

TESCO EXTERNAL REQUIREMENT

Title: Human Rights requirements for Group Procurement	
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Document Overview

This document details Tesco’s human rights approach for suppliers into UK/ROI Group Procurement. This includes details of where we require ethical audits and where we expect suppliers to take additional steps to protect workers in our supply chains.

Market Of Sale	Business Unit
United Kingdom	Group Procurement
Republic of Ireland	

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1. Purpose & Scope

This document details Tesco’s human rights approach for suppliers into UK/ROI Group Procurement. Adherence to these requirements is a condition of supply to Tesco. Suppliers and in scope sites are expected to read and implement the requirements, in addition to ensuring they, and any sub-contractors, are compliant with the [ETI base code](#) and the [Employer Pays Principle](#). **Suppliers must inform Responsible**

Sourcing, Tesco of any Human Rights concerns or allegations against their organisation or supply chain as soon as they are made aware.

Tesco's human rights programme is embedded throughout our operations and is fundamental to the promise we make to our customers to source our products responsibly. We are committed to upholding human rights and fully support the [UN Universal Declaration of Human Rights](#), the [International Labour Organization Fundamental Principles and Rights at Work](#), the [UN Guiding Principles on Business and Human Rights](#) and the [UN Global Compact](#). For more detail about how we work, please refer to on [our approach to human rights](#) in our supply chain.

2. Detailed Requirements

2.1 Risk Assessment

We take a risk-based approach to determining the human rights requirements of our suppliers. Our due diligence process identified four key areas of focus:

- Sites manufacturing Goods Not For Resale in high risk countries
- Construction and Fit-out suppliers
- Labour providers
- Catering, Cleaning Security, Stocktaking and Merchandising suppliers

There are no specific requirements for Group Procurement suppliers that do not fall under these categories, beyond a commitment that they and any sub-contractors adhere to the ETI Base Code and 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.*

We expect suppliers or sites who employ temporary or agency labour to ensure (at minimum):

- Worker are not charged and fees or costs as part of the recruitment process
- Relevant members of staff have been trained in spotting the signs of Modern Slavery
- Modern Slavery is covered in worker inductions
- The [Modern Slavery helpline](#) is promoted to workers.

All suppliers into Tesco are eligible for a free place at Stronger Together [Tackling Modern Slavery in UK Businesses](#) training.

2.1 Goods Not For Resale

This section applies to any Goods Not For Resale supplier registered on Tesco Quality Connect (TQC). Goods Not For Resale suppliers not registered on TQC are not in scope for these requirements.

Goods Not For Resale suppliers with a manufacturing site in high risk country (see Appendix) must:

- Insert the correct Sedex site code (ZS) onto TQC.
- Be registered on Sedex with a completed Self-Assessment Questionnaire (SAQ).
- Suppliers must link to the Tesco Group Procurement Retail (Consumable Products), ZC1092704 or Tesco Group Procurement Property, ZC1092713 on Sedex.
- Suppliers are required to update their SAQ when business changes occur.
- Undertake a SMETA audit on an annual basis. We also accept SIZA in South Africa and SA8000 in all regions excluding Latin America. See sections 2.6 – 2.8 for further information on audits.

All UK based suppliers must:

- Attend Stronger Together [Tackling Modern Slavery in UK Businesses](#) training. Suppliers into Tesco receive 1 free place.

Any site supplying Tesco may be subject to an unannounced ethical audit at any time, regardless of country risk rating or TQC registration.

2.2 Construction and Fit-out

All UK based Construction and Fit-out suppliers must:

- Attend either [Tackling Modern Slavery in the Construction Sector](#) or [Tackling Modern Slavery in UK Businesses](#) training provided by Stronger Together. Suppliers into Tesco receive 1 free place.

Suppliers should refer to the Stronger Together website to determine which training is most appropriate for their business.

We expect suppliers to ensure adequate due diligence is conducted of sub-contractors used in Tesco supply chains. Sub-contractors are also eligible for 1 free place at Stronger Together training.

2.3 Fulfilment

All labour providers into Fulfilment must:

- Be registered on Sedex with a completed Self-Assessment Questionnaire (SAQ).
- Suppliers must link to the Tesco Group Procurement Distribution, ZC1092006 on Sedex.
- Suppliers are required to update their SAQ annually, or when business changes occur.
- Undertake a SMETA audit on a biennial basis. See sections 2.6 – 2.8 for further information on audits. We also accept Clearview certification as an alternative to SMETA.

- Attend Stronger Together [Tackling Modern Slavery in UK Businesses](#) training. Suppliers into Tesco receive 1 free place.
- Register for free 'Plus' subscription of the [Responsible Recruitment Toolkit](#) (RRT) using Access Code FSCP2020 and utilise the self-assessment tool. Suppliers into Tesco receive 1 free place.
- Attend either the [Introduction to Responsible Recruitment](#) or [Eliminating Worker Paid Recruitment Fees training](#), hosted by RRT.
- Notify Tesco of their Modern Slavery lead and ensure they have a sufficient Modern Slavery strategy in place.
- Submit working hours data to Tesco Ethical Support on a weekly basis.
- Attend bi-annual meetings with Tesco Responsible Sourcing and Group Procurement, to include updates on:
 - Approach to improving worker welfare and managing modern slavery risk
 - Any live investigations
 - Outcomes of worker engagement
 - Progress as captured in the RRT Progress Reporting Tool
 - Any open non-conformances from current SMETA audit

Tesco may conduct due diligence at sites where suppliers provide labour or services. This may result in us requesting information relating to workers and risk management. Any request for information must be responded to within 24 hours.

2.4 Retail Labour Services

Catering, Cleaning, Security, Stocktaking and Merchandising suppliers into Retail Labour services must:

- Be registered on Sedex with a completed Self-Assessment Questionnaire (SAQ).
- Link to the Tesco Retail Labour Services, ZC1092312 on Sedex.
- Update their SAQ annually, or when business changes occur.
- Undertake a SMETA audit on a biennial basis. See sections 2.6 – 2.8 for further information on audits.
- Attend Stronger Together [Tackling Modern Slavery in UK Businesses](#) training. Suppliers into Tesco receive 1 free place.
- Register for free 'Plus' subscription of the [Responsible Recruitment Toolkit](#) (RRT) using Access Code FSCP2020 and utilise the self-assessment tool.
- Attend either the [Introduction to Responsible Recruitment](#) or [Eliminating Worker Paid Recruitment Fees](#) training, hosted by the RRT. Suppliers into Tesco receive 1 free place.
- Notify Tesco of their Modern Slavery lead and ensure they have a sufficient Modern Slavery strategy in place.
- Conduct annual worker satisfaction surveys and share outputs with Tesco.
- Attend (where requested) bi-annual meetings with Tesco Responsible Sourcing and Group Procurement, to include updates on:
 - Approach to improving worker welfare and managing modern slavery risk
 - Any live investigations
 - Outcomes of worker engagement

- Progress as captured in the RRT Progress Reporting Tool
- Any open non-conformances from current SMETA audit

Tesco may conduct due diligence at sites where suppliers provide labour or services. This may result in us requesting information relating to workers and risk management. Any request for information must be responded to within 24 hours.

Suppliers with a spend of less than £100,000 with Tesco should consult the Responsible Sourcing team to agree their requirements.

2.6 Ethical Audit requirements

- Audits must be conducted on a semi-announced basis, at any point within a 3-week window, excluding in Latin America and South Africa where announced audits are accepted.
- Audits must be conducted when the supplier or site are fully operational and when the largest number of workers are present. If a manufacturing site supplies more than one product to Tesco with different peaks, the audit window should align with the product with the largest worker numbers.
- For new manufacturing sites, the audit must take place before supply. The audit does not need to be at peak production but there must be activity on site that is linked directly to the product that will be sourced. All critical or business critical issues must be resolved before commencing supply.
- For new service labour providers, the audit must be booked prior to the contract commencing.
- Audits must be conducted by an audit body recognised by Tesco for ethical auditing in the relevant country. Details of these can be found in 80045(a) on TQC.

2.7 Audit reports and corrective actions

At the end of the audit a 'Corrective Action Plan Report (CAPR)' will be initiated by the auditor and discussed with the site/supplier representatives. This is a high-level list of actions that need to be undertaken, the timescales for completion, and an indication of whether a follow-up visit is required to verify progress.

The audit body is required to upload the ethical audit report onto Sedex within a maximum of 28 days. It is the responsibility of the primary supplier to monitor this and ensure that full visibility rights are given to all stakeholders in their supply chain. **We expect our suppliers to immediately alert Tesco when they become aware of any critical or business critical non-conformances in either their own operations or a site in the Tesco supply chain.**

Critical or business critical non-conformances must be closed out within the time frame agreed with the auditor, including undertaking a follow-up audit if required. Any critical or business critical non-conformances identified during a pre-supply audit must be addressed before commencing supply and verified as soon as possible. It is the responsibility of the primary supplier to manage this process.

Production/supply for Tesco may be suspended, delayed or ultimately cancelled if timely and satisfactory action or progress is not taken.

Further information on SMETA audits can be found in the [SMETA Guidance document](#).

2.8 Recognised audit bodies

We only recognise certain independent audit bodies and auditors to conduct ethical audits within our supply chain. This gives us the reassurance that the audit is of sufficiently high quality to identify non-compliances and verify remediation.

Please refer to 80045(a) on TQC for the current list of recognised audit bodies and the regions for which they are recognised.

3. Roles and Responsibilities

Role	Responsibility
Supplier/Site	Suppliers and sites are expected to read and implement the requirements, in addition to ensuring they, and any sub-contractors, are compliant with the ETI base code. Suppliers must inform Tesco of any Human Rights concerns or allegations against their organisation or supply chain as soon as they are made aware.
Tesco Group Procurement	Group Procurement colleagues are responsible for ensuring all suppliers/sites are compliant with the policy.
Responsible Sourcing Manager	To provide support where serious issues are identified. To provide clarification on the policy, where Group Procurement are unable to do so.
Responsible Sourcing Advisor	To report on compliance with the policy and circulate to Group Procurement. To assist where there are challenges with non-compliance and or closure of non-conformances.

4. Glossary

Acronym	Definition
ETI	The Ethical Trading Initiative (ETI) is a leading alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe. The ETI Base Code is founded on the conventions of the International Labour Organisation (ILO) and is an internationally recognised code of labour practice.
Sedex	Supplier Ethical Data Exchange (Sedex) is a not-for-profit membership organisation for businesses committed to the continuous improvement of ethical performance within their supply chains.
SMETA	Sedex Members Ethical Trade Audit (SMETA) is one of the most widely used ethical audit formats. The concept describes a methodology based on the Ethical Trading Initiative (ETI) Base Code.
Tesco Quality Connect	Tesco Quality Connect (TQC) is a portal detailing supplier and production site Information including audits and specifications along with all Tesco policies, codes of practice and guidelines for suppliers of own label products and goods not for resale.

5. Associated Documents

Document No.	Document Title
80045	Food GNF Approved Ethical ASP's by Country

6. Revision History

Date Effective	Version	Document Section	Change Summary
November 2020	1.0	New Document	This policy replaces 60388 – Ethical Trading Requirements.

7. Appendices

a) Country List

The country risk assessment has been developed by the Food Network for Ethical Trade (FNET). The assessment rates countries from high to low risk. We focus our compliance program on areas of highest risk.

Following Government advice, please note that regardless of supplier performance and external country risk ratings, product sourcing is strictly prohibited from the following regions:

- Golan Heights
- North Korea
- Russian-occupied territories
- Syria
- West Bank

Countries undergoing socio-political stress may require additional due diligence measures, at short notice. Please refer to the 60519 - Sourcing from Areas of Conflict guidance document for further information.

Country	Risk rating	Audit required
Afghanistan	79	✓
Albania	49	✓
Algeria	60	✓
Andorra	12	
Angola	68	✓
Antigua and Barbuda	30	
Argentina	39	
Armenia	53	✓
Australia	24	
Austria	18	
Azerbaijan	60	✓
Bahamas	30	
Bahrain	59	✓
Bangladesh	66	✓

Barbados	34	
Belarus	62	✓
Belgium	23	
Belize	26	
Benin	54	✓
Bhutan	46	
Bolivia	55	✓
Bosnia and Herzegovina	53	✓
Botswana	46	
Brazil	52	✓
Brunei	48	✓
Bulgaria	43	
Burkina Faso	53	✓
Burundi	83	✓
Cambodia	76	✓
Cameroon	68	✓
Canada	23	
Cape Verde	49	✓
Central African Republic	85	✓
Chad	73	✓

Chile	33	
China	66	✓
Colombia	53	✓
Comoros	56	✓
Congo Republic	64	✓
Costa Rica	39	
Côte d'Ivoire	61	✓
Croatia	36	
Cuba	56	✓
Cyprus	31	
Czech Republic	30	
Democratic Republic of the Congo	76	✓
Denmark	15	
Djibouti	64	✓
Dominica	32	
Dominican Republic	47	✓
Ecuador	53	✓
Egypt	64	✓
El Salvador	48	✓

Equatorial Guinea	79	✓
Eritrea	81	✓
Estonia	25	
Ethiopia	63	✓
Fiji	35	
Finland	14	
France	22	
Gabon	61	✓
Gambia	64	✓
Georgia	41	
Germany	20	
Ghana	44	
Greece	51	✓
Greenland	0	
Grenada	31	
Guatemala	61	✓
Guinea	65	✓
Guinea-Bissau	72	✓
Guyana	51	✓
Haiti	66	✓
Honduras	64	✓

Hong Kong	35	
Hungary	42	
Iceland	19	
India	58	✓
Indonesia	58	✓
Iran	73	✓
Iraq	71	✓
Ireland	21	
Israel	32	
Italy	28	
Jamaica	42	
Japan	23	
Jordan	50	✓
Kazakhstan	61	✓
Kenya	63	✓
Kiribati	28	
Korea	41	
Korea (North)	85	✓
Kosovo	55	✓
Kuwait	56	✓
Kyrgyzstan	62	✓

Laos	71	✓
Latvia	33	
Lebanon	54	✓
Lesotho	52	✓
Liberia	58	✓
Libya	87	✓
Liechtenstein	15	
Lithuania	30	
Luxembourg	20	
Macau (China)	4	
Madagascar	60	✓
Malawi	53	✓
Malaysia	54	✓
Maldives	57	✓
Mali	62	✓
Malta	29	
Marshall Islands	36	
Mauritania	68	✓
Mauritius	35	
Mexico	55	✓
Micronesia	36	
Moldova	46	

Monaco	29	
Mongolia	52	✓
Montenegro	43	
Morocco	48	✓
Mozambique	57	✓
Myanmar	70	✓
Namibia	43	✓
Nauru	37	
Nepal	55	✓
Netherlands	16	
New Zealand	18	
Nicaragua	65	✓
Niger	65	✓
Nigeria	65	✓
Norway	15	
Oman	55	✓
Pakistan	72	✓
Palau	27	
Palestine	33	
Panama	46	
Papua New Guinea	68	✓

Paraguay	50	✓
Peru	51	✓
Philippines	59	✓
Poland	36	
Portugal	26	
Qatar	48	✓
Romania	47	
Russia	57	✓
Rwanda	55	✓
Saint Kitts and Nevis	26	
Saint Lucia	39	
Saint Vincent and the Grenadines	36	
Samoa	27	
San Marino	31	
Sao Tome and Principe	42	
Saudi Arabia	49	✓
Senegal	51	✓
Serbia	49	✓
Seychelles	30	
Sierra Leone	61	✓

Singapore	32	
Slovakia	29	
Slovenia	26	
Solomon Islands	51	✓
Somalia	94	✓
South Africa	45	✓
South Sudan	89	✓
Spain	26	
Sri Lanka	51	✓
Sudan	83	✓
Suriname	52	✓
Swaziland	70	✓
Sweden	14	
Switzerland	20	
Syria	82	✓
Taiwan	20	
Tajikistan	65	✓
Tanzania	62	✓
Thailand	62	✓
The FYR of Macedonia	53	✓

Timor-Leste	61	✓
Togo	58	✓
Tonga	34	
Trinidad and Tobago	48	✓
Tunisia	48	✓
Turkey	60	✓
Turkmenistan	70	✓
Tuvalu	36	
Uganda	63	✓
Ukraine	59	✓
United Arab Emirates	54	✓
United Kingdom	26	
United States	37	
Uruguay	24	
Uzbekistan	64	✓
Vanuatu	45	
Venezuela	67	✓
Vietnam	62	✓
Yemen	83	✓

Zambia	62	✓
Zimbabwe	70	✓

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