

RILA Issue Brief: Sustainability in Retail

What is Sustainability in Retail?



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In retail, a small fraction of natural resource use—and subsequent impacts on humans and the environment—occurs in direct operations. The remainder is in retail supply chains and with customers. Consequently, retailers' sustainability programs vary widely, from a focus on energy efficiency in direct operations, to informing customer choices, to targeting global issues deep in the supply chain, such as deforestation.

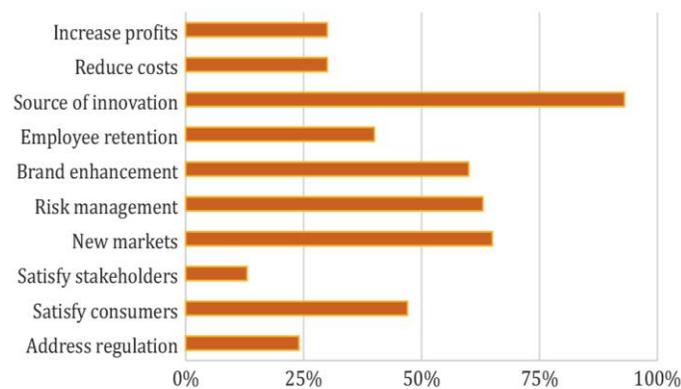


Figure 1 Benefits of Sustainability

Sustainability means creating financial value while protecting the environment and generating social value, both within operations and along supply chains.

Keys to a Successful Retail Program

The key to a successful retail program is the ability to set priorities across tens of thousands of products and hundreds of suppliers. Retailers are asking, “are we focused on the highest value, highest impact activities?” Embedding sustainability into company culture, strategy and operations helps ensure the answer is continually yes. To embed sustainability, there are several key actions for retailers:

1. Setting sustainability goals
2. Engaging senior executives
3. Engaging human resources & communications
4. Storytelling through many channels
5. Connecting pockets of sustainability activity
6. Introducing sustainability into corporate values

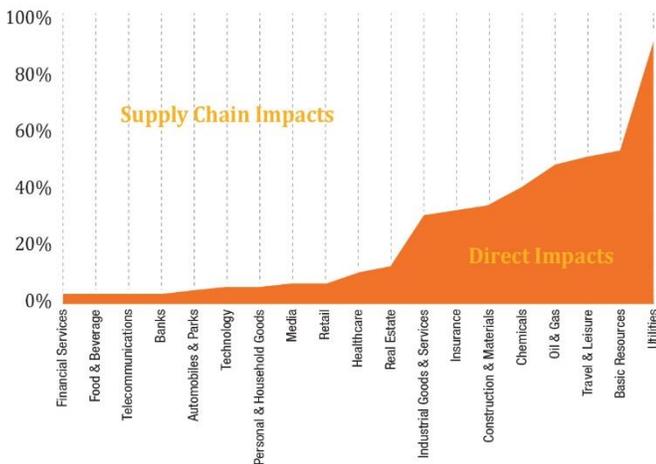


Figure 2 National Capital Impacts

An effective program begins with [sustainability goals](#). Framed clearly as business goals, tied to the company’s core strategy, and informed by stakeholders, sustainability goals align the company and galvanize commitment from senior executives. Highly [engaged executives](#) provide the incentives and resources necessary to meet the goals. One third of RILA members surveyed dedicate three or more full-time staff to their sustainability program, and half appointed a Vice President or Director to lead their program.

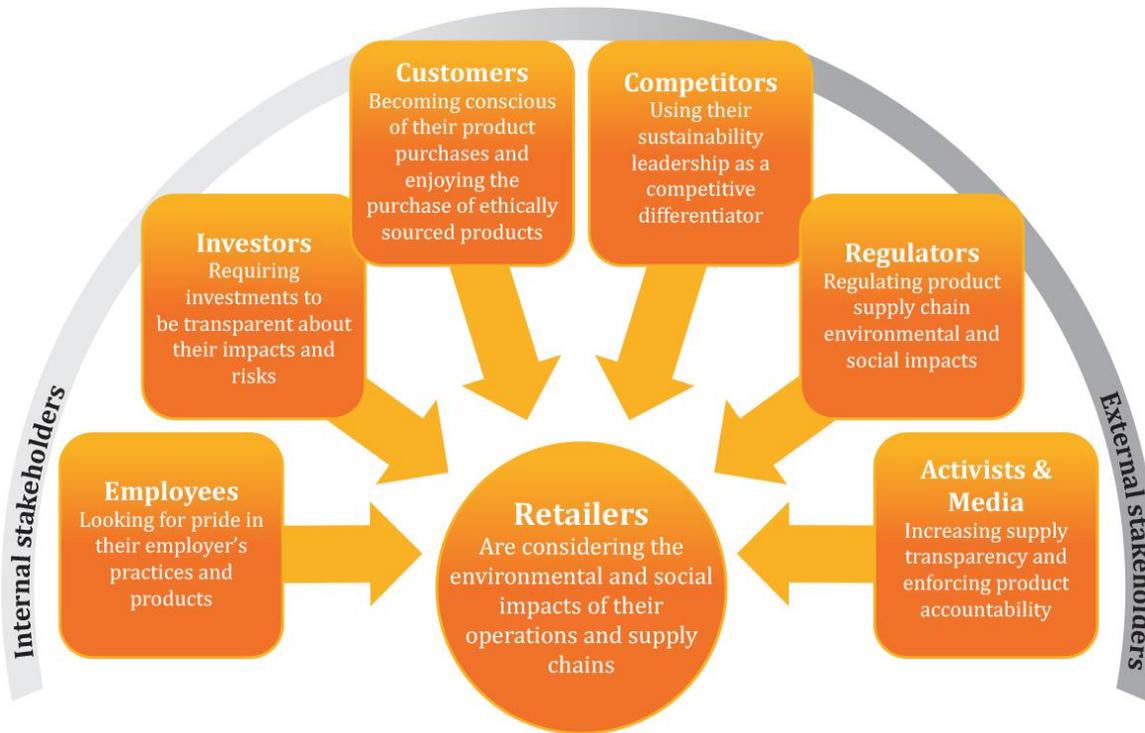


Figure 3 Business Case for Retail Sustainability

Communications and HR departments are key for engaging employees—from communicating sustainability goals and performance, to developing online platforms for employees to submit ideas, to establishing teams that provide on-the-ground feedback to the corporate sustainability function. Engaging external stakeholders also informs sustainability priorities, and it requires meaningful metrics for transparent reporting, point-of-purchase consumer education, and marketing campaigns.



Figure 4. Program Governance and Management

Structure of a Retail Sustainability Program.

Sustainability, like any business function, needs governance systems, strategy development, and organized tactical activities to be effective. In particular, the strategic elements of a retail sustainability program are governance, stakeholder engagement, and disclosure—useful [sustainable business strategy](#) guidance is available.

Tactical Sustainability Issues in Retail. Once established, a strategic sustainability program addresses the tactical sustainability issues—such as chemical ingredients in cosmetic products or greenhouse gas emissions from transportation—that are specific to retail operations, supply chains, logistics, products, and employees. Built upon employee and stakeholder engagement, the program must also be flexible, as issues emerge

and change based on scientific findings, public opinion, consumer perceptions, and regulatory action



Figure 5. Program Governance and Management

Retail-specific issues are highlighted with light orange, and are listed by retail activity. Current high priority retail issues are highlighted with red orange and bold text.		Energy & emissions	Water & wastewater	Waste	Chemicals	Biodiversity & deforestation	Health & wellbeing
Operational footprint	Stores & offices			food			s
	Warehouses, distribution centers						
	Data centers & applications						
	Transportation & logistics						
	End-of-use handling (recover, repair, reuse, recycle)						
Products & supply chain	Community (universal human rights , labor rights, anti-corruption, engaging employees, communities, NGOs, and governments)						
	Product & packaging design						
	Manufacturing						
	Suppliers (requirements, engagement, transparency , traceability) (incl. ag. practices, manufacturing, product & packaging design, and ingredients)						

Additional Information

Some relevant resources, case studies, and collaborative opportunities are listed below. Additionally, it is recommended that retailers review the [RILA Retail Sustainability Management Maturity Model](#) for information on pathways to effective sustainability programs in retail.

Resources <i>Educational tools</i>	Case Studies <i>Retailer deployment examples</i>	Get Involved <i>Collaborative opportunities & other resources</i>
<ul style="list-style-type: none"> • Ceres Roadmap for Sustainable Corporations • The United Nations Global Compact • The UN Sustainable Development Goals 	<ul style="list-style-type: none"> • Weis Market sustainability program • Office Depot’s sustainability program after 10 years • Marks & Spencer’s report on Sustainability Plan A RILA 2013 Sustainability Report, case studies 	<ul style="list-style-type: none"> • We Mean Business Climate Leadership • AIM Progress, a GMA forum on responsible sourcing and sustainable supply chains • The Consumer Goods Forum resources WWF’s 3% Solution for goal setting

Visit www.rila.org/sustainability for more tools and resources.