

Modern Slavery Statement.

2018/19

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Introduction.



The UK Modern Slavery Act 2015 (the 'Act') requires businesses to state the actions they have taken during the financial year to ensure modern slavery is not taking place in their operations and supply chains. Tesco is fully committed to playing our part in eradicating modern slavery. We firmly support transparency and collaboration to eliminate the risks of modern slavery.

This statement refers to the financial year ending 23rd February 2019 and sets out the steps taken by Tesco UK Stores and other relevant UK subsidiaries¹ to prevent modern slavery and human trafficking in our own operations and supply chains. Due to the nature of their businesses, Tesco Bank, Tesco Mobile, Dunhumby and Booker report and publish separate Modern Slavery Statements.

Since we published our first statement in May 2017, we have gained greater insight into trends and risks relating to modern slavery that have enabled us to strengthen our approach. Over the past 12 months we have:

- Reframed our human rights strategy, with a greater focus on forced labour both in the UK and internationally;
- Entered into a partnership with Unseen helping us to better understand and identify modern slavery risks and improve our approach to remediation;
- Continued to equip our colleagues and suppliers with the necessary training and tools to mitigate the risk of modern slavery;
- Established a working group to oversee the implementation of our modern slavery strategy and to respond to risks identified.

In the year ahead we will continue to develop our approach to managing the risk of modern day slavery within our business and supply chain and ensure our strategy is responsive to changing risks.

This statement was approved by the Board of Tesco PLC.

A handwritten signature in black ink that reads "Dave".

Dave Lewis

Group Chief Executive

14 May 2019

¹ Entities required to publish a statement under the Modern Slavery Act and therefore covered by this Group Statement include: BRP Ltd, Delamare Cards Funding 1 Limited, Ek-Chai Distribution System Co Ltd, MSSW Ltd, One Stop Stores Ltd, Ritter Courivaud Ltd, Tesco (Polska) Sp. z o.o., Tesco Corporate Treasury Services, Tesco Distribution Limited, Tesco Family Dining Limited, Tesco Food Sourcing Limited, Tesco Franchise Stores, s.r.o., Tesco Freetime Limited, Tesco International Clothing Brand s.r.o., Tesco International Sourcing Ltd, Tesco Ireland Limited, Tesco Maintenance Limited, Tesco Mobile Ireland Limited, Tesco Overseas ULC, Tesco PLC, Tesco Property Limited Partnership, Tesco Stores (Malaysia) SDN BHD, Tesco Stores CR a.s., Tesco Stores Limited, TESCO STORES SR, a.s., TESCO-Global Áruházak Zrt. and The Tesco Aqua Limited Partnership, The Tesco Atrato Limited Partnership, The Tesco Passaic Limited Partnership, The Tesco Navona Limited Partnership.

Our business and supply chains.

Tesco is one of the world's leading multinational retailers. Our largest operations are in the UK, where we have over 3,400 stores. We also have businesses in Republic of Ireland, Czech Republic, Hungary, Poland, Slovakia, Malaysia and Thailand.

Across the Tesco Group, our 450,000 colleagues serve nearly 80 million customers every week online and in-store. At the heart of everything our colleagues do is our core purpose – to serve customers a little better every day.

This purpose is underpinned by our three values:

1.

No one tries harder for customers

2.

We treat people how they want to be treated

3.

Every little help makes a big difference

We believe that our trade with people across the countries we source from should have a positive impact, creating jobs and opportunities for people all over the world.

Our commitment to human rights is embedded in the Tesco Little Helps Plan, which we launched in October 2017. The Plan builds on the work we have been doing over many years and is about running our business in a way that makes a positive contribution to our colleagues, customers and communities. Our human rights strategy, which covers the most serious labour challenges to workers, is central to the Plan's Products pillar, where we have committed to:

- Ensure international human rights standards are respected at all our suppliers' sites
- Focus on the most serious risks to workers throughout our supply chains, working transparently with NGOs, unions and others to identify and address them
- Support sourcing communities facing complex social and environmental challenges.

The scale of our supply chains gives us the opportunity to promote respect for human rights and to make a positive impact on people's lives. We have thousands of direct and indirect suppliers who grow and move hundreds of raw materials and finished products across global supply chains. These suppliers range from large agriculture businesses to smallholders and manufacturing companies. We also work with a number of other partners who help run our distribution centres, keep our offices and stores clean and secure, and much more.

Starting with our own business operations and service providers, and then increasing the visibility we have of our global supply chains, we work to identify actual or potential risks of modern slavery and help ensure remediation where cases are identified.

Policies in relation to modern slavery.

At the heart of our approach to human rights are a number of important internationally recognised declarations, standards and codes. These are the foundations for how we work across the Tesco Group, and include:

- The UN Universal Declaration of Human Rights
- The International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work
- The UN Guiding Principles on Business and Human Rights
- The UN Global Compact
- The Base Code of the Ethical Trading Initiative ([ETI](#))


Our approach to addressing modern slavery sits within this wider human rights agenda. Our strategy is supported by our Code of Business Conduct and Human Rights policy, which applies across the Tesco Group and sets out our obligations to customers, colleagues and communities in our own operations and supply chain. We take any breach of our policies or allegations extremely seriously. We provide independent and confidential 'Protector Lines' that enable our colleagues, suppliers and their staff around the world to raise concerns.

As part of our membership of the Consumer Goods Forum (CGF), we are one of the companies leading collaborative efforts to combat forced labour. Such collaboration is particularly important in lower tiers of supply chains where we do not have direct commercial relationships. We helped to develop and strongly support the CGF's Priority Industry Principles:

EVERY WORKER SHOULD HAVE FREEDOM OF MOVEMENT



NO WORKER SHOULD PAY FOR A JOB



NO WORKER SHOULD BE INDEBTED OR COERCED TO WORK



Source: Consumer Goods Forum.

As members of the Institute of Human Rights and Business Responsible Recruitment Leadership Group, we also actively support the Employer Pays Principle that 'No worker should pay for a job - the costs of recruitment should be borne not by the worker but by the employer.'

Governance

Our human rights strategy is led by the Group Responsible Sourcing Director, within our Product division. Governance of our human rights work, for all markets and subsidiaries, sits with the Board's Corporate Responsibility Committee, which meets three times a year.

Responsible sourcing and supply chain is highlighted as a principal risk within our overall business-wide risk assessment. We therefore update on current and future risks, progress and performance, and breaches of our policies to the Group Risk and Compliance Committee chaired by the Group CEO, plus the business unit Risk and Compliance Committees, on at least an annual basis. Details of some of the key incidents discussed in 2018-19 can be found on page 12.

In 2018 we also formed an internal modern slavery working group that meets quarterly, at a minimum, to monitor progress against our Group modern slavery strategy. This group is chaired by the Group Responsible Sourcing Director.

Human rights due diligence.

Risks of modern slavery are dynamic and can change quickly. We follow a robust due diligence process that was developed in line with the UN Guiding Principles on Business and Human Rights and in consultation with over fifty internal and external stakeholders.

Our 45 dedicated Responsible Sourcing specialists, based across nine key sourcing countries, are well-placed to gather on-the-ground intelligence through direct engagement with suppliers and other relevant stakeholders. This includes capturing the views of workers through interviews and surveys. Where we do not have on-the-ground capacity, we engage a range of experienced stakeholders, including consultants and NGOs, who are supported by our commercial buying and quality teams.

We use the information gathered to continually reassess and respond to the potential and actual risks in our business and supply chains.

In September 2018 we conducted a full review of our human rights strategy to ensure it continues to reflect the learnings from our due diligence framework. We engaged 25 key stakeholders, including suppliers, academics, NGOs and internal stakeholders. We also spoke to trade union representatives to bring the voice of people in our supply chain to our strategy development. Feedback included the following:

- We need to have a clearer focus on the most important human rights issues we are prioritising to have the greatest impact;

- Our monitoring programme (in particular for food sites) should place greater emphasis on the improvements that need to be made when issues are identified;
- We should focus more on advocacy – including with suppliers, industry bodies and governments – where we think this is necessary to bring about positive change for workers;
- We need to review our buying practices to ensure they enable us to deliver our human rights agenda.

Our due diligence framework has five stages:

1.

Establish a broad perspective beyond our immediate business and the first tier of our supply chain

2.

Determine priorities based on areas of highest risk and through intelligence gathering

3.

Identify the process of avoiding or mitigating risk

4.

Define method for rectifying abuses and remediating any victims

5.

Developing learning strategy allowing us to consider new information

Human rights due diligence. (continued)

Four key focus areas:

The outcome of the review is a new strategy, that will initially be rolled out by Tesco UK, based on four clear focus areas. These areas both reflect salient issues within our supply chains and are aligned with stakeholder priorities.

Sustainable livelihoods.

Worker representation.

Forced labour.

Gender equality.

We have also rearticulated our three pillar approach to taking action:

1. **Improve:** Ensure our monitoring programme and supplier engagement is driving improvement of day-to-day working conditions
2. **Transform:** Focus our attention on multi-stakeholder initiatives that are aligned with our four pillars to address entrenched sector-wide challenges
3. **Advocate:** Formalise our work on advocacy – working with others to call for wider change where needed - building on our engagement with the Consumer Goods Forum, Ethical Trading Initiative (ETI) and others

Recognising the role purchasing practices have on the ability of suppliers to maintain good labour conditions, in 2019 we will also be conducting a review of our buying policies and procedures, and the impact that they can have on human rights standards.



Photo: Environmental Justice Foundation

Tackling modern slavery

- our business operations.

In our Tesco UK stores business, the majority of our colleagues are employed on permanent contracts. The greatest risks of modern slavery exist for workers not in permanent employment, for example in cleaning and security roles, or agency workers in our distribution and fulfilment centres.

We have prioritised key business areas in the UK based on our analysis of evolving risk in the sector, worker contract types, the level of skill involved in the work, wages, and our visibility of the service provider.

Our focus areas in our business are:

- Agency workers in our distribution and logistics operations
- Workers in security and cleaning roles for our offices and stores
- Workers in car washes in Tesco stores
- Workers in the construction industry who build our stores and carry out renovations.

We have continued to implement our ethical audit program for suppliers in these priority areas, which includes a review of the supplier's management systems to ensure they are adhering to the ETI Base Code, worker interviews, and analysis of how worker recruitment is managed.

Whilst we see ethical audits as an important tool for improving worker welfare, we do not believe that ethical audits alone can identify and address cases of modern slavery. Therefore, in addition to ethical audits, our Responsible Sourcing Team engage closely with suppliers to strengthen and coordinate our approach to identifying and mitigating risks of modern slavery, and this is included as a key aspect



of ongoing supplier performance reviews carried out in conjunction with our commercial teams.

As well as working with suppliers, we also engage proactively with the UK Gangmasters and Labour Abuse Authority (GLAA), police forces,

and relevant experts to better understand risks and address issues identified. We are committed to sharing information that will help stop or prevent the exploitation or abuse of workers, whilst ensuring that this information is handled sensitively.

Responsible Car Wash Scheme.

In 2018 we helped launch the Responsible Car Wash Scheme (RCWS), a collaboration between the Downstream Fuel Association, four other major supermarkets, the police, the Health and Safety Executive, Her Majesty's Revenue and Customs, the Environment Agency, the Car Wash Association, the Gangmasters & Labour Abuse Authority (GLAA), and the anti-slavery charity Unseen. The scheme aims to tackle modern day slavery by promoting employment compliance and sharing best practice, and introduces a new accreditation for operators that will allow customers to make responsible choices about which car wash they use.

The pilot of the scheme is currently underway in the Midlands region, and pilot audits were conducted in January and February 2019 at 32 car washes on Tesco premises. We will be working with the RCWS to address any gaps found in existing practices, evaluate the pilot project, and identify any gaps in existing regulations.

Tackling modern slavery – our business operations. (continued)

Sedex is the world's largest collaborative platform where companies can share responsible sourcing data and progress. We have finalised minimum standards for labour providers as part of a retailer and supplier working group convened by Sedex, the ethical trade platform. All of our UK labour providers have now signed up to these standards, and we will be doing further work in the next year with these suppliers on ethical recruitment, supported by the Responsible Recruitment Toolkit, of which we are a founding sponsor. This capacity building tool, an initiative led by the Association of Labour Providers and allianceHR, supports businesses to embed responsible recruitment practices in their supply chains.

In 2018/19, we identified three main incidents/areas of risk:

- A case of a supervisor working for a labour agency we work with being involved in the trafficking and exploitation of migrant workers. The activities occurred between 2014 and 2016. This case went to court in 2018 and the perpetrators were successfully prosecuted. Following this case, we have undertaken a review of our policies and procedures relating to agency workers in our distribution and logistics operations, and are implementing new procedures to ensure that relevant colleagues are able to spot signs of exploitation, and that agency workers have access to suitable grievance channels.

- The suspected withholding of pay of two agency workers in a Tesco Distribution Centre – the workers' salary was being paid into the bank account of a family member whilst their UK bank accounts were being set up. We referred the case to the GLAA, and their investigation judged the situation to have been resolved and no further action was required.
- A small number of store agency cleaners working under the identity of 'other workers', in order to evade 'right to work' checks. We referred the case to the GLAA due to our concerns that workers without the right to work may be vulnerable to exploitation. However, no risk of worker exploitation was found. The cleaning company involved has implemented enhanced 'right to work' checks.

This year we have reviewed and updated our internal incident management and escalation processes 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 Security functions is now 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. These escalation procedures are being implemented at our distribution and fulfilment centres, and will be rolled out to our stores.

Unseen partnership

In 2019 we entered into partnership with the charity, Unseen, who run the UK's first fully independent and confidential modern slavery helpline. Trained helpline advisors are able to support potential victims of modern slavery as well as offer a way for businesses and the general public to raise suspicions or concerns. Real-time translation is available in over 180 languages. We are in the process of ensuring that all our primary supplying sites in the UK, as well as our distribution fulfilment centres and stores, promote the helpline, enabling us to continue to raise awareness of modern slavery.

Through the Unseen business portal, we will be able to gain visibility of potential cases relating to Tesco raised by both internal and external parties. Where necessary, these will be investigated by experienced Responsible Sourcing and Group Security colleagues. As well as working in partnership to expand the helpline, Unseen will also support us in ensuring remediation for victims if cases of modern slavery are identified.

Tackling modern slavery – our supply chains.

Assessing risk

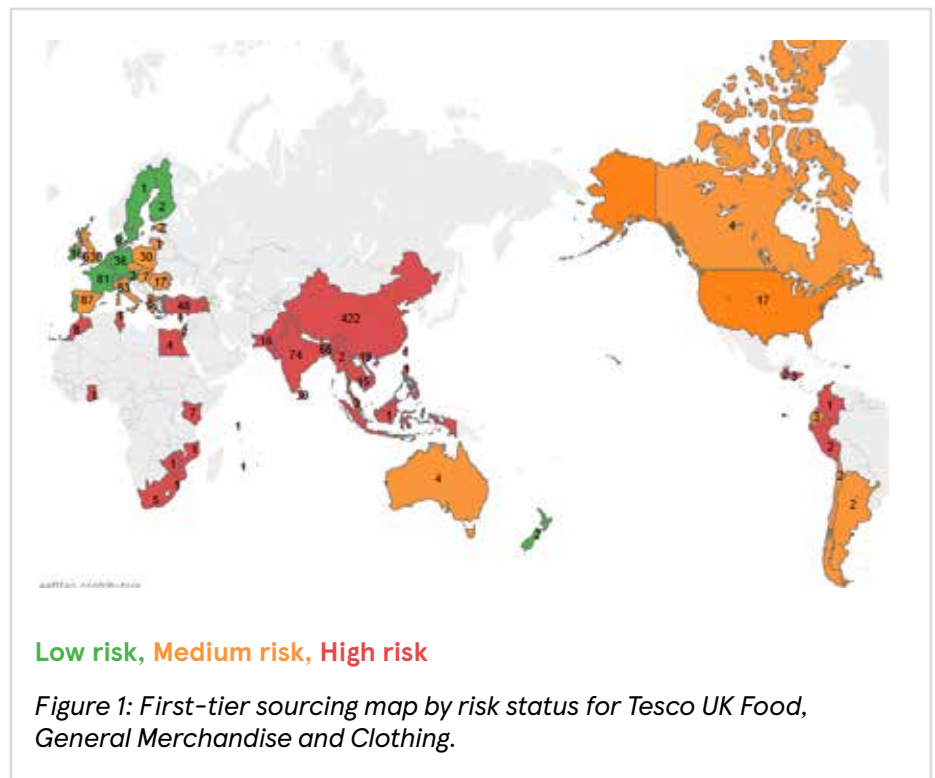
We assess the potential human rights risks of our supply chains by considering the country of origin where we are sourcing products or raw materials from. In our Tesco UK stores and Central European businesses, we use the Food Network for Ethical Trade (FNET) risk ratings to inform this, combined with our own understanding of labour rights and human rights risks in our key sourcing sectors. In Thailand and Malaysia, we use a bespoke risk assessment, which takes into account the industry, type of labour, internal recommendations and supplier self-assessment.

As the next stage of our risk assessment, we consider the type of work being carried out (mechanical vs. manual) and the type of labour (seasonal, permanent, agency).

We also gather intelligence about emerging risks through our in-country responsible sourcing specialists and strong relationships with local groups, NGOs and organisations, such as the Ethical Trading Initiative, FNET and the Consumer Goods Forum. Campaigners and activists can also play an important role in helping us identify where some of the biggest risks lie, and we collaborate

with them and learn from their experience wherever possible. We recognise the important role played by investigative journalism in identifying current and emerging risks.

This approach helps us identify where the most salient and material risks are in our supply chains. We then seek to mitigate the risks through our ‘three pillar’ approach – Improve, Transform, Advocate.



Tackling modern slavery – our supply chains. (continued)

Improve

Ethical audits

For the supply chains of Tesco UK stores, we require all direct supplier sites (known as ‘Tier 1’ sites) in high risk countries to have an audit before they start supplying Tesco, and then on an annual basis. This represents around **45%** of our total Tier 1 suppliers. These audits are conducted against best practice international labour standards as set out in the ‘base code’ of the Ethical Trading Initiative. In addition, we also conduct audits for other tiers of key supply chains where there are high risks of human rights issues. For example, fruit, vegetable and meat sites are audited to farm level in high risk countries. This allows us to focus our work on the countries and suppliers where we can have the biggest impact.

Either our in-house Responsible Sourcing specialists or independent auditors that have been approved by Tesco visit the supplier sites to conduct an in-depth audit once a year. During the closing meeting for these audit visits, all non-conformances with the Ethical Trading Initiative base code are discussed and a Corrective Action Plan Report (CAPR) is agreed between the supplier and the auditor. We categorise non-conformances as critical, major or minor. If any critical non-conformances are found, the audit company notifies us directly. We work hard to uncover all possible issues, and in 2018/19 critical non-conformances were identified at **63%** of supplier sites. The most common of these was excessive working hours.

As part of their contracts with us, suppliers are required to ensure all non-conformances are fixed, with critical issues needing immediate action. Suppliers are supported to address these issues by expert Tesco teams and a follow-up audit is conducted by our in-house team

or independent auditors to verify that issues have been closed. These are conducted within 3–6 months, depending on the issue identified. For example, we require 2–3 months of records of reduced working hours to verify excessive working hours findings as closed.

In 2018/19, **89%** of the supplier sites where critical non-compliances were identified had resolved these within the deadlines we set out. This is up from 81% the year before. For the remaining sites, we continued to work with them to close the issues quickly as long as they demonstrated commitment and capability to do so. Our first aim is always to ensure issues are remediated for workers and practices put in place to avoid recurrence. However, if we believe sustained improvement will not be achieved, we stop working with the site in question. Last year we exited **37** non-food supplier sites and temporarily suspended two food sites on ethical grounds.

In some cases non-conformances are the result of entrenched human rights issues in a particular country and require cross-industry collaboration and long term partnerships to address them – see page 13 for more information.

Investigating modern slavery risks

When we receive intelligence through ethical audits, our own site visits, Protector Line or other sources, such as NGOs or media reports, we immediately investigate. Where our suppliers identify possible indicators of modern slavery within their own operations, we support and monitor their investigations.

In the past 12 months we received eight calls to our Protector Line related to possible human rights violations in our supply chain. Through Protector Line, supplier visits and other channels, there

have been nine incidents with potential indicators of modern slavery. These include:

- Migrant workers at two sites in Thailand and Malaysia were found to be indebted through payment of recruitment fees to labour brokers
- Passports and work permits of 13 Burmese workers were held by a factory in Thailand
- Identity cards of 44 workers were held by a factory in India
- Records were found of 14 former and one existing child worker in two factories in China (remediation was arranged for the existing child in line with policy)
- Over 25 workers in a UK packhouse were found to be using fake identity cards
- NGO and media reported a number of incidents involving migrant workers in Spain, including restricted movement. Two of the allegations were linked to our supply chains.

In the above cases we worked with suppliers to ensure, where necessary, workers were compensated and identity documents were returned. In the most serious incidents, whilst we investigated further, we suspended sourcing, and in two instances it was necessary to cease trading with the sites.

Tackling modern slavery – our supply chains. (continued)

Payment of wages

One issue we monitor particularly closely in key sourcing countries is that salaries are paid on time and in full. We do this because we know how important it is for workers, and because ensuring workers are not in debt means they are less vulnerable to any risk of forced labour. Through our own checks, we occasionally find cases where salaries are not paid on time and/or in full. This may happen for a number of reasons. Where we identify a shortfall in payment, we require suppliers to pay back any missed wages. In the rare occurrence that suppliers do not agree, we look to exit our relationship with them in a responsible manner. In 2018/19 we identified 110 cases of concern involving 88 sites. 7,392 workers received a total of \$508,307 USD as a result of Tesco's intervention.

The role of certification

We work hard with suppliers to obtain visibility of supply chains beyond our first tier who supply directly to Tesco. In addition to our own mapping efforts with our suppliers, we also use certification to provide additional assurance of our sourcing. This won't solve

endemic issues such as modern slavery on its own, but is an important step to ensuring minimum standards are met.

For our UK Own Brand, all our bananas and black tea are Rainforest Alliance™ certified. In the past year we have also reached 100% Rainforest Alliance certification on cocoa in all chocolate and for our green coffee beans. The remainder of cocoa in our Own Brand products is responsibly sourced using a combination of sustainability programmes: Cocoa Horizons, Fairtrade, Rainforest Alliance and UTZ. As members of the Global Coffee Platform and World Cocoa Foundation, we also continue to engage with broader industry on the challenges associated with production, including the risks of child and forced labour.

Tesco are the UK's biggest retailer of Marine Stewardship Council (MSC) certified fish, and over the past 12 months we have been engaging with the MSC as they review their standard to include provisions relating to human rights and the introduction of a public disclosure model. This is in addition to our broader work on human rights in the seafood sector.



Tackling modern slavery – our supply chains. (continued)

Transform and advocate

Working in partnership with others pre-competitively is vital to addressing risks of modern slavery, particularly further up the supply chain where our direct commercial influence may be less significant. Over the past 12 months we have continued to engage in a number of multi-stakeholder initiatives to tackle systemic issues, examples of which are below. We prioritise initiatives that align with our four focus areas, where we know the risk is significant and we have the leverage to make a positive impact.

We recognise that we can play an important role in improving working conditions for workers, including reducing the risk of modern slavery, through engaging with suppliers, industry bodies and governments on opportunities for wider sectoral change. Below are a number of examples that include such advocacy work. In 2019 we intend to identify further opportunities where advocacy could create significant benefit for workers, in line with our revised Human Rights strategy.

Sumangali

In parts of the garment industry in southern India, workers have been recruited through contracts under which they are paid a lump sum at the end of a three-year period, and have restrictions placed on their movement. This leaves them vulnerable to abuse. We have continued to monitor our direct suppliers closely and work through the ETI to ensure this practice does not take place. We have not identified any cases of Sumangali in our direct supply base in 2018/19. However, we continue to map our clothing and textile supply chain by including spinning mills, tanneries, and other processing sites to ensure better visibility of any potential risks. In the last year we have:

- Identified the top 10 spinning mills in Tamil Nadu used by our suppliers and undertaken first level risk assessment by completing self-assessment forms
- Become a member of ETI-TNMS's (Tamil Nadu Multi-Stakeholders Platform) local consultative committee (LCC). The objectives of ETI-TNMS is to contribute to the elimination of exploitive practices, including the Sumangali scheme, by implementing a model that promotes ethical recruitment and retention of young women in the sector
- Organised a two-day workshop, which took place in February 2019, for nine of our biggest direct suppliers to enable the sharing of industry best practice on supply chain management

In the coming year we will continue to conduct ethical assessments of our highest risk sites. We also intend to enroll our top 10 spinning mills into the ETI Tamil Nadu Multi-Stakeholder Platform, focussing on improving work wellbeing and representation. We will continue to work closely with our direct suppliers to strengthen their existing monitoring systems and increase visibility of their supply chain.

Food Network for Ethical Trade (FNET)

Tesco, together with our suppliers and other retailers, continue to participate in FNET, a network developed to support collaboration throughout supply chains, including addressing priority risks such as modern slavery.

FNET members work together on three work streams:

- Risk Assessment – joint member activities to assess the modern slavery and human rights risks



of raw materials in our supply chains and to mitigate those risks.

- Collaboration on priority areas of risk – this work stream includes a group working to map recruitment fees in three regions: Thailand and Malaysia, Spain and Italy, and the UK and develop collective actions to tackle recruitment fees where they are found.
- Engagement – engaging stakeholders along the supply chain to understand modern slavery and human rights risks and the steps required to tackle them. Activities include raising awareness of the issue of recruitment fees. FNET's members are collectively developing materials to engage directors, buyers and technical teams in their own organisations, direct and indirect suppliers, farmers and vessel owners. The group is starting work in 2019 on workers' rights training and engagement.

Tackling modern slavery – our supply chains. (continued)

Migrant labour in the Southern Mediterranean

Over the past 12 months, we have visited a number of key sourcing countries in the Southern Mediterranean, engaging with workers, growers, associations and NGOs, to better understand the challenges facing migrant workers and opportunities for improvement. This is, in part, in response to growing NGO and media reports of incidents involving migrant workers, including indicators of modern slavery.

We believe that interventions in this region need to be locally owned to be effective, led by suppliers and focussed on specific impacts. We are participants in a number of working groups, including the Ethical Trading Initiative's Working Group for Italian Agriculture. This group aims to mitigate the risk of exploitation through illegal recruitment practices, including indebtedness and coercions. The group has

been engaging with the Italian government to advocate for a more formal recruitment system. Our key suppliers of tinned tomatoes and salads are also members of this group.

Alongside other UK retailers and importers, we also continue to support the [Spanish Ethical Forums](#), attended by our first tier suppliers and growers. Five forums were held in Spain over the past 12 months, with the aim to raise awareness of labour issues within our supply base. In 2018 working groups to complement the forums were also established, with 11 meetings held in three key sourcing regions in the past year. The working groups are developing practical tools to support growers in the region, for example accommodation guidance.

Accommodation Working Group

Poor accommodation and associated excessive fees can be an indicator of modern slavery. Following the publication of

'Guidance on provision of caravan accommodation for temporary workers in the UK' by the Fresh Produce Consortium in 2017, Tesco has played a leading role in the Accommodation Working Group, comprising of retailers, suppliers, consultants and industry bodies. In response to requests from suppliers and colleagues, this year the working group has:

- Launched a five-part webinar series on worker accommodation
- Produced guidance for Technical Managers to use when they are visiting suppliers
- Supported the review of the new Sedex self-assessment questionnaire, where applicable, to accommodation

The working group was shortlisted for the Sedex Awards in March 2019. The group is now exploring the need for guidance on accommodation outside of the UK.

Working collaboratively to end forced labour in the palm oil sector

As a member of the Consumer Goods Forum (CGF) Palm Oil Working Group, Tesco has continued to support industry action on eradicating forced labour in the palm oil sector. In 2018, the Group commissioned the Fair Labour Association (FLA) to complete an assessment of the forced labour risks in the palm oil sector in Indonesia and Malaysia. Following publication of their findings and recommendations, Tesco contributed to the development of a [High-Level Action Plan](#) on forced labour in the palm oil sector. The Action Plan will drive collaboration and focus the CGF members on a shared agenda.



Tackling modern slavery – our supply chains. (continued)

Issara Institute

Our continued partnership with Issara Institute ensures our highest risk supply chains in Thailand are monitored independently. The Issara Institute currently works with our suppliers in the prawn, poultry and canned fruit sectors, and we are exploring the opportunity to expand their involvement with supplying sites in other sectors. The key focus is on enabling workers to raise their own concerns and ensure they are addressed, which is crucial for the empowerment of migrant workers who are often vulnerable to exploitation. The Issara Institute is also involved in innovative projects on ethical recruitment and fishing vessel labour standards.

Preventing trafficking of children and women in the tea sector

This year we have started Phase II of the Assam Transforming Lives Programme in partnership with UNICEF, the Ethical Tea Partnership (ETP) and others. Phase one helped to enhance life skills for 35,000 adolescent girls in tea growing communities in Assam so they are better equipped to protect themselves from various forms of harm, including child marriage and child trafficking. Building on the success of the first phase,



Photo: Abbie Trayler-Smith/Panos

Phase II will also engage adolescent boys and expand the scope of the programme to cover issues such as healthcare, child development and nutrition, water, sanitation and hygiene education. The programme has already begun to engage through monthly Child Protection Committee meetings as well as weekly sessions for Adolescent Groups, enabling boys and girls to come together to talk about issues affecting them in a safe space.

These are just some examples of how we work with multi stakeholder initiatives. You can find further examples [here](#).

Awareness raising and capacity building.

Raising awareness of modern day slavery, both within our business and our supply chains, is an important part of our strategy. We know that identifying potential and actual cases requires upskilling colleagues and suppliers to understand the drivers of modern slavery as well as the possible indicators.

This year we continued to run targeted training for the colleagues in our business who have direct contact with workers in our supply chains, including:

- Stronger Together training for UK Technical Managers as well as other Quality functions
- Tailored modern slavery training for UK colleagues in distribution and fulfilment, including Security Managers and People Teams
- Roll-out of a modern slavery e-learning training for all UK commercial colleagues.

We will be undertaking further training with UK distribution centre managers and agency contract

managers in 2019. Training of relevant store colleagues will be carried out once our guidance and escalation procedures for store colleagues are finalised.

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 five years, 1,037 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.



Impact and monitoring.

In addition to publishing this Modern Slavery Statement, we report annual progress on our human rights programme to the Tesco Risk and Compliance Committee at least once a year. This includes any critical breaches of our policies, the results of ethical audits, and progress against our commitments to responsibly source priority raw materials. We share a series of 'heat maps' to ensure that members of the Committee, including the Group CEO, have a strong overview of risks and effectiveness. These heat maps set out the number of supplier sites we have across each market in high risk countries and the level of ethical oversight we have at each site. This year we have also provided the

Committee with greater oversight of human rights incidents in our own operations and supply chains and briefed on key risk areas, for example agriculture.

We publically disclose progress against the human rights commitments in our [Little Helps Plan](#) on an annual basis.

We also monitor data regarding the training of our colleagues and suppliers on modern slavery. We have now trained over 500 Tesco colleagues on modern slavery, including more than 95% of UK Technical Managers. We receive quantitative feedback on all the training we deliver.

'The training was a real eye opener and gave me a fantastic insight into modern slavery. A well run and interesting course which used real world examples to demonstrate where modern slavery exists. I left feeling equipped and motivated to spot the signs of exploitation in our supply chain.'

Peter Rodgers, Technical Manager

Financial year	Number of UK colleagues trained on modern slavery
2016-2017	89
2017-2018	274
2018-2019	210

Plans for 2019/20.

In the next 12 months we will continue to strengthen our approach to managing the risk of modern day slavery within our business and supply chain and ensure our strategy is responsive to changing risks. We will act immediately to address any concerns identified.

Own business and operations

- Continue to provide tailored modern slavery training to UK own operations management
- Complete the implementation of our escalation process in our own operations
- Ensure effective promotion of the Unseen Modern Slavery Helpline across our UK store and distribution network, and collaborate with Unseen and other relevant agencies on any risks and cases identified
- Undertake a review of human rights risks in our Thai and Malaysian businesses, going beyond our existing ethical audit programme
- Carry out training on human rights for colleagues in Tesco Central Europe and Thailand/Malaysia
- Continue to engage with key agencies to proactively identify and respond to risks of modern slavery, prioritising our four focus areas.

Supply chains

- Obtain greater visibility of where recruitment fees are being paid by workers in our supply chains and work with suppliers and relevant industry bodies to address this
- Ensure modern slavery training reaches priority supply chains beyond first tier
- Pilot tools and methods that are more effective than audits in identifying modern slavery risks
- Provide bespoke training for Tesco Technical Managers to support their work with sites in high-risk countries
- Work with the Responsible Recruitment Toolkit and the other sponsor companies to increase the reach and accessibility of the toolkit
- Carry out Human Rights Impact Assessments in priority supply chains in order to gain a holistic and in-depth insight into challenges faced by workers and communities. This will include an assessment of whether there are any indicators of Modern Slavery.