



GENDER PAY REPORT 2018

ASDA

Introduction

At Asda, we believe that to be a successful business and to serve our customers in the best way possible, we have to have an inclusive workplace where colleagues from any background can flourish.



HAYLEY TATUM
Executive People Director



ROGER BURNLEY
Chief Executive Officer & President

57% of our 147,000 colleagues across our stores, depots, home shopping centres and head offices are women and over one third of our senior leaders are female. We're working hard to improve inclusion through targeted initiatives but we recognise there's still more to do.

We want every colleague, wherever they work in our business, to be able to develop their careers with us and have the flexibility to achieve what's important to them, both in and outside of work. We're committed to making sure that they have the opportunities to do that, from being certain we're recruiting colleagues from diverse backgrounds through to supporting the career progression of our highest potential leaders.

FAST FACTS ASDA

>147,000
TOTAL COLLEAGUES
ACROSS THE UK



57%
FEMALE
COLLEAGUES



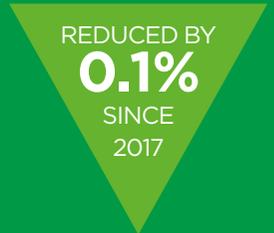
35%
OF OUR SENIOR
LEADERSHIP
ARE WOMEN



>50%
OF OUR 2018
GRADUATE
INTAKE WERE
WOMEN



MEAN
HOURLY
PAY GAP



MEDIAN
HOURLY
PAY GAP



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.

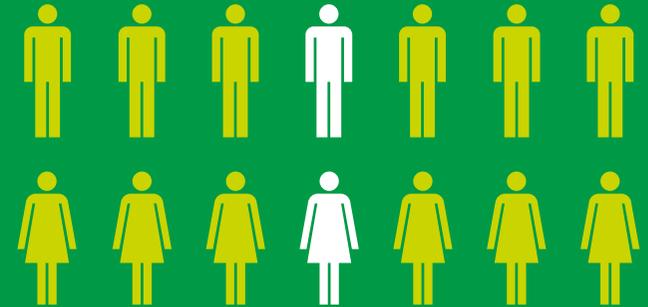
The gender pay gap is different from equal pay. 'Equal pay' is about men and women receiving equal pay for the same jobs, similar jobs or work of equal value.



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 2018 are set out below:

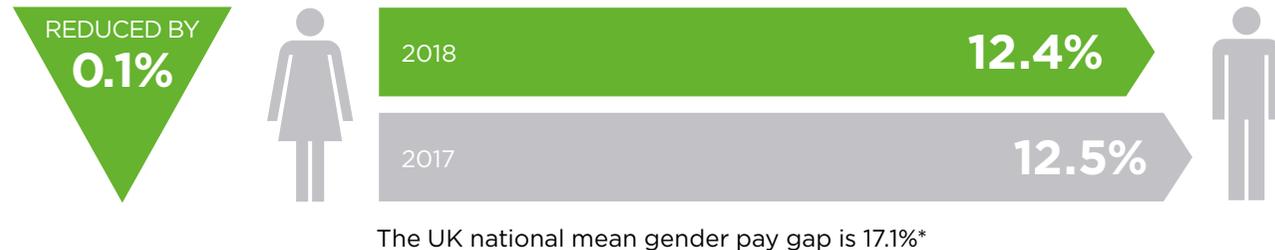
ASDA MEDIAN HOURLY PAY GAP



At Asda 86% of our total workforce are hourly-paid store colleagues. Within this population we operate set hourly rates and therefore if we were to calculate the gender pay gap on those rates alone our median pay gap would be 0%.



ASDA MEAN HOURLY PAY GAP



GENDER POPULATION BY PAY QUARTILE

As required by the regulations we have split our relevant paid colleagues into four equal quartiles based on their average total hourly rate of pay to show the gender distribution for each quartile.



*Source: Office for National Statistics

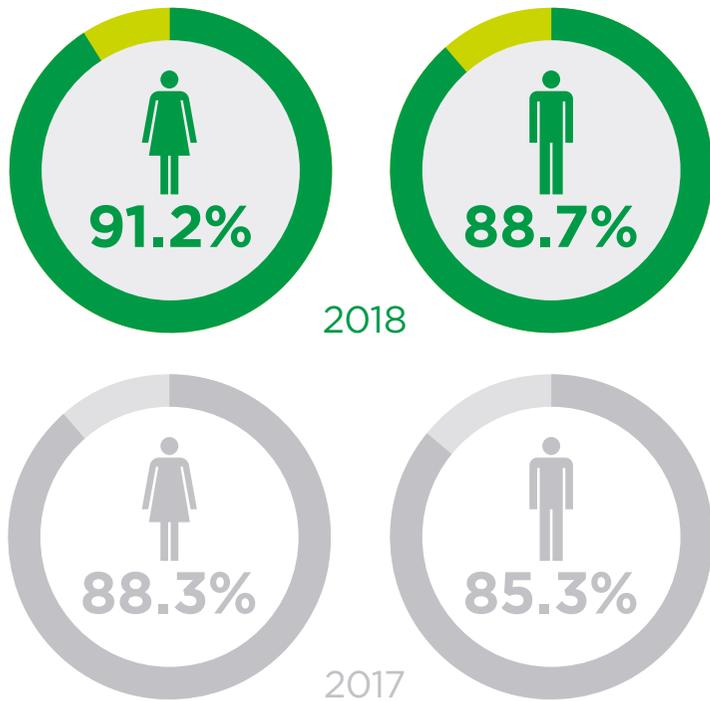


Understanding Asda's pay gap

GENDER BONUS GAP

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

PROPORTION OF OUR MEN AND WOMEN PAID A BONUS



ASDA MEDIAN BONUS GAP



ASDA MEAN BONUS GAP



-2.06%

The statutory calculation does not allow for full time equivalent normalisation. If we were to apply this normalisation, Asda's median bonus gap would be -2.06%.

Our plans to close the gap

We are committed to being a diverse and inclusive employer and addressing our gender pay gap. Some of the steps we are taking to address it are detailed below.

These are broadly reflective of the work we committed to as part of our 2017 report and have been implementing throughout 2018.

NOW

- **Recruitment:** Our recruitment policies and practices encourage our hiring managers to think about gender diversity at all levels of the business when planning for roles. We advertise all of our vacancies internally for transparency on open opportunities. In 2018 we introduced balanced candidate slates and balanced interview panels for all senior hires with a view to removing the possibility of bias. Our internal succession planning seeks to identify female talent to accelerate through targeted pipeline development programmes.

- **Flexible job design:** Offering all of our colleagues the flexibility to establish both work-life balance and a working pattern that is right for them is something we are very proud of. Our flexible working policies apply to all colleagues, at all levels.
- **Unconscious bias awareness:** To further develop our inclusive culture at Asda in 2018 we delivered unconscious bias awareness training for all of our salaried managers. The training reinforced the personal accountability of our leaders to positively influence the experience and working environment that they create.
- **Leadership development:** Our 'Women in Leadership' council exists to accelerate focus on gender inclusion. This is a global programme supported by our parent company Walmart and currently comprises 75% female and 25% male membership. The focus is sharing international best practice on activities to drive gender balance, development and mentoring opportunities for female talent.

We relaunched our mentoring programme in 2018, ensuring we have gender balanced mentoring and strong development plans for our high potential female colleagues. This includes Executive hosted mentoring circles where 2/3rds of the mentees are high potential female colleagues. We continued to support the accelerated development of some of our high potential female colleagues through participation in The Pipeline's flagship Topflight and Leadership Summit programmes.

- **Talent Analytics:** We have mapped our gender representation at all levels and formats across our business. This has led us to examine at a store level the female representation for every level in order to identify where talent moves will better enable our female colleagues to gain exposure to more diverse thinking or female role models.
- **Colleague Advocates:** In 2018 we relaunched our Gender Colleague Resource Group (GCRG) who are focused on driving the gender diversity agenda within all formats of our business. Our GCRG has a designated exec sponsor and meets regularly as a cohort to look at what more we can do as a business to support colleagues development.
- **Beyond gender:** We are committed to ensuring we are a diverse and inclusive employer and that our colleague population is reflective of the UK general population. We engage our colleagues on all of our inclusion activity through various events throughout the year, where we celebrate and champion diversity of thought across our business.

THE FUTURE

At Asda we want to make sure that all our colleagues have the opportunity to fully develop their careers. We support colleague career progression and recognise that we have more to do to achieve a gender balance at the more senior levels of our organisation which we are fully committed to doing.

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
Executive People Director

