



Presentation at BVA Congress
25-27 September 2008
London, UK

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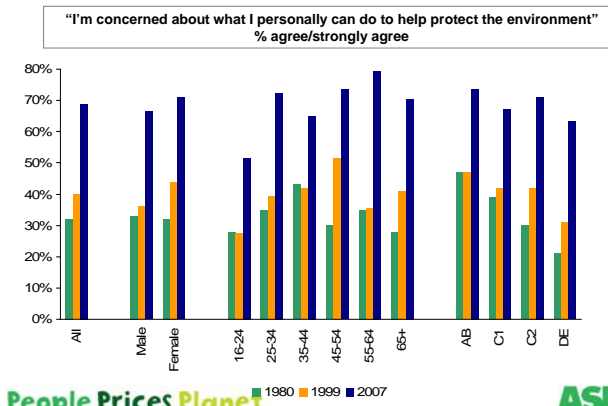
Doing the right thing

ASDA is a responsible, sustainable business.

We aim to support our partners, suppliers, colleagues and customers in doing their bit for the environment we all share.



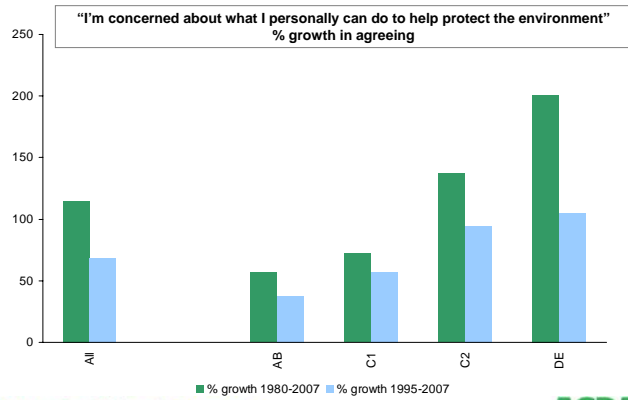
Environmentalism has grown quickly over time



Source: nVision Research
Base: 1,200 aged 16+, UK



...and is now a mainstream issue



People Prices Planet

Source: nVision Research
Base: 1,200 aged 16+, UK

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Prophets of profit?

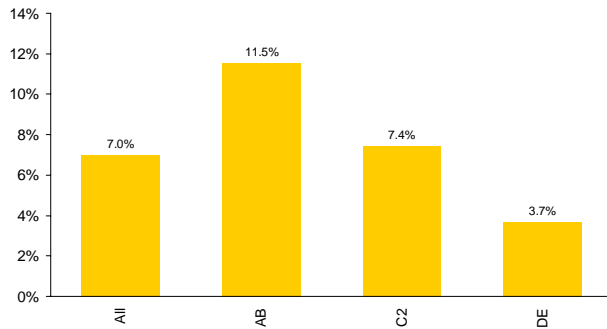


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A little perspective – ethics & environment is not a significant driver of decision-making

Ethical or environmental concerns influencing last purchase of food



People Prices Planet

Source: nVision Research
Base: UK, 1,200 aged 15+, 2007

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Chicken and Egg?



- Market equating to 4.4 billion eggs sold each year worth over £700 million.

- Cage vs. Free Range



- Increased Media Focus

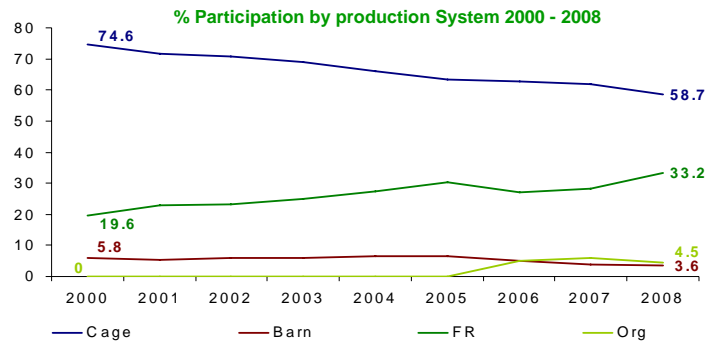


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Changing Dynamics in UK laying flocks from 2000

Free Range now accounts for 1/3 of all the UK laying flocks
 Caged is in long term decline but still represents the majority of the UK laying flock
 Organic & Barn participation has reduced over the last 2 years



Market volume growth (excl Asda) has accelerated over the last 12 months with Asda growth remaining significantly ahead



Asda Free Range Performance

- Volume growth of free range in Asda over the last 52 weeks puts Asda as the market leaders out of the top four retailers
- This growth is 3 times the overall market growth
- Asda account for one third of all additional free range sales across the UK market
- This equates to an additional quarter of a million free range hens laying for Asda
- The *additional* free range volumes sold at Asda are 35% higher than Marks & Spencer's *entire* free range volume

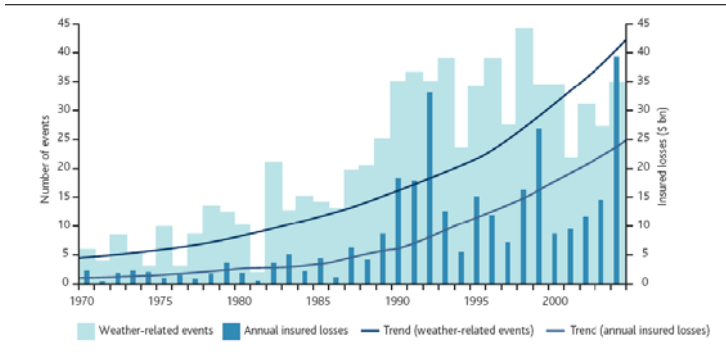


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SILENT BUT DEADLY

Did you know that farmed animals produce more greenhouse gas emissions (18%) than the world's entire transport system (13.5%)? Or that nitrous oxide from animal manure is around 300 times as damaging to the climate as carbon dioxide? Or that methane (cow and sheep farts/burps to you and me) has 23 times the global warming impact of carbon dioxide?

Makes you think doesn't it?

The only genuine way to cut down on these harmful emissions is to stop eating meat.

Find out the facts about 'Why it's green to go vegetarian' at www.vsg.org.uk/learnmore, or order your free booklet on 0191 303 2000, green@vsg.org.uk

It's not just a lot of hot air.

© 2006 Vegetarian Society

Milk – dairy farm C footprint

System	Conventional Average	Conventional Top 25%
g 'CO ₂ equivalent' per litre milk	907	745
% Contribution from CO ₂	23	25
% Contribution from methane	52	55
% Contribution from N ₂ O	25	20

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Key Points

- The carbon footprint varies significantly between farms so a "standard" footprint for milk cannot be applied.
- The contribution from direct sources for milk production is relatively modest at 20-25%.
- The contribution due to methane is the largest component.
- Efficiency of production on farm is the key driver to reducing the carbon footprint of milk.
- Unintended consequences



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Kgs CO₂ produced per hen place for different egg production systems

	Cage	Free Range	Respect Full	Organic
Rearing	0.43	0.67	0.67	0.67
Laying	2.27	4.43	0.41	6.69
Packing and Distribution	1.20	1.83	1.83	1.83
External	1.36	1.36	1.36	1.36
Total KG's carbon per hen	5.26	8.30	4.28	10.5
Index against cage	100	158	81	201

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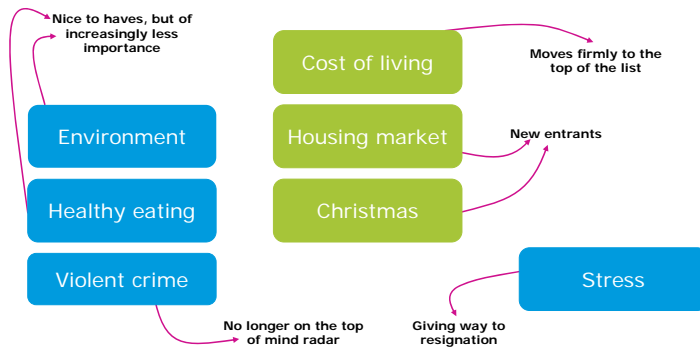
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Market Forces – changing economic circumstance



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Coming to Save the World?



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And what about water?

- 1000l water per litre of milk
 - 4500l water per steak
 - 140l water per cup of coffee
 - 900l water per kg of maize
-
- Average household water use for washing and drinking in the UK is about 150 litres a person daily,
 - Taking virtual water into account, each of us soaks up 4,645 litres (38% from domestic supplies) WWF 2008



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Imports of Food

'The main argument against these taxes is based on a great principle, which is that this country should be free to purchase its supplies of food wherever it chooses and whenever it chooses in the open markets of the world'

Winston Churchill, House of Commons 5th March 1905

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