

Customer choice, health and nutrition and Community impact





Listening and responding

Customers want us to contribute to healthy lifestyles and healthy communities. We aim to achieve this by being a good neighbour wherever we operate.

We listen to what our customers want and give them choice by providing relevant and personalised information, and ensuring that our products are affordable, rather than by dictating to them what they should buy. We similarly aim to manage our community impact in response to what local people tell us.

◀ Children taking part in our free eParan Environment Education Programme, the largest in South Korea

Customer choice, health and nutrition

Supermarkets have a responsibility to help customers make the right choices. We do that by offering a diverse range of products at affordable prices and providing the information people need.

Position

Supermarkets have made good quality and good value available to everyone, whether for food, clothes, TVs or home furnishings. Consumers have more choice and shop around more than ever before, making our marketplace incredibly competitive.

At the same time, awareness of issues such as health and nutrition, the environment and ethical trade is growing and customers increasingly want products and information that help them with these issues.

Critics are concerned that supermarkets have encouraged a proliferation of undesirable and unhealthy products such as ready meals, which they say lack nutritional value and often contain too much salt, sugar, saturated fat and additives. Some people also believe that the availability of cheap alcohol in supermarkets encourages excessive drinking. Our critics argue that, by extolling the importance of consumer choice, supermarkets pass the responsibility for helping to tackle these public policy issues to their customers and take no responsibility themselves.

We do take responsibility for helping to tackle these issues, but we believe in providing customers with the information and opportunity to choose whatever is best for them. Our approach is to make healthier, ethical and green products more affordable, more clearly labelled and more attractive for customers. We believe this is the most powerful and sustainable route to positive behaviour change. We do not believe in making decisions for customers – they are free to make their own choices based on the products and information we provide.

Everyone is welcome at Tesco and the range, quality and value of our products reflect this. Our core brands run from Value to Finest, with additional ranges that meet specific needs, such as Organics. We customise the ranges available in different countries to reflect the local needs of the customer.



In 2007 we relaunched our Healthy Living range with over 220 products.

Health and nutrition Healthy eating is a priority wherever we operate, as diets contribute to problems including malnutrition, heart disease and obesity. In particular, eating healthily on a budget remains a challenge. We want to help our customers, and work with governments, NGOs and others to tackle poor health and nutrition. In line with this we have engaged closely with the authors of the UK government's Foresight Unit Report on Obesity, to share our knowledge of the issues and discuss further areas for focus.

Our health strategy is based on three objectives:

- > providing better information on the nutritional value of products, and on how customers can improve their health;
- > making healthy options more accessible, through pricing and promotions, product improvements and healthy ranges; and
- > making it simpler and more attractive to lead an active lifestyle (see page 40).

Responsible alcohol sales The vast majority of people consume alcohol responsibly and should not be penalised for the actions of less responsible drinkers. However, we accept that we have a role to play in addressing the problems of antisocial and underage drinking. We already have strict policies to prevent underage alcohol sales, and we want to make sure alcohol is responsibly priced. But we recognise that there is a concern about the price of alcohol, and that industry must play its part in addressing this concern. To be effective, any action must involve the whole industry. However, competition law prevents businesses discussing anything to do with price with each other and imposes severe penalties on those who breach it. It would help us all to move forward in this area if government could lead discussions with the industry, so that retailers may avoid falling foul of such laws.

Progress

We are making good progress in helping customers choose healthier options and lifestyles.

Providing better health information

Customers want clear and simple information about how to live healthily. We provide this through nutrition labelling, our in-store pharmacies and on our website.

Nutrition labelling Nutrition labelling helps customers make informed choices about the foods they eat as part of a healthy lifestyle.

7,000
products with
front of pack labelling

We were the first to use the guideline daily amounts (GDA) concept developed by the Institute of Grocery Distribution (IGD) on our labels, which is based on UK government-backed science.¹

We chose this system because it helps people to plan healthy, balanced meals. GDA labelling has been adopted by over 50 manufacturers and retailers in the UK, and it appears on products in 25 of the 27 EU member states.

Some retailers in the UK use the traffic-light system, favoured by the UK Food Standards Agency. We believe that the traffic-light model produces inappropriate colours on some products, masks significant nutritional differences between products, and sends confusing signals through multiple colours on products. Nor is there convincing evidence that traffic lights are easier to use, or are used more effectively, than GDA labels. We continue to work with retailers, suppliers, governments and NGOs on the best way to communicate nutritional information to customers.

In-store pharmacies Our pharmacies work closely with local Primary Care Trusts in the UK to provide services ranging from reviewing medicine use to stop smoking consultations. As our stores are often open outside doctors' surgery hours, this provides an alternative to visiting the doctor for 14 million of our customers each week.

¹ Department of Health Report on Health and Social Subjects No 41. Dietary Reference Values for Food Energy and Nutrients for the United Kingdom. London, HMSO 1991.

Five a day

Online information

We are providing more information to customers through our website. In 2007, we launched a significantly updated healthy living website.

In November, we launched a Healthy Living Tracker on the site, to help people keep track of their diet and exercise habits. The Tracker calculates a person's allowance of different nutrients based on their weight, height, age and activity levels. It also considers the importance of each food type in a healthy, balanced diet. The Tracker then helps people to choose foods that will meet their allowance. We have had 35,000 people sign up for the tracker so far, demonstrating the demand for personalised information where the customer is in control.

Other services include tescodiets.com, the UK and Ireland's biggest online dieting and healthy eating service. Through it, we offer convenient weight loss advice tailored to suit individual lifestyles.

www.tesco.com/health



Customer choice, health and nutrition

continued

We began to offer free screening for diabetes at all our UK in-store pharmacies in 2007. An estimated 750,000 people do not know they have diabetes, as they are unaware of the symptoms. Customers fill in a questionnaire at the pharmacy counter. If they answer 'yes' to any of the questions, the pharmacist will give them a free blood glucose test, explain the results and give advice on the next steps.

We communicate about health and nutrition with our employees as well as customers. In 2007, we produced monthly special issues of our internal newsletter One Team. These included advice from a Tesco nutritionist, simple steps for employees to take to improve their diet, and healthy recipes.

We piloted a new staff room in our Amersham store. Following a staff consultation, we added fruit cups, a salad bar and sandwiches to the staff menu. We also improved facilities to provide the freshly produced options such as juices and smoothies that our staff wanted. We are piloting the use of GDA labels on signage in the Amersham staff restaurant. We aim to introduce the improved menu to a further 190 stores in the next 12 months and to all UK stores over the next four years.

Making healthy options more accessible

We make healthy options more accessible through pricing and promotions, product improvements and special product ranges.

Pricing and promotions We are tackling the perception that healthy food can be more expensive, through pricing and promotions. In Poland, we supported our new Healthy Living range with promotions in March 2007 and February 2008, including a permanent price reduction on over 50 products. In the UK, we ran over 200 promotions on fresh produce, fish, whole foods and Healthy Living products.

Our target for 2007 was to have five half-price offers on fruit and vegetables every week in 500 UK stores – our 'fruit and veg pledge'. We ran an average 23 half-price offers per week in 742 stores. This contributed to a growth in sales of fruit and vegetables by 8%. This promotion also runs in Ireland.

Privacy and data protection

Collecting information about customers and monitoring their shopping habits helps us to tailor our services and information to individuals.

We collect customers' personal details when they register for our Clubcard loyalty scheme or home delivery service and use our services. We also collect information about customer transactions, including details of payment cards used and shopping habits, recorded through Clubcard use. We never pass on personal data to companies outside Tesco, except to suppliers that process data on our behalf. We use aggregated data (where individual customers cannot be identified) for marketing and strategy development.

Responsible drinking

We already have measures in place to ensure we sell alcohol responsibly. Although customers need only be 18 to legally buy alcohol in the UK, our Think 21 campaign requires employees to ask anyone who looks under the age of 21 for proof of age. A prompt appears on the till screen when an alcoholic item is scanned to remind cashiers to check the customer's age. Our home delivery service will not deliver alcohol if no one over 21 is in the house. We step up the Think 21 campaign in the run-up to Christmas, when we sell more alcohol than at any other time of year.



230

UK store pharmacies offering health checks

Product improvements We are improving the nutritional value of our products. All own-brand products in our US Fresh & Easy stores (1,600 lines) contain no artificial colours or flavours and no added trans fats. In Poland we are reformulating products to remove additives and preservatives.

In 2007, we improved the nutritional content of 900 products in the UK, reduced salt levels in over 200 and reduced the fat content in over 150. Analysis of Clubcard data illustrates the powerful combination of product reformulation and visible GDA labels, in ensuring our customers are able to access more healthy meals. Thanks to the application of these labels, fewer customers regularly purchase ready meals with more than 40% GDA of salt, saturates or fat than before the labels were introduced.²

² Source: Dunn Humby Frozen Ready Meal Analysis, 2006.

Special product ranges In 2007, we continued to expand our Healthy Living range, launching it in the Czech Republic and Slovakia. In Ireland, we introduced over 400 healthy eating lines, both branded and Tesco own-label.

In the UK our research has shown that customers have different ideas of what health means to them and our Health brands and foods had to change.

To help our customers, whatever their outlook on health, we have therefore revised and relaunched our healthy ranges.

For example, dieters want low-fat, low-calorie meals without having to compromise on taste, so we launched our Light Choices range with over 250 products. All these meals meet strict criteria for sugar, saturates, salt and calories and are either 3% fat or have half the fat of a comparable product.

Nutrition labelling

In 2007, we continued our roll-out of front-of-pack nutrition labelling across the Group, including in Turkey, South Korea and Poland, where 33% of our products contain such labelling, and Ireland, where we now have over 5,000 labelled food items. We are committed to increasing rapidly the number of labelled products throughout the Group during 2008.

This builds on our achievement of being the first supermarket in the UK to introduce front-of-pack nutrition labelling, and we are still the only supermarket where all eligible products carry the labels – over 7,000 in total.

Health checks

Health checks are now available in our 230 in-store pharmacies in the UK, to help customers keep track of key health indicators. For £10, customers receive a 20-minute consultation and a personal Health Check Record Book containing their key health indicators and advice on maintaining and improving health. Our pharmacists check customers' weight management (including height, weight, body mass index and waist measurement), blood pressure, cholesterol levels and indicators for diabetes. Customers receive advice from the pharmacist on what the results mean, plus advice on simple diet, exercise or lifestyle changes to improve their health. They also receive a pedometer to help track exercise levels, two weeks' free membership of tescodiets.com and a day's free gym pass.



Customer choice, health and nutrition

continued

Our Healthy Living brand has been redesigned completely. We know that there are a large number of customers who want convenient solutions to help them get a controlled and balanced intake of total fat, saturated fat, sugar and salt. The updated range of 220 products includes wholefoods, wholegrains, fruit or vegetables and superfoods, with nutritional criteria for each category based on the Guideline Daily Amounts, so the products will be natural sources of desirable nutrients.

Responsible alcohol sales

Problems around antisocial drinking are complex and require retailers, the government, police, community groups and experts to work together to develop solutions. We have been working with relevant groups to ensure we can play our part in tackling these issues (see case study below).

Our cashiers receive refresher training on age-restricted sales four times a year. They learn to assess a customer's age by sight, ask for proof of age if they look under 21, and check that their identification is valid. Cashiers are then tested using mystery shoppers between the ages of 18 and 21. During a four-week long pilot in October, the pass rate for cashiers correctly assessing customer age increased by 64%.

>> Case study: Cambridgeshire Alcohol Project: St Neots

The Cambridgeshire Alcohol Project (CAP) aims to reduce underage drinkers' access to alcohol by breaking down barriers between shopkeepers and the police. The pilot project was carried out in St Neots, where all 16 local alcohol retailers signed up, along with Cambridge Trading Standards and the local police. Managers of supermarkets, including Tesco, and small corner shops agreed to share information about underage drinkers, while the police and Trading Standards committed to sharing information about suspected problems.

CAP uses a holistic approach, tackling both underage buyers and those buying alcohol for them. The pilot participants attended assemblies and leafleted local schools to teach young people about alcohol law and the legal consequences of underage drinking.

The police responded to intelligence received as result of CAP, and confiscated alcohol from several groups of young people in the town. The St Neots pilot won the National Business Awards Better Regulation prize for its innovative approach to tackling alcohol misuse. <<

KPI	2007/8
Healthy living	To deliver five half-price offers on fruit and vegetables every week across at least 500 stores. ●
<ul style="list-style-type: none"> ● Below target ● Close to target ● On target ● Above target 	To view the complete KPI table, please go to: www.tesco.com/crreview08/kpi



Promise

We will continue to provide our customers with the quality and value they want, wherever we operate, while ensuring that we provide products, services and information to enable our customers to choose healthier, greener and more ethical products.

We will:

- > increase the number of GDA labels to cover 78% of eligible own-brand products outside the UK, aiming towards 100% within the next two years;
- > review the product composition of a further 500 products in the UK to reduce the levels of salt, fat, saturates and sugar;
- > extend our product reformulation programme beyond the UK as our own brands grow internationally;
- > offer our support in helping to develop proposals that address the problem of antisocial drinking, recognising that we have a role to play in addressing the problem;
- > continue to focus on helping our staff to lead healthier lifestyles, including by rolling out our improved staff menu to a further 190 stores in the next 12 months and to all UK stores over the next four years;
- > increase the number of lines in our Healthy Living, Light Choices and Disney Kids ranges to ensure our customers can access healthy options;
- > continue to offer half-price promotions on at least five items of fruit and vegetables every week as part of our 'fruit and veg' pledge and we will extend it to all our international businesses; and
- > continue to develop our online and in-store pharmacy tools to give customers personalised information to help them lead healthier lifestyles.

Community impact

We want to have a positive impact in the thousands of communities around the world in which we operate, from Birmingham to Beijing to Budapest.

Position

We want to play a positive role, to be a good neighbour in line with our customers' expectations. Those expectations vary from place to place, but there are many common issues and impacts wherever we have stores.

They start from when we announce an interest in building a store and continue through the planning process to when the store is built. We need to listen and respond to communities throughout that process. Once a store is open, our aim is to contribute to local communities by providing a great service to customers and quality local jobs that give people the opportunity to get on, by operating responsibly and by supporting community activity.

Critics claim that supermarkets have a negative impact, disrupting traditional shopping patterns and community activity. They suggest that a Tesco store takes trade away from independent retailers, from high streets and town centres, threatening the vibrancy of communities, and that our stores do not reflect the communities in which we operate.

We strive to bring quality, affordable products to our customers and to respond to changes in society so that we can use our position as a force for good in local communities. Our approach is to play a positive role through the operation of our stores, our staff and our community programmes, and to minimise any perceived negative impact.

One way in which we respond to changes in society (such as the expansion of car ownership and the growth in the proportion of working women) is by adjusting the type, size and location of shops. Government planning policies also influence supermarket development. Policy in the UK has shifted from encouraging large out-of-town stores in the 1980s to emphasising the importance of town centres. Economic and social regeneration, and the task of lifting communities out of social decline or deprivation, are priorities in many of the countries in which we operate. We help address these issues by adapting our formats and our offer, meaning that we can bring jobs and investment to areas that other retailers would reject.

Progress

Listening to communities

Our commitment to being a good neighbour means we need to understand and respond to what people want. We consult on potential new store openings, informing local people of our plans and inviting feedback. For example, in the UK we hold public exhibitions as part of our consultation process with local communities on every planned Tesco superstore or Extra and on major extensions. We also talk to local traders about how our proposals can attract new customers to the area and improve business for everyone.

New stores



Community impact continued

This kind of dialogue continues once a store is open and results in changes such as fitting Express convenience stores in the UK with new shop fronts so they blend in better with their surroundings. In the US, we have designed our trailers to reduce noise by 66% and will not make night deliveries to stores with homes nearby.

We are introducing Community Boards in stores in most countries where we operate, giving local people and organisations the opportunity to advertise local events and initiatives. We encourage our stores and car parks to be used by local groups and charities, adding to our role as a focal point in the community.

Land holdings We buy land in order to open or extend stores, and we aim to move from acquiring the land to opening the store or extension as quickly as possible. However, owing to the complexities of property development, the planning system and our innovative mixed use schemes, which sometimes include assembling sites from several parcels of land, this can take several years.

UK Competition Commission inquiry The UK Competition Commission's investigation of the UK grocery market continued during 2007 and 2008. The UK Competition Commission's provisional findings dismissed concerns that Tesco's position in the market means that other retailers cannot compete or is acting as a barrier to expansion to other grocery retailers. It found that supermarket entry into the convenience sector has not distorted competition, and that convenience stores that provide consumers with a strong retail offer will continue to survive and prosper.

The Competition Commission has recognised that the market is delivering a good deal for customers.

For full details of the investigation and some of Tesco's own submissions see www.competition-commission.gov.uk and www.tesco.com/talkingtesco

Workers in Malawi making porridge for local children, part of a Mary's Meals programme in the country, which we sponsor through our Charity Trust.

New stores In response to social and policy changes in the UK in recent years we have extended opening hours and moved back to the centre or edges of town. Many of our newer stores are built on previously developed 'brownfield' land (98% in 2007) close to town centres, and often in areas that other developers will not consider. They provide jobs for local people and help to regenerate communities, attracting other retailers as well as our shoppers.

The impact of supermarket store openings on existing shops has been controversial, but there is plenty of evidence of a positive effect. A UK study by Southampton University's Professor Neil Wrigley (cited in his evidence to the Competition Commission) found positive outcomes from the conversion of convenience stores to Tesco Express in four Hampshire communities, specifically:

- > a major re-localisation of food shopping away from distant superstores and towards stores in the local community;
- > important travel changes involving significantly increased walking and cycling and reduced car mileage;
- > highly positive community responses to, and increases in consumer welfare from, being able to access products locally (particularly fresh foods); and
- > negligible diversion of trade from local independent stores and indications that local retailers and service providers might experience gains.

Tesco is also committed to sustainable, mixed-use development. Our scheme in Woolwich, London, promises a major transformation of the local town centre. In partnership with Greenwich Council, Tesco is providing a Tesco store and other retail space, over 900 homes, public spaces and a new Civic Centre including a library. This £400 million development will create a vibrant resource for work and leisure.



7,000

disadvantaged children in China supported through school in 2007

In February 2008, HRH Prince Andrew attended the opening of our Fresh & Easy store in Compton, Los Angeles. The store was welcomed by local officials, including County Supervisor Yvonne Burke and Compton Mayor Eric Perrodin, as providing jobs and investment in an area that other retailers had avoided.

Regeneration and employment

Through our Regeneration Partnerships in the UK we open new stores that help to revitalise disadvantaged communities where lack of economic opportunity has led to a range of social problems and low investment. These areas may not appear to be attractive propositions but they offer business opportunities for us as well as significantly improving the overall economic wealth of the area and attracting other businesses to invest.

We aim to recruit local people who have been unemployed for six months or more, in these stores. We assess aptitude rather than experience or existing qualifications. As part of our Job Guarantee Scheme, as long as applicants complete the six-week training course preparing them for working in-store, we guarantee to give them a job, unlike many such training opportunities elsewhere, which do not result in employment.

Over the past eight years, we have completed a total of 20 regeneration partnerships, creating more than 4,000 jobs for people who have been unemployed for years. In 2007 we provided job guarantees to almost 500 people when we opened Regeneration Partnership stores in Failsworth near Oldham, Rutherglen outside Glasgow, Maesteg in South Wales and Haydock, just east of Liverpool.

Failsworth is a regeneration partnership store in an area designated as an underserved market by the UK government. Our job scheme in partnership with the local council created 73 jobs for local long-term unemployed people when the store opened in summer 2007.

In addition to the job scheme, we have also formed the Failsworth Business Forum, bringing together local businesses to talk about ways in which Tesco and the new store can help them do business better – whether through business advice or advertising in-store. We are also participating in an allotment scheme, which will provide the local community with a facility where they can grow, use or sell their own produce.

Local Employment Partnerships Tesco was one of the original six signatories to the UK government's Local Employment Partnerships (LEP) scheme. We are working with Jobcentre Plus to provide job opportunities for the long-term unemployed and will be extending the scheme to existing stores throughout 2008.

Community investment

Once a store is open we aim to make a contribution to the local community beyond serving customers and providing local jobs. Our involvement varies from country to country but we typically support environmental action, healthy lifestyles and children. Many countries also choose a Charity of the Year as a focus for fundraising.

We aim to give at least 1% of pre-tax profits to charity. In 2007 our total contribution came to £54.4 million or 1.95%.

Disaster relief We respond to local needs following emergencies and disasters. In 2007 we made donations including £20,000 to the Red Cross appeal to support victims of the floods in Asia, £10,000 to bring relief to those affected by the hurricanes in the Dominican Republic where we source much of our Fairtrade banana crop, and £10,000 to a Red Cross appeal to support those affected by the unrest in the Rift Valley in Kenya where we source several of our produce lines.

Community Champions

Our stores are busy places and there may not always be time to do all the things we would like to do when people ask for our help. So, in 2007, we launched Community Champions in 22 of our UK stores. The idea is that we ask a person who loves working with the local school, or the local charity to do just that – help them.

The role is dedicated to understanding and making links with the local community and using Tesco resources to make a difference. Where Community Champions are in place, stores have raised at least an additional £1,000 for local charities. Activities range from supporting organisations such as the local police in raising awareness of appropriate car seats for children, to collecting toys and tins of food for the Salvation Army in the run up to Christmas. We will roll the trial out to a total of 50 stores in 2008 and have plans to deliver a similar project in China.

In February 2008 we donated £20,000 through our business in China to the local Government Ministry in the Guangzhou province, which was particularly hard hit by the worst snow storms in 50 years. We also donated food and daily necessities to local disabled people.

In the wake of flooding in Malaysia, Tesco provided £25,000 in aid for victims in three states, benefiting 6,000 homes. We provided basic necessities such as dry food items, drinking water, nappies and toiletries such as soap and shampoo. On 29 December, 48 colleagues from the Klang Valley stores and head office volunteered to clean up areas affected by floods in Pahang, such as a kindergarten, a library and a community centre. The team also donated food and books to local residents.

The British Red Cross is our official emergency partner and in 2007 we worked together to bring relief to the thousands of people affected by the floods in the UK. As the floods hit we acted immediately to deliver much-needed bottled water to the area, providing half of the emergency water supplies during the crisis. We also donated over £76,000 of essential items, including food, hygiene packs and sleeping bags, and our local staff worked hard to look after customers – sometimes overnight. We were also the first company to donate £100,000 to the British Red Cross Flood Emergency Fund and we held a customer collection in our stores which raised £52,000.

Education We have a responsibility to contribute to the capabilities of tomorrow's workforce, which includes training and development (see page 46). Education is one of the key areas where customers believe our support is very important, and where we can make a real difference.

As we open and refit stores in China we provide sponsorships for local students to cover schooling and textbooks. Tesco supported more than 7,000 disadvantaged students in 2007. In Hungary, we have set up local partnerships with schools and colleges, making donations worth approximately £50,000 a year.

Community impact continued

In Poland, Tesco for Schools ran for the sixth time in 2007. Half of all schools in Poland, approximately 15,000, have taken part in the programme. We provided more than 4,000 schools with equipment worth 6.5 million PLN (approximately £1.5 million). We also worked with the Teachers' Association and the Consumer Federation to educate young people in nutrition, helping them to make healthy shopping choices.

Computers for Schools ran for the 16th year in 2007 – making it the UK's longest running schools' programme. Since 1992 we have donated approximately £118 million worth of computer equipment to over 30,000 schools. In 2007 around 20,000 schools received equipment worth £7.5 million, including more than 1,600 computers. Customers receive one voucher (subject to some exclusions) for every £10 spent (every £5 spent in Express stores). They donate the vouchers to their local schools, which exchange them for free equipment from our catalogue. Since 2006, schools have been able to collect additional vouchers (690,000 vouchers so far) by recycling old mobile phones and inkjet cartridges.

Tesco Ireland has run Computers for Schools since 1998. Since the scheme began we have donated 3,000 computers and over 50,000 additional items, bringing the total invested in the scheme to over €10 million. The range of equipment and materials now includes items such as digital cameras, arts and crafts materials, and Irish language, literacy and numeracy software.

In South Korea we offer the largest environment programme for children, for free. The annual eParan Environment Education Programme educates children on the importance of protecting the environment. This programme has been offered since 2000 and 14,000 children have taken part so far.

Promoting healthy, active lifestyles One of our priorities is to help customers live healthier lifestyles through offering the right opportunity, information and incentive (see Customer choice, health and nutrition section on page 32). In 2007 we launched active lifestyle campaigns in several countries, including Thailand, where we offered an aerobic exercise campaign to customers. In Turkey we worked with three NGOs to get 5,000 people active at walking, cycling or running events supported by Tesco.

As part of our UK Community Plan pledge to get two million people active by 2012, we support a variety of activities aimed at increasing participation in sport and other aspects of a healthy lifestyle. There are several programmes in the UK, including the following.

- > **FA Tesco Skills Programme** – a three-year partnership with the National Sports Foundation and the Football Association, beginning in 2007. We aim to get a million children active and involved by 2010, providing them with top-quality skills coaching.
- > **Tesco Great School Run** – children are invited to take part in the event, which is held simultaneously in schools across the UK and Ireland, as a fun exercise and to encourage them to think more about healthy eating and the importance of physical activity as part of a balanced lifestyle. The initiative also aims to persuade teachers and education chiefs to make sure that sport and recreational activity figure high on the academic agenda. Almost 700,000 children participated in 2007, the second year that the event took place.
- > **Cancer Research UK's Race for Life** – supported for the sixth consecutive year in 2007, when 655,000 women, including nearly 22,000 Tesco staff, took part in events. We also supported the Cancer Research UK 10k runs for the third time in 2007 – 38,000 men and women helped to raise £3.8 million.

Race for life



Tesco has helped Cancer Research UK raise over £180 million since 2002 by supporting Race for Life.



Charity of the Year fundraising in Ireland.



Supporting school sports in the UK.



Raising money for the British Red Cross in the UK.



Getting active with Tesco in Thailand.



Tesco stage at the Wales Millennium Centre.



Cultural centre in South Korea.

Charity of the Year Several of our businesses choose a charity to be the main focus for staff fundraising. Our business in the Czech Republic decided to work with children's hospitals, and we worked with the Red Cross in Slovakia and the Red Crescent in Turkey.

In Hungary we are working with the Salva Vita Foundation to provide training and opportunities in-store to help people with intellectual disabilities return to the job market. By the end of 2007, we had seven disabled colleagues working with us. We have extended the programme to more stores and aim to have 50 disabled colleagues in stores by the end of 2008.

In Ireland, the Charity of the Year 2007 was Temple Street Children's Hospital, which serves communities throughout the country. Over €1.4 million was raised towards the redevelopment of the St Michael's 'B' Ward, which cares for neo-natal patients, premature babies and those up to 18 months old. The children may have long-term debilitating illnesses, or be in need of surgical and medical care.

In the UK, our Charity of the Year 2007 was the British Red Cross. The theme of our partnership was 'Crisis Care in your Neighbourhood'. Money raised by our staff will help people at a local level by funding crisis care services in local communities around the country. We raised £4.55 million, more than double our target and a record fundraising total since Charity of the Year began in 1988.

15,000
schools in Poland in Tesco
for Schools programme

KPI	2007/8	
Regeneration	To initiate six regeneration partnership stores.	●
Brownfield sites	To develop 90% of our new stores on brownfield sites.	●
Charitable giving	To donate at least 1% of our pre-tax profits to charities and good causes.	●
Computers for schools	To increase the cumulative value of computer equipment to schools to £118 million and the number of new schools participating by 2,000.	●
Sport for schools and clubs	To supply sports equipment and coaching to schools to the value of £9.5 million, and to increase the number of new schools and clubs participating by 3,000.	●
Race for Life	To help recruit 800,000 women including 24,000 Tesco staff to participate and help raise sponsorship to £60 million.	●

● Below target
● Close to target
● On target
● Above target

To view the complete KPI table, please go to:
www.tesco.com/crreview08/kpi

Promise

- In 2008 we will:
- > donate at least 1% of our pre-tax profits to charities and good causes;
 - > support charities in a sustainable way through Charity of the Year and explore new and creative ways to fundraise, engaging staff and customers;
 - > help get 3.5 million people active with Tesco through a variety of initiatives;
 - > extend our pilot of the Community Champions scheme to 50 champions, one in each region of the UK, to engage staff and build relationships between Tesco sites and local communities; and
 - > continue our Regeneration Partnerships scheme in the UK and help people who are unemployed and disadvantaged back to work through our Job Guarantee scheme.