

Independent Assurance Report to the Directors of Tesco PLC

We have been engaged by the Directors of Tesco PLC to perform a limited assurance engagement relating to selected non-financial KPIs, as set out in the appendix to this report, for the year ending 26th February 2022.

Use of report

This report is made solely to the Directors of Tesco PLC in accordance with our agreed terms of engagement. Our work has been undertaken so that we might state to the Directors of Tesco PLC those matters we have agreed to state to them in this report and for no other purpose. Without assuming or accepting any responsibility or liability in respect of this report to any party other than Tesco PLC and the Directors of Tesco PLC, we acknowledge that the Directors of Tesco PLC may choose to make this report publicly available for others wishing to have access to it, which does not and will not affect or extend for any purpose or on any basis our responsibilities. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Tesco PLC and the Directors of Tesco PLC as a body, for our work, for this report, or for the conclusions we have formed.

Our conclusion

Based on our work as described in this report, nothing has come to our attention that causes us to believe that the selected non-financial KPIs for the year ending 26th February 2022 have not been prepared, in all material respects, in accordance with the applicable criteria as defined within the methodology documents prepared and published by Tesco PLC at

<https://www.tescopl.com/sustainability/documents/assurances-and-methodologies/>

Respective responsibilities of the directors and assurance provider

The Directors are responsible for:

- Establishing applicable criteria for preparing the selected non-financial KPIs;
- Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the selected non-financial KPIs that are free from material misstatement, whether due to fraud or error; and
- Measuring and reporting the selected non-financial KPIs based on the applicable criteria.

Our responsibility is to express a conclusion on the selected non-financial KPIs based on our procedures. We conducted our engagement in accordance with the International Standard for Assurance Engagements 3000 ("ISAE 3000") and Assurance Engagements on Greenhouse Gas Statements ("ISAE 3410") issued by the International Auditing and Assurance Standards Board ("IAASB"), in order to state whether anything had come to our attention that causes us to believe that the selected non-financial KPIs have not been prepared, in all material respects, in accordance with the applicable criteria as defined within the methodology documents.

Our procedures consisted primarily of:

- Performing enquiries and interviews with management to understand how the applicable criteria have been applied in the preparation of the selected non-financial KPIs;
- Understanding internal controls, the quantification process and data used in preparing the selected non-financial KPIs, the methodology for gathering qualitative information, and the process for preparing and reporting the selected non-financial KPIs;
- Inspecting documents relating to the Company's non-financial performance, including board committee to understand the level of management awareness and oversight of the selected non-financial KPIs;

- Considering the risk of material misstatement of the selected non-financial KPIs including analytical procedures;
- Performing procedures over the selected non-financial KPIs, including recalculation of relevant formulae used in manual calculations and assessment whether the data has been appropriately consolidated;
- Performing procedures over underlying data on a sample basis to assess whether the data has been collected and reported in accordance with the applicable criteria, including verifying to source documentation;
- Reading the reports and narrative accompanying the non-financial KPIs with regard to the applicable criteria, and for consistency with our findings; and
- Accumulating misstatements and control deficiencies identified and assessing whether material.

Inherent limitations

Our engagement provides limited assurance as defined in ISAE 3000 and ISAE 3410. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and 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.

Inherent limitations exist in all assurance engagements due to the selective enquiry of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected. Our work does not involve testing the operating effectiveness of controls over the underlying data, nor have we sought to review systems and controls beyond those relevant to the selected non-financial KPIs.

Our independence and competence

We complied with Deloitte's independence policies, which address and, in certain cases, exceed the requirements of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants in their role as independent auditors, and in particular preclude us from taking financial, commercial, governance and ownership positions which might affect, or be perceived to affect, our independence and impartiality, and from any involvement in the preparation of the report.

We have applied the International Standard on Quality Control 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Deloitte LLP

Deloitte LLP
London, UK
12th April 2022

Appendix – Selected non-financial KPIs in the Annual Report for the financial year ending 26th February 2022

Selected non-financial KPIs	Scope	Reported amount 2022	Reported amount 2021	Reported amount 2020	Reported amount 2017	Reported amount 2016
Percentage of unsold food safe for human consumption redistributed to humans or animals in the UK	UK	83%	N/A	N/A	N/A	N/A
Scope 1 emissions and percentage of reduction against 2015 baseline*	Group	1,110,098	N/A	N/A	N/A	1,240,871
Scope 2 emissions (market based) and percentage of reduction against 2015 baseline*	Group	16,107	N/A	N/A	N/A	1,095,671
Scope 2 emissions (location based) and percentage of reduction against 2015 baseline	Group	642,337	N/A	N/A	N/A	1,657,316
Scope 1 and 2 carbon intensity (kg CO ₂ e/sq ft of stores and DCs)	Group	12.16	N/A	N/A	N/A	N/A
Scope 3 carbon emissions (tonnes of CO ₂ e)	Group	593,405	N/A	N/A	N/A	N/A
Total gross emissions (tonnes of CO ₂ e)	Group	1,719,610	N/A	N/A	N/A	N/A
CO ₂ e from renewable energy exported to the grid (tonnes of CO ₂ e)	Group	279	N/A	N/A	N/A	N/A
Total net emissions (tonnes of CO ₂ e)	Group	1,719,331	N/A	N/A	N/A	N/A
Overall net carbon intensity (total net emissions kg CO ₂ e/sq ft of stores and distribution centres)	Group	18.56	N/A	N/A	N/A	N/A
Electricity generated from renewable sources from onsite and contracted offsite Power Purchase Agreements (PPAs) (KWh)	Group	713,509,033	N/A	N/A	N/A	N/A
Percentage of electricity from renewable sources: Proportion of contractually committed volume from grid PPAs and on-site generation as a percentage of energy consumption	Group	26%	N/A	N/A	N/A	N/A
Percentage change in tonnes of food wasted as percentage of tonnes of food handled compared to 2017 baseline	Group	-45%	-42%	-31%	0%	N/A
Percentage of volume sales from products with a 'healthy' health score as a proportion of total volume of food sales	UK and Rol	58%	N/A	58%	N/A	N/A
Diversity and inclusion (management levels 4, 5, 6) – Gender	Group	26%	N/A	N/A	N/A	N/A
Diversity and inclusion (management levels 4, 5, 6) Ethnicity	Group	11%	N/A	N/A	N/A	N/A

*The combined percentage reduction of Scope 1 and 2 emissions (market based) is 52% against a 2015/16 baseline.