

United Nations Global Compact:

Communication on Progress.

May 2021

Overview.

Tesco has been a signatory of the United Nations Global Compact (UNGC) since 2015. We are committed to implementing and promoting the UNGC ten principles in support of human rights, labour rights, the environment and anti-corruption.

This year, throughout the document we have acknowledged the impact of COVID-19 and the challenges of the pandemic. Our contribution to the Sustainable Development Goals (SDGs) remains important and our Little Helps Plan, our sustainability strategy, continues to help us serve our shoppers in a way that's good for our colleagues, our customers, communities and the planet. To demonstrate our alignment with the UNGC ten principles we have provided examples of our plans, progress and achievements within this document.

In summary, we fulfil our commitments to the UNGC by:

- Contributing to UN SDGs
- Implementing the 10 principles into our strategy and operations
- Supporting the Compact's global platforms, including the Business Ambitions for 1.5°C and Responsible Climate Policy Engagement
- Working to make our supply chain more sustainable
- Reporting transparently

“The food industry has a responsibility to make lasting positive change. By finding ways to feed our growing population more sustainably – using less land and fewer natural resources – we can tackle climate change, improve the health of the planet and improve our own health as well.

I am pleased to publish Tesco's support of the Ten Principles of the UN Global Compact (UNGC) and reaffirm our commitment in the areas of Human Rights, Labour, Environment and Anti-corruption in this Communication on Progress.”

Ken Murphy, Group Chief Executive

THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

HUMAN RIGHTS

- 1 Businesses should support and respect the protection of internationally proclaimed human rights; and
- 2 make sure that they are not complicit in human rights abuses.

LABOUR

- 3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4 the elimination of all forms of forced and compulsory labour;
- 5 the effective abolition of child labour; and
- 6 the elimination of discrimination in respect of employment and occupation.

ENVIRONMENT

- 7 Businesses should support a precautionary approach to environmental challenges;
- 8 undertake initiatives to promote greater environmental responsibility; and
- 9 encourage the development and diffusion of environmentally friendly technologies.

ANTI-CORRUPTION

- 10 Businesses should work against corruption in all its forms, including extortion and bribery.

Our priority goals.

The UN Sustainable Development Goals (SDGs) are a blueprint to achieve a better future for all. They are a collection of 17 global goals, set by the United Nations General Assembly and contain 169 sub targets to be achieved by 2030. They address the global challenges we face and cover social, environment and economic development issues such as poverty, education, inequality, climate, water and food crises. The 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.

Tesco's Little Helps Plan helps us to deliver our purpose of serving shoppers a little better every day. It's a core part of our business and focuses on responding to the global challenges affecting Tesco; our suppliers, customers, colleagues and other stakeholders. The SDGs have helped to inform our thinking about where we can play a role and make the biggest difference.

Tesco contributes in different ways and to different degrees to all the SDGs. In line with UN Global Compact guidance, we have identified which goals are particularly relevant to us: expectations, risks and where opportunities for Tesco are greatest, and where we can make the most significant contribution.



SUSTAINABLE DEVELOPMENT GOALS

17 GOALS TO TRANSFORM OUR WORLD

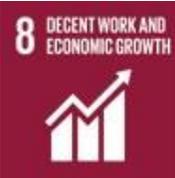


Priority goals.

SDG and relevant target	Tesco commitment	Tesco action	Data performance
 <p>2 ZERO HUNGER</p> <p>2.1 2.3 2.4</p>	<p>No food safe for human consumption will go to waste in our UK retail operations.</p> <p>Halve waste in our own operations by 2030 against a 2016/17 baseline.</p> <p>Work in partnership with our suppliers to halve food waste in our supply chain by 2030.</p>	<p>We are committed to redistributing surplus food to help feed people in communities where help is needed. We work closely in partnership with food banks and regional charities to help feed people by redistributing food to local communities. This redistribution ensures that any good food left at the end of every day makes it way to people's plates and helps to prevent food hunger.</p>	<p>82% of unsold food safe for human consumption is redistributed to humans or animals in our UK business.</p> <p>42% reduction in own operations food waste across the Group:</p> <ul style="list-style-type: none"> • UK: 29% reduction • ROI: 20% reduction • CE: 65% reduction • Booker: 9% reduction <p>71 suppliers, responsible for over half of fresh food sales in the UK and a third in Ireland, reported their food waste data. 37 suppliers reported comparable data against their baseline year. Of these, 24 suppliers reported a reduction in their food waste intensity – ranging from 2% to 89%.</p>
 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>3.4 3.5</p>	<p>To help customers eat more healthily by increasing the proportion of sales of healthy food to 65% by 2025.</p> <p>Encouraging customers to eat more sustainably by increasing sales of plant-based meat alternatives by 300% by 2025.</p> <p>To make products healthier through reformulation.</p>	<p>In March 2021 we updated our health strategy to reflect changing customer lifestyles and growing demand for healthier and more sustainable food. Our aim is clear, to help our customers eat more healthily in line with the UK Eatwell Guide – an evidence-based model for a healthy, balanced and more sustainable diet.</p> <p>Our approach is centred on improving the healthiness of customer baskets by:</p> <ul style="list-style-type: none"> • Increasing the sales of healthy products, as a proportion of total sales (from 58% to 65% by 2025 in the UK and Ireland). • Increasing the sales of plant-based meat alternatives by 300% by 2025. • Making products healthier through reformulation, including increasing the percentage of ready meals that contain at least one of the recommended five-a-day portions of fruit and vegetables (from 50% to 66% by 2025 in the UK and Ireland). 	<p>Sugar volume 7.8% below volume growth for Own Brand products.</p> <p>Salt volume 0.1% below volume growth for Own Brand products.</p> <p>Fibre volume 14.8% above volume growth for Own Brand products.</p> <p>We have removed over 51.9 billion calories, since 2018.</p> <p>96% sales growth in plant-based meat alternatives in the UK since 2018.</p>

SDG and relevant target	Tesco commitment	Tesco action	Data performance
 <p>3.4 3.5</p>	<p>To help customers eat more healthily by increasing the proportion of sales of healthy food to 65% by 2025.</p> <p>Encouraging customers to eat more sustainably by increasing sales of plant-based meat alternatives by 300% by 2025.</p> <p>To make products healthier through reformulation.</p> <p>Supporting colleagues to be at their physical and mental best.</p>	<p>We have made similar commitments in Central Europe and our Booker business has committed to a series of health measures that reflect the unique nature of its business model, including focusing on providing a greater choice of healthier products, making existing products healthier and extending plant-based ranges. Booker also commits to a new tool and an accelerated roll-out of labelling which will give its business customers the health and nutrition information they need to support their end-consumers in making well-informed choices.</p> <p>We want our colleagues to be at their best, physically and mentally, both while at work and at home. Health, safety and wellbeing are central to how we do business, and we are committed to our vision that no one should ever be hurt while working or shopping at Tesco.</p> <p>Beyond safety, we recognise the role we have in supporting our colleagues' health and wellbeing and are committed to making Tesco a healthier place to work. We are promoting colleague health, safety and wellbeing through our emphasis on ensuring health and safety in the workplace, promoting physical and nutritional wellbeing and supporting mental health. We aim to go beyond compliance through our Safety Standards, which is focused on; risk management, adhering to external frameworks, monitoring our performance and identifying root cause.</p> <p>We have stepped up our mental wellbeing support for colleagues and their families over the last year. In April 2020, we offered colleagues free access to digital mental health resources, Headspace and SilverCloud, to help improve health and happiness. We also launched our first mental health colleague campaign #imhereforyou in May 2020.</p> <p>We run health events for colleagues across the Group which focus on the little steps to wellbeing that colleagues can take to help them lead healthier lives. To promote physical and nutritional wellbeing, we are:</p> <ul style="list-style-type: none"> • Offering support for improved nutrition, healthy body, and healthy mind by working with expert partners like Nuffield Health and our Health Charity Partners. • Championing women's health in the workplace by signing up to the Everywoman Promise. 	<p>74% of colleagues agree that Tesco supports their health and wellbeing.</p>

SDG and relevant target	Tesco commitment	Tesco action	Data performance
 <p>5 GENDER EQUALITY</p> <p>5.1 5.5 5.a</p>	<p>Continue to build an inclusive culture where everyone has the opportunity to get on.</p>	<p>As one of the first companies to voluntarily publish our gender pay gap data back in 2017, we are committed to achieving a truly gender equal workplace. We want to create a culture that champions diversity, inclusivity and individual empowerment to drive us all forward.</p> <p>We publish annual Gender Pay Gap reports across our UK divisions to show the actions we are taking to eliminate discrepancies in gender pay. In 2019/20, in our largest UK market, the median pay gap of 6.8% was less than half the UK national average of 15.5% (Office of National Statistics) and our lowest figure since we started reporting. While we are pleased that our median – and mean – figures have decreased, we recognise that we still have work to do to remove the gender pay gap from our business.</p> <p>We have made a number of external commitments on gender equality, including achieving the Hampton Alexander target of having more than 33% female representation at Board and Executive level by 2023. Executive external resourcing and strong internal succession plans play a critical role in enabling and accelerating our ability to meet our diversity and inclusion ambitions.</p>	<p>81% of colleagues feel they can be themselves at Tesco.</p> <p>31% female members of the Board, Executive Committee and direct reports to the Executive Committee.</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>7.2 7.3</p>	<p>Source 100% of our electricity from renewable sources by 2030.</p>	<p>In 2015 we set an ambition to reduce our demand for electricity and switch to 100% renewable electricity by 2030. In 2020 we achieved our goal of 100% renewable electricity in our own operations, across the Group.</p> <p>We have fitted stores with solar panels and have also signed the largest unsubsidised Power Purchase Agreement in the UK – by November 2020 we reached 100% additional. This energy totals up to 590GWh and will supply Tesco Group with around 21% of our electricity demand.</p>	<p>100% of our electricity comes from renewable sources.</p>

SDG and relevant target	Tesco commitment	Tesco action	Data performance
 <p>8.3 8.5 8.6 8.7 8.8</p>	<p>Everyone's welcome at Tesco and we are committed to helping our colleagues succeed by providing them with the flexibility, skills and opportunities to get on.</p>	<p>In a year that has destabilised the job market we have remained committed to helping people faced with unemployment as a result of lockdown restrictions. We created 20,000 new permanent roles and around 50,000 temporary positions at the peak of the lockdown in the UK.</p> <p>We continue to offer young people quality work placements through programmes such as Job Centre Plus Movement to Work scheme. We have offered 618 placements, with 344 becoming colleagues. Through our support of the Government Kickstart scheme, in November 2020 we offered 1,000 Kickstart, six-month apprenticeship placements in areas of high youth unemployment. In the UK the aim was to prepare them to be 'work-ready' at the end of their placement.</p> <p>Through our partnership with the Prince's Trust and Institute of Grocery Distribution (IGD), which gives disadvantaged young people the opportunity to learn new skills, in 2020 we helped over 14,000 young people develop their employability and life skills. We have supported over 40,000 since the launch of the programme in 2018.</p>	<p>73% of colleagues agree they have the opportunity to learn and develop at Tesco.</p> <p>40,000 young people helped to develop their employability and life skills since 2018.</p> <p>In 2020/21 we offered 1,000 Kickstart apprenticeships at large Tesco stores in the UK.</p>
	<p>Respecting human rights across the supply chain.</p>	<p>Our human rights strategy focuses on addressing the underlying root causes to human rights abuses across our four strategic pillars: sustainable livelihoods, worker representation, forced labour and gender equality.</p> <p>We are committed to upholding human rights and fully support the UN Universal Declaration of Human Rights, the International Labour Organization Core Conventions and the UN Guiding Principles on Business and Human Rights, and we report regularly on our work to uphold human rights in our supply chains. For our supply base specifically, we require that our suppliers uphold the full range of labour standards set out in the Ethical Trading Initiative's Base Code.</p> <p>COVID-19 has impacted our ability to undertake physical site visits and audits, resulting in an increased reliance on virtual due diligence assessments which has subsequently affected the number of NCs identified. Nonetheless, we have continued to support our suppliers and safeguard workers' rights in our supply chain with webinars and virtual due diligence assessments to ensure continued supply chain visibility. We are committed to driving best practice auditing to maintain standards and expect the percentage of NCs to increase next year as the impacts of COVID-19 are reduced and more sites visits can take place.</p> <p>Clothing suppliers were particularly hard hit by the pandemic. From the start of the crisis, we committed to paying for every clothing order that had been completed or was in production. We focused on ensuring garment workers were paid correctly and that health and safety measures and personal protective equipment were in place for workers. As part of our sustainable livelihoods' strategy, we started working with our banana suppliers in August, using the IDH Salary Matrix tool to identify gaps between prevailing wages and living wages in key sourcing countries of one of our best-selling products. We will be working with producers and the wider industry from 2021 to develop strategies and actions to move towards a living wage in the banana industry.</p>	<p>97% of high-risk tier 1 supplier sites had audits in the last year.</p> <p>39% of high-risk tier 1 supplier sites had critical non-conformances (NCs) identified in 2020/21.</p> <p>71% of high-risk tier 1 supplier sites had closed out critical NCs within six months.</p>

SDG and relevant target	Tesco commitment	Tesco action	Data performance
 <p>12.3 12.5 12.6</p>	<p>No food safe for human consumption will go to waste in our UK retail operations.</p> <p>Halve food waste in our own operations by 2030.</p> <p>Work in partnership with our suppliers to halve food waste in our supply chains by 2030.</p>	<p>We have no time for waste in any form. Our fight against food waste calls for action on farms and in manufacturing, in-store and at home.</p> <p>We aim for zero good food to go to waste in our operations and we closely monitor supply and demand to minimise the amount of unsold food at the end of each day.</p> <p>In the UK, research shows 71% of edible food waste happens in homes. During 2020 we launched the No time for Waste Household Challenge, which aims to provide customers with helpful tips on planning, storing and making the most of leftovers.</p> <p>We continue to encourage our suppliers to reduce food waste in their operations. To date, 71 fresh food suppliers to Tesco, responsible for over half of fresh food sales in the UK and a third of fresh food sales in Ireland, have joined our calls to publish their food waste data.</p>	<p>42% reduction in tonnes of food wasted across the Group (vs 2016/17):</p> <ul style="list-style-type: none"> • UK: 29% reduction • ROI: 20% reduction • CE: 65% reduction • Booker: 9% reduction <p>82% of unsold food safe for human consumption redistributed to humans or animals in the UK.</p> <p>71 suppliers, responsible for over half of fresh food sales in the UK and a third in Ireland, reported their food waste data. Of those, 37 suppliers reported comparable data against their baseline year.</p>
	<p>Remove plastic packaging where we can.</p> <p>Reduce all unnecessary packaging.</p> <p>Introduce a scalable reusable packaging offer for customers.</p> <p>Our packaging will be fully recyclable by 2025.</p> <p>All paper and board used will be 100% sustainable by 2025.</p>	<p>Our 4Rs packaging strategy aims to help us, our suppliers and our customers reduce packaging waste. It is based on four principles: to Remove packaging where we can, Reduce it where we can't, Reuse more and Recycle what's left.</p> <p>We have removed unnecessary packaging from items such as tinned multipacks, fruit, vegetable and bakery goods. In 2020, we confirmed the removal of 1 billion pieces of plastic.</p> <p>We are committed to ensuring all packaging materials are fully recyclable by 2025 and aim to use as much recycled content as we can.</p> <p>In 2020 we introduced a Loop pilot partnership to online customers, offering products in reusable packaging.</p> <p>In Ireland, we became the first retailer to announce plans to create a recycling solution for soft plastics for all 151 stores. We have also begun rolling out soft plastic recycling points to 171 stores in the South West of England and Wales with plans to roll out to all large stores nationwide.</p>	<p>1 billion pieces of plastic removed from our Own Brand products.</p> <p>64 reduction projects across 567 lines, saving 2,000 tonnes of material.</p> <p>Introduced Loop reuse pilot partnership for online customers.</p> <p>84% of Own Brand packaging is recyclable.</p> <p>We are committed to sourcing sustainable paper and board used in our packaging however industry-collected data on paper and board remains insufficiently robust to publish. We are working closely with our compliance partner Valpak to improve this so we can report in future years.</p>

SDG and relevant target	Tesco commitment	Tesco action	Data performance
 <p>13.1 13.2 13.3</p>	<p>Meet science-based climate targets for our operations, aligned with 1.5-degree trajectory of Paris Agreement.</p> <p>Source 100% of our electricity from renewable sources by 2030.</p> <p>Reduce supply chain (manufacturing) carbon emissions by 7% by 2020 and by 20% by 2025.</p> <p>Reduce supply chain (agriculture) carbon emissions by 7% by 2020 and by 12% by 2025.</p>	<p>Our carbon reduction strategy focuses on the biggest emission hotspots in our operations. With 100% of our electricity now renewable, transport is one the largest sources of emissions in our own operations, along with heating and refrigeration.</p> <p>Despite an increase in home deliveries during COVID-19 to help protect vulnerable customers, we managed to reduce our emissions generated from transport by focusing on achieving load and route efficiencies. We have pledged to have a fully electric home delivery fleet in the UK by 2028, already launching 30 fully electric vans in London.</p> <p>Beyond our own operations, a large proportion of our overall footprint lies within our supply chain, our Scope 3 emissions. We have set science-based targets for manufacturing and agricultural supply chains and have made good progress against our first milestone, achieving our 2025 target of 20% reduction in manufacturing emissions five years early. Now, as we challenge ourselves to go further, we are currently reviewing the breadth and ambition of our supply chain emissions to ensure we maximise our potential to influence transformative change.</p> <p>In 2020/21 we undertook baseline mapping of our agricultural emissions from key suppliers. Whilst the process proved highly valuable, the data captured through the process was not statistically significant enough to represent a credible emissions baseline. We will continue to monitor and report annually on emissions reduction within specific categories where data is robust on our website, and work with our agricultural suppliers to build capacity to monitor and track emissions data.</p>	<p>54% reduction of Scope 1 and 2 GHG emissions across the Group since 2015.</p> <p>100% renewable electricity across the Group.</p> <p>20% reduction in supply chain (manufacturing) carbon emissions from key suppliers against a 2015/16 baseline.</p>
 <p>14.1 14.4</p>	<p>Sustainably source all our wild seafood by 2030.</p>	<p>We are committed to protecting marine environments and supporting truly sustainable fisheries. We are working with the Marine Stewardship Council (MSC) to increase our range of certified sustainable counter, pre-packed, canned and frozen fish. The reduction in the percentage of wild-caught seafood certified by MSC in 2020/21 was driven by the industry loss of mackerel certification combined with the reduction in the purchase of MSC volumes for other species.</p> <p>Beyond certification we have helped create the Global Tuna Alliance as part of a cross-industry collaboration to ensure the highest standards in the tuna supply chain.</p> <p>We are focusing on improving tuna fisheries and moving towards more sustainable sources. This year, together with WWF and in consultation with tuna experts and suppliers, we developed a new Seascape approach to marine sustainability. The new approach, which mirrors the landscape approach adopted in our Zero Deforestation Soy Transition plan, will see us work in partnership with Own Brand suppliers to introduce new due diligence processes to help achieve our 100% MSC certification goal and ensure healthy fish stocks.</p>	<p>63% of UK seafood volume is certified as sustainable by Marine Stewardship Council (MSC).</p>

SDG and relevant target	Tesco commitment	Tesco action	Data performance
 <p>15.2 15.3 15.5</p>	<p>Achieve net zero deforestation.</p>	<p>We continue to be a leading member of the Palm Oil Transparency Coalition (POTC), promoting certified palm oil in our supply chain. We use the POTC annual rankings to push for faster industry progress to protect forests, workers and communities.</p> <p>We know soy, a key ingredient in animal feed, still presents a challenge to forest ecosystems and we have strengthened our soy commitment to ensure we source from whole areas and regions verified as deforestation free by 2025. Compared to certification at individual farm level, this approach aims to transform whole areas of agricultural production with sustainable land-use planning agreements, supported by deforestation monitoring systems.</p> <p>We believe that by working together with our suppliers and others in the food industry we can stop commodity-driven deforestation. We co-lead, alongside PepsiCo, the Consumer Goods Forum Forest Positive Coalition Productive Landscapes working group and expect all our relevant suppliers to meet our zero-deforestation soy transition plan. We also continue to support action in the Cerrado and co-chair the Statement of Support for the Cerrado Manifesto.</p>	<p>100% of the palm oil used in our products is certified to the Roundtable on Sustainable Palm Oil (RSPO) standard.</p> <p>100% of UK soy for whole animal protein products meet our Zero Deforestation Soy Transition Plan.</p> <p>100% of assessed lines of paper/wood products are Forest Stewardship Council (FSC) / Programme for the Endorsement of Forest Certification (PEFC) certified or from recycled sources.</p>

Our contribution to other SDGs.

The table below summarises our contribution to the goals where the risks and opportunities for Tesco are fewer and/or where we have less opportunity to make a significant positive impact.

SDG	Tesco action
	<p>Sustainable livelihoods for workers and smallholder farmers is one of four themes in our human rights strategy. This recognises that, although our trade provides opportunities and employment, there is still poverty associated with many different products and supply chains. For example, minimum wages may not be enough to meet worker's basic needs or national infrastructure (e.g. in healthcare) may be insufficient.</p> <p>We are committed to working with workers, trade unions and NGOs in relevant supply chains to identify living wage benchmarks and publish examples of the gaps in prevailing wages.</p> <p>We have increased the visibility of the living wage gap across our banana producers, following their completion of the independent salary matrix. We are now working to agree a long-term plan for closing this gap in collaboration with our suppliers, the World Banana Forum, the IDH Living Wage Steering Committee and the wider industry.</p>
	<p>We are committed to providing opportunities to help young people develop their employability skills. We continue to offer high-quality work placements to young people. In 2020 we supported the UK Government Kickstart scheme, offering six-month work placements to 1,000 young people in areas of high unemployment. Through Job Centre Plus Movement to Work scheme we have offered 618 placements, with 344 becoming colleagues. In addition, during 2020 over 14,000 young people took part in our programme with the Prince's Trust and the Institute of Grocery Distribution (IGD), which aims to develop young peoples' employability and life skills.</p> <p>Due to the COVID-19 pandemic, we delivered the Tesco internship experience virtually giving young people the opportunity to work on projects ranging from climate change to sustainable diets. These opportunities enabled interns to develop key employability skills to support their future. We also continued to operate our graduate programmes, welcoming over 60 young people onto our new Business Graduate Programme in the UK. A further 40 young people in their penultimate year at university will join our new Business Diversity Internship in 2021.</p>
	<p>Our agricultural and manufacturing supply chains depend on access to water for the production of our food and non-food products. It is therefore vital that wherever our products are made, our supply chain operates in a way that safeguards this valuable resource for the future. This stewardship of water resources means using water more efficiently, especially in locations of water scarcity, and protecting water quality.</p> <p>We have analysed a number of our key UK supply chains to understand their exposure to water risk, including their overlap with environmentally sensitive river basins. We are requesting robust on-farm water management plans from our key suppliers, with 40% sharing their plans with us during 2020/21. In addition, we support multiple water stewardship and biodiversity projects in-country. For example, we are working with our suppliers in South Africa to remove invasive tree species along a water course, which is saving approximately 53 million litres of water a year.</p> <p>F&F are supporters of Textile 2030 aimed at reducing the environmental impact of clothing, including reducing the water footprint of new products sold by 30%.</p>



Sustainable innovation supports the Little Helps Plan in all areas. As a business we encourage a culture of innovation so that our business remains at the cutting edge of new trends and demands. For example, we have a market leading range of over 350 plant-based meat alternatives to help shoppers eat more sustainably.

To demonstrate the strength of our focus and the seriousness we place on tackling the climate crisis, at the start of 2021 we launched a €750m sustainability-linked bond based on our commitment to reduce GHG emissions. This builds on our sustainable financing strategy which includes a revolving credit facility linked to the achievement of long-term environmental targets related to GHG emission reduction, renewable electricity and food waste.



People are at the heart of what we do and in a year that has challenged many our value to 'treat people how they want to be treated' has never been more important. We aim for all the jobs we create, directly and through our supply chain to be decent, fair and safe.

The first pillar of our human rights strategy focuses on identifying living wage and income benchmarks in our supply chain and targeting action in priority areas:

- Tea – collaborating within the industry, through our membership of the Global Tea Coalition, ultimately to close living wage income gaps
- Bananas – Working with all banana producers to overcome the barriers to increasing wages and workers
- Rice – working with suppliers to support the uptake of the Sustainable Rice Standard.
- Cocoa – Improving farmer livelihoods through Retailer Cocoa Collaboration
- Clothing – Collaborating with ACT stakeholders to achieve living wages for workers in the global garment industry through collective bargaining at industry level

Through our five-stage due diligence framework, wage and payment risks are mitigated and where issues are identified remediation is implemented. Core to this is engagement with NGOs, trade unions and other stakeholder groups to help identify areas of greatest risk.

As members of the Institute of Human Rights and Business Responsible Recruitment Leadership Group, we continue to support the Employer Pays Principle in our high-risk supply chain.



Responding to the rapidly changing circumstances of the pandemic, funding to charities and community groups where severely impacted by a loss of income. In response, we adapted our community grants programme to help ensure our support continued for local communities. Overall, we have supported 36,000 community groups with more than £85m in grants funding in the UK since 2015. In Republic of Ireland the Tesco Ireland Community Fund programme donated €5m to support 20,000 local community projects since 2014 and in Central Europe, our You Choose, We Help scheme, the largest in the region, has reached more than 4,000 community groups since 2016.

Access to affordable, healthy food has been a challenge for many families throughout the pandemic. In places where we operate, we continue to provide meals to charities from our store and distribution centres. We have donated additional £15m of food for communities and food banks with our partners Fareshare and Trussell Trust. In Republic of Ireland we supported 291 causes through the Tesco Surplus Donations Programme and raised a total of €146,000 from three separate appeals. In Central Europe we made the largest one-off donation to the value of £450,000 to food banks in response to the increased demand for their services

SDG	Tesco action
	<p>Our Code of Business Conduct, which defines the standards and behaviours expected of colleagues, is a fundamental part of our culture and supports our values. The Code is supported by Group policies and mandatory training which includes: anti-bribery and corruption; competition law; data protection; and supplier legislation. In addition, 'Protector Line', an independent and confidential whistleblowing service, allows colleagues and suppliers to raise concerns regarding misconduct and any breaches of the Code of Business Conduct.</p>
	<p>We work in partnership with NGOs, suppliers and the wider industry to progress the Little Helps Plan, contribute to the SDGs and build the resilience and sustainability of our business. Examples include our four-year partnership with WWF with the ambition of halving the environmental impact of the average UK shopping basket; our work with FareShare to reduce food waste and support vulnerable people in communities across the UK; and our health charity partnership with Cancer Research UK, Diabetes UK and the British Heart Foundation to deliver our health strategy, to name but a few.</p>

UN Global Compact Principles.

We have demonstrated our progress against the UNGC’s ten principles in our Little Helps Plan Report, Annual Report and on our website. The table below summarises our approach against each of the ten principles accompanied with links to find more information.

Issue area	Principle	Tesco approach	Links to more information
Human Rights	1 Businesses should support and respect the protection of internationally proclaimed human rights.	<p>Our Human Rights Policy outlines our commitment to respecting human rights and UNGC principles and sets out our governance and monitoring approach.</p> <p>We are committed to upholding human rights and support in full the UN Universal Declaration of Human Rights and the International Labour Organization (ILO) Core Conventions on labour standards, working hours and health and safety for workers.</p> <p>If human rights issues are identified, we will seek to address them and understand the root causes of these abuses, working with suppliers, and other stakeholder groups to drive improvement. We know that many of the serious abuses that exist in countries around the world can be in lower tiers of supply chains, hidden from easy sight and hard to identify – particularly forced labour. Addressing these requires collaborative efforts with other businesses and civil society. We have committed to working to eradicate forced labour from our supply chains and have taken on a leading role through our membership of the Consumer Goods Forum (CGF) to develop this work.</p>	Our approach to human rights Code of business conduct Human rights policy Modern slavery statement Human rights factsheet
	2 Businesses should make sure that they are not complicit in human rights abuses.	<p>We are fully committed to eradicating modern slavery in our operations and supply chains. We recognise that forced labour is a widespread issue in food and non-food supply chains and is therefore a key theme within our refreshed human rights strategy.</p>	

Issue area	Principle	Tesco approach	Links to more information
Labour	3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	We have incorporated effective worker representation as the third theme in our human rights strategy, recognising input from stakeholders, including global trade unions, and our experience of working to remove barriers to effective worker representation in our supply chains.	Code of business conduct Our approach to human rights Human rights – F&F clothing Modern slavery statement Tesco annual report
	4 Businesses should uphold the elimination of all forms of forced and compulsory labour.	A significant part of our work within our human rights worker representation pillar is about promoting dialogue between trade unions, suppliers, industry organizations, certification & audit companies. We also work with Issara Institute is an independent NGO based in Southeast Asia tackling issues of human trafficking and forced labour through worker voice, partnership, and innovation. Our continued partnership with Issara Institute ensures our highest risk supply chains in Thailand are monitored independently, alongside those of other Issara partners. The Issara Institute currently works with our suppliers in the poultry and seafood sector. The key focus is on enabling workers to raise their own concerns and ensure they are addressed, which is crucial for the empowerment of migrant workers who are often vulnerable to exploitation. The Issara Institute is also implementing innovative projects on responsible recruitment and fishing vessel labour standards, which a number of our suppliers engage with.	
	5 Businesses should uphold the effective abolition of child labour.		
	6 Businesses should uphold the elimination of discrimination in respect of employment and occupation.		
Environment	7 Businesses should support a precautionary approach to environmental challenges.	Our business success depends on the health and stability of our natural environment.	Tesco Little Helps Plan report Little Helps Plan factsheet WWF partnership
	8 Businesses should undertake initiatives to promote greater environmental responsibility.	We have a responsibility to help maintain the natural balance of our planet’s ecosystem and climate, from the sourcing of our fresh produce and other products to how we adopt and promote sustainable production and consumption behaviours with our suppliers, colleagues and customers. To address important environmental issues, from packaging and food waste to climate change and deforestation, we have published commitments and action plans and are working across our supply chain to drive improvement.	
	9 Businesses should encourage the development and diffusion of environmentally friendly technologies.	In 2018 we embarked upon a four-year partnership with WWF-UK in support of our commitment to make affordable, healthy, sustainable food accessible to all. We created a pioneering Sustainable Basket Metric that has enabled us to measure progress towards our aim of halving the environmental impact of the average UK shopping basket. Making steady progress we are 11% of the way toward our goal.	

Issue area	Principle	Tesco approach	Links to more information
Environment	<p>9 Businesses should encourage the development and diffusion of environmentally friendly technologies.</p>	<p>We recognised climate change as the biggest environmental threat the world faces, and one which poses challenges to our business, including our supply chain and operations. Conversely, responding to climate change effectively can enhance our business resilience and enable us to respond to any opportunities it may offer, making us a better business in the long-term. We are committed to becoming a net zero business by 2050 and have accelerated our goal in the UK to reach net zero by 2035. Our targets align to Science-Based Targets initiative (SBTi) in line with a 1.5°C Paris Climate Agreement.</p> <p>Alongside the work we are doing in our own operations to achieve our carbon goals, we also recognise that addressing climate change requires cross-industry action and supportive public policy. We engage with our peers as well as policy makers through our membership of various cross-industry forums, including the Aldersgate Group, The Prince of Wales’s Corporate Leaders Group and RE100. Through these and other pre-competitive forums, we share our climate change approach and learnings and inspire others to raise our collective ambitions in the transition to a low-carbon economy.</p>	<p>Taking action – environment</p> <p>Taking action – food waste</p> <p>Taking action – packaging</p> <p>Taking action – Sustainable Shopping Basket</p>
Anti- Corruption	<p>10 Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p>Bribery and corruption distort competitive markets, increase the cost of doing business and harm customer trust. We have a zero-tolerance approach to bribery and to those involved in bribery and our anti-bribery programme operates across the Group. The programme is built around a clear understanding of how and where bribery risks affect our business and comprises key controls such as policies, procedures, training and ongoing assurance programmes to test that the controls are functioning effectively.</p> <p>Our Code of Business Conduct, which defines the standards and behaviours expected of colleagues, is a fundamental part of our culture and supports our values. The Code is supported by Group policies and mandatory training which includes: anti-bribery and corruption; competition law; data protection; and supplier legislation. In addition, ‘Protector Line’, an independent and confidential whistleblowing service, allows colleagues and suppliers to raise concerns regarding misconduct and any breaches of the Code of Business Conduct.</p>	<p>Code of business conduct</p> <p>Anti-bribery policy</p> <p>Conflict of interest policy</p> <p>Whistleblowing policy</p> <p>Human rights policy</p> <p>Modern slavery statement</p> <p>Tesco annual report</p>