



## EU CODE OF CONDUCT ON

# RESPONSIBLE FOOD BUSINESS AND MARKETING PRACTICES

For more information on progress against our full sustainability agenda please see <https://www.tescopl.com/sustainability/reporting-hub/>

Type of business/sector	Sustainability dimension	Code aspirational objective	Individual commitments with baseline	Progress on KPIs and goals	Additional information	Comments
Retail	Environmental	3	To become climate neutral across our operations by 2035, aligned to a 1.5 degree pathway  To become net zero across our value chain by 2050	-52% reduction in Scope 1 and 2 market-based greenhouse gas emissions across the Group (baseline 2015/16)	<p>Over the past 12 months we have accelerated our target date for carbon neutral operations to 2035 (Scope 1 and 2). We have also introduced a new full value-chain goal to become net zero by 2050 (Scope 1,2 and 3).</p> <p>We switched to 100% renewable electricity for all our operations in 2020 and are now focused on reducing emissions from our logistics operations and home delivery, reducing refrigerant emissions, and addressing emissions from heating, ventilation and air conditioning.</p> <p>We have strengthened governance and processes throughout our business to integrate sustainability and embed climate risk. We treat climate change as a principal business risk and have built our performance on scope 1 and 2 emissions into our remuneration policy via our Performance Share Plan (PSP) for all directors in the business.</p> <p>In 2017 we became signatories of the Taskforce on Climate-related Financial Disclosures (TCFD) and since then have been implementing the recommendations of</p>	Full data disclosure on our climate change progress can be found in our Climate Change Factsheet on our Sustainability Reporting Hub on <a href="http://www.tescopl.com">www.tescopl.com</a> (full link above)



					<p>the TCFD and embedding it in strategic decision making. Our TCFD report can be found in our Annual Report at <a href="http://www.tescopl.com">www.tescopl.com</a></p> <p>We have adopted a series of sustainability-linked finance products all linked to our performance reducing emissions. These include:</p> <ul style="list-style-type: none"> <li>- A revolving credit facility with interest linked to GHG emissions reductions, renewable electricity use and food waste reduction.</li> <li>- Sustainability-linked bonds linked to our Scope 1 and 2 emissions reduction performance</li> <li>- A sustainability-linked supply chain finance programme to increase engagement across our supply chain, particularly SMEs, in carbon reporting and science-based target setting.</li> </ul> <p>Our climate change data is third-party assured and in the public domain via the Tesco plc website.</p>	
Retail	Healthy Sustainable Diets	1	<p>Increase sales of healthy products as a proportion of total food sales</p> <p>Increase the sale of plant-based products by 300% by 2025</p>	<p>58% of sales in UK and Ireland are of food products with a healthy health score.</p> <p>130% increase in sales of plant-based</p>	<p>As part of work to extend our work on healthy, sustainable diets to the Czech Republic, Hungary and Slovakia we have established a health score baseline and 53% target for healthy sales in Central Europe. We have also launched over 100 own brand Plant-Chef meat-alternative products for customers in Central Europe and run customer ‘health months’ supporting customers switch to healthy, sustainable foods through in store events and promotions.</p> <p>Through reformulation we have removed over 59 billion calories from our products in the UK since 2018. 52% of ready meals in the UK now contain at least one of the recommended five portions of fruit or vegetables a day.</p>	<p>To understand more about the Tesco health score see our Healthy Sustainable Diets Factsheet on our Sustainability Reporting Hub (full link above)</p>



			<p>Make our products healthier through reformulation</p>	<p>meat alternatives in UK / Ireland v 2018 baseline</p>	<p>We have also committed to remove volume-led promotions on products high in fat, salt or sugar (HFSS) from October 2022 in the UK, 12 months ahead of government restrictions on multibuy deals of HFSS foods.</p> <p>In May 2022 we have launched Better Baskets, a campaign that is designed to help customers in the UK switch to a healthier and more sustainable basket, without compromising on price. We are now looking to extend this approach to Central Europe.</p> <p>Our healthy, sustainable diets data is third-party assured and in the public domain at <a href="http://www.tesco plc.com/sustainability/reporting-hub">www.tesco plc.com/sustainability/reporting-hub</a></p>	
Retail	Environmental	2	<p>To halve food waste in our operations by 2030</p> <p>To work with our suppliers to help halve food waste in our supply chains by 2030</p>	<p>45% reduction in food waste as a percentage of food handled (against a 2017 baseline)</p>	<p>Our total food waste reduction of 45% across the Group includes a 29% reduction in the UK, 20% in Ireland, 65% in Central Europe and 9% in our wholesale business Booker.</p> <p>In 2021/22 we redistributed 52.6 million meal equivalents including 27.1m in the UK, 2.9 million in Ireland and 17.8 million in Central Europe plus 4.1 million from our wholesale business Booker.</p> <p>Earlier this year we confirmed that we are bringing forward our target date for halving food waste across our own operations by 2025 – five years ahead of UN SDG 12.3.</p> <p>We are also working closely with our suppliers to halve food waste in our supply chains, encouraging our suppliers to measure and publicly disclose their levels of waste. So far over 79 suppliers have published their data.</p>	<p>Full data disclosure on our food waste and redistribution progress can be found in our Food Waste Factsheet on our Sustainability Reporting Hub (full link above)</p>



					Our food waste data is third-party assured and in the public domain. We have also built food waste reduction into our remuneration policy via our Performance Share Plan (PSP) for all directors in the business.	
Retail	Social	5	To continue to build an inclusive culture where everyone has the opportunity to get on	31% of our Board and 31% of our Executive Committee are female	<p>83% of Tesco colleagues agree that 'There is an inclusive culture at Tesco where people are accepted for who they are without judgement'.</p> <p>53% of the total Tesco workforce is female as are 31% of our Board, 31% of our Executive Committee and 26% of our top global leadership team. 54% of external senior appointments and 38% of internal senior management promotions were female in 2021. 11% of our top global leadership team are ethnically diverse.</p> <p>In 2021 we became the first major employer in the Czech Republic, Hungary and Slovakia to voluntarily publish our gender pay data, alongside a fuller breakdown of the demographic make up of our colleagues.</p> <p>Our diversity and inclusion data is third-party assured and in the public domain via the Tesco plc website. We have also built diversity and inclusion into our remuneration policy via our Performance Share Plan (PSP) for all directors in the business.</p>	More information can be found in our Diversity and Inclusion Factsheet and our Everyone is Welcome at Tesco reports on our Sustainability Reporting Hub (full link above)

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