

Tesco's Climate Change Strategy

Smart Grids & Cleanpower Conference
24 June 2010

<http://bit.ly/cleanpower>

TESCO | *Every little helps*

Why is it important for Tesco to act?

- Conserving resources saves us energy and money and is the responsible thing to do
- It increases our security of energy supply
- It enables us to shape regulation
- It meets the growing demands and expectations of our customers

We want to be leaders in the transition
to a low carbon economy

Tesco has a large sphere of influence



Our strategy has three parts

1. Reducing our direct carbon footprint
 - Halve emissions from existing and new buildings by 2020
 - Halve distribution emissions per case delivered by 2012
2. Working with our suppliers to reduce emissions in our supply chain
 - Reduce emissions by 30% by 2020
3. Leading a revolution in green consumption
 - Help customers to halve their carbon footprint by 2020

Reducing our direct carbon footprint

Reducing our direct footprint

Halve emissions from existing buildings by 2020



Halve average emissions from new buildings by 2020



Halve distribution emissions of each case of goods delivered by 2012



Reducing emissions in our supply chain

Reducing emissions in our supply chain by 30% by 2020



Leading a revolution in green consumption

Customers want to be green

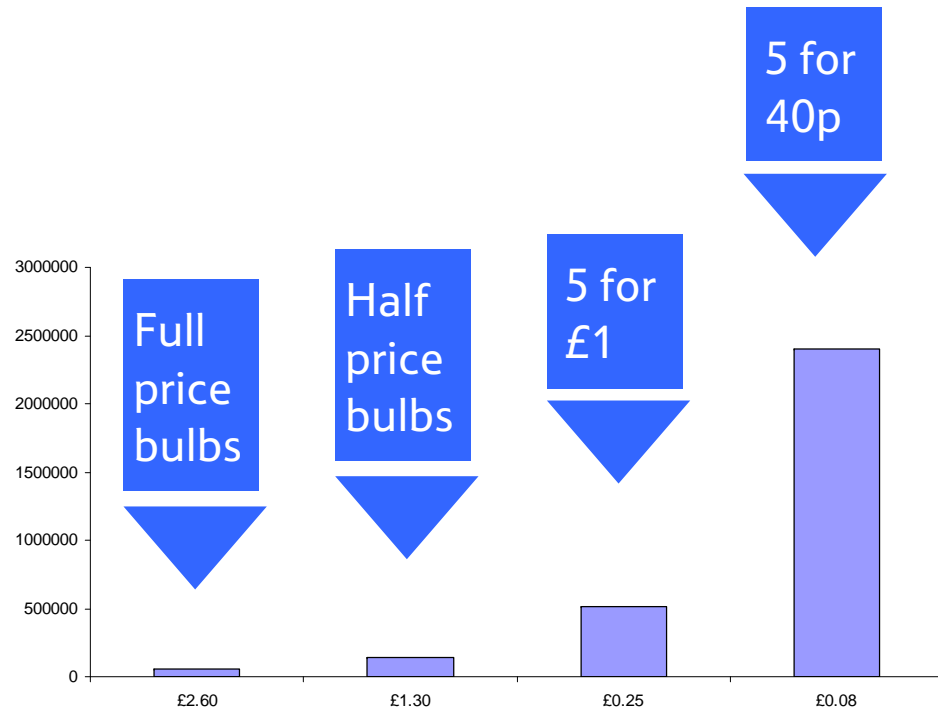
- Despite some reported increase in scepticism, research shows that customers want to be green.
- They want our help to chose a greener lifestyle.
- And they also expect us to take action ourselves.

But there are barriers preventing customers from leading low carbon lives

- Price
- Lack of information
- Sense of disempowerment
- Social barriers – making green mainstream
- Practical barriers

Price: making low carbon affordable

- The green option often feels like the most expensive option.
- We are aiming to make the green option no more expensive and eventually cheaper.
- When we sold five energy saving bulbs for 40p we sold more in two weeks than we did in the whole of 2006.
- We sell energy efficient products in every country in which we operate and we aim to be as competitive on price as possible



Information: carbon footprint labels

- Carbon labels on 120 UK products:
 - Washing detergent
 - Light bulbs
 - Potatoes
 - Orange Juice
 - Milk
 - Toilet tissue
 - Kitchen roll



working with
the Carbon Trust



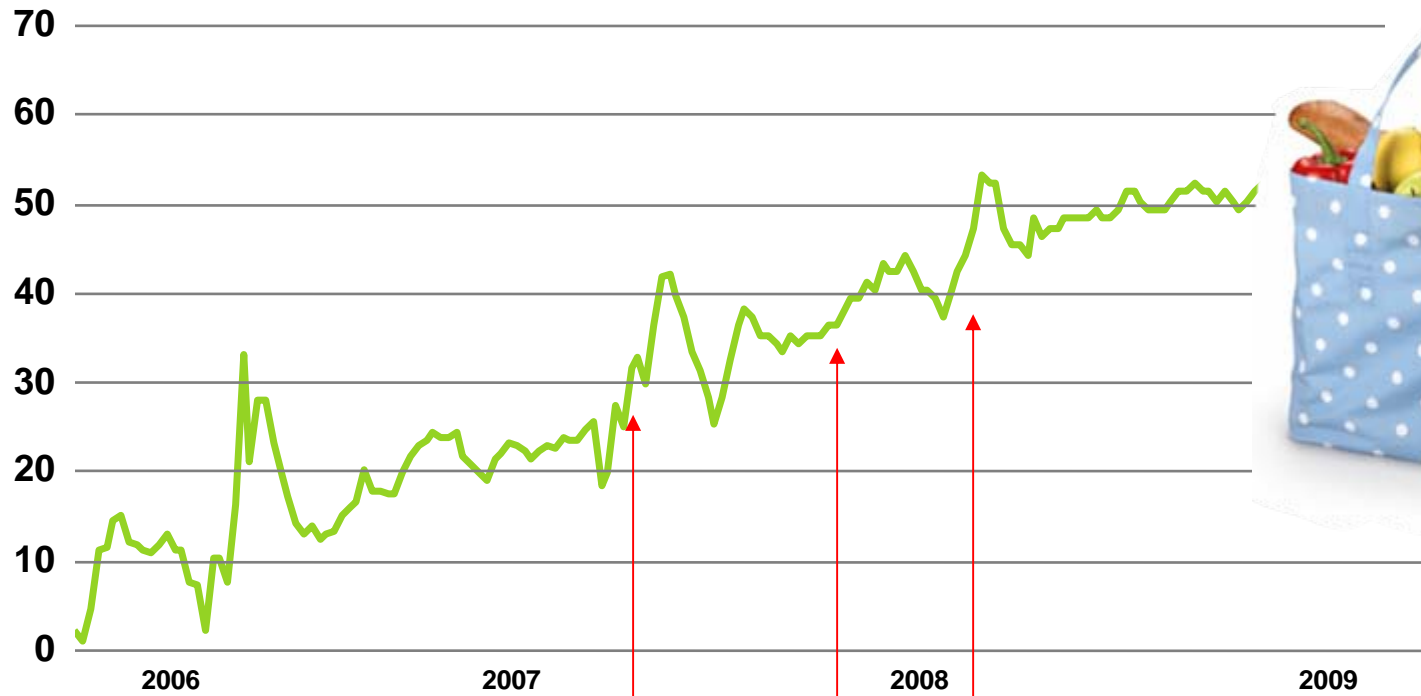
per wash

The carbon footprint of this powder is **750g** when used in each wash and we have committed to reduce this.

By comparison the footprint of Tesco super concentrated laundry liquid is **650g** per wash.

Help to reduce this footprint. Washing at **30°C** rather than **40°C** saves **170g CO2** per wash.

Overcoming a sense of disempowerment



Green Clubcard introduced with double Green Points promotion

High press coverage and advertising

Carrier bags removed from checkouts

Cath Kidston bag introduced

Making green mainstream



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electricity!



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Every little helps

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Practical barrier: electric vehicle charging

- To encourage people to drive electric vehicles we need the infrastructure to be in place
- Available at three stores in London and at Ramsey, our zero carbon store
- Also at head offices for staff
- New projects in London and Newcastle this year



Zero carbon business
by 2050



Resource efficient supply
chain



Revolution in green
consumption

