

## Modern Slavery Act Transparency Statement 2018

Tesco Mobile Limited is a mobile virtual network operator (“MVNO”) and a joint venture between Tesco PLC (“Tesco”) and Telefónica UK Limited (“Telefónica”). Our principal activities are the provision of prepay and pay monthly airtime services to consumers under the Tesco Mobile brand within the UK market. Sale of the airtime services and related devices are via the Tesco retail network. Delivery of the airtime services are over Telefonica’s mobile communications network.

This statement is made pursuant to the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31 December 2018. It details the steps we have taken during the financial year to ensure that neither slavery nor human trafficking is taking place in our supply chains or any part of our business and the action we intend to take in pursuit of our ongoing commitment to maintaining high ethical standards.

### Policies

As a business, we do not manufacture the products we sell to the consumers, nor do we always procure the devices, network equipment or services directly from the suppliers. This is because we are a joint venture MVNO. Therefore, we continue to rely on both Tesco and Telefónica to procure goods and services on our behalf. We also continue to rely on them to procure and employ staff for our offices and phone shops. Accordingly, this year we have continued to actively monitor and ensure that they have the appropriate policies in place for their employees and suppliers which proactively address issues relating to ethical considerations like labour, environmental impact, and social contribution throughout their own supply chains. In the case of Telefonica, these policies are encapsulated in their Supply Chain Sustainability Policy ([Supply Chain Sustainability Policy](#)) and we are encouraged by their stance on conflict minerals and collaboration with countries where the risk of modern slavery is greater than ours. Their requirement for suppliers to comply with policies and processes which align with OECD guidelines provides us with confidence that where we are relying on their supply chain, instances of modern slavery will be targeted and removed. Tesco sets out its policies in their Code of Business Conduct ([www.tescopl.com](http://www.tescopl.com)) and works either directly with suppliers or partners to ensure that human rights are promoted with the aim of having a positive impact on people. We take any allegations or breach of the policies very seriously and have a whistle blowing policy (which we have reviewed this year in order to ensure it is still fit for purpose) in place which encourages our staff to freely raise concerns.

Where we source suppliers directly, we employ contractual standards to ensure that there is an adherence to the policies we have in place to address issues of ethical trading. We have also continued to ensure that our suppliers and any subcontractors that they may deploy, are compliant with both our policies and legislation. We also ensure a right of audit for all our material supplier contracts.

### Due diligence processes

We have confidence in the due diligence processes that our parent companies employ to identify and mitigate the risk of any modern slavery or human trafficking taking place in any of their supply chains.

- Tesco integrates the use of a due diligence platform to review suppliers specifically for issues related to modern slavery and bribery & corruption as part of their on-boarding process. It aims to reduce the risk of slavery in the supply chain, to address the issues which can lead to slavery and works with the community to recognise those vulnerable to modern slavery.
- Telefónica operates a common management model to ensure suppliers comply with the policies and carry these business principles forward into their own supply chains.

We have entered into contracts with a number of new suppliers over the last year and have extended contracts with incumbent suppliers. Throughout the contractual process our procurement team ensure that they undertake their own due diligence and compliance checks as part of our supplier on-boarding process. Such due diligence includes: checks during the tender process, physical site visits to any suppliers viewed as a potential risk, and documentation of standards and agreements as part of our contracting process. For key suppliers site visits are conducted by Business Owners, Supplier Governance and Procurement.

The Tesco Mobile procurement process also now has access to the use of Tesco's due diligence platform as part of supplier selection.

We only procure from reputable vendors. Where we procure off-shore support services, we require our vendors to sign up to minimum wage and local employment law in those regions as part of our contracting standards. We take particular notice in areas where human rights regulations might not be as rigorous as in the EU. We have identified our highest risk service being web/chat supported services in India. Senior Tesco Mobile staff conduct regular site visits to ensure enforcement of human rights regulations are effective in order to combat potential violations or modern slavery within our supply chain. Such visits were completed in March and October 2018.

### **Training**

All Tesco Mobile staff undertake mandatory online training, provided by either Tesco or Telefónica, in various areas to educate them on the values of our parent companies and their zero tolerance approaches to unethical trading. We also require our staff to complete our own specific Tesco Mobile mandatory online training modules to ensure they understand how Tesco Mobile's policies and processes fit into combatting modern slavery. Across the six modules, we had a compliance rate of 95.8% in 2018.

### **Further Steps**

We appreciate that risks of modern slavery are constantly changing. As a result we are continually reviewing and improving our processes and procedures to ensure we are doing all we can as an organisation to prevent any modern slavery or human trafficking taking place in our supply chains. We will continue to provide modern slavery training to our supply chain in order to ensure our understanding of managing the risk of modern day slavery is up to date. There are also plans to return to our supplier in India in April/May of this year. We will continue to work with our staff and suppliers to safeguard the highest ethical standards that we are committed to operate by.

The board of directors of Tesco Mobile Limited approved the Modern Slavery Statement and it is signed by the Chief Executive Officer on their behalf.



Claire Lorains  
Chief Executive Officer  
Tesco Mobile Limited

01/03/2019.  
Date