



TESCO and *market towns*

For further information on Tesco, market towns,
and rural communities please contact....

Tesco Corporate Affairs • Tesco House
Delamare Road • Cheshunt • Herts EN8 9SL

TESCO

TESCO

People sometimes think of supermarkets as operating just on the outskirts of towns. For Tesco, this picture is inaccurate. We pride ourselves on serving local communities, whether they are urban or rural, deprived or affluent – or somewhere in between. Our stores range from small neighbourhood convenience stores through to large one-stop hypermarkets. We offer products at each end of the spectrum – from Value through to Finest. It is for these reasons that Tesco is the most popular retailer in the UK.

market towns & RURAL COMMUNITIES

Market towns are the focal point of rural society. They are critical centres for employment, leisure and tourism in our countryside, and serve almost a quarter of the nation's population.

Yet our market towns, and the communities they support, face many challenges. According to the Government's own figures almost one fifth of wards with the highest unemployment levels are rural. And nearly a quarter of all rural households live in poverty. Many market towns have seen long-term economic, social and technological change pose fundamental questions about their future prosperity. Others have lost services, suffered traffic congestion, and seen public transport diminish. This has threatened the vitality and viability of these key centres.

But market towns are not accepting decline and stagnation. They enjoy a number of in-built strengths and advantages. They often have a high quality built environment and strong historical roots. Many have a core of concerned local residents who are willing to take action. And they offer the opportunity to develop the type of links between local suppliers and other businesses that become next to impossible in major urban conurbations.

Community groups, local authorities, business bodies, individual businesses and others are working in partnership to take action to improve the future of their market towns.

Revitalising and regenerating market towns improves peoples' quality of life, increases access to essential services, jobs and goods, and enhances the diversity and vitality of rural economies.





tesco & MARKET TOWNS

Our stores in Market Towns form a core part of our UK business. Tesco have more than 100 stores trading in Market Towns.

We create jobs and support the development of skills in Market Towns. We employ people who reflect the diverse nature of the rural communities that we serve. We recognise that our staff are our best asset and we are committed to developing their talents to the full.

We help British farmers. We are proud to be acknowledged by the National Farmers Union as the biggest customer of UK agriculture, committed to sourcing locally wherever we can and investing in research and new technologies.

It is in our interests to contribute to the vitality of the local economy and community to ensure the long term success of our stores. New Tesco developments can bring investment and new jobs which in turn help create local wealth, training, services and improvements to local infrastructure.

Supermarkets act as magnets for Market Towns, keeping people shopping locally. They help to prevent leakage to other areas by retaining and attracting customers. This will help to ensure the longer-term sustainability of surrounding businesses.

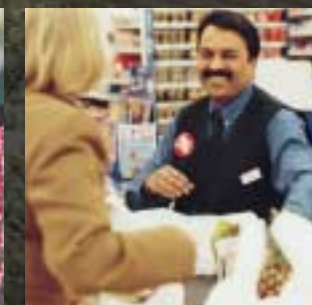


Ludlow

"Market towns make a huge contribution to the economic, social and cultural life of our country. Some are thriving. But others face huge challenges. Tesco operates at the heart of many market towns, providing jobs and investment as well as world-class retailing. We understand the challenges that face market towns and are working with local community partners to find solutions and then deliver them."



Oakham



"The Express transports me back into days gone by in terms of the atmosphere - the staff are so helpful and always have a friendly word. The store is on my doorstep and as I have an electric wheelchair it's so convenient to use and getting round the store is so easy. I can now go shopping on my own whereas before I had to rely on my husband. It's a treat!"

Pauline D'Vall • Customer • Southborough



bringing life back to MARKET TOWNS

"People sometimes fear that new investment , particularly in retail , can threaten local businesses and employment. We understand this concern, but believe it is misplaced. Tesco stores stimulate the local economy , bring new investment, and create jobs which in turn help support local wealth creation, greater training opportunities, increased services and improvements to local infrastructure."

Lucy Neville-Rolfe • Group Director of Corporate Affairs • Tesco

Tesco makes a positive contribution to the local economy not only as an investor and employer but also by attracting further investment. A Tesco store increases choice and doesn't mean that local businesses will suffer.

We bring high quality food at affordable prices, competitive petrol prices, sometimes improved bus services, and internet shopping for customers unable to get about easily.

A food store is beneficial to a market town as people from the surrounding community visit the town regularly and it can prevent 'leakage' to competing centres. This is not just for food – the fact that people are more likely to do all their food shopping in the town means they are more likely to visit non-food shops there too.

The presence of a superstore in a market town can reduce the number of car trips that are necessary – people are able to bulk shop locally and therefore have no need to visit another town.

Tesco is very aware of the impact it has on the environment. We are continually improving the efficiency of our distribution fleet in the interest of the environment and our bottom line.

Wherever we invest in an area, it is in our interests to contribute to the vitality of the economy and community to ensure the long term success of the store and the town. We employ local people and encourage our local store teams to be at the heart of the community that they live in and serve.

Tesco contribute to essential improvements to the public realm, attracting both customers and further private sector investment.

To improve their future viability and vibrancy, market towns need to work in partnership to get the right shopping mix, deliver improved accessibility by balancing traffic of all kinds, design better places, and get more people living in the town centre.

Farmers Markets Uttoxeter

Adding to our commitment to the success of market towns we are currently working with the National Association of Farmers Markets to help them look for new opportunities for growth. In Uttoxeter we are proposing to fund a Project Officer to establish a farmers market on our store car park. This could help local producers meet the consumers they serve, improve the vibrancy of the town-centre and provide direct commercial benefits for our store – a truly win-win situation.

" A Farmers Market was previously established in Uttoxeter Town Centre and proved to be successful for the town and for the traders. However, at the time of the foot and mouth crisis it was closed along with all other Farmers Markets and an alternative venue was established in a corner shop selling exclusively local produce. Sadly, this venture folded in 2002 and the Farmers Market was never re-opened.

The Partnership between the Tesco store and Uttoxeter Plus to establish a new Farmers Market will benefit the traders, the Town Centre, and Tesco."

James Pavitt
Co-ordinator • National Association of Farmers Markets



Beverley Yorkshire

When plans were announced to convert Beverley's historic Cattle Market into a new Tesco store, concerns were raised over the changes it would bring. However, when Tesco was given the green light, many turned their attention to making sure the supermarket would be a positive development.

Local business leaders say it has boosted Beverley's reputation as a popular shopping destination, with two thirds of Tesco customers visiting other stores in the town centre, according to a report by an independent group of town planning consultants. 1.2m shoppers have used the store since it opened a year ago.

And the local community are pleased with the benefits the store has brought. Since opening in 2002, Tesco has supported or sponsored a variety of events and causes, including the town's Festival of Christmas, comedy festival, Beverley in Bloom, folk festival and nearby schools.

"The store attracts many more people to Beverley and there are knock-on benefits. The company employs a substantial number of local people."
Alan Menzies • Head of Economic Development
East Riding Council.

"It's very important to us as a company to get involved with community initiatives. Our store has a lot to offer, has gone down very well with local people, and has helped to really boost Beverley."
Tony Bailey
Tesco Store Manager • Beverley.



supporting the wider RURAL ECONOMY

The vibrancy of market towns is closely linked to the wider health of the rural economy. Low farm incomes, a productivity gap between UK agriculture and world leaders and declining investment in people and capital pose a significant threat to the development of the wider rural economy.

Many ideas are being put forward as sustainable solutions to the problems of the agri-food industry. Organic farming, local food, reduced food miles, farmers markets to name just a few. Each undoubtedly has its merits.

But our understanding of customers tells us that there is a balance to be struck between dynamism and realism. Get the balance wrong and people can suffer.

Supermarkets are often criticised for exploiting rather than working with their suppliers. This is wrong because it ignores a simple truth. A successful and sustainable food business needs excellent relations with its suppliers. A successful and sustainable business must communicate its understanding of customers to its suppliers so that they can supply the products to satisfy customers' demands.

This is why Tesco is British agriculture's biggest customer. Last year we sold more British apples than any other supermarket - 26% of the whole British apple crop. Our fresh beef is 97% British, fresh lamb and chicken is 90% British, and fresh pork is 95% British. 100% of our fresh shell eggs, including organic eggs, are British. All Tesco fresh, UHT and organic milk comes from British Farms. We sell 7000 regional food lines, labelled with the country and county of origin and with British, Scottish and Welsh flags.

We plan to sell £1Bn organic products by 2006. We are committed to meeting the increasing consumer demand for organic products and have issued a challenge to UK organic farmers to help us meet this target.

The formula is simple. Take the trouble to understand what your customers say, and what they do. Identify what that means in terms of trends and opportunities. Share these with your suppliers and identify the best way of meeting customer demand. That way everyone benefits – the producer/supplier, the retailer and most importantly the customer.

We think it's a simple but very powerful message and its why we talk to other suppliers, processors and farmers through producer groups and through masterclasses, organised with Harper Adams University College. It is also why we seek to share our understanding with policy-makers – for example through the Food Chain Centre.

And why we are investing in future farming methods – supporting £2.5m centre for research into organic farming at Newcastle University and sponsoring the Food Animal Initiative at Oxford University Farm.



"The challenge for multiple retailers is to prove that they can be at the sustainable heart of market towns, working in harmony with local food producers and small businesses rather than posing a threat to them."

Patrick Holden
Director • Soil Association



Catherine Mead began by producing 30 tonnes of Cornish Yarg cheese per year at her Lynher Dairies for our stores in Cornwall and the South-West. As the product gained in popularity, Tesco helped Catherine to manage her distribution and acted as consultant on the design of her new production facilities. She now produces 200 tonnes per year and the product is sold nationally.



Cumbrian Fellbred is a small group of livestock producers from Penrith. They supply prime beef, pork and lamb to our Whitehaven and Barrow stores. They are totally determined to understand their – and our – customers. So one of their butchers works on our meat counter so that they have direct contact with customers. No-one can accuse them of being disconnected from the market and customers.



The Langmead family has been farming in West Sussex for more than 120 years. But it really began to take off when Tesco asked the family in 1994 if they could produce prepared salads for the newly emerging high-value, healthy, convenience market. The family established Nature's Way Foods, which has doubled in size every year since it began in 1994. Between 1996 and 1998 it was the fastest growing food company in the UK.



Seachill began trading in April 1998, as the sole supplier of fresh fish to Tesco. Four years and six factory extensions later they are still supplying fresh fish to Tesco, and have a turnover exceeding £55m. Seachill supply 100% of Tesco's salmon and 100% of our pre-packed white fish, as well as a large proportion of the white fish for Tesco counters.





“Tesco continue to invest in local employment opportunities and contribute to the vitality and viability of market towns across the country”

Jon Ladd • BURA

Our people are our biggest strength. We have a strong sense of company values – at the core is looking after our people so they can look after our customers. This is especially true in tight-knit rural communities where our stores are friendly, welcoming and run by people that you know.

We provide jobs and careers for local people, recycling wealth into the rural economy and cutting down on transport costs and congestion. We have different approaches to investment to cater for the different needs of individual market towns, from the smallest Express store to the largest Extra, from Value goods to Finest.

We provide opportunities for all. Our stores offer flexible working patterns to suit modern family life, a wide range of full and part time jobs, encouragement for older people with experience and detailed understanding of the specific needs of disabled staff. Through our innovative and award-winning Regeneration Partnerships programme we have brought over 2000 people from long-term unemployment into the labour market. And we are committed to developing the talent we have within our people through a world-class programme of skills and training.

delivering regeneration & EMPLOYMENT



Alloa Partnership
Graduation ceremony

Tesco and opportunities for all Older workers in Pontypridd and Mansfield

“Tesco treat and respect me as a person for the job I do, not for my age.”

Harry Willey
Customer Service Assistant
Mansfield

“Our older employees at the store are hard-working, reliable and great with our customers. We have a wide range of customers and it is important that our workforce reflects this diversity.”

Garry Batchelder
Tesco Store Manager • Pontypridd

Mansfield's status as a market town dates back centuries with a Markets Charter granted by Henry III in 1227. A Tesco store lies at the heart of the historic town centre. Of the 159 staff working there, almost a third (44) are workers aged 50 years and over.

The Tesco supermarket in the market town of Pontypridd has more older workers than any other store in Wales.

Of the 451 staff at Tesco Pontypridd, a quarter (117) of the workforce are aged 50 years and over.

Tesco actively recruits the growing army of so-called ‘silver servers’ in its stores across the UK, is a member of the Employer's Forum on Age and also a Government Age Positive Champion.

“In Tesco stores across the country, thousands of our customers are receiving great service from older workers. At Tesco, we actively recruit people over the age of 50 and give all our staff the option of working for as long as they want to.”

Clare Chapman
HR Director • Tesco



Working in Partnership Lydney

Tesco believe that working in partnership with others is crucial for the future of market towns and support the Business in the Community Rural Action programme.

As part of this programme Tesco Group Director of Corporate Affairs Lucy Neville-Rolfe led a “Seeing is Believing” visit to Lydney in Gloucestershire earlier this year. This enabled representatives from a wide range of national companies to experience, at first hand, the challenges and opportunities faced in market towns.

The visit led to a deepening of Tesco's involvement in the local community. The Store Manager now participates in the local Chamber of Trade. Skills/employment legislation training for local businesses have been provided at the Lydney store. And construction and surveying expertise has been offered to local businesses by Tesco Regional Project Manager, Pat Lea.

The Community Strategic Plan ‘Turning the Tide at Lydney’ now recognises that Lydney's competitive position has been greatly strengthened by the opening of the store in August 2001.



Alloa Regeneration Partnership

“The commitment of Tesco managers was vital. They attended evaluation and review sessions with participants on a weekly basis. All this has produced excellent relationships which look like having positive benefits in terms of long-term retention of staff.”

Dr Colin Lindsay
Employment Research Institute
Napier University

Employment in the market town of Alloa was traditionally based on the manufacture of textiles, brewing, and glass making. The decline of these industries left the town with relatively high unemployment and a deteriorating town-centre. The Tesco Regeneration store, located on the site of an old yarn mill, created over 100 jobs specifically targetted at the local long-term unemployed. A former textiles mill is now being restored and refurbished as a business centre and the wider regeneration of the historic town-centre is going from strength to strength.

“It has opened up a whole new world, giving me the chance to work a five hour daytime shift that still means I'm home in time for the end of the school day. Overtime options are great when I need to buy something extra for the children and with a regular income, I'm now able to take them all on holiday”

Partnership recruit

