

Tesco has implemented a three-pronged climate change strategy to reduce greenhouse gas (GHG) emissions from its own operations, engage external stakeholders in efforts to promote low-carbon solutions, and empower customers to reduce GHG emissions through product labeling and promotion of low-carbon products. This strategy is embedded across the company's business, and Tesco uses Key Performance Indicators to benchmark progress and set climate change goals. Tesco has pioneered efforts to promote carbon labeling, launching a pilot program to label 20 products with information about their carbon footprints. The company has set targets to reduce its own energy use and GHG emissions, and it is also actively engaged in public policy discussions to support and define a regulatory framework for GHG emissions reduction.

Summary Score: 78

Company Information

Tesco PLC, based in the United Kingdom, is the third-largest grocer in the world and the largest retailer in the U.K. The company operates roughly 2,100 stores in the U.K. and 1,600 stores in Ireland, Central Europe, Asia, and the US. Tesco's operations include convenience and gasoline retailing (Tesco Express), small urban stores (Tesco Metro), superstores (Tesco Extra), and financial services (Tesco Personal Finance). Tesco.com is Britain's leading Internet delivery service. Tesco's average number of employees for 2007 was 318,283 full-time equivalents.

Contact Information

Chairman: David E. Reid

CEO: Terry Leahy

Website: www.tesco.com

Address: Tesco House Delamare Road, Cheshunt, ENG EN8 9SL, United Kingdom

Board Oversight

Score: 3

<i>Board Committee/Member</i>	None identified.
<i>Board Role</i>	Tesco's full Board of Directors reviews the company's Corporate Responsibility strategy twice a year.
<i>Board Training</i>	None identified.

Management Execution

Score: 18

<i>CEO Leadership</i>	<p>In February 2008, Tesco CEO Sir Terry Leahy stated: "Our work to deliver sustainable consumption is not some add-on extra...Cutting carbon emissions is now locked into our business strategy." Sir Terry also made the keynote speech at the launch of the Carbon Disclosure Project in London in October 2007. At the company's annual supplier conference, Sir Terry addressed over one thousand suppliers about climate change.</p> <p>Sir Terry also reiterates the company's climate change commitments and achievements in his annual letter to shareholders in Tesco's 2008 Annual Report. He states: "My strong belief is... that being green will be a good way to grow and add value for shareholders whilst discharging our responsibilities to other stakeholders. That is why Tesco has taken a lead on these matters."</p>
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Company Strategy

Tesco launched its climate change strategy in 2007. The company outlines its climate change position in its 2008 Corporate Responsibility Review, stating:

There is a growing consensus on the science of climate change. It is accepted by governments, businesses, NGOs and people around the world... Critics argue that supermarkets are part of the problem because they often run energy-intensive stores selling food and other products that have traveled long distances. We believe that retailers can play a positive role in tackling climate change. Tesco has never ducked a challenge and we intend to lead the way by dramatically reducing our own carbon footprint and making low-carbon products accessible and affordable for consumers.

Tesco has established a three-pronged strategy for addressing climate change at the company. The first objective is to “set an example” by reducing GHG emissions from its own operations. The company has set an emissions reduction target and has developed specific plans to achieve its goals. Tesco is also committed to transparent reporting of its carbon footprint.

The company’s second priority is to “work with others,” or to engage with external stakeholders. This commitment includes investing in new technology and funding new research on low-carbon solutions.

Tesco’s third focus is to “empower customers” to reduce their emissions by providing information and products that allow them to make lower-carbon choices. The company aims to “make low-carbon choices easy and affordable.”

Executive Responsibility

Tesco says that its climate change strategy is embedded in teams across the business – from Marketing and Property to International – with a focused core team in Corporate Affairs to drive the overall direction of the company’s initiatives. The Corporate Responsibility Committee meets at least four times a year to develop the company’s corporate responsibility strategy, review relevant policies and practices, and monitor progress. In addition, each of Tesco’s international businesses has a Corporate Responsibility Committee led by the Chief Executive of that country or another senior Director. Tesco’s Energy Purchasing team is responsible for long term price forecasting which takes into account the impact of climate-related regulatory measures such as the EU ETS and the Renewables Obligation.

Tesco’s Executive Committee receives regular updates on Tesco’s corporate responsibility performance and plays a key role in assessing future risks and opportunities and developing the company’s strategy on issues such as climate change.

Tesco defines its business strategies and measures its performance through the Steering Wheel, a management tool used by all levels of the business that sets out specific business objectives and Key Performance Indicators (KPIs) to measure progress in achieving these objectives. The company’s energy and climate-related initiatives are included in one of the Wheel’s five sections, with specific targets to reduce energy consumption and KPIs to assess performance in this area. Using the Steering Wheel tool, each business unit is responsible for developing energy strategies to achieve these targets.

Tesco have placed Energy Champions (members of staff specifically trained to inspire and motivate colleagues to save energy) in every store. In addition, Tesco has tasked every

management team in a store with making regular energy efficiency checks as part of their everyday routines and ensuring the energy-related KPIs are met.

External Initiatives Tesco's US chain, Fresh & Easy, is a pilot member of the LEED Volume Certification Program. Tesco has also partnered with the United Nations Environment Program to engage local communities in South Korea and Thailand to promote understanding of climate change issues. Tesco is also a member of the European Union Corporate Leaders Group on Climate Change.

Employee Training Tesco invites external experts to address the Corporate Responsibility Committee twice a year and comment on the company's corporate responsibility strategy, performance, and reporting. Certain members of staff, called Energy Champions, are trained specifically to motivate and educate colleagues on saving energy. Tesco also provides training and guidance to country and corporate-level representatives responsible for emissions reporting.

Executive Compensation Tesco has established Key Performance Indicators (KPIs) to gauge the company's progress on a variety of issues, including climate change. The remuneration of senior management is determined by performance against these KPIs, with bonuses reflecting the level of achievement on each segment of the Steering Wheel.

Public Disclosure

Score: 10

Annual Report In the Business Review section of its 2008 Annual Report, Tesco describes its progress towards achieving the company's climate-related goals. The report also describes some of the Key Performance Indicators related to emissions reduction.

Securities Filings Tesco has not filed a Form 10-K or 20-F with the US Securities and Exchange Commission.

Other Disclosure Tesco provides a robust discussion of its climate change strategy and initiatives on its website and in its annual sustainability report.

Sustainability Report: *More than the weekly shop: Corporate Responsibility Review 2008*, May 2008

URL: http://www.tescoreports.com/downloads/tesco_crr.pdf

GRI Accordance: None identified.

Carbon Disclosure Project Answered Questionnaire (Public)

CDP6 Risk Disclosure In its CDP6 response Tesco identifies three areas where the company faces physical risks from climate change. First, the company notes that climate change may impact store operations – particularly in areas prone to flooding. Second, Tesco points to risks to its supply chain, noting that climate change may cause changes in growing seasons or rainfall patterns that could “put existing sources of products...at risk and bring instability into the supply chain.” This could create a commercial risk for the company, because, as the company states, “if suppliers are no longer able to supply us due to resource scarcity, we will need to form new commercial relationships and this may be difficult, especially if the number of suppliers reduces.” Third, Tesco identifies changing demand as an area of risk, as climate change may affect demand patterns for the company's products and services. Tesco states: “One of the biggest risks to business...is that of being slow to identify and respond to growing consumer demand for

business to help lead the response to climate change, both through our own operations and by providing the products, services and information to enable people to respond effectively in their own lives.” In addition to these physical risks, Tesco identifies climate-related investment risks as a significant area of risk for the company as well. According to the company, “Investors may target companies much more directly on their environmental performance or lack of.”

Public Policy

Tesco says that it has “adopted a pro-active approach to working with policy makers in all the markets” where the company operates. The company has advocated its position that “government has an important role to play in providing a regulatory framework that supports and stimulates the transition to a low-carbon economy” and must develop new, comprehensive policies that incentivise business to invest in energy efficiency, renewable energy, and other low-carbon technologies. According to Tesco, current regulation consists of “hundreds of pages of overlapping policy guidance covering a wide range of often competing objectives,” and such “complex, inconsistent and overlapping regulations...impede progress towards meeting climate change objects and should be streamlined.” Tesco also encourages governments to avoid regulation that is based on penalties and prohibition, rather than incentives.

According to Tesco, “Business taxes and incentives must be redirected from a high-carbon to a low-carbon economy with a greater focus on promoting demonstration, early deployment and development of low carbon technologies.” The company suggests the following regulatory measures:

- A longer term framework of support for renewable technology. Tesco supports feed-in tariffs, a type of legislative incentive for investment in renewable technology.
- New grant funding schemes and making existing schemes more accessible.
- An extension of Enhanced Capital Allowances.
- The greater use of tax relief. Business rates in particular could be used as a mechanism to encourage investment in low carbon technology and energy efficiency.

In the UK, Tesco has provided input to government consultations on regulatory initiatives such as the Carbon Reduction Commitment. Tesco advocates for a carbon trading scheme to be implemented “as soon as possible” in the UK because “establishing a carbon price will be a key driver for investment in innovation, providing the certainty and incentive required for long-term investment decisions.”

In Europe, Tesco works with both the European Commission and the European Parliament on policy development for climate-related issues such as carbon-labeling; in 2008 Tesco presented to the European Parliament Climate Change Committee on its climate change strategy and carbon labeling work. As a member of the European Retail Round Table (ERRT), Tesco led a public commitment by ERRT members to support the European Union’s 2020 energy goals.

Emissions Accounting

Score: 14

GHG Emissions Inventory Year: 2007 Facility/Region: Global Protocol: GHG Protocol

Emissions	CO ₂ e (Metric Tonnes)
Scope 1 (Direct)	1,705,297
Scope 2 (Indirect –Electricity)	2,691,388
Scope 3	—
Travel	69,804
Logistics	—
Products	—
Supply Chain	—

Accounting Methods Tesco worked with Environmental Resources Management Ltd. to design a carbon footprinting tool that measures the company's emissions and tracks its performance against the emissions and energy-related KPIs. Each country measures and reports its carbon emissions on a quarterly basis. Business travel is measured by collecting travel data for car journeys, rail trips and short and long haul flights.

External Verification Tesco's inventory was verified by Environmental Resource Management.

Certified CO₂ Offsets In 2007 Tesco partnered with UNEP, the Ministry of Natural Resources and the Foundation for Khao Yai National Park Protection on an initiative to plant nine million trees in Thailand's natural forest reserves over five years. It is estimated that the project will reduce atmospheric CO₂e by nine million tonnes over 40 years.

Strategic Planning

Score: 33

Emissions Reduction Targets

	Target	Baseline Year	Target Year	Region
GHG Emissions (Intensity)	50% CO ₂ e per case	2006	2012	Global distribution fleet
GHG Emissions (Absolute)	50%	2006	2020	Global existing stores and distribution centers
GHG Emissions (Absolute)	50% on average	2006	2020	Global new stores after 2006

Target Details Tesco has also set a goal for all new buildings to emit on average 50 percent less CO₂e by 2020, compared to a 2006 baseline. In addition to its long-term targets, Tesco has set year-to-year targets to achieve its long-term goals. For example, the company has set a goal to reduce emissions from its existing stores 5 percent by 2009 as a step to achieving its larger target of a 50 percent reduction by 2020.

<i>Target Achievement</i>	<p>Tesco set a previous target to reduce its energy efficiency use per square foot in the UK by 50 percent by 2010, compared to a 2000 baseline. The company achieved this target two years early. In addition, while Tesco's global emissions have increased due to growth (up 8.6 percent compared to 2006), the company has reduced its overall carbon intensity by 4.7 percent (measured as emissions per square foot of net sales area). Tesco also reduced emissions from its UK fleet by over 10 percent last year.</p>
<i>Energy Efficiency</i>	<p>In calculating its carbon footprint, Tesco has identified key areas of impact for its business. For example, Tesco has determined that heating and lighting, refrigeration, and transportation of goods contribute the most emissions to the company's total carbon footprint. Tesco has taken steps to address each of these areas of impact.</p> <p>Recognizing that 67 percent of the company's total carbon footprint is comprised of emissions from electricity and natural gas use, Tesco has launched several initiatives to reduce in-store energy use. Tesco is planning to implement a new energy efficient store design that "will provide a new blueprint for the way [the company] builds stores around the world in the future," moving energy efficient stores "from the exception to the norm." Tesco plans to spend £500m over the next five years on initiatives to reduce the company's energy use. This year the company invested £86 million in energy-saving technology for its stores, including low-energy lighting, energy-efficient bakery ovens, wind turbines, combined heat and power (CHP), tri-generation and hanging curtains on freezer doors.</p> <p>Tesco has built energy efficient prototype stores in seven countries to "trial new leading-edge technology." In the UK, the company recently opened its fourth prototype, which achieves a 60 percent reduction in GHG emissions compared to the company's standard stores. Features being tested at this store include a sustainable timber frame, natural lighting through the roof, rainwater harvesting, a ground source heat pump and battery-powered delivery vans. Tesco is also moving forward with a program to phase out all refrigeration based on HFC, a potent greenhouse gas.</p> <p>Tesco's US branch, Fresh & Easy, is a pilot member of the LEED Volume Certification Program. Through this program, Fresh & Easy will focus on reducing its footprint through a variety of measures, including skylights on new buildings, automatic-dimming lighting systems, increased insulation, LED lighting, and other efficiency upgrades. Fresh & Easy stores even offer special parking spaces for customers with hybrid vehicles.</p>
<i>Renewable Energy</i>	<p>Tesco has established a £100m Sustainable Technology Fund to support large-scale carbon reduction technologies for its stores, distribution centers and supply chain. The fund is solely dedicated to investment opportunities in low-carbon technologies that are not yet economically viable. Last year, the fund spent £22 million on large-scale wind and biomass initiatives. The fund was also used for a number of smaller projects, including: a) wind turbines on store roofs and in parking lots; b) ground source heat pumps; and c) photovoltaic cells to power the tills in stores.</p> <p>Tesco has launched several small-scale renewable energy projects at its stores across the globe. In Hungary, the company is installing over 10,000 sq. ft. of solar panels. At three distribution centers, Tesco is installing rotating solar panels that track the sun and maximize the amount of solar energy captured. In Turkey, Tesco-Kipa opened two new stores using solar</p>

power for their checkouts, reducing annual CO2e emissions by 66 tonnes. Fresh & Easy now has California's largest solar installation at its distribution centre and a similar large installation is planned in the Czech Republic.

Emissions Trading None identified.

Products & Services Tesco states in its CDP6 response: "At Tesco we believe that we and our customers can be part of the solution to tackling climate change. A key element of our strategy is to 'turn green consumption into mass consumption'. With roughly 33m customers globally, helping customers to make greener choices is one of the biggest impacts we can make." Tesco has taken a number of steps to take advantage of climate-related commercial opportunities.

The company is expanding its products and services into new areas, including home energy efficiency products. In the past 12 months, Tesco's sales of environmentally-friendly products have grown by 50 percent, and in the US, Fresh & Easy stores sell only energy efficient light bulbs and have designated specific parking spaces in their lots for hybrid vehicles.

Tesco has committed to providing customers with information about the embedded emissions of their products through a carbon labeling initiative. The company recently launched a pilot project for 20 products sold in UK stores—including detergents, light bulbs, potatoes, and orange juice—labeling each product with its full carbon footprint, including emissions associated with the product for its entire lifecycle, from production to end use and disposal. The goal of the initiative is to make "low-carbon choices easy and affordable." Tesco plans to roll out carbon labeling to other products this year and will conduct research to understand how customers are using the information. In addition to carbon labeling, Tesco places a "By Air" sticker to identify air freighted products. The company achieved its target of limiting air freighted produce to comprise less than 1 percent of its stock.

Tesco also has cut its prices for energy efficient products to reduce costs for customers choosing low-carbon products. By cutting the price of energy efficient light bulbs by 50 percent, the company quadrupled its sales of the product. Tesco met its target to sell 10 million energy efficient light bulbs over one year. Tesco has launched its "Tesco Greener Living" brand this year. Tesco also offers a low cost insulation service.

Research & Development In 2007 Tesco launched a five-year, £25m funding program for a new Sustainable Consumption Institute (SCI) at the University of Manchester. The SCI, which has pledged to make all of its research freely and publicly available, was established to "develop research to define and accelerate the steps required to make a successful transition to a low-carbon economy." Tesco plans to work with the University of Manchester to develop areas for research.

Supply Chain Management Tesco is working with ERM Ltd. to measure its total supply chain footprint by assessing the emissions associated with its suppliers and customers. The company plans to release the results of this work in the near future. Tesco is also a founding member of the Carbon Disclosure Project (CDP) Supply Chain Collaboration and is working with suppliers, including Coca-Cola and Unilever, to find ways of cutting emissions in the supply chain. Tesco has plans to install a number of Coca-Cola's natural refrigeration units and to achieve distribution

efficiencies with Unilever that would cut 173,000 lorry miles and reduce packaging by 25 percent by 2010.

Tesco has also undertaken a number of initiatives to reduce emissions associated with distribution. In 2007 the company reduced carbon emissions from its distribution systems across global operations by 4.7 percent per case delivered. Tesco has enhanced its efforts to improve space utilization in its vehicles, work with suppliers to reduce the number of empty trips made by its fleet, and change its distribution network in the UK. The company estimates that these initiatives have reduced 2.89 million miles run by its fleet annually. Tesco has also increased its efforts to use alternatives to road transport in the UK by increasing the space available to suppliers on the Tesco train and increasing transportation via waterways. In its Shrewsbury store, Tesco now uses battery powered, zero-emission home delivery vans.

In addition to addressing its own operations, Tesco is enhancing its monitoring and reporting of emissions from freight contracted by Tesco to be distributed internationally between suppliers and Tesco depots.

Safeway was the first retailer to join the Chicago Climate Exchange and the California Climate Action Registry. The company has established a greenhouse gas (GHG) Reduction and Sustainability Initiative, and is currently undergoing an emissions audit to develop a GHG emissions inventory for 2007. The company has also set both a GHG emissions reduction target and a renewable energy target, and it is currently developing approximately two dozen solar projects across California.

Summary Score: 48

Company Information

Safeway is a food and drug retailer with operations in the United States and several Canadian provinces. The company's stores offer a wide selection of food and general merchandise and feature a variety of specialty departments such as bakery, delicatessen, floral and pharmacy. In support of its retail operations, Safeway has an extensive network of distribution, manufacturing and food-processing facilities. At year-end 2007 Safeway operated 1,743 stores and had 201,000 full-time and part-time employees.

Contact Information

Chairman/CEO: Steven A. Burd

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Board Oversight

Score: 5

Board Committee/Member

Nominating and Corporate Governance Committee

Board Role

The Nominating and Corporate Governance Committee of Safeway's Board of Directors has the responsibility to periodically review social and environmental issues affecting the company.

Board Training

None identified.

Management Execution

Score: 11

CEO Leadership

CEO Steven Burd states in his 2007 annual letter to shareholders: "Our environmental achievements in 2007 included purchasing 87 million kilowatt-hours of renewable energy, recycling approximately 500,000 tons of materials for reuse, and converting virtually our entire U.S. company-owned truck fleet to run on cleaner-burning biodiesel fuel."

Company Strategy

As part of Safeway's "Commitment to the Environment," the company has established a GHG Reduction and Sustainability Initiative. Safeway states: "We launched a comprehensive, long-term Greenhouse Gas (GHG) and Sustainability Initiative with the goal to reduce our company's carbon footprint and improve air quality and the environment in the communities we serve. Toward that end, we set out to determine Safeway's current carbon baseline so we could implement cost-effective measures to reduce the baseline, improve profitability and achieve environmental sustainability." Safeway also says that "a central focus of this strategy is employee awareness of climate change and the tools to help manage its impacts. Employee education, energy conservation, process improvement, efficient building design, recycling and

SAFeway INC.

other key elements of responsible environmental stewardship are critical to managing the future performance of our sustainability efforts.”

Executive Responsibility Executive Vice President, Chief Strategist and Administrative Officer Larree Renda oversees environmental/sustainability reporting and projects.

External Initiatives Safeway has joined the following initiatives: Chicago Climate Exchange; California Climate Action Registry; EPA’s GreenPower Partnership Program; EPA’s Smartway Transport Partnership; EPA’s Grow & Go Partners Program; U.S. Green Building Council’s LEED Retail Portfolio Program.

Employee Training Safeway “strives to educate customers about energy management and about [its] participation in numerous federal and state programs aimed at reducing energy use in stores and other facilities.” The company incorporates environmental training in its New Employee Orientation, Retail Leadership Development and Safety Champions programs. Safeway’s “Power to Save” employee education initiative includes 10 easy energy-saving tips for employees who work in the company’s stores. Each month a different energy-saving strategy is played via video in a continuous loop in employee break rooms. Safeway also includes periodic environmental video spots and stories in the electronic and print versions of the employee newsletter, In Focus.

In addition, Safeway is implementing an ongoing employee communication and education program regarding Greenhouse Gas (GHG) emissions, environmental stewardship and the company’s sustainability efforts. Safeway developed an employee environmental intranet site that includes educational materials and tools for employees to identify improvement opportunities at work and manage their personal carbon footprint at home. This online resource includes a carbon calculator with renewable wind energy purchase options and a reduced-cost employee solar program with one of Safeway’s solar developers.

Executive Compensation None identified.

Public Disclosure

Score: 3

Annual Report Safeway briefly mentions its renewable energy purchases and other GHG reduction initiatives in its 2007 Annual Report.

Securities Filings No climate change mention.

Other Disclosure Safeway discusses its environmental commitments and initiatives on its website and in its 2007 sustainability report.

Sustainability Report: *Our Values at Work: 2007 Corporate Social Responsibility Report, Investing in our Environment: 2007 Summary Report Environmental Initiatives*

URL: http://media.corporate-ir.net/media_files/irol/64/64607/Corp_Social07.pdf

GRI Accordance: None identified.

Carbon Disclosure Project Declined to participate.

Public Policy None identified.

Emissions Accounting

Score: 11

GHG Emissions Inventory Year: 2000 Facility/Region: U.S. Domestic Protocol: Other

Emissions	CO ₂ e (Metric Tonnes)
Scope 1 (Direct)	366,113
Scope 2 (Indirect –Electricity)	2,252,432
Scope 3	—
Travel	—
Logistics	—
Products	—
Supply Chain	—

Accounting Methods Safeway's most recent emissions data reflects emissions data from 2000, but the company is currently conducting an emissions audit for 2007, according to the protocol outlined by the Chicago Climate Exchange.

External Verification Safeway's emissions inventory has been audited for both the Chicago Climate Exchange (by Financial Industry Regulatory Authority) and the California Climate Action Registry (by Tetra Tech, Inc.).

Certified CO₂ Offsets None identified.

Strategic Planning

Score: 18

Emissions Reduction Targets

	Target	Baseline Year	Target Year	Region
GHG Emissions (Absolute)	6%	2000	2011	U.S. Domestic
Renewable Energy	2.5%	2005	2009	U.S. Domestic

Target Details Safeway's membership in the Chicago Climate Exchange contains a legally-binding commitment to reduce greenhouse gas emissions 6 percent from year-2000 levels by the end of 2010 in 1.5 percent increments starting in 2007.

Target Achievement Safeway is currently completing an audit to assess progress on its target to reduce emissions by 1.5 percent below its 2000 emissions baseline. The company expects to have achieved this target. In 2007, Safeway achieved the following GHG emissions reductions:

- 191,000 metric tons CO₂e through strategic energy purchases;
- 110,000 metric tons CO₂e through the application of efficient technology, process improvements and education;
- 100,000 metric tons CO₂e through a wide range of transportation initiatives and alternative fuels application;
- 178,000 CO₂e metric tons through recycling.

Energy Efficiency Safeway has an ongoing program of pursuing energy efficiency in its buildings for both new and retrofit construction. These efforts are underway in its retail, manufacturing, distribution and corporate operations. Safeway is currently retrofitting the lighting, refrigeration, and HVAC systems of its stores and offices to improve efficiency. For example, the company recently installed “no-heat” doors on its freezers and LED lighting in exterior signage which reduced energy use by 50,000 MWh annually.

In 2007, Safeway worked with the U.S. Green Building Council in the development of the LEED Retail Portfolio Program, a collaboration to design a portfolio approach to efficient LEED building design for the retail sector. Upon certification, Safeway plans to integrate LEED criteria into its standard design and construction practices.

Renewable Energy Safeway began its renewable energy program in 2005. The company is currently developing approximately two dozen solar projects across California. When complete the projects should provide approximately 7,500 MWh of solar energy per year, or 20 percent of those stores’ annual electricity use. The company hopes to expand the solar program to supply 40 stores. In addition, Safeway has committed to purchase 90 million kWh of renewable wind energy in 2008. This is enough energy to power 100 percent of Safeway’s more than 300 fuel stations, its corporate facilities and all of its San Francisco and Boulder stores. Safeway is also a member of the EPA Green Power Partnership Program. Each year in partnership with its suppliers, documentation is submitted to substantiate Safeway’s renewable power claims and commitments. Safeway’s purchases of renewable wind energy are audited by the Center for Resources Solutions annually.

Emissions Trading Safeway was the first retailer to join the Chicago Climate Exchange. Safeway also was the first retailer to join the California Climate Action Registry and obtain Climate Action Leader Status, that state’s official GHG emission registry.

Products & Services None identified.

Research & Development None identified.

Supply Chain Management In 2007, Safeway initiated the conversion of its entire domestic company-owned distribution truck fleet to biodiesel fuel. Using biodiesel for Safeway’s distribution operations reduces the company’s annual GHG emissions in the U.S. by approximately 75 million pounds. These results are in addition to the company’s commitments through the EPA’s SmartWay Transport Partnership, which conserve more than 6.5 million gallons of diesel fuel annually, reducing approximately 145 million pounds of CO₂ emissions per year.

WHOLE FOODS MARKET, INC.

NASDAQ – WFMI
Grocery and Drug Retail

Whole Foods' climate change strategy is focused almost entirely on renewable energy purchases only. The company has purchased 1.2 million MWh hours of wind-based renewable energy credits (serving as carbon offsets for 100 percent of the electricity used in all of its stores), installed solar panels on nine stores, and converted its truck fleet to bio-diesel fuel. However, Whole Foods has not publicly disclosed a greenhouse gas (GHG) emissions inventory or emissions reduction targets.

Summary Score: 27

Company Information

Whole Foods Market owns and operates a chain of natural and organic foods supermarkets. The company operates in the United States, Canada, and the United Kingdom. As of October 2008, Whole Foods operated 275 stores, supported by regional distribution centers, bake house facilities, commissary kitchens, seafood-processing facilities, produce procurement centers, a national meat purchasing office, a confectionary, and a specialty coffee, tea procurement and brewing operation. Whole Foods employed approximately 53,000 employees as of October 2008.

Contact Information

Chairman/CEO: John P. Mackey

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Address: 550 Bowie St., Austin, TX 78703, United States

Board Oversight

Score: 0

Board Committee/Member None identified.

Board Role None identified.

Board Training None identified.

Management Execution

Score: 11

CEO Leadership None identified.

Company Strategy As part of its "Green Mission," Whole Foods strives "to be a leader in environmental stewardship." The company states: "Supporting wise environmental practices is part of our core values and strengthens our commitment to be a leader in environmental stewardship... Wind power, green building and bio-diesel are just a few examples." In addition, according to Whole Foods, "each region and each store continually act on initiatives that support [the] Green Mission." The company also has announced that it is making energy efficiency, on-site renewable energy installation, green building standards, and renewable energy purchasing top priorities in future store planning."

Executive Responsibility Whole Foods has established a Green Mission task force, comprised of executives from across the company's regions, including Regional Presidents, General Vice Presidents of Store Development and Construction, Global Vice Presidents of Store Development, Purchasing, Transportation and Logistics, the Global Leaders of Sustainable Engineering, Maintenance and Energy Management, and several members of senior management. In 2008, Whole Foods

WHOLE FOODS MARKET, INC.

held a Green Mission Congress for regional team leaders to gather and refine the company's environmental strategies and goals.

External Initiatives Whole Foods has joined the following initiatives: US EPA Climate Leaders; US EPA ENERGY STAR; US EPA Green Chill; US EPA Green Power Partnership. Whole Foods is also a steering committee member of US DOE's Retail Energy Alliance and is working with DOE in designing a low energy building.

Employee Training Whole Foods says that it provides training opportunities for its employees on recycling and climate change issues.

Executive Compensation None identified.

Public Disclosure

Score: 4

Annual Report No climate change mention.

Securities Filings In the Business Strategy section of its 2007 Form 10-K filing, Whole Foods describes its motto: "Whole Foods, Whole People, Whole Planet." As part of the "Whole Planet" component, the company mentions its renewable energy purchases.

Other Disclosure Whole Foods discusses its "Green Mission," which includes energy efficiency initiatives and renewable energy purchases, on its website.

Sustainability Report None identified.

Carbon Disclosure Project Answered Questionnaire (Not Public)

Public Policy Whole Foods says that it has formed "strategic alliances like Clean Air-Cool Planet and retailer alliances to ensure [its] sector is represented during policy discussions around taxation, regulation and carbon trading."

Emissions Accounting

Score: 1

GHG Emissions Inventory Whole Foods has not completed an emissions inventory but plans to do so in the near future.

Certified CO₂ Offsets In 2007 Whole Foods purchased 509 million kilowatt hours of wind-based renewable energy credits, offsetting 100 percent of the electricity used in all of its stores, facilities, bake houses, distribution centers, regional offices and national headquarters in the US and Canada.

Strategic Planning

Score: 11

Emissions Reduction Targets Whole Foods has set preliminary emissions reduction targets but has not yet published these targets.

Target Achievement None identified.

Energy Efficiency Whole Foods has joined as a sector leader for the EPA's National Action Plan for Energy Efficiency. The company is also upgrading its equipment and systems to improve energy efficiency, reducing energy consumption between 10 and 50 percent in certain stores. Whole

WHOLE FOODS MARKET, INC.

Foods has constructed two stores with LEED Silver certification and currently has 20 stores registered to become LEED certified with more under development. Whole Foods also recently implemented a company-wide energy and refrigerant tracking program.

Renewable Energy

Whole Foods has purchased more than 1.2 million MWh of renewable energy to date. The company has also installed solar panels on five of its stores in California and New Jersey to meet roughly 20 percent of the stores' energy needs. An additional four locations host solar systems on their facilities to support renewable energy markets. In March of this year, the new Glastonbury, Connecticut Whole Foods Market store opened as the first supermarket to generate most of its power on-site with an ultra-clean fuel cell from UTC Power. The store generates 50 percent of the electricity and heat and nearly 100 percent of the hot water needed to operate the store on-site using fuel cell technology.

Emissions Trading

None identified.

Products & Services

None identified.

Research & Development

None identified.

Supply Chain Management

Whole Foods is converting its truck fleet to bio-diesel fuels and retrofitting vehicles with aerodynamic aprons to cut down on wind resistance and therefore lower fuel consumption. Roughly half of Whole Foods' distribution centers use trucks that run on bio-diesel fuel. The company is also partnering with its suppliers and investing in locally manufactured products to help it reduce its carbon footprint.

Whole Foods also heavily promotes local products in its stores. The company says that it is "permanently committed to buying from local producers," and acknowledges that local sourcing helps to reduce the environmental impacts associated with transportation.

THE KROGER COMPANY

NYSE – KR
Grocery and Drug Retail

Kroger has centered its climate change initiatives on reducing the company's energy use. Kroger has set a target to reduce its energy use in all stores 30 percent below 2000 levels by 2010, and it has already achieved a 22 percent reduction. Despite these achievements, however, Kroger has not taken the important step of developing a greenhouse gas (GHG) emissions inventory.

Summary Score: 23

Company Information

Kroger operates retail food and drug stores, multi-department stores, jewelry stores, and convenience stores throughout the United States. The company also manufactures and processes some of the food for sale in its supermarkets. As of February 2008, Kroger operated 2,486 supermarkets and multi-department stores, 782 convenience stores and 394 fine jewelry stores. The company also operates 42 manufacturing plants, primarily bakeries and dairies, which supply approximately 43 percent of the corporate brand units sold in the retail outlets. Kroger employs approximately 323,000 full and part-time employees.

Contact Information

Chairman/CEO: David B. Dillon

Website: www.kroger.com

Address: 1014 Vine St., Cincinnati, OH 45202 United States

Board Oversight

Score: 0

<i>Board Committee/Member</i>	None identified.
<i>Board Role</i>	None identified.
<i>Board Training</i>	None identified.

Management Execution

Score: 7

<i>CEO Leadership</i>	CEO David Dillon discusses Kroger's progress in reducing the company's energy use in his letter in the 2008 sustainability report.
<i>Company Strategy</i>	None identified.
<i>Executive Responsibility</i>	Kroger's Sustainability Committee is comprised of senior leaders from all major departments and functions of the company. In addition, the Executive Committee annually approves the company's energy management plans, including all major energy and emissions reduction capital projects.
<i>External Initiatives</i>	None identified.
<i>Employee Training</i>	Kroger's "Save 5" program educates associates on ways to reduce energy consumption.
<i>Executive Compensation</i>	Kroger states in its CDP6 response: "energy reduction goals are set in advance of each fiscal year and meeting those goals is now a component of the bonus structure for all Store Divisions." It is not clear to which store division personnel this applies.

THE KROGER COMPANY

Public Disclosure

Score: 2

<i>Annual Report</i>	No climate change mention.
<i>Securities Filings</i>	Kroger does not discuss climate change in its annual 10-K filing. The company's 2008 proxy statement, however, addresses a shareholder resolution filed with Kroger requesting that it "develop a comprehensive policy for addressing climate change and reducing GHG emissions." The board opposed the resolution, stating that such measures would be "duplicative of current efforts underway" and "would provide little benefit to shareholders beyond what Kroger already has furnished."
<i>Other Disclosure</i>	Kroger discusses its energy efficiency initiatives in the company's 2008 sustainability report. Sustainability Report: Doing Our Part: 2008 Sustainability Report, June 2008 URL: http://www.thekrogerco.com/documents/KrogerSustainReport08.pdf GRI Accordance: None identified.
<i>Carbon Disclosure Project</i>	Answered Questionnaire (Public)
<i>CDP6 Risk Disclosure</i>	Kroger states in its CDP6 response: "We are constantly assessing risks relating to climate change and other environmental issues, and we regularly prepare for new regulations, extreme weather events, or resource shortages."
<i>Public Policy</i>	None identified.

Emissions Accounting

Score: 0

<i>GHG Emissions Inventory</i>	None identified. Kroger says that it plans to complete its first GHG emissions inventory this year.
<i>Certified CO₂ Offsets</i>	None identified.

Strategic Planning

Score: 14

Emissions Reduction Targets

	Reduction Targets	Baseline Year	Target Year	Region
Energy Use	30%	2000	2010	All Stores

<i>Target Details</i>	None identified.
<i>Target Achievement</i>	None identified.
<i>Energy Efficiency</i>	Since 2000 Kroger has reduced its overall energy consumption by more than 22 percent. The company has had a "comprehensive energy reduction plan" in place since 2000, and says that it "will continue to implement energy savings and emissions reduction measures into the foreseeable future." Kroger has undertaken several energy efficiency upgrades of its stores, including lighting retrofits, new motors for refrigerators and freezers, and control devices in vending machines.
<i>Renewable Energy</i>	None identified.

THE KROGER COMPANY

<i>Emissions Trading</i>	None identified.
<i>Products and Services</i>	According to the company, Kroger has “many opportunities as a retailer related to climate change.” The company launched a private label for compact fluorescent light bulbs this year and has set a goal to increase sales of CFLs by 25 percent. Kroger also offers E85 ethanol at 44 fuel stations.
<i>Research & Development</i>	None identified.
<i>Supply Chain Management</i>	Kroger states in its CDP6 response: “We’re working to reduce the environmental impact of our fleet by reducing the total number of miles our fleet travels, ensuring our equipment operates at peak performance and implementing various fuel-saving measures.” The company has set a goal to reduce fleet mileage by 2 percent (from a 2007 baseline) over a three-year period.

Walgreens has not made public a formal strategy to address the risks and opportunities posed by climate change. There is no evidence of board or executive leadership with respect to climate change, and the company has not developed a greenhouse gas (GHG) emissions inventory or set emissions reduction targets. However, the company has installed solar panel systems on 17 of its stores, and plans to expand this initiative to 45 more stores in 2008. Walgreens has also made energy efficiency upgrades in most of its stores, and has launched several initiatives to reduce the GHG emissions generated by its truck fleet. The company did not comment on this profile by deadline.

Summary Score: 21

Company Information

Walgreen Co., or Walgreens, is the largest drugstore chain (based on sales) in the US. The company operates retail drugstore chains that are engaged in the sale of prescription and non-prescription drugs and general merchandise, including beauty care, personal care, household items, candy, photofinishing, greeting cards, seasonal items and convenience foods. As of August 2007 Walgreens operated 5,997 stores in 48 states and Puerto Rico, and the company anticipates operating up to 7,000 stores by 2010. The company has approximately 226,000 employees.

Contact Information

Chairman/CEO: Jeffrey A. Rein

Website: www.walgreens.com

Address: 200 Wilmot Rd., Deerfield, IL 60015 United States

Board Oversight

Score: 0

Board Committee/Member None identified.

Board Role None identified.

Board Training None identified.

Management Execution

Score: 5

CEO Leadership In his opening letter to the company's sustainability report, Chairman and CEO Jeff Rein states: "One of the biggest challenges facing all businesses today is finding ways to limit our carbon footprint and reduce greenhouse gasses... Walgreens has many initiatives underway to do just that."

Company Strategy In the company's 2008 sustainability report, Walgreens states: "At Walgreens, we are very concerned about how our business impacts the environment and are working to reduce our greenhouse gas emissions and limit our carbon footprint." The company goes on to list several initiatives it has taken achieve this goal, including reducing emissions associated with the company's fuel fleet and installing solar panels and efficient lighting.

Executive Responsibility None identified.

External Initiatives The company participates in the following external initiatives: USGBC LEED for Retail Pilot program; USEPA ENERGY STAR.

WALGREEN COMPANY

Employee Training None identified.

Executive Compensation None identified.

Public Disclosure

Score: 4

Annual Report Walgreens briefly discusses the company's energy efficiency initiatives in its 2007 Annual Report.

Securities Filings No climate change mention.

Other Disclosure Walgreens discusses its energy efficiency initiatives in company's 2008 sustainability report.

Sustainability Report: *Social Responsibility Report 2008*, April 2008

URL: http://www.walgreens.com/images/pdfs/about/community/social_report_2008.pdf

GRI Accordance: Not identified.

Carbon Disclosure Project Answered Questionnaire (Public)

CDP6 Risk Disclosure Walgreens notes in its CDP6 response that "an increased number of climate related weather events (hurricanes, etc.) have the potential to disrupt business on a regional level." Because the company "does not engage in manufacturing or other processes that produce an unusual volume of carbon emissions," Walgreens does not anticipate significant regulatory risk.

Public Policy None identified.

Emissions Accounting

Score: 0

GHG Emissions Inventory None identified.

Certified CO₂ Offsets None identified.

Strategic Planning

Score: 12

Emissions Targets None identified.

Target Details None identified.

Target Achievement None identified.

Energy Efficiency Walgreens participates in the LEED for Retail Pilot program, a collaboration between the US Green Building Council and 80 retail stores to create two new energy efficiency rating systems specific to the retail sector. Through its participation in the US EPA ENERGY STAR program, Walgreens has installed high-efficiency lighting in most stores, lowering energy consumption by 63.4 million kilowatt-hours and saving 109 million tons of CO₂e. The company has also retrofitted freezer cases with LED lighting and doors to conserve energy. Walgreens plans to debut its first store with an energy efficient "green roof" in Chicago, Illinois this year.

WALGREEN COMPANY

Renewable Energy Walgreens has installed solar panel systems on 17 of its stores and two distribution centers. The installations provide 20 percent of the stores' electricity. The company also plans on adding solar panels to 45 stores and one distribution center in 2008.

Emissions Trading None identified.

Products and Services In its CDP6 response, Walgreens states: "As consumers become more knowledgeable regarding the effect of GHG emissions, they may embrace services and corporations that are actively working to minimize their carbon footprint and their environmental impact in general." Noting that the "popularity of green products is on the rise," Walgreens has increased its stocks of ENERGY STAR energy efficient light bulbs.

Research & Development None identified.

Supply Chain Management Walgreens says that it is pursuing bio-fuel engines for its truck fleet in selected markets. In addition, the company's entire fleet of track/trailer semis uses ultra-sulfur diesel or soy-blended fuels, and the fleet includes 150 cars that can run on ethanol blends of gasoline. Walgreens has also increased its fleet's efficiency with converted transmissions, a tire-check program and on-board computers that monitor speed and idle time, and the company prohibits truck idling at distribution centers.

While CVS has taken some measures to improve the energy efficiency of its facilities and reduce the fuel consumption of its distribution fleet, the company has yet to develop and implement a comprehensive climate change strategy. CVS has not developed an emissions inventory or set emissions reduction targets, despite committing to minimize its carbon footprint and make energy efficiency a business priority. The company did not comment on this profile by deadline.

Summary Score: 12

Company Information

CVS is the largest provider of prescriptions and related healthcare services in the United States. The company operates two business segments: Retail Pharmacy and Pharmacy Services. The Retail Pharmacy segment includes 6,245 retail drugstores located in 40 states under the CVS/pharmacy name. The Pharmacy Services segment includes Caremark Pharmacy Services, the pharmacy benefit management, mail order and specialty pharmacy divisions. As of December 29, 2007, the company employed approximately 200,000 associates.

Contact Information

Chairman, President, CEO: Thomas M. Ryan

Website: www.cvs.com

Address: One CVS Drive, Woonsocket, RI 02895 United States

Board Oversight

Score: 0

<i>Board Committee/Member</i>	None identified.
<i>Board Role</i>	None identified.
<i>Board Training</i>	None identified.

Management Execution

Score: 5

<i>CEO Leadership</i>	None identified.
<i>Company Strategy</i>	In early 2008, CVS adopted an environmental commitment statement. As part of the statement, the company commits to: "minimize our carbon footprint throughout our supply chain and enterprise." CVS has identified "energy management" as a key environmental issue for the company, stating: "As energy costs continue to rise, using energy more efficiently has become a business priority."
<i>Executive Responsibility</i>	In early 2008, CVS launched an Environmental Leadership Council, "charged with developing and implementing the company's environmental strategy as well as establishing short- and long-term priorities." The council will provide progress reports to the CEO and other senior leadership on key initiatives.
<i>External Initiatives</i>	None identified.
<i>Employee Training</i>	CVS educates its facility managers and engineers on energy efficiency.
<i>Executive Compensation</i>	None identified.

CVS CAREMARK CORP.

Public Disclosure

Score: 1

<i>Annual Report</i>	No climate change mention.
<i>Securities Filings</i>	No climate change mention.
<i>Other Disclosure</i>	CVS discusses its energy management initiatives in its first sustainability report, published in 2008. The company does not provide information about its climate change strategy on its website. Sustainability Report: 2008 Corporate Social Responsibility Report, May 2008 URL: http://www.cvscaremark.com/files/CVS_Caremark_CSR.pdf GRI Accordance: None identified.
<i>Carbon Disclosure Project</i>	Declined to participate.
<i>Public Policy</i>	None identified.

Emissions Accounting

Score: 0

<i>GHG Emissions Inventory</i>	None identified.
<i>Certified CO₂ Offsets</i>	None identified.

Strategic Planning

Score: 6

<i>Emissions Reduction Targets</i>	None identified.
<i>Energy Efficiency</i>	CVS has begun to retrofit some of its stores' and distribution centers' lighting systems, installing skylights and efficient lighting controlled by sensors. CVS employees have also participated in LEED training programs, and the company says that it seeks to incorporate LEED standards and ENERGY STAR principles in its design and construction of new stores. The company has also taken steps to reduce energy use at its data centers.
<i>Renewable Energy</i>	None identified.
<i>Emissions Trading</i>	None identified.
<i>Products & Services</i>	None identified.
<i>Research & Development</i>	None identified.
<i>Supply Chain Management</i>	CVS has implemented several initiatives to lower the fuel consumption of its distribution fleet. In 2007, the company decreased total miles driven by 2.2 percent, despite a rise in the number of products transported. The company is focusing on several programs to continue to reduce the footprint of its distribution activities including: maintaining a fleet of fuel-efficient vehicles, reducing driving speeds, using electric-powered trailers and forklifts, and enforcing a no-idling policy at distribution centers. In 2007, CVS's logistics group consolidated its distribution centers into one location for its core stores in Arizona, Nevada and California, improving the efficiency of its distribution system in the region. CVS also invested in new transportation routing software at all of its distribution centers to improve its process for loading and routing deliveries to stores.