

KnowTheChain Food & Beverage Benchmark - Additional Disclosure 2020

Company Name: Tesco Plc

THEME 1: COMMITMENT AND GOVERNANCE

1.1 Commitment

The company:

- (1) publicly demonstrates its commitment to addressing forced labor and human trafficking.

1.2 Supplier Code of Conduct

The company's supplier code of conduct:

- (1) requires suppliers to respect the ILO core labor standards, which include the elimination of forced labor;
- (2) is easily accessible from the company's website;

Additional disclosure:

See 'Human Rights requirements for food and grocery non-food suppliers' under 'Human Rights':
<https://www.tescopl.com/sustainability/publications/policies/downloads/our-approach-to-human-rights/>

- (3) is updated regularly, following internal review and input from external stakeholders;

Additional disclosure:

See text (as below) under 'Mitigating risks':
<https://www.tescopl.com/sustainability/publications/policies/downloads/our-approach-to-human-rights/>

Our Human Rights Requirements for Tesco UK Food and Grocery non-food suppliers are updated on an annual basis, most recently in March 2020 following consultation with internal and external stakeholders. The requirements were communicated to suppliers directly as well as via our supplier network and are readily available on our internal supplier portal. You can download our full human rights audit requirements for food and grocery non-food suppliers here.

- (4) is communicated to the company's suppliers; and

Additional disclosure:

See text (as below) under 'Mitigating risks':
<https://www.tescopl.com/sustainability/publications/policies/downloads/our-approach-to-human-rights/>

Our Human Rights Requirements for Tesco UK Food and Grocery non-food suppliers are updated on an annual basis, most recently in March 2020 following consultation with internal and external stakeholders. The requirements were communicated to suppliers directly as well as via our supplier

network and are readily available on our internal supplier portal. You can download our full human rights audit requirements for food and grocery non-food suppliers here.

- (5) requires its first-tier suppliers to take steps to ensure that their own suppliers implement standards that are in-line with the company's supply chain policies addressing forced labor and human trafficking.

Additional disclosure:

See text (as below) under 'Purpose and Scope' in the policy:

<https://www.tescopl.com/media/755600/10443v21en-human-rights-requirements-for-food-and-grocery-non-food-suppliers.pdf>

Adherence to these requirements is a condition of supply to Tesco. Suppliers and sites are expected to read and implement the requirements, in addition to ensuring all sites are compliant with the ETI base code.

See also text (as below) under 'Improve' in the policy:

<https://www.tescopl.com/media/755600/10443v21en-human-rights-requirements-for-food-and-grocery-non-food-suppliers.pdf>

'Our starting point is the Base Code of the ETI, which covers the health and safety of workers and prohibits forced labour, child labour and human trafficking. Upholding the Code is one of the requirements for our suppliers of doing business with Tesco. Our suppliers are required to communicate our requirements along their supply chain and to relevant stakeholders.'

1.3 Management and Accountability

The company:

- (1) has a committee, team, program, or officer responsible for the implementation of its supply chain policies that address forced labor and human trafficking; and
- (2) has tasked a board member or board committee with oversight of its supply chain policies that address forced labor and human trafficking.

1.4 Training

The company:

- (1) trains all relevant decision-makers within the company on risks and policies that address forced labor and human trafficking;

Additional disclosure:

See text (as below) on page 20 of our 2019-20 Modern Slavery statement:

<https://www.tescopl.com/media/755909/tesco-modern-slavery-statement-final-201920.pdf>

This year we continued to run targeted training for the colleagues in our business (see figure on page 21) who have direct contact with workers in our supply chains, including:

- *Tailored modern slavery training for UK colleagues in distribution and fulfilment, including Distribution Managers and Agency Contract Managers*

- *Ongoing promotion of our modern slavery e-learning training to commercial colleagues*

(2) trains its first-tier suppliers on risks and policies that address forced labor and human trafficking and discloses the percentage of first-tier suppliers trained; and

Additional disclosure:

See text (as below) on page 20 of our 2019-20 Modern Slavery statement:

<https://www.tescopl.com/media/755909/tesco-modern-slavery-statement-final-201920.pdf>

We continue to require all Tesco suppliers, including service providers such as labour agencies, based in the UK to attend Stronger Together training. This requirement also includes the second tier suppliers of our key UK food suppliers. Over the past six years, 1,696 representatives from our food supply chains have attended this training. We also strongly encourage all fruit and wine producers to attend Stronger Together training in South Africa with 448 individuals trained to date.

See text (as below) under 'Stronger Together':

<https://www.tescopl.com/sustainability/publications/policies/downloads/multi-stakeholder-initiatives/>

We have enabled all our UK-based suppliers (end to end in the supply chain) to attend a Stronger Together training session free of charge. Approximately 50% of our primary site into Tesco UK are based in the UK and of these over 85% have attended this training. We also provide Stronger Together training for all relevant sourcing colleagues and to all relevant supply chain actors in South Africa.

(3) engages in capacity building to enable its suppliers to cascade its supply chain policies that address forced labor and human trafficking to their own supply chains and/or trains suppliers below the first tier on such policies.

Additional disclosure:

See text (as below) on page 20 of our 2019-20 Modern Slavery statement:

<https://www.tescopl.com/media/755909/tesco-modern-slavery-statement-final-201920.pdf>

We continue to require all Tesco suppliers, including service providers such as labour agencies, based in the UK to attend 'Stronger Together' training. This requirement also includes the second tier suppliers of our key UK food suppliers.

See text (as below) under 'Stronger Together':

<https://www.tescopl.com/sustainability/publications/policies/downloads/multi-stakeholder-initiatives/>

We have enabled all our UK-based suppliers (end to end in the supply chain) to attend a Stronger Together training session free of charge. Approximately 50% of our primary site into Tesco UK are based in the UK and over these over 85% have attended this training. We also provide Stronger Together training for all relevant sourcing colleagues and to all relevant supply chain actors in South Africa.

See text (as below) under 'How we integrate human rights within our business':

<https://www.tescopl.com/media/755600/10443v21en-human-rights-requirements-for-food-and-grocery-non-food-suppliers.pdf>

Update – The policy (available here) outlining our Responsible Recruitment requirements for primary suppliers and end-to-end Protein and Produce sites in Thailand and Malaysia supplying Tesco UK/ROI was launched in early 2020. To launch the policy we held a webinar, alongside The Institute for Human Rights and Business, to upskill suppliers on Responsible Recruitment and the supporting policy. This ensured they were able to cascade the policy requirements to relevant colleagues and relevant end-to end suppliers.

1.5 Stakeholder Engagement

To fully understand and address working conditions in sourcing countries, companies need to engage with potentially affected groups and local stakeholders such as trade unions, worker organizations, or local NGOs—in addition to suppliers. Furthermore, as forced labor risks tend to be systemic in nature, collaboration with other companies, for example, to engage policy makers to strengthen labor legislation, is needed to address forced labor in supply chains.

In the last three years, the company has engaged relevant stakeholders by:

- (1) providing at least two examples of engagements on forced labor and human trafficking with stakeholders such as policy makers, worker rights organizations, or local NGOs in countries in which its first-tier suppliers and suppliers below the first tier operate; and
- (2) actively participating in one or more multi-stakeholder or industry initiatives focused on eradicating forced labor and human trafficking across the industry.

THEME 2: TRACEABILITY AND RISK ASSESSMENT

2.1 Traceability and Supply Chain Transparency

The company discloses:

- (1) the names and addresses of its first-tier suppliers;

Additional disclosure:

See F&F factory list: https://www.tescopl.com/media/755930/ff-factory-lists-tier-1_tier-2_tier-4-may-2020-final.pdf

- (2) the countries of its below-first-tier suppliers (this does not include raw material suppliers);
- (3) the sourcing countries of at least three raw materials at high risk of forced labor and human trafficking; and

Additional disclosure:

See key products at high risk of forced labour listed under the 'Product Supply Chains' drop-down: <https://www.tescopl.com/sustainability/publications/policies/downloads/our-approach-to-human-rights/>

See text (as below) under 'Coffee', 'Cocoa' and 'Palm Oil': <https://www.tescopl.com/sustainability/product/top-20/>

The majority of the palm oil used in our products comes from Indonesia and Malaysia.

Our largest volumes of coffee come from Vietnam, followed by Brazil.

The majority of the cocoa within Tesco UK own-brand products comes from Ghana and the Ivory Coast.

See further Palm Oil mapping: <https://www.tescopl.com/media/755185/tesco-forest-risk-commodities-mapping-palm-and-soy-sept2019.pdf>

- (4) at least two types of data points on its suppliers' workforce (e.g., the number of workers, gender or migrant worker ratio, or level of unionization per supplier).

2.2 Risk Assessment

Risk assessment involves evaluating the potential that a company has (by virtue of who its suppliers are and where they are located) of being linked to forced labor and human trafficking. Risk assessment is a process that is carried out in addition to and outside of auditing. It helps identify potential forced labor risks as well as actual impacts that may be hard to detect through audits. This process may involve engaging local stakeholders, labor rights experts, independent sources, and assessing risks associated with specific raw materials, regions, or groups of workers such as migrant workers.

The company discloses:

- (1) details on how it conducts human rights supply chain risk or impact assessments that include forced labor risks or assessments that focus specifically on forced labor risks; and
- (2) details on forced labor risks identified in different tiers of its supply chains.

Additional disclosure:

See text (highlighted below) under key products at high risk of forced labour listed under the 'Product Supply Chains' drop-down:

<https://www.tescopl.com/sustainability/publications/policies/downloads/our-approach-to-human-rights/>

*In our supply chains, we are prioritising work on our four themes in the countries where Tesco UK's top 20 products and ingredients are sourced from. The top 20 are those products and ingredients most regularly bought by customers which have the biggest sustainability impact where we have the ability to drive change. Twelve of these 'Top 20' have significant and systemic human rights risks associated with them (**these risks are most poignant in the lower tiers of our supply chains**) and will therefore be our immediate priorities for the next three to five years.:*

- *Bananas: livelihoods and worker representation*
- *Berries: gender equality (especially in Morocco), livelihoods*
- *Citrus fruits: livelihoods and gender equality*
- *Coffee: livelihoods and forced labour*
- *Cocoa: livelihoods, forced and child labour*
- *Cotton: forced and child labour*
- *Palm oil: forced labour*
- *Prawns: forced labour*
- *Rice: livelihoods*
- *Sugar: gender equality*
- *Tea: livelihoods, gender equality*
- *Wild fish: forced labour and worker representation.*

Outside of these top 20 products and ingredients, we focus on an additional seven regions and issues because of the known risks associated with them and/or their commercial importance to our business:

- *All non-food factories across Asia: livelihoods and working hours, health and safety, worker representation*
- *Peruvian agriculture: worker representation and working hours*
- *Turkey and Syrian refugees: forced labour, livelihoods at farm level*
- *Spanish salads: forced labour at farm level*
- *Italian tomatoes: forced labour at farm level*
- *UK agriculture: accommodation standards*
- *Indian spinning mills: forced labour, gender equality.*

THEME 3: PURCHASING PRACTICES

3.1 Purchasing Practices

Purchasing practices and pricing may both positively impact labor standards in the company's supply chains and increase risks of forced labor and human trafficking.

The company:

- (1) is taking steps toward responsible raw materials sourcing;

Additional disclosure:

See all of 'How we integrate human rights within our business':

<https://www.tescopl.com/sustainability/publications/policies/downloads/our-approach-to-human-rights/>

See 'Sumangali', 'Migrant labour in the Southern Mediterranean', 'Working collaboratively to end forced labour in the palm oil sector' and 'Women, Children and Families in Assam, Commitment with UNICEF' on page 17-18 of our 2019-20 Modern Slavery statement:

<https://www.tescopl.com/media/755909/tesco-modern-slavery-statement-final-201920.pdf>

- (2) is adopting responsible purchasing practices in the first tier of its supply chains, which include planning and forecasting;

Additional disclosure:

See text (as below) under 'Purchasing Practices' on page 9 of our 2019-20 Modern Slavery statement: <https://www.tescopl.com/media/755909/tesco-modern-slavery-statement-final-201920.pdf>

We recognise the role purchasing practices can have on the ability of suppliers to maintain good labour conditions. In the past year, we have sought to create greater alignment between our Responsible Sourcing and Commercial teams. This has included raising awareness of human rights risks within our supply chains, engaging in the commercial agreement process for products known to have a higher risk of forced labour and ensuring human rights priorities are captured in our plans with our strategic supplier partners.

See text (as below) under 'How we integrate human rights within our business':

<https://www.tescopl.com/sustainability/publications/policies/downloads/our-approach-to-human-rights/>

In 2019 we also established a new role within the responsible sourcing team in the UK, which is solely responsible for supporting the integration of responsible sourcing into supplier plans and purchasing practices.

And:

We recognise that improving labour standards in the supply chain is a shared responsibility and in general our view is that the cost of doing business responsibly in any supply base should be integrated wherever possible into the final cost of goods, rather than being an additional 'bolt-on'. Our new human rights strategy, which is being initially rolled out by Tesco UK, includes a clearer focus on the integration of our human rights agenda into purchasing practices, including tackling any unfair trading practices. We use our human rights due diligence process to help us decide which suppliers to source from and how to reward existing supplier's performance on human rights.

- (3) provides procurement incentives to first-tier suppliers to encourage or reward good labor practices (such as price premiums, increased orders, and longer-term contracts); and
- (4) discloses two quantitative data points demonstrating that it has responsible purchasing practices in place that address the risk of forced labor and human trafficking.

3.2 Supplier Selection

The company:

- (1) assesses risks of forced labor at potential suppliers before entering into any contracts with them and discloses details on the outcomes of this process.

Additional disclosure:

See text (as below) under 'Supply Chain', which is under 'Improve':

<https://www.tescopl.com/sustainability/publications/policies/downloads/our-approach-to-human-rights/>

Where significant human rights issues are identified at new sites, the appropriateness of sourcing is reviewed alongside commercial colleagues. Where applicable, we support suppliers to close non-conformances prior to supply.

See 'Ethical audits' on page 14 of our 2019-20 Modern Slavery statement:

<https://www.tescopl.com/media/755909/tesco-modern-slavery-statement-final-201920.pdf>

See text (as below) under 'Ethical Audit Requirements':

<https://www.tescopl.com/media/755600/10443v21en-human-rights-requirements-for-food-and-grocery-non-food-suppliers.pdf>

For new sites, the audit must take place before supply. The audit does not need to be at peak production but there must be activity on site that is linked directly to the product that will be sourced. All critical or business critical issues must be resolved before commencing supply. Audits must be

conducted by an audit body recognised by Tesco for ethical auditing in the relevant region. Details of these can be found in Policy 80045(a).

3.3 Integration into Supplier Contracts

The company:

- (1) integrates the ILO core labor standards, which include the elimination of forced labor, into supplier contracts;

Additional disclosure:

See 'How we integrate human rights within our business':

<https://www.tescopl.com/sustainability/publications/policies/downloads/our-approach-to-human-rights/>

- (2) discloses the percentage of suppliers whose contracts include such standards; and
- (3) requires its suppliers to integrate such standards into contracts with their own suppliers.

Additional disclosure:

See text (as below) under 'Purpose and Scope':

<https://www.tescopl.com/media/755600/10443v21en-human-rights-requirements-for-food-and-grocery-non-food-suppliers.pdf>

This document details Tesco's human rights approach for own label food suppliers and non-food grocery suppliers, supplying into Tesco UK and ROI. This includes details of where we require ethical audits and where we expect suppliers to take additional steps to protect workers in our end-to-end supply chains.

Adherence to these requirements is a condition of supply to Tesco. Suppliers and sites are expected to read and implement the requirements, in addition to ensuring all sites are compliant with the ETI base code.

THEME 4: RECRUITMENT

4.1 Recruitment Approach

The company:

- (1) has a policy that requires direct employment in its supply chains;

Additional disclosure:

See 'Responsible Recruitment' under 'Appendices' in our Human Rights Requirements:

<https://www.tescopl.com/media/755600/10443v21en-human-rights-requirements-for-food-and-grocery-non-food-suppliers.pdf>

See text (as below) within our Responsible Recruitment Requirements for suppliers in Thailand and Malaysia: <https://www.tescopl.com/media/755951/60573v11en-responsible-recruitment-requirements-th-and-my.pdf>

Where possible employers must recruit and employ migrant workers directly. Where this is not possible, recruitment agencies, sub-agents, 3rd party recruiters or labour providers must be legally registered and subject to due diligence by the employer/supplier. These actors must also be trained in

the supplier's migrant worker recruitment policy and practices, and sign a service agreement agreeing to comply with and implement the supplier's migrant worker recruitment policy and practices. Service agreements should include a termination clause in case of breach of this policy. In the event of any termination, the welfare of workers should be prioritised.

- (2) requires employment and recruitment agencies used by its suppliers to respect the ILO core labor standards, which include the elimination of forced labor; and

Additional disclosure:

See 'Responsible Recruitment' under 'Appendices' in our Human Rights Requirements: <https://www.tescopl.com/media/755600/10443v21en-human-rights-requirements-for-food-and-grocery-non-food-suppliers.pdf>

See full policy on Responsible Recruitment Requirements for suppliers in Thailand and Malaysia: <https://www.tescopl.com/media/755951/60573v11en-responsible-recruitment-requirements-th-and-my.pdf>

- (3) discloses information on the recruitment agencies used by its suppliers.

Additional disclosure:

See full policy on Responsible Recruitment Requirements for suppliers in Thailand and Malaysia which requires mapping of recruitment supply chain: <https://www.tescopl.com/media/755951/60573v11en-responsible-recruitment-requirements-th-and-my.pdf>

4.2 Recruitment Fees

According to the ILO, workers should not be charged directly or indirectly, in whole or in part, any fees for recruitment or related costs (such as costs for training, medical tests, or travel).

The company:

- (1) requires that no worker in its supply chains should pay for a job—the costs of recruitment (i.e., recruitment fees and related costs) should be borne not by the worker but by the employer ("Employer Pays Principle"); and

Additional disclosure:

See 'Responsible Recruitment' under 'Appendices' in our Human Rights Requirements: <https://www.tescopl.com/media/755600/10443v21en-human-rights-requirements-for-food-and-grocery-non-food-suppliers.pdf>

See full policy on Responsible Recruitment Requirements for suppliers in Thailand and Malaysia: <https://www.tescopl.com/media/755951/60573v11en-responsible-recruitment-requirements-th-and-my.pdf>

- (2) takes steps to ensure that such fees are reimbursed to the workers and/or provides evidence of payment of recruitment-related fees by suppliers if it discovers that fees have been paid by workers in its supply chains.

Additional disclosure:

See also page 11 of 2019-20 MSS: <https://www.tescopl.com/media/755909/tesco-modern-slavery-statement-final-201920.pdf>

See also 'Responsible Recruitment' under 'Appendices' in our Human Rights Requirements: <https://www.tescopl.com/media/755600/10443v21en-human-rights-requirements-for-food-and-grocery-non-food-suppliers.pdf>

See also full policy on Responsible Recruitment Requirements for suppliers in Thailand and Malaysia: <https://www.tescopl.com/media/755951/60573v11en-responsible-recruitment-requirements-th-and-my.pdf>

4.3 Monitoring and Responsible Recruitment

The company:

- (1) takes steps to ensure employment and/or recruitment agencies used by its suppliers are monitored to assess and address risks of forced labor and human trafficking; and

Additional disclosure:

See 'Responsible Recruitment' under 'Appendices' in our Human Rights Requirements: <https://www.tescopl.com/media/755600/10443v21en-human-rights-requirements-for-food-and-grocery-non-food-suppliers.pdf>

See full policy on Responsible Recruitment Requirements for suppliers in Thailand and Malaysia: <https://www.tescopl.com/media/755951/60573v11en-responsible-recruitment-requirements-th-and-my.pdf>

- (2) provides details of how it supports responsible recruitment in its supply chains (e.g., by collaborating with stakeholders to engage policy makers to strengthen recruitment standards).

Additional disclosure:

See also section on 'Responsible Recruitment' on page 19 of our 2019-20 Modern Slavery Statement: <https://www.tescopl.com/media/755909/tesco-modern-slavery-statement-final-201920.pdf>

4.4 Rights of Workers in Vulnerable Conditions

Migrant workers and other workers in vulnerable conditions are at a higher risk of being in forced labor, and additional steps are needed to ensure their rights are respected. Conditions which render workers vulnerable may include characteristics such as gender or age and external factors, including workers' legal status, employment status, economic conditions, and work environment (such as isolation, dependency on the employer, or language barriers).

The company:

- (1) takes steps to ensure migrant workers in its supply chains understand the terms and conditions of their recruitment and employment and also understand their rights;

Additional disclosure:

See text (as below) from Responsible Recruitment Requirements for suppliers in Thailand and Malaysia: <https://www.tescopl.com/media/755951/60573v11en-responsible-recruitment-requirements-th-and-my.pdf>

- *Employers must ensure workers have a clear understanding of the site, role, performance requirements, skills, terms, conditions, pay and benefits before candidates are recruited for and/or agree to employment.*
- *Following recruitment and contract signing, all successful applicants must receive a detailed pre-departure training in the country of origin, which includes: discussion of contract details, documentation, information on the host country including their rights within that country, specifics on the job role, conditions of work, pay, benefits, skills, performance required and access to complaint or grievance mechanisms during the recruitment process and after arrival.*

(2) takes steps to ensure its suppliers refrain from restricting workers' movement, including through the retention of passports or other personal documents against workers' will; and

See also 'Responsible Recruitment' under 'Appendices' in our Human Rights Requirements: <https://www.tescopl.com/media/755600/10443v21en-human-rights-requirements-for-food-and-grocery-non-food-suppliers.pdf>

See also full policy on Responsible Recruitment Requirements for suppliers in Thailand and Malaysia: <https://www.tescopl.com/media/755951/60573v11en-responsible-recruitment-requirements-th-and-my.pdf>

See also page 11 of our 2019-20 Modern Slavery Statement: <https://www.tescopl.com/media/755909/tesco-modern-slavery-statement-final-201920.pdf>

(3) discloses at least two outcomes of steps it has taken to ensure respect of the fundamental rights and freedoms of supply chain workers in vulnerable conditions (those articulated in the ILO core labor standards, which include the elimination of forced labor).

Additional disclosure:

See 'Worker Representation' under 'Transform and Advocate': <https://www.tescopl.com/sustainability/publications/policies/downloads/our-approach-to-human-rights/>

See 'Ethical audits' on page 14, 'Payment of wages' on page 16 and 'Women, Children and Families in Assam, Commitment with UNICEF' on page 18: <https://www.tescopl.com/media/755909/tesco-modern-slavery-statement-final-201920.pdf>

THEME 5: WORKER VOICE**5.1 Worker Engagement**

The company:

- (1) takes steps to ensure its supply chain policies that address forced labor and human trafficking are communicated to workers in its supply chains;
- (2) takes steps to ensure that relevant stakeholders engage with and educate workers in its supply chains on their labor rights and/or supports worker-led efforts on labor rights education;

Additional disclosure:

See text (as below) under 'Worker Representation':

<https://www.tescopl.com/sustainability/people/human-rights/bananas/>

We have supported Colsiba (Coordinating body of Latin American Banana and Agro-Industrial Unions) to increase women's participation as worker representative and specifically in national trade unions and collective bargaining forums in Latin America through labour rights education. Greater inclusion of women in worker representation will enable challenges that women face at work to be more frequently highlighted with employers and discussed with workers, leading to improvements being made.

See text (as below) under 'Supply Base which is under 'Improve':

<https://www.tescopl.com/sustainability/publications/policies/downloads/our-approach-to-human-rights/>

As part of our core programme we require that suppliers display ETI posters and audit results on suppliers' notice boards so that workers know what their rights are and that they are being met or remediated.

See text (as below) within our Responsible Recruitment Requirements for suppliers in Thailand and Malaysia – <https://www.tescopl.com/media/755951/60573v11en-responsible-recruitment-requirements-th-and-my.pdf>

- *Following recruitment and contract signing, all successful applicants must receive a detailed pre-departure training in the country of origin, which includes: discussion of contract details, documentation, information on the host country including their rights within that country, specifics on the job role, conditions of work, pay, benefits, skills, performance required and access to complaint or grievance mechanisms during the recruitment process and after arrival.*

See text (as below) under 'Issara':

<https://www.tescopl.com/sustainability/publications/policies/downloads/multi-stakeholder-initiatives/>

The Issara Institute is an independent NGO based in Southeast Asia tackling issues of trafficking and forced labour through data, technology, partnership, and innovation. Issara links global brands and retailers, regional suppliers, technical experts, and local service providers to coordinate targeted action to eliminate trafficking in global supply chains. This includes educating workers in Tesco's supply chains on their labor rights as well as off-site worker interviews. Tesco have been supporting the project since 2014. The Issara Institute also provides us specific site reports so we can identify issues and work with our suppliers to improve working conditions for migrant workers. See their most recent impact report [here](#).

See 'Women, Children and Families in Assam, Commitment with UNICEF' on page 18 of our 2019-20 Modern Slavery statement: <https://www.tescopl.com/media/755909/tesco-modern-slavery-statement-final-201920.pdf>

(3) provides evidence of the positive impact of worker engagement in its supply chains; and

Additional disclosure:

See section on 'Worker Representation':

<https://www.tescopl.com/sustainability/publications/policies/downloads/our-approach-to-human-rights/>

See section on 'Women, Children and Families in Assam, Commitment with UNICEF' on page 18 and 'Due diligence in Thailand and Malaysia' on page 11 of our 2019-20 Modern Slavery statement:

<https://www.tescopl.com/media/755909/tesco-modern-slavery-statement-final-201920.pdf>

(4) provides at least two examples of worker engagement initiatives covering different supply chain contexts.

Additional disclosure:

See 'Issara Institute':

<https://www.tescopl.com/sustainability/publications/policies/downloads/multi-stakeholder-initiatives/>

See 'Issara Institute' and 'Women, Children and Families in Assam, Commitment with UNICEF' on page 18 of our 2019-20 Modern Slavery statement:

<https://www.tescopl.com/media/755909/tesco-modern-slavery-statement-final-201920.pdf>

See section on 'Worker Representation':

<https://www.tescopl.com/sustainability/publications/policies/downloads/our-approach-to-human-rights/>

See text (as below) under 'Supply Base' which is under 'Improve':

<https://www.tescopl.com/sustainability/publications/policies/downloads/our-approach-to-human-rights/>

Talking directly to workers about workplace concerns is a powerful addition to intelligence gathered through other routes including audits, participatory interviews and links with local stakeholders on the ground. An essential part of all audits are the worker interviews which gather concerns and suggestions and pass these on to management to ensure continuous improvement of labour conditions. In 2020, we also begun piloting &Wider, a simple mobile survey that allows us to listen directly to workers, in a sample of key supply chains.

5.2 Freedom of Association

The company:

- (1) works with independent local or global trade unions to support freedom of association in its supply chains;
- (2) discloses that it is party to a global framework agreement that covers its supply chains and/or an enforceable supply chain labor rights agreement with trade unions or worker organizations;

- (3) takes steps to ensure workplace environments in which its suppliers' workers are able to pursue alternative forms of organizing (e.g., worker councils or worker-management dialogues) where there are regulatory constraints on freedom of association; and

Additional disclosure:

See section on 'Worker Representation':

<https://www.tescopl.com/sustainability/publications/policies/downloads/our-approach-to-human-rights/>

- (4) provides at least two examples covering different supply chain contexts of how it improved freedom of association and/or collective bargaining for its suppliers' workers such as migrant workers (e.g., by taking action where suppliers impede workers' rights to freedom of association and/or collective bargaining or by engaging policy makers to improve respect for such rights).

5.3 Grievance Mechanism

The company:

- (1) takes steps to ensure a formal mechanism to report a grievance to an impartial entity regarding labor conditions in the company's supply chains is available to its suppliers' workers and their legitimate representatives;

Additional disclosure:

See 'Remediating risks and grievance mechanisms':

<https://www.tescopl.com/sustainability/publications/policies/downloads/our-approach-to-human-rights/>

See evidence that Protector Line is publically available: <https://www.ourtesco.com/useful-contacts/>

See 'Unseen Partnership' on page 12 and 'Issara Institute' on page 18 of our 2019-20 Modern Slavery statement: <https://www.tescopl.com/media/755909/tesco-modern-slavery-statement-final-201920.pdf>

- (2) takes steps to ensure that the existence of the mechanism is communicated to its suppliers' workers;

Additional disclosure:

See 'Remediating risks and grievance mechanisms':

<https://www.tescopl.com/sustainability/publications/policies/downloads/our-approach-to-human-rights/>

See 'Unseen Partnership' on page 12 and 'Due diligence in Thailand and Malaysia' on page 11 of our 2019-20 Modern Slavery statement: <https://www.tescopl.com/media/755909/tesco-modern-slavery-statement-final-201920.pdf>

See 'Access to Remedy' under 'Appendices' in our Human Rights Requirements: <https://www.tescopl.com/media/755600/10443v21en-human-rights-requirements-for-food-and-grocery-non-food-suppliers.pdf> -

See references to 'grievance mechanisms' and 'grievance channels' in Responsible Recruitment Requirements for suppliers in Thailand and Malaysia: <https://www.tescopl.com/media/755951/60573v11en-responsible-recruitment-requirements-th-and-my.pdf>

- (3) takes steps to ensure that its suppliers' workers or their legitimate representatives are involved in the design and/or performance of the mechanism, to ensure that the workers trust the mechanism;
- (4) discloses data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved, or an evaluation of the effectiveness of the mechanism; and
- (5) provides evidence that the mechanism is available and used by workers below the first tier in its supply chains.

Additional disclosure:

See 'Investigating modern slavery risks' on Page 14 of our 2019-20 Modern Slavery statement: <https://www.tescopl.com/media/755909/tesco-modern-slavery-statement-final-201920.pdf>

THEME 6: MONITORING

6.1 Monitoring Process

To improve implementation of its supply chain policies, conditions at supplier level can be monitored in different ways. This could include specialized audits to detect forced labor at higher-risk suppliers or worker-driven monitoring (i.e., monitoring undertaken by independent organizations that includes worker participation and is guided by workers' rights and priorities).

The company has a supplier monitoring process that includes:

- (1) non-scheduled visits;
- (2) a review of relevant documents;
- (3) off-site interviews with workers;

Additional disclosure:

See text (as below) under 'Issara Institute': <https://www.tescopl.com/sustainability/publications/policies/downloads/multi-stakeholder-initiatives/>

The Issara Institute is an independent NGO based in Southeast Asia tackling issues of trafficking and forced labour through data, technology, partnership, and innovation. Issara links global brands and retailers, regional suppliers, technical experts, and local service providers to coordinate targeted action to eliminate trafficking in global supply chains. This includes educating workers in Tesco's supply chains on their labor rights and well as off-site worker interviews. Tesco have been supporting the project since 2014. The Issara Institute also provides us specific site reports so we can identify

issues and work with our suppliers to improve working conditions for migrant workers. See their most recent impact report [here](#).

(4) visits to associated production facilities and related worker housing; and

Additional disclosure:

See text (as below) under ‘Supply base’ which is under ‘Improve’:

<https://www.tescopl.com/sustainability/publications/policies/downloads/our-approach-to-human-rights/>

Our programme to improve standards for people working in our supply chains uses a combination of in-house visits by our expert responsible sourcing team, independent ethical audits by trusted partners and independent certifications to assure working conditions in high risk sites. Importantly, each of these tools include direct engagement with workers, visits to associated facilities such as housing, and a review of relevant documents.

See ‘Accommodation’ which is under ‘Appendices’ in our Human Rights Requirements:

<https://www.tescopl.com/media/755600/10443v21en-human-rights-requirements-for-food-and-grocery-non-food-suppliers.pdf>

(5) steps to ensure that suppliers below the first tier are monitored.

6.2 Monitoring Disclosure

The company discloses:

- (1) the percentage of suppliers monitored annually;
- (2) the percentage of unannounced monitoring visits;
- (3) the number or percentage of workers interviewed;
- (4) information on the qualification of the monitoring organization used and/or the use of worker-driven monitoring (i.e., monitoring undertaken by independent organizations that includes worker participation and is guided by workers’ rights and priorities); and
- (5) a summary of findings, including details regarding any violations revealed.

THEME 7: REMEDY

7.1 Corrective Action Plans

The company discloses:

- (1) a corrective action process for its suppliers and potential actions taken in cases of non-compliance, such as stop-work notices, warning letters, supplementary training, and policy revision;

Additional disclosure:

See all of ‘Supply base’ section which is under ‘Improve’:

<https://www.tescopl.com/sustainability/publications/policies/downloads/our-approach-to-human-rights/>

- (2) a means to verify remediation and/or implementation of corrective actions, such as record review, employee interviews, or spot-checks;
- (3) potential consequences if corrective actions are not taken; and
- (4) a summary or an example of its corrective action process in practice.

7.2 Remedy Programs / Response to Allegations

A. If no allegation regarding forced labor in the first or lower tier of a company's supply chains has been identified and disclosed by a third party(ies) in the last three years, the company discloses:

- (1) a process for responding to potential complaints and/or reported violations of policies that address forced labor and human trafficking; and
- (2) at least two examples of outcomes of its remedy process in practice, covering different supply chain contexts, for its suppliers' workers.

Additional disclosure:

Not applicable.

B.1. If one or more allegations regarding forced labor in the first or lower tier of a company's supply chains have been identified and disclosed by a third party(ies) in the last three years, the company discloses:

- (1) a process for responding to potential complaints and/or reported violations of policies that address forced labor and human trafficking;

Additional disclosure:

See text (as below) on page 10 of our 2019-20 Modern Slavery statement:

<https://www.tescopl.com/media/755909/tesco-modern-slavery-statement- final-201920.pdf>

Where issues are identified, we work to an agreed internal incident management and escalation process to ensure that we receive all relevant information relating to modern slavery and exploitation risks in our business and act quickly and effectively. The modern slavery working group composed of colleagues from our Responsible Sourcing and Group Safety, Security and Resilience (GSSR) functions is available to receive information 24/7, and we have clear procedures to ensure that senior colleagues are made aware of incidents, and that appropriate actions are taken. Experienced Responsible Sourcing and GSSR colleagues investigate allegations, where necessary. The GSSR team is comprised of colleagues with a range of expertise and experience, including former law enforcement officers and investigators

- (2) that it engages in a dialogue with the stakeholders reportedly affected in the allegation(s);
- (3) outcomes of the remedy process in the case of the allegation(s); and
- (4) evidence that remedy(ies) are satisfactory to the victims or groups representing the victims.

Additional disclosure:

For points 2-4 see text (as below) under page 14 'Investigating modern slavery risks' of our 2019-20 Modern Slavery statement: <https://www.tescopl.com/media/755909/tesco-modern-slavery-statement- final-201920.pdf>

A UK grower was linked to a high-profile modern slavery investigation and prosecution (Operation Fort), where victims were found to have been employed as agency workers for a small number of shifts at the site. The labour provider breach dated back to 2015 however an investigation was conducted alongside our supplier to identify learnings and opportunities to improve controls. Safeguarding prevented direct engagement with the victims but publicly available testimonies informed our understanding of the abuses that occurred. Our supplier's approach to mitigating the risks of modern slavery now includes a bespoke audit tool, capacity building of agencies and management and a clear alert system when potential indicators of modern slavery are identified. Following the investigation, our supplier also held a conference for over 200 stakeholders in order to share 1 Improve 15 Tesco PLC Modern Slavery Statement 2019/20 learnings from the case and explore how communication across different sectors when cases of modern slavery occur can be improved. Attendees included the investigating officers and first responders in the case as well as retailers, labour providers and auditing bodies.

B.2. If one or more allegations regarding forced labor in the first or lower tier of a company's supply chains have been identified and disclosed by a third party(ies) in the last three years, and the company denies the allegation, the company discloses:

- (1) a process for responding to potential complaints and/or reported violations of policies that address forced labor and human trafficking;
- (2) a description of what actions it would take to prevent and remediate the alleged impacts; and
- (3) that it engages in a dialogue with the stakeholders reportedly affected in the allegation or requires its supplier(s) to do so.

Additional disclosure:

Not applicable.

NON-SCORED DISCLOSURE

Target Setting

The company discloses measurable and time-bound targets to address forced labor in its supply chains.

Yes/No. Please provide details.

Yes see page 24 of our 2019-20 Modern Slavery statement:

<https://www.tescopl.com/media/755909/tesco-modern-slavery-statement-final-201920.pdf>

The company reports on progress towards achieving previous targets on an annual basis.

Yes see page 22-23 of our 2019-20 Modern Slavery statement:

<https://www.tescopl.com/media/755909/tesco-modern-slavery-statement-final-201920.pdf>

Reporting Legislations

UK Modern Slavery Act: Where applicable, the company discloses at least one statement under the UK Modern Slavery Act.

Yes: <https://www.tescopl.com/media/755909/tesco-modern-slavery-statement- final-201920.pdf>

California Transparency in Supply Chains Act: Where applicable, the company has a disclosure under the California Transparency in Supply Chains Act.

Not applicable.

Due Diligence on Third-Party Products

Where a company—in addition to own branded products—sells third-party food and beverage products, the company discloses how it assesses and addresses forced labor risks related to third-party food and beverage products.

Not currently publically available.

Use of Commodities Which May Be Produced Using Forced Labor¹

Please provide a full list of commodities present in your supply chains, or alternatively indicate for each of the commodities below whether it is present in your supply chains. Note where a company does not provide this information, KnowTheChain will review the company's website as well as third party sources to identify relevant information.

- Beans (green, soy, yellow)
- Brazil Nuts / Chestnuts
- Cattle
- Chile Peppers
- Cocoa
- Coffee
- Corn
- Fish
- Palm oil
- PeanutsRice
- Sesame Shrimp
- Sugarcane
- Tomatoes
- Wheat

All of the above are relevant.

Presence of Migrant Workers in Supply Chains

Yes, see a number of references in our 2019-20 Modern Slavery statement:

<https://www.tescopl.com/media/755909/tesco-modern-slavery-statement- final-201920.pdf>

¹ See: US Department of Labor's [List of Goods Produced by Forced Labor](#) (accessed Feb 2020, data as of Sep 2018).