

Tesco plc

TICKER
LSE:TSCO

MARKET CAPITALIZATION
US\$24 billion

HEADQUARTERS
United Kingdom

COMPLIANCE

UK Modern Slavery Act: [Yes](#)

California Transparency in Supply Chains Act: [Not applicable](#)

COMMITMENTS

[Yes](#)

OVERALL RANKING

4 out of 38

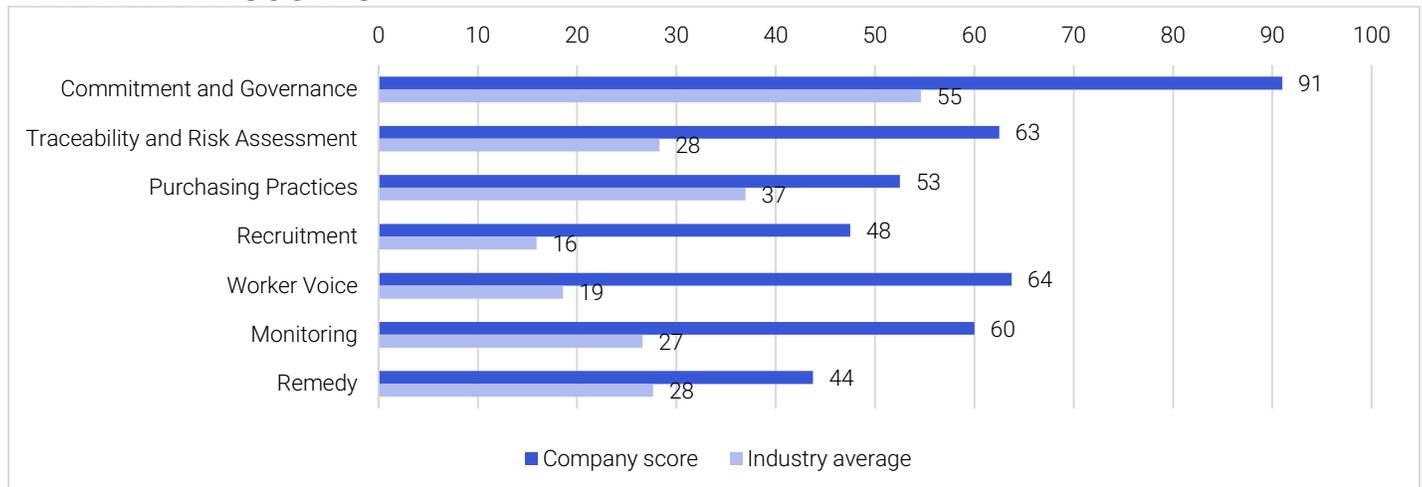
OVERALL SCORE

60 out of 100

SUMMARY

Tesco plc (Tesco), a food retailer which is largest supermarket chain in the United Kingdom and also operated throughout Europe and in Asia, ranks fourth out of 38 companies, disclosing more information on its forced labor policies and practices than its peers across all themes. Notably, the company has achieved the second highest score on the theme of worker voice. The company has a number of leading practices in place, which include risk assessment, supplier training, and auditing of lower-tier suppliers. KnowTheChain identified one allegation of forced labor in the company’s supply chain. Tesco’s response, issued by the British Retail Consortium on behalf of retailers including Tesco, outlines steps the company has undertaken to improve supplier practices but does not disclose concrete remedy outcomes for workers. Additional steps the company could take to address forced labor risks in its supply chains include strengthening its disclosure and practices on the themes of traceability, recruitment, remedy.

THEME LEVEL SCORES



LEADING PRACTICES

Training: The company discloses that it is one of the "founding steering group members of the UK Stronger Together training programme", which provides supplier training on modern slavery. The company requires all its UK suppliers, as well as its second-tier suppliers of "key UK food suppliers" to attend such training.

Risk Assessment: Tesco discloses a detailed overview of its risk assessment framework, which is based on criteria which the company believes determine the vulnerability of workers such as country of origin, type of work, type of labor (i.e., permanent, seasonal, agency), and known cultural or community issues (e.g., discrimination). Additionally, it states that it is using the country risk ratings from the Food Network of Ethical Trade, a platform that the company launched together with its suppliers and other retailers, which aims to "look at what comes 'after audits', including addressing priority risks such as modern slavery". This includes understanding the best ways of engaging workers, suppliers, growers, farmers, and labor agencies further down the supply chains. Further, the company discloses it is undertaking a human rights risk assessment of its seafood supply chains.

The company discloses forced labor risks identified across its supply chains. For example, it maps its supplier sites against the countries at highest risk for human rights violations. It also discloses products and ingredients which have forced labor risks associated with them, such as salads from Spain and tomatoes from Italy.

Freedom of Association: Tesco states that it works with suppliers to ensure trade union representatives are treated with respect and not discriminated against. It discloses that it actively participates in bilateral negotiations to resolve disagreements where there are complaints of discrimination.

Further, the company states that it monitors supplier sites in Latin America to ensure workers are able to elect representatives to worker committees democratically. It states that five years ago in Peru, none of its suppliers had such practices in place: now, the practices have been implemented at Peruvian suppliers across several supply chains, including cherries, grapes, and avocados.

NOTABLE FINDINGS

Monitoring and Ethical Recruitment: Tesco discloses it is part of the Ethical Trading Initiative's "Working Group for Italian Tomatoes" and is participating in a pilot program to certify labor providers and improve recruitment practices. It states that its two key suppliers of canned tomatoes are also members of this group, which focuses on responsible recruitment, mapping existing initiatives and understanding the legal context, exploring avenues for international advocacy, and remediation and due diligence.

Grievance Mechanisms: Tesco discloses "protector lines," which enable employees, suppliers and, explicitly, also their workers to report concerns globally, including regarding human rights. The mechanism is available in 20 different languages and promoted on supplier sites in sourcing countries using posters in the relevant language. Tesco states that it has resolved 20 issues submitted via its supplier protector line. Additionally, as part of its engagement with the Issara Institute, the company has sought to ensure that migrant workers in its Thai prawn supply chain have access to the Issara Institute's multilingual helpline.

Monitoring: Tesco states that its audit program is focused on its direct supplier sites, and that it extends audits to lower tiers depending on risk, and that it does this do this in collaboration with its first-tier suppliers. The company discloses that "the size and composition of the audit team and duration of the audit are tailored to the supplier/site, and reflect the gender profile of the workforce and the main languages spoken". It further discloses details on audit outcomes, including details on violations of standards.

OPPORTUNITIES FOR IMPROVEMENT

Traceability: While Tesco discloses the sourcing countries of several raw materials at risk of forced labor, the company may further consider disclosing the names and addresses of first-tier suppliers, the countries of below-first-tier suppliers, and information on its suppliers' workforce.

Recruitment: Tesco is encouraged to formally require employment and recruitment agencies in its supply chains to uphold workers' fundamental rights and freedoms (those articulated in the

ILO's Declaration on Fundamental Principles and Rights at Work), including the elimination of forced labor, and to disclose information on the recruitment agencies used by its suppliers. While the company is a member of the Leadership Group for Responsible Recruitment and, as such, supports the 'Employer Pays' Principle, the company may consider providing evidence that occurrences of worker-paid recruitment fees are reimbursed. Further, the company is encouraged to take steps to ensure migrant workers in its supply chains understand the terms and conditions of their recruitment and employment, and also understand their rights. The company may further consider taking steps to ensure that its suppliers refrain from restricting workers' movement, including through the retention of passports or other personal documents against workers' will.

Remedy: The company may consider establishing a process to ensure remedy is provided to workers in its supply chains in cases of human trafficking and forced labor and disclosing details on this process, such as timeframes, engagement with affected stakeholders, responsible parties, or approval procedures. The company is encouraged to disclose remedy outcomes for workers in its supply chains and to demonstrate that the remedies are satisfactory to the victims or groups representing the victims.

COMPANY PROVIDED ADDITIONAL DISCLOSURE

[Yes.](#)