



# Environmental, Social & Governance Report 2022



**ASDA**

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### About this report

This report provides a review of the 2022 calendar year and relates to Asda Group Limited and subsidiaries including International Procurement Logistics (IPL), covering our approach to ESG topics and our performance in 2022 and in some cases 2021 (due to data availability). Asda Group Ltd has reported with reference to the GRI Standards for the period 1 January 2022 to 31 December 2022 and also the United Nations (UN) Sustainable Development Goals (SDGs). The GRI Content Index is available [here](#). A list of our affiliated environmental third parties referenced in this report are available [here](#).

\*On 14 March 2024, we updated our ESG scorecard (on pages 30-36) to provide additional information about our targets and the work we are doing to advance progress against them, and to reflect updates to targets and target dates based on the latest information on progress. Further updates will be provided in our 2023 ESG Report.



## Welcome from Mohsin Issa

It's my pleasure to share Asda's 2022 ESG Report. I introduced the 2021 report by reflecting on a year of unprecedented change and uncertainty and I'm struck once again by the level and pace of disruption in 2022. From Russia's war in Ukraine and the associated global impacts, to domestic political instability, the death of Her Majesty The Queen and a cost-of-living crisis, 2022 was another year of uncertainty.

That's before we get onto the summer heatwaves contributing to make it the hottest year on record in the UK and further underlining the importance of reducing the environmental impact of all organisations, including Asda.

Despite this challenging backdrop, I'm proud of Asda's work in 2022, not least in our response to the cost-of-living crisis. From the introduction of our Just Essentials range and our Asda Rewards proposition, to Kids Eat for £1 in Asda Cafes and the £4m we invested in communities through the Asda Foundation, we have been working hard to help customers and communities make their pounds go further.

We also invested in our colleagues, with an 8% pay award in 2022 followed by a 10% uplift in 2023 for our hourly-paid retail colleagues.

We continued work on our environmental commitments too, and I'm pleased that we again reduced our operational carbon footprint, down 8% on last year and 40% from our 2015 baseline. For the first time as an independent entity, we've committed to a science-based carbon reduction target, which is in the process of being approved by the Science Based Targets Initiative (SBTi), expected in late 2023.

As we transform our business to meet the needs of UK customers, 2022 also gave us the opportunity to reassess our ESG programme and ensure it remains a critical pillar of our growth strategy. The Board and Executive team have led this process, and I was delighted to join my colleagues in undertaking a detailed review of our ESG programme, furthering our understanding of the various topics and their relationship to Asda's growth plans, and prioritising our efforts.

Looking ahead, the upcoming acquisition of EG Group's UK and Ireland business will bring Asda's heritage as a consumer champion to even more customers and accelerate our growth in convenience, omni-channel retail and foodservice. It's an exciting time for Asda and our ESG strategy underpins how we'll grow: sustainably and responsibly. Although economic, political and social instability is likely to remain in 2023 and beyond, we remain steadfast in our commitment to saving customers precious time and money across their shopping baskets and on the forecourt, as well as creating change for better in even more communities across the country.

**Mohsin Issa CBE**  
Asda Co-Owner





## A calendar of support Our activities to support our customers in the cost of living through the year... and beyond.

JAN



**Blue Light Card<sup>1</sup>**  
**10% discount**  
extended to end  
January 2022  
(from December  
2021)



FEB



Asda Foundation<sup>2</sup>  
launches two grants  
'Better Starts' and  
'Empowering Local  
Communities'



**'Vote One' Asda  
Foundation Green  
Token Giving**  
Programme opens  
(this is our customer  
vote which donates  
to charities, schools  
and groups across  
the UK each year)



MAR

'Just Essentials'  
budget-friendly  
range launched



APR



**100+**  
family favourite  
products '**Dropped &  
Locked**' until the end  
of 2022

**£100,000**  
donated to FareShare  
to support Muslim  
groups and other  
charities across the  
month of Ramadan<sup>3</sup>



**120,000**  
hourly paid store  
colleagues receive  
hourly rate increase

MAY

**Blue Light Card**  
discount<sup>1</sup> brought  
back to shoppers  
during cost of living  
crisis



Asda national food  
drive<sup>4</sup> delivers

**198,665**  
meals through  
customer in-store  
donations



'Round 2 of  
'Empowering Local  
Communities' and  
'Better Starts' grants  
launched

JUN

'Just Essentials'  
budget range  
expanded to over

**130**  
products

Asda Café offers  
**'Kids eat  
for £1'**

deal<sup>5</sup> for children  
under 16



'Vote 2' opens of  
**Asda Foundation  
Green Token Giving**  
Programme (this is  
our customer vote  
which donates  
to charities, schools  
and groups across the  
UK each year)



<sup>1</sup> Blue Card Discount is available for the emergency services, NHS, social care sector and armed forces workers.

<sup>2</sup> To help community groups cope with the increase in their running costs. Grants available between £500 and £2,000.

<sup>3</sup> Asda's donation during Ramadan will support Muslim charities and community groups across the country.

<sup>4</sup> Asda national food drive in May 2022 asks customers to donate food and essentials in-store to help people who need to use food banks in their local communities.

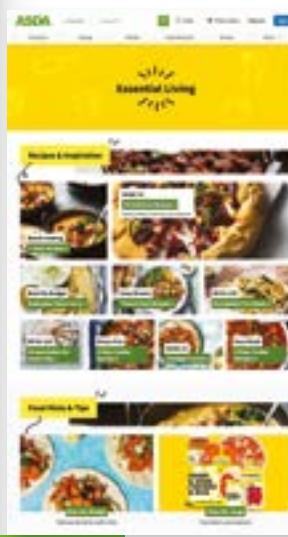
<sup>5</sup> The deal offers a hot meal and was initially for school holidays only but later extended until end of March 2023.

JUL



Second pay increase  
for hourly paid store  
colleagues, taking pay  
**up 8%** for the year<sup>6</sup>

'Essential Living Hub',  
launched<sup>7</sup>



AUG



Best before dates on  
**250 fresh fruit**  
and vegetables  
removed<sup>8</sup>



'Just Essentials'  
range now  
comprises  
**267 products**  
in store and online

## ASDA Rewards

Pounds, not points

Loyalty programme  
launched



SEPT



Launches first Cost of  
Living Grant to meet  
community needs<sup>9</sup>



'Round 3 of  
Empowering Local  
Communities' and  
'Better Starts' grants  
launched



OCT



'Vote 3' goes live (our  
customer vote which  
donates to charities,  
schools and groups  
across the UK each  
year)



October is our  
**Asda Breast Cancer  
Awareness** month  
when we aim to  
encourage at least  
100,000 people from  
the Asda community,  
who have never  
previously checked,  
to start this important  
habit

NOV



## 'Winter Warmer'

£1 café meal  
deal launched  
for over 60s<sup>10</sup>



**Blue Light discount<sup>11</sup>**  
extended to  
March 2023



DEC



**Asda Foundation** has  
given over £4.3m across  
its grant programmes in  
2022, awarding

**7119 grants**



'Community  
Cuppa' campaign  
offers unlimited, **free  
tea or coffee** to  
community groups  
using our cafes<sup>11</sup>

## 'Kids eat free'

in Asda cafés  
throughout December<sup>12</sup>

Asda Money partners  
with: StepChange Debt  
Charity – Free Expert  
Debt Advice



<sup>6</sup> In 2023, we increased our hourly-paid colleague rate by a further 10%.

<sup>7</sup> The Essentials Hub offers money-saving and energy saving advice and ideas on entertaining children for free in school holidays.

<sup>8</sup> Removing best before dates helps customers reduce food waste and save money, according to WRAP.

<sup>9</sup> To help community groups cope with the increase in their running costs (running until February 2023).

<sup>10</sup> This was later extended to the end of March 2023.

<sup>11</sup> Community groups who may otherwise struggle to meet due to rising energy costs

<sup>12</sup> This is part of our Christmas Kindness campaign. Asda also included a free piece of fruit with the kids meal deal.

<sup>13</sup> The Grocery Gold Award for Price is based on a 53-week period from mid-June 2022 to end of June 23.

## 2022 Highlights

**93%**  
own brand packaging  
recyclable<sup>2</sup>



Polystyrene packaging  
from our stores is  
now compacted into  
briquettes for recycling  
and reuse



**2,182 tonnes**  
of surplus food donated  
through our charity  
partnerships<sup>1</sup>



REDUCTION  
IN SCOPE 1 & 2  
**CARBON**  
EMISSIONS



**10 years of the**  
**ASDA** Supplier Sustainability  
Exchange  
helping suppliers to share knowledge and improve  
their environmental impact

New recycling  
and food waste  
bins in every  
store colleague  
rest area



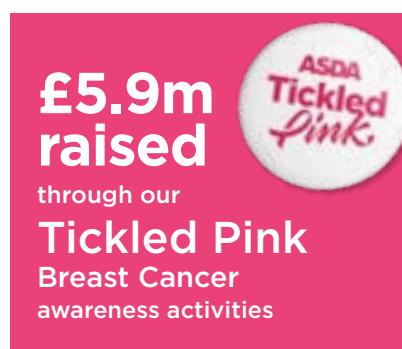
**100%**  
Tea, Coffee, Bananas  
and Cocoa certified to a  
third-party standard



<sup>1</sup> 2,182 tonnes is the equivalent of more than 5.2 million meals. Food was donated to our charity partnerships from our stores, depots and home offices.

A meal can be defined as 420g of food, definition from [WRAP](#).

<sup>2</sup> According to OPRL definitions of recyclable. 88.3% recyclable at kerbside, 4.7% recyclable at large stores.



<sup>1</sup> As at 31 Dec 2022.

<sup>2</sup> Including students enrolled in the programme who benefit from food and education.

<sup>3</sup> Both soups offered contain at least 'one of your five a day', per portion and the vegetable soup also qualifies for the Live Better icon.

<sup>4</sup> Across its Grants, Asda Better Starts, Cost of Living, Empowering Local Communities, Investing in Spaces and Places, Green Token Giving and colleague Match Funding.

<sup>5</sup> Home - Buttle UK is a charity dedicated to helping children and young people in crisis in the UK: those living in financial hardship and dealing with multiple challenging social issues.

<sup>6</sup> Stores with a dedicated meeting space include CapeHill, Colne, Watford, Eastlands, Middleton, Mount Pleasant, Gravesend, Arrowe Park, Cardiff Bay & Llanelli with more planned for 2023.

# Our continued focus

We know that as a large UK retailer we have the ability, and the responsibility, to make a significant impact on the topics that matter to our stakeholders.

Building on our 2021 materiality assessment, we engaged our stakeholders in 2022 to inform the next steps in our strategy development.

Our overarching ESG approach remains focused on providing access and affordability for customers as the business undergoes a period of transformation and takes account of the external environment in which we operate.



## 1 Energy and climate change mitigation

Climate change is the defining crisis of our time, it's happening much more quickly than previously anticipated and will have a major impact on our business.

At Asda we have been working to decarbonise our Scope 1 and Scope 2 emissions since 2007 and have reduced them by 40% since our 2015 baseline. This has been driven in part by the continued transition of our HGV fleet to biogas and implementing lower carbon refrigeration and energy efficiency measures across our stores.

Under independent ownership, we have committed to set a new Scope 1, 2, 3 and FLAG<sup>1</sup> science-based carbon reduction target, which has been submitted for validation by the Science-Based Targets Initiative (SBTi). We continue to improve the measurement of our Scope 3 emissions and engage our supply base, with 70% of our biggest suppliers now setting carbon reduction plans.

## 2 Food waste<sup>2</sup>

There have been considerable challenges to food forecasting due to the uncertainty and inconsistencies in the supply chain due to Brexit, the pandemic, the war in Ukraine and driver shortages.

We sought to increase our efforts in redistributing more surplus food through the supply chain by partnering with more charities across the UK. See page 14.

We redistributed 15.5% of our business food surplus in 2022, through programmes such as food donations to local communities, commercial redistribution and converting food to animal feed, whilst also continuing to investigate further activities to decrease food waste.

Driving down customer food waste is a key part of reducing waste across the value chain. To try to support this, we removed best before dates from fruit and vegetables and conducted a number of customer awareness campaigns.



## 3 Plastic & packaging

In our four refill trial stores, Asda supports customers to reduce their packaging, while saving money.

We introduced our 'Refill Price Promise', to give certainty to customers that our refill ranges are cheaper than pre-packed.

We continue to focus on eliminating non-recyclable materials and replacing with more recyclable materials.

Meanwhile, we continue to review our own brand ranges to see how we can reduce and recycle packaging - see page 17.

## 4

## Healthy, sustainable choices

Over the past year, we have been shaping Asda's future approach to healthy food through conducting market, customer and SME research to ensure any interventions we make will be the most effective to our customers on their health journey. We look forward to sharing more on this in future.

We introduced more Live Better labels on products, with 870 now in stores. These products are aligned to the UK 2004/5 Nutrient Profiling Model, and give a clear signal to customers of healthier choices.

Our Community Champions engaged our communities by sharing information on healthy eating and protein diversification, including the refreshed School Food Toolkit.

We delivered HFSS restrictions, making less healthy foods less prominent across our stores in England and on [asda.com](#).



<sup>2</sup> We have previously listed food waste along with operational waste, however in line with GRI guidance as our own operations generate waste-related outputs through activities in our value chain upstream and downstream we have separated operational waste as it links directly to Scope 3 emissions.



## 5

## Supporting local communities

Asda plays a significant role within our communities, supporting local causes that are important to customers and tackling issues that impact the wellbeing and prosperity of the area it serves. To get a greater understanding of our customers' personal and community priorities and help us support on the biggest issues we started the Asda 'Community Tracker'.

Asda Foundation invested over £4.3m across its grant programmes, which supported a total of 7,119 groups. And the generosity of our customers and colleagues in support of our charity partnerships was as impressive as ever; Tickled Pink raised £5.9m and our exclusive partnership with BBC Children in Need raised £3.3m.



## Energy and climate change mitigation

### Measuring our carbon emissions

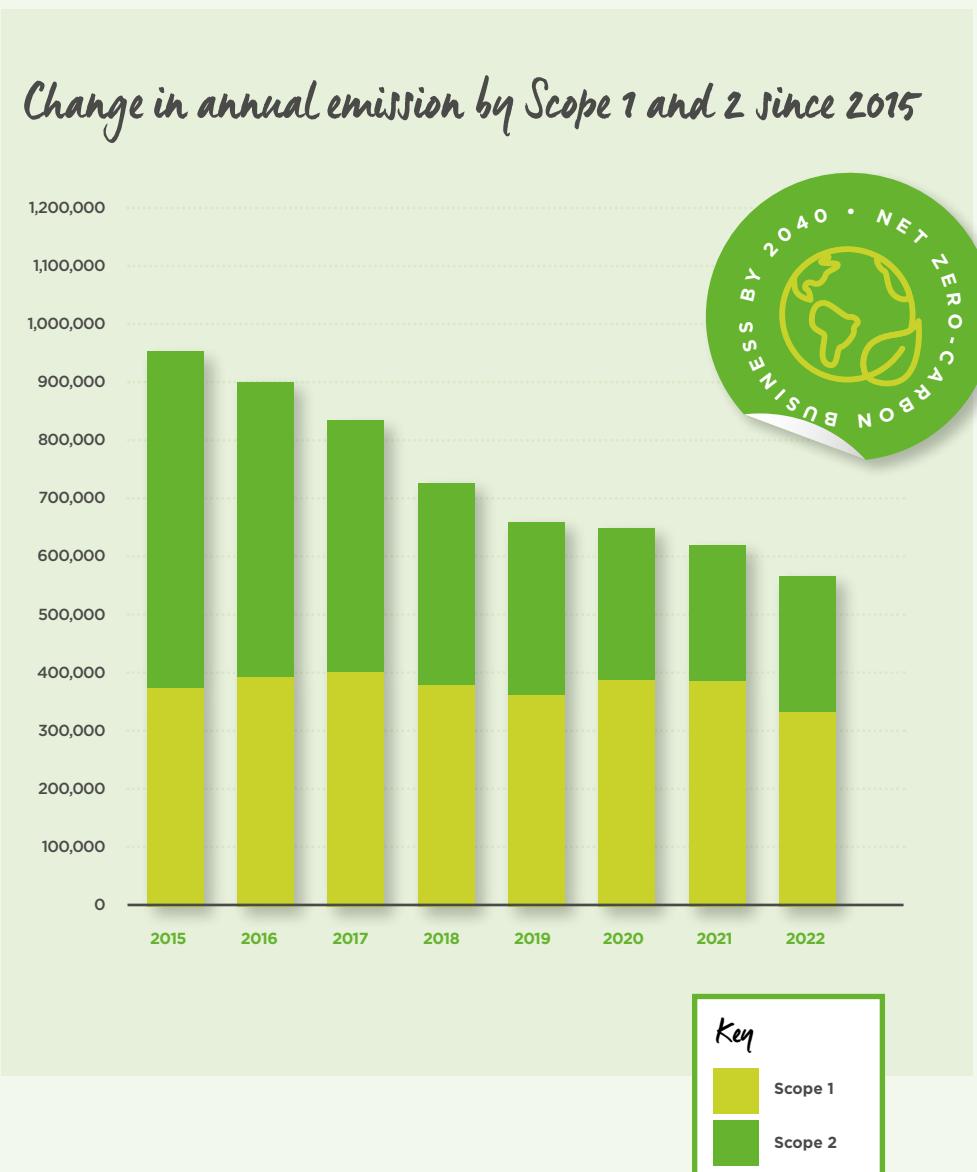
We stated our ambition to be a net-zero business in 2021, establishing a clear roadmap to achieving net-zero greenhouse gas emissions within our own operations by 2040. We have built upon this through our commitment, in 2022, to establish a near-term science-based carbon reduction target, approved by the [Science Based Targets Initiative \(SBTi\)](#) which should be concluded in late 2023.

**Since setting our commitment to reduce Scope 1 and 2 emissions by 50% by 2025**  
**- we have now achieved a 40% reduction against our 2015 baseline (2021:35%).**

#### What is a near-term science-based target?

- Our near-term science-based target is a 2030 target for carbon footprint reduction for direct (Scope 1 & 2) and indirect (Scope 3) operations, as well as emissions associated with Forests, Land and Agriculture (FLAG) to produce our products.
- A target is science-based when it is calculated to limit global warming impact of a company's operations to within 1.5 degrees of pre-industrial levels, aligned to the 2015 UN Paris Agreement.

Our Scope 1 and 2 emissions decreased in 2022 by 8% compared to 2021 as we continued to take measures to reduce our carbon footprint. Energy efficiency projects like improving fridge control solutions to minimise electricity consumption and adding doors to our fridges to reduce their energy use (thus impacting the ambient store temperature) are all now being rolled out across our estate.





# Our total carbon footprint

**Our total carbon footprint is 28,295,682 tCO<sub>2</sub>e  
(-7% from 2021)**

(Some of our vehicles)

## Product emissions

Everything from farming of ingredients, processing products, through to packaging



<sup>1</sup> The Asda Supplier Sustainability Exchange is an online private community for our suppliers to collaborate and share best practice in sustainability and resource efficiency.

<sup>2</sup> Asda Carbon Emissions Survey, 2022. Unpublished.

<sup>3</sup> 'Customers using the petrol we sell them' which states 'In our 2021 total carbon footprint illustration we misallocated 'Customer use of main product' emissions to 'Customers using the petrol we sell them'. For the purposes of our 2022 carbon footprint illustration this has been adjusted to 'Customers using products'.

## CASE STUDY

### ASDA Supplier Sustainability Exchange

Ten years on from the formation of The Asda Sustain & Save Exchange in 2012, our collaborative approach continues to grow and the platform rebranded as the Asda Supplier Sustainability Exchange<sup>1</sup> (SSE). SSE members use the lens of sustainability to find opportunities to become leaner and more environmentally sustainable, and to reduce future costs and risks to supply.

In 2021 we launched mandatory carbon data requirements for all our own brand suppliers and have worked with our largest carbon emitters on reduction plans. We also asked our top grocery suppliers, by sales volume, to set a carbon reduction target by the end of 2021.

In 2022 we stepped this on and asked our top suppliers to share their carbon emissions data and their SBTi reduction targets. To date, over 70% of our biggest suppliers<sup>2</sup> have submitted Scope 1 and 2 GHG emissions reduction targets/plans and over 25% of those have targets approved by the SBTi, with further suppliers awaiting approval. We aim for all Asda suppliers to align their carbon reduction targets with our net zero roadmap.



## Nature

Protecting our natural resources is central to the global effort to tackling climate change, with deforestation accounting for 11% of global greenhouse gas emissions.<sup>1</sup> We have plans to more sustainably source our key commodities and track our performance in our [scorecards](#). Beyond this, we are mindful of the impact we have through our value chain on the natural capitals of air, water, soil and biodiversity, and are committed to working in partnership to better respect and restore nature.

### Certifying key commodities

In 2021, we began tracking our Top 10 most widely used ingredients or materials against certification to third-party environmental standards (see page 31 for the latest figures).

In early 2023, we committed to obtaining the global LEAF Marque [Environmental Assurance System](#) across all our fresh produce by the end of 2025.

### Healthy soil

Soil health is the foundation of any farm. Soil can be a farmer's biggest asset or liability depending on how it is managed. It produces our food and performs essential eco system services.

Well-maintained soils provide good structure, water retention and nutrition to crops. There are some general principles that underpin all farming systems that have healthy soils. These aim to keep the chemical, physical and biological properties in balance. A good, balanced soil reduces the requirement for mechanical intervention. An understanding of soil health can also inform decisions when any cultivation of restructuring operation is needed.

The principles of Integrated Farm Management (IFM) underpin the requirements of LEAF Marque certification, as set out in the LEAF Marque Standard. IFM is a whole farm business approach that delivers more sustainable farming.



### *Improving soils and biodiversity in the 2022 potato crop*

CASE STUDY

CJ Fountain & Son, based near Whittlesey, Cambridgeshire have been supplying high quality potatoes since 1968 to Asda. The farm is now third generation with James taking the reins from his father David.

- In recent years Asda and IPL have encouraged farmers to keep soil covered and improve biodiversity and soil structure through the use of our bespoke seed mixture (Operational Pollinator). The seeds create wildlife habitat during the late Spring and Summer and the wildlife corridors can also be used as buffer strips to watercourses.

For the 2022 potato crop, James had an area of the farm earmarked for potato cropping that had previously been unproductive and prone to flooding. After sharing cropping plans and enquiring about seed mixtures to fill seven acres (which is roughly the equivalent of four football pitches), James opted to sow a 'bees n seeds' mixture to cover the soil, improve the soil structure and improve the farm biodiversity.

Despite the prolonged heat during the Summer of 2022 the biodiversity area established very well and provided an excellent habitat for bees, butterflies and ladybirds. A herd of deer and a family of hares also took a liking to the abundance of cover and shade.





## Water resources

Water resources are under stress around the world, with eight out of ten countries in the UK sources fruit and vegetables are prone to drought.<sup>1</sup> Improving water use and building resilience in global supply chains is vital in order to sustainably feed a growing population with healthy and affordable products.

CASE STUDY

### Water stewardship in South Spain

One million tonnes of fruit and veg are imported into the UK annually from Southern Spain<sup>1</sup> and 33% of Asda's fruit and vegetable imports come from the region. Southern Spain is one of the most at-risk sourcing regions for UK supply in terms of water scarcity. Agriculture is a key driver and accounts for between 70-80% of water use in recent years. The water stress in Southern Spain is having a negative impact on already fragile ecosystems<sup>1</sup>.

As part of a cross-industry group working with WRAP,<sup>2</sup> Asda have made a three year commitment and funding to the 'Water Stewardship in South Spain' project, which is taking action to try to reduce water-related risks in the fruit and veg production areas of Andalusia, Murcia and Valencia. The programme manages a collective action to increase water collection at the catchment or river basin level, in addition to a range of interventions including nature-based solutions, farmer engagement and knowledge sharing, working with certification bodies and joint advocacy to improve water governance.



<sup>1</sup> United Kingdom Food Security Report 2021: Theme 2: UK Food Supply Sources – GOV.UK ([www.gov.uk](http://www.gov.uk)).

<sup>2</sup> Water Stewardship in Southern Spain: Live project | WRAP.

<sup>3</sup> [https://pdsitd.com/wp-content/uploads/2022/07/PDS\\_Sustainability\\_Report\\_2022.pdf](https://pdsitd.com/wp-content/uploads/2022/07/PDS_Sustainability_Report_2022.pdf) p.16.

<sup>4</sup> PDS Manufacturing (Bangladesh), a multinational group, is the parent company of PABL.



CASE STUDY

### Water saving initiatives in the fashion industry



PROGRESS APPARELS  
(BANGLADESH) LTD.

We work with many garment manufacturers, such as Progress Apparels (Bangladesh) Ltd<sup>4</sup> (PABL). In 2019 PABL's annual water consumption across its manufacturing unit in Bangladesh was 70.8 million litres<sup>3</sup> prompting them to make a series of water saving measures which has led to a reduction in their water consumption of 53% to 33.3 million litres (between April 2020 to March 2021). These initiatives have included harvested/reused water for flushing toilets and excess steam pipe water being returned to the boiler for reuse.

The PABL team have targeted a further 2% water saving for 2022/2023 by installing auto-stop taps in the factory dining room which will be extended across the entire facility by end 2024. PABL also intend to provide water saving training to their teams to help nurture a culture of sustainability.

## Waste

At Asda we are committed to being a zero waste business, which means that any waste we do generate is either **reused, recycled or redistributed**. We are targeting 90% of our operational waste reused, recycled or redistributed by 2025 and in 2022, we achieved 86% recycling with an overall annual reduction in operational waste by 7%.

### Food waste

We have a target to **reduce food waste by 25% by 2025 and 50% by 2030**. Wasting perfectly good food doesn't just hurt our pockets, it's also a major cause of climate change. In the UK alone, food waste is responsible for an estimated 36 million tonnes of GHG emissions every year.<sup>1</sup>



#### Household food waste

In 2022, we removed best before dates on almost 250 fresh fruit and vegetable products to help customers reduce food waste in the home and save money. We continue to look at where we can help reduce customer waste and in early 2023, we went further by changing the use by dates on over half of our own brand yoghurts to a best before date, aiming to reduce the 54,000 tonnes of edible yoghurt thrown away each year (by all retailers). [We support WRAP's Food Waste Action Week](#) every year which focusses on practical food waste tips. Read our hints and tips [here](#).



#### Operational food waste

Balancing product availability with minimising waste is a constant challenge, especially in light of the supply chain disruption seen in 2022, extreme weather and changing customer demands in a cost-of-living crisis. We increased the number of charities we work with redistributing surplus food from our distribution sites, these charities are also approved to receive own brand surplus from our suppliers. We are proud that in 2022 through our charity partnerships, our stores, depots and home offices donated 2,182 tonnes of food, the equivalent of more than 5.1 million meals.



#### Supply chain food waste

In any food supply chain, waste will occur through the production, processing, distribution and presentation of the food at the shelf edge. In 2022 we furthered our work to reduce this happening by listening to our suppliers who asked for more options for redistributing surplus own label products.



We continue to work with:



AND

We introduced the following to our portfolio of approved charities:

#### The bread and butter thing

a mobile food club which gives access to nutritious and affordable food taken into the heart of communities.



**The Felix Project** which collects fresh, nutritious food that cannot be sold and delivers it to charities and schools so they can provide healthy meals and help the most vulnerable in our society.



**City Harvest** a London food rescue charity addressing food waste and food poverty.

<sup>1</sup> [WRAP Waste & Resources Action Programme](#).



# Textile waste

## Supporting our suppliers to reduce waste

During 2022, we asked our partner factories across our clothing and home teams to participate in our first annual waste survey to understand how they manage their waste processes, and establish a baseline for a textile waste strategy for George.

Over the course of 2023 we'll be working with our clothing factories and George Home suppliers to understand how we can best support them in achieving their plans, including looking at how our supplier policies may also support best practice. Through continued liaison with our suppliers about their waste management we will use the results to help us build a robust strategy and policy around waste which will be reported through our future ESG reports and our website.



We discovered that just 4% of our clothing suppliers and 17% of our George Home facilities are actively using a closed loop or circular system to deal with the waste generated through their processes.<sup>1</sup>

### CASE STUDY



### CASE STUDY

## Creating yarn from unwanted bedding and sheets

Our George home products team launched a circularity trial in partnership with [The Salvation Army](#) and one of our supplier partners in home textiles, Liberty, based in Pakistan. We receive a lot of unwanted bedding and sheets through our store clothing banks and we want to close the loop on those textiles that are at the end of their current life and cannot be reused.

Firstly, 1.5 tonnes of home textiles were sorted by fibre and colour and then mechanically shredded, ready to be re-spun into new yarn which was then blended with other responsibly sourced fibres.



## Using 3D digital technology to reduce sampling waste

We use a large volume of supplier samples to plan and build all our clothing ranges. Ordinarily, our technical teams would use samples on live models and mannequins to ensure sizing, safety, quality and design expectations and share any adjustments with suppliers via post.

Using technological innovation we are exploring the use of 3D technology to create digital replicas that enables styling, colour and shape adjustments thus removing unnecessary sampling. One of our key babywear suppliers, Norlanka, based in Sri Lanka, is now able to use the 3D process, working directly with our design team. To date we have reduced sampling requirements by 2,149 garments.<sup>2</sup>

We have started to work with three more suppliers who also use this software and our ambition is to expand this trial to other produce areas.



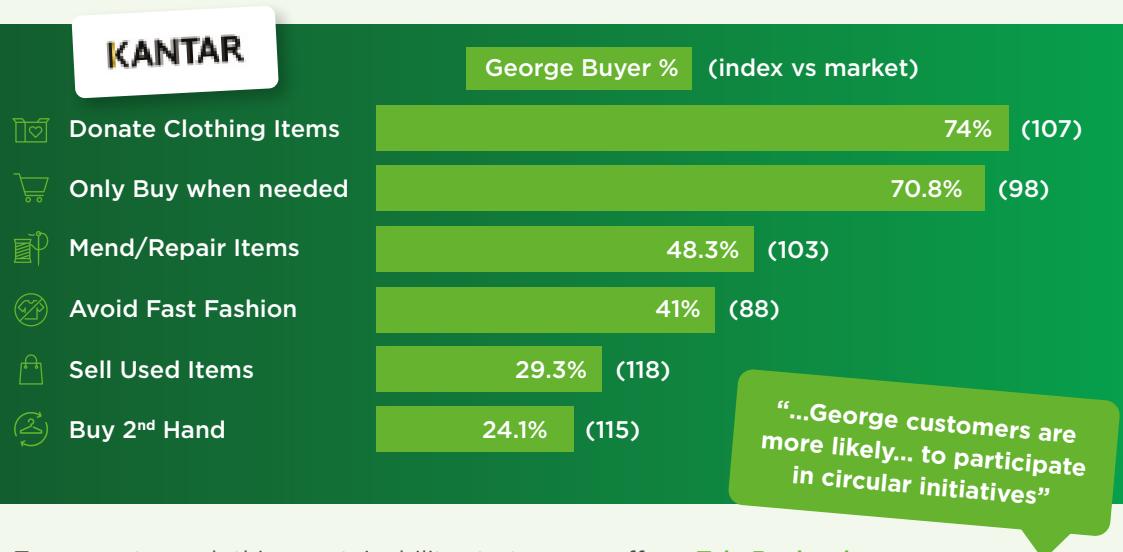
<sup>1</sup> [George Textile Waste Survey](#). 2022 Unpublished.  
<sup>2</sup> 2020 to February 2023.



## Circularity at George

Circularity is a key pillar of our George clothing sustainability strategy. We are signatories to WRAP's Textiles 2030<sup>1</sup> initiative which collaborates on environmental issues including carbon, water and circular textile targets; and aims to transform the way that the UK supplies, uses and disposes of clothing and textiles. Find out more about the Textiles 2030 roadmap [here](#).

We are working to understand our George customers' attitudes and behaviours in relation to sustainability practices. Using Kantar's '**Who cares, who does?**' data<sup>2</sup> we learnt that our George customers are more likely than the average UK customer to participate in circular initiatives such as repairing, donating, buying second-hand and selling used items.<sup>2</sup> As we develop our ranges, we are designing with longevity in mind, aiming to ensure our products last longer, can have a second life and at the end of life be recycled or disposed of in a responsible and low-impact way.

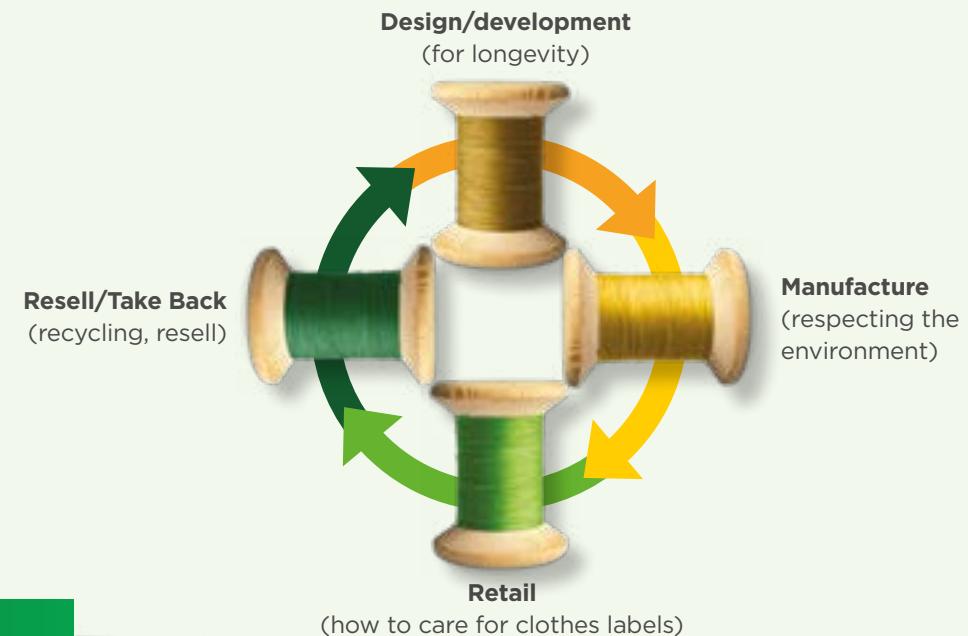


To support our clothing sustainability strategy we offer a [TakeBack scheme](#), Preloved vintage clothing in our stores<sup>3</sup> and our relationships with Charity partners such as Newlife, who take a proportion of our returns and end of life stock to resell, as well as our clothing banks with The Salvation Army. During 2023 we are aiming to develop further partnerships with external organisations to progress our ambition to be a more circular business.

<sup>1</sup> [Textiles 2030 | WRAP](#).

<sup>2</sup> Kantar Worldpanel Who Cares Who Does Sustainable Fashion Survey, 9546 original respondents, Sept 2022.

<sup>3</sup> [Preloved Clothing available in these Asda stores](#).



**CASE STUDY**

## Designing clothing for longevity

All George branded products are independently and rigorously tested to meet ours and our customers' expectations including multiple wash testing on finished products and specific performance tests.

Through our relationship with WRAP and the Textiles 2030 agreement<sup>4</sup>, we are working with the Leeds Institute of Textiles and Colour (LITAC) which will test a number of our clothing and home textiles products across our divisions to further understand their longevity and impact on circularity. The findings from the study are expected to be published in 2025-2026 and will provide us with further independent data to support our circularity strategy.



## **Plastics and packaging**

**29.4%** Recycled content of Asda Brand primary packaging (2021: 27.9%), meaning we are on track for at least 30% by 2025.

**88.3%** of Asda Brand packaging is recyclable in customer homes via kerbside collections (2021: 85.9%), a further 4.7% of Asda Brand packaging is accepted in our stores for recycling.



1 Data provided by relevant suppliers has been internally validated

**2** The data behind this claim was provided by our supplier, Essity UK Ltd, and is based on the representation that 52 pallets of the new product can be loaded to one lorry equating to 3269 lorry loads, whereas the old product would equate to 4199 trucks. A difference of 930 lorry loads.



## Refill evolution

In 2020, we opened our first Sustainability Trial Store in Asda Middleton, Leeds. A core component of this was our action to reduce plastic and packaging, through our refill proposition. Since then, refill has rolled out to trial in three more stores.

### The objectives of our refill zones remain the same:

- ▶ to offer customers value whilst exploring more sustainable ways of shopping;
- ▶ and to minimise waste

But changing consumer behaviour takes time.



1st sustainability store opens in Middleton, Leeds



Three more refill zones open in Milton Keynes, York and Toryglen, Scotland

**wrap**

**Unilever**



UK  
RI  
Research  
and Innovation

2022

Research partnership with Unilever and WRAP to explore Reuse and Refill in-depth

CASE STUDY

## Cross industry collaboration

To explore user experience of the refill zone, in 2022, we partnered with Unilever and WRAP<sup>1</sup> to conduct in-depth customer research<sup>2</sup> to revisit ways to make the refill experience easier and more enjoyable.

Our research highlighted the need to focus on three main areas:

- 1 To combat uncertainty and apprehension of using refill.
- 2 Help customers understand the price difference and value of shopping refill.
- 3 Make the experience fun and enjoyable.

Asda, Unilever and WRAP. Refuse and Refill: Behaviour Change Interventions to increase citizen participation in reuse and refill systems. 2022. The project was funded by UK Research Innovation with the ambition of sharing learnings not only with Asda but also with other retailers or brand owners to help grow refill across the industry.

<sup>1</sup> WRAP is a climate action NGO working around the globe to tackle the causes of the climate crisis.

<sup>2</sup> Asda, Unilever and WRAP. Refuse and Refill: Behaviour Change Interventions to increase citizen participation in reuse and refill systems. 2022. The project was funded by UK Research Innovation with the ambition of sharing learnings not only with Asda but also with other retailers or brand owners to help grow refill across the industry.



We have now relaunched our refill zones, refocusing on core products such as cereals, tea, coffee and pet food, and establishing '[The Refill Price Promise](#)' which means that our refill ranges will always be cheaper than pre-packed (even if they go on promotion).

"Doing our 'bit' for the environment"

"Try before you buy" (new purchases)

"The feel good factor"

"Only buying what you need which helps to budget and reduce food waste"



*Next time you are in one of our Refill stores  
- go on, give it a go!*



## Healthy, sustainable diets<sup>1</sup>

At Asda, we have the opportunity to make the healthiest choice the *easiest choice* for our customers.

### Healthier choices

In 2020, we launched the Live Better icon to signpost to the healthier choices within our own brand ranges and we now have approximately 870 products bearing the icon, with more in the pipeline for 2023. We aim to have 1200 products in the range by the end of 2024. Our in house nutritionists check all Live Better products meet nutrition criteria; this means:

- ✓ all need to be non-high fat, salt and sugar (HFSS) in accordance with the UK's 2004-2005 Nutrient Profiling Model
- ✓ must have a defined nutritional benefit, as listed on the [GB Nutrition and Health Claims Register<sup>2</sup>](#)
- ✓ no red traffic lights (unless entirely driven by fruits, vegetables, nuts or oily fish)
- ✓ must meet category specific criteria e.g., bread must be high in fibre.

Live Better products are aligned to [The Eatwell Guide<sup>3</sup>](#) which supports more sustainable eating patterns.



### Government legislation to improve the nation's health

In October 2022, location restrictions on the sale of high fat, salt and sugar foods (HFSS) came into force in England<sup>4</sup> across 13 categories, a measure which forms a key part of the Government's strategy to tackle obesity by making unhealthy food less prominent in stores and online.

The new legislation represented a huge operational challenge affecting the way foods in Asda are merchandised and required significant investment.

We aim to use the HFSS legislation to accelerate our ability to collect HFSS data across brands for all products, which is essential to be able to report on healthy basket spend.

## JUST ESSENTIALS

To support our customers with the cost-of-living crisis, we responded with two initiatives to ensure we offered budget-friendly food essentials to complete the weekly shop with ease. 'Just Essentials' by Asda provides a wide range of produce and Live Better options making healthy choices affordable for all. We also 'Dropped & Locked' our prices on everyday products throughout 2022, protecting customers from the impact of inflation. In own brand, we're proud that 66% of the products dropped and locked were non-HFSS. We will continue to look for opportunities to support customers to make healthier choices and look forward to working collaboratively with suppliers on this.



<sup>1</sup> Expert bodies, such as the British Nutrition Foundation, suggest that a healthier diet is also a more sustainable diet. Read more [here](#).

<sup>2</sup> A [health claim](#) is any statement about a relationship between food and health.

<sup>3</sup> The Eatwell Guide shows how much of what we eat overall should come from each food group to achieve a healthy, balanced diet.

<sup>4</sup> Scotland, Wales and NI Legislation still to be defined and dates to be announced at the time of publishing.



## Fruit and vegetable consumption

We know only 28% of adult and 18% of kids<sup>1</sup> eat their 'five a day' and so we commissioned a piece of research to understand why this is the case.

*Top reasons for ditching the veg included:*



"Not knowing how to make veg-based meals more interesting"

"Lacking confidence around cooking from scratch"

### Our 'Plant Pots' campaign

To address some of the research barriers and showcase our new produce range, Asda launched our Plant Pots campaign, with 'how to prepare' videos to inform and help customers prepare fresh fruit and vegetables alongside tasty, nutritious and easy to prepare one-pot recipes which were developed by our in-house chefs and nutritionists.

'Plant Pot' recipes contain up to five of your five-a-day per meal and are easy for beginner chefs and the most time-stretched. The versatility ensures whatever is left in the fridge can be added – putting an end to throwing away food.



## Asda Greengrocers

Our 251 Asda Greengrocers are there to help customers make healthier options easier and more accessible for our customers. They are fully trained on the health and nutrition credentials of fresh fruit and vegetables.

*Did you know?*



CASE STUDY

## Using data to tackle environmental and societal challenges

Our partnership with Leeds Institute for Data Analytics (LIDA) uses Asda data to tackle environmental and societal challenges linked to health and diet. In collaboration with LIDA and the Institute of Grocery Distribution (IGD), we ran a trial within our meat/fish/poultry category to determine whether moving plant-based meat alternatives from a dedicated bay to their parent category could nudge customers to lower carbon choices.

The trial involved six stores with products relocated within the same aisle to sit directly alongside their meat counterparts (price, shelf space and availability remained the same).

In 2023 we are expanding our vegan range by approximately 50% to improve choice for customers.

Read the full published article here:  
[Healthy Sustainable Diets: Driving Change p.16.](#)

<sup>1</sup> NHS Health trends Survey' Health Survey for England: Fruit and vegetables (hscic.gov.uk).



# ASDA community

In 2021, we launched our community strategy, with the objective of enabling togetherness, connections and resilience in Asda communities.

CASE STUDY



## Asda Café meal deals

- Kids eat for £1 in all Asda Cafés

School holidays can be a concern for many parents, especially the summer holidays. To help tackle holiday hunger, Asda Cafés across England and Wales offered children under 16 access to a hot or cold meal<sup>2</sup> with a drink and piece of fruit for just £1 at any time of the day, as well as free pouches of baby food. To date we have served nearly 1 million meals to kids in cafés nationwide in 2022.

## 'Winter Warmer' for over 60s

Through our Community Tracker insight, we know that, across our communities, supporting the elderly remains a key priority for our customers, especially during a period of high energy and living costs<sup>1</sup>.

A soup<sup>3</sup>, bread roll and unlimited tea/coffee for £1 in Asda Cafés was our offer to customers aged over 60 struggling with spiralling living costs throughout November and December. The opportunity to keep themselves warm and fed was a hit with over 603,000<sup>4</sup> customers taking advantage of the offer.

<sup>1</sup> Community Tracker Deep Dive Report. Unpublished. November 2022.

<sup>2</sup> Dependent on the store, a hot or cold meal, or both, was on offer. This offer was also extended until the end of March 2023. We also swapped out two meals for healthier meals.

<sup>3</sup> Both soup recipes (tomato and vegetable) contain 1 of your 5 a day.

<sup>4</sup> Over 603,000 customer to end of March 2023.

<sup>5</sup> Stores with a dedicated meeting space include Cape Hill, Colne, Watford, Eastlands, Middleton, Mount Pleasant, Gravesend, Arrowe Park, Cardiff Bay & Llanelli.

We aim to achieve our commitments by 2026



Improve outcomes for 5 million kids in Asda communities.



Raise £100m for breast cancer charities by 2026; increase awareness; drive behaviour change.



Boost community togetherness through in-store Community Rooms.

CASE STUDY

## Free meeting rooms for local groups, clubs and organisations

As part of our focus on supporting local communities, we opened the Cardiff Bay Community Room<sup>5</sup>, our 10th room dedicated to providing a safe, inclusive place to meet for local groups, clubs and organisations.



# COMMUNITY CHAMPIONS

In 2022, we celebrated the **10th anniversary** of our Community Champion role. Asda Community Champions are dedicated to providing practical support to charities, projects and initiatives across our Asda communities.



## CASE STUDY

### Nearly 200,000 meals donated to food banks through store food trolley donations

- Through our Community Tracker, we recognised that supporting UK food banks was seen as the most needed form of community support for our customers, rated as the top priority for 59% in June, rising to 82% by October<sup>1</sup>.

- Our Community Champions support foodbanks, such as the Trussell Trust, with outreach activity as well as through donations of products from our shelves by customers.

- In 2022 with the amazing support of our generous customers we had our most successful food drive yet, delivering the equivalent of 198,665 meals<sup>2</sup>.

<sup>1</sup> Community Tracker Deep Dive Report. Unpublished. November 2022  
<sup>2</sup> A meal can be defined as 420g of food, definition from WRAP





# ASDA Foundation

Asda Foundation is an independent charity with more than 30 years' history of supporting people in local communities<sup>1</sup>. In 2022, Asda Foundation introduced a new Cost of Living grant to support local groups with increased running costs and by the end of 2022 they had invested £542,270 which supported 506 groups.



## Supporting Ukrainian refugees

Asda and the Asda Foundation pledged a £1m package to support displaced Ukrainian families in Europe and the UK following the invasion by Russia.

### £1m package

- £250k corporate donation to UNICEF, which supported the setup of a Blue Dot centre, providing a safe space for up to 5,000 children and families on the move and emergency water and hygiene kits to be deployed on the ground
- Asda Foundation grants available to support local and grassroots refugee groups across the UK.
- delivered essential supplies including George clothing, nappies, toiletries, period products and food to the Polish border for onward distribution in the Ukraine.

In addition, an amazing £852,372 was raised for UNICEF through our customer fundraising campaign in stores and online.

### Help to find employment in the UK

To help Ukrainian refugees coming to the UK find the stability and security needed to build a new life for themselves, we welcomed applications for roles in our stores, warehouses and within our sourcing and procurement arm (IPL) with a guaranteed job interview and specialist support to those recruited.

## Ukraine Support

CASE STUDY

Community champion Sarah John from our Killingbeck store in Leeds was so moved by the plight of the refugees fleeing war-torn Ukraine that she wanted to do something to help. So, working with the Asda Foundation, she secured a £1,000 grant for Leeds Ukrainian Community Centre which will go towards providing food, starter packs of clothes and school equipment and IT support for refugees arriving in the UK.

Sarah said: "The team at the Ukrainian Association are amazing. They are all volunteers and have never experienced anything like this before." The Centre has been in Leeds since the 1950s and local support has been wonderful said Chair, Olga Callaghans. "Every penny and every donation counts".

<sup>1</sup> Asda Foundation also supports Asda colleagues in two ways. The Match Funding programme encourages colleagues to raise funds for local causes which can be matched up to £500 to make colleague fundraising go further. The second programme is Colleague Hardship which supports colleagues facing financial difficulties. This can include but isn't limited to funeral costs, utility arrears and hospital travel costs.



## Supporting supply chain communities

### Establishing our approach to responsible sourcing

Since our separation from Walmart we have been transitioning to establish an Asda specific approach to responsible sourcing. Through engagement with key stakeholders including suppliers, NGOs and third-party membership organisations including the [Ethical Trading Initiative \(ETI\)](#), we have accessed expert advice to help shape our programme and supply chain policies.

## RESPONSIBLE SOURCING RISK ASSESSMENT OUTCOMES

We have now published our Human Rights Policy (2022) and completed a responsible sourcing risk assessment based on supplier compliance information to identify salient risks and themes. These included gender, modern slavery, vulnerable workers, worker representation and working hours as key topics to address and further integrate throughout our businesses.

As an example, to better understand the gender theme we worked with [Women Win](#) to understand how the Asda business can better reflect women within our policies and approach and to apply a gender lens to our activities.

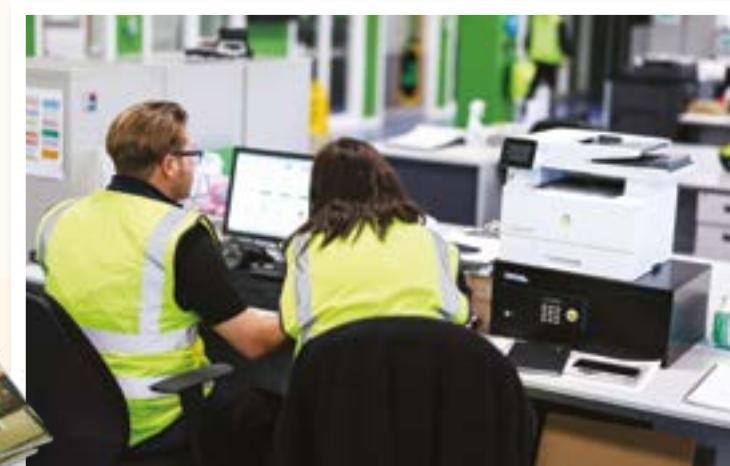
For further information on the work we do to prevent Modern Slavery from occurring in our business operations and supply chains, please read our latest Modern Slavery Statement [here](#).



## SUPPLY CHAIN TRANSPARENCY

We have integrated supply chain policies into our processes and ways of working to obtain supply chain transparency. This has allowed us to provide more transparent information to customers and disclose our [Tier 1 Food, NonEdible Grocery Chains, Produce and General Merchandise Facilities Supply Chains](#) for the first time.

Throughout 2023 we intend to further establish our work around salient themes, increase the transparency of our supply chains and improve the data points we have to better assess root causes.





## Our colleagues

At Asda, we're committed to building an inclusive and diverse workplace where colleagues are happy and confident to be themselves and know they will always feel warmly welcomed.

To support us on our inclusive and diverse workplace journey we have launched a new course called 'Inclusion Matters' which helps colleagues build an inclusive work environment. We are also continuing to work with external diversity partners including Diversity in Retail, Diversity in Grocery, Lead Network and Inclusive Employers and Menopause Friendly which offer additional programmes for our colleagues to enhance their leadership skills and share diversity and inclusion best practice within the retail sector.

### Introducing Asda Allies

We introduced an 'Asda Allies' campaign to raise awareness on how our colleagues can help under-represented colleagues and why it is so important. This has become a key lens for all our internal campaigns and underpins that you don't have to be directly affected by discrimination or unfair treatment to challenge non-inclusive behaviour, advocate the need for change, and seek to understand the additional barriers that some people or communities face.



At Asda, we encourage our colleagues to be Allies through positive and conscious efforts that benefit people as a whole.



## Female representation

In our last report, we set a target to increase the proportion of female store managers to 30% by 2025. Whilst our percentage has remained stable since we set our ambition, we have been working to establish the programmes to deliver this, including our Retail Female Representation Working Group, which is tasked with looking at the barriers to increasing female store leadership. Our new Female Intentional Allyship programme ran in 2022 all of whom graduated and 25% have since been promoted.

The Intentional Allyship programme will run again in 2023 for 290 colleagues and will include Reverse Mentoring (i.e. the senior leader acts as mentee).

## Learning and Development

Asda invests heavily in the training and development of our colleagues, supporting hundreds of apprentices on more than 60 apprenticeship courses. In 2022 we introduced 15 new apprenticeship programmes, including the following Degrees: Data Science, Supply Chain Leadership and Business Management. We're proud to have been recognised as one of the UK's top 100 apprenticeship employers.



Read more in our  
[Gender Pay  
Report 2022](#)



## The Asda Wellbeing Index

Asda cares about colleagues' health and wellbeing and in 2022 we established our Colleague Wellbeing Index which sits alongside our Colleague Inclusion survey (Your Voice).

The Wellbeing Index helps us understand how we need to support colleagues. And to raise awareness and increase knowledge we offer colleagues 'Rethink Mental Health' ambassador training alongside monthly events which cover a range of topics and include guest speakers. We also activated executive sponsored mental health campaigns to shatter stigmas.



# Governance

## Board oversight and education

Our ESG programme is a foundational part of our business transformation plan and is overseen by our Board of Directors and led by our Executive Committee. To ensure our business is resilient to the risks and responsive to the opportunities of the changing landscape, our leadership teams are aware of the need to build and maintain their knowledge of environmental, social and governance issues.

Under the UK's Climate-Related Financial Disclosures regulations, we will report further information on our climate governance in our 2023 Annual Report and Accounts.

**Further training on ESG is on our agenda for senior leadership and all colleagues through 2023.**

## Re-setting the ESG strategy

This report is Asda's third ESG report. Through a process of in-depth immersion on macro ESG trends, competitor benchmarking, stakeholder engagement and reviewing upcoming legislation, the Asda Executive has, over the past year, led a reset of the ESG strategy to ensure alignment with the new business strategy and to deliver a programme that can withstand cultural shifts and other demands.

Over the last three years we have undertaken three materiality assessments to ensure we prioritise those ESG topics which matter to our key stakeholders; customers, colleagues, supplier partners, NGOs and investors.

Our third materiality assessment concluded that our strategic priorities of Energy and Climate Mitigation<sup>1</sup>, Food Waste, Plastic and Packaging, Healthy, Sustainable Diets and Supporting Local Communities, all remained core topics on which Asda should be focusing (see 'Our continued focus' on page 8).

## Governance structure





## Economic contribution

Through the employment of our 141,000 colleagues, across 631 sites, and in working with over 3,900 suppliers and partners, Asda is a major contributor to UK GDP and in local economies around the country. We're proud of the strong, collaborative relationships that we have built with our suppliers and are pleased that in the 2022 Groceries Code Adjudicator Survey, 93% of our suppliers said that we consistently or mostly follow the Code, with only 4% raising an issue under the Code. We know there is more to do, but with an ambition to grow to be the second largest grocery retailer, we look to work in partnership with our supply base to deliver growth across the value chain.



CASE STUDY

### Supporting skills in the wider economy

Since December 2020, we have committed to funding £2.8m of apprenticeships in SMEs, supporting new learners in small businesses and charities through the support of four intermediaries in Leeds, Leicester, London and Manchester.

In 2022, we committed over £1.7m overall which includes £927k which was committed through the new National Levy Service, a digital platform to enable us to transfer funding directly to SMEs. Asda's funding provides training and careers opportunities that small organisations may not otherwise afford, supporting social mobility and in developing the skills base of the wider economy.

GSCOP Compliance Report 2022 →

Tax Strategy Statement →

## Appendix

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	Commitment	Target date	Baseline	2020	2021	2022	Comments
<b>Environmental</b>							
<b>Energy and climate mitigation</b>	Reduce GHG emissions (Scope 1 & 2) by 50%	2025	957,918 tCO2e (2015)	32% reduction on baseline 655,358 tCO2e	35% reduction on baseline 624,679 tCO2e	40% reduction on baseline 574,899 tCO2e	—
	Develop measurement of non-direct scope 3 emissions, then set targets to 2025	2025	N/A	Scope 3 measured: 29,698,424 tCO2e	Scope 3 measured: 29,940,360 tCO2e	Scope 3 measured: 27,720,786 tCO2e	—
<b>Nature</b>							
	Certify key commodities to a third-party standard:						
	Bananas, Coffee (ground and bean) and Tea (OB, excluding flavoured teas)	2025	100% (2020)	100%	100%	100%	<a href="#">Rainforest Alliance or Fairtrade</a> . Bananas: 100 % in 2020. Coffee and Tea 100% achieved in 2021.
	Cocoa		46% (2020)	100%	100%	100%	<a href="#">Rainforest Alliance Certified</a> , <a href="#">Barry Callebaut's Coca Horizons</a> , <a href="#">Fairtrade certified</a> or <a href="#">Cargill's Cocoa Promise</a> for all products with cocoa (both more than and less than 12%). Note, in 2021, we achieved 95% certification for products containing more than 12% cocoa. However, in 2022 our 92% certification encompasses our entire footprint, including products with both more and less than 12% cocoa content.
	Fish		98% (2020)	98%	99%	99%	<a href="#">MSC certified or working towards certification in a fisheries partnership</a> .
	Palm Oil		99.6% (2020)	99.60%	99.80%	99.80%	<a href="#">RSPO physically certified (mass balance or segregated)</a> , 0.2% covered by certificates.

	Commitment	Target date	Baseline	2020	2021	2022	Comments
<b>Environmental</b>							
<b>Nature</b>	Certify key commodities to a third-party standard:	2025		74% (2021)	N/A	74%	70%
	Soya						<a href="#">Certified to schemes benchmarked against the FEFAC sourcing guidelines (2021) with desired criterion 34 and fixed cut off date of 2020.</a>
	Timber, Paper and Pulp		98.6% (2020)	98.60%	98.60%	100% (Non-ed)	<a href="#">FSC, PEFC Certified or recycled material.</a>
	Develop a natural resources stewardship programme		N/A	N/A	N/A	N/A	Ongoing.
<b>Waste</b>	Achieve zero-waste operations - 90% reused, recycled, redistributed with no waste to landfill	2025	N/A	88% 100% diversion from landfill	88.1% 100% diversion from landfill	86.2%	Overall waste volume down year-on year, this was both recyclable and non recyclable waste. 2022 was the first full year after two years of Covid where stores were back fully operational with customer cafes and car park bins.
	Reduce food waste by 20%		26,826 (2015)	26,848 tonnes	28,807 tonnes	27,836 tonnes	Year-on-year reduction. 15.5% redistributed, a combination of donation, giveaway, commercial resale and animal feed.
	Reduce own-brand primary plastic packaging by 15% (9,750 tonnes)	2021	65,000 tonnes (2017)	55,179 (-9821 tonnes)	N/A	Target accomplished in 2021	Commitment achieved in 2021 and now retired.
	Reduce packaging and drive 100% recyclability of what remains	2025	N/A	85% Recyclable at Kerbside  4.5% - Recyclable in large stores with bags  Total: 89.5%	85.9% Recyclable at Kerbside  4.9% Recyclable in large stores  Total: 90.8%	88.3% Recyclable at Kerbside  4.7% Recyclable in large stores  Total: 93.0%	—
	Use an average of 30% recycled content across all our own brand plastic packaging by 2025	2025	2019 (24.80%)	28.50%	27.90%	29.4%	<a href="#">UK Plastics Pact commitment.</a>

	Commitment	Target date	Baseline	2020	2021	2022	Comments
<b>Environmental: George*</b>							
Fibre sourcing	By 2025, all of the cotton contained in George branded clothing, accessories and footwear as well as our soft home textiles products will be sourced through Better Cotton	2025	60% (2020)	60%	91%	98%	<p>Traditional cotton production has many negative environmental impacts including excessive water consumption and soil degradation and erosion. By sourcing our cotton products through <a href="#">Better Cotton</a>, we aim to reduce our contribution to these negative impacts, supported by their educational programmes. Through its implementing partners, Better Cotton trains farmers to use water as efficiently as possible, care for soil health and natural habitats and reduce use of the most harmful chemicals and respect workers' rights and wellbeing.</p> <p>Better Cotton is sourced via a chain of custody model called <a href="#">mass balance</a>. This means that Better Cotton is not physically traceable to end products, however, Better Cotton farmers benefit from the demand for Better Cotton in equivalent volumes to those we 'source.' To advance progress against this target, we review the volumes of cotton purchased through the Better Cotton platform and compare this to the volumes of George cotton products our teams buy. We then work with our buying teams and our supplier partners to educate them about these targets, to discuss how to accelerate progress, and to support where needed.</p> <p>Currently, the majority of our cotton is sourced via Better Cotton with a small proportion of Organic and Recycled cotton. We anticipate that we will achieve 100% by the end of 2023.</p>
	By 2025, 100% of our Viscose is certified by either <a href="#">Forest Stewardship Council</a> (FSC), or <a href="#">Programme for the Endorsement of Forest Certification</a> (PEFC) and is supplied from a Green Shirt viscose supplier (based on <a href="#">Canopy's Hot Button report</a> )	2025	22% (2020)	22%	67%	81%	<p>Viscose is derived from wood pulp cellulose. The cellulose is extracted from wood, and turned into fibres using a chemical process. Its production has been linked to the depletion of the world's forests, which are cleared to make way for pulpwood plantations, contributing to climate change. By aiming for all of the viscose used in George products to be sourced through an FSC source and the fibre produced by a Green Shirt supplier on the Hot Button Canopy Report, this target aims to ensure that the forests we use are being managed in a way that preserves biological diversity and benefits the lives of local people and workers, while eliminating the use of ancient or endangered forests. We review the volumes of viscose purchased through our own due diligence systems and compare this to the volumes of viscose products our teams buy. We then work with our buying teams and our supplier partners to educate them about these targets, to discuss how to accelerate progress and to support where needed.</p>

\*On 14 March 2024, we updated our ESG scorecard (on pages 30-36) to provide additional information about our targets and the work we are doing to advance progress against them, and to reflect updates to targets and target dates based on the latest information on progress. Further updates will be provided in our 2023 ESG Report.

	Commitment	Target date	Baseline	2020	2021	2022	Comments
<b>Environmental: George*</b>							
Fibre sourcing	By 2025, a minimum of 30% of the polyester used within George products is recycled polyester. This is certified by either Global Recycle Standard (GRS) or Recycle Claim Standard (RCS)	2025	12% recycled content (2020)	12% recycled content	36%	50%	Polyester is a synthetic fibre made from crude oil. Using virgin polyester creates demand for fossil fuel extraction which is why we have set a target for recycled polyester which in turn reduces the demand for fossil fuel extraction and the creation of virgin polyester fibre. We work alongside our buying teams and supplier partners to ensure when we design product that contains polyester, we include where possible a % that contains recycled fibres. Currently 50% of our polyester products are meeting this target. We continually monitor our clothing teams to ensure we are on track to achieve this target and offer support on this where required through conversation and education in order to achieve our target.
Waste	Facilities reporting through <a href="#">The Higg Index</a>	(Previously 2022 for all facilities)	–	60%	77%	96.20%	The Higg Index is a suite of tools that enables Asda to accurately measure and score every stage of our textile supply chain's sustainability performance. As more suppliers report through Higg, we are provided with additional information about suppliers and supply chain sustainability so that we can make informed decisions about how to develop our supply chain to be more sustainable. By 2022, our policies state that all facilities should be reporting through The Higg Index, which we had previously communicated as a target. We did not reach this target by 2022 and a review as at 14th March 2024 shows that while supplier engagement with the Higg Index is at 100%, between 98 and 100% of the facilities within our supply chain report through the Higg index. We continue to work with suppliers to engage any outstanding facilities, but this review has shown us that changes to the facilities our supplier partners use and the time taken to engage new suppliers with the Higg process makes our original 100% target for reporting difficult to meet and sustain without some fluctuation. We continue to be committed to build on the existing 98-100% of suppliers' facilities, and to encourage and support suppliers reporting through Higg. However, we will be removing the percentage compliance target in line with our strategy to ensure all targets are backed by verifiable, achievable strategies. We have therefore updated this target to remove the 100% threshold, though we will continue to work to maximise engagement with Higgs by facilities and to report on progress.

\*On 14 March 2024, we updated our ESG scorecard (on pages 30-36) to provide additional information about our targets and the work we are doing to advance progress against them, and to reflect updates to targets and target dates based on the latest information on progress. Further updates will be provided in our 2023 ESG Report.

	Commitment	Target date	Baseline	2020	2021	2022	Comments
<b>Environmental: George*</b>							
Packaging	Eliminate all hazardous waste being released into the soil, water and air, as part of the wet processes used within our supply chain	2025	-	N/A	51%	59.60%	By 2025, we aim for all the facilities we work with to use the <a href="#">Zero Discharge of Hazardous Chemicals platform</a> [ZDHC], a multi-stakeholder initiative to stop hazardous chemicals from being used in textile production and polluting soils, waterways and/or the air. Additionally, all facilities we work with have to be registered with one of our preferred third-party platforms which capture data related to the use of chemicals throughout any wet processes used to produce our products. To advance this target, we review the data generated from the ZDHC and other third party platforms to engage with any facility that requires support or education on this.
	50% of George hangers reused or recycled	2030*	-	20%	17.50%	18.70%	*We have delayed our target date from 2025 to 2030. This has been prompted by lower-than-predicted engagement with our hanger recycling scheme by customers since the COVID-19 pandemic and knock-on impacts of in-store changes, such as an increase in self-checkouts which have led to unpredicted reductions in hanger recycling in store. In response to these trends, we have delayed our target date from 2025 and aim to engage with store colleagues to ensure self drop boxes are present in store and easily identifiable to support greater recycling. This target contributes to our overall George strategy to reduce single use plastic and increase recycled or recyclable packaging. We are exploring ways to increase hanger recycling in stores through increased customer awareness of in-store recycling schemes, for example, by ensuring we have a larger number drop off boxes to capture unwanted hangers. Currently, these are available in our clothing departments, at tills and desks in store.

\*On 14 March 2024, we updated our ESG scorecard (on pages 30-36) to provide additional information about our targets and the work we are doing to advance progress against them, and to reflect updates to targets and target dates based on the latest information on progress. Further updates will be provided in our 2023 ESG Report.

	Commitment	Target date	Baseline	2020	2021	2022	Comments
<b>Environmental: George*</b>							
Packaging	30% recycled content in all garment polybags	2025	-	0%	0%	100%	This target contributes to our overall George strategy to reduce single use plastic and increase our use of recycled or recyclable packaging. It also helps stimulate the market for recycled content, enabling investment in new recycling infrastructure and technologies. We met this target in and 2021 and compliance remains at 100% in 2022.
	All George packaging to be recyclable at kerbside or in store by 2027	2027*	-	80%	83%	83% 21% at home 62% in store	*We have moved this target date from 2025 to 2027. The delay has been caused by a slower than previously expected removal of stickers, owing to their use in helping customers understand and navigate our products and the need to develop an alternative. The outstanding non-recyclable packaging is predominantly made up of glue backed stickers, including RFID-backed stickers required for stock management, for which there is not currently a recycling solution. While we continue to look to reduce our use of these stickers and explore moving to a more recyclable paper-based stickers, we do not expect this to be deliverable by 2025.  This target aims to reduce the amount of packaging going to landfill and the demand for virgin packaging materials. We engage with our buying teams on a regular basis on this subject and our packaging team continues to work through all packaging used across our products. As our packaging includes less-commonly recycled materials that are not currently recycled at kerbside, such as overbags and garment bags used to protect products, we also plan to increase the number of soft plastic recycling bins at stores and will look to improve the information we provide to consumers on how to recycle these items, as part of our longer term strategy on sustainability communications.

\*On 14 March 2024, we updated our ESG scorecard (on pages 30-36) to provide additional information about our targets and the work we are doing to advance progress against them, and to reflect updates to targets and target dates based on the latest information on progress. Further updates will be provided in our 2023 ESG Report.

	Commitment	Target date	Baseline	2020	2021	2022	Comments
<b>Social</b>							
<b>Health</b>	1,200 Live Better products to be on offer	2024	0 (2019)	262 (+262)	746 (+484)	870 (+124)	—
	Increase the proportion of healthy (non-high fat, salt or sugar content) of Asda's own brand products to 60%	2024	55% (2020)	55%	54%	54%	—
	Reduce red traffic lights on Asda products year on year	2024	22% (2020)	22%	23%	21%	—
	Grow Asda Plant Based sales by 100%	2023	2020	N/A	33.10%	42%	—
	Cartoon characters to be removed from high fat, sugar and salt (HFSS) own-brand products (excluding seasonal food and drinks)	2022	N/A	>35 product lines remaining	2 lines remaining	Target accomplished in 2022	Commitment achieved in 2022 and now retired.
<b>Supporting local communities</b>	Reach 5 million children in Asda communities through Asda Better Starts	2026	0	N/A	N/A	1.01m	Estimated children reached.
	Boost community wellbeing by providing a safe, inclusive place to meet in Asda communities	2026	N/A	8 Asda Community Rooms 4424 donations of space in Asda stores	8 Asda Community Rooms 5049 donations of space in Asda stores	10 Community Rooms 11,663 donations of space in Asda stores	We have a further 10 community rooms planned for 2023 including our first in Scotland and Northern Ireland.
	Raise £30m for Asda Tickled Pink over the next five years, bringing our total fundraising to £100m over 30 years	2026	£76.8m (2021)	£3.3m £70.9m total	£5.9m £76.8m total	£5.9m £82.8m total	—
	<b>NEW for 2022</b> 1 million more women from the Asda community regularly checking their breasts by 2026  (Encourage at least 100,000 women from the Asda community, who have never previously checked, to start this important habit.)	2026	0	N/A	N/A	Target 1m women, 100,000 women from Asda community	2021 commitment to 'set a baseline and then a target to increase breast checking amongst Asda colleagues and customers' achieved end 2022.
	Empower 8,000 community groups per year to tackle issues in their local community through Asda Foundation	2026	N/A	7,100	10,000	4,860	—

	Commitment	Target date	Baseline	2020	2021	2022	Comments
<b>Social</b>							
<b>Colleagues</b>	Create a new colleague wellbeing index and set a baseline	2022	N/A	N/A	N/A	72%	Launched in May 2022, two Wellbeing Index surveys were completed. This now informs our wellbeing strategy for 2023. 72% of colleagues recorded a positive wellbeing score which represents 55% of our total colleague work base.
	Increase percentage of female General Store Managers to 30%	2025	24% -2021	N/A	24%	24%	Efforts continue to ensure a steady supply of potential leaders into the programme. We are reviewing our policies and drive a more inclusive workplace to ensure that our female colleagues can flourish.
<b>Supporting supply chain communities</b>	Implement a Human Rights due diligence approach that goes beyond audit	2025	N/A	N/A	N/A	N/A	Human Rights Policy (2022) published. Responsible sourcing risk assessment based on supplier compliance information to identify salient risks and themes completed. These have now been published and work is ongoing to assess these risks in greater detail building towards Human Rights Impact Assessments.
	Develop principles of remedy for issues in our supply chain	2025	N/A	N/A	N/A	N/A	Sedex management system embedded and supply chain policies integrated. Tier 1 Food, Non-Edible Grocery Chains, Produce and General Merchandise Facilities Supply Chains disclosed. Remedy policy has been developed and is within legal review to articulate how Asda will support rights holders.

	Commitment	Target date	Baseline	2020	2021	2022	Comments
<b>Governance</b>							
<b>Ethics and compliance</b>	Operate an Ethics and Compliance programme that supports our growth following Walmart separation	N/A	N/A	N/A	N/A	N/A	Our comprehensive Ethics and Compliance programme underpins all that we do, and we continue to refine our bespoke programmes in areas such as Cyber Security, Financial Crime Compliance and Health and Safety.
	Support SMEs with surplus Apprenticeship Levy	2025	N/A	N/A	£1,053,000 committed*	£1,714,167m committed	*Note, in our 2021 report we recorded that we had 'pledged' £1.2m to SMEs. We now use the terminology of 'committed' to demonstrate the actual figure provided to small businesses and charities.



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

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