

## **REAP 2016-2018 RETAILERS' ENVIRONMENTAL ACTION PROGRAMME**

### **TERMS OF REFERENCE**

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#### **1. BACKGROUND**

In March 2009, in response to the European Commission's Action Plan on Sustainable Consumption and Production, a number of progressive retailers decided to proactively contribute to the process, and launched the Retailers' Environmental Action Programme (REAP). Signatories to REAP were keen to address some of the current environmental challenges. They recognised their strategic role in the supply chain and the important contribution they can make to sustainability and to society as a whole by setting the example.

#### **2. CONTEXT**

For many retailers, environmental actions are an important part of their competitive positioning. They already undertake a wide range of actions not only because of the environmental benefits, but because those actions attract more customers, generate more sales, improve the product offer, etc.

Furthermore, the environment within which retailers compete differs significantly from EU Member State to Member State. While in some Member States, there is high governmental awareness and commitment, active consumer organisations and agreed scientific bases for action, in others, these elements are less advanced.

For these two reasons, retailers favour an approach that champions innovation and development where it counts - at company level, leading to significant improvement overall when individual companies' results are aggregated. Over the past six years, signatories to REAP have produced a number of substantive results on the environment including:

- adopting a code of conduct to encourage signatories to reduce the environmental footprint of their operations;
- implementing individual MAP<sup>1</sup> commitments has highlighted that retailers are pro-active and their efforts often go beyond existing legislation;
- a Retail Agreement on Waste, whereby retailers carried out two supplementary awareness-raising campaigns around the theme of waste;
- exchanging and promoting good practices, and engaging with all stakeholders along the supply chain, fostering a better understanding of key challenges and opportunities for commerce and related partners.

#### **3. REAP**

REAP provides a basis that facilitates dialogue among progressive retailers, with the Commission, and with all the stakeholders along the supply chain, such as producers and consumers.

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<sup>1</sup> Matrix of environmental Action Points

It will achieve this by means of:

1. The Retail Forum for Sustainability
2. Retailers' commitments
  - a) individual commitments recorded in The Matrix of environmental Action Points (MAP)
  - b) commitments compiled in a Circular Economy Agreement

### **3.1 Retail Forum for Sustainability**

Signatories to REAP participate in the Retail Forum for Sustainability with a view to taking the Circular Economy agenda forward by contributing voluntarily to reducing the environmental footprint of their activities and their supply chain, promoting more sustainable products, and raising awareness among consumers.

The Forum aims to develop a better understanding of practical measures to implement the principles of the circular economy, identify existing barriers or gaps (e.g. institutional, administrative, infrastructural, science unclear, market constraints, previous experiences, successes and failures etc.) and what retailers, public authorities and other stakeholders can do to address these.

To this end, the Forum will serve as a platform to:

- identify potential areas of action for retailers aiming at voluntarily reducing environmental footprint of their activities in the circular economy context;
- identify opportunities and barriers (legislative and others) that further or hinder the implementation of measures in the field of circular economy and the best ways of addressing the barriers;
- share best practices and commitments taken by retailers;
- identify key challenges ahead;
- deepen understanding of current levels of knowledge and data on key issues;
- report on progress of actions.

Retailers and other relevant stakeholders will also share with the Commission relevant initiatives and experiences and the Commission will communicate forthcoming policy developments and initiatives.

### **3.2a The MAP**

Signatories to REAP commit to continue to undertake a series of ambitious and specific environmental actions in the form of commitments taken by the individual retailers that contribute to implementing the concept of the circular economy, with well-defined outcomes where possible. These initiatives will be captured in the Matrix of environmental Action Points (MAP).

These actions are grouped into three categories:

1. **What we sell:** How can retail positively impact product design and production process of the products sold
2. **How we sell:** How can retail positively impact distribution of products

3. **How we communicate:** How can retail communication have a positive impact on consumption, usage and collection

### **3.2b The Circular Economy Agreement**

By committing initiatives into each of the three categories, signatories to REAP commit to signing up to the Circular Economy Agreement (Annex I). This agreement requires signatories to commit to at least one or ideally two/three initiatives per category on the theme of the circular economy during the three-year period 2016-2018.

## **4. REPORTING & SHARING**

Signatories to REAP will report on progress and communicate best practices.

### **4.1 Reporting and Monitoring**

Individually, each signatory to REAP will report on the progress of their actions – through their existing procedures, for instance through their company CSR, and into the MAP. Furthermore, signatories will also report annually on the implementation of the Circular Economy Agreement. The reporting to the MAP and the Circular Economy Agreement will be streamlined as MAP commitments are part of the Circular Economy Agreement.

The European Commission will carry out monitoring of REAP. This will be achieved without adding administrative or other burdens to the signatories to REAP.

This information and the results of the evaluation will be made public on a webpage hosted by the Commission.

### **4.2 Sharing Good Practice**

In line with competition rules, and without diminishing the competition between them in any way, signatories will share their experiences with other retailers and interested stakeholders, with a view to leveraging maximum impact from the actions taken. This will be done through the Retail Forum for Sustainability and the reporting and monitoring schemes.

## **5. RETAIL FORUM**

Participants in the Retail Forum include individual retailers, retail associations, and European Commission services. They will be preferably at the level of middle management. The Commission will be preferably represented at Director's level and Director-General or Commissioner for the annual event.

Participation in the Forum is obligatory at least once a year for signatories to REAP. Failure to meet this obligation may lead to exclusion from the REAP programme.

Attendance is open to all those stakeholders concerned and who wish to make a concrete contribution to the discussion, such as producers, suppliers, consumer and environmental organisations. This will ensure transparency and collaboration, as well as the necessary expertise, practical experience, and constructive input to be shared.

The Forum will be co-chaired by the Commission (DG Environment) and by a senior sustainability

executive from a retail company, appointed by EuroCommerce and ERRT. The co-chairs will set the agenda and draw the roadmap of issues to be addressed by the Forum. These documents will be made publicly available on DG Environment's SCP website.

The Forum is not a decision-making body. It will meet twice a year.

Meetings will be held primarily in Brussels in rooms provided by the Commission or by retailers.

Occasionally, meetings may be held elsewhere when it makes sense to achieve the objectives of the programme.

The Commission will facilitate the process and enhance visibility and will explore high-level political support through the presence of Commissioners when appropriate and the participation of relevant services, as necessary. It will disseminate information on best practices with Member States, and share information on relevant policy developments.

## 6. SECRETARIAT

The **secretariat** of the REAP programme (MAP, and Retail Forum) is provided by EuroCommerce and ERRT.

## 7. OUTPUT

**Deliverables** will include:

- top-level thought leadership and best practices sharing on the circular economy at the bi-annual Retail Forum meeting;
- an open process of dialogue and input gathering from participants across the supply chain, e.g. producers and manufacturers, consumer organisations and environmental NGOs;
- a written record following the meetings of the Retail Forum;
- a record of individual retailers commitments and progress towards those commitments (MAP);
- a pool of know-how and good practices captured in the MAP;
- an annual report of progress, prepared by EuroCommerce and ERRT;
- a final report on the Circular Economy Agreement

## 8. REVIEW

Signatories, through EuroCommerce and ERRT, commit to carry out a review of REAP after 3 years to evaluate its value and effectiveness, and to decide how best to continue to pursue the objective of sustainable consumption and production.

*July 2015*