extend colleague and supplier training and awareness of the indicators of Modern Slavery, both internally and externally by utilising memberships.</p> <p>Enhance integration within the overall Asda and IPL businesses providing end to end coverage across systems, processes and policies.</p>	<p>The Modern Slavery e-learning module was rolled out to relevant colleagues within defined audience scope and all new starters as a mandatory module for them to complete within Asda and IPL.</p> <p>Further awareness for National Anti-Slavery Day (NASD) in 2021 including permanent Modern Slavery posters and strut cards landed in stores, posters on Colleague noticeboards and Atrium screen messaging in Asda House/IPL in addition to Colleague screensaver messaging.</p> <p>Asda became a member of Slave Free Alliance in 2021, as part of the membership they held a training session to members of the IPL Legal and Compliance team which covered an overview of Modern Slavery, mitigation, and general upskilling.</p> <p>IPL also raised awareness through a locker drop in February 2021 with information on Modern Slavery, including the indicators and how to report.</p> <p>The Asda Ethics team rolled out a ‘Test your ethics’ multiple-choice question on their Instagram page around Modern Slavery.</p>

	<p>The Heavy Goods Vehicle (HGV) driver training ‘what have you seen?’ is at 82% completion. Progress was made in 2021 and we aim to finalise this training in 2022.</p> <p>The first Asda Environmental Social and Governance (ESG) report was published in 2021 with inclusion of what steps Asda undertakes to prevent Modern Slavery within our business and supply chains. As part of the ESG report, the Responsible Sourcing team are required to report monthly on the ESG commitments such as training and awareness of Modern Slavery.</p> <p>(Please see training and awareness section for further information).</p>
<p>Policy and Governance Review policies and governance for effectiveness and evolve as required in line with legislation and consultations.</p> <p>Progress implementation of the Responsible Recruitment Toolkit (RRT) throughout the business and supply chains.</p>	<p>Modern Slavery quarterly colleague checks are ongoing for both Asda and IPL, this involves investigation of any instances of duplicate records, engaging with relevant stakeholders and issuing findings based on checks.</p> <p>A tracker was created to review Asda Supplier compliance of the Modern Slavery Act 2015. This is to ensure we assess, manage and monitor compliance on an ongoing basis.</p> <p>Modern Slavery requirements and Supplier onboarding due diligence checks have been refreshed for GNFR to better align with legislation.</p> <p>The Responsible Recruitment Toolkit (RRT) has been completed for the Asda business; this has allowed us to identify gaps which will be addressed as part of an action plan. As part of the Responsible Sourcing programme, we are making the tools and guidance for RRT easily accessible through our Asda, George and IPL supplier websites to help Suppliers mitigate Labour provision risks and recruit responsibly.</p> <p>The IPL Modern Slavery Steering Group (IPL MSSG) continue to meet on a quarterly basis, this allows the members to discuss any topics, and share best practice guidance.</p>
<p>Collaboration and impact Continue to collaborate with appropriate third parties to improve the alignment of our polices, strategies and statement.</p>	<p>Asda proudly became a member of Slave-Free Alliance in 2021 to support our Modern Slavery survivor support proposition, and a gap analysis of risks within our supply chain was undertaken. We received positive feedback and are now addressing the recommended actions.</p> <p>We have continued to actively engage external stakeholders through our memberships, supplier relationships and supply chain links to generate feedback to better inform our emerging Responsible Sourcing programme on topics such as Modern Slavery and Human Rights.</p>

<p>Continue to actively engage with collective partnerships and member organisations to support and share learning and best practice.</p>	<p>Ingredients for life progressed during 2021, with Greencore facilitating cookery sessions via zoom to assist survivors of Modern Slavery on their journey to rehabilitation. We again saw great outcomes for those who attended these lessons, and we are working with Charity and Supply Chain partners to understand how we can achieve a sustainable and scalable programme.</p>
<p>Increased focus on scalable initiatives Identify ways of safeguarding survivors of Modern Slavery, and review remediation.</p>	<p>At Asda we are reviewing how we can support victims of Modern Slavery and will continue to do so throughout 2022 by working with internal and external stakeholders.</p> <p>As part of our membership with Stronger Together, we are taking steps to promote certain colleagues within the business becoming a Modern Slavery champion by utilising the Stronger Together guide.</p>
<p>Policy and Governance Continue integration with the overall Asda and IPL businesses providing end to end coverage across systems, processes and policies.</p>	<p>Due to structural and business changes in 2021, we are reviewing how we manage the Modern Slavery Working Group and the governance structure of this. With the development of the ESG Report and governance framework, we are reviewing how best Modern Slavery may be tied into this approach.</p>



SECTION TWO

Structure, Business and Supply Chains

Structure

Asda is one of Britain's leading retailers. Dedicated colleagues serve customers from our network of stores and online services, including supercentres, superstores, supermarkets, Living stores, petrol filling stations and depots across the UK.

At Asda, we have more than 140,000 dedicated Asda colleagues serving more than 18 million customers who shop in our stores every week.

Please visit our Asda, George and IPL websites for further business information.





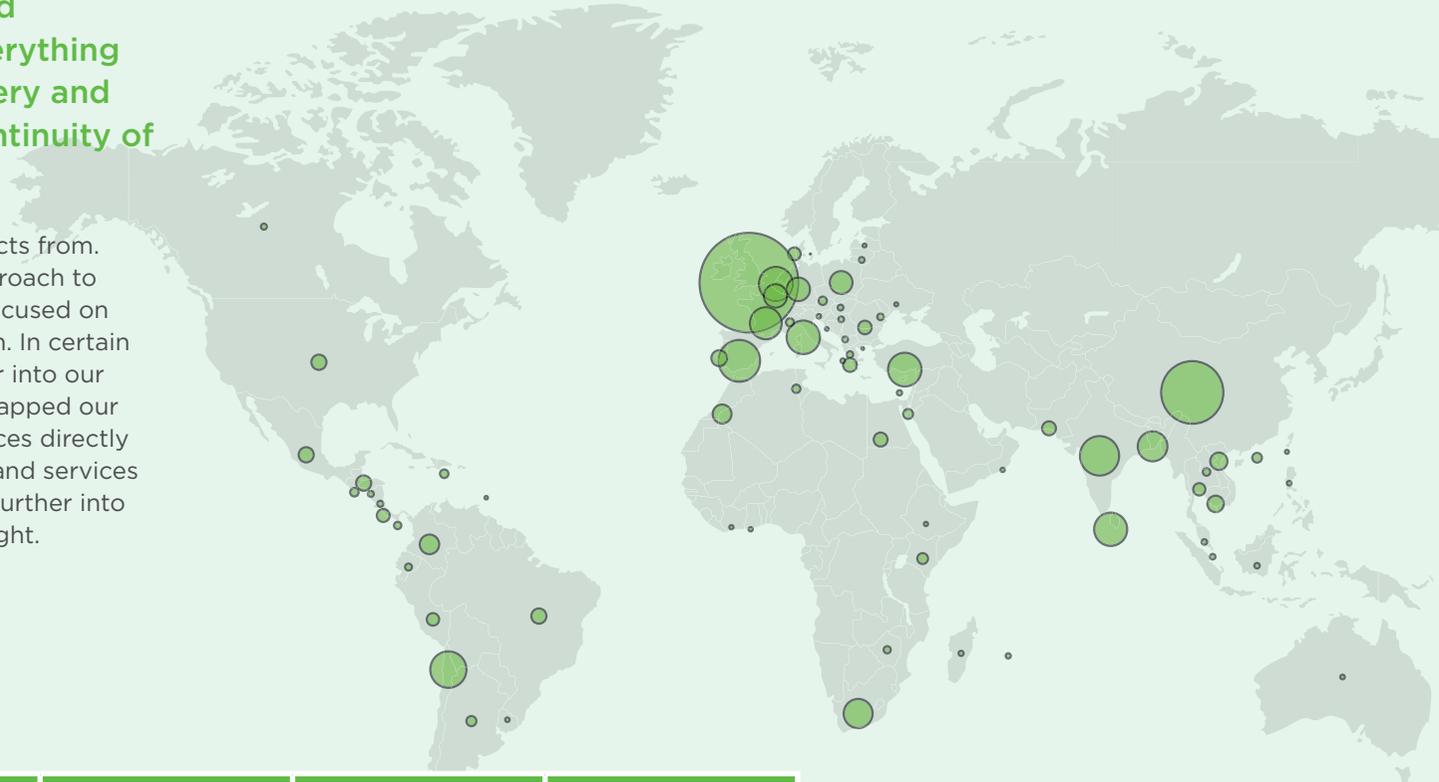
*¹ Asda Stores Ltd., International Procurement and Logistics Ltd. Forza Foods Ltd. and Kober Ltd. At 07/03/2022
 *² Asda Stores Ltd., International Procurement and Logistics Ltd. Forza Foods Ltd. and Kober Ltd. At 31/12/2021
 *³ Asda Stores Ltd., International Procurement and Logistics Ltd. Forza Foods Ltd. and Kober Ltd. At 31/12/2021
 *⁴ 16 provide regular labour and three only supply labour at site peak seasons/events
 *⁵ Asda Stores Ltd., International Procurement and Logistics Ltd. Forza Foods Ltd. and Kober Ltd. At 07/03/2022

*⁶ Based on unique supplier ID's that have active facilities associated at 08/03/2022
 *⁷ Across Asda and Walmart Global Sourcing at 08/03/2022
 *⁸ At 16/02/2022
 *⁹ At 31/12/2021
 *¹⁰ At 31/12/2021

Our Supply Chains

Asda's global supply chain is diverse and complex, and ensuring we are doing everything we can to mitigate risks of Modern Slavery and Human Trafficking is essential to the continuity of our business and dignity of workers.

The map below illustrates where we source our products from. Asda's Responsible Sourcing programme and our approach to topics such as Human Rights and Modern Slavery is focused on the areas of highest risk for Asda and our supply chain. In certain areas of higher risk, including Apparel, we look deeper into our sourcing and the way we understand risk, and have mapped our Tier 1 Suppliers (who provide their products and services directly to Asda) and Tier 2 Suppliers (who provide products and services to Asda via Tier 1 suppliers), and we continue to look further into supply chain transparency based on risk and data insight.

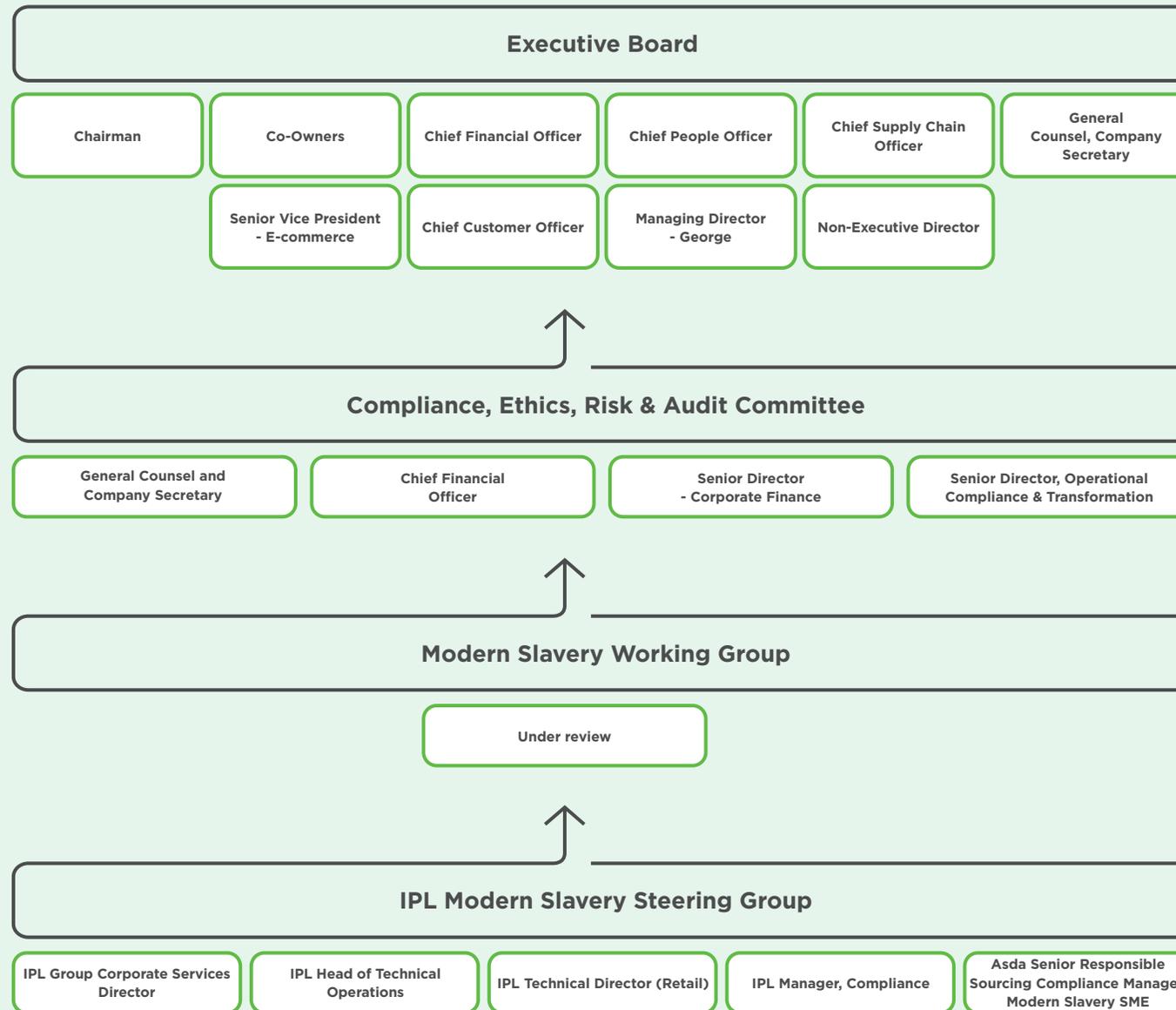


	Domestic	Import	WGS	Total
Suppliers	772	58	1	831
Facilities	2426	67	692	3185

Our top sourcing countries* across our key business areas are detailed in the table below

	Food & Produce	Apparel	General Merchandise	Non-Edible Grocery	GNFR
1	 United Kingdom 46%	 China 26%	 China 87%	 United Kingdom 37%	 United Kingdom 48%
2	 Spain 8%	 Turkey 18%	 India 5%	 China 15%	 China 15%
3	 Italy 7%	 Bangladesh 14%	 Bangladesh 2%	 Germany 8%	 India 6%
4	 France 6%	 India 13%	 Vietnam 2%	 Poland 4%	 Bangladesh 6%
5	 Netherlands 5%	 Sri Lanka 11%	 Pakistan 1%	 Belgium 4%	 Ireland 5%
6	 Belgium 3%	 Pakistan 3%	 Turkey 1%	 India 4%	 Vietnam 5%
7	 Costa Rica 2%	 Vietnam 3%	 Indonesia 1%	 Netherlands 3%	 Turkey 3%
8	 Germany 2%	 United Kingdom 3%	 United States 0%	 France 3%	 Sri Lanka 3%
9	 Panama 2%	 Cambodia 2%	 Taiwan 0%	 Italy 3%	 Malaysia 2%
10	 Chile 1%	 Indonesia 1%	 Israel 0%	 Spain 2%	 United States 2%

*Top Sourcing countries based on the no. of supplying sites in scope of the Responsible Sourcing Compliance audit programme



Committees & Governance

Asda has a robust governance structure in place to enable us to address risk and report in the right way.

This structure allows senior leaders within the business to provide their guidance and approval.

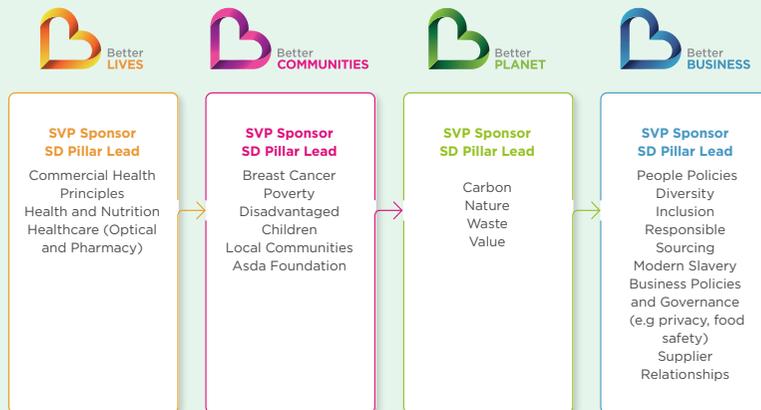
To view Asda's Executive Board, please 'Click Here'.

We are always looking for ways to further immerse Modern Slavery training and awareness into the business and supply chains. In 2021 Asda published its first Environmental, Social and Governance (ESG) report which sets out our commitments to a sustainable business strategy. Within this, in the Better Business section, it outlines the steps Asda are taking to prevent Modern Slavery.



Let's Create Change

Our promise to build a better world and a more sustainable future through everything we do.



Legal & Compliance

The Responsible Sourcing team is an integral part of the Legal and Compliance function. The team continues to support the delivery of Asda's objectives and commitments by working with subject matter experts across teams such as Labour and Employment, Ethics and Risk and Assurance to enable the business and manage risks.

Separation from Walmart has provided an opportunity to develop a Responsible Sourcing programme that focuses on Asda, its suppliers and the supply chain risks associated with our business.

We frame our work in the following way:

- **Vision** - To ensure the dignity of the people who make the products we sell
- **Mission** - To develop and action a world class Responsible Sourcing and Human Rights approach that (1) drives continuous improvement, (2) embodies simplification and (3) addresses risk with impact
- **Objective** - To empower suppliers, colleagues, stakeholders and investors to continuously improve and innovate in addressing supply chain risk.

Asda's new programme focuses on supplier information on every in-scope location to provide a consistent understanding of risk and trends that may be present within our global supply chains. This aggregate data allows us to assess risk and allocate resources to have the most impact for addressing root causes of issues.

In 2021 we have begun to focus on our emerging Human Rights work. This work, underpinned by our programme data, will be further developed with policies and activity to best address risks identified to ensure the dignity of the people who make the products we sell.

SECTION THREE

Policies

Policies

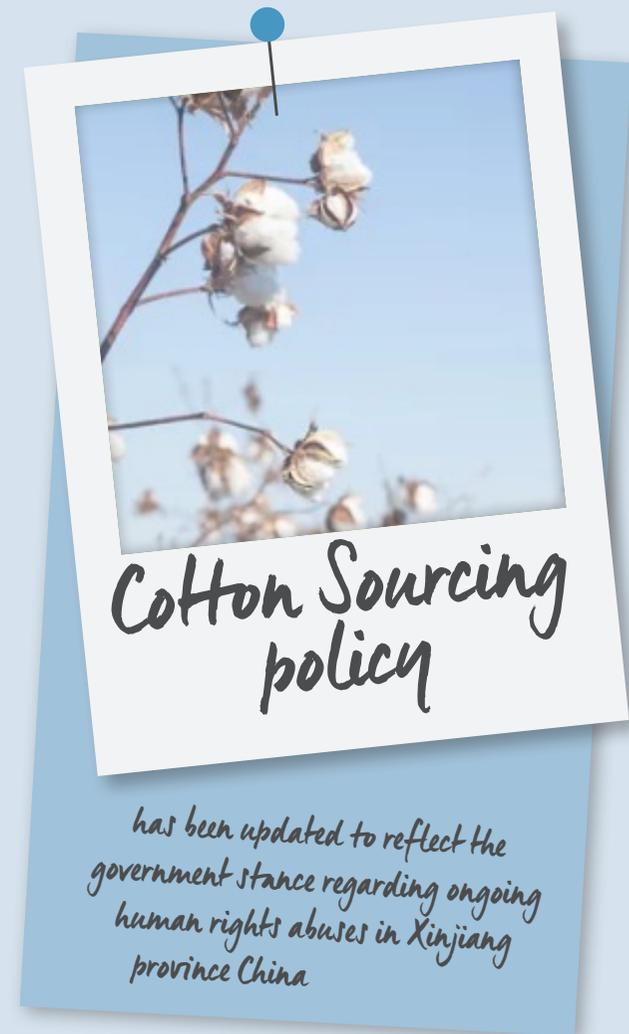
It is vital that as a business, we have policies in place to ensure we set out our expectations on Modern Slavery throughout the business and our supply chains. The Asda Standards for Suppliers are the corner stone of our Responsible Sourcing programme and apply to all suppliers.

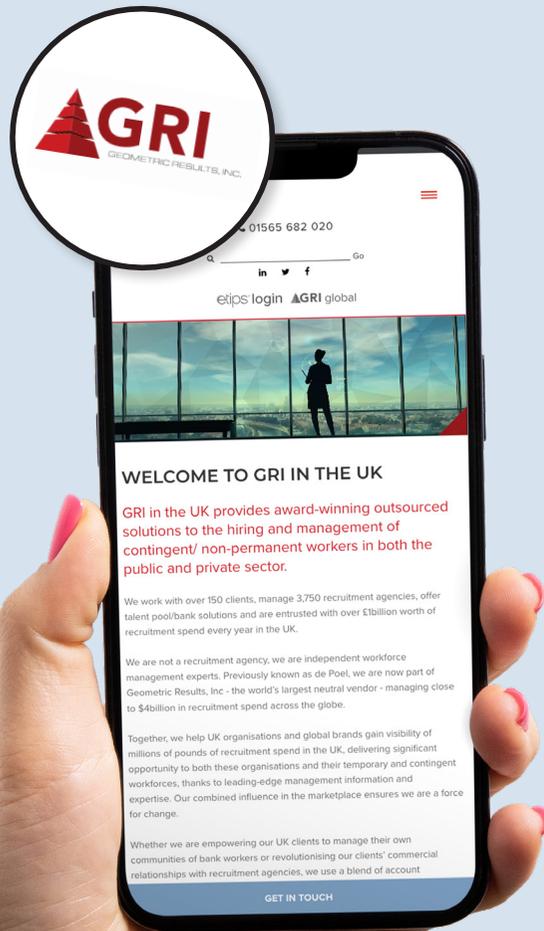
They outline our code of conduct and expectations of suppliers. As part of the programme, we have also developed a Transparency Policy which represents the information that we require in-scope locations to provide to us. From this programmatic baseline, we are then able to understand forced labour indicators associated with our supply chain and best represent Modern Slavery risk for the Asda business.

In March 2021, communication was sent to all suppliers regarding Asda's policy on the prohibition of forced labour. Our Cotton Sourcing policy has been updated to reflect the government stance regarding ongoing human rights abuses in Xinjiang province China. Asda takes these issues seriously and we expect our suppliers to do the same. The key change to the policy is that we expect Suppliers to complete their own due diligence to ensure that any cotton used in Asda products has not been knowingly sourced from this region.

Asda's Modern Slavery policy is accessible on the Asda and George Supplier websites, which is applicable to all suppliers. This policy sets out what we do to make sure that our colleagues and suppliers/service providers can work safely in line with local law. It also sets out the minimum standards which we expect of suppliers for the ethical treatment of workers and the requirement to comply with the Modern Slavery Act 2015.

All IPL colleagues, contractors and third-party workers are expected to adhere to the IPL Modern Slavery policy. IPL also introduced a supplier portal where suppliers can easily access all policies and are informed of any updates.





Asda continued to work with Geometric Results International (GRI), a third-party who provides Asda with access to a pool of Labour Providers.

Due to increased labour shortages as a result of the pandemic, we saw an increase in the number of Labour Providers on Asda's panel, this rose from 66 in 2020, to 73 in 2021. We consistently review the policies and procedures GRI, and their Labour Providers have in place due to the nature of the work. This includes reviewing the Modern Slavery Toolkit and the audit framework to ensure Asda and GRI are assessing the risks appropriately. In 2021, a review of the agency audit process was undertaken following a concern raised by an agency worker through our reporting line. The concern was investigated and remediated immediately. We have now extended the scope of these audits and introduced additional pre-onboarding checks for labour agencies. In addition, GRI have amended the audit cadence for certain labour agencies, to ensure that the risk is being assessed and managed.

A quarterly review of GRI is facilitated by the Asda buying team and Talent Acquisition team which includes scoring GRI on identification of risk, adherence to policies, management and prevention and agency adherence to policies. This allows Asda to see any quarter-on-quarter changes and identify and manage focus areas going forward. In order to continue to monitor and manage Labour Providers within the Asda business, we are provided with a monthly list including all Labour Providers we work with to ensure they are compliant with the Modern Slavery Act 2015 (where required). In addition, any Labour Providers via GRI have access to the Responsible Recruitment Toolkit through their sponsorship.

IPL work with 19 Labour Providers who support operational sites, 16 of which provide regular Labour, whilst 3 only supply labour at site peak seasons or events. The onboarding process was enhanced in 2021 to include an additional control, whereby final sign off for labour agencies sits at Director level and requires full compliance approval prior to being onboarded.

GNFR suppliers must comply with Asda's GNFR Conditions of Purchase. They are also required to be onboarded via an internal system in which all relevant Compliance areas review and approve prior to the supplier being onboarded in line with the requirements of the Modern Slavery Act. Following a GNFR risk assessment which was carried out in 2020, a GNFR roadmap was created to ensure the Responsible Sourcing team are prioritising the higher risk areas such as branded goods and Labour Providers (service providers). The GNFR supply chain is complex as it covers a variety of different products and service providers and carrying out this task was essential to assist the Responsible Sourcing team in assessing and mitigating GNFR risks.

In addition to the last page, Asda has many policies in place which are pertinent to Modern Slavery:

- **Whistleblowing Policy** - Outlines the process for raising and escalating any concern regarding the Asda business. Asda expects anyone with a concern to report suspected wrongdoing without fear of any negative consequences, this process provides anonymity.
- **Recruitment Policy** - Outlines the end-to-end recruitment process for both internal and external recruitment at Asda.
- **Agency Workers Policy** - The Agency Workers Regulations (AWR) gives all agency workers the right to receive equal treatment to comparable colleagues in certain circumstances
- **Right to Work Policy** - This refers to the checks Asda are required to make as a responsible employer to ensure we are recruiting workers legally by carrying out document checks on every new colleague prior to employment. Asda reviewed this policy and process in 2021 to reflect the new requirement to confirm immigration status of EA nationals following the UK's exit from the European Union (EU). From April 2022, the Home Office are certifying Identification Service Providers (IDSP's) that will extend digital Right to Work checks to British Citizens who hold a valid passport. We are currently exploring how we could use technology as part of our Right to Work process.
- **Grievance Policy** - Sets out how Asda handle grievances. This mirrors one of our Standards for Suppliers as we outline from a supply chain perspective that we do not tolerate any form of discrimination such as bullying and harassment.
- **Safeguarding Policy** - This policy sets out Asda's approach to Safeguarding children, vulnerable adults and all our customers.
- **Domestic Abuse Policy** - This policy gives Line Managers and/or colleagues information if they ever require support regarding domestic abuse.
- **Cotton Policy** - In 2021 our Cotton Sourcing policy was updated to reflect the ongoing Human Rights abuses present in Xinjiang, China.



SECTION FOUR

Due Diligence

Due Diligence

This section covers a high-level summary of our progress made in 2021 across our key objectives and deliverables. Please see section 8 for future focus, our objectives and deliverables for 2022.

Modern Slavery is a serious and often hidden crime in which people are exploited for personal gain.

Once risk is established, we conduct due diligence within our business and supply chains to understand whether we have a robust strategy and have valuable memberships in place with third party organisations to monitor, manage and address root cause of Modern Slavery issues. We do this by using a three-pronged approach.

Assessing risk	Maintaining a strategic approach	Initiatives & Partnerships
Responsible Sourcing programme	Publishing our annual Modern Slavery Statement	Internal and External engagement
Horizon Scanning ^{*1}	Policies and Processes	Collective partnerships
Modern Slavery Risk Register ^{*2}	Training and Awareness	Asda specific/Targeted initiatives

^{*1} to identify potential threats, risks, emerging risks and opportunities

^{*2} a document which highlights any inherent risks that Modern Slavery presents to our business processes and supply chains

Assessing risk

As part of the Asda Responsible Sourcing programme, we will look to utilise the data gathered to review risk and understand where we should input our resources and where we can have the most impact. This will allow us to demonstrate that we are conducting due diligence within our supply chains to ensure we have sufficient controls in place and look to address the social limitations of audits as we look ‘beyond audit’.

We proactively review news updates or information provided by third parties to ensure that we understand any existing or emerging risks or themes. Being members of organisations such as the Ethical Trade Initiative (ETI) and Food Network for Ethical Trade (FNET) has been valuable for us, as we have been able to gather information and share learnings, especially during the pandemic when there has been a heightened risk of Modern Slavery. We also carry out a Modern Slavery Risk assessment which outlines our highest risks for Asda. In 2022 we are planning to work alongside the Risk and Assurance Compliance team to understand how we can close any gaps and enhance our controls for Modern Slavery.

COVID-19 has had a huge impact on the world. The social and economic disruption is creating emerging risks greater than ever before and has the potential to have a profound impact on vulnerable people who could be subjected to Modern Slavery. With recent events, we have seen an increase in engagement with Modern Slavery via our corporate channels. In 2020 we saw a substantial increase of website traffic and unique views during the year with an average of 98 views per week. Over the past year there have been 26,664 views with an average of 474 views per week, and it’s the 19th most visited page on the corporate newsroom in the last year.



Labour Providers

As part of our Labour provider due diligence for Asda and in line with the new Responsible Sourcing programme, it is now a mandatory requirement for all active Labour Providers to provide visibility of their operations on Sedex.

Our rationale is that it will provide visibility and allows us to obtain a better understanding of the potential risks of Labour provision. We continue to monitor and review all Labour Agencies who are required by the Modern Slavery Act 2015 to have a compliant Modern Slavery Statement in place. We also worked with GRI to obtain further visibility of Labour Providers' audit information outside of Sedex, in order to drive continuous improvement and ensure issues are being rectified.

In addition to this, we receive a monthly report from the Gangmasters & Labour Abuse Authority (GLAA) outlining any businesses who are marked as 'ceased trading' on the GLAA public register of licenced Gangmasters. This is published on our internal Hive system for suppliers to review, to aid them with compliance.

Business processes

Within the Asda business, we complete a first day check on all new colleagues to assess Right to Work documents and bank account details.

Right to Work documents are checked as a way of ensuring that there are no imposters permeating the business. It is also important to check bank account details, so the colleague is getting paid into their own account. Due to the challenges of the pandemic, our volume of recruitment exponentially increased. However, we maintained the robust processes we have in place to ensure that the Right to Work checks were complete, and every candidate had the Right to Work in the UK. This was demonstrated either as a face-to-face check, or where colleagues were advised to work from home, utilising the Home Office's adjusted Right to Work process.

In 2020, it came to light that we had an issue regarding the controls we had in place, to ensure only candidates who obtained Statutory School Leaving Age (SSLA) were able to progress to an employment offer. As a result of this we put extra controls in place. We believe the situation in 2020 was compounded by the fact due to COVID-19 we ran a friends and family recruitment campaign, where our colleagues were asked to recommend friends and family to work.

When completing a check on a candidate's right to work document the manager completing the check should check the date of birth to ensure the candidate has attained SSLA and when HRSS receive the document they should also check that the candidate has attained SSLA before an offer is issued. At this point the candidate has already submitted an application and attended for interview. Therefore, in light of the issue in 2020 we introduced an additional question into our application form which requires the

candidate to confirm that they have attained SSLA, in an attempt to stop candidates who have not attained SSLA progressing their application. We link to the gov.uk guidance to explain SSLA in each devolved nation, and this in theory should stop the applicant continuing their application if the question is answered correctly. To add further due diligence and controls we also run a monthly report to check that no colleagues have been hired where they haven't attained SSLA.

IPL carry out duplicative bank account and address checks on the first day of employment and then on a quarterly cadence, with their core group of Labour Providers undertaking the same checks a number of times. IPL's subsidiary companies, Forza Foods Limited and Kober Limited complete first day check in line with IPL and now undertake quarterly checks. Additionally, IPL carry out identification checks on the first day of employment for a colleague to ensure the person who attended the interview is the same person who has turned up to commence employment. If a concern is highlighted, then the incident management process would be followed, and concerns are raised to relevant internal and external stakeholders for management and remediation.

Asda have continued to carry out Modern Slavery quarterly checks and investigate any instances of duplicative records, engaging with relevant stakeholders and issuing findings based on these checks.

Asda was satisfied with the checks undertaken in 2021, and all findings were sufficiently evidenced to be closed out. An area of focus for Asda in 2022 will be to carry out an additional check on colleague bank details to ensure the name of the account holder matches the name of our colleague. If any issues are to be found, this will then result in a follow up with the colleague to understand the reason why it does not match, and to confirm there is no reason for concern as to why we are paying into a bank account not held by the colleague. Modern Slavery quarterly checks are ongoing in the IPL business and reported to the IPL Modern Slavery Steering Group to give visibility and provide validation that the checks are being conducted, and within the given set criteria.

GNFR – Modern Slavery is included in the GNFR supplier onboarding portal, where the requester (an Asda colleague submitting the onboarding form) must obtain information from the supplier regarding their turnover and confirm if they are required to comply with the Modern Slavery Act 2015. This is an effective due diligence process as it ensures we are capturing all GNFR suppliers, whether they are supplying goods or services, and allows us to understand whether they are required to publish a Modern Slavery Statement. If so, the supplier has to confirm in writing that they have a statement in place and spot checks are carried out to ensure that the suppliers are compliant in accordance with legislation.

Focused on areas of greatest risk presented through our data, Responsible Sourcing has three response mechanisms based on risk. If an in-scope location is deemed to be:

- **High risk** sites would be expected to provide an audit (less than 12 months old) with any findings closed out in-line with the specified time frame. Failure to do so would result in a breach of our Standards for Suppliers, and potentially reduction or termination of business.
- **Medium risk** sites are expected to engage with our toolkits and resources provided through the Asda Supplier website to improve their management practices, further reduce their risk scores and drive continuous improvement.
- **Low risk** sites may be requested to provide best practice and partner with other Asda suppliers to improve global supply chains for the better.

The programme has been designed in this way to ensure we are focused on the areas of greatest risk and best able to support the suppliers with their compliance and risk management. The expectation across all in-scope locations is that they drive continuous improvement in their scores whilst actively managing associated risks.



Asda joined Responsible Recruitment Toolkit (RRT) in early 2020 to drive ethical practices and responsible recruitment in our business and supply chains.

This additional due diligence allows us as a business to understand where we are achieving high standards in terms of responsible recruitment, and as part of our membership our suppliers and Labour Providers benefit from the tool, free of charge.

This enables them to embed Responsible Recruitment practices by completing the toolkit and taking part in training sessions. Asda have now completed the 24 employment standards to demonstrate the standards and controls we have in place around responsible recruitment and to identify the gaps. It is pleasing to note that a number of the employment standards have met all of the required elements. Our focus for 2022 will be to prioritise the gaps identified as part of the RRT and address the agreed the priorities for 2022. This will be a journey for Asda as part of our continuous improvement to recruiting responsibly as a retailer.

Asda recognises the use of third-party audits and any that are undertaken on our behalf are done so by Association of Professional Social Compliance Auditors (APSCA). However, we recognise the limitations of social audits and as such have designed our process to better reflect risk and provide us a targeted way to undertake Human Rights Due Diligence and move beyond audit to better understand and address root cause based on data.



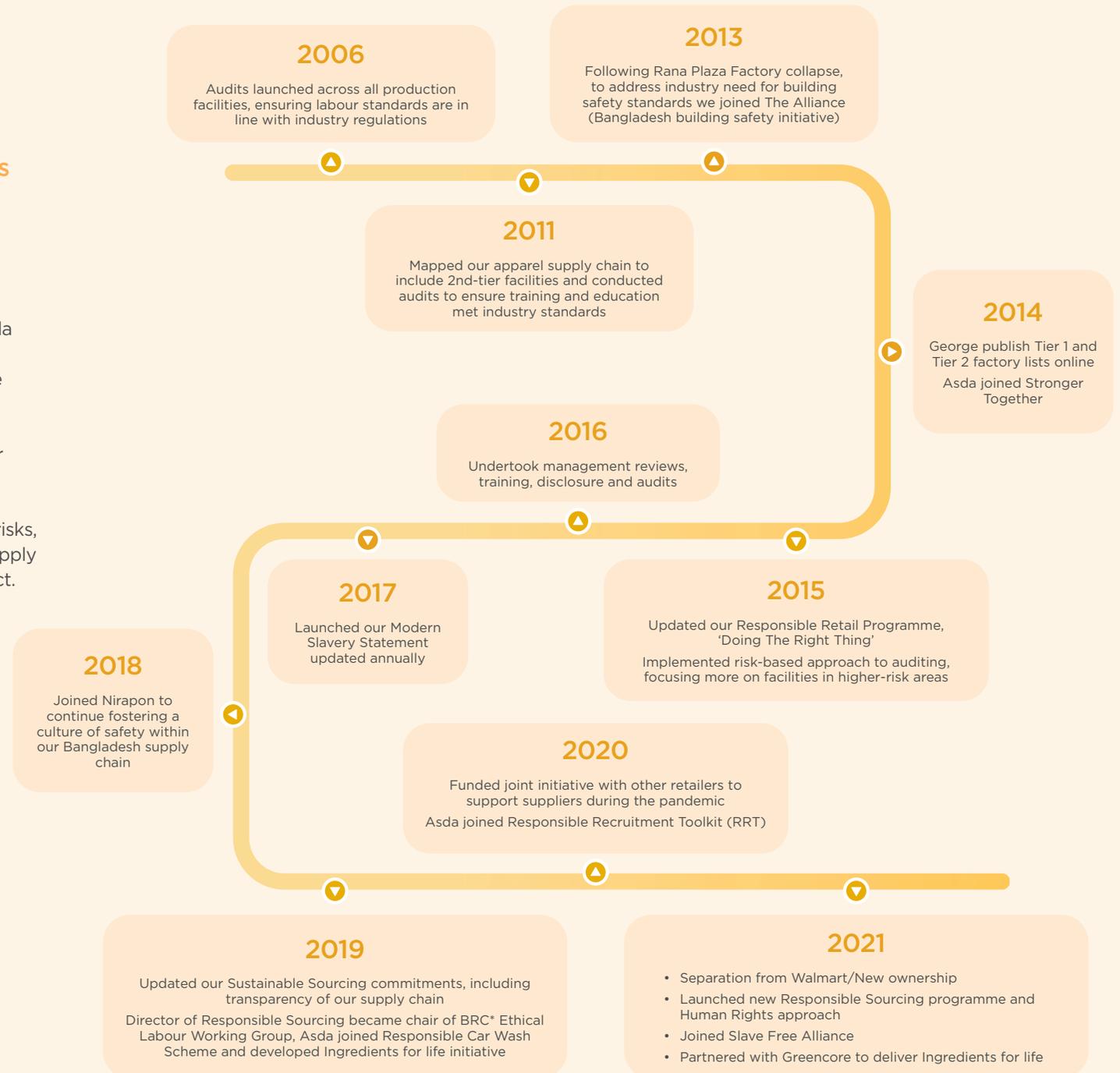
Scope	Transparency	Analysis	Activity	Monitoring
When we require Transparency	How we gain visibility	SAQ scoring risk range	Engagement with Asda	Continuity in risk
<p>The Asda Brand is present</p> <p>The product is Exclusive in production or supply; or</p> <p>Asda GNFR products and services</p>	<p>Become a member of SEDEX as both a supplier and/or the facility where production is taking place</p> <p>Direct and/or indirectly link to one of Asda's Z codes [IPL, George, GM, GNFR, Food Asda Grocery],</p> <p>Provide a 'Finalised' SAQ to 100%</p> <p>Check that Purchase Orders correspond with the correct facility</p>	<p>High</p> <p>Medium</p> <p>Low</p>	<p>Audit to be undertaken, all N/C closed out</p> <p>SAQ+; additional training, toolkits and support</p> <p>Drive continuous improvement within your supply chain</p>	<p>Submission of an SAQ 6 months post previous SAQ/audit to demonstrate continuous improvement</p>

Human Rights Journey

Asda, as part of Walmart, has engaged with Human Rights and associated due diligence within its global supply chains for a long time.

This has taken many forms from Human Rights statements to on the ground initiatives and impact assessments. With the recent change in ownership, we have created a road map which sets out how Asda aspires to deliver Human Rights work in partnerships with suppliers and stakeholders for the benefit of the workers in our supply chains.

Our vision is that once we have the foundation of our Human Rights work in place, we will then look to log, map and assess the Human Rights impacts, establish controls and management approaches and address risks, monitor and drive continuous improvement in the supply chain, and engage with stakeholders to deliver impact.



Incident Management

As a business we would typically receive allegations or incident reports via different routes such as:

- Colleagues, supply chain workers, audit firms or other third parties either via their internal colleagues, or the whistleblowing hotline.
- News, media, external stakeholders, or enforcement agencies.

During 2021 we revisited our incident management process and investigations protocol. We work with relevant internal stakeholders' dependent on the nature of the incident to understand how it has occurred, how it will be investigated and if there should be any consequences imposed on the Supplier and/or the facility.

Our investigations protocol sets out that Responsible Sourcing will own cases relating to Asda escalatable criteria such as Forced or Child labour with regards to the supply chain, however where an issue involves both colleagues and supply chain, Asda's ethics process will be instigated. If there is a case whereby an allegation is immediately reportable or if the conduct has breached the Asda Statement of Ethics, these must be reported to Ethics immediately. Consequences are in place as part of our new programme to address compliance or transparency issues

within our supply chain. They will be applied to Suppliers and/or their Facilities and will be communicated directly by the Asda Responsible Sourcing team. Our consequences can take a number of forms including a 'strike', or reduction in business up to and including termination.

Asda was notified of 10 Modern Slavery allegations in 2021, 1 of which was substantiated.

CASE STUDY

The Whistleblowing process

Asda was notified via our whistleblower hotline regarding the experience of workers at one of our supplier's facilities.

It alleged poor management practices, bullying and harassment. The supplier was contacted, and a session was arranged for their senior leadership and Asda's Responsible Sourcing function to work through the themes of the allegations and their understanding of how these may have manifested themselves. The supplier was engaged, responsive and interested to learn of these experiences and where they could improve.

Considerable time was taken to understand the management practices around escalation of issues, bullying and harassment training, processes, and procedures with many internal documents reviewed as part of this process e.g., Colleague Handbooks, Whistle Blower Policies etc. From this process a number of recommendations were made alongside a request that Bullying and Harassment training had been rolled out to all appropriate colleagues as at the time approximately 50% of the relevant audience had completed this requirement.

The supplier was then provided with a timeline to close out this action to the end of the year. Asda was then subsequently contacted by the same Whistle Blower stating that things had improved on site and that they were pleased to see the response to these issues. They also commented on a couple of builds that were relayed back to the management team.

This incident highlighted the effectiveness of working together with Suppliers, as part of their journey on continuous improvement to creating a better environment for workers in our supply chains and protecting their rights.

SECTION FIVE

Risks

Risks

The risk of Modern Slavery is still very real, and unfortunately it is becoming an ever-increasing risk due to today’s social and political climate and the impacts of the pandemic.

The government share statistics on how many Modern Slavery referrals there are each year. In the second quarter of 2021, the National Referral Mechanism (NRM) received 3,127 referrals of potential victims of Modern Slavery. This represents a 6% increase in referrals compared to the preceding quarter (2,942) and a 42% increase from quarter 2 in 2020 (2,203).

Further to our objective to utilise data to review Asda’s overall risk, we have been working on gathering data in 2021 to enable us to re-launch the Forced Labour Dashboard. Our new Responsible Sourcing programme has greater accuracy in the facilities we are working with, which in turn has allowed our dashboard to be more relevant for our business. We are also able to pull the data from Sedex and look at the ‘Strong’, ‘Definite’ and ‘Potential’ forced labour indicators. We can look in detail across our entire supply chain consistently at the makeup of the workforce such as gender, migrant workers, agency labour and many more. This will allow us to explore and understand root cause. In addition to this we continue to work with our partnerships and stakeholder relationships to complement this information and inform our understanding of risk.

As part of a business wide risk review, through the Modern Slavery risk register, which highlights any inherent risks that Modern Slavery presents to our business processes and supply chains, it has allowed us to understand if any actions are required to be taken to ensure robust controls are in place for each risk. As part of this we will be exploring the potential to collaborate with the Compliance Risk and Assurance team who are subject matter experts in risks and carry out assurance work.

Asda GNFR and Labour Provider Risk

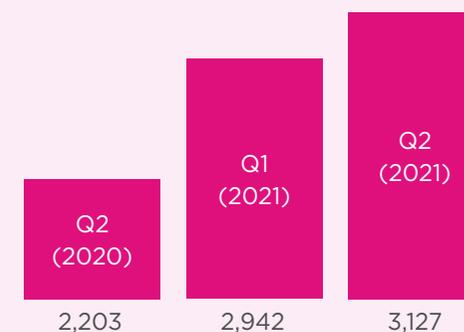
Asda have continued to work closely with Geometric Results International (GRI), the third party who provide Asda with Labour Providers, and the Asda talent acquisition team and Labour and Employment team. Working closely with stakeholders is essential to make sure we are mitigating any risks, as labour provision is known to be a high-risk area. In addition to becoming a sponsor of Responsible Recruitment Toolkit, GRI have also become members of Stronger Together to take further steps to prevent worker exploitation in supply chains. As mentioned, we have also worked with them to strengthen their business processes and mitigate risks.

As part of the Responsible Sourcing programme, we have outlined in our Standards and Policies which Goods Not for Resale Suppliers/In scope locations should be made visible to us through Sedex. This includes (but not limited to) any Asda branded products, Labour agencies (via GRI) and now includes waste services via our waste service provider. As part

of our new transparency requirements, all Suppliers of Asda branded packaging are considered in scope for the Responsible Sourcing programme. A GNFR roadmap has been established and we have been exploring methods of identifying any potential higher risk GNFR suppliers who provide goods or services to Asda. Any changes to the programme are communicated out via our Supplier websites and systems such as Hive and Retail Link.

Supplier collaboration

In order to address supply chain risks we recognise that it is important to have great relationships with our suppliers and promote open and honest conversations to understand the root cause of any issues. An example of successful collaboration with one of our key food suppliers is the Ingredients for Life initiative and the work Greencore have done to successfully carry out the pilot, even during the pandemic. More information on this pilot can be found in the objectives and charity partnerships section.



Referrals of potential victims of Modern Slavery via the National Referral Mechanism (NRM)

SECTION SIX

Effectiveness

Effectiveness

As mentioned in our 2021 Modern Slavery Statement, the Independent Anti-Slavery Commissioner (IASC) Maturity Framework was established to allow organisations to measure their progress and benchmark against specific criteria.

Within this there are four classifications:

1. Barely achieving compliance
2. Meeting basic expectations
3. Evolving good practice
4. Leading on human rights innovation.

We continuously review our maturity against the criteria set out in the framework and consider our position is within the Evolving Good Practice category, however we have taken strides to be within the Leading on human rights innovation category and are working on meeting the criteria as part of our objectives and commitments for 2022.

Modern Slavery Key Performance Indicators (KPIs)

To establish maturity on how we are evolving the Modern Slavery framework within Asda, we have introduced the following KPIs to measure against:

1. To see continuous improvement in the number of Suppliers trained on Modern Slavery YOY.
2. 100% of Modern Slavery allegations (business and/or supply chain) investigated.
3. All Suppliers and partnerships monitored for compliance with the Modern Slavery Act 2015.
4. Continuation of expanding Modern Slavery training across all colleagues, with the most relevant and high risk prioritised.

In 2021 as part of assessing maturity and in relation to the KPIs, we have created a Supplier compliance tracker to review compliance of the Modern Slavery Act 2015. This is a project that is continually being worked on as we onboard new suppliers as a business, and internal reports from our finance business partners and partnerships team enable us to carry out this task. We use the government Modern Slavery registry and download reporting to help with the population of the tracker and progress. This demonstrates Asda's commitment to doing the right thing and encouraging suppliers to be legally compliant with the legislation.

Leading on human rights innovation

- ✓ Board leading on human rights strategy
- ✓ Using data analytics to identify risk
- ✓ Local, national, international intelligence gathering
- ✓ Supporting suppliers to develop ethical competencies
- ✓ Pioneering new ways of worker engagement, using technology
- ✗ Factoring in the true cost of labour

Evolving good practice

- ✓ External challenge or working groups informing strategy
- ✓ Going beyond auditing - deep dives and unannounced visits
- ✓ Cascading ethical standards throughout supply chains
- ✓ In-depth training for staff in key roles, such as procurement
- ✓ Commitment to worker engagement
- ✓ Implementing the Employer Pays principle

Meeting basic expectations

- ✓ Evidence of activity or improvement in Modern Slavery Statement
- ✓ Identifying areas of high-risk in the business and supply chains
- ✓ Educating suppliers on policy and setting expectations
- ✓ Regular staff training and awareness-raising exercises
- ✓ Basic protocols for dealing with labour exploitation cases
- ✓ Installing whistleblowing hotlines

Barely achieving compliance

- ✓ Superficial Modern Slavery Statement - policy but no action
- ✓ Little or no mapping of supply chains
- ✓ Minimal awareness of Modern Slavery amongst staff
- ✓ Sole reliance of audits
- ✓ No protocol for dealing with labour abuse

Ingredients for life initiative

Ingredients for Life is an innovative pilot programme that helps survivors of Modern Slavery move forward from previous traumas. Originally piloted in our Innovation Kitchens at the heart of Asda House, our Head Development Chef taught an aspirational syllabus built around the needs of those attending. The courses were designed in partnership with City Hearts, a specialist Modern Slavery charity, to establish the building blocks to achieve independent living and lead a healthy lifestyle. Our goal was to assist survivors to build confidence, engage in cooking, develop team work skills and ultimately have some fun in an aspirational environment. The syllabus involved several techniques such as knife skills and basic cookery hygiene and took simple recipes and built on these week by week to develop an appreciation of the fundamentals of cooking.



The outcomes from this four-part course were considerable for those who attended. We saw confidence grow, greater service engagement via City Hearts and an increase in independence and aspirations leading towards momentum in the attendee's journey.

At the beginning and end of the pilot we asked attendees questions scored 1-5. We saw the highest improvement (20%) in the following areas:

- I know what is needed for a healthy balanced lifestyle
- I have the skills I need to move forward in life.

“WHEN I STARTED THE INGREDIENTS FOR LIFE I WAS STRUGGLING WITH GOING OUTSIDE THE HOUSE, BUT THE COURSE MOTIVATED ME TO GET OUTSIDE THE HOUSE AND TRAVEL TO ANOTHER CITY... THIS COURSE HELPED WITH MY FEAR AND SLOWLY MADE ME CONFIDENT THAT I CAN DO THIS AND IT'S NOT AS SCARY TO BE OUTSIDE AS IT WAS IN MY HEAD”

Attendee



With the outcomes from the initial pilot and the impact we saw from attendees it was decided to understand the ability to scale the principles and syllabus via our supply chain partners. In 2021, working with our food supplier Greencore we worked to test the model external to both Asda and City Hearts alongside another charity partner – The Snowdrop Project. Initially intended to be delivered in person the COVID-19 pandemic meant that we had to delay and then amend the way this model was to be delivered via online courses with attendees virtually undertaking the lessons. Similarly, to the first pilot, we saw further impact and momentum for those who attended the courses.

Asda, City Hearts and the partners who have been involved to date are working to best understand how sustainability and scalability can be achieved for this pilot to reach other survivors who may benefit from the outcomes this pilot and the cooking, independent and healthy living skills can achieve.

“INGREDIENTS FOR LIFE CHANGES LIVES, THE PILOT PHASES HAVE SHOWN THAT BOTH IN PERSON AND HYBRID MODELS HAVE SIGNIFICANT POSITIVE IMPACT ON A SURVIVORS TRAUMA RECOVERY JOURNEY HELPING PEOPLE FEEL LESS AFRAID OF MEN AND TURN AROUND EATING DISORDERS. IT TRULY IS ASTONISHING AND MOVING THE PROFOUND IMPACT THIS INNOVATIVE MODEL HAS ON LIVES TORN APART BY MODERN SLAVERY.”

Phill Clayton, Head of Innovation at City Hearts



Slave Free Alliance Gap Analysis

In 2021, we were proud to join Slave Free Alliance and to undertake its gap analysis of 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. Asda will look to utilise the services Slave Free Alliance offer further in 2022 by working with the Technical Services manager.

“WE’RE DELIGHTED WITH THE GREAT STRIDES THAT THE TEAM AT ASDA HAS MADE TO SAFEGUARD AGAINST MODERN SLAVERY, SINCE JOINING US IN JUNE LAST YEAR. WE HAVE BEEN IMPRESSED WITH THEIR LEVEL OF ENGAGEMENT, AND THAT THEY ARE KEEN TO LISTEN TO, AND IMPLEMENT, OUR RECOMMENDATIONS TO PROTECT THEIR STAFF AND OPERATIONS FROM HUMAN TRAFFICKERS. ASDA IS SETTING AN EXCELLENT EXAMPLE OF HOW TO COMBAT HUMAN TRAFFICKING IN THE RETAIL INDUSTRY, WHICH WE HOPE OTHER BUSINESSES WILL FOLLOW. WE BELIEVE THAT TOGETHER, WE CAN AND WILL MAKE REAL PROGRESS TOWARDS OUR GOAL OF A SLAVE-FREE SUPPLY CHAIN. WE ARE LOOKING FORWARD TO CONTINUING TO WORK WITH THE TEAM AT ASDA IN 2022 AND BEYOND.”

Marc Stanton, Director at Slave-Free Alliance



Organisation	Overview
<p>British Retail Consortium</p> 	<p>We work with the BRC to support efforts to make a positive difference in the retail industry for our colleagues, customers and communities we serve. We work with the BRC and other members to drive positive change on issues important to retail, our customers and communities. Creating an economic and policy environment that enables our business to thrive and consumers to benefit. Issues include sustainability; health; consumer insights and trends; diversity and inclusion and jobs and skills. The BRC also provide technical support and industry best practice sharing around issues like Nutrition, labelling, food safety an allergens.</p>
<p>West Yorkshire Anti-Slavery Partnership</p> 	<p>The West Yorkshire Anti-Slavery Partnership (WYASP) is a multi-agency partnership for frontline organisations in West Yorkshire working against Modern Slavery. It is now chaired by the Mayor for West Yorkshire`s Office.</p>
<p>West Midlands Anti-Slavery Network</p> 	<p>The West Midlands Anti-Slavery Network unites and enables partner organisations to work in collaboration to end Modern Slavery. we work with the network and use its newsletter to ensure we stay informed of current issues, strategies, and initiatives. The Network have provided a professional's hub where people/organisations who work within the Modern Slavery sector can access information such as best practice when working with survivors, or can review training opportunities. The WMASN won the Stop Slavery Award in 2021, an initiative by the Thomson Reuters Foundation.</p>

Charity Partnerships

FareShare



Our long-term partnership with FareShare allows us to distribute surplus food to support people who need it most, serving both a environmental and social purpose. FareShare are adept at food distribution, and they run regional centres, who support a wide range of charities across the UK. Some of these charities support survivors of Modern Slavery through helplines, provide counselling, financial support, advice and guidance and healthcare.

Trussell Trust



The Trussell Trust continues to work with Modern Slavery Solutions, an organisation committed to pioneering work on Modern Slavery, to provide a digital training solution for food banks to help them spot and share the signs of Modern Slavery. A four-module course is now being rolled out across the UK to thousands of frontline volunteers. Modern Slavery Solutions are providing dedicated ongoing guidance through Phillip Clayton and Kirsty Wilson who are Modern Slavery experts. The course has already begun to see signs of Slavery spotted and reported by foodbanks. The Trussell Trust are also pioneering Modern Slavery due diligence through their fundraising supply chain.

City Hearts



The Ingredients for Life programme developed further in 2021, as Greencore worked alongside charity organisations City Hearts, The Snowdrop Project and Asda to develop this unique initiative to help survivors of Modern Slavery to gain confidence by taking part in cooking classes and help them regain their trust in people. During 2021 the Greencore chefs hosted a series of three online cookery lessons for a group of people who have experienced and survived Modern Slavery under the banner of Ingredients 4 life. With the support of The Snowdrop Project, this model has been adapted into a digital setting in order to meet COVID-19 restrictions and to make the project more accessible for the clients, whose identities are fully protected. Following this succession of the pilot, Greencore aim to further roll out the programme in 2022.

Memberships and Sponsorships

Ethical Trading Initiative



In 2021 we have continued to be active members of the ETI working with the area leads across Food, Apparel and General Merchandise. This engagement has predominately focused on collective work around incidents and supply chain matters.

Food Network for Ethical Trade



Our membership has enabled us to be part of various conversations to address emerging risk in different sectors, particularly raw materials that were linked to Xinjiang. The continued fortnightly COVID-19 calls proved invaluable as suppliers were able to share their experiences of the pandemic and highlight any issues they may be facing, such as general labour shortages and migrant workers unable to return to their native country due to COVID-19 travel restrictions.

Spanish Ethical Forum



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.

IPL and Asda continued to support their Spanish supply base by continuing their membership of the Spanish Ethical Trade Forum, a forum which enables suppliers to meet and share learnings and ultimately take ownership of the issues. 72% of suppliers have attended the forums and training with very positive feedback seeing the forum as a platform where they can share experiences and learn from the experiences of others, with several suppliers participating changing their own policies and procedures to include coverage for Modern Slavery issues.

<p>Nirapon</p> 	<p>Nirapon means 'Safe Place' in Bangla, and it is a non-profit organisation of more than 50 members globally who share a common goal of maintaining high safety standards and management systems in our supplying factories in Bangladesh. Their Mission is to cultivate a safe working environment for Bangladesh factories, workers, managers and owners. They achieve this by providing guidance on building safety management systems and through worker training and the helpline. Elevate facilitates the Nirapon safety management programme which is funded by members, their qualified engineers carry out technical assessments on factories. Asda are now members of Nirapon since the separation from Walmart and continue to require all facilities based in Bangladesh to be part of Nirapon.</p>
<p>Sedex</p> 	<p>Sedex provides an online platform for companies to manage and improve working conditions in their global supply chains. Sedex provides practical tools, services and a community network to help Asda and our suppliers improve their responsible and sustainable business practices, and source responsibly. As part of the Responsible Sourcing transparency policy, it sets out that all in-scope locations must provide visibility to Asda via the Sedex platform.</p>
<p>Stronger Together</p> 	<p>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. IPL are sponsors/members of the Stronger Together Spain programme. Through IPL's sponsorship the tools and resources available help support our Spanish suppliers on training and awareness and strategic direction. As part of our membership, Stronger Together helped us to set up a network of Modern Slavery champions across Asda Responsible Sourcing, Labour and Employment and Ethics teams. We are looking to roll this out further to Compliance champions in Asda stores in 2022.</p>
<p>Responsible Recruitment Toolkit</p> 	<p>Asda joined RRT in 2020 as a Sponsor to drive the responsible recruitment of workers in global supply chains. Through our sponsorship our suppliers are encouraged to access support and guidance to work towards a future of high standards in responsible recruitment, helping us to further tackle Modern Slavery and eliminate illegal and unfair recruitment fees.</p>

Bright Future



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.

Our IPL business has been working with City Hearts since 2019 to understand how they might best be able to support survivors of Modern Slavery via the Bright Future programme, becoming a member accessible on the National Matching System, set-up to match potential survivors with available job opportunities. Unfortunately, through 2021, IPL have not yet been matched for a suitable placement due to geographical issues, we however remain open to welcoming a survivor in 2022.

Slave Free Alliance



Slave-Free Alliance is part of Hope for Justice, a leading global charity who works towards a Slave-Free supply chain. They offer a wide range of services and access to experts, including training, gap analysis, due diligence, risk management resources, investigations, crisis response, remediation, and Modern Slavery Statement guidance. In 2021 Slave Free Alliance carried out a GAP analysis (please see page 36 for more information).

Asda Specific Initiatives:

our own internal initiatives to combat Modern Slavery and support survivors.

'What have you seen'



In 2021 Asda ran an 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 through their day-to-day activities our drivers 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. During 2021 we reached 82% completion and look to get to 100% completion by the end of 2022.

Targeted initiatives:
Issue specific initiatives

Responsible Car Wash Scheme (RCWS)



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, ensuring legal trading, adherence to environmental regulations and the appropriate protection of workers.

Political engagement and Advocacy:
Responding to consultation requests and contributing to best practice.

UK Government Home Office



We continued to support the Home Office by feeding into discussions relating to the development and introduction of a single state-owned Modern Slavery Registry. This followed 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.

GLAA



The GLAA works in partnership to protect vulnerable and exploited workers. Through intelligence they receive from inspections, public, industry and other government departments they investigate reports of worker exploitation and illegal activity. The licencing scheme regulates businesses who provide workers to the fresh produce supply chain and horticulture industry. Labour agencies who provide workers to the Agriculture, Horticulture, Shellfish gathering, and any associated processing and packaging sectors must hold a GLAA licence.

SECTION SEVEN

Training and Awareness

Modern Slavery e-learning module

Ensuring people are aware of the indicators is crucial to the fight against Modern Slavery. Spotting the signs and being aware of the indicators is one of the first steps, it is also important to know how to report any concerns if you think there is potential that someone is being subjected to exploitation. Asda is a global business with a vast number of colleagues and workers within our supply chain, so ensuring that we carry out training and awareness activities is key.

Asda's Modern Slavery e-learning module is assigned to all supplier and sourcing/buying roles and selected retail colleagues, this is available via our Learning Management System (LMS). It covers the definition of Modern Slavery and indicators, as well as case studies and advises what to do if someone spots the signs. 1,052 colleagues across our Home Office, Stores and Depots completed the training in 2021, with a further 491 colleagues in IPL, Forza and Kober.

Slave Free Alliance

In addition to the e-learning module, IPL utilised our membership with Slave Free Alliance and invited IPL legal and compliance colleagues to join a training and upskilling session covering legislative requirements under the Modern Slavery Act 2015, where the risk, potential impacts of Modern Slavery on businesses and horizon scanning. The session was well received with positive feedback from the colleagues who

attended. Another session was held with the same audience on IPL Modern Slavery mitigation, covering process and policies in place to mitigate the occurrence of Modern Slavery incidents within IPL operations.

HGV Driver Training

As set out in last year's statement, our 'What have you seen?' campaign launched in 2020 to increase awareness of Modern Slavery indicators within our Asda Logistics Services (ALS) division. Please see effectiveness section for more information on the training and completion rates.



National manager colleague voice forum, National colleague voice forum and GMB union forum

Across our business we have various elected bodies who represent the views of our colleagues. For our Retail colleagues and managers these are National Colleague Voice (NCV) and Manager National Colleague Voice (MNCV); colleagues may also choose to be a member of a Trade Union (Asda recognises GMB in Great Britain and USDAW in Northern Ireland). The national representatives for the NCV, MNCV and GMB are invited to quarterly forums which cover topics such as policy, people, and commercial updates. As part of this session, our team were invited to cover Modern Slavery as an agenda topic. This session included an overview of Modern Slavery, why it matters, steps Asda are taking what colleagues can do to support and increase awareness with teams. The team encourages questions, and we received some great engagement throughout the sessions, and also provided a link to the Modern Slavery champion pack on Stronger Together's website.

Responsible Sourcing programme (business and supply chains)

As part of the new Responsible Sourcing programme, which was communicated out internally and externally in 2021, we sought feedback from relevant stakeholders and held sessions whereby the team spoke about the new programme and ways of working. We used the feedback to inform our policies and shape our programme.

Supplier training

In 2021, 322 delegates across our suppliers attended the 'Tackling Modern Slavery in UK businesses' foundation training via Stronger Together, the number of individuals who have completed the course has risen to 1,849 which is just over a 15% increase year on year. In addition, 60 individuals have now completed the Advanced Tackling Modern Slavery in UK businesses training. Furthermore, since joining Responsible Recruitment Toolkit there have been 158 individuals across our supply base taking up at least one of the RRT benefits across 99 unique businesses/sites. Over 150 individuals have completed at least one of the training courses available which is another increase in 2021. We will continue to encourage suppliers to attend the available training and engage further with the support available.

In 2021 our main focus was communicating the new Responsible Sourcing programme to our Suppliers and ensuring that they understand the requirements. As part of this, we have written new policies and procedures which are available on the Supplier websites, this includes a step-by-step guide on what is required in terms of providing transparency to Asda (if in scope) and Supply chain monitoring requirements and guidance. All training in relation to the Responsible Sourcing programme will be updated on the Supplier websites, and any changes to the documentation will be communicated out to our Suppliers via platforms such as Hive and Retail Link.



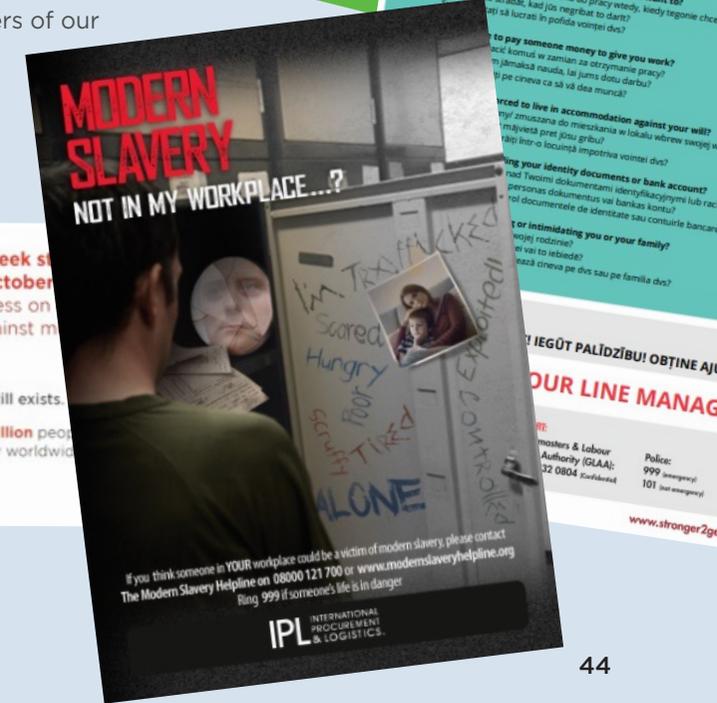
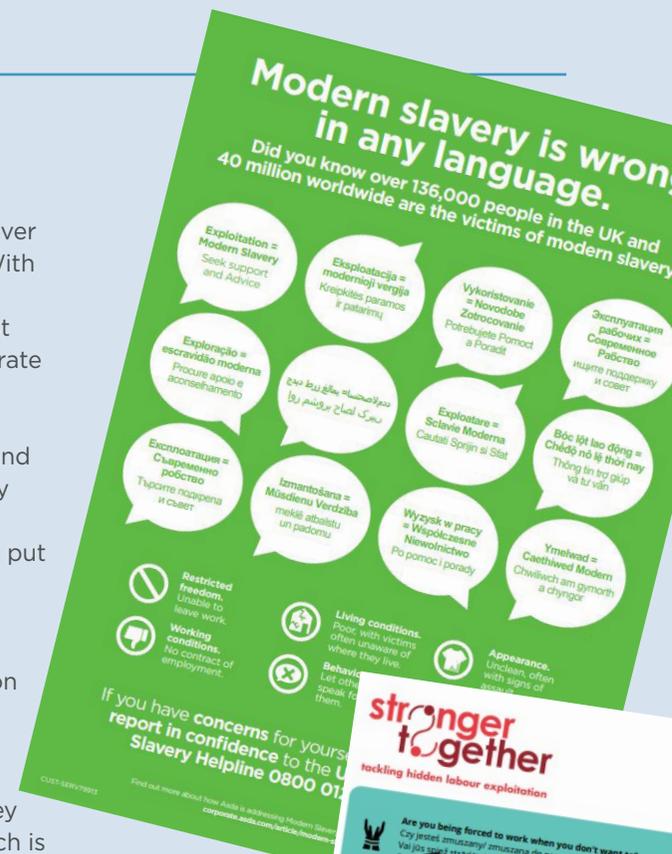
AWARENESS

COVID-19 has had a huge impact on the world, the social and economic disruption is creating emerging risks greater than ever before and has the potential to have a profound impact on vulnerable people who could be subjected to Modern Slavery. With recent events, we have seen an increase in engagement with Modern Slavery via our corporate channels. In 2020 we saw a substantial increase of website traffic and unique views during the year with an average of 98 views per week. Over the past year there have been 26,664 views with an average of 474 views per week, and it's the 19th most visited page on the corporate newsroom in the last year.

As part of Asda's awareness raising campaigns, we utilised Colleague and Customer noticeboards, atrium screens in Asda and George home offices. Our messaging was also included on colleague laptop screensavers to mark National Anti-Slavery Day (NASD) 2021. National Anti-Slavery Day is an opportunity for us as a business to raise awareness of Human Trafficking and Modern Slavery with our Colleagues, Customer, Suppliers and Business partners. As a business we ensure that messaging is put out there using various channels to raise awareness.

Additionally, as part of National Anti-Slavery Day, we created a poster to be included in toilet cubicles, and strut cards for Pharmacy and Optical departments in Asda stores. The poster raises awareness of Modern Slavery with the 12 most common languages features, it also includes some of the indicators of Modern Slavery and the helpline.

IPL similarly undertook awareness campaigns, in February they carried out a colleague locker drop using a poster with the Modern Slavery helpline, in addition to a Stronger Together poster with different languages. In October as part of NASD they also had content on media screens, on colleague laptop screensavers and raised awareness in their 'Snap Shot' session which is led by an IPL board member and/or IPL Director. 'The IPL snapshot is our weekly, company-wide briefing which members of our leadership team take turns to present'.



In 2021 Asda's Ethics Teams launched a monthly initiative on their Instagram page called "Test Your Ethics".

Each month an ethical question is posed to Asda colleagues alongside four possible answers. One such question, based upon a Modern Slavery scenario, was posed to Colleagues. The question sought to understand if Colleagues would respond appropriately, and in line with Asda's internal Modern Slavery policy, if they witnessed a group of workers, arriving at an Asda site, who were showing some of the recognised warning signs typically shown by victims of Modern Slavery. The question received one of the largest responses from colleagues as well as an overwhelming correct response.



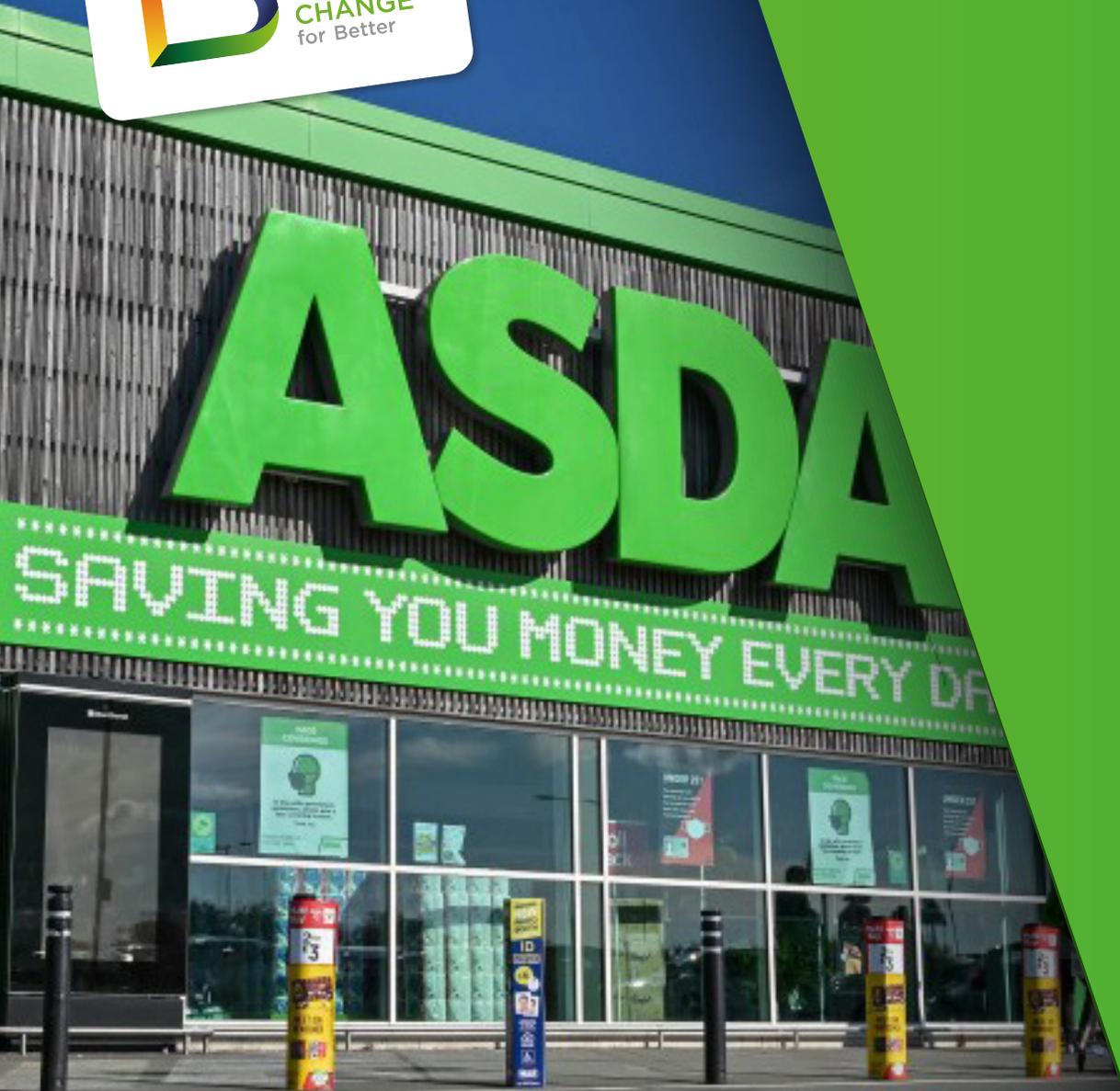
SECTION EIGHT

2022 Future Focus

Asda will continue to improve our approach and work to make further progress against our objectives and commitments in 2022.

<p>1</p> <p>Risk Assessment and Intelligence Gathering</p>	<p>Continue to evolve our risk management tools driving insight and impact, extend work on previous focus areas and provide greater coverage for the area of GNFR.</p> <p>Work with the Compliance Risk and Assurance team to understand how we can work together to close gaps, review due diligence processes, and understand if additional controls are required mitigate the risks of Modern Slavery.</p> <p>Progress the pilot proposal to increase due diligence for high-risk product sourcing and establish/validate traceability via scientific forensic testing.</p>
<p>2</p> <p>Training and Awareness</p>	<p>Review Modern Slavery training and awareness tools and continue to extend colleague and supplier training and awareness of Modern Slavery. Identifying specific audiences for additional upskilling within the business.</p> <p>Explore the opportunity to utilise Community champions to raise awareness on Modern Slavery within Asda communities, alongside the organisations they work with.</p> <p>Finalise completion to 100% for our ‘what have you seen?’ training for HGV drivers and identify other groups who may benefit from this.</p> <p>Utilise Supplier Engagement channels on the topic of Modern Slavery and relevant initiatives.</p>

<p>3</p> <p>Policy and Governance</p>	<p>Embed and implement Human Rights roadmap, and the development of associated policies.</p> <p>Ensure Asda meet Modern Slavery legislative requirements and review any policies/procedures in line with legislation.</p> <p>Review the Modern Slavery Working Group to ensure key stakeholders are represented.</p> <p>Prioritise the gaps identified as part of the RRT and address the agreed the priorities for 2022.</p> <p>Alignment of executive sponsor for Modern Slavery and Human Rights.</p>
<p>4</p> <p>Collaboration and Impact</p>	<p>Explore how to best inform the internal tendering process with data that represents Modern Slavery risks.</p> <p>Use Modern Slavery Key Performance Indicator metrics to deliver continuous improvement and evaluate their success.</p> <p>Continue to collaborate with relevant third parties to align with our Responsible Sourcing programme, Human Rights and Modern Slavery strategies.</p> <p>Utilise benefits provided by membership of third parties organisations to create impact within our business and supply chains, and share learnings and best practice.</p>
<p>5</p> <p>Survivor Support</p>	<p>Continue to explore opportunity for work placements for survivors of Modern Slavery within the IPL business.</p> <p>Continue to scale up the ingredients for life initiative through our Supply chain partners, working with relevant charities.</p> <p>Explore opportunities to support survivors of Modern Slavery via the George business.</p>



Find out more about our Modern Slavery progress and stories at:
[Asda.com/creating-change-for-better](https://www.asda.com/creating-change-for-better)

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