

Tesco & MFPE Suppliers: Commitments to Ethical Trading *Based on consultation with workers, suppliers and agencies*

Our Aim: for Tesco and suppliers to ensure decent treatment of staff across the MFPE supply chain.

Joint commitments:

1. We promote permanent employment where possible and take a planned approach to our use of agency workers
2. We have practices which protect workers and ensure fair treatment during recruitment
3. We ensure access to jobs and equal pay for comparable work
4. We manage expectations of working patterns for all workers
5. We ensure all staff receive training to allow them to work safely and demonstrate their full potential in the job
6. We give all staff the opportunity to raise concerns and resolve them as soon as possible
7. We offer a decent standard of facilities & equipment for all staff

Background: These commitments were drafted following consultation with workers and suppliers in March 2011, in light of findings from the Equality and Human Rights Commission in 2010 and the Agency Worker Regulations which come into force in October 2011.

Purpose of this document: To set out the good practices to underpin these commitments, which are believed to be fair for workers and feasible for all suppliers in our MFPE supply chain.

Other applicable standards:

- UK Employment Law including the Agency Worker Regulations and GLA Standards
- Tesco Food Manufacturing Standard (s32 and s34)
- ETI Base Code

Suggested guidance:

- Tesco Ethical Trading Guidance & Supplier Case Studies (forthcoming)
- GLA Responsible Labour User Guide
- Association of Labour Providers & Workforce Cohesion Toolkit
- Equality & Human Rights Commission Guidance (forthcoming in May)
- Dept for Business, Innovation & Skills Guidance on Agency Workers Regulations

1. REGULAR EMPLOYMENT: We promote permanent employment where possible and take a planned approach to our use of agency workers

I. The supplier estimates their labour needs throughout the year and maximises the level of permanent employment contracts on offer, either directly or by an agency.

II. The supplier has internal reporting on the number of workers engaged on each form of employment and regularly reviews their adherence to this commitment.

III. The supplier has a Service Level Agreement (SLA) with agencies which includes the following:

- Identified roles for agency workers.
- Responsibility for training and managing agency workers.
- Process for communicating daily and weekly requirements.

Recommendations:

- Contracts of employment specify standard working hours, which are at least 1 shift per week.

2. RECRUITMENT: We have practices which protect workers and ensure fair treatment during recruitment

I. Fair recruitment and freedom from any form of bonded labour.

The SLA between the agency and the supplier specifies:

- Where people are recruited from and the individuals / organisations involved at each stage of the recruitment process;
- Non-discriminatory recruitment methods;
- Mechanisms to detect and prevent finders' fees and bonded labour, and;
- Commitment to inform GLA of concerns regarding bonded labour.

II. Workers can communicate with one another where necessary, understand relevant company policies and know their rights.

The supplier has a non-discriminatory workplace language policy which includes the following:

- Whether English language is required and what level for each role;
- An objective language testing method applied consistently in the recruitment of directly employed and agency workers (where English is specified).
- Procedures for training and people management appropriate to the level of English language required (see points 5 and 6 below).

3. AGENCY WORKERS REGULATIONS: We ensure access to jobs and equal pay for comparable work

- I. The supplier clearly communicates job vacancies to all staff and includes the skill level and experience required.
- II. All staff can access a record of their training and skills.
- III. Assignments are not automatically terminated before 12 weeks to avoid achieving the qualifying period.
- IV. Suppliers and agencies do not use false self employment to avoid the obligations under the AWR.
- V. Suppliers set the same performance measures and targets for both agency and permanent staff in the same roles.
- VI. Agency workers are on a pay rate according to the company pay scale, unless they have an employment contract with the agency.

Recommendations:

- The pay scale is based on the skills and performance needed to do different jobs.
- Multi-skilled roles earn a premium, which is reflected in the pay structure.
- Trial periods for new staff (permanent and agency) are based on expectation of time needed to reach full skill, and assessment that it has been reached.
- Suppliers and agencies offer contracts of employment rather than contracts for services.
- Contracts of employment specify standard working hours, which are at least 1 shift per week.

4. HOURS & WORK ALLOCATION: We manage expectations of working patterns for all workers

- I. Workers know what to expect day-to-day
 - Agencies specify the terms of each assignment to workers, including minimum time and minimum payment.
 - All workers feel able to turn down non-contracted overtime without detriment.
 - The agency ensures that agency workers know their right to decline overtime.
- II. Working hours are managed responsibly, including:

- Working hours are clearly recorded and monitored for all staff.
- A regular management review of working hours.
- Exception reports for excessive hours to prevent breaches of working time regulation rights.

Recommendation:

- Overtime hours (i.e. above contracted hours) are paid at a premium of at least 1.25 (International Labour Organisation recommendation)
- A minimum assignment term of at least 4 hours.

5. TRAINING: We ensure all staff receive training to allow them to work safely and demonstrate their full potential in the job

I. Adequate induction training* time that is paid

- Agency workers receive the same level of induction training as permanently employed workers.
- The induction training is company specific.
- The SLA details arrangements for induction training, how payment is made and how the cost is allocated between agency and supplier.
- Agencies have access to all relevant job-related risk assessments.

* What we mean by induction training: introduction to the role and the site e.g. role and site-specific health and safety. Induction training is not to be used as part of the assessment process.

II. Job-related training

- The supplier ensures agency workers receive the same level of job-related training as permanent staff for the same task.
- Line leaders or supervisors who conduct on-the-job training have the relevant competencies to train others e.g. training and communication skills.
- There are training records for all staff and an assessment and validation of their competency for different roles.

6. RESOLVING CONCERNS: We give all staff the opportunity to raise concerns and resolve them as soon as possible

- ### I. Senior managers have responsibility for HR and the skills and training necessary to manage integration of agency workers

- A senior manager with HR responsibility meets regularly with the representative of the agency to review treatment and performance of agency workers in the company.
 - A senior manager with HR responsibility monitors implementation of the SLA.
- II. A range of mechanisms for workers to raise complaints or grievances are agreed in the SLA, including:
- A complaints mechanism for agency workers directly to the agency;
 - Procedures for communicating complaints between supplier and agency;
 - Options for confidential and anonymous complaints, which may include Tesco Protector Line;
 - A paper trail to demonstrate how complaints are resolved.
- III. Every effort is made to make workers feel comfortable to raise issues with the agency or the supplier:
- The agency communicates all options for giving feedback or making complaints as part of agency induction.
 - The agency reassures individuals that there will be no repercussions when they give feedback or raise a complaint.
 - Anonymous complaints are handled sensitively but the outcome communicated to the workforce.

7. FACILITIES & EQUIPMENT: We offer a decent standard of facilities & equipment for all staff

N.B. It will be a legal requirement from October 2011 to give equal access to collective facilities for all staff from day 1.

- I. All workers have access to a secure, lockable facility during their working hours.
 - II. All workers have access to clean and hygienic personal protective equipment that is provided free of charge.
 - Wherever possible, workers have their own boots, overalls, and safety gloves
 - Where short-term workers have PPE which may have been used by others, they can see it is clean, hygienic and carefully stored.
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