

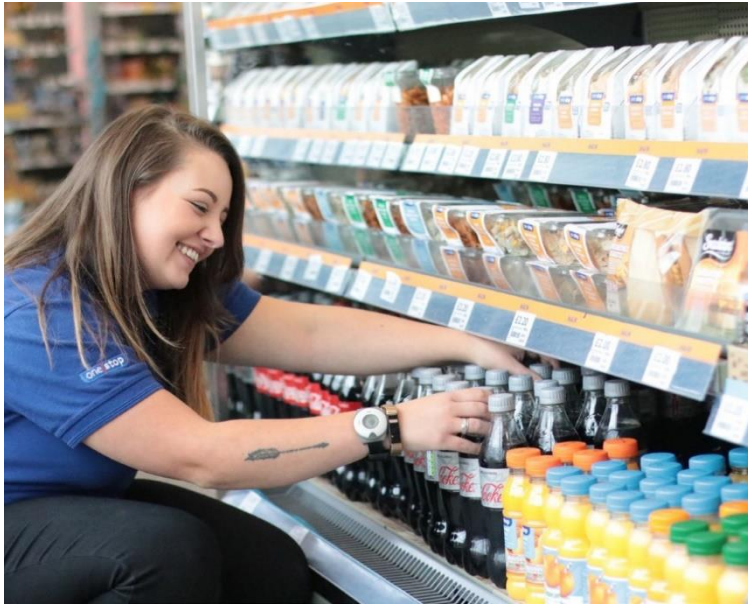
Modern Slavery Statement: One Stop Stores

2020/21

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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. At One Stop, we are 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 28 February 2021 and sets out the steps taken by One Stop Stores as well as relevant measures taken at wider Group level to prevent modern slavery and human trafficking in our own operations and supply chains.

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

- Continued to embed and monitor modern slavery training for relevant colleagues and for our Franchisees
- Promoted the Unseen Modern Slavery helpline in our distribution centres.
- Continued to review our Procurement Policy in relation to Responsible Sourcing risks and controls
- Implemented bank payments for all our Home News Delivery workers

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

This statement was approved by the Board of One Stop Stores Ltd

A handwritten signature in black ink, appearing to read 'Jonny McQuarrie'.

Jonny McQuarrie
Managing Director

21 July 2021

Our business and supply chains.



One Stop Stores Limited is a retail convenience business with over 700 company operated neighbourhood stores and over 210 franchisee stores across England, Wales, and Scotland.

Open 7 days a week, One Stop aims to meet the needs of all its local customers. We offer a range of food, beverages, non-food groceries and general merchandise. Many stores provide additional services including free cash machines, Post Office, Pay Point, Lottery and mobile electronic top-up.

In 2019/2020 we launched a partnership with Deliveroo and 250 of our stores now offer online delivery services. Deliveroo riders are self-employed contractors. Deliveroo's Modern Slavery Statement and their Modern Slavery and Anti-Human Trafficking Policy set out the company's approach to managing modern slavery risk. As we expand our online delivery offer in the coming financial year, we will continue to assess any potential modern slavery risks.

One Stop has 10,300 employees and has been a subsidiary of Tesco since 2003. It operates as a separate business from a Store Support Centre in Brownhills, Walsall, and services its stores with ambient products from 3 distribution centres in Brownhills, Nursling (Hampshire) and Wakefield. We work with Greencore and Booker Retail Partners to deliver fresh food to One Stop stores.

There are over 330 suppliers across fresh, frozen and ambient ranges. Over the last 7 years we have been aligning our supplier base with the wider Tesco Group. All our own-label products continue to be sourced from the same suppliers as Tesco UK stores.

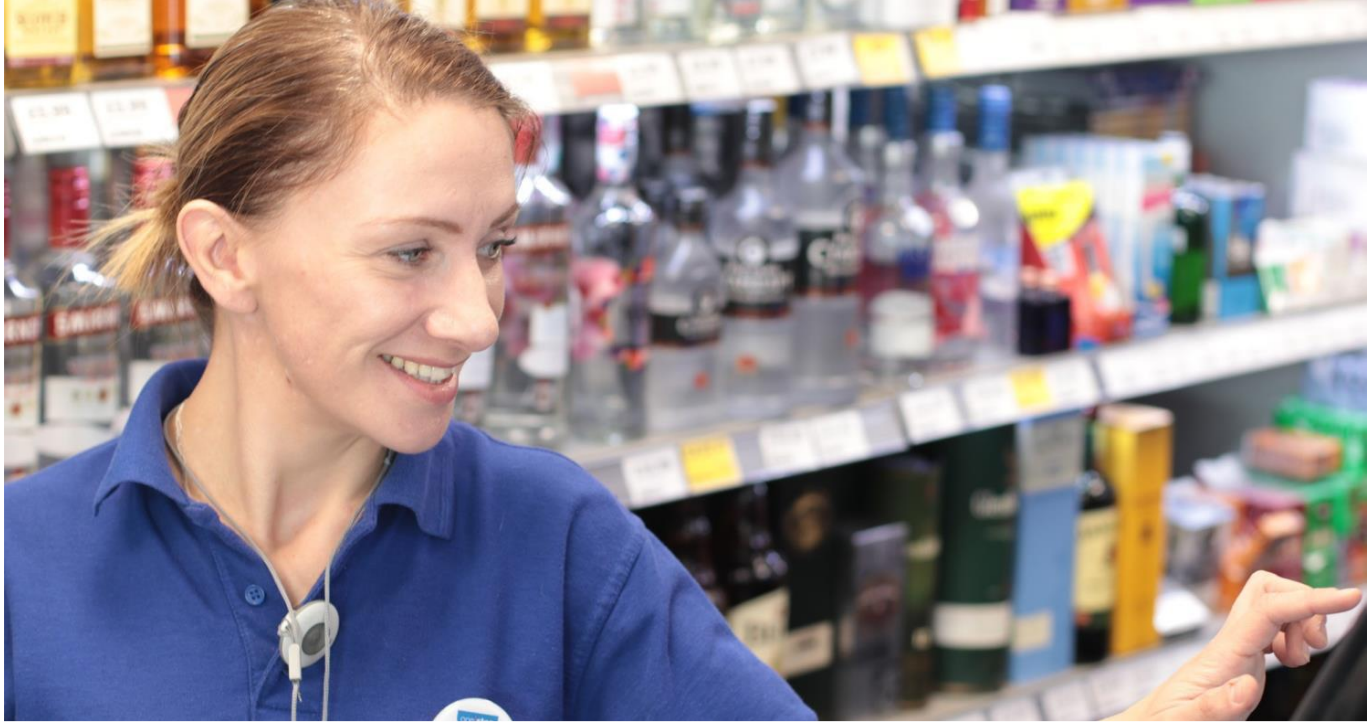
One Stop Values:

- Our customers are at the heart of everything we do.
- We treat people how they want to be treated.
- We work together as one team.
- We make things easier.

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 One Stop Little Helps Plan. In

the Plan's 'products' pillar we have committed to ensuring that international human rights standards are respected at all our suppliers' sites.

Starting with our own business operations and service providers, and then increasing the visibility we have of our global supply chains through One Stop and wider Group efforts, we work to identify actual or potential risks of modern slavery and help ensure remediation where any 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)

The Group Code of Business Conduct outlines the principles regarding how we conduct ourselves as a business. It sets out obligations to our colleagues, our customers, and those who work throughout the supply chain.

We take any breach of our policies or allegations of labour abuse extremely seriously. One Stop provides independent and confidential 'Protector Lines' for our colleagues. Protector Line, which is also used by the wider Tesco Group, enables our colleagues and our own label suppliers and their staff around the world to raise concerns. Insights from these services are reviewed at both One Stop and Group Compliance Committee meetings.

One Stop specific employee policies are available on the Learning at One Stop platform. Group policies are available on the One Stop shared drive.

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

EVERY WORKER >>>>
SHOULD HAVE
FREEDOM OF MOVEMENT

NO WORKER
SHOULD PAY
FOR A JOB

NO WORKER SHOULD
BE INDEBTED OR
COERCED TO WORK

As members of the Institute of Human Rights and Business Responsible Recruitment Leadership Group, Tesco also actively supports 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

Tesco's human rights strategy, which also covers One Stop's own label supply chains, is led by the Group Responsible Sourcing Director, within Tesco's Product division. Overall governance and progress monitoring of Tesco's human rights work, for all markets and subsidiaries, sits with the Board's Corporate Responsibility Committee, which meets three times during the year.

"Responsible Sourcing and Supply Chain" is highlighted as a principal risk within Tesco's overall business wide risk assessment and is reported within the [PLC Annual Report and Financial Statements 2021](#). Responsible sourcing is also a key sub-risk within One Stop's principal risk on Brand, Reputation and Trust. We 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 One Stop Risk and Compliance Committee, on at least an annual basis.

One Stop also has an internal modern slavery working group that meets bi-annually, at a minimum, to monitor progress against our modern slavery strategy. An equivalent working group is in place at Group level and is chaired by the Group Responsible Sourcing Director.



Human rights due diligence.

Risks of modern slavery are dynamic and can change quickly. We recognise this year that both the COVID-19 pandemic and labour market changes linked to Brexit may exacerbate these risks.

Tesco 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 more than fifty internal and external stakeholders. This process covers all One Stop own-label products.

Tesco's 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 conversations, confidential interviews and surveys. Where on the-ground capacity is not available, Tesco work with a range of experienced partners, including consultants and NGOs, who are supported by the Tesco commercial buying and quality teams. In the past 12 months, COVID-19 has hindered Tesco's ability to interface directly with workers and more reliance has been placed on partners who have established networks on-the-ground as well as worker voice technology such as &Wider.

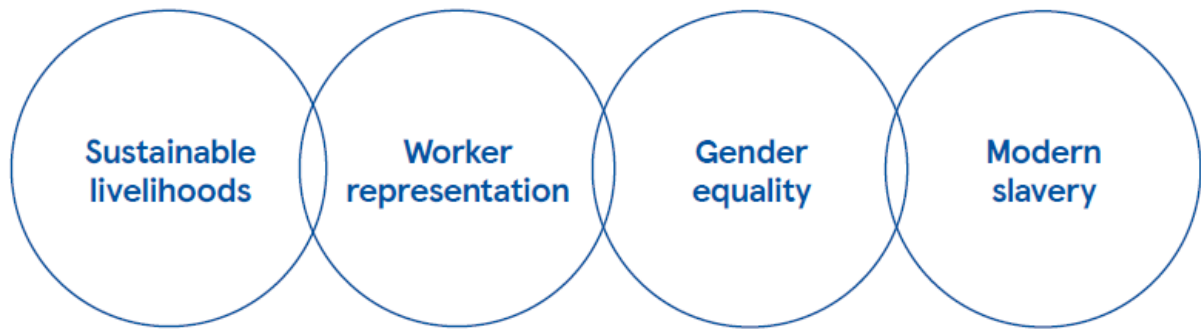
We use the information gathered to continually reassess and respond to the potential and actual risks in our business and supply chains. The learnings from this due diligence framework then inform our human rights strategy.

Our due diligence framework has five stages:



Tesco's human rights strategy was developed in consultation with 25 key stakeholders, including suppliers, academics, NGOs and internal stakeholders. Trade union representatives were also engaged to bring the voice of people in our supply chain to our strategy development.

The strategy identifies four clear focus areas. These areas reflect both salient issues within our supply chains and are aligned with stakeholder priorities. They are:



The Group Human Rights strategy articulates a three-pillar approach to taking action in line with our strategy:

1. **Improve:** Driving improvements to working conditions on sites where we have direct leverage together with our suppliers so that we know we are sourcing from better sites and farms.

2. **Transform:** Where there are complex sector-wide issues we cannot solve alone, we work together with others to drive transformational change by tackling the root causes of endemic issues - focusing especially on worker representation, gender equality, tackling forced labour and sustainable livelihoods.

3. **Advocate:** We collaborate with our peers to advocate for wider change or to influence regulation and legal frameworks where there is a need.

In 2020, Tesco began a review of the group modern slavery strategy to ensure it continued to reflect the learnings from our due diligence framework. A number of key stakeholders were engaged in this process including representatives from the ETI, the Office of the Independent Anti-Slavery Commissioner, the Consumer Goods Forum and key suppliers. The outcome of the review is a stronger approach and includes consideration of the longer-term impacts of the COVID-19 pandemic and labour market changes linked to Brexit on workers in Tesco's own operations and supply chains. The strategy will be published on the Tesco website in spring 2021.

Tackling modern slavery - our business operations.

Most of our colleagues are employed on permanent contracts. The greatest risks of modern slavery exist for workers not in permanent employment for agency workers in our distribution centres.

We have prioritised key business areas 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 operations are:

- Young people who deliver newspapers directly to people's homes
- Franchise stores
- Agency workers in our distribution operations
- Workers providing retail labour services, such as security and cleaning for our offices and stores
- Workers in the construction industry who maintain and fit-out our stores
- Goods Not for Resale manufactured in high-risk countries.

One Stop Own Stores

Most of our store colleagues are employed on permanent contracts. For all direct employees of One Stop, we ensure colleagues have a bank account in their own name into which we will pay their salary. We complete right to work checks and investigate any duplicate bank details.

An area of risk for One Stop's own stores is young people who deliver newspapers directly to customers' homes and who are often under the age of 18. We ensure we comply with all local government guidelines relating to the employment of under 18's, including restrictions on the number of working hours. Signed parental consent is required for us to employ workers under 18. In 2019 and we introduced additional measures to manage the risk related to home news delivery workers including additional training for management on work permit applications for under 18's and enhanced Personal Protective Equipment (PPE). In 2020 we updated our processes to ensure that all Home News Delivery colleagues are paid via bank transfer.

Franchise Stores

For our franchisees, our contracts include a requirement for them to obtain and check right to work documents for all colleagues as well as making a commitment to adhere to the modern slavery legislation (the Modern Slavery Act 2015). To support our franchisees, we provide right to work briefing documents which includes examples of documents that are acceptable evidence. Every quarter, as part of a routine compliance visit, we review these processes in all our franchise stores. In 2020 we

launched e-learning resources for our franchisees as well as other relevant One Stop colleagues outlining our approach to tackling modern slavery and providing tools on how to recognise and respond to risks within our own-operations. New Franchisees are asked to complete the training upon joining One Stop.

Service Providers

This year we also streamlined the number of labour providers we use in our distribution centres and ensured that all providers receive modern slavery training. Over the next 12 months we plan to initiate due diligence visits to our Distribution Centres. Led by trained Group Security and Distribution colleagues, the primary aim of these visits is to speak 1:1 with agency workers to better understand their recruitment journey and experience of being employed at a One Stop site. These visits complement the on-going worker engagement conducted by both our labour providers and on-site supervisors. We had planned to introduce them in 2020 but they were put on hold due to the COVID-19 pandemic and will be relaunched in 2021.

COVID-19 further impacted our approach to managing modern slavery risks within our operations by causing delays to independent ethical audits of goods providers produced in high-risk countries. In 2020, we reviewed our procurement policy to align, where appropriate, our processes to Group Human Rights requirements developed in 2020. Enhanced Human Rights requirements relate to suppliers in key risk areas as described above and include:

- Independent ethical audits, which include 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. This is applicable to or goods not for resale suppliers who produce One Stop branded or products made to our specifications with production in high-risk countries).
- Attendance at tailored modern slavery training hosted by Stronger Together (for labour agencies, store fitting and maintenance service providers, and retail labour service providers such as cleaning and security). This a UK based multi-stakeholder initiative aiming to reduce modern slavery through guidance and training.
- On site due diligence (for example worker interviews) at sites where suppliers provide labour or services.

We had one allegation of non-compliance with agency worker regulations surrounding holiday pay in 2020-21. The allegation was made that some agency workers were not paid in full for their holiday entitlement. The investigation did not identify any indicators of modern slavery, however after a thorough investigation we made the decision to terminate our relationship with the service provider involved.

Unseen partnership.

Tesco continue to work in partnership with the anti-slavery charity Unseen, who run the UK's 24/7 independent and confidential Modern Slavery & Exploitation Helpline. Trained helpline advisors are able to support potential victims of modern slavery as well as offer a way for businesses and the public to raise suspicions or concerns, complementing our own Protector Line. Real-time translation is available in over 180 languages. We expect our primary supplying sites in the UK, as well as our distribution and fulfilment centres, to promote the helpline, enabling us to continue to raise

awareness of modern slavery. In 2020 we promoted the helpline in our distribution centres. Through the Unseen business portal, which provides us with information about concerns reported to the helpline, Tesco gained visibility of eight potential cases linked to supply chains.

Indirect Procurement Human Rights (IPHR) Forum

The IPHR Forum is a group of UK retailers, brands and manufacturers focusing on protecting human rights in goods and services not for resale supply chains. In the past 12 months, the group has continued to facilitate collaborative responses to shared risks relating to labour providers, on-site services and waste management. This included coordinating two virtual sessions, alongside key stakeholders, targeting Warehousing and Logistics and Cleaning providers. The sessions highlight labour risks associated with each sector and drive further dialogue on how best to mitigate risks. Tesco represent One Stop in this forum.

Modern Slavery Intelligence Network

Launched in 2020, Tesco is an active member of the Modern Slavery Intelligence Network (MSIN), a collaboration between a group of leading companies in the UK food sector. The purpose of the MSIN is to develop and trial a structured intelligence sharing mechanism to enhance members ability to:

- Protect workers from exploitation.
- Prevent and disrupt worker exploitation in their supply chains.
- Prepare systems against identified trends.

Companies within the food sector routinely come across intelligence which could indicate modern slavery and, in line with their obligations, should report it to the relevant authorities. Some of this intelligence is sufficient to lead to further action, and some is not - either because it is unsubstantiated or relates to behaviour which, while exploitative, does not clearly constitute a criminal act such as modern slavery as defined.

The rationale for forming an information sharing mechanism between the private company members of the MSIN is twofold: firstly, in some cases unsubstantiated evidence which may not, on its own, be actionable by investigative authorities may, when collated from multiple sources, become actionable by such authorities. Secondly, although practices may not fall within the remit of a statutory investigative authority, it will empower members of the MSIN to take any action deemed appropriate to combat identified risks of worker exploitation. Tesco represent One Stop in this forum.

The MSIN is currently undertaking an 18-month pilot which will include discussions with key stakeholders. At the end of the pilot, a review of impact and effectiveness will be undertaken prior to determining future actions or plans.

Tackling modern slavery - our supply chains.

All One Stop own-label products are sourced from the same suppliers as Tesco UK. One Stop benefits from the wider group's Modern Slavery control framework when it comes to our shared supply chains. For detailed information on these controls including risk assessment, driving improvement through ethical audits, investigating modern slavery risks, advocacy, responsible recruitment, etc., see the section 'Tackling Modern Slavery in Our Supply Chains' in [Tesco's Modern Slavery Statement](#).



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 continue to run targeted e-learning training for the colleagues in our business who have direct contact with workers in our own operations and in our supply chains, including our Area Managers, People Partners, Business Development Managers, and relevant distribution colleagues. Training was also made available to our franchisees. To date we have trained over 130 One Stop colleagues and over 200 Franchisees on modern slavery.

We continue to require all our own label suppliers based in the UK, to attend 'Stronger Together' training. This requirement also includes high risk service providers such as labour agencies and shop fitting and maintenance providers as well as the second-tier suppliers of our key UK food suppliers. Over the past six years, 2,195 representatives from Tesco's 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 529 individuals trained to date



Impact and monitoring.

Tesco have agreed three new Key Performance Indicators for 2021-2023 under the updated group modern slavery strategy. One Stop will also seek to meet these:

By end of	Target	Measure
2021	Zero workers pay for a job in 100% of primary sites in Thailand and Malaysia	% of in-scope sites compliant with the Responsible Recruitment requirements – Thailand and Malaysia This KPI is led at Group level as One Stop products are sourced from the same suppliers as Tesco UK.
	100% priority colleagues ¹ and primary suppliers in the UK trained on forced labour	% of in-scope One Stop colleagues, and Goods for Resale primary suppliers trained in the UK on modern slavery Colleague training is managed within One Stop, while primary supplier training is managed at group level.
2023	Zero workers pay for a job in 100% of primary sites in priority supply chains/regions	% of in-scope sites compliant with the Responsible Recruitment requirements. This KPI is led at Group level.

We will continue to report within this statement on the below additional metrics and measures of success:

Measure	Status 2020- 2021
Number of One Stop colleagues trained on modern slavery	138
Number of One Stop franchisees trained on modern slavery	199
Number of cases with modern slavery indicators in our own operations and in our supply chains	16
Number of modern slavery cases successfully remediated	We did not identify any confirmed cases of modern slavery in 2020-21.

We also monitor progress² against the commitments we make within our Modern Slavery Statement each year.

¹ Priority colleagues defined as One Stop Area Managers, Business Development Managers, People Partners and Distribution Managers.

² Ratings are based on the following: Green – Action fully completed, Amber – Action partly completed, Red – Less than 50% of the action completed

<p>Ensure all relevant colleagues and franchisees complete our Modern Slavery e-learning module</p>	<p>All relevant colleagues (including Area Managers, Distribution Managers, Business Development Managers, People Partners) have completed Modern Slavery Training.</p> <p>199 of 212 franchisees have completed our Modern Slavery Training, and completion is planned or ongoing for the remaining 13 franchise stores.</p>
<p>Identify existing service providers (goods and services not for resale) who are not covered by Tesco's human rights due diligence process and ensure they meet our compliance requirements in our updated procurement policy.</p>	<p>In 2020 we further reviewed Responsible Sourcing requirements (goods not for resale) and engaged suppliers in high-risk categories with regards to attendance of Modern Slavery training and/or SEDEX registration and completion of ethical audits.</p> <p>Some of this work has been delayed by the COVID-19 pandemic. In 2021 we will continue to monitor implementation of the new policy and work with suppliers to address none-compliance.</p>
<p>Introduce due diligence visits at our distribution centres carried out by Tesco's Responsible Sourcing team.</p>	<p>COVID-19 prevented us from conducting these visits. However, we promoted the Modern Slavery & Exploitation helpline in our distribution centres. We are committed to completing due diligence visits in our distribution centres in 2021.</p>
<p>Ensure all payments for home news delivery workers are made by bank transfer.</p>	<p>Since 2020 all our News Home Delivery colleagues, including those under 18, are paid via bank transfer.</p>
<p>Ensure that the independent and confidential modern slavery helpline run by Tesco's partner Unseen is promoted on One Stop Distribution centres.</p>	<p>We now have promoted the Unseen Modern Slavery and Exploitation helpline in One Stop Distribution Centres.</p>

Supply Chains

<p>Improve our visibility and monitoring of sites end to end in Produce (fruit and vegetables) and Protein (meat, fish and poultry) supply chains</p>	<p>We continue to work with colleagues across our Product categories to improve visibility end to end in high-risk supply chains. However, our reporting platforms are yet to be fully populated with end-to-end site data.</p>
<p>Continue to promote 'Stronger Together' training and the Responsible Recruitment Toolkit to UK suppliers, ensuring it reaches lower tiers of our supply chain</p>	<p>We continue to monitor engagement with both 'Stronger Together' and the Responsible Recruitment Toolkit. In 2020 we mandated the completion of the Stronger Together Progress Reporting tool.</p>
<p>Review our approach to managing risk within the Southern Mediterranean, ensuring it continues to respond to the changing environment in which we operate</p>	<p>Review our approach to managing risk within Spain, ensuring it continues to respond to the changing environment in which we operate</p>
<p>Develop detailed Key Performance Indicators relating to our human rights strategy focus areas, and monitor progress with suppliers.</p>	<p>In 2021, we finalised new Key Performance Indicators (KPI's) under each of our human rights strategy focus areas. The KPI's for modern slavery were agreed in consultation with key stakeholders.</p>

In addition to publishing this Modern Slavery statement, as part of Tesco's governance framework we report annual progress on our human rights programme to the Group 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. At group level, we also publicly disclose progress against the human rights commitments in the Tesco Little Helps Plan on an annual basis. One Stop's modern slavery natural work team monitors progress against our commitments.

Plans for 2021/22.

In the next 12 months we will continue to strengthen our approach to managing the risk of modern 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

- Complete additional due diligence visits at our distribution centres carried out by ethical specialists.
- Continue to monitor compliance with our new Human Rights requirements as stated in our updated Procurement Policy, ensuring effective mitigation of risks within our own operations.
- Review and update our Modern Slavery e-learning for colleagues and Franchisees to reflect evolving risks and include new case studies.
- Continue to assess any potential modern slavery risks associated with our expanding online delivery offer.
- Continue to work in collaboration with Tesco, to share insights on emerging risks and best practices.

Our supply chains

- Identify opportunities for enhanced due diligence in UK supply chains, drawing on our learnings from our own operations
- Verify compliance with our Responsible Recruitment Requirements for suppliers in Thailand and Malaysia, providing access to capacity building training and tools where necessary. Identify additional priority supply chains/regions for our Responsible Recruitment Requirements
- Provide additional training to ethical auditors on modern slavery and responsible recruitment
- Commence two further Human Rights Impact Assessments in key supply chains
- Finalise road maps for key priority areas under Tesco's broader human rights strategy.