

# Modern Slavery Statement: One Stop Stores

2019/20

# Contents

---

Introduction ..... 2

Our business and supply chain ..... 3

Policies in relation to modern slavery ..... 4

Human Rights due diligence ..... 6

Tackling modern slavery - our business operations ..... 8

Tackling modern slavery - our supply chains ..... 11

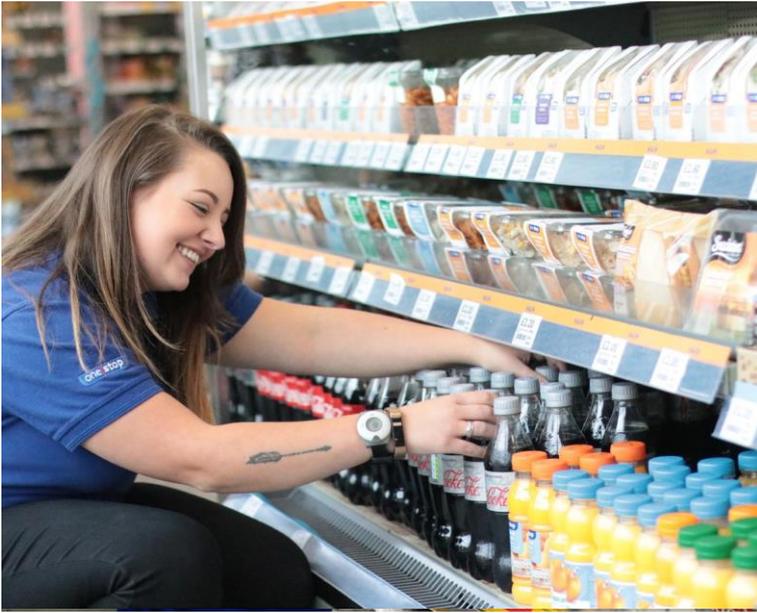
Awareness raising and capacity building ..... 14

Impact and monitoring ..... 15

Plans for 2020/21 ..... 16

# 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. 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 22<sup>nd</sup> February 2020 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 2017, we have gained greater insight into risk and trends relating to modern slavery that have enabled us to strengthen our approach. Over the past 12 months we have:

- Launched One Stop Modern Slavery training and equipped more of our colleagues, franchisees and suppliers with the necessary training and tools to identify and take action to prevent the risk of modern slavery
- Consolidated our use of staffing agencies and ensured all our agencies have undertaken appropriate training on Modern Slavery
- Introduced additional controls in relation to our Home News Delivery workers
- Established a One Stop modern slavery natural work team responsible for monitoring emerging risks and reviewing progress against our commitments.
- Obtained greater visibility of where recruitment fees are currently being paid by workers in our supply chains, launching a new policy to address this.

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

**This statement was approved by Jonny McQuarrie, Managing Director of One Stop.**

A handwritten signature in black ink, appearing to read 'Jonny McQuarrie'. The signature is fluid and cursive, written in a professional style.

25 June 2020

# Our business and supply chain

---



One Stop Stores Limited is a retail convenience business with 697 company operated neighbourhood stores and over 190 franchisees 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.

One Stop has over 11,400 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. Through our human rights strategy, 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.

# Policies in relation to modern slavery

---

One Stop is committed to upholding human rights. 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 Tesco Group Code of Business Conduct outlines the principles regarding how we conduct ourselves as a business. It incorporates our responsibility to respect the human rights of our colleagues, our customers, and those who work throughout the supply chain. Tesco Group is a founding member of the Ethical Trading Initiative (ETI). The Code of Business Conduct sets out how we use their Base Code as a mechanism to promote better and more consistent global labour standards in our supply chains. The first clause of this Base Code is that all employment be freely chosen.

In 2018/19 we launched a free, independent, and confidential ‘Protector Line’ 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. We take any breach of our policies or allegations of labour abuse extremely seriously. We provide independent and confidential ‘Protector Lines’ that enable our colleagues, suppliers and their staff around the world to raise concerns. In 2019 Tesco Group began a review of the accessibility and effectiveness of these lines for our most vulnerable workers which will we conclude in Spring 2020.

One Stop specific employee policies are available on the One Stop learning platform and colleague engagement app. Tesco Group policies are available on the One Stop shared drive.

As part of its membership in the Consumer Goods Forum (CGF), Tesco Group 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. Tesco 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**

As members of the Institute of Human Rights and Business Responsible Recruitment Leadership Group, Tesco Group also actively supports the Employer Pays Principle that ‘No worker should pay for a job

# Policies in relation to modern slavery

---

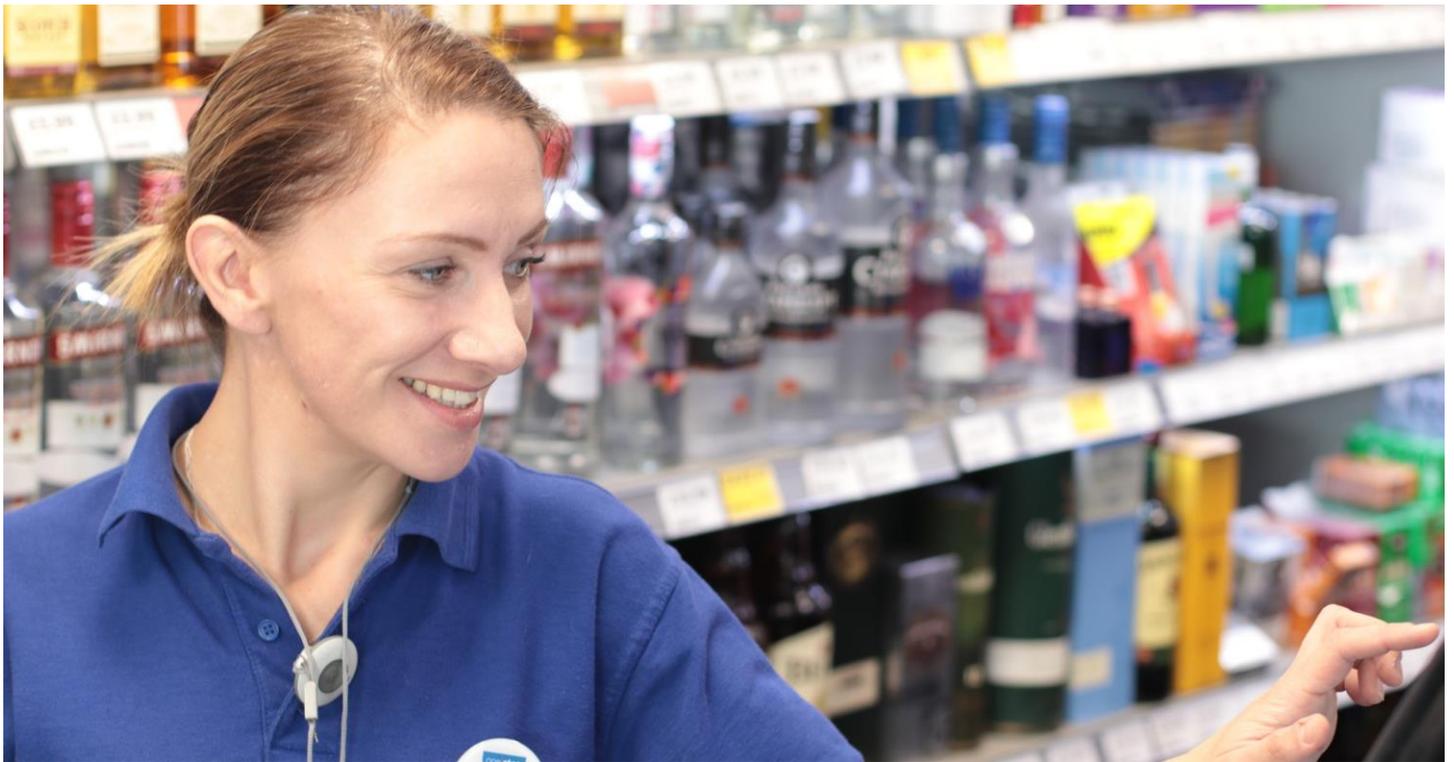
- the costs of recruitment should be borne not by the worker but by the employer.’

## Governance

Tesco’s supply chain 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. Governance and progress monitoring of Tesco Group’s 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 Tesco’s overall business wide risk assessment and is reported within the Group’s [2019/20 Annual Report](#). Responsible sourcing is also a key sub-risk within One Stop’s principle 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 Committees, on at least an annual basis.

In 2019 we established an internal modern slavery working group that meets quarterly, 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.



# Policies in relation to modern slavery

---

Risks of modern slavery are dynamic and can change quickly. Tesco Group 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 we do not have on-the-ground capacity, we work with a range of experienced partners, including consultants and NGOs, who are supported by Tesco's commercial buying and quality teams.



# Human Rights due diligence

---

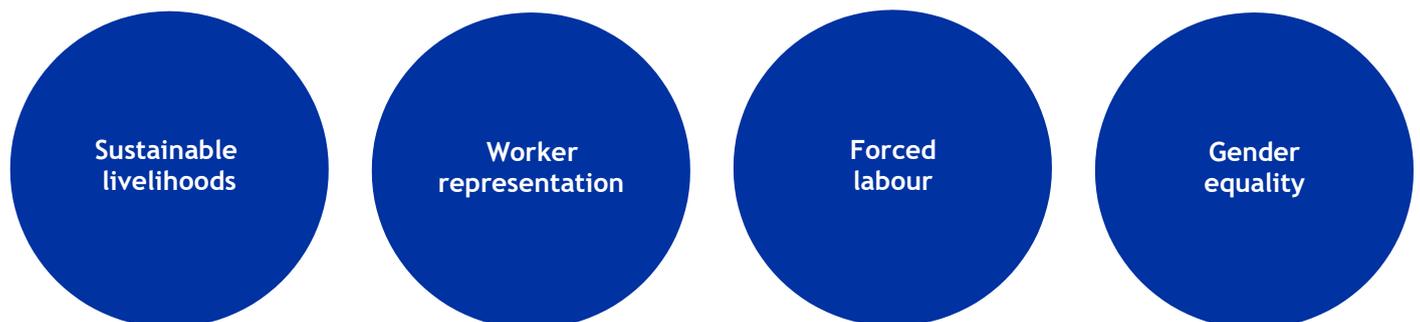
We use the information gathered to continually reassess and respond to the potential and actual risks in our business and supply chains.

Our due diligence framework has five stages:



In 2018 Tesco conducted a full review of our group human rights strategy to ensure it continued to reflect the learnings from our due diligence framework. 25 key stakeholders, including suppliers, academics, NGOs and internal stakeholders were engaged. Trade union representatives were also involved to bring the voice of people in our supply chain to our strategy development.

The outcome of the review was a stronger Group strategy (which also covers One Stop own label) based on four clear focus areas. These areas reflect both salient issues within our supply chains and are aligned with stakeholder priorities. They are:



In our Group human rights strategy, we have also rearticulated our three-pillar approach to acting in line with our strategy:

**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

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

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

# Tackling modern slavery - our business operations

---

Our approach to managing risk in our own business operations has 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, our visibility of the service provider and country of production (where applicable).

Subsequently, our focus areas in our business operations over the past 12 months have been:

- Young people who deliver newspapers directly to people's homes
- Franchise stores
- Goods and services not for resale, including agency workers and security and cleaning providers.

## One Stop Own Stores

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

Our recruitment process includes right to work checks. 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 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.

Over the past 12 months we have 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 order to further reduce risks, we are now ensuring that all Home News Delivery colleagues are paid via bank transfer. The roll-out of this will conclude in 2020, following relaunch of our Home News Delivery services.

## 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 spring 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.

## Service Providers

Over the past 12 months we have reviewed our due diligence of providers of goods and services not

# Tackling modern slavery - our business operations

---

for resale into One Stop and identified where there were potential gaps in our approach. The review covered key risk areas, including:

- Agency workers in our distribution centres and at Post Office counters
- Workers in security and cleaning roles within our offices and stores
- Maintenance workers who re-develop and maintain our stores
- Suppliers of goods not for resale

We updated our due diligence process to align with the outputs of Tesco's review of due diligence in their own operations. This consultation engaged key suppliers, colleagues and industry experts.

We have now launched our updated procurement policy including new Human Rights requirements for suppliers of goods and services not for resale, focusing on the risk areas identified above. The updated policy requires:

- Annual ethical audits of manufacturing sites in high risk countries;
- Attendance at tailored modern slavery training hosted by Stronger Together. This is a UK based multi-stakeholder initiative aiming to reduce modern slavery through guidance and training; and/or
- On site due diligence (for example worker interviews) at sites where suppliers provide labour or services.

This year we also streamlined the number of labour providers we use in our distribution centres and ensured that all providers have received 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.

## Unseen Partnership

Tesco Group continue to work in partnership with Unseen, who run the UK's 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 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. Through the Unseen business portal, Tesco have gained visibility of 5 potential cases relating to supply chains.

# Tackling modern slavery - our business operations

---

## Indirect Procurement Human Rights (IPHR)

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 sought to facilitate collaborative responses to shared risks relating to labour providers, on-site services and waste management. Tesco Group represent One Stop in this forum.



# Tackling modern slavery - our supply chains

---

As all One Stop own-label products are sourced from the same suppliers as Tesco UK, most of the content in this section of our statement refers to actions taken by Tesco and is relevant to our shared 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. 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.

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 ETI, 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, and we review all credible investigations relevant to our business and supply chains.

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.

## Improve

### Ethical audits

For the supply chains of Tesco UK and One Stop stores, we require all direct supplier sites (known as ‘Tier 1’ sites) in high risk countries to have a human rights 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 ETI. 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 Tesco’s Responsible Sourcing specialists or independent auditors who 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 ETI 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. Tesco Group work hard to uncover all possible issues, and in 2019/20 critical non-conformances were identified at 61.6% of primary high-risk supplier sites. The most common of these were excessive working hours and inadequate health and safety practices.

As part of their contracts, suppliers are required to ensure all non-conformances are fixed, with critical

# Tackling modern slavery - our supply chains

---

issues needing immediate action. Suppliers are supported to address these issues by expert Tesco teams and a follow-up audit is conducted by the 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.

Over the full year 2019/20 97.1% of the primary high-risk supplier sites where critical non-compliances were identified had resolved these by the year end. For the remaining sites, we continue to work with them to close the issues quickly as long as they demonstrate 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 Tesco exited 42 supplier sites and temporarily suspended 89 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. Analysis of our audit data helps us identify where a different approach is needed.

## **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 through Protector Line, the Unseen Modern Slavery helpline, supplier visits and other channels, there have been 16 incidents with potential indicators of modern slavery in Tesco's supply chains. Concerns were escalated and investigated as necessary. Tesco worked with suppliers to ensure corrective actions are implemented (see Tesco Modern Slavery Statement for further detail).

## **The role of certification**

We work hard with suppliers to obtain visibility of supply chains beyond our first tier. 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 it is an important step to ensuring minimum standards are met.

Tesco is the UK's leading retailer of seafood from fisheries certified by the Marine Stewardship Council (MSC) and has an active relationship with the MSC. Over the past 12 months, as they reviewed their standard, Tesco has been engaging with them to include provisions relating to human rights and the introduction of a requirement for certified fisheries to report on their activities to mitigate risks of forced and child labour.

## **Purchasing Practices**

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 Tesco's

# Tackling modern slavery - our supply chains

---

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.

## **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.

## **Food Network for Ethical Trade (FNET)**

Tesco, together with 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 focusing on Responsible Recruitment, where members seek to map recruitment fees in key supply chains and seek alignment on due diligence.
- Engagement - engaging stakeholders along the supply chain to understand modern slavery and human rights risks and the steps required to tackle them. 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.

Feedback on the effectiveness of the network can be found [here](#).

## **Migrant labour in the Southern Mediterranean**

Tesco Group have continued to review their approach to monitoring human rights risks within the Southern Mediterranean. As elsewhere, we know 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 ETI Working Group for Italian Agriculture. This group is currently seeking to establish a grower forum for producers to share best practice in tackling labour risks. Our key supplier of canned tomatoes is engaged in this group. Learnings are also being taken from a recent Human Rights Impact Assessment led by the Finnish retailer S Group and Oxfam.

Alongside other UK retailers and importers, we also continue to support the Spanish Ethical Forums, attended by our first-tier suppliers and growers. 8 forums were held in Spain over the past 12 months, with the aim to raise awareness of labour issues within our supply base. Working groups to complement the forums were also established, with 23 meetings held in three key sourcing regions in the past year.

# Tackling modern slavery - our supply chains

---

The working groups have developed tools to support growers in the region, for example the launch of accommodation guidance.

## **Working collaboratively to end forced labour in the palm oil sector**

In 2019, as a member of the Consumer Goods Forum (CGF), Tesco has continued to support the implementation of the CGF Palm Oil Action Plan. In line with the Action Plan and our commitment to embed the Industry Priority Principles in our operations, as a member of the Palm Oil Transparency Coalition (POTC), we have strengthened our annual assessment criteria of the palm oil importers in our supply chain regarding the implementation of their policies against forced labour and exploitation. Tesco Group use the annual POTC assessment results to engage with our key importers and to take action to support faster industry progress to end exploitation in the palm oil sector.

## **Issara Institute**

Issara Institute is an independent NGO based in Southeast Asia tackling issues of human trafficking and forced labour through worker voice, partnership, and innovation. Our continued partnership with Issara Institute ensures our highest risk supply chains in Thailand are monitored independently, alongside those of other Issara partners. The Issara Institute currently works with our suppliers in the poultry and canned food 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 implementing innovative projects on ethical recruitment and fishing vessel labour standards, which a number of our suppliers engage with.

## **Women, Children and Families in Assam, Commitment with UNICEF**

Assam is one of our most important tea growing areas, but the large communities involved in tea in this region - one of the poorest in India - face deep-rooted challenges, including the risk of women and children being targeted by traffickers. Tesco continues to fund the Assam Transforming Lives Programme in partnership with UNICEF, the Ethical Tea Partnership and other key stakeholders. To date 35,000 adolescent girls and young women in the tea growing regions of Assam have been equipped with the skills and knowledge to protect themselves from various forms of harm, including child marriage and child trafficking. The programme is currently being scaled up to encompass adolescent boys, an essential area of development to change gender norms for the next generation. To date the programme is directly and indirectly improving the lives of an estimated 250,000 women, girls and boys living in Assam. Its reach spans more than a quarter of all tea estates in Assam, and it is the biggest programme of its kind, encompassing child protection communities, better services for mothers and new-born babies, improved nutrition, provision of sanitation and hygiene facilitates and access to education.

## **SEA Alliance**

Tesco's Head of Human Rights for Food became chair of the Seafood Ethics Action Alliance in 2019 - a group of retailers, brands and fish processors working together to better understand human rights risks in seafood supply chains, and to work pre-competitively on responses where possible. The ILO has highlighted fishing as one of the most high-risk sectors for forced labour. The group's 2020 work plan includes undertaking enhanced due diligence in high-risk fisheries, identifying opportunities to advocate to Governments to improve working conditions in the global fishing sector, and promoting the implementation of the Employer Pays Principle.

# Tackling modern slavery - our supply chains

---

## Responsible Recruitment

We recognise that debt bondage caused by excessive recruitment fees charged to workers can lead to situations of forced labour. As members of the Institute of Human Rights and Business Leadership Group for Responsible Recruitment Tesco Group have committed to 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. Tesco is working to operationalise this commitment and has supported the development of revised reporting metrics for the Leadership Group to enable us to better monitor progress on this topic. Recognising the risk of excessive recruitment fees is greatest in Asia, Tesco launched new requirements for UK/ROI suppliers in Thailand and Malaysia to embed the Employer Pays Principle within our supply chains there. In July 2019 Tesco, and other members of the Leadership Group, also met with representatives from the Royal Thai government to explore opportunities for improved support for migrant workers particularly during recruitment processes into Thailand.

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 launched 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.

We continue to require all our own-label product suppliers based in the UK to attend 'Stronger Together' training. This requirement now also includes high risk service providers such as labour providers and the second-tier suppliers of our key UK food suppliers. Over the past six years, 1,696 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 448 individuals trained to date.



# Impact and monitoring

In addition to publishing this Modern Slavery statement, as part of Tesco Group’s governance framework we report annual progress on our human rights programme to the Tesco 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. No human rights incidents were reported in relation to One Stop’s own operations in 2019/20. 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 working team monitors progress against our commitments.

We monitor data regarding the training of our colleagues and franchisees on modern slavery. This year we trained 115 One Stop colleagues and 95 franchisees on modern slavery.

We also monitor progress<sup>1</sup> against the commitments we make within our Modern Slavery Statement each year.

## Own business and operations

Provide further modern slavery training to relevant colleagues, for example, One Stop Business Development Managers, People Partners, Area Managers and Distribution Centre Managers.	We launched a One Stop modern slaving e-learning training for relevant colleagues. Over 115 colleagues have completed the training.
Identify One Stop suppliers not contracted by Tesco and agree additional compliance checks needed in line with Tesco’s Human Rights due diligence process.	We updated our procurement guidelines to enhance due diligence for suppliers not covered by Tesco. This focused on suppliers of goods and services in high risk categories.
Develop guidelines for our franchisees outlining our approach to modern slavery, to be issued with the franchise agreements.	Contracts with our franchisees include a requirement to comply with Modern Slavery legislation. We launched a One Stop modern slavery training, which is available to our franchisees. Over the past 12 months 95 franchisees completed the training.
Review our current checks and processes around worker welfare.	We introduced the requirement for due diligence visits to our Distribution Centres. Visits will be led by trained Group Security and Distribution colleagues and will commence in 2020.
Introduce seven measures to manage the risk related to Home News Delivery workers, including manager training on young people’s work permit applications and payment of wages via bank transfer for colleagues under 16.	We introduced several changes in relation to our home news delivery workers including additional training for management and the initiation of a new a process to ensure that all under 16 colleagues are paid via bank transfer.
Assess the need for agencies used in One Stop specific distribution centres to go through Tesco’s ethical audit programme and attend Stronger Together training.	We streamlined our use of labour providers and launched an updated procurement policy including Human Rights requirements for suppliers of goods and services not resale. This includes the expectation that all agencies undertake appropriate training on Modern Slavery.
Establish a One Stop modern slavery natural work team, that will monitor emerging risks and review progress against our commitments.	A One Stop modern slavery natural work team is in place and meets quarterly.

## Supply Chains

<sup>1</sup> Ratings are based on the following: Green – Action fully completed, Amber – Action partly completed, Red – Less than 50% of the action completed.

# Impact and monitoring

<p>Obtain greater visibility of where recruitment fees are being paid by workers in key supply chains and work with suppliers and relevant industry bodies to address this</p>	<p>Through both the FNET and Thai Poultry working groups we were able to obtain a greater understanding of where recruitment fees are occurring. We have now launched additional requirements for suppliers on Responsible Recruitment as well as promoting relevant training and tools.</p>
<p>Ensure modern slavery training reaches priority supply chains beyond first tier</p>	<p>We actively encouraged growers in the UK and South Africa to attend ‘Stronger Together’ training. This year we have also promoted training to labour providers in our UK supply chains.</p>
<p>Pilot tools and methods that are more effective than audits in identifying modern slavery risks</p>	<p>At group level we have actively promoted the Responsible Recruitment Toolkit and continue to encourage use of the Stronger Together Progress Reporting Tool. We also utilise the Unseen business portal in order identify and mitigate potential cases of modern slavery, in collaboration with other members.</p>
<p>Work with the Responsible Recruitment Toolkit and the other sponsor companies to increase the reach and accessibility of the toolkit</p>	<p>We have continued to promote the Toolkit and the complementary training to all UK suppliers. From the 2020 financial year access to the toolkit will be free for all our suppliers.</p>
<p>Carry out Human Rights Impact Assessments (HRIA) 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.</p>	<p>We are carrying out our first Human Rights Impact Assessment in the Vietnamese Prawn supply chain, the results of which we will receive in May 2020. We are in the process of identifying other areas where it is appropriate for a HRIA to be conducted.</p>

# Plans for 2020/21

---

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

- Ensure all relevant colleagues and franchisees complete our Modern Slavery e-learning module.
- Identify existing service providers (good 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.
- Introduce due diligence visits at our distribution centres carried out by Tesco's Responsible Sourcing team.
- Ensure all payments for home news delivery workers are made by bank transfer.
- Ensure that the independent and confidential modern slavery helpline run by Tesco's partner Unseen is promoted on One Stop Distribution centres.

## Our supply chains

- Improve visibility and monitoring of sites end to end in Produce (fruit and vegetables) and Protein (meat, fish and poultry) supply chains
- Continue to promote 'Stronger Together' training and the Responsible Recruitment Toolkit to UK suppliers, ensuring it reaches lower tiers of our supply chain
- Review the group's approach to managing risk within the Southern Mediterranean, ensuring it continues to respond to the changing environment in which we operate
- Develop detailed Key Performance Indicators relating to our human rights strategy focus areas and monitor progress with suppliers.

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.