

Labour Behind the Label
38 Exchange St
Norwich NR2 1AX

24 July, 2007

Dear Martin

Thank you for sending us the last edition of the profile for Asda/Wal Mart in 'Let's Clean Up Fashion' and asking for our comments. Our views could best be expressed as:

Wages

The report is not accurate in stating that "it is not even clear that Asda is committed to a living wage in the long term". Asda certainly **is** committed to such a goal but like the rest of the garment industry recognises that there are real practical difficulties in both calculating the value of a living wage and ensuring that such a wage is actually paid to the workforce rather than increasing producer margins. We would welcome engagement with stakeholders (NGOs, unions, governments, manufacturers trade bodies etc) on how to make progress in this area and your views would be especially welcome.

Asda certainly does not have a role in depressing the value of statutory minimum wages and we would ask for some evidence for your assertion to the contrary. It is clear that in a country like Bangladesh the legal minimum wage is below what could reasonably be calculated as a living wage and we would like to see this rectified. Asda would certainly not 'go elsewhere' if the minimum wage was set at a reasonable level. You state that "they [Asda] could also contribute to ensuring the minimum wage is set at a decent level by making clear signals....". We would welcome further elaboration from you concerning what those clear signals might be.

Freedom of Association

As you know, we are signatories to the Ethical Trading Initiative base code and fully support all of the elements of that code including Freedom of Association. We support the rights of workers to organise themselves into trades unions in the Bangladesh garment industry and would take immediate action against employers that were found to be hindering that process. Apart from creating the conditions where trades unions can flourish it is not clear what further action we can take. Again, your observations on this practical point would be most welcome.

We would also add that referencing historical cases of conflict between Asda/Wal-Mart and trades unions in the US and UK may be of rhetorical value to your cause but actually says nothing useful about the current situation in Bangladesh.

Monitoring and verification

We have nothing further to add to your comments in the monitoring and verification section except to say that more recent figures on audit numbers are now available. We

would certainly accept that auditing alone cannot deliver the kind of changes in labour standards in Bangladesh that we all seek but it remains an important tool. We would certainly be willing to explore other potential tools that would complement auditing and this could involve a wide set of local stakeholders. Your input on this matter would be valuable.

Conclusion

In conclusion, we would say that the last version of the 'Let's Clean Up Fashion' report did not give a fair representation of our work to date or our intentions for the future. We would concede that there is a great deal of progress still to be made in improving labour standards in the Bangladeshi garment industry and Asda has a role to play in driving those changes forward but any balanced report would also recognise the positive actions we have taken. If you would like examples of progressive measures we have delivered in the past twelve months we would be happy to share them with you but the current tone of the report suggests that their inclusion in future editions may be at odds with your current editorial stance.

Yours sincerely

Mary Mehigan

Head of Corporate Affairs & CR