

Contributing to the United Nations Sustainable Development Goals.

November 2018

Our priority goals.

The Little Helps Plan helps us respond to the global challenges affecting our business, suppliers, customers, colleagues and other stakeholders, from inequality and human rights to climate change and 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. They have helped to inform our thinking about where we can play a role.

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: where expectations, risks and opportunities for Tesco are greatest, and where we can make the most significant contribution.

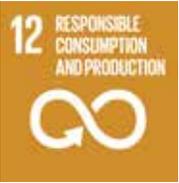
We list these priority SDGs in table 1. For full details on how we identified our priorities and focus areas for the Little Helps Plan, read our summary on www.tescopl.com/materiality.

Goal 12, on responsible consumption and production, is particularly significant for Tesco. We are proud to be members of Champions 12.3, a global coalition of leaders chaired by our CEO Dave Lewis. This group is dedicated to accelerating progress towards achieving the UN Sustainable Development Target 12.3 - to halve global food waste by 2030. We were the first UK retailer to publish data on food waste in our own operations so that we can track our progress against this target. We are now encouraging other organisations, both within and outside our supply chain, to do the same.



Table 1: Priority Goals

SDG	Tesco Target	Tesco Action	Key Data
	<p>Facilitate food surplus donation programmes in all stores in all regions to provide meals to those in need by 2020.</p>	<p>We work closely with food banks and charities wherever we operate to donate good food that would otherwise go to waste. Organisations we have supported have included homeless shelters, after-school clubs, food banks and domestic violence hostels. We also organise regular food collections during festive periods giving our customers the opportunity to join us in donating food to help feed people in need.</p>	<p>48 million meals donated Group-wide through our food surplus donation programmes in 2017/18.</p>
	<p>To support all of our colleagues to live healthier lives and help our customers make healthier food choices every time they shop with us.</p>	<p>We want to make Tesco a healthier place to work and shop. Guided by our partnerships with Cancer Research UK, Diabetes UK and the British Heart Foundation we are making the healthiest choice, the easiest choice. We aim to create the UK's leading workplace health programme, helping colleagues make changes to reduce the risks of cancer, Type 2 diabetes and cardiovascular disease.</p> <p>We are sharing 'helpful little swaps' in stores and online for customers, highlighting products lower in sugar, fat or salt compared to the regular alternatives; and lowering prices on hundreds of healthier products during our health events.</p>	<p>66% of Group colleagues and 55% of UK customers agree that Tesco helps them lead a healthy lifestyle.</p>
	<p>Source 65% of our electricity from renewable sources by 2020 and 100% by 2030.</p>	<p>We currently source 100% renewable electricity in the UK, Republic of Ireland and Slovakia, supported by renewable energy certificates. We are now surveying UK stores for the potential to generate our own renewable energy.</p>	<p>Group-wide, 58% of electricity comes from renewable sources.</p>
	<p>Help our colleagues succeed by providing them with the flexibility, skills and reward to 'get on'.</p> <p>Ensure international human rights standards are respected at all our suppliers' sites.</p>	<p>We are introducing new measures to provide colleagues with greater flexibility to manage their work patterns around their lifestyles. In the UK, we have begun piloting a new suite of flexible contracts with the ambition of implementing them across the business soon.</p> <p>Our new learning curriculum will help our colleagues develop the skills they need for the future, including management and digital skills. We have introduced 24 learning partners who have delivered learning to over 2500 UK colleagues in our stores and distribution centres.</p> <p>We want to promote better working conditions and sustainable livelihoods for workers and producers in our supply chain. The Ethical Trading Initiative's Base Code human rights standards are fundamental requirements for all our suppliers, wherever they operate. We are also partnering on projects in high risk supply chains to improve working conditions. For example, we are signatories to the Bangladesh Accord and have conducted structural surveys to ensure workers in our supply chain are not at risk from fire, building disrepair or similar concerns.</p> <p>Through our membership of the Consumer Goods Forum (CGF) we are collaborating to eradicate forced labour from our supply chains, including the lower tiers. We helped to design and strongly support CGF's priority industry principles: every worker should have freedom of movement; no worker should pay for a job; and no worker should be indebted or coerced to work.</p>	<p>77% of Tesco colleagues Group-wide agree they have the opportunity to learn and develop.</p> <p>In 82% of our tier 1 high risk sites in which critical non-conformances were identified in 2017/18, mitigation or remediation processes have been implemented on time.</p>

SDG	Tesco Target	Tesco Action	Key Data
	<p>Help halve global food waste, farm to fork, by 2030.</p>	<p>We have adopted UN SDG 12.3 to help halve food waste from farm to fork. We are proud members of Champions 12.3, a coalition of leaders chaired by our CEO Dave Lewis to accelerate progress on this target. In the UK and Central Europe we have sold nearly 25,000 tonnes of Perfectly Imperfect fruit and vegetables that previously would not have met our specifications and have removed best before dates from over 180 UK fruit and vegetable lines to help stop perfectly edible items being thrown away.</p>	<p>Percentage change in tonnes of food wasted as a percentage of tonnes sold since our baseline year:</p> <ul style="list-style-type: none"> • UK: 0% since 2013/14 • Central Europe: - 25% since 2016/17 • Ireland: 9% since 2016/17
	<p>Making all packaging fully recyclable by 2025.</p>	<p>We want to create a closed loop system for packaging so everything can be re-used, recycled or re-purposed. 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. For example, by replacing polystyrene, a hard-to-recycle material, with cardboard in our Own Brand pizzas we have saved 300 tonnes of plastic.</p>	<p>83% (by weight) of UK Own Brand packaging meets the 'widely recycled' criteria.</p>
	<p>Reduce absolute carbon emissions from our operations from 2015 levels: 35% by 2020, 60% by 2025 and 100% by 2050.</p>	<p>We have worked with external experts to set new, science-based targets which are aligned with a 1.5 degree trajectory and enable us to meet our zero-carbon ambition. As one of the largest van fleet operators in the UK we have signed up to the Clean Van Commitment (CVC). The commitment publicly demonstrates our support for the switch to low emission vehicles.</p>	<p>26% reduction of GHG emissions since 2015/16.</p>
	<p>Sustainably source all our wild fish.</p>	<p>We are committed to supporting truly sustainable fisheries and the protection of marine environments. We are working with the Marine Stewardship Council (MSC) to increase our range of certified sustainable counter, pre-packed, canned and frozen fish. Beyond certification we have worked with the krill fishing industry and NGOs to develop an agreement that will protect vulnerable species and habitats in the Antarctic that rely on krill. Krill is an ingredient in salmon feed and some health supplements.</p>	<p>72% of Tesco UK wild-caught seafood is MSC certified.</p>
	<p>Achieve zero net deforestation in our supply chain by 2020.</p>	<p>We are working to reduce the impact of our beef, soy, palm, dairy, cotton and other key supply chains. We developed our Zero Deforestation Soy Transition Plan in consultation with leading NGOs to help achieve our aim to source all the soy-based animal feed in our UK supply chain from areas verified as having zero deforestation by 2025. We are supporting this with trials of more sustainable sources of animal feed such as algal oil and insect protein.</p>	<p>100% palm oil in UK Own Brand products is certified to Roundtable on Sustainable Palm Oil (RSPO) standard.</p> <p>88% paper/wood in UK Own Brand products are certified by Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC), or are from a recycled source.</p>

Our contribution to the other goals.

Though our contribution is less significant to the remaining goals, we are committed to ensuring we make a positive impact against all the SDGs. Table 2 shows how we are contributing to the SDGs we have identified as lower priority for Tesco, where risks and opportunities for Tesco are fewer and where the contribution we can make is less significant.

Table 2: Our contribution to the other goals	
SDG	Tesco Action
 <p>1 NO POVERTY</p>	<p>Our work with suppliers and other organisations helps raise working standards and ensure living wages for people working in our supply chain. As members of Malawi 2020 we supported the first ever collective bargaining agreement between the Tea Association of Malawi and the Plantation Agricultural Workers Union. This will make workers more aware of the opportunity to join a trade union and help to ensure tea workers receive a living wage by 2020.</p>
 <p>4 QUALITY EDUCATION</p>	<p>We continue to invest in training for our colleagues, so they have the opportunity to ‘get on’ both at work and at home.</p> <p>In Thailand, our ‘Learning Dollars’ programme gives colleagues a ‘learning budget’ that they can redeem against a range of courses offered by universities. Since its introduction in 2016, 2,299 colleagues have participated in the programme to support their development.</p>
 <p>5 GENDER EQUALITY</p>	<p>In 2016/17 our median gender pay gap was 8.7%, significantly below the UK median of 18.4%. Looking at gender balance at different work levels has shown that the number of women in our workforce decreases at more senior levels. To address this, we have been refreshing our internal succession plans to ensure we have a more inclusive talent pipeline and have introduced a tailored development programme to help talented female colleagues progress their careers.</p> <p>We also continue to strive towards gender equality in our supply chains. Our partnership with the Ethical Tea Partnership and UNICEF is focussed on addressing gender inequality in the Assam region of India and has funded capability training for women, girls and the wider community to help them secure a better future and reduce their vulnerability.</p>
 <p>6 CLEAN WATER AND SANITATION</p>	<p>We are mapping and monitoring key supply chains to understand water risks and what our suppliers are doing to manage them. We are working with suppliers to introduce measures, such as more efficient irrigation systems, to reduce both water use and local environmental impact. We are members of the Zero Discharge of Hazardous Waste programme which aims to move the clothing industry towards the use of more sustainable chemicals with lower impacts on the environment and human health. As part of this our clothing suppliers publish their waste water testing results publicly to demonstrate progress in reducing hazardous discharges.</p>

SDG	Tesco Action
	<p>Sustainable innovation supports the Little Helps Plan in all areas.</p> <p>We have initiatives across the Group to make our stores and operations more efficient and these investments have enabled us to reduce our net carbon intensity per sq. ft. of retail and distribution floor space by 6% compared with last year. In our supply chain we are encouraging our suppliers to set strong, science-based GHG targets that will require a move to more sustainable ways of working.</p> <p>Creating a closed-loop packaging system requires innovation in the materials we use, packaging we create and the methods to collect and recycle packaging, such as our current trials of reverse vending machines for plastic bottles.</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 within our own operations and supply chains internationally.</p> <p>Our work often promotes equality in our supply chain, supporting disadvantaged groups and promoting sustainable development. For example, we are helping to provide training for young people from disadvantaged communities in Southern Africa so they can access work in the agricultural sector through the Tesco and Community Fund.</p> <p>We are committed to creating an inclusive environment for colleagues. We have a wide range of networks and initiatives to promote inclusion and have signed up to the UN standards to support the rights of LGBTI people.</p>
	<p>In the UK, Republic of Ireland and Central Europe we have supported almost 18,000 community projects so far this year. To ensure our support goes to the right places in the UK, Ireland and Central Europe we give our customers and colleagues the opportunity to vote for the local causes that we support.</p>
	<p>We are committed to upholding human rights within our own operations and supply chains internationally. We are helping to address entrenched social issues such as freedom of association and the empowerment of workers. For example, in South America we have been working with the Ethical Trading Initiative and suppliers to ensure that a worker representative is democratically elected to worker committees. Through our partnership with the Ethical Tea Partnership and UNICEF we have also engaged national, state and district governments to protect children and review policies for those living in tea communities.</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 new 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 a 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 Communication on Progress.

We have demonstrated our progress against the UNGC's ten principles in our Little Helps Plan Progress Update 2018 report, our Annual Report, in the tables above and on our website.

Table 3 provides links to where further information can be found.

“With 440,000 colleagues operating in more than 6,500 stores in 8 countries, we are very conscious of the impact we have on the world, and the opportunity and responsibility we have to make a positive difference.

As a member of the UN Global Compact (UNGC), we are committed to taking action on the Sustainable Development Goals and today we recommit to the Compact.”

Dave Lewis, Group Chief Executive

Table 3: UN Global Compact Communication on Progress

Area	Principle	Links to progress information
Human Rights	1 Businesses should support and respect the protection of internationally proclaimed human rights.	www.tescopl.com/humanrights www.tescopl.com/humanrightspolicy
	2 Businesses should make sure that they are not complicit in human rights abuses.	www.tescopl.com/humanrightssupplychain www.tescopl.com/top20 www.tescopl.com/littlehelpsplanreport
Labour	3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	www.tescopl.com/codeofbusinessconduct www.tescopl.com/humanrightssupplychain www.tescopl.com/unions www.tescopl.com/littlehelpsplanreport
	4 Businesses should uphold the elimination of all forms of forced and compulsory labour.	www.tescopl.com/modernslavery
	5 Businesses should uphold the effective abolition of child labour.	www.tescopl.com/modernslavery www.tescopl.com/tea www.tescopl.com/cocoa www.tescopl.com/cotton
	6 Businesses should uphold the elimination of discrimination in respect of employment and occupation.	www.tescopl.com/inclusion www.tescopl.com/humanrightssupplychain www.tescopl.com/littlehelpsplanreport
Environment	7 Businesses should support a precautionary approach to environmental challenges.	www.tescopl.com/environment www.tescopl.com/littlehelpsplanreport
	8 Businesses should undertake initiatives to promote greater environmental responsibility.	www.tescopl.com/foodwaste www.tescopl.com/packaging www.tescopl.com/soy www.tescopl.com/chemicalmanagement www.tescopl.com/carbonfootprint
	9 Businesses should encourage the development and diffusion of environmentally friendly technologies.	www.tescopl.com/energy-efficient-stores www.tescopl.com/packaging
Anti-Corruption	10 Businesses should work against corruption in all its forms, including extortion and bribery.	www.tescopl.com/whistleblowing www.tescopl.com/codeofbusinessconduct www.tescopl.com/littlehelpsplanreport