

Appendix 6F - Tesco Staff Development Programmes

Employment

With over 400,000 staff in 13 countries, we play an important role in creating employment, fostering skills and generating economic development. Our people are our most important asset. We are committed to providing opportunities to develop their careers, providing an excellent benefits package and maintaining a strong defined pension scheme.

In our efforts to improve our workplace we have achieved four aims:

- To develop store structures to better meet the needs of both customers and staff
- To provide our leaders with coaching to support their teams better
- To get more people in to work more of the time
- To reduce our management vacancies down to a minimum. Benefits to Our people are our most important asset, and a key objective is to select and retain the best. We therefore offer our staff an attractive benefits package, including flexible hours and leave, profit-share, an award-winning defined benefit pension, subsidised meals and childcare vouchers.

Through our Privilege Card scheme, all staff with over 12 months' service receive a 10% discount on their shopping at Tesco. They are also able to take advantage of discounts at Tesco.com, on our financial products, holidays, gym membership, childcare vouchers and health cover. Each staff member receives a Benefits Book annually to explain all the benefits they can take advantage of, and a personal Benefits Report summarising their total package.

Training and Development

We are committed to staff development - giving all our employees both the skills to do their jobs and opportunities to develop their careers at Tesco. Our training programmes cover everyone from general assistants to senior directors.

Our Training Framework Scheme, started in 1997 and now accredited by the Qualification and Curriculum Authority, delivers most of the training on the shop floor. It involves several layers and we have set targets for 95% of our retail staff to be trained to Bronze level with 75% of retail staff to be trained to Silver level. This year, 85.5% were trained to Silver level and 97% were trained to Bronze level.

Having recruited and trained good staff, we want to retain them. Our retention rate for experienced staff is 84.1%, exceeding our target of 80%. We believe in 'growing our own' talent: in the last three years we have appointed 27 Directors, 200 Store Managers and 8,000 Department Managers from within Tesco. Next year, we will appoint over 3,000 new managers in the UK, and want 80% of these to be internal appointments. Worldwide, 1,400 managers have attended our core leadership training courses.

Options Scheme

Our Options Scheme is our Development Programme for those identified with the potential to do a bigger or different job. At any one time one in ten of our employees is on this scheme, and in the last three years, 50,000 people have been through it.

Apprenticeship Scheme

In the UK we run an apprentice scheme which gives staff aged 16-24 years the experience of working in different parts of our business. Tesco managers coach and assess candidates and successful apprentices are externally certified by City and Guilds. This year, we are opening the apprenticeship scheme to a further 450 staff of all ages and we can now award nationally-recognised NVQs to our staff as the basis of apprenticeships. We are also currently exploring the possibility of providing a foundation degree in Retail Management and Leadership as part of our commitment to providing job-matched qualifications.

We offer lifelong learning in three core areas: Basic IT, Skills for Life (Basic English/Maths and English for speakers of other languages) and Languages.

Debut

Our Debut website www.tesco.com/debut offers on-line training and development, financial guidance, discounts and career advice to help 16-24 year olds through the transition from full-time education to full-time careers. As an innovative and energetic company in a highly competitive retail environment, learning and progression from within the company is core to our operation. Training forms an important part of staff development and we give opportunities for all staff to develop their talents to the full.

A key business priority is to serve customers better and so our ongoing training programmes seek to ensure our people understand the Group's customer service objectives and strive to achieve them. We support our people to achieve their potential through access to training programmes and all staff have personal development programmes (PDPs) to ensure they have the right skills to do their job. All employees of Tesco will be able to access learning tailored to their own personal development needs, from induction and operating and leadership skills to core skills, such as project management, personal efficiency, effective meeting management, presentation skills and facilitation. All retail employees complete basic training (our Bronze Award training scheme) as well as job-specific training, as part of our overall training framework. Each year we aim to retain over 80% of experienced staff, ensure that 95% of retail staff are trained to bronze standard and 75% are trained in silver standard.

Tesco has a way of helping people develop their careers called "Talent Spotting". Each individual has a career discussion with their manager to plan their career progression. They are then placed in a talent pool and the information is used to determine who fills future vacancies and to identify cross-functional movement and development opportunities. At any one time we aim to have 10% of our people working towards a promotion to their next work level.

Older Staff

We were one of the first companies to positively encourage the recruitment of the 50+ age group. We are members of the Employers Forum on Age, and are an Age Positive champion under the scheme run by The Department for Work and Pensions. We won the Personnel Today 2004 Age Positive Award for our work on supporting both younger and older workers in the workplace.

Health and Safety

Tesco is committed to providing a safe and healthy environment for our people, our customers and our visitors. Our Health and Safety objectives are to comply fully with health and safety law and to reduce accidents and work-related ill health.

Every store measures health and safety performance and reports on it to employees and management three times a year through Staff Forums and the Steering Wheel Management system. Every large store now also has a compliance manager. In 2006, we set ourselves a three-year target to reduce reportable accidents in the workplace by over 10% and we are on track to achieve this. This year alone we have recorded a 21.9% decrease in the customer accident rate and a 13.1% decrease in the retail staff accident rate. Although we have seen a slight increase of 3.7% in the staff accident rate within distribution, we have already taken positive steps to address the increase and we are confident that over the longer three-year cycle we will meet the target.

During 2007/08 we will continue to run our successful awareness campaigns focusing on the main causes of accidents in retail and distribution. In addition, we will:

- Launch improved training on manual handling for our staff
- Continue to work on improving roll cage safety
- Implement and improve our accident reporting system in order to provide better management information, whilst also launching a new accident toolkit to help stores target the main causes of accidents.

Family

To help people who otherwise might not be able to work, we allow flexible working hours whenever possible. We offer family-friendly shifts, maternity leave for all, paid paternity leave, equal training and development opportunities for part-time workers, vouchers for most types of childcare, and a career break scheme. We also encourage job sharing, flexi-time or compressed hours, shift swaps, working from home and part-time working when practical.

Disability

We were the first UK employer to set targets for recruiting disabled people and are working with the Shaw Trust and Remploy to reach even more. Over the last year we recruited over 100 staff through these partnerships.

Case Study - Gallions Reach, East London

Our Extra store at Gallions Reach has been working with the Shaw Trust to give a chance to disabled and deprived people from the local community. If someone has been out of work for six months or is disabled, the store trains them and finds them a placement where they work 24 hours a week for six weeks. If they are found to be suitable and there is a vacancy, then they are taken on. The store has taken on six people in this way, mainly as customer assistants in different departments. All six are still working in Tesco. Bakery Assistant Michael Johnson went through a spell of unemployment after leaving college but contacted the Shaw Trust and was given a job at Tesco. "I like the people and have fitted in well, it is a great scheme which has given me the chance of a good career".

Tesco are the Shaw Trust's largest employment partner, with hundreds of clients working in our stores across the UK. We have also begun a new 'into work' work programme for young disabled people in partnership with Whizz-Kidz, our 2006 Charity of the Year.