

Independent Limited Assurance Report

KPMG LLP ('KPMG' or 'we') were engaged by Tesco Stores Limited ('Tesco') to provide limited assurance over the Tesco PLC group's re-based carbon emissions (Scope 1 and Scope 2 Market based) for the years ended 27 February 2016, 24 February 2018, 23 February 2019 and 22 February 2020.

Our conclusion

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information has not been properly prepared, in all material respects, in accordance with the Reporting Criteria. This conclusion is to be read in the context of the remainder of this report, in particular the inherent limitations explained below and this report's intended use.

Selected Information

The scope of our work includes only the Tesco PLC group's re-based carbon emissions for the years ended 27 February 2016, 24 February 2018, 23 February 2019 and 22 February 2020 and disclosed within the Our Carbon Footprint section of the Tesco PLC group's website ('the Report') and marked with the symbol * ('the Selected Information'). The Selected Information consists of Tesco PLC group's Total Global GHG Emission data which combines Scope 1 GHG emissions and Scope 2 GHG emissions (market based methodology) as shown below:

- 1,152,581 tCO₂e for the year ended 22 February 2020
- 1,344,440 tCO₂e for the year ended 23 February 2019
- 1,491,280 tCO₂e for the year ended 24 February 2018
- 2,292,227 tCO₂e for the year ended 27 February 2016

We have not performed any work, and do not express any conclusion, over any other information that may be included in the Reports or displayed elsewhere on Tesco PLC group's website for the current year or for previous periods, unless otherwise indicated.

Reporting Criteria

The Reporting Criteria we used to form our judgements are the Tesco's Our Carbon Footprint document as set out at www.tescopl.com/carbonfigures ('the Reporting Criteria'). The Selected Information needs to be read together with the Reporting Criteria.

Inherent limitations

The nature of non-financial information, the absence of a significant body of established practice on which to draw, and the methods and precision used to determine non-financial information, allow for different, but acceptable evaluation and measurement techniques and can result in materially different measurements, affecting comparability between entities and over time.

Directors' responsibilities

The Directors of Tesco are responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- selecting and/or developing objective Reporting Criteria;
- measuring and reporting the Selected Information in accordance with the Reporting Criteria; and
- the contents and statements contained within the Reports and the Reporting Criteria.

Our responsibilities

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria and to report to Tesco in the form of an independent limited assurance conclusion based on the work performed and the evidence obtained.

Assurance standards applied

We performed our work in accordance with International Standard on Assurance Engagements (UK) 3000 – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' ('ISAE (UK) 3000') and in accordance with International Standard on Assurance Engagements 3410 - 'Assurance Engagements on Greenhouse Gas Statements' ('ISAE 3410'), issued by the International Auditing and Assurance Standards Board.

The work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Independence, professional standards and quality control

We comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants and we apply International Standard on Quality Control (UK) 1, 'Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements'. Accordingly, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements and professional standards (including independence, and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour) as well as applicable legal and regulatory requirements.

Summary of work performed

Considering the level of assurance and our assessment of the risk of material misstatement of the Selected Information, whether due to fraud or error, our work included, but was not restricted to:

- assessing the appropriateness of the Reporting Criteria for the Selected Information;
- conducting interviews with Tesco management and examining a selection of documents to obtain an understanding of the key processes, systems and controls in place over the preparation of the Selected Information;
- obtaining the breakdown by country from the system;
- reperforming the mathematical accuracy of the re-based carbon emissions calculation; and
- reading the Reports and narrative accompanying the Selected Information in the Reports with regard to the Reporting Criteria, and for consistency with our findings.

This report's intended use

This assurance report is made solely to Tesco in accordance with the terms of the engagement contract between us. Those terms permit disclosure to other parties, solely for the purpose of Tesco showing that it has obtained an independent assurance report in connection with the Selected Information.

We have not considered the interest of any other party in the Selected Information. To the fullest extent permitted by law, we accept no responsibility and deny any liability to any party other than Tesco for our work, for this assurance report or for the conclusions we have reached.

KPMG LLP

KPMG LLP
Chartered Accountants
London
22 December 2020

The maintenance and integrity of Tesco's website is the responsibility of the Directors of Tesco; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information, Reporting Criteria or Reports presented on Tesco's website since the date of our report.