

Embargoed until 27 September 2013

Tesco launches buying club to help suppliers to cut carbon and energy use

Tesco today announced it is launching a collaborative buying club which will help suppliers invest in energy efficient lighting equipment and installations by offering substantial discounts and advice.

The Buying Club, which has been developed in collaboration with 2degrees and the Carbon Trust, will be available to the 700 plus businesses that are members of the Tesco Knowledge Hub – a global and exclusive online community for Tesco suppliers which encourages members to share information, experiences and best practice in carbon reduction.

The scheme will work by utilising the collective purchasing power of the suppliers in the Knowledge Hub to negotiate discounts on energy efficient lighting equipment. Savings of up to 25 per cent will be available on the cost of equipment, which could result in savings of up to 80 per cent on energy bills. As well as financial savings, members of the Buying Club will benefit from expert advice and guidance on the equipment they need and the energy savings they could make.

Eaton Cooper Lighting and Safety has been selected as the provider of LED and low-energy fluorescent lights, which will be installed by Briggs & Forrester Special Projects.

The launch follows a successful pilot of four suppliers who trialed the model with LED lighting earlier in the year. The results of the pilot showed that it had helped cut their lighting costs by up to 80 per cent. Feedback from those who took part showed that power of collaboration can remove barriers and concerns to investing in energy saving measures - such as confusion over the huge range of low energy lighting providers, and quality and price.

Chloe Meacher, Tesco Climate Change Manager said: “We are committed to using our scale for good and this initiative is just one way we can do that, helping our suppliers make energy savings. The Knowledge Hub is already established as a great forum for our suppliers to share what they’ve done to reduce their impact on the environment and help others to do the same through online discussions and site visits. Our suppliers have told us that cost and lack of knowledge can be the biggest barriers to making investment in energy savings. The Buying Club

will address these concerns and support them in reducing their carbon footprint in a really practical way.”

Simon Brown, Managing Director at 2degrees Enterprise said: “The Buying Club is a project that uses 2degrees unique collaboration approach to enable combined purchasing to reduce lighting costs by up to 80 per cent for participating Tesco suppliers. It drastically reduces the barriers to energy efficiency lighting and Typhoo, who took part in the pilot, is the first of many Knowledge Hub suppliers that will slash their lighting capital costs and their CO2 emissions through this innovative, practical collaboration.”

Bruno Gardner, Director, Energy Efficiency Ventures at The Carbon Trust, said: “Energy efficient lighting is one of the best investments many businesses can make right now. In theory it should be an easy decision, but in practice that’s not always the case. By joining forces with Tesco and 2degrees, we were able to make the business case for energy efficient lighting even more compelling for Tesco’s suppliers – giving them the confidence they needed to invest in saving money and cutting carbon.”

The Buying Club will launch on 2 October 2013. Tesco will look to explore how this concept could be extended to other areas and cover a wider range of energy saving equipment.

—Ends—

The pilot

- The pilot ran from February – September 2013.
- Across all four participating supplier sites, which total approximately 570,000 square feet, the energy reduction will be around 1,000,000 kWh per year - enough to light a small town of 1500 houses.
- Typhoo was one of the companies to sign up and as a result of the lighting designs they adopted under the pilot, emissions at Typhoo’s single factory site will be cut by nearly 900 tonnes.

Notes to editors

Additional quotes

James Cosgrove, Energy Solutions Manager, Eaton Cooper Lighting and Safety said: “As a business that has dedicated itself to a low carbon future, Eaton Cooper Lighting and Safety is

honoured to have been selected as the lighting provider of choice to Tesco Buying Club Members. The pilot scheme we participated in has been incredibly successful, identifying and achieving significant energy saving opportunities for all participating Buying Club members. In conjunction with 2degrees, the Carbon Trust and our installation partner Briggs & Forrester Special Projects, we look forward to continuing the roll-out, helping all Buying Club members identify and achieve significant and sustainable energy savings within their businesses.”

About Tesco Knowledge Hub:

The Tesco Knowledge Hub is the world’s largest supply chain sustainability collaboration, providing an online knowledge-sharing platform for over 1,800 individuals. Members include representatives from 700 of our largest suppliers, Tesco colleagues and external experts. The Knowledge Hub is a key pillar in our work to reduce the carbon footprint of the products we sell by 30% by 2020 – enabling suppliers to work with us and each other to accelerate efforts to reduce greenhouse gas emissions throughout our supply chain, while at the same time unlocking resource efficiency savings and building trusted relationships.

About 2degrees:

2degrees helps global corporations cut costs, reduce risk and grow by being more sustainable, making it more efficient for enterprises to work closely with their suppliers at scale. The result is a move away from traditional ways of operating in the supply chain to a more effective form of partnership between customer and supplier and real collaboration between suppliers themselves.

Using a bespoke online platform and innovative process, 2degrees enables knowledge-sharing and exchange of good practices between customer and suppliers and the suppliers themselves.

2degrees capability arises from a unique combination of experienced engagement managers, a fit-for-purpose platform and process, and access to the experience and knowledge of its 32,000 members, as well as experience of running large scale engagements for major corporations, such as Tesco.

About the Carbon Trust:

The Carbon Trust is an independent company with a mission to accelerate the move to a sustainable, low carbon economy.

The Carbon Trust:

- Advises businesses, governments and the public sector on opportunities in a sustainable, low carbon world
- Measures and certifies the environmental footprint of organisations, products and services.

- Helps develop and deploy low carbon technologies and solutions, from energy efficiency to renewable power.