

BUSINESS

## Asda ranked worst of UK's big four grocers in treatment of suppliers

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LONDON (Reuters) – Asda remains the worst of Britain’s big four supermarket groups in its treatment of suppliers, according to the UK grocery regulator’s annual sector survey published on Monday.

Some 8 percent of Asda’s suppliers said the British arm of Walmart “rarely” or “never complied” with the Grocery Supply Code of Practice, the 2018 survey carried out by YouGov for the Groceries Code Adjudicator (GCA) found.

Though that was an improvement on last year’s 11 percent, it still made Asda the laggard of Britain’s big four, which also includes market leader Tesco, Sainsbury’s and Morrisons, in the survey of over 1,000 suppliers.

The issue of supermarkets’ treatment of suppliers has gained prominence in light of industry No. 2 Sainsbury’s’ proposed 7.3 billion pounds takeover of Asda, the No. 3 player.

Asda was ranked in eighth place in the watchdog’s overall survey of ten retailers with an annual UK groceries turnover of more than 1 billion pounds (\$1.3 billion).

The survey found Iceland remained the least compliant of the ten, with 15 percent of suppliers saying it “rarely” or “never complied” with the code. The Co-operative was the second worst.

“Asda have put in a lot of processes and I think that’s only just starting to come through,” the Adjudicator, Christine Tacon, told reporters.

Asda said in a statement it was pleased this year's GCA report recognised the improvements the company had made over the last 12 months.

"We remain determined to improve even further and build on our strong partnership with our suppliers," it said.

Iceland declined to comment.

Last month, Britain's business minister, Greg Clarke, wrote to the Competition and Markets Authority (CMA) asking that its probe of the Sainsbury's-Asda deal consider the implications for suppliers. The tie-up would see the combined group overtake Tesco as Britain's biggest supermarket group.

In the GCA survey, Sainsbury's dropped from first place among the big four last year to second place with 95 percent of suppliers saying it complied with the code either "consistently well" or "mostly" and 5 percent saying it rarely did.

Tesco was the best performer of the big four with figures of 97 percent and 3 percent respectively, while Morrisons was third with 93 percent and 7 percent.

The survey found discounter Aldi was the most compliant across the wider industry for the fifth year in a row.

Tacon's remit is to ensure the ten largest UK supermarkets treat their direct suppliers lawfully and fairly. She has penalty powers of 1 percent of turnover.

She said she expects the CMA to designate between one and four additional retailers into her remit by the end of August and that she hoped it would be Boots and Amazon - companies which suppliers had complained to her about.