

Working together to make a big difference.

Our approach

'Every little help makes a big difference' is our third value and emphasises our belief that small actions can add up to make a big difference. Our Little Helps Plan identifies the most pressing social and environmental challenges facing the business, our customers and our communities, and outlines our commitments to help tackle these.



People

The 440,000 colleagues who work for us around the world are at the forefront of serving our shoppers better every day. We want to give them a great experience of working at Tesco and be a place where everyone can get on, whatever their ambitions.

To do this, we are investing in training so colleagues are supported to develop their careers and to build skills for their future. We are committed to building an inclusive culture and ensuring these opportunities are available to all colleagues. We are also trialling a number of innovative solutions that will offer colleagues greater flexibility over their own work schedules.

Our target

To help our colleagues succeed by providing them with the flexibility, skills and reward they need to get on.

Our Three Pillars



People



Products



Places

In October 2017, we shared targets and actions under each of these three pillars. More information on these can be found at www.tescopl.com/littlehelpsplan.

The Little Helps Plan covers our retail businesses in the UK, Republic of Ireland, Central Europe and Asia. However, with the majority of our customers being in the UK, implementation of the plan and reporting will begin with the UK business. We have committed to sharing our progress along the way and will next update in October 2018.

Accountability for the Little Helps Plan is led at an Executive level by Jane Lawrie, Group Communications Director, and at the Board level by Dave Lewis, Group Chief Executive. Our Corporate Responsibility Committee, chaired by Lindsey Pownall, Non-executive Director, governs the plan. More information on the activities of the Corporate Responsibility Committee can be found in the Corporate governance report on page 39.



For the full list of our targets and actions see our Little Helps Plan at www.tescopl.com/littlehelpsplan.



Products

Sourcing

Our customers should have peace of mind that the products that they buy at Tesco are sourced with respect for both the environment and the people who make or grow them. Building strong, trusted relationships with our suppliers plays a key role in achieving this.

Health

Our customers and colleagues tell us that they want to make healthier choices, but sometimes it can be difficult. We want to make it easier to lead a healthier life and we are focused on offering simple, practical actions that lead to sustainable changes.

Packaging

We know packaging plays an important role in preserving and protecting products but we are taking action to reduce its overall impact on the environment. We are working with the industry to develop a closed loop system which can be applied to all key packaging materials.

Food waste

We have a responsibility and commitment to lead reduction of food waste from farm to fork. Through our Group Chief Executive's Chairmanship of the international Champions 12.3 coalition, we are committed to accelerating progress towards the UN Sustainable Development Goal target to halve per capita global food waste by 2030.

Our targets

To help make sustainable products accessible and affordable for all.

To support all of our colleagues to live healthier lives and help our customers make healthier food choices every time they shop with us.

To ensure we never use more packaging than is needed, and that what we do use is from sustainable sources and goes on to be reused or recycled.

To help halve global food waste, farm to fork, by 2030.



Places

We are proud to be a valued part of over 6,000 communities around the world and want to help them thrive. We bring social and economic benefits through the local people we employ, the local businesses we work with and the local projects we support.

We support causes important to colleagues and customers. We deliver this through our community donation programmes, strategic partnerships with charities and support for food banks.

Our target

To help our local communities thrive by positively contributing both socially and economically.



Foundations

Underpinning all the pillars of the Little Helps Plan are a number of areas where it is vital to do the right thing. It remains a priority for us to ensure our products are safe, that we have a strong health and safety culture for customers and colleagues, and that we stay on track with our ambitious plan to become a zero-carbon business.

We recognise that these areas and strong corporate governance are equally important to ensuring our business is having a positive impact on society. They are core expectations and are embedded in the way we do business.

Products

Sourcing with care

In our UK supply chains, we are prioritising the environmental and social risks associated with 20 of our most important products and ingredients – from beef and coffee, to wild fish and cotton. To view the full top 20 list and some of the actions we are taking, visit www.tescopl.com/top20.

Collaboration with suppliers, industry organisations, government bodies and civil society is vital for us to make progress.



For example, we know that soil degradation is a key issue facing agricultural products and the environment. We analysed the most vulnerable regions we sourced from and in 2017 we started a new project in partnership with the Broads Authority and with the support of the Rivers Trust, National Farmers Union (NFU) and the Environment Agency. To raise awareness of the impact of water run-off with potato growers in East Anglia, we tested new technologies that help retain valuable top soil and reduce the amount of fertiliser entering local waterways. Working with partners, we will share the learnings in other key sourcing regions.

This year, as part of our human rights due diligence approach, we have engaged stakeholders and other businesses to further understand the risks of forced labour in palm oil supply chains. 100% of the palm oil used in our Own Brand products in the UK is certified by the Roundtable on Sustainable Palm Oil but we want to take further action to mitigate the social challenges associated with palm oil production. Our engagement has helped us identify and understand the areas of greatest risk, and we are working collaboratively through the Consumer Goods Forum to tackle this challenge as an industry.



Visit www.tescopl.com/sourcing for more information and www.tescopl.com/modernslavery for our latest Modern Slavery Statement.

A healthier place to work and shop

For many years we've worked hard to help colleagues and customers make healthier food choices. We are also continuing to work with our suppliers to reduce the amount of sugar, fat and salt in thousands of products. In Central Europe in 2017 we reviewed 120 Own Brand soft drinks and introduced a new standard to limit the sugar to less than 1 teaspoon per 100ml. This follows the UK business which, by November 2016, had reduced the sugar in all Own Brand soft drinks to below the threshold for the government levy. We've also helped increase consumption of fruit and vegetables by introducing new, great value ranges such as Farm Brands and Perfectly Imperfect. Our Free Fruit for Kids initiative remains popular in the UK and since 2016, we have given out 50 million pieces of free fruit in 800 stores.

In May 2017 we held our first ever in-store health event in the UK. As part of this we reduced the price of 200 healthier products and highlighted in-store and online products which are lower in sugar, fat or salt. As a result, we saw the biggest monthly improvement in the health of our customers'

shopping baskets outside of seasonal changes. For colleagues we have given out free fruit and offered mini health checks throughout our health events. In 2017/18 we also made mental wellbeing training available for all colleagues and brought together a group of colleague Health Heroes to share their stories and inspire others to make healthier choices.



In January 2018, we announced a groundbreaking new five-year strategic partnership with the British Heart Foundation, Cancer Research UK and Diabetes UK. The aim of the partnership is to help reduce the risk of heart and circulatory disease, cancer and diabetes. The partnership will support colleagues, customers and their families to make sustainable lifestyle changes and adopt healthier habits.



For more information visit www.tescopl.com/health.

Packaging

We continue to make changes to our packaging to help reduce our impact on the environment. 87% of our Own Brand packaging by weight is currently widely recyclable.



We have made significant changes to the packaging of our wet wipes, resulting in a 20% reduction in the material used and thereby removing 57 tonnes of plastic. This material saving is enough to make over 10 million more packs.

We recognise that we can do more in partnership with government and industry to help establish a robust, closed loop approach to recover and reuse all key packaging materials. We have three strategic priorities to help reduce packaging waste and boost recycling across the UK:

1. Materials and design: In collaboration with our suppliers we are reducing packaging and restricting the number of materials we accept so that less packaging is used and packaging is easier to recycle.
2. Recovery and recycling: We believe a holistic approach is required to create an integrated national recovery and recycling system. We support developing a cost-effective Deposit Return System (DRS) as one aspect of this approach.
3. Changing customer behaviour: Once consistent recycling infrastructure is in place, we can help customers recycle more with simple, clear information.



For more information visit www.tescopl.com/packaging.

Tackling food waste

Five years ago, we made a commitment to lead on reducing global food waste in our own operation, supply chains, and in our customers' homes. Food waste is a global challenge and through our international markets and Dave Lewis's Chairmanship of the international Champions 12.3 coalition, we are committed to driving progress towards the UN Sustainable Development Goal target to halve per capita global food waste by 2030.



In 2017/18, the 10 million tonnes of food sold in the UK retail operations generated 73,340 tonnes (0.7%) of surplus. 53,126 tonnes (0.5%) was wasted, which we sent for energy recovery. Of this, just 19,898 tonnes (0.2%) was safe for human consumption. In September 2017 we also shared our 2016/17 food waste data for the Republic of Ireland and Central Europe for the first time. The page opposite gives a breakdown on our food surplus and waste in all these markets for 2017/18.

In 2016, we made the commitment that no food that is safe for human consumption will go to waste from our UK retail operations by the end of 2017/18. We have worked hard to deliver our target through the launch of new industry leading initiatives. Surplus food safe for humans is offered to local charities through Community Food Connection. Food not taken by charities is offered to colleagues through our 'colleague shops' which have been rolled out to all stores. We send any suitable remaining surplus to animal feed. We have achieved huge progress in ensuring more good food goes to charity and we are now introducing a further programme of work to ensure no food safe for human consumption goes to waste.

Our other markets share the same ambition and food redistribution programmes are now in all stores in the Republic of Ireland and all hypermarkets in Bangkok and Malaysia. In Central Europe over 600 stores (out of a total 961) are already donating surplus food and all remaining stores will be donating by 2020.

We are also working in partnership with our suppliers to offer customers the food they love with less waste.



In 2017/18, we introduced resealable salad bags across our most popular salad lines and became the first UK supermarket to start selling perfectly ripe green satsumas and clementines that stay fresher for longer. In Central Europe, we introduced our Perfectly Imperfect range which has helped save over 6,000 tonnes of 'wonky' fruit and vegetables from going to waste.

With 25 of our largest suppliers, we have announced a joint commitment to adopt UN Sustainable Development Goal target 12.3, measure and publish food waste data for their own operations and act to reduce food waste from farm to fork. We are planning to build on this work over the coming year across more of our supply chains and communicate with customers on how they can reduce food waste in the home.



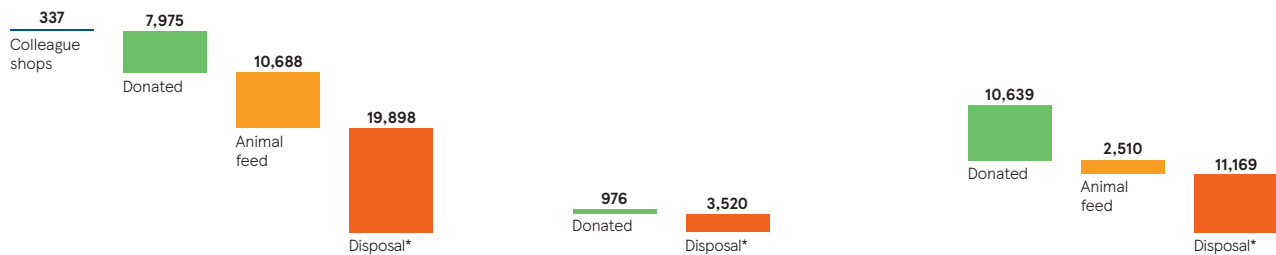
To view further analysis of all our food waste figures visit www.tescopl.com/foodwaste.

Food surplus (total of food not sold)

2017/18 sales tonnage vs surplus tonnage
(Not to scale)



2017/18 food surplus safe for human consumption (tonnes)



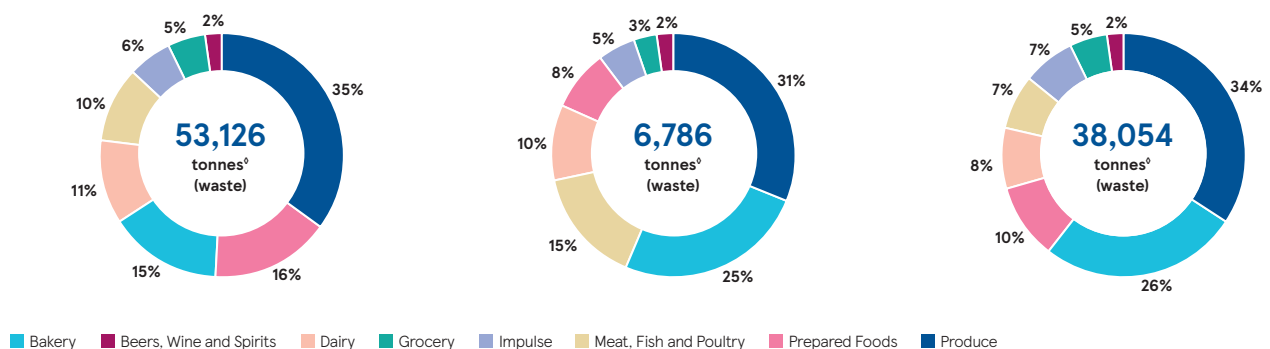
* Disposal = energy recovery and waste management.

Food waste (food surplus wasted)

2017/18 food waste as % of sales

0.5%[◇] 1.2%[◇] 1.2%[◇]

2017/18 food waste by category^(a)
(% do not total 100% due to rounding)



[◇] KPMG LLP were engaged to provide independent limited assurance over the selected food waste data highlighted in this report with a [◇] using the assurance standard ISAE 3000. KPMG has issued an unqualified opinion over the selected data. KPMG's full assurance statement is available at: www.tescopl.com/foodwastefigures.

^(a) Total food waste is made up of both food safe for human consumption and food that is not safe for human consumption which has been disposed of.

People

Colleagues have told us how important flexibility and certainty are in order for them to reach their ambitions both inside and outside of work. In 2017/18 we started to trial a new app in the UK that allows colleagues to see their shifts, manage overtime and request holiday. In time the app will also give the option to swap shifts, request shift changes and even take shifts in different stores – providing them with genuine flexibility and control over their hours. We have committed to rolling out this app in all our markets and have already started to introduce a simplified version in our Asian stores.

Our UK apprenticeship programme aims to give over 1,000 colleagues, of all ages and all levels of experience, the opportunity to continue their education and build skills for their future. With technology transforming society, we are also developing a training programme to ensure that all our colleagues have the digital competence and confidence to succeed.

Inclusivity and creating a culture where everyone has equal opportunity remains integral to our business. In January 2018 we pledged support to the UN standards promoting the rights of Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) people. More recently we signed up to the 30% Club, demonstrating our commitment to having strong female representation within our senior leadership team by 2020. The ratio of male to female colleagues at 2017/18 year-end is outlined in the table below. Further analysis of our gender pay gap can also be found in the Corporate governance report on page 47 or online.

For more information visit www.tescopl.com/people.

Gender diversity (based on actual year-end headcount)

	Male		Female	
Board of Directors	10	77%	3	23%
Senior managers – Directors	353	75%	117	25%
Senior managers – Directors and managers	2,646	63%	1,524	37%
All employees	189,097	43%	251,561	57%

Places

In 2017/18 we have continued to support communities through our community donation initiatives. We have established programmes in the UK (Bags of Help), Republic of Ireland (Community Fund) and Central Europe (You Choose, We Help). All of these programmes put the power in the hands of our customers to choose the local projects that Tesco supports financially. In Central Europe one in every four customers voted in ‘You Choose, We Help’. Through these programmes we have distributed over £51m and supported more than 24,000 local projects to date.

Wherever we operate we also work closely with food banks and local charities to help feed people in need in local communities. In 2017/18 we donated the equivalent of 46 million meals to help feed people in need across the UK, Republic of Ireland, and Central Europe through our food surplus redistribution programmes. In January 2018, all our stores in Malaysia also participated in a campaign which enabled customers to donate food to 100 local charities supporting vulnerable families and homeless people. In Thailand, customer fundraising meant that underprivileged children were able to have nutritious lunches throughout February 2018.

For more information visit www.tescopl.com/places.

‘Tesco is an important part of the town, with four large and seven convenience stores in and around the area. We’re one of the biggest employers in Oldham and have become an integral part of the community by taking part in many charitable projects.’

Marie Toora
Store Manager, Oldham Chadderton Superstore

‘The biggest advantage of ‘You Choose, We Help’ is the close relationship we develop with local communities. Local people decide which of the nominated projects should receive grants.’

Urszula Wiśniewska
Manager of Możesz więcej Poland (beneficiary)





Foundations

Climate change

In May 2017, we announced the new science-based targets on the right, which are aligned with the Paris Climate Agreement recommendation of a 1.5 degree global warming trajectory. They will also enable us to meet our ambition to become a zero-carbon business by 2050.

Our carbon footprint is calculated according to the Greenhouse Gas Protocol and our net carbon footprint in 2017/18 was 3.4 million tonnes of CO₂e. For our own operations absolute carbon emissions we achieved a 13% reduction compared to last year and 26% compared to 2015/16. To help us achieve our new targets, we have committed to source 100% of our electricity from renewable sources by 2030. In 2017/18, 55% of our electricity across the Group was from renewable sources and in the UK we have already switched to 100% renewable purchased electricity, supported by renewable energy certificates. This, in addition

to investments in energy efficiency, has enabled us to reduce our net carbon intensity per sq. ft. of retail and distribution floor space by 6% compared with last year, and 15% since 2015/16.

Our targets

Reduce absolute carbon emissions from our operations from 2015/16 levels: 35% by 2020, 60% by 2025 and 100% by 2050.

Source 65% of our electricity from renewable sources by 2020 and 100% by 2030.

Anti-bribery and fraud

We are committed to maintaining the highest standards of ethics and integrity in the way we do business around the world. We adopt a zero tolerance approach to bribery and fraud at Tesco and expect our business partners to do the same.

Our Code of Business Conduct outlines our most important legal obligations and the policies that guide the conduct of all our colleagues in areas

including health and safety, information security, bribery and fraud. In February 2018, we refreshed all our communications on the Code and held an internal campaign to encourage colleagues to speak up if they have any concerns the Code is not being followed.

To support this culture, we also provide an independent and confidential whistleblowing service – Protector Line – that enables our colleagues, suppliers and their staff around the world to raise concerns. We use e-learning to support compliance with the Code and anti-bribery and anti-fraud training is included in our annual refresher training for all relevant colleagues. Everyone in the business must comply with the Code and we have implemented annual Code compliance declarations which are reviewed by our Group Risk and Compliance Committee.



For more information visit
www.tescopl.com/foundations.

	Global tonnes of CO ₂ e		
	2017/18	2016/17	Base year 2015/16
Scope 1	1,306,985*	1,236,980	1,301,746
Scope 2 ^(a)			
Market-based method	1,136,325*	1,582,275	2,004,992
Location-based method	2,077,528*	2,357,245	2,528,323
Scope 1 and 2 carbon intensity (kg CO ₂ e/sq. ft. of stores and DCs)	21.23*	22.95	26.33
Scope 3	975,312*	1,073,721	1,097,491
Total gross emissions	3,418,677*	3,892,977	4,404,230
CO ₂ e from renewable energy exported to the grid	1,134*	1,154	1,513
Total net emissions	3,417,543*	3,891,822	4,402,717
Overall net carbon intensity (total net emissions kg CO ₂ e/sq. ft. of stores and DCs)	29.70*	31.69	35.06

* KPMG LLP were engaged to provide independent limited assurance over the selected greenhouse gas emissions data highlighted in this report with a * using the assurance standards ISAE 3000 and 3410. KPMG has issued an unqualified opinion over the selected data. KPMG's full assurance statement is available at: www.tescopl.com/carbonfigures.

^(a) Tesco uses the market-based method for calculating Scope 2 emissions for our total emissions to account for our efforts in generating and purchasing low carbon energy. The location-method impact is provided for disclosure only and all intensity, net and gross emissions shown are calculated using the market-based method.