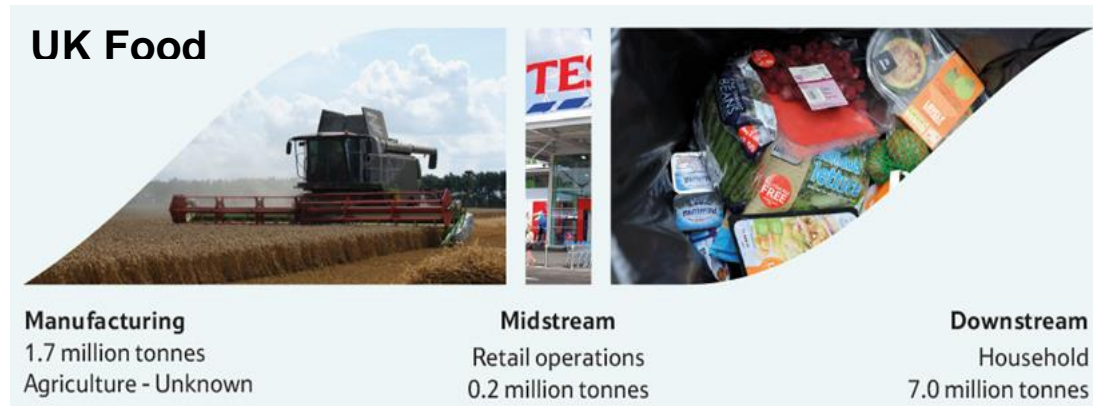


CHAMPIONS 12.3

Tesco's Work to Reduce Food Loss and Waste



Stopping good food going to waste

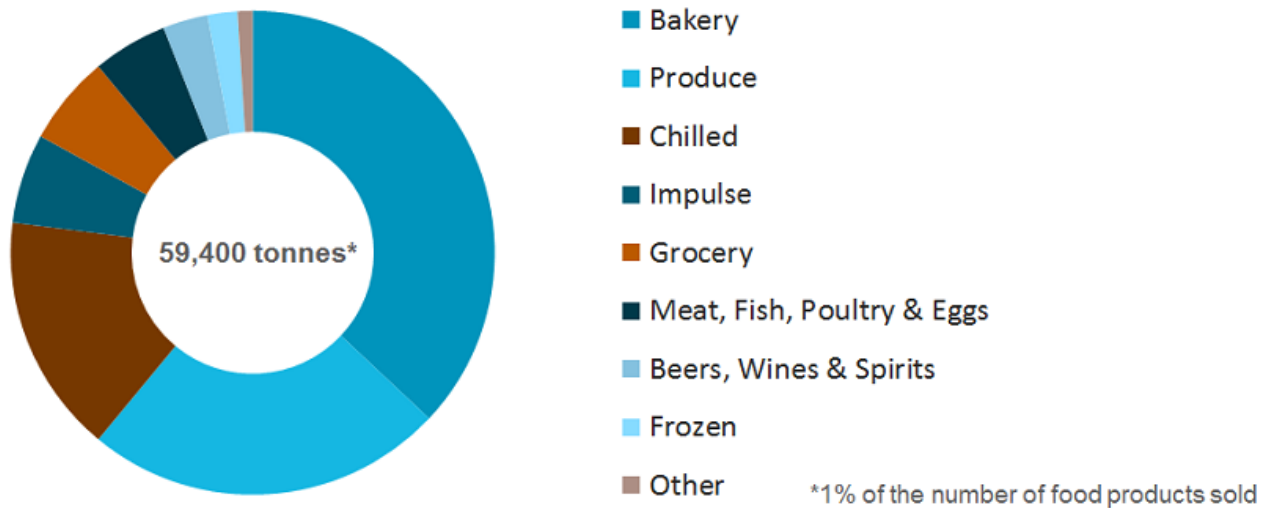
At Tesco we believe that no edible food should go to waste in any part of the retail supply chain. That's why, within our own operations, we have set the ambitious target that by the end of 2017, all of our UK stores will be offering all their edible food to charities and community groups.

To achieve this we are extending our Community Food Connection food surplus donation programme to all UK stores. The idea is simple; using the FareShare FoodCloud app, Tesco colleagues can alert local charities in their area to the amount of surplus food they have at the end of each day. The charity then confirms it wants the food, picks it up free of charge from the store and turns it into meals for those in need.

We're really proud to have worked with Foodcloud and FareShare to make this possible. Importantly, we want the technology to be open to everyone and we are keen to share this with other organisations.

Alongside this, we believe transparency and measurement to be essential in reducing food waste. That's why we have been publishing data for the last three years on UK food waste in our own operation and this approach has proved instrumental in helping identify hotspots in order to tackle root causes. We remain the only UK retailer to publish data on food waste in our own operation and it's important that other retailers share their data in this way too.

CHAMPIONS 12.3



Supply chain

In our supply chain our approach has always been to make as much use of the edible crop as possible and we have included produce of different shapes and sizes in our Everyday Value range for many years. In March 2016 we stretched our specification and introduced our Perfectly Imperfect range which includes parsnips, potatoes, strawberries and apples.

It makes business sense for Tesco that our suppliers receive a fair return on surpluses. Increasingly we are helping to create strong and stable demand for these 'seconds' by making links between our growers and our fresh and frozen suppliers. For example, we are supporting our potatoes supplier, Branston, to supply one of our manufacturers, Samworths, for mashed potato – increasing crop usage and reducing waste.

Customers

A further area where we can help reduce waste is downstream in our customers' own homes. We removed 'Display Until' dates and moved to a single date code (either 'Best Before' or 'Use By') across fresh produce, meat and dairy. We have also updated our freezing advice to highlight products that can be frozen up to their expiry date.

In April 2014 we stopped 'buy one get one free' promotions in all of our fresh categories, instead focusing on multi-buy offers which span a broad range of products and simple price reductions, offering great value for money.

More recently, we have made a series of changes to give an extra two days of freshness to our customers. Whether it's removing a packaging stage in the journey from farm to fork, or changing the way we package the final product altogether, the end result is helping customers to reduce food waste in the home.