TESCO

Making a positive impact.

Tesco PLC Sustainability Report 2024/25
May 2025

Hello.

Welcome to our Sustainability Report.

As a leading multinational grocery retailer, we're focused on serving customers affordable, healthy and sustainable food.

– From food security, health and diversity to decarbonisation, plastics and waste – this Sustainability Report provides an update on our approach and progress as we tackle the issues we all face.

– Information contained in this report relates to the Group, including the subsidiary undertakings of Tesco PLC as set out in the Annual Report and Financial Statements 2025.

Jump to **our purpose**

Our Sustainability report is part of a comprehensive reporting suite that showcases our sustainability work, including:

- Annual Report (including TCFD and Nature)
- Modern Slavery Statement
- Everyone's Welcome Report
- Home and Clothing Detox Report
- Economic and Social Impact Report
- Sustainability Reporting Hub (including data methodologies and Deloitte Assurance Report)

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Highlights of the year

2024/25...

Climate change.

65%
reduction in emissions from our operations, exceeding our 2025 target of 60%.

5
new wind and solar Power Purchase Agreements (PPAs) have come online across the UK in the last 18 months.

31 million
further cases of goods have been taken off roads with the launch of our tenth rail service in the UK.

70%
of our UK and ROI grocery suppliers (by value) have committed to achieving net zero emissions, supporting our pledge to reach net zero across our supply chain by 2050.

2
low-carbon concept farms have been launched to trial innovations in our supply chain and support UK farmers in transitioning to sustainable agriculture.

Food waste and packaging.

87%
of all Own Brand packaging is recyclable at kerbside in the UK, rising to 99% when including UK collection points and large supermarkets.

up to
1,000 tonnes
of surplus food each week can be converted into animal feed at our new facility in Northamptonshire.

Protecting nature.

2
new partnerships have been launched with Forestry England and RSPB to help protect and restore nature in our supply chains.

Health.

64%
of all the food we sell in the UK and ROI is now classified as healthy (by volume).

Colleagues.

over
£900 million
increased investment in pay for our UK hourly paid Tesco store colleagues since April 2022, taking the hourly rate to £12.64 from the end of August.

32%
of our top global leaders are women, and in the last year 62% of our new joiners at Director level were women.

85%
of our colleagues recommend Tesco as a great place to work.

Community.

over
5 million
portions of free fruit and veg have been given to school pupils as part of our Stronger Starts initiatives in the UK.

over
140,000
pupils have been supported in more than 400 schools during the last year as part of our Stronger Starts initiatives in the UK.

almost
118 million
meals have been donated to charities, communities and colleagues from surplus food in the last year across the Group.

82%
of unsold food safe for human consumption in the UK has been redistributed to humans or animals.

Year in review.

As the UK's leading food retailer, we are guided by our purpose to serve our customers, communities and planet a little better every day. To protect our planet for future generations, we have a critical role to play in helping to create a more resilient and sustainable food system.

Ken Murphy, Group Chief Executive

This responsibility is central to how we do business – and for good reason. Global food production generates a third of greenhouse gas emissions. Climate shocks, like droughts and floods, are impacting food supply chains, including the farmers and suppliers we rely on. It's vital we futureproof our business, and work with our suppliers and the communities we operate in to do the same, to continue to provide customers with quality, affordable food.

Our planet plan guides our actions in six key areas and sets both near and long-term targets to stretch and challenge us. We've made positive progress against many of these.

We've reduced our Scope 1 and 2 greenhouse gas emissions (GHG) across the Group by 65%, exceeding our December 2025 target of 60%. We've continued to add Power Purchase Agreements (PPAs) to generate homegrown, renewable electricity, with five wind and solar farms coming online across the UK in the last 18 months. We've also agreed the largest UK corporate solar PPA, which will provide us with up to 10% of our UK electricity demand.

We've worked hard to improve the recyclability of our packaging. To date, we've removed over 2.5 billion pieces of plastic from our Own Brand products in the UK. We're reducing food waste in our own operations across the Group, while also redistributing 82% of unsold food in the UK, safe for human consumption, to humans or animals.

In the last year, we've made it even more affordable and appealing for customers to choose healthier products as well as offering great value fruit and veg. This year we've increased sales of healthy food to 64% of our total sales volume in the UK and ROI. We've also donated £4 million worth of fruit and veg to over 400 schools across the UK as part of our Stronger Starts programme.

Future progress will be harder won. There are challenges we won't be able to solve alone without wider policy or societal shifts. It will require even greater commitment, innovation and cross-sector collaboration – with farmers and suppliers, industry and government – to drive progress. Whether that's tougher laws to prevent deforestation, regulation requiring food businesses to report their healthy sales volumes in a consistent way, or more support and policy certainty for British agriculture.

For example, the UK continues to lack a nationwide approach to materials collected at kerbside. Reusable packaging solutions need scale and will require industry to develop and share a common infrastructure for customers to return used containers.

Despite these challenges, we continue to work with our partners and suppliers to drive change. In the last year, we've worked with farmers to call for the changes needed to make UK agriculture more sustainable, launching two low-carbon concept farms to trial green innovations in our supply chains. We've also partnered with the British Nutrition Foundation to consult local communities on what's needed to make shopping baskets healthier.

As we face ever tougher and more complex challenges, making progress won't always be straightforward. But it is possible. And it is necessary. By working together with our talented colleagues we can help to build a more sustainable future.

Stewart Gilliland,
Chair of the Sustainability Committee and Non-executive Director

As Chair of the Sustainability Committee, I have been impressed with the innovative thinking and perseverance of Tesco's leadership in striving to achieve its sustainability goals and objectives, and ensuring Tesco's ongoing leadership across so many areas of the sustainability agenda. I have also been impressed by the relentless efforts and generosity of our colleagues – from organising food donation events in stores and offices across the Group, providing meals to our charity partners and the passion of our Community Champions in ensuring the success of our new Stronger Starts grants programme and supporting our communities.

As a Board and a Committee, we have built sustainability into our purpose, strategy and business plans. Our commitment to operating in a responsible and sustainable way reflects our beliefs and values. We know that our business depends on the world around us and as a major retailer, we know we can make a big difference, transforming our own operations and working with suppliers, partners and stakeholders to decarbonise our supply chain.

As a Board and a Committee we have built sustainability into our purpose, strategy and business plans.

Our purpose.

From a market stall in London's East End more than a century ago, to the UK's leading retailer today – our purpose is to serve our customers, communities and planet a little better every day.

Sustainability is core to our purpose and how our business model drives long-term value for Tesco and society. It is a key component of our strategic priority to create magnetic value for customers through quality, price, range and customer experience. Sustainability, including our planet plan, is governed at Board level by our Sustainability Committee and linked to executive performance-based remuneration.

Our most important topics

In 2024/25 we carried out a materiality assessment to better understand the sustainability topics that are most important to us and where we have the biggest impact. The process was designed to ensure our plans continue to address the right areas and that we are prepared for any forthcoming legislation. The exercise also dovetailed with our LEAP (Locate, Evaluate, Assess and Prepare) process, mapping all our most at-risk supply chains from a nature perspective (see our Annual Report **page 34**).

As part of the assessment we conducted internal and external stakeholder engagement via a combination of focus groups and interviews. Secondary survey data was used to ensure the views of customers, suppliers and colleagues could be incorporated into the process to ensure the output was applicable for the full Tesco Group value chain. The process was a centrally coordinated exercise, led by a core cross-functional team to ensure we leveraged expert knowledge within our topic teams to curate a consistent and coherent understanding of our most important sustainability topics, as set out in the table opposite.

As part of our approach to sustainability, we support the United Nations (UN) Sustainable Development Goals (SDGs).

Read about the **UN's SDGs** here

Learn more in our **Annual Report 2025, pages 31-39**

Jump to **sustainability risk**

Planet	Health	People	Communities
Climate – read more on **page 9** **Circular economy** – read more on **page 13** **Nature** – read more on **page 17** **Sustainable farming** – read more on **page 20**	**Healthy, sustainable diets** – read more on **page 23** **Healthy communities** – read more on **page 25** **Healthy partnerships** – read more on **page 26**	**Everyone's welcome** – read more on **page 28** **Wellbeing** – read more on **page 32** **Skills and talent** – read more on **page 33** **Human rights** – read more on **page 34**	**Stronger Starts** – read more on **page 37** **Food redistribution** – read more on **page 39** **Charity initiatives** – read more on **page 40**
As one of our 'Big 6' KPIs, we're working to be carbon neutral in our own operations by 2035, and net zero across our supply chain by 2050. Alongside our suppliers and through industry collaboration, we're playing our part in protecting nature in at-risk landscapes. We recognise the impact waste has on our environment and we're committed to reducing it wherever we can. We're cutting down on plastic packaging, and reducing food waste by redistributing surplus food fit for consumption to those in need.	We want to be the most convenient place to shop for healthy, sustainable food at an affordable price. Our role in this area has never been more critical and we remain committed to delivering a range of initiatives focused on our target of increasing sales of healthy products.	We live our values of treating people how they want to be treated and creating an environment where everyone's welcome. We also aim to reflect the diverse communities we serve by embedding diversity, equity and inclusion into everything we do. In addition to our own workforce, we work to safeguard rights and ensure equal opportunities across the thousands of livelihoods supported by Tesco, including those within our supply chain.	Communities are at the heart of our purpose. Through our work with local causes and our food redistribution programmes, we want to make a big difference and are proud to support the projects and organisations that really matter to our colleagues and customers in their local communities.

Governance

Sustainability governance and risk read more on **page 42**

Ethical conduct read more on **page 43**

Driving progress.

In the past year, we have made progress against our strategic targets and wider KPIs.

Our targets

Planet
Carbon-neutral operations by 2035 (Scopes 1 and 2)* (2015/16 baseline year)
Net zero operations and supply chain by 2050 (Scopes 1, 2 and 3) (2019/20 baseline year)
Fully recyclable Own Brand packaging by December 2025
Halve food waste in own operations by December 2025* (2016/17 baseline year)
Health
Increase sales of healthy products (as a proportion of total sales by volume) to 65% in UK and ROI by December 2025
People
Increase female representation to 42% at senior manager level and above by 2028* (from 35% currently)
Increase representation of leaders from an ethnically diverse background amongst top global leaders to 19% by 2028*

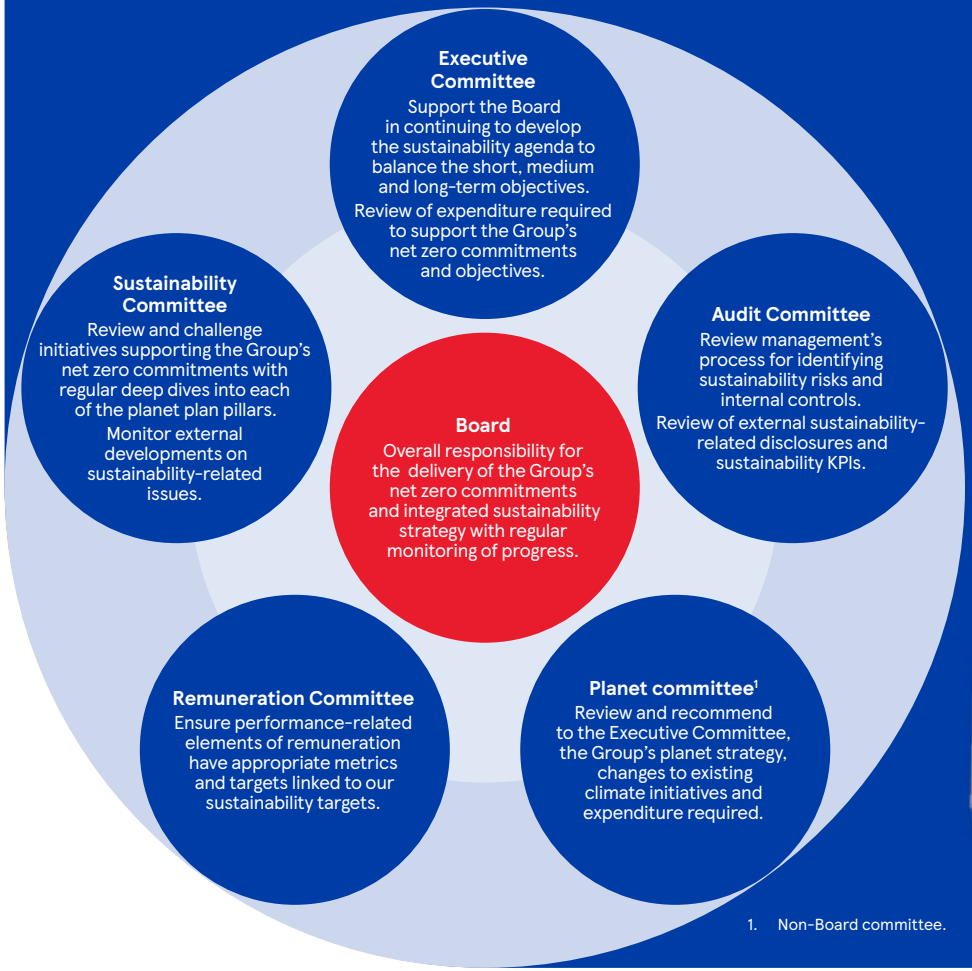
Jump to **full list of targets and progress in Databook**

* Target linked to PSP (see Annual Report **page 95**).

Accountable for delivery

The Sustainability Committee oversees the Group's approach, working closely with the Planet Committee to deliver our sustainability goals. Sustainability assurance is governed by the Audit Committee, while the Remuneration Committee monitors sustainability-linked performance.

For more detail, visit our **Annual Report, pages 76 to 79**



1. Non-Board committee.

Rewarding progress

Our dedication to sustainability is evident in our approach to measuring performance. Environmental, Social, and Governance (ESG) factors are integrated into our Performance Share Plan (PSP) with a 25% weighting. These measures are assessed alongside Earnings Per Share and free cash flow for our CEO, Chief Financial Officer, and senior leadership team. They comprise carbon reduction (8.3%), food waste reduction (8.3%) and diversity and inclusion (8.3%).

Our sustainability approach

The responsibility for our approach to sustainability sits in our Product function and is led by our Chief Commercial Officer.

Learn more in our Remuneration Report, in our **Annual Report**
Learn more about our governance structure in our **Annual Report, page 52**
Jump to **Sustainability governance and risk management**
Learn more about our PSP targets in our **Annual Report, page 95**

Spotlight on:

Journey to Greener Groceries.

In January we launched a new four-part video series *Journey to Greener Groceries*. Climate scientist James Stewart explores our sustainability projects, their alignment with our key targets, and the challenges we've encountered along the way.

Net zero operations

Learn about how we're decarbonising our operations

Innovative supply chains

Learn about how we're finding sustainable ways to produce food

Healthy and sustainable diets

Learn about how we're tackling the biggest barriers customers face

Food waste and packaging

Learn about how we've got no time for waste

We want to do all we can to address the impacts the food system has on climate and nature. With the vast majority of our environmental impact being in our wider value chain, our focus is on partnering with our suppliers and farmers to ensure we provide our customers with healthy, sustainable, affordable food. Our work in this area has been brought together in our planet plan.

9 Climate change
13 Circular economy
17 Protecting nature

Planet.

Overview.

Our planet plan is made up of six pillars that reflect the wide-reaching interdependencies of the food system and the natural environment. Each pillar includes the work we're doing across different areas of our business – from improving how we source and manufacture our products, how we run our stores and transport, through to helping our customers eat more healthy, sustainable food and tackling waste across the whole food value chain. Finally, our nature pillar looks to address some of the impacts the food system has at a landscape level.

Many of the challenges addressed in our planet plan pose a material risk to our business operations and security of supply (see our Annual Report **pages 48 to 49**). For example, global warming will have clear impacts on the livelihoods of farmers and suppliers in our supply chain.

Stakeholders continue to expect our business to demonstrate urgent, credible leadership and collaboration across the food industry to achieve net zero. We've made good progress in a number of areas this year but continue to call for the right regulatory frameworks from governments across our markets in order to help us drive the transformational change needed. We also remain a signatory to WWF's Retailers' Commitment for Nature, which advocates for industry-wide action in protecting and enhancing nature in supply chains, and achieving net zero.

The pillars of our planet plan

Improve our products
Reduce the environmental impact of the things we sell

Decarbonise transport
Reduce emissions created when we move our products

Reduce store emissions
Minimise emissions from our stores and centres

Support sustainable consumption
Help customers switch to healthier, more sustainable food

Eliminate waste
Reduce food waste and packaging from production through to our customers' homes

Protect nature
Work with nature to restore habitats, protect water and increase biodiversity

Learn more about our **planet plan**
Jump to **Databook**

Climate change.

Climate change is a global issue that has significant multi-faceted implications for our business, suppliers, colleagues and customers. It is therefore one of our 'Big 6' KPIs and is classed as a principal risk to our business

See our **Annual Report, page 43**

Our targets

Carbon-neutral operations by 2035, with interim targets to:
Reduce absolute Scope 1 and 2 emissions by 60% by December 2025 (baseline 2015/16).
Reduce absolute Scope 1 and 2 emissions by 85% by 2030, (ahead of our SBTi target of 82% by 2032).
Procure Group electricity demand increasingly via Power Purchase Agreements (PPAs) and onsite generation, at 45% of our electricity usage by December 2025 and 60% by December 2030.
Fully electric Tesco home delivery fleet by 2030.
Net zero supply chain by 2050, with interim targets to:
Reduce absolute Scope 3 emissions from energy and industrial sources by 55% by 2032, 90% by 2050 (baseline 2019/20).
Reduce absolute Scope 3 emissions from forests, land and agriculture by 39% by 2032, 72% by 2050 (baseline 2019/20).

All scope 1, 2 and 3 carbon reduction targets have been validated by SBTi.

See our **data methodology**
Read about climate risk management in our **Annual Report, page 43**
Watch our **video**

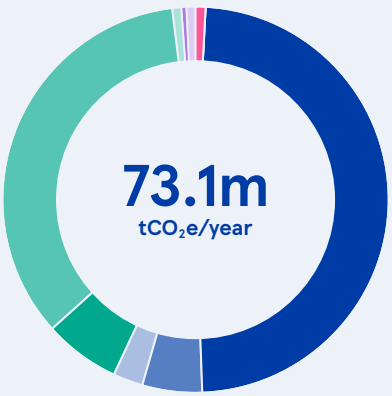
In 2023 we became one of the first companies globally to set a Science Based Targets Initiative (SBTI)-aligned net zero target across our full Group value chain by 2050, including our Forests, Land and Agriculture emissions (FLAG). This revalidation from SBTi follows new methodology developments and the inclusion of new data points on areas such as deforestation and land conversion, as well as more ambitious supply chain decarbonisation commitments, aligned with a 1.5°C pathway.

We're taking forward recommendations from the international climate Transition Plan Taskforce (now coming under the International Financial Reporting Standards Foundation). We follow a strategic and rounded approach through our planet plan, addressing emissions within our operations, our value chain and beyond. For more information on our approach please see our TCFD statement in our Annual Report.

We're prioritising absolute emissions reductions. Once we reach our reduction targets in 2050, any residual emissions within Scope 1,2 and 3 will be neutralised by carbon removals in line with SBTi guidance. On Scopes 1 and 2, we have pledged to reach carbon neutrality by 2035 and will offset unabated residual emissions (less than 10%) annually.

Read our **TCFD statement in our Annual Report, page 36**

Our total emissions footprint 2024/25



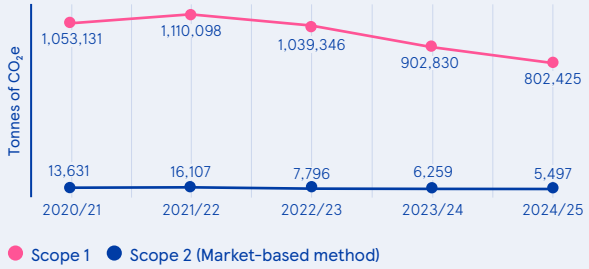
Scope 1	
Refrigerants, HVAC, transport (logistics)	1.1%
Scope 2	
Purchased electricity	0.01%
Scope 3	
Purchased goods and services (including deforestation) (Cat 1)	48.3%
Fuel and energy-related activities (Cat 3)	5.2%
Upstream transportation and distribution (Cat 4)	2.3%
Downstream transportation and distribution (Cat 9)	6.4%
Use of sold products (Cat 11)	34.8%
End-of-life treatment of sold products (Cat 12)	0.7%
Investments (Cat 15)	0.4%
Capital goods, waste generated in operations, business travel and employee commuting, and processing use of sold products (Cat 2, 5, 6, 7, 10)	0.7%

Our total footprint has been calculated using Scope 1 and 2 emissions from 2024/25 and Scope 3 based on 2022/23. Our net zero validated targets are based on the SBTi scope, which excludes certain emissions like emissions from cooking the food purchased in our stores or consumers driving to our stores. Our total 2022/23 emissions within SBTi scope were estimated at 58.9 million tCO_2e per year. We report on the categories that are material to Tesco based on their contribution to our end-to-end footprint. Upstream leased assets (category 8) are not singled out as a separate category as any emissions coming from leased buildings are already incorporated into our operational footprint. All other categories not included, such as: downstream leased assets (category 13); and franchises (category 14), are irrelevant for our sector and the scope of our business.

2024/25 performance

We've exceeded our 2024/25 operational emissions reduction target ahead of time, reducing our Scope 1 and 2 emissions by 65%. The majority of our total footprint, more than 98%, is in our value chain (Scope 3). Our latest carbon footprint data, covering Scope 1, 2 and 3 emissions, is summarised in the chart opposite.

Scope 1 and 2 over time



Scope 3 methodology

We continually work to improve our footprint data to comply with the SBTi guidelines and the GHG Protocol. Our footprint calculations were mainly based on secondary emissions factors, in line with the industry, but we're working towards incorporating primary data as data capabilities improve in our supply chains. For example, emissions from our milk supply chain now consist of primary data as a result of longstanding efforts from our Tesco Sustainable Dairy Group (TSDG) to carbon footprint farms using aligned and approved methodologies that allow us to use the data in our reporting.

In order to gather more primary data, our Sustainable Cheese Group (TSCG) farmers and our egg suppliers (under the Lion Code) are now carbon footprinting, and we are incentivising pig farmers in our recently relaunched Tesco Sustainable Pig Group to do the same. Through LEAF Marque certification, our UK-based fruit and veg growers are also encouraged to carbon footprint, with 57% of them carrying this out in 2023. More broadly we continue to support and encourage carbon footprinting as a key step in helping farmers understand what they can do to farm more sustainably and improve their resilience.

Operational emissions (Scope 1 and 2)

While a relatively small part of our overall footprint (802,425 tonnes), our Scope 1 emissions relate to the direct emissions that are created from our activities. These include the running of our home delivery vans and larger distribution fleet, the heating, ventilation and air conditioning of our stores and offices, and our refrigeration units,

Scope 2 emissions relate to indirect emissions that come from the production of electricity or heat used from the grid that heat or power the buildings we own or occupy. Since 2015/16, when grid electricity accounted for 65% of our own operations footprint, we have been reducing our demand where possible and switching to 100% renewable electricity in accordance with our renewable electricity transition roadmap. In 2020, we achieved our goal of 100% renewable electricity across the Group.

Meeting our Scope 1 and 2 GHG reduction targets requires transformational change in our stores and distribution network.

We are investing in more on-site solar to increase our renewable electricity generation capacity, increasing heat pump technology to remove gas heating systems, and working to decarbonise refrigeration by switching to natural refrigerants. Separately, we are decarbonising our fleet through a combination of efficiency projects and asset replacements.

Within our Group capital strategic plan, we continue to identify capital expenditure that specifically supports delivery of our Scope 1 and 2 climate transition, which is fully within our operational control. This is captured within our total Group reported capital expenditure and is consistent with external guidance. In addition, to support the delivery of our decarbonisation plans we have introduced an internal carbon price (ICP). This aims to ensure that any strategic decisions such as potential new stores, business acquisitions and divestments, or other decisions which would give rise to changes in the level or classification of our emissions, are identified at the earliest opportunity and mitigated accordingly. The price is reviewed annually and governed by the Group Operational Decarbonisation Steering Group.

Learn more in our **Annual Report, page 30**

At the start of 2022, we introduced ESG metrics into our remuneration policy. The PSP includes three ESG targets, each with an equal weighting of 8.3% (25% in total), of which carbon reduction forms one of the targets, aligned with our commitment to be carbon neutral in our own operations by 2035.

We launched the first of our sustainability-linked finance products in 2020, and our product suite now includes:

- A revolving Credit Facility refinanced in November 2022, with interest linked to the achievement of our ambitious environmental targets on GHG emissions reduction, food waste reduction and increasing the percentage of female and ethnically diverse colleague representation amongst our top global leaders to improve diversity and inclusion.
- A sustainability-linked bond (€750 million). We were the first retailer to launch two sustainability-linked bonds with the coupon linked to our Scope 1 and 2 emissions reduction targets. In October 2021, we issued a sterling sustainability-linked bond (£400 million), again linked to our Scope 1 and 2 emissions reduction targets.
- A sustainability-linked supply chain finance programme, which supports suppliers through preferential payment terms to bolster climate best practice across our broader supply base, particularly smaller suppliers.

Transport

We're working to switch all our fleets to low-carbon alternatives by 2035 where possible based on available market solutions. As part of our EV100 pledge, we've so far deployed 720 electric home delivery vans, adding 150 during 2024/25, and are on track to be 100% electric by December 2030. Meeting this target relies on the proven reliability and availability of technology and infrastructure. We continue to trial various models across the UK, ROI and Central Europe. Grocery home shopping at our Bloomfields store in ROI is now fully serviced by seven electric home delivery vans.

Spotlight on:

On track with rail freight

A further 31 million cases of goods a year can now be moved across the country by rail rather than by lorry as we introduced our tenth rail service. The latest 'Tesco train' can move 600,000 cases each week and equates to an annual saving of more than 6,000 tCO_2e. Across our network, 85% of all outbound goods from Daventry Distribution Centre are moved by rail, with 40 of our suppliers using Tesco rail to supply us.

In our distribution fleet, we have four electric large goods vehicles, avoiding around 30,000 diesel-fuelled road miles every year. We've also added our first electric heavy goods vehicle in our Booker business, as well as over 140 electric generator units which allow our fridge trailers to be powered by electricity when on the road. Booker also plans to replace 170 diesel-run fridges with electric fridge alternatives.

We're also trialling alternative fuels, such as hydrogenated vegetable oil (HVO), a fuel with up to 90% less tailpipe emissions compared to diesel. In March 2025, we started introducing HVO (made from used cooking oil) for all trucks based at our Thurrock Distribution Centre. Our Best Food Logistics team have also trialled HVO, reducing their clients' Scope 3 emissions in the process.

At the same time, we're working directly with suppliers and partners on sustainable long-term solutions. This includes moving more freight on our dedicated rail system, and on transport efficiencies such as backhaul and double stacking trials, as well as ensuring all new vehicles in our Booker business are fitted with low-rolling resistance tyres to improve efficiency. In ROI, we've also replaced 50 diesel HGV trucks with biomethane-fuelled trucks.

There are still challenges for us to overcome. Electric HGVs are currently more expensive than traditional diesel vehicles and the technology is constantly improving. We need to work with electricity distribution network operators and wider industry to improve the grid infrastructure and upgrade the capacity of our distribution centres (DCs) to meet the increased demand as we use more electric vehicles.

Powering our sites

We moved to 100% renewable electricity procurement across the Group four years ago (a decade ahead of our RE100 target). We achieved this through a combination of renewable energy certificates, investing in our own estate with the installation of solar panels and wind turbines at our stores and DCs to generate renewable electricity on-site, and through PPAs.

We've continued to build a large portfolio of PPAs to generate homegrown, renewable electricity, with five wind and solar farms coming online across the UK in the last 18 months. We've also signed two new agreements, including the largest UK corporate solar PPA at Cleve Hill in Kent providing up to 10% of our UK electricity demand which is due to come online in May 2025, and an agreement with EDF Renewables UK for Stranoch wind farm in Dumfries and Galloway, Scotland. Our current PPAs could generate around a third of our UK electricity demand, in an average year.

Spotlight on:

Solar.

560,000+
solar panels and energy storage infrastructure will feature at Cleve Hill Solar Park.

Landmark solar deal

In October, we committed to the largest corporate solar PPA ever agreed in the UK. The 15-year deal secures 65% of the power generated at Cleve Hill Solar Park on the north Kent coast. It will provide enough renewable power to meet the equivalent electricity needs of 144 large Tesco stores each year, the equivalent of up to 10% of our UK electricity demand.

The site will feature more than 560,000 solar panels and energy storage infrastructure, making it a significant contributor to the UK's renewable energy landscape.

Over the past five years, we've announced multiple energy projects, helping us source green electricity directly from windfarms and solar parks across the UK. With the addition of Cleve Hill and Stranoch to our existing portfolio, PPAs could cover 41% of Tesco UK or 32% of our Group's expected 2025/26 electricity demand, however we are unlikely to meet our interim December 2025 target of 45%. We remain committed to meeting our 2030 target of 60%.

Across the Group, Booker has added solar power generation to two stores – Broadstairs and Makro Norwich, bringing the total to five across the Booker estate. In Hungary, our new DC in Szigetszentmiklós opened in November 2024. The building includes over 8,000 solar panels with a total capacity of 3.75 MW. 39 stores across Hungary now also feature solar panel systems.

Energy efficiencies

In our UK stores and DCs, we've reduced energy losses from fridges with doors. In our convenience stores, over 65% of fridges now have doors, reducing heat loss by nearly a third and we've now fitted fridge doors in 100 of our larger stores. We're also replacing older fridges with high-tech models incorporating aerofoil technology, which recycles chilled air. This stops it spilling out into the store, so the fridges need to use less electricity to keep cool, and less heating is needed to maintain the ambient temperature in store.

Heating, ventilation and air conditioning

For our heating, ventilation and air conditioning systems, we're trialling electric alternatives to gas boilers. In the UK, more than 95% of our convenience stores now use heat pumps. We're also optimising heating settings and decommissioning older, less efficient combined heat and power units.

Emissions in our value chain (Scope 3)

With more than 98% of our total carbon footprint coming from production of goods in our supply chain and the use of our products by customers, collaboration with those in our value chain is essential. We're currently focused on where we have the greatest influence in our supply chain to deliver projects in line with our strategic commitments. As Scope 3 is so broad, it is important we address our impact in full, but focus on the areas that are most material and have the greatest potential for us to influence and accelerate emissions reduction.

We continue to explore opportunities to further develop and evolve our modelling and understanding of climate-related risks and the resilience of our supply chains.

Watch our **video**

We are partnering with our suppliers to address GHG emission hotspots. Actions include:

- Collaborating with other retailers to promote carbon disclosure and net zero commitments across collective supply chains through the Manufacture 2030 platform, as well as by co-designing decarbonisation pathways with key suppliers in hotspot areas.
- Ensuring we prioritise where we can achieve the greatest reduction in emissions, our initial focus is on ensuring that 80% of our suppliers, by total cost of goods across the Group, meet this ambition. By the end of 2024/25, 194 of our suppliers (representing 70% of our UK and ROI grocery suppliers by goods sold) committed to net zero ambitions.
- Our Tesco Sustainable Farming Groups convene farmers to share learnings, trial innovations and access expertise and financial packages.
- Running carbon webinars and workshops focused on sharing learnings to support manufacturing and transport emissions decarbonisation within our supply chain.
- In January 2025, we launched two low-carbon concept farms in our supply chain to trial low-carbon farming methods and help suppliers accelerate innovation (see Farming section).
- Also in January, we announced we have contributed to an insetting fund which will pay farmers to reduce emissions. The fund, which has been developed by Soil Association Exchange, could include actions such as reducing fertiliser usage, improving fuel efficiency or investing in solar power.
- Providing access to NatWest climate and sustainable finance for 1,500 beef, lamb and dairy farmers.
- Advocating for supportive public policy frameworks, alongside WRAP, WWF, the Aldersgate Group, the Climate Group and our peers.

Jump to **future-fit farming**

Supporting sustainable choice

We recognise the importance of encouraging our customers to make healthy and sustainable food choices. Read more on our work in our health section (see **page 22**).

We also work closely with the British Retail Consortium (BRC) Mondra Coalition which brings together the food industry to tackle the challenge of consistent carbon reporting across the value chain. By developing cross-industry tools and standards for product-level sustainability data, we can generate key insights to accelerate decarbonisation whilst ensuring we measure progress accurately.

Learn more about **sustainable agriculture**

Spotlight on:

Dairy.

The Future Dairy Partnership

With climate change already impacting food production in the UK, we're working with our suppliers to drive emissions reduction across our supply chains. We've joined forces with our milk suppliers, Arla and Müller UK & Ireland to launch the Future Dairy Partnership, a farmer-led partnership which aims to put sustainability at the heart of the dairy industry. The launch marks a significant step towards uniting the dairy industry to accelerate the reduction of emissions, farming in harmony with nature and committing to higher animal welfare standards.

All 400 of Tesco's Sustainable Dairy Group (TSDG) farmers across the UK will be part of the initiative. Work will include:

- On-farm projects, such as the trial and roll-out of methane-reducing feed additives and nature-led practices.
- Producing an industry-wide report on the pathway to more sustainable dairy.
- Publishing a sustainable dairy blueprint with clear guidelines on sustainability targets and ethical practices.

400

Tesco Sustainable Dairy Group farmers across the UK joined our Future Dairy Partnership which launched this year.

Circular economy: Packaging.

Our strategy for packaging and plastics – and our redistribution model for food surplus – is designed to support societal shifts towards closed-loop production and consumption.

87%
of all Own Brand packaging is recyclable at kerbside in the UK.

99%
of all Own Brand packaging is recyclable when including UK collection points and large supermarkets.

Watch our **video**
See our **data methodology**
Learn more about **our approach**

Our targets
Our packaging in the UK will be fully recyclable by December 2025.
All paper and board used in the UK will be 100% sustainable by December 2025.

2024/25 performance

We have continued to make positive changes to our packaging portfolio, We're also ensuring functionality and quality remain central to our packaging decisions. We continue to work with suppliers and the broader industry to move towards consistent kerbside collections and the development of Deposit Return Schemes (DRS), however challenges remain with the available recycling infrastructure.

99% of our Own Brand packaging by weight in the UK is now recyclable when including kerbside collection, council collection sites, large supermarkets and our bespoke in-store recycling services. Of this 87% of our Own Brand packaging by weight is recyclable in the UK at kerbside. Our aim is to get as close to 100% recyclability as we can. In a small number of cases, materials remain hard to recycle. Where this is the case, we continually assess innovation to identify solutions that support our recycling ambitions.

We will continue to use sustainable paper and board in our packaging, however transparency is limited in this space, despite expected improvements via the new EU Regulation on Deforestation free Products (EUDR) requirements. As a result, we are highly unlikely to meet our commitment in December 2025.

Packaging and plastics

We're closing the loop on packaging to ensure it's treated as a valuable resource that can be used, reused, collected and recycled. We aim to minimise our use of packaging, particularly plastic, and ensure what we do use can be collected, reused or recycled so that none of it goes to waste. This ambition supports a system where packaging stays out of the environment and inside a circular economy.

We know plastic and packaging is an important issue for our customers and we're firmly focused on our 4Rs (Remove, Reduce, Reuse, Recycle) strategy, which involves removing unnecessary plastic, reducing the total amount of packaging on supermarket shelves, reusing packaging and helping to build a stronger UK recycling system.

We support the UK Plastics Pact, which aims to eliminate problematic plastics, reduce the total amount of packaging on supermarket shelves, stimulate innovation and new business models. In November 2024, we also joined DEFRA and industry to support a global plastics treaty.

Our 4Rs strategy

Remove

To date, we've removed over 2.5 billion pieces of plastic from our Own Brand products in the UK, including:

- Over 200 million bags from Tesco.com deliveries.
- Over 100 million extra lids from products such as wipes, creams, yoghurts and desserts.
- 50 million pieces of plastic wrapping from cans of branded beers and ciders.

In November 2024, to reduce the amount of plastic packaging we use, we moved our Finest range of dried pasta into paper packaging, saving more than 10 million pieces of plastic a year, weighing more than 30 tonnes.

Some more examples of where we've removed packaging from our Own Brand products over the last year include:

- Over 57 million onion bags moved from plastic to paper.
- Over 31 million plastic lids removed from houmous.
- Over 10 million plastic punnets removed from fresh tomatoes.

Supplier partnerships

In 2024/25, we continued to explore innovative solutions to remove packaging, including collaborating with household brands. Examples include:

- **Sprite:** Trialling embossed and laser-etched labelling (instead of plastic sticky labels) at eight Tesco Express stores.
- **Pringles:** Fully recyclable tube (paper tube and base and recyclable plastic lid).

Reduce

Where we're not able to remove packaging completely, we strive to reduce the amount of packaging we use to an absolute minimum. We know that packaging design and the materials used can have a big impact on the sustainability of the product, which is why we work collaboratively across our business, and with our suppliers during the design process.

Examples of where we've reduced packaging from our Own Brand products over the last year include:

- Reduced 918 tonnes of glass from Finest Prosecco bottles.
- Reduced 150 tonnes of cartons from stone-baked pizza.
- Reduced the weight of frozen food bags, saving 75 tonnes of plastic.
- Reduced the weight of laundry capsule packaging, saving 44 tonnes of board.
- Reduced finest meal deal packaging by 28 tonnes.
- Reduced the weight of block cheese plastic packaging by 27 tonnes.

Reuse

It's becoming increasingly clear we need to work collaboratively across the food industry to find a reuse solution that works for all. Collaboration will be key to unlocking a route to scale, enabling us to implement reuse where it makes most sense within the customer shopping basket. We shared our learnings from the reusable packaging trial we conducted with Loop in 10 stores in our Reuse report 2022.

Recycle

Advocating for consistent infrastructure

While we work hard to reduce unnecessary packaging and waste across the Tesco value chain, we are calling for stronger and more regionally consistent recycling systems and clarity for consumers. For example, in the UK we would welcome effective government intervention on produce packaging removal and timetabled plans around making recycling simple and easy for customers.

We welcome the UK government's announcement for a consistent UK deposit return scheme, having advocated for a system that's easy for customers and financially viable for a number of years. We remain vocal that our industry must work together to find ways to give products in reusable packaging price parity with their single-use alternatives.

Read our **Reuse report 2022**

Preferred materials list

> We're hugely committed to playing our part in building a more sustainable world. We've invested €15 million in Reverse Vending Machines for all our stores in Ireland, which we hope will help make the transition easier for customers."
>
> Natasha Adams, Tesco Ireland CEO

Deposit Return Schemes (DRS)

We're implementing DRS schemes across the Group. These schemes charge customers a small refundable deposit on plastic bottles, aluminium or steel cans, which they can then reclaim by returning the empty container.

Tesco Ireland has invested over €15 million in Reverse Vending Machines (RVM) as part of implementing the national DRS scheme, which launched in February 2024. Tesco Ireland has 333 RVM units across 183 stores. Customers returned over 192 million containers in total in the first year of the scheme (99 million cans, 93 million PET). The scheme has a very high return rate of over 90% of in-scope products, well ahead of the market.

In Slovakia, over 183 million PET bottles and cans were collected across 141 stores in 2024/25. In Hungary, a similar service is in place across 148 stores. During 2024/25 over 189 million containers have been collected, including glass bottles, PET bottles and cans.

In the UK, DRS is part of a series of recent reforms including Extended Producer Responsibility (EPR) and Waste Electrical and Electronic Equipment recycling (WEEE). We support the implementation of DRS in the UK, while recognising the need for it to be simple for customers, phased correctly to align with EPR and other reforms, and applied as consistently as possible across all four nations. We also recognise the Welsh government's plans to launch its own scheme. We continue to work closely with the industry and government on its implementation.

Spotlight on:

Light-weighting.

Over 300 tonnes of glass removed from our wine bottles.

To reduce the amount of glass packaging we use, we've worked with the Sustainable Wine Roundtable and suppliers to develop better, lighter wine bottles. These bottles will remove unnecessary glass, reducing its environmental impact while delivering the same quality wine.

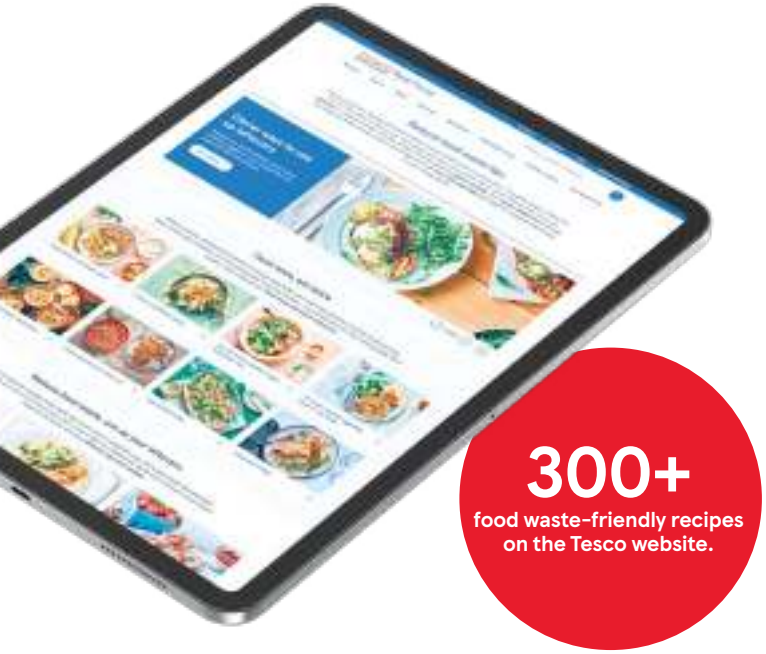
Research by the Sustainable Wine Roundtable has found that half of wine's carbon impact can be attributed to the glass bottle. By reducing bottle weights across our wine range, we're making a real effort to reduce our impact on the planet.

Through its Bottle Weight Accord, the Sustainable Wine Roundtable aims to reduce the average bottle weight across the industry to 420g by 2026, from the current bottle weight average of 550g.

We've already surpassed that target, achieving a 410g bottle weight average. Working closely with suppliers, we've removed over 300 tonnes of glass from our still wine supply chain in total and hope to remove a further 3,000 tonnes of glass across all ranges over the coming year.

Circular economy: Food waste.

We have a longstanding commitment to reducing food waste from farm to fork and ensuring that surplus food fit for consumption is redistributed. We aim for suitable remaining surplus to be converted to animal feed or used to recover energy through anaerobic digestion. We're also committed to UN SDG Target 12.3 to halve global food waste by 2030.



Our targets
85% of unsold food safe for human consumption in the UK redistributed to humans or animals by December 2025.
Halve food waste in our own operations by December 2025, against our 2016/17 baseline.
Work in partnership with our suppliers to halve food waste in our supply chains by 2030 and increase the number of suppliers reporting a reduction.
Work in partnership with food banks and regional charities to help feed people by redistributing food to local communities around the world.

Food waste 2024/25 performance

In the UK, our food surplus was 102,684 tonnes in 2024/25, of this we redistributed 32,215 tonnes to charities and in our Colleague Shop, leaving a residual waste of 66,996 tonnes which represents 0.66% of total food handled. 82% of unsold food safe for human consumption in the UK was redistributed to humans or animals.

Across the Group, we've reduced food waste from our own operations by 14% compared to our 2016/17 baseline. We made an operational advancement at the end of the year when our new temporary food waste processing facility in the UK came online. In our last two reporting months of the year we delivered an 18% reduction, demonstrating the acceleration in our progress, and we'll continue to benefit from it in the year ahead. We are still highly unlikely to meet our target of a 50% reduction in food waste across our operations by December 2025, however we remain committed to achieving this within the timeframes set by the SDG Goals.

Our longstanding aim is to reduce food waste from farm to fork and ensure surplus food fit for consumption is redistributed. Our aim is to convert suitable remaining surplus to animal feed or use it to recover energy through anaerobic digestion. This requires us to avoid waste at source with careful supply and demand planning, stock rotation, responsible promotions, packaging that keeps food fresh for longer, removing best-before dates from a range of products and switching from use-by to best-before dates where it is safe to do so.

For remaining surplus, we use WRAP's hierarchy system, which is supported by the UK government, to drive down food waste where we can and make the best possible use of it where we can't.

Surplus is offered to customers via our Reduced in Price, Just as Nice areas, which are now available in over 300 stores where we use yellow stickers to help customers identify great value products and stop food going to waste.

Tesco food waste hierarchy

We redistribute remaining unsold food that's still good to eat via FareShare to food banks and charities and to communities using the Olio app and their Food Waste Hero volunteers. We have established a Colleague Shop initiative which allows colleagues to take short shelf life products home free of charge. This year, across the Group, we successfully donated a record 118 million meals to charities, communities and colleagues.

We're also supporting the King's Coronation Food Project, in partnership with other food businesses, FareShare and The Felix Project in London. The project supports 13 million people in the UK already experiencing food insecurity by redistributing surplus from across the food supply chain.

We have created market leading in-house technology and infrastructure to help colleagues segregate food types. When performing surplus food routines, colleagues separate different food types with the aim of converting remaining surplus into pet food or animal feed. We turn meat and fish surplus into pet food, while bakery and produce surplus can be converted into animal feed products.

Where no other options are available, we recover energy from food waste through anaerobic digestion, with incineration as a last resort. Energy recovery is an important way of avoiding landfill. Our Tesco stores in UK and ROI have not sent food direct to landfill since 2009.

ROI

The Tesco Surplus Food Donations Programme in ROI has been in place since 2013, powered by Irish social enterprise FoodCloud, and food sharing app Olio. Through this programme the equivalent of over 20.5 million meals of surplus food has been donated to over 730 charities and community organisations nationwide.

For the last eight years, we've been asking suppliers to measure and report their food waste data and to let us know how they are making reductions.

Surplus food is offered for donation through every store in ROI daily and weekly from our DCs. Surplus food not donated through FoodCloud or Olio is offered to our colleagues for free through our Colleague Shop. Any food remaining is processed through anaerobic digestion.

In ROI, our food surplus was 6,016 tonnes in 2024/25, of this we redistributed 2,401 tonnes to charities and in our Colleague Shop, leaving a residual waste of 3,614 tonnes, which represents 0.64% of total food handled. This is an improvement against our 2016/17 baseline year where we reported 5,996 tonnes of food waste, equivalent to 1.08% of total food handled.

Central Europe

Across Central Europe (CE) we've achieved the UN Sustainable Development Goal target to halve food waste by 2030.

All stores follow the food waste hierarchy and support our food surplus donation programme, providing unsold food to local food banks and charities or, where food is no longer suitable for humans, to local animal charities for animal feed. This programme has been crucial in helping us to redistribute unsold food across stores, and since 2016, we've donated over 177 million meals to charities. In 2022, we rolled out our partnership with FoodCloud to stores in Slovakia and the Czech Republic, increasing the amount of surplus food we can donate. In Hungary, our award-winning food redistribution scheme has helped provide over 100 million meals since 2013, working collaboratively with the Hungarian Food Bank Association.

In CE, our food surplus was 27,864 tonnes in 2024/25, of this we redistributed 11,196 tonnes to charities, sent 8,234 tonnes to be processed for animal feed and were left with residual waste of 8,434 tonnes which represents 0.52% of total food handled. This is an improvement against our 2016/17 baseline year where we reported 38,872 tonnes of food waste, equivalent to 1.75% of total food handled.

Booker

Booker has been working with local charities to redistribute surplus food since 2012. Booker redistributes food directly to FareShare's network of charities and Olio's Food Waste Heroes, in collaboration with the two organisations and the food-sharing app Foodiverse. This year they redistributed over 8.6 million meals to charities, communities and colleagues from 189 branches and 14 distribution depots which include Booker Wholesale, Makro, Booker Retail Partners and Best Food Logistics.

During the year, Booker supported over 2,800 FareShare charities and communities. In total Booker's donations to charities, communities and colleagues have increased by more than 1.5 million meals, or 23%.

As well as working to reduce its own food waste, Booker is supporting its independent business customers to reduce food waste within their own premises. For example, Booker helped 430 independent retail customers prevent and redistribute food waste by introducing them to our partners Too Good To Go.

In Booker, our food surplus was 5,876 tonnes in 2024/25, of this we redistributed 3,623 tonnes to charities and in our Colleague Shop, leaving a residual waste of 2,253 tonnes which represents 0.08% of total food handled. This is an improvement against our 2016/17 baseline year where we reported 3,575 tonnes of food waste, equivalent to 0.16% of total food handled.

Working with our suppliers

For the last eight years, we've been asking suppliers to measure and report their food waste data and to let us know how they are making reductions. In 2024/25, 117 suppliers reported back, the highest number to date, representing over 60% of fresh food sales in the UK. Our data tell us what gets measured gets managed, so it's vital the UK government now introduces mandatory food waste reporting for large food businesses to allow for a consistent approach across the industry.

We've delivered more supplier webinars on the topic of food waste reduction and joined the FareShare Alliance to help suppliers redistribute their own food surpluses to charities.

Helping customers in the home

Tesco research has discovered over three-quarters of UK households (77%) throw away unused or unopened food, with more than half a million people throwing away food they forgot to eat on a daily basis. WRAP research suggests household food waste costs a family of four up to £1,000 per year.

We're supporting customers with simple changes they can make at home, spend less and budget more effectively via the Tesco Real Food website. It has a dedicated food waste section, including free toolkits to help make changes at home and over 300 food waste-friendly recipes on the site.

Learn more about **our approach**

Read our latest **food waste report**

Spotlight on:

Innovation.

Food waste infrastructure

We've made good progress re-establishing capability to process food surplus for animal and pet food. Our temporary processing facility in Daventry started processing bakery surplus in February this year. In addition, we've also commissioned a brand new facility in Northamptonshire, opening later this year. The focus of the operation will be on bakery and fresh produce, while an additional, separate process will see meat and fish surplus used in household pet food.

The innovative technology will be able to process up to 1,000 tonnes of surplus food into animal feed each week. Around 40% of the site capacity is utilised by Tesco surplus, meaning this new operation has the potential to take surplus from other retailers and manufacturers as well.

Up to 1,000 tonnes of produce and bakery food surplus can be processed into animal feed.

Protecting nature.

As a food retailer, we rely on healthy soils, clean, fresh water and thriving pollinator populations to ensure a stable supply of quality food. Our aim is to protect and enhance biodiversity in partnership with our farmers, growers and the wider supply chain.

Our targets
100% of soy from verified Deforestation and Conversion-Free Sourcing Areas by December 2025. This includes all forms of deforestation (legal and illegal) and with a cut-off of 2020 (31 December 2019) in line with EUDR requirements.
100% verified deforestation and conversion-free palm oil by December 2025.
50% of fresh food sourced for the UK to be sourced from areas of sustainable water management by 2030 (industry ambition).
100% Marine Stewardship Council (MSC) certified tuna (Own Brand) in the UK by December 2025 and 100% sustainable seafood (Own Brand) in the UK by December 2030.
Entire global grower base supplying the UK to be LEAF Marque certified by December 2025.

Our work involves six focus areas supported by the Taskforce on Nature-related Financial Disclosures (TNFD): protecting and restoring habitats, protecting species, supporting sustainable freshwater use, preventing freshwater pollution, improving soil health, and air quality. We work to address these areas through our supplier partnerships, responsible sourcing practices, and NGO partnerships.

We're playing our part in protecting nature in at-risk landscapes through our Nature Programme partnerships with Forestry England and RSPB. We're working to ensure all the forest risk commodities in our supply chain are free of deforestation and conversion, in fresh water catchments, we're working with suppliers to achieve WRAP's UK Food and Drink Pact (formerly the Courtauld Water Roadmap) aim of sourcing 50% of the UK's fresh food and drink from areas of sustainable water management by 2030. In marine environments, we're aiming to source 100% MSC-certified seafood by 2030.

Much of the landscape level work we carry out will be delivered through the 'Protect Nature' pillar of our planet plan, with key actions achieving significant outcomes for both emissions reduction and nature protection.

We're aware we must consider the risks that climate change and nature loss pose to our supply chain resilience. The work done through our involvement in initiatives including TNFD allows us to continue to assess our dependencies on nature. In the last year, we've mapped more high-risk commodities under the TNFD LEAP process (see our Annual Report).

Read about TNFD in our **Annual Report, page 34**

Protecting forests

Our aim is to eliminate deforestation and conversion from our supply chain. We're prioritising the forest risk commodities that are most closely linked to deforestation around the world – soy, palm oil, timber, cattle products, coffee, cocoa and natural rubber.

With complex global supply chains associated with each of our forest risk commodities, a collective industry voice and supply chain transparency are essential to eliminating deforestation and conversion.

The EUDR requirements, which will be implemented across our EU-based businesses first, seeks to address these issues by strengthening verification and traceability for these seven commodities. This year our focus has been on supporting suppliers to be compliant across relevant categories and products.

Our goal for sourcing soy goes beyond EUDR. We remain committed to sourcing all the soy in our supply chains from whole regions that are verified as deforestation and conversion free by December 2025. However, this commitment continues to be an industry-wide challenge as the supply chain focuses on delivering EUDR compliance first.

We also recognise the importance of supporting farmers in our supply chains. We are founding contributors to the Responsible Commodities Facility (RCF), a system of financial incentives for farmers in Brazil who commit to deforestation and conversion-free soy cultivation. The initiative, co-funded by Tesco and other UK retailers, provides low-interest loans to farms producing 180,221 tonnes of soy per year. The project is now in its fourth year, having secured further funding from several financial institutions.

Spotlight on:

Restore.

Nature programme

We launched our nature programme in 2023, with the ambition to protect and restore nature across our supply chains and key sourcing landscapes, alongside our suppliers and partners. This year, we launched a partnership with Forestry England which will contribute to restoring nature in Neroche, Somerset, by increasing the diversity and abundance of wildlife across the area, while providing valuable insight into how large-scale nature restoration can aid sustainable food production.

We also launched a partnership with the RSPB which will provide dedicated conservation and habitat advisory support to farmers in our supply chain in East Anglia, a key sourcing region for us. Habitat transformation can improve biodiversity, boost productivity and provide improved protection against extreme weather caused by climate change, such as drought and flooding. The project will enable the scaling-up of existing RSPB programmes to support biodiversity and address the impact of agriculture on nature.

Learn more about our **nature approach**

Protecting freshwater habitats

As a leading signatory to the WRAP UK Food and Drink Pact, we're committed to delivering the target that 50% of the UK's fresh food is sourced from areas of sustainable water management. Our ambitions for water align with our work to protect nature and biodiversity across our supply chains and to meet our net zero target across our supply chain by 2050.

We work in partnership with relevant stakeholders in a number of our key sourcing regions where we see high water stress or pollution issues. These include:

- Wye & Usk
- East Anglia
- River Medway
- Lake Naivasha (Kenya)
- Groenlandberg (South Africa)
- Koue Boukkeveld (South Africa)
- Murcia (Spain)
- Donana (Spain)
- Ica (Peru)

To support this work in the UK, all our UK-based fruit and vegetable growers have obtained LEAF Marque certification and we're continuing the rollout to our global grower base which supplies into the UK, with the aim of completing the transition by December 2025. LEAF Marque certification ensures that growers implement comprehensive water management plans, measure and enhance water efficiency and maintain high water quality standards.

Learn more about **WRAP UK Food and Drink Pact**

Water map

Marine

Our marine strategy covers both wild-caught and farmed fish products and focuses on the health of fish stocks; impacts on other, non-target species harmed or caught unintentionally; and the health of the marine ecosystem. We work with the Sustainable Fisheries Partnership (SFP) and other partners to collect data on our source fisheries, risk assess them, and work with our suppliers on any improvements that are needed. All our seafood sources are publicly disclosed and can be found online through the Ocean Disclosure Project platform.

Learn more about the **Ocean Disclosure Project**

We aim to sustainably source all our wild-caught seafood through certification and, where certification is not yet available, we work with our suppliers to engage in Fishery Improvement Projects (FIPs). We continue to see the importance of certification as part of the journey and are on track for 100% certified tuna (Own Brand) by December 2025, and are aiming for 100% certified seafood (Own Brand) by 2030. As of the beginning of 2025, 75% of our wild-caught seafood is MSC certified.

75%
of our wild-caught seafood in the UK was MSC certified in the last year.

Over the last year we've worked with our partners and suppliers to protect the health of non-target species. The recent Sustainable Fisheries Partnership bycatch audit of our supplying fisheries identified improvement opportunities that we are actioning to reduce the risk to non-target ocean wildlife species. We have supported the deployment of biodegradable fishing aggregate devices (FADs) in the Eastern Pacific Ocean, a key sourcing region for skipjack tuna, to reduce the potential for bycatch and risk of FADs ending up as ghost gear.

Spotlight on:

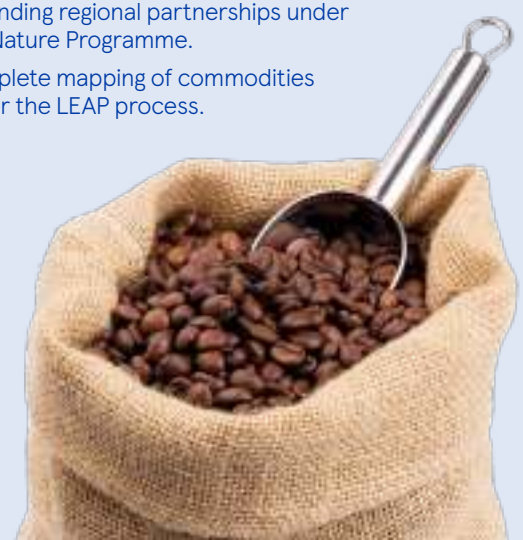
Supply chain innovation

We're committed to developing and implementing innovative sustainable agriculture practices across our supply chains. Our annual Agri T-Jam competition is designed to identify innovators with solutions that can help Tesco and our suppliers achieve net zero, protect and restore nature, or improve animal health and welfare. This year, 10 finalists presented their ideas to an expert panel, with FloMo, a precision seafood harvesting technology that enables commercial fishers to reduce unwanted bycatch and improve animal welfare, being crowned the winner. We have been able to trial this innovative gear within our supply base in the UK Nephrops fishery, and continue to explore opportunities and seek out innovative solutions to help reduce the impact of our fisheries.

Commodity	Position	Progress	Further links
Soy	100% from verified deforestation and conversion-free sourcing areas by December 2025.	In progress	**Sourcing soy responsibly**
Timber/paper	100% of assessed paper/wood products to be Forest Stewardship Council/Programme for the endorsement of forest certification, or from a recycled source.	Achieved	**Sourcing timber responsibly**
Beef	No sourcing from Brazil due to concerns over deforestation and all beef should be sourced from Tesco welfare approved farms.	Included in our beef policy	**Sourcing beef responsibly**
Palm oil	100% verified deforestation and conversion free by December 2025.	In progress	**Sourcing palm oil responsibly**
Coffee	100% certified roast, ground and instant (UK sales, Rainforest Alliance or Fairtrade certified).	Achieved	
Cocoa	100% certified for chocolate confectionery products (UK Own Brand sales, Rainforest Alliance or Fairtrade certified).	Achieved	
Fish	100% MSC-certified tuna (Own Brand) in the UK by end of 2025 and 100% sustainable seafood (Own Brand) in the UK by 2030.	In progress	**Sourcing seafood responsibly**

Looking ahead...

- Our ongoing focus is to decarbonise operations (Scope 1 and 2) at pace, build out supply chain decarbonisation roadmaps for each material product group and improve accurate data measurement throughout our supply chain.
- Continue to strengthen and expand supplier partnerships to reduce Scope 3 emissions.
- Continue to work with industry and government to drive change that increases circularity and recyclability of packaging; we're focused on building an efficient and effective DRS proposition across the UK, taking learnings from our successful delivery in ROI.
- Continue to explore new, innovative concepts and improvements to packaging to make it easier for customers to recycle at home.
- Continue our efforts towards achieving full operational capacity at our food waste processing facility in Northamptonshire which converts food surplus, unsuitable for human consumption into animal feed.
- Further integrate nature into our planet action plans and Sustainable Farming Groups, while expanding regional partnerships under the Nature Programme.
- Complete mapping of commodities under the LEAP process.



Spotlight on:

Future-fit farming.

Our approach to farming promotes food production that is compatible with protecting the climate, biodiversity, water resources and soil health while also upholding high ethical standards and being economically viable. We are a significant partner to the agriculture sector and our farmers and suppliers play a vital role in our business. We work with tens of thousands of farmers and producers globally and aim to be British agriculture's most trusted partner.

Our targets
100% of key suppliers reporting animal health and welfare outcome measures across the Group.
100% of shell eggs will be sourced from cage-free hens by December 2025.
100% of ingredient eggs for Tesco UK and ROI (excluding Booker) will be sourced from cage-free hens by December 2025.
Entire global grower base supplying the UK to be LEAF Marque certified by December 2025.

Over **72%** of Tesco farmers want to adopt more sustainable practices.

We've been working with farmers to help them reduce their environmental impact, from providing incentives to farmers to measure their carbon footprint to rolling out new innovations like low carbon fertilisers.

Ashwin Prasad, Tesco Group Chief Commercial Officer

Our Greenprint for UK Farming report, published in January 2025 alongside our partners Harper Adams University's School of Sustainable Food and Farming and informed by hundreds of our farmers, reiterates that conditions for farmers, producers and growers continue to be challenging. The report reinforces the need for support in five key areas: setting a clear vision for the sector; providing financial certainty; getting innovative technology onto farms; a standardised approach to data and insight; and attracting future talent.

Read our **Greenprint for UK Farming Report**

Our long-term relationships with our farmers and our sustainable farming groups are key to addressing and overcoming these challenges, as we work together to share evolving knowledge and best practice, and build farm-level management plans to improve environmental, economic and animal welfare outcomes.

To support the industry trial and scale innovative new technologies, we've launched two low-carbon concept farms in our potato and beef supply chains. The farms – one in partnership with potato supplier, Branston and one in partnership with livestock processor, ABP – will explore current and future innovations such as low-carbon fertilisers, alternative fuels, state-of-the-art cold storage, and carbon removal techniques, as well as innovation in other areas including soil health, grazing management, biodiversity assessment and management, and genetic improvements.

We continue to support the industry through our Best of British page on our customer website. The page lists quality British produce from a number of our ranges, including meat, fish and poultry, dairy and eggs, and fruit and vegetables.

Learn more on our **Best of British page**

Continued

Spotlight on:

Future-fit farming continued

Our Sustainable Farming Groups
Through our long-running Sustainable Farming Groups (SFGs), we convene industry representatives; share knowledge between farmers, suppliers and Tesco colleagues; trial innovations that can help reduce on-farm emissions and protect biodiversity; and drive improvements in animal welfare. Our SFGs include groups dedicated to our milk, cheese, beef, lamb, pig and potato farmers, who all benefit from fair and transparent pricing structures, as well as utilising long-term contracts.

Our work with our SFG farmers this year has included:

- All 400 British dairy farmers that make up the Tesco Sustainable Dairy Group were paid on a cost of production+ model, with over £10 million paid above market price this year.
- All 115 of our Tesco Sustainable Lamb Group farmers are paid a bonus above the factory price for delivering against key environmental and welfare metrics.
- During 2024/25 we paid nearly £2.64 million in bonuses to our Tesco Sustainable Beef Group farmers.
- We continue to invest in sustainable feed cost models, ensuring fair and transparent pricing for our Own Brand egg and poultry suppliers, in recognition that feed represents over 70% of their cost of production.
- Access was made available to climate and sustainable finance through Natwest.
- We relaunched and extended our Tesco Sustainable Pig Group (TSPG). The group will play a significant role in developing our approach to sustainable production, providing a forum for suppliers, farmers and Tesco colleagues to come together and improve welfare, innovation, quality standards and collaboration.

Learn more about **Natwest sustainable finance**

Future Farmer Programme
To support the next generation of farmers in the UK, and our aim of introducing sustainable agriculture practices across our supply chains, we launched the Future Farmer Programme in July 2023 in partnership with Harper Adams University's School of Sustainable Food and Farming. The nine-month course, which runs each year, includes events and mentoring sessions on business operations and personal development and will help up-and-coming British farmers develop their skills in sustainable agriculture.

Learn more about the **Future Farmer Programme**

High animal welfare standards
Rearing livestock well and ensuring that high welfare standards apply throughout an animal's life are vital to ensuring high-quality products. Animal health is a key component of our wider sustainable farming agenda, interconnected with minimising farm gate losses and net food wastage.

This year we've made a series of improvements across our animal welfare standards:

- All our fresh chicken is sourced from UK farms and in 2024/25 we extended higher welfare standards to all fresh chicken in our core ranges, with birds provided with 20% more space than the industry standard.
- We're on track to source 100% cage-free shell eggs across the Group, and 100% cage-free ingredient eggs across the UK and ROI (excluding Booker) by December 2025.
- Our relaunched TSPG will play a significant role in developing our approach to sustainable production. Among the incentivised improvements in animal welfare will be a drive to increase the number of farms with enhanced farrowing, and decreasing stocking densities on farms across the TSPG.
- We published a policy on farmed decapod crustacean welfare. This policy, developed with support from the Aquatic Life Institute, ensures better treatment of these animals from farming to slaughter.

Learn more about our **animal welfare policy**

The successful Tesco Future Farmer Programme is a great example of how farmers, retailers and researchers at universities such as Harper Adams can all strive together to build a sustainable future.

Professor Michael Lee, Deputy Vice-Chancellor at Harper Adams University

We firmly believe that maintaining an affordable, well-balanced, healthy and sustainable diet is one of the best ways we can look after our health and the health of the planet. Over three-quarters of our customers tell us they want their supermarket to help them eat more healthily.

23 Healthy, sustainable diets
25 Healthy communities
26 Healthy partnerships

Health.

Overview.

We know communities across the UK and Europe are facing into a health crisis. Obesity levels are at record highs, which is having a huge impact on health services and the wider economy, as well as jeopardising the long-term health and prospects of future generations. We also know these challenges are linked to deprivation, with children living in the most deprived areas approximately twice as likely to be obese.

As the UK's leading retailer, we're taking steps to help tackle the barriers people are facing when it comes to making healthier and more sustainable choices. This is a key focus for our business as we passionately believe that healthy and sustainably produced food should be accessible to everyone – whoever you are, wherever you live, whatever your budget.

Food sits at the heart of what we do, but we're dedicated to going beyond this and boosting wellbeing in the communities we serve. That's why we're introducing exciting new products and services focused on health and wellness, such as our first ever dedicated health zone, which we launched in November 2024 at our Cheshunt Extra store. The new pilot store concept brings together food, health and wellness ranges, alongside enhanced pharmacy and healthcare services, to make it easier for customers to manage all aspects of their health and wellbeing in one place.

Jump to **Colleague wellbeing**

Jump to **Databook**

Learn more about **our approach**

Our targets
Increasing sales of healthy products, as a proportion of total sales volume, to 65% by December 2025 in UK and ROI and to 53% in Central Europe (CE) by December 2027.
Increasing sales of plant-based meat alternatives by 300% by December 2025 in the UK.
Removing 100 billion calories from our Own Brand ranges by December 2025 (since 2018).

64%
of all the food we sell in the UK and ROI is now classified as healthy (by volume).

Healthy, sustainable diets.

At Tesco, we recognise the critical role we have to play in helping customers access affordable, healthy and sustainable food.

Our ambition is to become the place to shop for affordable, easy to access, great quality healthy food and increasingly personalised solutions for customers and colleagues. We want to help customers lead healthier lives through inspiring product propositions and provide families with the easiest way to navigate healthy food choices, however they shop.

In 2021 we set out our ambition to help customers eat more healthily with a market-leading healthy sales target. We said we would aim to increase sales volumes of healthy products to 65% by December 2025 in the UK and ROI, up from a 2019 baseline of 58%. At 64%, we're on track to achieve this target. In 2022 we also voluntarily removed multibuy promotions on products covered by HFSS regulation to ensure customers aren't incentivised to buy more than they need.

We recognise it's not always easy for our customers to make healthier choices, so we work hard to ensure we offer the best value on healthy products. Whether that's through our Fresh 5 Clubcard offer – which sees five fruit and veg options sold at lower prices every fortnight – or our Aldi Price Match, which matches the prices of more than 500 products, including fresh fruit, veg and herbs, checked twice a week against Aldi's. We've also committed where possible to ensuring that a healthier version of a product will not cost more than the standard version.

We're proud of the progress we've made so far, but we know there is much more to do. We believe consistent reporting can be really helpful in tracking progress, both internally and with our supplier base. We welcome the approach of The Food Data Transparency Partnership, which is working on a common approach for data disclosure against a set of health metrics to incentivise the sale of healthier food and shift consumer behaviour towards healthier choices.

Spotlight on:

Better Baskets

Healthier.

Better baskets

We've rolled out better baskets zones and signposting in both large and convenience stores. These zones highlight products that are higher fibre, a source of protein, one of your five-a-day, or lower in calories. In 2024/25, better baskets zones and signposting helped customers switch to healthier products and drove approximately a 3% increase in volumes of these products.

We've also made it easier for online grocery customers to find the right healthier products by expanding our better baskets online hub. It features product lists based on customer health needs, including high-fibre breakfasts and healthy plant-based proteins such as beans and pulses.

Further action we've taken includes:

- introducing more healthy Own Brand product ranges, such as our Better Snacking, Gut Sense and High Protein ranges;
- customer 'nudges' to healthier options, for example in-store screens, social media, and Tesco Real Food website advertising healthier options;
- reformulating products to reduce fat, salt and sugar without compromising on taste or quality. For example we've redeveloped our Own Brand kids' fromage frais pots and pouches, removing 28 million grams of sugar per year across the two products;
- adding in fruit, veg and increasing fibre where we can, such as adding lentils to our Plant Chef Meat-Free Spaghetti Bolognese. This product now contains two portions of your five-a-day and is also a source of protein; and
- trialling ways to help customers make healthier choices, such as trolley prompts to encourage customers to pick up more fruit and veg while they shop.

Reducing fat, salt, sugar and calories

Since 2018 we've removed more than 100 billion calories through product reformulation, and focused on reducing fat, salt and sugar from our products. To drive momentum with our branded suppliers and ensure our customers aren't buying more than they need, we adopted HFSS regulations before they came into force, ending multibuys on HFSS products in 2022*, three years ahead of government legislation. This voluntary commitment came alongside our legal requirement to limit where we can stock HFSS products in store, such as near the checkout. While the regulations are only applicable in England, we have also implemented them across Wales, Scotland and Northern Ireland.

Our product development teams are continuing our aim of increasing positive nutrients in our products by adding fruit, vegetables and increasing fibre – more than half of our ready meals now contain one of your five-a-day.

Plant-based sales

Eating more plant-based proteins is recommended by the NHS Eatwell Guide. We've been seeing a growing demand for 'protein diversity', including plant-based whole foods such as lentils, chickpeas, beans, nuts, seeds and tofu. Many of our customers who are interested in plant-based foods are turning to veg-led dishes, where vegetables are the star, rather than relying on meat alternatives. These dishes inspire and make it easy for customers to incorporate more vegetables into their diets. These veg-led foods now represent 40% of all plant-based sales, according to retail analysts IRI/Circana (data 41 weeks to 12 October 2024 versus last year). The rise is equivalent to nearly an extra 600,000 veg-led dishes sold by Tesco this year.

* Excluding party food.

Given this change in approach, and the year-on-year decline in the plant-based market, we've seen plant-based meat alternative sales slow. This means we are highly unlikely to hit our target of a 300% sales increase in these ranges by December 2025 (UK).

We're also committed to reporting the sales of plant-based proteins as a percentage of overall protein sales every year to track progress. In 2021, we were the first retailer to share this information publicly.

Ultra-processed foods (UPFs)

It's important to us that our customers can access the right range of products that support an affordable, healthy, and more sustainable diet. Our advice is that a balanced diet is one that matches the Eatwell Guide – increasing fibre, fruit and vegetables, while reducing calories, saturated fat, salt and sugar – and we continue to deliver this through our focus on affordability, product reformulation, innovation, and inspiration for our customers.

We're very aware UPFs are the subject of media and wider interest, and we're monitoring the latest scientific evidence and policy developments. We already ban the use of many additives in our Own Brand products, including some flavours, colours and MSG, and we work with our suppliers to minimise the use of others.

Customers tell us they can find this a confusing area to navigate, so we're committed to making health as simple and accessible as possible.

Spotlight on:

Protein and gut health demand soars

We're seeing increased demand for functional health products tailored to individual wellness needs. Protein and gut health are two key areas that have become mainstream and in January 2024, our customers searched the words 'gut health' more than 6,000 times on Tesco.com. Earlier this year, we launched five new gut health products, including Gut Sense Natural Kefir Yogurt, and 15 high-protein products across bakery, dairy and frozen chilled meals to respond to this shift in demand.

Healthy communities.

Our health commitments extend beyond the food we sell. Our Stronger Starts programme supports communities in making healthier choices, and our in-store pharmacies are there to provide expert health advice. Together, we can take steps towards a healthier future.

The impact of food on children's health is a key motivator for change and it drives our approach to how we market our food, how we position food in store and how we have prioritised children's food in our reformulation work, adding in fruit and veg as well as reducing sugar, fat and salt. It's also why we've created a grant programme, Stronger Starts, to help one million children by funding healthy food and fitness activities to improve their physical health and mental wellbeing.

Working closely with the British Nutrition Foundation, Stronger Starts aims to give kids the healthy start they deserve (**page 37**). This year, we pledged a further £4 million for the academic year 2025/26 under the programme by launching Fruit & Veg for Schools, giving disadvantaged pupils regular access to five-a-day (**page 38**). Our Kids Eat Free school holiday offer also included two portions of fruit and veg.

We've also created hundreds of healthy, tasty and veg-packed recipes for everyone to enjoy in partnership with a host of content creators – from savvy nutritionists to skilled chefs. These feature in-store on smart screens, through emails, across our social media platforms, in our Tesco Magazine and on the Tesco Real Food website, all providing our customers with a trusted source of inspiration.

Responsible marketing

As laid out in our responsible marketing policy, we apply science-based NHS dietary recommendations in our communications. When we say or imply that a product or recipe is healthy in our marketing communications, for example by using the words 'healthy', 'better for you', or 'full of goodness', we ensure the following criteria are met:

- The product or recipe has a healthy Nutrient Profiling Model score, as defined by the Food Standards Agency.
- The product or recipe has no red traffic lights on nutritional information, unless naturally occurring, based on recommended intake.
- Specific health claims are appropriately authorised.

Our policy also sets out our commitment to not communicate directly with children, and in accordance with the government's Nutrient Profiling Model, all Tesco Own Brand children's products are either healthy or recognised as part of a child's healthy, balanced diet. Any products featured in 'Back to School' or children's lunchbox communications are free from artificial colours, flavours, and hydrogenated fats. In addition, we do not use child-oriented characters on-pack or to advertise or promote Tesco Own Brand products with an unhealthy nutrient profiling model score.*

Learn more in our **Responsible marketing policy**

* Exceptions may be made for limited edition seasonal products and celebration cakes.

500,000+
customers are served every week across our UK pharmacies

Spotlight on:

Pharmacy.

Our in-store pharmacy offer serves half a million customers every week across 365 UK pharmacies located in larger Tesco stores, providing services such as flu jabs, free blood pressure checks and free advice on cancer, heart disease and diabetes.

This year, we've partnered with some of the UK's leading healthcare companies as part of a new store concept that gives customers easy and convenient access to even more high-quality health services – all while they shop.

Customers in the refurbished Cheshunt Extra store can get advice, treatment and virtual GP appointments for a range of health concerns in our first ever dedicated health zone, while bringing together food, health and wellness ranges.

Two further stores with additional healthcare services opened in February – Hexham in Northumberland and West Durrington in West Sussex. If the pilot is successful, more could be rolled out across the country in future.

Healthy partnerships.

The scale of change needed to build better health outcomes requires cross-industry collaboration. To make a sustained and meaningful impact, we are proud to partner with leading campaigning groups, NGOs and charities, while advocating for clear policy frameworks.

Spotlight on:

Charity partners.

Almost **3,000** registered defibrillators across our stores.

Helping you to live healthier

For the last six years, our partnership with Cancer Research UK, British Heart Foundation and Diabetes UK has helped tackle some of the biggest health challenges facing the UK. We've worked together to train our pharmacists to offer customer support on all three conditions.

Alongside Diabetes UK and British Heart Foundation we've created recipes that are heart and diabetes-friendly and introduced an online risk assessment for type 2 diabetes. In addition, the number of registered defibrillators in our stores now stands at almost 3,000.

Our Cancer Research UK partnership spans more than two decades. In September 2024, we launched a customer-facing cancer symptom spotting campaign.

Our partners and collaborators

British Heart Foundation	DIABETES UK	CANCER RESEARCH UK
	The Food Foundation	Natasha Allergy Research Foundation
BITE BACK	IGD	

Our presence in communities up and down the country means we're uniquely placed to understand the challenges different areas face and how we most effectively work with others to solve them.

British Nutrition Foundation (BNF) — regional consultations:

To help with this work, we ran a series of regional consultations across the UK – from Glasgow, to Swansea, to Cheshunt, alongside the British Nutrition Foundation, local food partnerships, Public Health directors, community groups, academics and Tesco colleagues, to build consensus on what effective, long-term support looks like in making affordable, healthy and sustainable food attainable for all. We're using the learnings from these consultations to inform our healthy and sustainable diets strategy as we look beyond 2025.

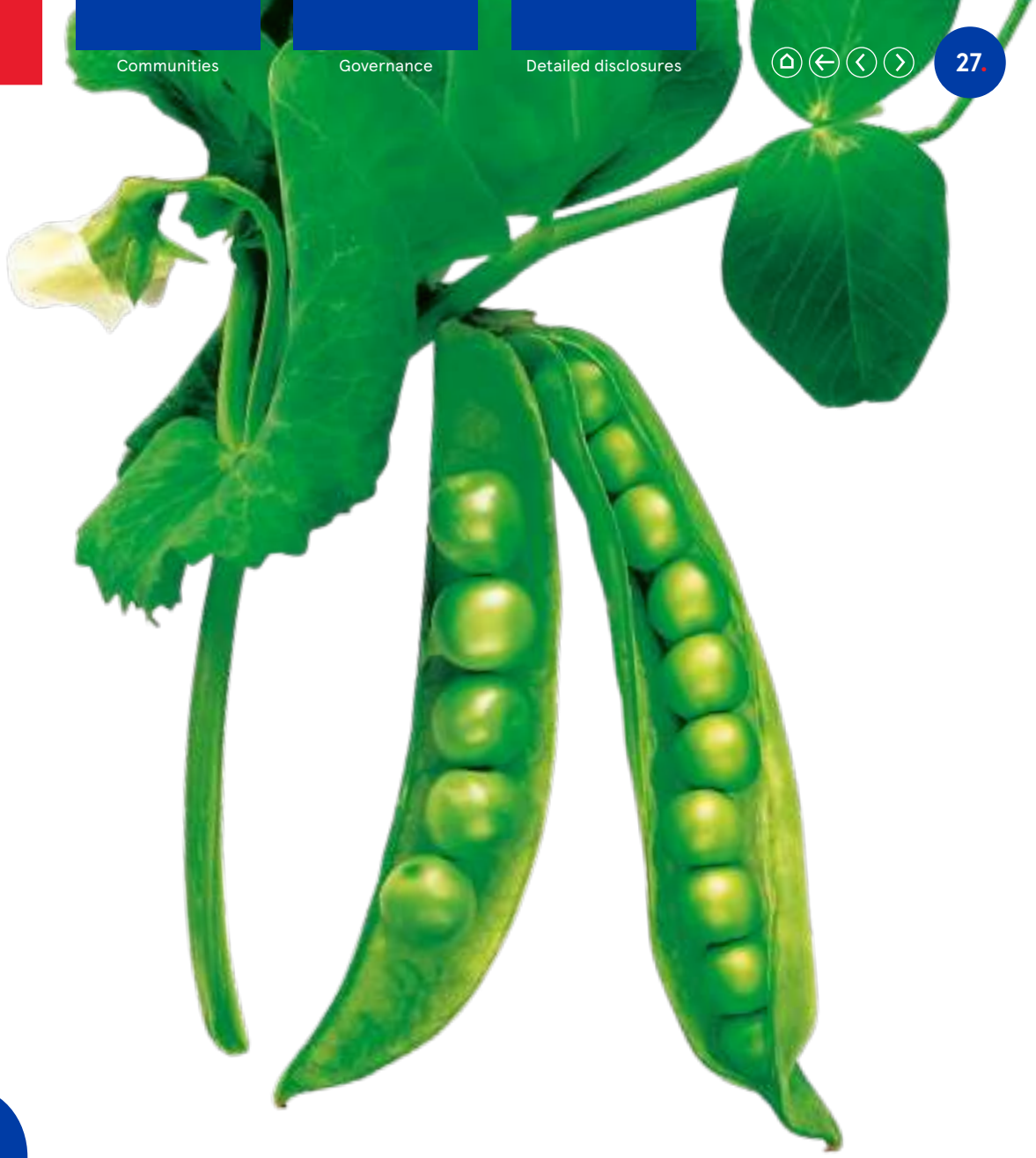
The Natasha Allergy Research Foundation (NARF)

We're seeing more people managing allergies and it's important to us that everyone finds something suitable on our shelves. That's why we offer a wide range of free-from products. We're proud to partner with Natasha Allergy Research Foundation for a fifth consecutive year. We're also supporting Allergy School, a scheme which will see NARF deliver resources to schools free of charge on the dangers of food allergies and how children can take steps to be safe. We're also sponsoring the Allergy School films as part of our Stronger Starts funding programme for schools and young people, including donating £300,000 as sponsor between September 2024 and August 2025.

Learn more about our **charity partners**

Looking ahead...

- We're committed to delivering our target of 65% healthy sales (by volume) and continuing our health journey.
- We will continue to partner with suppliers and invest in new product development that supports our customers' health needs.
- We will continue to make our Own Brand products healthier by reducing fat, salt, sugar and increasing positive nutrients like fibre.



With more than 340,000 colleagues we want everyone to feel that Tesco is a great place to work, where everyone is welcome. We recognise the essential role that our colleagues play in supporting our customers and communities, and helping the business succeed. Our values and our human rights policies extend even further to the people working in our supply chains. Everyone is entitled to have their human rights and freedoms respected, whoever they are and wherever they live and work. We believe that our trade with the countries we source from should have a positive impact, creating jobs and opportunities for people all over the world.

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33 Skills – building a workforce for the future
34 Human rights

People.

Overview.

Our ambition is to build a great place to work for all, where colleagues feel valued, engaged and proud of our purpose – *serving our customers, communities and planet a little better every day.*

At Tesco, we aim to build a truly inclusive culture where people see themselves represented, feel they can be themselves at work, meet their career aspirations and thrive.

We want every colleague to feel recognised and rewarded for the work they do; we deliver this through competitive rates of pay alongside a great range of exclusive colleague benefits and wellbeing support.

We're dedicated to equipping our colleagues with the skills needed to thrive now and in the future. We want Tesco colleagues to have the opportunity to get on and feel supported in their development, as they move through their career at Tesco.

We want our colleagues to feel heard and valued, inviting them to share their experiences through our colleague engagement survey, Every Voice Matters (EVM) twice each year. In 2024/25 85% of colleagues recommended Tesco as a great place to work.

Human Rights is fully integrated within our operations, forming a key part of our broader commitment to being a responsible and sustainable business. Over the last year we've established a new governance group to oversee the continued rollout of our Human Rights Blueprint which standardises policies and practices for managing human rights risks across the Group. We've also expanded our human rights team in key food sourcing regions such as Africa, Asia and Latin America. With these moves, we're boosting due diligence and supplier support, making sure our values are at the heart of what we do.

Learn more about **our approach**

Jump to **human rights**

Jump to **Databook**

Our targets

We're committed to enhancing diverse representation of leadership and have established specific targets within our leadership long-term incentive plans to:

- Increase female representation to 42% at senior manager and above by 2028 from a FY25 baseline of 35%.
- Increase representation of leaders from an ethnically diverse background among top global leaders to 19% by 2028.

At Tesco, Everyone's Welcome.

We always want our colleagues to feel valued, celebrated, supported and that they can be themselves – whoever they are and wherever they work at Tesco. Creating an inclusive culture is at the heart of who we are as a business.

We are guided by our value that "We treat people how they want to be treated" and aspire to represent the diverse communities we serve. We've demonstrated our focus in this area by launching five new commitments across the Group this year:

- **Inclusion for all:** Colleagues work in an environment where they feel they can be themselves, are valued and see themselves represented at every level.
- **Flexibility for all:** Enabling colleagues to thrive at Tesco, with a culture that embraces and supports flexible working.
- **Accessible first:** Making sure our colleagues with different accessibility needs feel supported at Tesco, whether that's in a physical environment, our technology systems or the communications we share.
- **Transform recruitment:** Colleagues and candidates experience a positive and inclusive recruitment experience so that we can attract and retain the best talent.
- **Developing careers:** Supporting people to gain experiences, skills and behaviours to enhance their career choices and progression.

These commitments have been validated through extensive colleague feedback via line manager-led discussions and over 15,000 colleagues sharing their views through our Everyone's Welcome survey.

Inclusion for all

We are committed to representing the communities we serve, and maintaining our focus on diversifying representation within our global leadership. We've made progress towards our representation targets for top global leaders, meeting our 14% ethnically diverse representation 2024/25 target. We've also achieved 32% female representation for top global leaders. This is 3% lower than our target for 2024/25, but delivered at the threshold of our PSP-linked target, and sets us on the right trajectory for future targets. In addition, during 2024/25, 59% of promotions and 62% of external hires were women and 20% of promotions were ethnically diverse for top global leaders.

Our work to increase female representation has included ensuring diversity is a key consideration for our succession plans and external hire shortlists, as well as bespoke career planning and development support for 218 high-potential women through our Women's Development programme. Across our top global leader population, in the year 2024/25 we saw a 2% increase in female representation, leaving us well placed for future targets. We're also proud, for the fourth consecutive year, to be included in The Times Top 50 Employers for Gender Equality for 2024.

Our Tesco UK gender pay gap is at 5.1% (median) and 9.1% (mean), with continued steady progress in reducing our gender pay gap since we started reporting. We are also well ahead of the UK average of 13.1% (based on 2024 data from the Office for National Statistics on UK median gross hourly earnings, excluding overtime), although we recognise there is still more to do. More information can be found in our Everyone's Welcome report.

Read our **Everyone's Welcome** report (including gender pay gap)

Jump to **ethical conduct**

In CE, we also continue to share diversity data. Read our Everyone's Welcome reports for these markets.

Czech Republic

Hungary

Slovakia

Our Black Action Plan in the UK has helped to drive fair and equitable recruitment and succession across our business. We've achieved Level 3 Advanced Employer in the 'Investing in Ethnicity Maturity Matrix' (UK), and been listed as one of the top ten outstanding employers in the Ethnicity Awards 2024. We've also invested over £1 million, since 2021, in Black community initiatives.

This is the second year we're publishing our ethnicity pay gap, using data from our 'This is Me' questionnaire, where colleagues voluntarily share personal diversity information. This year our ethnicity pay gap for our UK business has remained relatively stable, as detailed in our Everyone's Welcome report. Our median gap is –5.0% with hourly location pay continuing to have the biggest impact. When location pay is removed the mean pay gap is –1.7% and the median is –2.3%. A negative ethnicity pay gap means that on average, ethnically diverse colleagues are paid more than non-ethnically diverse colleagues.

Leaders and managers continue to drive our inclusive culture. In recognition, we have taken action to develop inclusive leadership training for senior managers and build manager capability more holistically through our 'Winning Manager' learning offer. 76% of eligible managers across UK, ROI and CE have participated in the Being an Inclusive Manager modules. We have also introduced a new Group-wide anti-bullying, harassment, and discrimination policy.

Our colleague-led networks across the Group are integral to colleagues feeling welcome and supported. These currently include parents and carers, young people, armed forces, disability, LGBTQ+, gender equality and race and ethnicity.

Invested over
£1 million
in Black community initiatives since 2021.

Spotlight on:

Community.

Roma community support in Tesco Slovakia

Tesco Slovakia is actively supporting the Roma community through various employment and educational initiatives. We've developed a scheme to provide job opportunities and career growth for Roma individuals, especially young people, as part of our wider efforts to promote inclusivity and diversity. In the past year, we've collaborated with partners like People in Peril and Cesta Von, and seen Roma colleagues thrive in our stores in Zlaté Klasy, Prešov, Bardejov, and Poprad.

Looking ahead, we're excited to build on this progress by creating even more job opportunities, and further collaboration with partners. We're planning more store visits, sensitivity training, and development programmes specifically tailored for young Roma individuals.

We've also been recognised for our inclusive approach with awards like the Roma Spirit 2022.

Flexibility for all

Across the Group we've rolled out more inclusive and flexible working policies over the last year, meeting our commitment to make flexible working easier for all colleagues. In the UK, this has included a new 'flexible working zone' which helps our managers agree to flexible working more often. Vacancies are now advertised as being able to be worked part-time across most of the Group, giving the option of flexible working from day one. We have also introduced new contract types into our Tesco UK distribution centres to support parents and carers with flexible school shifts, doubling the number of colleagues working part time to 18% in the year, with near equal uptake from both men and women. Tesco UK store colleagues also have access to extra hours at times that work for them, via our colleague app, My Tesco.

Accessible first

We're proud to have achieved Level 3 Disability Confident Leader status for Tesco Stores, Tesco Mobile and One Stop, Level 2 in Insurance and Money Services and dunnhumby, and Level 1 in Booker. We've also worked to a minimum standard framework across the Group to support colleagues with a disability.

Transform recruitment

Our new careers site launched globally in March 2025, laying the foundations for more inclusive recruitment and ensuring candidates and colleagues feel everyone is welcome. We will be introducing further digital tools across our recruitment systems this year. The new platform meets enhanced accessibility standards and tracks reasonable adjustments through the hiring process. We have also launched our 'Licence to hire inclusively' eLearning to our Technology and Tesco Business Solutions teams which is designed to help hiring managers create a fair, equitable and inclusive hiring experience for all candidates. We'll continue to rollout this eLearning across the Group.

Developing careers

Beyond our current workforce, we're investing in future talent through a number of programmes that extend into the communities we serve.

Jump to **Skills – building a workforce for the future**

Spotlight on:

Pride.

Taking pride in LGBTQ+

As a longstanding supporter of Pride and the LGBTQ+ community, we have donated around £800,000 to charities working in this area since 2020, including Switchboard (the national LGBTQIA+ support line), Fighting with Pride and Bi Pride UK. In the last year, we announced a further £100,000 to LGBTQ+ charities Not A Phase, GiveOut and Just Like Us.

Our teams also played a part in 20 Pride events up and down the country. We were the gold sponsors of London again and Premium Partners of Brighton Pride.

Our award-winning LGBTQ+ at Tesco network supports colleagues to be themselves. In the last year, Ben Kearney, former network lead, was nominated as a Top 12 Future Leader in the British LGBT Awards. We're a gold member of the Stonewall Global Diversity Champions Programme and have been nominated as a Top 12 Inclusive Company in this year's British LGBT Awards.

Approximately
£800,000
donated to charities working in this area since 2020.

We want everyone from all our LGBTQ+ communities to thrive at Tesco and feel like they belong. Pride is a real highlight for our colleagues, customers and our LGBTQ+ at Tesco network. I'm so proud that we are donating to these amazing organisations as part of our support.

Kelvin Anderson, Chair of the LGBTQ+ at Tesco colleague network

Reward and benefits.

At Tesco, our colleagues serve customers in a variety of roles, using different skills and expertise. For every role in the business, we apply the same principles of reward – to be simple, fair, competitive and sustainable. These are applied across our whole reward package.

We continue to target investment in the areas most important to our colleagues, offering competitive rates of pay alongside a great range of exclusive colleague benefits.

Since April 2022 we've invested over £900 million in hourly pay rates for our Tesco UK store colleagues who receive £12.45 per hour. This will increase again to £12.64 from the end of August. We're proud to continue this investment as we know the importance of pay certainty for hourly paid colleagues and their families.

Our Colleague Clubcard is our most widely used benefit, with 97%* of eligible colleagues across our UK business using one. All UK colleagues are now eligible for a Colleague Clubcard after four weeks of service, down from 12 weeks previously, and we have removed the £2,000 annual limit. We have also extended our second Colleague Clubcard scheme, which allows colleagues to share a second card with friends and family, to colleagues in Booker and One Stop, bringing them into line with the rest of the business in the UK and ROI.

Our competitive total reward package includes share savings schemes, retirement savings plans, employee assistance programmes and much more. Additionally, we have expanded our benefits offer to enable all UK salaried colleagues to sign up to a range of flexible benefits including the option to buy holiday, critical illness cover and access to our Green Car Scheme, which gives colleagues the opportunity to lease electric cars.

* Between 1 April 2024 – 31 March 2025.

In ROI, the wellbeing of our colleagues has been at the centre of our €14 million investment in pay and benefits. This includes an enhanced statutory family leave benefit, which means colleagues will receive a top-up to any state benefit to their regular base pay for the full duration of their statutory maternity, adoptive and paternity leave.

Learn more about **our approach**

Learn more in our **Annual Report, page 104**

Spotlight on:

Save As You Earn (SAYE) scheme

Our popular SAYE share savings scheme gives colleagues the opportunity to save directly from their pay for three or five years. Once they have finished saving, colleagues can choose to buy Tesco shares at a discounted option price or get their savings back. It's our longest-running share scheme with thousands of colleagues participating for over 40 years. Currently, 18% of our colleagues are actively saving in one or more SAYE scheme. This year more than 17,000 colleagues have shared around a £30 million windfall when they saved into the scheme at an option price of £2.19 (five-year scheme) and £2.42 (three-year scheme), compared to the share price of £3.77 at maturity.

In 2024/25 the SAYE scheme was offered to dunnhumby colleagues for the first time, and launched in Hungary with the option to participate in 2025/26.

18%

of our colleagues are actively saving in one or more SAYE schemes

Spotlight on:

Listening.

Every Voice Matters (EVM)

We want our colleagues to feel heard and valued, inviting them to share their experiences through our colleague engagement survey, EVM twice each year. This insight makes sure we focus investment and resources on what matters most to our colleagues.

In 2024/25:

- 85% of colleagues recommend Tesco as a great place to work.
- Year-on-year 3% more colleagues told us they feel their total reward package at Tesco is competitive versus similar jobs elsewhere.
- Our wellbeing index across physical, mental and financial wellbeing was 74%.
- 86% of colleagues felt they could be themselves without fear of judgement.
- In response to a new question included following the launch of our new DEI commitments, 89% of colleagues told us that 'At Tesco, I feel everyone is welcome'.

Wellbeing.

Looking after our colleagues means putting their safety and wellbeing first, and we continue to broaden our wellbeing offer for colleagues.

Colleague safety

Looking after the health, safety and wellbeing of our colleagues is a shared responsibility at Tesco and it's central to how we do business and, over the past year, we have consistently prioritised these areas.

We've continued to implement additional protective measures for our colleagues to help tackle the increasing abuse of shopworkers we have seen across the industry. These measures include supporting colleagues with the option to use body cameras, increasing the number of security officers in stores and continuing to fit new toughened glass colleague protection screens in more than 900 Tesco convenience stores and petrol station kiosks.

Social, mental and emotional wellbeing

Tesco colleagues in all our markets have free access to support from our Employee Assistance Programme for confidential advice on health, finances and personal or work life.

In the last year we also added a mental health wellbeing learning offer to help colleagues build the skills and confidence to improve their own mental wellbeing at work and support others. This included a Group-wide mental wellbeing guide with an audio version, a suite of new tools and resources such as a wellbeing action plan and bitesize videos.

Financial wellbeing

Our financial wellbeing resources contain tips and tools to help colleagues manage their finances, as we look to support them with the cost of living. This includes information on how colleagues can make the most of their money, borrow responsibly and identify savings goals and ways to achieve them.

Learn more about **our approach**

Read about safety management in our **Annual Report, page 20**

Jump to **health**

Spotlight on:

Pay advance

We've maintained pay advances for colleagues working in Tesco Stores, Distribution, Office and Tesco Family Dining in the UK. Pay advance was launched to help colleagues with unexpected or large expenses by offering them access to a low-cost advance on their pay.

Colleagues can access up to 25% of their contractual pay early for a single set fee of £1.69. The advance is aimed at helping colleagues avoid having to take on expensive debt with high interest payments, such as pay day loans, if they are faced with unexpected bills. In the last year over 16,000 colleagues have accessed this benefit, taking out advances which total more than £13 million.

Colleagues can access up to

25%

of their contractual pay early for a single set fee of £1.69

Spotlight on:

Health.

Anytime, anywhere GP services

We want to do all we can to help colleagues with their physical wellbeing. This includes giving all colleagues in Tesco UK, Booker and ROI the ability to access online or telephone GP consultations, seven days a week through our Virtual GP services. As of 2025, our businesses in Czech Republic and Slovakia have a similar offering with Hungary to follow later this year.

Since it's launch, the service has been well received by colleagues and their families. In Tesco UK (excluding One Stop and dunnhumby) over 21,000 colleagues have registered for the service and over 23,000 appointments have been booked by colleagues and their families. All colleagues requesting an appointment were offered one within 24 hours, with an average wait time of just over eight hours.

The virtual GP service is super easy to use. I had a same-day call with a GP, who took the time to understand my needs. It was a really good experience.

Amy Bill, Tesco colleague

23,000

colleagues and their families have booked appointments through our virtual GP service.

Skills – building a workforce for the future.

As our business evolves, we're equipping our colleagues with the skills needed to thrive now and in the future.

During the last year, we scaled up and enhanced many of our career development and skills programmes, with a focus on managers, future-ready skills and young people.

Investing in our managers

Our managers are vital for leading our team, adapting to change and fostering a culture of excellence and inclusion. By developing their skills, we will advance our strategy, attract and retain talent, and build future-ready teams. We've focused investment into dedicated line manager training across the Group through our 'Winning Manager' learning offer. This training develops leadership capabilities for now and the future,

Over
1,800
individuals completed, or currently taking part, in our Tesco UK stores apprenticeship programme in the last year.

Building future-ready skills

We continue to support colleagues to build future-ready skills and have invested in technology to enable hourly-paid colleagues to sign up for additional shifts in our UK stores, based on the skills they have built. Since the start of 2025, our colleagues have added over 90,000 new skills to their profiles, enabling them to use our colleague app, My Tesco, to sign up to extra hours working on these areas, at a time that works for them.

Apprenticeships

In the last year, over 1,800 individuals were trained, or are currently being trained, on one of our apprenticeship programmes within Tesco UK stores. Senior Leader Level 7 apprentices with a degree were able to access a funded postgraduate diploma in leadership course with the University of Hertfordshire.

In CE, we offered more than 1,700 apprenticeships in Hungary and Slovakia, with colleagues spending a year at Tesco for their work placement year.

Stronger Starts for school leavers

With youth unemployment on the rise in the UK, we're also providing school leavers with a tailored apprenticeship and pastoral care to support them in their first job. In 2024/25 we extended our Stronger Starts communities programme to create meaningful career opportunities for school leavers. We welcomed our first cohort of 86 school leavers on the Stronger Starts apprenticeship in the UK in September 2024, and started our recruitment campaign in December for a further 450 apprentices for the second cohort who will start in September 2025. By 2027, the programme aims to offer 1,500 young people a chance to earn while they learn, focusing on underrepresented groups in deprived areas, building their confidence and skills in the workplace.

Jump to **Stronger Starts**

Graduate and internship programmes

We welcomed 120 graduates and interns to gain experience in different Tesco departments in the UK over the last year. In CE we had 54 graduates join across seven business functions.

We have been delivering work placements for over 10 years in partnership with Movement to Work, with thousands of young people supported to gain valuable work experience and employment in retail through our programme.

Movement to Work placements

We have been delivering work placements for over 10 years in partnership with Movement to Work, with thousands of young people supported to gain valuable work experience and employment in retail through our programme. We are proud to give learners transferable skills such as digital capabilities and English, and guarantee them an interview. This year alone saw 347 young people complete the programme.

King's Trust

In partnership with the King's Trust, we have now reached more than 136,000 young people from disadvantaged backgrounds over three years, helping them to build employability skills whilst in education. We will accelerate progress to reach our ambition of 200,000 young people by Summer 2026, in partnership with the King's Trust, as well as Speakers for Schools, the Institute of Grocery Distribution (IGD) and the Careers and Enterprise Company.

Booker Butchery Academy

Our academy began in 2008 to preserve trade skills and offer career progression in butchery. Partnering with the Institute of Meat and the Worshipful Company of Butchers, we've developed a five-level programme, from entry-level training to Master Butcher status. Over 600 Booker colleagues have completed or are currently taking part in the programme.

Human rights.

We believe our trade is a force for good, creating jobs and opportunities for people and communities across the world. We're committed to ensuring the jobs we create and support are good jobs. Stakeholders and the United Nations Guiding Principles on Business and Human Rights guide our approach and standards.

Our targets
Ensuring high-risk Tier 1 sites have regular Sedex Members Ethical Trade Audit (SMETA) human rights audits, with serious issues resolved in a timely way.
Providing support for our suppliers, including through the launch of a gender toolkit in 2024/25, to achieve the target of having at least 30% of supervisory and leadership roles occupied by women by 2025.
Driving 100% compliance with our Responsible Recruitment Requirements in Thailand and Malaysia.

As a longstanding member of the Ethical Trading Initiative (ETI), all suppliers must adhere to the ETI Base Code that covers wages, working hours, health and safety, child or forced labour, freedom of association and discrimination. We're fully aligned with the UN Universal Declaration of Human Rights and the International Labour Organisation Core Conventions, applying a credible country risk rating from the Food Network for Ethical Trade.

Our due diligence processes were developed in line with the UN Guiding Principles on Business and Human Rights and in consultation with worker organisations. As part of our responsible sourcing processes, annual SMETA audits are conducted for all tier 1 supplying sites in countries classified as high risk. We also work with Fairtrade and the Rain Forest Alliance across key product commodities.

In our home and clothing areas, we also work with the Sustainable Apparel Coalition and complete the Higg Index survey annually to shape our F&F human rights approach.

We collaborate with a variety of experienced partners, including consultants and NGOs, supported by our commercial buying and quality teams. The information gathered helps us to continually reassess and address potential and actual risks in our business and supply chains.

Learn more about **our approach**

2024/25 performance

Over the last year we've established a new operational governance group to oversee the continued rollout of our Human Rights Blueprint, which standardises policies and practices for managing human rights risks across the Group. We've also expanded our human rights team in key food sourcing regions such as Africa, Asia, and Latin America. With these actions, we're boosting due diligence and supplier support, making sure our values are at the heart of what we do.

- 95% of tier 1 supplier sites identified as high risk were audited against human rights criteria. We identified critical non-conformances at 46% of these sites, including for excessive working hours, inadequate health and safety practices and underpayment of wages. 94% of these sites have either closed out the non-conformances or are on track to do so within the required timeframe. The remaining sites have either been suspended, exited or have agreed derogations.
- We also require a sample of audits annually at all tiers of specific supply chains in high-risk countries. This includes for example, fruit and vegetable sites audited to the farm level and animal protein sites audited down to the lowest tier.
- 65% of tier 1 suppliers across food, home and clothing achieved 30% of women in supervisory and managerial roles. In 2022 we set out an ambition to increase the number of women in supervisory and managerial roles in our tier 1 supply base. Our annual data collection has allowed us to understand and support suppliers through our gender toolkit, webinars and tailored programmes with Oxfam. However, we recognise there are still barriers in achieving our ambition across our global supply chains, and we continue to support suppliers in this area.
- We continue to drive our responsible recruitment requirements in geographies of the highest risk, with 100% of food sites in scope either achieving full compliance or are implementing the final stages to achieve this. 99% of tier 1 home and clothing sites in India and Sri Lanka have strengthened their compliance.
- We work collaboratively with suppliers to address and resolve non-conformances, regularly hosting briefing sessions on topics to help them put sustainable measures in place to ensure ongoing compliance with our requirements and support our proactive responsible sourcing agenda.

Spotlight on:

Government engagement

Earlier this year we gave evidence to the UK Parliament's Business and Trade Committee as part of its inquiry into the Employment Rights Bill and the broader state of labour practices within business and supply chains. A wide range of topics were discussed, including the efficacy of current due diligence legislation, the risks associated with the UK Seasonal Worker Scheme (SWS) and the importance of industry collaboration in tackling exploitation.

Learn more about **our evidence**

Seasonal Workers Scheme (SWS)

The well-documented risks within the SWS remain a priority in our modern slavery approach. We have identified that the scheme brings higher risks of modern slavery and exploitation, particularly through recruitment fees, discrimination, and poor accommodation standards, among other forms of labour abuse.

The design of the government scheme is not aligned with the Employer Pays Principle, due to the requirement for workers to cover significant costs for visas and travel. In 2024/25, we continued to see compounded risks, such as reports of debt bondage and exploitation. Our main concern remains the vulnerability of workers entering the scheme and the risk of them becoming significantly indebted in the process through both legal and illicit recruitment fees and costs. We continue to seek industry improvements through our participation in the multi-stakeholder SWS Taskforce.

In response to this industry-wide challenge, in 2024/25 we:

- Continued funding and participation in the SWS Taskforce to address root cause issues and improve worker experience in the immediate term.
- Fed into DEFRA's worker survey to encourage authentic worker testimony.
- Supported the capacity building of growers through national supplier roadshows.
- Supported the Taskforce's further rollout of a Responsible Recruitment Progress Assessment for scheme operators.

Understanding root causes

We recognise that in many cases we cannot address rights abuses without addressing the root causes which underlie them. The four themes of focus in our strategy are helping to address some of these issues.

Anti-slavery

A key strategic theme in our human rights strategy is tackling modern slavery, an issue which we recognise is a widespread risk in food and non-food supply chains. In addition, to work in our own operations on this issue, we have supported a number of programmes linked to tackling forced labour.

Modern Slavery Statement

Worker representation

In the last year, within our supply chain we've focused on ensuring freedom of association policies are in place at all of our non-food suppliers in Bangladesh, India and Turkey. In 2024/25, we signed an agreement with the global union IndustriALL in support of collectively bargained wages in the clothing industry in Cambodia.

Sustainable livelihoods

Our sustainable livelihoods human rights approach encourages suppliers to uphold and seek wage and income improvements, including adopting living wage principles. We work closely with trade unions, specialist organisations and suppliers through multi-stakeholder collaborations such as Action, Collaboration, Transformation (ACT) to support achieving a living wage in the clothing industry, and the World Banana Forum to close living wage gaps throughout banana supply chains. We are also reviewing our purchasing practices with the ETI against best practice to identify opportunities for greater alignment.

Gender equity

Our commitment to gender equity extends to the supply chain where we work with suppliers to ensure both men and women have access to the same opportunities. Our responsible sourcing practices consider the specific context of the industry, country and site to ensure mechanisms are meaningful and that access to grievance mechanisms are accessible for women, migrant workers and smallholders, among other at-risk groups.

Jump to **ethical conduct**

Spotlight on:

Working with suppliers on gender equity

Our ambition is to ensure women hold 30% of supervisory and management roles across all our suppliers by December 2025, We've been supporting suppliers to help them achieve this. We recognise there are significant challenges in achieving gender balance across certain geographies, especially in areas like Pakistan and other countries in the Indian subcontinent. To understand and support with those challenges, earlier this year we hosted a conference in Sri Lanka which brought together senior leaders from our suppliers in Pakistan and Sri Lanka to help take action together. Discussions focused on the crucial role of gender equality in achieving sustainability goals.

We hosted breakout sessions, enabling suppliers to share their success stories, allowing others to take actionable solutions back to their businesses. As part of their action plans, we also asked suppliers to:

- Pledge to appoint two Gender Champions from their leadership teams to lead progress.
- Commit to attending a quarterly network of Gender Champions to share best practice.
- Attend deep dive meetings to support continuous improvement in gender representation.

Following the positive feedback that the conference supported suppliers in building their strategies for gender equality, we're now planning to roll out similar conferences in India and Bangladesh this year.

Looking ahead...

Colleagues

- We will continue to ensure Tesco is a place where everyone's welcome, through our colleague commitments and by embedding our value that 'we treat people how they want to be treated' across the Group.
- Continue to invest in our colleagues' total reward, including how we support and invest in colleagues' wellbeing.
- Invest in attracting and developing talent, through new recruitment tools, a new careers guide and building skills for the future, including digital skills.
- Continue efforts to welcome 1,500 Stronger Starts apprentices to Tesco by 2027.

Human rights

- Continue participation in the SWS Taskforce to improve conditions for scheme participants, and pursue advocacy opportunities with UK government and other stakeholders for reform of the Scheme.
- Continue to review our purchasing practices to understand opportunities for improvement.
- Continue to improve coverage and access to grievance mechanisms for workers across our supply chains.

We're focused on making a positive impact where it matters – in the heart of our communities across the UK, ROI and Europe. Our food redistribution initiatives are here to lend a hand to those in need, ensuring no good food goes to waste. Plus, our Stronger Starts programme is all about giving children and young people the right start in life with access to healthy, nutritious food and engaging activities.

37 Stronger Starts
39 Food redistribution
40 Charity initiatives

Communities.

Overview.

Communities are at the heart of our purpose – *serving our customers, communities and planet a little better every day.*

Through our work with local causes and our food redistribution programmes, we want to make a big difference and are proud to support the projects and organisations that really matter to our colleagues and customers in their local communities.

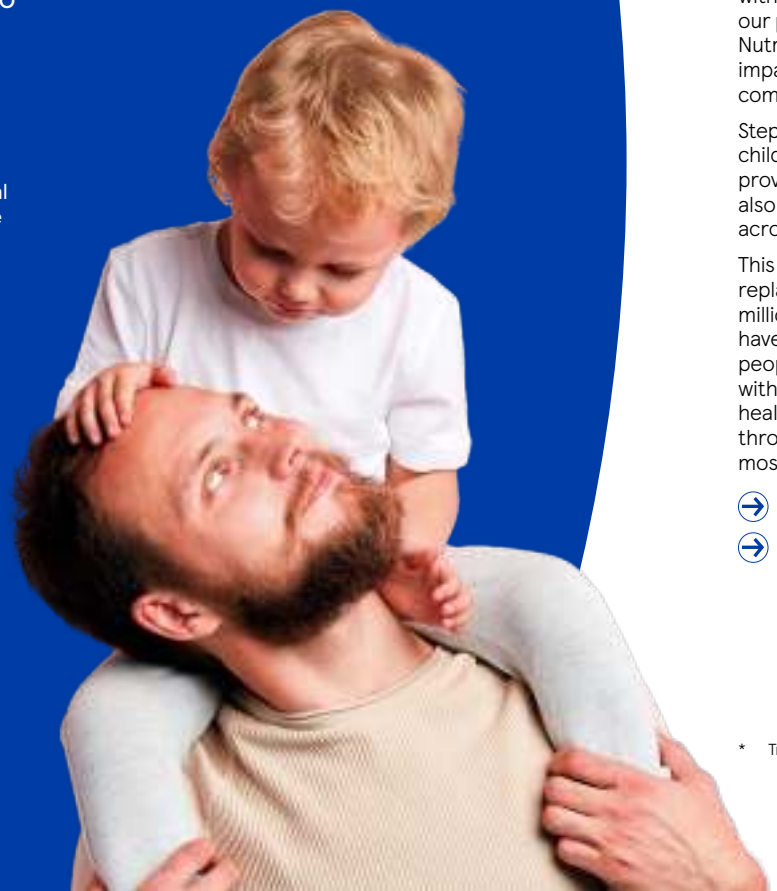
We believe in helping our communities thrive. That's why we focus our efforts on initiatives that break down the cost of living barriers for families and children. Our Stronger Starts programme leads the charge and we amplify this through local grant schemes, directly supporting the areas where we all live and work.

We also remain committed to making a positive impact by redistributing surplus food and other items. It's part of our promise to reduce waste and help our communities.

Learn more about **our approach**

Jump to **databook**

Our targets
To help build stronger communities through food and support for other projects or causes that matter in the towns and cities where we operate.
We aim to reach over one million children by December 2025 with funding from Stronger Starts grants.



Stronger Starts.

In partnership with

Stronger Starts is our grant programme of over £13 million giving disadvantaged children in the UK and ROI a stronger start through healthy eating and physical activity.

With Trussell research indicating that 9.3 million* people, including three million children, in the UK are facing hunger and hardship, the need for Stronger Starts has never been greater. In parallel with our health commitments (see **page 22**), and with insight from our partners Trussell, FareShare, Groundwork and the British Nutrition Foundation, our Stronger Starts programme made a real impact in the last year, providing food and grants to schools, community groups and sports clubs.

Stepping up our support during school holidays – when some children go without meals – our Kids Eat Free programme provided 375,000 free meals to families visiting our stores. We're also investing £4 million more to ensure thousands of children across the UK have better access to fresh fruit and veg.

This year, we also launched Stronger Starts across Central Europe, replacing our You Choose We Help programme. So far, seven million customers across Czech Republic, Hungary and Slovakia have awarded grants to 477 groups focusing on children and young people. Stronger Starts Food in ROI provides thousands of children with free weekly packs of fresh fruit and veg to support access to healthier meals and snacks at home. The programme is facilitated through the DEIS primary school network, based in some of the most underprivileged communities.

Learn more about **Stronger Starts**

Jump to **health**

* Trussell's Cost of Hunger and Hardship report available **here**.

We are delighted to see that the scheme has already delivered millions of portions of fruit and vegetables into schools, contributing to improving diets of children and young people. It's particularly inspiring to see the wide variety of different produce being purchased. With over 80 different types so far, from asparagus to edamame and persimmon to pomegranate, these varieties may be new to children and likely out of reach on the tight budget that schools usually have to work to.

Elaine Hindal, Chief Executive of the British Nutrition Foundation

Spotlight on:

Nutrition.

Fruit and veg for schools, UK

According to the British Nutrition Foundation, only 12% of children aged between 11 and 18 are meeting the five-a-day recommendation. In 2024/25, we doubled down on our commitment to childhood nutrition by creating Fruit and Veg for schools.

Since launching in October 2024, the programme has supported more than 140,000 pupils in over 400 schools in areas of economic deprivation, where there's a higher-than-average free school meal ratio.

These pupils have enjoyed almost five million portions of fruit and veg weighing more than 194,000kgs. The five most popular items of fruit were apples, bananas, oranges, kiwi and satsumas, and the most popular veg were potatoes and carrots.

In total, we calculated that the fruit and veg purchased by schools with their Tesco gift card provided the equivalent of:

- 228,133 daily reference intakes of vitamin A
- 455,658 daily reference intakes of vitamin C
- 103,859 daily reference intakes of fibre

While the most popular choices have been familiar favourites such as apples, bananas, oranges, carrots and tomatoes, there have been over 80 different types of fruit and veg purchased so far. These include items that can be more expensive and harder to access when budgets are tight, such as berries, pomegranate, avocado, asparagus and sugar snap peas.

Activity for All

In partnership with The Sun newspaper, *Footie for All* is making football more accessible to those in marginalised communities by funding grassroots clubs. In 2024/25, 300 grants totalling £300,000 were made.

Recognising the ongoing cost of living crisis and the impact on kids over the summer, the programme expanded to become *Activity for All* during the school holidays, with 150 grants of £1,000 each given to clubs and youth organisations providing holiday activities and snacks for children.

£300,000
of *Footie for All* grants were awarded last year to 300 grassroots football clubs.

Food redistribution.

By redistributing unavoidable food surplus we provided the equivalent of almost 118 million meals to charities, community groups and colleagues in the last year across the Group.

We continue to drive down food waste in our stores and value chain (see **page 15**), for more than a decade our food surplus redistribution scheme has been making sure that safe, good quality food goes to those who need it. In the UK and ROI, we partner with FareShare and Olio to make this happen, while in Central Europe we partner with the national food banks and social enterprise, FoodCloud.

In the UK, we have redistributed the equivalent of more than 450 million meals to charities, community groups and colleagues since 2016. This includes meal donations from our distribution and fulfilment centres. Since 2020 we have also partnered with Olio to distribute our surplus food, where charities are unable to collect.

Through our food collection programme, our customers donate long life food all year round. We also run an annual event in the run up to Christmas to provide additional support through the winter months. During our 2024 Winter Food Collection, our customers donated 1.9 million meals to support our food charity partners, FareShare and Trussell.

In addition to the donations of food, the collection saw more than £440,000 donated to the charities by customers rounding up their bills at the till and donating through a link from our groceries website. We also provided an additional £500,000 of funding to both FareShare and Trussell to address heightened levels of food poverty during the summer holiday period and in the run-up to Christmas.

In CE, we continue to donate food via food banks through our customer food collections. This year, customers donated around 1.3 million meals through our Spring and Winter Food Collections. To date, 9.6 million meals have been donated since 2016. Our customer food collections run alongside our established store-based food redistribution programme, which provides food surplus to over 370 food bank charities in the region (see **page 16** for more detail).

In ROI the Tesco Surplus Food Donations Programme has been in place since 2013, powered by Irish social enterprise FoodCloud, and food sharing app Olio. Through this programme the equivalent of over 20.5 million meals of surplus food has been donated to over 730 charities and community organisations nationwide.

Learn more about **our approach**

Jump to **food waste**

We are extremely grateful to Tesco for their generous donation and are excited to partner with them.

Emma Revie, CEO of Trussell

Spotlight on:

Food redistribution at Booker

Booker work closely with FareShare and other charities, and in the last year has donated around 7.5 million meals, up 18% on last year.

Within Booker's operations sits Best Food Logistics, who have partnered with food redistribution charity, The Bread & Butter Thing for food donations direct from their depots. In the last year over 15 tonnes of food, the equivalent of 36,500 meals, have been donated. Both Best Food Logistics and Booker have been awarded the FareShare leading food partner for 2024 and 2025.

Booker supports its independent business customers to redistribute edible food by linking them up with food redistribution service, Too Good To Go. In the last year working with Too Good To Go, Premier, Londis and Budgens customers have donated 136 tonnes of food whilst supporting local communities.

Donating non-food items

Beyond food, we make ad hoc stock donations. For example, in 2024/25 we joined forces with our suppliers to donate essentials as part of In Kind Direct's hygiene poverty campaign. We also donated packs of premature baby clothes to every NHS neonatal unit across England. In total, over 22,000 packs of F&F Premature Baby Essentials were given to all 156 units via the Salvation Army.

Almost

118 million

meals redistributed to charities, community groups and colleagues in the last year across the Group.

Charity initiatives.

We're all about making a difference together, and our charity partnerships are a big part of that. Making it easy for customers to give as they shop and encouraging colleague fundraising.

We work with charities and organisations whose vision matches ours as we strive to make a big difference. We raise funds through a combination of corporate giving as well as colleague and customer fundraising to donate millions to charitable causes and community projects.

Spotlight on:

Charity.

Thanking our community champions

In the last year, 206 fully funded community champions have played a key part in our charitable efforts. These dedicated colleagues serve as a vital link between our stores and the communities we serve and bring a wealth of expert knowledge of our charity programmes, including food collections and community grants.

I'm the go-to person for customers, groups and schools. By raising funds for local groups, charities and associations, we can be a bridge between a business and the public.

Greg Barratt, Tesco Greenfield

Key charity partnership activity in 2024/25 included:

- Our 'Helping you to live healthier' partnership with Cancer Research UK (CRUK), British Heart Foundation and Diabetes UK aims to inspire, empower and support communities to make healthier food choices, live healthier lives and gain access to pharmacy services to reduce their risk of cancer, heart and circulatory disease and type 2 diabetes. Since 2018, over £32 million has been raised, which is divided equally between the three health charities.
- We have partnered with CRUK since 2002, and sponsored Race for Life for 21 years to raise money for vital research into over 200 types of cancer. Through the Health Charity Partnership, Charity of the Year partnership in 2012 and Race for Life, Tesco colleagues and customers have helped raise over £73 million for CRUK's life-saving work.
- In November 2024, we donated £25,000 to The Salvation Army to help support vulnerable families during the festive season. Over 800 large stores also had dedicated donation points where customers could drop off new, unwrapped toys.
- Since 2014, the Community Fund initiative in ROI has donated over €9 million to support more than 26,000 local community projects countrywide. In 2024/25, we donated €1 million to 1,675 individual community projects, with over €500,000 going to support child-related projects like sports clubs, schools, art camps, IT activity and much more. In addition, €638,000 has been fundraised this year for the Children's Health Foundation.
- Since 2016 through our community grant programmes You Choose We Help and from 2024 onwards, Stronger Starts, we have provided £5.9 million of funding, supporting more than 8,000 community groups across the Czech Republic, Hungary and Slovakia.
- Since 1997, we have donated over £27 million to the work of the British Red Cross, which provides vital support to people affected by disasters and emergencies in the UK and overseas.

We make it easy for customers to give whatever they can – by giving them the option to round up their shop to the nearest £1 at tills in store (this raised £2.1 million during 2024/25). Customers can also donate as part of their online shop (raising over £182,500 in 2024/25) or through Clubcard vouchers. Customers can also vote for their favourite charity or school to receive a grant with our Golden Grants blue token scheme in store. Last year we gave around £1 million worth of grants.

Charitable donations policy

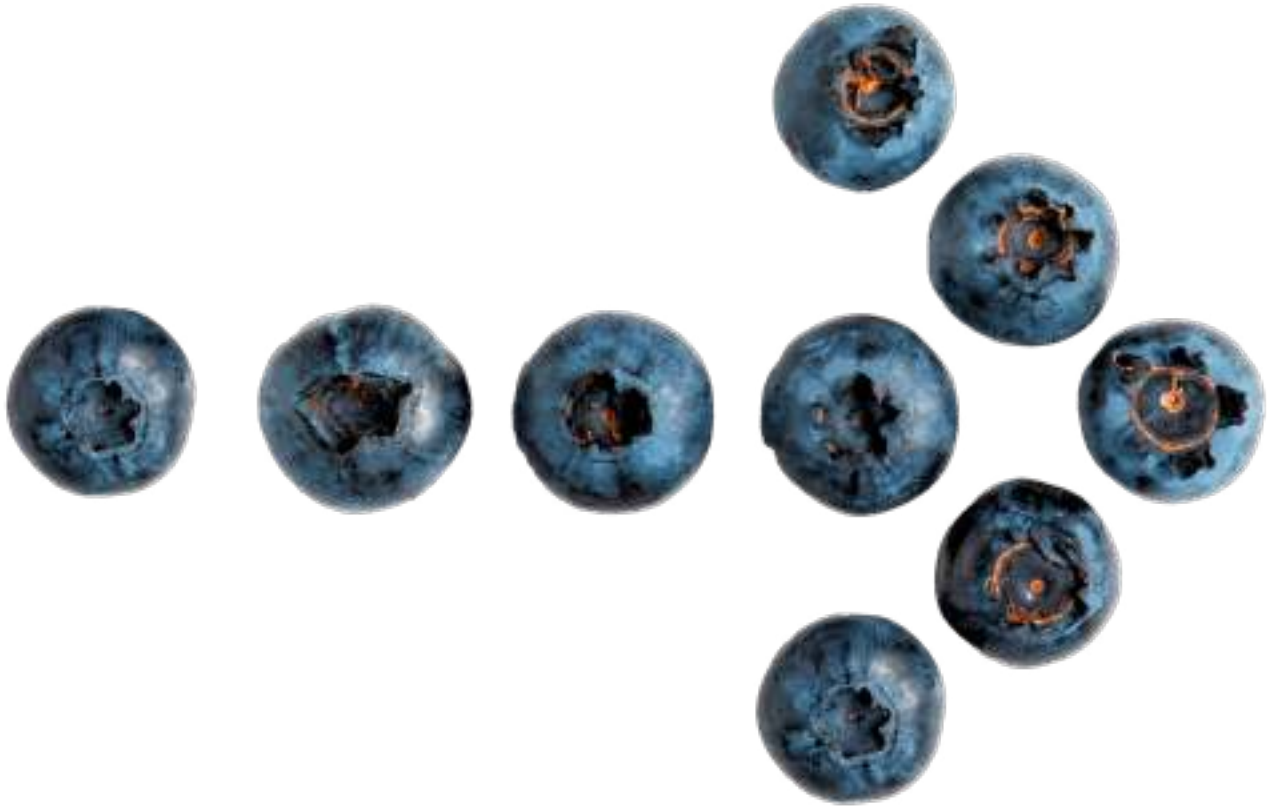
See our **current charity partnerships**

Learn more about our **community fund in ROI**

Looking ahead...

- We'll continue to provide funding for fruit and veg for schools with a further £4 million from September 2025, reaching thousands more children across the UK.
- Our £13 million funding programme of Stronger Starts Grants will also provide year-round help for schools and childrens' projects.
- From September 2025, we'll also be adding an additional Golden Grant boost of £500,000 for community projects and schools, as voted for by our customers in their local areas.
- We're also excited to introduce *Cookery for All*, building on the success of our *Footie for All* and *Activity for All* programmes. This will see us award 150 grants of £1,000 to parents facing food poverty in the year ahead.

As the foundation of our sustainability framework, good governance is fundamental to the Tesco purpose, ensuring that the way we serve our customers, communities and the planet aligns with strong ethical values.



42 Sustainability governance and risk management
43 Ethical conduct

Governance.

Overview.

Our Code of Business Conduct and its underlying policies are the basis for all strategic decision making and stakeholder engagement.

Ethical standards extend to how we source our goods with a comprehensive global programme of supplier due diligence, auditing, certification and partnership.

Managing sustainability risk comes under our enterprise risk management processes (see our Annual Report) including principal risks of cyber security, data privacy, climate change, responsible sourcing, health and safety, product safety and food integrity, people and regulatory compliance.

Learn more about **our approach**

See our **Annual Report, pages 40 to 49**

25%

Our dedication to sustainability is evident in our approach to measuring performance. ESG factors are integrated into our PSP with a 25% weighting.

Sustainability governance and risk management.

Sustainability is governed at the highest levels of our business.

As discussed in detail in our Annual Report, the Sustainability Committee oversees our sustainability approach, working closely with the Planet Committee. Sustainability assurance is governed by the Audit Committee, while the Remuneration Committee monitors sustainability-linked performance.

Sustainability Committee overview

The Sustainability Committee assists the Board in fulfilling its responsibilities by reviewing and challenging initiatives supporting the Group's net zero commitments with regular deep dives into each of the planet plan pillars, and monitoring our progress with respect to sustainability. It oversees the effective integration of sustainability matters into the Group's strategy and operations, including the Group's sustainability initiatives to support the delivery of the Group's purpose, strategic priorities and six pillars of the planet plan. As part of this year's activities, the Committee has reviewed the Group's sustainability communication plan, undertaken various site visits and conducted deep dives in areas critical to the Group's glidepath. The Committee has also undertaken a review of its effectiveness as part of the external Board performance review which found that the Committee was performing effectively, with positive contributions from members and meetings well chaired.

Learn more in our **Annual Report, pages 76 to 79**

Learn more about our **governance structure**

Rewarding progress

Our dedication to sustainability is evident in our approach to measuring performance. ESG factors are integrated into our PSP with a 25% weighting. These measures are assessed alongside earnings per share and free cash flow for our CEO, CFO, and senior leadership team. They comprise carbon reduction (8.3%), food waste reduction (8.3%) and diversity and inclusion (8.3%).

Learn more in our **Remuneration report, as part of our Annual Report, page 107**

Risk management
As described in our Annual Report, we manage sustainability risks with the same rigour as any other principal risk – using our enterprise risk management framework and associated governance.

The Board, Audit Committee and Executive Committee undertake deep dives into our principal risks periodically during the year. Of the 13 principal risks we identify as facing the Group, this Sustainability Report focuses on climate change, responsible sourcing, product safety and food integrity, and people.

Learn more in our **Annual Report, pages 40 to 49**

Climate risk
The Board has ultimate responsibility for climate-related risks and opportunities. The Sustainability Committee oversees the Group's approach, working closely with the Planet Committee to deliver our sustainability goals.

Learn more in our **Annual Report, pages 43 and 48**

Jump to **driving progress**

Cyber security and data privacy
With oversight by the Audit Committee, supported by the Cyber Committee, our data privacy compliance programme is built around the Group's risk controls, assurance framework and data privacy audits.

Learn more in our **Annual Report, page 42**

Code of Business Conduct

Cyber security – protecting customer and colleague data

Privacy and cookies policy

Product safety
We have a well-established and comprehensive food safety management system within our stores and distribution centres. Every day, we monitor and check the quality and safety of our food to make sure our standards are maintained. Such checks include the temperature of our products, personal hygiene, cleanliness of our stores and equipment, protecting foods from contamination and managing the rotation of our food products.

Product safety and quality policy

Ethical conduct.

We pride ourselves on our reputation for acting fairly, ethically and in line with our values – wherever we do business.

Our Code of Business Conduct describes the most important legal obligations and the policies that guide our conduct.

Topics covered by the Code include clear prices and marketing, food and product standards, data security and privacy, health and safety, human rights, diversity, competition law, ethical trading, anti-bribery, corruption and fraud, conflicts of interest, insider trading, gifts and political contributions.

The Audit Committee supports the Board in discharging its responsibilities in relation to serious reportable incidents, privacy, fraud, anti-bribery, people safety and whistleblowing. The Committee also monitors the relationship with the Groceries Code Adjudicator and receives reports on supplier engagement and internal auditing of ethical business processes.

Learn more about **our approach**

Code of Business Conduct

Encouraging open dialogue

We listen closely to what our colleagues have to say. Our culture is open, honest and inclusive – where everyone's voice is heard, and where colleagues are encouraged to make suggestions and raise concerns. Our annual Every Voice Matters survey is sent to all colleagues, and we saw a participation rate of 76% in 2024/25, up from 68%. We also conduct a mid-year survey and hold focus groups to delve into topics important to our colleagues. Additionally, our Colleague Contribution Panels, attended by Board members, take place in various countries to hear and address the views of our colleagues.

Protector Line provides any stakeholder with a completely independent channel to anonymously raise concerns regarding possible misconduct and breaches of the Code of Business Conduct, as set out in the whistleblowing policy. The Audit Committee provides oversight of the effectiveness of the Group's internal whistleblowing policy and the independent Protector Line arrangements.

Access protector line

Grievance policy

Group whistleblowing policy

Anti-bribery and corruption

Any association with bribery, fraud, and/or corporate tax evasion throughout our operations and value chains exposes us to legal penalties and reputational damage. Anti-corruption and bribery is managed as a principal risk for Tesco (as part of regulatory and compliance risk).

See our **Annual Report, page 47**

Group anti-bribery policy

Ethics and compliance policies

Supply chain transparency

As a principal risk for Tesco, responsible sourcing is managed through policies and processes that are made clear to suppliers in contractual agreements, the Code of Business Conduct and ongoing guidance and support. All tier 1 suppliers are required to register on Sedex, the world's largest data platform for supply chain assessment, and they complete a self-assessment questionnaire annually. The questionnaire covers human rights, gender equality, health and safety, working hours and other social risks. Annual audits are conducted on high-risk sites to identify any non-conformities with additional unannounced audits and reviews of any prior approvals for sub-contracting.

The relevant Tesco team investigates all issues of concern, and we collaborate with civil society organisations, including voluntary certification schemes, to address non-conformances and ensure continuous improvement. Key matters raised by suppliers are reported to the Audit Committee.

Sustainable livelihoods supply chain strategy

Code of Business Conduct

Read our **Annual Report, page 44**

Jump to **human rights**

Jump to **nature-related progress by commodity (including deforestation risk)**

In this chapter we disclose our detailed data tables and Sustainablilty Accounting Standards Board (SASB) disclosures.

This report focuses on the 2024/25 financial year (ending 22 February 2025), certain qualitative and quantitative data fall outside of this period for context.

ESG ratings

MSCI	Sustainalytics	Bloomberg	FTSE4Good	CDP
AA Rating	Low Risk 17.8	Leading – 99.4 percentile	Constituent since 2001	Water – B Climate – C Forests – C

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Detailed disclosures.

Further reading.

Our sustainability report is part of a comprehensive reporting suite that showcases our sustainability work, including:

Annual Report 2025

Company performance including TCFD and Nature

Modern Slavery statement

Detailing the steps taken to minimise the risk of modern slavery in our operations and supply chains

Everyone's Welcome report

An update on the progress we're making on inclusion, including our gender and ethnicity pay gap

Sustainability Reporting hub

Further policies and reports, including our data methodologies and Deloitte's Assurance report.

Databook.

Planet.

Topic	Target	Description of KPI	Baseline year and figure	20/21	21/22	22/23	23/24	24/25
Climate change	**Carbon neutral across our own operations by 2035, aligned to a 1.5 degree pathway**	Percentage reduction of Scope 1 and 2 market-based greenhouse gas emissions across the Group	2015/16 Total Scope 1 and 2 (Market-based) GHG emissions: 2,336,542 (tCO_2e)	54%	52%	55%	61%	65%◊
	Fully electric Tesco home delivery fleet by 2030	Proportion of home delivery vans that are electric, as a percentage of the total home delivery fleet	–	–	–	–	11% 571 vans	13% 720 vans
	Source 100% of our electricity from renewable sources by 2030	Proportion of electricity procured that is renewable	–	100%	100%	100%	100%	100%[(a)]
	Procure Group electricity demand increasingly via Power Purchase Agreements (PPAs) and onsite generation	Proportion of electricity volume from PPAs and on-site generation, as a percentage of electricity consumption at Group level						
		(i) Contracted	–	21%	26%	25%	31%	40%
		(ii) Generated	–	–	–	13%	11%	19%◊

◊ Deloitte LLP was engaged to provide independent limited assurance over the selected data highlighted in this table with a ◊ using the assurance standard ISAE 3000 "Revised". Deloitte has issued an unmodified opinion over the selected data. Deloitte's full assurance statement is available here: **http://tescoplc.com/esg-assurance**.

(a) We have signed 11 PPA contracts in the UK comprising >1 TWh of wind and solar output.

Databook continued

Planet continued

Topic	Target	Description of KPI	Baseline year and figure	20/21	21/22	22/23	23/24	24/25
Packaging	**Remove: Remove plastic packaging where we can**	Cumulative number of pieces of plastic removed in the UK	–	1 billion	1.6 billion	2.2 billion	2.3 billion	2.5 billion
	Reduce: Reduce all unnecessary packaging	Tonnage of packaging removed through targeted reduction projects in the UK	–	2,000 tonnes	1,200 tonnes	1,300 tonnes	1,480 tonnes	1,938 tonnes
	Recycle: Our packaging will be fully recyclable by 2025 [a]	Percentage of all Own Brand packaging that is recyclable in the UK (kerbside only)[b]	–	84%	87%	86%	86%	87%
		Percentage of all Own Brand packaging that is recyclable in the UK (including UK collection points and large supermarkets)[c]	–	–	–	–	–	99%

(a) Figures reported represent performance for the prior calendar year as data is provided via our compliance scheme partner Valpak a year in arrears in accordance with the Producer Responsibility Obligations (Packaging Waste) Regulations.
(b) Percentage of Own Brand packaging by weight in the UK recyclable at kerbside only.
(c) Percentage of Own Brand packaging by weight in the UK recyclable at kerbside, council collection sites, large supermarkets, and our own bespoke in-store recycling services.

Topic	Target	Description of KPI	Baseline year and figure	20/21	21/22	22/23	23/24	24/25
Food waste	**85% of unsold food safe for human consumption in the UK redistributed to humans or animals by December 2025**	Percentage of unsold food safe for human consumption redistributed to humans or animals in the UK	–	–	–	–	76%[a]	82%
	Halve food waste in our own operations by December 2025	Percentage change in tonnes of food wasted as percentage of tonnes of food handled compared to baseline year	2016/17 Food handled: 15,012,516 (tonnes) Waste: 95,127 (tonnes)	–	–	–	(14)%[b]	(14)%◊
	Work in partnership with our suppliers to halve food waste in our supply chains by 2030 and increase the number of suppliers reporting a reduction	Number of suppliers who report a reduction in food waste as a percentage of food handled	–	71	79	108	106	117
		Suppliers reporting food waste of fresh food sales in UK	–	over half	over half	over half	42%	64%
		Suppliers reporting food waste of fresh food sales in ROI	–	one third	one third	over 40%	39%	37%

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(a) In January 2024, we terminated our relationship with our food waste processor in the UK, following an internal review which showed that food we believed was being processed for animal feed was in fact going to anaerobic digestion. As a result, we excluded animal feed from our data in 2023/24. Further information here: **https://www.tescoplc.com/update-on-our-progress-to-halve-food-waste/**.
(b) This covers P11 and P12 only, the periods after we transitioned to our new waste processing supplier.

Databook continued
Planet continued

Topic	Target	Description of KPI	Baseline year and figure	20/21	21/22	22/23	23/24	24/25
Protecting forests	**Achieve zero deforestation**	Percentage volume of palm oil physically certified to Roundtable on Sustainable Palm Oil (RSPO) standard[b]	–	Group: 100%	Group: 100%	Group: 100%	Group: 100%	Group: 100%
		– Identity preserved	–	0%	0%	0%	0%	0%
		– Segregated	–	65%	73%	83%	81%	84%
		– Mass-balance	–	32%	23%	15%	18%	15%
		– Independent Smallholder Credits	–	2%	4%	2%	1%	1%
		– Uncertified	–	<0.1%	0%	0%	0%	0%
		Percentage of paper/wood products certified by Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC) or from a recycled source[b]	–	UK&ROI: 100% CE: 98%	UK/ROI/CE: 100%	UK/ROI/CE: 100%	UK/ROI/CE: 100%	100%[a]
		Percentage of soy used in animal feed that meets our Zero Deforestation Soy Transition Plan (UK) requirements[b]	–	100%	100%	100%	100%	100%

(a) Our figures excluded Booker until the fiscal year 2023/24. However, starting from the fiscal year 2024/25, Booker figures have been included.
(b) Data is reported on a calendar year basis.

Databook continued

Topic	Target	Description of KPI	Baseline year and figure	20/21	21/22	22/23	23/24	24/25
Farming and nature	**Treat all animals in our supply chain humanely at all life stages**	Percentage of audited sites that meet our animal welfare standards in UK/ROI	–	87%	85%	82%	90%	87%
		Percentage of key suppliers reporting animal health and welfare outcome measures in UK/ROI	–	UK only 92%	99%	96%	96%	96%
		Percentage of cage free shell eggs	–	UK: 83%	UK/ROI: 86%	–	–	–
		i) Shell						
		– Group	–	–	–	73%	82%[a]	83%
		– UK	–	–	–	82%	88%[a]	86%
		– ROI	–	–	–	68%	97%	99%
		– CE	–	–	–	33%	31%	48%
		– Booker	–	–	–	72%	98%	98%
		ii) Ingredient						
		– UK	–	–	–	39%	47%	68%[b]
		– ROI	–	–	–	–	33%	80%[b]
	Sustainably source our agricultural products	Percentage of global grower base LEAF marque certified	–	N/A - KPI introduced 2022/23	N/A - KPI introduced 2022/23	UK: 100%	UK: 100% Rest of world: 18%	UK: 100% Rest of world: 29%
	Sustainably certify all our Own Brand wild fish by 2030	Percentage of Own Brand wild caught seafood (tonnes) certified by Marine Stewardship Council (MSC) in the UK[c]	–	63%	63%	67%	70%	75%[d]

(a) FY23/24 figure has been restated for the UK due to a reporting error. New UK result is now 88% (compared to previously stated 93%). Total Group figure also changed as a result to 82% (previously 77%).
(b) UK and ROI improvement driven by continuously communicating to suppliers that Tesco have a target of being cage-free by 2025.
(c) Data is reported on a calendar year basis.
(d) The 5% improvement was mainly driven by our work towards 100% MSC Tuna target for 2025. We saw an increase of MSC certified tuna tonnage from 2,229 tonnes with 30% of volumes MSC certified in 2023, to 5,560 tonnes with 63% Skipjack MSC certified in 2024.

Health.

Topic	Target	Description of KPI	Baseline year and figure	20/21	21/22	22/23	23/24	24/25
Healthy, sustainable diets	**To help UK and ROI customers eat more healthily by increasing the proportion of sales of healthy food to 65% by December 2025**	Percentage of volume sales from products with a 'healthy' NPM [a] score as a proportion of total volume of food sales for UK and ROI	–	Not reported due to COVID-19 impact[b]	58%	60%[c]	63%	64%◊
	To help CE customers eat more healthily by increasing the proportion of sales of healthy food to 53% by December 2027	Percentage of volume sales from products with a 'healthy' health score as a proportion of total volume of food sales for CE	–	N/A – New KPI and baseline introduced in 2021/22	Baseline: 49%	49%	50%	51%◊
	To make products healthier through reformulation	Percentage point change in volume of key nutrients for Tesco UK Own Brand products below/above Own Brand volume growth (vs baseline)	2015	Sugar: 7.8 pps below Salt: 0.1 pps below Fibre: 14.8 pps above	Sugar 9.3pps below Salt 6.1pps below Fibre 11.4pps above	Sugar: 9.2pps below Salt: 14.8pps below Fibre: 13.4pps above	Sugar: 8.0pps below Salt: 12.0pps below Fibre: 14.7pps above	Sugar: 8.7pps below Salt: 1.9pps below Fibre: 14.3pps above
	Encouraging customers to eat more sustainably by increasing sales of plant-based meat alternatives by 300% by December 2025	Percentage growth in plant-based meat alternatives in the UK (vs baseline)	2018	96%	130%	119%	109%	94%

◊ Deloitte LLP was engaged to provide independent limited assurance over the selected data highlighted in this table with a ◊ using the assurance standard ISAE 3000 "Revised". Deloitte has issued an unmodified opinion over the selected data. Deloitte's full assurance statement is available here: **http://tescoplc.com/esg-assurance**.
(a) NPM: UK Government's 2004/05 Nutrient Profiling Model
(b) We did not report the proportion of sales in UK and ROI from products with a 'healthy' health score in 2020/21 due to COVID-19 impacts disrupting normal shopping behaviour.
(c) Of the 2% point YoY improvement in percentage healthy sales in 2022/23, 58% is driven by underlying improvements and the remaining 42% relate to methodology changes, in order to align our score methodology more closely with the UK Government NPM model.

Topic	Target	Description of KPI	Baseline year and figure	20/21	21/22	22/23	23/24	24/25
Protein	**Proportion of protein sales for food and soft drink product categories in the UK**	– Plant	–	12%	12%	11%	11%	9%
		– Fish	–	7%	7%	7%	7%	6%
		– Meat and Egg	–	81%	81%	82%	82%	85%
	Tesco dairy category sales for food and soft drink products in the UK	– Dairy	–	95%	95%	93%	94%	93%
		– Dairy alternatives	–	5%	5%	7%	6%	7%

Databook continued

People.

Topic	Target	Description of KPI	Baseline year and figure	20/21	21/22	22/23	23/24	24/25
Colleagues	**Continue to build an inclusive culture where everyone has the opportunity to get on**	Percentage of colleagues that agree 'There is an inclusive culture at Tesco where I feel I can be myself without fear of judgement' within the Every Voice Matters survey	–	81%	83%	85%	86%	86%
	Being a great place to work	Percentage of colleagues that recommend Tesco as a great place to work within the Every Voice Matters survey	–	82%	80%	82%	84%	85%
	Developing careers, skills and leadership capability	Percentage of colleagues who feel they have the opportunity to learn and develop at Tesco within the Every Voice Matters survey	–	73%	73%	72%	74%	74%
	Supporting colleagues to be at their physical and mental best	Percentage colleagues that believe Tesco supports their health and wellbeing within the Every Voice Matters survey	–	74%	74%	71%	73%	74%
	Protecting the health and safety of those who attend our sites	Number of work-related injuries reported across the Group[(a)]	–	37,176	36,839	35,920	37,673	38,098

(a) We report all injuries that occur within our sites or in relation to our operational presence. As such, these figures will include injuries reported by all visitors including colleagues, customers and contractors.

Topic	Target	Description of KPI	Baseline year and figure	20/21	21/22	22/23	23/24	24/25
Diversity, equity and inclusion	**Continue to build an inclusive culture where everyone has the opportunity to get on**	Percentage female share of total workforce and by work level across the Group	–	53%	53%	53%	52%	51%
		– Board[(a)]	–	31%	31%	38%	42%	42%
		– Executive Committee[(a)]	–	–	31%[(b)]	31%	25%	36%[(d)]
		– Directors	–	26%	–	–	–	–
		– Directors and Managers	–	33%	–	–	–	–
		Percentage of top global leaders that are female[(c)]	–	–	26%	29%	30%	32%◊
		Percentage of top global leaders that are ethnically diverse[(e)]	–	–	11%	15%	14%	14%[(e)]◊

◊ Deloitte LLP was engaged to provide independent limited assurance over the selected data highlighted in this table with a ◊ using the assurance standard ISAE 3000 "Revised". Deloitte has issued an unmodified opinion over the selected data. Deloitte's full assurance statement is available here: **http://tescoplc.com/esg-assurance**.
(a) Our CEO and CFO are members of the Board and Executive Committee and are included within both groups in the above table.
(b) With the introduction of our KPI relating to 'Top Global Leaders' and with the change from the Hampton Alexander Review to the FTSE Women Leaders, we updated our reporting of female representation by work level from 2021/22.
(c) Our 'Top Global Leaders' relate to Directors and business leaders across the Group, including Executive Committee members.
(d) The Executive Committee was reduced from 12 to 11 during this year following the sale of Tesco's banking operations.
(e) KPI results remain flat at 14% before and following the sale of Tesco's banking operations.

Databook continued
People continued

Topic	Target	Description of KPI	Baseline year and figure	20/21	21/22	22/23	23/24	24/25
Human rights	**Respecting human rights across the supply chain**	Percentage of high-risk tier 1 supplier sites with audits in the last year	–	97%	95%	95%	96%	95%
		Percentage of high-risk tier 1 supplier sites where critical non-conformances (NCs) have been identified, of which;	–	39%	34%	35%	48%	46%[a]
		– Percentage of high-risk Tier 1 supplier sites that have closed out critical NCs within six months	–	–	–	–	69%	69%[b]
		– Percentage of high-risk Tier 1 supplier sites where critical NCs are in progress and open for less than 6 months	–	–	–	–	27%	25%
		– Percentage of high-risk Tier 1 supplier sites with critical NCs with exemptions for longer than 6 months	–	–	–	–	1%	2%[c]
		– Percentage of high-risk Tier 1 supplier sites suspended for critical NC overdue	–	–	–	–	3%	4%[c]

(a) Observing the proportion of sites where critical non-compliances (NCs) have been identified, we remain broadly in line with last years figure. The most frequent NCs remain consistent with previous years and are health and safety, working hours and wages.
(b) All critical NCs must be addressed as soon as possible, within a maximum of six months. Some should be fixed immediately, such as unblocking fire exit routes, for more complex NCs a track record of improvement is required to be established e.g. a sustained change to working hours. These then need to be independently verified. We therefore apply the six-month remediation of critical NCs as the outer time limit.
(c) Despite the level of NCs identified, our current processes are ensuing the timely closure of these issues.

Databook continued

Communities.

Topic	Target	Description of KPI	Baseline year and figure	20/21	21/22	22/23	23/24	24/25
Communities	**Support the projects and causes that matter to the local communities where we operate**	Equivalent number of meals donated through food surplus redistribution programmes[a]	–	54.9m	52.6m	52.4m	80.9m	99.5m
		– UK	–	29.0m	27.8m	25.4m	51.4m	62.8m
		– ROI	–	2.6m	2.9m	2.3m	2.3m	2.6m
		– CE	–	17.1m	17.8m	19.3m	20.9m	26.7m
		– Booker	–	6.2m	4.1m	5.3m	6.3m	7.4m
		Number of local projects or causes supported[b]	–	23,192	18,043	17,463	18,636	20,232
		Corporate giving (£)[a]	–	£109.2m	£89.2m	£119.2m	£143.7m	£167.9m

(a) Figures include meals donated to charities we have partnered with and Olio to ensure unsold surplus food reaches people across local communities, rather than going to waste (both in the "Corporate Giving(£)" and "Equivalent number of meals donated through food surplus redistribution programmes".
(b) Number of local projects or causes supported include support through cash donations, food donations, gifts in kind and/or colleague volunteering time.

SASB content index.

Topic	SASB ref	Accounting metric	Performance 2021/22	Performance 2022/23	Performance 2023/24	Performance 2024/25	Further information
Fleet fuel management	FB-FR-110a.1	Total fleet fuel consumed, percentage renewable	Not disclosed	1,676 GWh	1,543 GWh	1,535 GWh	Jump to **climate change**
Air emissions from refrigeration	FB-FR-110b.1	Gross global Scope 1 emissions from refrigerants	373k tonnes CO_2e	355k tonnes CO_2e	284k tonnes CO_2e	201k tonnes CO_2e	Jump to **climate change**
	FB-FR-110b.2	Percentage of refrigerants consumed with zero ozone-depleting potential	100%	100%	100%	100%	Jump to **climate change**
Energy management	FB-FR-130a.1	(1) Operational energy consumed (2) percentage grid electricity (3) percentage renewable	4,585 GWh total energy use 60% of which is electricity 99% grid electricity 100% renewable electricity	4,324 GWh total energy use 63% of which is electricity 99% grid electricity 100% renewable electricity	4,235 GWh total energy use 62% of which is electricity 99% grid electricity 100% renewable electricity	4,364 GWh total energy use 60% of which is electricity 99% grid electricity 100% renewable electricity	Jump to **climate change**
Food waste management	FB-FR-150a.1	Amount of food waste generated, percentage diverted from the waste stream	Reported on **page 47**				Jump to **food waste** Jump to **Food waste databook**
Product health and nutrition	FB-FR-260a.1	Revenue from products labelled and/or marketed to promote health and nutrition attributes	Reported on **page 50**				Jump to **healthy, sustainable diets** Jump to **Healthy, sustainable diets databook**
	FB-FR-260a.2	Discussion of the process to identify and manage products and ingredients related to nutritional and health concerns among consumers	–	–	–	–	Jump to **healthy, sustainable diets**

SASB content index continued

Topic	SASB ref	Accounting metric	Performance 2021/22	Performance 2022/23	Performance 2023/24	Performance 2024/25	Further information
Labour practices	FB-FR-310a.1	(1) Average hourly wage and (2) percentage of in-store and distribution centre employees earning minimum wage, by region	100% of colleagues are paid above the minimum wage	100% of colleagues are paid above the minimum wage	100% of colleagues are paid above the minimum wage	100% of colleagues are paid above the minimum wage	Jump to **reward and benefits**
	FB-FR-310a.2	Percentage of active workforce covered under collective bargaining agreements	–	–	>85% across of each our markets	>85% across of each our markets	This year we have reviewed and updated our methodology for calculating the % of our colleagues covered through collective bargaining. We are unable to retrospectively update results prior to 2023/24 and have therefore removed these performance figures. We continue to be the largest privatised unionised employer in the UK and all colleagues across the Group are free to join a trade union of their choice should they wish.
	FB-FR-310a.3	(1) Number of work stoppages and (2) total days idle	Zero work stoppages or days idle across the Group	Zero work stoppages or days idle across the Group	Zero work stoppages or days idle across the Group	Zero work stoppages or days idle across the Group	Jump to **people**
	FB-FR-310a.4	Total amount of monetary losses as a result of legal proceedings associated with: (1) labour law violations and (2) employment discrimination	No material losses	No material losses	No material losses	No material losses	One of our values is to treat people how they want to be treated. We want to ensure all colleagues can be themselves and have an opportunity to get on at Tesco. In any given year, we are likely to see some employment tribunal claims brought by current or former employees due to the size of our workforce (although these would not necessarily amount to 'violations'/'discrimination'). Any associated financial losses totalled immaterial amounts in 2024/25.

SASB content index continued

Topic	SASB ref	Accounting metric	Performance 2021/22	Performance 2022/23	Performance 2023/24	Performance 2024/25	Further information
Management of environmental and social impacts in the supply chain	FB-FR-430a.1	Revenue from products third-party certified to environmental or social sustainability sourcing standard	–	–	–	–	Whilst we do not report revenue from certified products, we are committed to ensuring the environmental and social sustainability of all of the products that we source. Certifications can play an important role in this for certainty of our sourcing - for example, 100% of palm oil is RSPO certified and over 75% of our wild fish in UK/ROI is MSC certified. However, certification is only one part of our approach, with the most appropriate methodology varying by product and geography. Our commodity responsible sourcing strategies increasingly focus on delivering industry-level and landscape-level transformation, such as our UK Zero Deforestation Soy Transition Plan, which focuses on transitioning to sourcing from verified zero deforestation areas, by the end of 2025.
	FB-FR-430a.2	Percentage of revenue from (1) eggs that originated from a cage-free environment	Reported on **page 49**				Jump to **future-fit farming** Jump to **Farming and nature databook**
		Percentage of revenue from (2) pork produced without the use of gestation crates	100% sow stall free in Tesco branded products sold in the UK	100% sow stall free in Tesco branded products sold in the UK	100% sow stall free in Tesco branded products sold in the UK	100% sow stall free in Tesco branded products sold in the UK	Jump to **future-fit farming**
	FB-FR-430a.3	Discussion of strategy to manage environmental and social risks within the supply chain, including animal welfare	–	–	–	–	Jump to **protecting nature**
	FB-FR-430a.4	Discussion of strategies to reduce the environmental impact of packaging	–	–	–	–	Jump to **packaging**

SASB content index continued

Topic	SASB ref	Accounting metric	Performance 2021/22	Performance 2022/23	Performance 2023/24	Performance 2024/25	Further information
Data security	FB-FR-230a.2	Description of approach to identifying and addressing data security risks	–	–	–	–	We take data security very seriously and we put our customers and colleagues at the heart of all decisions we make in relation to the processing of personal data. Data privacy and cyber security are recognised as principal risks and we have governance committees in place to monitor and assess the effectiveness of our programmes. Our work in this area includes robust policies; specialist internal teams; training and communications for all colleagues on good data handling practices; and external testing to provide further assurance over our controls. In addition, we continue with the implementation of our multi-year technology security programme, implementing next generation tools including threat detection, and the gathering of intelligence from the National Cyber Security Centre. AI is an innovative area of technological change that Tesco uses to optimise our operations and better serve our customers, communities and planet. As new techniques and uses emerge, we are exploring how they could be adopted to deliver on our purpose. We have developed an AI governance framework to ensure that any AI technologies utilised by the business are implemented are fair, safe, transparent, explainable, accountable and sustainable, and that they comply with existing and emerging legislation in this space.

SASB content index continued

Topic	SASB ref	Accounting metric	Performance 2021/22	Performance 2022/23	Performance 2023/24	Performance 2024/25	Further information
Food safety	FB-FR-250a.1	High-risk food safety violation rate	No high-risk food safety violations	No high-risk food safety violations	No high-risk food safety violations	No high-risk food safety violations	We take a rigorous approach to food safety. Our UK distribution centres (DCs) and stores are routinely inspected by local government Environmental Health Officers, and at year-end we did not have any locations rated as a high risk food safety violation. In the UK, every store displays its hygiene rating at the entrance for full customer visibility. We also operate our own comprehensive internal food safety audit programme at all of our sites. Our DCs and stores in ROI are also routinely inspected (although not rated), and we actively monitor our DCs and stores in Central Europe to ensure we're consistently meeting high standards of food safety and hygiene. We also take a rigorous approach to food safety with our suppliers, auditing all sites against a Tesco Standard that is comparable with, and in areas exceeds, the requirements of The Global Food Safety Initiative.
	FB-FR-250a.2	(1) Number of recalls (2) number of units recalled (3) % units recalled that are private-label products	Number of recalls across the Group: 134 % of recalls that are Own Brand: 33%	Number of recalls across the group: 80 % of recalls that are Own Brand: 31%	Number of recalls across the group: 52 % of recalls that are Own Brand: 33%	Number of recalls across the group: 69 % of recalls that are Own Brand: 29%	We are committed to delivering safe, legal and quality products to our customers. With tens of thousands of Own Brand products across our markets, it is not unexpected that we may have some product recalls in any given year. We have a robust process to work with the relevant authorities and communicate recalls to customers through a number of channels, including our customer website and social media. We ensure that learnings are fed into our product development process.
Product labelling and marketing	FB-FR-270a.1	Number of incidents of non-compliance with industry or regulatory labelling and/or marketing codes	No significant incidents	No significant incidents	No significant incidents	No significant incidents	There have been no significant occurrences in any of our retail markets across the Group. As at the year end, in the highly competitive UK market, price comparisons and price matches continue to be used in advertising and can be subject to advertising disputes. In the 2024/25 financial year, the ASA ruled on one advertising complaint involving Tesco regarding a comparative ad. The complaint was not upheld. The ASA found that the ad had been substantiated and was not misleading.
	FB-FR-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and/or labelling practices	No material losses	No material losses	No material losses	No material losses	We did not have any monetary losses as a result of any marketing / labelling practices in the 2024/25 financial year.
	FB-FR-270a.3	Revenue from products labelled as (1) containing genetically modified organisms (GMOs) and (2) non-GMO	–	–	–	–	We don't use GMO in our own brand products. Any branded products that do contain GM ingredients are labelled and comply with relevant regulations. We don't specifically measure revenue from any such products but would expect it to be de minimis.

Climate and energy.

GHG emissions data – Group tCO_2e	2015/16 baseline	2020/21	2021/22	2022/23	2023/24	**2024/25**
Scope 1	1,240,871	1,053,131	1,110,098	1,039,346	902,830	**802,425◊**
Scope 2 (Market-based method)	1,095,671	13,631	16,107	7,796	6,259	**5,497◊**
Scope 2 (Location-based method)	1,657,316	718,222	642,337	575,462	587,899	**582,298◊**
Total Scope 1 and 2 (Market-based)	2,336,542	1,066,762	1,126,205	1,047,142	909,089	**807,921◊**
Scope 1 and 2 carbon intensity (kg CO_2e/sq. ft. of stores and DCs)	26.29	11.63	12.16	11.91	10.33	**9.25◊**
Selected Scope 3*	684,079	471,195	593,405	567,191	529,470	**531,254◊**

GHG emissions data – UK tCO_2e	2015/16 baseline	2020/21	2021/22	2022/23	2023/24	**2024/25**
Scope 1	974,764	880,039	936,257	888,676	772,944	**699,447**
Scope 2 (Market-based method)	776,807	–	–	–	–	**–**
Total Scope 1 and 2 (Market-based)	**1,751,572**	**880,039**	**936,257**	**888,676**	**772,944**	**699,447**
Selected Scope 3	501,344	332,719	432,180	414,267	396,863	**394,509**
Total	**2,252,915**	**1,212,758**	**1,368,437**	**1,302,943**	**1,169,807**	**1,093,956**

Energy consumption Group (GWh)	2015/16 baseline	2020/21	2021/22	2022/23	2023/24	**2024/25**
Total renewable consumption	–	2,836	2,773	2,742	2,663	**2,670**
Total non-renewable consumption	6,823	3,253	3,491	3,259	2,848	**2,750**
Total energy consumption (excluding f–gas)	**6,823**	**6,089**	**6,263**	**6,000**	**5,511**	**5,420**

Energy consumption UK (GWh)	2015/16 baseline	2020/21	2021/22	2022/23	2023/24	**2024/25**
Total energy consumption (excluding f-gas)	5,502	5,037	5,203	5,037	4,638	**4,549**

* Scope 3 disclosure includes: Third-party logistics that Tesco would otherwise fulfil; transmission and distribution losses and well-to-tank; business travel and water consumption.

◊ Deloitte LLP was engaged to provide independent limited assurance over the selected data highlighted in this table with a ◊ using the assurance standard ISAE 3000 "Revised". Deloitte has issued an unmodified opinion over the selected data. Deloitte's full assurance statement is available here: **http://tescoplc.com/esg-assurance**.

Diversity, equity and inclusion.

Headcount by gender & work level (WL) – FY 2024/25	Male		Female		Ethnically Diverse	
Board	7	58%	5	42%	2	17%
Executive Committee	7	64%	4	36%	2	18%
Top global leaders	178	68%	83	32%◊	34	14%◊
All colleagues	164,393	49%	172,034	51%	Not reported	

* Please refer to The ESG methodology document for definitions of work levels and reporting methodology.
◊ Deloitte LLP was engaged to provide independent limited assurance over the selected data highlighted in this table with a ◊ using the assurance standard ISAE 3000 "Revised". Deloitte has issued an unmodified opinion over the selected data. Deloitte's full assurance statement is available here: **http://tescoplc.com/esg-assurance**.

		2020/21	2021/22	2022/23	**2023/24**
UK Retail gender pay gap	Median	6.7%	6.9%	5.0%	**5.1%**
	Mean	9.3%	10.5%	9.4%	**9.1%**
Tesco Bank gender pay gap	Median	12.4%	27.0%	27.9%	**25.9%**
	Mean	20.3%	23.9%	21.3%	**20.7%**
Booker gender pay gap	Median	17.6%	18.6%	17.5%	**14.4%**
	Mean	11.7%	12.1%	12.2%	**9.3%**
Czech Republic gender pay gap	Median	–	12.1%	10.9%	**8.7%**
	Mean	9.3%	26.2%	22.0%	**19.9%**
Slovakia gender pay gap	Median	–	10.1%	9.2%	**8.6%**
	Mean	9.2%	16.5%	15.1%	**15.1%**
Hungary gender pay gap	Median	–	10.2%	9.6%	**8.2%**
	Mean	8.4%	15.9%	15.5%	**15.5%**
Republic of Ireland gender pay gap	Median	–	5.4%	4.4%	**4.5%**
	Mean	–	9.8%	8.8%	**8.2%**
UK Retail ethnicity pay gap	Median	–	–	(4.6)%	**(5.0)%**
	Mean	–	–	(3.4)%	**(3.8)%**

Registered office

Tesco House
Shire Park
Kestrel Way
Welwyn Garden City
AL7 1GA

Website: **www.tescoplc.com**

Independent auditors

Deloitte LLP

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