



**Consumer  
Focus**  
Campaigning for a fair deal

# Behind the scenes at retailers: recommendations for corporate targets on green issues

November 2009

# Green to the core?

---

*Green to the core?* is a Consumer Focus report that looks at how the UK's top nine supermarkets rate on how well they help customers make sustainable choices and how they inform consumers about sustainability issues. The report uses mystery shopping to reflect the everyday consumer experience. However, the sustainability of supermarkets is also reliant on activities behind the scenes. We have, therefore, looked at the nine companies' publicly available information on environmental commitments to understand the progress being taken behind the scenes on key green issues. Based on this research, we are able to offer recommendations for further action.

## Reporting and engagement:

### Performance reporting: comparative, transparent and targeted

Regular, open and transparent reporting enables stakeholders, including consumers, to understand and rate the commitments made by retailers on their responsibilities relating to sustainable consumption.

Most of the large retailers produce annual or biennial reports on corporate social responsibility issues<sup>1</sup>. However, corporate reporting is still far from comparative in enabling consumers and businesses to compare companies on a like-for-like basis. Information is scarce on issues outlined in this document, although Aldi intends to publish a corporate report in 2010.

Consumer Focus found little reference to challenges or 'bad news', and we believe that the inclusion of difficulties alongside accomplishments would demonstrate efforts being undertaken to resolve issues, assist stakeholders' understanding of the obstacles and demonstrate greater transparency.

## Recommendation

- Benchmarking companies against each other is an established way of driving performance and we want to see comparative reporting across all retailers to enable greater cross-sector comparison. Retailers should consider utilising a reporting framework such as the Global Reporting Initiative (GRI), which sets out principles and indicators that organisations can use to measure and report their economic, environmental and social performance. This framework should also include Sustainability Reporting Guidelines.

---

<sup>1</sup> **Corporate policy sources:**

[www.about-asda.com](http://www.about-asda.com)

[www.waitrose.com](http://www.waitrose.com) 'How we stack up' CSR report 2008

[www.johnlewispartnership.co.uk/ourresponsibilities](http://www.johnlewispartnership.co.uk/ourresponsibilities)

Morrisons 'Today taking good care of tomorrow' CSR report 2008/09

'Your M & S How we do business' report 2009

Tesco CSR report 2009

Co-operative sustainability report 'Altogether different and making a difference' 2007/08

[www.lidl.co.uk](http://www.lidl.co.uk)

[www.aldi.co.uk](http://www.aldi.co.uk)

[www.sainsbury.co.uk](http://www.sainsbury.co.uk) '140 years of making a difference' Sainsbury's Corporate responsibility report 2009

## Greenhouse gas emissions

Companies will need to cut emissions if they are to deliver their carbon reduction commitments and minimise the impact of the Climate Change Levy. A collective reduction is necessary if the UK is to meet its reduction targets.

Out of the nine retailers, only two do not publicly report their UK emissions, Aldi and Lidl. The remaining seven report their carbon emissions but the depth and breadth of the data varies. Asda provides simple graphics showing CO<sub>2</sub> emissions (in the group sustainability report of its US parent company, Wal-Mart) while M&S offers a detailed breakdown of emissions including an explanation of the method of calculation.

Work is being done to take action on emissions. Supermarkets that have achieved the Carbon Trust Standard, which is awarded to organisations that take effective action to reduce their impact on climate change, include Asda, Morrisons, M&S and Tesco. Seven of the nine retailers we looked at: Tesco, Asda, Morrisons, M&S, Sainsbury's, Co-op and Waitrose, report that they are working on reducing, or have made reductions to, their distribution emissions. This is through using their fleet more efficiently (reducing road miles), using alternative transport (such as rail) and investing in fuel efficient technology.

Supermarkets are also tackling the dual impact of refrigeration on climate change through the energy used and the warming impact of the refrigerants. More efficient freezers and chillers are being introduced and companies are moving away from the more powerful refrigerant gases. M&S and Morrisons, for example, have targets for the phasing out of the powerful green house gases hydrochlorofluorocarbons. There is still work to be done; research conducted by ENDS<sup>2</sup> found that the most carbon efficient company in this area was 25 per cent better than the least efficient.

Farming is recognised as a significant greenhouse gas emissions source in supermarkets' supply chains. Methods to quantify emissions in the supply chain are in their infancy. Sainsbury's noted that in order to address emissions in this area, '...we need to better understand the carbon impacts of the whole supply chain, both upstream to our supply base and downstream to our customers, using full life-cycle assessments'<sup>3</sup>.

## Recommendations

- Retailers should use a consistent method to report their carbon emissions using Department for Environment, Food and Rural Affairs (Defra) and Department of Energy and Climate Change (DECC) best practice reporting guidelines<sup>4</sup>.
- All retailers should target significant absolute or intensity reductions (based on a standard normalising factor, ie, per square foot) in greenhouse gas emissions including electricity use, refrigerant emissions, fertiliser management, distribution networks, supply chains and within stores. Supermarkets should tackle other large sources of emissions including the disposal phase of products.
- We want to see Government, retailers and organisations such as the Food and Drink Federation (FDF) and the National Farmers' Union (NFU) work together towards understanding and recording emissions throughout the supply chain and take action accordingly.

---

<sup>2</sup> ENDS' 2009 UK supermarkets carbon benchmarking report.

<sup>3</sup> '140 years of making a difference' Sainsbury's Corporate responsibility report 2009

<sup>4</sup> 2009 Guidance on how to report your greenhouse gas emissions September 2009 DECC/DEFRA <http://www.defra.gov.uk/environment/business/reporting/pdf/ghg-guidance.pdf>

## Adaptation to climate change

Climate change will affect food production and supply within Britain and globally. Consumer Focus is concerned that the Government is only inviting the food industry to inform its climate risk assessments rather than making this a requirement. When food security underpins our society, rigorous reporting on climate change risk is necessary.

### Recommendation

- Supermarkets should inform the Government's climate change risk assessments by reporting on the current and predicted risks to their organisation and its supply chain. They should also play a role in building Britain's resilience to climate change while cutting emissions that contribute to those changes.

## Development of sustainable, energy efficient stores and appropriate redevelopment of existing stores

Improving existing stores and redeveloping old ones can result in efficiency savings and help minimise environmental impacts. Supermarkets are now tackling efficiencies in-store through tools such as the BRE Environment Assessment Method (BREEAM). This assessment is the leading and most widely used environmental assessment method for buildings and sets the standard for best practice in sustainable design and construction. It is now being used by supermarkets including Tesco, Asda, M&S, Morrisons, Co-op, Sainsbury's and Waitrose.

### Recommendations

- We would like to see the BREEAM assessment or similar standards rolled out in all new store development and for all stores as part of the normal refitting regime.
- Supermarkets should consider use of the incoming feed-in tariffs and the renewable heat incentive either as a direct investment in their long-term heat and energy emission cuts, or by leasing space (roofs or land) to community-owned projects.

## Tackling waste: Reducing packaging, introducing friendlier packaging materials

Many retailers, brands and their suppliers are working in partnership with WRAP to develop new packaging solutions and technologies across the whole UK supply chain. This includes using innovative packaging formats, reducing the weight of packaging (eg, bottles, cans and boxes), increasing the use of refill and self-dispensing systems, and engaging on packaging design guidance.

### Recommendation

- Retailers should continue working with organisations such as WRAP (and their Courtauld commitments<sup>5</sup>) and play an active role in approaching packaging and waste issues. They should promote strict targets for landfill and packaging reduction while protecting consumer safety.

---

<sup>5</sup> [http://www.wrap.org.uk/retail/courtauld\\_commitment/](http://www.wrap.org.uk/retail/courtauld_commitment/)

## Helping consumers to minimise waste

It is estimated that a third of all food we purchase is thrown away at home<sup>6</sup>. Initiatives such as *Love food hate waste*<sup>7</sup> are addressing this issue with supermarkets. An example of a positive initiative being run by Co-op involves events across the UK that give people information on how they can reduce waste, with cookery demonstrations and tips on recycling and home composting. Morrisons' *Great Taste Less Waste* campaign and Sainsbury's *Love your left overs* initiative are also welcome.

### Recommendation

- We want to see all retailers actively involved in-store and within the wider community to engage consumers on minimising food waste.

## Water use and embedded water

It has been estimated that the average Briton consumes more than 3,400 litres of water every day<sup>8</sup>. This not only includes the water we use daily in our homes, but also the amount embedded in all that we consume, including foodstuffs that may come from areas of water stress. A number of retailers including M&S, Tesco, Asda, Co-op, Morrisons and Sainsbury are looking at their supply chains and developing action to reduce their water footprint.

### Recommendation

- All retailers should work with suppliers in making water savings in their supply chains and consider alternative sourcing in areas of water stress.

## Sustainable farming support

Many retailers work with organisations such as Linking Environment and Farming (LEAF)<sup>9</sup>, and the Royal Society for the Prevention of Cruelty to Animals (RSPCA) to improve farming systems, support production systems with lower GHG emissions, increase biodiversity and deliver higher animal welfare.

Sainsbury's work directly with their dairy farmers to improve farming efficiency. This includes an environment work stream and the rolling out of *Sainsbury's Dairy Development Group* model to pork, poultry, lamb and egg suppliers. Morrisons have research programmes to identify and share best farming practice, the first of which centres on breeding in the dairy sector, with the report due in December 2009. Waitrose, a strong supporter of LEAF certification, ensures its dairy farmers work to a set of environmental standards under their Wildcare<sup>10</sup> scheme.

### Recommendation

- All retailers should work with their suppliers on improving the efficiency of farming systems, sharing best practice in improving biodiversity on farms and raising the bar on animal welfare.

---

<sup>6</sup> WRAP 2008 *The Food We Waste* 2008 WRAP  
[www.wrap.org.uk/retail/case\\_studies\\_research/report\\_the\\_food\\_we.html](http://www.wrap.org.uk/retail/case_studies_research/report_the_food_we.html)

<sup>7</sup> [www.lovefoodhatewaste.com/](http://www.lovefoodhatewaste.com/)

<sup>8</sup> [www.Waterwise.org.uk](http://www.Waterwise.org.uk)

<sup>9</sup> [www.leafuk.org/leafuk/](http://www.leafuk.org/leafuk/)

<sup>10</sup> [www.wildcare.co.uk](http://www.wildcare.co.uk)

## Employee engagement

Employees who are personally engaged in sustainability can drive performance in all aspects of business, from purchasing departments working with suppliers to engage on pesticide reduction initiatives to shop floor staff engaging with customers on the sustainable choice of products.

We have witnessed staff engagement with dedicated store staff, including:

- M&S 'Plan A' ethical, social and environmental champions
- Tesco's energy champions
- Asda's green champions

Supermarkets are also carrying out staff initiatives and campaigns such as Morrisons' *Switching on to switching off* training scheme, and Waitrose's *Save energy share the savings* campaign.

## Recommendation

- Supermarkets are significant employers (Tesco employs more than 286,000 people in the UK alone). Engaging employees on sustainability issues could have huge impacts. We want to see all retailers raising awareness of sustainability issues with their staff, not just on the shop floor to aid consumers to make sustainable choices, but behind the scenes in purchasing activities

## Behind the scenes at retailers: Recommendations for corporate targets on green issues

If you have any questions or would like further information about this response, contact Lucy Yates, Principal Policy Advocate, by telephone on 020 7799 7978 or via email at [lucy.yates@consumerfocus.org.uk](mailto:lucy.yates@consumerfocus.org.uk)

[www.consumerfocus.org.uk](http://www.consumerfocus.org.uk)

Copyright: Consumer Focus

Published: September 2009

Edited by Denis Tingay, Consumer Focus

If you require this publication in Braille, large print or on audio CD please contact us.

For the deaf, hard of hearing or speech impaired, contact Consumer Focus via Text Relay:

From a textphone, call 18001 020 7799 7900  
From a telephone, call 18002 020 7799 7900

### Consumer Focus

4th Floor  
Artillery House  
Artillery Row  
London  
SW1P 1RT

Tel: 020 7799 7900

Fax: 020 7799 7901

Media Team: 020 7799 8004 / 8005 / 8006