



EU CODE OF CONDUCT ON RESPONSIBLE FOOD BUSINESS AND MARKETING PRACTICES

Commitment on behalf of Tesco plc

Tesco plc is a food retailer serving customers in store and online in the Czech Republic, Hungary, Slovakia and Republic of Ireland alongside our business in the UK.

We operate 688 stores within the EU and cooperate with thousands of supply partners across Europe.

Commitment One: Emissions Reduction

- Become a zero-carbon business by 2050.

Rationale

The global food system is one of the world's largest sources of greenhouse gases.

Food production is linked to 70% of biodiversity loss on land, and food is responsible for 26% of total global emissions.

As populations grow, more pressure will be placed on the climate and our planet's finite resources.

Climate change has the potential to impose significant disruption to the way our business operates and how we source food, in addition to significant additional future costs.

Indicators

- Percentage reduction of Scope 1 and 2 greenhouse gas emissions (baseline 2015/16)

Commitment Two: Healthy Sustainable Diets

- Increase sales of healthy products as a proportion of total food sales
- Increase the sale of plant-based products by 300% by 2025
- Make our products healthier through reformulation

Rationale

The long-term success of our business is inextricably linked to the food we buy and sell.

Our insight confirms that customers want supermarkets to do more to help them eat healthily.

We are also becoming acutely aware of how the foods we eat effect the environment.

More sustainable diets will improve the health of our customers and the health of the planet.

Indicators

- As a new target, we will develop an appropriate methodology based on nutritional profiling benchmarks and establish clear targets for improvements by the end of 2022. We will then report progress annually against our targets.
- Percentage increase in the sale of plant-based meat alternatives (baseline 2021)

Commitment Three: Food Waste

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| <ul style="list-style-type: none">• To halve food waste in our operations by 2030• To work with our suppliers to help halve food waste in our supply chains by 2030 |
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Rationale

As a major buyer and seller of food, we are committed to reducing food waste from farm to fork. The global economic cost of food loss and waste is estimated to be \$940bn every year. 1/3rd of the food produced globally is wasted and food waste accounts for 8% of global greenhouse gas emissions.

Indicators

- Percentage change in tonnes of food waste as a percentage to total food handled (baseline 2016/17)
- Number of Product Partner suppliers reporting a reduction in food waste as a percentage of food handled