



The Plan.

Every little help makes a big difference.

The Little Helps Plan is made up of three core pillars: People, Products and Places. These are the areas where we feel we can make the biggest difference and that matter most to customers, colleagues, suppliers and shareholders. You can find out more about why we are focussing on these areas at: www.tescoplc.com/materiality.



People.

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



Products.

Sourcing

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 choices every time they shop with us.

Food waste

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

Packaging

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.



Places.

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

Foundations.

Climate change | Cyber security Governance and ethics | Health and safety | Product safety

Underpinning the three key pillars of the Little Helps Plan are a number of areas where we remain committed to doing the right thing. These include important issues such as carbon reduction, health and safety, cyber security and anti-bribery. We call these our Foundations as they are key expectations of a responsible business and fully embedded in the way we do business.



You can find out more about our work in these areas at www.tescoplc.com/foundations.

Every little help makes a big difference.



Dave LewisGroup Chief Executive

Every week we serve 80 million customers across eight countries. Our customers tell us they want us to provide affordable, healthy, sustainable food that's good for them and for the planet. They rightly expect us to ensure everyone we work with, from our colleagues in our stores to the thousands of suppliers who produce our products, is treated fairly and with respect. And they want us to be a good neighbour to our communities, supporting the causes that matter locally. We take this seriously and want to make a positive impact to the key issues affecting our customers, colleagues, suppliers and shareholders.

Tesco has always been a business with a strong community spirit and a desire to do the right thing. Last year we launched the Little Helps Plan to pull together all of our efforts and refocus our activities on the key challenges facing the communities we serve, now and in the future. Having listened to their views, we identified three key areas where we could make the biggest difference: our people, our products and our places. Inspired by one of our core values, 'every little help makes a big difference', we set out the actions we will take across our business in

Our teams have really got behind the Little Helps Plan, and we are making good progress. Some highlights from the first year include:

People

 We want to help our colleagues get on, whatever their ambitions, so we have expanded our apprenticeship programmes in the UK, offering 1,000 places last year alone. And our Thai business has provided scholarships to support 800 students to pursue higher education whilst working at Tesco part-time.

Products

- Food waste We must maintain good product availability for customers but that means that there will always be some food surplus. Every day, colleagues in our stores take the time to sort the food that hasn't been sold so it can be donated to local charities to feed people in need. Last year this was enough to provide over 48 million meals globally to feed people in need. In our UK business, we are now over 70% of the way to achieving our target that no food safe for human consumption will go to waste.
- Packaging We share our customers' and colleagues' concerns about the environmental impact of packaging and single use materials, so we have set out an ambitious goal to create a closed loop system for packaging materials. We have committed to remove all hard to recycle materials from our Own Brand packaging by the end of 2019 and are working with our suppliers to find alternatives.

- Health In January 2018, we launched a new strategic partnership with Cancer Research UK, the British Heart Foundation and Diabetes UK to help tackle the nation's biggest health challenges. We also joined forces with Jamie Oliver to help make healthy eating a little easier for customers.
- Sourcing We are now the UK's largest retailer of Marine Stewardship Council (MSC) certified fish by volume, helping us protect the oceans and fish stocks for future generations to enjoy.
- Supplier relationships Strong and open relationships with our suppliers are essential in delivering our commitments. Our most recent supplier survey showed that across the Group supplier satisfaction with working with Tesco has increased 3% from the previous year.

Places

- Through community grant programmes in the UK, Republic of Ireland and Central Europe we have put the power in the hands of our customers to choose the local causes we support. In the last year we have supported over 17,800 projects making a real difference to local communities.
- Our Value in Your Town report has helped us better understand the contribution we make to local communities through the people



we employ, the businesses we work with and the local causes we support. In 2016/17 it showed our overall economic contribution to the UK economy was £37.3 billion.

Whilst this is a good start, there is more that we need to do. The Little Helps Plan is about actions not words, and we believe transparency is critical to progress. So we have identified a set of measurable Key Performance Indicators (KPIs) to monitor whether we are on track to deliver our commitments. We will continue to update our stakeholders on our progress against these KPIs annually so they can assess our performance.

We know that we can't achieve our ambitions alone, so working in partnership is core to our approach for delivering the Little Helps Plan. We are grateful to our partners, from our suppliers to leading charities, for their expertise and support. We are delighted that to help accelerate our work to provide affordable, healthy, sustainable food and deliver our Product commitments, we are entering into a new long-term partnership with WWF. This will see us bring together our shared expertise to halve the environmental impact of the average shopping basket.

As we enter our centenary year, we will work hard to ensure the Little Helps Plan delivers both for customers and our business. We still have some



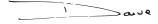
The Little Helps Plan helps us respond to the global challenges affecting our business, customers, colleagues, suppliers and shareholders; from climate change to food waste. The UN Sustainable Development Goals (SDGs) provide a focus for how businesses, governments and civil society can tackle these challenges in order to promote a more sustainable future for all.

As members of the UN Global Compact we remain committed to advancing the UNSDGs. The contribution we can make to each goal varies and we have prioritised those where we can have the biggest impact. Goal 12, on responsible consumption and production, is particularly significant for Tesco. We are proud to be members of Champions 12.3, a coalition of leaders dedicated to accelerating progress towards achieving the UN Sustainable Development Target 12.3 to halve global food waste.



For more information visit www.tescoplc.com/sdgs.

way to go to achieve our ambitions, but the last year has shown us what can be achieved with everyone working together.



Dave Lewis dave.lewis@tesco.com

Affordable, healthy, sustainable products.

Food production has a significant impact on our planet's natural resources. It is estimated that agricultural outputs will need to increase by 50% by 2050 to continue to feed the world's growing population. Even today, 1 billion people around the world go to bed hungry at night. This contrasts with growing levels of obesity, which experts have linked to serious health impacts. Food is at the heart of our business and we recognise that we have a role to play in addressing these challenges.

We believe that healthy, sustainable products should be affordable for everyone, no matter their budget. This guides our actions in the four areas of our Products pillar: health, sourcing, food waste and packaging.

We are tackling the barriers to eating healthily through our 'little helps to healthier living' campaigns in the UK. Across the Tesco Group we are also removing sugar, fat and salt from products without compromising on taste or quality.

We apply the same high ethical and environmental standards from our premium Finest* range to our more affordable 'Exclusively at Tesco' ranges. We are working collaboratively across the entire supply chain to address complex environmental and human rights challenges.

We also look to use resources efficiently and find value in what might otherwise be thrown away – for example by redistributing surplus food so that it can be turned into nutritious meals for those in need, limiting our use of plastics only to those that can be easily recycled, or radically reducing our own carbon emissions.

Ensuring everyone can access affordable, healthy, sustainable products is not something that we can deliver alone. Long term trusted relationships with our supplier partners

are central to us delivering our Little Helps Plan commitments. They enable us to work together to improve the sustainability of our products as well as support our suppliers to invest in innovation. Our most recent supplier survey showed that 75% of suppliers are satisfied with working with Tesco, an increase of 3% from last year. We also saw a 5% increase in suppliers agreeing that Tesco gives them the confidence to invest in innovation and efficiency

projects. Our work with NGOs and charities is also vital. Our strategic partnership with Cancer Research UK, Diabetes UK and the British Heart Foundation helps colleagues, customers and their families to adopt healthier habits. In our human rights work, charities share information on risks in our complex supply chains and work with us to ensure that we are focussing on areas of highest risk, wherever this is globally.



WWF partnership.

To help us accelerate progress against our Little Helps Plan Product commitments we have launched a new, exciting partnership with WWF. Through the partnership we aim to deliver affordable, healthy, sustainable food for our customers.

We will achieve this aim by focussing on the following three key areas in the Little Helps Plan:

- Helping customers to eat more sustainably
- Restoring nature in food production through water use and soil health, sourcing seafood sustainably and eliminating deforestation from products sourced from outside the UK
- Leading the food industry in eliminating food and packaging waste from the sector

Working together we will create a pioneering industry measure of the environmental impact of the average UK shopping basket, based on key foods and ingredients. We will then act to reduce this, with the ambition to reduce it by half, while ensuring products remain affordable.

A healthier place to work and shop.

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

"Seven out of ten families say they think supermarkets should do more to help people make healthier choices. Through our partnership with Cancer Research UK. Diabetes UK and the **British Heart Foundation.** as well as support and collaboration with renowned chef and campaigner Jamie Oliver, we want to make a real difference to our customers' and colleagues' health."

Alessandra Bellini Chief Customer Officer

Our customers and colleagues tell us that, even with the best intentions, eating a little healthier can be difficult. Through customer research we found that they lack information, feel they can't afford healthier options or simply don't like the taste. Our health programme has been built on in-depth insight into these barriers and our approach is to make the healthy option easy and enjoyable through helpful actions.

Healthy and tasty products

Our reformulation programme means that customers can enjoy their favourite products knowing they are now better for them. We have embedded the principle that every time we change a recipe for our Own Brand products, we try to make it healthier, as long as there is no impact to taste or quality. We are



reducing the levels of fat, saturated fat, salt and sugar while increasing fibre, fruit and vegetable content. By comparing a chilled Chicken Tikka Masala and Pilau Rice sold in Tesco in 2017 to an original product sold in 2008, you can see the journey we have been on. The product is now a smaller portion and has 30% less calories, 34% less fat, 20% less saturated fat, 43% less salt and 41% less sugar.

More recently, we have been focussing on reducing sugar from products and have achieved a 4.6% reduction across key categories.

In the UK most people do not eat the recommended daily fibre intake of 30g per day. We have therefore been working to increase fibre content in products where it occurs naturally.

We have added whole wheat flour to our garlic bread and our gluten-free pasta varieties, using lentil or chickpea flour, providing a higher fibre alternative while also being suitable for those with specific dietary needs.

Our reformulation programme is also benefitting customers around the world. Earlier this year we re-launched our Own Brand soft drinks range in Central Europe having removed 4,100 tonnes of sugar. In Thailand we became the first retailer to bring all our Own Brand soft drinks below 6g of sugar per 100ml, and removed trans-fats from all Tesco bakery items.

Better information about healthy choices

To help our customers quickly find healthier products in our stores we are introducing a 'Healthy Choice' mark on products. Products with the mark will meet certain nutritional standards, for example to not be high in fat, saturated fat, sugar or salt according to the Department of Health Front of Pack Labelling Guidance.

In our Tesco cafes we wanted our customers and their families to be able to make informed choices about what they eat and drink. Therefore we made the decision in 2016 to clearly display calories on our menus - items including hot food, light lunches and hot beverages.

Budget-friendly healthy food

We recently joined forces with renowned chef and campaigner Jamie Oliver to share budget-friendly recipes for tasty, healthy meals. Many of the ingredients for the recipes will be reduced in price and placed together for convenience for customers.

During September 2018, Jamie also fronted Tesco's 'helpful little swaps' in-store campaign, promoting healthier alternatives with reduced levels of sugar, salt and fat. A basket of 'helpful little swaps' costs 12% less than a regular basket and our promotional aisles were dedicated to healthier products, including produce. These events, which are held at key points during the year, are designed to

highlight healthy options in our stores and encourage customers to try them. During the September event, sales of 'helpful little swaps' increased by 17% compared with last year and once again we saw an increase in the health profile of the average customer's shopping basket.

For our colleagues in the UK, Ireland and Central Europe we offer free fruit to help towards their 5-a-day during these events, and in the UK alone have so far given out 21 million pieces of fruit. We also provide a variety of opportunities for our colleagues to keep active, from free gym passes to keep fit challenges.



Health Charity Partnership.

Our Health Charity Partnership with Cancer Research UK, Diabetes UK and the British Heart Foundation is critical to the delivery of our health strategy. By combining the expertise of these organisations with Tesco's ability to reach 300,000 colleagues and millions of customers, we aim to create the UK's leading workplace health programme.

Recently the partnership undertook the UK's largest ever workplace health survey to better understand the health concerns and challenges of Tesco colleagues. The survey was responded to by over 8,000 colleagues and it revealed that they want us to help make the healthiest choice the easiest choice.

The insights from the survey will help us develop our ambitious health programme, which has the objective of changing behaviours to reduce the risks of cancer, Type 2 diabetes and cardiovascular disease. We will start to develop and trial a range of targeted health interventions and our charity partners will play a key role in helping to develop these.

Action	KPI	Latest result	Year	Progress		
Help colleagues look after their physical and mental wellbeing so they can be at their best at work and home.	Percentage of colleagues that agree 'Tesco helps me lead a healthy lifestyle'.	Group: 66%	2018/19	••••		
 To partner with leading health charities to help colleagues and customers make healthier choices. 	UK and Diabetes UK to conduct t survey. We will be using the resul targeted interventions to help co	We have worked with the British Heart Foundation, Cancer Research UK and Diabetes UK to conduct the UK's largest workplace health survey. We will be using the results to develop and trial a range of targeted interventions to help colleagues live healthily. We are also working with the charities to develop a customer programme to help				
To help improve diets through encouraging the consumption of fruit and vegetables.	We continue to make fresh fruit for example by including fruit por produce lines at 49p during our health event sales of these 49p products last year. Our new William ready meals, sandwiches, salads products and is helping to make We have also given away over 77reat in our larger stores, helping tearly age.					
4. To help remove cost barriers to healthy eating by ensuring that customers always pay the same price or less for the healthier version.	We are committed to offering evolutions. Our entry level Exclusive produce more affordable and are customers' baskets. During our of to promote products that are low 10% cheaper than standard lines new measure to help us target of products that will most help our	••••				
5. To make Own Brand food and drink recipes healthier, provided there is no impact on taste or quality.	Percentage change in volume of key nutrients for Tesco Own Brand products below/above Own Brand volume growth, from 2015 baseline.	Sugar: 0.3% below Salt: 0.8% below Fibre: 7.9% above	2017	•••		
6. To raise awareness of healthier choices.	Percentage of customers who agree that 'Tesco stores help customers lead healthier lives'.	UK: 52%	Q2 2018/19	•••		

Key:



•••• Further progress needed

Good progress

Goal achieved



Find out how we score our progress against each action, as well as further details and commentary on our KPIs, at www.tescoplc.com/kpis2018

Sustainable products.

Our target:

To help make sustainable products accessible and affordable for all.

"Everything we sell comes from the natural ecosystems on which we all depend; if we can't ensure they are sustainable, they simply won't be there in the future. Everyone in our supply chains and own operations also has the right to be treated fairly. from safe working environments to reasonable hours and fair pay. We want to lead in our industry on addressing these challenges but we know we cannot fix many of them alone. Our work driving collaborative change with NGOs, industry groups and others is as important as our direct efforts with our suppliers."

Giles BoltonResponsible Sourcing Director

Protecting the environment

We have committed to leading the food industry in addressing the environmental challenges in our supply chains, and have focussed on the five environments on which our value chain has the most impact. These are the climate, forests, freshwater, farmlands and marine ecosystems. Our actions aim to improve current practice, drive transformational change where necessary, and advocate with industry and policymakers to ensure our collective actions meet the scale of today's sustainability challenge.

For example, we are working with our suppliers to improve environmental standards and share best practice. We ensure that our largest suppliers have effective plans in place to address their impacts on water, soil, pollinators and climate. We expect these suppliers to go beyond the minimum environmental requirements stipulated in our standards, such as Global G.A.P., and actively implement improvement projects at farm level. These include upgrading irrigation systems to reduce overall water use, installing wild plant margins around watercourses to reduce pollution, and optimising the application of artificial fertiliser to

Restricting hazardous chemicals

We first published a restricted substances list in 2008, outlining permitted levels for key chemicals in the production of our F&F clothing ranges.

In 2015, we joined the Zero Discharge of Hazardous Chemicals programme (ZDHC), which aims to move the clothing and footwear industry towards the use of more sustainable chemicals, with lower impacts on environmental and human health. As a ZDHC board member we have advocated for greater ambition by members, including the widespread adoption of ZDHC tools for suppliers. The majority of our suppliers have now published their wastewater test results on the ZDHC **Disclosure Portal.**

For more information on our progress, view our 2018 chemical management report here:



www.tescoplc.com/chemicalmanagement.





reduce greenhouse gas emissions. By also supporting suppliers to increase the proportion of renewables in their electricity mix, we are helping them achieve far deeper cuts in emissions.

Working within our supply chain is a great start, but the scale of the environmental challenges related to food production needs coordinated action across our industry and beyond. For this reason, we have been involved in mobilising over 100 businesses and investors (including other members of the Consumer Goods Forum) to support the Cerrado Manifesto. The Manifesto, which was developed by local civil society groups in Brazil, calls for the protection of the country's biodiverse savannah from further

conversion to soy cultivation. As global demand for soy in animal feed increases, so does the risk of deforestation. If managed responsibly, soy production can be compatible with forest protection.

Earlier this year we published our Zero Deforestation Soy Transition Plan. This lays out our roadmap to sourcing all the soy used in animal feed in our UK supply chain from areas verified as zero deforestation by 2025. Our plan also includes support for trials of more sustainable sources of animal feed such as algal oil and insect protein.

We recognise the role we play in promoting healthy oceans and fish stocks so that they can be enjoyed by future generations. We have been

extending our range of Marine Stewardship Council (MSC) certified seafood, which now includes over 129 lines of fresh, frozen and canned products, making Tesco the UK's largest retailer (by volume) of MSC products. The MSC logo reassures our customers that the fish is caught in a sustainable way that prevents over-fishing and protects the marine environment. We recently joined the Global Ghost Gear Initiative to help reduce ocean pollution from waste abandoned by the fishing industry. Through the initiative we will support a project called "Fishing for Litter" in Scotland that will see fisherman collecting discarded fishing equipment and marine litter during their fishing trips.

Protecting the Antarctic.

The Antarctic plays a vital role in supporting marine ecosystems globally, but is vulnerable to the effects of climate change and overfishing. Krill from the Antarctic is an ingredient in salmon feed in our supply chains and is also used in some health supplements.

We have worked with the krill fishing industry and NGOs to develop a voluntary agreement to stop fishing in sensitive areas. The agreement will help protect vulnerable species and habitats in the Antarctic, including penguins, seals, and whales, that are dependent on krill for food. Tesco is advocating for formal protection of key areas through the inter-governmental organisation **CCAMLR** (Convention for the Conservation of Antarctic Marine Living Resources).

Meanwhile, we are supporting innovation that will reduce the amount of fish and fish oil that our suppliers rely on as feed in farmed fisheries.



www.tescoplc.com/marine.

Promoting human rights

We are proud to have been a member of the Ethical Trading Initiative since its foundation twenty years ago. Its Base Code sets out the right to healthy and safe working conditions and prohibits forced labour, child labour and human trafficking. Upholding the Code is a fundamental requirement for all companies that supply Tesco, wherever they operate.

We focus our efforts to promote human rights on the areas of greatest risk using a combination of audits conducted by independent experts, certification bodies or Tesco human rights specialists to ensure that standards are being upheld. Produce has been identified as a priority sector because the labour used is typically manual, low-skilled and seasonal, which can lead to a risk of exploitation. In our fresh produce supply chains all sites, including all pack houses, growers and any other processing sites, are now required to have an annual audit. Where our audits identify human rights issues we have strict deadlines in place for these to be addressed. For example, last year 7,506 workers who were found to have been underpaid received a total of £590,000 as a result of Tesco's intervention.

Independent certification reassures our customers that the products they buy support better working conditions



and sustainable livelihoods for workers and producers. All the cocoa in our Own Brand confectionery is now certified by Rainforest Alliance and by the end of the year all cocoa used in other Tesco UK products, such as biscuits, cakes, desserts and cereals, will also be certified. Rainforest Alliance certified farms provide workers with better conditions and offer higher incomes for farmers, as well as having good agricultural practices and reduced pesticide use.

We recognise that audits and certification alone cannot always identify and solve deep-rooted human rights issues. We collaborate with NGOs, trade unions, governments and the wider industry to address entrenched risks and empower the wider community. This means that we need to work more closely with producers at lower tiers of our supply chain.

Tea is a product close to our hearts as it was the first ever Tesco Own Brand product sold by Jack Cohen, our founder, in 1919. Today, all our UK Own Brand tea is certified by both the Rainforest Alliance and the Ethical Tea Partnership (ETP). We have worked with the ETP and UNICEF on a project empowering tea growing communities in Assam. This has so far equipped more than 35,000 adolescent girls with the knowledge and life skills to secure a better future and reduce their vulnerability to abuse and exploitation. As members of the Malawi Tea 2020 Coalition we have supported the first ever collective bargaining agreements between the Tea Association of Malawi and the Plantation Agricultural Workers Union. This will increase wages over time with the aim that by 2020 all tea workers are paid a living wage.

Responsible Car Wash Scheme.

We have identified the car wash industry in the UK as an area at risk of modern slavery. Our customers value this service offered in many Tesco car parks, but we must ensure that everyone working in our car washes is doing so legally and is treated fairly. We work closely with our UK car wash franchise, Waves, to mitigate modern slavery risks. In 2017/18 we helped franchisees move from paper-based records to using an online platform so that working hours, right to work checks and worker details can be more effectively stored and monitored. We have focused on building understanding of responsible employment practices, how to create a good working environment and ensuring workers are able to raise any concerns.

In 2018 we also joined the new Responsible Car Wash Scheme, a collaboration between the Gangmasters & Labour Abuse Authority (GLAA) and five major supermarkets. The scheme aims to tackle modern day slavery by promoting compliance and sharing best practice. The scheme will introduce a new accreditation for operators and will allow customers to make responsible choices about which car wash they use. For landlords it will provide a mechanism through which to choose a responsible operator to provide a service from their premises. The scheme will be piloted in the Midlands with the aim to roll it out nationally.

Action	KPI	Latest result	Year	Progress	
Lead the industry in addressing the sustainability challenges in our supply chains starting with our most important products and ingredients.		An update on progress in tackling the sustainability challenges associated with our top 20 products and ingredients can be found at www.tescoplc.com/top20 .			
Build trusted partnerships with our suppliers.	Percentage of suppliers satisfied with Tesco (Supplier Viewpoint).	Group: 75%	Q2 2018/19	•••0	
Ensure international human rights standards are respected at all our suppliers' sites.	Percentage of high risk tier 1 supplier sites having had an audit in the last year.	UK: 94%	2017/18	••00	
	Percentage of high risk tier 1 supplier sites where critical non-conformances have been identified.	UK: 61%	2017/18	•••	
	Percentage of tier 1 high risk sites where critical non-conformances have been identified and mitigation or remediation processes implemented on time.	UK: 82%	2017/18	••••	
4. Focus on the most serious risks to workers throughout our supply chains, working transparently with NGOs, unions and others to identify and address them.	Number of collaborative initiatives to address entrenched risks.	Group: 21	H1 2018/19	•••	
 Support sourcing communities facing complex social and environmental challenges. 	We are working with our clothing and a workers, their families and disadvanta Last year our projects, including finan scholarships for workers' children, be our work in food sourcing countries is Tea Partnership to support tea growin number of grassroots initiatives throu Southern Africa. We are currently und Tesco and Community Fund in order to identify learnings for future work with	•000			
6. Reduce supply chain carbon emissions by 7% by 2020.	Percentage reduction in manufacturing supply chain emissions (Baseline 2015/16).	UK: 4.1%	2016/17	•••0	
	Percentage of key suppliers measuring agricultural emissions.	UK: 40%	Q2 2018/19	•000	
7. Achieve zero net deforestation in our sourcing of raw materials by 2020.	Percentage volume (tonnes) of palm oil certified to Roundtable on Sustainable Palm Oil (RSPO) standard.	UK: 100%	2017	••••	
	Percentage of paper/wood products certified by Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC) or from a recycled source.	UK: 88%	Q2 2018	•••	
8. Sustainably source all our wild fish.	Percentage of wild-caught seafood certified by the Marine Stewardship Council (tonnes).	UK: 72%	Q2 2018	•••0	
9. Improve water and biodiversity impacts in key agricultural regions.	Number of key suppliers with sustainable agriculture projects underway.	UK: 16	Q2 2018/19	•000	
10. Treat all animals in our supply chain humanely at all life stages.	Percentage of audited sites that meet our animal welfare standards.	UK: 89%	Q2 2018/19	••00	

Key:





Find out how we score our progress against each action, as well as further details and commentary on our KPIs, at www.tescoplc.com/kpis2018

No time for waste.

Our target:

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

"It can't be right that in a world where one in nine people go hungry, a third of all food produced is wasted. Food waste also has significant impacts on the environment and for global food security. Even if the moral imperative doesn't move us, the business case for reducing food waste should persuade every business to take action."

Mark Little

Head of Food Waste Reduction

Targets set ambition, and ambition motivates action

Our customers and colleagues don't like to see good food go to waste, and neither do we. Five years ago we made a commitment to lead on reducing food waste globally. As well as reducing food waste in our own operations, we are clear that we have a shared responsibility to reduce food waste in our supply chain and help our customers waste less at home. As a result we have adopted UN SDG Target 12.3 to help halve food waste by 50% from farm to fork in each of the markets in which we operate.

In addition, in March 2016 we made a straightforward commitment that no food that is safe for human consumption will be wasted inside the UK Tesco operation. The latest available data shows that we have delivered 73% of this target.

Champions 12.3.

Tesco's CEO, Dave Lewis, chairs a coalition of leaders from government, businesses, international organisations, research institutions and civil society called Champions 12.3. This group is dedicated to accelerating progress towards achieving UN Sustainable Development Goal Target 12.3:



"By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses"

Champions 12.3 offers three recommendations for leaders to meet Target 12.3 by 2030:

- 1. Target: Targets set ambition, and ambition motivates action. Every country, major city and company involved in the food supply chain should endorse and adopt SDG Target 12.3.
- 2. Measure: What gets measured gets managed. Governments and companies should quantify and report publicly on their food loss and waste.
- 3. Act: Based on the insights from measurement, governments and companies should innovate and scale up adoption of policies and practices that reduce food loss and waste.



What gets measured gets managed

We believe it's important for every food company to be transparent about the levels of waste within their own operations, so we can identify hotspots and take targeted action together to reduce waste.

We were the first retailer to publish the amount of food wasted in our UK operations followed by our Irish and Central European businesses last year. In Central Europe we achieved a 25% decrease in food waste from 2016/17 to 2017/18. We will continue to publish this data annually with external assurance provided by KPMG. This year our wholesale business Booker has also published their data for the first time. The level of food waste as a percentage of sales in Booker was 0.2%.

UK 0.5% Ireland 1.2% Central 1.2% Europe

a percentage of tonnes of

food sold in 2017/18

Following a joint commitment made last year, 27 of our largest Tesco suppliers have now published data on food waste for their own operations. We are delighted that 10 of our largest branded suppliers, including Mars, Unilever and General Mills, have committed to do the same within 12 months as well as take concrete steps to halve food waste by 2030.

To view our own operations and supplier food waste data, please visit:



) www.tescopic.com/ foodwastedata.

Turning insight into action

We use the insights from our measurement to take action. By measuring food waste at product category level we see that a significant proportion of waste across all our businesses is linked to fresh produce and chilled prepared products. To help tackle this in the UK we are working with food redistribution charity FareShare and social enterprise FoodCloud to redistribute food left over at the end of the day to charities and community groups. Similar partnerships now exist in all our markets.

In Ireland, our Community Chill initiative further supports charity partners by providing free fridges and freezers to

increase their storage capacity.
To date, we have donated 150 fridges and freezers and 20 refrigerated vans. In Poland we are trialling the use of our online delivery vehicles as 'food waste ambulances' so that food banks can collect more food surplus.

In the UK, we have introduced colleague shops where food that is not taken by charities is offered to Tesco employees. We send any suitable remaining bakery, fruit and vegetable surpluses to animal feed to ensure they are kept within the food chain. As a result of these initiatives we have ensured that 73% of food surplus safe for human consumption generated in our UK operations does not go to waste. We expect this figure to continue to rise over the coming months.

Innovating from farm to fork

We want to make as much use of the edible crop as possible. We have sold over 15,500 tonnes of Perfectly Imperfect fruit and vegetables in the UK and 10,000 tonnes in Central Europe. We have also introduced a range of Waste NOT juices in the UK that make use of wonky fruit and vegetables.

We are always looking for ways to also help our customers reduce food waste and save money. We know that some customers also find best before dates confusing and many prefer to assess their fruit and vegetables based on look and feel. In May 2018 we therefore removed best before dates from nearly 70 fruit and vegetable lines to help stop perfectly edible items being thrown away before they need to be discarded. In October we extended this to cover an additional 116 products, including apples, oranges and cabbages.



Food waste - Actions and KPIs

Action	KPI	Latest result	Year	Progress
No food that is safe for human consumption will be wasted in our UK operations.	Percentage of food surplus (safe for human consumption*) redistributed to humans or animals. *defined as safe for donation to charity.	UK: 73%	Sept 2018	••••
2. Halve food waste in our own operations by 2030.	Percentage change in tonnes of food wasted as percentage of tonnes sold compared to baseline year (UK 2013/14, ROI and Central Europe 2016/17).	UK: 0% ROI: 9% Central Europe: -25%	2017/18	••••
Work in partnership with our suppliers to halve food waste in our supply chains by 2030.	27 of our largest Tesco Own Brand suppliers - responsible for over half of our own label fresh food sales in the UK - have published data on food waste in their own operations for the first time this year. Ten of our largest brands have also committed to halve their food waste by 2030 and publish food waste data for their operations within the next 12 months. We will track progress of each of these suppliers on an annual basis against the target.			••••
Help halve global household food waste in the markets where we have retail operations by 2030.	We are taking a range of actions to help customers waste less and save money. These include: ending buy one, get one free promotions on fresh produce; removing best before dates from over 180 fruit and vegetable lines; introducing packaging innovations, such as split packaging for chicken breasts and re-sealable salad bags, and introducing new products such as frozen avocado.			••••

Key:

Early stages

•••• Further progress needed

Good progress

Goal achieved



Find out how we score our progress against each action, as well as further details and commentary on our KPIs, at: www.tescoplc.com/kpis2018.

Creating a closed loop for packaging.

Our target:

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

"Packaging impacts the environment on a number of levels, from the materials used to make it, its manufacturing and transportation, and finally where it ends up once it has been used. The fundamental role of packaging is to help preserve products for longer, which is obviously important. But we must find solutions that allow us to eliminate waste. That means reducing packaging where we can and moving to a closed loop where everything can be re-used, recycled or repurposed."

Sarah Bradbury

Group Quality Director

Packaging plays an important role in ensuring food safety and minimising food waste, but we know we must do more to reduce its environmental impact. We take an end to end approach: starting with the materials we use and how we design our packaging, considering how these materials can be recovered and recycled, and how we can make it

easier for customers to recycle our packaging.

By understanding our packaging footprint we can focus our action. We have been tracking the materials used in our packaging for many years, and have already achieved a 31% reduction in packaging weight per unit sold since 2007.

The tables below outline the materials used in packaging sold in our UK Tesco stores in 2017. By breaking this down to material type we are able to understand the proportion of materials we use that are currently difficult to recycle. We have committed that by the end of 2019 we will remove all hard to recycle materials from our Own Brand packaging.

Packaging materials (Tesco UK stores)

Tonnes	Paper	Glass	Aluminium	Steel	Plastic	Wood	Other materials
Own Brand	58,021	87,263	4,533	23,698	134,323	8	479
Branded	94,336	342,804	25,728	39,681	118,264	93	381
Total	152,357	430,067	30,261	63,378	252,586	101	860

Tonnes of plastic used in Own Brand primary packaging by type (Tesco UK stores)

Polyethylene terephtha- late (PET)	High-density polyethylene (HDPE)	Polypropyl- ene (PP)	Other polyethylene (PE)	Polyvinyl chloride (PVC) & polystyrene (PS)	Other plastics including laminates	Unspecified
57,671	28,689	19,639	10,948	3,820	728	12,827

Our preferred packaging materials

To help us achieve this we conducted a review of all our products in consultation with our suppliers and NGOs, and in May 2018 we launched an industry leading 'preferred materials' list for our product packaging. The materials on the list are already easily recycled and can be made from recycled content. Examples include Polyethylene terephthalate (PET)

plastics, polypropylene (PP) plastics for non-food packaging, metal, glass and sustainably sourced wood, board and paper.

We have also identified those that are not easily recycled and most harmful to the environment (our 'red list'). This includes materials such as polyvinyl chloride (PVC) and polystyrene (PS), which are sometimes used for yoghurt pots, and polylactic acid (PLA), which can be found in films and bags.

We are working with our suppliers to find alternatives to these hard to recycle materials and are making progress against our commitment to remove them from our Own Brand packaging. For example, we are replacing all our expanded polystyrene pizza bases with cardboard. Over 300 tonnes of expanded polystyrene will be removed, saving 9.8g of plastic on average per product.

New packaging in Thailand.

In Thailand we are the first retailer to introduce new thermoform plastic trays (adopting technology used in the UK), which are being rolled out across our fresh meat and fruit-to-go products. The new trays have reduced plastic use by 12% whilst providing our customers with the same high levels of hygiene and food preservation. The trays are also 100% recyclable.

Recycled drinks bottles in Central Europe.

Working with our supplier we are moving all our Own Brand fruit juice and smoothies sold in Central Europe into bottles that contain 30% recycled polyethylene. This will save 14 tonnes of plastic and drive positive demand for recycled materials.



Moving to a closed loop

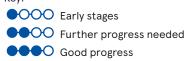
At Tesco we believe there is a unique opportunity to lead the creation of a closed loop system for packaging in the UK. We will support a circular economy by ensuring that packaging is designed to be used, reused, collected and then recycled or repurposed so that we make efficient use of valuable resources and minimise environmental impact. To facilitate such a system we rely on the whole industry coming together to maximise collection and

sorting operations, so packaging can then be recycled or repurposed. In 2017, 83% of Tesco packaging was widely recyclable in the UK but because of inconsistencies in national infrastructure we know that a much smaller proportion is currently actually recycled.

We are committed to doing our part to make recycling easier. In all large UK stores we offer collection points for customers to recycle plastic bags and films that are not always accepted through kerbside collections.
Customers returned over 280 tonnes in 2017. The material collected at these recycling points is turned into our Bags for Life, which are made of 94% recycled content. All flexible PE (polyethylene) films and bags can be recycled in this way. We are rolling out a new on-pack recycling logo to ensure our customers know that they can recycle these materials at our stores. The logo can already be found on bread bags and bags used for frozen products.

Action	KPI	Latest result	Year	Progress
Our packaging will be fully recyclable by 2025.	Percentage weight of all Own Brand packaging meeting 'widely recycled' criteria.	UK: 83%	2017	••••
End the use of hard to recycle materials from our UK packaging by the end of 2019.	Tonnes of hard to recycle materials (i.e. materials on our 'red list') removed from our Own Brand packaging.	2,000 tonnes	2018 YTD	••00
3. All paper and board used will be 100% sustainable by 2025.	We are working with our supply base to understand the simplest way of reporting the use of sustainably sourced card and paper. This information will enable us to put steps in place to report this information in the future.			•000
4. Halve packaging weight by 2025 (2007 baseline).	Percentage reduction in average Own Brand pack weight per unit sold, including loose volumes (from 2007 baseline).	UK: 31%	2017	••••

Key:



Goal achieved



A place to get on.

Our target:

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

"On the graduate programme I have been given a huge range of opportunities that have helped me develop my skills and provided the best foundation for my ambitions to be a future leader at Tesco."

Rachel Smart

Warehouse Service Shift Manager Daventry

Tesco has always been a place where people can get on regardless of who they are. 'Getting on' can mean different things to different people, but whatever it is colleagues want to achieve, we try hard to help. Our colleagues tell us, through our 'What Matters to You' survey, whether Tesco really is helping them 'get on'. When we asked them in July this year, 84% said Tesco was a great place to work.

Everyone is welcome

'Everyone's welcome at Tesco' is at the core of our values. Our inclusion work is sponsored by Alessandra Bellini, Chief Customer Officer, so is fully represented in our top-level decision making.

We are committed to providing colleagues with equal access to opportunities, skills, flexibility and fair reward. We are putting more of our learning online, creating more choices on flexible working and providing support and guidance for colleagues to own their own career.

As members of the 30% Club we are committed to increasing senior female representation. 31% of our PLC Board and 24% of directors are women. At the

next level 38% of our directors and managers are women. We have taken steps to improve our gender and diversity balance, including a targeted career development programme starting this year with a group of talented female colleagues who will be helped to positively drive their career progression. Many women are already thriving in leadership roles; for example, in Central Europe, 71% of convenience Store Managers are women and we are helping them to develop towards leadership of our larger stores.

Earlier this year we re-affirmed our support for LGBTI inclusion by signing the UN's LGBTI rights standards for businesses. Our LGBTI network is now one of the largest in Europe.

As a Disability Confident Employer, over 300 people participated in our 2017 disability programme, providing them with a two week store placement helped by a buddy and ending with a guaranteed interview for a job. In Central Europe, our commitment to disability means we now have almost 2,300 colleagues with a disability working in-store.



Apprenticeships

In May 2017, we introduced a Large Goods Vehicle (LGV) driver apprenticeship to help tackle a skill shortage for us. We offered this retraining opportunity to existing distribution colleagues and in the first year 15 apprentices successfully completed their programme. Here's what one of them thought:

"I've been with Tesco for 17 years, most of the time in the warehouse. Once I've completed my apprenticeship I'll be doing something I enjoy and it's a qualification that could quite literally take me to so many places."

Claire Tribbeck, Southampton

Given this success we have expanded the programme to 85 colleagues and nine distribution centres from June 2018.



Developing the skills and opportunities to get on

Digital and leadership skills are vital for our business and our colleagues. This year we have begun our Digital Champions programme, starting with 36 colleagues who will help coach others in practical skills from managing their hours digitally to keeping their personal details safe and secure online. We aim to increase numbers to 900 digital champions next year.

We have also introduced our Managing a Team at Tesco programme, aimed at building leadership skills. It has so far supported 1,300 managers in stores, distribution and convenience to be at the heart of the colleague experience, helping their teams to be more effective and serve our shoppers a little better every day.

Helping our colleagues be at their best

We have worked with expert partners, such as Nuffield Health, to develop a wellbeing programme for colleagues based on improved nutrition, healthy body and healthy mind.

During our regular colleague health months we offer our colleagues in the UK, Ireland and Central Europe free fruit to help towards their 5-a-day. So far in the UK we have given out 21 million pieces. We also provide a variety of opportunities for our colleagues to keep active, from free gym passes to keep fit challenges.

Mental wellbeing is just as important as physical wellbeing. Colleagues have accessed Mindapples e-learning over 18.000 times since it launched and over 800 UK colleagues have also taken part in mental health awareness workshops as part of our commitment to take action to tackle the stigma around mental health.

In Bengaluru we have extended our healthcare offer to include free medical insurance for parents and families of colleagues, resulting in 96% of colleagues signing up. Our overall offer now puts us in the top 10% of organisations in India for providing this benefit.

Building the workforce of the future

By supporting young people we can help build a talented workforce with the skills needed for the future. In September 2018 we doubled our school leaver apprenticeship programmes and introduced a Finance apprenticeship and our first Apprentice Degree in Food Science and Technology. Our Movement to Work programme, in partnership with Jobcentre Plus, provides disadvantaged 18-24 year

olds with a two-week programme of classroom based and workplace training, including an accredited qualification. Last year over 760 young people took part in the programme.

In Central Europe we have 1,150 young people on our apprenticeship scheme, spending half their week learning at school or college and the other half learning on the job at Tesco.

Additionally, almost 400 colleagues took part in the First Time Manager development programme for talented

colleagues who want to progress to a management role.

In our Thai business 800 students (through a Student Part-Time Programme) received scholarships this year to pursue higher education and a further 200 students are supported by the Tesco Junior Programme so they can work and earn a vocational degree. Meanwhile, our business service office in Bengaluru is providing training to over 700 young people to develop their digital and financial literacy through our partnership with NASSCOM.



Partnering with the Prince's Trust.

In July 2018, we made a commitment to help 10,000 young people develop their employability and life skills through Prince's Trust's Achieve Clubs. These clubs are established in over 500 UK secondary schools and give disadvantaged young people the opportunity to develop the skills they need for the future.

Over the next three years, we will work with the Prince's Trust to focus on three areas:

- Funding the running of 40 Achieve Clubs in secondary schools in areas of greatest need
- Developing content and lesson plans in customer service and leadership that will be available to all young people participating in an Achieve Club
- Bringing the content to life for young people through volunteering opportunities for our colleagues

We already have enough colleagues signed up to reach 1,100 young people.

Action	KPI	Latest result	Year	Progress
To have a competitive total reward package that colleagues value.	Tesco average pay versus market median.	UK: 1.05	2018	••••
Invest in training for our colleagues so they can increase their skills and digital confidence	Percentage of colleagues that agree 'I have the opportunity to learn and develop'.	Group: 77%	Q2 2018/19	••••
in order to have access to a greater number of roles and develop their careers for the longer-term.	Number of colleagues who have received manager development training.	Group: 6,560	Q2 2018/19	•000
Provide opportunities to help young people develop their employability skills and start their careers.	Number of opportunities provided for young people.	Group: 1,487	2018 YTD	••••
4. Introduce a new suite of contracts and new technology to give colleagues both certainty, greater flexibility and control over their own work schedules.	Percentage of colleagues that agree 'I am able to work flexibly around my life'.	Group: 81%	Q2 2018/19	•000
5. Continue to build an inclusive culture where everyone has the opportunity to get on.	Percentage of colleagues that agree 'There is an inclusive culture at Tesco where people are accepted for who they are without judgement'.	Group: 84%	Q2 2018/19	••••
	Percentage female share of total workforce & by work level.	Group: Total - 57% Board - 31% Exec - 31% Directors - 24% Directors & managers - 38%	2017/18	•••
	Average gender pay gap (mean and median %).	UK: 12.0% mean 8.7% median	2016/17	••••
 Help colleagues look after their physical and mental wellbeing so they can be at their best at work and home. 	Percentage of colleagues that agree 'Tesco helps me lead a healthy lifestyle'.	Group: 66%	Q2 2018/19	••••

Key:

● Early stages •••• Further progress needed

Good progress Goal achieved

Find out how we score our progress against each action, as well as further details and commentary on our KPIs, at: www.tescoplc.com/kpis2018.

Supporting our communities.

Our target:

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

"We want to support the causes that matter to our customers and colleagues locally. In Slovakia our customers tell us that. as a food retailer, they want us to help feed people in need. So, as in other countries, we are donating surplus food from our stores. I am so proud of all the work that our colleagues and food bank partners do in order to help get this food to the people who need it the most."

Martin Kuruc Managing Director Tesco Slovakia We are proud to be part of thousands of communities around the world and are committed to making a positive contribution through the jobs we provide, the local businesses we work with and the causes we support.

Our community programmes help to tackle global challenges, like helping feed those in need, at a local level. We work closely with food banks and charities wherever we operate to donate good food that would otherwise go to waste. In 2017/18 we donated the equivalent of 48 million meals to help feed people in need through our food surplus redistribution programmes. We also organise food collections during festive periods giving our customers the opportunity to join us in supporting people in need.

As well as supporting the bigger issues that affect communities everywhere, we want to support the causes and organisations that really matter locally. As a result we have set up community grant programmes in the UK, Republic of Ireland and Central Europe that put the power in the hands of our customers to choose which local projects Tesco supports financially. Customers are offered a token at checkouts so that they can vote to support their favourite project. These initiatives fund a range of projects, such

as the improvement of outdoor spaces, providing new sports equipment and hosting community events. So far this year we have supported over 17,800 projects through these programmes, including Rainbow Stripes that runs live music workshops for children (Nottingham,UK), the Deise Animal Sanctuary that provides a second chance for all animals who have been neglected and mistreated (County Waterford, Ireland) and DR Clown who train new clowns to bring smiles to the faces of children in hospitals (Kraków, Poland).

Alongside these programmes, we offer free-of-charge community spaces in some of our UK stores that can be used for community classes and activities, from mother and baby groups to digital literacy classes. We have increased our number of community rooms from 56 to 71.

We also connect with our communities through local events. Our LGBT+ employee network, Out at Tesco, supports Pride events up and down the country. Through our 17 year partnership with Cancer Research UK, hundreds of thousands of colleagues and customers have taken part in Race for Life events to support vital medical research.

School adoption programme.

In Malaysia, we run a school adoption programme that connects stores with schools in deprived communities. The aim of the programme is to enrich children's lives through good education, health and nutrition awareness and greener activities. In Malaysia, for example, we fund the Edible Garden Project, which launched in 2017. The project allows students to grow their own fruit and vegetables in schools, helping them to understand food waste and nutrition. This project has benefitted over 3,500 students.

New colleague volunteer programme in Central Europe.

In April 2018, we started trialling a new colleague volunteering programme with colleagues in 40 of our Central European stores. The programme enables colleagues to help local food banks and community groups during their work hours. For example, colleagues from our team in Hungary recently visited a Food Bank in Budapest to help them sort food donations. Together they labelled over 34,000 cans of food that will be distributed to people in need.

Colleagues have told us that they appreciate this opportunity to support local causes and learn more about the projects that we support in their local community. They often choose it as a teambuilding activity, helping others and having fun at the same time.



Places - Actions and KPIs

Action	KPI	Latest result	Year	Progress
To facilitate food surplus donation programmes in all our stores in order to provide meals to those in need.	Percentage of stores that are part of our food surplus donation programme.	UK: 100% Group: 62%	Q2 2018/19	•••
	Equivalent number of meals donated through food surplus redistribution programmes.	Group: 48 million	2017/18	•••0
Support the projects and causes that matter to the local communities in every community where we operate.	Number of local projects or causes supported.	Group: 17,849	Q2 2018/19	••••
	Corporate giving (£ and as % of profits).	Group: £57.6 million 3.5% as a % of pre-tax profits	2017/18	••••
	Colleague and customer fundraising (£).	Group: £19.6 million	2017/18	••••

Key:

•••• Early stages

•••• Further progress needed

Goal achieved

Good progress

Find out how we score our progress against each action, as well as further details and commentary on our KPIs, at: www.tescoplc.com/kpis2018.

Adding value in your town.

For us to understand the contribution we make in different UK communities and how we can continue to help those communities grow, we commissioned an independent report called Value in Your Town.

The report found that in 2016/17 we contributed:

£37.3bn overall economic contribution - contributed in GVA to the UK economy.

+743k full time jobs supported at Tesco and in the UK supply chain.

Since publishing the report we have created an online tool that allows anyone to enter their location or postcode to find out how we support their local area. We have also held events in Manchester and Bristol to share the findings of Value in Your Town with local people and hear their feedback on the concerns and challenges facing their communities.

In Manchester, people sleeping rough on the streets was a particular issue affecting communities. As a result, we organised a dedicated round of community grants through our Bags of Help voting scheme to support homeless charities. Further events in Birmingham and London will be held in 2018 to understand what matters most to communities.



Case study: Our contribution in Staffordshire.

Community spirit is strong in Staffordshire and we are proud to play an integral role in supporting our colleagues, customers and suppliers in the West Midlands. With over 55,300 jobs supported through our direct business operations and supply chain, over 585,000 meals donated to local charities and £2.6 million given to support local regeneration projects, we are adding significant value to the West Midlands region.

In Staffordshire, Oulton First School are one of many local schools and groups to benefit from our Bags of Help initiative by being awarded with £3,330 to create a new sensory garden. The funding has enabled pupils and parents to transform an unused outdoor space into a stunning garden, including bird boxes to attract wildlife for pupils to study as part of their curriculum.

"The children love spending time in the garden and it's wonderful to watch them learning more about nature and wildlife at the same time." Teacher Vicky Potts



This report is a summary of the key progress we have made since launching the Little Helps Plan in October 2017. We have a lot more information, case studies and latest news on our website: www.tescoplc.com/littlehelpsplan.



What matters most: Materiality at Tesco www.tescoplc.com/materiality.

Governance for the Little Helps Plan www.tescoplc.com/lhpgovernance.

Contributing to the UN Sustainable

Development Goals and UN Global Compact www.tescoplc.com/sdgs.

KPIs and historical data www.tescoplc.com/kpis2018.

2017/18 Modern Slavery Statement www.tescoplc.com/modernslavery.

Value in Your Town report www.tescoplc.com/viyt.

Foundations www.tescoplc.com/foundations.

www.tescoplc.com/carbonfootprint. Carbon footprint

Contact us.

If you have any questions about the Little Helps Plan or anything in this report please contact us at cr.enquiries@tesco.com



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