

Human rights.

Why It Matters.

We're committed to respecting and championing internationally recognised human rights standards in our own business and in our supply chain. With reports of some 40.3 million people still subject to modern slavery and 24.9 million of whom are in forced labour¹, there's still a significant amount of work to do to ensure the rights of people are protected. We aim for all the jobs we create, directly and through our supply chain, to be decent, fair and safe.

Relevant Sustainable Development Goals (SDGs).



SDG 1 No Poverty is focused on ending all forms of poverty. Sustainable livelihoods for workers and smallholder farmers is one of four themes in our human rights strategy. This recognises that, although our trade provides opportunities and employment, there is still poverty associated with many different products and supply chains. Our aim is to ensure the jobs we create provide those in our supply chain with decent wages and incomes to help people and families prosper.



SDG 5 Gender Equality aims to achieve gender equality and women's empowerment. We believe that women must be fairly represented across our workplace and throughout our supply chain. Working directly with suppliers, we are committed to working towards identifying gender equality issues and taking action to mitigate and remediate these issues.



SDG 8 Decent Work and Economic Growth promotes inclusive and sustainable economic growth, full and productive employment and decent work for all. Our human rights strategy addresses this goal, particularly 8.7 and 8.8, focusing on eradicating human rights abuses and promoting decent, fair and safe environments for all, through our four strategic pillars: sustainable livelihoods, worker representation, forced labour and gender equality.



SDG 17 Partnerships for the Goals aims to strengthen global partnerships for sustainable development. We work in partnership with NGOs, suppliers and the wider industry to progress our commitments and build the resilience and sustainability of our business. Examples of this include leveraging our partnership with the World Banana Forum and IDH, enabling us to help banana suppliers close living wage gaps as well as our collaboration with ACT stakeholders to address living wage gaps in the garment industry.

Highlights.

Announced our ambition for at least 30% of supervisory and management roles in our supply chain to be occupied by women by the end of 2025.

Made ground-breaking commitments to support banana producers to pay the living wage to workers.

Launched strategic partnership with IUF to support workers' rights globally.

Maintained our leading position in Oxfam's supermarket scorecard on human rights in supply chains.

¹ Global slavery index

Our Approach.

We are committed to upholding the highest human rights standards to ensure that everyone who works with or for us is treated with dignity and respect, always.

As a leading multinational retailer, our supply chain has a global reach. As a founding member of the Ethical Trading Initiative (ETI) we are committed to upholding the [ETI Base Code](#) across our supply chain. We focus on the most serious risks to workers throughout our supply chain in food, clothing and general merchandise, working transparently with NGOs, unions and others to identify and address these risks. We know that many issues are systemic and that we can't tackle them on our own, which is why we strive to collaborate with others to find ways to address them.

We take our responsibilities seriously, both as an employer and a member of the community.

Our approach is aligned to the [UN Declaration of Human Rights](#), the [International Labour Organization's Core Conventions](#) and the [UN Guiding Principles on Business and Human Rights](#).

We are committed to improving transparency across our supply chain and publish our full list of first tier food and grocery non-food suppliers, including overall supplier names, addresses, countries of origin and workforce numbers.



[Read more about our first-tier food and grocery non-food suppliers here.](#)

Managing risk

Responsible sourcing, including risks associated with exploitation of workers and human rights breaches, forms one of our Group principal risks and is monitored and assessed as part of our risk management framework. Our due diligence process helps to ensure that we are identifying and then focusing our resource in areas of highest risk, wherever this is in the supply chain. Ensuring Human Rights are respected across our clothing and general merchandise supply chains is delivered by dedicated resource based at seven regional Tesco Sourcing offices, in line with the Tesco Group Human Rights approach.

Our due diligence process was developed through consultation with 25 internal and external stakeholders including suppliers, industry bodies, governmental bodies, and civil society groups.

The framework has five key focus areas:

- **Establishing a broad perspective** beyond our immediate business and tier 1 suppliers.
- **Determining our priorities** based on the highest areas of risk.
- **Identifying effective processes** to avoid, reduce and manage risk.
- **Defining key methods** for rectifying abuses and remediating human rights breaches.
- **Developing learning strategies** to consider new information and learn from past performance.



[Read more about our approach to assessing human rights risk here.](#)

Priority areas

Focusing on priority areas identified through our due diligence process, we then seek to work collaboratively with our suppliers, wider industry, civil society and, where appropriate, policymakers to mitigate human rights risks. Actions include:

Tea

Collaborating with the wider industry through our membership of the [Global Tea Coalition](#) to identify, quantify and ultimately close living wage and living income gaps in key sourcing origins.

Bananas

Working with all our banana producers globally, we have shared our new approach and [commitments to close living wage gaps in our UK banana supply chain](#). We continue to identify opportunities to gain visibility and overcome the barriers to increasing wages for workers.

Rice

Exploring opportunities with our suppliers to support the uptake of the Sustainable Rice Standard by farmers in key sourcing regions.

Cocoa

Engaging and assessing cocoa traders on their actions and progress to improve farmer livelihoods through [Retailer Cocoa Collaboration](#)

Coffee

Exchanging good business practice, reporting our certified coffee purchases, driving innovation and joining forces to create a resilient, sustainable coffee industry through our membership of the [Global Coffee Platform](#).

Clothing

Collaborating with stakeholders involved in the ACT initiative (Action, Collaboration, Transformation) to achieve living wages for workers in the global garment industry through collective bargaining at industry level.



[Read more about our approach to Human Rights in clothing and general merchandise supply chain](#)

Taking action and addressing root cause

We recognise that, in many cases, we cannot uphold and raise human rights standards without first addressing the root causes which undermine them. The four themes of our human rights strategy do this by adopting a systemic approach to key human rights challenges:

Sustainable livelihoods: Working with employers, trade unions, and NGOs to identify living wage benchmarks, highlight gaps and act at a local and global level. Actions include:

- Making new commitments to address **closing the living wage gap in our UK banana supply chain**. We are now committed to paying the living wage gap to banana producers equivalent to the volumes we source.
- Working collaboratively with suppliers and the wider industry across our tea, coffee, cocoa, rice and clothing supply chains to **improve the incomes** of workers and farmers.

Modern Slavery: Supporting initiatives that combat modern slavery around the world such as helping migrant workers. Actions include:

- Sharing an **updated modern slavery strategy** that considers the longer-term impacts of the COVID-19 pandemic and labour market changes on workers.
- Agreeing a timebound action plan with all supply chain actors following an independent **Human Rights Impact Assessment (HRIA)** of Tesco's prawn supply chain in Vietnam.
- Continuing to work in collaboration with industry experts to address systemic modern slavery risks through relevant multi-stakeholder initiatives and partnerships such as the Leadership Group of Responsible Recruitment, Issara Institute and Responsible Car Wash Scheme.



[Read more in our Modern Slavery Statement.](#)

Gender equality: Promoting women in leadership positions, equal rights, effective grievance mechanisms and female representation – particularly in regions that lack equality in law. Actions include:

- Working with our direct suppliers towards the ambition for **at least 30% of supervisory and management roles to be occupied by women by the end of 2025**.
- Addressing sexual harassment and discrimination, including supporting the establishment of gender sensitive grievance mechanisms.
- Encouraging women's committees and/or women's participation in elected worker committees, through the dissemination and implementation of new worker representation guidance, and other targeted interventions.
- Addressing gender stereotypes, including investing in training and education for men and women.

Worker representation: Promoting dialogue between trade unions, suppliers, industry organisations, certification & audit companies, and governments to champion workers' rights. Actions include:

- **Launching a new strategic partnership with the global federation of trade unions, IUF** (International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco, and Allied Workers Association). This partnership will help us understand the root causes of systemic issues facing global food supply chains and support workers' rights globally. There will be a specific focus on how women in global food supply chains can benefit from effective grievance mechanisms, freedom of association and trade union representation.
- Engaging strategic suppliers on the importance of worker representation via the ETI resources on freedom of association, collective bargaining and worker representation.



[Read more about how we are acting on human rights here.](#)

Awards and Benchmarks.

Oxfam, Behind the Barcodes

We have maintained first position in Oxfam’s Behind the Barcodes 2022 supermarket scorecard on human rights in supply chains. Largely in recognition of our efforts on grievance mechanisms, establishing our IUF partnership and our advocacy work on gender equality, this year our score increased to 61%.



Corporate Human Rights Benchmark (CHRB)

In 2020 we secured the leading retailer position in the agricultural products benchmark with 21.5/26. The benchmark did not take place in 2021.



World Benchmarking Alliance

The Food and Agriculture Benchmark produced by the WBA assesses 350 keystone companies across the entirety of the food system, from farm to fork. It covers three dimensions where transformation is needed: nutrition, environment and social inclusion. In the 2021 Benchmark we ranked 7th overall and first of the food retailers assessed.



Know the Chain

Know the Chain assesses the 43 largest companies in the food and beverage sector every two years. The 2020 benchmark ranked Tesco first out of the 43 companies with a score of 65/100. The benchmark did not take place in 2021.



Performance.

Company-wide data					
Commitment	KPIs	2018/19	2019/20	2020/21	2021/22
Respecting human rights across the supply chain	Percentage of high-risk tier 1 supplier sites with audits in the last year	98%	97%	97%	95% ^(a)
	Percentage of high-risk tier 1 supplier sites where critical nonconformances (NCs) have been identified.	63%	62%	39%	34% ^(b)
	Percentage of high-risk tier 1 supplier sites that have closed out critical NCs within six months	89%	97%	71%	91%

(a) Ongoing COVID-19 restrictions in some regions have affected 2021/22 audits. In addition, as we saw our audit programme support improvements to working conditions and human rights practices in line with our standards, the frequency of audits at a small number of sites reduced (see methodology section below).

(b) Last year saw a sharp decline in the percentage of high-risk tier 1 supplier sites with NCs identified. This was linked to limitations on the scope and frequency of audits in some locations due to COVID-19 restrictions and this has continued in 2021/22. Further, our enhanced training targeting high and medium-high risk non-food suppliers has helped to lower non-conformances. Where critical non-conformances are identified but remain unresolved to our satisfaction, we make the difficult decision to cease working with such sites.

Methodologies.

How we measure our progress

We track our progress in respecting human rights across the supply chain in a number of ways including audits, supplier and worker engagement, evaluations of the multi-stakeholder initiatives we participate in and independent benchmarks. We focus on three KPIs that track the performance of our high-risk suppliers in meeting our human rights standards. We primarily use the SEDEX Members Ethical Trade Audit (SMETA) to ensure adherence to our standards. SEDEX is a leading online platform for companies to manage and share information aimed at improving working conditions in global supply chains. Enhanced methodology disclosures are included to provide visibility of audit processes.

Tesco uses ethical risk ratings, based on a number of external indices, to identify those sites which are in a high-risk country and require an annual audit.

Tesco accepts four types of audits or certifications:

- SMETA audits conducted by Tesco approved/ recognised auditor(s) employed by Tesco approved/ recognised audit providers
- SA8000 certificate
- Tesco's audit conducted by the Tesco in-house Responsible Sourcing team.
- ICTI Ethical Toys Programme (IETP Certificate)

A brief description on each of the three methodologies for our KPIs can be found below.

Percentage of high-risk tier 1 supplier sites with audits in the last year

Defined by tier 1 suppliers (those that supply directly to Tesco UK, ROI and Central Europe) operating in countries identified as "high-risk countries" by the Food Network of Ethical Trade (FNET) or other country risk ratings. SEDEX Members Ethical Trade Audits (SMETA) are conducted annually – where suppliers are required to resolve all non-compliances outlined in a corrective action plan report to ensure compliance with ETI Base Code and local law. We also accept the three alternative audits/certifications listed above. Sites with no NCs identified in their last two annual audits may be granted a reduced audit frequency of every two years.

Data is collected monthly as part of the compliance reporting via the SEDEX Advance system for SMETA audit and SA8000 and IETP Certificates. This process covers both food and non-food suppliers.

Percentage of high-risk tier 1 supplier sites where critical non-conformances (NCs) have been identified

Defined by tier 1 suppliers (those that supply directly to Tesco UK, ROI and Central Europe) where critical NCs were identified through the SMETA audit conducted (or other accepted alternative certifications and audits as previously listed). We require critical NCs to be reported immediately and monitor their closure within stipulated timelines, depending on the nature of the non-conformance.

Percentage of high-risk tier 1 supplier sites that have closed out critical NCs within six months

Defined by tier 1 suppliers (those that supply directly to Tesco UK, ROI and Central Europe) where NCs were addressed within six months of the SMETA audit (or other accepted alternative certifications and audits as previously listed). We exclude sites from our calculations where six months has not elapsed since the audit date, therefore the data relates to sites audited during the first six months of the year. Outside of this calculation, all critical NCs are monitored to ensure they are closed out.

All critical NCs must be addressed as soon as possible and some can be fixed immediately e.g. fire exit routes unblocked. For more complex NCs we require a track record of improvement to be established over a couple of months e.g. a sustained change to working hours. These then need to be independently verified. We therefore apply the six-month remediation of critical NCs as the outer time limit.

Looking ahead.

The COVID-19 pandemic has impacted our suppliers in many ways exacerbating human rights issues already in place, creating new levels of vulnerability for the most at-risk groups and compounding poverty related issues. We will continue to focus on high-risk supply chains, upholding our audit programme and addressing root causes, to raise standards and protect human rights.

Commitments and targets

Sustainable Livelihoods:

We are committed to identifying living wage and income benchmarks and targeting action in our priority supply chains. For example, from January 2024, we will only source from banana producers who pay a living wage to all workers no matter the volumes sourced by Tesco.

Modern slavery:

We are committed to tackling modern slavery and working with our suppliers to verify that zero workers' pay for a job in 100% of primary sites in Thailand and Malaysia by the end of 2022. We are also expanding our training to further teams in 2022, prioritising colleagues who are likely to come across potential instances of exploitation within our supply chains.

Worker representation:

We are committed to working to remove barriers to effective worker representation in our supply chains, in 2022 we will be supporting the development and implementation of online supplier training aimed at increasing the number of effective worker committees in UK and global food supply chains. This project will be coordinated by the Food Network for Ethical Trade (FNET) and implemented in collaboration with other retailers and industry stakeholders.

Gender equality:

We are committed to identifying gender equality issues in our operations and supply chain and working to mitigate and remediate these. We will be developing mentoring and training programmes that support women to fulfil their potential in accessing leadership positions. Our ambition is for our direct suppliers to have at least 30% of supervisory and management roles be occupied by women by the end of 2025.

Read more about our approach

More Information

[Human rights overview](#)

[Human rights in the supply chain: Sustainable livelihoods](#)

[Human Rights in the supply chain: Forced labour](#)

[Human Rights in the supply chain: Gender equality](#)

[Human Rights in F&F and GM](#)

Policies

[Human Rights policy](#)

[Human Rights Requirements for Food and Grocery Suppliers](#)

[Modern Slavery Statement](#)

Supply chain transparency

[Primary first-tier food suppliers](#)

[Primary first-tier clothing suppliers](#)

[Global tea suppliers](#)

Benchmarks

[Corporate Human Rights Benchmark](#)

[Oxfam Behind the Barcodes](#)

[Know the Chain](#)

Highlights of our journey to date.

