



Tesco renewable electricity transition roadmap

Background

In May 2017 Tesco announced:

1. New science-based targets (including to a 1.5 degree trajectory for own operations)
2. Renewable electricity targets for own operations
3. The creation of a Group Renewable electricity roadmap

Tesco Operations Science-Based Targets <i>(on a 1.5° trajectory)</i>				
Target/Milestone year	2020	2025	2030	2050
Absolute carbon reduction target	-35%	-65%	-85%	-100%
Underpinning renewables targets	65%	80%	100%	100%

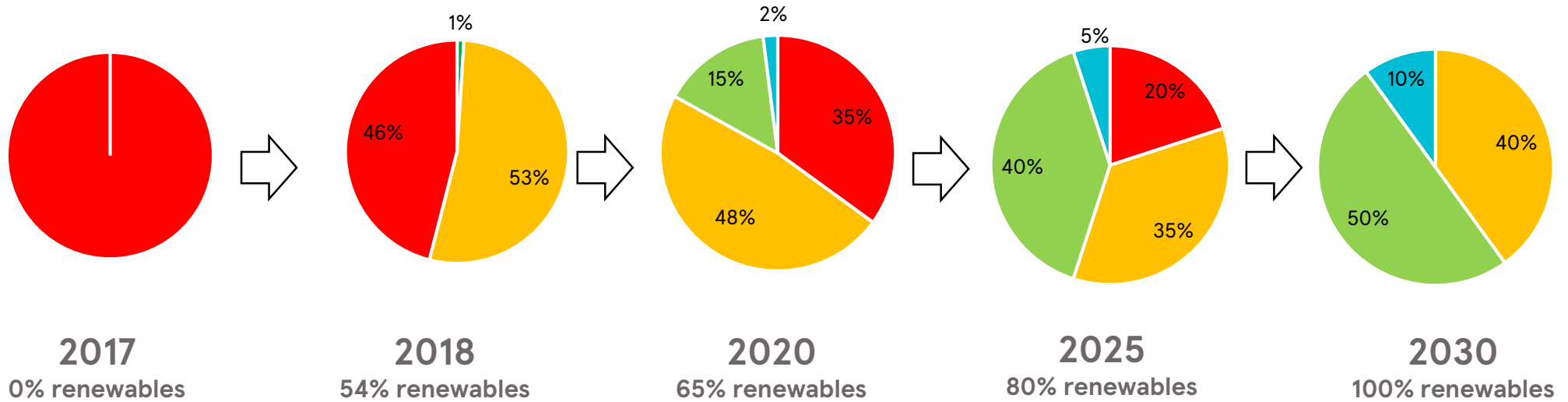
Tesco Supply Chain Science-Based Targets <i>(on a 2° trajectory)</i>				
Target/Milestone year	2020	2025	2030	2050
Manufacturing absolute carbon reduction targets	-7%	-20%	-35%	TBC
Agriculture absolute carbon reduction targets	-7%	-12%	-15%	TBC

Tesco Group Renewable Electricity Roadmap

Starting point:
cheapest renewables

High credibility
renewables mix

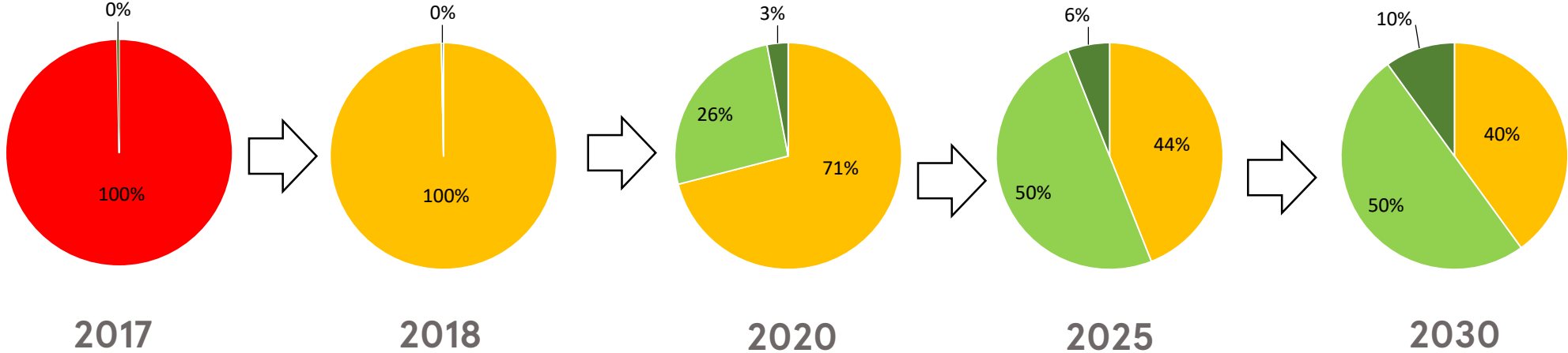
Tesco Group
Electricity
Mix



■ Non-renewable electricity
 ■ Renewable certificates: low credibility/customer recognition
 ■ Grid Power Purchase Agreements (PPAs): high credibility / medium customer recognition
 ■ On-site generation: highest credibility/customer recognition

UK & ROI Roadmap

Tesco UK & ROI Electricity Mix



■ Non-renewable electricity
 ■ Renewable certificates: low credibility/customer recognition
 ■ Grid Power Purchase Agreements (PPAs): high credibility / medium customer recognition
 ■ On-site generation: highest credibility/customer recognition



Renewable Electricity Sourcing Principles

1. We will increasingly procure higher-credibility renewable electricity with additionality
2. The majority of our renewable electricity will come from on-/near-site generation and Power Purchase Agreements (PPAs) by 2030 – certificates will form a minority of our mix
3. By 2030, at least 80% of our grid PPA purchasing will create additionality (i.e. renewable projects that enter our PPA pipeline at pre-financial investment decision stage)
4. We shall prioritise and maximise solar PV deployment for our on-/near-site generation
5. We will engage with policy makers to ensure sustained credibility of renewable certificates over time
6. We will engage with both industry and policy makers in our International businesses to support the development of a credible renewable market