ESG Methodologies.

TESCO

Introduction.

Our sustainability report, which can be found in the Sustainability report on our website at https://www.tescoplc.com/ describes our work across the different ESG topics, including our commitments, approach and performance. This document supplements our factsheets and provides further information about the methodologies used to calculate our ESG performance metrics (hereinafter KPIs: Key Performance Indicators).

The methodologies detail our commitments, associated KPIs, scope, data used and calculation method. Presented results are rounded, using standard calculation practices.

We engaged Deloitte LLP to provide independent limited assurance over our most critical KPIs (highlighted with ◊ in our sustainability report):
- reduction of scope 1 and 2 emissions;
- onsite and offsite generated volume from Power Purchase Agreements (PPAs);
- gender diversity of top global leaders;
- ethnicity diversity of top global leaders;
- food wasted as percentage of food handled; and
- sales from products with a healthy score (both in UK/ROI and in Central Europe)

using the International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 (Revised)"), and International Standard on Assurance Engagements 3410 Assurance Engagements on Greenhouse Gas Statements("ISAE 3410") issued by the International Auditing and Assurance Standards Board ("IAASB"). Deloitte's full assurance statement is available at: http://tescoplc.com/esg-assurance. The methodologies for these KPIs are presented unabridged, while the ones for the remaining KPIs have been summarised in the interest of brevity and simplicity.

This document was last updated on 8 May 2025.

Climate Change and Energy.

This methodology document covers the following commitment areas and KPIs (Key Performance Indicators) along with how we calculate our carbon footprint:

Commitment	KPI
Climate neutral across our operations by 2035, aligned to a 1.5 degree pathway	Percentage reduction of Scope 1 and 2 market-based greenhouse gas emissions across the Group (baseline 2015/16)
Source 100% of our electricity from renewable sources by 2030	Proportion of generated volume from on-site generation, and on-site and off-site power purchase agreements (PPAs), as a percentage of energy consumption at a Group level

DEFINITIONS

Renewable Power Purchase Agreements (PPAs) = contracts with a specific supplier to represent energy produced at assets off-site and on-site from an eligible renewable energy resource. On-site PPAs refer to renewable energy generated from assets hosted, but not owned, by Tesco on-site. To calculate our total generated volumes via PPAs, we refer to the generation reports that show total annual output for each PPA.

Onsite Generation = generation of energy from assets that Tesco owns on-site.

Renewable Energy Certificates (RECs) = Government-backed certificates that producers of renewable energy are issued with for the electricity they generate. RECs certify that the electricity comes from renewable sources. These are also known as 'REGO's' (Renewable Energy Guarantee of Origin) in the UK.

In our Renewables Roadmap we set out to source increasingly from " 'highly credible' sources that bring additional renewable generation", via PPAs and onsite generation. Our definition of 'additionality' was to procure energy via new PPAs that creates additional renewable generation, rather than buying what is already accounted for via Renewable Energy Certificates (RECs). However, we have now moved away from exclusive use of new PPAs in the UK as this no longer reflects the maturity of the corporate grid PPA market. This will enable us to enter into PPAs at different life stages, which in an evolving market allows us to continue to ensure as much of our electricity demand goes directly towards renewable generation as possible.

TIMEFRAME

The published figures represent Tesco's carbon footprint for our full financial year 2024/25. This year comprises 52 weeks, ending 22nd February 2025.

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SCOPE

The following methodology has been applied to the carbon footprint calculated for this current year and all prior stated years.

We follow the "operational control approach" to help us determine when to include emissions within our carbon footprint. Our carbon footprint boundary includes operations where we have full authority to introduce and implement operating policies. This means that we include data from our subsidiaries which consists of Booker, Tesco Insurance and Money Services, One Stop, and Dunnhumby as well as Tesco stores and Distribution Centre's where we have operational control. In cases where Tesco divests an asset part way through a financial year, and thus relinquishes operational control, emissions from this source will not be included in the Tesco annual carbon footprint and we would adjust our baseline figures for the year proportionately. Where Tesco acquires an asset part way through the financial year, and thus gains operational control, emissions from the source will be included in the annual carbon footprint from the following year.

In the case of emissions from distribution, we also include journeys which are provided by third parties but have been arranged by Tesco. These are largely included in our Scope 3 emissions but there are certain circumstances in which we would include this in our Scope 1 emissions, such as if the operations are fully planned by Tesco, and Tesco has dictated the vehicle specifications. This is in line with the GHG protocol's operational control methodology.

METHODOLOGY

We have calculated our carbon footprint according to the World Resources Institute (WRI) and World Business Council for Sustainable Development's (WBCSD) Greenhouse Gas (GHG) Protocol, which is the internationally recognised standard for corporate carbon reporting. We use the relevant year's factors from the UK Govt Department for Energy Security and Net Zero (DESNZ) for converting consumption to emissions, except for non-UK markets' electricity consumption for which we use the International Energy Agency's (IEA) factors. For refrigeration gasses we use DESNZ, IPCC AR4 and IPCC AR5 GWP values.

This breaks down emissions into four categories for reporting – Scope 1, 2 (market and location based), 3, and Outside of Scopes.

- **Scope 1** – These are the direct GHG emissions that originate from assets that Tesco owns or controls. For example, these include emissions from gas and other fuel consumption in our stores, distribution centres and offices globally. Data for gas and other fuel consumption across our estate comes from billing data and meter readings. We also include emissions from fuel consumption in Tesco owned and leased vehicles transporting the products that we sell. Fuel consumption for Tesco owned vehicles comes from our internal systems tracking usage, and third-party logistics providers directly feed in their data for any leased vehicles. For Booker Best Food Logistics, fuel delivery figures are used and converted to emissions, rather than consumption. Delivery figures are more reliable if the fuel system is not working, with this data being recorded more robustly. As well as energy, we also include emissions from refrigerant gas leakage from systems in our stores and our vehicles. This data comes from monthly F-Gas

monitoring by maintenance technicians. Sites that we lease but have operational control of are reported in our scope 1, for example stores in Central Europe.

- **Scope 2** – This includes the indirect GHG emissions from the generation of electricity and district heating[1] that Tesco uses. In accordance with the Greenhouse Gas Protocol, Scope 2 Guidance we calculate our electricity emissions using both the location-based and market-based methods.

  o **Market-based Scope 2**: Our market-based emissions have been calculated by collecting generation data directly from our suppliers in countries where Tesco has a choice in its electricity supplier. All of the supplier-specific factors applied relate to their most up-to-date production mixes which are often the year prior to reporting year but can include some periods within the reporting year too. Our Scope 2 market-based footprint includes Tesco's purchase of electricity backed by Renewable Energy Guarantees of Origin (REGOs) or Renewable Energy Certificates (RECs), as well as any demand serviced by owned onsite generation or PPAs. Energy attribute certificates are purchased on behalf of Tesco's operations in a single country to match electricity consumption in that country.

  o **Location-based Scope 2**: We have used emission factors from DESNZ and have determined the Scope 2 electricity impacts for non-UK electricity from the International Energy Agency (IEA) figures (of CO2 rather than CO2e). In line with current UK Government guidance, an emissions factor of zero has been applied for renewable electricity only where this has been generated from sources owned or controlled by Tesco in our Scope 2 location-based emissions.

- **Scope 3**[2] – These are emissions not produced by Tesco itself, and not the result of activities from assets owned or controlled by us, but by those that Tesco is indirectly responsible for, up and down its value chain. Outside of the reporting for the two KPIs covered in this document we publish a description of our scope 3 footprinting process in our Sustainability Report.

  For the two KPIs covered in this document we currently report against categories 1, 3, 4 and 6 within the GHG Protocol definition of Scope 3, covering:

  o **Category 1 –** Purchased Good and Services (Water is the only aspect of Category 1 that is reported within this scope). Billing data is used to obtain water consumption across our estate.

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[1] District heating is a system for distributing heat generated in a centralized location through a system of insulated pipes for residential and commercial heating requirements such as space heating and water heating. District heating plants can provide higher efficiencies and better pollution control than localised boilers, and they are an important part of the UK government's plan to reduce carbon emissions.

[2] Limited areas of Scope 3 captured, closely relating to operations: 3rd Party Logistics after depot; associated emissions from energy; business travel and water consumption. These emissions are also not tied to this particular KPI

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- o **Category 3** - Transmission and distribution impacts of electricity and heat supply and well-to-tank embodied impacts of fuel. This is calculated using actual energy consumption and DESNZ emission factors,

- o **Category 4** - Distribution arranged by Tesco but provided by third parties that Tesco would otherwise need to fulfil. Consumption data is directly provided by third party logistics providers.

- o **Category 6** - Business travel by air, rail, taxi, and short-term hire car. Mileage data is provided by our external business travel partners. Radiative forcing is included in the DESNZ emission factors used for air travel.

- **Outside of Scopes** – This relates to biogenic emissions that are considered to have a net zero carbon dioxide impact due to the carbon they absorb during their growth. When they are burned to produce energy, this carbon is released, and the associated emissions are recorded as being 'outside of scopes' in accordance with the GHG Protocol. Outside of scopes are not included in our SBTi target and there are no outside of scopes emissions included in this reporting year.

Our carbon footprint is measured in carbon dioxide equivalent or CO2e. All 7 GHGs are included in line with the GHG Protocol. Different greenhouse gases have different effects on the climate, and CO2e is a widely recognised way of standardising the global warming effect of these emissions to ensure comparability.

We present our footprint in three ways:

- Gross emissions: Total CO2e emissions within the boundaries of our footprint

- Net emissions: Total CO2e emissions within the boundaries of our footprint minus the emissions credited through renewable energy we generate and provide to the national electricity grid.

- Emissions per square foot of Tesco stores and distribution space: The intensity of our Scope 1 and Scope 2 emissions in the context of the amount of net sales area they relate to in stores, and storage area in Distribution Centres. This excludes offices, third-party leased space, and storerooms in stores. This is representative of the revenue generating footprint of the business.

How we gather the necessary data

Our carbon data is collected by energy and transport managers in each of the countries in which we operate and entered into an internet-based reporting tool that has been adapted specifically for our carbon footprint process. This tool has been developed to reflect the requirements of the GHG Protocol. The tool calculates CO2e emissions for each country and Tesco group as a whole, as well as tracking against our Key Performance Indicators (KPIs) and a number of other measures. All data is quality checked and reviewed by our analysis team.

Conversion Factors

To promote consistency in our reporting, when converting certain fuel types between the unit provided in the invoice (e.g. m3) and the unit we use in our reporting (e.g. kWh), we use the

industry standard factors, provided by DESNZ, instead of those provided by the suppliers in their invoices, given that they may vary across suppliers and across different months.

Data estimations

Diesel use by suppliers (scope 3)

Where we use third-party contractors to deliver goods from our Distribution Centres (DCs) to stores, we estimate the amount of diesel they have used using the below calculation:

Tesco attributed diesel consumption = Tesco attributed mileage / average MPG of third-party logistics supplier

Floor Area

We calculate our total Group retail floor area in order to report emissions intensity per square foot, this includes Stores and DCs but not Offices. This is calculated on floor space area as it is the most accurate data we have across the Group, and there is no way to split out sub-let floor space used by concessions. Some of our stores are in mall spaces, and therefore we need to rely on a degree of estimation to gain a complete number for our floor area. We do this by using previous year data as a base, and applying an average floor area per store format for each store opening / closure, and any stores for which we do not have accurate square foot readings.

Data gaps

In the case of any data gaps, we will estimate the impact on the footprint and by using the most appropriate data available (e.g. historic consumption, annual extrapolation, average emissions, meter readings in place of invoices). We use the previous year's emissions as estimations, and then change to actuals once data has been received from source/suppliers. Estimations are mainly at year-end when we do not have P12 invoices.

Excluded data

For a small number of areas actual data was unavailable and reasonable estimates could not be produced. The reporting and assurance processes have concluded that these areas are not of significance to the carbon footprint data overall. We will continue to improve the quality of our data and will work to obtain actual data for these sources in future.

- Emissions from diesel used in back-up generators

- Employee car use for business and short-term hire car travel outside of UK

- Business travel via taxi in non-UK countries

- Emissions from asset sites – these are vacant buildings that we own but have not yet developed into stores and therefore have minimal emissions

In line with our operational control approach, emissions from the following businesses and sources are not included in our footprint as we only include the joint ventures where we have operational control:

- Tesco Mobile services – This is a different type of business, being delivered using Virgin O2's mobile network infrastructure and therefore these emissions are reported within Virgin O2's carbon footprint. Tesco Mobile concessions within Tesco stores are counted as part of our scope 1 and 2 emissions.

Baseline and restatements

We use 2015/16 as the baseline year for our carbon footprint reduction as that is the reference year we used to set our first science-based targets. In order to accurately reflect true progress in carbon reduction, we recalculate our baseline and all prior year emissions for relevant significant changes, described below.

Structural changes

Structural changes include acquisitions, divestures or mergers of businesses or facilities that existed during 2015/16.

Methodology changes

Methodology changes include updated emission factors, improved data access or updated calculation methods or protocols. For emission factor updates - We follow the DESNZ guidance on when to recalculate previous years' emissions after new emission factors have been released.

Other changes

In addition to structural and methodology changes, we will recalculate our emissions for the following:

- Discovery of a significant error, or a number of cumulative errors.
- Change in our organisational boundary – e.g. Acquisitions, divestitures, outsourcing and insourcing.

Change in our operational boundary – e.g. the inclusion of an additional type of Scope 3 emissions. **When do we adjust our baseline?**

- Every year we review our baseline to ensure none of the above conditions have occurred that would trigger rebaselining. During this process we update our emission factors, which may affect the baseline
- Identify any changes described above that have occurred in the reporting period which may require us to recalculate our base year.

KPI: Percentage reduction of Scope 1 and 2 market-based greenhouse gas emissions across the Group (baseline 2015/15) **METHODOLOGY:**

We use the below calculation for scope 1 and 2 emissions across the Group, using specific DESNZ emission factors for each hotspot:

(Consumption (e.g. litres of diesel) x DESNZ emission factor (e.g.2.51279 kgCO2e for 2024 litres of diesel emission factor)) / 1000 (to get tCO2e)

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KPI: Percentage electricity from renewable sources: Proportion of generated volumes from on-site generation, and on-site and off-site PPAs, as a percentage of energy consumption at a Group level METHODOLOGY:

We use the below calculation for the proportion of our electricity which comes from renewable sources, i.e. from renewable Power Purchase Agreements (PPA) both onsite and offsite, renewable generation from owned assets onsite, and purchased in the form of Renewable Energy Certificates (RECs):

(Electricity generated onsite and consumed by Tesco from owned assets + volume generated and consumed by Tesco from PPAs both onsite and offsite + purchase of RECs) divided by our total electricity consumption

We also track procurement of renewable electricity excluding the purchase of RECs as a separate KPI which is calculated as follows:

(Electricity generated onsite from owned assets + volume generated from PPAs both onsite and offsite) divided by our total electricity consumption

This KPI is prepared using estimated data for electricity consumption and renewable power generation for the final month of the financial year.

ASSURANCE

Deloitte LLP was engaged to provide independent limited assurance over selected greenhouse gas emissions data highlighted with ◊ in our yearend publications using the assurance standard ISAE 3000 (Revised) and 3410.

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Colleagues.

This methodology document covers the following commitment areas and KPIs (Key Performance Indicators):

Commitment	KPI
Being a great place to work	Percentage of colleagues that recommend Tesco as a great place to work within the Every Voice Matters survey
Developing careers, skills and leadership capability	Percentage of colleagues who feel they have the opportunity to learn and develop at Tesco within the Every Voice Matters survey
Supporting colleagues to be at their physical and mental best	Percentage of colleagues that believe Tesco supports their health and wellbeing within the Every Voice Matters survey

To track our progress in supporting colleagues to be at their physical and mental best, we rely on the direct feedback we receive from them through our "Every Voice Matters" (EVM) survey to track our KPI performance.

Agreement is determined by the selection of "Agree" or "Strongly agree" in the EVM survey. The survey is distributed across all divisions and markets (Tesco subsidiaries, such as dunnhumby are excluded).

SCOPE

The scope of this data covers the following areas:

Markets	Country
UK	United Kingdom
ROI	Republic of Ireland
Central Europe	Czech, Hungary, Slovakia, Poland (circa 500 colleagues in TBS-Hungary)
Bengaluru	India (TBS-Bengaluru)
Insurance Money Services	United Kingdom
Booker Group	United Kingdom

It also includes the UK subsidiaries: Tesco Maintenance, Tesco Family Dining, Tesco International Sourcing and One Stop.

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Colleagues that recommend Tesco as a great place to work

As defined by percentage of colleagues that agree with the following statement "I would recommend Tesco as a great place to work".

Colleagues who have the opportunity to learn and develop at Tesco

As defined by percentage of colleagues that agree with the following statement "I've had the opportunity to learn and develop at Tesco over the last year".

Colleagues that believe Tesco supports their health and wellbeing

Defined as the percentage of colleagues that agree with the following survey statements: "Tesco supports my financial health and wellbeing", "Tesco supports my mental health and wellbeing" and "Tesco supports my physical health and wellbeing". The KPI result is the average of the results from the responses for the three statements.

In addition to the above colleague wellbeing KPI, we also track health and safety metrics including the number of work-related injuries.

DEFINITIONS:

An accident is a separate, identifiable, unintended incident, which causes physical injury. There must be an identifiable external event that causes the injury, for example, a falling object striking someone.

A work-related injury is when any of the following played a significant role:

- the way the work was carried out;
- any machinery, plant, substances or equipment used for the work; or
- the condition of the site or premises where the accident happened.

We report on the number of injured persons (i.e. one accident with three injured persons would be logged as three injuries). Calculations include colleagues, customers, contractors, and visitors.

Diversity, Equity & Inclusion.

This methodology document covers the following commitment areas and KPIs (Key Performance Indicators):

Commitment	KPI
Continue to build an inclusive culture with a sense of belonging and where everyone has the opportunity to get on	Percentage of top global leaders that are female
Continue to build an inclusive culture with a sense of belonging and where everyone has the opportunity to get on	Percentage of top global leaders that are ethnically diverse

Gender and Ethnicity diversity of top global leaders

DEFINITIONS

Gender

We have used the legal gender of the colleague which is stored in our payroll systems for tax purposes. For the purpose of this KPI gender may only be male or female.

Ethnicity

Ethnicity is considered to be a combination of factors, including country of birth, nationality, language, skin colour and religion. For the purpose of this report – colleagues will self-identify as any of the following options:

A) White	B) Mixed/Multiple Ethnic Group	C) Asian/Asian British/Asian Irish
• English/Welsh/Scottish /Northern Irish/British • Irish • Member of the Traveller Community • Other White	• White and Black Caribbean • White and Black African • White and Asian • Other Mixed	• Indian • Pakistani • Bangladeshi • Chinese • Other Asian
D) Black/African/Caribbean/ Black British/Black Irish	E) Other Ethnic Group	F) Prefer Not to Say/Don't Identify
• African • Caribbean • Black British • Black Irish • Other Black	• Arab • Other Ethnic Group	• Prefer Not to Say • Don't Identify • Other

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If someone identifies as one of the groups in B-E above (or one that can be included within one of the groups above) they will be classed as ethnically diverse.

Top Global Leaders

We are including all of our WL4, WL5 and WL6 colleagues (Directors, Business Leaders and Executive Directors) and describing them collectively as 'top global leaders' (WL: Work Level).

WHY ARE WE REPORTING THIS?

- We're committed to ensuring everyone is welcome at Tesco, improving the gender and ethnicity of our leaders to better reflect our employee base and the communities we serve will help us achieve our diversity and inclusion ambition of "Building an inclusive workplace that reflects the communities we serve".

- We believe that the presence of diversity in an organisation, coupled with an inclusive environment, can foster innovation, drive better problem-solving capabilities and lead to stronger financial performance.

- Improving gender and ethnicity across our leadership will help to attract, develop, and retain talent. Research shows that having both diverse representation and diversity in role models to be an important factor in a candidate's choice of organisation.

- It supports external submissions such as: FTSE 350 Women Leaders (diversifying boards, Exec and direct reports), Parker Review (diversifying boards), Dow Jones Sustainability Index (DJSI), Workforce Disclosure Initiative

- It supports external commitments we have signed around setting targets: Race at Work Charter, If not now, when? Campaign, Stonewall Equality Index and Times Top 50 for Gender Equality.

TIMEFRAME

Data is recorded as at the last Friday of the financial year to ensure consistency, is reflective of a single point in time and cannot be retrospectively retrieved. The date this data was retrieved is:

- On 25 February 2022 for 2021/22
- On 24 February 2023 for 2022/23
- On 23 February 2024 for 2023/24
- On 21 February 2025 for 2024/25

SCOPE

The scope of this data covers the following areas:

Markets	Country
UK & ROI	UK (Including Booker, One Stop, Insurance Money Services and dunnhumby)	ROI	Bengaluru	
Central Europe	Czech Republic	Hungary	Slovakia
International Sourcing	Hong Kong, China, Sri Lanka, India.

Scope exclusions:
- We will treat each KPI individually and report on the number of colleagues whose data is available. For example, if we have gender data for 287 colleagues, then we will take the number of females as a percentage of 287.
- If we have a different number of colleagues who respond to gender in comparison to ethnicity, then we will accept different denominators for each.
- This approach also recognises that our denominator could change throughout the timeframe e.g., if we reduce/increase the number of roles

DATA SOURCES AND PROCESS

Gender data:

The People Data Team export this data as legal gender from Work & Pay and our legacy payroll systems where Work & Pay is not implemented. The master tracker held by the People Data Team is then updated with this information.

Where the People Data team do not have direct access to the market data source, they will email the appropriate contact in the market and request the data is securely shared directly with the People Data team. This will then be updated in the master tracker.

Ethnicity data:

We used our voluntary, internal 'This Is Me' diversity survey, for those parts of the business which have access to the survey, as the data source. The survey is hosted on an external platform by IK&B. The People Data Team take a complete download of the data available from This Is Me and use the employee number as the unique identifier to match colleague responses to colleagues in the master tracker. Our 'This Is Me' survey is always on and colleagues are able to make changes to their responses at any given time. We include a link to our This Is Me survey in our annual full-year EVM survey so colleagues are prompted to complete the survey if they haven't already or if they would like to change their response.

Colleagues who do not have access to the 'This Is Me' survey are asked to provide their responses via email to the relevant People Team colleague, who in turn share the employee number and ethnicity data with the People Data Team. The People Data Team update the data in the master tracker for the relevant colleagues.

Data calculation:

For each KPI the number of colleagues who have identified themselves as female or ethnically diverse will be divided by the total number of colleagues who have responded for each. We exclude Prefer Not to say/Don't identify and those who have chosen not to answer from the denominator. This will result in a percentage. We will round the result to the nearest whole percentage number (34.4% = 34%; 34.6% = 35%).

Visibility of data

Access to gender and ethnicity data is strictly limited to the People Data team.

Data requests go through the People Data Team who follow the data privacy guidelines in place for the 'This is Me' diversity survey. Reports are only produced at an aggregated level.

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Baseline

Baseline as of 25th February 2022 for top global leaders:

- Female representation 26%

- Ethnically diverse representation 11%

Data gaps

- In 2021/22, we had 23 top global leaders who did not disclose their ethnicity and they were excluded from the ethnicity baseline. In 2022/23 15 did not disclose their ethnicity; even without those submissions we have coverage on 94% of our top global leader population (92% in 2021/22).

- These can be included in future if they choose to disclose (as per above)

- There is an additional data gap where colleagues can choose to select "prefer not to say" or "don't identify" when providing their ethnicity data and this would then exclude the colleague from the calculation

DATA FORMAT

Excel, confirmation emails and data extracts from people systems (e.g., Work and Pay).

Farming & Animal Welfare.

This methodology document covers the following commitment areas and KPIs (Key Performance Indicators):

Commitment	KPI
Sustainably source our agricultural products.	% of fresh produce growers certified through LEAF Marque
Treat all animals in our supply chain humanely at all life stages	Percentage of audited sites that meet our animal welfare standards in UK/ROI
Treat all animals in our supply chain humanely at all life stages	Percentage of TWA (Tesco Welfare Approved) Primary Suppliers reporting animal health and welfare outcome measures in UK/ROI
Treat all animals in our supply chain humanely at all life stages	Percentage of cage free shell eggs 1. Shell 2. Ingredient
Sustainably certify all our wild fish by 2030	Percentage of wild-caught seafood, sourced for Tesco UK & ROI, that is Marine Stewardship Council (MSC) certified
Achieve zero net deforestation	Percentage of palm oil physically certified to Roundtable on Sustainable Palm Oil (RSPO) standard
Achieve zero net deforestation	Percentage of paper/wood products certified by Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC) or from a recycled source
Achieve zero deforestation in our use of soy	Percentage of soy used in animal feed that meets our UK Zero Deforestation Soy Transition Plan requirements

Fresh produce growers certified through LEAF Marque

This is a KPI which we began to report against in 2022/23 for UK growers suppling Tesco UK.

The data is provided at least annually by the LEAF Marque standard, a third-party certification scheme. The data is based on farm audits by trained environmental auditors measuring against at least 10 environmental indicators including climate, soil, water and biodiversity.

These measures apply to all UK growers suppling Tesco UK and all other growers suppling Tesco UK.

Scope Exclusions

- Excludes growers who supply the prepared produce category & Horticulture.

- Excludes contingency and spot purchases.

- Any permanent growers must be LEAF Marque certified unless a derogation has been approved.

- New growers. New growers added to an existing LMC GG Option 2 producer group can supply without LMC, until they are added to the certificate at the next annual audit. New growers have up to 12 months to become LEAF Marque certified. New growers are tracked via Foods Connected.

- Booker & One Stop, CE and ROI are not included.

Audited sites which meet Tesco animal welfare standards

As defined by the percentage of TWA sourcing sites supplying Tesco UK&ROI that received a rating of four or better in Red Tractor audits (see below) or National Sanitation Foundation (NSF) audits in their independent audit against our animal welfare standards. Two independent audit providers are responsible for auditing our sites to ensure adherence to our animal welfare standards:

NSF cover all animal protein sectors except dairy. A risk-based sample of sites are audited against our Tesco specific requirements each year. Outcomes are held by our external data provider, Foods Connected.

RED Tractor cover UK dairy. All Tesco Cheese Group (TCG) farms and Tesco Sustainable Dairy Group (TSDG) farms are audited annually as part of this process.

This measure applies to Tesco UK: TSDG & TCG farms, slaughter sites (beef, lamb, poultry, pork, aquaculture species), and Tesco ROI slaughter sites (beef, lamb & poultry). Additional auditable areas for both regions include transport, feed mills, outcome measure audits, hatcheries & egg packing facilities.

Key suppliers reporting animal health and welfare outcome measures.

As defined by the percentage of Tesco Welfare Approved UK&ROI suppliers that submit animal health and welfare outcome measure data as requested.

Our suppliers are asked to submit welfare outcome measure data through our external data provider, Foods Connected, on a monthly basis. We closely monitor the data and work in collaboration with our suppliers to identify opportunities for improvement.

The measure applies to Tesco UK: Tier 1 producers and Tesco ROI: Tier 1 producers for beef, lamb, poultry, and egg.

Cage-free shell eggs.

This KPI refers to the percentage of Tesco own brand and branded shell eggs sold in Tesco UK, ROI, Booker and CE stores that are sourced from cage-free hens.

The measure applies to Tesco (UK, ROI and CE) and Booker both own-brand and branded shell eggs, across all tiers.

Cage-free ingredients eggs.

This KPI refers to the percentage of eggs used as ingredients sold in products managed by Tesco UK or Tesco ROI that are sourced from cage-free hens. Eggs used as an ingredient is defined as

processed products containing eggs, such as (but not limited to) mayonnaise, egg pasta, pastries etc. Micro ingredients that are added to food in tiny amounts (<1%) for nutritional purposes, to aid processing, or to prevent spoilage are excluded from this category.

The measure applies to eggs used as ingredients in Tesco (UK and ROI) own-label products across all product categories.

Aquaculture and fisheries.

To track our progress in sustainably sourcing all our wild-caught seafood, we rely on the expertise and guidance of the Marine Stewardship Council (MSC).

- Each month, suppliers enter data detailing the fisheries they are sourcing from and the volume of each species (i.e. weight of seafood) from each fishery which goes into Tesco own branded products. This data is entered via the Sustainable Fisheries Partnership online portal.

- Every six months a member of the Sustainability Team (normally the data owner) accesses the online tool to verify the data entered by suppliers.

- The data is selected from the SFP portal by isolating dates January to December of the reporting year. A report is then downloaded in excel format. The percentage is calculated by taking the total volume of MSC certified seafood sourced for Tesco UK and ROI (tonnes) and dividing it by the total volume (in tonnes) of wild fish/seafood caught for Tesco UK and ROI, then multiplying this by 100.

Protecting forests

To track our progress in achieving our commitment to eliminating deforestation and conversion within our forest risk commodity supply chains, we use three KPIs across different product categories which may be linked to deforestation. We rely on the expertise and guidance of external frameworks and methodologies to set these KPIs. This includes working with NGOs and established frameworks such as the Roundtable on Sustainable Palm Oil (RSPO) and the Forest Stewardship Council (FSC) Programme. Our focus is on own brand products given the very substantial majority of our exposure to forest risk commodities is through our own brand rather than branded products, most materially through soy, for which virtually all of our footprint is indirectly through animal feed.

Percentage volume palm oil physically certified to RSPO standard

As defined by certified sourced palm oil used within Tesco own brand products. There are four levels of RSPO sourcing certification that Tesco report on:

- **Segregated:** Amount of RSPO certified palm oil from different certified sources kept separate from ordinary[3] palm oil throughout supply chain

- **Mass Balance:** Amount of RSPO certified palm oil mixed with ordinary palm oil throughout supply chain

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[3] Ordinary Palm Oil is defined as palm oil from a non-certified source.

- **RSPO Credit:** An RSPO Credit is proof that one tonne of certified palm oil was produced by an RSPO-certified company or independent producer, and has entered the global palm oil supply chain

- **RSPO Independent Smallholder Credits:** Credits (mechanism mentioned above) that specifically support certified production of palm by smallholder co-operatives in key sourcing countries such as Indonesia and Malaysia

This definition is aligned with the Tesco commitment on Deforestation and Conversion Free Palm Oil in the sourcing of palm oil (see full commitment here).

We do also accept **Identity Preserved (IP) RSPO Certified Palm Oil** however the volumes available on the market are very small. In the cases where IP is identified, we include this in our 'segregated' calculation.

This is currently a core KPI in reported ESG KPI's. From FY25/26 onwards, this KPI will evolve to exclude Mass Balance and RSPO Credits as we begin reporting against our commitment to 100% verified Deforestation and Conversion-Free palm oil by end of 2025.

Percentage of paper/wood products certified to FSC, PEFC or from a recycled source

As defined by percentage volume of Tesco own brand paper and wood products from assessed lines sold which are FSC or PEFC certified or from a recycled source. Information on the certification of any timber, wood or pulp-based materials in products is collected from suppliers by the technical teams on an ongoing basis through the 'Forest Source Assessment Form' (FSAF) or 'Recycled Paper Products Without a Valid Chain of Custody - Information Request Form'. This is done prior to products being shipped, as part of Tesco's due diligence process. This also includes identifying any European Union Timber Regulation (EUTR) requirements using the '80130(a) EUTR Scope Guidance' document.

These documents are collated and held centrally within Tesco by the Technical administrators.

Once sent to the third party, (3Keel), the completed sheets are then compiled into a central dataset, and a summary produced to show the compliance across the relevant Tesco markets and categories.

The provided summary document includes the % compliance with Tesco's policy overall, and the compliance % split by reported categories.

Booker

Information for any timber, wood or pulp-based materials is ascertained from our suppliers by the Technical Manager through our specification system. All certifications are collated and held on our specification portal system. The Technical Officer (TO) will summarise compliance data into a master spreadsheet, split by Booker categories showing % compliance.

Percentage of soy used in animal feed that meets our UK Zero Deforestation Soy Transition Plan requirements.

The methodology outlined below is used to calculate the percentage of annual soy volumes that meet the key steps of our Group Verified Deforestation and Conversion Free (vDCF) Soy Transition Plan.

Soy: A general term that relates to both soybeans and materials made from soybeans, including soy ingredients, soy oil and soymeal.

Tesco supply chain: The majority of soy used in our supply chain is through indirect use as soymeal in animal feed (soybeans crushed into soymeal). Suppliers who provide Tesco & Booker Own-Brand whole animal protein products (e.g. chicken breasts, steak, mince, salmon, prawns, eggs, milk, cheese) and Own-Brand products containing animal protein ingredients (e.g. chicken in a ready meal, fish in a pie, etc.) are in scope of this KPI. This scope is in line with the inclusion of tiers 2, 3, 4a and 4b of the Consumer Goods Forum (CGF) soy ladder, as referenced in our Group vDCF Soy Sourcing Requirements.

Tesco also uses its own Soy benchmark to ensure alignment with the CGF FPC ladder as well as the Accountability Framework Initiative.

Tesco's Verified Deforestation and Conversion Free (vDCF) Soy Benchmark

There are a wide range of different certification standards related to soybean production and sustainability. To meet the Tesco requirements all five of the below requirements must be met:

- Complete certification standard is publicly available;

- Meets the [European Feed Industry's (FEFAC) benchmark](#), specifically FEFAC SSG benchmarked standard achieving the no-deforestation criteria, with a cut-off date before 2020 that is delivered in a Mass Balance or Segregated chain of custody to the feed mill;

- Have a clear requirement on zero deforestation and conversion of native habitat;

- Independent 3rd party verification;

- Linked to a specific region of production, either through a chain of custody certification able to be evidenced beyond the point of import, or through a recognised Area Mass Balance scheme.

These can be requested from any feed mill/ feed manufacturer/ trader.

Ranked in order of preference:

1. vDCF: Soy sourced from verified deforestation and conversion free whole areas, or to an evidenced vDCF standard.

2. In Transition: Where it is not possible to source soy through to the above requirement, soy is instead sourced via certification as ranked and reviewed both internally and through external reporting. We recognize and preferentially support certifications that are both 3rd party reviewed (by an independent auditor) and share their audit reports publicly.

Food waste and redistribution.

This methodology document covers the following commitment areas and KPIs (Key Performance Indicators):

Commitment	KPI
Halve food waste in our own operations by 2025	Percentage change in tonnes of food wasted as percentage of tonnes of food handled compared to baseline year (2016/17)
No food that is safe for human consumption will be wasted inside our operations	Percentage of unsold food safe for human consumption redistributed to humans or animals in the UK
Work in partnership with our suppliers to halve food waste in our supply chains by 2030	Number of suppliers who report a reduction in food waste as a percentage of food handled

Food wasted as percentage of food handled.

DEFINITION

The methodology outlined below is used to calculate food waste as a percentage of tonnes handled compared to the baseline year. The methodology is consistent with the WRI's food loss and waste protocol: Food waste is any food, and inedible parts of food, removed from the food supply chain to be recovered or disposed (including composed, crops ploughed in/not harvested, anaerobic digestion, bio-energy production, co-generation, incineration, redisposal to sewer or landfill. Drinks waste is included.

Food surplus includes all waste but also includes the following definitions. This is not included in the total waste figure and is reported separately:

- Food converted to animal feed
- Food redistributed to colleagues through the Colleague Shop
- Food redistributed to FareShare, OLIO or directly to charities via Community Food Connection

The definition of food handled is the sum of the weight of food sold, wasted, donated, distributed to colleagues and sent to animal feed.

For all KPI calculations, the number of units per item is converted into a weight measured in tonnes by multiplying the number of units wasted by the per unit weight. The per unit weight excludes packaging.

Food surplus that is not redistributed or converted in the ways listed in the above bullet points is considered as waste. The majority of food waste is sent to anaerobic digestion. The remainder, including mixed waste streams unsuitable for anaerobic digestion, is sent to incineration with energy recovery.

TIMEFRAME

Annual. The published figure represents the food wasted in our full financial year. e.g. for 2024/25 this includes 52 weeks, from 26th February 2024 to 22nd February 2025 inclusive.

SCOPE

The scope of this data covers food surplus and waste arising from our distribution centres and stores in the following areas:

Business Unit	Country
UK	UK (excluding One Stop, which is managed as a separate entity)
Republic of Ireland	Republic of Ireland
Central Europe	Czech Republic, Hungary, Slovakia
Booker	UK includes Booker & Makro Wholesale, Booker Retail Partners, Booker Direct and Best Food Logistics.

Store location and type:

Business Unit	Store location and type
All	Food surplus and waste arising only from our distribution centres and stores. Store waste includes Customer Fulfilment Centres (dotcom).

Food categories:

The scope of the calculation includes food waste and associated inedible parts. All food and drink categories sold at Tesco and Booker are included in the scope.

During the calculations, all non-food items including packaging are removed from our waste data. Details on the types of products excluded are shown under the scope exclusions of each Business Unit specific sections.

Scope Exclusions:

Tesco targets to reduce food waste stemming from its retail operation. As a result, food waste arising in customer restaurants and staff canteens in our stores and distribution centres are out of scope, as is any food waste arising in operations owned by Tesco upstream in the supply chain, such as haulage wastage and committed crop wastage. Food waste in customer's homes is out of scope, including products accepted by Tesco.com customers which are later refunded.

The calculation only covers our operations. Therefore, waste arising at our suppliers' sites and from third party counters in Tesco stores is not included.
As described above, One Stop is not captured in scope of this KPI.

METHODOLOGY

The bullet points below explain how we calculate our total food waste tonnage for the full financial year for each country:

- Data from different sources (please refer to the Source Data section below) is joined to create a summary by Tesco Product Number Base (TPNB) or relevant business unit product code

- non-food items are excluded at this stage

- The number of units wasted per item is converted into a weight measured in tonnes by multiplying the number of units wasted by the per unit weight.

- We perform a 'bottom up' calculation from the waste tonnages for individual products (e.g. Gala Apples), to the commercial food category (e.g. Produce), to our entire operations.

- We used this calculation method for the majority of the waste products (by weight) from our own operations – in our distribution centres and within our stores or wholesale branches.

- The remaining percentage of waste by weight occurs in products for which a weight is not available (this could include items such as baguettes in our bakery), or where the weight provided is not correct.

- The following steps are taken to select the best estimate for product contents weights:

  - Product content weights are checked category by category and are marked as requiring adjustment where the content weight is missing or if it is high or low compared to the category average.

  - For all items requiring adjustment, items are checked on a sub-category basis and either the category or sub-category average is used based on expert judgement.

- To minimise the risk associated with such estimates, categories with the largest number of waste items are prioritised and checked in more detail as these have the greatest impact on the total waste.

- In addition, within each category, the products with the highest number of wasted units are checked manually one-by-one as these can also have a significant impact on the total waste tonnage.

- The sales weight is measured using the same method for food waste: the number of units sold is multiplied by the same per unit weight used in the calculation described above.

- Where necessary (see country sections) adjustments are made to account for donations or animal feed.

The weight coverage of product contents weights, other sources (e.g., self-scan weights, bakery weights, description weights, weighted products, etc.) and estimated weight (i.e., category or subcategory average weight) per business unit is detailed in the table below.

Data Source	Tesco UK	Tesco ROI	Tesco CE	Booker
Contents Weight	84%	89%	91%	96%
Other Sources	10%	4%	9%	3%
Estimated (Cat/Sub Average)	6%	7%	0.2%	1%

The data is compiled for each market by Anthesis to track the % change in tonnes of food wasted as % of tonnes of food handled compared to baseline year (2016/17), and to track the % of unsold food safe for human consumption redistributed to humans or animals. It is assumed that 1 L is equivalent to 1 Kg where product content weights are listed as volumes.

The data for each market is then summed to achieve a Tesco Group figure.

To derive the KPI calculations:

Percentage change in tonnes of food wasted as a percentage of tonnes handled compared to the baseline year:

The KPI figure represents the change, from the baseline year, in our food waste per food handled intensity:

- The intensity is measured by weight: tonnes of food wasted divided by the tonnes of food handled.

- The percentage change from the baseline year is calculated as the baseline year intensity minus the current year intensity, divided by the baseline year intensity.

Category breakdown of total food waste

To calculate food waste breakdown by category, total tonnes of food wasted in each category, and % contribution to total waste are reported for the following categories:

- Bakery

- Beers, Wines and Spirits

- Dairy

- Grocery

- Impulse

- Meat, Fish and Poultry

- Prepared Foods

- Produce

The hierarchy has been changed by Tesco over the years, so these categories do not all match in historic reporting.

TESCO

Due to the nature of their business, Booker has a different category breakdown (calculation methodology is the same though):

- Dairy deli & bakery
- Catering grocery
- Retail grocery
- Fruit & veg
- Frozen food
- Meat
- Wines spirits beers
- Confectionery

Historical data is available for this KPI for the UK from 2013/2014 and 2016/17 for remaining markets. For ESG reporting purposes we will report data using the following:

- **Baseline Year**: Base year for the target (halve intensity by 2025) is 2016/17
- **ESG KPI Presentation:**
  - Percentage change in tonnes of food wasted as a percentage of tonnes handled compared to the baseline year

Details specific to each country are outlined below.

UK

SCOPE EXCLUSIONS

The following products are out of scope and therefore excluded from the calculations:

- Products in non-food categories, for example Health, Beauty & Wellness, Household & Pet care or electrical products, except certain products food items such as baby food and nutritional fitness food
- Plants and flowers in the Produce Category.
- Some individual products were excluded in other Categories where they were clearly not food, for example: books, glassware, and candles.

DATA SOURCES

Retail waste: This dataset contains the number of units wasted in our retail operations and the total value (£) of such waste per item, split by waste type –

- DAM waste: Products that are damaged in store, whether on the shop floor or in storage. This also includes waste arising from customer returns and from clearance events.
- OOC waste: Products that exceed the 'Best before' or 'Use by' date and can no longer be sold.
- Product Write Off waste: Products that are not suitable for sale. For example, the supplier has sent a request to withdraw the product as it is not safe for consumption.

- Exceptional Events Waste: Products that are damaged during an exceptional event. For example, this waste could be caused by a fridge breakdown or flood.

Depot waste: This dataset contains the number of units wasted in our distribution centres and the total value (£) of such waste per item. Depot units differ from retail units as these contain several retail units (for example a pallet or a carton of individual packs). The number of retail units per depot unit is also provided in the dataset and is used to calculate the total retail units per item.

Product weights data: This dataset contains the contents weight and the packaged weight per item. Note that where duplicates are found, a conservative estimate is taken and the highest weight is used.

Self-scan weights data: This dataset contains the packaged weight of items as measured in store self-scan tills. These data are used where product data from the source above are not available. Note that where duplicates are found, a conservative estimate is taken and the highest weight is used. Given these data include packaging, these are only used for items where a more suitable weight is not available and where the weight of packaging is not considered to be significant.

Bakery weights data: This dataset contains the weight per item for bakery products that do not have a weight assigned in the product weight data. The product specification weight is provided by our bakery team.

Community Food Connection (CFC) donations data: This dataset contains the number of units and value of food donated to charities through our Community Food Connection programme. These donations are also recorded as part of the OOC waste detailed above and are subtracted from these to avoid double counting.

Other charity data: FareShare and Company Shop provide data for donations that are not included under our CFC programme. This includes donations from our ambient and fresh depots. Donations from depot include oversupply and reject food owned by suppliers, where the donation is facilitated by Tesco. These are included in the donations figure and in the total surplus figures. Some donations are also recorded as waste in our depots, this may result in an overstatement of our waste figures.

OLIO donations data: This dataset contains the number of units and value of food donated through the OLIO application. OLIO donations are also recorded as part of the OOC waste detailed above and are subtracted from these to avoid double counting.

Colleague Shop: This dataset contains the number of units and value of food given to colleagues through our colleague Shop programme. Food given to colleagues is recorded in two ways: using employee discount cards and logged as a sale or recorded as part of OOC waste detailed above. These are subtracted from the sales and OOC waste figures respectively to avoid double counting.

Animal feed tonnage: The tonnage of bakery and, produce surplus that is diverted to animal feed. This data is provided our animal feed partner. The tonnage recorded in this dataset excludes product packaging and rejects. As of November 2020 some products in the Grocery

category have been included in the animal feed stream and are recorded by our animal feed service provider as bakery.

Pet Food: This dataset contains the tonnage of Meat, Fish and Poultry (MFP) surplus that is diverted to pet food. The tonnage recorded in this dataset excludes product packaging and rejects.

ASSUMPTIONS AND ESTIMATIONS.

As described previously, the following assumptions and estimates are used in the "Percentage change in tonnes of food wasted as percentage of tonnes of food handled compared to baseline year (2016/17)" KPI calculation:

- Assumption: In order to homogenise the data of all the product items included in the KPI calculation, all product weights are converted into tons. We assume for this purpose that 1 L is equivalent to 1 Kg where product content weights are listed as volumes.

- Estimation: Self-scan weights data (packaged weight of items as measured in store self-scan tills) are used where product data from the source above are not available. These data - only used for items where a more suitable weight is not available- include packaging; packaging weight has not considered to be significant.

- Estimation: For products where weight is not available (e.g.: baguettes in our bakery), this is estimated using their category or sub-category average.

ROI

SCOPE EXCLUSIONS

During the calculations, all non-food items are removed from waste data. The following products are out of scope and therefore excluded from the calculations:

- All products within Baby, Beauty & Toiletries, and Healthcare, Optician & Pharmacy categories except baby food and nutritional fitness food.

All products in the Household & Petcare category except **food** items.

- All petcare and incense products in the Grocery category.

- Plants and flowers in the Produce category.

- Store transfers were also excluded.

- Some individual products were excluded in other categories where they were clearly not food, for example: books, glassware.

DATA SOURCES

Retail waste: This dataset contains the number of retail units wasted and the total value (£) of such waste per item, split by waste type –

- DAM waste: products that are damaged in store, whether on the shop floor or in storage. This also includes waste arising from customer returns and from clearance events.

- OOC waste: Products that exceed the 'Best before' or 'Use by' date and can no longer be sold

- Product Write Off waste: Products that are not suitable for sale. For example, the supplier has sent a request to withdraw the product as it is not safe for consumption.

- Exceptional Events waste: Products that are damaged during an exceptional event. For example, this waste could be caused by a fridge breakdown or flood.

Depot waste: This dataset contains the number of depot units wasted and the total value of such waste per item. Depot waste figures are reported as a mixture of positive and negative totals. Negative figures are 'losses', i.e. waste. Positive figures are single items that have been retrieved from wasted packs (e.g. individual cartons retrieved from a broken case). The total waste per item is the sum of losses and gains multiplied by minus one, to align these data with other datasets.

Product data: This dataset contains the contents weight and the packaged weight per item. Note that where duplicates are found, a conservative estimate is taken and the highest weight is used.

Bakery Weights data: This dataset contains the weight per item for bakery products that do not have a weight assigned in the product weight data. The product specification weight is provided by our bakery team.

Self-scan data: This dataset contains the packaged weight of items as measured in store self-scan tills. This data is used where product data from the source above is not available. Note that where duplicates are found, a conservative estimate is taken and the highest weight is used. Given these data include packaging, these are only used for items where a more suitable weight is not available and where the weight of packaging is not considered to be significant.

Surplus food donations programme: This dataset contains the number of units and value of food donated to charitable food organisations through our partnership with Irish social enterprise FoodCloud. These donations are also recorded as part of the OOC waste detailed above and are subtracted from these to avoid double counting.

Colleague Shop: This dataset contains the number of units and value of food, mostly from our bakery selection, given to colleagues through our Colleague Shop programme. This food is also recorded as part of the OOC waste detailed above and are subtracted from these to avoid double counting. This is now also linked to Colleague Clubcard.

Other charity data: FoodCloud provides data for donations from our ambient and fresh depots. Donations from depot include over-supply and rejected food owned by suppliers, where the donation is facilitated by Tesco.

OLIO donations data: This dataset contains the number of units and value of food donated through the OLIO application. Our relationship with OLIO began in FY21/22.

Animal feed data: Please note there is no animal feed processing or data for the Tesco ROI operation.

TESCO

SCOPE EXCLUSIONS

During the calculations, all non-food items are removed from our waste data. The following products are out of scope and therefore excluded from the calculations:

- All products in non-food categories, for example health & beauty, pet care or electrical products.

- Plants and flowers in the Produce Category.

- Some individual products were excluded in other Categories where they were clearly not food, for example: books, glassware.

DATA SOURCES

In order to calculate the amount of food wasted each year we record the following data in our stores and depots.

Retail waste: This dataset contains the number of retail units wasted and the total value (£) of such waste per item, split by waste type –

- DAM waste: products that are damaged in store, whether on the shop floor or in storage.

- OOC waste: Products that exceed the 'Best before' or 'Use by' date and can no longer be sold.

- Product Write Off waste: Products that are not suitable for sale. For example, the supplier has sent a request to withdraw the product as it is not safe for consumption.

- Exceptional Events waste: Products that are damaged during an exceptional event. For example, this waste could be caused by a fridge breakdown or flood.

- Clear-as-you-go: waste arising from clearance events.

- Returns: customer returns that can no longer be sold.

All waste data is provided as negative units. These are multiplied by minus one for this to be reported as a positive figure.

Store Donations and Animal Feed data: The retail waste dataset also contains the number of retail units sent to charity and animal feed and the total value (£) of such surplus per item, split by waste type –

- Donations to food banks, local and national charities: donation of food for human consumption.

- Food surplus diverted to animal feed.

Depot waste: This dataset contains the number of depot units wasted and the total value (£) of such waste per item. Depot waste figures are reported as a mixture of positive and negative totals. Negative figures are 'losses', i.e. waste. Positive figures are single items that have been retrieved from wasted packs (e.g. individual cartons retrieved from a broken case). The total waste per item is the sum of losses and gains multiplied by minus one, to align these data with

other datasets. From 2020/2021 the depot dataset also includes the number of units and the total value (£) of units donated or sent to animal feed from depot.

Product data: This dataset contains the contents weight and the packaged weight per item. Note that where duplicates are found, a conservative estimate is taken, and the highest weight is used.

Booker

SCOPE EXCLUSIONS

Booker acquired Venus in 2024. They are excluded from the 2024 methodology and food waste measurement process.

During the calculations, all non-food items are removed from our waste data. The following products are out of scope and therefore excluded from the calculations:

- Non-Food, Pet Food, Tobacco, Health & Beauty, Laundry/Wash Up/Cleaning, Baby, Medicines, Catering Household, Catering Cleaning, Catering boxed drink syrups.

Waste from weighted items (products sold by weight) has been included. The weight of these items is estimated by dividing the value of the waste by the per kg cost of the item. This was excluded in data for financial year 2017/18.

Food waste that arises after the sale and delivery to a customer's businesses is out of scope.

DATA SOURCES

In order to calculate the amount of food wasted each year Booker records the following data in its sites. The data is divided by individual business including waste arising from Booker Wholesale, Makro Wholesale, Booker Direct, Booker Retail Partners and Best Foods logistics. These datasets contain the number of cases wasted or donated and the total value (£) of such items, split by type.

Booker Branch waste: This dataset contains the number of cases wasted or donated and the total value (£) of such items, split by type:

- Damages: Products that are damaged in branch.

- Out of Code: Products that exceed the 'Best before' or 'Use by' date and can no longer be sold.

- Notified Loss: Products that are damaged during an exceptional event. For example, this waste could be caused by a fridge breakdown or flood. For the Beers, Wines & Spirits category this code is classed as theft so has been excluded.

- Poor Quality: Products that do not meet sales quality standards.

- Product Recall: Products affected by a supplier product recall.

- Charity Donation: Products that have been donated to a local charity including Olio

- Colleague Shop: Products that have been given free to colleagues

Booker Distribution waste: This dataset contains the number of saleable units wasted or donated and the total value (£) of such items, split by type. Saleable units are converted into cases by dividing these by the number of saleable units per case.

- Date Issue: Products that exceed the 'Best before' or 'Use by' date.

- Temperature Rejections: Products that are not fit for sale due to temperature failures.

- Other Damages: Products that are damaged at the distribution depot.

Booker Retail Partners: This data contains the number of cases wasted and the value split by waste type:

- Short Dated: Products with insufficient shelf-life for sale.

- Out of temperature: Products that are not fit for sale due to temperature failures.

- Poor quality: Products that do not meet sales quality standards.

- Damages: Products that are damaged at the distribution depot.

- Charity donations: Products that are donated to charities or Company Shop.

Note that from this year, charity donations and products sold in clearance cages are reported separately and therefore no longer included in the waste figures.

Best Food Logistics: This data contains the number of cases wasted as either client responsibility or Best Food Logistics splitting out non food and food by waste type:

- Charity donation: Products that are donated to charities

- Damages: Products that are damaged at the depot or during delivery

- Out of code: Product is out of date

- Quality Issue: Products do not meet the standards required

- Temperature Issue: Products are not fit for consumption due to temperature failures

- Not Authorised for charity: Clients do not authorise product to be donated

Product Attributes: This dataset includes the net weight of a saleable unit per item as well as the number of saleable units. This also includes information on whether a product is sold by weight or case.

Weighted products information: This dataset includes the per kg sales value and cost of weighted items. The data was provided for two dates during the financial year, an average of these values was used.

Redistribution of unsold food safe for human consumption

Tesco has set a target that no food safe for human consumption will go to waste from our UK operations. "Safe for human consumption" means legally donatable food and drink that is defined as safe for donation to charity.

Data is obtained from food waste/surplus arising from our distribution centres and stores in the UK.

This data will then drive the KPI calculation, i.e. The total percentage of food surplus safe for human consumption redistributed to humans or animals is the total redistributed divided by the total tonnage of unsold food surplus safe for human consumption.

Suppliers who report a reduction in food waste

Tesco encourages its suppliers to report food waste across their operations. This data helps to track how suppliers are contributing to the United Nations Sustainable Development goal 12.3, adopted by Tesco to halve food waste by 2030. Suppliers provide their data on an annual basis, including the following information:

- Total food waste in tonnes, including destination breakdown
- Total food surplus in tonnes, including destination breakdown
- Total food sold as intended in tonnes
- Food waste as a percentage of food handled by weight
- % change compared to baseline year

This data is then used to derive the KPI calculation: count of suppliers with comparable year on year data that have achieved a reduction in food waste as a % of food handled compared to the base year (defined by the individual supplier).

Healthy, Sustainable Diets

This methodology document covers the following commitment areas and KPIs (Key Performance Indicators):

Commitment	KPI
To help UK/ROI customers eat more healthily by increasing the proportion of sales of healthy products to 65% by 2025	Percentage of volume sales from products with a 'healthy' NPM score in UK/ROI
To help customers in Central Europe (Slovakia, Hungary, Czech Republic) eat more healthily by increasing the proportion of sales of healthy products to 53% by end of 2027[4]	Percentage of volume sales from products with a 'healthy' health score as a proportion of total volume of food sales for Central Europe
Making Products healthier through reformulation	Percentage point change in volume of key nutrients for Tesco Own Brand products below/above Own Brand volume growth
Increasing sales of plant-based meat alternatives by 300% by 2025	Percentage growth in plant-based meat alternatives (vs 2018 baseline)

Sales from products with a 'healthy' NPM score in UK/ROI.

DEFINITION

The methodology outlined below is used to calculate the percentage of volume sales from products with a 'healthy' NPM1 score (NPM: Nutrient Profiling Model, as defined by the UK Government) . Scores can be submitted by suppliers, or calculated by Tesco (details in Healthy Product Definition section).

As part of our updated healthy, sustainable diets strategy we announced new commitments in 2021 including helping customers eat more healthily by increasing the sales of healthy products, as a proportion of total sales, to 65% by 2025.

TIMEFRAME

Timeframe for annual report: Tesco financial year.

SCOPE

The scope of this data covers the following areas:

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[4] The baseline year is Tesco's financial year 2021/22 (March 2021-February 2022) with baseline data being 49,02% of healthy sales in Central Europe.

Markets	Country
UK and ROI – all retail food and drink product categories for branded and own brand products	Retail Business Units: Tesco UK, Tesco ROI

Scope Exclusions

The following Business Units: Booker and One Stop, are not currently included within the scope of reporting. Central Europe have their own % healthy sales commitment, which is described in a separate methodology.

Product categories excluded: household, pet care, health and wellness (except the inclusion of Free From products– these are products produced for specific dietary or lifestyle food and drink needs e.g. gluten free, milk free, egg free etc.), baby, beauty, beers, wines and spirits, due to the nature of the products in these categories.

Healthy Product Definition

The UK Government's 2004/2005 Nutrient Profiling Model (NPM) is used to define whether a product is 'healthy' or 'less healthy'. This model is widely used across the industry to measure health in foods and drinks, including in the UK Government's October 2022 HFSS (high fat, sugar and salt) <u>Food (Promotion & Placement) (England) Regulation.</u>

Suppliers provide NPM scores for all products in scope of the HFSS Regulation restrictions and for new products. They must calculate NPM scores according to guidance provided by the Government. These scores are then shared with Tesco via external platforms, Brandbank or productDNA (managed by Syndigo). Suppliers of products which are not in scope of the regulation may voluntarily calculate scores and share data this way.

Tesco calculate the NPM score for a product where the supplier has not provided data, e.g. if the product is not in scope of the HFSS restrictions.

The Tesco calculated NPM score is determined by offsetting points for nutrients of concern (energy, saturated fat, sugar and salt), known in the model as 'A points' against points for positive nutrients and ingredients (fibre, protein and fruit, vegetable and nuts), 'C points'.

The Tesco calculated NPM score awards the C point benefit for whole fruits, vegetables and nuts (e.g. a bag of apples or almonds, 100% dried fruit and fruit juices). However, no benefit is awarded for the fruit, vegetable and nut content of composite products (e.g. ready meals, sandwiches, soups, where we do not hold the recipes). Taking this conservative approach, the process results in the worst case scenario.

For both supplier submitted NPM scores and Tesco calculated NPM scores, a food is considered 'healthy' if it scores 3 points or less. A drink is considered 'healthy' if it scores 0 points or less.

Below is an example of a calculated NPM score:

TESCO

Product Example (dummy data):

1. Calculate 'A points' and 'C points':

A points	Energy (kJ)	Sat Fat (g)	Sugar (g)	Salt (g)
Per 100g	1740	1.2	2.0	0.12
Points	5	1	0	0

C points	Fibre (g)	Protein (g)	Fruit, Veg, Nut (g)
Per 100g	6	20	12
Points	5	5	0

2. Subtract 'C points' from 'A points':

$$6 \text{ (A points)} - 10 \text{ (C points)} = -4 \text{ (NPM score)}$$

A points and C points calculated as per point methodology - see Appendix 1 for more detail

DATA SOURCES

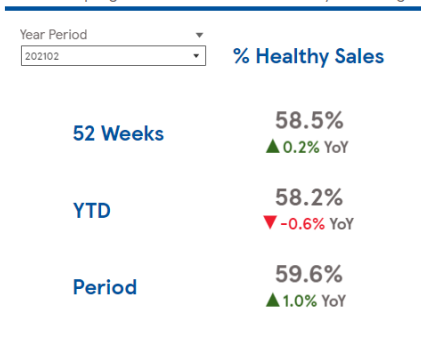There are two data sources for NPM scores:
1. Scores may be calculated by suppliers and provided to Tesco via external platforms, productDNA or Brandbank.
2. For products where a score hasn't been calculated by the supplier, the NPM score is calculated by Tesco in our product portfolio management service, which includes the nutrition information provided for both branded and own brand products.
   - Branded data is sourced from Brandbank, where suppliers are responsible for uploading and maintaining a product's nutrition information.
   - Own brand nutrition data is sourced from Tesco Quality Connect (TQC), our product specification system. Own brand suppliers must comply with the Tesco own brand nutrition verification policy to ensure all nutrition information provided is up to date and correct.

Unit sales volume data is held in our data warehouse and is derived from checkout transactions.

All data is input into a purpose-built dashboard -Hadoop- (see screen shots below), which is used to report on progress both internally and externally for the 65% healthy sales commitment.

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% Healthy Sales Dashboard
Measures progress towards our 65% healthy sales target

Year Period	
202102	

% Healthy Sales

52 Weeks	**58.5%** ▲ 0.2% YoY
YTD	**58.2%** ▼ -0.6% YoY
Period	**59.6%** ▲ 1.0% YoY

Example data

METHODOLOGY

Using the NPM scores calculated for each product, unit volume sales are overlaid onto the scores, to determine the number of (and thus percentage of) sales from healthy vs. less healthy products.

$$\frac{(\text{Healthy product A x Units sold of product A}) + (\text{Healthy product A x Units sold of product A}) + (\text{etc.})}{\text{Total Healthy + Less Healthy Units}}$$

The KPI is measured at a barcode level. Therefore, if a product's specifications change during the reporting year, (which would affect its NPM score: e.g. increases to become healthy if previously less healthy), the unit volume associated with each different NPM score is factored in and identified by a change in barcode.

REPORTING AGAINST OUR TARGET

Reporting is carried out annually using the data held in the dashboard. This data is refreshed at the end of each Tesco period.

For the 'Percentage of volume sales from products with a 'healthy' NPM score KPI', data is captured for the 52 weeks ending P12 2025 inclusive (Feb 2025).

REFERENCES

DHSC Nutrient Profiling Model

Appendix 1

Calculating A points

A maximum of ten points can be awarded for each nutrient.

Total 'A' points = (points for energy) + (points for saturated fat) + (points for sugars) + (points for sodium)

The following table indicates the points scored, depending on the amount of each nutrient in 100g of the food or drink:

Points	Energy (kJ)	Sat fat (g)	Total sugar (g)	Sodium (mg)
0	≤335	≤1	≤4.5	≤90
1	>335	>1	>4.5	>90
2	>670	>2	>9	>180
3	>1005	>3	>13.5	>270
4	>1340	>4	>18	>360
5	>1675	>5	>22.5	>450
6	>2010	>6	>27	>540
7	>2345	>7	>31	>630
8	>2680	>8	>36	>720
9	>3015	>9	>40	>810
10	>3350	>10	>45	>900

If a food or drink scores 11 or more A points, then it cannot score points for protein, unless it also scores 5 points for fruit, vegetables and nuts.

Salt is converted to sodium to calculate A points (divide by 2.5 then multiply by 1000)

Calculating C points

A maximum of five points can be awarded for each nutrient/food component.

Total 'C' points = (points for % fruit, vegetable & nut content) + (points for fibre [either NSP or AOAC]*) + (points for protein)

*The Tesco NPM score calculation uses AOAC -Association of Analytical Chemists- values for this measure.

The following table indicates the points scored, depending on the amount of each nutrient/food component in 100g of the food or drink:

Points	NSP Fibre (g)	AOAC Fibre (g)	Protein	Fruit veg. nut content	Fruit veg. nut (Tesco)
0	≤0.7	≤0.9	≤1.6	≤40%	-
1	>0.7	>0.9	>1.6	>40%	-
2	>1.4	>1.9	>3.2	>60%	-
3	>2.1	>2.8	>4.8	-	-
4	>2.8	>3.7	>6.4	-	-
5	>3.5	>4.7	>8.0	>80%	Specific products**

**see healthy product definition section

For additional information regarding NPM calculation, please refer to the "Nutrient Profiling Technical Guidance" published by the Department of Health (link included in the REFERENCES section of this document).

Sales from products with a 'healthy' health score in Central Europe

DEFINITIONS

Tesco Health Score

The Tesco Health Score is used to define whether a product is healthy or not – based on its nutritional composition. The Tesco Health Score is based on the UK Government's Nutrient Profile Model (NPM)[5]. This methodology has been adapted for CE, based on the KPI developed by the Tesco UK team.

The NPM model identifies foods high in fat, salt or sugar (HFSS), while recognising the contribution of protein, fibre and fruit and vegetable ingredients and nutrients. The score is calculated by totalling the nutritional points provided by energy, saturated fat, sugar and salt (known in the model as 'A points') and deducting the nutritional points provided by fruit and vegetable content, fibre and protein ('C points'). *Appendix 1 shows how these points are allocated.*

To calculate the Tesco Health Score, a conversion factor (-2 * x + 70) is applied to the score so that the number falls on a positive scale of 1-100, where the higher the number, the healthier the product.

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In the health score, the fruit, vegetable and nut content is only considered for whole fruits, vegetables or nuts (e.g. carrots, fresh orange juice, almonds or frozen peas), which are allocated the 5-point benefit. However, fruit, vegetable and nut content is not considered for benefit in the composite products (e.g. ready meals, sandwiches, soups) as we do not hold recipe information for branded products.

Both Supplier Branded and Tesco Own Brand products are defined as healthy where a food scores 63 and above, or a drink scores 69 and above.

Full calculation of the Product Health Score (PHS) for one product, as an illustrative example, is available in Appendix 2.

Product categories

The Tesco Health Score is calculated for all products in food and drink categories which have nutrition information provided for them.

There are some category areas which are excluded from the % healthy sales KPI due to the nature of the products within them: household, pet care, health and wellness, baby, beauty, beers, wine and spirits.

DATA SOURCES

There are 2 key data sources used to obtain nutrient details to calculate the score. Own-branded product details are sourced from Tesco Connect Quality (TQC), our specification system.

Details for branded products are sourced from Nielsen BrandBank Product library, where suppliers are responsible for uploading and maintaining a product's nutrition information.

The Tesco Health Score and other KPIs are calculated in a tool called Hadoop/CE Tableau (purpose-built CE Health Dashboard) which combines nutrition information sourced as above described, with unit sales volume data. Sales volume data is sourced from our data warehouse and is derived from till transactions. All data is flowed into the above-mentioned dashboard, which is used to report on progress both internally and externally.

REPORTING AGAINST OUR TARGET

Reporting is planned to be on annual basis, using the data held in the CE Health Dashboard. This data is refreshed at the end of each Tesco period.

APPENDIX 1

Calculating A points

A maximum of ten points can be awarded for each nutrient.

Total 'A' points = (points for energy) + (points for saturated fat) + (points for sugars) + (points for sodium)

The following table indicates the points scored, depending on the amount of each nutrient in 100g of the food or drink:

Points	Energy (kJ)	Sat fat (g)	Total sugar (g)	Sodium (mg)
0	≤335	≤1	≤4.5	≤90
1	>335	>1	>4.5	>90
2	>670	>2	>9	>180
3	>1005	>3	>13.5	>270
4	>1340	>4	>18	>360
5	>1675	>5	>22.5	>450
6	>2010	>6	>27	>540
7	>2345	>7	>31	>630
8	>2680	>8	>36	>720
9	>3015	>9	>40	>810
10	>3350	>10	>45	>900

If a food or drink scores 11 or more A points, then it cannot score points for protein, unless it also scores 5 points for fruit, vegetables and nuts.

Calculating C points

A maximum of five points can be awarded for each nutrient/food component.

Total 'C' points = (points for % fruit, vegetable & nut content) + (points for fibre [either on-starch polysaccharides (NSP) or Association of Analytical Chemists (AOAC) fibre]) + (points for protein).

* The Tesco Health Score calculation uses AOAC -Association of Analytical Chemists- values for this measure.

The following table indicates the points scored, depending on the amount of each nutrient/food component in 100g of the food or drink:

Points	Fibre (AOAC)	Protein	Fruit veg nut
0	≤0.9	≤1.6	*
1	>0.9	>1.6	
2	>1.9	>3.2	
3	>2.8	>4.8	
4	>3.7	>6.4	
5	>4.7	>8.0	

* Products get full score on Fruit, veg, nut in case SKU is listed within defined produce category product hierarchy, otherwise it gets 0.

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Exemplary calculation of Tesco Product Health Score

Product Description	Energy	Fibre	Protein	Salt	Saturates	Sugars	Fruit, veg, nuts
TS Grilled Chicken Fillet with Vegetables 400 g	316	2.1	8.2	0.58	0.3	1.3	No
A points	0			2	0	0	
C points		2	5				

Conversion: –2 x –5 + 70 = 10 + 70 => The Tesco Product Health score = 80 => Healthy

Key nutrients for Tesco own brand products below/above own brand volume

Reformulation is a key part of our heath and sustainable diets plan, making products healthier by reducing nutrients of concern (calories, fat, saturated fat, sugar and salt) and/or increasing positive nutrients and ingredients (fibre, plant-based protein, fruit and vegetables). At Tesco, we do not compromise on taste or quality when reformulating our products.

We use Kantar World Panel to gather and analyse the data needed for the calculation of this KPI. The sales weighted average growth in key nutrient level is compared to the total sales volume growth for Tesco food and drinks to calculate the percentage point change. The data covers all retail food and soft drink categories in our UK and ROI business (excluding Booker and subsidiaries such as One Stop). The following product categories are excluded: Household, Pet Care, Health and Wellness, Baby, Beauty and Beers, Wines and Spirits.

Growth in plant-based meat alternatives in the UK and ROI

Plant-based meat alternatives are defined as meat alternatives in Frozen and Chilled Prepared food, including ready meals and lunch pots. This data covers products in our UK and ROI business (excluding Booker and One Stop).

Protein disclosure

Data on dairy and non-dairy protein is currently collated differently and we apply different methodologies:
- For dairy, the data is calculated on sales volume (tonnes) of Tesco Dairy category products only (branded and own brand). Product weights have been combined for a total sum; for example, 1kg of milk is equivalent to 1kg of cheese.
- For non-dairy protein, the figure is calculated at ingredient level, where the volume of protein in a product is multiplied by sales volume (tonnes) for own brand food and drink product categories, including whole protein products as well as the protein ingredient element of a composite product (see definitions).

Definitions:

- **Plant:** refers to protein ingredients from plant-based sources, including beans, lentils, mycoprotein, soya etc. Also includes the plant protein ingredients in a composite product, e.g. chickpeas in houmous.
- **Fish:** refers to protein ingredients from fish and shellfish, including whole fish, fish portions, mussels, salmon, prawns etc. Also includes the fish protein ingredients in a composite product, e.g. cod in fish fingers.
- **Meat and egg:** refer to protein ingredients from meat and egg sources, including pork, beef, chicken etc. Also includes meat and egg protein ingredients in composite products, e.g. pork in a sausage, egg in a quiche.

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Human Rights.

This methodology document covers the following commitment areas and KPIs (Key Performance Indicators):

Commitment	KPI
Respecting human rights across the supply chain	Percentage of high-risk tier 1 supplier sites with audits in the last year.
	Percentage of high-risk tier 1 supplier sites where critical nonconformances (NCs) have been identified.
	Percentage of high-risk tier 1 supplier sites that have closed out critical NCs within 6 months (this KPI is broken down into four component measures as per below).

How we measure our progress

We track our progress in respecting human rights across the supply chain in a number of ways, including: audits, supplier and worker engagement, evaluations of multi-stakeholder initiatives, and independent benchmarks. The three KPIs above track the performance of our high-risk suppliers in meeting our human rights standards. We primarily use the SEDEX Members Ethical Trade Audit (SMETA) to ensure adherence to our standards. SEDEX is a leading online platform for companies to manage and share information aimed at improving working conditions in global supply chains. Enhanced methodology disclosures are included to provide visibility of audit processes.

Tesco uses ethical risk ratings, based on a number of external indices, to identify those sites which are in a high-risk country and require an annual audit. Tesco accepts three types of audits or certifications:

- SMETA audits conducted by Tesco approved auditors employed by Tesco approved or recognised audit providers.
- Audits conducted by the in-house Tesco Responsible Sourcing team.
- ICTI Ethical Toys Programme (IETP Certificate).

High-risk Tier 1 supplier sites audited

Defined by Tier 1 suppliers (those that supply directly to Tesco UK, ROI and CE) operating in countries identified as "high-risk countries" by the Food Network of Ethical Trade (FNET) or other country risk ratings. SEDEX Members Ethical Trade Audits (SMETA) are conducted annually. Suppliers are required to resolve all non-compliances (NCs) outlined in a corrective action plan report to ensure compliance with ETI Base Code and local law. We also make use of two alternative audits/certifications listed above. Sites with no NCs identified in their last two annual audits may be granted a reduced audit frequency of every two years.

Data is collected monthly as part of the compliance reporting via the SEDEX Advance system for SMETA audit This process covers both food and non-food suppliers.

High-risk Tier 1 supplier sites with critical non-conformances

Defined by Tier 1 suppliers where critical NCs were identified through the SMETA audit conducted (or other accepted alternative certifications and audits as previously listed). We require critical NCs to be reported immediately and monitor their closure within stipulated timelines, depending on the nature of the non-conformance.

High risk tier 1 supplier sites that have closed out critical non-conformances

This KPI is broken down into the four components:
   a) High-risk Tier 1 supplier sites that have closed out critical NCs within 6 months.
   b) High-risk Tier 1 supplier sites where critical NCs have been open less than 6 months and are in the process of being resolved and verified.
   c) High-risk Tier 1 supplier sites with NCs with exemptions for longer than 6 months.
   d) High-risk Tier 1 supplier sites suspended for NC overdue.

All critical NCs must be addressed as soon as possible, within a maximum of six months. Some should be fixed immediately, such as unblocking fire exit routes; for more complex NCs a track record of improvement is required to be established e.g., a sustained change to working hours. These then need to be independently verified. We therefore apply the six-month remediation of critical NCs as the outer time limit.

Where NCs are open over 6 months, sites are either suspended or, if there are credible reasons why an exemption should be considered, escalated to the Sustainability and relevant Technical Director. Only with the Director approval can sites remain in supply with a critical issue overdue. An example of where we might grant an exemption would be where sites can show they have remediated issues but are awaiting formal auditor verification.

SCOPE

The scope of this data covers the following markets: UK (Food, General merchandise and F&F), ROI (Food only), Czech Republic (Food only), Slovakia (Food only) and Hungary (Food only). This KPI covers Tier 1 suppliers for own brand only.

DATA SOURCES AND PROCESS

Percentage of high-risk Tier 1 supplier sites where critical NCs have been identified	$\dfrac{\text{Number of high-risk Tier 1 supplier sites where critical NCs have been identified}}{\text{Number of tier 1 high risk sites having had an audit in the financial year}}$
Percentage of high-risk Tier 1 supplier sites that have closed out critical NCs within 6 months	$\dfrac{\text{Number of high-risk tier 1 sites having had an audit in the FY that have raised critical non-conformances that have been closed out within a 6-month period}}{\text{Total number of high-risk tier 1 sites having had an audit in the FY that have raised critical non-conformances}}$

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Percentage of high-risk Tier 1 supplier sites where critical NCs are in progress as less than 6 months	Number of high-risk tier 1 sites having had an audit in the FY that have raised critical non-conformances that have not yet been closed out within a 6-month period (but not overdue
	Total number of high-risk tier 1 sites having had an audit in the FY that have raised critical non-conformances
Percentage of high-risk Tier 1 supplier sites with critical NCs with exemptions for longer than 6 months	Number of high-risk tier 1 sites having had an audit in the FY that have raised critical non-conformances that are beyond the 6-month timeframe but where an exemption has been awarded
	Total number of high-risk tier 1 sites having had an audit in the FY that have raised critical non-conformances
Percentage of high-risk Tier 1 supplier sites suspended for critical NC overdue	Number of high-risk tier 1 sites having had an audit in the FY that have raised critical non-conformances that are beyond the 6-month timeframe and that have been suspended
	Total number of high-risk tier 1 sites having had an audit in the FY that have raised critical non-conformances

TESCO

Packaging.

This methodology document covers the following commitment areas and KPIs (Key Performance Indicators):

Commitment	KPI
Packaging: Reduce all unnecessary packaging	Tonnage of packaging removed through targeted reduction projects in the UK
Recycle: Our packaging will be fully recyclable by 2025	Percentage of all Own Brand packaging that will be recyclable in the UK (kerbside only)
	Percentage of all Own Brand packaging that will be recyclable in the UK (including UK collection points and large supermarkets)
Packaging: Remove plastic packaging where we can	Cumulative number of pieces of plastic removed in the UK

Tonnes of packaging removed.

Defined as weight reduction associated with projects that have reduced packaging, either by size or thickness, as a consequence of the redesign of packaging format or materials through targeted reduction projects in the UK.

Weight of all own brand packaging that is recyclable (kerbside only).

As defined by percentage weight of all our own brand packaging that meets 'recycled' criteria. 'Recycled' criteria is defined by the UK On-Pack Recycling Label scheme (OPRL) and relates to when 75% or more councils offer kerbside collections for that packaging type, which is then effectively sorted, processed, and sold as recyclate for use in new packaging or products.

Weight of all own brand packaging that is recyclable (including UK collection points and large supermarkets).

In addition to packaging recyclable at kerbside (methodology as defined above), this KPI additionally includes OPRL recognised national takeback schemes, as well as packaging recyclable through Tesco instore collection points for Pharmaceuticals, Make-up and all Soft Plastics.

Number of pieces of plastic removed.

Packaging is classified as 'removed' when a whole piece of packaging is taken away, e.g. a pot lid, through targeted plastic packaging removal projects in the UK. Cumulative number of pieces removed is calculated on the annual sales volume of identified 'removed products'. Both our food and non-food ranges are in scope.

Supporting our communities.

This methodology document covers the following commitment areas and KPIs (Key Performance Indicators):

Commitment	KPI
To help build stronger communities through food and support for other projects or causes that matter in the towns and cities where we operate	Number of local projects or causes supported
	Corporate Giving (£)

To track our progress in making a positive difference to the local communities where we operate, our KPIs track our total corporate giving and the number of local projects supported. A brief description of both can be found below.

Corporate giving (£)

Defined using '£' corporate giving aggregates the direct financial contribution Tesco makes to support external community projects and charities. Here, "direct financial contribution" refers to cash donations, gifts in kind, time (e.g. volunteering in work hours) and management costs. This is collated and reported annually across all markets.

Scope

Markets	Country
UK	UK
ROI	Ireland
Central Europe	Hungaryl Slovakial Czech Republic
India	India
Sourcing Hubs	IS Bangladesh, IS Cambodia, IS Hong Kong, IS India, IS Shanghai/China, IS Sri Lanka, IS Turkey

METHODOLOGY
- Data, and their supporting documentation, is collated each year by the Corporate Responsibility managers internationally for the four categories of corporate giving donations: 'cash donations', 'gifts in kind', 'time' and 'management costs', based off the corporate giving activities that have taken place in the reported year.
- Data is reviewed and approved locally before submitting it to Group, alongside the supporting documentation of the donations reported.
- Received data is then reviewed, collated and approved centrally before reporting the corporate giving KPI.

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Local projects or causes supported.

The breadth of charities, community groups and organisations which provide support to children and families such as food banks, breakfast clubs and holiday hunger groups are all included in this KPI. We also include the national organisations that are supported by local level community groups.

Scope

Markets	Country
UK	UK
ROI	Ireland
Central Europe	Hungaryl Slovakial Czech Republic
India	India

Our colleagues nominate groups, charities or organisations as part of our Tesco Community Grant vote every three months.

Fundraising for these or other charities outside our main charity partners are recorded as part of our corporate giving figures.

This KPI only covers our main organised community initiatives and does not cover ad hoc support or donations. Support includes cash donations, food donations, gifts in kind and/or colleague volunteer time.

METHODOLOGY

Data is collated either from internal sources (e.g. Stronger Starts programme, funded by Tesco) or from external ones: our partners provide us with the information regarding the good causes we support (e.g. third-party agencies Groundwork, FareShare, Olio and the Trussell Trust will provide us with information detailing charitable organisation, location, and grant/support provided).

These records are then reviewed for duplicates and cross-referenced against Tesco's own data, before calculating our KPI.

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