

# Little Helps Plan KPIs – Data Summary.

May 2019





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The Little Helps Plan is made up of three pillars; our People, our Products and our Places, and underpinned by our Foundations. These areas are core to our business model and the delivery of the Plan is embedded in our day to day operations. For each pillar we have defined a number of priority targets and the actions that will help us deliver them. To measure our progress against these actions we have identified a series of measurable Key Performance Indicators (KPIs). These cover our activities in our Tesco stores business in the United Kingdom (UK), Republic of Ireland (ROI), Central Europe (CE) and Asia. With the majority of our customers being in the UK, implementation has begun with our UK operations, although where data is monitored internationally, it has been included below.

The following table shows our methodology, results and progress overview for each KPI. In some cases, historical data exists, but in others we are reporting against the KPI for the first time this year. We track KPIs each quarter internally, where applicable, and report externally to stakeholders on an annual basis. Most of our KPIs are monitored over the Tesco financial year, representing the period from March – February inclusive. Some of our KPIs cover a calendar year and this is marked with footnotes accordingly. Where a Group figure is shown, this represents the sum of the results from UK, ROI, Central Europe and Asia. The markets which these regions cover is set out below:

UK	United Kingdom
ROI	Republic of Ireland
Central Europe	Poland, Czech Republic, Slovakia, Hungary
Asia	Thailand, Malaysia, Tesco Bengaluru (operations and technology centre), International sourcing hubs

Our progress against each of the KPIs is tracked in the following way:

Early stages		New KPIs where we don't yet have enough data to judge progress. In some cases, this refers to areas where we have only just started to work and measurement processes are still being established.
Further progress needed		Further progress required to meet our target. Challenges identified have been referred to our leadership teams and plans are being developed to overcome these.
Good progress		Progress made and on schedule to achieve intended target. Data shows a positive trend or where the trend is flat, performance is already strong.
Goal achieved		Target met. Where we don't have a specific end target, or the action is by nature ongoing, this scoring is used if we have continued to show good progress over a number of years and have plans in place to maintain this.

## People

Action		KPI	Methodology	2016/17	2017/18	2018/19	Progress status	Commentary
1	Have a competitive total reward package that colleagues value.	Tesco average pay versus market median.	Average compa ratio for colleagues in stores, distribution and the office. Calculated by a third party based on relevant industry benchmarks for each role.	N/A	N/A	UK: 1.05 <sup>1</sup>		Tesco average pay is 5% above the market median, largely influenced by store hourly paid colleagues who are 89% of UK headcount. We have made a significant investment into store colleague pay with an increase of 10.6% over 2 years. We have recently announced Clubcard Plus as part of our overall reward package, bringing together benefits for colleagues so that they can get the best value out of working at Tesco.
2	Increase colleague skills and digital confidence so they can access a greater number of roles and develop their long-term careers.	Percentage of colleagues that agree 'I have the opportunity to learn and develop'.	Results from What Matters to You survey - a colleague engagement survey sent to all colleagues across all markets.	Group: 78% <sup>2</sup>	Group: 76% <sup>3</sup>	Group: 77% <sup>4</sup>		In the latest colleague survey we maintained improved performance on learning and development opportunities. We have been working to raise awareness of available learning resources and different development routes to help colleagues take ownership for their learning. We have also focussed on training for line managers as we recognise the important role they play in supporting the development of all colleagues. Feedback suggests there is more we can do for colleagues in some parts of our business, such as distribution, and we are developing tailored plans for these areas.
		Number of colleagues who have received manager development training.	Number of manager training workshops completed by store, office and distribution centre colleagues.	N/A	N/A	Group: 17,156		The data in the second half of the year shows increased engagement with the new learning opportunities available to managers. We have rolled out new training to help line managers build colleague engagement, covering areas including inspiring great performance, assessing potential and supporting teams through change. Our training curriculum has been designed to help managers develop future fit skills, such as remote coaching and managing with agility. In our colleague engagement survey we saw a 2% improvement across the Tesco Group in colleagues agreeing their manager supports them to be at their best.
3	Provide opportunities to help young people develop their employability skills and start their careers.	Number of opportunities provided for young people <sup>5</sup> .	Number of opportunities for young people, under 25, to gain work experience or start their career at Tesco. Opportunities covered include work experience, apprenticeships and graduate programmes.	N/A	UK: 915	Group: 2,373 UK: 766		We offer a wide range of ways for young people to start their career or gain work experience at Tesco, including graduate schemes, apprenticeships and paid internships. We are proud to have been ranked in the Times Top 100 Graduate Employers in the UK and voted as one of the top 100 most attractive employers by students & young professionals in Thailand. In the UK the number of opportunities we offered was slightly lower this year, but we have been focussing on experience and retention of those on our programmes. For example, we have increased the percentage of disadvantaged young people completing our 'Movement to Work' work placements who have gone on to get a job at Tesco to 63%.
4	Introduce an updated suite of contracts and new technology to give colleagues greater flexibility and control over their work schedules.	Percentage of colleagues that agree 'I am able to work flexibly around my life'.	Results from What Matters to You survey - a colleague engagement survey sent to all colleagues across all markets.	N/A	N/A	Group: 82% <sup>4</sup>		We want all our colleagues to have the opportunity of a good work/life balance. We continue to promote our flexible working policy and use technology to enable remote working where appropriate. In the UK, we have piloted an app that allows colleagues to see their shifts, manage overtime and request holiday. We will complete further trials in 2019 before making this more widely available. In Thailand, we have continued to roll out a mobile application to help colleagues manage their own work schedules, whilst in Central Europe we are piloting a new suite of part time contracts.

<sup>1</sup>Based on 1st July 2018 <sup>2</sup> Survey conducted in July 2016 <sup>3</sup>Survey conducted in July 2017 <sup>4</sup>Survey conducted in January 2019 <sup>5</sup>Covers calendar year

## People

Action	KPI	Methodology	2016/17	2017/18	2018/19	Progress status	Commentary	
5	Continue to build an inclusive culture where everyone has the opportunity to get on.	Percentage of colleagues that agree 'There is an inclusive culture at Tesco where people are accepted for who they are without judgement'.	Results from What Matters to You survey – a colleague engagement survey sent to all colleagues across all markets.	Group: 82% <sup>2</sup>	Group: 82% <sup>3</sup>	Group: 84% <sup>4</sup>		Our approach to inclusion and diversity is firmly embedded in our business decisions and culture with an Executive Group sponsor. This year we have strengthened our five colleague inclusion networks in the UK: Out at Tesco, BAME (Black Asian Minority Ethnic) at Tesco, Women at Tesco, Armed Forces at Tesco and Disability at Tesco. We have also launched a diversity and inclusion champion network in ROI. We are currently reviewing our inclusion policies and processes to ensure they continue to meet the evolving needs of our colleagues. In the year ahead we will roll out our approach to inclusion training globally and look for opportunities to introduce inclusion networks in other markets.
	Percentage female share of total workforce and by work level.	This provides the number of female employees as a percentage of the total workforce for various work levels.	Group: Total: 57% Board of Directors: 27% Directors: 25% Directors and Managers: 36%	Group: Total: 57% Board of Directors: 23% Directors: 25% Directors and Managers: 37%	Group: Total: 56% Board of Directors: 31% Directors: 23% Directors and Managers: 37%		Women are more than half of our overall workforce and we continue to have a good gender balance in lower work levels. This year we have reached our target to have at least 30% female representation on our Board and have seen a number of promotions of women into senior leadership positions, such as the appointment of our first female CEO in Ireland. However, there is more to do to ensure strong female representation at all leadership levels. We have therefore refreshed our approach to succession planning and external recruitment to promote inclusion.	
	Average gender pay gap (mean and median average % <sup>6</sup> ).	The gender pay gap measures the difference between men and women's earnings across the business by expressing women's pay as a percentage of men's pay.	UK: 12.0% mean 8.7% median	UK: 11.3% mean 8.9% median	N/A		While our median gender pay gap is still significantly below the UK national average, it has increased slightly this year from 8.7% to 8.9%. We know there are two key factors contributing to our pay gap. Firstly, and most significantly, we have more men working shifts at times that pay premiums, such as nights, bank holidays and Sundays. When we remove the premium payments from the gender pay gap calculation, the median pay gap reduces significantly to 3.1%. We also have a higher proportion of men in more senior roles. Our goal is to reduce the gender pay gap by providing colleagues with the flexibility, skills and reward to get on. We know it will take time and we are taking clear actions towards achieving true, sustainable gender balance at every level of our business.	
6	Help colleagues look after their physical and mental wellbeing so they can be at their best at work and home.	Percentage of colleagues that agree 'Tesco helps me lead a healthy lifestyle'.	Results from What Matters to You survey – a colleague engagement survey sent to all colleagues across all markets.	N/A	Group: 63% <sup>3</sup>	Group: 69% <sup>4</sup>		There has been strong progress on this measure as a result of our focus on nutrition, healthy body and a healthy mind through colleague health events in all markets. We continue to introduce new health benefits in response to the needs of local colleagues. For example, based on the findings of our colleague health survey in the UK we have launched a new discounted gym pass. We are increasing our focus on mental health and financial wellbeing with the continued roll out of Mindapples training and the introduction of a financial assistance programme in the UK, as well as through our employee assistance programmes in Ireland and Central Europe.

<sup>2</sup> Survey conducted July 2016 <sup>3</sup>Survey conducted July 2017 <sup>4</sup>Survey conducted in January 2019 <sup>6</sup>Covers April – March inclusive

## Sourcing

Action		KPI	Methodology	2016/17	2017/18	2018/19	Progress status	Commentary
1	Lead the industry in addressing the sustainability challenges in our supply chains starting with our most important products and ingredients.	N/A	N/A	N/A	N/A	N/A		We aim to lead the industry in addressing the sustainability challenges in our supply chains, starting with our top 20 products and ingredients. An update on progress against our top 20 can be found at <a href="http://www.tescopl.com/top20">www.tescopl.com/top20</a> . We share good practice with industry, convene peers and collaborate with experts where needed. Through our first biannual independent stakeholder survey, 200 experts rated us +0.19 on a scale of -2 to +2 for our performance in leading the industry on sustainability.
2	Build trusted partnerships with our suppliers.	Percentage of suppliers satisfied with Tesco (Supplier Viewpoint).	Results from Supplier Viewpoint survey – a confidential supplier survey sent to suppliers across all markets twice a year.	N/A	Group: 74.9%	Group: 77.5%		Our most recent supplier survey has recorded a Group supplier satisfaction of 77.5%, which is our highest Group performance to date. We achieved a 2.6% increase from last year, thereby exceeding our Group target. Communication and listening were our most improved areas, seeing increases of 3% and 2.7% respectively. The feedback provided by suppliers during the latest survey will help shape our partnership action plans in order to further strengthen our supplier relationships.
3	Ensure international human rights standards are respected at all our suppliers' sites.	Percentage of high risk tier 1 supplier sites having had an audit in the last year.	Number of high risk tier 1 sites that have been audited during the year as a percentage of high risk tier 1 sites.	N/A	Group: 94%	Group: 98%		We take a risk based approach to auditing our suppliers, focussing on sites in high-risk countries. High-risk sites are identified based on the Food Network for Ethical Trade's (FNET) country risk rating. 98% of high risk tier 1 sites supplying our UK business had an ethical audit carried out in 2018/19, either by a Tesco human rights expert or an independent auditor. This was an increase from 94% in 2017/18. This increase was driven by improved audit coverage of high-risk tier 1 food sites (increasing from 61% in 2017/18 to 96% in 2018/19).
		Percentage of high risk tier 1 supplier sites where critical non-conformances have been identified.	Number of high risk tier 1 sites where non-conformances have been identified as a percentage of high risk tier 1 sites. This focusses only on audits conducted in the first 6 months of the year for non-food and first 9 months for food, as reflecting the deadlines given to suppliers to resolve critical non-conformances.	N/A	Group: 61%	Group: 63%		Of those high-risk tier 1 sites audited, 63% had critical non-conformances identified in 2018/19 - 70.6% in non-food and 31% in food. The most common critical non-conformance across our tier 1 supplying sites was excessive working hours. Whilst there was a slight increase from the previous year the identification of these issues allows us to work with our suppliers to ensure corrective action is taken.

## Sourcing

Action		KPI	Methodology	2016/17	2017/18	2018/19	Progress status	Commentary
3	Ensure international human rights standards are respected at all our suppliers' sites.	Percentage of tier 1 high risk sites where critical non-conformances have been identified and mitigation or remediation processes implemented on time.	Number of high risk tier 1 sites where critical non-conformances have been closed on time as a percentage of high risk tier 1 sites where critical non-conformances were identified from audits in the first 6 months of the year for non-food and first 9 months for food.	N/A	UK: 82%	UK: 89%		Of the sites where critical non-conformances were identified, 89% mitigated or remediated these non-conformances on time. We continue to work with the remaining 11% to resolve these issues. In cases where we are not satisfied that issues are being addressed we take the difficult decision to stop working with a supplier. In 2018/19 we exited 37 non-food supplier sites on ethical grounds, and temporarily suspended 2 food sites. Some non-conformances are the result of entrenched human rights issues in a particular country and require cross-industry collaboration and long term partnerships to address them.
4	Focus on the most serious risks to workers throughout our supply chains, working transparently with NGOs, unions and others to identify and address them.	Number of collaborative initiatives to address entrenched risks.	Number of collaborative initiatives which look to address entrenched human rights issues in our supply chain. An example of this is our work with the Ethical Tea Partnership or Issara Institute.	N/A	N/A	Group: 24		We are part of a number of important collaborative initiatives to address entrenched human rights issues. We know we cannot solve these issues on our own and need to work in partnership with others to achieve long-term sustainable solutions. We carefully select the initiatives that we take part in to ensure that we are driving change effectively and focus our engagement on initiatives linked to our highest risk products and supply chains. In the last year, key milestones in the collaborative initiatives we participate in include the development and publication of a retailer action plan for the Cocoa & Forests Initiative (CFI), the commencement of the pilot phase of the Responsible Car Wash Scheme, and progress through Malawi Tea 2020 on closing the living wage gap.
5	Support sourcing communities facing complex social and environmental challenges.	N/A	N/A	N/A	N/A	N/A		We are working with our clothing and general merchandise suppliers to benefit workers, their families and disadvantaged groups in our sourcing countries. Last year our projects, including financial literacy training for women and scholarships for workers' children, benefitted over 150,000 people. In our food sourcing, the Tesco and Community Fund in Southern Africa and the Equapak Foundation in Ecuador also continue to support community-based projects linked to our supply chains.

## Sourcing

Action		KPI	Methodology	2016/17	2017/18	2018/19	Progress status	Commentary
6	Reduce supply chain carbon emissions by 7% by 2020.	Percentage reduction in manufacturing emissions from key suppliers (Baseline 2015/16).	Percentage reduction in greenhouse gas emissions from our largest Own Brand and branded suppliers, based on their submissions to CDP.	UK: 4.1% reduction	UK: 6.2% reduction	N/A		To track our manufacturing emissions, we engage our biggest branded and Own Brand suppliers who supply a large proportion of our food products and provide a barometer for our overall manufacturing emissions. This year, we worked with CDP to collect data, with 56 suppliers responding. Based on the data, we can extrapolate that our manufacturing emissions reduction is on track to meet our 7% target. The biggest reductions come from an increase in the use of renewable electricity. However, Own Brand suppliers are not making as much progress as branded suppliers.
		Percentage of key suppliers measuring agricultural emissions.	Number of key suppliers who measure agricultural emissions as a percentage of key agricultural suppliers (tier 1 and 2) based on volume.	N/A	N/A	UK: 50%		Measuring agricultural emissions across a retailer's supply base is complex due to the different agricultural systems and sources of emissions, from fertiliser to feed or methane emissions. This KPI is a transitional first step towards ensuring we roll out an effective tracking system for agricultural emissions which is the highest source of emissions in our value chain. We are making good progress in gathering baseline data as we roll out innovative solutions to address agricultural emissions.
7	Achieve zero net deforestation in our sourcing of raw materials by 2020.	Percentage of palm oil (tonnes) certified to Roundtable on Sustainable Palm Oil (RSPO) standard <sup>7</sup> .	Figures provided by suppliers for Own Brand products. Covers segregated, mass balance and sources covered by RSPO credits.	UK: 99%	UK: 100%	UK: 100% ROI: 100% Central Europe: 100% Asia: 37%		100% of the palm oil in our Own Brand products in the UK and ROI is from sources certified by the Roundtable on Sustainable Palm Oil (RSPO). This comprises mostly certified physical supply chains. This year we have mapped our use of palm oil in our international markets and are working to achieve RSPO certified palm oil across the Tesco Group. We have achieved this for Central Europe through a combination of certified supply and RSPO credits. However, this is more challenging in our Asian markets where significant volumes of palm oil are sold as a cooking product, rather than an ingredient. We are working with our suppliers to identify the most credible routes to certify the volumes of palm oil from our Asia businesses.
		Percentage of paper/wood products certified by Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC) or from a recycled source <sup>7</sup> .	Figures provided by suppliers based on certifications from FSC and PEFC. Includes products where the certification logo is not used on pack.	UK: 79%	UK: 82%	UK: 87%		We remain on track towards our 2020 target for 100% of our UK Tesco Own-Brand wood and paper products to be FSC/PEFC certified or from a recycled source.

<sup>7</sup>Covers calendar year





## Sourcing

Action		KPI	Methodology	2016/17	2017/18	2018/19	Progress status	Commentary
7 (cont)	Achieve zero net deforestation in our sourcing of raw materials by 2020.	Percentage of soy (tonnes) for whole chicken products meeting our Zero Deforestation Transition Plan <sup>7</sup> .	Figures are provided by suppliers as well as evidence of certification from Tesco approved third party accreditations or standards. These fall into three categories: book and claim, mass balance or segregated.	N/A	N/A	UK: 77%		In June 2018, we announced our industry-leading plan to transition to sourcing all our South American soy from verified zero deforestation areas by 2025. We kicked off our transition plan by sourcing soy credits for our whole chicken products. Our target is that all soy from South America used in animal feed for our Tesco UK animal protein products will be certified zero deforestation by the end of 2020. Beyond certification and by 2025, we will also aim to source from regions where all the soy farms in the wider areas have been verified as zero deforestation.
8	Sustainably source all our wild fish.	Percentage of wild-caught seafood (tonnes) certified by the Marine Stewardship Council <sup>7</sup> .	Figures reported by suppliers via the Sustainable Fisheries Partnership. Covers Own Brand products only.	UK: 57%	UK: 70%	UK: 72%		We continue to grow our offer of MSC-certified seafood products. We are working with our suppliers to help drive improvement in our source fisheries so that they can all reach the MSC standard. We are also engaging with MSC to ensure the continued credibility of the certification programme. This year, we published information on our source fisheries through the Oceans Disclosure Project, ensuring transparency of our seafood supply chain.
9	Improve water quality and biodiversity in key agricultural regions.	Number of key suppliers with sustainable agriculture projects underway.	Results collated from an online survey issued to suppliers.	UK: 2	UK: 11	UK: 25		Building on field level data from growers and suppliers, we have been working with our key suppliers and the wider industry to improve water and biodiversity impacts in key agricultural regions. These range from water stewardship projects to cover cropping to protect soil health after harvest. In some regions we are developing projects ourselves while in others our suppliers are taking the lead, with guidance and support from our team. We will continue to work with our suppliers to ensure they are addressing key impacts and monitoring the effectiveness of their projects.
10	Treat all animals in our supply chain humanely at all life stages.	Percentage of audited sites that meet our animal welfare standards.	% of audited farms and abattoirs that meet our animal welfare standards as a percentage of total sites audited by an independent auditor.	69%	85%	UK: 86%		We are making good progress in the UK where we have implemented new outcome measure based audits across our supply chain focussing on key welfare indicators for each species. We are continuing our on-going work within the aquaculture category to review existing TWA (Tesco Welfare Approved) standards and ensure consistency across all proteins. We have been recognised by the Business Benchmark on Farm Animal Welfare (BBFAW) and maintained our Tier 2 score (against 6 levels). Further progress is needed internationally, and we are undertaking a mapping exercise in Central Europe and Asia to assess current animal welfare standards.

<sup>7</sup>Covers calendar year





## Health

Action		KPI	Methodology	2016/17	2017/18	2018/19	Progress status	Commentary
1	Help colleagues look after their physical and mental wellbeing so they can be at their best at work and home.	Percentage of colleagues that agree 'Tesco helps me lead a healthy lifestyle.	Results from What Matters to You survey - a colleague engagement survey sent to all colleagues across all markets.	N/A	Group: 63% <sup>9</sup>	Group: 69% <sup>10</sup>		There has been strong progress on this measure as a result of our focus on nutrition, healthy body and a healthy mind through colleague health events in all markets. We continue to introduce new health benefits in response to the needs of local colleagues. For example, based on the findings of our colleague health survey in the UK we have launched a new discounted gym pass. We are increasing our focus on mental health and financial wellbeing with the continued roll out of Mindapples training and the introduction of a financial assistance programme in the UK, as well as through our employee assistance programmes in Ireland and Central Europe.
2	To partner with leading health charities to help colleagues and customers make healthier choices.	N/A	N/A	N/A	N/A	N/A		Working with our Health Charity Partners we conducted the UK's largest workplace health survey in August 2018 and as a result of the feedback from our colleagues we introduced a discounted gym pass enabling all colleagues and their families an affordable and flexible opportunity to access gyms and exercise classes. We are trialling new ways of promoting health for customers and colleagues in a range of stores as part of the Consumer Goods Forum's 'One for Good' campaign, and will continue to work with our charity partners and other experts to introduce further trials and interventions.
3	To help improve diets through encouraging the consumption of fruit and veg.	N/A	N/A	N/A	N/A	N/A		We continue to focus on helping customers to achieve five portions of fruit and vegetables a day. For example, we have included loose fruit in our popular lunchtime meal deal and now over a third of our Tesco ready meals range contains at least one of five a day portions of fruit and vegetables. Through our popular 'Free Fruit for Kids' initiative in larger stores we are helping to embed healthy eating habits at an early age. So far 96 million pieces of free fruit have been given away through this initiative. We have also launched a range of veg-first baby food that has been developed in association with the British Nutrition Foundation.
4	To help remove cost barriers to healthier eating by ensuring that customers always pay the same price or less for the healthier version.	N/A	N/A	N/A	N/A	N/A		During our September 2018 customer health event we promoted products lower in salt, fat and sugar through our 'Helpful Little Swaps' basket, which cost 12% less than a regular basket and resulted in a 17% sales increase of these products versus the previous year. Working with our ambassador, Jamie Oliver, we also launched delicious and affordable family meals. We know that promotions are an important tool to encourage healthier choices. On core grocery lines, we continue to promote healthier variants alongside standard variants and in meat, fish and poultry, we have increased the number of products of fish and lean meats in our 3 for £10 promotions across the year. Through the Consumer Goods Forum 'One for Good' campaign, which we co-chair, we are working to make promotions healthier. In March 2019 we launched our initial interventions in 35 Tesco Express stores in Lambeth and Southwark.



<sup>9</sup>Survey conducted in July 2017. <sup>10</sup>Survey conducted in January 2019

## Health

Action		KPI	Methodology	2016/17	2017/18	2018/19	Progress status	Commentary
5	To make own label food and drink recipes healthier, provided there is no impact on taste or quality.	Percentage change in volume of key nutrients for Tesco Own Brand products below/above Own Brand volume growth (Baseline 2015) <sup>10</sup> .	Based on Kantar consumer panel data showing the volume of nutrients in Tesco Own Brand products sold, versus Own Brand sales volume growth.	N/A	Sugar: 0.3% below Salt: 0.8% below Fibre: 7.9% above	Sugar: 3.6% below Salt: 2.2% below Fibre: 10.8% above		This KPI enables us to assess the impact of product reformulation as well as changes in our product offer and customer purchasing. In 2018 we continued to see strong improvements in sugar, salt and fibre where we have been focussing our efforts in order to help customers eat the recommended daily amounts. For example, reductions in sugar volumes can be seen particularly in our yoghurt and ice creams ranges, which we have reformulated to reduce sugar content. Meanwhile increased fibre is a result of increased sales of fruit and vegetables, as well as cereals and bread.
6	To raise awareness of healthier choices.	Percentage of customers who agree 'Tesco helps customers live healthier lives'.	Results from a regularly conducted independent survey of Tesco customers shopping in-store or online. Results from Q4 of each year.	Group: 46%	Group: 55%	Group: 55%		We have maintained positive agreement from customers that Tesco helps them lead a healthy lifestyle. This reflects our focus on making it easier for customers to make healthier choices through our customer health events, our partnership with Jamie Oliver and our lifestyle and dietary filters powered by Spoon Guru. This year we plan to roll out our new Healthy Choice logo on our Tesco Own Brand products to make it easier for customers to identify healthier options.

<sup>10</sup> Covers calendar year

## Food Waste

Action		KPI	Methodology	2016/17	2017/18	2018/19	Progress status	Commentary
1	No food that is safe for human consumption will be wasted in our UK retail operations.	Percentage of food surplus (safe for human consumption*) redistributed to humans or animals. *defined as safe for donation to charity.	Percentage redistributed as a percentage of surplus	N/A	N/A	UK: 81% <sup>11</sup>		The latest available data for February 2019 shows that we have delivered 81% of our target that no food safe for human consumption will be wasted from our UK retail operations. We have seen a 66% increase in the amount of food redistributed in the UK compared to last year. Working with 7,000 charity partners and community groups through our Community Food Connection programme, we have donated the equivalent of 27.5 million meals from our UK stores and distribution centres over the course of the last year. Food not taken by charities is offered to colleagues through our Colleague Shops which are now in all stores. We send any suitable remaining bakery and produce surplus to animal feed.
2	Halve food waste in our own operations by 2030.	Percentage change in tonnes of food wasted as a percentage of tonnes sold compared to the baseline year (UK 2013/14, ROI and Central Europe 2016/17).	Full methodology available here <a href="https://www.tescopl.com/reports-and-policies/method-for-calculating-our-carbon-footprint/">https://www.tescopl.com/reports-and-policies/method-for-calculating-our-carbon-footprint/</a>	UK: 1.72% <sup>12</sup> increase	UK: 15% increase ROI: 11% increase Central Europe: 28% reduction <sup>12</sup>	UK: 3% reduction ROI: 0% reduction Central Europe: 43% reduction		<p>In the UK total food waste for 2018/19 was 44,297 tonnes (0.45% of sales). This represents a 16% decrease compared to last year and a 3% decrease compared to our baseline year 2013/14. We have continued to extend how we work with our producers to ensure that we take as much of their crop as possible. This includes better long range planning and stronger commitments to take crop, as well as purchasing unexpected bumper crops caused by the weather. This approach has resulted in an increase in the volume of surplus fruit and vegetables in our own operations and a smaller reduction in our total food waste. We think taking this crop into our operations and attempting to sell it or donate it is the right thing to do to reduce waste farm to fork. We have also expanded ranges important to customers but not suitable for donation to charity, for example prepared produce.</p> <p>In Ireland total food waste in 2018/19 was 6,312 tonnes (1.09% of sales). This represents a 12% reduction compared to last year and a 0% change compared to our baseline year 2016/17. We have implemented changes to our reduced to clear and in-store bakery processes, which minimised food surplus. We also continued our drive to donate suitable edible surplus to over 350 good causes across Ireland.</p> <p>In Central Europe total food waste in 2018/19 was 28,663 tonnes (0.92% of sales) a 22% reduction compared with last year and 43% reduction compared to our baseline year 2016/17. In addition to significant increases in food surplus being donated to charities and sent to animal feed, we were able to reduce overall surplus food by improvements to the accuracy of our forecasting and ordering, simplifying our food range and optimising our reduce to clear processes in stores.</p>

<sup>11</sup>Based on 4 week period in February 2019 <sup>12</sup>Figures for 2016/17 and 2017/18 restated as data has now been calculated to a greater number of decimal places.

## Food Waste

Action		KPI	Methodology	2016/17	2017/18	2018/19	Progress status	Commentary
3	Work in partnership with our suppliers to halve food waste in our supply chains by 2030.	N/A	N/A	N/A	N/A	N/A		27 of our largest Tesco Own Brand suppliers – responsible for over half of our Own Brand fresh food sales in the UK – have published data on food waste in their own operations. 10 of our largest brands have also committed to halve their food waste by 2030 and publish food waste data for their operations by September 2019. We are supporting them through workshops on food waste measurement and will track progress of each of these suppliers annually.
4	Help halve global household food waste in the markets where we have retail operations by 2030.	N/A	N/A	N/A	N/A	N/A		We are taking a range of actions to help customers waste less and save money. These include: ending ‘buy one, get one free’ promotions on fresh produce; removing ‘Best Before’ dates from over 180 fruit and vegetable lines; launching packaging and other innovations, such as a unique combination of UV light treatment and improved packaging film to extend freshness of avocados; and introducing new products such as frozen watermelon, beetroot and pomegranate.

## Packaging

Action		KPI	Methodology	2016/17	2017/18	2018/19	Progress status	Commentary
1	Our packaging will be fully recyclable by 2025.	Percentage weight of all Own Brand packaging meeting ‘widely recycled’ criteria <sup>13</sup> .	Results from a supplier data entry questionnaire which covers each suppliers packaging profile for the calendar year. Widely recyclable refers to the On-Pack Recycling Label classification.	UK: 80%	NUK: 83%	N/A <sup>14</sup>		We measure the overall percentage of our Own Brand packaging that is widely recyclable using data provided by suppliers. These figures show that in 2017 83% of our packaging was widely recyclable. Since then we have taken significant steps to improve the recyclability of our packaging by working to remove materials identified as hard to recycle on our ‘ <a href="#">red list</a> ’
2	End the use of hard to recycle materials from our Own Brand packaging by the end of 2019.	Tonnes of hard to recycle materials (i.e. materials on our ‘red list’) removed from our Own Brand packaging.	Equivalent tonnage of hard to recycle packaging removed as a result of switching to an alternative recyclable material, based on yearly sales.	N/A	N/A	2,914 tonnes <sup>15</sup>		We have set a target to end the use of hard to recycle materials from our Own Brand packaging by the end of 2019 and published a preferred materials list identifying certain materials (our red list) that we will no longer accept. We are working with our suppliers to switch to more recyclable alternatives. We are making good progress and have already stopped the use of over 2,914 tonnes of non-recyclable materials. We continue to innovate to identify ways of improving the recyclability of other materials.

<sup>13</sup> Covers calendar year <sup>14</sup> Our packaging figures are based on industry-wide data collected via a third party, Valpack. Unfortunately, this is not yet ready for publication and therefore the figures stated below are for the 2017 calendar year. We will publish a separate update on our 2018 figures later in the year <sup>15</sup> Covers period May 2018 to February 2019.

## Packaging




Action	KPI	Methodology	2016/17	2017/18	2018/19	Progress status	Commentary	
3	All paper and board used will be 100% sustainable by 2025.	N/A	N/A	N/A	N/A		We are working with our supply base to understand the simplest way of reporting the use of sustainably sourced card and paper – this information will enable us to put steps in place to report this information in the future.	
4	Halve packaging weight by 2025	Percentage reduction in average Own Brand pack weight per unit sold, including loose volumes (Baseline 2007). <sup>13</sup>	Results from a supplier questionnaire which covers each supplier's packaging profile for the calendar year.	UK: 33%	UK: 31%	N/A <sup>14</sup>		We continue to make packaging changes that reduce the amount of material used. However, the steps being made to exit hard to recycle materials are at times resulting in weight increases over the mid-term.

## Places



Action	KPI	Methodology	2016/17	2017/18	2018/19	Progress status	Commentary	
1	To facilitate food surplus donation programmes in all our stores in order to provide meals to those in need. 2017 UK & ROI 2017/18 Malaysia 2018 Thailand: hypermarkets in Bangkok 2020 Central Europe.	Percentage of stores that are part of our food surplus donation programme.	Percentage of Tesco stores which have been matched with a foodbank or charity partner so they can donate surplus food or who are part of the Community Food Connection app in the UK.	N/A	Group: 29%	Group: 64%		All our stores in the UK, ROI and Malaysia now offer surplus food to local charities. We have significantly expanded our food surplus donation programme in Central Europe, with 84% of stores now taking part. We continue to experience challenges in identifying suitable local charities in some areas but are working with local stakeholders to address this, as well as piloting the FoodCloud app. We face similar challenges in upcountry areas of Thailand due to the lack of a national food bank network, but have begun to roll-out our donation programme outside of the capital.
		Equivalent number of meals donated.	Total surplus food donated to charities divided by equivalent meal weight (420g).	N/A	Group: 48.1 million	Group: 62.7 million		The expansion of our food surplus donation programme from stores and distribution centres in the last year has enabled us to significantly increase the equivalent number of meals donated to help feed local people in need. We have also been focussing on increasing the amount of food charities collect. For example, in Ireland we have donated fridges and freezers to ensure charities can collect and store chilled food safely, and in the UK we have launched Community Cookery Schools to help community groups make best use of the food we donate.

<sup>13</sup> Covers calendar year <sup>14</sup> Our packaging figures are based on industry-wide data collected via a third party, Valpack. Unfortunately, this is not yet ready for publication and therefore the figures stated below are for the 2017 calendar year. We will publish a separate update on our 2018 figures later in the year.

## Places

Action		KPI	Methodology	2016/17	2017/18	2018/19	Progress status	Commentary
2	To support the projects and causes that matter to the local communities where we operate.	Number of local projects or causes supported.	Includes support to local projects through community grants, food surplus donations and other in-kind support.	N/A	Group: 24,286	Group: 29,819		In addition to providing food to local organisations in all our markets to feed people in need, our community grant programmes in the UK, Ireland and Central Europe give our customers and colleagues the opportunity to vote for the local causes that we support. Through these grant programmes we supported over 14,000 local charities and community projects in 2018/19. In Asia one of the ways in which we support our local communities is by partnering our stores with local schools.
		Corporate giving.	Includes support to charities and good causes through donations, gifts in kind or volunteer time, according to London Benchmarking Group guidance.	Group: £36.7 million	Group: £57.6 million	Group: £88.6 million		This figure represents donations to charities and good causes in cash, in-kind and through time volunteered. In 2018/19 we continued to see a significant increase in the level of in-kind donations as we increased the volume of surplus food donated to charities to help feed people in need.
		Colleague and customer fundraising.	Money donated by customers and colleagues that has been facilitated by Tesco fundraising activity.	Group: £26.8 million	Group: £19.6 million	Group: £19.9 million		Where we have the opportunity we use our presence in communities to help raise awareness and money for good causes. For example, we organise food collections where our customers are invited to join us in helping to donate food to those in need. In the UK we held store based flagship fundraisers for our Health Charity Partners - Cancer Research UK, Diabetes UK and the British Heart Foundation - and in Ireland we continued to support our charity partner, Temple Street Children's Hospital. In Central Europe we have introduced a new fundraising initiative called Tesco Angel to support colleagues in need.

## Climate Change

Action		KPI	Methodology	2016/17	2017/18	2018/19	Progress status	Commentary
1	Reduce absolute carbon emissions from our operations, from 2015/16 levels. 35% by 2020 60% by 2025 100% by 2050	Percentage reduction in GHG emissions (Baseline 2015/16).	Carbon footprint methodology available here: <a href="https://www.tescopl.com/reports-and-policies/method-for-calculating-our-carbon-footprint/">https://www.tescopl.com/reports-and-policies/method-for-calculating-our-carbon-footprint/</a>	Group: 18%	Group: 24%	Group: 31%		In 2017/18, we delivered a 24% absolute carbon emissions reduction across the Group against our 2015/16 baseline and an 11% reduction from the previous year (13% reduction excluding Booker). We achieved this by switching to renewable electricity in the UK, Ireland and Slovakia. In 2018/19, we have achieved a further 7% reduction (31% against our baseline). This has come from a reduction in refrigerant gas leakage, switching 50% of Booker electricity use to renewable sources and efficiency improvements in Poland and Thailand.
2	Source all our electricity from renewable sources.	Percentage of electricity from renewable sources.	Includes renewable electricity from on-site generation and covered by Renewable Energy Certificates or Purchase Power Agreements.	Group: 24%	Group: 55%	Group: 58%		This year we set out our roadmap to source 100% of our electricity from renewable sources by 2030. We have started this journey in the UK, Ireland and Slovakia where we are already sourcing 100% renewable electricity supported by certificates. Our renewable electricity plan is core to meeting our ambitious science-based climate change targets. Booker has now also started their transition to renewables, sourcing 50% of its electricity from renewable sources – also supported by certificates.