

## **Tesco response to Fairfood report on wages in the Moroccan tomato sector**

Thank you for giving us an opportunity to respond.

Fairfood's report raises some serious concerns about wages in the tomato sector in Morocco. As they were writing the report, Fairfood approached us to inform us of their findings.

Tesco has a global team of 45 full-time locally based labour standards experts in sourcing regions around the world supporting suppliers to meet our standards, and we always seek to investigate concerns that are raised. Our lead ethical trade manager in Africa met with Fairfood in South Africa in June 2014 to better understand the issues they had identified. We felt that the concerns raised were significant, and the same colleague then travelled to Morocco to investigate them with our suppliers in detail. This included visits to the three suppliers working with Tesco mentioned in the report.

The main focus of Fairfood's report is wage levels. Tesco's ethical trade manager assessed samples of worker payslips at each supplier. For transparency, of these samples:

- 100% were found to be paid above the Salaire Minimum Agricole Garanti (SMAG).
- Three quarters were paid at least 50% more than SMAG (higher than the Salaire Minimum Interprofessionnel Garanti (SMIG) mentioned in the Fairfood report).
- 30% were paid at or above the 'living wage' range cited in the report.

Our findings in this regard therefore did not correlate with the generalised findings reported by Fairfood and we therefore do not believe them to be accurate about our supply chain. However we know that wages for many workers remain relatively low across the sector in Morocco, and collaborative efforts by retail customers, government authorities and other parties can help improve overall wage levels and other labour standards over time. We are committed to playing our role in this.

Fairfood did not wish to engage substantively with us on how to address some of the complex issues in the sector, but as a founding and leading member of the Ethical Trading Initiative, we regularly collaborate with our suppliers and other stakeholders such as NGOs and government agencies, taking a continuous improvement approach to ensure better working conditions in our supply chain. We know from previous work with Oxfam and some other leading retailers on conditions in the strawberry sector in Morocco, for example, that compliance with legal requirements such as paying social insurances can be low unless addressed, and prosecution by the legal authorities unlikely.

We continue to work to achieve good conditions for workers across our supply chain, and continue to welcome constructive engagement with external partners, in Morocco and elsewhere, in our efforts to achieve this.

**Tesco Stores Ltd**  
**September 30, 2014**