



Gender Pay Report 2021

ASDA

Introduction



HAYLEY TATUM

Chief
People
Officer

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

Reducing our gender pay gap and increasing the representation and opportunities for women at all levels remains a core focus for us.

We're pleased that the 2021 results reflect the work we've been doing and continue to do to have more women in senior roles, increasing their representation from 38% in 2020 to 40% in 2021. In January 2022 we were delighted to welcome Liz Evans to our Executive Board, alongside Meg Farren who joined us in October 2021, further demonstrating our commitment.

We know there is always more to do, and we have a number of programmes in place including the continued development of our Inclusion Networks, accelerated development programmes for our high potential female colleagues and regular calendar events, available to all colleagues, focussing on gender and diversity.

In 2022 we became a corporate member of the LEAD Network, which joins organisations together to share best practice and insights, to support the development of women in retail, further helping us on our journey towards gender equality.

Hayley



FAST FACTS ASDA

>140,000
TOTAL COLLEAGUES
ACROSS THE UK

54% **FEMALE**
COLLEAGUES

40% **OF OUR SENIOR**
LEADERSHIP
ARE WOMEN

Measuring the pay gap

Under the UK Government's Gender Pay Gap Regulations, employers in Great Britain with more than 250 employees need to report their gender pay gap.

What is the gender pay gap?

The gender pay gap shows the difference in the average hourly earnings of men and women across an organisation, regardless of their roles or industry sectors. The statistics can be affected by a range of factors, including the different number of men and women across all roles right across the workforce. The gender pay gap is different from equal pay. 'Equal pay' is about men and women receiving equal pay for the same jobs, similar jobs or work of equal value.



Under the regulations there are two ways to measure the pay gap



1. Median pay gap

The median represents the middle point of a population. If you lined up all of the women at a company and all of the men, the median pay gap is the difference between the hourly rate of pay for the middle woman compared to the hourly rate of pay for the middle man.

2. Mean pay gap

The mean gender pay gap is the difference between the average hourly rate of pay for women, compared to the average hourly rate of pay for men, within a company.

Understanding Asda's pay gap

In this report we are providing our data across two distinct industry sectors – retail and logistics services. Details for April 2021 are set out below:

Asda Median Hourly Pay Gap



UK National Median Pay Gap 15.4%*

Asda Mean Hourly Pay Gap

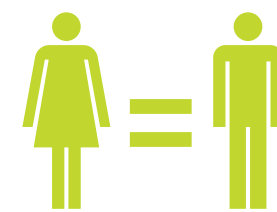


UK National Mean Pay Gap 14.6%**

85%
OF OUR WORKFORCE
ARE HOURLY-PAID
STORE COLLEAGUES



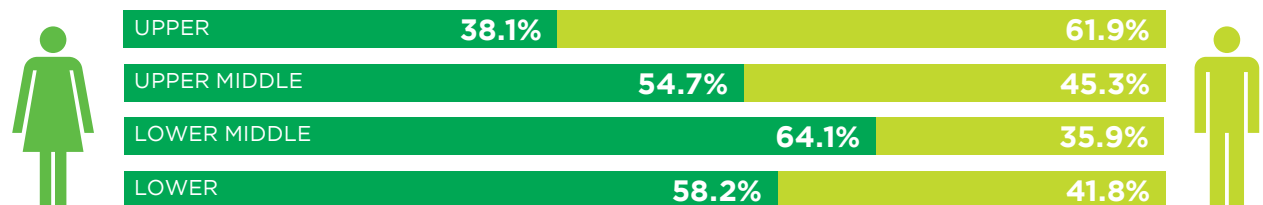
At Asda, 85% of our total workforce are hourly paid store colleagues. Within this population we operate set hourly rates agnostic of gender. Therefore, if we were to calculate the gender pay gap on those rates alone, our median pay gap would be 0%.



0%
MEDIAN PAY GAP
BASED ON ASDA HOURLY RATES

Gender population by pay quartile

The regulations require that we split our relevant paid colleagues into four equal quartiles and show the gender distribution for each quartile. We're pleased that in 2021 we saw a reduction of women in the two lower pay quartiles.



*Source Office for National Statistics October 2021

**Source Office for National Statistics October 2020

Understanding Asda's pay gap

Gender Bonus Gap

We're proud that our bonus scheme is open to all job levels and roles across the business. Colleagues at the same level have the same bonus opportunity regardless of gender. Asda's bonus gap is influenced by, currently, having more men than women in senior roles.



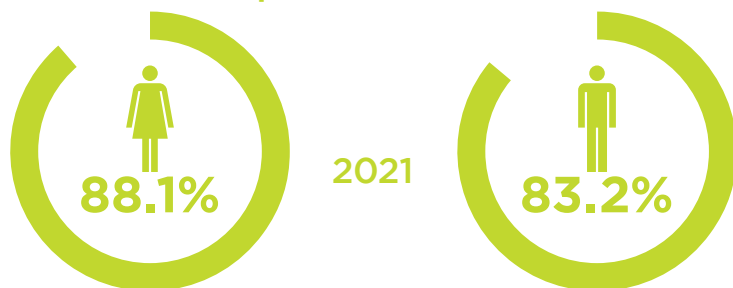
Asda Median Bonus Gap



Asda Mean Bonus Gap



Proportion of our men and women paid a bonus



The statutory calculation does not allow for full time equivalent normalisation. If we were to apply this normalisation, Asda's more reflective median bonus gap would be

5.4%

Our plans to close the gap

We're committed to being a diverse and inclusive employer by addressing our gender pay gap. We've detailed some of the steps we are taking to address this opposite. Gender diversity continues to be a key focus throughout 2022 as we move forward on our journey to even greater gender diversity.

Colleague advocates and intentional allies

Our equality, diversity and inclusion plans are focussed on generating a programme of positive action for underrepresented communities. We have kicked this off in early 2022, with our first focus being gender diversity within our organisation.

This builds on the work that was started in 2021, where we evolved our Inclusion Networks to have greater reach across our entire business through a digital platform. This includes a Gender Inclusion Network, which is available to all colleagues and is focussed on turning the dial on gender diversity at all levels, and within all locations at Asda.

Alongside our Inclusion Networks, we have Connection Groups which bring colleagues together to talk and find support on shared experiences such as menopause, fertility, and gender fluidity.

A gender representative sits on each of our five Inclusion Working Groups, making sure all decisions taken are considered from a gender perspective. We'll continue to build on the momentum of our inclusion working groups to improve the representation of women at Asda.

Work where it works

In 2021, we introduced our 'Work Where it Works' hybrid working model to encourage home office colleagues to select the best location to do their job that day – this could be from home, head office or an alternative location such as a store or depot. We have flexible working policies that are available to all colleagues, at all levels, and are an important part of supporting our colleagues to establish a working pattern that is effective for the business and right for them.

Advertise all vacancies

All our vacancies are advertised internally and candidates who apply for these are given robust developmental feedback regardless of outcome. Our recruitment system has improved reporting functionality which allows us to monitor candidate attraction and diversity through all stages of the recruitment lifecycle. We want our hiring managers to consider gender diversity at all levels of the business, which is why we use psychometrics and structured interviews to reduce unconscious bias. We continue to have intentional checkpoints such as balanced candidate slates and balanced interview panels for all senior hires.

Our plans to close the gap



Development

We have continued to support the accelerated development among our high potential female colleagues through both individual and cohort development programmes. These include female participation in external programmes such as the Diversity in Retail Female Future Leaders Programme. Our 'You Can Be' programme helps colleagues develop the skills they need to take the next step in their career at Asda, and we currently have over 3,500 colleagues enrolled across our retail, ALS and home office formats.

Creating an inclusive culture

Together, we can build an inclusive workplace that enables everyone to reach their full potential. Where every colleague can be proud to be Asda, and proud to be themselves. All salaried managers are offered conscious inclusion training to help reinforce the personal accountability of our leaders to positively influence the working environment they create. We continue to deliver calendar moments throughout the year, engaging our colleagues on how to be consciously inclusive, with dedicated sessions focussing on gender related topics. We regularly invite guest speakers into our business to help us learn and we proactively seek robust and formally reviewed accredited memberships and awards, such as the Inclusive Employers Standard. In January 2022, we became a corporate member of the LEAD Network which joins organisations together to share best practice and insights to support the development of women in retail, further helping us on our journey towards gender equality.

Our Asda Census

We continue to regularly map our gender representation at all levels and formats. In 2021 we launched our Asda Census so we can better understand diversity across our business to create an environment that supports all our colleagues.

We are committed to ensuring we are a diverse and inclusive employer and that our colleague population is representative of the communities we serve. We engage our colleagues on our inclusion activity through various events, where we celebrate and champion diversity of thought across our business. We recognise we have more to do to achieve gender balance and are fully committed to this journey.



I confirm that the information reported is accurate and meets the requirements of the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

HAYLEY TATUM
Chief People Officer