

## Independent Limited Assurance Report to Tesco PLC

KPMG LLP ('KPMG' or 'we') were engaged by Tesco PLC ('Tesco') to provide limited assurance over the Selected Information described below for the year ended 24 February 2018.

### Our conclusion

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information has not been properly prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of the remainder of this report, in particular the inherent limitations explained below and this report's intended use.

### Selected Information

The scope of our work includes only the information included within the Little Helps Plan section ('the Report A') of the Tesco Annual Report and Financial Statements and the Tesco Food Waste Data Website ('the Report B') (together 'the Reports'), for the year ended 24 February 2018 marked with the symbol  $\diamond$  ('the Selected Information').

We have not performed any work, and do not express any conclusion, over any other information that may be included in the Reports or displayed elsewhere on Tesco's website for the current year or for previous periods unless otherwise indicated.

### Reporting Criteria

The Reporting Criteria we used to form our judgements are the Tesco Food Waste Methodology for each of the UK, Central Europe, and Ireland as set out at [www.tescopl.com/foodwaste](http://www.tescopl.com/foodwaste) ('the Reporting Criteria'). The Selected Information needs to be read together with the Reporting Criteria.

### Inherent limitations

The nature of non-financial information; the absence of a significant body of established practice on which to draw; and the methods and precision used to determine non-financial information, allow for different, but acceptable evaluation and measurement techniques and can result in materially different measurements, affecting comparability between entities and over time.

In respect of the sales tonnage data used in the calculation of the food waste as a percentage of food tonnage sold, our assurance procedures were limited to agreeing the sales tonnage data used in the calculation to the Tesco waste analysis data to test if it has been extracted accurately and the percentage calculated correctly.

### Directors' responsibilities

The Directors of Tesco are responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- selecting and/or developing objective Reporting Criteria;
- measuring and reporting the Selected Information in accordance with the Reporting Criteria; and
- the contents and statements contained within the Reports and the Reporting Criteria.

### Our responsibilities

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria and to report to Tesco in the form of an independent limited assurance conclusion based on the work performed and the evidence obtained.

### Assurance standards applied

We performed our work in accordance with International Standard on Assurance Engagements 3000 – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' ('ISAE 3000') issued by the International Auditing and Assurance Standards Board.

The work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

### Independence, professional standards and quality control

We comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and we apply International Standard on Quality Control (UK) 1, 'Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements'. Accordingly, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements and professional standards (including independence, and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour) as well as applicable legal and regulatory requirements.

### Summary of work performed

Considering the level of assurance and our assessment of the risk of material misstatement of the Selected Information, whether due to fraud or error, our work included, but was not restricted to:

- assessing the appropriateness of the Reporting Criteria for the Selected Information;
- conducting interviews with Tesco management and examining a selection of documents to obtain an understanding of the key processes, systems and controls in place over the preparation of the Selected Information;
- carrying out selected testing remotely from the head office location over location-level Selected Information for each of the UK, Central Europe and Ireland;
- selected limited substantive testing in relation to each of the above locations, including agreeing a selection of the Selected Information to corresponding supporting information;
- considering the appropriateness of and reperforming a selection of the calculations used by Tesco to prepare the Selected Information including selected testing to check that the data used in the selected calculations has been correctly extracted from the Tesco data;
- agreeing the sales tonnage data used in the calculation of the food waste as a percentage of food tonnage sold to the Tesco waste analysis data to test if it has been extracted accurately and the percentage calculated correctly;
- performing analytical review procedures over the aggregated Selected Information, including a comparison to the prior period's amounts having due regard to the change in business volume and the business portfolio; and
- reading the Reports and narrative accompanying the Selected Information in the Reports with regard to the Reporting Criteria, and for consistency with our findings.

### This report's intended use

This assurance report is made solely to Tesco in accordance with the terms of the engagement contract between us. Those terms permit disclosure to other parties, solely for the purpose of Tesco showing that it has obtained an independent assurance report in connection with the Selected Information.

We have not considered the interest of any other party in the Selected Information. To the fullest extent permitted by law, we accept no responsibility and deny any liability to any party other than Tesco for our work, for this assurance report or for the conclusions we have reached.



### Paul Holland

for and on behalf of KPMG LLP  
Chartered Accountants  
London 10 April 2018

The maintenance and integrity of Tesco's website is the responsibility of the Directors of Tesco; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information, Reporting Criteria or Reports presented on Tesco's website since the date of our report.