

**ASDA**

# Modern Slavery & Human Rights Statement 2023

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 and supply chains.

It relates to our fiscal year ended 31 December 2022. It covers the activities of Asda Group Ltd, Asda Stores Ltd, International Procurement and Logistics Limited (IPL), Forza Foods Limited and Kober Limited, McLagan Investments Limited, The Burwood House Group Limited and Power4All 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.

**ASDA**



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# Foreword

**This is Asda's Modern Slavery statement for 2023 which, for the first time, incorporates our work on Human Rights that has been developed throughout 2022.**

Modern Slavery continues to increase globally, with updated figures released estimating that 49.6<sup>1</sup> million people were living in modern slavery in 2021, of which 27.6 million were in forced labour.

Asda's businesses and global supply chains are diverse and complex, and ensuring we are doing everything we can as a business to mitigate risks of Modern Slavery and Human Trafficking is essential to the dignity of workers in our supply chain and their human rights. We are committed to upskilling our colleagues and suppliers, innovating to support survivors and providing colleagues with the tools they need to enable informed decisions in their role. In 2022, we have collaborated with partners to establish a detailed approach to Modern Slavery and Human Rights for the benefit of workers in our extended supply chains.

As the Asda business looks to grow, Modern Slavery issues and the mitigation of them continue to be non-negotiable. We expect the dignity of all rights holders to be respected and our supply chains to be free of any form of Modern Slavery.



**Mohsin Issa** CBE  
Co-Owner

Approved by IPL Board, 20th June 2023.

Approved by Asda Compliance, Ethics, Risk and Audit Committee (CERA) on behalf of the Asda board, 20th June 2023.

<sup>1</sup> (International Labour Organisation (ILO)).

# 2022 Highlights

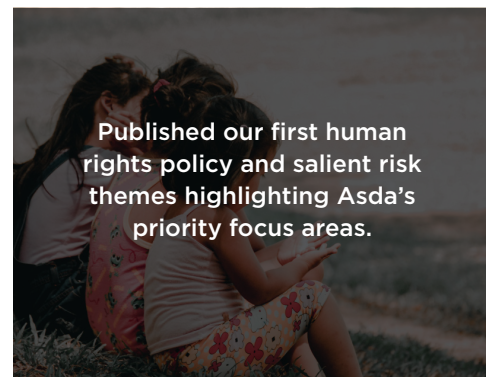
Launched our new **Modern Slavery and human rights** e-learning module with **2000 colleagues** across Asda and IPL completing it.



Survivors of **Modern Slavery** have participated in the Ingredients for Life course since it launched in 2019.

**65 participants** took part in the first Asda Responsible Sourcing and Human Rights hackathon, where they worked to re-define the role of data in understanding risk and root cause.

Published our first human rights policy and salient risk themes highlighting Asda's priority focus areas.



## TRANSPARENCY

Building on the disclosure of George's supplier sites previously this year we have made Asda's Tier 1 sites publicly available [here](#).

Generated datasets associated with our use of labour agents to increase our understanding of the associated risks in the supply chain.



Presented at an event on **National Anti-Slavery Day** hosted by the Leeds Safer Stronger Communities' team as they developed a city-wide modern slavery pledge.

Established new partnerships with organisations to help further our saliency work such as SEA Alliance.



Engaging to explore risks and root causes associated with the UK Seasonal Workers Scheme in partnership with retailers, suppliers, growers, Non-Governmental Organisations (NGO's), and Labour Agents our supply chain Food, Non-Edible Grocery (NEG), Produce and General Merchandise (GM) facilities.



# Our Organisation's Structure, Business and Supply Chains

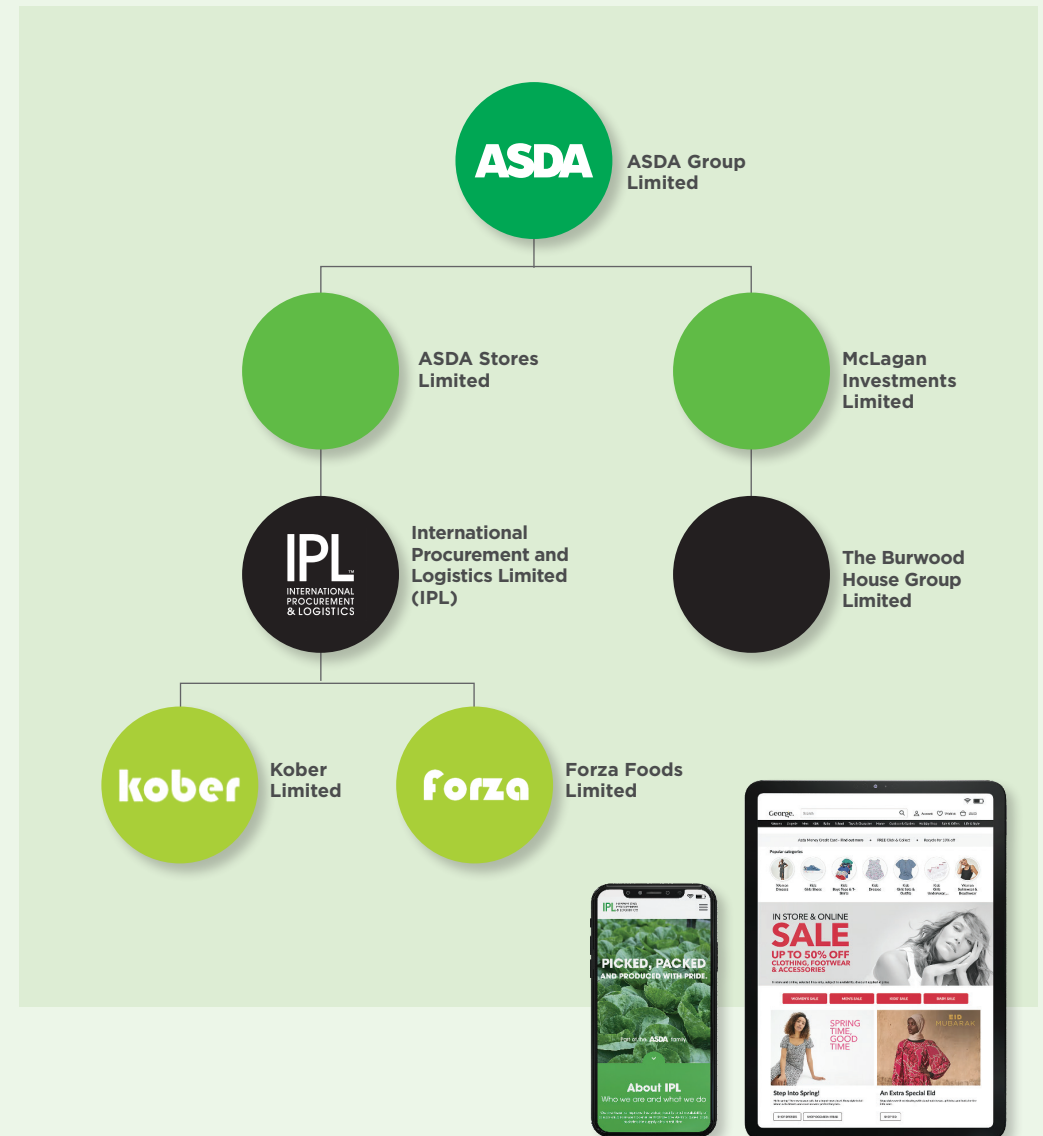
## Structure

At Asda, we have more than 145,000 dedicated colleagues serving 15.5 million customers in stores each week. We have 633 stores in all parts of the UK including two newly opened Asda Express Convenience Stores. We also have 323 petrol filling stations and circa 70 'Asda on the Move' stores operated in partnership with the EG group.

There are 26 depots (21 food sites, three George sites and two General Merchandise sites) across the UK, with a Heavy Goods Vehicle (HGV) fleet consisting of approximately 1,100 trucks, making 2,400 deliveries a day or 17,000 per week. We also have a fleet of 3,300 vehicles delivering products to homes making around 800,000 deliveries each week.

As well as selling groceries, we also offer clothing and general merchandise products under our George and George Home brands.

International Procurement and Logistics Limited (IPL) joined the Asda family in 2009 following which IPL acquired Forza Foods Limited (Forza) and Kober Limited (Kober) in 2016. IPL procures wine, procures and packs fresh produce, house plants and flowers, nuts and dried fruit for Asda. Forza and Kober procure, process and pack cooked meat, bacon and poultry for Asda. IPL are one of the largest privately owned food processing businesses in the UK.



# Our Supply Chains

As a responsible retailer, we are committed to the principles of sourcing responsibly, respecting Human Rights and promoting dignity of all those who contribute to our business. Transparency of our supply chain is key to our approach; we map and collect data through several sources which informs our salient labour risks and themes.

Our vision is to ensure the dignity of the people who make the products we sell, and we do this via three priorities;





















- ✔ Driving continuous improvement through collaboration, metrics, and innovation.
- ✔ Simplifying processes, policies, procedures, and ways of working and,
- ✔ Addressing risks with impact looking at root cause, closing non-conformances and remedy.

We believe that if we are operating to these principles alongside our suppliers, we will be more effective in addressing root cause for the benefit of workers.

Asda's Standards for Suppliers are applicable to all tiers of our global supply chain. In 2022, we have focused on establishing key data points to further understand multiple tiers of our supply chain and how our business impacts' rights-holders, be that directly, indirectly or contributed to.

This table outlines our in-scope supply chain across the globe. Risks vary from country to country but are assessed and managed in a consistent way through our Responsible Sourcing programme which has set the baseline for our data led approach.

Top sourcing countries based on the number of supplier sites, within the scope of our Responsible Sourcing Programme across key business areas.

	1	2	3	4	5
Grocery	 United Kingdom 61%	 Spain 12%	 Italy 10%	 Netherlands 9%	 France 8%
Apparel	 China 39%	 Turkey 21%	 Bangladesh 15%	 India 14%	 Sri Lanka 11%
General Merchandise	 China 82%	 India 6%	 Bangladesh 5%	 Vietnam 4%	 United Kingdom 3%
GNFR	 United Kingdom 55%	 China 23%	 India 9%	 Bangladesh 7%	 Vietnam 7%

## Our Organisation's Structure, Business and Supply Chains

Number of suppliers and sites, within the scope of our Responsible Sourcing Programme, across key business areas.

	Grocery	Apparel	GM	GNFR	Total
Suppliers	496	236	330	27	1,089
Facilities	2085	1051	1090	58	4,284

As of 23 March 2023

In 2022, for the first time we publicly published a list of Asda's **Tier 1 Food, Non-Edible Grocery, Produce and General Merchandise sites** who supply Asda branded or exclusive products. Our George business have mapped and published Tier 1, 2, and elements of Tier 3 Apparel supplier sites.

This information can be found [here](#).



# Policies

At Asda, our policies are set out to clearly articulate our expectations to colleagues, suppliers and all stakeholders, and are required to protect rights' holders within our global supply chain. In 2022, we have focused on developing robust frameworks for overarching policies that set out our aspirations.

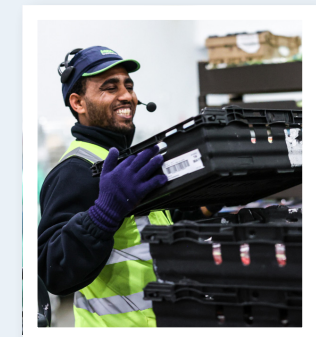
Asda have the following policies in place which relate to Modern Slavery, please refer to our previous [Modern Slavery Statement](#) which included a brief overview of each policy. For 2022, our new Human Rights Policy has been included.

## Internal

- ✓ Agency Worker Policy
- ✓ Domestic Abuse Policy
- ✓ Grievance Policy
- ✓ Recruitment Policy
- ✓ Right to Work Policy
- ✓ Modern Slavery Policy
- ✓ Safeguarding Policy
- ✓ Whistleblowing Policy
- ✓ Statement of Ethics

## External

- ✓ Human Rights Policy
- ✓ Modern Slavery Policy
- ✓ Standards for Suppliers
- ✓ Transparency Policy
- ✓ Statement of Ethics
- ✓ Cotton Policy





## Risk Assessment

### Evolving our approach to risk

In our 2021 statement, we summarised how we approach due diligence in relation to in scope locations, as set out within our Transparency Policy. We continue to develop this approach and respond to associated risks as they are represented through our data. In the last 12 months, we have worked to further understand the data points provided to us via supplier self-certification, audit, and resources such as open-source data. With this approach, we hope to gain an understanding of risk both within our in-scope supply chain and throughout the tiers.

Through data cleansing, working with suppliers and refinement of our processes, we believe we have developed a base line of data that enables us to better assess risks and respond to it for the benefit of the workers across all areas of our in-scope supply chain.

Asda would like to move to an approach with greater understanding of worker experience. In line with this, we are working to move towards a data led approach to Responsible Sourcing which utilises multiple data sets and technology to allow us to assess worker impacts, understand root cause and measure improvements.

Please see opposite an overview of our Responsible Sourcing programme.

Scope	Transparency	Analysis	Activity	Monitoring
When we require Transparency	How we gain visibility	SAQ scoring risk range	Engagement with Asda	Continuity in risk
The Asda Brand is present  The product is exclusive in production or supply;  <b>or</b>  Asda Goods Not For Resale (GNFR) products and services	Become a member of SEDEX as both a supplier and/or the facility where production is taking place  Direct and/or indirectly link to one of Asda's Z codes [IPL, George, General Merchandise, Goods Not For Resale, Food Asda Grocery],  Provide a 'Finalised' Self Assessment Questionnaire to 100%  Check that Purchase Orders correspond with the correct facility	<b>High</b>	Audit to be undertaken, all Non-conformance /Non-compliance closed out	Submission of an Self Assessment Questionnaire six months post previous Self Assessment Questionnaire audit to demonstrate continuous improvement
		<b>Medium</b>	Self Assessment Questionnaire+; additional training, toolkits and support	
		<b>Low</b>	Drive continuous improvement within your supply chain	

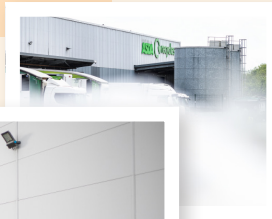


## Waste and logistics

Waste and logistics services are two key parts of our Goods Not for Resale (GNFR) supply chain and a focus area under our Human Rights saliency work.

From industry knowledge we know these areas are high risk, therefore, to understand both the processes and risks associated within our own supply chain in more detail, we took two key actions in 2022:

- ✓ Three third-party logistics sites completed a SEDEX Self-Assessment Questionnaires (SAQ)
- ✓ We conducted a site visit to one of our logistics sites.



To gain insight we requested SEDEX Self-Assessment Questionnaires (SAQs) to be completed on three of our third-party logistics sites. From this, we gained basic worker and compliance information, and we were able to use an industry standard methodology to better understand possible Modern Slavery and Human Rights risks for our sites and compare it with other similar operations within our supply chain.

By reviewing the data, it highlighted working with the Prison Service was part of our third parties' action plan. Voluntary prison labour is an area we are keen to understand more about as it has been identified as a risk under our Vulnerable Workers theme, therefore, to understand more about their next steps, support the supplier and openly discuss the risks within the sector, we conducted a site visit to one of our Asda Service Centres.

By collaboratively working with our suppliers, we were able to understand and see first-hand the processes that take place on site (including tray wash, cage repairs and waste and recycling sorting) and understand more about their programmes and policies. Our third-party logistics company are in the process of developing a prison labour policy and we will continue to learn from their knowledge and experience in the area.

We aim to continue to develop our knowledge and processes on waste and logistics by exploring other third-party logistic sites and continue to work collaboratively with our suppliers throughout 2023.

## Strategic supplier engagement

Working with our strategic suppliers is key to understanding more about the risks in our shared supply chains. It helps us increase visibility, share best practice, and collaborate to improve conditions for workers.

In 2022 we worked with our strategic tea supplier to further understand the sourcing regions and Human Rights risks associated with the production of Asda private label tea. This is part of our saliency work and by visiting with the supplier and understanding their operation in more detail we are better placed to understand how we can support, collaborate, and drive improvements where required.



## Women Win

Our responsible sourcing risk assessment identified gender as a salient Human Rights risk theme. To help understand our gaps and opportunities relating to gender, we worked with Women Win, an NGO focussed on advancing girls' and women's rights, to provide an independent assessment of our gender responsiveness of our internal and supply chain policies. The aim of undertaking the gender assessment was to receive an objective baseline understanding of our gender responsive due diligence and receive informed recommendations to help establish an action plan to improve our approach.

We have been provided with recommendations of how to become more gender responsive and aim to work through these throughout 2023.



# Hackathon

To better understand risks across multiple tiers of our global supply chain and re-imagine the role data can play in this, we hosted our first Responsible Sourcing and Human Rights hackathon in 2022. Developed in partnership with our Data Science Team and the Leeds Institute of Data Analytics, we developed principles and questions to be explored with data specialists.

Teams were required to explore six broad topics from a baseline of our data and bring in their own ingenuity, open-source datasets, analytics and data and computer science to evolve our approach to assessing and managing risks across multiple tiers of our supply chain.

The outcomes the teams presented back were impressive with models and new data sets which could help us unpack risk, worker experience and trends. This event and the trajectory it has placed on our work has redefined our understanding of what it means to be data science led and introduced us to new partners who can help us better articulate our aspirations in this space.

The traditional means of delivering a Responsible Sourcing programme will only take us so far, in order to understand the tiers of our supply chain, we need to understand how data and analytics will increase our visibility throughout.

When we think about Modern Slavery and Human Rights, we have to be innovative to move beyond audit. Audit will always play a part in this process, but to become data led, we need to utilise it as a data point alongside information gathering via technology, open-source information, and self-certified information.

## Questions based around:

- ✔ The employment experience of temporary/seasonal workers within the UK e.g., in food or garment manufacturing.
- ✔ The experience of women and the risks they may face within Asda's extended supply chain e.g., Tea or garment manufacturing.
- ✔ The recruitment corridors and nationalities which represent the greatest risks of labour exploitation.
- ✔ The impact of climate change on people, commodities and supply chains and how these can be predicted via data.
- ✔ How can Asda better understand, prioritise and allocate resource to address the most considerable risks within its supply chain.
- ✔ The impact of Geopolitical events and how these impact the risks workers face in food supply chains.
- ✔ The risks workers may face around the rise of robotics, automation and technological advancements and how this might impact the future of work in global supply chains.

# Due Diligence

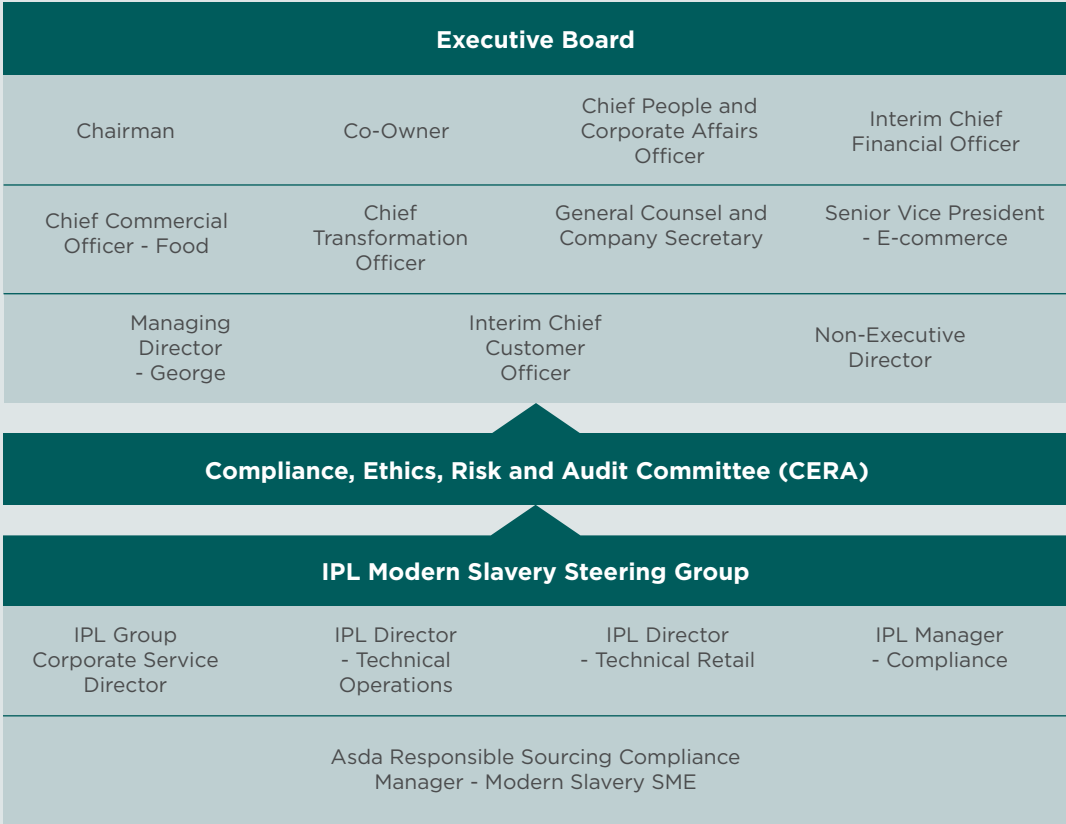
## Governance and committees

Asda’s governance structure is in place to ensure we can take any Modern Slavery and Human Rights policies and issues to senior stakeholders within the business for their engagement, support or approval.

The Executive committee meets both monthly and weekly to discuss and make operational decisions relating to the company which are in turn implemented by the company directors (the ‘Board’).

Our Compliance, Ethics, Risk and Audit (CERA) Committee meet monthly and includes our General Counsel and Company Secretary and Chief Financial Officer and is setup to assist the Board in relation to reviewing and monitoring Asda’s system of internal controls and risk management, the internal audit process, and compliance with laws, regulations and ethical codes of practice.

The IPL Modern Slavery Steering Group meet on a quarterly cadence and is in place to ensure actions are progressing, to drive corrective action and ensure accountability.



# Human Rights

In 2022, Asda established its first Human Rights Policy following separation from Walmart. This key document outlines the steps we take to respect internationally recognised Human Rights and formalises our expectations across our business and global supply chains.

To unlock impactful due diligence that ensures the dignity of our workers, we began a journey to establish the key salient risks for Asda and articulate our approach to addressing these. Starting with our compliance data, we worked to identify trends and patterns across audit findings and self-certification information alongside industry data to provide us with a prioritised list of risks of most relevance to the Asda business. The risks were then further analysed with additional data, insights from specialists, suppliers, and partners to understand the topics and impacts we would prioritise to address the following five themes.



These salient themes represent the focus areas for our business across the work we deliver.

When starting this journey, we set out a roadmap which details how the business would deliver its work around Human Rights. As we increase our knowledge and understanding of the salient risks and themes within our supply chain, we will explore opportunities to consider the root cause of risks impacting rights holders. This roadmap will continue to evolve as we learn more about Asda's supply chains and associated risks.



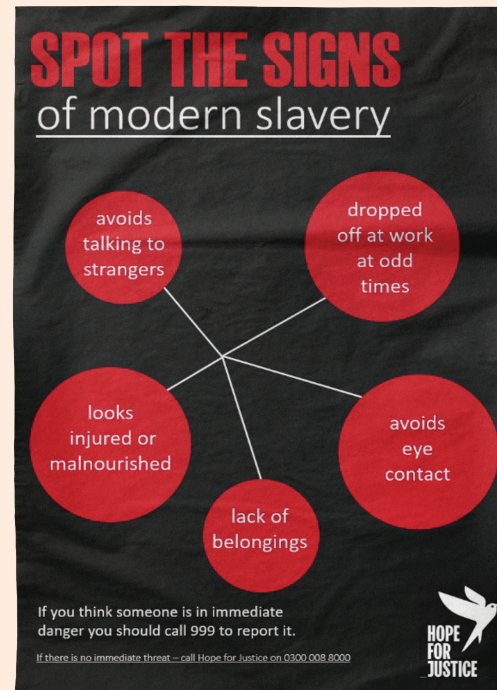
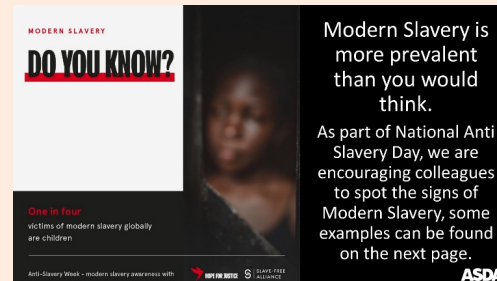
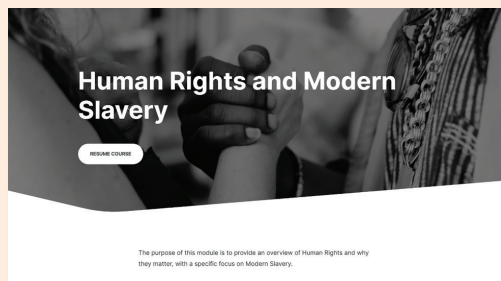
## Training and Awareness – Internal

# National Anti-Slavery Day

As part of National Anti-Slavery Day and our commitment to raising awareness of Modern Slavery, we used multiple channels such as messaging on the atrium/media screens in the Asda and George head offices, and at IPL sites.

We also included messaging on colleague laptop screensavers for the whole of October, and input content into Asda's colleague communication email which was sent to all Asda head office colleagues across the UK. IPL also hosted a session on Modern Slavery in the weekly Colleague 'Snapshot' which is IPL's weekly company-wide briefing hosted by a member of the IPL leadership/board.

Posters were put up in our stores and logistics warehouses, and we partnered with Slave Free Alliance and one of our major car wash operators, CPV, to create an awareness poster which were put on display at all Asda CPV sites.



## Colleague e-learning module

Based on colleague's roles within Asda, we believe it is important for them to receive appropriate training to allow them to understand how to spot the signs of Modern Slavery, how to report concerns and understand what to look out for when visiting sites, suppliers or when making buying decisions.

As part of our Modern Slavery colleague training updates this year, we recognised that our training module required an update to incorporate human rights and why they matter. The Modern Slavery training module continues to cover information on Modern Slavery and how to report concerns and over 2,000\* colleagues have completed the training content.

\*As of 08.02.23

## Heavy Goods Vehicle driver training

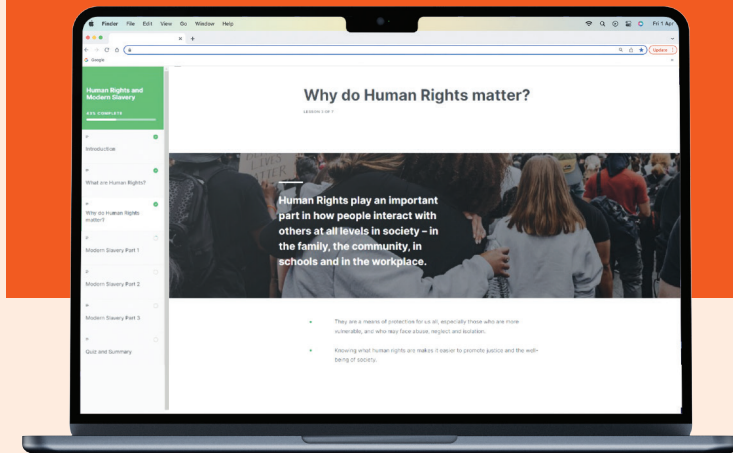
In 2022, we completed the successful delivery of our Heavy Goods Vehicle (HGV) driver training.



## Colleague training on Responsible Sourcing programme

We provide newly employed technical managers and sourcing colleagues with an overview of our Responsible Sourcing programmatic expectations as part of their onboarding training.

This approach helps to clearly articulate our expectations and recruit programme advocates to help champion our Modern Slavery and Human Rights efforts in our supply chain.





## Training and Awareness - External

# Supplier training via external partnerships

As part of our membership with Stronger Together and Responsible Recruitment Toolkit (RRT), we continue to encourage suppliers to utilise the tools and guidance provided, as part of our Responsible Sourcing programme, we have included links to the training and guidance on the Asda, George & IPL supplier websites. We have seen a rise in uptake of utilising the tools provided via Stronger Together and RRT and have included some figures below.

In 2022, 205 delegates across our suppliers attended the 'Tackling Modern Slavery in the UK businesses' foundation training via Stronger Together, with 18 delegates completing the Advanced module. The number of individuals who have completed the module since the start of the sponsorship has now risen to 2,045, and it is great to see that there is engagement from our supply base, and they are completing the training to gain awareness and an understanding of this complex topic.

63 supplier delegates subscribed to the RRT tool at full level in 2022, with 249 individuals who have taken up at least one RRT benefit since the start of the sponsorship, which continues to rise year on year.

Asda's Modern Slavery Manager presented at an event on National Anti-Slavery Day hosted by the Leeds Safer Stronger Communities' team as they developed a city-wide Modern Slavery pledge. There were over 100 people at the event from various organisations such as charities and law enforcement, it was an opportunity for us to provide an overview of the work we do as Asda to prevent Modern Slavery from occurring in our business and supply chain.



## Awareness raising

Asda's second ESG report was published in 2022 with inclusion of the steps Asda undertakes to prevent Modern Slavery within our business processes and supply chains. As part of the **ESG report**, the Responsible Sourcing and Human Rights team report monthly on the ESG commitments such as training and awareness of Modern Slavery.

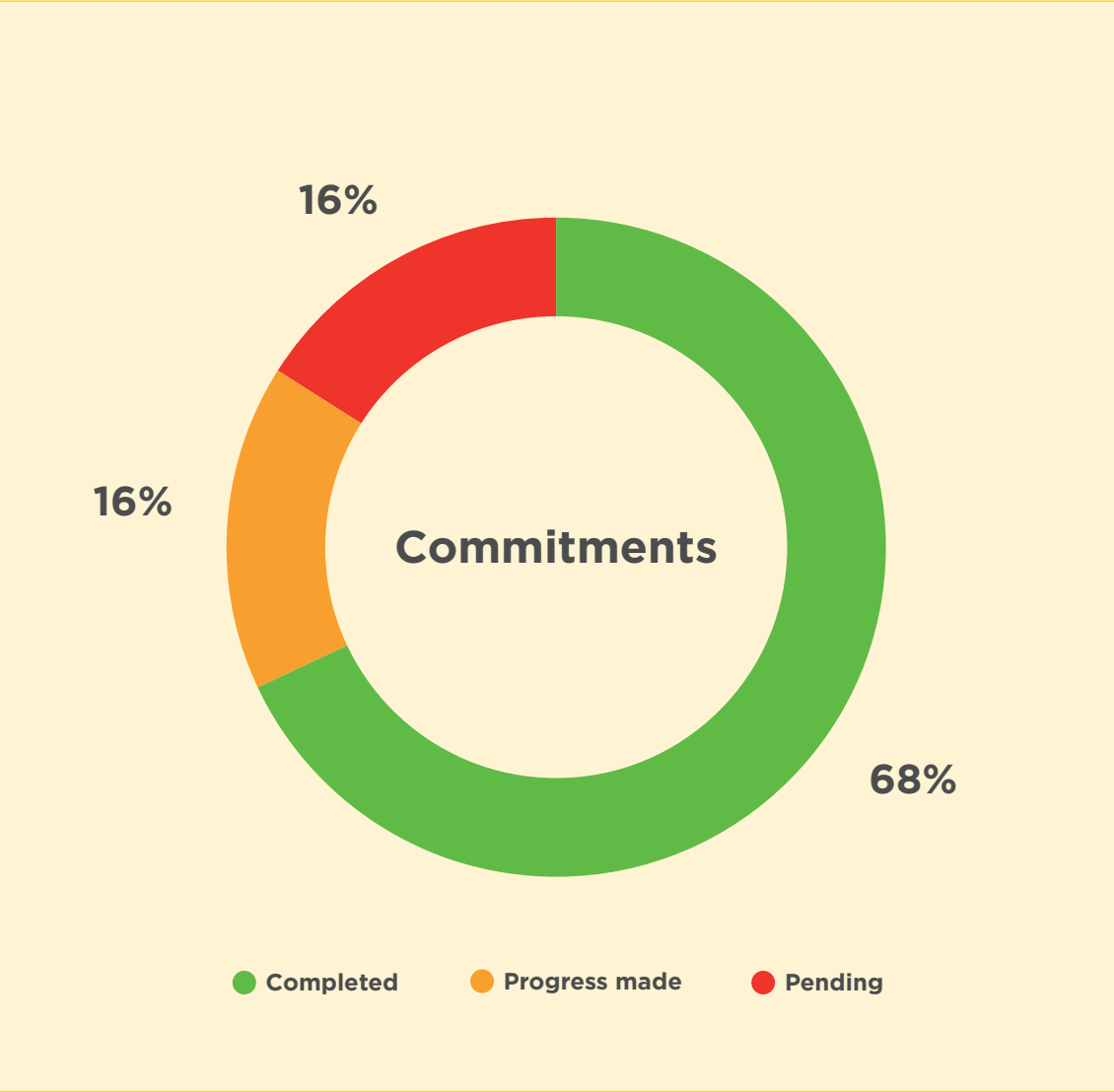


# Effectiveness and Future Goals

## 2022 Objectives Progress

Throughout this document, Asda's 2022 effectiveness has been detailed in the content of our statement, and the delivery of our commitments evidenced. Towards the end of this section, we look to 2023 and have set out our future aspirations for our Modern Slavery programme.

We are pleased to be able to share the following summary of our progress against our commitments.



A brief summary of the progress made is included in the table below and further information can be found throughout our 2023 Modern Slavery statement.

Objective	Commitment	Progress	Status
Risk Assessment & Intelligence Gathering	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.	All Asda and IPL (in-scope) labour agencies were required to adopt the same approach used for Asda Goods for Resale suppliers and comply with the Asda Responsible Sourcing programme requirements.	Complete
	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 to mitigate the risks of Modern Slavery.	Our Modern Slavery risk register has been updated.	Complete
	Progress the pilot proposal to increase due diligence for high-risk product sourcing and establish/validate traceability via scientific forensic testing.	On hold throughout 2022 due to establishing our new Responsible Sourcing programme and reviewing data and insights to identify salient Human Rights risk themes.	Progress Made
Training & Awareness	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.	New Modern Slavery and Human Rights e-learning module created and successfully delivered to over 2,000 colleagues.	Complete
	Explore the opportunity to utilise Community Champions to raise awareness on Modern Slavery within Asda communities, alongside the organisations they work with.	We have taken the decision in relation to this commitment to transition this activity to look at using our community spaces to support Modern Slavery related actions.	Pending
	Finalise completion to 100% for our 'what have you seen?' training for HGV drivers and identify other groups who may benefit from this.	The Heavy Goods Vehicle (HGV) driver training 'what have you seen'? completed to its total available audience.	Complete
Policy & Governance	Embed and implement Human Rights roadmap, and the development of associated policies.	Asda's Human Rights roadmap was embedded and related policies were developed, and for review in 2023 before publication.	Complete

Objective	Commitment	Progress	Status
Policy & Governance	Ensure Asda meet Modern Slavery legislative requirements and review any policies/procedures in line with legislation.	Asda's 2022 Modern Slavery statement was published on 3rd May 2022, and the UK Government Modern Slavery Registry updated.	Complete
	Review the Modern Slavery Working Group to ensure key stakeholders are represented.	Where Asda has completed a strategic review of ESG, we have taken the strategic decision to close down this action and alternatively look to use the ESG Governance route to support our Modern Slavery programme and future decision making.	Pending
	Prioritise the gaps identified as part of the Responsible Recruitment Toolkit and address the agreed the priorities for 2022.	A review of policies and procedures to close out the outstanding actions took place.	Complete
	Alignment of executive sponsor for Modern Slavery and Human Rights.	Asda's CERA committee has two board members as well as a business Non-Executive Director present and these parties represent Executive engagement and have delegated board approval authority.	Complete
Collaboration & Impact	Explore how to best inform the internal tendering process with data that represents Modern Slavery risks.	Asda's tendering process was reviewed in 2022 and now includes a risk score provided by our Responsible Sourcing programme.	Complete
	Use Modern Slavery Key Performance Indicator metrics to deliver continuous improvement and evaluate their success.	Objective not met due to continuing business transition post Walmart ownership and realignment of Asda ESG strategy. Commitment rolls forward.	Pending
	Continue to collaborate with relevant third parties to align with our Responsible Sourcing programme, Human Rights and Modern Slavery strategies.	Asda became a member of 4 relevant new programmes and initiatives to support our programmes.	Complete

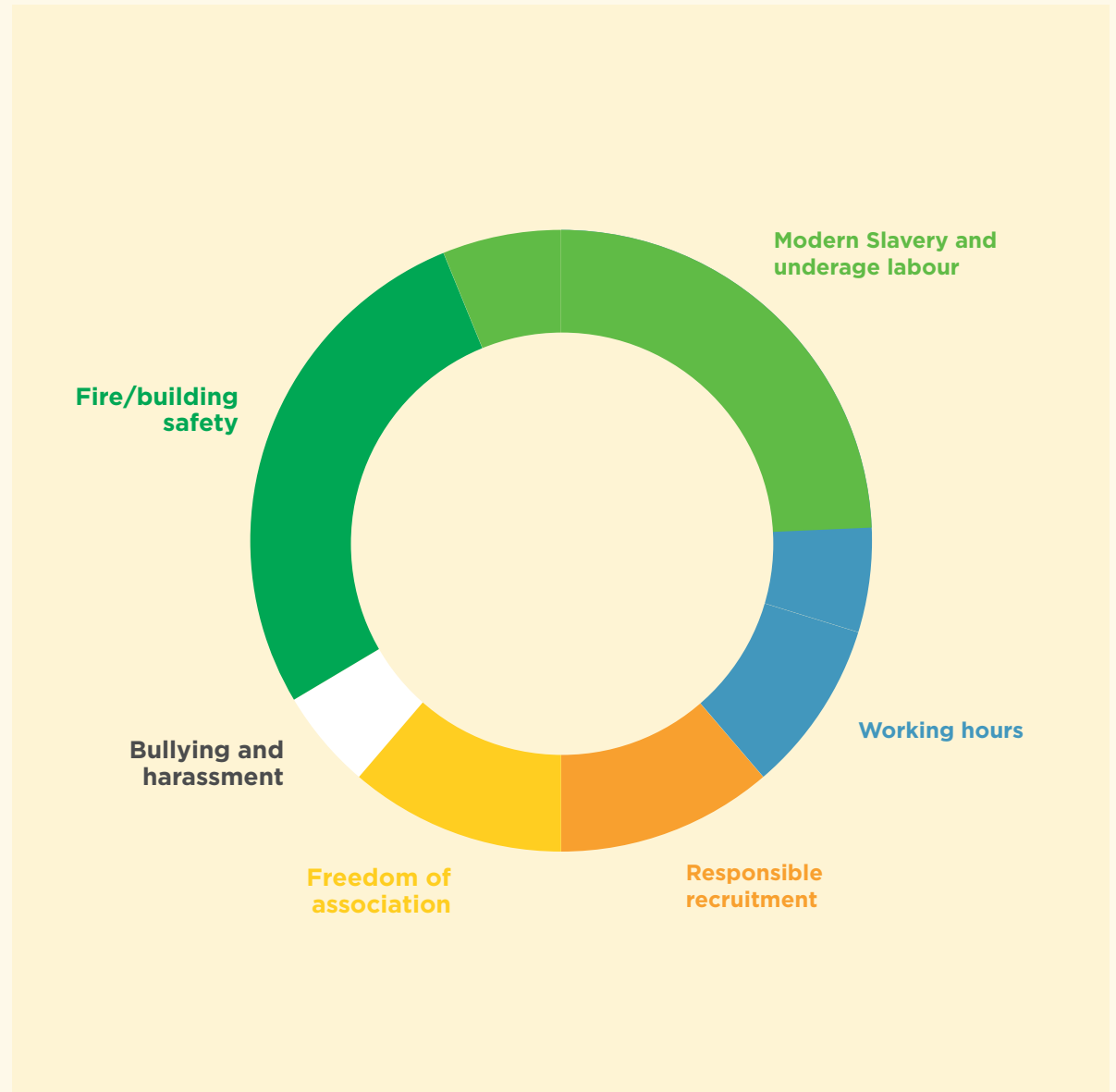
Objective	Commitment	Progress	Status
Collaboration & Impact	Utilise benefits provided by membership of third parties organisations to create impact within our business and supply chains, and share learnings and best practice.	Asda has continued to utilise our third party membership benefits and provide access to the resources and guidance on the Asda supplier website, to help drive continuous improvement across our supply chain.	Complete
Survivor Support	Continue to explore opportunity for work placements for survivors of Modern Slavery within the IPL business.	IPL have continued to wait for a placement, and has taken the business decision to support Asda's Ingredients for Life programme in 2023.	Progress Made
	Continue to scale up the ingredients for life initiative through our Supply chain partners, working with relevant charities.	Asda continued to work with and support Causeway, to promote the Ingredients for Life initiative in order to support more survivors of Modern Slavery on their journey to independent living.	Complete
	Explore opportunities to support survivors of Modern Slavery via the George business.	Asda explored this opportunity in conjunction with Leicester College to look at a textile-based course similar to the Ingredients for Life programme. To progress further research and resource is required, and as such will not be progressed at this time.	Progress Made

# Incident management

We continue to receive reports of issues and incidents via various channels such as whistle blowers, colleagues, external stakeholders, news and media. Training and awareness of the reporting process is key to ensuring people know how to report concerns and how they will be taken forward. In the refreshed e-learning module, information on how to report concerns is included throughout, and is included as part of our awareness materials both internally and externally.

In 2022, Asda looked into 34 incidents and allegations shown in the categories in the chart below, alongside our Responsible Sourcing programme which, for 2022, resulted in 37% of all our sites undergoing an audit, with any non-conformances identified being addressed in conjunction with our suppliers, with a view towards continuous improvement.

Our partners Slave Free Alliance assessed the Asda and IPL incident management process and provided valuable feedback. As part of this, we worked to keep the document as concise as possible whilst keeping in the essential information and steps required to deal efficiently with an incident. In 2023, we will continue to build upon the feedback we received.



## Case study 1 - Service Provider

**A new colleague recruited via a third-party service provider to Asda, was being onboarded at the Asda Head Office.**

During their onboarding session they were observed to receive a phone call and the manager noted that during the call the colleague became upset and distressed and was heard apologising to the caller.

At the termination of the call their manager enquired as to their welfare and their response led the manager to recognise from the Modern Slavery training Asda provides that there were potential indicators of exploitation for this colleague in respect of their working hours and pay. The Manager knew that this needed to be reported and followed Asda's internal policy and process to quickly escalate the information.

In collaboration with Asda's Ethics team an investigation was undertaken which identified that the colleague, whilst employed via Asda's direct supplier was in fact being contracted via an unapproved sub-contracted agent. Asda's primary supplier was requested to cease with immediate effect any further dealings with the sub-contracted agent. On conclusion of the investigation where the Asda supplier's due diligence requirements were reviewed, the supplier was found to be non-compliant and in breach of Asda requirements and a decision was taken to terminate the relationship with the supplier. We are pleased to be able to report that the colleague is now a permanent employee directly with Asda.

## Case study 2 - Worker Dispute

**Working with the Ethical Trading Initiative (ETI), retailers and suppliers helped to resolve a long-standing dispute between workers and a large produce supplier in South America.**

Allegations of non-payment of wages had been identified by a local Non-Governmental Organisation that were indirectly linked to a fruit supplier which our IPL business was looking to on-board. Using the intelligence provided, we informed our trading team of the outstanding issues associated with the supplier. They then worked with the supplier to re-iterate the importance of closing out these issues whilst working with rights holders to provide suitable remediation.

Based on the information provided, IPL made the decision to pause further commercial discussions until the supplier was able to demonstrate that issues had been addressed in dialogue with workers, their representatives and that remediation had been provided.



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## Collaboration and Partnerships

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# Seasonal Worker Scheme (SWS)

In 2022 we became aware of concerns relating to workers on UK farms under the Seasonal Workers Scheme visa programme.

Allegations related to the recruitment practices predominantly in workers coming from Asia and the level of debt they may have incurred to access employment. This was then, in some instances, exacerbated by contract issues, deductions associated with accommodation, welfare issues and a lack of understanding of workers terms and conditions.

Industry trade bodies, retailers, growers, recruiters, and non-profits have come together to establish the SWS Taskforce to safeguard workers' rights within the UK Seasonal Worker Scheme. The Taskforce is currently made up of over 50 organisations who actively contribute and will focus on implementing practical actions to improve the responsible recruitment and employment of migrant workers into UK Farms, and to work with Government departments on the operation of the scheme.

As part of a collection of retailers, Asda worked with the British Retail Consortium, Ethical Trading initiative, Association of Labour Providers, Food Network for Ethical Trade and several other partners to design and deliver two round table sessions bringing together operators, growers, suppliers, non-profits and migrant worker community organisations, government representatives and retailers to have an informed and progressive conversation about the risks workers face and how they could potentially be addressed.

The wide-ranging conversation established several working groups looking to find improvements for the next growing season and beyond. They focused on the following topic areas:

- ✓ Education and information for jobseekers and recruits, pre and post arrival
- ✓ Risk-based approach to source countries
- ✓ Minimising scheme costs to recruits
- ✓ Scheme operator assessments
- ✓ Common policy asks
- ✓ Developing consistency and good practice in the recruitment and supply of workers by scheme operators
- ✓ Implementing effective and transparent supply chain due diligence on growers
- ✓ Remediation

These topics have since been condensed into five working groups:

- ✓ **Workstream 1.** Education, information, and grievance mechanisms
- ✓ **Workstream 2.** Due diligence and good practice during recruitment
- ✓ **Workstream 3.** Due diligence and good practice on-farm
- ✓ **Workstream 4.** Scheme costs, recruitment fees, retained earnings and remediation
- ✓ **Workstream 5.** Policy, enforcement, and stakeholder communication.

It is hoped that these working groups will improve the experience of workers across the 2023 growing season. Taskforce activities are co-ordinated by not-for-profit organisation Stronger Together, as Secretariat, and governed by a multi-stakeholder Governance Committee representing the groups.

Asda endorses the Employer Pays Principles and is working to ensure this is delivered across its businesses and supply chains. The outcomes of the Seasonal Worker Scheme should establish an ethical labour market where workers are not required to pay for a job.



## Supplier collaboration – Matrix

In October 2022, Asda started to work with a new third-party neutral vendor, Matrix, who provide us with access to a pool of labour agencies.

We worked collaboratively with Matrix and the Asda Talent Acquisition team to develop a robust compliance and audit programme, and we have monthly calls to monitor audit and compliance and ensure we are all sharing knowledge and obtain progress updates. Asda work with 55 labour agencies, and as part of the monthly calls, Matrix share an update on which agencies are due to be audited and share findings from previous audits. We work together to pursue corrective actions and drive improvement.

During the enrolment process for new labour agencies, Matrix now ensures that each agency with a turnover of over £36million has a compliant Modern Slavery Statement. Matrix encourages the use of both Stronger Together and the Responsible Recruitment Toolkit (RRT) to their suppliers, which all labour agencies have free access to through Asda's membership.

In addition, for any labour agency providing more than an average of 150 hours of work a week, we require them to link to Asda on Sedex and complete the Self-Assessment Questionnaire (SAQ). This allows us to review and monitor the risks within our temporary labour supply chain. Matrix ensures our labour agencies update their SAQ in line with our programme requirements. In addition, all labour agencies have access to the Responsible Sourcing tools and guidance to drive continuous improvement.

Over the last few years due to the Covid 19 pandemic, in-person audits did not regularly take place. To increase our due diligence, in person audits have been reintroduced from the start of our contract with Matrix. Every labour agency will now have at least two audits per year, the vast majority are conducted in person. Matrix delivers supplier training sessions which cover agenda items such as pre-employment check criteria and process, audit criteria and process, Modern Slavery process standards which is a great way of strengthening Modern Slavery controls within labour agencies.

Some key changes which have been implemented as a result of Matrix's partnership with Asda are;

- ✔ **Matrix onboarded a new Compliance Manager within the Supplier Engagement team to ensure direct accountability of any audit and compliance issues.**
- ✔ **Re-designed the pre-employment check process to make it more robust.**
- ✔ **Matrix became members of Slave free Alliance who will be conducting a gap analysis of risks in 2023 by reviewing their policies and procedures.**
- ✔ **Implemented a system as an additional Modern Slavery prevention mechanism as well as internal staff development and well-being.**

Additionally, through collaboration between Asda's Responsible Sourcing and Human Rights team and Matrix, we have developed a worker voice questionnaire which is shared with all colleagues hired via Matrix. This includes questions on key Modern Slavery indicators and working hours and is undertaken at the point of submitting time sheets. This is a great joint initiative and one we will routinely review and update with new question sets to gain further worker voice data.

**“The Asda team have been instrumental in our collaborative approach in tackling and monitoring Modern Slavery within Asda's temporary workforce and labour supply chain. It is heartening to work alongside a company that takes such proactive steps towards eradicating Modern Slavery and I hope that together we can set a positive example for others to follow.”**

**Melissa Trehy, Compliance Manager**

## Survivor focused initiatives – Ingredients for Life

**Ingredients for Life is a cookery course Asda developed in partnership with Causeway, a charity that provides support to survivors of Modern Slavery, which helps survivors overcome trauma and break through barriers associated with being survivors of Modern Slavery and helps to accelerate a survivor’s journey to independent living.**

Due to the impact this initiative has delivered to date and has made on the participants’ lives, we wanted to ensure this initiative was able to be delivered again, and a further two successful pilots have been carried out by external business partner Greencore.

Ingredients for Life has allowed Asda as a business to educate colleagues on Modern Slavery, as it is a complex topic. It has also allowed us to demonstrate how we are working to combat Modern Slavery and engage in a growing initiative that positively impacts the lives of survivors.

To support the continued growth of this impactful initiative, Asda provided seed funding to enable the development of the resources required to get this initiative to the point where we understood what it would take to scale alongside the development of resources to enable this e.g., the syllabus, business, and charity toolkits.

“Ingredients for Life is not just another skills course; it has the power to change lives! We have seen survivors of Modern Slavery overcome significant trauma through their participation in Ingredients for Life and this is why Causeway is excited to expand and grow the initiative in partnership with Asda. Our goal by the end of 2023 is to have 10 business partners delivering Ingredients for Life courses across the country, impacting the lives of 50 survivors, and accelerating their journey to recovery.”

**Sarah Sanabria, Research and Development Manager, Causeway**



“I feel so privileged to be part of such an impactful initiative which has been life changing for the participants involved. My highlight is attending one of the sessions Greencore were hosting, and seeing the participants interact with each other and the chefs, it was truly amazing. I am looking forward to Asda hosting another course this year and seeing more lives being impacted by attending the course.”

**Danielle Cairns, Modern Slavery Manager at Asda**

# Spanish ethical forum

Throughout 2022 we continued our membership of the Spanish Ethical Forum due to the supplier benefits that the forum generates for our large produce supply base in Spain.

These include access to working groups, in person events and training and awareness on emerging topics relevant to the agriculture sector. During 2022 there were:

- ✔ 9 active working groups.
- ✔ 5 in person events.
- ✔ 14 training and awareness sessions.

21 IPL produce suppliers benefited from the Asda's membership by attending the international event in Granada.

Throughout 2022, we continued to hold a place on the governance board and will continue to hold this position until the new structure is in place to minimise disruption whilst the forum transfers from the Spanish Ethical Forum into an association.



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## Memberships

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Asda are active members of several new multi-stakeholder initiatives and partnerships.

### New memberships in 2022



Better work is a comprehensive programme bringing together all levels of the garment industry to improve working conditions and respect of labour rights for workers and boost the competitiveness of apparel business.



Fast forward is a non-profit organisation which is working on improving labour standards (operated by stronger together). Their goal is to have an ethical UK supply chain where workers have safe and decent work conditions. It supports suppliers with a continuous improvement programme and provides training, guidance, resources, and collaboration within the industry. Our George business are now part of the programme working towards driving improvement within the UK textile industry.



The Seafood Ethics Action (SEA) Alliance is a pre-competitive collaboration of retailers and seafood businesses aiming to strengthen Human Rights due diligence carried out in the global seafood supply chain and ensure respect for Human Rights.



Nirapon is a non-profit organisation of more than 55 members globally who share a common goal of maintaining high safety standards and management systems in Bangladesh factories. We were previously members via Walmart, and in 2022, we joined independently as Asda.

# Membership

Asda are continuing members of several multi-stakeholder initiatives and partnerships.

## Existing memberships

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The Ethical Trading Initiative (ETI) is a leading alliance of companies, trade unions and NGO's that promotes respect for workers' rights around the globe and enables the members to collectively tackle issues that cannot be addressed by individual companies working alone.



Food Network for Ethical (FNET) is a collaborative initiative aiming to use collective leverage of suppliers and retailers to bring about positive change in working conditions in global food, beverage, and horticulture supply chains by providing guidance, resources, training, and collaboration.



The Spanish Ethical Forum offers a space for those involved in the Spanish agri-food supply chain to share experiences and good practice on a wide range of labour matters. It also provides an opportunity for suppliers to gain expertise and allows capacity building through grower-led topical working groups, practical tools, and solutions for critical labour challenges.



Sedex is a data platform used to provide data-driven insight, tools, and services to help companies continuously improve environmental, social and governance (ESG) outcomes.



Stronger Together is an impact driven, not for profit organisation providing businesses with practical training, resources, business services and collaborative programmes to create a world where workers are recruited responsibly and have fair work free from exploitation.

## Existing memberships

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Responsible Recruitment Toolkit (RRT) helps businesses achieve and be recognised for responsible recruitment; this is achieved by completing the toolkit and being marked against standards.



Slave Free Alliance support organisations in working towards slave-free operations and supply chains. Part of Hope for Justice's portfolio of preventing exploitation, rescuing victims, restoring lives, and reforming society across five continents.



Causeway supports thousands of marginalised and vulnerable people in the UK on their journey from existing to living, this includes survivors of Modern Slavery.



The British Retail Consortium (BRC) are in place to make a positive difference to the retail industry and the customers it serves.



The West York shire Anti-Slavery Partnership (WYASP) is the strategic meeting framework for frontline organisations in West Yorkshire who may encounter incidents or matters involving Modern Slavery or human trafficking and exploitation. Since its creation in 2014, the WYASP has successfully brought together law enforcement, local government, public services, and NGOs for the delivery of a co-ordinated response to Modern Slavery, as well as the continued improvement of services for the safeguarding of victims.



The West Midlands Anti-Slavery Network unites and enables partner organisations to work in collaboration to end Modern Slavery, human trafficking, and exploitation. They do this by identifying gaps, influencing change, and facilitating solutions to protect and advocate for the vulnerable in society.

## Future facing objectives

### Organisation's structure, business and supply chains

Continue to maintain and develop existing controls and processes to improve Modern Slavery risk mitigation across all relevant group companies.

Continue to maintain and develop existing controls and processes to improve Modern Slavery risk mitigation across Group businesses.

01

### Policies

Update and enhance business policies relevant to Modern Slavery risk mitigation as required.

Support and engage with academia to broaden Asda's Modern Slavery collaborations and share business learnings and experience.

02

### Risk Assessment

Review and update business risk assessments related to Modern Slavery to support continuous improvement and meaningful Key Performance Indicators.

03

### Due Diligence (steps to address risk)

Maintain and develop existing Modern Slavery controls and processes in place to address risk.

04

### Training and awareness about Modern Slavery

Continue to review and develop training related to Modern Slavery and Human Rights.

05

### Effectiveness, Goals and Key Performance Indicators (KPIs)

Under Asda's future ESG strategy, set and commence measurement of meaningful Modern Slavery KPIs.

Deliver further cooking lessons for Modern Slavery survivors via Asda's Ingredients for Life programme and support Causeway to transition the programme to a sustainable model to benefit increasing numbers of survivors with meaningful impact.

06



24hr ASDA

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)

*Join the conversations:*

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