

REAP

RETAILERS' ENVIRONMENTAL ACTION PROGRAMME

TERMS OF REFERENCE

1. BACKGROUND

The key challenges addressed by the EU Action Plan on Sustainable Consumption and Production (SCP) are to improve the overall environmental performance of products throughout their life-cycle, promote and stimulate the demand of better products and production technologies, and helping consumers to make better choices. The Plan recognises retailers' important contribution to sustainability and to influencing sustainable consumption through their own and supply chains operations, and consumer behaviour.

European retailers share the view that achieving sustainable consumption and production is a key challenge for the future. Retailers witness - on a daily basis - the changing demands of their customers, the constantly evolving needs for suitable and accurate information, the rapid introduction of new eco-products, and ever 'greener' supply chain processes.

At the same time, retailers witness the challenges in converting consumers' general environmental awareness into purchasing decisions, in anticipating future consumer wishes without becoming divorced from current consumer demands and in greening their internal processes and procedures at an economically sound and efficient pace.

Within the parameters of fair and robust competition, taking forward the SCP and SIP Action Plan, European retailers voluntarily propose the Retailers' Environmental Action Programme.

2. CONTEXT

Two important points are worth noting.

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

Second, the environment within which retailers compete differs significantly from EU country to country. 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 non-existent or underdeveloped.

For these two reasons, retailers favour an approach that champions innovation and development where it counts - at company level, leading to a significant improvement overall when individual companies' results are aggregated. In addition, retailers are

considering to take voluntary joint actions on issues, where common actions result in a faster and more ambitious benefit than relying solely on individual goals.

3. REAP

Bearing these two points in mind, REAP provides a basis that facilitates both dialogue with the Commission and other stakeholders, such as producers and key consumer bodies, as well as actions by retail members, within the competitive retail environment.

It will achieve this by creating:

- A Retail Forum
- A Matrix of environmental Action Points (MAP)

3.1 Retail Forum

Individual members of REAP agree to create a Retail Forum to take forward the SCP/SIP Action Plan by contributing voluntarily to reducing the environmental footprint of the retail sector and its supply chain, promoting more sustainable products, and better informing consumers.

The Forum aims to develop a better understanding of practical measures to promote sustainable consumption/production through the retail sector, existing barriers or gaps (e.g. institutional, administrative, infrastructural, science unclear, market failures etc.) and what public authorities and other stakeholders can do to address these.

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

- identify opportunities and barriers (legislative and others) that further or hinder sustainable consumption and production, including those associated with extending the geographical coverage of initiatives;
- share best practices;
- obtain scientific and indicator based knowledge from relevant EU bodies about the evaluation of environmentally-sound products;
- identify key challenges ahead;
- deepen understanding of current levels of knowledge and data on key issues;
- report on progress of actions.

The Forum will also explore in a focused manner how best to advance sustainable consumption, whilst ensuring innovation and competitiveness of the sector. Examples of issues to be discussed include: energy and resource saving products, marine resources, timber products, palm oil, packaging, eco-labels, environmental indicators (including carbon), information to consumers, energy consumption in stores, efficient logistics, efficient refrigeration, waste management, green private purchasing...

For each issue, retailers and other relevant stakeholders will share with the Commission relevant initiatives and experiences and the Commission will communicate forthcoming policy developments and initiatives.

3.2 The MAP

Retail members of REAP commit to continue to undertake a series of ambitious and specific environmental actions that contribute to sustainable consumption and production, with well-defined outcomes where possible. An open-ended list of initiatives (MAP) will be drawn up in which individual retailers will indicate their own engagements or planned actions.

This MAP (Annex 1) is an open, dynamic summary of retail actions and initiatives. Existing members may initiate additional actions, and new members may add new actions and initiatives at any time.

These actions are grouped into three categories:

- **What we sell:** includes actions aimed at selling lower impact, better performing products and services;
- **How we sell:** includes actions aimed at limiting environmental impacts from retailers' own distribution activities (stores, distribution centres, transport of goods) as well as limiting environmental impacts of operations through the supply chain;
- **How we communicate:** includes actions aimed at informing and influencing the consumer to make better choices and decisions in consuming, owning and using more sustainable products and services.

4. REPORTING & SHARING

Members of REAP will report on progress and communicate best practices.

4.1 Reporting and Monitoring

Individually, each member will report on the progress of their actions – through their existing procedures, for instance through their annual CSR or other reports.

Collectively, through the EU-level retail organisations European Retail Round Table (ERRT) and EuroCommerce, the members will additionally produce and publish an annual summary review of REAP progress.

In addition, the European Commission will propose external monitoring to ensure transparency and add more weight to the Forum, also by complementing in a more detailed manner the retailers' individual and collective reporting, and without adding administrative or other burdens to the Forum's members.

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

4.2 Sharing Good Practice

Without diminishing the competition between them in any way, members will share their experiences with other retailers and interested stakeholders, with a view to leveraging maximum impact from the actions taken.

The Forum will organise a public event on an annual basis, at which members will share key learnings from their experiences to date as well as identify further areas in which environmental actions and policy interventions would add value.

The Forum will analyse how the recommendations adopted on the issues discussed in the Forum have had an impact on stakeholders. In particular, it will regularly assess how best practice examples have been taken up and reflected in the MAP.

5. WORKING METHOD AND PROCESS

Members of the Forum include individual retailers, their umbrella organisations, and European Commission services. Members will be preferably at the level of middle management. The Commission will be represented at Director's level. All retail members contributing to the MAP are automatically invited to the Forum.

Participation in the Forum is voluntary and attendance open to all those stakeholders concerned and who wish to make a concrete contribution to the discussion.

Key **stakeholders** such as producers, suppliers, consumer and environmental organisations are encouraged to participate on specific issues raised by the Forum. This will ensure transparency and collaboration, as well as the necessary expertise, practical experience, and constructive input to be shared.

It is important to notice that the Forum will have a focused and manageable number of participants in order to ensure maximum effectiveness and practical outcomes.

The Forum will be **co-chaired** by the Commission (DG Environment) and retailers or their umbrella organisations. 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 **secretariat** of the Forum will be provided by ERRT/EuroCommerce.

The Forum is not a decision-making body. It will meet as necessary, e.g. 2-5 times a year.

All meetings will be held in Brussels in rooms provided by the Commission.

The **Commission** will facilitate the process and enhance visibility and will explore high level political support through the presence of Commissioners 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. The Commission will support dissemination of information by translation of the Issue Paper to some European languages.

Deliverables will include:

- a pool of know-how (e.g. data of scientific, methodological, other nature). This will facilitate the decision of members of the Forum to strengthen existing initiatives set out in the MAP and/or set new individual commitments linked to the roadmap;
- in collaboration with the others across the supply chain, e.g. producers and manufacturers, consumer organisations and environmental NGOs etc. provide input towards the objectives of REAP;

- an annual event sharing best practice, discussing barriers to further progress and highlighting the results of the work programme;
- an annual summary review of progress, including a special focus on SMEs which might not have the same reporting facilities as larger companies.

6. REVIEW

The retail members commit to carry out annual interim reviews of REAP and 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.

Brussels, 14 June 2012