

Transparency policy

How we gather the data we require
to understand supply chain risk

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Supplier transparency is a corner stone of our programme and collaborating with you to uphold our Standards for Suppliers is key to this. This approach will allow us to assess supply chain risk, deploy resources to assist continuous improvement and monitor compliance within our global supply chain.

Please note, although we do not require you to provide transparency to all your in-scope locations at this time, our Standards for Suppliers apply to all tiers of your supply chain and it is the supplier's responsibility to ensure compliance throughout their supply chain. This communication and the transparency requirements within it are the minimum requirements for Asda Responsible Sourcing. Other Asda departments may have additional requirements.

This policy represents the minimum standards that Asda expects for in-scope facilities. Asda reserves the rights to increase the requirements for business areas, commodities or geographies subject to completion of an initial risk assessment. This may include but is not limited to: additional Self Assessment Questionnaire (SAQ) requirements for supply chain tiers, industry specific audits and additional Human Rights due diligence. A list of additional programme requirements, beyond our minimum standards, can be found below:

George Apparel suppliers please use this [link](#) to the George Clothing supplier website
All other suppliers please use this [link](#) to the Asda supplier website

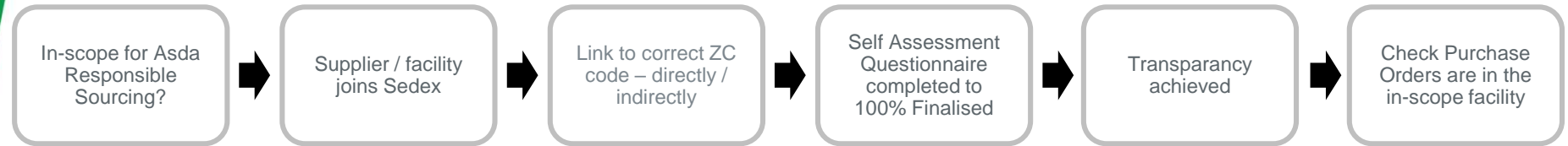
Transparency is the process by which suppliers give Asda visibility to their in-scope supply chain and the associated compliance information

Areas covered by this Transparency Policy – in scope



In order to establish our programme and gain visibility to you and your supply chain we require you to provide transparency to in-scope locations where:

- The Asda brand is present;
 - Products are deemed Exclusive to Asda in production and supply;
 - You are supplying Asda GNFR products or services.
- (see process flow below)



[SEDEX how to guide](#)

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If the following definitions are met, the relationship is considered Exclusive and therefore requiring transparency and inclusion within our programme:

Established retailers

- Any retailer with revenue from their last years accounts in excess of £2bn.

Exclusive suppliers

- provide supplier branded product(s) to Asda; and
- do not supply any other established UK retailers.

Exclusive facilities

- produce only exclusive product(s) for Asda; and
- do not supply any other established UK retailers.

If you have any queries regarding this, please speak to the Asda Buying Assistant who is creating the line listing form.

In order to achieve transparency please follow the steps below:

- Visit the [SEDEX](#) website and become a member in-line with your operation, supply chain and logistics.
- Direct suppliers:
 - Need to link directly to Asda Department (ZC) code for the product area you supply. The in-scope locations that you utilise for production of in-scope products or services should then indirectly link to the correct Asda Department (ZC) code and also to you directly, as the supplier.
 - You, as our supplier, are responsible for these steps being correctly executed

Asda Department (ZC) codes:

- **Asda Groceries (ZC1069018)** – for food and grocery
- **Asda GNFR (ZC4175399)** – for Goods Not For Resale and services
- **International Procurement Logistics (ZC4175422)** - for any supply to Asda via our wholly owned subsidiary – International Procurement Logistics
- **George (ZC1086103)** - for apparel and accessories
- **General Merchandise (ZC414283949)** – George Home etc.

Once you are a member and linked to Asda, please provide an SAQ at finalised 100% status for your facilities where production / manufacturing is taking place. Please then make all information visible to Asda e.g. audits and SAQs, associated with ‘in-scope’ facilities.

Your SAQ should be reviewed and updated every 6 months. This will be used to monitor and demonstrate continuous improvement. Failure to do so will result in a breach of our Standards for Suppliers and ultimately the Conditions of Purchase you have with Asda.

Asda reserves the right to request an audit for a facility used for our production at any time.

Transparency Process



Asda will utilise the information provided in line with global, industry and commodity/product trends to further understand how best to address associated risks.

Suppliers are responsible for maintaining their membership with SEDEX and the visibility of their facilities to Asda at all times.

For newly listed suppliers and facilities - once transparency has been achieved you will receive an email from Asda stating that we have visibility to your facility. This does not reflect purchase order checks, but solely that we have the required information via SEDEX.

If you have any questions or need support to complete the steps above, please contact the SEDEX helpdesk at helpdesk@sedexglobal.com or Responsiblesourcingqueries@asda.co.uk.

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Suppliers must provide transparency of all in-scope locations and/or production of in scope merchandise or services.

Suppliers may be issued with the following consequences for not providing transparency including, but not limited to:

- A 'strike' - three 'strikes' in a two-year period will typically result in suspension or termination of a business relationship with Asda. Multiple strikes can be allocated at one time for multiple infringements;
- Reduction of business or suspension;
- Termination of business production for Asda.

We encourage suppliers and facilities to talk to us and raise any concerns directly with Asda.

If a facility or supplier has been previously inactivated then, in order to be re-considered for supply to Asda, the facility or supplier must:

- Demonstrate to the Asda Responsible Sourcing team that remediation has been undertaken on the information that led to the inactivation.

Asda Responsible Sourcing reserves the rights to examine other factors and to evolve its audit approach and requirements over time.

Approved brands – George and General Merchandise



Suppliers whose facilities would not otherwise be subject to providing Transparency may apply for such an exemption for a facility(ies). Suppliers must receive approval from Asda Responsible Sourcing on a case-by-case basis before relying upon an exemption*

The Brand must:

- Have a compliant modern slavery statement in place where a business trades in the UK over £36m turnover per annum
- Be sold in other known retailers
- Have no known human rights issues associated with them

This process covers the following products:

- All products under the approved brand name
- Asda Branding where this is included alongside the Approved Brand e.g charity stickers

Responsible Sourcing will carry out Due Diligence checks on all proposed Brands or Partners including compliance with the Modern Slavery Act 2015.

*Exceptions to this policy must be agreed in writing with George leadership prior to production commencing.

*Prior to written approval from Responsible Sourcing, suppliers are required to follow the Responsible Sourcing facility disclosure scope.

*Production at a facility that is not disclosed and has not yet been exempted through this process will be considered unauthorised. Where disclosure is required, a supplier's failure to disclose a facility and/or the production of merchandise in an undisclosed facility is considered to be unauthorised production and can lead to consequences for the supplier, facility, or both.

Notify Responsible Sourcing team of any planned Partnerships or Brands

Responsible Sourcing due diligence checks of Brand or Partner

Submission of Approved Brands form & VP approval to RS

RS add to brand list and return to business team

Supplier notified of approval with notice of expectations

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Stock (Spot) Buys



In order to allocate resources toward higher-risk facilities, Asda has the option to exempt certain facilities from our ordinary Transparency requirements where there is the option to buy existing stock to react quickly to trends or business requirements.

Stock Buys must:

- Be a one-time purchase of a fixed quantity of merchandise that has already been produced and where no future orders of the same goods are anticipated
- Have no Asda branding present
- Be already in the UK

*Production at a facility that is not disclosed and has not yet been exempted through this process will be considered unauthorised. Where disclosure is required, a supplier's failure to disclose a facility and/or the production of merchandise in an undisclosed facility is considered to be unauthorised production and can lead to consequences for the supplier, facility, or both.

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Asda acknowledges that different sourcing regions or countries pose additional risks. Our Exceptions Policy allows us to consider how factors such as government effectiveness, rule of law, control of corruption and government stability affect the risk of noncompliance in certain countries.

In order to address these risks, we have identified where additional due diligence checks are required, further details can be found in the Exceptions Policy document or contact your Responsible Sourcing Manager.

Countries/regions include, but are not limited to:

- Apparel - United Kingdom
- Myanmar (Burma)
- Ethiopia
- Xinjiang Uyghur Autonomous Region (XUAR)

If you believe an exception is required to our programme, the information you submit to us, or there are other extenuating circumstances please contact Responsible Sourcing at responsiblesourcingqueries@asda.co.uk

Exceptions Policy

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Programme exception: George clothing



Additional due diligence checks are required in our George Clothing business, and as a result we have expanded our transparency requirements.

The following sites require Transparency in addition to those covered by our Transparency Policy:

- All second tier facilities such as printing, embroidery, and linking; and
- Nominated trims such as zips and hangers;

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