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TOWARDS A GREENER RETAIL SECTOR

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In association with GHK, Ecologic, TME and Ekopolitika

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Executive summary

In July 2008, the Commission presented its proposal for Sustainable Consumption and Production (SCP) and Sustainable Industrial Policy (SIP) Action Plans. This new policy approach integrates the potential of the different policy instruments, implementing them in a dynamic way.

In this context, the aim of the present study is to contribute to the development, assessment, and implementation of possible measures to facilitate and encourage large retailers to support actions towards smarter consumption and changing consumers' behaviour. In parallel, it should help develop a better understanding and strengthen the evidence base related to greening the whole life cycle of products and their supply chain. The retail sector has undoubtedly a key role to play in sustainable production and consumption, as highlighted in the EC's proposal for a SCP Action Plan. Its key place in the life cycle of consumer products enables influence on both production (greening the supply chain) and consumption (promotion of green products). Moreover, due to the size of its activities, the sector in itself generates impacts linked to e.g. store and warehouse operations and logistics.

More precisely, the objectives of the study are to provide the European Commission – DG Environment with information related to the description and assessment of the current environmental performance of large retailers, as well as an approach to measure and follow their performance over time.

The scope of the study is the retail sector in Europe and their practices concerning four areas:

- Promoting the purchase of green products;
- Encouraging measures that improve green supply chains;
- Improving retailers' own environmental performance; and
- Better informing consumers.

This report also contains a global analysis of the drivers, barriers, and opportunities to further green the retail sector, identified by the retailers that participated in this study.

Since the focus of the study is on large retailers, most members of the ERRT (European Retail Round Table) were selected. This list has been completed in order to obtain geographical and representative coverage of the EU, including new Member States and both generalist and specialised retailers.

The first objective of the study was to identify and analyse green initiatives of large retailers in Europe. To do so, a panel of 20 retailers was selected in agreement with the European Commission, for which actions related to green products, greening supply chain, retailer's own environmental performance and raising consumer awareness were identified through desk research and interviews with each of them, plus in-store visits in some cases. A fact sheet synthesising actions implemented by each retailer to green its performance is available in the report (non-confidential fact sheets only).

The results of this analysis show that almost all retailers studied are implementing actions to protect the environment. Beyond the identification of the list of actions implemented by retailers, this analysis highlighted that environmental actions depend on various parameters:

- the amount of time the commitment been implemented: retailers start with working on their direct environmental impacts (stores operations and logistic), before going into more complex issues such as indirect environmental impacts, i.e. on the products they sell. These actions require cooperation with external stakeholders (suppliers, and their suppliers, etc.);
- the country where the retailer operates, given consumers sensitivity and policy priorities : for example, UK retailers appear to be more engaged in carbon issues and food waste issues than the other retailers, whereas German retailers focus more on waste management issues, etc.;
- the activity of the retailer (generalist versus specialised ones): for example, if both are working on the same kind of direct environmental impact (linked to store operation and logistics), the complexity of the indirect environmental issues they must deal with becomes much higher for supermarkets, which sell hundreds of different product categories than for a clothes or furniture retailer, for which products' diversity is more limited;
- voluntary agreements (often signed at the national level) in which the retailer is involved.

The second objective of the study was to develop an approach to monitor individual retailers' activities and progress made in the different areas of action over time. This objective has been fulfilled in two phases.

A first phase consisted in developing a set of criteria to assess the robustness/effectiveness of the environmental actions implemented by retailers. The proposed approach consists in a 2-step assessment, consisting firstly in an analysis of the diversity of actions (i.e. the number of environmental issues covered by the retailer environmental policy) and secondly in an evaluation of the effectiveness and the robustness of each environmental action implemented by the retailer, through a scoring system.

Assessments of a limited number of retailers were completed to test the set of criteria developed. On the basis of these tests and discussions among the 20 retailers, ERRT, Eurocommerce, BEUC and EEB during a workshop, the first approach was revised to develop the final methodology. Indeed, tests of the set of criteria and outcomes of the workshop highlighted that developing a fully consensual and supported scoring system of the environmental actions of retailers should result from a collaborative and long-term approach, which was not the objective of the study. Therefore, at this stage of the partnership between the EC and retailers, it was decided that having a global overview/list of the environmental actions implemented by retailers and a tool to monitor their individual performance was the most suitable approach to provide the European Commission with all the necessary key factors to understand retailer's environmental policy and actions, as well as to be able to identify progress made over time.

Finally, in the second phase, a comprehensive reporting table was created to monitor environmental actions implemented by retailers over time. The table is composed of checklists of possible actions and proposals for efficiency indicators that could be used to measure progress over time. The methodology is not meant to produce any sort of ranking among retailers in their attempt to improve their environmental performance.

The list of actions implemented by retailers, as well as the identified barriers and drivers, complemented by the reporting table will help foster fruitful discussions between the European Commission and the retailers in the context of the ongoing SCP action plan.

Content

1. Foreword and context 8
Introduction: Environmental Challenges and impacts in the retail sector 10
2. TASK 1: Analysis of green actions and strategies implemented by retailers 20
2.1. Methodology 20
2.2. Key initiatives implemented by retailers to green their practices 27
2.2.1. ENVIRONMENTALLY SOUND MANAGEMENT PRACTICES 31
2.2.2. INFORMATION CAMPAIGNS TO RAISE CONSUMERS' AWARENESS 36
2.2.3. GREEN PROCUREMENT PRACTICES FOR EQUIPMENT AND INFRASTRUCTURES 39
2.2.4. ACTIONS TO IMPROVE THE ENVIRONMENTAL PERFORMANCE OF PRODUCTS 39
2.2.5. MEASURES FOR GREENING SUPPLY CHAIN 45
3. TASK 2: Assessment of retailers' green practices 49
3.1. Identification of drivers, barriers and opportunities for retailers to further green the retail sector49
3.2. Assessment of the robustness / maturity of the key green initiatives Implemented by retailers ..53
3.2.1. PRESENTATION OF THE LIMITATIONS IN THE INTERPRETATION OF THE APPROACH DEVELOPED TO ASSESS RETAILERS' ENVIRONMENTAL PERFORMANCES 53
3.2.2. PRESENTATION OF THE SET OF CRITERIA DEVELOPED FOR TASK 2 55
3.2.2.1 Phase 1 – Assessment of the diversity of the actions implemented 56
3.2.2.2 Phase 2: Evaluation per area of action 59
3.2.3. ASSESSMENT OF THE ROBUSTNESS/MATURITY OF THE ENVIRONMENTAL ACTIONS IMPLEMENTED BY 7 RETAILERS 78
4. TASK 3: Measuring progress 87
4.1. Introduction and links with task 2 87
4.2. Presentation of the reporting table build to measure the progress made by retailers over time..91
4.3. Presentation of the reporting table developed for Task 3 97
APPENDIX 1– Retailers' fact sheets 118
APPENDIX 2 – Description of the selection of products for phase 2 D of the criteria presented in task 2 230

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FOREWORD AND CONTEXT

In July 2008, the Commission presented its proposal for Sustainable Consumption and Production (SCP) and Sustainable Industrial Policy (SIP) Action Plans[1]. This new policy approach integrates the potential of the different policy instruments, implementing them in a dynamic way. It comprises the following actions:

- The scope of the Directive on the Ecodesign of energy-using products will be extended to cover all energy-related products. Minimum requirements will be set for products with significant environmental impacts, focusing on key environmental aspects. To provide markets with information on best performing products, advanced benchmarks of environmental performance will also be identified. Periodic reviews of minimum requirements and advanced benchmarks will take place to adapt them to technological change and provide businesses with a long-term perspective of future regulatory environment.
- Product labelling under the Energy Labelling Directive and Ecolabel Regulation will be further developed and, following a review of the Ecodesign Directive in 2012, complemented as appropriate by an Ecodesign Labelling Directive to provide consumers with information about the energy and/or environmental performance of products.
- The energy efficiency and environmental criteria under the above schemes will be used to establish a harmonised base for public procurement and incentives provided by the EU and its Member States. This would overcome the current fragmentation of stimuli and incentives in the Internal Market.
- A range of other actions to arrive at smarter consumption will also be undertaken. **In particular, action will be implemented with retailers and producers of products to "green" their own activities and supply chains, as well as raising the awareness of consumers at large and increasing their proactive role."**

In this context, the aim of the present study is to contribute to the development, assessment, and implementation of possible measures encouraging or facilitating large retailers to support a move towards smarter consumption and changing consumers' behaviour. In parallel, it should help develop a better understanding and strengthen the evidence base related to greening the whole life cycle of products and their supply chain.

More precisely, the objectives are to provide the European Commission – DG Environment with:

[1] http://ec.europa.eu/environment/eussd/pdf/com_2008_397.pdf

- Information related to the description and assessment of the current environmental performance of large retailers;
- A methodology for measuring their performance over time.

The scope of the study is the retail sector in Europe and their practices concerning four areas:

- Promoting the purchase of green products;
- Encouraging measures that improve green supply chains;
- Improving retailers' own environmental performance; and
- Better informing consumers.

A panel of 20 retailers is analysed.

INTRODUCTION: ENVIRONMENTAL CHALLENGES AND IMPACTS IN THE RETAIL SECTOR

Before presenting the findings of the study regarding the actions implemented by large retailers to green their footprint, the present chapter tries to provide insights on the extent of the environmental issues under consideration. The retail sector has undoubtedly **a key role to play in sustainable production and consumption**, as highlighted in the EC's proposal for a SCP Action Plan. Its key place in the life cycle of consumer products enables influence on both production (greening the supply chain) and consumption (promotion of green products). Moreover, due to the size of its activities, the sector in itself generates impacts **linked to e.g. store and warehouse operations and logistics**.

This chapter does not attempt to provide a full assessment of the nature and extent of the different potential impacts of the retail sector. It is rather about highlighting key facts on global environmental impacts of consumer products in the EU, and presenting figures about the impacts of retailing activity itself.

- **Products, major players influencing EU environmental impacts[2]**

"Unsustainable patterns of consumption and production, particularly in industrialised countries are a major cause of global environmental degradation."

This statement made by the UN in 1992 in the groundbreaking Agenda 21 was the foundation of what 15 years later became a major area of international and European policy.

The importance of minimising the environmental impacts of products by looking at all phases of a products' life-cycle and taking action where it is most effective was highlighted in the Communication on Integrated Product Policy (IPP) of the European Commission.

Environmental effects of economic activities are ultimately driven by the consumption of households and governments: both directly, as effects from products' use, and indirectly, as effects from the manufacture of products and from post-consumer waste management. [Tucker and Jansen, 2006]

Among other factors, a European consumes on average 500 kg of food, 155 kg of packaging, and 18 kg of electrical and electronic equipment per year [Figure 1]. By

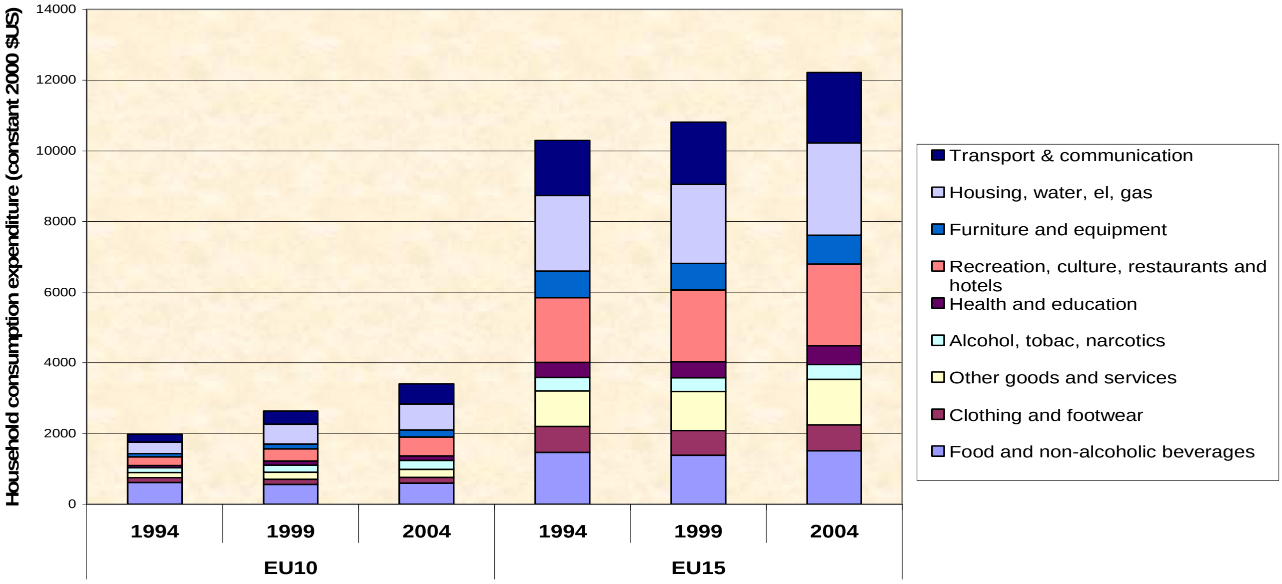
[2] A large part of this chapter on products' environmental impacts is issued from the report that BIO produced for DG ENV in May 2008 for the "Study on the expected environmental benefits and cost savings of a European legislative framework for the eco-design of products". Indeed, the analysis presented there as an introduction seems still valid for the present report.

analysing these figures and extrapolating them to the total population of Europe, it becomes evident that the products we consume require a significant amount of resources. Consequently, a large amount of these resources are eventually discarded as waste.

Figure 1 – Examples of the annual consumption of an average European (EU 15, 1999), based on [Labouze et al. 2003]

The growing awareness that all products and services have environmental impacts felt at all stages of a product's lifecycle has occurred in a market context in which the quantity and variety of products has increased exponentially, as greater disposable income has made products more affordable, and innovation and trade have driven product diversity. [Figure 2] illustrates the increasing household consumption patterns in Europe (EU-10 and EU-15 for the period 1994-2004); sectors are presented in the order of most rapidly growing in EU-10.

Figure 2 - Changing household consumption patterns in Europe[3]

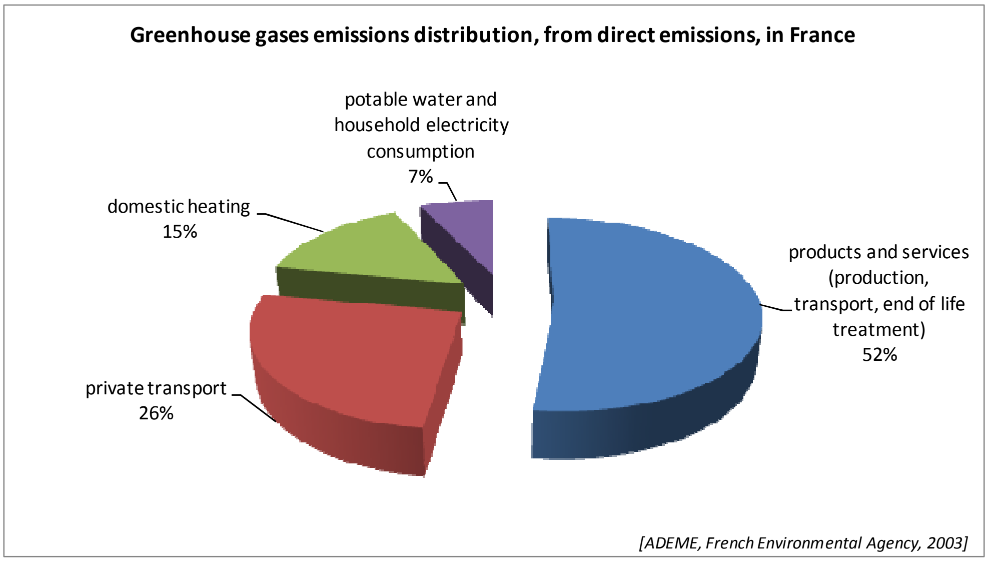


Products (in the wide sense, including tangible products, services, packaging...) contribute to 52% of the greenhouse gas emissions of households – corresponding to 16.4 tonnes of CO_2 equivalents/year per household, in France[4]. In comparison, private transport contributes 26%, domestic heating 15% and potable water and household electricity consumption 7%. [Figure 3].

[3] Source: Eurostat

[4] We estimate that we can consider this French data as representative of the European context

Figure 3 – Greenhouse gases emissions distribution, from direct emissions, in France based on [ADEME, 2003]



The work carried out by the Commission in 2003 on the implementation of the IPP includes identifying and stimulating action on products with the greatest potential for environmental improvement.

The first phase "EIPRO – Environmental Impact of PROducts" [Tukker et al. 2006] identified the products consumed in the EU that have the greatest environmental impact from a life-cycle perspective.

The results of this extensive study show that products from only three areas of consumption together are responsible for 70-80 percent of environmental impacts of private consumption. The areas having the greatest impact are:

- food and drink
- private transport
- housing (including heating devices, electric appliances and furniture)

There is no clear ranking between these areas, as they are of approximately equal importance.

All other areas of private consumption combined, (i.e. excluding food and drink, transport and housing) account for no more than 20 – 30 % of most environmental impact categories. There are uncertainties about the percentage of contribution of the remaining products, but most of the evidence suggests that clothing would be next on the list, accounting for between 2 and 10% of total environmental impact.

Below, further detailed conclusions of the EIPRO study on product categories having high environmental impacts and sold by retailers are provided: food and drink, housing and clothing and footwear.

Food and drink

The EIPRO study estimated that food and drink consumption, including the full food production and distribution chain 'from farm to fork', causes 20-30 % of the various environmental impacts of private consumption. This increases to more than 50 % for Eutrophication [Table 1].

Table 1 – Contribution of Food and beverages (incl. tobacco and narcotics) to environmental impact categories (% of the total environmental impacts of private consumption in EU-25, based on DECA EU-25 model) [EIPRO 2006]

Abiotic depletion	Global warming	Photo-chemical oxidation	Acidifica-tion	Eutrophi-cation	Human toxicity	Ecotoxicity
22.2 %	31.1 %	27.4 %	31.2 %	59.7 %	25.5 %	33.7 %

Within the food and drink category, meat and meat products were assessed to be the most important sub-category, followed by dairy products.

The follow-up "Environmental Improvement Potentials of Meat and Dairy Products" study found that the consumption of these products contributes on average 24% to the environmental impacts from the total final consumption in EU-27, while constituting only 6% of the economic value. For the most important impact categories, the contribution of meat and dairy products varies from 14% (for global warming) to 36% (for nature occupation) of the impacts from the total final consumption in EU-27. [Weidema et al. 2007]

The four main product groups (dairy, beef, pork, and poultry products) contribute respectively 33-41%, 16-39%, 19-44%, and 5-10% to the impact of meat and dairy products consumption in EU-27 on the different environmental impact categories. [Weidema et al. 2007]

The more recent IMPRO study "Environmental Improvement Potential of Meat and Dairy Products", JRC and IPTS, European Commission, August 2008, on meat and dairy products concluded that the main environmental impact and improvement areas for these important product groups are in agriculture (mainly water and air emissions and land requirements), households (mainly food losses and shopping by car), followed by energy savings of about 10% along the entire food chain (farming, processing, retail, catering and households). According to IMPRO, the outstanding environmental impacts are aquatic and terrestrial euthrophication, aquatic eco-toxicity and nature occupations, all of which are predominantly related to agricultural cultivation. This study also highlights that food manufacturing accounts for a low contribution to all relevant environmental impact categories (global warming, eutrophication, acidification, eco-toxicity, nature occupation, etc) and that apart from power savings at all life-cycle stages, no specific improvement potentials have been identified at the food manufacturing stage.

Housing, furniture, equipment and utility use

In the EIPRO study, the 'housing' consumption area includes buildings, furniture, domestic appliances, and energy for purposes such as room and water heating and domestic appliances. According to the study, housing makes up 20-35% of the impacts of all products for all the impact categories considered, except eutrophication, where the contribution is approximately 10 % (Table 2).

Table 2 – Contribution of housing (incl. furniture, equipment and utility use) to environmental impact categories (% of the total environmental impacts of private consumption in EU-25, based on DECA EU-25 model) [EIPRO 2006]

Abiotic depletion (ADP)	Global warming (GWP)	Photo-chemical oxidation (POCP)	Acidification (AP)	Eutrophication (EP)	Human toxicity (HTP)	Ecotoxicity
34.8 %	23.6 %	21.9 %	25.7 %	9.9 %	21.0 %	20.4 %

Energy use was identified as the single most important factor, mainly for room and water heating, and electric appliances, followed by structural works (new construction, maintenance, repair, and demolition).

The EIPRO study notes that regarding other, less common impact categories than the ones considered in the study, other priorities may apply. For example, wooden products would be likely to score high if biodiversity loss or consumption of (biotic) natural resources were looked at.

IMPRO-Building study [Makishi et al. 2007] further quantified and compared the environmental impacts of the main typical and relevant residential buildings in the EU-25. Environmental impacts are analysed both for building structure and building occupancy (including heating and ventilation, but excluding electric appliances). The main findings, concerning environmental hotspots for all building groups can be cited as:

- The **use phase dominates** the environmental profile of residential buildings throughout all building groups, building types and geographical zones due to heating losses through exterior walls and the roof as well as ventilation (especially in single family houses),
- The environmental impacts from the construction of new buildings are dominated by the interior and exterior walls, floors and ceilings.
- Refurbishment plays a minor role. Impacts within this category are mainly driven by the replacement of interior walls and measures on exterior walls.

- The end-of-life of the entire building (demolition of the construction) generates both impacts and benefits, but they are for many building types negligibly small and do not exceed 9 % of the impacts from the construction and used phases.

Clothing and footwear

The input-output CEDA EU-25 modelling in the EIPRO study [EIPRO 2006] found that this consumption contributes 2 – 6 % to most impact categories (excluding appliances and energy use for clothes washing). In the three reviewed studies that took into account washing as part of this product group, production and purchase of clothing came out as a relevant factor in comparison to clothes washing. It is noted that this is against the results of many LCAs on these products which have indicated energy and water use for washing in the use phase as the dominant cause for environmental impacts from clothes.

A life cycle analysis of jeans [BIO IS 2006] indicates that approximately half of the environmental impacts over the life cycle of jeans are generated in the production phase, while the use and end-of-life phases generate the other half. An LCA of cotton towels [Blackburn and Payne, 2004] highlights the use phase, i.e. domestic laundering, as the most impacting life cycle stage.

Therefore it is demonstrated that products in general are responsible for an important part of the EU's global environmental impacts. Thus retailers, key players in production and consumption activities, can play an important role by providing products with a lower environmental impact, and promoting them to consumers. Moreover, studies show that focus should be made on reducing the environmental impacts of food, drink, housing equipment (heating devices, electrical appliances, furniture) and textile products.

Environmental impact of retailer activities

The direct environmental impacts of retailers are linked to store and warehouse operations and the transportation of products from warehouses to stores.

Environmental impacts of store and warehouse operations and of products transportation seem mostly linked with non-renewable energy consumption and the use of refrigerants. Therefore, key environmental issues for retailers are the depletion of non-renewable resources and climate change (i.e. energy consumption from non-renewable sources and refrigerant leaks generate greenhouse gases emissions). However, this conclusion is based on the figures and documents available, and most of them only measure the carbon impact. Waste and water issues are also likely to be important.

The results of the carbon footprint measurement[5] published by two French retailers are presented in [Figure 4] and [Figure 5] [6]. This assessment was made on comparable scopes:

[5] Assessed using the Bilan Carbone® method of ADEME, the French Environment Agency

store operation, warehouse operation, goods transportation, customer and employee transportation…). The main source of greenhouse gas emissions is customer transportation to stores (it is important to note that consumers' transportation to stores is an indirect impact of the retailer activity[7]). Energy consumption and goods transportation arrive at second place (the ranking of these two sources differs for the two analysed retailers).

Figure 4 - Carbon footprint of a Carrefour' Hypermarket, based on [Carrefour CSR report, 2007]

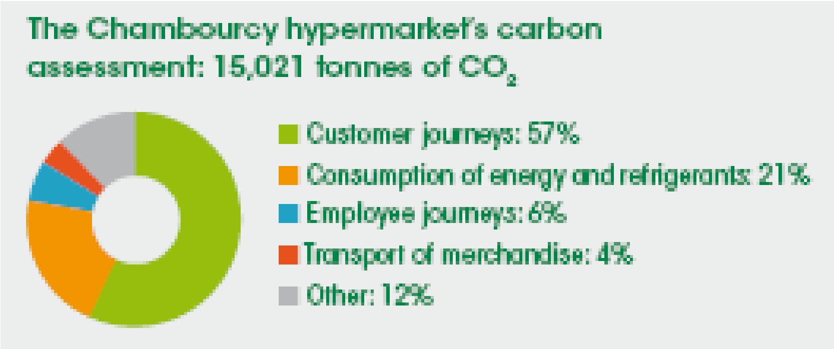
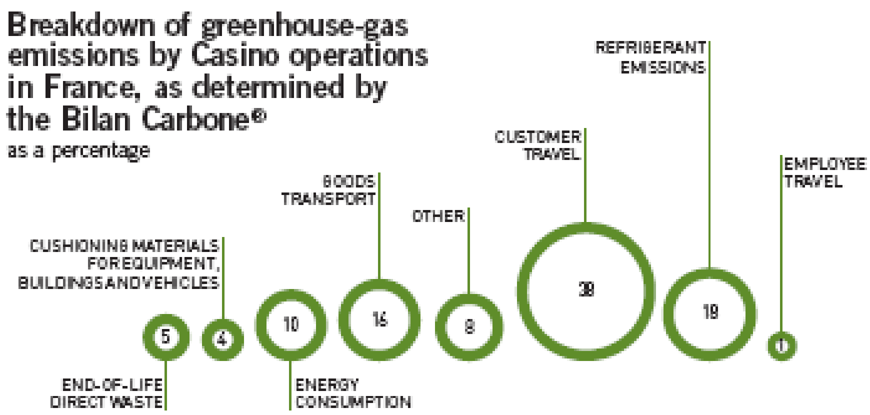


Figure 5 – Carbon footprint of Casino Group (French retailer), based on [Casino CSR report, 2007]



As far as stores alone are concerned, the main sources for energy consumption seem to be lighting, heating and cooling production to preserve food products, as presented in [Figure 6].

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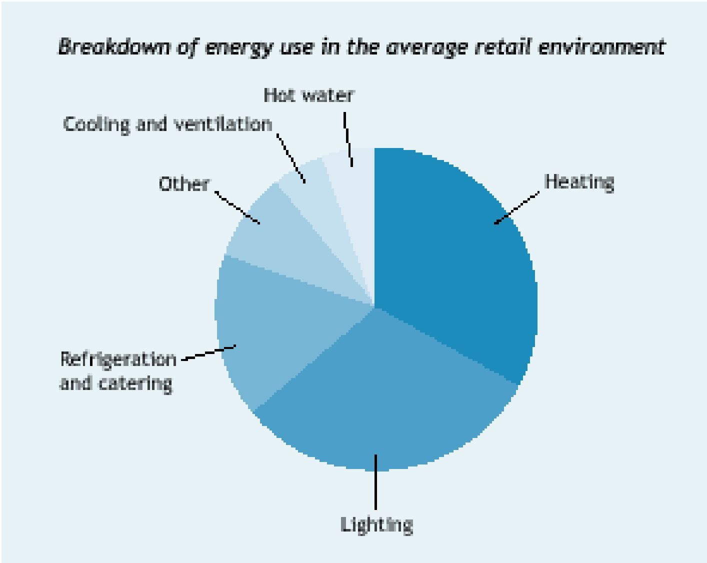
[6] In the absence of similar data at European level, we considered these data as representative of the European context

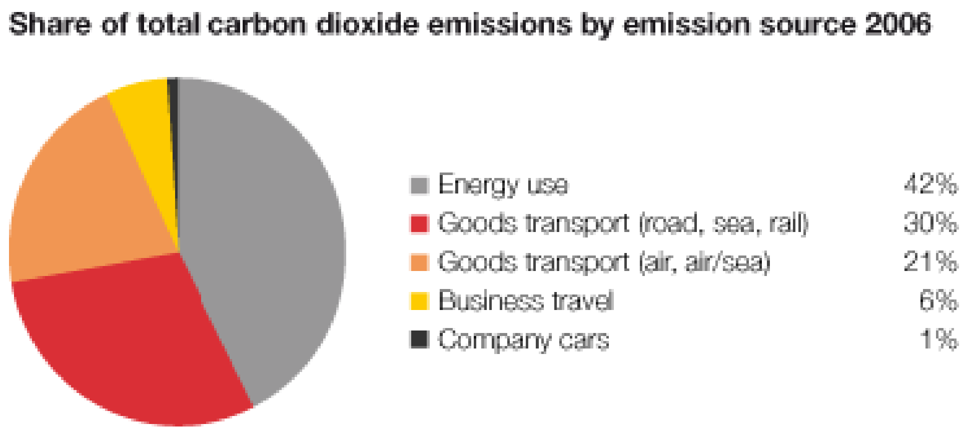
[7] The GHG Protocol and the French methodology "Bilan Carbone®" (i.e. carbon footprint of an activity), two recognised methodologies to assess the GHG emissions of an activity consider consumers' transportation to stores as an indirect impact, such as products production for example.

Figure 6 – Breakdown of energy use in the average retail environment [Carbon Trust, 2007]



For stores that do not sell fresh products - clothes stores for example – greenhouse gases emissions are mostly linked with energy consumption and goods transportation [Figure 7].

Figure 7 – H&M: share of total carbon dioxide emissions by emission source[8], 2006 [H&M CSR report, 2007]



Therefore in terms of climate change impacts, key priorities as far as retailers' own activities are directly concerned are likely to be energy consumption for heating, lighting, etc., refrigerant consumption and goods transport.

The facts presented above show that retailers are facing two different sorts of environmental impacts: direct environmental impacts linked to their operations, mainly on climate change (but waste and water are also likely to be issues of importance), and

[8] Customers' transportation is out of the scope of H&M carbon footprint

indirect environmental impacts linked to the products they sell to consumers. Taking into account these elements, it seems clear that retailers can implement a wide range of actions to reduce their environmental impacts, from products' eco-design to refrigerant leak control.

Still it needs to be clear that whilst retailers have direct management control over their own operations, they only have influence on supply chains and customers. Indeed retailers are only a part of the global production and consumption chain. For example research conducted by M&S with the Carbon Trust, show that retail operations account for less than 10% of the total carbon emission from consumption and production footprint.

Therefore, retailers have an important role to play in initiating green actions and raising consumer and producer awareness on environmental issues.

In this context, the objective of this study – presented in detail in the next chapter – is first to identify environmental actions implemented by some large EU retailers, and second to elaborate a methodology to assess the robustness and effectiveness of implemented actions.

2. TASK 1: ANALYSIS OF GREEN ACTIONS AND STRATEGIES IMPLEMENTED BY RETAILERS

The objective of Task 1 is to identify and analyse green initiatives of large retailers in Europe.

To do so, a panel of 20 retailers was selected in agreement with the European Commission, for which actions related to green products, greening supply chain, the retailer's own environmental performance and raising consumer awareness were identified thanks to a desk research and interviews with each of them, plus in-store visits for a few.

2.1. METHODOLOGY

- **Selection of the analysed retailers**

[Table 3] presents the 20 retailers that were selected for the analysis.

As the focus of the study is on large retailers, most members of the ERRT[9] (European Retail Round Table) were selected. This list has been completed up to 20 in order to have a good geographical coverage in the EU, including new Member States and to have both generalist and specialised retailers.

[9] One member of the ERRT was not selected (DGSI), for very practical reasons linked to the already good coverage of UK, and the wish to also cover other European countries less represented at the ERRT.

Table 3 – List of the 20 retailers analysed

N°	Name of the retailer	Type of activity	Scope of the analysis	Turnover (worldwide, in million €)[10]
1	**ASDA/ Wal-Mart**	Supermarket	ASDA stores in UK	NA
2	**AHOLD**	Supermarket	AHOLD stores in the Netherlands (Albert Heijn)	28 152
3	**C&A**	Clothes store	C&A stores in Europe	6 100
4	**CARREFOUR**	Supermarket	Carrefour stores in France	102 442
5	**DELHAIZE**	Supermarket	Delhaize stores in Europe	18 960
6	**COOP Italy**	Supermarket	Coop Italy stores in Italy	12 000
7	**EL CORTE INGLES**	Supermarket	El Corte Inglès stores in Spain	17 000
8	**H&M**	Clothes store	H&M stores in Europe	9 854
9	**IKEA**	Furniture store	IKEA stores in Europe	19 800
10	**INDITEX**	Clothes store	Inditex stores in Europe	9 435
11	**KINGFISHER**	DIY	Kingfisher Group	2 140
12	**MARKS & SPENCER**	Supermarket	M&S stores in UK	10 469
13	**MERCADONA**	Supermarket	Mercadona stores in Spain	13 986
14	**METRO**	Supermarket	Metro Group	64 337
15	**TESCO**	Supermarket	Tesco stores in UK	71 999
16	**KESKO**	Supermarket	Kesko stores in Europe	9 534
17	**MIGROS**	Supermarket	MIGROS stores in Switzerland	10 500
18	**REWE Group**	Supermarket hypermarkets, discount-stores, DIY-stores, electronic-stores	Rewe Group stores in Germany	45 060
19	**AHOLD CZ**	Supermarket	Ahold stores in Czech republic	148
20	**ZABKA**	Supermarket	Zabka stores in Poland	480

[10] Swiss francs, Pounds (£), Swedish krona (SEK), Cezch Krona (CZK) have been converted in €, on the following basis: 1 Swiss franc = 0,625 €, 1£ = 1,26 € and 1 SEK = 1,07 €, 1 CZK = 0,041 €

- **Literature survey**

The preliminary analysis of the environmental strategies and actions implemented by retailers was conducted through an analysis of the public information available for each retailer (mostly web sites and CSR reports).

- **Interviews**

In order to validate / complete the information on retailers' environmental actions gathered during the literature survey, a telephone or face-to-face interview with every retailer was conducted.

Some retailers refused to grant us an interview, but still sent us a completed questionnaire. This is the case for Delhaize, METRO, REWE Group. Zabka, which is a Polish independent retailer, which was selected to assess whether smaller companies in new Member States implemented the same kind of actions as large EU retailers, refused to participate to the study. The reason for this is since they do not implement environmental actions, the study was not relevant for their situation.

- **In-store visits**

To complete the literature survey and the interview, in-store visits were organised for 9 retailers [Table 4]. The objective of in-stores visits was to identify the retailers' offer in green products, to assess how these products are displayed, and to identify whether special promotions were implemented for them.

The selection of retailers for in-stores visits was decided through consideration of the following criteria:

- Having a good geographical representation: with at least one in-store visit per partner
- Focus on supermarkets more than on specialised retailers (it seems more relevant as they sell a wider range of green products).

Table 4 - List of retailers selected for in-store visit

N°	Name of retailer	Partner in charge
1	ASDA	GHK
2	AHOLD	TME
3	AHOLD CR	Ekopolitika
4	CARREFOUR	BIO
5	IKEA	BIO
6	H&M*	BIO
7	MIGROS	Ecologic
8	REWE Group	Ecologic
9	TESCO	GHK

**H&M was not on the initial list of 8 retailers concerned by in-stores visits, but was visited in addition.*

- **Fact Sheets**

To synthesise all the information gathered about each retailer during the literature survey, the interview, and the possible in-store visit, a fact sheet was prepared for every analysed retailer.

The fact sheets are presented in Appendix 1. Some fact sheets are marked “Confidential”, this means that the retailers didn’t give its approval for the fact sheet to be integrated in the final report that will be published on the European Commission website. These fact sheets are presented in this report that is dedicated to be used internally by the European Commission only.

- **Progress of contact with retailers**

[Table 5] synthesises the report of the contacts with the 20 retailers. The literature survey has been conducted for all retailers. 16 interviews out of 20 have so far been realised.

Table 5. Report of the contacts with retailers

N°	Name of retailer	Partner in charge	Has the retailer been contacted for the interview?	Does the retailer agree to participate?	Date of the interview	The fact sheet is confidential (for internal use by the EC only)	Name of the person contacted	Function of the person contacted
1	ASDA	GHK	Yes, July 23	Yes, September 24	October 1	Confidential	Paul Hedley	Corporate Policy Manager for Sustainability & Ethics
2	AHOLD	TME	Yes, July 15	Yes, September 25	October 20	Confidential	Maarten Capiau	Corporate Affairs
3	C&A	TME	Yes, July 15	Yes	September 12	Not confidential	Frank Hoendervangers	Corporate Social Affairs
4	CARREFOUR	BIO	Yes, July 8	Yes, July 16	August 4	Not confidential	Paul Rowsome	Environmental manager Carrefour Group
5	DELHAIZE	BIO	Yes, July 16	Yes, July 24	Completed the questionnaire - doesn't reply to our solicitation for an interview	Not confidential	Roelin Ham	Responsible corporate responsibility
6	COOP Italy	BIO	Yes, July 28	Yes, August 25	September 15	Not confidential	Fabrizio Ceccarelli	Spokesman for COOP
7	EL CORTE INGLES	BIO	Yes, July 16	Yes, replied July 17	August 18	Not confidential	Francisco Nuñez	Department of Organisation

N°	Name of retailer	Partner in charge	Has the retailer been contacted for the interview?	Does the retailer agree to participate?	Date of the interview	The fact sheet is confidential (for internal use by the EC only)	Name of the person contacted	Function of the person contacted
8	H&M	BIO	Yes, July 8	Yes, replied July 8	August 11	Not confidential	Henrik Lampa	Environmental coordinator
9	IKEA	BIO	Yes, July 8	Yes, replied July 8	August 25	Not confidential	Katarina Maaskant	Manager IKEA EU Affairs
10	INDITEX	BIO	Yes, July 16	Yes (oral confirmation on July 16, pending written confirmation)	July 29	Not confidential	Antonio Alvarez	Director of the Environmental Department
11	KINGFISHER	GHK	Yes, July 23	Yes, replied July 25	September 3	The retailer hasn't replied	Ray Baker	Director CSR
12	MARKS & SPENCER	GHK	Yes, July 23	Yes	September 2	Confidential	Tony Ginty	Head of Public Affairs
13	MERCADONA	BIO	Yes, July 16	Yes, replied July 16	August 12	Not confidential	Margarita Munoz	Responsible of Environmental Affairs
14	METRO	Ecologic	Yes, July 21	METRO will help us only as far as data have been published by them	Completed the questionnaire (no interview)	Not confidential	Marion Sollbach	Sustainability and Environment

N°	Name of retailer	Partner in charge	Has the retailer been contacted for the interview?	Does the retailer agree to participate?	Date of the interview	The fact sheet is confidential (for internal use by the EC only)	Name of the person contacted	Function of the person contacted
15	TESCO	GHK	Yes, July 23	Yes	September 4, waiting for their answer to the questionnaire	Confidential	Ian Hutchins	Corporate Communications Manager
16	KESKO	BIO	Yes, July 16	Yes, replied July 17	September 8	Confidential	Ulla Rehell	Assistant Vice President
17	MIGROS	Ecologic	Yes, July 21	Yes, replied July 24	August 7	The retailer hasn't replied	Walter Staub	Corporate Communications
18	REWE Group	Ecologic	Yes, July 21	Yes, replied July 24	Completed the questionnaire (no interview)	Not confidential	Anja Lörcher	Public Affairs - Head of Brussels Office
19	AHOLD CZ	Ekopolitika	Yes, July 18	Yes, replied June 24	August	The retailer didn't participate in the study	Petr CHADRABA	CR & Communications Manager
20	ZABKA	BIO	Yes, July 28	Yes, replied July 29	See above	The retailer didn't participate in the study	Marta MICHALAK	Assistant to the President of Zabka Polska

2.2. KEY INITIATIVES IMPLEMENTED BY RETAILERS TO GREEN THEIR PRACTICES

The results presented in this chapter are based on the analysis of 18 the retailers that agree to participate in the study. These 18 retailers are highlighted in blue in [Table 5].

The 2 retailers for which information is not available to date include:

- Zabka: refuses to participate in the study because they claim that it is not relevant to their practices ;
- Ahold CZ: Ahold CZ didn't provide information.

The objective of this chapter is to present the different environmental activities implemented by retailers, but not to assess their robustness or efficiency, which is the aim of Task 2.

- **All the large retailers under study are greening their practices**

The analysis conducted so far shows that all retailers studied except Zabka, (the smaller independent Polish retailer), **are implementing actions to protect the environment**.

It also seems that **the commitment of retailers from Southern European countries is more recent than for companies from Northern countries**.

Moreover, this first analysis shows that the type of environmental actions conducted depends to a great extent on for how long the commitment has been implemented. Indeed, **at first, it seems that retailers start with working on their direct environmental impacts** (stores operations and logistic). Afterwards**, work is engaged on indirect environmental impacts, i.e. on the products** they sell. This is nonetheless a more complex issue since it necessitates influencing external stakeholders (suppliers, and their suppliers, etc.) on more complicated environmental stakes, linked to the product category under consideration. Despite this tendency, recent increases of oil prices have also undoubtedly influenced retailers in the choice of their priorities, as energy efficiency seems to be very high on the agenda for everyone.

The **kind of actions implemented depends of the country where the retailer operates**. Indeed some countries are more aware on some environmental issues than other. For example, UK retailers seemed more engaged in carbon issues and food waste issues than the other retailers; German retailers seemed to be more advances than other retailer in waste management, etc.

Furthermore, the kind of environmental actions implemented depends on the **voluntary agreements** in which the retailer is involved. Voluntary agreements are often developed at national levels. For example, in the UK, the British Retail Consortium's 'Better Retailing Climate' or 'Courtauld Commitment' (on packaging and food waste) are voluntary agreements implying the retail industry, France is implementing a voluntary agreement in the retail sector that aims to experiment the implementation of environmental labelling on products at a large scale, Germany is implementing the PCF (Product Carbon Footprint) pilot project that shall enable participating companies to calculate the carbon footprint for specific products. Voluntary agreements can also be set at European level, such as the European Retail Round Table on energy that aims at putting together practical and targeted commitments towards meeting the European 2020 energy targets.

Finally, **the actions implemented depend of course on the kind of retailer involved: supermarket/hypermarket or specialised retailer**. For example, if they both work on the same kind of direct environmental impact (linked to store operation and logistics), the complexity of the indirect environmental issues they must deal with becomes much higher for supermarkets, which sell hundreds of different product categories than for a clothes or furniture retailer, for which products' diversity is more limited.

- **The different kinds of environmental issues dealt with**

Though each retailer has its own environmental policy with specific priorities and approaches, the different direct and indirect environmental issues they face, though numerous, are similar, and a list of items can be drawn up.

[Table 6] presents this list of identified items and for each of them, the percentage of generalist and specialised retailers[11] implementing actions that address them.

The table was completed as follows:

For every item, as soon as one action was implemented by a retailer, whatever its type, extent, length or date of implementation, it was reported in the table. For example, for the "renewable energy" item, as long as a retailer did something in this field (pilot installation of solar panels on one store's roof, or high percentage of renewable energy in the energy mix consumed by the whole chain), it was considered. The same logic was applied to EU Eco-labelled product availability: as soon as a retailer had at least one EU Eco-labelled product available in store, it was considered.

The classification of the different items was sometimes difficult, e.g. GHG emission management (for the retailer own activity) is also linked to energy efficiency or refrigerant management. However, GHG management has been differentiated since it is an important environmental policy, distinct for both others. Choices were made in the most coherent manner; however they can be subject to discussion.

This means that the results presented in the table below only give some insights **on the diversity of the actions implemented by the retailers**, and by no means provide information on their extent, robustness or effectiveness, which will be dealt with in Task 2.

[11] Breakdown was made as follows: Ahold, ASDA, Carrefour, C&A, Coop Italy, Delhaize, El Corte Ingles, Kesko, M&S, Metro, Mercadona, Migros, REWE Group, and Tesco were considered "generalist" retailers, and Inditex, H&M, IKEA, Kingfisher specialised retailers.

Table 6 – Diversity of the environmental actions implemented by retailers

	List of items	Generalist retailers	Specialised retailers
A	**Environmentally sound management practices**	☺☺	☺☺
A.1	Energy efficiency	☺☺☺	☺☺☺
A.2	Renewable energy use	☺☺☺	☺☺☺
A.3	GHG emissions reduction (for the retailer own activities)	☺☺	☺☺☺
A.4	Refrigerant management	☺☺☺	
A.5	Water management	☺☺	☺
A.6	Waste management	☺☺☺	☺☺☺
A.7	Consumer transportation to stores	☺	☺
A.8	Plastics bags reduction	☺☺☺	☺☺☺
A.9	Partnership with NGOs, local authorities...	☺☺	☺☺
A.10	Training of employees on environmental issues	☺☺☺	☺☺☺
B	**Information campaigns to raise consumers' awareness**	☺☺	☺
B.1	The retailer organise communication activities to promote green products	☺☺☺	☺☺
B.2	The retailer implements financial incentives for green products	☺☺	☺
B.3	The retailers inform the consumer about environmental impacts of products	☺☺	☺☺
C	**Green procurement practices for equipment and infrastructures**	☺☺	☺☺☺
C.1	Buildings construction / refurbishment	☺☺	☺☺☺
C.2	Equipment and products for use in stores/offices procurement	☺☺	☺☺☺
D	**Actions to improve the environmental performance of products**	☺☺	☺☺☺
D.1	Actions on products' packaging	☺☺☺	☺☺☺
D.2	Identification of hotspots of products (diagnostic)	☺	☺☺☺
D.3	Products eco-design	☺	☺
D.4	Choice editing is implemented for products having high environmental impacts	☺☺	☺☺☺
D.5	EU-Ecolabelled products availability	☺	☺☺
D.6	Other ecolabelled products availability	☺	
D.7	Retailers' own environmental labelled products availability (if not redundant with previous sections)	☺	
D.8	Organic food availability	☺☺☺	
D.9	Environmentally friendly textile products availability	☺☺	☺☺☺
D.10	Greener wood products availability	☺☺☺	☺☺
D.11	Greener fish products availability	☺☺☺	
D.12	Energy efficient products availability	☺☺☺	☺☺☺
D.13	Local fruit and vegetables availability	☺☺	
E	**Measures for greening their supply chain**	☺☺☺	☺☺☺
E.1	Actions concerning products' suppliers	☺☺	☺☺☺
E.2	Actions concerning logistics	☺☺☺	☺☺☺

Legend :
- ☺☺☺: more than 80% of the studied retailers have implemented at least one action for this item
- ☺☺: between 50 and 79% of the studied retailers have implemented at least one action for this item
- ☺: less than 49% of the studied retailers have implemented at least one action for this item
- Crossed cell : item not relevant

This first analysis gives preliminary information on the most popular actions, which are:

- Energy efficiency
- Waste management[12]
- Training of employees on environmental issues
- Availability of organic food, wooden-based products coming from sustainable managed forests, and energy efficient products
- Logistic optimisation

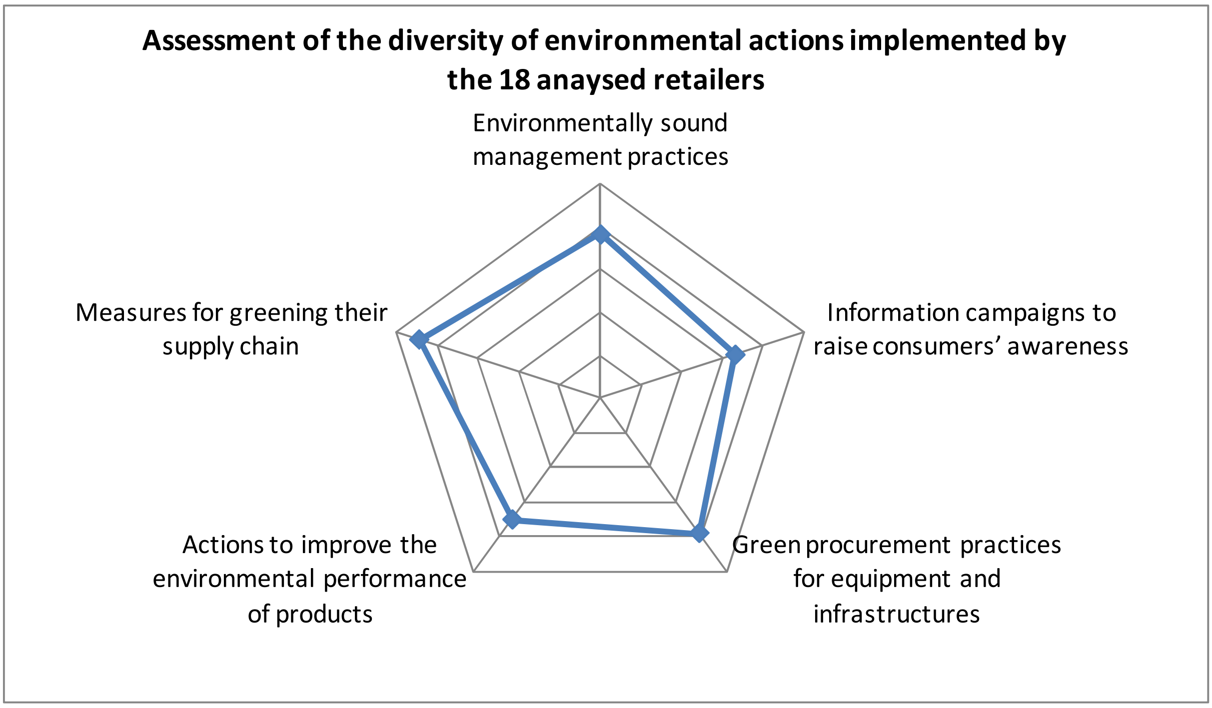
However, few initiatives were identified for the following actions:

- Consumer transportation to stores
- Implementation of financial incentives to promote green products
- Education of consumers about environmental impacts of products
- Availability of products bearing official Ecolabels

On a more global level, the analysis shows that the studied retailers implement actions for each of the 5 areas under study for Task 2, as illustrated by [Figure 8].

[12] This item was considered, though it is a legislative obligation for all companies in the EU to sort waste.

Figure 8 – Synthesis of the diversity of actions implemented by the 18 retailers analysed



A more detailed analysis of the different actions implemented in every area is presented in the following paragraphs, according to the five following chapters, corresponding to the five areas of analysis:

- Environmentally sound management practices
- Information campaigns to raise consumers' awareness
- Green procurement practices for equipment and infrastructures
- Actions to improve the environmental performance of products
- Measures for greening the supply chain

The objective of this section is to present the general involvement of the different retailers under study to implement environmental actions for every item under study, and not to present an exhaustive list of their greening activities (a more detailed analysis per retailer can be found in the retailers fact sheets included in Appendix 1).

2.2.1. Environmentally sound management practices

Among the different actions that can be performed by retailers to improve their own environmental performance, activities enabling economic savings are also widely implemented. These are mostly actions regarding energy efficiency. Waste management related actions come second, but these are made mandatory by legislation.

[Figure 9] presents the different actions implemented by retailers to improve their own environmental footprint by decreasing order of popularity.

Figure 9 – Actions implemented by the studied retailers to improve their own environmental performance, by decreasing order of popularity

Retailers do not seem interested by certified environmental management systems (ISO 14001 or EMAS), and instead develop their own management programmes. Certified management systems are seen as too restrictive by retailers. They are also very costly as they have to be implemented in all stores. Furthermore if they are well known by businesses, consumers don't know these management systems and therefore the certification can hardly be highlighted in communication to consumers.

- **Energy efficiency**

All the studied retailers are implementing actions to improve their energy efficiency, often for several years. Long-term economic savings are often a motivating factor to do so.

They are also measuring their energy consumption at global level, but also using efficiency indicators (energy consumption per m² of sales area, per million € sold, etc.).

The actions implemented are diverse: heat recovery systems in cold production facilities, move detection systems for lighting, etc.

METRO Group

The superfluous heat of the cooling appliances can be used in order to reduce the fuel- and gas-consumption of heating appliances. Since 2006 Metro has applied this technology at 26 sites in Germany, Italy and Poland for air conditioning or warm water production. METRO Cash & Carry examines the possibility to apply this technology in new markets or in markets to be renovated taking into account the economic feasibility of the project.

All the studied retailers use energy efficient light bulbs, like for example the T5 neons for stores lighting or LEDs for exterior panels.

Albert Heijn has lighting systems that change in intensity according to the store's needs during various parts of the day, saving energy through dimmer lights at night. Albert Heijn is also running pilots of several energy-saving systems, which include the reuse of heat generated by refrigeration units to heat stores, LED lighting, automatic light switching and measurement systems to track energy use.

- **Waste management**

All studied retailers implement waste management related actions, which consist mainly in sorting stores and warehouses' waste (as requested by regulation).

11 out of the 18 retailers also work on minimising the quantities of waste generated by their activity. (Coop Italy, Carrefour, C&A, El Corte Inglès, H&M, Inditex, Kesko, Mercadona, M&S, REWE Group, Tesco).

Other retailers, like ASDA, are working to ensure the minimum waste goes to landfill.

ASDA has implemented a comprehensive recycling programme which conducted ASDA to divert 65% of its store waste from landfill. 2 stores will have 93% of waste diverted from landfill by the end of October 2008. ASDA has a target of zero waste to landfill by 2010.

- **Refrigerant leaks**

Refrigerant leaks used in cold production facilities can have a high impact in terms of climate change, since the gas used as refrigerants often have a very high GWP.

Retailers seem well aware of this issue. All general retailers except El Corte Inglés implement actions to address this. These mainly consist in specific **requirements for their maintenance service providers**, so that leaks are reduced to the greatest extent possible. Some retailers like Kesko or Mercadona have installed automatic systems to detect leaks. Other retailers like ASDA, Carrefour, Mercadona, METRO and REWE Group are using systems working with alternative refrigerants (less harmful for the environment) such as CO_2 and ammonia.

According to REWE Group, the main consumers of electrical energy in commercial trading are refrigeration and lighting. As a result, REWE Group's efforts are focused on optimising energy management primarily in this area. Compound refrigeration equipment with intelligent control technology, roll-down night covers for refrigerated shelves and energy-efficient T5 lights on ceilings are standard. Since 2007, REWE Group have switched to the exclusive use of deep-freeze units with speed-controlled compressors that need 20 per cent less electricity than traditional freezers.

All of the refrigerated shelves for pre-packaged meats have already been equipped with hinged doors at PENNY stores, and REWE stores are now following suit. This measure improves temperature performance and also cuts the energy used by refrigeration equipment in half.

- **Plastic bag reduction**

The issue of plastic check-out bags has been highly advertised in the media, thus customers are particularly attentive to it. Consequently, most retailers are now offering alternative solutions--mainly reusable bags, biodegradable plastics, or paper bags. Many of them have stopped providing disposable bags (Carrefour, Delhaize, IKEA, Marks & Spencer, Migros, and the German retailers METRO and REWE Group as free distribution of plastic bags is prohibited by national legislation).

Few retailers, such as Carrefour, communicate on the quantity of disposable plastics bags provided at check-out.

In 2003/2004, Carrefour has conducted an LCA on disposable and reusable plastic bags. This was the first peer-reviewed ISO 14040 compliant LCA to be conducted in partnership with ADEME (the French Environmental Agency). The report was made public. The results and conclusions have been widely used and show that the best environmental solution is the reuse of reusable bags. This is a good illustration of where having reliable data / science based information can help companies make decisions and deploy actions.

- **Training of employees on environmental issues**

Only 5 retailers out of the 18 retailers analysed systematically train all their employees in order to achieve better environmental management (IKEA, Inditex, Mercadona, Tesco, REWE Group). However in most cases, only some specific positions in the company are targeted with adapted trainings. For example purchasers can be trained on green procurement, store managers on energy efficiency, etc. (Carrefour, Delhaize, El Corté Inglès, Migros, M&S,...).

Some retailers include environmental issues awareness-raising activities during the training of their new employees (IKEA, Inditex).

The use of self-training modules on the Internet (IKEA, Inditex) or the dissemination of good practice guides (Carrefour) are the main means used for training.

Some retailers have created a system of “contact persons” in stores, who are responsible for informing staff about the company’s environmental policy, and disseminating good practice (Carrefour, Tesco with its “energy champions”).

Specific trainings can happen during the launch of some actions, for example cashiers training when the free distribution of plastics bags stopped (Carrefour), or staff training when a new environmental policy is launched (H&M for the launch of the “Code of Conduct”).

Few retailers train the store staff, who are nevertheless in contact with consumers, and could explain the meaning of the different environmental labels. Kesko implements this for stores awarded/about to be awarded their K-Environmental Diploma (Kesko-specific environmental management system). Other retailers like Mercadona and REWE Group trains all employees on certain aspects of environmental management, especially the reduction of energy consumption.

- **Water management**

The issue of water management is not at the heart of retailers' environmental strategies because water management is not considered as a key environmental issue in the retail sector. However, most of them monitor their water consumption and implement actions to reduce it (ASDA, Carrefour, Coop Italy, Delhaize, El Corte Inglés, Inditex, Kesko, Kingfisher, Mercadona, Migros, Tesco).

Some, like Inditex install water saving devices (sensor taps, timed turn-off push taps, double flushes in toilets...), or leak detection systems like El Corte Inglès. As for Tesco, they have installed rainwater collecting systems in some of their buildings.

TESCO

Tesco stores consume significant quantities of water--approximately 31.4 m^3 per day for a standard Extra Store, with only a small portion being used for direct potable use. Tesco has saved up to 40% on store water bills through the use of rainwater systems and water efficient devices such as dual flush toilets, urinal controls, and percussion taps. Tesco has installed 24 rain water systems (6 retrofit and 16 new build) that will harvest a total of 81,000 m^3 of rainwater per annum.

KINGFISHER

B&Q (Kingfisher subsidiary) has been working to reduce water consumption in its garden centres using more efficient irrigation systems, and incorporating rainwater-harvesting systems in a number of new stores, which will collect water for use in garden centres and toilets.

ASDA is working at changing employee behaviour to reduce water consumption.

- **Partnership with NGOs**

13 out of 18 retailers develop partnerships with NGOs (Ahold, Carrefour, Coop Italy, El Corte Inglès, H&M, IKEA, METRO, Migros, M&S, REWE Group, Tesco): thanks to their knowledge of environmental issues and their networks, these NGOs advise and accompany them in the implementation of solutions to reduce their environmental footprint. This is often the case for retailers dealing with materials with potentially high impacts and international markets, such as cotton and wood.

H&M

According to WWF research, cotton needs an average of 8,500 litres of water to grow 1 kilo of cotton lint, equivalent to one pair of jeans. Practical ways to improve cotton farming while improving the social and economic benefits for cotton farmers and their communities do exist. H&M works with the Better Cotton Initiative (BCI), which WWF helped to fund with leading retailers, with the aim of promoting the widespread use of improved farm practices where more cotton can be grown while reducing water and chemical use.

- **Renewable energy use**

14 out of 18 retailers implement actions linked to the use of renewable energy (ASDA, Carrefour, Coop Italy, Delhaize, H&M, IKEA, Inditex, Kingfisher, METRO, Mercadona, M&S,

Kesko, REWE Group, Tesco) through the purchase of green electricity, installation of solar panels, and solar heating systems. However, most of these actions are still at a pilot stage.

Delhaize Belgium now gets all of its electricity from a renewable hydro-electric source, making it the country's biggest user of green energy and the ninth largest user in Europe (AlpEnergie provides energy from hydroelectric power stations on the river Rhone, France). The switch to renewable electricity is estimated to have reduced the company's carbon emissions by 114,000 tons of CO_2 for 2007.

IKEA has a long term direction that all IKEA buildings shall be supplied with 100 % renewable energy. IKEA also wants to improve its overall energy efficiency by 25 percent compared to levels from 2005. New IKEA stores and warehouses are fitted with renewable energy solutions and different solutions are used in different locations and countries. Examples are ground source heat pumps, air to air heat pumps, biomass boilers and solar power. IKEA already today purchases 100% of the electricity to run IKEA buildings from renewable sources in Germany, Italy, the Netherlands, Norway, Sweden and the United Kingdom.

- **Consumers transportation to stores**

Very few retailers implement actions to reduce the environmental impacts of consumer transportation to stores, whereas this can have an important impact in terms of climate change (when considering retailers' direct impacts).

More precisely, very few actually measure this impact (only IKEA assesses it by means of a question in their annual customer survey). The only actions identified in this field are:

- Policy of placing supermarkets in areas that can be well reached by foot and are integrated into the public transport system.
- Negotiations with local authorities to develop public transport around stores.

Even if several retailers develop e-commerce, it is not presented as a means to reduce the environmental impact linked to consumer transportation.

Some retailers, like Mercadona, consider that as their stores are city supermarkets, the consumers can go by foot to their stores. The environmental impacts of consumers' transportation to stores would not be among their most important environmental issues.

2.2.2. INFORMATION CAMPAIGNS TO RAISE CONSUMERS' AWARENESS

Several types of action can be implemented to raise consumer awareness of environmental issues: they can be product-related or environmental issue-related.

The more retailers are advanced in the implementation of their environmental policy, the more they enlarge their communication scope. Most studied retailers only communicate on their green products during specific promotion campaigns, whereas ASDA, Carrefour and Tesco go further and give tips to consumers on how to behave more responsibly. Tesco has even developed a tool enabling consumers to estimate their carbon footprint, called the « Action CO_2 calculator ».

Actions concerning green products:

Most retailers implement regular activities to promote green products. These campaigns are often organised during favourable periods, such as the French Sustainable Development Week, World Environment Day, and Flower Month… which represents approximately two to six campaigns per year.

During these campaigns, financial incentives can be implemented, like for example “Two green products bought, the third offered”, or additional points given on loyalty cards. For example, REWE Group offers price reductions for green products during specific campaigns i.e. within the campaign “Save the Polar Bears” to promote energy efficient lamps.

The rest of the year, retailers can re-organise the products assortment in stores to promote green products, i.e. organise specific green corners, put ecological products in aisle’s ends, etc. See [Figure 10].

Figure 10 - In a Carrefour stores, Green corner for organic food products: “le marché bio”

Green products are also sometimes identified thanks to wobblers or other attention makers, or just tags on the products, e.g. “T-Shirt made of organic cotton” [Figure 11] and [Figure 12].

Figure 11 – In a Carrefour store dedicated area for green detergents

Figure 12 – In an H&M store, a panel to help consumer identify t-shirts made of organic cotton

Actions concerning consumer awareness:

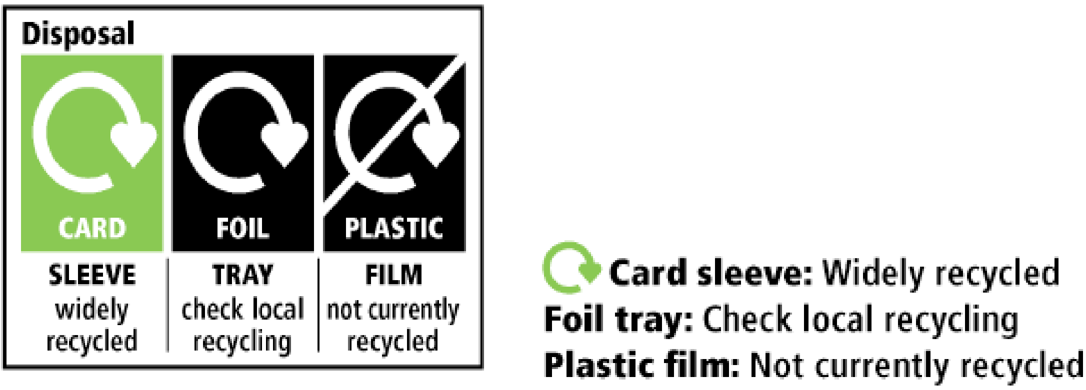
Some retailers raise consumer awareness for better use of products, like H&M and C&A, who give advice on how to wash clothes in a more environmentally-friendly way. Mercadona has information on the labels of cleaning products, to explain to consumers how to wash clothes with the best sustainable behaviour. ASDA, Carrefour, Mercadona and Tesco give tips on their web site for a more sustainable behaviour.

ASDA and Tesco are also implementing an interesting system of product labelling, in partnership with WRAP (Waste & Resources Action Programme), in order to help individuals, businesses and local authorities to reduce waste and recycle more, making better use of resources and helping to tackle climate change):

ASDA and Tesco have put new packaging recycling instructions on their products, ensuring that every packaging component is clearly identified with simple recycling instructions:

ASDA

TESCO



With a reference on the reverse of price labels C&A wants to encourage its customers to wash the products at lower temperatures – i.e. at 30 degrees Celsius instead of 40 and to dry naturally – which will also contribute to energy conservation in their own households. By reducing these washing temperatures alone, energy savings of 40% are possible.

2.2.3. GREEN PROCUREMENT PRACTICES FOR EQUIPMENT AND INFRASTRUCTURES

- **Green procurement practices for buildings**

To date, the green procurement practices for buildings seem to be at an experimental stage for most retailers: several companies are currently their pilot green developing (ASDA, Carrefour, Coop Italy, H&M, Kesko, Migros, M&S, Tesco, REWE Group). Construction and return on experience takes time. Therefore, at this stage, few retailers implement systematic environmental requirements for new buildings, or buildings under renovation (REWE Group).

Some retailers have fixed objectives in terms of results for their new buildings. For example, IKEA has fixed an energy consumption standard of 45 kilowatt hours per cubic metre sold by year five after store opening. ASDA has set reduction targets for energy consumption (new stores have to be 35% more energy efficient than existing stores).

M&S has worked with BRE (Building Research Establishment) to improve the environmental specifications of its stores. They have developed standards used in the construction of 3 M&S 'green' stores that will use 25% less energy and emit 50% less CO_2 annually. Two other 'green' stores are in the pipeline. In addition, 60% of the new technologies used in these 'green' stores have now been integrated into other new and existing stores.

- **Green procurement of products**

This section deals with the actions implemented by retailers to purchase environmentally-friendly products for their own use (paper, IT equipment, cleaning products or services…).

Some retailers have well-defined environmental policies regarding green procurement: M&S, Kesko (for store purchases), H&M (for centralised purchases), Tesco, Inditex, IKEA, Carrefour (for catalogue paper), that are systematically applied.

These policies mainly target the following product categories for which environmental labels exist: paper (recycled, reduction of the weight, FSC or PEFC labelled…), IT equipment (Energy Star labelled), cleaning products, and green electricity. Concerning paper, Carrefour has published a peer-reviewed ISO 14040 compliant LCA on paper catalogues, in 2005/2006.

Other retailers make good practice guides available to their purchasers (Carrefour, MIGROS) for paper procurement.

These policies often mainly concern centralised procurement of the Groups or of the administrative offices, and not of the stores, which often have autonomy in their purchases.

2.2.4. ACTIONS TO IMPROVE THE ENVIRONMENTAL PERFORMANCE OF PRODUCTS

Actions linked to products can be divided in three types:

- Actions to improve the environmental quality of all the products sold by the retailer (eco-design),
- Actions related to providing consumers with green products, clearly labelled as ecological versions of the standard ones (use of environmental labels),
- Actions to ban from the shelves products with important environmental impacts (choice editing)

- **Actions to generally improve the environmental performance of products (eco-design activities)**

The actions that can be implemented by retailers to improve the environmental quality of the products on their shelves depend on whether these are from their own brand or from a national brand. Furthermore, even if retailers can include environmental considerations when choosing their assortment of products from national brands, their capacity to influence the design of products is higher for own-brand products.

<u>For own-brand products:</u>

Three different levels of action can be distinguished amongst the activities implemented by retailers to eco-design their own-brand products:

1. eco-design of product packaging,
2. environmental diagnosis of products to identify the ecological issues associated to each product category (this is a pre-requisite to eco-designing products)
3. eco-design of products (packaging excluded)

Retailers can also use what is called a « black-list » to forbid the use of certain substances in their products (e.g. hazardous chemicals). This type of action could be called "selective eco-design", because only one environmental issue is taken under consideration (most often toxicity risk due to the use of hazardous substances).

All retailers but El Corte Inglès implement actions to eco-design their own-brand product packaging: decrease of packaging weight, optimisation of packaging size as compared to the pack content, choice of recyclable materials…

Carrefour

For over 10 years, the Group has been optimising its own-brand products packaging. In 2007, the Group Packaging Standard – a guide to best practices in packaging – was updated and deployed. To protect resources, it uses recycled and recyclable materials such as recycled PET, and prioritises single-material packaging, which is easier to recycle.

Coop Italy even implemented a very innovative action: the use of refillable bottles for detergents:

e-coop

In 2006, Unicoop Firenze and Unicoop Tirreno (subsidiary companies) implemented a new system for the distribution of detergents. Consumers were provided with reusable bottles that could be filled each time with different types of liquid detergents by means of dispensers implemented in the shops. The utilisation of this system allows the use each time of a plastic bottle of approximately 60 g, which in turn allows saving 1,5 KWh, 240 l. of water and 14 g. of

CO2. In the 3 shops of Unicoop Firenze were this system was implemented, for example, 6.753 euros. This innovating refilling system will also be implemented in 2008 in the shops in Parma, Mantova and Piacenza. In Novacoop, the "distributor" is currently implemented in 7 hypermarkets and 3 supermarkets.*

Retailers seem particularly interested in optimising their product packaging sizes as decreases in weight and dimensions of the packaging often lead to economic savings due to material savings and /or logistic optimisation (increase of trucks filling rate). For example, Kesko developed guidelines for its suppliers for eco-designing products in order to minimise the environmental impacts of packaging.

Actions aimed at eco-designing the products themselves are more rare, especially for supermarkets, which have a very large product assortment. Eco-designing a product in general necessitates an environmental diagnosis of the product, with a life cycle thinking approach. This takes time and can rapidly become quite costly for a high number of products. Thus, it is difficult for supermarkets, which products assortment sometimes includes thousands of articles, to systematically conduct such diagnosis.

Inditex is currently performing the diagnosis phase: following some life cycle assessments that were performed for a few product categories, this retailer has identified the key environmental issues to work on in the supply chain and corresponding indicators. A tool is being developed in collaboration with Santiago University to enable suppliers to monitor their environmental performance on these indicators.

To go beyond **eco-design approaches for products**, some supermarkets like Carrefour use available LCA results to identify "hot spots" for a given product category, and integrate environmental considerations in their product specifications. Carrefour also uses Ecolabel criteria to this end for available product categories.

The eco-design of products such as textiles or wooden furniture is slightly different from the eco-design of other products. Due to the important sustainable issues involved in these global industries, they are often well accompanied by international NGOs such as WWF, Greenpeace , and Friends of the Earth. Their worldwide presence facilitates the transfer of knowledge from one country to another, or schemes organisation, which decreases investment costs for the retail chains that commit to participate. However, the pre-existence of such international programmes is not sufficient and the retailers committed to green their supply chain need to start an important work of dialogue with their suppliers to ensure traceability and management of the different impacts all along the chain.

Nevertheless, even if these retailers must deal with complex international supply chains, a systematic products eco-design policy is less difficult to implement because of the number of materials involved (textiles, wood) and the products functionalities are less diverse than for generalist retailers.

At IKEA , where products assortment is only made of own-brand items, designers make use of the "e-wheel" (Raw material, manufacturing, product use, end of life) to evaluate the environmental impacts of products. E-wheel sets the basics for a life cycle assessment approach regarding the design of new products. The use of e-wheel is getting systematic; the aim is to make it mandatory in the future.

Finally, several retailers (C&A, H&M, IKEA, Kesko, METRO, Tesco) implement what could be called selective eco-design, where e.g. some hazardous chemicals are “black listed” and cannot be included in products’ components. For example, H&M has established a list of more than 250 chemicals which use is forbidden by suppliers. To build this list, H&M selects the most restricted criteria among legislations of the countries where H&M sells garments, and apply it to all the country where H&M operates, i.e. sells or produces garments. H&M also has voluntary banned some chemicals that are not legally regulated (triclosan, PVC, Kat ionic surfactants, phthalates are not only prohibited for kids but also for grown ups, etc.).

For national brand products:

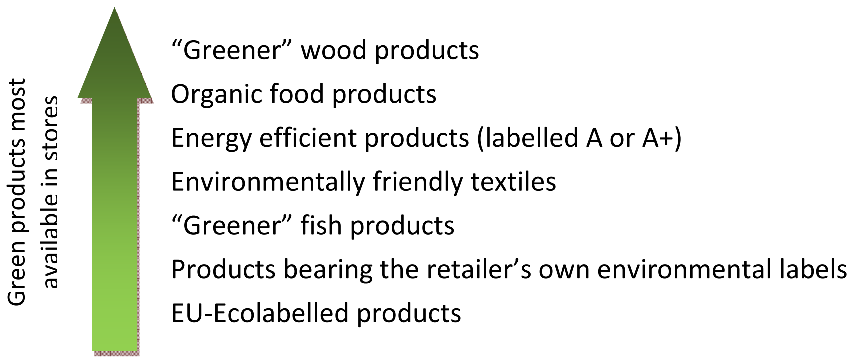
Retailers have less power to influence their suppliers as far as national brands are concerned. However, they can have requirements on products packaging, like Kesko, which edited **packaging guidelines** to help its suppliers choose recyclable, separable materials, and minimise resource use.

- **Actions related to green products**

Most studied retailers include “green” products in their assortment. Green products are defined here in their widest sense: they include products bearing an official Ecolabel (the Flower or a national Ecolabel), products with a reduced environmental impact on a specific issue i.e. energy-efficient products (class A and above or bearing the Energy Star label), wood-based products made of timber from a sustainable source, organic products, organic food, fish from sustainable fisheries, peat-free soil improvers…, and goods bearing other environmental labels, including retailers’ own green labels .

[Figure 13] presents the different kinds of green products available at retailers’ stores by order of availability (availability of at least one kind of product in the store).

Figure 13 – Actions implemented by the studied retailers to improve their own environmental performance, by decreasing order of popularity



NB: Because store visits were not scheduled in this project for all the 20 retailers under study (only 9 were completed), the results in terms of availability of green products for the ones for where visits were not conducted are based on the answers they provided during the interview or in the questionnaire.

The results in terms of availability of green products in the 18 studied retailers are the following:

- All retailers selling food except Mercadona included at least one organic food product in their assortment.
- All the retailers selling electric appliances have an offer of A, A+ or A++ labelled products. Some go further and only sell energy efficient light bulbs, like Marks & Spencer and ASDA.
- All the retailers selling wooden products include at least one product using wood from sustainably managed forests. FSC seems to be the most used label, for e.g. garden furniture, paper…
- 11 out of the 18 studied retailers offer more environmentally-friendly textiles (Carrefour, C&A, H&M, Inditex, IKEA, Kesko, METRO, Migros, M&S, REWE Group, and Tesco), in general organic cotton products or made with transitional cotton.
- 11 out of the 18 studied retailers (Ahold, ASDA, Carrefour, Coop Italy, Delhaize, METRO, Mercadona, Migros, M&S, REWE Group, and Tesco) offer MSC-labelled fish products, but most of them also sell endangered fish species products.
- Some retailers have created their own environmental label(s), such as Carrefour, Migros, M&S REWE Group or Tesco. The requirements of such labels can be more or less strict than the Ecolabel/ organic criteria as shown by Migros example below.

MIGROS

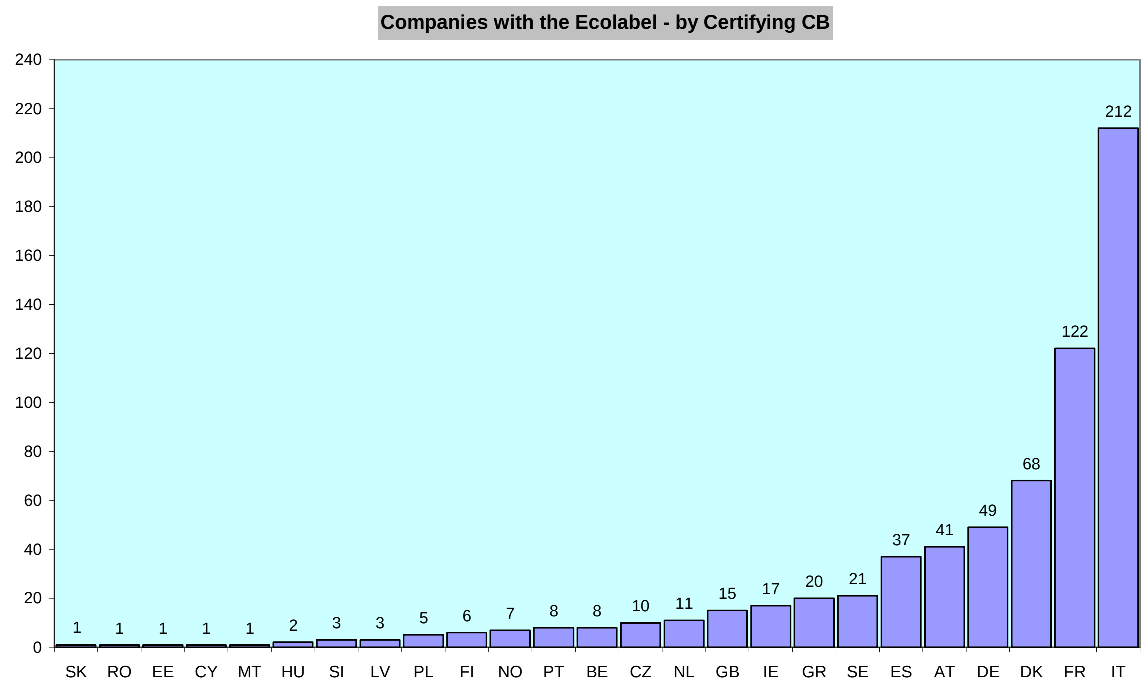
MIGROS has a clear label structure under the "Engagement" umbrella label (labelling products featuring different levels of sustainable production); in order to promote "mass production" of products more sustainable than the standard products, MIGROS also offers products that do not feature "organic/bio" standards but feature a higher level of sustainability than standard products. These products are only 0-5% more expensive.

As for detergents, MIGROS has not an offer of EU Eco-labelled products, but that go beyond the Flower requirements on biodegradability, due to the strict Swiss legislation on this matter[13].

Only 8 out of the 18 studied retailers include EU Eco-labelled products in their assortment (Carrefour, C&A, Coop Italy, Delhaize, H&M, Kesko, Kingfisher, REWE Group). Part of the explanation comes from the fact that the availability of products and consumer awareness differ a lot from one EU country to another as shown by [Figure 14] below, which shows the existing EU Ecolabel licenses per EU Member State.

[13] « Worldwide benchmarking of exemplarity initiatives launched by the retailer sector regarding the development and promotion of eco-products », BIO Intelligence Service, ADEME, 2006

Figure 14 – Companies with products awarded the EU Ecolabel by certifying Competent Body (September 2008) – Source: EU Ecolabel Helpdesk



Most retailers have indicated that greener products are in general more expensive than their standard counterparts because of higher production and/or certification costs, and low economy of scale. This was confirmed by the in-store visits conducted for e.g. organic products.

- **Actions related to choice-editing**

15 of the 18 retailers analysed have chosen to ban certain products that they consider have high environmental impacts from their shelves (Ahold, ASDA, Carrefour, Coop Italy, C&A, H&M, IKEA, Inditex, Kesko, Kingfisher, Mercadona, METRO, MIGORS, M&S, REWE Group). For example H&M does not include any products containing PVC in its assortment[14]. Mercadona has also banned the use of PVC in packaging. Kesko stopped sales of bluefin tuna (endangered specie). Carrefour has reduced the sales of bluefin tuna in its French stores, and has completely stopped it in its Italian and Spanish stores. Carrefour has also stopped sales of non-certified tropical wood and since 1996, all retailer and own-brand products are labelled as not containing GMOs.

[14] It is important to note that there is still controversy on the environmental impacts of PVC in comparison to other polymers. DG ENTR/ENV completed a LCA study which has not concluded that PVC is in general more problematic than other polymers. This study is available on: http://ec.europa.eu/enterprise/chemicals/sustdev/pvc_en.htm.

2.2.5. MEASURES FOR GREENING SUPPLY CHAIN

This chapter is dedicated to actions aiming at improving the environmental performance of suppliers, e.g. improving the suppliers' environmental management or improving the environmental awareness of the suppliers, and not to actions aiming at reducing the environmental impacts of products, that are treated in a dedicated part: the part "2.2.4. Actions to improve the environmental performance of products".

Two different kinds of actions can be implemented by retailers to green their supply chain: actions concerning their suppliers, and actions to improve the environmental impacts of logistics, i.e. product transportation.

- **Actions concerning products' suppliers :**

Retailers do not have much influence on suppliers manufacturing national brand products. On the contrary they can have an important influence on suppliers manufacturing the retailer's own brand products.

Actions implemented to green suppliers' practices are varied in terms of environmental requirements, their implementation, and control. The implementation of **certified environmental management systems** (like ISO 14001 or EMAS) is not often required by the studied retailers. Only Mercadona is presently conducting a project to have its suppliers ISO 14001 certified.

In 2004, Mercadona started a program to have its suppliers gradually implement an environmental management system and the ISO 14001 certification by 2010. Results: 30% of the factories are already certified, 60% of the factories are in a certification process (objective 2008) and the remaining factories will undergo the certification process in 2009-2010.

Most retailers have built their own value systems called **"Codes of conduct"** to assess the environmental performance of their suppliers. These systems are sometimes mandatory (ASDA, Inditex, IKEA), meaning compliance with minimum requirements is obligatory, or else the business relation can end if an audit reveals that some points are not respected.

Compliance with codes of conduct is generally checked during audits organised by the retailer. These codes can apply to all the products sold on the shelves (H&M, IKEA – which only sell own-brand products), or only to the products sold under green labels (Tesco, MIGROS, REWE Group).

Some codes of conduct only ask for compliance with legislation for retailers who have just started greening their practices.

Collaborative actions are implemented by retailers to improve the environmental performance of their suppliers.

Carrefour provides a "self-assessment on sustainable development" toolkit to its suppliers. This toolkit allows suppliers to assess their own environmental performance. 212 suppliers *completed self-assessments in 2007. All the areas of Sustainable Development are covered in the toolkit. For each criterion, the supplier gets a note from 1 to 4. This toolkit has been designed to be pedagogic since it gives instructions to help suppliers improve their environmental performance. Supplier site visits are conducted by Carrefour to check this self-evaluation and provide advice for improvement.*

To help improve the environmental performance of its suppliers' suppliers (which the retailer does not have a direct relation with) H&M implements voluntary programs. Since 2005 H&M has encouraged fabric mills with dyeing processes to contribute to cleaner fabric production. H&M auditors visit the mills to assess the potential for improvement and to demonstrate the possible actions that can be taken. It is voluntary for the mills to implement measures and H&M offers practical tools for them to use. The programme consists of around 40 easy-to-implement measures so that effects can be seen quickly and the mills are motivated to make changes. Many are directly linked to cost savings and profitability improvements for the mill, making clear the important environmental and financial gains.

- **Actions concerning logistic :**

In order to improve the environmental performance of the logistics chain, retailers can not only improve product transport, but also the packaging used to protect products during this transport.

Actions concerning product transport

All the studied retailers implement diverse actions to reduce the environmental impacts linked to product transportation from suppliers' premises to warehouses and stores.

The first type of action implemented aims to **optimise road transports** (ASDA, Carrefour, Coop Italy, C&A, Delhaize, H&M, IKEA, Inditex, Kesko, Kingfisher, Mercadona, METRO, Migros, M&S, REWE Group, Tesco) : optimisation of trucks' filling rates, optimisation of distances, decrease of empty returns, training for sustainable driving, ecological requirements for the procurement of vehicles, etc.

In 2007, Delhaize Belgium reduced the total length of its deliveries of fresh products by 2 million kilometres a year – equivalent to driving 50 times round the world – by better route planning.

The second type of implemented actions aim to **use less polluting transport modes**, i.e. to limit the use of air transport (M&S) or favour rail or sea transport (ASDA, Carrefour, C&A, El Corte Inglès, H&M, Mercadona, METRO, Inditex, IKEA, Kingfisher, Migros, M&S, Tesco).

MIGROS

Many MIGROS stores can only be supplied with goods by truck. For longer hauls, however, rail transport is used. MIGROS says to be SBB Cargo's best customer with a freight of over one million tons. Central stores have their own access to the rail network. MIGROS is striving to put even more freight on the rail. In the Tessin, MIGROS supplies its markets overwhelmingly by train.

Even if most retailers are developing the use of less polluting transport modes, the volume transported by such means is not significant among the overall volume of products transported.

Some retailers develop **alternative transport modes** (other than road transport) (C&A, Migros, M&S, Kesko, Tesco): use of electric vehicles for home deliveries, use of biodiesels…

TESCO

Tesco states that they were the first company in the UK to run a fleet of battery-powered, zero-emission home delivery vans. The vans recharge overnight and save 21 tonnes of CO_2 a year – the equivalent of 51,000 miles.

Most retailers measure the distances run by the products they sell and the corresponding GHG emissions (ASDA, Carrefour, IKEA, METRO, M&S, Tesco).

Actions concerning packaging for transport

The main action implemented to reduce the environmental impacts of packaging for transport is the use of **reusable packaging** such as plastic crates. 10 out of the 17 studied retailers have implemented such a system (Carrefour, C&A, El Corte Inglès, Inditex, Kingfisher, Mercadona, METRO, Migros, Tesco, REWE Group). Other retailers implement transport packaging recovery (Inditex, Mercadona, M&S).

MARKS & SPENCER

The company's policy of utilising re-usable (or recyclable) plastic crates for over 70% of the food products and some types of clothing products, has saved over 30,000 tonnes of packaging annually. The majority of cardboard transit packaging is recycled. Polythene transit packaging is reused to manufacture M&S recycled carrier bags.

Finally, some retailers are working directly at decreasing the quantity of packaging material used.

Different studies are being carried out to analyse possible measures for reducing the weight (lower weight, eco-design) of packaging. For example, the layer of paper used in cardboard boxes used as secondary packaging has been eliminated.

The use of reusable packaging in the internal logistic chain and the reduction of the weight of the remaining packaging resulted in a reduction of 600 000 kg/year or paper and cardboard and 1 100 000 kg/year of plastic (in 2007 comparing to 2006).

El Corte Inglés

Different tests have been carried out regarding the use of reusable tertiary and secondary packaging. For example, the use of plastic reusable pallets instead of wood pallets has been studied, and cardboard boxes have been replaced by plastic reusable boxes.

3. TASK 2: ASSESSMENT OF RETAILERS' GREEN PRACTICES

3.1. IDENTIFICATION OF DRIVERS, BARRIERS AND OPPORTUNITIES FOR RETAILERS TO FURTHER GREEN THE RETAIL SECTOR

This chapter presents a global analysis of the drivers, barriers, and opportunities identified by the retailers that participated in this study to further green the retail sector. This analysis is based on information provided by retailers (during interviews or through questionnaire responses). Their views are disclosed publicly only in an aggregated form in order to guarantee the anonymity of the responses received.

The responses are presented and analysed hereafter for different relevant topics and stakeholders:

- **Policy**

Financial incentives seem to be universally identified by retailers as the most effective driver to increase the market share of green products. Indeed, retailers claim that green products are generally more expensive than their standard counterparts, due to higher production costs and therefore higher purchasing prices. Price seems to be the main criterion considered by consumers when purchasing products. Thus, any measure to reduce the cost of green products will most likely help to increase sales. VAT relief for green products is the most popular measure among retailers.

The increase in the number of product groups covered by official Ecolabels contributes to greening the retailer sector. Indeed, this allows expanding the offer of green products, thus achieving a larger market share. The introduction of environmental criteria, such as for example the ones of the European Ecolabel or other official Ecolabel, allows some retailers to integrate these criteria as requirements for the procurement of products, thus giving preference to those products and services that are environmentally preferable. However, for this measure to be effective, it is necessary to implement promotional campaigns aimed at increasing awareness among consumers about existing officials Ecolabels, which still remains low to date.

It is interesting to note that some retailers consider the retail sector plays an important role in the development of many environmental and ethical labels, which development has been driven by Corporate Social Responsibility as a purchasing standard, rather than by consumer demand.

Most retailers are in favour of developing and implementing legislation aimed at harmonising the existing labels, as they believe confusion exists concerning the currently available labels on the market and what they represent, which could in turn discredit the developments achieved to date regarding green products.

The introduction of **retailer awards**[15] **and voluntary agreements** are regarded mostly as opportunities rather than drivers to green the retailer sector.

Retailer awards are considered a driver for retailers as it is a way to show to the consumer the global efforts implemented to protect the environment. To ensure the credibility of the award, the organisation that assigns the award has to communicate to the consumers about the award and has to be transparent concerning the selection criteria.

- **Regulation**

Retailers believe that **green public procurement** can contribute in increasing the market share of green products: niche products could get cheaper by enhanced demand by public procurement and therefore become more interesting for consumers as higher price is one of the biggest barriers.

Regulation introducing **obligations and restrictions for the use of certain substances** (such as for example the EuP Directive and the RoHS Regulations) are regarded as beneficial for environmental protection. Similar legislation and regulations concerning food products (e.g. safety standards) are also considered by retailers to be potentially efficient to improve the overall environmental performance of the products they sell. Nevertheless, retailers are not much in favour of these types of legislation and regulations because their implementation is usually expensive, especially when regulation differs between regions or country.

Retailers consider **obligatory eco-design** interesting in setting minimum environmental standards. Retailers emphasize that social issues also have to be taken into account.

Retailers highlight that regulation is efficient at creating a level playing field for all retailers, which can contribute to reducing adverse impacts on competitiveness, and motivating those who are less compliant. On the other hand, it does not greatly affect retailers who are already active in improving their own environmental performance.

Retailers recognise the usefulness of having product-related **environmental data available and accessible**, as this allows them to identify those phases of the life cycle of products that are most critical from the environmental point of view ("hotspots") for different product categories. Moreover, it allows retailers to make sound choices regarding the products and their design.

[15] Retailer awards are awards set up to emphasize outstanding creative work implemented by a retailer to protect the environment. For example, the UNEP (United Nations Environment Programme) has developed the "Green Awards for creativity in sustainability". "The Grand Prix rewards the campaign which, in the opinion of the expert judging panel; best exemplified an outstanding environmental message, and had the greatest capacity to raise awareness. This accolade went to Nokia for their corporate employee engagement programme. Initiated to reward businesses for communicating sustainability in a creative and original way, the awards emphasise the role that needs to be played by the marketing and communications industries in informing people about green issues, products and lifestyle choices."

http://www.greenawards.co.uk/about/news

Supermarkets are particularly in favour of this measure, as they sell a wide range of product groups and do not have the means/experience/knowledge to carry out environmental performance assessments for all the products they sell.

- **Market competition / consumers demand**

Market competition is generally considered to contribute to greening the retail sector but only when the demand for green products is regular and real. In spite of the fact that nowadays consumers seem to be increasingly concerned about environmental issues, retailers perceive that their convictions rarely concretise into green product purchasing. Indeed, as mentioned before, retailers believe that the most important factor determining consumers' choice in the end is product price.

The costs of potential actions implemented to reduce environmental impacts could represent an important barrier for their actual implementation. On the other hand, retailers seem to have integrated long term reasoning. On this basis, for those actions that can result in economic benefits in the long term due to resource savings, such as in the case of actions to improve energy efficiency or reduce the packaging used, the extra costs and the sometimes long investment payback period do not represent a barrier. This general observation could, on the other hand be negatively affected by a weak economic situation, which can significantly limit the investment capacity of retailers.

The investment costs could represent a barrier for those actions that do not result directly in economic savings, such as for example in the case of projects related to the eco-design of products.

As has already been mentioned, retailers consider green products as more expensive. This can represent an important barrier for the increase of the market share of this type of products.

The demand of green products is an important driver for the increase of the share of green products in the market since retailers usually orientate and adapt their offer to consumer preferences. However, the current demand for this type of product is not sufficiently important enough to impact in a significant way the environmental performance of the retailer sector though green products purchasing.

On the other hand, **increasing consumer awareness** and concern about environmental issues could contribute very positively to the greening of the sector.

- **Corporate image**

According to the responses received, the improvement **of corporate image** does not seem to be a significant driver for the implementation of environmental initiatives for most retailers. On the other hand, the fact that the implementation of environmental actions could contribute to improving the retailer's image represents an interesting opportunity within the current context of awareness raising about environmental issues. Therefore retailers argue that though implementing environmental actions can be benefit for their image, they do not implement such actions for the purpose of improving their image. Some retailers, however, do not seem to be in favour of communicating about the environmental impacts of the sector, probably in order to avoid affecting their products' image.

- **NGOs**

NGOs play an important role through **awareness raising** on environmental issues among consumers, but also among retailers. Information campaigns implemented by NGOs contribute by highlighting and prioritising certain environmental issues. They act as catalyser for the development and implementation of environmental measures by highlighting the importance of certain issues.

Partnerships with NGOs are the preferred type of collaboration for the implementation of environmental actions. NGOs usually advise and assist retailers on how to improve their environmental performance. Negative campaigns and pressure from NGOs are not considered to be a sufficient force in influencing significant improvement in the retail sector.

3.2. ASSESSMENT OF THE ROBUSTNESS / MATURITY OF THE KEY GREEN INITIATIVES IMPLEMENTED BY RETAILERS

The set of criteria and the assessments presented below have been submitted to retailers for feedbacks. The approach proposed is based on a scoring system to assess every environmental actions implemented by retailers. In the context of the SCP actions plan and notably the retail forum, The EC is in the premises of a collaborative work with retailers to develop a methodology that will enable measuring the progress made by retailers over time to green their activity. **The feedbacks of retailers have highlighted that it does not seem possible at this stage to develop a fully consensual and supported scoring system of the environmental actions of retailers.**

Therefore the scoring system and the assessments presented below has to be considered as an exercise which will become useful in developing an approach that will allow the EC to have a clear overview of retailers' environmental actions and progress made over time, which is the objective of Task 3.

These criteria will also be the basis for a further study on a methodology that would assess the environmental performance of retailers. This methodology will allow following if targets that will be set at a later stage – in the context of the retailers' forum – are fulfilled by retailers.

7 assessments have been conducted (corresponding to the 7 retailers for which in-store visits were planned). Only IKEA agreed to have its assessment publicly disclosed.

3.2.1. PRESENTATION OF THE LIMITATIONS IN THE INTERPRETATION OF THE APPROACH DEVELOPED TO ASSESS RETAILERS' ENVIRONMENTAL PERFORMANCES

The objective of Task 2 is to develop a set of criteria to assess the robustness / efficiency of **actions implemented by retailers in Europe** to green their performance. In addition, these criteria have to be **measurable externally**. Therefore, the criteria developed need to rely on publicly available information. Furthermore, the objective of the criteria is **not to make comparison or to rank retailers** but rather to have a general overview of their individual achievements and the robustness of their actions.

This chapter aims at clarifying the limitations of the set of criteria through the following issues:

- **Local context**

As the objective of the study is to build common criteria for all retailers in Europe, specificities of local contexts are not taken into account in the set of criteria: i.e. retailers from Northern countries are assessed on the same basis as retailers from Southern countries.

However, advanced environmental policies set up by governments can have an influence in the rating of retailers: for example, one of the actions identified to reduce the environmental impacts of plastics bags is to stop the free distribution of disposable plastics bags. Unlike most other European states, distribution of disposable plastics bags for free is not allowed by the German legislation.

Therefore, German retailers are considered to have implemented this action, even if it is not based an individual decision.

- **Retailers' activity**

Again, as the objective of the study is to build common criteria for all retailers in Europe, it was not foreseen to develop specific criteria according to the activity of the retailer (generalist vs. specific retailers).

Our approach has been to develop a general framework of criteria that complies with all types of retailers. However, the set of criteria assessed for each type of environmental action is adapted, which consists in not taking into consideration irrelevant criteria when assessing a particular retailer: e.g. actions linked with organic food products for a clothes retailer, or actions related to refrigerant leak management for a clothes or a furniture retailer.

- **No comparison between retailers**

The area of business of retailers have an influence on their environmental policies. For example a clothes' retailer won't implement the same environmental actions than a supermarket selling fresh products to improve its energy efficiency. Therefore it is obvious that the results of the assessment of different retailers provided in this report are not comparable. The objective of the study was not to compare or rank retailers but rather to have an overview of their individual achievements and on the robustness of their approaches.

- **Information used**

Since the criteria has to be measurable by someone exterior to the retail company, e.g. the European Commission, NGOs, etc., the assessment is based on a limited set of publicly available information. Therefore, if a retailer does not publish data on an environmental action implemented, this action will not be taken into account in the assessment.

For the same reason, our approach had to rely primarily on publicly acknowledged environmental criteria, such as the European Ecolabel, when identifying better environmentally products, though other products can have reduced environmental impacts.

Finally as the retailers have developed their own set of indicators to monitor their environmental actions, it will be possible to quantitatively assess the progress made by each retailer individually.

- **List if actions**

The set of criteria was developed based on the return of experiences from Task 1 of the study, which consisted in identifying the actions implemented by retailers to green their performance.

One of the findings of Task 1 shows that the range of possible actions implemented by retailers to green their performance is very wide and diverse. For this reason, the set of criteria could not comprise all the different kinds of environmental actions, but had to rely on a reduced set of more common actions.

Therefore, the results of the assessments based on the set of criteria have to be seen as a means to provide information on the environmental actions implemented by retailers as a basis for discussion between retailers and the EC.

3.2.2. PRESENTATION OF THE SET OF CRITERIA DEVELOPED FOR TASK 2

The objective of Task 2.2 is to evaluate the robustness and effectiveness of the key initiatives and practices of green retailers' activities identified in Task 1.

This set of indicators was developed on the basis of the return of experiences from Task 1, which highlighted the two following issues:

- The number of greening activities that can be implemented by retailers is very high, and actions are extremely varied.
- Retailers do not systematically monitor the actions they implement[16], and they rarely use the same indicators to do so.

Within this context, it is difficult to develop a set of criteria that would be both exhaustive and simple. The present proposal tries to overcome these challenges in the best way possible.

The proposed set of criteria are similar to the criteria used to award supermarkets with the Nordic Swan label, though in this case, it is not about evaluating the environmental performance of a single store, but a retail company. In simple terms, the Swan criteria work with a set of mandatory requirements, and then a system of points, where a minimum number of points has to be achieved. The higher the number of actions independently implemented, –- the more efficient every single action becomes, thereby resulting in a higher number of points achieved.

The proposed approach consists in a 2-step analysis, where both issues (diversity of actions implemented and efficiency of every single action), are assessed separately:

- First, the different possible areas of actions are listed (e.g. environmentally sound management practices, green procurement practices for equipment and infrastructures…), and for every area, a list of possible activities/topics is drawn up. Then the method consists in counting the number of activities/topics addressed in every area by the retailer. This gives an indication of the diversity of the green initiatives implemented by the retailer and insights on its priorities.
- Next, a point system is set up for each activity in all areas of action. The more robust/mature the action, the higher the number of points. The results are presented graphically, giving the number of points achieved for every area/activity. It is not proposed to add the points obtained for different activities, or to give a single note to a retailer. Indeed, as the approach is still at an early stage, and the quantity of information obtained, though high, is not exhaustive, it is difficult to at this point to be able to globally evaluate a retailer. Second, aggregation of points awarded for very different activities (e.g. phasing out of plastic bags, environmental training given to employees, important offer in organic products…) is extremely difficult, as the environmental benefits are different by their nature (direct/indirect,

[16] Or they do not make the results publicly available

dealing with varied environmental issues, such as climate change, ecotoxicity, etc.) and their extent. It is thus out of the scope of the present study to attempt to prioritise environmental issue. , As it is an extremely complex topic, we suggest staying with a very detailed picture, i.e. the analysis per action.

The 2-steps approach is detailed in the following chapter.

3.2.2.1 Phase 1 – Assessment of the diversity of the actions implemented

5 areas of action have been defined:

A. Environmentally sound management practices

B. Information campaigns to raise consumers' awareness

C. Green procurement practices for equipment and infrastructures

D. Actions to improve the environmental performance of products

E. Measures for greening the supply chain

In each of these 5 areas, the different kinds of possible activities have been listed on the basis of the results of Task 1 of the study "Towards a greener retail sector" which consist in identifying actions implemented by retailers to green their performance. The results are presented in [Table 7]. The classification of one given activity in an area was sometimes difficult, e.g. greening the supply chain is linked to providing greener products to consumers. Choices were made in the most coherent manner; however they can be subject to discussion.

Table 7 - List of items per area

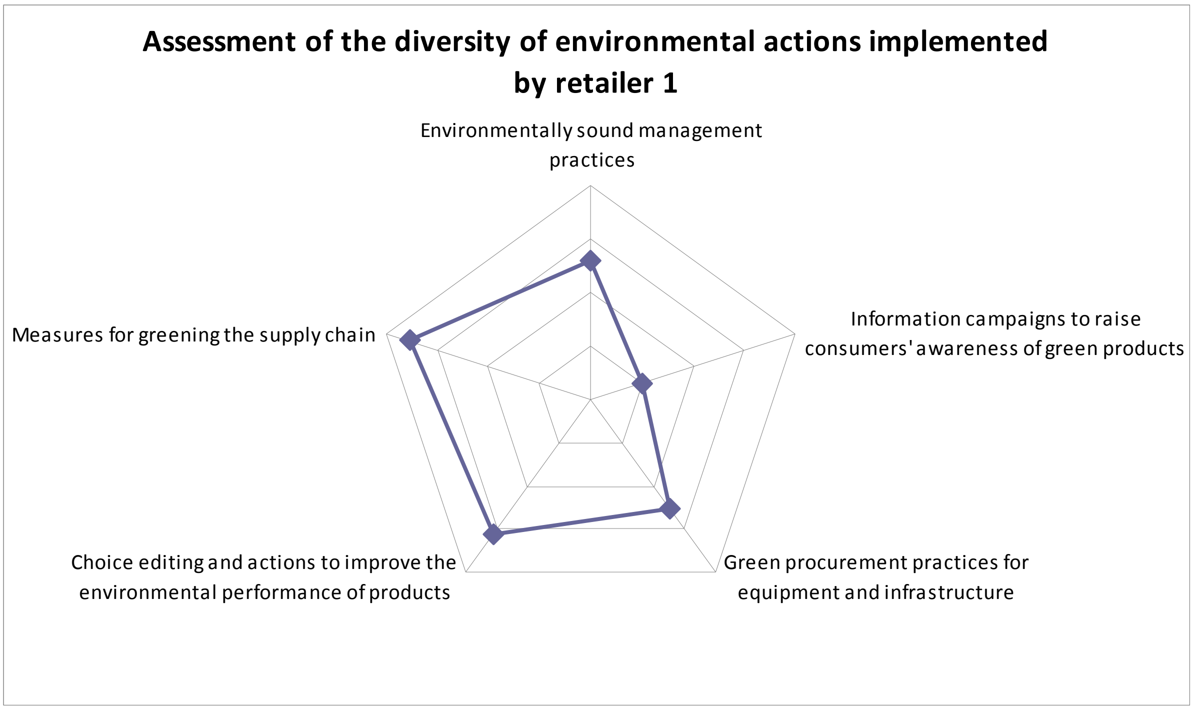
List of items	
A	**Environmentally sound management practices**
A.1	Energy efficiency
A.2	Renewable energy use
A.3	GHG emissions management (for the retailer own activities)
A.4	Refrigerant management
A.5	Water management
A.6	Waste management
A.7	Consumer transportation to stores
A.8	Plastics bags reduction
A.9	Partnership with NGOs, local authorities...
A.10	Training of employees on environmental issues
B	**Information campaigns to raise consumers' awareness**
B.1	The retailer organise communication campaign to promote green products
B.2	The retailer implements financial incentives for green products
B.3	The retailers inform the consumer about environmental impacts of products
C	**Green procurement practices for equipment and infrastructures**
C.1	Buildings construction / refurbishment
C.2	Equipment and products for use in stores/offices procurement
D	**Actions to improve the environmental performance of products**
D.1	Actions on products' packaging
D.2	Identification of hotspots of products (diagnostic)
D.3	Products eco-design
D.4	Choice editing is implemented for products having high environmental impacts
D.5	EU-Ecolabelled products availability
D.6	Other Ecolabelled products availability
D.7	Retailers' own environmental labelled products availability (if not redundant with previous sections)
D.8	Organic food availability
D.9	Environmentally friendly textile products availability
D.10	Greener wood products availability
D.11	Greener fish products availability
D.12	Energy efficient products availability
D.13	Local fruit and vegetables availability
E	**Measures for greening their supply chain**
E.1	Actions concerning products' suppliers
E.2	Actions concerning logistics

As mentioned above, the first phase of the assessment consists in identifying whether the retailer implements actions in the 30 activities listed above. The objective of this first analysis is to evaluate the involvement of the retailer in greening its different activities, and not to assess the relevance, robustness or efficiency of the actions implemented.

For example, a retailer that has implemented a dozen of actions to reduce GHG emissions will receive the same « notation » as one that had only just started implementing actions concerning GHG emissions. Thus this first analysis serves as an initial tool to obtain an overall vision of the diversity of actions implemented.

Results will be presented in the form of a diagram, similar to [Figure 15].

Figure 15: Example of result diagram for Phase 1 analysis



To produce this diagram, a note from 0 to 100 is given to the retailer per action. This note is calculated as following:

$$\frac{\textit{Number of kinds of activities implemented in the area}}{\textit{Total number of relevant activities in this area}}$$, scaled to 100.

The mention of « relevant activities » in the formula relates to the fact that e.g. for a clothes retailer action on organic food is not relevant, therefore should be removed from the list of possible actions.

3.2.2.2 Phase 2: Evaluation per area of action

Phase 2- A. Environmentally sound management practices

This area covers the actions that can be implemented by retailers to improve their environmental performance.

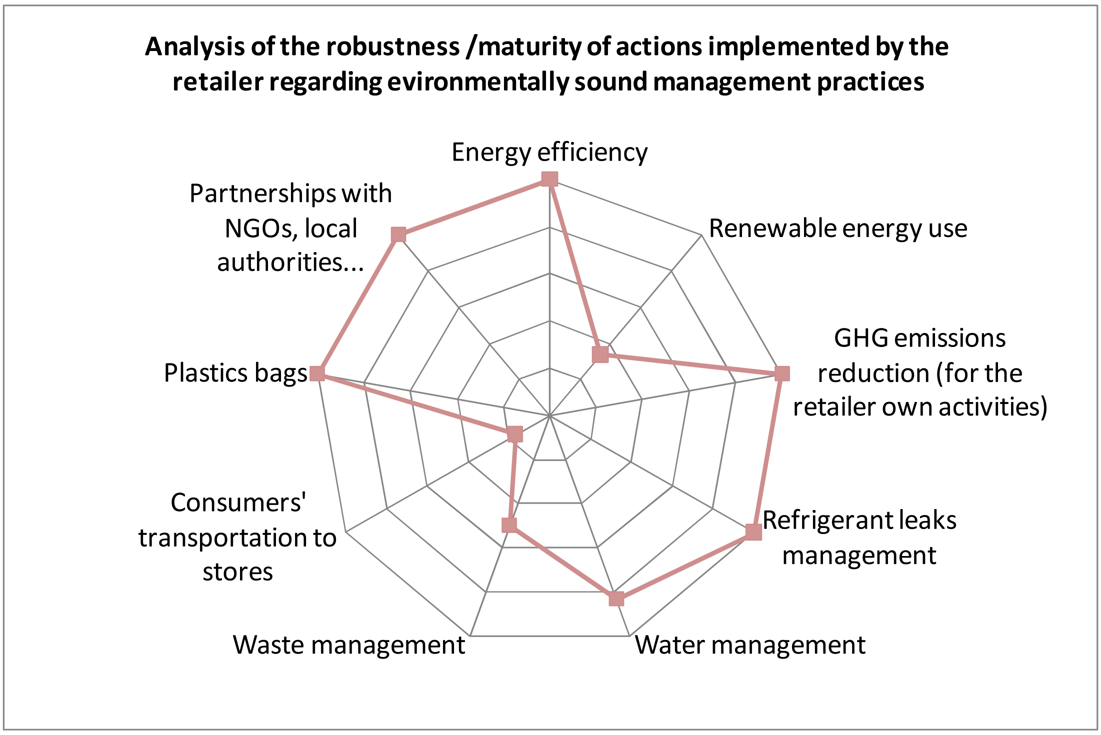
9 aspects have been identified as key items regarding environmentally sound management practices in the retail sector:

- Energy efficiency
- Renewable energy use
- GHG emissions management (for the retailer's own activities)
- Refrigerant management
- Water management
- Waste management
- Consumer transportation to stores
- Plastic bags reduction
- Partnership with NGOs, local authorities

No assessment is implemented for the item "A.10 Training of employees on environmental issues" presented in [Table 7]. Information about training of employees is rarely clearly detailed by retailers and therefore hard to assess in an appropriate manner.

Results are presented graphically, see Figure 16. For each item, the more robust/mature the action, the farther away from the centre the point is.

Figure 16: Example of result diagram for Phase 2A analysis



For each item, specific criteria have been developed to assess the robustness/maturity of the actions implemented. These are presented in Table 8.

Table 8: Assessment criteria for Part A - environmentally sound management practices

A.1	**Energy efficiency**	**The retailer monitors its energy consumption at global level**	**The retailer monitors its energy efficiency**	**The retailer is implementing actions to minimise the energy consumption of lighting**	**The retailer is implementing other measures to reduce its energy consumption**	**The retailer provides results showing improvement of energy efficiency**	**Retailer score (%)**
		<u>1 point</u> if total energy consumption is measured (e.g. the energy consumption of a store per year)	*<u>1 point</u> if energy consumption is measured with an efficiency indicator (e.g. in kWh per square meter of sales area)*	*<u>1 point</u> if the retailer is implementing at least one action to reduce the energy consumption of lighting (e.g. use of energy efficient light bulbs, use of move detection systems....)*	*<u>1/2 point</u> per other action identified (e.g. heat recovery systems...) max <u>1 point</u>[17]*	*<u>1 point</u> if results showing an improvement in energy efficiency are provided by the retailer*	**..%**
A.2	**Renewable energy use**	**The retailer is experimenting the use of renewable energy**	**The retailer is using renewable energy**	**The retailer measures the amount of non-renewable energy / CO_2 emissions saved**			**Retailer score (%)**
		<u>1 point</u> if the retailer is experimenting the use of renewable energy (1 point at the next question gives 1 point for this question)	*<u>1 point</u> if a part of the energy consumed by the retailer is produced from renewable sources (buying green electricity is excluded as this is taken into account in the green procurement section)*	*<u>1 point</u> if the retailer measures the amount of non-renewable energy / CO_2 emissions saved by the use of renewable energy, or the share of renewable energy relative to its total consumption*			**..%**

[17] It has been decided to cap this criterion at 1 point maximum to ensure that this criterion won't take more importance that the 4 other criteria. As it seemed hard to establish an exhaustive list of possible actions that could be implemented by retailers to reduce energy consumption, and then define the corresponding number of points per action, it is proposed to grant ½ point per action implemented.

A.3	GHG emissions management (for the retailer's own activities)[18]	**The retailer measures the carbon footprint of its activity**	**The retailer is implementing actions to reduce the carbon footprint of its activity**	**The retailer provides results showing decrease of its carbon footprint**		**Retailer score (%)**
		1 point if the retailer is measuring the carbon footprint of its activity (stores and warehouse operation, products transportation to stores...)	*1/2 point if the retailer is implementing actions concerning its offices or 1 point if the retailer is implementing actions to reduce the carbon footprint of its activity (stores, warehouses...)*	*1 point if results showing an improvement in its carbon footprint are provided by the retailer*		..%

A.4	Refrigerant leaks management	**The retailer monitors its refrigerant leaks**	**The retailer is implementing actions to reduce its refrigerant leaks**	**The retailer provides results showing decrease in refrigerant leaks**		**Retailer score (%)**
		1/2 point if refrigerant leaks are measured at global level or 1 point if refrigerant leaks are measured with an efficiency indicator	*1 point if the retailer is implementing at least one action to reduce its refrigerant leaks (requirements for its sub-contractor, leaks detection systems...)*	*1 point if results showing an improvement in refrigerant leaks are provided by the retailer*		..%

[18] It has been decided to treat GHG emissions management as a differentiated item, as it is an important environment issue. To avoid overlapping between GHG emissions management and energy efficiency or renewable energy use, this item focuses on actions and policies implemented by the retailer to measure or reduce the carbon footprint of its activity, i.e. part of a GHG emissions management plan.

A.5	**Water management**	**The retailer monitors its water consumption**	**The retailer is implementing actions to reduce its water consumption**	**The retailer provides results showing decrease in water consumption**		**Retailer score (%)**
		<u>1/2 point</u> if water consumption is measured at global level or <u>1 point</u> if water consumption is measured with an efficiency indicator	*<u>1/2 point</u> per action identified (e.g. double flush systems...) max <u>1 point</u>*	*<u>1 point</u> if results showing an improvement in water consumption efficiency are provided by the retailer*		..%

A.6	Waste management	**The retailer recycles or recovers its waste**	**The retailer measures its waste recycling**	**The retailer implements actions to minimise the amount of waste generated by its activity**	**The retailer provides results showing an improvement for waste management**	**The retailer is implementing actions to reduce the environmental impacts of food waste**	**Retailer score (%)**
		1/2 point if the retailer recycles or recovers its waste	*1/2 point if the retailer measures the amount of waste recycled or 1 point if the retailer provides recycling rates*	*1/2 point if the retailer implements actions to minimise the amount of waste generated by its activity (the reduction of waste from products transportation packaging are treated in a dedicated part)*	*1/2 point if results provided show improvement in recycling rates + 1/2 point if results provided show improvement in the minimisation of the amount of waste*	*1/2 point if the retailer implements actions to reduce food waste (optimisation of portions sizes...) + 1/2 point if the retailer implements a specific treatment for food waste*	..%

A.7	Consumers' transportation to stores	**The retailer monitors the environmental impacts of consumers' transportation to stores**	**The retailer is implementing actions to reduce the environmental impact of consumers' transportation to stores**	**The retailer provides results showing decrease in environmental impact linked with consumers' transportation to stores**		**Retailer score (%)**
		1 point if the retailer monitors the environmental impacts of consumers' transportation to stores	*1/2 point per action identified (involvement in the extension of public transports systems...) max 1 point (home deliveries can't be considered as an action here)*	*1 point if results showing decrease in environmental impact linked with consumers' transportation to stores are provided by the retailer*		..%

A.8	**Plastics bags**	**The retailer stopped the distribution of free disposable plastics bags**	**The retailer is implementing measures to reduce the number of plastics bags used**	**The retailer provides results showing decrease in the number of disposable plastics bags used**		**Retailer score (%)**
		1 point if the retailer has stopped the distribution of free disposable plastics bags (1 point for countries like Austria where free distribution is prohibited)	*1/2 point if the retailer proposes reusable plastics bags + 1/2 point if the retailer proposes alternatives to plastics bags (e.g. made from renewable sources...)*	*1 point if results showing a decrease in the number of disposable plastics bags used are provided by the retailer (1 point if the retailer does not distribute or sell disposable plastics bags)*		..%

A.9	**Partnerships with NGOs, local authorities...**	**The retailer is implementing partnerships with NGOs, local authorities...**		**Retailer score (%)**
		1		
		1/2 point if the retailer is implementing such partnerships for specific campaigns or 1 point if the retailer is implementing long term partnerships		..%

Phase 2 - B. Information campaigns to raise consumers' awareness

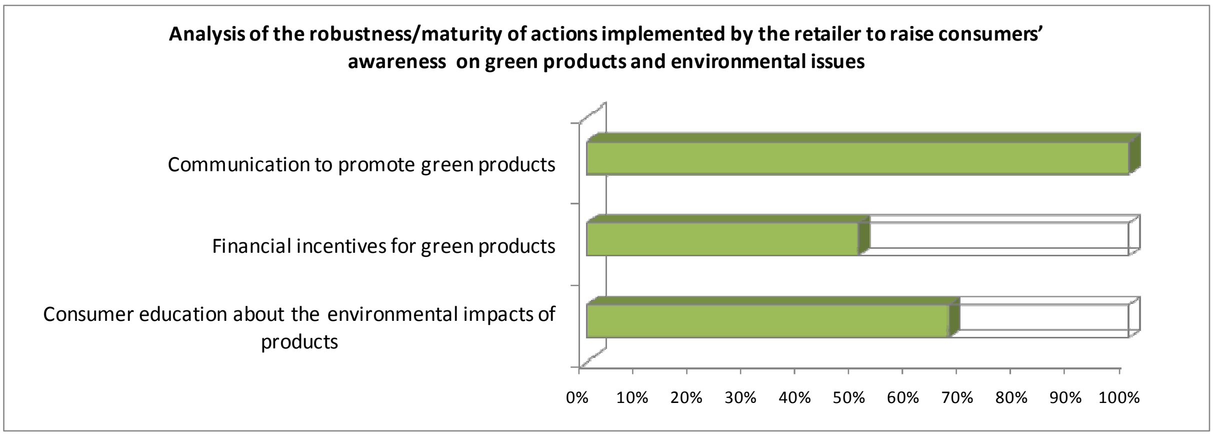
This area covers the actions that can be implemented by retailers to raise consumers' awareness of green products.

3 aspects have been identified as key items regarding information campaigns to raise consumers' awareness of green products:

- Communication to promote green products
- Financial incentives for green products
- Consumer education about the environmental impacts of products

Results are presented graphically, see Figure 17. The more robust/mature the action the higher the score.

Figure 17 - Example of results diagram for Phase 2B analysis



For each item, specific criteria have been developed to assess the robustness/maturity of the actions implemented. These are presented in Table 9.

Table 9: Assessment criteria for Part B - Information campaigns to raise consumers' awareness of green products

B.1	**Communication to promote green products**	**The retailer implements permanent promotion for green products**	**The retailer implements promotion campaigns to promote green products**	**Retailer score (%)**
		1 point if the retailer promotes green products on its website + 1 point if the retailer promotes green products in stores (with wobblers...) + 1 point of the retailer promotes green products with another communication tool (magazine, flyers...) For retailers that sells more than 1 type of product 1/2 point instead of 1 point if only 1 or 2 products categories are concerned	*1/2 point if such campaigns are implemented once a year or 1 point if such campaigns are implemented at least twice a year*	..%
B.2	**Financial incentives for green products**	**During specific campaigns, the retailer implements financial incentives for green products**	**During all year, the retailer implements financial incentives for green products**	**Retailer score (%)**
		1 point if the retailer implements financial incentives for green products at least once a year	*1/2 point if for 1 product category or 1 point if for several products categories*	..%
B.3	**Consumer education about the environmental impacts of products**	**The retailer informs the consumer about the environmental impacts of products, gives advice to use products in a more sustainable way... (promotion for green products excluded)**		**Retailer score (%)**
		1 point if the retailer provides such information on its website + 1 point if the retailer provides such information directly on products (carbon labelling, packaging sorting instructions...) + 1 point if the retailer provides such information in stores (magazines...) (corporate communication excluded)		..%

Phase 2 - C. Green procurement practices for equipment and infrastructures

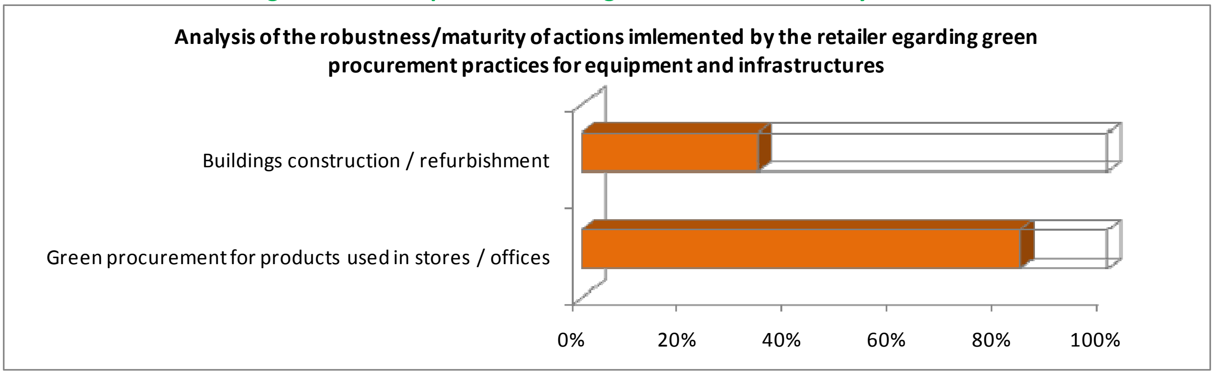
This area covers the actions that can be implemented by retailers to green their practices for equipment and infrastructures, i.e. when building/renovating stores and when purchasing goods.

2 aspects have been identified as key items regarding green procurement practices for equipment and infrastructures:

- Buildings construction / refurbishment
- Green procurement for products used in stores / offices

Results are presented graphically, see Figure 18. The more robust/mature the action the higher the score.

Figure 18 - Example of result diagram for Phase 2C analysis



For each item, specific criteria have been developed to assess the robustness/maturity of the actions implemented. These are presented in Table 10.

Table 10: Assessment criteria for Part C - Green procurement practices for equipment and infrastructures

		Pilot actions are implemented for green building	The retailer has a policy for green building	The retailer systematically implements a policy for green building	Retailer score (%)
C.1	**Buildings construction / refurbishment**				..%
		1 point if the retailer implements at least one pilot action regarding green building construction / refurbishment (e.g. construction of a new store equipped with solar panels)	*1 point if the retailer has defined and is implementing a policy for green building*	*1 point if the retailer systematically implements a policy for green building*	

		Pilot actions are implemented for green procurement	The retailer has a policy for green procurement	Environmental criteria used	Retailer score (%)
C.2	**Green procurement for products used in stores / offices**				..%
		1/2 point if actions concern less than 2 products categories or 1 point if actions concern more than 3 products categories (green electricity has to be taken into account as a product category)[19]	*1/2 point if the policy is implemented on less than 2 products categories or 1 point if the policy is implemented on 3 products categories or more*	*1/2 point if environmental criteria are based on official Ecolabel criteria or 1 point if environmental criteria are stricter than official Ecolabel criteria*	

[19] It has been decided to cap this criterion at 1 point maximum to ensure that this criterion won't take more importance that the 4 other criteria. As it seemed hard to establish an exhaustive list of possible actions that could be implemented by retailers to reduce energy consumption, and then define the corresponding number of points per action, it is proposed to grant ½ point per action implemented.

Phase 2 - D. Actions to improve the environmental performance of products

This area covers the actions that can be implemented by retailers to improve the environmental performance of products. 9 products categories / items have been identified as key items regarding actions to improve the environmental performance of products in the retail sector:

- Products eco-design
- EU-Ecolabelled products
- Other official label (e.g. NF Environment, Blue Angel)
- Organic food products
- Textile products
- Wooden products
- Fish products
- Energy using products
- Local sourcing for seasonal fruits and vegetables

The item "Products eco-design" includes the 4 following items presented in phase 1 of the assessment (see [Table 7]): "actions on products' packaging", "identification of hotspots of products (diagnostic)", "products eco-design" and "implementation of choice editing for products having high environmental impact". They have been grouped together to allow the definition of a more coherent transversal criterion.

We chose to select a limited list of products in order to evaluate the involvement of the retailer in introducing green products in its offer instead of taking into account the number of green products available in stores, as this could result in distortions brought on by the size of the retailer.

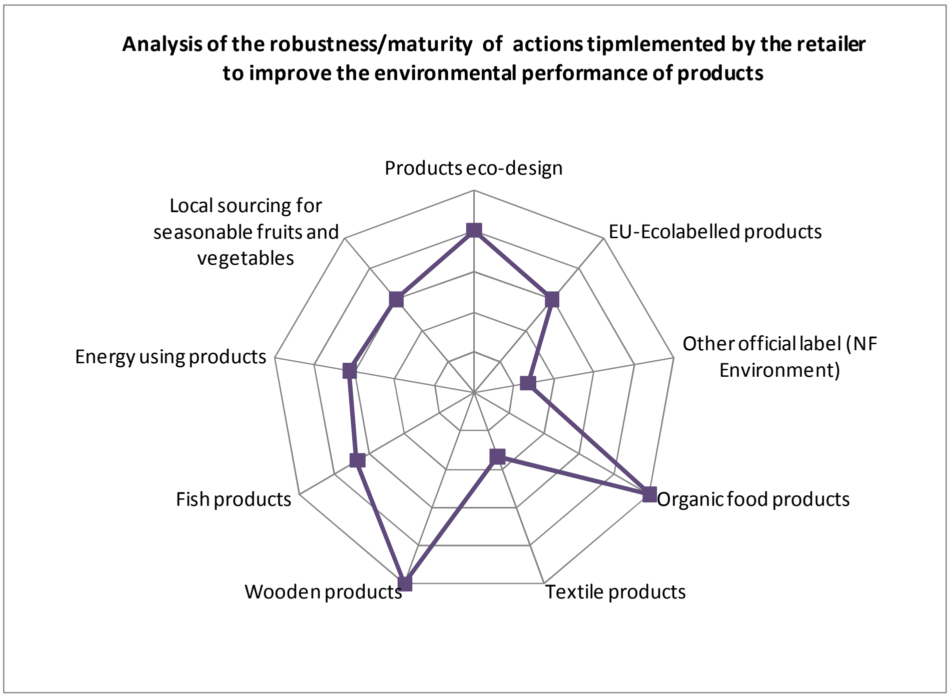
We took into consideration retailer willingness to green its offer, along with the availability of green versions for the most demanded products. Therefore, the involvement of the retailer is assessed considering the number of green products available in its offer in comparison to the number of product categories that he could sell.

For each item, the restricted list of products was established through the selection of the most representative products available, e.g. for the EU-Ecolabel, the most available items in stores were selected. A detailed description of the selection process is presented below (see Appendix 2).

The number of product categories selected will vary depending on the activity of the retailer. Indeed a retailer selling clothes cannot have more than 1 product category bearing the EU-Ecolabel. Therefore the number of items presented in the radar / spider diagram will be adjusted per retailer. For environmental consistency, we will ensure that the product categories with the most significant environmental impact are selected, even if they are not the most available.

Results are presented graphically, see Figure 19. For each item, the more robust/mature the action, the farther away from the centre the point is.

Figure 19 - Example of result diagram for Phase 2D analysis



For each item, specific criteria have been developed to assess the robustness/maturity of the actions implemented. These are presented in Table 11.

Table 11: Assessment criteria for Part D - Actions to improve the environmental performance of products

							Retailer score (%)
D.1	Products eco-design	The retailer implements actions on product's packaging	The retailer implements actions to identify the hotspots of products (diagnostic)	The retailer eco-designs its products (using an LCA approach)	The retailer is using blacklists to improve the environmental impacts of products (i.e. certain substances are prohibited in products)	The retailer implements choice editing to ban products having high environmental impacts (a type of product is not available in the retailer assortment for environmental reasons)	
							..%
		1 point if the retailer implements actions to reduce the environmental impacts of packaging (packaging reduction, use of recycled materials...)	*1 point if the retailer implements actions to identify the hotspots of products (diagnostic)*	*1/2 point if the retailer eco-designs some products categories or 1 point if the retailer eco-designs all products*	*1/2 point if the retailer uses blacklists for some products categories or 1 point if the retailer uses blacklist for several products categories*	*1 point if the retailer implements choice editing to ban products having high environmental impacts (for 1 product at least)*	

												Retailer score (%)
D.2	EU-Ecolabelled products	All-purpose & sanitary cleaners	Indoor paints / varnishes	Hand dishwashing detergents	Tissue paper	Laundry detergents	Dishwashing Detergents	Lubricants	Copying paper	Soaps and shampoos	Light bulbs	
												..%
		1 point if at least one product bearing the EU-Ecolabel is available for the corresponding category										

D.3	Other official ecolabel (NF Environment, Blue Angel)	Same concept for the assessment as for the EU Ecolabel	Retailer score (%)
			..%

D.4	Organic food products	Fruits and vegetables	Dairy products	Eggs	Pasta, rice, cereals	Oil	Meat	Bread	Fruit juice	Coffee, the, herbal tea	Soya based products	Retailer score (%)
												..%
		<u>1 point</u> if at least one organic food product is available for the corresponding category										

D.5	Textile products	Products bearing EU-Ecolabel or Öko-tex label	Organic textile products	Footwear bearing the EU-Ecolabel		Retailer score (%)
						..%
		<u>1/2 point</u> if at least one product bearing the Öko-tex label is available or <u>1 point</u> if at least one product bearing the EU-Ecolabel is available	*<u>1/2 point</u> if at least one product partially composed of organic cotton is available or composed of transitional cotton <u>1 point</u> if at least one product containing 100% organic cotton is available*	*<u>1 point</u> if at least one footwear product bearing the EU-Ecolabel is available*		

D.6	**Wooden products**	**Garden furniture bearing FSC or PEFC label**	**Paper bearing the PEFC or FSC label or recycled paper**	**Toilet paper or kitchen roll bearing the PEFC or FSC label or from recycled fibres**		**Retailer score (%)**
		<u>1 point</u> if the requirement is met (i.e. at least one product is available) *<u>1 point</u> for toilet paper if at least one product is bearing the EU-Ecolabel (certify recycled content or wood from sustainable forest)*				..%

D.7	**Fish products**	**Products bearing MSC label**	**Number of endangered fish species sold**		**Retailer score (%)**
		<u>1 point</u> if at least one MSC certified fish product is available	*see in-store visit report*		..%

				Retailer score (%)
D.8	**Energy using products**	**Products bearing A++ or A+ label**	**Products bearing energy star or EU-Ecolabel label**	
		see in-store visit report (concerning fridge, freezer, washing machine, dryer, dishwasher, oven, air conditioner, light bulbs)	*<u>1 point</u> if at least one product bearing the Energy star label or the EU-Ecolabel (TV) is available*	..%

						Retailer score (%)
D.9	**Fruits and vegetables**	**Seasonal products sourced locally**	**Information about the sourcing of fruit and vegetable is provided**	**Information about air freight transportation is provided**	**Information about greenhouse production is provided**	
		see in-store visit report	*<u>1/2 point</u> if the information is provided for some products <u>or 1 point</u> if the information is provided systematically*	*<u>1/2 point</u> if the information is provided for some products <u>or 1 point</u> if the information is provided systematically*	*<u>1/2 point</u> if the information is provided for some products <u>or 1 point</u> if the information is provided systematically*	..%

Phase 2- E. Measures for greening the supply chain

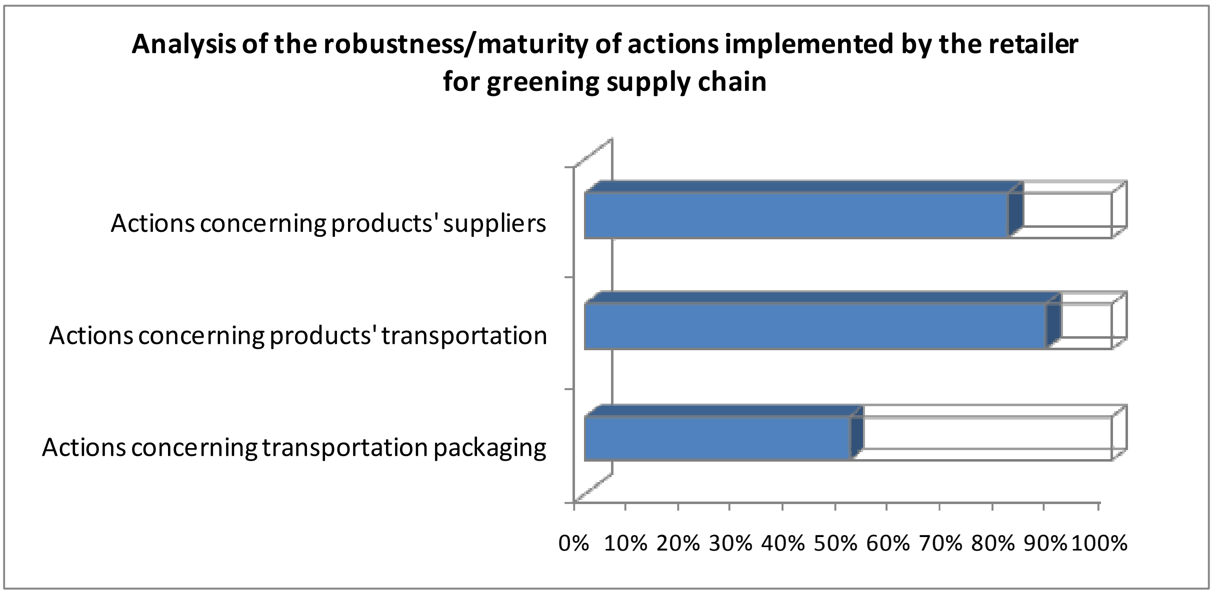
3 aspects have been identified as key items regarding measures for greening supply chain:

- Actions concerning products' suppliers
- Actions concerning products transportation
- Actions concerning transportation packaging

The item "E.2. Actions concerning logistics" used in phase 1 of the assessment ([Table 7]) has been divided in 2 items for phase 2 of the assessment: actions concerning products transportation and actions concerning transportation packaging. For phase 1, actions concerning products suppliers and actions concerning logistics were put on an equal foot, but for the assessment in phase 2 it seemed necessary to divide the item concerning logistic as criteria used to assess these 2 items are different.

Results are presented graphically, see Figure 20. The more robust/mature the action the higher the score.

Figure 20 - Example of result diagram for Phase 2E analysis



For each item, specific criteria have been developed to assess the robustness/maturity of the actions implemented. These are presented in Table 12.

Table 12: Assessment criteria for Part E - Measures for greening the supply chain

E.1	**Actions concerning products' suppliers**	**Suppliers are invited to follow a code of conduct/set of requirements (concerning environmental management and not products)**	**The suppliers have to comply with a code of conduct**	**The retailer conducts audits to check compliance with the code of conduct**	**The retailer draws up action plans with his suppliers to go further than the code of conduct's requirements**	**The retailer requires an environmental certification for its suppliers (ISO 14001, EMAS…)**	**Retailer score (%)**
		1/2 point if the requirement is met and the code of conduct addresses one environmental issue or 1 point if the requirement is met and the code of conduct addresses several environmental issues				*1 point if the retailer requires an environmental certification for its suppliers*	..%

E.2	**Actions concerning products' transportation**	**The retailer monitors the environmental impacts of products' transportation**	**The retailer implements actions to minimise the impact of road transportation**	**Actions are implemented to develop alternative means of transport**	**The retailer provides results showing improvement of the environmental impacts of products transportation**		**Retailer score (%)**
		1/2 point if products' transportation is measured partially or 1 point if products' transportation is measured per means of transport	*1/2 point if actions are implemented to improve road transportation (e.g. minimisation of empty returns) + 1/2 point if actions are implemented to develop alternative road transportation (e.g. use of electrical vehicles)*	*1/2 point if actions are at an experimentation stage or 1 point if actions are implemented globally (e.g. train or ship transportation...)*	*1 point if results showing an improvement in products transportation are provided by the retailer*		..%

E.3	**Actions concerning transportation packaging**	**The retailer monitors the amount of packaging used for product transportation**	**The retailer implements actions to minimise transportation packaging**		**Retailer score (%)**
		<u>1 point</u> if the retailer measures the amount of transportation packaging used	*<u>1 point</u> if the retailer implements actions to decrease the amount of transportation packaging used (use of re-usable packaging...)*		**..%**

3.2.3. ASSESSMENT OF THE ROBUSTNESS/MATURITY OF THE ENVIRONMENTAL ACTIONS IMPLEMENTED BY 7 RETAILERS

Assessment of the environmental actions implemented by retailers according to the set of criteria developed for Task 2 have been conducted for 7 retailers[20]. These assessments have been conducted to test the set of criteria presented above. On the basis of these tests, the set of criteria presented above has been revised to develop the final methodology that is presented in Task 3.

The individual assessments have been sent to the concerned retailers to give them a clearer understanding of the set of criteria developed in Task 2. Only 1 retailer (IKEA) agrees for the publication of its assessment in this report. The 6 others assessments are confidential; this means that the retailers do not agree for the integration of their assessment in the present report, that is meant to be used only internally by the EC.

When no information was identified in an area of action, zero points have been reported in the scoring system.

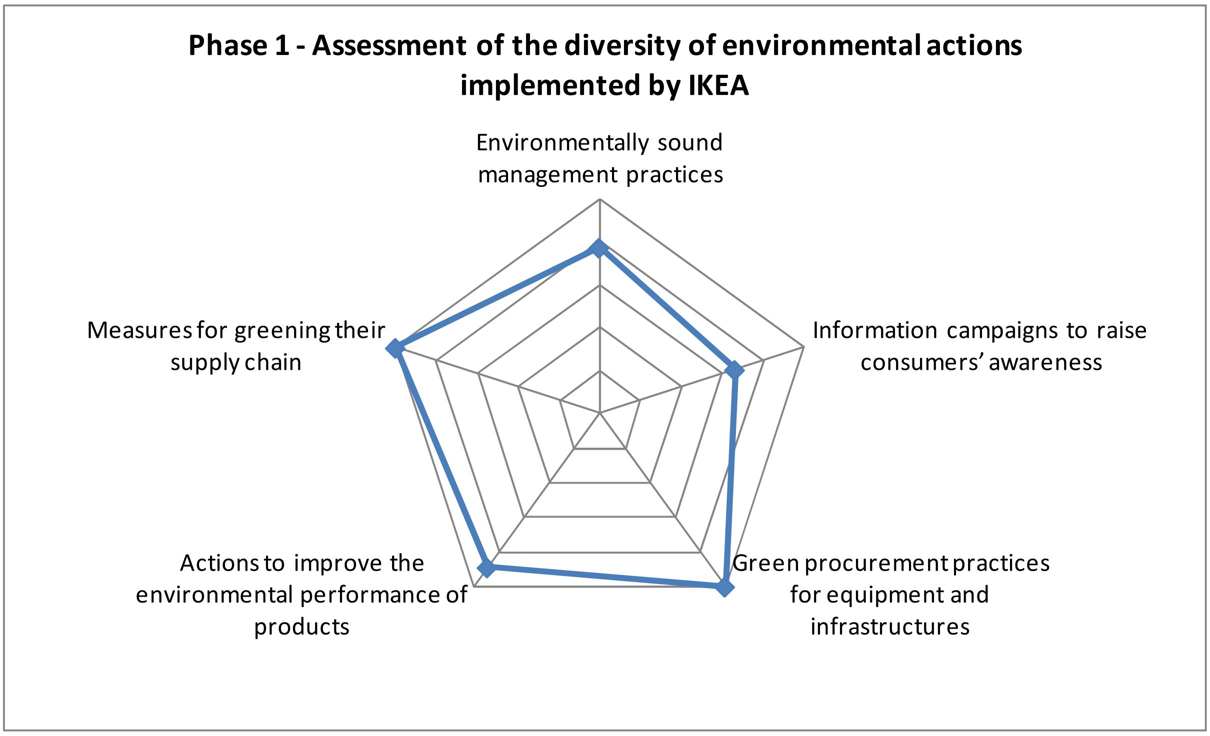
[20] Assessments have been conducted only for retailers for whom in-store visits have been conducted. Indeed information that can be collected only by in-store visits is necessary to conduct the assessment, such as number of organic products categories. In-store visits were planned only for a limited number of retailers in the context of the study; therefore assessments have been conducted for the 7 concerned retailers only.

ASSESSMENT OF THE ACTIONS IMPLEMENTED BY IKEA

- **Phase 1 – Assessment of the diversity of the actions implemented**

Figure 21 presents the results of the assessment of the diversity of actions implemented by IKEA. The scope of the assessment is IKEA stores in Europe.

Figure 21 – Assessment of IKEA actions - Phase 1



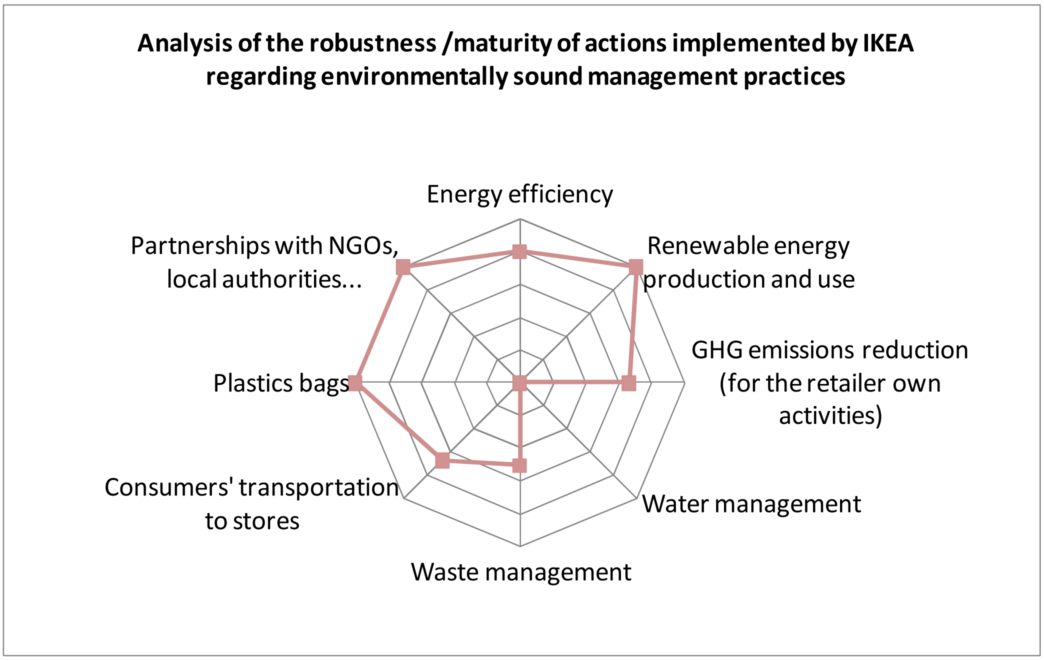
IKEA implements environmental actions in the 5 areas identified. For the 2 areas: measures for greening supply chain and green procurement for equipment and infrastructures, IKEA implements actions for all items identified.

- **Phase 2 – Evaluation per area of action**

<u>**A. Environmentally sound management practises**</u>

Figure 22 presents the results of the assessment of the robustness/maturity of actions implemented by IKEA regarding environmental sound management practises.

Figure 22 – Assessment of IKEA actions - Phase 2A



Energy efficiency: Energy consumption of stores is monitored. Energy consumption standards in new stores have also been established. The energy consumption standard has been determined to be 45 kilowatt hours per cubic metre sold by year five after store opening. In 2006, IKEA introduced the mandatory energy usage checklist to raise awareness of current energy use, in order to monitor progress and to enable internal energy audits to be conducted.

Renewable energy production and use: IKEA produces renewable energy on some of its sites and monitors the percentage of renewable energy used compared to the total energy consumed. The goal is to use 100% renewable energy for electricity and heating.

GHG emission reduction: Ikea monitors its carbon footprint and implements actions to reduce it at various stages of the supply chain.

Water management: No information is provided on store or warehouses water management.

Waste management: Waste sorting and recycling is implemented in IKEA stores with also some specific take-back systems depending on the regional/local waste system. However, results are provided in an aggregated way without specifying the part that is recycled compared to globally recovered. Actions are implemented to minimise the amount of waste generated all along the supply chain.

Waste recycled, reclaimed or used in energy production

	FY04	FY05	FY06	**FY07**	FY09 goal
Stores total	77%	80%	80%	**84%**	90%
Distribution Centres	80%	86%	86%	**76%**	90%

Consumer transportation to stores: IKEA always gives information about the possibilities to use public transport to reach the stores. When a new store is being planned, the availability of public transport is taken into consideration. IKEA and WWF decided to start joint pilot projects to reduce carbon dioxide emissions from customer and co-worker transportation to and from the stores. Pilot projects will be developed and implemented in the United Kingdom, China and the United States.

IKEA provides the following figure in its CSR report 2007:

CLIMATE CHANGE / TRANSPORT OF PEOPLE

Customers travelling to IKEA Stores by public transportation

FY04	FY05	FY06	**FY07**	FY09 goal
10%	8%	8%	**9%**	15%

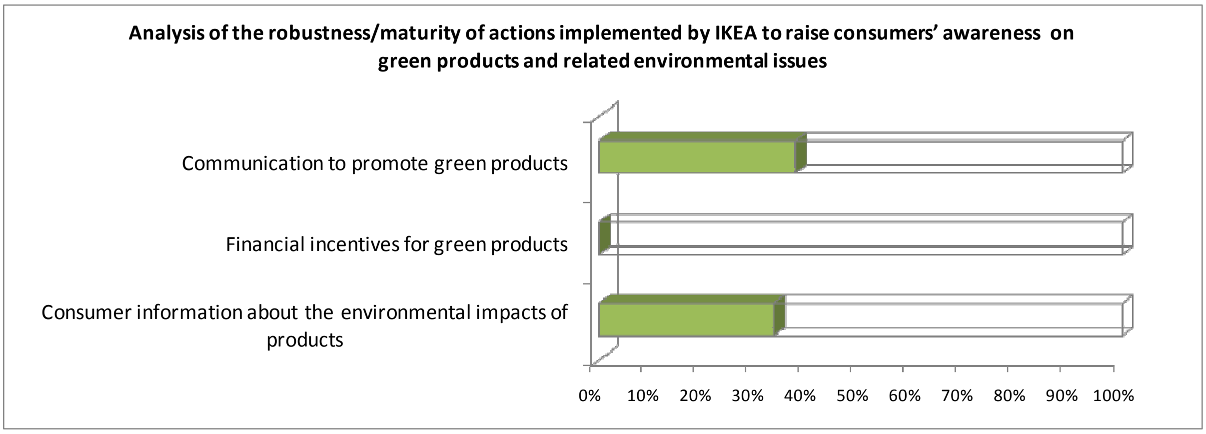
Plastics bags: No single use plastic bags are available in stores; two options (cardboard bag or reusable plastic bag (blue bag)) are possible.

Partnerships with NGOs, local authorities: IKEA implements many actions in partnership with the WWF, for example on cotton cultivation, carbon impact of consumer transportation to stores, the promotion of energy efficient light bulbs, etc.

B. Information campaigns to raise consumer awareness of green products

Figure 23 presents the results of the assessment of the robustness/maturity of actions implemented by IKEA regarding information campaigns to raise consumer awareness of green products and more generally on environmental issues.

Figure 23 – Assessment of IKEA actions - Phase 2B



Communication to promote green products: There are sometimes specific campaigns more focused on environment protection, as in Sweden, IKEA has collaborated with the WWF to promote energy efficient light bulbs. A web site was designed containing tips for good environmental behaviour. Information on energy-efficient light bulbs is provided in-store.

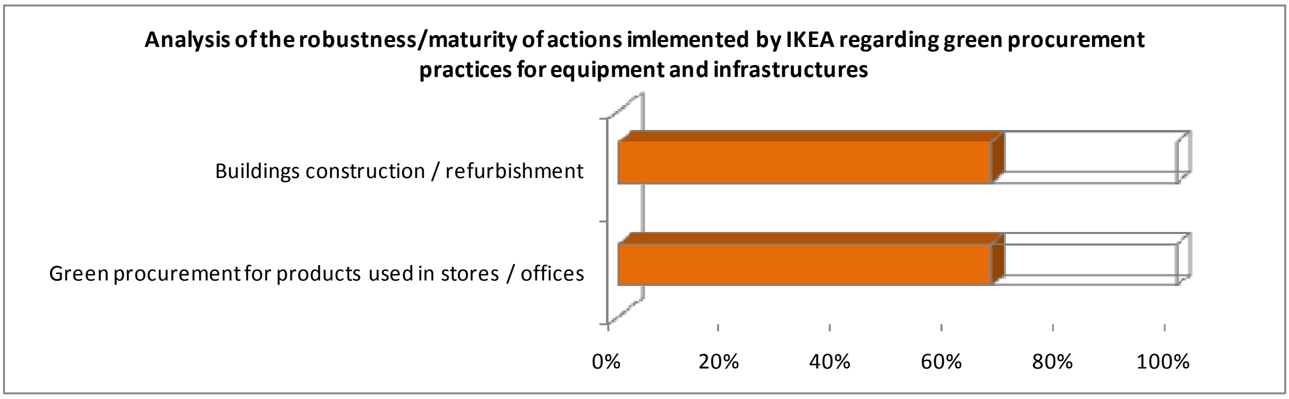
Financial incentives for green products: No financial incentives implemented.

Consumer information about the environmental impacts of products: IKEA provides information on light bulbs and energy efficiency in stores.

C. Green procurement practises for equipment and infrastructures

Figure 24 presents the results of the assessment of the robustness/maturity of actions implemented by IKEA regarding green procurement practises for equipment and infrastructures.

Figure 24 – Assessment of IKEA actions - Phase 2C



Buildings construction / refurbishment: Building component standards, which specify a range of energy efficient measures to be included in new IKEA buildings, were completed in FY 2007.

Energy consumption standards in new stores have also been established. The energy consumption standard has been determined to be 45 kilowatt hours per cubic metre sold by year five after store opening. The first results from surveys have shown that by establishing and updating standards a 10-50 % improvement in energy efficiency could be achieved. Final results will be available in FY08. All IKEA stores, distribution centres, factories and offices will, in the long-term, run entirely on renewable energy. IKEA defines renewable energy as energy derived from resources that are regenerated naturally or for practical purposes, cannot be depleted. Newly built facilities are, where possible, designed to use bio fuels, geothermal heat, solar, wind or water power, and all existing buildings are being adapted where possible.

Green procurement for products used in stores / offices: For marketing products and services, including the IKEA catalogue, IKEA implements the "IKEA way" on purchasing marketing products and services.

In general, IKEA's codes of conduct for suppliers (and their environmental requirements) also apply for suppliers of goods for use in offices. However, the requirements are not product-related (except for wood sourcing), and are more about the good environmental management of production sites.

Exceptions exist for the paper used in the IKEA catalogue, energy, and delivery trucks:

- In 2007, 70% of the paper used for IKEA catalogues is made from fibres originating from certified forestry. There are sustainability requirements for purchasing paper and printing the catalogue, and for monitoring emissions to air and water. In FY07, recommendations for water consumption were included for the first time, along with paper production sustainability requirements.

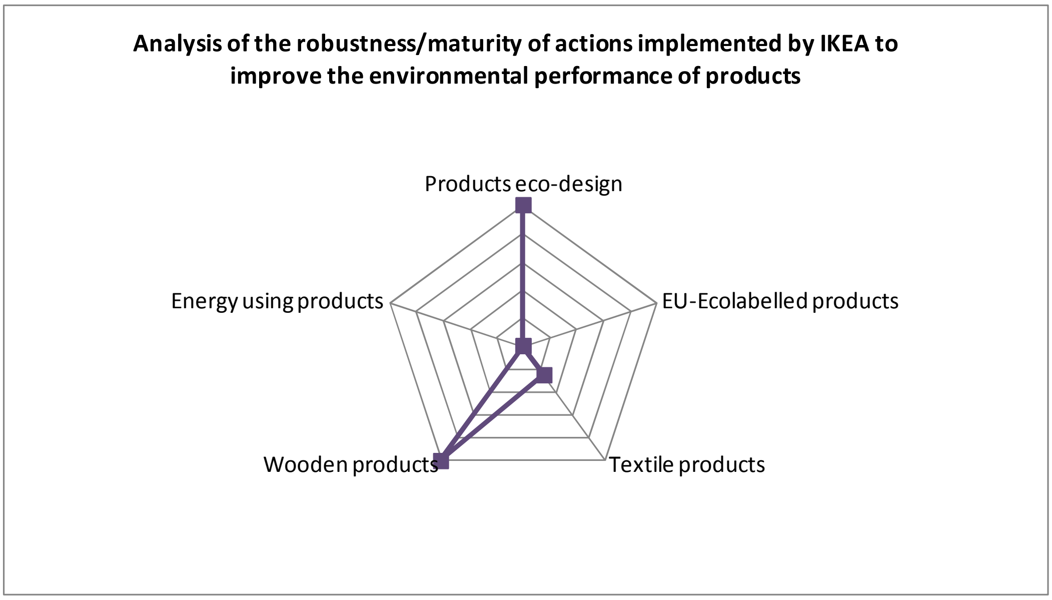
- As for energy, IKEA has the long term vision that all IKEA buildings shall be supplied with 100% renewable energy.

- Delivery trucks: All IKEA transport service providers must set their carbon dioxide emissions targets and set a three-year emission goal. They must also measure their carbon dioxide emissions and fill in an "Environmental Performance Survey". In addition, transport service providers must use modern vehicles that are less than 10 years old. Moreover, IKEA has started replacing company cars with "green" alternatives.

D. Actions to improve the environmental performance of products

Figure 25 presents the results of the assessment of the robustness/maturity of actions implemented by IKEA to improve the environmental performance of products.

Figure 25 – Assessment of IKEA actions - Phase 2D



Products eco-design: Eco-design is implemented for furniture: there is a new manufacturing practice to reduce the use of solvents, increase the resource efficiency for particle board, requirements for the energy efficiency levels of the products sold by IKEA, etc. IKEA designers make use of the "e-wheel" (Raw material, manufacturing, product use, end of life) to evaluate the environmental impacts of products. E-wheel sets the basics for a life cycle assessment approach regarding the design of new products. The use of e-wheel is getting systematic; the aim is to make it mandatory in the future.

70% in weight of products are made from renewable sources (further detail not available).

Some chemicals such as formaldehyde and phthalates must not exceed IKEA requirements.

IKEA has banned the use of PVC in all products, except in cables. A number of chemical requirements are going further than legislation. For example, lower mercury level in energy saving light bulbs (CFLi) than required by RoHS even if this limits the number of suppliers that can produce the article.

EU-Ecolabelled products: Two product categories are relevant for IKEA: soaps and shampoos and light bulbs, but no EU Ecolabelled product is available.

Organic food products: Organic food is available in IKEA's Swedish Food Markets, however this has not been taken into account because the methodology is designed for supermarkets/hypermarkets.

Textile products: IKEA and WWF have field projects underway at project sites in Pakistan and India, testing improved working methods for cotton cultivation and processing. The projects use Better Management Practises (BMP). Better Management Practises are environmental practises that enable farmers to reduce environmental impact, improve efficiency, maintain cotton crop yields and increase their gross margins. Some 2,000 farmers in Pakistan and 500 farmers in India are participating through Farmer Field Schools. IKEA monitors the share of better managed cotton in their products.

IKEA also monitors the tons of organic cotton bought every year. Organic cotton is not the big focus, contrary to BMP cotton.

Wooden products: IKEA has established four levels of requirements for wood suppliers. These increase step-wise from basic start-up conditions (Level 1) to forest management criteria (Level 4).

IKEA provides figures on:

- Share of IKEA suppliers for solid wood, veneer, plywood, layer glued wood that meet IKEA minimum requirements (Level 2 in the staircase model): 94% in FY07

- Share of solid wood used in IKEA products coming from forests certified as responsibly managed (Level 4 in the staircase model): 6% in FY07

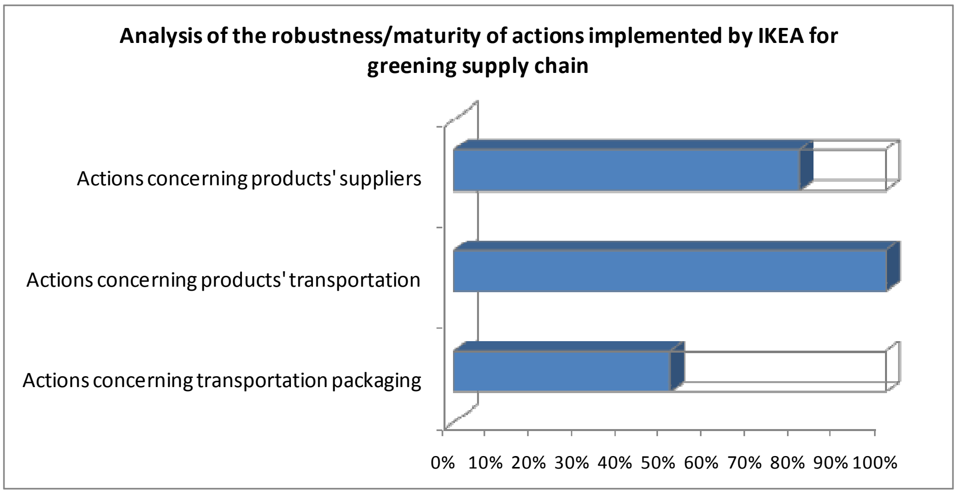
IKEA also provides figures on the wood audited volume (in wood supply chain audits), in cubic metres / % of total wood used in IKEA products: 900 000 / 14% in FY07, and on the approved audited volume: 59% of the wood supply chain audits in FY07.

Energy using products: Energy using products are mostly bearing A label (for the purpose of this exercise, only energy using products bearing A+ or A++ label were considered).

E. Measures for greening their supply chain

Figure 26 presents the results of the assessment of the robustness/maturity of actions implemented by IKEA to greening its supply chain.

Figure 26 – Assessment of IKEA actions - Phase 2E



Actions concerning products' suppliers: IKEA requires suppliers to comply with their code of conduct, "The IKEA Way on Purchasing Home Furnishing Products (IWAY)". It includes social and environmental requirements. The environmental requirements are the following:

Suppliers must agree to:

• work to reduce waste and emissions to air, ground and water,

• handle chemicals in a safe way,

• handle, store and dispose of hazardous waste in an environmentally safe manner,

• contribute to the recycling and reuse of materials and used products,

• use wood from known areas and, if possible, from sources that are well managed and preferably independently certified as such.

Suppliers may not:

• use wood originating from national parks, nature reserves, intact natural forests or any areas with officially declared high conservation values, unless certified.

IKEA provides figures on the percentage of IWAY approved suppliers per region; in FY07, the average rate of IWAY approved suppliers is 50%. Figures are also provided on the number of audit conducted (by IKEA and by third parties), and the number of suppliers with which IKEA terminated business for reasons of non-compliance with IWAY.

Actions concerning products' transportation: IKEA wants to reduce carbon dioxide emissions from transport. All transport services must use modern vehicles, have concrete emission targets, and measure their carbon dioxide emissions. Optimal loading, cleaner fuels, and fuel efficient driving techniques are important factors in making goods transport better adapted to the environment.

The IKEA Way on Distributing Home Furnishing Products applies to the transport and distribution of IKEA products, as well as IKEA distribution centres. Requirements address topics related to social and working conditions as well as to respect for the environment.

Actions concerning transportation packaging: IKEA uses plastic loading ledges as an alternative to wooden shipping pallets to optimise filling rates. Loading ledges are patented by IKEA, used as one measure to reduce carbon dioxide emissions. When the loading ledges are recycled, the IKEA product LÅDIS is made from the recycled material of loading ledges.

4. TASK 3: MEASURING PROGRESS

As part of Task 3, a **workshop** has been organised to present the results of this study and the set of criteria developed within the framework of Task 2.

The workshop was held in Brussels – DG INFSO on **Tuesday 28 October 2008**, from 10:00 to 13:00. Invitees to the workshop included the Commission, the participating 20 retailers, ERRT, Eurocommerce, BEUC and EEB. The moderators / speaker for the workshop were Alberto Parenti & Herbert Aichinger for the EC and Aymeric Schultze & Elodie Jaussaud for BIO.

The set of criteria has been sent to all participants before the workshop. In addition, the results of the individual assessments based on the criteria have been submitted to the concerned retailers before the workshop. These assessments have been sent to retailers to give them a clear understanding of the way the criteria developed could be applied to retailers and also to allow them to comment on these assessments after the workshop.

4.1. INTRODUCTION AND LINKS WITH TASK 2

- **Objective of Task 3**

The objective of the methodology presented in this chapter is to provide the EC a clear overview of retailers' environmental actions and progress over time. This methodology has been built on the basis of the feedback received in Task 2. The comments formulated by retailers (during the workshop and those sent afterwards) were also taken into account.

The objective of this methodology is not to strictly assess retailers' performances but rather to have **all the necessary key factors to understand their environmental policy and actions**, as well as to be able to **identify progress** made over time. This was clearly seen during the workshop when the EC emphasised the need for a methodological tool to assist in discussion and exchange with retailers.

The criteria and the scoring system developed for Task 2 is not exactly suitable for this need. Indeed, the workshop showed that having a global overview/list of the environmental actions implemented by retailers and a tool to monitor their performances was what interested the EC most. Scoring environmental actions on the basis of a semi-quantitative approach was only conceived as a way to provide elements for discussions.

Therefore, spending too many resources (within BIO, the EC and retailers) on finding an agreement on each of the subcomponents of our scoring system might not be the most relevant approach. As one of the retailers said, it would be almost impossible to reach an agreement on all the evaluation criteria proposed in Task 2.

Therefore, Task 3 consists in building a reporting table, to follow environmental actions implemented by retailers over time, with checklists of possible actions and a proposal for efficiency indicators that could be used to measure progress over time.

- **Integration of stakeholders' feedbacks on the approach developed for Task 2**

The reporting table built for Task 3 has been developed to integrate the comments formulated by stakeholders[21] on the approach developed for Task 2. As an introduction to the reporting table developed for Task 3, this paragraph presents the main comments formulated by stakeholders on the set of criteria proposed for Task 2. It is important to note that most of the comments formulated by stakeholders during the workshop were more linked to the definition of the scope of the study than on the definition of criteria themselves. This chapter focuses on the comment on the criteria. Part "*3.2.1. Presentation of the limitations of the interpretation of the approach developed to assess retailers' environmental performances*" is dedicated to specifying the initial scope of the study, and therefore answers most of the comments on the scope of the study.

Finally, when developing Task 3, much attention was focused on covering the widest range of actions as possible. Therefore most of the areas presented in Task 2 have been completed and detailed (see reporting table).

Renewable energy use

The initial criteria proposed to assess the robustness / maturities of actions implemented by the retailer concerning renewable energy use include the following:

		The retailer is experimenting the use of renewable energy	**The retailer is using renewable energy**	**The retailer measures the amount of non-renewable energy / CO_2 emissions saved**
A.2	**Renewable energy use**	*<u>1 point</u> if the retailer is experimenting the use of renewable energy* *(1 point at the next question gives 1 point for this question)*	*<u>1 point</u> if a part of the energy consumed by the retailer is produced from renewable sources (buying green electricity is excluded as this is taken into account in the green procurement section)*	*<u>1 point</u> if the retailer measures the amount of non-renewable energy / CO_2 emissions saved by the use of renewable energy, or the share of renewable energy relative to its total consumption*

For more clarity, this item will be renamed to "Renewable energy production and use", as it focuses on actions implemented by the retailers to develop and produce renewable energy.

The following comments have been formulated by stakeholders concerning the item "Renewable energy used":

[21] To ease the readability of this paragraph, persons that have been solicited to give their opinion on the proposed methodology will be called "stakeholders". These stakeholders include workshop members, i.e. the Commission, the participating 20 retailers, ERRT, Eurocommerce, BEUC, EEB and Consumers' focus.

- The fact that green electricity has been considered as out of the scope of this question and treated as green procurement implies distortions in the stakeholders' opinions. Indeed stakeholders consider that if the retailer buys 100% of green electricity, there is no environmental need to invest in other renewable electricity sources. Furthermore, if the green electricity supplier is committed to developing innovative renewable energy sources, the stakeholders consider that the retailer is indirectly developing renewable energies.

  → To resolve this issue, buying green electricity has been integrated in the item "Production and use of renewable energy" and special attention has been paid to distinguish green electricity producers that invest in developing other sources of renewable energy (see reporting table).

- The differentiation made between experimentation of the use of renewable energy and using renewable energy on a large scale is not clear. This was initially introduced to differentiate between a retailer testing solar panels on the roof of one of its stores and a retailer that uses solar panels on the roof of 50% if its stores.

  → To clarify this, no differentiation will be made between experimentation and use on a large scale. The level of involvement of the retailer will be measured with quantitative indicators, if available, such as the share of renewable energy in the overall energy consumption (see reporting table).

Textile

The initial criteria proposed to assess the robustness / maturities of actions implemented by the retailer to improve the environmental performance of textile products include the following:

		Products bearing EU-Ecolabel or Öko-tex label	**Organic textile products**	**Footwear bearing the EU-Ecolabel**
D.5	**Textile products**	*1/2 point if at least one product bearing the Öko-tex label is available or 1 point if at least one product bearing the EU-Ecolabel is available*	*1/2 point if at least one product partially composed of organic cotton is available or composed of transitional cotton 1 point if at least one product containing 100% organic cotton is available*	*1 point if at least one footwear product bearing the EU-Ecolabel is available*

Stakeholders consider that these criteria focus too much on availability of EU-Ecolabelled products.

Therefore, the following actions have been integrated in the methodology (see reporting table):

- use of more environmentally friendly fibres instead of conventional cotton,
- use of fair trade cotton,
- actions to help the development of organic cotton.

Consumers' transportation to stores

The initial criteria proposed to assess the robustness / maturities of actions implemented by the retailer concerning consumers' transportation to stores include the following:

A.7	Consumers' transportation to stores	**The retailer monitors the environmental impacts of consumers' transportation to stores**	**The retailer is implementing actions to reduce the environmental impact of consumers' transportation to stores**	**The retailer provides results showing decrease in environmental impact linked with consumers' transportation to stores**
		1 point if the retailer monitors the environmental impacts of consumers' transportation to stores	*1/2 point per action identified (involvement in the extension of public transports systems...) max 1 point (home deliveries can't be considered as an action here)*	*1 point if results showing decrease in environmental impact linked with consumers' transportation to stores are provided by the retailer*

Stakeholders did not agree with the fact that home deliveries are not considered an action to reduce the environmental impacts of consumers' transportation to stores. This decision has been initially motivated by the conclusion of the study: "Impacts of Information and Communication Technologies on Energy Efficiency", conducted by BIO IS for the European Commission – DG INFSO in September 2008. In the case study dedicated to e-commerce, conclusions emphasised the ambiguity at this stage of whether e-commerce is beneficial for the environment compared to standard commerce.

As e-commerce is generally considered as beneficial for the environment by consumers as it is linked with dematerialisation, this item has been added (see reporting table). Though it should be clear to users of the methodology developed within task 3 what uncertainties remain on the environmental benefit of this action.

Stakeholders also mentioned that the general framework of the company has to be taken into account, e.g. if a retailer is mostly composed of city stores, the environmental impacts of consumers' transportation to the store is lower than for out-of city supermarkets where consumers mostly go by car. Therefore, consumers' transportation to stores is not among the most important environmental issues faced by such retailers. The specificity of having stores in urban areas has to be taken into account as it can have an influence on the retailer's actions. Therefore, this has been added in the methodology (see reporting table) to be regarded within the context of the retailer's situation.

Information campaigns to raise consumers' awareness

The last item of this area was named: "Consumers education of the environmental impacts of products". The word "education" seemed less appropriate for stakeholders, as education of consumers is not within retailers' responsibility, therefore the work "educate" should be replace by "inform".

This item will be renamed "Consumer information of the environmental impacts of products" (see reporting table).

4.2. PRESENTATION OF THE REPORTING TABLE BUILD TO MEASURE THE PROGRESS MADE BY RETAILERS OVER TIME

Task 3 consists in building a reporting table, to follow environmental actions implemented by retailers over time. **This reporting table is a toolbox containing checklists of possible actions and a proposal for efficiency indicators that could be used to measure progress over time.**

The reporting table has been built to allow the user to consolidate all the information available on the environmental actions of a retailer (both quantitative and qualitative information). This reporting table is a framework that has been built to be individualised for each retailer.

Actions implemented by retailers can be monitored by marking the check box. Additional information, comments and indicators can be added by the user to follow actions more precisely in the dedicated section named "*Comments*". For each of the environmental issues, the reporting table will allow the measurement of progress made by the retailer over time: the section named "*PROGRESS*" is dedicated to measuring progress. To help the user in identifying progress, a set of indicators are provided in the reporting table. These indicators are an example of data that can be used to measure progress.

The following figure presents a sample of the reporting table, containing examples of comments and indicators that can be reported in the section "comments":

List of possible actions identified

Check boxes to be ticked when the corresponding action is implemented

Commentary area to detail the actions implemented

Top	ENERGY EFFICIENCY		*Comments*
ACT	The retailer is implementing actions to minimise the energy consumption of lighting:	☑	
	- Use of T5 or T8 neon for lighting	☑	*The retailer XXX uses T5 neons in 75% of its stores*
	- Use of LEDS for lighting	☐	
	- Other measures concerning lighting	☐	
	The retailer is implementing measures to reduce its energy consumption:	☑	
	- Freezers are covered	☐	
	- Heat produced by cooling systems is reused	☑	
	- Other measures concerning energy efficiency	☐	
MONITOR	The retailer monitors its energy consumption at global level	☑	*The retailer XXX monitors the global amount of energy consumed in Germany each year, in GWh per year.* *In Germany in 2007, the retailer XXX consumed 7 800 GWh of energy.*
	The retailer monitors its energy efficiency	☑	*The retailer XXX monitors its energy efficiency, in kWh of energy consumed per square meter of sales area.* *In 2007, the retailer XXX consumed an average of 500 kWh of energy per square meter of sales area for its German stores.*
PROGRESS	The retailer provides results showing improvement of its energy efficiency	☑	*In comparison to 2006, the retailer has improved its energy efficiency. In 2006, the energy efficiency was: 530 kWh of energy consumed per square meter of sales area, and in 2007 the energy efficiency is 500 kWh of energy consumerd per square meter of sales area.*
	<u>Example of effectiveness indicators that can be used to measure this progress:</u> *- kWh energy consumed per square meter of sales area,* *- kWh electricity, gas, fuel, etc. consumed per square meter of sales area,* *- CO2 emissions due to energy consumption per square meter of sales area*		

Examples of possible indicators that can be used to measure progress

The list of actions and the indicators provided in the reporting table are presented below.

- **Actions listed in the reporting table**

The list of possible actions implemented by retailers is based on the feedbacks of Task 1 and Task 2. This list has been submitted to all retailers participating in this study in order to be the most exhaustive as possible. But as the number of possible actions is very wide it is very hard to build an exhaustive table.

The actions implemented by retailers are organised in 5 areas (as for the assessment presented in Task 2):

A. Environmentally sound management practices

B. Information campaigns to raise consumers' awareness

C. Green procurement practices for equipment and infrastructures

D. Actions to improve the environmental performance of products

E. Measures for greening the supply chain

For each of these 5 areas, the analysis proposed in the reporting table is described in detail below.

A. Environmentally sound management practices

"Environmentally sound management practices" concern actions that can be implemented by the retailer to green its own environmental performance. For this area, 10 types of issues have been identified for the retail sector:

1. Energy efficiency
2. Renewable energy production and use
3. GHG emissions management (for the retailer's own activities)
4. Refrigerant management
5. Water management
6. Waste management
7. Consumer transportation to stores
8. Plastic bags reduction
9. Partnership with NGOs, local authorities
10. Training of employees on environmental issues

Actions implemented for each of the issues are analysed following the same pattern:

- **ACT**: Does the retailer implement actions?

  → *The exhaustive list of actions can be reported in the table by the user*

- **MONITOR**: Does the retailer monitor the actions implemented? Special attention will be focused on identifying whether the retailer is providing global indicators or performance indicators

  → *The indicators used by the retailers can be reported in the table by the user*

- **PROGRESS**: Does the retailer demonstrate environmental progress for this issue?

  → *Indicators that could be used to measure progress will be provided as an example*

For the item "Training of employees on environmental issues" and "Partnerships with NGOs, local authorities", the analysis of the monitoring of actions implemented is substituted by an analysis of the coverage of these actions.

B. Information campaigns to raise consumers awareness

This area covers the actions that can be implemented by retailers to raise consumers' awareness of green products. For this area, 3 aspects have been identified as key items for the retail sector:

1. Communication to promote green products
2. Financial incentives for green products
3. Consumer information about the environmental impacts of products

Each of these 3 aspects will be analysed and reported according to the following pattern:

- **TYPE**: Duration of the campaigns and type of communication media used.

  → *The exhaustive list of campaigns can be reported in the table by the user*

- **COVERAGE**: Number of products categories covered by promotion campaigns.

  → *The indicators used by the retailers can be reported in the table by the user*

- **PROGRESS**: Does the retailer demonstrate progress?

  → *Indicators that could be used to measure progress will be provided as an example*

C. Green procurement practices for equipment and infrastructures

This area covers the actions that can be implemented by retailers to green their practices for equipment and infrastructures, i.e. when building/renovating stores and when purchasing goods. For this area, 2 items have been identified as key items for the retailers:

1. Buildings construction / refurbishment
2. Green procurement for products used in stores / offices

Building construction / refurbishment will be analysed and reported according to the 5 steps presented below. Green procurement for products used in stores / offices will be analysed according to 4 of the 5 steps listed below. Indeed actions concerning monitoring of green procurement consists mainly in evaluating the number of products categories concerned, which is already included in the criteria coverage. For green building it is relevant to make a distinction between coverage, which concerns the level of implementation of the green building policy and monitoring, which consist in evaluating the number of construction concerned.

- **ACT**: The retailer implements experimental actions.

  → *The exhaustive list of implemented experimentations can be reported in the table by the user*

- **FORMALISE**: The retailer has formalised a dedicated policy

  → *The details of the policy can be reported in the table by the user*

- **COVERAGE**: What is the level of implementation of the actions / policy (is the policy implemented systematically or not)? What is the level of requirements?

  → *The indicators used by the retailers can be reported in the table by the user*

- **MONITOR**: The retail monitors the efficiency of the actions implemented.

  → *The indicators used by the retailers can be reported in the table by the user*

- **PROGRESS**: Does the retailer demonstrate progress?

  → *Indicators that could be used to measure progress will be provided as example*

D. Actions to improve the environmental performance of products

This area covers the actions that can be implemented by the retailer to improve the environmental performance of products. For this area, 9 products categories / items have been identified as key items regarding actions to improve the environmental performance of products in the retail sector:

1. Eco-design of products
2. EU-Ecolabelled products
3. Other official labels (e.g. NF Environment, Blue Angel)
4. Organic food products
5. Textile products
6. Wooden products
7. Fish products
8. Energy using products
9. Local sourcing for seasonal fruits and vegetables

Each of these 9 products categories / items will be analysed and reported according to the following pattern:

- **ACT**: Does the retailer implement actions to improve the environmental performance of products?

  → *The exhaustive list of actions can be reported in the table by the user*

- **COVERAGE**: Number and percentage of products categories concerned in the overall retailer assortment

  → *The indicators used by the retailers can be reported in the table by the user*

- **PROGRESS**: Does the retailer demonstrate progress?

  → *Indicators that could be used to measure progress will be provided as example*

When specific labels are mentioned, this means products bearing the label or products that have the same environmental performance, i.e. that meet the requirements of the label, even if they don't bear the label.

E. Measures for greening the supply chain

This area covers the actions that can be implemented by retailers to green their supply chain. For this area, 3 items have been identified as key items for the retailers:

1. Actions concerning products' suppliers
2. Actions concerning product transportation
3. Actions concerning packaging used to transport products

Measures for greening the supply chain will be analysed and reported according to the following pattern:

- **ACT**: The retailer implements experimental actions.

  → *The exhaustive list of experimentations implemented can be reported in the table by the user*

- **MONITOR**: The retail monitors the efficiency of the actions implemented.

  → *The indicators used by the retailers can be reported in the table by the user*

- **PROGRESS**: Does the retailer have progress?

  → *Indicators that could be used to measure progress will be provided as example*

- **Indicators provided in the reporting table**

How to measure the effectiveness of an action?

To measure the progress made over time by retailers on each of the environmental actions, quantitative data is necessary and therefore the use of indicators.

When implementing Task 2, it became clear that at this stage, it was not possible to use the same indicators for all retailers as retailers use different indicators to monitor their actions. Therefore, it is necessary to use individual indicators to assess the progress made by each retailer over time. This proposition is compliant with one of the objectives of the methodology, which is to assess the progress made by retailers individually and not to compare the environmental performance of different retailers.

As explained in Task 2, all indicators are not relevant to measure an improvement. Two types of environmental indicators can be distinguished:

- "Global" indicators, which concern the yearly activity report and are applicable to a given scope, e.g. total energy consumption of stores in England, or total water consumption of stores worldwide, etc.
- "Effectiveness" indicators, providing a ratio independent from the scope (but related to it). For example energy consumption per m² of selling area, or average GHG emissions per million euros turnover, etc.

Contrary to global indicators, effectiveness indicators enable comparisons from one year to another and therefore the measurement of progress. For example, a retailer that would implement actions to reduce energy consumption cannot monitor its results with a global indicator if the number of stores in the scope has changed. Thus, to measure the effectiveness of actions implemented by retailers, effectiveness indicators are required.

How is progress monitored in the reporting table?

For each action, the reporting table provides examples of indicators that can be used to measure progress. These examples are provided in the parts of the reporting table called “PROGRESS”. The timeframe is not specified as it depends of the frequency of the assessment.

An efficiency indicator shall be built in such a manner that the environmental and the economic aspects of the indicator need to be linked. For instance, to measure energy efficiency, it seemed relevant to develop an efficiency indicator providing the energy consumption in kWh per square meter of sales area, rather than an efficiency indicator providing the energy consumption in kWh per million € of turnover: the energy consumption of a store is actually more linked with its surface than its turnover (due to lighting, heating and cooling appliances).

Applying this approach, for the area A “Sound management practices”, it is considered that actions related to energy consumption, renewable energy use, refrigerant leak management, and water management are not directly correlated to products sales. Therefore, their efficiency will be preferably measured with indicators expressed in per unit of surface. On the contrary, action related to GHG emission, consumers’ transportation to stores, plastics bags reduction, and waste management are correlated with products sales and their efficiency could be expressed per unit of sales or surface.

4.3. PRESENTATION OF THE REPORTING TABLE DEVELOPED FOR TASK 3

The following tables constitute the reporting table developed to follow environmental actions implemented by retailers over time.

Actions implemented by retailers can be monitored by marking the check box. Additional information and comments can be added by the user to follow actions more precisely (a column dedicated to comments is available in the Excel version of the reporting table).

A. Environmentally sound management practices

Top	ENERGY EFFICIENCY	
ACT	The retailer is implementing actions to minimise the energy consumption of lighting:	☐
	- Use of T5 or T8 neon for lighting	☐
	- Use of electronic ballast instead of ferromagnetic ballast	☐
	- Use of LEDS for lighting	☐
	- Other measures concerning lighting	☐

	The retailer is implementing measures to reduce its energy consumption:	☐
	- Freezers are covered	☐
	- Heat produced by cooling systems is reused	☐
	- Use of energy management systems	☐
	- Other measures concerning energy efficiency	☐
MONITOR	The retailer monitors its energy consumption at global level	☑
	The retailer monitors its energy efficiency	☑
PROGRESS	The retailer provides results showing improvement of its energy efficiency	☑
	<u>Example of effectiveness indicators that can be used to measure this progress:</u> *- kWh energy consumed per square meter of sales area,* *- kWh electricity, gas, fuel, etc. consumed per square meter of sales area,* *- CO2 emissions due to energy consumption per square meter of sales area*	
<u>Top</u>	**RENEWABLE ENERGY PRODUCTION AND USE**	
ACT	The retailer is using renewable energy:	☐
	- Solar panels	☐
	- Photovoltaic panels	☐
	- Wind turbines	☐
	- Geothermal energy	☐
	- Energy for biomass	☐
	- Other	☐
	The retailer buys green electricity	☐
	The green electricity provider implements action to develop renewable energy sources	☐
	- Other measures concerning the production and use of renewable energy	☐
MONITOR	The retailer measures the amount of renewable energy produced	☐
	The retailer measures the amount of green electricity consumed	☐
	The retailer measures the amount of non-renewable energy saved	☐
	The retailer measures the amount of CO_2 emissions saved	☐
PROGRESS	The retailer provides results showing an increase of its production of renewable energy	☐
	<u>Example of effectiveness indicators that can be used to measure this progress:</u> *- Share of renewable energy in overall energy consumption*	

	The retailer provides results showing an increase of its consumption of green electricity	☐
	Example of effectiveness indicators that can be used to measure progress: *- Share of green electricity in overall electricity consumption*	
Top	**GHG EMISSIONS MANAGEMENT (for the retailer's own activities)**	
ACT	The retailer is implementing actions to reduce the carbon footprint of its activity	☐
ACT	- Measures concerning stores operations	☐
ACT	- Measures concerning warehouses operations	☐
ACT	- Measures concerning products' transportation	☐
ACT	- Measures concerning employees' transportation	☐
ACT	- Measures concerning consumers' transportation	☐
ACT	- Other measures	☐
MONITOR	The retailer measures the carbon footprint of its activity at global level	☐
MONITOR	The retailer measures the carbon footprint of its activity with efficiency indicators	☐
PROGRESS	The retailer provides results showing decrease of its carbon footprint (based on a similar scope)	☐
PROGRESS	*Example of effectiveness indicators that can be used to measure this progress:* *- CO_2 emissions (in tonnes) per square meter of sales area* *- CO_2 emissions (in tonnes) per million € of turnover*	
Top	**REFRIGERANT LEAK MANAGEMENT**	
	Installation of automatic refrigerant leak detection systems	☐
	Special requirements for the retailer' maintenance provider	☐
	Use of alternative refrigerant gases, less harmful to the environment	☐
	Other actions to reduce the environmental impact of refrigerant	☐
MONITOR	The retailer monitors its refrigerant leak at global level	☐
MONITOR	The retailer monitors its refrigerant leak with an efficiency indicator	☐
PROGRESS	The retailer provides results showing a decrease of its refrigerant leak	☐
PROGRESS	*Example of effectiveness indicators that can be used to measure this progress:* *- kg of refrigerants used per 1000 square meter of sales area*	
Top	**WATER MANAGEMENT**	
	Installation of automatic water leak detection systems	☐
	Installation of double flush systems	☐
	Installation of other water saving devices	☐
	Installation of a rainwater collection system	☐
	Other actions to reduce the water consumption	☐
MONITOR	The retailer monitors its water consumption at global level	☐
MONITOR	The retailer monitors its water consumption with an efficiency indicator	☐

PROGRESS	The retailer provides results showing a decrease of its water consumption	☐
	Example of effectiveness indicators that can be used to measure this progress: *- cubic meter of water consumed per square meter of sales area*	
Top	**WASTE MANAGEMENT**	
	Selective collection of waste:	☐
	- For paper / cardboard	☐
	- For glass	☐
	- For metals	☐
	- For plastics	☐
	- Other waste	☐
	The retailer is implementing actions to improve its selective collection of waste	☐
	Actions to minimise the amount of waste generated	☐
	Actions to maximise the amount of waste that is recycled or reused	☐
	Actions to improve the treatment of food waste (e.g. anaerobic digestion)	☐
	Actions to minimise the amount of food waste generated by stores	☐
MONITOR	The retailer monitors the amount of waste generated	☐
	The retailer monitors the amount of waste recycled	☐
	The retailer monitors its recycling rates	☐
	The retailer monitors the amount of waste recycled	☐
PROGRESS	The retailer provides results showing a improvement in recycling rates	☐
	The retailer provides results showing a decrease in the amount of waste generated	☐
	The retailer provides results showing an increase in the amount of waste recycled or reused	☐
	Example of effectiveness indicators that can be used to measure this progress: *- average recycling rate* *- recycling rate per type of material* *- percentage of waste recycled or recovered (in opposition to sent to landfill)* *- amount (in tonnes) of waste generated per million € of turnover* *- amount (in tonnes) of waste recycled per million € of turnover* *- amount (in tonnes) of food waste generated per million € of turnover*	
Top	**CONSUMERS' TRANSPORTATION TO STORES**	
ACT	Involvement in the extension of public transports systems	☐
	Development of city stores	☐
	The retailers proposes e-commerce, i.e. on line shopping	☐
	Other actions to reduce the environmental impacts of consumers' transportation to stores	☐
MONITOR	The retailer monitors the environmental impacts of consumers' transportation to stores	☐

PROGRESS	The retailer provides results showing a decrease of the environmental impacts of consumers' transportation to stores	☐
PROGRESS	*Example of effectiveness indicators that can be used to measure this progress:* *- CO_2 emissions (in tonnes) per million € of turnover* *- CO_2 emissions (in tonnes) per consumer* *- Distance travelled by car (in km) per million € of turnover* *- Distance travelled by car (in km) per consumer*	
Top	**PLASTICS BAGS**	
ACT	The retailer does not distribute free disposable plastics bags	☐
ACT	The retailer does not propose disposable plastics bags	☐
ACT	The retailer proposes reusable bags	☐
ACT	The retailer proposes bags made of environmentally friendly material	☐
ACT	Other actions concerning plastics bags	☐
MONITOR	The retailer monitors the number of disposable plastics bags distributed at global level	☐
MONITOR	The retailer monitors the number of disposable plastics bags distributed with efficiency indicators	☐
PROGRESS	The retailer provides results showing a decrease of the number of disposable plastics bags distributed	☐
PROGRESS	*Example of effectiveness indicators that can be used to measure this progress:* *- number of disposable plastics bags distributed per square meter of sales area* *- number of disposable plastics bags distributed per consumer* *- number of disposable plastics bags distributed per million € of turnover*	
Top	**PARTNERSHIPS WITH NGOs, LOCAL AUTHORITIES**	
TYPE	Permanent partnerships with environmental NGOs	☐
TYPE	Temporary partnerships with environmental NGOs	☐
TYPE	Permanent partnerships with local authorities on environmental issues	☐
TYPE	Temporary partnerships with local authorities on environmental issues	☐
COVERAGE	Environmental issues covered by partnerships with NGOs:	
COVERAGE	Environmental issues covered by partnerships with local authorities:	
PROGRESS	As partnerships can have an influence an all environmental actions presented in this reporting table, there is no dedicated indicator to measure progress	
Top	**TRAINING OF EMPLOYEES ON ENVIRONMENTAL ISSUES**	
ACT	Training session are organised on the following issue	☐
ACT	- General information on environmental issues	☐
ACT	- Energy management	☐
ACT	- Production and use of renewable energy	☐
ACT	- Waste management	☐

	- Water management	☐
	- Plastics bags reduction	☐
	Other issues on which employees are trained	☐
COVERAGE	Training sessions on environmental issues have been organised systematically for all employees	☐
	Training sessions on environmental issues have been organised for the management	☐
	Training sessions on environmental issues have been organised for in-store employees	☐
	Training sessions on environmental issues have been organised for dedicated employees	☐
PROGRESS	The number of environmental issues treated in training has increased	☐
	The number of employees trained on environmental issues has increased	☐
	Example of effectiveness indicators that can be used to measure this progress: *- Share of employees trained on environmental issues* *- Number of hour of training on environmental issues per employee per year*	

B. Information campaigns to raise consumers awareness

Top	**COMMUNICATION TO PROMOTE GREEN PRODUCTS**	
TYPE	The retailer implements regular promotion for green products	☐
	The retailer implements specific campaigns to promote green products	☐
	The retailer promotes green products on its website	☐
	The retailer promotes green products in stores (with wobblers...)	☐
	The retailer promotes green products in its magazine	☐
	The retailer promotes green products with other communication tools	☐
COVERAGE	Number of specific promotion campaigns implemented each year	0
	Number of products categories concerned by regular promotion campaigns	0
	Number of products categories concerned by specific promotion campaigns	0
PROGRESS	The number of products categories concerned by regular promotion has increased	☐
	The market share of products categories concerned by regular promotion has increased	☐
	The number of specific promotion campaigns has increased	☐
	The number of products categories concerned by specific promotion campaigns has increased	☐
	The market share of products categories concerned by specific promotion campaigns has increased	☐
	Example of effectiveness indicators that can be used to measure this progress: *Market share of green products*	
Top	**FINANCIAL INCENTIVES FOR GREEN PRODUCTS**	
TYPE	The retailer implements regular financial incentives for green products	☐
	The retailer implements financial incentives for green products during specific campaigns	☐
	Number of specific financial incentives campaigns implemented each year	☐
COVERAGE	Number of products categories concerned by regular financial incentives	0
	Number of products categories concerned by specific financial incentives	0
PROGRESS	The number of products categories concerned by regular financial incentives has increased	☐
	The market share of products categories concerned by regular financial incentives has increased	☐
	The number of specific financial incentives campaigns has increased	☐
	The number of products categories concerned by specific financial incentives campaigns has increased	☐

	The market share of products categories concerned by specific financial incentives campaigns has increased	☐
	Example of effectiveness indicators that can be used to measure this progress: *Market share of green products*	
Top	**CONSUMER INFORMATION ON THE ENVIRONMENTAL IMPACTS OF PRODUCTS**	
TYPE	The retailer informs the consumer about the environmental impacts of products	☐
	The retailer gives advice to consumers to use products in a more sustainable way	☐
	- The retailer provides such information on its website	☐
	- The retailer provides such information directly on products (carbon labelling, packaging sorting instructions...)	☐
	- The retailer provides such information in stores	☐
	- The retailer provides such information with another communication media	☐
MONITOR	Number of products categories concerned	0
PROGRESS	The retailer provides survey results showing an increase of consumers' awareness on environmental impacts of products	☐
	Example of effectiveness indicators that can be used to measure this progress: *Survey results on consumers' awareness of environmental issues*	

C. Green procurement practices for equipment and infrastructures

Top	BUILDING CONSTRUCTION / REFURBISHMENT	
ACT	The retailer is implementing pilot actions on green building	☐
	- Pilot actions on energy efficiency	☐
	- Pilot actions on renewable energy production and use	☐
	- Pilot actions on water management	☐
	- Pilot actions on waste management	☐
	- Pilot actions on refrigerant leak management	☐
	- Other pilot actions	☐
FORMALISE	The retailer has developed a formalised policy for green building	☐
	- The policy targets energy efficiency	☐
	- The policy targets renewable energy production and use	☐
	- The policy targets water management	☐
	- The policy targets waste management	☐
	-The policy targets refrigerant leak management	☐
	- Other areas are covered by the policy	☐
COVERAGE	Is the policy implemented relying on an official or normative approach of green building such as HQE - Haute Qualité Environnementale - High Environmental Quality - in France or the BREAM - Building Research Establishment Assessment Method in UK)	
	Is the policy implemented systematically?	☐
MONITOR	The retailer monitors the efficiency of pilot actions implemented	☐
	The retailer monitors the efficiency of the implementation of the policy	☐
PROGRESS	The number of pilot actions has increased	☐
	The number of stores build/refurnished according to the policy has increased	☐
	Example of effectiveness indicators that can be used to measure this progress: *Number of green stores built in comparison to the number of stores*	
	The efficiency of every experimentation has increased	☐
	The efficiency of the actions implemented according to the policy has increased	☐
	Example of effectiveness indicators that can be used to measure this progress: *For every area covered, see part A for efficiency indicators*	
Top	GREEN PROCUREMENT FOR PRODUCTS USED IN STORES / OFFICES	
ACT	The retailer is implementing pilot actions for paper products	☐
	The retailer is implementing pilot actions for cleaning products	☐
	The retailer is implementing pilot actions for IT equipments	☐

	The retailer is implementing pilot actions for green procurement for other products categories	☐
FORMALISE	The retailer has developed a formalised policy for green procurement for paper products	☐
	The retailer has developed a formalised policy for green procurement for cleaning products	☐
	The retailer has developed a formalised policy for green procurement for IT equipments	☐
	The retailer has developed a formalised policy for green procurement for other products categories	☐
COVERAGE	Number of products categories covered by experimentation	0
	Number of products categories covered by the policy	0
	Is the policy implemented relying on official or normative requirements for green products (official Ecolabels, etc.)	☐
	Are the environmental criteria based on official Ecolabels requirements?	☐
	Are the environmental criteria stricter than official Ecolabels requirements?	☐
PROGRESS	The number of products categories covered by experimentation has increased	☐
	The number of products categories covered by the policy has increased	☐
	Example of effectiveness indicators that can be used to measure this progress: *Percentage of product categories covered by green procurement in comparison to the overall product procurement*	
	Green procurement has increased	☐
	Example of effectiveness indicators that can be used to measure this progress: *Economic value of green procurement in comparison to overall procurement*	

D. Actions to improve the environmental performance of products

Top	PRODUCTS ECO-DESIGN	
ACT	The retailer implements actions to reduce the environmental impacts of products' packaging	☐
	The retailer implements actions to identify the hotspots of products (diagnostic)	☐
	The retailer eco-designs its products (using an LCA approach)	☐
	The retailer is using blacklists to improve the environmental impacts of products (i.e. certain substances are prohibited in products)	☐
	The retailer implements choice editing to ban products having high environmental impacts	☐
	The retailer implements action to reduce food waste (optimisation of portions sizes, etc.)	☐
MONITOR	The retailer monitors environmental benefits linked with actions on products' packaging	☐
	The retailer monitors environmental benefits linked with actions to identify the hotspots of products (diagnostic)	☐
	The retailer monitors environmental benefits linked with products' eco-design	☐
	The retailer monitors environmental benefits linked with the use of black-lists	☐
	The retailer monitors environmental benefits linked with choice editing	☐
PROGRESS	The number of products concerned by packaging improvement has increased	☐
	The number of products categories for whom hotspots have been identified has increased	☐
	The number of products categories eco-designed has increased	☐
	The number of products categories covered by black-lists has increased	☐
	The number of products categories concerned by choice editing has increased	☐
Top	EU-ECOLABELLED PRODUCTS	
ACT	The following products categories bearing the EU-Ecolabel are available in retailer's assortment:	
	- All-purpose & sanitary cleaners	☐
	- Indoor paints / varnishes	☐
	- Hand dishwashing detergents	☐
	- Laundry detergents	☐
	- Dishwashing Detergents	☐
	- Lubricants	☐
	- Soaps and shampoos	☐

	- Light bulbs	☐
MONITOR	Number of products bearing the EU-Ecolabel	☐
	The retailer measures the market share of products bearing the EU-Ecolabel	☐
PROGRESS	The number of products categories bearing the EU-Ecolabel has increased	☐
	The number of products bearing the EU-Ecolabel has increased	☐
	The ratio number of products bearing the EU-Ecolabel / number of standard products has increased	☐
	The retailer's market share of products bearing the EU-Ecolabel has increased	☐
Top	**OTHER OFFICIAL ECOLABEL (Blue Angel, NF Environment, etc.)**	
ACT	What are the official Ecolabels available in the retailer assortment (EU-Ecolabel excluded)?	
	The following product categories bearing other official Ecolabel are available in retailer's assortment:	☐
	- To be defined	☐
	- To be defined	☐
	- To be defined	☐
	- To be defined	☐
	- To be defined	☐
	- To be defined	☐
	- To be defined	☐
	- To be defined	☐
	- To be defined	☐
	- To be defined	☐
MONITOR	Number of products bearing the Ecolabel	0
	The retailer measures the market share of products categories bearing the Ecolabel	☐
PROGRESS	The number of products categories bearing the Ecolabel has increased	☐
	The number of products bearing the Ecolabel has increased	☐
	The ratio number of products bearing the Ecolabel / number of standard products has increased	☐
	The retailer's market share of products bearing the Ecolabel has increased	☐
Top	**ORGANIC FOOD PRODUCTS**	
ACT	For the following products categories, organic food products are in retailer's assortment:	☐
	- Fruits and vegetables	☐
	- Dairy products	☐
	- Eggs	☐
	- Pasta, rice, cereals	☐

	- Oil	☐
	- Meat	☐
	- Bread	☐
	- Fruit juice	☐
	- Coffee, the, herbal tea	☐
	- Soya based products	☐
MONITOR	Number of organic food products categories available	0
	The retailer measures the market share of organic food products	☐
PROGRESS	The number of organic food products categories has increased	☐
	The number of organic food products has increased	☐
	The ratio number of organic products / number of standard products has increased	☐
	The retailer's market share of organic food products has increased	☐
Top	**TEXTILE PRODUCTS**	
ACT	Textile products bearing the Öko-Tex label are available	☐
	Textile products bearing the EU-Ecolabel are available	☐
	Textile products containing transitional cotton are available	☐
	Textile products containing a part of organic fibres are available	☐
	Textile products containing 100% of organic fibres are available	☐
	Textile made of more environmentally friendly fibres are available	☐
	Textile products containing fair trade cotton are available	☐
	Footwear products bearing the EU-Ecolabel are available	☐
	The retailer is engaged in actions to support the development of organic cotton	☐
MONITOR	Number of products categories bearing the Öko-Tex label	0
	The retailer measures the market share of products bearing the Öko-Tex label	☐
	Number of products categories bearing the EU-Ecolabel	0
	The retailer measures the market share of products bearing the EU-Ecolabel	☐
	Number of products categories containing organic fibres	0
	The retailer measures the market share of products containing organic fibres	☐
	Number of products categories containing more environmentally friendly fibres	0
	The retailer measures the market share of products containing environmentally friendly fibres	☐
	Number of products categories containing fair trade cotton	0
	The retailer measures the market share of products containing fair trade cotton	☐
PROGRESS	The number of textile products bearing the Öko-Tex label has increased	☐
	The ratio number of products bearing the Öko-Tex label / number of standard products has increased	☐

	The retailer's market share of textile products bearing the Öko-Tex label has increased	☐
	The number of textile products bearing the EU-Ecolabel has increased	☐
	The ratio number of textile products bearing the EU-Ecolabel / number of standard products has increased	☐
	The retailer's market share of textile products bearing the EU-Ecolabel has increased	☐
	The number of textile products containing organic fibres has increased	☐
	The ratio number of products containing organic fibres / number of standard products has increased	☐
	The retailer's market share of textile products containing fibres cotton has increased	☐
	The number of textile products containing environmentally friendly fibres has increased	☐
	The ratio number of products containing more environmentally friendly fibres / number of standard products has increased	☐
	The retailer's market share of textile products containing environmentally friendly fibres has increased	☐
	The number of textile products containing fair trade cotton has increased	☐
	The ratio number of products containing fair trade cotton / number of standard products has increased	☐
	The retailer's market share of textile products containing fair trade cotton has increased	☐
Top	**WOOD PRODUCTS**	
ACT	The following products categories bearing the FSC or PEFC label, or sourced from sustainable managed forest are available in retailer's assortment:	☐
	- Garden furniture	☐
	- Paper	☐
	- Toilet paper	☐
	- Kitchen roll	☐
	- Other	☐
	The following products categories containing recycled fibres are available in retailer's assortment:	☐
	- Paper	☐
	- Toilet paper	☐
	- Kitchen roll	☐
	- Other	☐
	The following products categories bearing the EU-Ecolabel are available in retailer's assortment:	☐
	- Copying paper	☐
	- Tissue paper	☐

	The retailer has engaged actions to support the development of sustainable managed forest	☐
MONITOR	Number of products categories bearing the FSC or PEFC label, or sourced for sustainable managed forest	0
	The retailer measure the market share of products categories bearing the FSC or PEFC label, or sourced from sustainable managed forest	☐
	Number of products categories containing recycled fibres	0
	The retailer measure the market share of products categories containing recycled fibres	☐
PROGRESS	The number of products categories bearing the FSC or PEFC label, or sourced from sustainable managed forest has increased	☐
	The ratio number of products bearing the FSC or PEFC label, or sourced from sustainable managed forest / number of standard products has increased	☐
	The retailer's market share of products bearing the FSC or PEFC label, or sourced from sustainable managed forest has increased	☐
	The number of products categories containing recycled fibres has increased	☐
	The ratio number of products containing recycled fibres / number of standard products has increased	☐
	The retailer's market share of products containing recycled fibres has increased	☐
Top	**FISH PRODUCTS**	
ACT	The following type of fish bearing the MSC label or source from sustainable fisheries are available in retailer's assortment:	☐
	- To be defined	☐
	- To be defined	☐
	- To be defined	☐
	- To be defined	☐
	- To be defined	☐
	The following endangered fish species are available in retailer's assortment:	☐
	- American plaice	☐
	- Blue fin tuna	☐
	- Cod fish	☐
	- Cutlass fish	☐
	- Halibut	☐
	- Hoki	☐
	- Orange roughy	☐
	- Plaice	☐
	- Skate	☐
	- Tilefish	☐
	- Whiting	☐

	- Wild salmon	☐
MONITOR	Number of fish species bearing the MSC label or source for sustainable fisheries available	0
	The retailer measures the market share of sustainable fish products	☐
	Number of endangered fish species available	0
	The retailer measures the market share of endangered fish species	☐
PROGRESS	The number of fish species bearing the MSC label or source for sustainable fisheries has increased	☐
	The retailer's market share of fish species bearing the MSC label or source for sustainable fisheries has increased	☐
	The number of endangered fish species has decreased	☐
	The retailer's market share of endangered fish species has decreased	☐
Top	**ENERGY USING PRODUCTS**	
ACT	For the following products categories, products bearing the A, A+ or A++ energy label are available:	☐
	- Fridge	☐
	- Freezer	☐
	- Washing machine	☐
	- Dryer	☐
	- Dish washer	☐
	- Oven	☐
	- Air conditioner	☐
	- Light bulbs	☐
	For the following products categories, products bearing Energy Star label are available:	☐
	- Computer	☐
	- Printer	☐
	- Television	☐
	- Other	☐
	Television bearing the EU-Ecolabel are available:	☐
MONITOR	Number of products categories bearing the A, A+ or A++ energy label	0
	The retailer measure the market share of products bearing the A, A+ or A++ energy label	☐
	Number of products categories bearing the Energy Star label	0
	The retailer measure the market share of products bearing the Energy Star label	☐
	Number of televisions bearing the EU-Ecolabel	0
	The retailer measure the market share of products bearing the EU-Ecolabel	☐

PROGRESS	The number of products categories bearing the A, A+ or A++ energy label has increased	☐
	The ratio number of products bearing the A, A+ or A++ energy label / number of standard products has increased	☐
	The retailer's market share of products bearing the A, A+ or A++ energy label has increased	☐
	The number of products categories bearing the Energy Star label has increased	☐
	The ratio number of products bearing the energy star label / number of standard products has increased	☐
	The retailer's market share of products bearing the Energy Star label has increased	☐
	The number of products categories bearing the EU-Ecolabel has increased	☐
	The ratio number of products bearing the EU-Ecolabel / number of standard products has increased	☐
	The retailer's market share of products bearing the EU-Ecolabel has increased	☐
Top	**FRUITS AND VEGETABLES**	
ACT	For the following seasonal fruits and vegetables, products sources locally are available (i.e. sourced in the country where the store is located)	☐
	- Apricots	☐
	- Beans	☐
	- Cauliflowers	☐
	- Cherries	☐
	- Cucumber	☐
	- Eggplants	☐
	- Melons	☐
	- Peaches	☐
	- Raspberries	☐
	- Tomatoes	☐
	Information about the sourcing of fruit and vegetable is provided for some products	☐
	Information about the sourcing of fruit and vegetable is provided for systematically	☐
	Information about air freight transportation is provided for some products	☐
	Information about air freight transportation is provided systematically	☐
	Information about greenhouse production is provided for some products	☐
	Information about greenhouse production is provided systematically	☐
MONITOR	Share of seasonable fruit and vegetable sourced locally	0%
	The retailer monitors the market share of seasonable fruit and vegetable sourced locally	☐
	Share of fruit and vegetable transported by air freight	0%

	The retailer monitors the market share of fruit and vegetable transported by air freight	☐
	Share of fruit and vegetable produced in greenhouse	0%
	The retailer monitors the market share of fruit and vegetable produced in greenhouse	☐
PROGRESS	The share of seasonable fruit and vegetable sourced locally has increased	☐
	The retailer monitors the market share of seasonable fruit and vegetable sourced locally	☐
	The share of fruit and vegetable transported by air freight has decreased	☐
	The retailer's market share of fruit and vegetable transported by air freight has decreased	☐
	The share of fruit and vegetable produced in greenhouse has decreased	☐
	The retailer's market share of fruit and vegetable produced in greenhouse has decreased	☐
Top	**FAIR TRADE PRODUCTS**	
ACT	The following products categories bearing a Fair Trade label are available in retailer's assortment:	☐
	- Coffee, Tea, Herbal Tea	☐
	- Chocolate	☐
	- Fruit juices	☐
	- To be defined	☐
	- To be defined	☐
	- To be defined	☐
	- To be defined	☐
	- To be defined	☐
	- To be defined	☐
	- To be defined	☐
MONITOR	Number of products categories bearing a Fair Trade label	0
	The retailer measures the market share of products categories bearing a Fair Trade label	☐
PROGRESS	The number of products categories bearing a Fair Trade label has increased	☐
	The number of products bearing a Fair Trade label has increased	☐
	The ratio number of products bearing a Fair Trade label / number of standard products has increased	☐
	The retailer's market share of products bearing a Fair Trade label has increased	☐

E. Measures for greening the supply chain

Top	ACTIONS CONCERNING PRODUCTS' SUPPLIERS	
ACT	Suppliers are invited to follow a code of conduct/set of environmental requirements (concerning environmental management and not products)	☐
	The suppliers have to comply with a set of environmental requirements	☐
	The retailer conducts audits to check compliance with a set of environmental requirements	☐
	The retailer draws up action plans with his suppliers to go further than the set of environmental requirements	☐
	The retailer requires an environmental certification for its suppliers (ISO 14001, EMAS…)	☐
	The retailer implements actions to raise suppliers awareness on environmental issues	☐
	The retailer implements actions to raise suppliers awareness on environmental management	☐
MONITOR	Number of suppliers audited every year	0
	Number of suppliers audited that are compliant with a set of environmental requirements	0
	Number of suppliers concerned by awareness raising on environmental issues or environmental management	0
PROGRESS	The share of suppliers audited has increased	☐
	The share of suppliers compliant with the set of environmental requirements has increased	☐
	The share of suppliers concerned by awareness raising on environmental issues or environmental management has increased	☐
	Example of effectiveness indicators that can be used to measure this progress: *- Share of suppliers audited every year among all suppliers* *- Share of audited suppliers that respect the requirements among all suppliers audited*	
Top	ACTIONS CONCERNING PRODUCTS' TRANSPORTATION	
ACT	Actions to optimise road transportation:	☐
	- Maximisation of filling rates	☐
	- Minimisation of empty returns	☐
	- Diminution of distances	☐
	- Training of drivers to more environmentally driving	☐
	- Environmental requirements for the procurement of vehicles	☐
	- Use of more environmentally friendly vehicles (electrical vehicles)	☐
	- Use of more environmentally friendly fuels	☐
	Other actions to optimise road transportation	☐
	Actions to develop alternative means of transport to road	☐
	- Actions to reduce air freight transportation	☐

	- Actions to develop sea or river transportation	☐
	- Actions to develop rail transportation	☐
	Other actions to develop alternative means of transport to road	☐
MONITOR	The retailer monitors the environmental impacts of products' transportation	☐
	The retailer monitors the environmental impacts of products' transportation per means of transport	☐
PROGRESS	The retailer provides results showing an improvement of road transportation	☐
	The retailer provides results showing a decrease in environmental impacts of products transportation	☐
	Example of effectiveness indicators that can be used to measure this progress: *- average filling rate of trucks* *- fuel consumption per cubic meter of products transported* *- CO_2 emissions per cubic meter of product transported* *- CO_2 emissions per million € of turnover* - *share of products that have been transported by a more ecological mean of transportation than road*	
Top	**ACTIONS CONCERNING TRANSPORTATION PACKAGING**	
ACT	Use of reusable transportation packaging	☐
	Other actions to reduce the amount of transportation packaging used	☐
MONITOR	The retailer monitors the amount of packaging used for product transportation at global level	☐
	The retailer monitors the amount of packaging used for product transportation with an efficiency indicator	☐
PROGRESS	The retailer provides results showing decrease of the amount of transportation packaging used	☐
	Example of effectiveness indicators that can be used to measure this progress: *- kg of transportation packaging waste per square meter of sales area* *- kg of transportation packaging waste per cubic meter of products* *- kg of transportation packaging waste per million € of turnover*	

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APPENDIX 1– RETAILERS' FACT SHEETS

TOWARD A GREENER RETAIL SECTOR - APPENDIX 1 – RETAILERS' FACT SHEET

This appendix contains 11 fact sheets, corresponding to the following retailers, that agree for the publication of their fact sheet (presented alphabetically):

- CARREFOUR
- Coop
- C&A
- DELHAIZE
- El Corte Inglés
- H&M
- IKEA
- INDITEX
- METRO
- MERCADONA
- REWE GROUP

Fact Sheet 1- CARREFOUR

Study « Towards a greener retail sector »

Last update: 30/09/2008

CARREFOUR	groupecarrefour

1. CONTACT DETAILS

NAME:	Paul Rowsome
POSITION/DEPARTMENT:	Environmental Manager for the Group
TELEPHONE:	-
E-MAIL:	-

2. RETAILER' IDENTIFICATION

LOCATION OF HEADQUARTERS:	Levallois-Perret (92300), France	
TOTAL NUMBER OF EMPLOYEES:	**WORLDWIDE:** 490 042	**EU:** 307 703
TOTAL NUMBER OF STORES:	**WORLDWIDE**: 14 991	**EU:** 12 532
TOTAL TURNOVER IN 2007:	**WORLDWIDE:** €102,442 billion	**EU:** €80,845 billion (excluding franchises in Belgium)
NUMBER OF EU COUNTRIES COVERED:	10 **/ 27**	

LIST OF EU COUNTRIES COVERED:

(grey concerned cells)

Austria	Finland	Latvia	Romania
Belgium	France	Lithuania	Slovakia
Bulgaria	Germany	Luxembourg	Slovenia
Cyprus	Greece	Malta	Spain
Czech Republic	Hungary	The Netherlands	Sweden
Denmark	Ireland	Poland	UK
Estonia	Italy	Portugal	

TYPE OF STORES:

(grey concerned cells)

Supermarkets	Discount stores	Convenience stores
Hypermarkets	Online stores	Specialised (fashion, DYI…) shops
Franchise / associated stores	Department stores	Other (precise)

TYPE OF PRODUCTS/SERVICES SOLD:

(grey concerned cells)

Fresh food	Clothes	DIY products	Other (insurance, entertainment)
Grocery	Home products (furniture, decoration)	Electrical and electronic products	

3. DESCRIPTION OF THE RETAILER' GREEN STRATEGY

"The Carrefour Group has long been committed to keeping human welfare and environmental protection its key priorities while developing its operations. Sustainable development is an integral part of our corporate culture, and it does not hinder our economic performance but rather helps us identify opportunities for development, reduce costs and better anticipate and manage risk. It will generate future growth and create value for our Group and all our stakeholders. It is also a guarantee of our continuity." "The Group has long been working to minimize its impact on natural environment and biodiversity, both as a socially responsible practice and to ensure the long-term continuity of its operations. The products the Group markets use resources that must be protected."

NB: the results presented in this fact sheet are valid for Carrefour stores, in France. The kind and extent of green initiatives presented may differ according to the country of operation (e.g. differences in the availability of green products, depending on the context maturity of each market), and the kind of store (hypermarket, supermarket…).

4. SYNTHESIS OF THE GREEN ACTIONS IMPLEMENTED BY THE RETAILER

Promoting the purchase of green products:

Many different kinds of green products are available in Carrefour stores (information on the way these are displayed comes from the store visit conducted in August 2008 in Carrefour Bercy, France):
- Seasonal fresh food is available from France, as the store visit showed, for 9 out of the list of 10 food products under study. Information about the sourcing of fruit and vegetable was systematically given to consumers. No information was given on air freight transportation.
- Carrefour sells a wide range of organic products from its brand and other brands. Organic products were displayed in a dedicated area and among other products.
- Carrefour sells MSC-labelled fish products. But Carrefour also sells most of the endangered fish species. Carrefour has stopped selling Bluefin Tuna in Spain and Italy and has dramatically reduced sales in France.
- EU-Ecolabelled products are available among own-brand and/or other brand products, for the following products categories: all purpose cleaners, hand dishwashing detergents, tissue paper, laundry detergent, detergent for dishwasher, televisions, paints.
- NF-Environnement labelled products are available for own-brand and/or other brand products, for the following products categories : notebooks, garbage bags, cat litter, envelopes and coffee filters.
- Charcoal and paper bearing FSC label are available among own-brand products. Recycled paper is available.
- Some organic cotton garments are available among own-brand products.
- Organic cosmetic products are widely available among own-brand and other brand products (all types of cosmetic products categories are available).
- It was observed during the store visit that energy using appliances sold were mostly bearing A or A+ label. IT Energy star and EU-Ecolabelled TVs were available.
- Green products were often displayed at eyes level when displayed among other products.
- No financial incentives were implemented to promote green products (at the time of the visit), some banners were installed in the organic corner and the green detergents corner.

Carrefour has own brands for greener products: Carrefour bio (organic products), Eco planète (non-food + fish products), Carrefour Quality lines (food products with some sustainable requirements).
Communication / promotion of green products are implemented during specific campaigns. These campaigns are organised during favourable events: during the sustainable development week, for the World Environment Day, during the Ecolabel week, during the Fair Trade week... or during favourable times of the year: awareness-raising events about sustainable wood in Spring, when garden furniture is displayed...

Encouraging measures to effectively green supply chain:

Carrefour provides a "self-assessment on sustainable development" toolkit to its suppliers. This toolkit allows suppliers to assess their own environmental performance.
Carrefour has conducted several LCAs since 2003 (for disposable plastics bags, catalogues, ready to sell packaging, food and non-food products).
Carrefour raises awareness among own-brand-product suppliers to promote environmental considerations in the design and production of their products. Specific environmental sourcing strategies are being developed and applied to tropical timber products, marine resources, and products containing palm oil or soy.
In Spain and Italy: bluefin tuna is not sold anymore in Carrefour stores. In France, actions have been implemented to decrease sales of bluefin tuna (the social impact of this activity is too important in France to ban it from the shelves).
Teak wood sales have been stopped in France (because no FSC label is available for teak wood).
GMOs have been banned from Carrefour brand products.
The greenhouse gases emissions of products transportation from Carrefour warehouses to Carrefour stores are monitored.
Carrefour implements actions to group suppliers deliveries (to optimise the load rate of trucks), and to minimise empty returns of trucks. Alternative transportation means (river or rail transportation…) are implemented when available.
Carrefour is also deploying the use of reusable plastic crates for the transport of fresh goods. These help to reduce cardboard packaging and packaging waste.

Improving retailer' own environmental performances:

Carrefour monitors its energy consumption, water consumption, refrigerant leak at global level and per square metre of sales area.

Between 2003 and 2006 the energy consumption per square metre of sales area was reduced by 9,5%. And between 2006 and 2007 the overall reduction at group was of 5% (in kWh/sq. m of sales area). Carrefour has committed to reduce the Group's energy consumption by 20% by 2020 (compared to 2004 consumption levels).

In 2007, 449,172 tonnes of waste were recycled thanks to the implementation of waste sorting and recycling at Group stores.

Since 2003 Carrefour proposes an alternative to disposable checkout bags and in many countries the Group has stopped offering free disposable checkout bags.

Better informing consumers:

In 2007, 240,000 booklets on sustainable shopping distributed in stores by WWF volunteers during the Sustainable development week.

Consumer awareness-raising information on Carrefour website: www.carrefour.fr

Carrefour gives advice to consumers for an ecological "Back to school" on its website: http://www.carrefour.fr/etmoi/developpement_durable/

Carrefour is against systematic environmental labelling of products because Carrefour considers that it is an inappropriate usage of limited resources and that it can be misleading for the consumer (especially if only one impact category is assessed, as for carbon footprint, or if the whole life cycle of products is not taken into account.) The cost to implement systematic environmental labelling on all products is very significant. Furthermore it is not sure that the majority of consumers are ready to review and use such information in their purchase decisions. Carrefour believes a more cost effective approach is to work with suppliers on driving environmental improvements on the basis of publicly available LCA or similar studies (e.g. ecolabel criteria) and on providing consumers with appropriate information to help them use and dispose of products in a more environmentally friendlier manner.

4.1. Market analysis of green products

This market analysis is based on literature survey, interview with Carrefour and an in-store visit in Carrefour Bercy, Paris, conducted in August 2008. The list of products and products categories could be non-exhaustive, and also, on the contrary, may represent a high number in terms of green products availability, as it is likely that a smaller store will have a less wide offer.

TYPE	List of products / categories of products available in stores	Number of products available in stores	Market share of green products in this segment	Positioning of green products on the shelves (based on Carrefour Bercy, France, store visit)
EU ECOLABELED PRODUCTS	- All-purpose & sanitary cleaners - Hand dishwashing detergents - Tissue paper - Laundry detergent - Dishwashing detergent - Televisions - Paints	72 HPC products (Home, Personal Care and Cosmetic) and non-food products bearing an ecological label (Ecolabel or MSC, FSC…) in 2007 (for the Group)	No data available on market share 10.4 million euros of purchase amount for EU Eco-labelled products in 2007 (for the Group)	EU-Ecolabelled products are displayed in a dedicated area and among other products (when displayed among other products EU-Ecolabelled products are often displayed at eyes level) Dedicated area for green detergents: 
NF-ENVIRONNMENT LABELLED PRODUCTS	- Notebooks - Paper - Garbage bags - Cat litter - Coffee filters	No data available	No data available on market share	NF-Environnement labelled products are displayed among other products.
ORGANIC FOOD	- Fruit and vegetables - Milk - Cheese - Other dairy products - Eggs - Pasta, rice, cereals - Oil - Other grocery products - Poultry - Beef - Pork, lamb, delicatessen - Fish - Bread - Fruit juice - Wine - Other drinks - Coffee, tea, herbal tea - Soya based products - Biscuits - Breakfast products - Dietary supplement - Baby food	1276 own-brand organic products in 11 countries in 2007 (for the Group)	142 million euros of purchase amount for organic products in 2007 (for the Group)	Organic food products are displayed in a dedicated area and among other products. Green corner for organic food products: "le marché bio": 

TYPE	List of products / categories of products available in stores	Number of products available in stores	Market share of green products in this segment	Positioning of green products on the shelves
ORGANIC TEXTILE	- Pyjamas for women - Pyjamas for baby - Bed sheets	1 item is available in different colours for each product category	No data available	Organic textile products are displayed among other products.
ORGANIC COSMECTI CS	- Soap and shampoo - Hand , body moisturiser, sunscreen - Baby products	No data available	No data available	Organic cosmetic products are displayed among other products and in dedicated areas.
wood from sustainable forestry	- Charcoal - Recycled paper - Garden furniture (garden furniture was not displayed in store because summer season was over)	No data available	No data available	Sustainable wooden-based products are displayed among other products.
MSC PRODUCTS	MSC-labelled fish is available (smoked salmon, Pollock…)	No data available	No data available	Sustainable fish products are displayed among other products.
ENERGY LABELED PRODUCTS	A++ and A+ labelled products are available among the following products categories: - Fridge - Freezer - Washing machine - Dryer - Dishwasher - Oven - Cooking range	Distribution of energy using products according to their energy efficiency: A++: 0% A+: 18% A: 67% B: 5% C: 8% D: 1% E: 0% F: 0% G: 0% (based on store visit)	No data available	A+ and A labelled products are displayed among other products
ENERGY STAR LABELLED PRODUCTS	Products bearing the Energy Star label are available in the following products categories: - Television - Computer - Printer	2 televisions 3 computers 2 printers (based on store visit)	No data available	Energy Star labelled products are displayed among other products

RETAILER' OWN LABEL PRODUCTS	- "Agir BIO": organic food products, sustainable wood products, fair trade products, sustainable fish products…) - "Eco-Planète": ecological detergents, sustainable fish products… - Carrefour Quality line: products meet specifications regarding environmental preservation: "A preserved environment through the control of environmental impacts (fertilization, crop rotation, animal welfare, extensive production and preservation of natural resources)".	398 Carrefour Quality lines (CGL)products (for the Group) in 14 countries in 2007	744 millions euros of purchase amount for CQL in 2007 (for the Group)	Agir BIO and Eco-Planète labelled products are displayed among other products

4.2. Description of the actions implemented to promote green products

Type of action	Details about the implementation by the retailer
Preference given to local seasonal food	It was observed during the store visit that 9 seasonal products out of the 10 selected on the list were sourced in France. Information about fruits and vegetables origin is systematically provided to the consumers. Exotic products transported by air are available in store.
Implementation of financial incentives to promote green products	Carrefour doesn't have a special policy to implement financial incentives to promote green products. But promotion campaigns of green products with financial incentives are organised about 6 times a year, during favourable events.
Cost of green products compared to the price of their standards counterparts	Carrefour doesn't have a special policy for green products prices: the selling price is fixed according to the purchase price. The in-store visit showed that organic food products were more expensive than their standard counterparts, and the same goes for ecological detergents. Organic textile products prices were equivalent to standard textile products.
Specific promotion/communication/activities/ campaigns are implemented to promote green products	Communication / promotion of green products are implemented during specific campaigns. These campaigns are organised during favourable events: during the sustainable development week, for the World Environment Day, during the Ecolabel week, during the Fair Trade week... or during favourable times of the year: awareness-raising events about sustainable wood in Spring, when garden furniture is displayed... Specific catalogues are edited, containing special offers for green products (e.g. buy 2 get one for free...). On Carrefour French website, an easy-to-find page is promoting organic products of the brand "Carrefour Agir". However, information on the Eco-planete brand is more difficult to find. Carrefour supports the European Commission campaign on energy saving light bulbs. With instore shelf stoppers and posters.
Other (precise)	

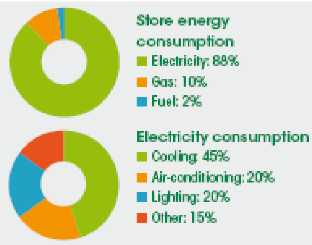
4.3. Description of actions implemented to greening supply chain

NB: Actions are implemented with suppliers mainly for Carrefour own-brand products, for which the Group is responsible.

Type of action	Details about the implementation by the retailer
Products related initiatives	
Reduce impact of packaging waste	Carrefour elaborated a packaging guidelines best practice document which has recently been updated and translated into the 3 Group languages (French, Spanish and English) and shared throughout the Group. These packaging guidelines include environmental lifecycle thinking and packaging optimisation. Since 1997 Carrefour France has saved over 14000 tonnes of packaging following packaging reduction to a number of product lines. Some Carrefour Agir BIO products packaging are made out of recycled and/or renewable materials and use vegetal inks for printing. Actions are implemented mainly for Carrefour own-brand products for which the Group is responsible. The amount of recycled packaging waste is monitored: in tonnes per year and in tonnes per year per square meter of sales area.
Eco-design products	Carrefour has conducted several LCAs since 2003 (for disposable plastics bags, catalogues, ready to sell packaging, own-brand non-food and food products). The LCAs that have been conducted by the Group lead to recommendations to improve the environmental performance in the supply chain which Carrefour acts upon. Carrefour raises awareness among own-brand-product suppliers to promote environmental considerations in the design and production of their products. Eco-design is discussed with suppliers through the self assessment toolkit, but the eco-design of product is not implemented systematically for all Carrefour brand products. Carrefour is using publicly available LCA results to integrate environmental criteria in its products specifications. For textiles products, several Ecolabel and Öko-tex criteria are integrated in Carrefour specifications. Specific environmental sourcing strategies are being developed and applied to tropical timber products, marine resources, and products containing palm oil or soy
Reduce carbon/environmental footprint of supply chain	Carrefour participates in the Carbon Disclosure Project CDP. The aim of this project is for each participant, to raise awareness on climate change and energy efficiency in the supply chain and promote the identification of opportunities and risks generated by climate change on supplier activities, and to promote the identification of actions to take to reduce greenhouse gas emissions and to adapt to climate change. Carrefour has asked all its own-brand food suppliers for France to participate to the information request. The information request has been sent out to around 500 supplier sites. Carrefour has raised awareness of these suppliers on climate change and greenhouse gas emissions and shares with them its own response to the investor sponsored Carbon Disclosure Project information request.
Ban products having high environmental impacts	In Spain and Italy: bluefin tuna is not sold anymore in Carrefour stores. In France, actions have been implemented to decrease sales of bluefin tuna (the social impact of this activity is too important in France to ban it from the shelves). Teak wood sales have been stopped in France (because no FSC label is available for teak wood). Carrefour applied the precautionary principle since 1996 in offering its customers an alternative through its own-brand products without GMOs.
Initiatives targeting suppliers	

Implement specific actions targeting suppliers. Are the results measured?	Actions are implemented with suppliers mainly for Carrefour-brand products. Carrefour provides a "self-assessment on sustainable development" toolkit to its suppliers. This toolkit allows suppliers to assess their own environmental performance. 212 suppliers completed self-assessments in 2007. All the areas of Sustainable Development are covered in the toolkit. For each criterion, the supplier gets a mark from 1 to 4. This toolkit has been designed to be pedagogic since it gives indications to help suppliers in improving their environmental performance. Supplier site visits are conducted by Carrefour to assess this self-evaluation and provide advice for improvement.
Initiatives targeting transport / logistics	
Implement specific actions to reduce environmental impacts of logistic/transport. Are the results measured?	The greenhouse gases emissions of transport are monitored: the amount of GHG released by the transportation of products from Carrefour warehouses to Carrefour stores are monitored, in tonnes of CO_2e and in kg of CO_2e per transport unit (a transport unit is a pallet). Actions are implemented by Carrefour to group suppliers deliveries (to optimise the load rate of trucks), and to minimise empty returns of trucks. Alternative transportation means (river or rail transportation…) are implemented when available. Most imported products are transported by boat up to the French harbours. 35% of products have been transported by river transport from French harbours in 2007. Carrefour is deploying the use of reusable plastic crates for the transport of fresh goods. These help to reduce cardboard packaging and packaging waste.
Monitor the tonne-kilometres of products transported each year by rail, road, sea and air.	The information on the weight transported is not available. Transportation is measured in terms of transport unit (i.e. a pallet).
Other (precise)	

4.4. Description of actions implemented to reduce retailer' own environmental performance

Type of action	Details about the implementation by the retailer
Environmental management in stores	
Waste	In 2007, 449,172 tonnes of waste were recycled thanks to the implementation of waste sorting and recycling at Group stores. Cardboard and plastic are sorted in stores, collected and then recycled by service providers. In some cases waste from smaller stores is collected by local authorities. In this case there is no reporting on the quantities of waste collected. Recycled cardboard makes up the majority (by weight) of recycled waste. Other store generated wastes sorted, collected and recycled include metal, fluorescent tube lighting and ink cartridges. Stores also collect WEEE and batteries from customers for recycling.
Energy consumption	Since 2002 Carrefour reports on store energy consumption and since 2007 the Group also reports associated greenhouse gas emissions: - Energy consumption (in kWh/sq. m of sales area) - Energy consumption (electricity, gas, fuel) (in GWh) - CO_2 emissions generated by fuel, gas and electricity consumption (in millions of tonnes of CO_2 e) Carbon footprint assessments have been made at hypermarkets, supermarkets, convenience stores and warehouses following the French ADEME method Bilan Carbone. Carrefour has committed to reduce the Group's energy consumption by 20% by 2020 (compared to 2004 consumption levels). The energy consumption for Carrefour stores is distributed as follows:  Carrefour is deploying a number of actions to reduce store energy consumption, including energy saving lighting, energy management systems and closed freezer cabinets. It also has an innovative performance orientated contract in France with Schneider Electric to reduce stores energy consumption (16 stores under contract). The objective of this contract is to reduce overall stores consumption between 10% and 15%. Between 2004 and 2007 Carrefour France Hypermarkets reduced their energy consumption by 20%. At a Group level for the same period energy consumption was reduced by 9,2%. And between 2006 and 2007 the overall reduction at group level was of 5% (in kWh/sq. m of sales area).
Water consumption	Carrefour monitors its water consumption with 2 indicators: - Water consumption in cubic m/sq. m of sales area - Water consumption in millions of cubic m

Refrigerant leak	Carrefour has integrated special requirements in its specifications and encourages maintenance providers to reduce the leaks of refrigerants. Carrefour has been reporting 1 indicator about refrigerant leaks, since 2004: consumption of refrigerants (in kg/1,000 sq. m of sales area). Since 2007 Carrefour has been monitoring the leak of refrigerant per type of refrigerant to be able to calculate the corresponding greenhouse gases emissions. In 2007 the average refrigerant consumption for different sizes of Carrefour stores are the following: - Hypermarket: 57 kg / 1000 sq. m. of sales area - Supermarket: 70 kg / 1000 sq. m. of sales area - Others: 22 kg / 1000 sq. m. of sales area - Hard discount: 34 kg / 1000 sq. m. of sales area
Energy-efficient bulbs	T5 neons are used in all stores. In 2007, the usage of energy-efficient light bulbs in 10 stores enabled to save 25% of lighting electricity consumption.
Training on environmental management	The key functions are targeted for training, such as buyers. A specific training on energy efficiency has been provided for all financial and asset managers at the beginning of 2008. Sustainable Development kits distributed in all hypermarkets in France Eco-guide at workplace distributed at head offices Awareness-raising initiatives for employees in all the countries of the Group Specific training campaigns are organised for employees, e.g. awareness-raising of cashiers when disposable plastics bags have been abolished. Information is disseminated in all stores through "information relays", i.e. persons that are in charge of providing information.
Environmental impacts of consumers driving to your stores	Most of the stores are accessible by public transport. But public transport are not really adapted to carrying out heavy loads of goods. Carrefour estimates that the environmental impacts of consumers driving to stores are not amongst the major environmental impacts associated to the production and consumption of goods. Product Life Cycle Analyses show that most environmental impacts come from the production and use of products. Furthermore the use of cars for shopping is considered to be a small proportion of total household kilometres (with travel to work and leisure activities making up the majority). The Carrefour group proposes different forms of commerce allowing its customers to do big shops at hypermarkets or supermarkets with a car full of goods, and top up shopping at its convenience stores or hard discount stores. Carrefour also proposes home delivery services and online shopping.
Plastics bags	Since 2003 (when an LCA of checkout bags was ordered by Carrefour) Carrefour proposes an alternative to disposable checkout bags, in each of the Group's retail stores and in most of the countries where it operates. Between 2006 and 2007, the number of disposable bags distributed at check-out in France decreased by 77%.
Green procurement practices for equipment and infrastructure	
Green building standards	Projects on different environmental aspects are set up for the construction and renovation of stores and warehouses. Energy: Carrefour has implemented tests to produce solar energy (electricity) on one store in southern France and 6 stores in Spain. However current solar energy generation technology can only provide up to 5% of the store electricity consumption and this at a large cost with very long return on investment (10 years). As such Carrefour's policy is to concentrate on energy efficiency and on the deployment of energy saving solutions. Carrefour considers that an energy that is not consumed is better than a renewable energy.

Green procurement of products	Carrefour applies green procurement policies to the procurement of many goods including checkout bags, paper and office stationary. Carrefour generally outsources its merchandise logistics activities. It is currently integrating into service provider contracts, requirements on the use of more modern (EURO IV and later) trucks. Carrefour has a long policy on paper purchasing, promoting recycled fibres and fibres from certified sustainable management systems. Following the LCA conducted on catalogues the Group continues to promote the reduction of paper consumption, especially through the reduction of paper grammage (paper weight) and a careful selection of paper types. Following the LCA made on checkout plastics bags the group further developed the offer of alternative reusable bags. In many countries the Group has stopped offering free disposable checkout bags. Pilots operations are conducted for cleaning products. Carrefour has developed with its supplier a catalogue of green office equipment and consumables.

Fact Sheet 2- Coop

Study « Towards a greener retail sector »

Last update: 05/12/2008

Coop	e-coop

1. CONTACT DETAILS

NAME:	Fabrizio Ceccarelli
POSITION/DEPARTMENT:	Private label department - Brand manager - ("eco-logici Coop "(low environmental impact products) and "bio-logici Coop" (organic) brands)
TELEPHONE:	-
E-MAIL:	-

2. RETAILER' IDENTIFICATION

LOCATION OF HEADQUARTERS:	Casalecchio di Reno (Bologna)	
TOTAL NUMBER OF EMPLOYEES:	**WORLDWIDE:**	**EU:** 56,000 people (in 2007)
TOTAL NUMBER OF STORES:	**WORLDWIDE:**	**EU:** 1,394 in Italy (2007)
TOTAL TURNOVER IN 2007:	**WORLDWIDE:**	**EU:** € 12 billion (17.4% of market share in Italy)
NUMBER OF EU COUNTRIES COVERED:	**1 / 27**	

LIST OF EU COUNTRIES COVERED: *(grey concerned cells)*

Austria	Finland	Latvia	Romania
Belgium	France	Lithuania	Slovakia
Bulgaria	Germany	Luxembourg	Slovenia
Cyprus	Greece	Malta	Spain
Czech Republic	Hungary	The Netherlands	Sweden
Denmark	Ireland	Poland	UK
Estonia	Italy (grey)	Portugal	

TYPE OF STORES: *(grey concerned cells)*

Supermarkets (grey)	Discount stores (grey)	Convenience stores
Hypermarkets (grey)	Online stores	Specialised (fashion, DYI…) shops
Franchise / associated stores	Department stores	Other (Please Specify)

TYPE OF PRODUCTS/SERVICES SOLD: *(grey concerned cells)*

Fresh food (grey)	Clothes (grey)	DIY products (grey)	Other: Hygiene products (grey)
Grocery (grey)	Home products (furniture, decoration) (grey)	Electrical and electronic products (grey)	

3. DESCRIPTION OF THE RETAILER' GREEN STRATEGY

Coop started carrying out environment-related actions almost 30 years ago (e.g. awareness rising campaigns for consumers). Thanks to its commitment to various actions and informative campaigns, Coop's image is now associated with environmental protection among many consumers in Italy.

Environmental protection is indeed a key-driver of Coop's development strategy as it is considered an important aspect to achieve consumer's satisfaction and to provide a good service. Coop has several priorities in its current environmental policy, including the reduction of products' environmental impact, the promotion of green building certifications and standards for stores, waste reduction and the increase of consumers' awareness.

Coop has focused on the development of its own green label for its private label products (various lines are now available in the stores) as they are considered to be essential for the development of the group identity, as well as to guarantee that the group operates following high ethical and ecological, standards.

2 years ago Coop published an environmental report with information about the evolution of the environmental performance of the Company. Different indicators are used and presented in this report, which is now published annually, including the number of green products that are provided in the stores and the estimated reduction of environmental impact of these products, the quantity of packaging that is reduced, saved and recycled, the energy consumption and the evolution of the GHG emissions.

In 1995 Coop as a whole System addressed environmental issues with the release of a document "Agenda Coop for the environment" which declined the commitment to values by means of ten principles of environmental policy, along with the implementation of these principles.
Ten years after, Coop has updated its environmental policy starting from the assumption of a value-based system of action, recognising the environment as a key-strategic variable for sustainability:

Coop environmental "Mission": the environmental mission was updated, including sustainable development and private label-related issues:

1. To adopt for each activity the principle of sustainable development, intended as "the development directed to the continuous improvement of life quality on earth for present and future generations, guaranteeing to all People their rights and freedom" (Declaration on the guiding principles for sustainable development, EU 2005).
2. To make environment protection an integral part of the system's values, inspiring management criteria for the whole Coop supply chain and its activities to the precaution, responsibility and consumption rationalisation principles.
3. To pay attention to the environmental impact of goods and services offered to members and consumers.
4. To offer, with the own private label, goods that comply to the most advanced eco-compatibility criteria. To reduce waste by means of direct actions on packaging, and by promoting reduction, reuse and recycle strategies.
5. To commit to the implementation the principle of the ecological cycle of the whole supply chain: from the different production stages to the sticking and distribution, to the stores and end-consumers homes.
6. To handle and transport goods aiming at the optimisation of flows throughout the supply chain, also to reduce emissions into the atmosphere.
7. To provide staff and collaborators with environmental information and education tools, so as to allow them to operate respecting the environment.
8. To commit to provide members and consumers with environmental information and education tools allowing for an increased environmental awareness.
9. To promote the spreading of tools for the environment sustainability assessment of products, packaging, manufacturing practices and facilities.
10. To participate in and launch both at the local and international level, consumers initiatives to ask for the development of a more environment-aware legislation and to stimulate the behaviour of all the supply chain players.

4. SYNTHESIS OF THE GREEN ACTIONS IMPLEMENTED BY THE RETAILER

Promoting the purchase of green products

We have more than 800 products that have got a GREEN plus.
Many different kinds of green products are available in Coop stores. In particular, efforts have been put on the development of different own green labels for its private label products. Own green label "eco-logici Coop" for environmental friendly products is an umbrella label that includes EU eco-labelled products. In total, there are 14 "eco-logici Coop" products, 11 of which (from six different products categories) have been awarded the EU Eco-label. Three of them are made with the NatureWorks® PLA polymer (disposable glasses, and flat and soup plates). This material is a thermoplastic resin derived from annually renewable resources and is biodegradable. "eco-logici Coop" ecological products represent about 3% of Coop private label total sales. The range of Coop own label "bio-logici Coop" for organic products includes about 300 items.

Furthermore, other green products such as FSC certified cellulose products or energy labelled appliances are sold in Coop stores.

Coop has been one of the pioneers in the Italian retail market of "green" products. The following is a chronology of the actions related to green products carried out by Coop through the years:

- 1984: first products from organic agriculture
- 1988: "Prodotti con Amore Coop", cultivated with integrated agriculture
- 1999: Organic Coop private label products
- 1999: first private label product certified with the EU Ecolabel
- 2001: participation to the "Dolphin safe" and "Friend of the sea" projects, international ecological fishing methods promoted by the Earth Island Institute
- 2002: first private label product certified FSC (wooden derivates), for a sustainable forest management, socially useful and economically effective.
- The first private label product certified EU Ecolabel, with reduced environmental impact, was introduced in Italy's stores in 1999 (i.e. tissue paper).
- First Italian distribution channel to obtain the "non testato su animali" (no animals testing) certification on cosmetics products

Encouraging measures to effectively green supply chain

Regarding the **reduction of the impacts of packaging waste**, Coop has implemented several actions to reduce the impact of packaging of products and to promote their recycling. Coop is using the NatureWorks® PLA polymer for their range of 'ready to eat' organic salad lines as well as a range of service ware. All the products made out of this material can be easily identified by end consumers thanks also to the presence of the NatureWorks® packaging brand printed on containers. Coop is also implementing for some Coop's own brand products, a label that provides information to consumers on the packaging materials used and on how to properly dispose of them. Coop aims at having this label on all own-brand products by 2009. Furthermore, efforts are put on the reduction of the primary packaging of certain products such as the cardboard boxes for toothpaste and mayonnaise of Coop's own brand which have been eliminated). This measure has allowed saving 1.140 tons of materials (i.e. cardboard) in 8 years.

Since 1996, Coop has had environmental quality standards for all Coop private label suppliers. Coop's brand label products represent approximately 20% of the total turnover. Another action implemented by Coop for **reducing the environmental footprint of their supply chain**, is the "Coop for Kyoto" project, initiated in 2006. This project aims to reduce the CO_2 emissions from the supply chain and, to this regard, it seeks the collaboration of different suppliers. In 2007, the CO2 emissions saving was 18530 tons.
The most important strategy carried out by Coop to **minimise the impacts of transport** is the optimisation of the distribution logistics in the platforms towards the stores.

Improving retailer's own environmental performances

Waste minimisation and recycling: Since 2000, Coop applies the "3 rules principle" for packaging: save, reuse and recycle. This system has allowed saving approximately 9,500 tonnes of diverse materials from 2000 to 2007.

Introduction of renewable energies: Coop has initiated a strategy for the introduction of renewable energies. Currently, there are 6 subsidiary companies using photovoltaic panels (2.786 kWp installed), which have allowed avoiding the emission of 1.942 tonnes of CO_2. Furthermore, between 2001 and 2007, 131 condensing heat generators plants have been implemented for heating and generation of hot water in the stores.

Energy efficiency: Coop has been involved in the EU Greenlight project and has carried out 185 Green Light implementation projects from 2001 to 2007. During these years, the emission of 66,528 tonnes eq. of CO_2 were avoided by means of implementating of different measures such as the introduction of high efficiency lighting. Furthermore, Coop has recently signed an agreement with Greenpeace which engages Coop to sell in their shops only energy efficient bulbs. (http://www.greenpeace.it/incandescenti/documenti/classifica0611.pdf)

Water: A system to reuse water for irrigation of green areas and for toilet flushing has been implemented in 4 supermarkets

Better informing consumers

Since the 80s Coop has been involved in different environmental campaigns to raise awareness among consumers, including: :

- "A WHITE WASH, A BLUE SEA (1984) to support the bill to reduce phosphates in detergents.
- Campaign "NO TO FLUORO-CHLORIDES CARBURANTS; NO TO GASES DESTROYING
- THE OZONE" (1988), Awareness – building campaign on reducing the ozone layer.
- Aim: to eliminate the sales of sprays containing floro-chloridescarburants (FCC).
- Campaign "NO TO PESTICIDES PETITION FOR A NEW LAW" (1993) to urge Italian Parliament to approve a new law to regulate the use of phytopharmaceuticals in agriculture.
- "ECO-COMPATIBLE PACKAGES IN NON-FOOD" Campaign, together with the presentation of an environment friendly Coop packaging line for detergents, to raise awareness about packaging and waste.
- Campaign "Vita da scatola" 1996-97 "INSTRUCTIVE CAMPAIGN ON PACKAGING AND WASTE"
- Campaign 1997-98 " INSTRUCTIVE CAMPAIGN ON SUSTAINABLE CONSUMPTION"
- Campaign 2000 on GMOs
- 2002 – 2005 "Riciclo aperto" wth COMIECO
- 2007 initiative "Coop's commitment for the environment"
- Referendum Liberi da OGM 2007
- "Risparmia le energie" 2008
- Campaign 2008 for the elimination of incandescent bulbs from sales, one year before this requirements becomes binding by law (2010).
- FRIEND OF THE SEA, supported by the Earth Island Institute, a project that aims at promoting ecologically and socially sustainable fishing policies. Coop joined the project asking a formal commitment by its suppliers who will be required to undersign a declaration and provide evidence for the above-mentioned criteria, as well as to allow for the relevant controls.
- DOLPHIN SAFE, which guarantees the protection of dolphins in the production of canned tuna
- "NO ANIMAL TESTING" international standard on cosmetics granted to companies which do not use animal testing
- participation to the "M'illumino di meno" event, organised every year by Radio2, to reduce for 1 day the lighting energy consumption
- Seasonal promotional selling of energy saving products (efficient lamps, domestic appliances with energy label A, A+, A++, rechargeable batteries)
- 2008, September, promotional selling of energy saving lamps in collaboration with Enel

2008-2009 Campaign "Risparmia le energie", a program which involves 1500 italian families to better manage domestic energy use and to apply the best practice to save money and energy.

4.1. Market analysis of green products

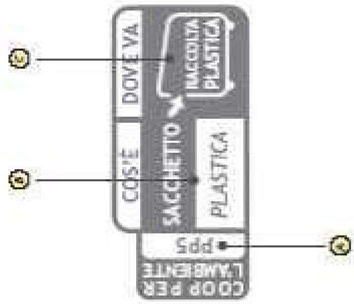
TYPE	List of products / categories of products available in stores	Number of products available in stores	Market share of green products in this segment	Positioning of green products on the shelves
ECOLABELED PRODUCTS	- All-purpose & sanitary cleaners - Hand dishwashing detergents - Tissue paper - Laundry detergent - Dishwashing detergent - Copying and graphic paper	Coop's own green label "eco-Logici Coop" for environmental friendly products is an umbrella label that includes EU eco-labelled products. In total, there are 14 Eco-logici products, 11 of which (from six different product categories) are awarded with the EU Eco-label. The remaining three products (disposable glasses, and flat and soup plates) are made with the NatureWorks® PLA polymer.	- "eco-logici Coop" ecological products represent about 3% of Coop's private label sales.	"eco-logici Coop" products are displayed among other products
ENERGY LABELED PRODUCTS : category A^+ and A	A and A+ labelled products are available among the following products categories: - Light bulbs - Air conditioned appliances - Washing machine and dishwashers - Fridge - Oven - Cooking range		- Light bulbs: 49.9 % (691 310 units sold in 2007) - Air conditioned appliances : 6% (7 419 units sold in 2007) - Washing machine and dishwashers: 29% (44 111 units sold in 2007) - Fridge: 18.9 % (26 044 units sold in 2007) - Oven: 0% (12 units sold in 2007)	A and A+ labelled products are displayed among other products
FSC/PEFC or wood from sustainable forestry PRODUCTS	Cellulose products	12 FSC labelled products	34 380 000 units sold in 2007	FSC labelled products are displayed among other products
RETAILER' OWN LABEL PRODUCTS	Fruits, vegetables, meat	Own brand label "bio-logici coop" for organic products includes about 300 items	The range of "bio-logici Coop" organic products represents approximately 4% of the sales	"bio-logici Coop" products are displayed among other products

OTHER	Fish labelled with the Friend of the Sea program for fish and sea food products and the Dolphin-Safe label Since 2005, Coop Italia has been using PLA (100% natural) to lower carbon footprint, for their range of service ware which includes disposable cups and plates			Friend of the Sea programme products and the Dolphin-Safe label are displayed among other products

4.2. Description of the actions implemented to promote green products

Type of action	Details about the implementation by the retailer
Priority given to local seasonal food	Coop tries to offer in their stores as many Italian and seasonal products as possible but some of them have to be imported from other Countries. Some stores are supplied by local suppliers.
Implementation of financial incentives to promote green products	Coop introduces prices reduction for certain green products as part of promotional campaigns (for a limited period of time), nevertheless, this type of initiatives are never financed by the government.
Cost of green products compared to the price of their standards counterparts	Private label: the sale price of Ecologic products is aligned with that of the standard counterparts, while the price of Coop organic products is higher than that of traditional (non organic) Coop products, but lower than traditional industrial brands products. As for non private label products, the price of green products is generally higher than that of the standard counterparts.
Specific promotion/ communication/ activities/ campaigns implemented to promote green products	Leaflets for the eco-Logici and bio-logici Coop products have been published and are available in the stores and on Coop website. Other promotional activities for green products carried out by Coop include: - In 2005: o A dedicated space on the European Eco-label was created on its website E-Coop.it o An article on the EU Flower was included within their magazine COOP "Consumatori" which is distributed to their over 3 million members. o Leaflets on their Eco-logici products line in which the European Eco-label is highlighted were made available at Coop stores. - Between February and March 2007, promotional offers were launched in Supermarkets and Hypermarkets for products having a low environmental impact with the distribution of relevant informative material. In particular, a "Decalogue" for consumers with suggestions on various issues, from purchasing eco-compatible products having a low energy consumption to ways for saving water, energy and heating in one's home.
Other (Please Specify)	In the stores, green products are generally mixed with their standard counterparts. Coop believes that if green products were to be displayed in a dedicated stand or section of the stores, they would be less visible and less consumers would look specifically for green products. Coop has observed that the awareness about green products has increased considerably in recent years. However, once or twice a year they are located in special stands of the stores in the context of promotional campaigns for this type of products.

4.3. Description of actions implemented to greening supply chain

Type of action	Details about the implementation by the retailer
<u>Products related initiatives</u>	
Reducing the impact of packaging waste	Coop is using the NatureWorks® PLA polymer for their range of 'ready to eat' organic salad lines as well as a range of service ware that includes disposable cups and plates. Since 2005 Coop has used the NatureWorks® PLA polymer for packaging especially for their own-brand 'eco-logici Coop line products. All the products made out of this material can be easily identified by end consumers thanks also to the presence of the NatureWorks® packaging brand printed on containers. In 2006, Unicoop Firenze and Unicoop Tirreno (subsidiary companies) implemented a new system for the distribution of detergents. Consumers were provided with reusable bottles that could be filled each time with different types of liquid detergents by means of dispensers implemented in the shops. The utilisation of this system allows each time for the use of a plastic bottle of approximately 60 g, which in turn allows saving 1,5 KWh, 240 l. of water and 14 g. of CO2. In the 3 shops of Unicoop Firenze where this system was implemented, for example, 6.753 bottles were sold and the amount of product bought through this system accounted to 7.764 euros. This innovating refilling system will also be implemented in 2008 in the shops in Parma, Mantova and Piacenza. At Novacoop, the "distributor" is currently being implemented in 7 hypermarkets and 3 supermarkets.  For some different Coop's private label products, efforts are being put on the reduction of primary packaging. (e.g. the box for the toothpaste and the mayonnaise of Coop's own brand is eliminated). This measure has allowed saving 815 tons of materials (i.e. cardboard) in 6 years. Some products now display a label that provides information to consumers on the packaging materials and how to carry out their disposal. In the case of packs with multiple components (ex: Coop crackers) the single elements are identified and associated with the correct channel of waste collection. This new label is expected to increase awareness and favour differentiated waste collection among consumers. The aim is to have this label on all own-brand products by 2009.
Eco-design products	

Reducing the carbon/ environmental footprint of their supply chain	In 2007, the implementation of the "Coop for Kyoto" project was started. This project aims to reduce the CO_2 emissions from the supply chain and, to this regard, it seeks the collaboration of different suppliers. Bureau Veritas Quality International participated in this project by monitoring the emissions from suppliers and the elaboration and proposal of measures to reduce emissions (if necessary). In 2007 the main activities carried out were: - Summary of the information obtained by means of a questionnaire that was sent to suppliers at the end of 2006. The summary shall help to define what is the current level of awareness about GHG and the Kyoto protocol. - Communication of the results - Elaboration of a scheme/questionnaire to collect detailed information from suppliers of Coop products - Mailing of the schemes/questionnaire to suppliers so that they can perform an auto-analysis of their environmental performance - Analysis the results (in terms of CO_2 emissions) - Elaboration of a guide to improve suppliers' carbon footprint
Ban products that have known negative environmental impacts	Coop ensures that their products do not contain genetically modified corn or soy. This is certified by an external company (Bureau Veritas Quality Insurance).
Initiatives targeting suppliers	
Implementation of specific actions that target suppliers Are the results measured?	Since 1996, Coop has environmental quality standards for all Coop's private label suppliers. Coop's brand label products represent approximately 20% of the total turnover.
Initiatives targeting transport / logistics	
Implementation of specific actions to reduce environmental impacts of logistic/transport Are the results measured?	The most important strategy carried out by Coop to minimise the impacts of transport is the optimisation of the distribution logistics in the platforms towards the stores in order to avoid trucks to travel empty and to maximise their load. The centralisation in the logistic platforms and optimisation of the distribution towards the supermarkets initiated in 2001 has allowed to reduce traffic flow by 40% (measured in number of trucks journeys toward the stores).
Monitoring the tonne per kilometres of products transported each year by rail, road, sea and air.	
Other (Please Specify)	

4.4. Description of actions implemented to reduce retailer' own environmental performance

Type of action	Details about the implementation by the retailer
	Environmental management in stores
Waste	Since 2000, Coop has had a waste sorting and recycling system in all stores. Furthermore, since 2000, Coop applies the "3 rules principle" for packaging: save, reuse and recycle. This system has allowed saving approximately 9,500 tonnes of diverse materials from 2000 until 2007. An hypermarket produces more than 1.300.000 kg per year. All the different kind of waste have a different storage area and then they reach recovery areas. This way, only a small fraction of total waste is sent to the solid waste facility (usually less than 5%).
Energy consumption	Energy is used in order to ensure comfort (i.e. lighting, heating and air cooling) and for productive goals (i.e. food refrigeration, oven) It has been estimated that in 2007, the total electricity consumption in Coop was of approximately 842 GWh and approximately of 21 millions of methane gas (m^3). In order to reduce energy consumption, Coop has initiated a strategy for the introduction of renewable energies, e.g. photovoltaic panels. Currently, there are 6 subsidiary companies using this system, which has resulted in 2007 in the production of 565,6 MWh, with an installed capacity of 1.320 kWp, and which has avoided the emission of 274 tonnes of CO2. In 2007 Coop bought 50,793 MWh of hydroelectric energy, avoiding the emission of 24,635 tonnes of CO2. Additional photovoltaic plants are being developed. A new facility with integrated photovoltaic plant will be built in Prato, with an overall power of 3000 kW. Between 2001 and 2007, 131 condensing heat generators plants have been implemented for the generation of hot water in the stores (27 of which only in 2007). In just one year, 2007, these plants have allowed the reduction of approximately 1,200,000 m^3 of gas and avoided the emission of 2,338 tonnes of CO_2. Heating is obtained through heat generators fed by natural gas; the functioning is simple: natural gas is burnt to warm up water which is used to warm up the air distributed in the conditioned areas. In the traditional common boiler the exhaust gas is expelled with high temperature and the latent water heat is lost in the environment. The boilers used in hypermarkets are condensing boilers thus allowing to reach 10 to 15% higher efficiency than traditional systems. **Other methods to saving energy used in our stores** **Free Cooling**: air conditioning inside the shopping center is necessary not only during the hot summer but also during the other months; staff and customers, the lights and also the ovens produce heat. External air is often cooler than internal air, so it is not necessary to refresh it. The control system used allows automatic control of the air, so it is possible to use cold external air with consistent energy savings. Fresh night air is used to refresh the entire complex during the night. **Air quality control:** fan speed to refresh air is controlled according to CO2 sensor placed in sales area, i.e. depending on how many people are inside the store. Energy savings thanks to reduced use of electrical energy for fan and for cooling and less methane gas for heating. **Use of sunbreaker on glazed surfaces:** wide glazed surfaces guarantee high visual comfort but, during the summer period, they can contribute to heating the building and thus result in increased energy consumption to refresh the environment: the use of sunbreakers allows high level internal lighting while at the same time reducing heat during the summer period.

Type of action	Details about the implementation by the retailer
Environmental management in stores	
Energy consumption	**Heat recovery for hot sanitary water production:** refrigerant machineries have the useful effect of producing "cold", otherwise they also produce heat that is normally lost in the environment. Usually we recover the wasted heat, that is normally lost, for producing hot sanitary water: also in this case it is possible to reduce energy consumption using resources in the best possible way. **Supervision and control system:** The Center has a system for controlling and regulating performance parameters; computerised central management is carried out with unit controls connected together and with the systems. The computerised central management system is connected to the company intranet for monitoring, controlling and supervising the performance of the systems from remote stations. In this way it is possible to obtain statistical data about the Center. The maintenance staff is able to intervene when necessary and it is able to verify working conditions, comparing the parameters with the values of other stores. By verifying the data with the company data archive, it is possible to know if the improvements have been effective; the data from supervision and control system are collected at Inres, where over 400 centers are controlled (hipermarkets and supermarket), as well as total electricity energy consumption.
Refrigerant	Another important aspect of total energy consumption is that of food cooling (freezers, frozen food counters, and those for cooked meat and dairy products). In this case the systems work non stop, during the day and the night, to preserve food. Also in this case, with the right technical solution and appropriate procedure, it is possible to contain energy consumption and environmental impact. The gas that is used as refrigerant in the refrigeration systems is the R134A, which is more environment-friendly because it does not impact on the ozone layer and its Global Warming Potential (GWP) is one of the lowest amongst the HFCs. Furthermore, its efficiency is high (Coefficient of Performance (COP)[1] >3). We are developing CO2 plants in order to lower at an higher extent GWP gas use.
Energy-efficient bulbs	Artificial lighting is necessary and it has to be uniform and stable for the visual comfort of customers and staff at the Shopping Center. Coop has been involved in the EU Greenlight project and has carried on 185 Green Light implementation projects from 2001 to 2007, including the introduction of high efficiency lighting, dimmable electronic ballast (where useful and feasible), and automated control system, for automated turn-on/turn-off of light according to time schedule, daylight, etc. The overall sales area involved from 2001 to 2007 was 652,491 m². During these years, the emission of 66,528 CO_2 eq.(tonnes) were avoided and 117,984 MWh were saved thanks to the measures introduced. Furthermore, Coop has recently signed an agreement with Greenpeace which engages Coop to sell only energy efficient bulbs. It is the first retailer in Italy, along with IKEA and Leroy Merlin, to sign this agreement and which will be effective by the end of the 2009.
Water	A system to reuse water for irrigation of green areas or for toilet flushing has been implemented in 5 supermarkets: Sesto Fiorentino, Rimini, Bologna S.Ruffillo, Faenza, and in Carpi.
Training on environmental management	Coop Employees are trained on the group structure and values, including Coop environmental strategy. Training is also tailored to the different job functions.

[1] The value of the COP is considerably influenced by the temperature difference between the hot and cold sides of the cycle. The COP falls as the difference increases. For the most common types of refrigeration systems the COP would typically be in the range 3 – 6.

Type of action	Details about the implementation by the retailer
Environmental management in stores	
Environmental impacts of consumers driving to your stores	During 2007, Coop has been active in the promotion of sustainable transport among Coop workers, thought the Initiative Car Sharing (ICS) with the Italian Environmental Ministry (Ministero dell´Ambiente e della Tutela del Territorio e del Mare). This initiative allows Coop workers and members to receive information on this system and to access the ICS service at a reduced cost.
Plastic bags	In 2008: a project for 7 new plastic bags ("shoppers"), with 2 biodegradable bags and 5 reusable bags (3 made of plastic, 1 of Juta, 1 of cotton)
Green procurement practices for equipment and infrastructure	
Green building standards	**Environmental sustainability is taken into account when building new stores and facilities. For instance, the hypermarket "Centro*Sesto" for which Coop carried out an evaluation on choice of site, energy, resources, consumption, external environmental impact, internal environmental impact, logistics, and long term actions. The shopping mall was granted the GBC - Green Building Challenge - certification.**
Green procurement of products	
Other measures	
Environmental management systems	In 2003 the hypermarket "Città delle Stelle" in Ascoli Piceno, was certified ISO14001. In December 2006, the hypermarket was the first store in Italy to obtained the EMAS certification. In December 2005 Coop Adriatica opened the hypermarket "I Malatesta" in Rimini; this store was realised in accordance with Rimini Municipality and the Cooperative committed herself to contain energetic consumption of the store. This result is achieved through numerous energy saving interventions such as: electric energy, gas, water, transport, which allowed to a 25% energy saving with respect to a traditional store. **Environmental certification of our shopping mall "Centro Sesto, Florence": Green building challenge certification on "Centro commerciale Sesto", Florence**

Fact Sheet 3- C&A

Study « Towards a greener retail sector »

Last update: 05/12/2008

C&A	

1. CONTACT DETAILS

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2. RETAILER' IDENTIFICATION

LOCATION OF HEADQUARTERS:	Brussels / Düsseldorf (Belgium / Germany)			
TOTAL NUMBER OF EMPLOYEES:	**IN EUROPE:** 35 000			
TOTAL NUMBER OF STORES:	**IN EUROPE**: > 1 200			
TOTAL TURNOVER IN 2007:	**IN EUROPE:** € 6.1 billion			
NUMBER OF EU COUNTRIES COVERED:	10 / **27**			
LIST OF EU COUNTRIES COVERED: *(grey concerned cells)*	**Austria**	**Finland**	**Latvia**	**Russia**
	Belgium	**France**	**Lithuania**	**Slovakia**
	Bulgaria	**Germany**	**Luxembourg**	**Slovenia**
	Cyprus	**Greece**	**Malta**	**Spain**
	Czech Republic	**Hungary**	**The Netherlands**	**Sweden**
	Denmark	**Ireland**	**Poland**	**Switzerland**
	Estonia	**Italy**	**Portugal**	**Turkey**
			Romania	**UK**
TYPE OF STORES: *(grey concerned cells)*	**Supermarkets**	**Discount stores**	**Convenience stores**	
	Hypermarkets	**Online stores**	**Specialised (fashion, DYI…) shops**	
	Franchise / associated stores	**Department stores**	**Kids stores Women stores**	
TYPE OF PRODUCTS/SERVICES SOLD: *(grey concerned cells)*	**Fresh food**	**Clothes**	**DIY products**	**Other (insurance, entertainment)**
	Grocery	**Home products (furniture, decoration)**	**Electrical and electronic products**	

3. DESCRIPTION OF THE RETAILER' GREEN STRATEGY

C&A "constantly monitor environmentally relevant laws, standards and developments and their influence on our business activities. The health and safety of our employees and all others involved in the process are one of our prime concerns. We therefore set strict guidelines for substances and chemicals, which are used in the production of our goods, but also in our fixtures and business premises."

"Furthermore we are taking more measures to minimise the negative impact on the environment by the purchasing, sales and lifecycle of a product. We also deal with issues including waste and energy management, as well as logistics and their effects on energy consumption."

"Production ecology includes the entire manufacturing process for our clothing. The aim is to ensure that all of our suppliers and their subcontractors worldwide adhere to our environmental requirements. Furthermore we are working together with our suppliers on the adherence of self-defined objectives of our environmental policy and encouraging them to improve their production methods regarding the environment and health. A significant contribution to product ecology is being made by the use of organically grown cotton. No artificial fertilisers and pesticides are used in their cultivation. In the year 2008 already more than 12 million items of clothing made of organic cotton will go on sale. Plans are being made to greatly increase this share of the collection over the next few years."

"C&A is assuming long-term responsibility for our future. The aim of C&A is to be one of the leading five companies in the European retail sector in the fields of product safety, organic cotton, carrier bags, waste management, renewable energies, eco-store development as well as transport, sustainable raw materials and logistics."

SYNTHESIS OF THE GREEN ACTIONS IMPLEMENTED BY THE RETAILER

Promoting the purchase of green products

C&A uses three types of labels for part of their products: the organic cotton label, the OEKO-TEX label and a 'washing advice' label on the reverse price label (see below)
- Ecolabelled products are available among own-brand and/or other brand products.
- No financial incentives are implemented to promote green products.
- No special campaigns to communicate / promote green products (only by product labels)
- From time to time C&A stimulates a public debate itself, if the company is able to make a contribution to a specific environmental issue.

Encouraging measures to effectively green supply chain

C&A uses the following keywords for their environment strategy:
- Organic Cotton: After approx. 1200 tonnes of processed organic cotton in Autumn 2007; from the year 2008 there will be around 7500 tonnes. This is equal to around 12.5 million items of clothing – including jeans, T-shirts, underwear and baby clothing. With the increasing demand for organic cotton, which is cultivated without the use of artificial fertilisers and chemicals, C&A is encouraging the agricultural producers to convert to environmentally sustainable cotton cultivation in the long-term.
- Eco-Labelling: With a reference on the reverse of price labels C&A wants to encourage its customers to wash the products at lower temperatures – i.e. at 30 degrees Celsius instead of 40 and to dry naturally – which will also contribute to energy conservation in their own households. By reducing these washing temperatures alone, energy savings of 40% are possible.
- Packaging and Recycling: It is the aim to reduce all packaging material to a minimum, which is why we have developed clear guidelines for suppliers. In the year 2008 more than 50% of the boxes used will be made of recycled material. The aim is to increase this share to 70% by 2010. In the year 2007 almost 1000 tonnes of plastic packaging and 18,000 tonnes of cardboard and boxes were recycled.
- Transport and Logistics: In the transport and logistics sector C&A with dispatch partners is pursuing the concept of an lorry fleet, which complies to EU norm with the lowest emissions and is planning the test of highly modern hybrid technologies. By 2010 almost all lorry transportation to C&A stores in Europe will comply with the environmentally-friendly Euro 5 Standard.

Improving retailer' own environmental performances

- Electricity/ Renewable Energy: Since October 2007 C&A has been using environmentally-friendly, renewable energy. Around 500 stores and therefore more than 50% of the entire sales area of C&A Europe are now already being supplied with 'clean' energy; by 2010 it will be 70% of all C&A stores in Europe. The C&A headquarters in Düsseldorf and Brussels, as well as a majority of all European goods dispatch centres, are already operating with green energy.
- Eco-Store Concept: Together with Redevco Europe, C&A is following an eco-store concept – in the future this will guarantee a highly modern building and shopping infrastructure in terms of energy efficiency. In Autumn 2008 C&A opened the first eco-store in Germany. An energy saving of around 50% will be achieved.
- New Lighting Concept: An environmentally friendly lighting system has been developed in cooperation with leading companies in this field. In the year 2008 this system will be incorporated into around 120 European C&A stores. 150,000 lights will be exchanged. The energy saving compared to conventional systems is 18%.
- Carrier Bags: From 2008 C&A will use shopping bags made of recycled material. 170 million carrier bags made of recycled material will be used in 2008. In addition, since March 2008 organic cotton carrier bags have been offered at C&A stores, in order to reduce the use of plastic bags in favour of reusable alternatives.

Better informing consumers

- No special campaigns to communicate / promote green products (only by product labels)
- From time to time C&A stimulates a public debate itself, if the company is able to make a contribution to a specific environmental issue.

3.1. Market analysis of green products

This market analysis is based on literature survey, internet research and an interview with C&A.

TYPE	List of products / categories of products available in stores	Number of products available in stores	Market share of green products in this segment	Positioning of green products on the shelves
ORGANIC TEXTILE	- Organic cotton collection	cotton collection	Autumn 2007: 1200 tonnes of processed organic cotton Total year 2008: 7500 tonnes	Organic cotton products are displayed among other products.
RETAILER' OWN LABEL PRODUCTS	- Organic cotton (see above) - OEKO-TEX labelling - Eco-Labelling: With a reference on the reverse of price labels C&A wants to encourage its customers to wash the products at lower temperatures – at 30 degrees Celsius instead of 40 – which will also contribute to energy conservation in their own households. By reducing these washing temperatures alone, energy savings of 40% are possible.	No data available	No data available	Products with these labels are displayed among other products.

3.2. Description of the actions implemented to promote green products

Type of action	Details about the implementation by the retailer
Implementation of financial incentives to promote green products	No
Cost of green products compare to the price of their standards counterparts	Despite higher raw material prices compared to the traditional cotton product, C&A does not charge any mark-ups. As well as the economic benefits from the customer's point of view is the environmental aspect: for C&A the cultivation of organic cotton is an investment in the future of the environment and humans.
Specific promotion/communication/activities/ campaign are implemented to promote green products	No special campaigns to communicate / promote green products: only by product labels. BIO COTTON – 2 campaigns per year
Other (precise)	Informing people about environmental activities: from time to time C&A stimulates a public debate itself, if the company is able to make a contribution to a specific environmental issue. Example: In October 2007 C&A went public in order to explain many and varied activities aimed at combating climate change and improving environmental protection, under the sustainability motto "WE C&ARE". This meant literally creating an impression: a thumbprint in the form of the C&A logo. 

3.3. Description of actions implemented to greening supply chain

Type of action	Details about the implementation by the retailer
Products related initiatives	
Reduce impact of packaging waste	Minimising transport packaging, re-packaging and sales packaging C&A wants to reduce transport packaging wherever this is possible. "Our General Delivery Instructions (GDI) contains precise and binding instructions for suppliers and forwarding agents on the type and size of transport packaging, 50 per cent of which has to consist of recycled material by 2009. We already use reusable transport boxes for transporting flat goods between our central distribution points and the stores. In 2006 we were able to forward 570 tonnes of plastic packaging and 6,600 tonnes of paper and cardboard to the recycling process, while in 2007 this rose to 1,000 tonnes of plastic packaging and 18,000 tonnes of paper and cardboard.
Eco-design products	The organic cotton label is based on LCA information.
Reduce carbon/environmental footprint of supply chain	Transport and Logistics: In the transport and logistics sector C&A with dispatch partners is pursuing the concept of an eco-lorry fleet, which travels with the lowest emissions and is planning the test of highly modern hybrid technologies. By 2010 almost all lorry transportation to C&A stores in Europe will comply with the environmentally-friendly Euro 5 Standard.
Ban products having high environmental impacts	C&A makes use of a Harmful Substance List number and tests products on harmful substances.
Raw materials	Organic Cotton: After approx. 1200 tonnes of processed organic cotton in Autumn 2007; from Spring 2008 there will be around 7500 tonnes. This is equal to around 12.5 million items of clothing – including jeans, T-shirts, underwear and baby clothing. With the increasing demand for ecological cotton, which is cultivated without the use of artificial fertilisers and chemicals, C&A is encouraging the agricultural producers to convert to environmentally sustainable cotton cultivation in the long-term. Over the next few years C&A wishes to further increase the share of organic cotton, together with the organisations Organic Exchange and Shell Foundation. Despite higher raw material prices compared to the traditional cotton product, C&A does not charge any mark-ups. As well as the economic benefits from the customer's point of view is the environmental aspect: For C&A the cultivation of organic cotton is an investment in the future of the environment and humans. From 2008 C&A will be offering its customers the organic cotton collection at affordable prices in all European C&A countries.
Initiatives targeting suppliers	
Implement specific actions targeting suppliers. Are the results measured?	C&A is encouraging the agricultural producers to convert to environmentally sustainable cotton cultivation in the long-term. Over the next few years C&A wishes to further increase the share of organic cotton, together with the organisations Organic Exchange and Shell Foundation. It is the aim of C&A to reduce all packaging material to a minimum, which is why they have developed clear guidelines for suppliers.

Initiatives targeting transport / logistics	
Implement specific actions to reduce environmental impacts of logistic/transport. Are the results measured?	C&A developed a whole range of measures in the logistics field to make transporting our goods as efficient as possible, with the minimum impact on the environment. The department regularly checks whether the steps that we have introduced are proving successful, and where there is further scope for improvement. The data gathered for this serves as the basis for our subsequent action. The various modes of transport Goods are transported from our manufacturers around the world to one of the altogether 13 Distribution Centres in Europe. To help open up the market in Eastern Europe, a Distribution Centre is currently being set up in Slovakia as well. Building work has been carried out in Austria, Switzerland, France and Spain, too, to increase capacity. Long-distance transport The bulk of our collections are manufactured in Asia and brought to Europe by ship. We consider it important to carry an increasing proportion by sea, as this is the most energy-efficient means of transport. Most goods for our German branches are landed in Hamburg; our stores in other European countries are supplied from the ports of Rotterdam and Antwerp. In 2006 a total of 89 per cent of all of our goods from overseas arrived in Europe by ship, while in 2007 the proportion rose to 91 per cent. By introducing a special bonus system for our forwarding agents we have been able to boost container utilisation yet further, by 2.8 per cent from 2005 to 2006. In 2007 we were able to achieve another small increase in capacity utilisation by 1.2% over and above the already high level. In 2007 we transported 24 per cent more goods by sea freight than in the previous year; despite that, the number of shipped containers rose by only 14 per cent thanks to the optimised use of the container sizes available to us. Roughly 9.2 per cent of our deliveries to Europe in 2007 came by air, while in 2006 the figure was still as much as 11.5 per cent; this is equivalent to a reduction in CO_2 emissions of about 2,000 tonnes. One way in which we were able to achieve this was through the introduction of a "malus system" for our suppliers, applying to goods that have to be delivered by a set deadline. Now any supplier who does not keep to the contractually agreed dates and depends on aircraft to transport the goods has to pay a contractual penalty to C&A. Transport by rail Most of the container transport shipments for the C&A countries go via the ports of Rotterdam or Antwerp, from where they are taken by rail (59%) and inland waterway to the Consolidation Centre warehouses. From the warehouses the proportion of connecting transport movements by rail to the various C&A countries more than doubled from 2006 to 2007. This is equivalent to saving approximately 1,500 truckloads. Our target for 2008 is to increase the proportion of rail transport again, by about 50 per cent. Transport by road Better engine technology for the truck fleet: in 2006, 81% of shipments from our Distribution Centres to our branches were carried by trucks with engines conforming to the Euro 3 emissions standard or better. In 2007 the equivalent figure was 99%. By 2010, over 90 per cent of all trucks on the road for C&A's national transport in Europe will meet the Euro 5 standard. This will make it possible to reduce oxides of nitrogen by 60 per cent and particulates by about 80 per cent. Improvements to routing software C&A also cooperates with other clothing companies in Germany in the distribution of goods from the Distribution Centres to the stores. We try to expand these cooperative arrangements where it makes economic sense. In such cases the transport routes are coordinated in order to utilise as much truck capacity as possible. Biodiesel In 2006/2007, about nine per cent of all truck journeys for C&A in Germany were fuelled by biodiesel.

Monitor the tonne-kilometres of products transported each year by rail, road, sea and air.	C&A monitors tonnes-kilometres of products transported every year (but data are not public available).
Other (precise)	

3.4. Description of actions implemented to reduce retailer' own environmental performance

Type of action	Details about the implementation by the retailer
Environmental management in stores	
Waste	Recycling rates of cardboard and plastics is 100%. Paper and printer cartridges In-house, C&A operates as far as possible according to the principle of the "paperless office" and avoids using printer paper and forms. One of the ways we do this is that our employees work without order sheets if at all possible; instead, orders are placed electronically. At our Head Offices, 95 per cent of the copiers can print on both sides. As well as this, in all of our e-mails, both internal and external, at the end of the text we draw the reader's attention to the need to avoid needless printing of e-mails. The following wording is automatically added to each mail: "Please consider the environmental impact of needlessly printing this e-mail." To take yet another step forward in this connection, our aim for 2009 is that almost all of the paper we use should be made of 100% recycled raw material. The printer cartridges and toner that we use (16,000 in 2007) are collected by specialist companies across Europe and – if possible – refilled and reused, or if not then recycled.
Energy consumption	A bundle of energy optimisation measures In many cases even small steps to improve energy efficiency can have a major impact. This was why at the beginning of 2006 C&A introduced a special list of short-term measures to save energy, which are subject to two conditions: firstly the employees at the branches must be able to apply them directly, and secondly the implementation of the measures must not be accompanied by any notable loss of comfort for either employees or customers. The list includes the following points • The ventilation system is only switched on during store opening hours. • Apart from one leaf (for prams and pushchairs), the portal doors are kept closed at times of low customer frequency and when the temperature is below 14 °C or above 21°C. • The cooling system is not switched on until the outside temperature is higher than the previously specified figure. • The indoor temperature is raised by one to two degrees in summer. • The cooling system is switched off one hour before close of business in the evening. • Entrance and portal lighting and display window lighting are reduced by an hour each per day. • In areas that are used rarely or not at all (such as corridors or ancillary rooms), the switch-on times and operating hours of the lights must be reviewed or the lights are to be activated by motion detectors. • In the summer months the heating is shut down entirely. Merely by applying these measures we have already been able to save three per cent of energy consumption. C&A tries to obtain a comprehensive overview of all CO2 emissions that the company produces to include the effect on the climate of all upstream and downstream processes. The respective conversion factors come from the ecoinvent database developed by leading Swiss research institutes. These cover the entire process lifecycle, and are based on recommendations from the Intergovernmental Panel on Climate Change. Calculating the CO2 footprint enables us to incorporate climate-friendly considerations in our corporate strategy and to take account of the impacts of our actions on people and the environment. In the reporting year 2007 C&A Europe was able to reduce CO2e emissions per square

	meter by 3,3% and per item sold by 9%. However as a result of the increasing sales and business expansion, total emissions rose by 4,9%. Above all this relates to the transport sector, where we had to record a rise in emissions of 15%. In particular there was an increase in the amount of traffic needed to supply merchandise to the stores. In contrast, the proportion of air freight in the total volume of freight transported was reduced by more than 10%. With regard to energy supplies to our buildings, we were able to keep energy consumption (per m2) constant despite expansion. Thanks to the use of renewable energy to supply electricity to our commercial buildings, CO_2e emissions in this sector were reduced by more than 15,000 tonnes. Overall, we are recording a slightly downward trend in business trips. The distances travelled by air and by train declined; it was only in the use of cars that a minor increase in the mileage covered was registered. This meant that the CO_2e emissions caused by business travel were able to be reduced. The C&A branches in Hungary, Slovakia and Slovenia were not fully included in the calculation because these were a small number of stores that mostly did not open until 2007 and for which no meaningful data was available. They will be included in the next report. <u>CO2 free electricity</u> Since 1 October 2007 [for Belgium from May 2008], our stores and the Distribution Centres in Germany and Austria, as well as the corporate headquarters in Düsseldorf, have been run with CO_2-free electricity from renewable sources. All in all as many as 400 buildings are already being supplied with this form of energy, representing roughly 50% of the sales area in Europe. We aim to increase this share to around 70% by 2010 for comparable selling space. By taking this step we will drastically reduce the company's CO_2 emissions. In 2008 alone we will be able to reduce CO_2 emissions by 70,000 tonnes. By 2010 the reduction will have reached over 100,000 tonnes per year. We have only relatively limited influence on energy use at our branches in shopping centres because in those cases the local centre management is responsible for choosing the energy source. As a further step, C&A launched an expansion of solar energy in 2008. A photovoltaic installation will be fitted on the roof of the labelling centre in Fontanar in Spain. A photovoltaic system has been installed at the Eco Store in Mainz, which is described below. The certificates verifying the purchase of CO_2 free electricity solely from hydropower are shown on the C&A website at www.c-and-a.com. <u>The Eco Store concept</u> In 2007, in cooperation with the real estate company Redevco Europe, which like C&A belongs to Cofra-Holding AG, we developed the virtual Eco Store, a concept for environmentally friendly stores that sets a new standard for the efficient use of energy in buildings and sales premises. Important parts of the concept, such as energy-saving entrance solutions, a wind trap (double doors), a new lighting concept and efficient ventilation technology, were utilised for our store in Mainz. Adopting this focus enables us to save 40 per cent of the amount of primary energy previously consumed. Not only that: power for the Mainz store will come from renewable energy, and thanks to the photovoltaic installation this building will be CO_2 neutral. The C&A Eco Store in Mainz (Germany) opened in October 2008. <u>Energy-saving measures and recycling in the IT sector</u> C&A is striving to keep the level of energy consumption as low as possible, through a variety of measures. When the last point of sale system was set up between 1999 and 2002, two servers

	were installed in each branch in order to manage the data. In the meantime a system has been developed for smaller branches that requires only one server. About 600 branches will be equipped with this technical innovation in 2008, which will result in an annual saving of about 675,000 KW/h. The changeover to more modern point of sale terminals will save a further 440,000 KW/h per year. When in the past the Information Technology department purchased new computers or servers, they were assessed solely on the basis of their computing power. We have now changed the criteria for buying new hardware: since 2007, power consumption and heat output have also been crucial factors. Old equipment is gradually being replaced within the organisation, and the old computers, monitors, printers and other associated devices are being sent on to a certified company which physically and mechanically deletes the data. The individual components are then channelled into the recycling system. We also try to encourage our staff to be more economical with their use of computers, screens and printers. Pictograms are displayed in the office corridors of the stores and the head office buildings to remind employees to switch off the equipment during breaks and at the end of the working day.
Water consumption	
Refrigerant leak	NA
Energy-efficient bulbs	In autumn 2007, two stores in Europe were equipped with a new lighting system by way of a trial. As the “Elite” has a higher light yield (lumens per watt), in some cases we were able to reduce the wattage and thus save 18 per cent of the energy consumed. A side-effect of the Elite lamp is that it does not generate as much heat in use, so we do not have to cool those areas of the building as much, likewise saving energy.
Training on environmental management	Only a training programme for facility managers on general environmental issues. In spring 2007 C&A decided to set up a cross-departmental European working group on the environment so as to be able to better coordinate and organise the various activities in this field throughout the enterprise. In every part of the company – primarily in building services management and logistics – the working group looks for potential savings in CO2 emissions and coordinates the action suitable for achieving them. The key points it looks at are: - reducing the consumption of electricity and heating - energy, conserving natural resources, and finding alternative - energy sources. The departments principally involved in the Environmental Working Group are: • Sourcing • Building services management • Transport and logistics • Corporate communications • Social affairs • Legal affairs • The group also includes a representative of corporate Management, who ensures there is direct communication between management and the working group.
Environmental impacts of consumers driving to your stores	No
Plastics bags	C&A offers alternative cotton bags.

Green procurement practices for equipment and infrastructure	
Green building standards	C&A has no own buildings, but cooperates with real estate companies to make their (rented) buildings greener. The Eco Store concept In 2007, in cooperation with the real estate company Redevco Europe, which like C&A belongs to Cofra-Holding AG, we developed the virtual Eco Store, a concept for environmentally friendly stores that sets a new standard for the efficient use of energy in buildings and sales premises. Important parts of the concept, such as energy-saving entrance solutions, a wind trap (double doors), a new lighting concept and efficient ventilation technology, were utilised for our store in Mainz. Adopting this focus enables us to save 40 per cent of the amount of primary energy previously consumed. Not only that: power for the Mainz store will come from renewable energy, and thanks to the photovoltaic installation this building will be CO2 neutral. The C&A Eco Store in Mainz (Germany) opened in October 2008.
Green procurement of products	Categories: Paper Office IT equipment Cleaning products Energy

Fact Sheet 4 - DELHAIZE

Study « Towards a greener retail sector »

Last update: 19/11/2008

DELHAIZE GROUP	

1. CONTACT DETAILS

NAME:	Roeline Ham
POSITION/DEPARTMENT:	CR manager for the Group
TELEPHONE:	-
E-MAIL:	-

2. RETAILER' IDENTIFICATION

LOCATION OF HEADQUARTERS:	40 Square Marie Curie, 1070 Brussels, Belgium	
TOTAL NUMBER OF EMPLOYEES:	**WORLDWIDE:** 137 800	**EU:**
TOTAL NUMBER OF STORES:	**WORLDWIDE:** 2 545	**EU:**
TOTAL TURNOVER IN 2007:	**WORLDWIDE:** 18.96 billions €	**EU:**
NUMBER OF EU COUNTRIES COVERED:	5 **/ 27**	

LIST OF EU COUNTRIES COVERED: *(grey cells)*

Austria	Finland	Latvia	Romania
Belgium	France	Lithuania	Slovakia
Bulgaria	Germany	Luxembourg	Slovenia
Cyprus	Greece	Malta	Spain
Czech Republic	Hungary	The Netherlands	Sweden
Denmark	Ireland	Poland	UK
Estonia	Italy	Portugal	

TYPE OF STORES: *(grey cells)*

Supermarkets	Discount stores	Convenience stores
Hypermarkets	Online stores	Specialised: clothes stores
Franchise / associated stores	Department stores	Other (precise)

TYPE OF PRODUCTS/SERVICES SOLD: *(grey cells)*

Fresh food	Clothes	DIY products	Other: pet products
Grocery	Home products (furniture, decoration)	Electrical and electronic products	

3. DESCRIPTION OF THE RETAILER' GREEN STRATEGY

Delhaize has **three Strategic Priorities w**ithin each of its three core fields of Corporate Responsibility: products, people and planet. Delhaize believes in making a significant contribution to the personal and socio-economic health of their stakeholders.

For the **<u>products</u>**, Delhaize top priority is rigorously providing **safe and increasingly healthy, high-quality foods at affordable prices**. Food safety is a non-negotiable priority. Delhaize recognises there is a need to strengthen its supply chain to ensure its suppliers meet its ethical standards.

For its **<u>people</u>**, Delhaize priority is personal and professional development through a broad spectrum of initiatives, including training, with a particular focus on **health and wellness**.

For the **<u>planet</u>**, Delhaize main environmental priority is **energy conservation**. Energy accounts for up to 10% of stores' operating costs. By reducing its consumption of energy and using more renewable alternatives, Delhaize aims not only in contributing to the fight against climate change but also in generating additional savings to fuel the growth of its business. Maintaining strong local connections and identities is critical to Delhaize's customers and to Delhaize's success.

As a result, the Group strategy does not provide a prescriptive list of actions for their operating companies. Instead it gives to its companies the flexibility to bring Delhaize's three priorities to life in the most appropriate way for their customers, associates and communities.

4. SYNTHESIS OF THE GREENING ACTIONS IMPLEMENTED BY THE RETAILER

Promoting the purchase of green products
Delhaize sells green products such as organic products, MSC-labelled fish products and FSC-labelled wooden products. Visual supports are displayed in stores to help consumers identify green products. During specific campaigns, Delhaize implements financial incentives to promote green products, such as extra points on loyalty cards. Green products are generally more expensive than their standard counterparts due to higher production' costs.
Encouraging measures to effectively green supply chain
Delhaize is implementing action to reduce packaging waste and to minimise the impact of product transportation.
Improving retailer's own environmental performance
A Delhaize monitors its energy consumption, its water consumption with global and efficiency indicators. Delhaize buy hydro-electric electricity, sorts its waste and implements measures to minimise refrigerant leak. Delhaize doesn't monitor its GHG-emissions. Delhaize trained its driver to more environmentally friendly driving. Free disposable plastics bags distribution has been banned in Delhaize' stores.
Better informing consumers
No information available

4.1. Market analysis of green products

TYPE	List of products / categories of products available in stores	Number of products available in stores (or if not available, other indicator)	Market share of green products in this segment (or if not available, other indicator)	Positioning of green products on the shelves
EU Ecolabelled products	Tissue paper			
ORGANIC FOOD PRODUCTS	Fresh food products and various food products bear the Biogarantie® label	675 organic items are available in stores, which represents 3% of Delhaize Belgium's total assortment		Green products are mixed with non-green products on the shelves. Green products are generally displayed at eyes level on the shelves. Visual supports are displayed in stores to help consumers identify green products.
MSC PRODUCTS	Fish products bearing the MSC label			

FSC/PEFC or wood from sustainable forestry PRODUCTS	FSC labelled wood-based furnitures			

Other: offer of Ecover detergents.

4.2. Description of the actions implemented to promote green products

Type of action	Details about the implementation by the retailer
Preference given to seasonal food	2007: approximately 45% of the Group's 12,000 suppliers are local.
Implementation of financial incentives to promote green products	During specific campaigns, Delhaize implements financial incentives to promote green products, such as extra points on loyalty cards.
Cost of green products compared to the price of their standard counterparts	Green products are generally more expensive than their standard counterparts due to higher production' costs.
Specific promotion/communication/activities/ campaign are implemented to promote green products	General information about the European eco-label on Delhaize website, but there is no mention of the label on Delhaize latest CSR report.
Other (precise)	

4.3. Description of actions implemented to greening supply chain

Type of action	Details about the implementation by the retailer
Products related initiatives	
Reduce impact of packaging waste	Delhaize is working on reducing packaging waste. Delhaize is using biodegradable matrerial for packaging: reducing its use of traditional hydrocarbon platics by more than 180 tonnes in 2007.
Eco-design products	No information available
Reduce carbon/environmental footprint of the supply chain	No information available
Ban products having high environmental impacts	Delhaize has decided to sell only fluorescent lamps in 2010.
Initiatives targeting suppliers	
Implement specific actions targeting suppliers. Are the results measured?	No information available
Initiatives targeting transport / logistics	
Implement specific actions to reduce environmental impacts of logistic/transport. Are the results measured?	In 2007, Delhaize Belgium reduced the total length of its deliveries of fresh products by 2 million kilometres a year – equivalent to driving 50 times round the world – by better route planning. Delhaize is monitoring the fuel efficiency of its fleet. The fuel consumption of an average truck operating for Delhaize is 37 litres / 100 km. In Greece, Alfa-Beta, has built a gas station at its distribution centre to eliminate costly fuelling trips and introduced multi-temperature trucks to cut the number of journeys to each store. Elsewhere in Europe, Mega Image has cut its carbon footprint by outsourcing its truck deliveries and adopting a "full load, no empty air" transport philosophy.
Monitor the tonne-kilometres of products transported each year by rail, road, sea and air.	Delhaize is monitoring the distance covered by trucks delivering the goods from warehouse to stores and back: in 2007 this distance was: 156 000 000 km.
Other (precise)	

4.4. Description of actions implemented to reduce retailer' own environmental performance

Type of action	Details about the implementation by the retailer
Environmental management in stores	
Waste	Delhaize monitors the recycling rate at Group level. In 2007 the Group recycled 45% of its 341 000 tons of waste (excluding Alfa-Beta and Lion Super Indo). In Romania, Mega Image is the only company with recycling centres for batteries. In Greece Alfa-Beta now has recycling facilities at 28 of its stores, enabling customers to recycle seven different materials, from glass and paper to white metals and batteries. In 2007, the company recycled over 5 million kilos, predominantly paper, plastic and white metals.
Energy consumption	Delhaize monitors its energy consumption at global level and with a Key Performance Indicator (energy consumption per square meter of store surface): - Global energy consumption in 2007: 3165 GWh (91% was used in the stores) - Key Performance Indicators, average energy consumption in 2007: 538 kWh/m² of store surface Delhaize monitors its natural gas consumption at global level and with a Key Performance Indicator (natural gas consumption per square meter of store surface, per brand): - Global natural gas consumption in 2007: 414 GWh (88% was used in the stores) - Key Performance Indicators, average natural gas consumption in 2007: 195 kWh/m² of store surface, for Belgium
Renewable energy	Delhaize Belgium gets all its electricity from a renewable hydro-electric source. The switch to renewable electricity is estimated to have reduced the company's carbon emissions by 114,000 tons of CO_2 for 2007. Delhaize is experimenting with glass shop fronts with built-in photovoltaic cells to generate electricity, as well as solar panels on the roofs to heat sanitary water. In Greece, Alfa-Beta is piloting photovoltaic panels at several stores in Athens.
Refrigerant leak	Novel technologies are being introduced to reduce refrigerant emissions, which are significant contributors to stratospheric ozone depletion and global climate change.
GHG-emissions	Delhaize doesn't monitor its GHG-emissions but intends to do it in 2009.
Energy-efficient bulbs	Delhaize uses T5 neon in stores. Light regulators are used in stores.
Water consumption	Delhaize monitors its water consumption at global level and with a Key Performance Indicator (water consumption per square meter of store surface): - Global water consumption in 2007: 3 631 000 cubic meter (86% was used in the stores) - Key Performance Indicators: 0,61 m3/m² of store surface
Training on environmental management	Training of car drivers to ecological and proactive driving (estimation of 5% consumption reduction equivalent to 83 tons of CO2 for 40 trucks).
Environmental impacts of consumers driving to your stores	No information available

Plastics bags	Delhaize Belgium stopped providing free plastic bags on July 1, 2007. The switch from plastic to reusable and recyclable alternatives will reduce the company's use of plastic by around 700 tons a year. In 1994, Delhaize Belgium was the first supermarket in the country to offer reusable shopping bags. Alfa-Beta has introduced biodegradable bags in Greece.
<u>Green procurement practices for equipment and infrastructure</u>	
Green building standards	No information available
Green procurement of products	Delhaize Belgium now gets all its electricity from a renewable hydro-electric source: AlpEnergie provides energy from hydroelectric power stations on the river Rhone, France. The switch to renewable electricity is estimated to have reduced the company's carbon emissions by 114,000 tons of CO_2 for 2007.
<u>Other measures</u>	
Raw materials	No information available

Fact Sheet 5 - El Corte Inglés

Study « Towards a greener retail sector »

Last update: 09/09/2008

El Corte Inglés	

1. CONTACT DETAILS

NAME:	*Francisco Núñez García*
POSITION/DEPARTMENT:	*Department of organisation and methodology*
TELEPHONE:	-
E-MAIL:	-

2. RETAILER' IDENTIFICATION

LOCATION OF HEADQUARTERS:	Madrid, Spain	
TOTAL NUMBER OF EMPLOYEES:	**WORLDWIDE:**	**EU:** 72 000
TOTAL NUMBER OF STORES:	**WORLDWIDE:**	**EU:** 80 (department stores), 300 stores of medium and small size.
TOTAL TURNOVER IN 2007:	**WORLDWIDE:**	**EU:** 17billions €
NUMBER OF EU COUNTRIES COVERED:	**2/ 27**	

LIST OF EU COUNTRIES COVERED: *(grey concerned cells)*				
	Austria	**Finland**	**Latvia**	**Romania**
	Belgium	**France**	**Lithuania**	**Slovakia**
	Bulgaria	**Germany**	**Luxembourg**	**Slovenia**
	Cyprus	**Greece**	**Malta**	**Spain**
	Czech Republic	**Hungary**	**The Netherlands**	**Sweden**
	Denmark	**Ireland**	**Poland**	**UK**
	Estonia	**Italy**	**Portugal**	

TYPE OF STORES: *(grey concerned cells)*			
	Supermarkets	**Discount stores**	**Convenience stores**
	Hypermarkets	**Online stores**	**Specialised (fashion, DYI…) shops**
	Franchise / associated stores	**Department stores**	**Other: Travel agencies**

TYPE OF PRODUCTS/SERVICES SOLD: *(grey concerned cells)*				
	Fresh food	**Clothes**	**DIY products**	**Other: Travel agencies, optician's (shop) souvenirs, mobile phones and asurance services**
	Grocery	**Home products (furniture, decoration)**	**Electrical and electronic products**	

3. DESCRIPTION OF THE RETAILER' GREEN STRATEGY

The environmental policy was introduced in the beginning of the 90s and was mainly driven by a new growth strategy aiming at improving the corporate image.

The environmental actions of the company started with the auditing and certification of all the department stores and supermarkets.

The main objectives of the policy were:

- Reduction in the energy consumption
- Reduction in the packaging consumption

There is no a dedicated environmental department in El Corte Inglés. All the related actions and plans are decided in the organisation and methodology department, and validated at corporate level. The environmental related actions mainly focus on the stores, in particular department stores, which are rather complex, given the variety of products and services that are provided.

4. SYNTHESIS OF THE GREEN ACTIONS IMPLEMENTED BY THE RETAILER

Promoting the purchase of green products

El Corte Ingles sells fruits, vegetables, wines etc from certified organic agriculture (no pesticides and GMOs) as well as energy efficient domestic appliances. It participates in the RENOVE Plan, aiming at incentivising the purchase of electrical appliances of energy class A or better. El Corte Inglés is currently working to increase the variety and quantity of green products available in the stores.

El Corte Inglés organises testing in their stores for organic products and information is disseminated by means of brochures and in the magazine published by El Corte Inglés (APTC) for consumers. In some supermarkets and hypermarkets, posters explaining the meaning of organic agriculture are also used.

Encouraging measures to effectively green supply chain

In general, El Corte Inglés does not influence its suppliers regarding environmental issues for the production processes nor requires specific compliance. It usually adapts to the standards already established by its suppliers.
Regarding the reduction of impacts from packaging, different studies are being carried out to analyse possible measures for reducing the weight (lower weight, eco-design) of packaging. The use of reusable packaging in the internal logistic chain and the reduction of the weight of the remaining packaging resulted in a reduction of 600 000 kg/year of paper and cardboard and 1 100 000 kg/year of plastic (in 2007 comparing to 2006).

The actions to reduce environmental impacts of logistic/transport mainly focus on the optimisation of the logistic chain. For example, in 2004, the centralisation of the reception of products in the logistic platform of Valdemoro (for the whole Spain) allowed optimising the supply chain.

Improving retailer's own environmental performances

Waste management

El Corte Inglés mainly produces paper, cardboard and different types of plastic waste. Occasionally, it does also produce aluminium. Waste separation and differentiated collection have been in place globally for over 14-15 years now. For cardboard, recycling rates of 95% have been achieved, while for plastic the rate is of 80%. Hazardous waste is registered in a record book (as requested by Spanish legislation) in all the stores of the group. Besides, the quantity of the different types of waste are registered in a summary file that is published internally.
Other initiatives have also been introduced to reduce the amount of waste. For example, El Corte Inglés has a Committee for paper reduction that has been working for more than 12-13 years now. The introduction of the corporate Intranet and the use of electronic mailing have allowed reducing the printing of documents and the use of paper for internal communication. Furthermore, El Corte Inglés is working on a project to introduce a new system to check electronically the process of invoice sending to suppliers and the transportation of freight goods.
The reduction in the amount of paper used has been significant during the first years of operation of this Committee: a reduction of 20% was achieved during the first years, and 8% the last year. In 2008, El Corte Ingles expects to improve the results previously achieved with a complete revision of current paper management practices in all the operation activities of the group.

Energy management

Optimisation and reduction of the energy consumption have been achieved by means of different savings programmes, including, for example, the use of more efficient bulbs (up to 80%), automatic saving programmes (selective turning-on and turning-off of equipments), and the introduction of electronic monitoring systems to have periodic reports about energy consumption. An Energy Efficiency Committee has been created with the aim of discussing, proposing and implementing different measures to reduce energy consumption.

Traning

Training on environmental issues have been provided for those employees directly involved in management, salesclerk, maintenance staff and purchasers (40% of employees).

Plastic bags

El Corte Inglés has introduced and implemented an integrated plan to reduce the impacts and the use of one-way plastic bags. This plan consists of different measures such as the use different recycled materials for the manufacture of the bags, promotion of reusable bags, training for salesclerks, programme to increase awareness among consumers.

Better informing consumers

For consumers, there are dedicated communication tools (e.g. brochures, posters, magazines, etc;) addressing environmental issues such as the need to reduce one-use plastic bags, or the management of domestic waste (e.g. for electric and electronic appliances, batteries, etc).

4.1. Market analysis of green products

TYPE	List of products / categories of products available in stores	Number of products available in stores	Market share of green products in this segment	Positioning of green products on the shelves
ENERGY LABELED PRODUCTS : category A^+ and A	Energy Efficient bulbs	N.A	Between 40% and 50%	With other products
	Electronic appliances	N.A	Between 60% and 70%	With other products
ORGANIC FOOD	Fruits, vegetables, wines etc from certified organic agriculture (no pesticides and GMOs)	N.A	Between 5% and 10%	Dedicated display stands and in specific sections of the shop
OTHER	Trash bag (made out of plastic packaging waste produced internally)	N.A	Between 5% and 10%	With other products

4.2. Description of the actions implemented to promote green products

Type of action	Details about the implementation by the retailer
Priority given to local seasonal food	For most fruit/vegetable categories, the suppliers are not local but national. In most cases, dedicated identifying markers or posters are used to help consumers identifying them.
Implementation of financial incentives to promote green products	El Corte Inglés participates in the RENOVE Plan. This Plan, launched by the Spanish government, aims at incentivising the purchase of electrical appliances of energy class A or better. The procedure followed included an economic aid to the owners willing to substitute their old inefficient appliances by new ones (A labelled or above) and the commitment to handover the second hand ones to an authorised agent for the treatment of the environmentally hazardous waste (refrigerator's cooling gas, etc.). Due to the plan RENOVE, a substantial increase of the sales of electrical appliances has been observed because of the important discount offered for replacing old appliances for energy efficient ones. Discount of minimum 50 € is offered for buying energy efficient electrical appliances in the framework of the RENOVE plan.
Cost of green products compared to the price of their standards counterparts	No specific policy for green products in general. The purchasing price from suppliers is higher.
Specific promotion/ communication/ activities/ campaigns implemented to promote green products	El Corte Inglés organises testing in their stores for organic products and information is disseminated by means of brochures and in the magazine published by El Corte Inglés (APTC) for consumers. In some supermarkets and hypermarkets, posters explaining the meaning of organic agriculture are also used.
Other (Please Specify)	El Corte Inglés is currently working to increase the variety and quantity of green products available in the stores (e.g. ecological agriculture products), and to introduce new certified products (e.g. wood-based products made of timber from sustainable sources, textile products with organic cotton, etc.)

4.3. Description of actions implemented to greening supply chain

Type of action	Details about the implementation by the retailer
Products related initiatives	
Reducing the impact of packaging waste	Different studies are being carried out to analyse possible measures for reducing the weight (lower weight, eco-design) of packaging. For example, the layer of paper used in cardboard boxes used as secondary packaging has been eliminated. The use of reusable packaging in the internal logistic chain and the reduction of the weight of the remaining packaging resulted in a reduction of 600 000 kg/year or paper and cardboard and 1 100 000 kg/year of plastic (in 2007 comparing to 2006). Different tests have been carried out regarding the use of reusable tertiary and secondary packaging. For example, the use of plastic reusable pallets instead of wood pallets has been studied, and cardboard boxes have been replaced by plastic reusable boxes.
Eco-design products	No action implemented
Reducing the carbon/ environmental footprint of their supply chain	A study on the carbon footprint of the group is planned for the end of 2008.
Ban products that have known negative environmental impacts	
Initiatives targeting suppliers	
Implementation of specific actions that target suppliers Are the results measured?	In general, El Corte Inglés does not influence its suppliers regarding environmental issues for the production processes nor it requires specific compliance. It usually adapts to the standards already established by its suppliers that, according to El Corte Inglés, are known brands that observe existing environmental requirements.
Initiatives targeting transport / logistics	
Implementation of specific actions to reduce environmental impacts of logistic/transport Are the results measured?	In 2004, the centralisation of the reception of products in the logistic platform of Valdemoro (for the whole Spain) allowed optimising the supply chain, thus reducing emission to air and noise. There is a smaller replica of this logistic reception centre in Barcelona, where there are stores that are supplied locally by suppliers in Sevilla or Valencia. The centralization of logistics allows an optimisation of the transport capacity, contributing to a reduction in CO_2 emissions. On the other hand, it might result on the increase of the average distance from the supply point to the consumer. Data on the results of this centralisation in terms of emission reductions are not available. All the stores have warehouse where local product might be stored.
Monitoring the tonne per kilometres of products transported each year by rail, road, sea and air.	No information available
Other (Please Specify)	

4.4. Description of actions implemented to reduce retailer' own environmental performance

Type of action	Details about the implementation by the retailer
Environmental management in stores	
Waste	El Corte Inglés mainly produces paper, cardboard and different types of plastic waste. Occasionally, it does also produce aluminium. Paper-cardboard and plastic waste represent approximately 81,7% of the total amount of waste generated by El Corte Inglés. There is a system in place for the recovery of all the packaging used during the logistic operations of the group and recycling for manufacturing new packaging (cardboard boxes, recycled plastic trash bag, etc). For example, the boxes that are use for home delivery (between 90% and 100%) are made out of recycled paper recovered internally. Indeed, waste separation and differentiated collection have been in place globally for over 14-15 years now. Nevertheless there are still some problems for the collection of waste, particularly in small stores where separation is more complex. For cardboard, recycling rates of 95% have been achieved, while for plastic the rate is of 80%. All the packaging waste that is collected internally is provided to specialised companies for recycling. El Corte Inglés also contributes to the collection of clients' waste such as old appliances for disposal, batteries, tyres, mineral oils, etc and delivers them to authorised management and disposal agents. Hazardous waste is registered in a record book (as requested by Spanish legislation) in all the stores of the group. Besides, the quantities of all the different types of waste are registered in a summary file that is published internally. Such file includes information, for example, on the quantity of waste of electrical and electronic equipment in the different stores and oil waste from car repair by the garage services. Regarding paper, since 2004, an important reduction in the volume of printed documents produced by the group has been achieved by promoting the use of the EDI system for the exchanges with suppliers, the development and promotion of the Intranet (that allows the exchange of information between workers), and the promotion of duplex printing internally. Also since 2004, hangers, secondary packaging (plastic bags and cardboard boxes), and tyres are reused or recycled. For the hangers, El Corte Inglés works with a specialised recycling company (the steel part is removed and the plastic is recycled for making new hangers: close circuit system).
Energy consumption	Lighting, indoor temperatures control systems and refrigeration systems represent up to 80% approximately of the total energy consumption. Optimisation and reduction of the energy consumption has been achieved by means of different saving programmes, including, for example, the partial replacement of the incandescent lighting (halogens) with fluorescent screens with electronic reactance, automatic saving programmes (selective turning-on and turning-off of equipments), and the introduction of electronic systems to have periodic reports about energy consumption. An Energy Efficiency Committee has been created with the aim of discussing, proposing and implementing different measures to reduce emissions and energy and water consumption. This committee is also in charge of the follow-up of the measures that are implemented and produces comparative tables for all the different stores. The average energy consumption of a store is 40 kWh/m^2 on average per store.m²

Refrigerant	No action implemented
Energy-efficient bulbs	The use of the best lighting technology (replacement of system by more energy efficient lighting) has been promoted. For example, LEDs for Christmas lighting decoration in the facade of buildings have been introduced. Another example is the optimisation and adaptation of lighting according to the commercial and operational needs and the use of energy efficient light bulbs and fluorescent lamps in the department shops and stores. Currently 80% of the bulbs installed in stores are energy-efficient. The target is to achieve the installation on 100% of energy-efficient bulbs.
Training on environmental management	Training on environmental issues has been provided for those employees directly involved in managements, salesclerk, maintenance staff and purchasers (40% of employees). Depending on the specific educational campaign and its objectives, the training sessions will be addressed to those employees that might be most concerned. For example, salesclerks have received training for promoting the reduction of one-way bags, and buyers and sales agents (from suppliers) have received specific training about the applicable legislation regarding electric and electronic waste, batteries, tyres, etc
Environmental impacts of consumers driving to your stores	Most of the department stores are located in city centres. For those that are located in the suburbs, El Corte Inglés tries to establish agreements with the local authorities to place bus stops and public transport nearby
Plastics bags	El Corte Inglés has introduced and implemented an integrated plan to reduce the impacts and the use of one-use plastic bags. This plan consists of different measures such as the use of different recycled materials for the manufacture of the bags, promotion of reusable bags, training for salesclerks, programme to increase awareness among consumers. One of the first actions to be implemented was the organisation of training courses for cashiers and salesclerks in order to inform them about the impact of the use of this type of plastic bags and the importance of reducing their consumption. Up to 5 000 employees have already attended this training course. Other training courses addressing this issue are also planned for sales responsible employees and other categories of employees. For consumers, El Corte Inglés has included in many of the stores (e.g. Hipercor, Supercor, Opencor, Bricor, and El Corte Inglés supermarkets) posters in the cash desks informing consumers about the importance of reducing the use of plastic bags with the slogan "Take care of the environment. Use only the bags you need". The Group has recently introduced for some of the sections in the stores (such as for the Wedding department) compostable, biodegradable bags made out of potato starch to replace traditional ones. Other bags are manufactured from own packaging waste.
<u>Green procurement practices for equipment and infrastructure</u>	
Green building standards	In March 2006, the Spanish Council of Ministers approved a new construction standard through Royal Decree 314/2006 of 17 March 2006. This updates the old one dating from the 1970s and partially transposes the EU Directive 2002/91/CE on Energy Efficiency in Buildings. The new standard, called the Building Technical Code (CTE - Código Técnico de la Edificación), establishes new quality, security, energy efficiency and habitability requirements for new or renovated buildings. One of the requirements is that a minimum percentage ranging from 30% up to 70% of the annual energy requirements for the production of Domestic Hot Water (DHW) demand will be met with solar thermal energy. 100% of the new buildings of El Corts Inglés are according to these new standards, however, other green building standards (e.g. voluntary criteria of sustainability and energy efficiency in stores) are not, in principle, considered.

Green procurement of products	El Corte Inglés has the objective of purchasing equipment that is more energy efficient, although this criterion has to be applied along with other commercial considerations (e.g. prices, agreements, etc)
<u>Other measures</u>	
Water	Different measures have been introduced to reduce water consumption in stores including: Training programme for store managers - •Introduction of a preventive programme for leakage detection in the water supply system - •Elaboration of periodic water consumption reports (using data from metering programme) that allow detecting early deviations in the regular water consumption patterns and introduce corrective measures - •Different norms have been established for workers to ensure a sustainable use of water. - •In the department stores of the group, specific posters have been introduced aiming at increasing awareness about water and presenting best practices - •Devices to limit pressure for taps.
Other **(Please Specify)**	

Fact Sheet 6 - H&M

Study « Towards a greener retail sector »

Last update: 18/08/2008

H&M	H&M

1. CONTACT DETAILS

NAME:	Henrik Lampa
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2. RETAILER' IDENTIFICATION

LOCATION OF HEADQUARTERS:	Stockholm, Sweden	
TOTAL NUMBER OF EMPLOYEES:	**WORLDWIDE:** 68 000	**EU:**
TOTAL NUMBER OF STORES:	**WORLDWIDE:** 1 522	**EU:**
TOTAL TURNOVER IN 2007:	**WORLDWIDE:** 92 123 millions SEK (eq. 9 854 millions €)	**EU:**
NUMBER OF EU COUNTRIES COVERED:	20 **/ 27**	

LIST OF EU COUNTRIES COVERED: *(grey cells)*

Austria	Finland	Latvia	Romania
Belgium	France	Lithuania	Slovakia
Bulgaria	Germany	Luxembourg	Slovenia
Cyprus	Greece	Malta	Spain
Czech Republic	Hungary	The Netherlands	Sweden
Denmark	Ireland	Poland	UK
Estonia	Italy	Portugal	

TYPE OF STORES: *(grey cells)*

Supermarkets	Discount stores	Convenience stores
Hypermarkets	Online stores	Specialised: clothes stores
Franchise / associated stores	Department stores	Other (precise)

TYPE OF PRODUCTS/SERVICES SOLD: *(grey cells)*

Fresh food	Clothes	DIY products	Other: cosmetic products
Grocery	Home products (furniture, decoration)	Electrical and electronic products	

3. DESCRIPTION OF THE RETAILER' GREEN STRATEGY

H&M's business concept is to offer our customers fashion and quality at the best price. At H&M, quality is about more than making sure that products meet or exceed customers' expectations – it also means that these products should be manufactured under good conditions and with limited impact on the environment. Taking responsibility for how operations affect people and the environment is key for H&M's continued profitability and growth. H&M is committed to integrating social and environmental concerns into its business operations and supporting the communities where H&M works.

Part of H&M vision to run its business operations in a sustainable way is managing its impacts on the environment. H&M aims to address the environmental impacts of its products during the design, production, delivery and sale stages, as well as the impacts of the company operations from buildings and travel. Part of that approach is to take action to reduce carbon dioxide emissions and to consider short and long-term environmental impacts to ensure that H&M chooses solutions that are sustainable. In addition to developing a more sustainable business, this approach can open up both new business opportunities and potential cost savings. As a global company H&M unquestionably has an impact on the environment and a clear understanding and programme of activities is essential to H&M's growth and profitability.

H&M has designated an environment manager in all countries where the company is present (stores and production factories) and in all headquarters departments. Precise environmental targets are set each year, in collaboration with the different sectors of the group.

4. SYNTHESIS OF THE GREENING ACTIONS IMPLEMENTED BY THE RETAILER

Promoting the purchase of green products

H&M has an offer of EU Ecolabelled products (a range of baby wear), organic textile products and wooden FSC products (for wooden products issued from countries with tropical rainforest).

In stores, green products are mixed with non-green products, but bear dedicated labels. When green products collections are launched specific communication can be organised.

No specific pricing policy or incentive is implemented for green products.

Encouraging measures to effectively green supply chain

H&M suppliers have to comply with a code of conduct concerning different environmental issues: compliance with local environmental legislation, restriction of usage for more than 250 chemical substances, waste water treatment when conducting wet processes.

H&M is working at reducing the environmental impacts of products at the design stage and especially reducing packaging waste.

H&M monitors the carbon footprint of its activity (products production excluded).

H&M is working on reducing the emissions from transport by air.

Improving retailer's own environmental performance

H&M is using organic cotton in its products and supports organic cotton production development.

H&M is working at reducing the energy consumption of its stores.

Waste is sorted in all stores.

H&M introduced environmental requirements when purchasing products and building/re-fitting stores.

Better informing consumers

Films about H&M's environment work are presented on H&M corporate website.

H&M provides information about the energy consumption throughout the life cycle of a garment and gives green tips on its website.

4.1. Market analysis of green products

TYPE	List of products / categories of products available in stores	Number of products available in stores (or if not available, other indicator)	Market share of green products in this segment (or if not available, other indicator)	Positioning of green products on the shelves
ECOLABELED PRODUCTS	Baby wear	900 000 garments sold in 2007	Not available	Among “standard” products
ORGANIC TEXTILE	Selected garments containing a certain part of organic cotton	80 tonnes of organic cotton used in 2007	Not available	Among “standard” products
	100% organic cotton collections for women, men, teenagers and children	1300 tonnes of organic cotton used in 2007	Not available	Among “normal” products
FSC/PEFC or wood from sustainable forestry PRODUCTS	Wooden products bearing the FSC (Forest Stewardship Council) label when wood comes from countries with tropical rainforest.	Not available	Not available	Among “normal” products

4.2. Description of the actions implemented to promote green products

Type of action	Details about the implementation by the retailer
Implementation of financial incentives to promote green products	N/A
Cost of green products compared to the price of their standard counterparts	No special pricing policy for green products
Specific promotion/communication/activities/ campaigns are implemented to promote green products	Green products are normally mixed with non-green products. On special occasions green products can be grouped in a green corner. Products containing 100% of organic cotton have a special label mentioning this on the hanger and on the garment content label. Additional information on green products is provided in club members' magazine.
Other (precise)	

4.3. Description of actions implemented to greening supply chain

Type of action	Details about the implementation by the retailer
Products related initiatives	
Reduce impact of packaging waste	H&M works to reduce the amount of plastic packaging: for example garments are not packed in single packaging but in multi-garment packaging. The amount of plastic saved is not measured, but it is visible by the decrease in the amount of plastic sent to recycling.
Eco-design products	H&M is working at reducing the environmental impacts at the design stage. But the lack of LCA data in the textile field is a problem for conducting eco-design.
Reduce carbon/environmental footprint of the supply chain	The emissions are monitored in tonnes of GHG emissions and in tonnes of GHG emissions per million of SEK sales. This unit has been chosen (versus per square meter of sales area) because it is more representative of the effectiveness of the company. For the GHG emissions monitoring, the scope is the following: transportation of good, energy used in stores, warehouses and offices, and business travel. In 2007 H&M formulated its approach to climate change, considering the impact of the: - Production processes: H&M will identify a method for measuring carbon dioxide emissions from the manufacturing of goods - Buying processes: H&M will include climate change in the environmental training for buying office staff and continue to focus on transport and travel - Transport and travel: H&M will facilitate shipping transport and continuously monitor and restrict the use of air transport. H&M will also focus more on rail transport and work with strategic partners to test the use of renewable fuels for heavy road vehicles. - Sales: H&M will investigate energy efficiency requirements for installations that depend on electricity, install energy-efficient escalators, timers for shop window lighting and presence sensors to control lighting.
Ban products having high environmental impacts	PVC use is banned for products since 2002 and for stores fitting progressively. The use of chemical substances is forbidden (see below).
Initiatives targeting suppliers	

Implement specific actions targeting suppliers. Are the results measured?	Since 1997 H&M suppliers have to sign a Code of Conduct. The Code of Conduct requires compliance with local environmental legislation and the restriction of chemicals use (the use of 250 chemicals substances is restricted). H&M requires its suppliers to have waste water treatment plants if they conduct wet processes: dyeing, washing, printing… Currently H&M focuses on the performance of the waste water treatment plant. 3 key waste water and pollution indicators are monitored: biological oxygen demand (BOD), chemical oxygen demand (COD), total suspended solids. Suppliers with values over the limit prescribed have been requested to draft action plans. The code of conduct concerns the suppliers' sub-contractors (but not the suppliers of H&M suppliers). Because few suppliers have a vertical structure (i.e. all the production stages are controlled by H&M direct suppliers), H&M has no control on the wet processes of its suppliers' suppliers. To help improving the environmental performance of its suppliers' suppliers H&M implements voluntary programs. Since 2005 H&M has encouraged fabric mills with dyeing processes to contribute to cleaner fabric production. H&M auditors visit the mills to assess the potential for improvement and to demonstrate the possible actions that can be taken. It is voluntary for the mills to implement measures and H&M offers practical tools for them to use. The programme consists of around 40 easy-to-implement measures so that effects can be seen quickly and the mills are motivated to make changes. Many are directly linked to cost savings and profitability improvements for the mill, making clear the important environmental and financial gains.
<u>Initiatives targeting transport / logistics</u>	
Implement specific actions to reduce environmental impacts of logistic/transport. Are the results measured?	H&M reduced the emissions from transport by air or a combination of sea and air by 20%. H&M has requirements for its transport service providers about: requirements on the vehicles emissions (Euro 2 at minimum for actual fleet and Euro 4 for new vehicles), 75% of drivers trained in fuel-efficient driving and policy banning idling in excess of one minute. H&M logistic department works on having the higher filling rate for containers.
Monitor the tonne-kilometres of products transported each year by rail, road, sea and air.	Only estimates are available, because tonnes.km is not the standard measurement unit for all means of transport (sea transportation is measured in container.km…)
Other (precise)	

4.4. Description of actions implemented to reduce retailer' own environmental performance

Type of action	Details about the implementation by the retailer
Environmental management in stores	
Waste	Stores are provided with guidance on how to handle waste including hazardous materials. Stores monitor the reduction, reuse, recycling process for waste such as cardboard, paper and plastic. In 2007 84% of hangers purchased were recycled and others were reused.
Energy consumption	H&M monitors the energy consumption of its stores. Use of renewable energy in Germany.
Energy-efficient bulbs	H&M is continuously working with light suppliers to find the smartest solution. H&M is conducting lighting experimentations when building or re-building stores. The number and type of light bulb is not monitored. LEDs are used to illuminate H&M signs in the front of the stores.
Training on environmental management	Training sessions have been organised when the code of conduct was launched.
Environmental impacts of consumers driving to your stores	No.
Plastics bags	H&M is looking into alternative materials for plastic bags.
Green procurement practices for equipment and infrastructure	
Green building standards	H&M has requirements on its suppliers to make environmental improvements in stores fittings and re-fittings.
Green procurement of products	A green procurement policy is implemented for all centralised purchases. Minimum environmental requirements are implemented for local purchases. H&M implements environmental requirements for suppliers of store equipments and furnishings.
Other measures	
Raw materials	H&M uses organic cotton (in selected garments containing a part of organic cotton and in 100% organic cotton collections). H&M is a member of the BCI (Better Cotton Initiative) which was founded by the WWF to support better cotton cultivation methods. H&M is a member of the Organic Exchange which supports the farmers during the transition from conventional cotton farming to organic. H&M plan to use transitional cotton in its garments.

Fact Sheet 7 - IKEA

Study « Towards a greener retail sector »

Last update: 08/09/2008

IKEA	

1. CONTACT DETAILS

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2. RETAILER' IDENTIFICATION

LOCATION OF HEADQUARTERS:	Leiden, Netherlands			
TOTAL NUMBER OF EMPLOYEES:	**WORLDWIDE:** 118 000		**EU:** 96 300	
TOTAL NUMBER OF STORES:	**WORLDWIDE:** 282		**EU:** 170	
TOTAL TURNOVER IN 2007:	**WORLDWIDE:**		**EU:** €15.8 billion (2006 Europe)	
NUMBER OF EU COUNTRIES COVERED:	**19/ 27**			
LIST OF EU COUNTRIES COVERED: *(grey concerned cells)*	**Austria**	**Finland**	**Latvia**	**Romania**
	Belgium	**France**	**Lithuania**	**Slovakia**
	Bulgaria	**Germany**	**Luxembourg**	**Slovenia**
	Cyprus	**Greece**	**Malta**	**Spain**
	Czech Republic	**Hungary**	**The Netherlands**	**Sweden**
	Denmark	**Ireland**	**Poland**	**UK**
	Estonia	**Italy**	**Portugal**	
TYPE OF STORES: *(grey concerned cells)*	**Supermarkets**	**Discount stores**	**Convenience stores**	
	Hypermarkets	**Online stores**	**Specialised: furniture stores**	
	Franchise / associated stores	**Department stores**	**Other (Please Specify)**	
TYPE OF PRODUCTS/SERVICES SOLD: *(grey concerned cells)*	**Fresh food**	**Clothes**	**DIY products**	**Other (IKEA food restaurants)**
	Grocery	**Home products (furniture, decoration)**	**Electrical and electronic products**	

3. DESCRIPTION OF THE RETAILER' GREEN STRATEGY

IKEA´s sustainability direction is that "IKEA`s business shall have an overall positive impact on people and the environment". IKEA's business idea is to offer a wide range of well designed, functional home furnishing products at prices so low that as many people as possible will be able to afford to buy them. Cost-consciousness is essential to this idea, using methods for economical use of resources while reducing environmental impact.

Social and environmental specialists

IKEA managers are responsible for including social and environmental issues in the daily work. To support business, there are a number of specialists covering a wide range of areas, such as chemical experts, foresters, IWAY auditors, energy experts etc. All IKEA stores and distribution centres have environmental co-ordinators who work in the areas of training, waste management, water and energy conservation.

IKEA's code of conduct, IWAY

IKEA strives to build long-term relationships with suppliers that share their commitment to promote good practices, and who want to grow and develop together with IKEA. By being on site and conducting responsible business, IKEA contributes to better manufacturing and working conditions for suppliers and their workers.

The IKEA Way on Purchasing Home Furnishing Products – IWAY, is IKEA's code of conduct for suppliers of home furnishing products, introduced in 2000. Today there are several IWAYs for different areas of business, each of them being adapted to respective needs:

- purchasing IKEA home furnishing products
- purchasing IKEA food products
- purchasing the IKEA catalogue
- purchasing transport and distribution of IKEA products.

Suppliers and service providers must follow the respective code of conduct, which specifies the minimum requirements IKEA places as well as the support IKEA provides the supplier. Suppliers are responsible for communicating the content of the IKEA code of conduct to co-workers and subcontractors and ensuring that all measures required are implemented.

4. SYNTHESIS OF THE GREEN ACTIONS IMPLEMENTED BY THE RETAILER

Promoting the purchase of green products

As a retailer selling all its products under its own brand name, IKEA is totally controlling the design of the products it sells, and has also an important influence on its suppliers. IKEA is committed to provide its customers with products with good environmental performance at the best price. So its strategy is more to eco-design all products in general (cf next paragraph), than to highlight by a label the specific environmental qualities of a greener range of products.

However, because of the specificity of the main raw materials entering in the composition of IKEA's products (namely wood and textiles), IKEA is working on these supply chains to ensure good traceability and environmental management.

For wood, IKEA has defined a 4-level requirements system for its suppliers. Level 1 is mandatory, and level 4 corresponds to certified wood products (FSC label). IKEA monitors and publishes the percentage of its suppliers complying with Level 2 (94% in FY07) and Level 4 (6% in FY07).

Regarding textiles, IKEA uses some organic cotton in its products, but it is not the main focus, which is an on-going project with WWF on Better Management Practices (BMP). Better Management Practises are environmental practises that enable farmers to reduce environmental impact, improve efficiency, maintain cotton crop yields and increase their gross margins.

Then IKEA also works on promoting the purchase of energy-efficient light bulbs. Sales of CFL light bulbs increased by more than 50% in 2007 as compared to 2006, and represent almost half the sales of units of light bulbs in 2007.

IKEA also sells organic products in its Swedish Food Markets: 6% of the products in FY07.

Information on green products is mostly provided to consumers on the price tags.

NB: IKEA will certainly increase the availability of green technological products on its shelves in the coming years, with the creation of IKEA Green Tech[2].

Encouraging measures to effectively green supply chain

IKEA designers are using the e-wheel to design products and their packaging. The e-wheel is an eco-design tool, which helps considering the potential environmental impacts of a product all along its different life cycle steps. The use of e-wheel is getting systematic.

In addition, a certain number of requirements are put on products: no PVC (except for some cables), increased resource efficiency of particle boards, limitations on the use of formaldehyde and phtalates, and a number of chemical requirements going further than legislation (e.g. mercury in CFLs).

Then all IKEA suppliers must follow IWAY, which is IKEA's code of conduct. It consists mainly in environmental management requirements + requirements on wood sourcing. IKEA publishes figures on the percentage of IWAY suppliers per region; in FY07, the average rate of IWAY approved suppliers is 50%. Figures are also provided on the number of audits conducted (by IKEA and third parties), and the number of suppliers with which IKEA terminated business because of non-compliance with IWAY.

Many measures are also implemented to reduce the carbon impact of transport and logistics: switch to more carbon-friendly modes of transport (rail, boat, biofuels), increase of filling rate in trucks. Modes of transport used and filling rates are monitored, as well as the amount of GHG emissions generated by goods transport and IKEA buildings (66g $CO2/m^3$ produced for IKEA). There is also a specific IWAY on Distributing Home Furnishing Products, and IKEA monitors its transport suppliers' compliance.

[2] IKEA GreenTech is an investment company, founded with the aim of contributing to and supporting the work of developing innovative and inexpensive environmental products. Among the company's activities will be a focus on products in areas such as solar panels, light sources and water purification. First-hand investments will be made in innovations that offer commercial prospects within a four to five year horizon.

Improving retailer's own environmental performances

Waste sorting and treatment is implemented in all IKEA stores.
IKEA works to decrease energy consumption in its stores: energy consumption standards in new stores have also been established. The energy consumption standard has been determined to be 45 kilowatt hours per cubic metre sold, by year five after store opening. The long term goal is 100% electricity and heating from renewable sources. It is today 42% on average (stores, distribution centres, Swedwood). Lighting standards have recently been updated to go towards more energy efficiency.

Training is systematic for all new employees and includes information on environmental management. There are also different types of expertise training (internal or external) according to the kind of employee.

IKEA and WWF implement pilot projects to reduce the carbon impact of customers going to IKEA stores. In FY07, 9% of customers travelling to IKEA stores used public transportation.

No single use plastic bags available in stores; two options cardboard bag or reusable plastic bag (blue bag).

Building component standards, which specify a range of energy efficient measures to be included in new IKEA buildings, were completed in FY 2007.

In general, IKEA's codes of conduct for suppliers (and their environmental requirements) also apply for suppliers of goods for use in offices. However the requirements are not product-related (except for wood sourcing), and are more about the good environmental management of production sites. Exceptions exist for the paper used in IKEA catalogue, energy, and delivery trucks, where product-specific requirements exist.

Better informing consumers

Generally speaking, all products carry out information on how to take good care of them / how to preserve them. Then there are sometimes specific campaigns more focused on environment protection, as in Sweden recently, IKEA has collaborated with the WWF to promote energy efficient light bulbs. A web site was designed containing tips for good environmental behaviour.
In general the web is the main source of environmental information.

4.1. Market analysis of green products

TYPE	List of products / categories of products available in stores	Number of products available in stores	Market share of green products in this segment	Positioning of green products on the shelves
ENERGY LABELLED PRODUCTS : category A^+ and A	Energy-saving appliances (A and B)			
ORGANIC FOOD	Organic food is available in IKEA's Swedish Food Markets.	IKEA uses 2 KPIs to monitor its offer in organic food in IKEA restaurants: - Organic products in the Swedish Food Market range: 6% in FY07 - Organic dish served in all IKEA restaurants worldwide: 0 in FY07		
ORGANIC TEXTILE	IKEA and WWF have field projects underway at project sites in Pakistan and India, testing improved working methods for cotton cultivation and processing. The projects use Better Management Practises (BMP). Better Management Practises are environmental practises that enable farmers to reduce environmental impact, improve efficiency, maintain cotton crop yields and increase their gross margins. Some 2,000 farmers in Pakistan and 500 farmers in India are participating through Farmer Field Schools. IKEA monitors the share of better managed cotton in their products. IKEA also monitors the tons of organic cotton bought every year. Organic cotton is not the big focus, contrary to BMP cotton.			
FSC/PEFC or wood from sustainable forestry PRODUCTS	IKEA has established four levels of requirements for wood suppliers. These increase step-wise from basic start-up conditions (Level 1) to forest management criteria (Level 4). IKEA provides figures on: - Share of IKEA suppliers for solid wood, veneer, plywood, layer glued wood that meet IKEA minimum requirements (Level 2 in the staircase model): 94% in FY07 - Share of solid wood used in IKEA products coming from forests certified as responsibly managed (Level 4 in the staircase model): 6% in FY07 IKEA also provides figures on the wood audited volume (in wood supply chain audits), in cubic metres / % of total wood used in IKEA products: 900 000 / 14% in FY07, and on the approved audited volume: 59% of the wood supply chain audits in FY07.			
OTHER	**Light bulbs** IKEA has internal data of the share of sales of low energy bulbs as compared to the total sales. In 2007 a breakthrough of the sales of A-labelled light bulbs happened, with big volumes (millions units) sold. IKEA is working actively on finding a solution on the mercury content of CFLs, and more generally, on finding energy-efficient lighting solutions. Sales of CFL light bulbs increased by more than 50% in 2007 as compared to 2006, and represent almost half the sales of units of light bulbs in 2007.			

4.2. Description of the actions implemented to promote green products

Type of action	Details about the implementation by the retailer
Implementation of financial incentives to promote green products	N/A
Cost of green products compared to the price of their standards counterparts	Green products are in general more expensive than their standard counterparts , because of e.g. a need to go through complex certification, more modern technology and therefore initially smaller volumes (no economy of scale).
Specific promotion/ communication/ activities/ campaigns implemented to promote green products	Green products are displayed in outlets amongst other products. Information on green products is given on their price tags, where there is also sometimes information about energy savings. Campaigns are steered from a national level, some centrally produced messages that can be used (e.g. from brochures such as IKEA's "People and the Environment").
Other (Please Specify)	

4.3. Description of actions implemented to greening supply chain

Type of action	Details about the implementation by the retailer
Products related initiatives	
Reducing the impact of packaging waste	Packaging solutions are included in the product design (e-wheel)
Eco-design products	Eco-design is implemented for furniture: there is a new manufacturing practise to reduce the use of solvents, increasing the resource efficiency for particle board, requiring for the energy efficiency levels of the products sold by IKEA etc. IKEA's designers make use of the "e-wheel" (Raw material, manufacturing, product use, end of life) to evaluate the environmental impacts of products. E-wheel sets the basics for a life cycle assessment approach regarding the design of new products. The use of e-wheel is getting systematic; the aim is to make it mandatory in the future. 70% in weight of products are made from renewable sources (no detail available).
Reducing the carbon/ environmental footprint of their supply chain	Actions to reduce products' carbon footprint focus on providing energy-efficient electrical products, especially light bulbs.
Ban products that have known negative environmental impacts	Some chemicals such as formaldehyde and phthalates must not exceed IKEA requirements IKEA has banned the use of PVC in all products but some cables. A number of chemical requirements going further than legislation, ex a lower mercury level in energy saving light bulbs (CFLi) than required by RoHS even if this limits the number of suppliers that can produce the article.
Initiatives targeting suppliers	
Implementation of specific actions that target suppliers Are the results measured?	IKEA requires suppliers to comply with their code of conduct, The IKEA Way on Purchasing Home Furnishing Products (IWAY). It includes social and environmental requirements. The environmental requirements are the following: Suppliers must agree to: • work to reduce waste and emissions to air, ground and water, • handle chemicals in a safe way, • handle, store and dispose of hazardous waste in an environmentally safe manner, • contribute to the recycling and reuse of materials and used products, • use wood from known areas and, if possible, from sources that are well managed and preferably independently certified as such. Suppliers may not: • use wood originating from national parks, nature reserves, intact natural forests or any areas with officially declared high conservation values, unless certified. IKEA provides figures on the percentage of IWAY approved suppliers per region; in FY07, the average rate of IWAY approved suppliers is 50%. Figures are also provided on the number of audit conducted (by IKEA and by third parties), and the number of suppliers with which IKEA terminated business for reasons of non-compliance with IWAY.
Initiatives targeting transport / logistics	

Implementation of specific actions to reduce environmental impacts of logistic/transport Are the results measured?	IKEA wants to reduce carbon dioxide emissions from transport. All transport services must use modern vehicles, have concrete emission targets and measure their carbon dioxide emissions. Optimal loading, cleaner fuels and fuel efficient driving techniques are important factors in making goods transport better adapted to the environment. The IKEA Way on Distributing Home Furnishing Products applies to the transport and distribution of IKEA products, as well as IKEA distribution centres. Requirements address topics related to social and working conditions as well as to respect for the environment.
Monitoring the tonne per kilometres of products transported each year by rail, road, sea and air.	IKEA uses the GHG Protocol to calculate CO2 emissions from transportation. Emissions are calculated in g CO2 per transported m3 / km. Boundaries cover transport from suppliers to distribution centres, and from distribution centres to stores or IKEA offices. It is not possible for IKEA to provide data per ton of products. All IKEA transport service providers must set their carbon dioxide emissions targets and set a three-year emission goal. They must also measure their carbon dioxide emissions and fill in an "Environmental Performance Survey". In addition, transport service providers must use modern vehicles that are less than 10 years old. IKEA provides figures on: - the fulfilment of minimum environmental requirements by transport suppliers: 69% for ocean transport and 99% for land transport in FY07. - IWAY approved transport providers: 5% in FY07 - IWAY approved distribution centres: 71% in FY07 Moreover, IKEA monitors the modes of transport used and the filling rate, and GHG emissions, figures are provided in the 2007 CSR report:
Other (Please Specify)	

4.4. Description of actions implemented to reduce retailer' own environmental performance

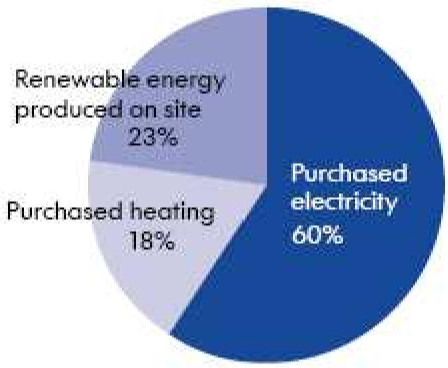
<table>
<tr><th>Type of action</th><th>Details about the implementation by the retailer</th></tr>
<tr><td colspan="2"><u>Environmental management in stores</u></td></tr>
<tr><td>Waste</td><td>Waste sorting and recycling is implemented in IKEA stores, with also some specific take-back systems, depending on the regional/local waste system.
Waste recycled, reclaimed or used in energy production
<table>
<tr><th></th><th>FY04</th><th>FY05</th><th>FY06</th><th>FY07</th><th>FY09 goal</th></tr>
<tr><td>Stores total</td><td>77%</td><td>80%</td><td>80%</td><td>84%</td><td>90%</td></tr>
<tr><td>Distribution Centres</td><td>80%</td><td>86%</td><td>86%</td><td>76%</td><td>90%</td></tr>
</table></td></tr>
<tr><td>Energy consumption</td><td>Energy consumption of stores is monitored. Energy consumption standards in new stores have also been established. The energy consumption standard has been determined to be 45 kilowatt hours per cubic metre sold, by year five after store opening.
In 2006, IKEA has introduced the mandatory energy usage checklist to raise awareness of current energy use, to monitor work and to enable internal energy audits to be conducted.
The goal is to use 100% renewable energy for electricity and heating.</td></tr>
<tr><td>Refrigerant</td><td>N/A</td></tr>
<tr><td>Energy-efficient bulbs</td><td>IKEA uses energy efficient bulbs in its stores.
Lighting standards were updated in 2007. As a result, a new standard for spotlights in IKEA buildings was developed. Spotlights will be changed from 50 watt and 35 watt light bulbs to 20 watt light bulbs.</td></tr>
<tr><td>Training on environmental management</td><td>Training is systematic for all new employees and includes information on environmental management. It can take the form of Internet-based training or the employee can choose a teacher-lead version. There are also different types of expertise training (internal or external) according to the kind of employee.</td></tr>
<tr><td>Environmental impacts of consumers driving to your stores</td><td>IKEA would always give information about the possibilities to use public transport to reach the stores. When a new store is being planned the availability of public transport is taken into consideration.
IKEA and WWF decided to start joint pilot projects to reduce carbon dioxide emissions from customer and co-worker transportation to and from the stores. Pilot projects will be developed and run in the United Kingdom, China and the United States.
IKEA provides the following figure in its CSR report 2007:</td></tr>
</table>

	 This KPI is measured as part of the annual customer survey conducted by each IKEA store.
Plastics bags	No single use plastic bags available in stores; two options: cardboard bag or reusable plastic bag (blue bag) are possible.
Green procurement practices for equipment and infrastructure	
Green building standards	[CSR report 2007] Building component standards, which specify a range of energy efficient measures to be included in new IKEA buildings, were completed in FY 2007. Energy consumption standards in new stores have also been established. The energy consumption standard has been determined to be 45 kilowatt hours per cubic metre sold, by year five after store opening. The first results from surveys have shown that by establishing and updating standards a 10-50 percent improvement in energy efficiency might be achieved. Final results will be available in FY08. All IKEA stores, distribution centres, factories and offices will, in the long-term, run entirely on renewable energy. IKEA defines renewable energy as energy derived from resources that are regenerated naturally or for practical purposes, cannot be depleted. Newly built facilities are, where possible, designed to use bio fuels, geothermal heat, solar, wind or water power, and all existing buildings are being adapted where possible.
Green procurement of products	For marketing products and services, including IKEA catalogue, IKEA implements the IKEA way on purchasing marketing products and services (NB: not found on the web site). In general, IKEA's codes of conduct for suppliers (and their environmental requirements) also apply for suppliers of goods for use in offices. However the requirements are not product-related (except for wood sourcing), and are more about the good environmental management of production sites. Exceptions exist for the paper used in IKEA catalogue, energy, and delivery trucks: - in 2007 70% of the paper used for IKEA catalogues was made from fibres originating from certified forestry. There are sustainability requirements for purchasing paper and printing the catalogue, and for monitoring emissions to air and water. In FY07, recommendations for water consumption have been included for the first time, along with our paper production sustainability requirements. - As for energy, IKEA has the long term direction that all IKEA buildings shall be supplied with 100% renewable energy. The following figures are provided in the CSR report 2007:

Renewable energy

	FY05	FY06	**FY07**	aim
Stores	21%	25%	**28%**	100%
Distribution Centres	17%	26%	**30%**	100%
Swedwood	61%	60%	**59%**	100%
Total	**38%**	**39%**	**42%**	**100%**

IKEA's total energy consumption



- Delivery trucks: All IKEA transport service providers must set their carbon dioxide emissions targets and set a three-year emission goal. They must also measure their carbon dioxide emissions and fill in an "Environmental Performance Survey". In addition, transport service providers must use modern vehicles that are less than 10 years old. Moreover, IKEA has started replacing company cars with "green" alternatives.

Other measures

Fact Sheet 8 - INDITEX

Study « Towards a greener retail sector »

Last update: 09/12/2008

INDITEX	INDITEX

1. CONTACT DETAILS

NAME:	Antonio Álvarez
POSITION/DEPARTMENT:	Environmental director
TELEPHONE:	-
E-MAIL:	-

2. RETAILER' IDENTIFICATION

LOCATION OF HEADQUARTERS:	Arteixo, Spain	
TOTAL NUMBER OF EMPLOYEES:	**WORLDWIDE:** 79 517	**EU:** 69 180
TOTAL NUMBER OF STORES:	**WORLDWIDE:** 3 691	**EU:** 3 109
TOTAL TURNOVER IN 2007:	**WORLDWIDE:** 9 434 670 000€	**EU:** 7 839 903 000€
NUMBER OF EU COUNTRIES COVERED:	25 **/ 27**	

LIST OF EU COUNTRIES COVERED: *(grey cells)*

Austria	Finland	Latvia	Romania
Belgium	France	Lithuania	Slovakia
Bulgaria	Germany	Luxembourg	Slovenia
Cyprus	Greece	Malta	Spain
Czech Republic	Hungary	The Netherlands	Sweden
Denmark	Ireland	Poland	UK
Estonia	Italy	Portugal	

TYPE OF STORES: *(grey cells)*

Supermarkets	Discount stores	Convenience stores
Hypermarkets	Online stores	Specialised: clothes stores
Franchise / associated stores	Department stores	Other (precise)

TYPE OF PRODUCTS/SERVICES SOLD: *(grey cells)*

Fresh food	Clothes	DIY products	Other: cosmetics products, home cleaning products.
Grocery	Home products (furniture, decoration)	Electrical and electronic products	

3. DESCRIPTION OF THE RETAILER' GREEN STRATEGY

The current environmental strategy of Inditex is the result of a continuous evolution in the environmental management of the company initiated in 1995, when a first assessment of compliance with existing legislation was carried out. An important driver of the introduction of a dedicated environment strategy was the necessity to answer to society's concerns about environmental issues and to gain competition advantage (growth strategy).

Inditex already had, before that date, some isolated projects addressing different environmental issues. Since 1995, the environmental actions are integrated into a strategic environmental plan. Since then, Inditex has taken some different measures: monitoring greenhouses gases emissions, a packaging reduction plan, improvement of the energy systems, implementation of cogeneration plants and trigeneration, design and implementation of environmental management schemes (Sistema de Gestion Medioanmbiental- SGMA) in the headquarter and in the industrial centres, and ISO 14001 certification of all factories and logistic centres.

The success of many actions carried out in the framework of this environmental strategy was partially due to its good acceptation among the staff (which has an average age of less than 30 years).

In July 2007, Inditex presented its *Strategic Environmental Plan 2007/*2010 (SEP 2007-2010), which required an investment of seventy million euros. The aim of this plan is to introduce the concept of sustainability into all the activities of the company. In particular, the objectives of this plan are three-fold:

- To achieve a 50% of usage of renewable or high efficiency (trigeneration) energy sources in the logistics centres and chain head offices.
- To reduce CO_2 emissions associated with road distribution by 20% (in tonnes CO_2 per kilometre), in comparison with the Inditex Group's emissions in 2005.
- To reduce the electricity consumption by 20% in stores constructed from 2008 onwards, in comparison with the consumption in operative stores in 2005.

This action plan tries to differentiate Inditex of their competitors, to strengthen the corporate image and also to improve the efficiency in the consumption of the resources. This implementation of this strategic plan, also called "Growing Greener", is supported by five programmes:

- Sustainable Stores,
- the project Inditex Pro Kyoto,
- the project of energy integration with environmental criteria,
- the project of textile Life Cycle Assessment and the ecological footprint of fabrics,
- and the TERRA project, with the objective to create the forest mass necessary to absorb 100% of the resulting emissions of electrical energy consumption from the corporate headquarters in Arteixo (A Coruña).

Inditex's internal organisation for environmental management is as follows: the new strategies and policies are determined in general at a corporate level. The Inditex corporate department proposes and each brand takes its own initiatives. Each brand has an environmental manager in charge of the development of new initiatives, such as for example the line of T-shirt Zara and its promotional campaign (i.e. video Eco Warning Warming presenting this product)..

4. SYNTHESIS OF THE GREENING ACTIONS IMPLEMENTED BY THE RETAILER

Promoting the purchase of green products

Inditex has already developed 2 lines of products made with 100% organic cotton: a line of T-shirts and a line of jeans. These products are displayed in a dedicated stand in the store, which are marked with special posters to differentiate these products and inform the consumer that they are made with 100% organic cotton. A video Eco Warning Warming on Internet presents the line of organic T-shirts.

Encouraging measures to effectively green supply chain

Inditex implemented measures to reduce the impact of its supply chain on the environment.

- Development of a LCA-based tool to reduce the carbon footprint of the products
- Implementation of a *Code of conduct* that suppliers have to fulfil, with environmental, health and safety standards for products.
- Control, reduction and monitoring of greenhouse gasses (GHG) emissions
- Improvement of the logistic with a system to re-use packaging

Moreover, Inditex has implemented a *Strategic Environmental Plan 2007/2010* to improve the supply chain during the next year.

Improving retailer's own environmental performance

Waste Separation and Minimizing Plan: All waste is sent, according to its nature, to recycling plants, composting, treatment or an authorised management agency. Cardboard, plastic and fabric waste is separated at source and re-used or recycled. Other types of waste (oil, batteries…) are treated by specialised and authorised agents.

Energy consumption monitoring:

- Energy audits
- Reduction of energy consumption by adapting lighting to existing needs and promoting the use of more energy efficient bulbs.
- Use of renewable energy

Water consumption: installation of sensor taps and timed turn-off push taps and double flushes in toilets, and monitoring of water consumption.

Training plan for employees since 2002.

Sustainable Store project: the objective is to make the stores more eco-efficient. A pilot store is opening in October in Coruna (Spain) and another one in Greece at the end of the year.

Better informing consumers

Presently, Inditex does not make any kind of promotion about environmental issues or green products, except for the video Eco Warning Warming on Internet, which presents the line of organic T-shirts. In the shops, clothes made with 100% organic cotton (i.e. T-shirts and jeans) are displayed together in the same stand and identified in the shops with a banner.

4.1. Market analysis of green products

TYPE	List of products / categories of products available in stores	Number of products available in stores (or if not available, other indicator)	Market share of green products in this segment (or if not available, other indicator)	Positioning of green products on the shelves
Organic textiles	A line of T-shirt Zara and a line of jeans Zara	Not available	<5%	Special "organic" stands

4.2. Description of the actions implemented to promote green products

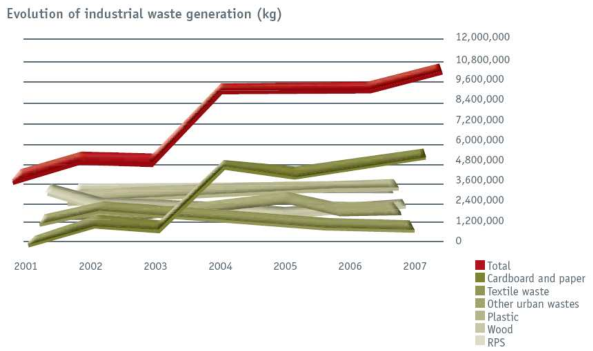
Type of action	Details about the implementation by the retailer
Implementation of financial incentives to promote green products	There are no financial incentives to promote green products.
Cost of green products compared to the price of their standard counterparts	In general, the 100% organic products are more expensive.
Specific promotion/communication/activities/ campaigns are implemented to promote green products	The products made with 100% organic cotton (t-shirts and jeans) are displayed together in the same stand. An identifying banner indicates that the product is made with 100% organic cotton. Zara's organic cotton shirts are marked with the message '100% organic, 0% chemical' across the shirt of some models and sewn onto the neck of others, so they can be easily identified. A video Eco Warning Warming presents the line of T-shirt made with 100% organic cotton by ZARA.
Other (precise)	

4.3. Description of actions implemented to greening supply chain

Type of action	Details about the implementation by the retailer
Products related initiatives	
Reduce impact of packaging waste	Since 2003, Inditex has implemented a system of re-use of packaging and hangers, which is applied to the distribution between the different logistics centres and the stores in Spain. The cardboard boxes used for the trip between the logistics centre and the stores are returned to the logistic centre. This allows savings 9 cardboard boxes in a cycle of 10 journeys between the logistics centre and a specific store, which means a global saving of 60% in the consumption of cardboard boxes. The Waste Minimisation Plan and the Packaging Reduction Plan are still in force, marking new annual objectives.
Eco-design products	Within the *Strategic Environmental Plan 2007/2010*, Inditex got involved in Life Cycle Assessment (LCA) studies for textile products in the factories, and development of a Simplified LCA tool. In October 2006 Inditex completed the research phase and the design of the environmental life cycle analysis of some types of garments produced in own factories. The main objective of this preparatory study was to analyse the variables that impact the environment in the manufacturing of clothes in order to design a production evaluation tool with sustainable criteria. This provided Inditex with information about the main variables of the production processes that should be taken into account in the analysing tool. The tool has been developed by the University of Santiago and includes criteria on the effective consumption of productive resources, the use of poisonous substances in textiles, the management of waste material and the optimizing of the productive processes. The list of indicators for which data is required has been sent to different factories. Inditex is waiting that the factories complete the questionnaire sent to have the necessary data to calculate the indicators and to analyse the results, which in turn will allow comparing the environmental performance of factories and workshops and defining targets for reducing the environmental footprint at all levels. It will be applied to all own manufactured products by the end of 2008. In 2007, Inditex began a LCA study for shoes.
Reduce carbon/environmental footprint of the supply chain	- Since 2005, Inditex has worked on the integration of the control of the energy consumption with the control of GHG emissions. Presently, Inditex has environmental indicators on the CO_2 emissions, the electricity, natural gas and water consumption and on the generation of hazardous and no hazardous waste. - In 2007, Inditex introduced measures to minimise emissions via fuel substitution (natural gas for fuel oil) at the logistics centres in Sallent de Llobregat (Barcelona) and Arteixo (a Coruna). - Since 2006, Inditex has been working on a tool to analyse the negative environmental impact of production processes for implantation in the company's own manufacturing centres (see above). - Within its *Strategic Environmental Plan 2007/2010*, Inditex has implemented the Pro Kyoto Project to reduce the greenhouses gases in transport by 20%. The objective is to reduce the fuel consumption by means of analysing all loading systems, re-evaluate the transport routes, and optimise logistics. 40% of the vehicles of Inditex are Euro 5.
Ban products having high environmental impacts	No particular action implemented
Initiatives targeting suppliers	

Implement specific actions targeting suppliers. Are the results measured?	Inditex has developed a *Code of Conduct for External Manufacturers*, which suppliers have to fulfil. It requires, for example, suppliers to meet existing local, national and international standards and to comply with applicable legislation. In 2007, Inditex realised audits of 676 manufacturers out of the 1177 external factories; 247 of which saw the end of business relation for non-fulfilment. Moreover, Inditex implemented the *Clear to Wear* and *Safe to Wear* projects that aim at guarantying that products respect health and safety standards, which regulate the use of substances that are legally limited (formaldehyde, arylamine, carbolic acid…) and others substances that are not included in the existing legislation such as organo chlorine and allergic colouring substances.. Inditex has external laboratories certified by different applicable standards such as NABL, ISO/IEC 17025, UKAS and ISO 9001:2000:SGS. These laboratories analyse and certify that applicable safety standards are respected in the products.
<u>Initiatives targeting transport / logistics</u>	
Implement specific actions to reduce environmental impacts of logistic/transport. Are the results measured?	The Inditex Pro Kyoto Project is integrated in SEP 2007-2010 and aims to control and reduce the indirect emissions of Greenhouse Gases generated by logistical activity, and develop mechanisms to offset emissions of Greenhouse Gases. The main actions implemented in 2007 consisted in introducing electric vehicles for personnel transport in the logistics platforms and the inauguration of the Training and Awareness Plan. Regarding the introduction of electric vehicles, since May 2007, the factories and the logistics centre in Arteixo (A Coruña) have introduced a fleet of electrically propelled motorcycles for personnel in charge of maintenance. These vehicles substitute conventional petrol-based transport. For 2008, the objectives within this project are - Ensure that all vehicles in the Zara service fleet fulfil the Euro5 regulation. - Train professional personnel in efficient driving practices. - Establish agreements with other logistics subcontractors for both road and air transport in order to study alternative routes that would imply a lower consumption of fuel and reduce emissions of CO_2.
Monitor the tonne-kilometres of products transported each year by rail, road, sea and air.	Inditex monitors the amount of garments (in kg) that are transported every year by road and plain, but not by train or boat. Road : 158.444.077 Kg of garments were send by road 20.032.427 km Plane: 47.671.140 Kg of garments were send by plane, 1.861.678 km (global figures estimated from Zara data). The GHG emission resulting from transport is also monitored.
Other (precise)	

4.4. Description of actions implemented to reduce retailer' own environmental performance

Type of action	Details about the implementation by the retailer
Environmental management in stores	
Waste	The Waste Minimization Plan, which began in 2000, has enabled Inditex to reduce in 2003 the total amount of waste generated per garment offered on the market by 2%. The efforts of this Plan have lead to a stop in the growth tendency for the global amount of waste in spite of the increase in production. Cardboard, plastic and fabric waste is separated at source and reused. Other types of waste such as oil, batteries or florescent matter receive special treatment from a certified agent, which destroys them. In 2007, waste generated by the activity of Zara stores in Spain is integrally controlled by authorised management companies. Since May 2006 Inditex has modified the anti-theft alarm system, at the same time implanting a new procedure for the collection and recycling of alarm tags. This initiative allowed almost 41 million tags to be recycled during the first six months of the project, which is about 1.343.720 kilos of plastic, steel and other elements which were separated, recovered and turned into new materials used in stores. Inditex has indicators for waste generation, batteries, fluorescents, oil filters, contaminating metallic packaging, used mineral oil, contaminating absorbents, paint and contaminated plastic packaging. 

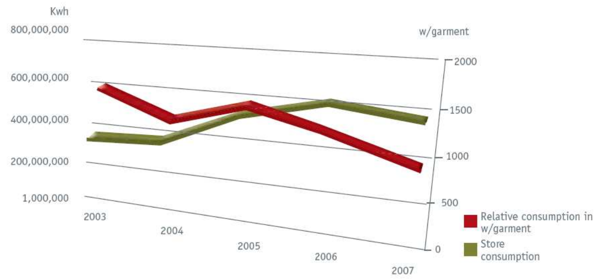
Energy consumption

In 2007, Inditex carried out energy audits to evaluate the energy consumption on industrial and logistical installations. Inditex also reduced the number of hours of display lighting in the shop windows, a saving estimated at 10% of the energy consumption and in indirect emissions.

Inditex is promoting the use of renewable energies. For example, in 2007, Inditex implemented renewable energy projects in the Meco, Zaragoza and Leon logistics centres, where more than 150,000m^2 of photovoltaic solar panels were introduced. This provides electrical power of 10MV. The annual production is estimated at 12.5 kw/h/year (ratio based on the use of 1250 sunlight hours per year).
A system of gas cogeneration plants has been implemented as part of a pilot project in Arteixo. It permits heat and steam generated in the production of energy to be permanently reused. All the steam needed for ironing in the factories is generated from the excess energy created when producing electricity. The system is running on natural gas (Some factories belong to the Group, but these represent the minority. For example, in Spain 93% of total number of units produced are produced by external suppliers).

Furthermore, in 2007, Inditex installed a 2.5 MW self-consumption cogeneration plant for the production of electrical and thermal energy at the logistics platform in Tordera (Barcelona).

The average energy consumption is 248 MJ/m² of store surface (68.88 Kwh/m^2). Another Key Performance Indicator used in the company is the *electric power* consumption per garment (consumed watts per mobilised garment (w/garment)), approximately 800 w/garment. One of Inditex's objectives is to reduce electric consumption per garment by 20% before 2020.



The data related to the emissions of industrial centres and stores are obtained from the emissions from electricity consumption. The data on emissions associated with distribution operations transport is calculated in relation to the kilometres covered, including road and air transport, in addition to long-distance trips and estimating the emissions in accordance to the accepted international criteria.

Item	T CO_2
Industrial Centres:	
Natural gas consumption	19,739
Propane consumption	25
Gas-oil consumption	2,475
Electricity consumption	19,250
Subtotal	41,489
Transport:	
Emissions	36,855
Stores:	
Electricity consumption in stores	249,086
Total	327,430

Refrigerant gases

No action implemented

Energy-efficient bulbs	Based on the Energy audits that were completed for the industrial and logistical sites of Arteixo, Zaragoza, and Tordera, the lighting system has been replaced at the Arteixo logistic centre by one that reduces energy consumption by 25% (electrical reactance)., Furthermore, store window lighting hours have been reduced in existing stores, with an estimated reduction of 10% in energy consumption and direct emissions.
Water consumption	A project has been adopted to realise the installation of sensor taps and timed turn-off push taps and double flushes in toilets in all the new and existing stores. No results are available for the moment on water savings.
Training on environmental management	Since 2002, Inditex has implemented an environmental training plan with the development of 3 training courses: - On-line training through the corporate Intranet - Traditional course training (in 2004, creation of the Sustainable mascot, GRINDI, and design of specific manuals for training of store staff) - New recruits' reception course In 2005: 40% of the store staff (more than 3000 people) received the training. More than 6000 training courses.
Environmental impacts of consumers driving to your stores	No
Plastics bags	In 2007, Inditex substituted the conventional plastic bags for biodegradable plastic, with d2w component, which accelerates the total decomposition process in a natural way over an average period of one to two years as opposed to more than 400 for conventional plastic. Within the *Sustainable Store* project, Inditex will incorporate paper bag with PEFC or FSC certification (planned for 2008).
<u>Green procurement practices for equipment and infrastructure</u>	
Green building standards	In its *Strategic Environmental Plan*, Inditex has decided to introduce criteria of sustainability and energy efficiency in its stores: project *Sustainable Stores*. The objective of this project is to develop an eco-efficient store model to be designed by Inditex's department of Environment in collaboration with the University of Vigo, University of Santiago de Compostela and University of A Coruña. Actions such as the introduction of new lighting equipment, low energy and highly efficient systems are planned within this project. This project is already being implemented and it has been presented to the stockholders committee. Inditex is going to open a pilot store in Coruna in October 2008, and another one in Greece at the end of the year. The specific design of the store allows reducing the energy and material consumption. If the results of these 2 stores are positive, similar measures will be integrated at all new stores that will open in 2009. There is also a project to improve the environmental impact of existing stores (almost 4.000 existing stores) including different actions and investments. Currently, Inditex is running an audit process and is waiting the end of the year to have more precise information about the type of actions to take.
Green procurement of products	Inditex has a policy in place for the green procurement of products for the paper, the office IT equipment and cleaning products.

Fact Sheet 9 - METRO

Study « Towards a greener retail sector »

Last update: 09/12/2008

METRO Group	

1. CONTACT DETAILS

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2. RETAILER' IDENTIFICATION

LOCATION OF HEADQUARTERS:	Düsseldorf	
TOTAL NUMBER OF EMPLOYEES:	**WORLDWIDE:** 242,378	**EU:** 199,911
TOTAL NUMBER OF STORES:	**WORLDWIDE:** 2,221	**EU:** 2,027
TOTAL TURNOVER IN 2007:	**WORLDWIDE:** 64,337 billion	**EU:**
NUMBER OF EU COUNTRIES COVERED:	18/ **27**	

LIST OF EU COUNTRIES COVERED: *(grey concerned cells)*	**Austria**	**Finland**	**Latvia**	**Romania**
	Belgium	**France**	**Lithuania**	**Slovakia**
	Bulgaria	**Germany**	**Luxembourg**	**Slovenia**
	Cyprus	**Greece**	**Malta**	**Spain**
	Czech Republic	**Hungary**	**The Netherlands**	**Sweden**
	Denmark	**Ireland**	**Poland**	**UK**
	Estonia	**Italy**	**Portugal**	

TYPE OF STORES: *(grey concerned cells)*	**Supermarkets**	**Discount stores**	**Convenience stores**
	Hypermarkets	**Online stores**	**Specialised (fashion, DYI…) shops**
	Franchise / associated stores	**Department stores**	**Other Wholesalers**

TYPE OF PRODUCTS/SERVICES SOLD: *(grey concerned cells)*	**Fresh food**	**Clothes**	**DIY products**	**Other (precise)**
	Grocery	**Home products (furniture, decoration)**	**Electrical and electronic products**	

3. DESCRIPTION OF THE RETAILER' GREEN STRATEGY

« In order to continue to grow profitably and to optimise capital expenditure, METRO Group has to ensure that it manages its core business in a sustainable manner. This means taking into account social and ecological requirements early on in all activities along the entire value chain.

The aim of METRO Group's sustainability management is to ensure the company's future in an economically responsible way. For this reason, the relevant social and ecological challenges facing the company will be continually identified. The resulting practical actions and objectives help to make the most of possible opportunities for the company or minimise the risks."

Regarding environmental issues METRO's strategy is to support climate change and resources protection issues.

"Manufacture, commerce and use of food and other consumer goods all have numerous impacts on the environment. The METRO Group is part of this value chain. They have the greatest influence on environmental processes such as the consumption of energy and resources or the production of harmful emissions at their own locations. In order to reduce the impact on the climate as well as running costs, the METRO Group's environment management is particularly focusing on sparing and efficient use of resources."

METRO GROUP website: http://www.metrogroup.de/servlet/PB/menu/1085940_l2/index.html

NB: the actions presented in this fact sheet concern all of METRO Group except information is given for specific brands.

SYNTHESIS OF THE GREEN ACTIONS IMPLEMENTED BY THE RETAILER

Promoting the purchase of green products

A broad range of "green" products are available in stores belonging to the METRO group: organic food, organic textiles (Galeria Kaufhof), MSC labelled fish products, FSC-labelled wooden products, etc.

Information of energy consumption of electric equipment and the hypothetic benefits of energy saving on energy-efficient products. The METRO Group was the first company in Germany which labels TV sets according to their energy consumption levels. METRO co-operates with the German Energy Agency to optimise customer information on energy consumption..

Encouraging measures to effectively green supply chain

Substance bans:
METRO does at present not sell any genetically modified products. Should such products be one day included into METRO's offer, these products would be wholly declared as genetically modified products according to European legislation.
As for textiles, the use of certain substances (dyeing chemicals, fixing agents, etc.) are banned. Toys, baby products, other synthetic products: ban of phthalates for METRO's own brands. Certain guidelines exist for the reduction of the use of polycyclic aromatic hydrocarbons (as regards household products).

Transport/logistics:
Intelligent logistics concepts (optimal tour planning and capacity use, transnational management of product transports) are considered and employed to improve the environmental quality of the business.
The use of trucks featuring lower pollution categories is one criterion in procurement of external transport suppliers.
MGL, Metro's own logistics company encompassing about 200 trucks, plans to renew the truck fleet featuring only Euro-5-standard trucks by 2009 (4% of the fleet was adapted to this standard in 2007).
Regular "ecological driving trainings" are carried out to improve MGL drivers' environmental awareness. Galeria Kaufhof has recurred to shipping as transport modes for certain non-food goods (100,000 tons/2006).

Improving retailer' own environmental performances

In 2008 Metro published its first carbon footprint and committed itself to reduce the specific CO2 emissions per square meter selling space from 406 kg/m² in 2006 to 345 kg/m² in 2015. The total emission in 2006 was 4.15 million tonnes of CO2 equivalents.

METRO is working at reducing its energy consumption. To determine the concrete energy savings potential, relevant energy data such as power consumption are systematically recorded at various Metro locations. In 2007 the specific energy consumption per square meter of selling space was 446 kWh. The target for 2009 is 430 kWh/m².

Metro has implemented a set of measurements to reduce its energy consumption: awareness rising for employees, enhancing energy efficiency and using alternative energy sources like solarthermal or geothermal energy. One of the measurements is to use energy efficient light bulbs, like LEDs that are used for outside advertising for example (Media Markt & Saturn). Metro Cash & Carry installed in December 2007 the largest solar thermal system in Italy on the store in Rome-Aurelia.

METRO is working to reduce the leaks of refrigerants and tries to replace refrigerant agents harmful to climate. There are currently experiments to use CO2. As a target, the refilling of cooling substances in cooling appliances shall be reduced in the METRO group overall to 12% till 2009, in Germany to 6% even.

The general waste recovery rate (includes wastes to be incinerated and to be recycled and the organic waste fraction) is deemed to be 75,9% for the METRO group worldwide, 93,5% in Germany. The waste volumes could be reduced 11% per m2/sales spaces between 2005 and 2007. The waste volume worldwide was about 52,0 kg/m2 selling space and in Germany 43,7 kg/m2. These could be reduced to 46,2 kg and 38,8 kg respectively in 2007.

The METRO Group is cutting down on the amount of paper it uses and its purchases of paper for advertising purposes are governed by its own self-imposed environmental guidelines.

There is a routine training for personnel on energy saving issues in all REAL markets. The METRO Group engages in training courses of ecological driving for the conductors of their transport fleet targeting to reduce fuel consumption.

Better informing consumers

No information available.

3.1. Market analysis of green products

TYPE	List of products / categories of products available in stores	Number of products available in stores	Market share of green products in this segment	Positioning of green products on the shelves
ORGANIC FOOD	METRO/REAL has its own organic brand « Grünes Land » (founded in 1996), which complies with the EU Organic Regulation. Other products are certified according to the EU Organic Regulation.	600 products carry the BIO-certificate at REAL supermarkets		
ORGANIC TEXTILE	Textiles Vertrauen (complies with substance concentration limits of the Öko-Tex Standards 100) GALERIA Kaufhof also sells bed linen and towels made of "bio-cotton"			
FSC/PEFC or wood from sustainable forestry PRODUCTS	Some own-brand products like frames and garden furniture are made from FSC certified wood. Paper products bearing the Blue Angel label			
MSC PRODUCTS	MSC-labelled fish products.	About 40 products, extension to 80 products planned until the end of 2008 (METRO Group) Link: http://www.msc.org/de/wo-kaufen/germany#metro		
OTHER	Electricity consumptions of TV sets are labelled with the power use in full use and in stand-by on the price tags. METRO Cash & Carry announces the savings of energy costs for certain electronic items on the price tags. Food (fruit, vegetables, since 2007 also aqua cultures) Compliance with GLOBALGAP (international standard), following the guidelines of Good Agricultural Practice (targeting the reduction of pesticides and promoting security and health standards of workers in the agricultural sector).			

3.2. Description of the actions implemented to promote green products

Type of action	Details about the implementation by the retailer
Preference given to local seasonal food	No information
Implementation of financial incentives to promote green products	No information
Cost of green products compared to the price of their standards counterparts	No information
Specific promotion/communication/activities/ campaigns are implemented to promote green products	Saturn and MEDIA Markt are engaged in a partnership with the German Energy Agency (DENA). Customers are informed via personal customer advice (at the site), via brochures or the internet about the benefits of energy saving appliances. There are information days in some sites about energy saving issues. The frequency of these information days varies (once a year or more) according to the clients' structure. METRO Cash & Carry announces the savings of energy costs for certain electronic items on the price tags. Metro Cash & Carry informs customers via advertisements about the meaning of the MSC label in fishing in order to support them in their purchase decisions. REAL has its own website on organic products and organic fish (http://www.real.de/bio.html and http://www.real.de/bio_fisch_bei_real.html). There is a cooperation between METRO and WWF with regard to the protection of endangered fish species. There is also a brochure by WWF, enlightening customers on which fish sort is endangered and which is not and what criteria shall be taken into account when buying fish in order to promote sustainable fishery. (see http://www.wwf.de/themen/meere-kuesten/fischerei/wwf-fischfuehrer/)
Other (precise)	

3.3. Description of actions implemented to greening supply chain

Type of action	Details about the implementation by the retailer
Products related initiatives	
Reduce impact of packaging waste	Suppliers of Metro's own brands are requested to reduce packaging materials as extensively as possible. This is not monitored.
Eco-design products	
Reduce carbon/environmental footprint of supply chain	No information.
Ban products having high environmental impacts	METRO does at present not sell any genetically modified products. Should such products be one day included into METRO's offer, these products would be wholly declared as genetically modified products according to European legislation. As for textiles, certain substances which might pose a risk for health are banned. METRO's substance bans are based on legal requirements or where these requirements do not exist, METRO has developed their own requirements which in turn are based on Öko-Tex Standard 100. The label for textiles complying with these requirements are labelled "Textiles Vertrauen". Moreover, Galeria Kaufhof sells towels and bed linen made from bio cotton. Toys, baby products, other synthetic products: ban of phthalates for METRO's own brands. Household articles, etc.: Reduction of Polycyclic aromatic hydrocarbons to a minimum for METRO's own brands.
Initiatives targeting suppliers	
Implement specific actions targeting suppliers. Are the results measured?	METRO co-operates tightly with the independent Marine Stewardship Council (MSC) which strives for a sustainable fishery. In Germany, the sales divisions Metro Cash & Carry and Real are now MSC-certified. The same applies for the cross-divisional service company MGL METRO Group Logistics GmbH. The METRO group supports the MSC in motivating fish suppliers to get themselves certified according to MSC standards. Training programmes have been initiated for fishers raising their awareness of quality and environmental standards in India and Pakistan by METRO Cash & Carry. The METRO group cooperates with WWF as regards the protection of endangered fish species and to counter-act over-fishing. The METRO group has rules obligating suppliers of paper to disclose the origin of the pulp ensuring that this does not originate from protected forest areas. Certain wood products (e.g. frames) contain wood from sustainable forestries which complies with the Guidelines of the Forest Stewardship Council (FSC).
Initiatives targeting transport / logistics	

Implement specific actions to reduce environmental impacts of logistic/transport. Are the results measured?	Intelligent logistics concepts (optimal tour planning and capacity use, transnational management of product transports) are considered and employed to improve the environmental quality of the business. The use of trucks featuring lower pollution categories is one criterion in procurement of external transport suppliers. MGL, Metro's own logistics company encompassing about 200 trucks, plans to renew the truck fleet featuring only Euro-5-standard trucks by 2009 (4% of the fleet was compliant with this standard in 2007). Also external transport providers will be required to feature this standard. Regular "ecological driving trainings" are carried out to improve MGL drivers' environmental awareness. Galeria Kaufhof has recurred to shipping as transport mode for certain non-food goods (100,000 tons/2006). Packaging Waste is reduced by using reusable packaging and containers (e.g. for vegetables, fruits, eggs, frozen food, flowers).
Monitor the tonne-kilometres of products transported each year by rail, road, sea and air.	No information
Other (precise)	

3.4. Description of actions implemented to reduce retailer' own environmental performance

Type of action	Details about the implementation by the retailer
Environmental management in stores	
Waste	The general recovery rate (includes waste to be incinerated and to be recycled and the organic waste fraction) is deemed to be 75,9% for the METRO group worldwide and 93,5% in Germany. The overall waste volumes could be reduced 11% per m2/sales spaces between 2005 and 2007. The waste volume worldwide was about 52,0 kg/m2 selling space and in Germany 43,7 kg/m2. These could be reduced to 46,2 kg and 38,8 kg respectively in 2007. Suppliers of Metro's own brands are requested to reduce packaging materials as extensively as possible. In addition to that, Metro aims to recover packaging materials as much as possible. One-way packaging is separated in Metro's stores and recycled/recovered.
Energy consumption	Worldwide the energy consumption of the METRO Group was 446 kWh/m2 (of selling space area) whereas it was 401 kWh/m2 in Germany and 423 kWh/m2 in Western Europe (see Sustainability Report 2007). METRO's goal is it to reduce the energy consumption worldwide to 430 kWh/m2 by 2009. Energy consumption of the stores causes almost 60% of all greenhouse gas emissions of the METRO Group. To determine the concrete energy savings potential, relevant energy data such as power consumption are systematically recorded at the various Metro locations. Locations with a strikingly high energy consumption and the corresponding energy costs are subjected to so-called local studies. At the Walzmühle center in Ludwigshafen, for example, energy consumption was drastically lowered by conversion of the air conditioning system, thereby reducing carbon dioxide emissions by nearly 800 tons per year. One Metro Cash&Carry market in Frankfurt has its own block heat and power plant (fuel: natural gas) which covers one third of the energy need of the site. The completion of all cooling appliances with covers reduces the energy consumption considerably (about 15%). Metro Cash & Carry and REAL have already applied covers to their cooling shelves and boxes in 350 markets worldwide. Until 2010 Metro Cash & Carry will feature only cooling shelves and boxes with covers. The METRO group has set itself the target to reduce the specific energy consumption per m2 / space (selling space) a 3,5% between 2007 and 2009. (further energy reduction measures, see in the following refrigerants and lighting). The superfluous heat of the cooling appliances can be used in order to reduce the fuel- and gas- consumption of heating appliances. Since 2006 Metro has applied this technology at 26 sites in Germany, Italy and Poland for air conditioning or warm water production. METRO Cash & Carry examines the possibility to apply this technology in new markets or in markets to be renovated taking into account the economic feasibility of the project. Since 2005 METRO Cash & Carry, REAL and Galeria Kaufhof have installed modern venting appliances featuring reduced energy consumption levels in 66 markets/sites.

Refrigerant	The emissions of refrigerants cause 9,2% of all the greenhouse gas emissions of the METRO group. The currently used cooling substances are relevant for climate change if they are leaked through the cooling appliances. This leakage cannot be entirely avoided. Some cooling substances, such as H-FCKW are harmful to the ozone layer, others like H-FKW are not harmful to the ozone layer but their effect on climate is double the H-FCKW. Therefore, the reduction of leakages is essential to reduce the greenhouse gas emissions. The METRO group is improving the maintenance and inspection standards of cooling appliances. Appliances still using H-FCKW will be modified into using H-FKW. This will (would) deteriorate the METRO Group's impact on climate. Thus, there are experiments to use more environmentally friendly substances as regards their effect on climate. The use of ammonia, which may only be used to a limited extent in supermarkets, has proven expensive and inefficient. Currently, the METRO group makes trials of CO_2-cooling appliances as alternative. In 2007, Metro Cash&Carry featured CO_2-cooling appliances in two markets in Germany and Denmark also for milk and meat products. This led - according to Metro's calculation - to a saving of 85 tons of CO2 (see METRO brochure Klima.Activ). The refilling of cooling substance (with reference to the whole filling) is 18.5% world wide and 12.3% in Germany in 2007. As a target, the refilling of cooling substances in cooling appliances shall be reduced to 12% till 2009, in Germany to 6% even.
Energy-efficient bulbs	Metal vapour lamps in nine Galeria Kaufhof sites. A high energy reduction potential stems from lighting. The branches Metro Cash & Carry, Media Markt, Saturn and Galeria Kaufhof utilise energy efficient light bulbs. Nine Galeria Kaufhof sites use highly efficient metal vapour lamps. In some parking houses the METRO group intends to use LED lamps, LED technology is applied in Media Markt' s and Saturn's outdoor advertising. METRO Cash and Carry combines the use of energy efficient light bulbs with new lighting concepts. At the METRO site in Manchester, 120 tonnes CO_2 have been avoided - according to METRO's sustainability report. If this concept proves to be efficient and free of faults, it should be introduced in other markets.
GHG emissions	METRO monitors the carbon footprint of its activity (the scope is: the company's energy consumption, truck logistics, refrigerant emissions of its cooling and air conditioning systems, paper consumption for advertising means as well as the business trips of its employees. On the basis of the present results METRO Group will continue and further extend its current measures in the field of environmental and climate protection. Activities in particular focus on employee motivation. The METRO Group is committed to cutting its emissions in the period from 2006 to 2015 by 15 percent. METRO Group will achieve its target with changed user behaviour, improved energy efficiency due to innovative technologies, and climate-friendly alternatives (link: http://www.metrogroup.de/servlet/PB/menu/1172870/index.html).
Training on environmental management	Different trainings on energy saving issues have taken place (for example at the administrative sites in Düsseldorf and Köln energy saving events have taken place). There is a routine training for personnel on energy saving issues in all REAL markets. The METRO Group engages in training courses of ecological driving for the conductors of their transport fleet targeting to reduce fuel consumption.
Environmental impacts of consumers driving to your stores	No info.

Plastics bags	Customers of Metro Cash & Carry usually transport their purchase home by van. Similar situation for Media Markt and Saturn: customers usually don't use a plastic bag to carry the new washing machine or tv set home. In Germany and some other EU countries plastic bags are usually not given away for free unlike in France or UK. Real Germany offers multi-use plastic bags.
<u>Green procurement practices for equipment and infrastructure</u>	
Green building standards	No info given.
Green procurement of products	Paper is the cause of 8.5 % of the climate-relevant effects of the METRO group. In the year 2006 70% of the paper used worldwide for advertising materials, was ecologically optimised, i.e. almost all types of newspaper printing paper includes 65-100% regenerated cellulosic fibbers (Altpapierfasern). Magazine paper shall contain FSC-certified paper, "chlorine-free bleached" paper and/or paper featuring a recycled fraction of 20%. In the next year, the MGA Metro Group Advertising, responsible for most of paper purchases, will apply additional criteria for paper procurement. One of these criteria will be energy consumption for the paper production process (kWh/ton paper). Also the transport for the paper from the mill to the sites needing the paper shall be reduced, thus "regional" mills should be chosen. Also the paper use shall be reduced adapting different advertising items to the needs of the different clients.
<u>Other measures</u>	

Fact Sheet 10- MERCADONA

Study « Towards a greener retail sector »

Last update: 15/12/2008

MERCADONA	MERCADONA SUPERMERCADOS DE CONFIANZA

1. CONTACT DETAILS

NAME:	Margarita Muñoz
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2. RETAILER' IDENTIFICATION

LOCATION OF HEADQUARTERS:	Valence, Spain			
TOTAL NUMBER OF EMPLOYEES:	**WORLDWIDE:**		**EU:** 61.000	
TOTAL NUMBER OF STORES:	**WORLDWIDE:**		**EU:** 1.172	
TOTAL TURNOVER IN 2007:	**WORLDWIDE:**		**EU:** 13.986.000 €	
NUMBER OF EU COUNTRIES COVERED:	1 **/ 27**			
LIST OF EU COUNTRIES COVERED: *(grey cells)*	**Austria**	**Finland**	**Latvia**	**Romania**
	Belgium	**France**	**Lithuania**	**Slovakia**
	Bulgaria	**Germany**	**Luxembourg**	**Slovenia**
	Cyprus	**Greece**	**Malta**	**Spain** (grey)
	Czech Republic	**Hungary**	**The Netherlands**	**Sweden**
	Denmark	**Ireland**	**Poland**	**UK**
	Estonia	**Italy**	**Portugal**	
TYPE OF STORES: *(grey cells)*	**Supermarkets** (grey)	**Discount stores**	**Convenience stores**	
	Hypermarkets	**Online stores**	**Specialised: clothes stores**	
	Franchise / associated stores	**Department stores**	**Other (precise)**	
TYPE OF PRODUCTS/SERVICES SOLD: *(grey cells)*	**Fresh food** (grey)	**Clothes**	**DIY products**	**Other: cosmetics products, home, cleaning products, pet care and food.** (grey)
	Grocery (grey)	**Home products (furniture, decoration)**	**Electrical and electronic products**	

3. DESCRIPTION OF THE RETAILER' GREEN STRATEGY

Mercadona started an environmental policy 5 years ago (2003-2004) with an environmental assessment of the impacts of the company. Mercadona already had isolated actions in place such as cardboard and plastic treatment, logistic optimisation, and actions implemented to comply with existing legislation. Even if there were a lot of different actions in progress, Mercadona did not monitor the results.

Mercadona decided then to introduce a global system in order to formalise the actions that were already being implemented in the framework of a specific policy dealing with the environmental issues. The diagnostic was the first task that was carried out. In the context of this study, Mercadona did an initial legal and environmental assessment to determine more precisely the environmental plan and prioritise different actions.

One of the current priorities of Mercadona's environmental policy is the definition of indicators and training employees. Once this is done, it will be possible to define an action plan to meet the defined environmental policy objectives.

Mercadona has an environmental department which depends directly on the board of directors, but it is very connected with the logistic and the sales departments, as well as with the stores department.

4. SYNTHESIS OF THE GREENING ACTIONS IMPLEMENTED BY THE RETAILER

Promoting the purchase of green products

Mercadona has certified cellulose products (e.g. toilet paper, nappies, napkins, handkerchiefs, etc.) that come from sustainable forests and plants. These products bear the WWF/Adena logo, which guarantees that cellulose comes from forests that are managed following the FSC (Forest Stewardship Council) requirements.

Except for the cellulose products, Mercadona does not have other certified ecological products. Mercadona does not have any kind of economic incentive or any kind of promotion to promote the purchase of green products.

The suppliers of the Mercadona's brand for cleaning products (clothes and home cleaning products) adhered to the Charter for Sustainability (AISE), a European voluntary environmental certification created by the industrial sector with certain standards on the whole life cycle of products. An external accredited company certifies the compliance with the Charter.

Furthermore, Mercadona requires all suppliers of fruits and vegetables (for fresh consumption and for frozen and canned food) to meet certain requirements established by Mercadona itself referring to good agricultural practices. All the suppliers are audited and certified annually by an external company accredited by ENAC (organism which authorizes the certifying companies). The certification also includes certain requirements regarding environmental management and working conditions (e.g. employees' rights).

Encouraging measures to effectively green supply chain

Since 2004, Mercadona has started an audit program for the suppliers of its own brand, mainly to ensure compliance with applicable environmental legislation, and to introduce gradually environmental management systems in the factories. The objective is to have all factories with the ISO 14001 certification by 2010. As a result of this action, 30% of the factories are already certified.

To optimise the supply chain, Mercadona has taken various initiatives to reduce the impact of the packaging waste: reusable and folding crates, improvement of the cellulose products compaction system, the promotion of concentrated products (e.g. home and clothing cleaning products), and reduction of the packaging materials.

Since 2006, the project Sustainable Transport Project optimises the logistic network by using complementary transport such as boat or train. The project also includes other initiatives such as the promotion of 'inverse logistics' between the logistics centres and the stores.

Improving retailer's own environmental performance

Waste recycling: Mercadona separates and recycles in the stores 100% of the cardboard, plastic, wood and polyexpan coming from commercial packaging, which is returned to platforms by "inverse logistics".

Reduction of the energy consumption:

In 2005: implementation of automatic illumination control systems in its logistics platforms.

In 2006: installation of a heat recovery system in 210 supermarkets (in 2010 it will be in all supermarkets).

In 2007: different measures in the stores (related to up to 20 different aspects such as lighting) to reduce energy consumption.

All stores and warehouses have a preventive maintenance plan, which aims to prevent and monitor the possible leaks of **refrigerant gases** in the installations.

Since 2005, Mercadona is taking measures to reduce the **water consumption**. In 2005, installation of dosing devices in stores and in platforms for cleaning and disinfection products and installation of control mechanisms for taps and flushes. In 2006, implementation of a water-saving system in the logistic platforms.

Better informing consumers

Mercadona is informing consumers with "Monographico", i.e. specific communication campaigns to inform customers about new products. Mercadona also has environmental information in its web site and on the packaging of cleaning products.

4.1. Market analysis of green products

TYPE	List of products / categories of products available in stores	Number of products available in stores (or if not available, other indicator)	Market share of green products in this segment (or if not available, other indicator)	Positioning of green products on the shelves
FSC/PEFC or wood from sustainable forestry	Toilet paper, diapers, towels, tissues... All cellulose comes from sustainable forests and plants that are certified. These products have the WWF/Adena logo, which indicates that celluloses comes from forest managed following sustainability requirements	Own Brand Products (aprox. 80 codes)	25-30%	Among "standard" products
CLEANING PRODUCTS FOR CLOTHES AND HOME CLEANING PRODUCTS	The suppliers of the Mercadona's brand adhered to Charter of Sustainability, a European voluntary environmental certification created by the industrial sector with demanding standards for the whole life cycle of products.	Own Brand Products (aprox. 300 codes)	25-30%	Among "standard" products

4.2. Description of the actions implemented to promote green products

Type of action	Details about the implementation by the retailer
Implementation of financial incentives to promote green products	No.
Cost of green products compared to the price of their standard counterparts	No.
Specific promotion/communication/activities/ campaign are implemented to promote green products	"Monographico": specific communication campaigns to inform customers about new products.
Other (precise)	

4.3. Description of actions implemented to greening supply chain

Type of action	Details about the implementation by the retailer
Products related initiatives	
Reduce impact of packaging waste	**Reduction of plastic in packaging :** Use of reusable plastic packaging, that undergoes the entire logistic circuit: supplier, logistic platforms, store, home deliveries, return to platform (where they are cleaned and disinfected) and return to supplier. In Mercadona, a total of 153.000.000 displacements are made each year with this reusable plastic packaging. Since 2006, plastic boxes are been replaced by a folding model, which allows to save 80% of space during transportation when returning them to the platform or to the supplier. The use of this new type of boxes, due to its design, allows Mercadona to increase the height of the pallets and pile them without the product being damaged (better occupation of the trucks, until 40% more) and avoid the use of film by 70%, with a better stability of the pallets. **Improvement of the paper compaction system and increase of the number of meters for each roll.** Since 2005, Mercadona has saved more than 50 tonnes of glue, 1200 tonnes of cardboard, 150 tonnes of plastic film, avoiding the emissions into the atmosphere of 6000 kilograms of CO_2 and avoid the use of 1600 trucks and 120 dumpster. This system is applied to cellulose products. **Reduction of the packaging materials:** - **Meat section:** reduction of the environmental impacts of the packaging waste. 400 tons of plastic less with regards to 2006. 370 tons were reduced in 2006, 325 tons in 2005, due to the continuous reduction of the thickness of the trays containing meat products, maintaining the resistance. - **Snack category:** reduction by 20% of the packaging material, reducing the inner tube necessary to maintaining the integrity and maintaining the quantity of product. Results: +3 units per box, reduction of the packaging film by 14%, reduction of the carton cardboards by 20% and reduction of the pallets in the transport by 20%. - Improvement of the detergents and tissue fabric softeners concentrates: reduction of the packaging materials by 60%. The final results are still to be monitored. Mercadona is developing a model which will allow them to define the criteria to reduce the packaging waste in its own brand products (objective is to reduce superfluous packaging, adjusting the packaging size, evaluate the environment quality of the packaging materials…) and monitor the obtained results with a stand-alone indicator.
Eco-design products	No.
Reduce carbon/environmental footprint of the supply chain	Thanks to the actions implemented to improve the supply chain and to the recycling of cardboard, porex (expanded poliestyrene), plastic, wood, etc. Mercadona is reducing the CO_2 emissions of its supply chain.

Ban products having high environmental impacts	Mercadona has banned the use of PVC in packaging.
Initiatives targeting suppliers	
Implement specific actions targeting suppliers. Are the results measured?	In 2004, Mercadona started an audit program to Mercadona's suppliers mainly to ensure compliance with applicable environmental legislation for each different activity of the company, and then to gradually achieve all factories having environmental management system in place. Results: 30% of the factories are already certified. The goal is to have all factories certified with the ISO 14001 by 2010.
Initiatives targeting transport / logistics	
Implement specific actions to reduce environmental impacts of logistic/transport. Are the results measured?	In 2005, Mercadona implemented the recommendations of the AECOC about merchandise urban transportation, which resulted in some benefits for the districts and the towns where Mercadona stores are present. AECOC is an association of more than 24,000 companies dedicated to the manufacturing and distribution in various professional sectors that aims at improving innovation, technological development, efficiency and sustainability of Spanish companies. Thanks to the quiet nocturne unload (unload merchandise in the stores during the hours where there is less traffic in towns), noise pollution and traffic jams were reduced. This action supported a transport policy for merchandise more economic and more secured. In 2007, this system was implemented in more than 200 supermarkets. For this project, it was necessary to count on special means and on the control and adaptation of more than 900 different aspects, ranging from the technologic to operative aspects (e.g. Soundproofing road surfaces and installations, use of modified load and unload machines, etc.) This initiative saved 22.500 litres of fuel each day, which represents the consumption of 3.000 cars each day. In April 2008: Mercadona tested pressurized natural gas (PNG) on its trucks. The objective is to change the fleet of 300 vehicles (source: press article).
Monitor the tonne-kilometres of products transported each year by rail, road, sea and air.	Since 2006, the Sustainable Transport Project optimises the logistic network by using complementary transport, such as shipping, trains and trucks: - 8 trains per week are being run between Sevilla and Tarragona, and between Sevilla and Valencia. - Ships between Rotterdam – Bilbao, Italy – Tarragona, and Tarragona – Cádiz. Using these two transport systems, 250,000 tonnes of merchandise are transported, avoiding more than 10 million km on the roads and reducing CO_2 emissions by 14,000 tonnes, the equivalent to that produced by 19,000 vehicles in one year. In 2007 : Km covered in boat: 10.000.000 Km covered in train : 6.000.000
Other (precise)	

4.4. Description of actions implemented to reduce retailer' own environmental performance

Type of action	Details about the implementation by the retailer
<u>Environmental management in stores</u>	
Waste	In the stores, Mercadona separates and recycles 100% of the cardboard, plastic, wood and poliexpan coming from commercial packaging, which is returned to platforms though "inverse logistics". - Each store has installed a carton trash compactor. The outcome is transported through "opposite logistic" (from the stores to the platforms) to the logistic platforms, where the carton is compacted a second time in a pressing machine to reduce volume and optimize transport in the trucks, which bring all the waste until the plant of the recycler. - The plastic is also given back to the platforms, where it is compacted and sent to the recycling agent. - The boxes of poliexpan are treated in the platforms in a pressing/compacting machine, which reduces the space occupied by this material, to optimize the logistics until the final recycling agent. Mercadona manages all the dangerous, wood, glass, and scrap waste as well as from electric and electronic appliances generated in the maintenance of its new installations (platforms, stores and offices), and the construction and demolition waste coming from the new opening stores and refurbishment of the current installations. Urban waste management: in each store, there is a dedicated section for the dumpsters, with a double access (from the store and from the street) and that is closed. The aim of this system is to: - Eliminate odours - Avoid putting the dumpster in the street - Avoid dirtiness. - Respect the urban environment.
Energy consumption	The average energy consumption of a store: 900 Kwh x m² of retail outlet per year. - In 2005: implementation of automatic illumination control systems in Mercadona's logistics platforms, which allows saving 10% of energy for each store, a total of 900000 kWh. - In 2006: 6 million Euros were invested in the installation of heat recovery system in 210 supermarkets, which enable the refrigeration of the meat and delicatessen sections of the stores, using residual heat from industrial refrigeration units. Mercadona has saved with this stem 16 million of kWh of energy in 2006, which represents the consumption of an 11 000 inhabitant town during a year. This system is implemented systematically in all the new stores and refurbishments. - In 2007: introduction of measures for 20 specific aspects at the stores, which help to reduce energy consumption, enabling savings of 92 million kW. These measures are implemented systematically in all the new stores and refurbishments. - June 2008: opening of a new logistic centre in Ingenio (the Canary Islands), designed to maximise the use of sunlight, enabling an energy saving of 40%.

Refrigerant gases	All stores and warehouses have a preventive maintenance plan, which aims to prevent and monitor the possible leaks of refrigerant gases in the installations. Mercadona has installed refrigerant leak detectors. Since 2007 CO_2 is being used as refrigerant gas in some installations. A substitution plan is being elaborated for the CFCs (in the installations where the CFCs still in use), to adapt it to the norm that will come into force in 2010 (legislation 2037/2000).
Energy-efficient bulbs	The stores are lighted with 80% of energy efficient bulbs, mainly compact fluorescent lights (CFL) and light emitting diode (LED) bulbs. Since May 2007, in the new stores and refurbishments, Mercadona is installing a new fluorescent tube (the thin T5), which lights the stores with the same luminous intensity but less energy requirements that the conventional ones. Also since 2007, in each new and refurbished store , Mercadona is adding light intensity sensors near the areas with natural light (in the stores windows or in the rooms for example), allowing artificial lighting to be regulated according to needs (including the automatic switch off or do not allow to switch on if unnecessary). For the lighting signs, Mercadona uses fluroescence, and for the small signs (for example “parking”) Mercadona uses Leds. *The lighting time* of use has been *reduced* according to needs: with on at nightfall (in new stores and refurbished since May 2007 this is automated with a night detector), and switch off at 9.15 pm (closing of the store), even though parking lighting is switching on until one half hour later (9.45 pm).
Water consumption	In 2005: - Installation of dosing devices in stores and in platforms for cleaning and disinfection products. The consumption of these products was reduced by 30%, and the polluting components in the effluent water decreased. - Since 2006, installation of pressure control mechanisms for taps and flushes in toilets in new opening stores and refurbishments. - Implementation of a water-saving system in the logistic platforms. The objective was to save 150 million litres of water. En 2007, the water-saving processes were applied to the logistic platforms, with the same objective of optimising water use: investment of 1 million Euros, which saved more than 40 million litres of water per year
Training on environmental management	- In 2007, all the employees (60.000) received training on the good practices to save energy and to manage waste, with a cost of 700.000 €. The environmental training is integrated into the specific training of the working post.
Environmental impacts of consumers driving to your stores	All supermarkets of the Mercadona group are proximity shops, usually located in the city’s centre, near to public transport access, and generally with parking. These conditions make easier for the customers the access to the shops using public transportation.
Plastics bags	There’s no regulation in Spain about plastic bags consumption or reduction. Nevertheless, Mercadona through different associations is negotiating with the Ministry of Environment on awareness campaigns in order to concrete the best viable alternatives to reduce plastic bag consumption.
<u>Green procurement practices for equipment and infrastructure</u>	
Green building standards	With supermarkets, proximity stores, generally located in the town centres, Mercadona usually has to adapt to the available buildings.
Green procurement of products	Mercadona does not have any procurement policy for certified products such as ecological products. It does, however, purchase goods and equipment paying attention to energy efficiency criteria. The paper used in the office has certification “FSC Chain of custody at the mill”, UWF (Uncoated Wood Free) and EFX (Produced with Elemental Chlorine Free).

Fact Sheet 11 - REWE GROUP

Study « Towards a greener retail sector »

REWE Group	

4. CONTACT DETAILS

NAME:	Ms. Anja Lörcher
POSITION/DEPARTMENT:	Public Affairs, Head of Brussels Office
TELEPHONE:	-
E-MAIL:	-

5. RETAILER' IDENTIFICATION

LOCATION OF HEADQUARTERS:	Köln	
TOTAL NUMBER OF EMPLOYEES:	**WORLDWIDE:**	**EU:** 290,421
TOTAL NUMBER OF STORES:	**WORLDWIDE:**	**EU:** 12,719
TOTAL TURNOVER IN 2007:	**WORLDWIDE:**	**EU:** 45,06 billions
NUMBER OF EU COUNTRIES COVERED:	12 **/ 27**	

LIST OF EU COUNTRIES COVERED: *(grey concerned cells)*	**Austria**	**Finland**	**Latvia**	**Romania**
	Belgium	**France**	**Lithuania**	**Slovakia**
	Bulgaria	**Germany**	**Luxembourg**	**Slovenia**
	Cyprus	**Greece**	**Malta**	**Spain**
	Czech Republic	**Hungary**	**The Netherlands**	**Sweden**
	Denmark	**Ireland**	**Poland**	**UK**
	Estonia	**Italy**	**Portugal**	

TYPE OF STORES: *(grey concerned cells)*	**Supermarkets**	**Discount stores**	**Convenience stores**
	Hypermarkets	**Online stores**	**Specialised (fashion, DYI…) shops**
	Franchise / associated stores	**Department stores**	**Other (precise)**

TYPE OF PRODUCTS/SERVICES SOLD: *(grey concerned cells)*	**Fresh food**	**Clothes**	**DIY products**	**Other (precise)**
	Grocery	**Home products (furniture, decoration)**	**Electrical and electronic products**	

6. DESCRIPTION OF THE RETAILER' GREEN STRATEGY

"The improvement of efficiency and profits is a key aspect of economic business management. Yet the creativity within a firm should not be restricted to these areas. Success is also measured in terms of sustainable trade and in the acceptance of societal responsibility. Part of this responsibility is observed by getting committed to the protection of the environment and in respecting people and cultures.

REWE Group has thus set itself the objective of harmonising the economic, ecological, social and cultural aspects. The firm has been involved for years in various fields of sustainable development, and it will continue this way to prepare its trading and travel divisions to face future challenges."

"REWE Group, which has an indirect and direct impact on the environment due to its trading and travel businesses, is well aware of its ecological responsibility. Protecting the climate and natural resources is thus a fixed component of our corporate philosophy. Many different measures aimed at reducing our environmental impact have already been successfully implemented. New objectives and projects ensure continuous improvements to our conservation mechanisms."

REWE GROUP website: http://www.rewe-group.com/index.php?id=9&L=1

7. SYNTHESIS OF THE GREEN ACTIONS IMPLEMENTED BY THE RETAILER

Promoting the purchase of green products

- Green own brand food products in stores belonging to REWE Group are labelled by national “BIO”-labels or other organic or other environmental labels: , e.g.- “Blauer Engel”, “FSC”, “Best Alliance”, “Fair Alliance”, “MSC”, “Rainforst Alliance” or “Fair Trade”. REWE Group’s own organic labels include “REWE BIO” (Germany) or “Ja Natürlich” (Austria) or “Naturgut” (Penny Germany).
- REWE Group also uses brochures as visual support to help consumers identify green products or save energy.
- REWE Group offers price reductions for green products during specific campaigns i.e. within the campaign “Save the Polar Bears”
- Consumer attention is raised by promotion of green topics in nationwide print advertising (e.g. energy efficient products, photovoltaic, energy efficient building, energy consulting, water use).

Encouraging measures to effectively green supply chain

Packaging

- REWE Group uses reusable boxes (IFCO) and CHEP pallets as transportation instruments for fruits and vegetables.
- REWE Group monitors the amount of its packaging waste.

Logistics/Transport:

- Own-brand BIO products of REWE Group are not transported by plane.
- REWE Group has developed intelligent logistics solutions to optimise capacity utilisation and reduce empty running.
- The company’s own vehicle fleet is continuously renewed by retiring older lorries that pollute more and acquiring less polluting models.
- Training of lorry drivers

Other initiatives

- REWE Group participates in the German “product carbon footprint pilot project” since July 2008. This project shall enable the participating companies to calculate the carbon footprint for specific products.

- Certain products are not sold by REWE Group like endangered fish species (e.g. dogfish = Schillerlocke), stuffed liver or any other endangered animals as well as outdoor furniture made of tropical wood varieties that does not bear the FSC seal.

Improving retailers’ own environmental performances

- Waste sorting is practiced in all German REWE Group stores and the results are monitored.
- Energy consumption of the stores is monitored. The energy consumption by cooling and freezing appliances has been optimized by different measures.
- Refrigerant leaks in REWE Group stores are monitored and refrigerants less harmful to climate have replaced traditional refrigerants.
- Fluorescent lamps with electronic ballast are used in REWE Group stores (T5/T8).
- REWE Group tests the generation of green energy by using solar penals on four warehouses in Germany
- REWE Group trains their employees on environmental management, especially energy management, these aspects are also included in the organisation’s manual.
- REWE Group employees are regularly informed on new sustainable initiatives and projects via the monthly magazine ECHO, via the Intranet “INFONET” and within special ‘sustainable days’ linked to big company events like the Christhmas party
- Special ‘action weeks’ in the headquarters train employees in using less energy in their offices
- REWE Group increases the number of “city stores” especially in urban centres to reduce car-traffic.
- REWE Group runs a green eco-supermarket as a prototype to test several measures concerning efficiency.
- As for the procurement: 100% of the electrical energy used in Germany and Austria are “green energy” (2 Terrawatt per year). For cleaning substances, the ecological properties is one of the dominating factors in choosing cleaning substances.
- REWE Group car pool for business trips uses low emission vehicles

Better informing consumers

REWE Group runs several initiatives that improve consumer information on healthy nutrition and the benefits of physical activity, some of them especially aimed at children (“Klasse in Sport”, “Köln Marathon”, etc).

In 2008 REWE Group participated as exhibitor in the ”International Green Week” in Berlin.

4.1 Market analysis of green products

TYPE	List of products / categories of products available in stores	Number of products available in stores	Market share of green products in this segment	Positioning of green products on the shelves
ECOLABELED PRODUCTS	- DIY products like wall paint, varnish, wall paper, etc. (Blauer Engel) - Sanitary paper (Blauer Engel); - Hand dishwashing detergents with EU Eco-label			
ENERGY LABELED PRODUCTS : category A^+ and A	A and A+: Washing machines, refrigerators, electric cooker, etc. (exception of tumble dryer). Light bulbs (A-labelled)			
ORGANIC FOOD	Germany: Own-brand Food Products (REWE BIO for REWE supermarkets and Naturgut for Penny), the criteria are in accordance with the current rules of the EU Organic Framing Regulation 2092/91. Products labelled with the German Ecolabel and the label "Bio Gourmet".			
ORGANIC TEXTILE	Bio Cotton Fair Alliance (private label for textiles from organic and fair trade cotton)	In the year 2008, Penny, the discount market of the REWE Group, has offered different products made of bio cotton, these products are not part of the permanent product offer and concern: - T-Shirts for men - Shirts for children - Baby-Bodies - stockings, pyjamas		
FSC/PEFC or wood from sustainable forestry PRODUCTS	Garden Wood (Terrace plancks, Garden furniture)	TOOM DIY markets do not offer garden furniture made of tropical wood and not featuring the FSC label.		
MSC PRODUCTS	Fish			

RETAILER' OWN LABEL PRODUCTS	Germany: REWE Bio, Naturgut Austria: Ja! Natürlich			
OTHER	- Bitumen coating (solvent-free, reduced solvents) - Coffee, tea, chocolate, orange juice, wine, honey (Fair Trade) - Fruits / vegetables (strawberries, grapes and pepper): Best Alliance (Sustainable projects in collaboration with NGO). - Bananas: Rainforest Alliance - Water cistern: use of rain water - Cut flowers and plants: Fair Trade			

4.2 Description of the actions implemented to promote green products

Type of action	Details about the implementation by the retailer
Preference given to local seasonal food	As regards REWE Bio, REWE Group's own organic brand, regional suppliers are preferred and these goods are never transported by air. Otherwise, whether fruits/vegetables are bought from local suppliers varies according to the fruit/vegetable type: REWE Group has local suppliers for cauliflowers, cucumber, beans, tomatoes, raspberries. For eggplants, cauliflowers, cucumber, beans, tomatoes, apricots, cherries, raspberries, melons, peaches REWE Group does not source products from heated green houses.
Implementation of financial incentives to promote green products	REWE Group's women's magazine 'LA VIVA' contains vouchers which provide 25% price reduction on energy efficient lamps. Price reductions are offered for green products during specific campaigns like the initiative "Safe the Polar Bears" (energy efficient lamps) .
Cost of green products compared to the price of their standards counterparts	The purchase prices for green products are higher due to higher production costs / certification costs and lower economy of scale (e.g. energy efficient lamps are between 2 and 3 times more expensive than their standards counterparts).
Specific promotion/communication/activities/ campaigns are implemented to promote green products	Green issues are treated in printed advertising (such as organic products (different brands), energy efficient products, photovoltaic, energy efficient building, etc.).
Other (precise)	REWE Group has engaged with WWF to source certain agricultural products in an outstanding sustainable manner (optimal water efficiently and 30% below legal limits of pesticide use). A special label has been developed to document such standards ("Best Alliance") .

4.3 Description of actions implemented to greening supply chain

Type of action	Details about the implementation by the retailer
Products related initiatives	
Reduce impact of packaging waste	Use of reusable containers for the transportation of fruits and vegetables (www.rewe-group.com/index.php?id=3796&L=1).
Eco-design products	Food products see: www.rewe-group.com/index.php?id=78&L=1 Non-food products see: www.rewe-group.com/index.php?id=77&L=1
Reduce carbon/environmental footprint of supply chain	REWE Group participates in the German "product carbon footprint pilot project" since July 2008. Within this project the participating companies assess ways to calculate the carbon footprint for specific projects www.pcf-projekt.de
Ban products having high environmental impacts	Certain products are not sold by REWE Group like endangered fish species (e.g. dogfish = Schillerlocke), stuffed liver or any other endangered animals as well as outdoor furniture made of tropical wood varieties that does not bear the FSC seal.
Initiatives targeting suppliers	
Implement specific actions targeting suppliers. Are the results measured?	Best Alliance, reusable boxes, etc. see above. "Best Alliance" allows to trace back the whole supply chain (www.rewe-group.com/index.php?id=78&L=1). The results are measured.
Initiatives targeting transport / logistics	
Implement specific actions to reduce environmental impacts of logistic/transport. Are the results measured?	Reusable boxes and reusable containers, see above. In Germany alone, REWE Group has 1.2 billion stock-picked units delivered via lorry from more than 20 warehouses to stores each year. An IT-supported route planner continuously optimises transport efficiency and achieves capacity utilisation in vehicles of much better than 90 per cent. The company's own vehicle fleet is continuously renewed by retiring older lorries that pollute more and acquiring less polluting models. Procurement logistics, which organises merchandise streams from the manufacturer to REWE warehouses, has also been optimised in recent years. A service provider now picks up goods at the manufacturer and delivers them in bundles to REWE warehouses. Aside from a considerable reduction in delivery procedures and accelerated goods receipt processes, freight capacity utilisation was increased and the number of empty trips was reduced – thereby achieving a reduction in transport traffic overall. REWE carries out training of lorry drivers in energy efficient driving, result of which is measured. Voluntary competitions among the drivers have become very popular and improve their performance even more. The results are measured.

Monitor the tonne-kilometres of products transported each year by rail, road, sea and air.	Yes, regarding logistics for distribution of goods.
Other (precise)	A test of worldwide first isocyanate-free polyurethane foam is planned.

4.4 Description of actions implemented to reduce retailer' own environmental performance

Type of action	Details about the implementation by the retailer
Environmental management in stores	
Waste	REWE Group places a great emphasis on avoiding refuse and on recycling for economic as well as ecological reasons. The quantity of waste produced within the company in Germany stands at a total of about 400,000 tons per year. The lion's share was made up of paper and cardboard, cellophane plastics, wood and metal scrap. Together with the single-use beverage packaging returned for deposit, these materials account for over 57 per cent of all refuse. These are completely recycled. Since in addition also the food waste and so-called waste for further recycling produced at the Group's stores are being recycled, the total recycling rate stands at around 84 per cent. Organic waste and waste for further recycling are utilised for their material contents or to produce energy; food refuse is converted to electricity and distance heating in biogas plants without producing CO2, for instance. In this way the company saves almost 50,000 tonnes of CO2 per year. And: The quantity of energy regained from the biogas is sufficient to supply electricity to 10,000 three-person households for a year. REWE Group is also committed to avoiding refuse. For example, fruits and vegetables are shipped in multi-use transport boxes made of durable plastics. REWE's Commercial Wholesale Customer Service (GVS) also reduces packaging materials by using multi-use and mass packing such as bulk deposit packaging for vegetable oils.
Energy consumption	Energy consumption is monitored. The overall energy consumption varies between 120 and 525 kWh/m² of sales area, and electricity consumption varies between 80 and 400 kWh/m² of sales area. Given the automatic monitoring of energy use, any unusually high consumption at any place can be identified quickly. The main consumers of electrical energy in commercial trading are refrigeration and lighting. As a result, REWE Group's efforts are focused on optimising energy management primarily in this area. Compound refrigeration equipment with intelligent control technology, roll-down night covers for refrigerated shelves and energy-efficient T5 lights on ceilings are standard. Since 2007, REWE Group have switched to the exclusive use of deep-freeze units with speed-controlled compressors that need 20 per cent less electricity than traditional freezers. All of the refrigerated shelves for pre-packaged meats have already been equipped with hinged doors at PENNY stores, and REWE stores are now following suit. This measure improves temperature performance and also cuts the energy used by refrigeration equipment in half. Highly efficient gas condensing boilers have been the standard for new store construction for many years. By recycling the residual heat from the refrigeration equipment in stores and warehouses for store heating and hot water, the use of fossil fuels is reduced or even entirely eliminated in several cases. Moreover, heat pump technology is in testing at several initial stores.

Refrigerant	The refrigerant leaks in REWE Group stores are monitored. Climate protection in trading and commerce is closely tied to the choice of refrigerants. As HFC (hydrofluorocarbon) refrigerants have the potential to worsen the greenhouse effect, the company is pursuing and testing alternatives that are safer for the environment. Large-scale refrigeration equipment at warehouse locations is thus operated using the natural refrigerant ammonia; merchandise at stores is refrigerated using the much less climate-endangering refrigerant R 134 instead of R 404 A; and several lorries have nitrogen-cooled containers in operation. New plug-in freezers operate by using the climate-neutral refrigerant propane. At several pilot stores, CO_2 is used for deep freezing.
Energy-efficient bulbs	Fluorescent lamps with electronic ballast are used in REWE Group stores (T5/T8).
Training on environmental management	REWE Group trains all employees on certain aspects of environmental management, especially the reduction of energy consumption, these aspects are also included in the organisation's manual. Selected REWE stores at the "Understanding Energy Consumption" event have already received energy monitors with which the electricity used by electrical devices in stores is measured and controlled. The aim here is to make employees more aware of the subject of energy conservation. In the framework of the event, an information package was put together in collaboration with store managers to offer concrete, realistic energy saving tips devised especially for food retailing.
Environmental impacts of consumers driving to your stores	REWE Group increases the number of "city stores" especially in urban centres to reduce incentives of car-traffic.
Plastics bags	In Germany, the use of plastic bags is not for free, this already motivates customers to re-use plastic bags.
<u>Green procurement practices for equipment and infrastructure</u>	
Green building standards	The REWE Group "**Green eco-supermarket**" is a prototype to test several measures concerning efficiency. Most stores are not in property of REWE Group which limits the influence on a greener design. Nevertheless, REWE Group specifies the technical requirements to ensure that stores can be operated in an efficient and ecological manner.
Green procurement of products	As for the procurement: 100% of the electrical energy used in Germany and Austria are "green energy" Since the beginning of 2008, REWE Group has obtained the electricity for its stores, travel agencies and warehouses throughout Germany from 100-per-cent renewable sources (2 Terrawatthours p/a). Certain standards are applied to green electricity, including the obligation to expand renewable energy production facilities. Furthermore, 25 per cent of the hydropower plants supplying REWE Group must be less than three years old. The remaining 75 per cent of the green electric energy mix comes from other hydropower, wind power and biomass plants. For cleaning substances the ecological properties is one of the dominating factors in choosing cleaning substances
<u>Other measures</u>	
Water management	Water saving gadgets used in supermarkets and stockhouses reduce water consumption. Environmentally responsible cleaning solvents and wastewater pre-treatment – for instance, to separate out oils or light-density materials – help reduce wastewater emissions. Trenching systems or partly unsealed parking spaces promote rainwater drainage into the ground and its return to the natural water cycle. REWE Group applies such measures to counter the increasing tendency towards sealed ground surfaces.

APPENDIX 2 – DESCRIPTION OF THE SELECTION OF PRODUCTS FOR PHASE 2 D OF THE CRITERIA PRESENTED IN TASK 2

The following section describes the methodology implemented for each item to define the relevant product categories to be considered in the assessment.

Selection of EU Ecolabelled products:

Among the 26 products categories covered by the EU-Ecolabel, the most available EU-Ecolabel products have been identified through an analysis of the number of licences awarded per category of product.

The following table presents the 10 selected[22] EU-Ecolabelled products categories and the corresponding number of licences delivered, in EU27, on 31/07/08 (*Source, EU-Ecolabel Helpdesk, BIO Intelligence Service*).

	Product category	Total number of licences
1	All-purpose & sanitary cleaners	73
2	Indoor paints / varnishes	70
3	Hand dishwashing detergents	44
4	Tissue paper	23
5	Laundry detergents	22
6	Dishwashing Detergents	14
7	Lubricants	9
8	Copying paper	9
9	Soaps and shampoos	4
10	Light bulbs	2

[22] For 7 products categories (dishwashers, heat pumps, personal computers, portable computers, refrigerators, vacuum cleaners and washing machines), no license have ever been delivered.

The 2 products categories concerning textile products (textile products and footwear) are covered in the item dedicated to Textile products, and not in the item dedicated to EU-Ecolabelled products.

Televisions are covered in the item dedicated to energy using products and not in the item dedicated to EU-Ecolabelled products.

6 products categories have been considered as not relevant considering the retailer's activity: Tourist accommodation service, camp site service, soil improvers, bed mattress, hard floor coverings and growing media

Selection of local fruits and vegetables:

A list of 10 fruits and vegetables has been established to assess the availability of local products:

1. Eggplants
2. Cauliflowers
3. Cucumbers
4. Beans
5. Tomatoes
6. Apricots
7. Cherries
8. Raspberries
9. Melons
10. Peaches

These fruits and vegetables are seasonal and available in August[23] in France, according to www.conssodurable.org. Thus retailers could have local suppliers.

The assessment consists in evaluating the share of local suppliers among these 10 products.

Selection of organic products:

The following table presents the most consumed organic products among French organic-food consumers[24]. We assumed that this is also valid at European level.

Product category		Share of organic consumers consuming this category of products
	Fruits and vegetables	**78%**
	Dairy products	**74%**
Of which	Milk	41%
	Cheeses	41%
	Other	49%
	Eggs	**62%**
	Grocery	57%
Of which	**Pasta, rice, cereals**	**45%**
	Oil	**22%**
	Other	32%
	Meat	**52%**
Of which	Poultry	48%
	Beef	24%
	Pork, lamb, delicatessen	23%
	Fish	11%
	Bread	**43%**

[23] Period when the store visit was conducted in the framework of the study

[24] Source: Barometer of consumption and perception of organic products in France, 2007, by "Agence BIO" (French Agency for Development and promotion of organic agriculture). We estimate that we can consider this French data as representative of the European context

	Drinks	39%
Of which	**Fruit juice**	**35%**
	Wine	10%
	Other	4%
	Coffee, tea, herbal tea	**33%**
	Soya based products	**28%**
	Biscuits/ breakfast products	**30%**
	Dietary supplement	9%
	Baby food	6%

The product categories that will be analysed are in bold.

Selection of endangered fish species:

We selected a list of 12 endangered fish species. This list is based on 2 lists: 1 published by the WWF and 1 published by Greenpeace. We chose to select the fish species that were in both lists. To avoid translation mistakes, the Latin names of the fish have been provided.

WWF list (in French)	Greenpeace list (in French)	Species common to the 2 lists (in French)	Species common to the 2 lists (in English)	Species common to the 2 lists (latin name)
Anguille	Bar de chalut	Bar de chalut	Tilefish	Dicentrarchus labrax
Bar de chalut	Bar d'élevage	Cabillaud	Cod fish	Gadus morhua
Cabillaud	Baudroie / lotte	Carrelet	American plaice	Pleuronectes platessa
Dorade rose	Cabillaud	Empereur	Orange roughy	Hoplostethus atlanticus
Dorade Sébaste	Carrelet	Flétan	Halibut	Hippoglossus hippoglossus
Empereur	Crevettes roses	Grenadier	Hoki	Coryphaenoides rupestris
Espadon	Eglefin (=Haddock)	Merlu	Whiting	Merluccius merluccius
Flétan	Empereur/Hoplostète rouge	Raie	Skate	Rajidae
Flétan du Groenland	Flétan de l'atlantique	Sabre	Cutlassfish	Aphanopus carbo
Grenadier	Grenadier	Saumon atlantique	Salmon	Salmo salar
Lingues	Merlu Européen	Sole	Plaice	Solea solea
Loup de mer	Raie	Thon rouge	Bluefin tuna	Thunnus thynnus
Merlu	Sabre			
Plie/Carrelet	Saumon atlantique			
Raies	Siki/Saumonette			
Requins	Sole			
Sabre	Thon germon			
Saumon Atlantique	Thon obèse			
Sole	Thon rouge			
Thon rouge				
Turbot				
Vivaneau				

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