



## **Response by ASDA Stores Ltd to the report**

*'Say no to Asda - The views opposed to Asda  
and its activities'*

posted on the  
Gorseinon Development Trust website

**27 March 2009**

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## 1 Introduction

ASDA welcomes the opportunity to respond to the report entitled 'Say no to Asda - The views opposed to Asda and its activities.' We firmly believe that only by having an open, transparent public debate can the community and local representatives make an informed decision about the future of our proposals.

The report discusses three topics:

- Workers' rights
- Environment
- New store development

ASDA has responded to each topic and, where appropriate, provided further information. A summary of the benefits to Gorseinon that the proposal will deliver is provided at the end of this response.

We note with some disappointment and considerable concern, however, that the majority of the research and analysis referenced was, in the worst case, produced nearly a decade ago. In addition, many of the comments included do not relate to ASDA whatsoever. In this respect, we believe that the report does not provide a true and accurate reflection of *ASDA and its activities*.

Notwithstanding that, we are looking forward to continuing dialogue with all interested parties, the community and elected representatives regarding our £25 million investment proposal at Heol y Mynydd, Gorseinon.

## 2 Workers' rights

ASDA strongly refutes the allegation of worker exploitation, both in the UK and overseas.

### Colleagues in the UK

Retail is a people focused business, and our colleagues provide ASDA customers with the award-winning level of service that they have come to expect. In recognition of this, our colleagues receive a comprehensive benefits package which has gone a long way to helping ASDA achieve one of the supermarket sector's best colleague retention rates. Our 2008 'We're Listening' anonymous survey of colleagues' views revealed that 94% of them enjoy working for ASDA.

Retail jobs are 'real' jobs which can provide long-term unemployed people and those most disadvantaged in the labour market with a route back into work. Our commitment to the skills development and career progression of our colleagues has seen over 1,200 hourly paid colleagues move into management roles since 2002.

The job opportunities that would be available at the store would be a mixture of full and part-time roles to ensure that all local people, no matter their personal situation, could apply. The majority of our colleagues prefer to work part-time hours around their existing commitments, such as young children at school. It is often these colleagues who find it hard to secure a job that would allow this level of flexibility.

### Union membership and representation

ASDA, and its parent company Wal-Mart, are not anti-union. Wal-Mart has links with unions in its operations all around the world including here in the UK where ASDA's partnership with the GMB stretches back to the 1960s. Every colleague receives a handbook which informs them about the GMB and our working relationship. Our colleagues are free to join whichever union they choose, but we recognise the GMB across the UK and USDAW in Northern Ireland.

### Our suppliers

ASDA has always been committed to doing the right thing for all of our customers, colleagues and suppliers. Although workers in the factories we use are not employed directly by ASDA,

we recognise that we have a shared responsibility with other retailers to protect and promote global worker welfare. Lending our support to organisations like the Ethical Trading Initiative (ETI) on collaborative initiatives is an effective way of tackling any issues that may arise. ASDA is also supporting a proposal that the ETI is currently developing to address any wage issues that they identify.

ASDA's auditing process is one of the most comprehensive in retail. Every year we commission 16,000 independent audits at factories around the world. Where we find problems we work with our suppliers to put things right. In addition, we have a dedicated ethics team of 200 colleagues that follow up these audits and work with owners and managers to put any outstanding issues right.

We will continue to take the lead in this area and do what is right for all of our customers, colleagues and suppliers.

### 3 Environmental issues

ASDA strongly refutes the allegation that our work in this area is an empty gesture to make the company look 'green'.

The report states that *"while claiming to reduce their [ASDA's] greenhouse gas emission and minimizing packaging they do not explain how they plan to achieve this."* This is simply incorrect and misleading.

The publicly accessible ASDA corporate website<sup>†</sup> details the targets we have set ourselves, and the initiatives we are putting in place, to help build a sustainable business by reducing our impact on the environment. These targets include:

- **Reduce new store energy requirements by 30% by 2010 (on 2005 base)** - Our new stores are currently a minimum of 25% more energy efficient than a new ASDA store built in 2005. We are confident of hitting the 30% target by the end of this year.
- **Sending zero waste to landfill by 2010** - We currently divert 65% of our store waste away from landfill. We are working to reduce the remaining 35% - mostly organic matter - through on-site plants which use anaerobic digestion to produce heat and power.
- **Reduce packaging weight by 25% by the end of 2008** - We met this target and are now hoping to remove a further 5% of packaging by the end of 2009, a full 15% ahead of our competitors. We are also working hard to ensure that all of our packaging is recyclable.

We will continue to set examples to the rest of the supermarket sector by taking the lead in reducing the impact that our business has on the environment. We do this by working in partnership with Government, local authorities and agencies such as WRAP (Waste & Resources Action Programme).

### 4 New stores

ASDA strongly refutes the allegation that our new stores harm communities.

Government planning policy supports the development of supermarkets in the type of location we are proposing. This is to promote the economic health of town centres like Gorseinon, but to also create jobs for local people.

ASDA is looking to invest £25 million in Gorseinon and create around 300 new jobs, most of which would be filled from the immediate area. Our studies have shown that existing traders in the town would benefit from at least an additional £3 million in trade due to people linking their trips to and from the proposed store. We believe that this would have a positive impact to existing traders, their employees and the health of the town and local economy as a whole.

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<sup>†</sup> [www.about-asda.com/sustainability](http://www.about-asda.com/sustainability)

An ASDA store becomes a key part of the community, with colleagues volunteering and raising money for local charities, aside from directly helping the economy via new local salaries. Last year ASDA colleagues raised £3 million for local and national charities, community groups and individuals.

We are committed to investing in Gorseinon.

## **5 Summary**

At a time of significant economic uncertainty, ASDA is proposing a £25 million investment in Gorseinon that will create around 300 new jobs and provide local people with the choice of shopping in a modern, high quality supermarket that is on their doorstep.

Over 75% of main food shopping is currently carried out in other towns with more attractive retail offers. Local people told us that they are leaving the town because the existing supermarket operators are too small and do not provide the products and services required to meet the majority of local people's needs. This is damaging to the health of Gorseinon town centre and the local economy as a whole.

A new ASDA store at Heol y Mynydd would encourage people to stay in the town and shop locally. With links to the High Street designed into the proposal, resulting spin-off benefits for many other traders will take place.

We are confident that the community, the town and local economy as a whole will benefit from the addition of a new ASDA store, and are looking forward to working in partnership with the community and local representatives to achieve this.

**Chris Marlow**  
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