

Skills4Retail
Building sustainable growth

Introduction to Sustainability in Retail

Practical learning for retail employees. Understand retail impacts. Explore everyday actions. Plan an improvement in your workplace.

Designed by 20FIFTY Partners for the Skills4Retail Initiative

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Welcome

Think about your store, your products and your customers.
Share your experience, try practical activities and choose one action to take forward.

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About This Module

Purpose & Audience

- Who It's For: Frontline and entry-level retail team members.
- Core Goal: Build practical knowledge and confidence to contribute to sustainability in your everyday workplace.

25 Hours of Learning: Interactive, tutor-led sessions.

Built around practical exercises, and group discussions

Developed by 20FIFTY Partners for the Skills4Retail programme.

What You Will Learn & Do

- Explore Store Impacts:

See how daily retail activities affect energy use, resources, and waste.

- Take Practical Action:

Learn realistic, day-to-day steps to cut waste and improve efficiency.

- Drive Positive Change:

Build a responsible mindset to make a difference on your own and with your team.

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Agenda

1. Sustainability Concepts and Practices for Retail
2. Environmental Impacts of Retail Operations
3. Climate Change and Retail Operations
4. Regulatory and Standard Requirements
5. Risks and Opportunities in Sustainability
6. Practical Tools for Environmental Assessment
7. Case Studies of Sustainability in Retail



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Aim of the module

Understand how retail affects the environment.

Explore practical ways to use resources carefully, reduce waste and support sustainability in your workplace.

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Learning Outcomes

1. Examine how retail operations affect the environment, including the use of natural resources, climate change, pollution, waste, and biodiversity loss.
2. Develop practical solutions and recommend best practices to address environmental challenges and improve sustainability in retail workplaces.
3. Evaluate the responsibilities of retail businesses in meeting sustainability standards at national, European, and global levels.
4. Analyse the strengths and weaknesses of measures taken at national, European, and global levels to address environmental issues in the retail sector.
5. Assess the risks and opportunities of sustainable practices in retail and propose strategies to reduce risks and take advantage of opportunities.
6. Analyse how sustainability issues relate to climate change in retail and develop strategies to reduce the environmental impact of retail operations.
7. Conduct a basic environmental assessment of a retail workplace and suggest practical ways to improve sustainability.
8. Examine successful sustainability initiatives in retail, identifying key success factors, challenges, and lessons learned.

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Unit 1

Sustainability Concepts and Practices for Retail

What does sustainability look like in an everyday retail job?

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Learning Objectives

Learners will be able to:

- Explain core sustainability principles and practices in retail including:
- Sustainable development
- The circular economy
- Waste reduction and energy efficiency
- Identify how these can be applied in everyday retail operations to reduce environmental impact.



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Unit 1 Key terms and definitions

Sustainability
Meeting current needs while protecting the ability of future generations to meet their own needs.

Sustainable Development
Development that meets present needs without limiting the ability of future generations to meet their own needs.

Environment
The natural world, including air, water, land, plants, animals and ecosystems.

Environmental Impact
The effect that an activity, product or organisation has on the environment.

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Unit 1 Key terms and definitions

Energy Efficiency

Using less energy to perform the same task or achieve the same result.

Waste Reduction

Actions that prevent waste or reduce the amount of waste produced.

Recycling

Processing waste materials so they can be used to make new materials or products.

Sustainable Retailing

Operating a retail business in a way that reduces environmental and social impacts while supporting long-term economic success.

As we work through this unit, think about how these terms relate to your own workplace and role.

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Why is Sustainability Important for Retail?

Environmental Impact:

Retail influences how products are designed, produced, sold and used. These activities can create significant greenhouse gas emissions

Over 70% of a product's environmental impact is determined at the design stage.

Retail operations consume energy, resources, and generate waste.

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Why is Sustainability Important for Retail?

Consumer Expectations:
Consumers increasingly expect sustainable products.

Younger consumers often prefer companies that create positive social impact.

Ignoring climate risks can damage reputation.

Regulatory Pressures:
New sustainability laws and regulations are being introduced globally, across the EU, and at national level.

These include climate reporting, circular economy requirements, and supply chain due diligence



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Why is Sustainability Important for Retail?

Business Resilience

- Improves the ability to respond to climate risks
- Helps identify new opportunities
- Supports more resilient supply chains

Economic Benefits

- Reduces costs through greater efficiency
- Lowers energy use and waste
- Strengthens competitive advantage



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What is Sustainability?

Definition:

Sustainability means meeting today's needs without preventing future generations from meeting their own needs.

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What is Sustainability?

In a retail environment, sustainability involves:

- Reducing **environmental impact**
- Using **resources** responsibly
- Supporting **employees** and **communities**
- Operating **profitable** and **ethical** businesses

Example

A retailer switching to energy-efficient lighting reduces energy consumption, lowers operating costs and reduces carbon emissions.

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Three Dimensions of Sustainability in Retail:

Environmental

- Reduce pollution
- Use resources sustainably
- Protect biodiversity
- Address climate change

Social

- Support fair and safe working conditions
- Respect human rights
- Respect the rights of Indigenous Peoples across supply chains

Economic

- Balance efficiency, resilience, and financial performance
- Support local value creation
- Promote fair distribution of economic benefits

Key Message

Successful retailers balance all three areas when making business decisions.



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Sustainability in Practice

	Patagonia	IKEA	Lidl
ENVIRONMENTAL	Repair and reuse programmes Recycled materials	Renewable energy Sustainable sourcing Circular products	Food waste reduction Renewable energy Packaging reduction
SOCIAL	Support for environmental causes and local communities	Employee development Community initiatives	Staff training Community partnerships
ECONOMIC	Premium pricing Strong customer loyalty	Long-term sustainable growth and profitability	Resource efficiency and operational savings

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Activity 1

What Does Sustainability Mean to You?

Group discussion: connect personal observations to the three dimensions



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Retail's Role in The Circular Economy



Selling durable, **repairable**, **reusable**, and **recyclable** goods.

Considering **end-of-life recycling** and participating in **take-back schemes**.

Prioritising goods with **recycled content**.

Offering **refurbished** or **reused** goods

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Retail's Role in The Circular Economy



Offering goods for lease or rent.

Reducing packaging and facilitating take-back of packaging and products.

Waste Minimisation Strategies: Preventing single-use plastic packaging, promoting reuse.

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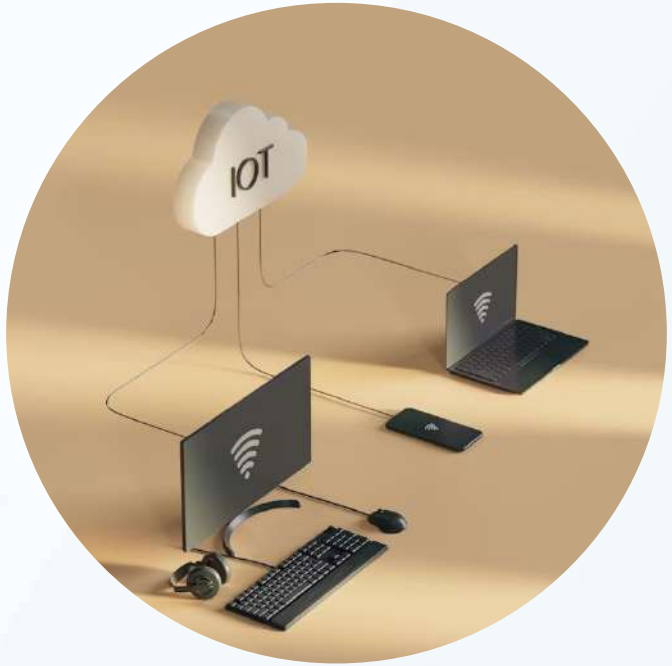
Retail's Role in The Circular Economy:



- Support **plastic recycling targets**
- **Simplify plastic supply chains**
- Increase **recycled materials** in packaging
- **Reduce packaging** without increasing food waste
- Design products for **sustainability**
- Improve product **durability**
- Support product **repairability**

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Retail's Role in The Circular Economy:



- Minimise **waste** and reduce **landfill disposal**
- Use **efficient waste management practices**
- Use digital technologies, such as AI and IoT, to **monitor operations in real time**
- Use **data** to predict demand and reduce waste
- Optimise **delivery and collection routes**
- Reduce **excess stock** and **overstocking**

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Core Sustainability Practices:
Sustainable Product Sourcing & Energy Efficiency



- Consider the full life cycle of products and services, not just the purchase cost.
- Include environmental and social impacts when choosing suppliers.



- Include sustainability requirements throughout the procurement process.
- Consider sustainability from planning to contract management.
- Set clear and measurable sustainability requirements.
- Specify requirements such as recycled materials and emissions targets.



- Specifying Requirements: Set verifiable environmental sustainability requirements (e.g., recycled content, emissions).

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Core Sustainability Practices:
Sustainable Product Sourcing & Energy Efficiency



- Use ecolabels, certifications, and standards to verify sustainability claims.
- Help prevent misleading environmental claims (greenwashing).



- Check supply chains for human rights risks.
- Take action to reduce negative impacts in supply chains.



- Improve energy efficiency in stores and facilities.
- Reduce energy use to lower environmental impact.

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Core Sustainability Practices:
Sustainable Product Sourcing & Energy Efficiency

Building Efficiency: Improve insulation, use modern windows, efficient HVAC systems, and conduct energy audits.

Appliance Efficiency: Use energy-efficient appliances (e.g., LEDs, efficient refrigerators).

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Core Sustainability Practices:
Sustainable Product Sourcing & Energy Efficiency



Operational Practices: Simple habits like turning off lights and adjusting thermostats.

Renewable Energy: Move to lower-emission energy sources, such as wind and solar, where practical. This may reduce costs and improve resilience.

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Activity 2

Retail Sustainability Audit

Checklist-based audit of their own or a familiar retail store



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Implementing Sustainability & Best Practices

Integrating Principles into Operations:

- Make sustainability part of daily business activities
- Include sustainability in decision-making and operations
- Set clear sustainability goals
- Measure progress using key performance indicators (KPIs)
- Monitor sustainability performance throughout contracts
- Consider the full life cycle of goods and services



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Implementing Sustainability & Best Practices

Practical Solutions and Best Practices:

- Consider repair, refurbishment, reuse, leasing, or renting before buying new
- Extend the life of products and equipment where possible
- Use AI and IoT to improve inventory management
- Use technology to track waste more effectively
- Improve logistics and operational efficiency



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Implementing Sustainability & Best Practices

- Reuse, recycle, or return products through take-back programmes
- Help customers make informed and sustainable choices
- Use trusted labels and certifications to build confidence
- Increase recycled materials in products and packaging
- Support durable product design and take-back programmes



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Employee Training, Engagement, and Challenges

- Employees play a key role in supporting sustainability
- Provide training on sustainable practices and digital tools
- Help employees understand sustainability and communicate it to customers



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Employee Training, Engagement, and Challenges

- Ensure sustainability messages are clear and consistent across the organisation
- Share successes and lessons learned from sustainability initiatives
- Encourage positive sustainability behaviours through regular communication



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Challenges in Retail Sustainability

Balancing Priorities:
Securing supplies while maintaining high environmental and social standards.

Cost and Investment:
Adopting sustainable practices can require significant initial investment and costs.

Complexity:
Translating complex sustainability issues into simple consumer messaging.



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Challenges in Retail Sustainability

- Greenwashing: Verify sustainability claims to avoid misleading information
- Power imbalances and global events can make ethical sourcing more difficult
- Cost and convenience can make it harder to change consumer behaviour



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Activity 3

Problem Solving - Our Retailer's Challenge

(Brainstorm solutions to a specific sustainability challenge).



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Conclusion:

- Sustainability balances environmental, social, and economic factors for **present and future generations**.
- Retail plays a vital role due to its **environmental impact**, **consumer interaction**, and **supply chain** position.
- Key practices include **waste reduction** (circular economy), **sustainable sourcing**, and **energy efficiency**.

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Pause & Reflect

- What does sustainability mean in the context of your own workplace?
- Which sustainability practices are already in place within your organisation?
- How might sustainable business practices benefit both the environment and the business?



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What are your next steps?

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Unit 2

Environmental Impacts of Retail Operations

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Learning Objective

Learners will be able to:

- Examine how retail operations affect the environment, including the use of natural resources, climate change, pollution, waste, and biodiversity loss.



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Unit 2 Key terms and definitions

Natural Resources

Materials and features provided by nature, such as water, forests, minerals, land and energy sources.

Resource Consumption

The use of natural resources by people, organisations and economic activities.

Carbon Emissions

The release of carbon dioxide into the atmosphere. Use “greenhouse gas emissions” when gases other than carbon dioxide are included.

Climate Change

Long-term changes in temperatures and weather patterns. Recent climate change is mainly caused by human greenhouse gas emissions.

Pollution

The introduction of harmful substances or forms of energy into air, water or land

Waste Management

The activities used to prevent, collect, sort, reuse, recycle, recover and dispose of waste.

As you progress through this unit, consider how each of these environmental impacts may apply to your own workplace and how they could be reduced.

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Unit 2 Key terms and definitions

Circular Economy
A system that prevents waste and keeps products and materials in use through reuse, repair, refurbishment and recycling.

Biodiversity
The variety of living organisms, including plants, animals and microorganisms, and the ecosystems they form.

Greenhouse Gases (GHGs)
Gases that trap heat in the atmosphere and contribute to climate change.

Packaging Waste
Waste from materials used to contain, protect, handle or deliver products.

Life Cycle
All stages of a product, from raw material extraction and production to use and end-of-life treatment.

Supply Chain
The network of organisations and activities involved in producing, transporting, and delivering goods to consumers.

Habitat Destruction
The loss or damage of natural environments that support plants, animals and other organisms.

Overharvesting
Removing a renewable natural resource, such as fish or timber, faster than it can recover.

Non–Renewable Resource
A natural resource that is finite or is replaced much more slowly than it is used.

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What environmental issues have you observed in retail or shopping?

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Introduction – Retail's Dual Role



- Retail plays an important role in the economy, society, and local communities.
- Retail operations and supply chains have a significant impact on the environment.
- The sector is changing how it operates to support sustainability.
- Understanding these impacts is important for building a more sustainable future.

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Activity 1

Brainstorming Retail's Footprint

(Brainstorm ways retail affects the environment).



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Resource Use in Retail

- Stores, warehouses, and transport use significant amounts of energy.
- Much of this energy comes from fossil fuels, which produce greenhouse gas emissions.
- Buildings account for about one-third of total energy use.



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Resource Use in Retail

Water:

Critical resource used extensively in product production (e.g., agriculture).

<u>Example:</u> Producing a hamburger can require approximately 2,400 litres of water (World Bank, 2007).

Producing a cotton T-shirt requires approximately 2,700 litres of water (WWF, cited in Chapagain & Hoekstra; Water Footprint Network, n.d.).

Energy sector also uses large quantities for cooling.



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Resource Use in Retail

Raw Materials:

Products and retail infrastructure require materials such as minerals, metals, and timber (UNEP IRP, 2024).

Many of these resources are being used faster than they can be replaced (UNEP IRP, 2024).

Retail demand contributes to the extraction and processing of raw materials around the world (UNEP IRP, 2024).



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Activity 2

Tracing a Product's Resources

(choose a product and list its main resources).



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Climate Change and Pollution

- Retail contributes to climate change through energy use, transport, and supply chains.
- Burning fossil fuels for stores, manufacturing, and transport produces greenhouse gas emissions.
- Climate change can disrupt supply chains and change customer demand.
- Measure emissions across the full life cycle, from production to disposal.



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Climate Change and Pollution

Pollution Sources:

Packaging and Materials

- Packaging creates large amounts of waste
- Reducing and recycling packaging can be difficult because of the volume used

Chemicals and Fertilisers

- Chemicals and fertilisers used in agriculture can pollute water
- Some pesticides can harm human health and the environment

Transportation

- Transport produces greenhouse gases and other pollutants
- High levels of transport contribute to pollution



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Activity 3

Pollution Mapping

(Identify types of pollution for each stage of the retail process)



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Waste Management in Retail

Visible Impact

- Waste is one of the most visible environmental impacts in retail
- Common sources include packaging and unsold products

Waste Types

- Waste occurs during production, distribution, and customer use
- Food waste is a major global challenge
- Packaging makes up a large share of retail waste

Packaging Waste

- Reduce packaging where possible
- Increase packaging reuse and recycling
- Improve waste collection and recycling systems



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Waste Management in Retail

- Focus on waste reduction and moving to a circular economy.

- **Circular Economy:** Aims to prevent waste and pollution and keep products and materials in use through reuse, repair, refurbishment and recycling.



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Waste Management in Retail

Strategies:

- Promote recycling
- Reduce material use
- Redesign products

Technology:

- Digital technologies (AI, IoT)
- Improve waste management efficiency
- Optimising logistics and inventory



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Activity 4

Circular Retail Ideas

(Brainstorm ways retail can embrace circular economy principles).



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Impact on Biodiversity

Definition:

Biodiversity is the variety of plants, animals, and other living things on Earth.

Biodiversity loss is a major environmental challenge.



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Impact on Biodiversity

- Retail can affect biodiversity through the products it sells and the supply chains it supports.
- Retail demand can lead to changes in land use.
- Converting forests and natural habitats into farmland can reduce biodiversity.
- Fertilisers and pesticides can pollute water and harm ecosystems.
- Waste and pollution can harm plants, animals, and natural habitats.

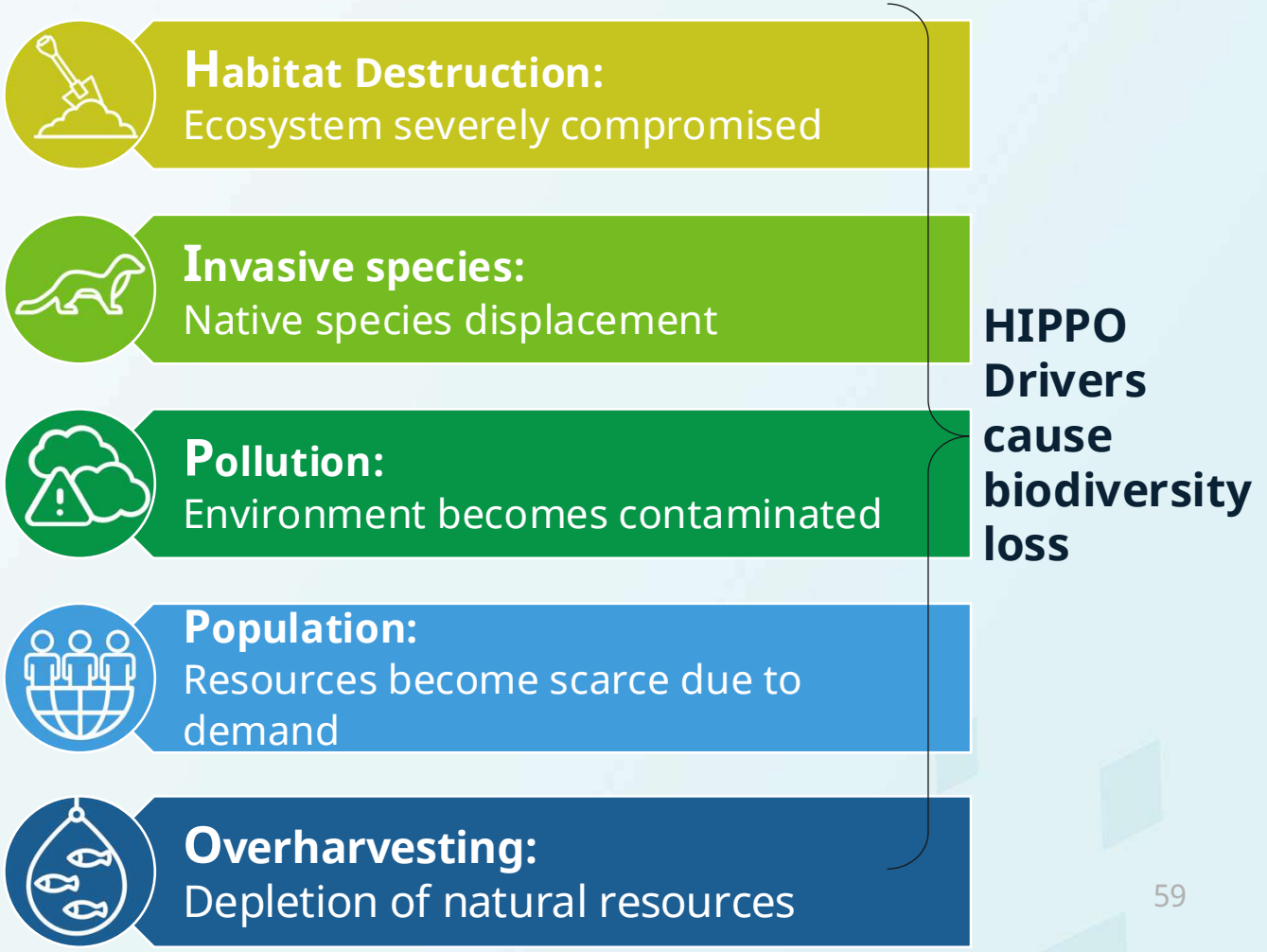




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Impact on Biodiversity

- Demand for resources such as fish and timber can reduce natural resources and harm ecosystems.
- Climate change can affect natural habitats and biodiversity.
- Global trade can spread invasive species that harm local ecosystems.
- Key causes of biodiversity loss can be remembered using **HIPPO**.



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Sustainability in Practice

IMPACT

	Patagonia	IKEA	Lidl
WASTE	Worn Wear repair programme	Product take-back schemes	Food waste reduction
RESOURCE USE	Recycled materials	FSC-certified timber	Reduced packaging
CARBON EMISSIONS	Sustainable materials	Renewable energy	Renewable electricity
BIODIVERSITY	Sustainable sourcing	Sustainable forestry	Pollinator initiatives

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Activity 5

Biodiversity Link

(Discuss how each environmental impact harms biodiversity).



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Conclusion

Retail operations have wide-ranging environmental impacts:

Significant **resource consumption** and **energy use** contributing to climate change.

Various forms of pollution from chemicals, transport, and waste packaging.

Impacts on **biodiversity** through supply chains.

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Conclusion

Complexity and Interconnectedness:

Impacts are complex, occurring locally and globally through supply chains.

Multifaceted Approach Needed:

Requires collaboration among retailers, consumers, policymakers, and stakeholders.

Sustainability is Essential:

Not optional, crucial for long-term business survival and competitiveness.

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Pause & Reflect

- Which environmental impact discussed in this unit is most relevant to your workplace?
- Where do you think the greatest amount of energy, water, or materials is used within your organisation?
- What changes could be made to reduce waste or resource consumption?



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What role can you play in your retail environment to help address these environmental impacts?

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Activity 6

Action Planning

(Identify one or two specific actions you could take or advocate for in your workplace)



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Unit 3

Climate Change and Retail Operations

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Learning Objective

Learners will be able to:

- Analyse how sustainability issues relate to climate change in retail and develop strategies to reduce the environmental impact of retail operations.



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Key Terms and Definitions

Climate Change
Long-term changes in temperatures and weather patterns. Recent climate change is mainly caused by human greenhouse gas emissions.

Mitigation
Action that reduces greenhouse gas emissions or increases their removal from the atmosphere.

Adaptation
Changes that help people, businesses and places prepare for the effects of climate change.

Carbon Footprint
The total greenhouse gas emissions linked to a person, product, organisation or activity.

Greenhouse Gases (GHGs)
Gases such as carbon dioxide (CO_2), methane (CH_4), and nitrous oxide (N_2O) that trap heat in the atmosphere and contribute to climate change.

Physical Risks
Business risks caused by the physical effects of climate change, such as flooding, heatwaves, storms and supply-chain disruption.

Transition Risks
Business risks linked to changes in policy, technology, markets or expectations during the move to a lower-emission economy.

Energy Efficiency
Using less energy to perform the same task or achieve the same result.

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Key Terms and Definitions

Ethical Trading Initiative (ETI)
An organisation that supports respect for workers' rights in global supply chains.

Global Organic Textile Standard (GOTS)
A standard for textiles made with certified organic fibres that includes environmental and social requirements

Climate Resilience
The ability to prepare for, respond to and recover from climate-related effects.

Climate Neutrality
A condition in which greenhouse gas emissions and removals are balanced according to an accepted method.

Scope 1 Emissions
Direct greenhouse gas emissions from sources owned or controlled by an organisation.

Scope 2 Emissions
Indirect greenhouse gas emissions linked to purchased electricity, steam, heating or cooling.

Scope 3 Emissions
Other indirect greenhouse gas emissions across an organisation's value chain.

Last-mile Delivery
The final stage of delivery to the customer

Environmental Product Declaration (EPD)
A standardised document that reports information about the environmental impacts of a product.

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Activity 1

Share one word about "retail" and "climate change" together.



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Introduction – Retail and Climate Change

Retail is changing due to **economic, digital, and environmental challenges.**

Sustainability is **becoming more important** in the retail sector.

Retail businesses **affect people, communities, and the environment.**



- This unit explores the link between retail operations and climate change
- Learn how retail activities affect the environment
- Identify actions to reduce environmental impact

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Understanding Climate Change & Its Effects on Retail

Climate change is a **long-term change** in weather patterns

Climate change can be caused by **natural events, human activities, or both**

Climate change is one **of the biggest challenges** facing society today

Retail businesses **can help reduce the impact** of climate change

Retailers can influence their own operations, suppliers, and customers



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Understanding Climate Change & Its Effects on Retail

Mitigation vs. Adaptation:

Mitigation
means reducing greenhouse gas emissions.

Examples include improving energy efficiency and reducing energy use.

Adaptation
means preparing for the impacts of climate change. This includes managing risks to operations, services, and supply chains.

Climate change can affect businesses even when emissions are reduced.



Mitigation and adaptation are both important and should work together

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Understanding Climate Change & Its Effects on Retail

Types of Climate Risks for Retailers:

Physical Climate Risks

Heatwaves can increase costs and affect food supply

Storms and flooding can disrupt operations and damage property

Extreme weather can delay deliveries and affect product availability

Climate change can **disrupt global supply chains**



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Understanding Climate Change & Its Effects on Retail

Types of Climate Risks for Retailers:

Transition Climate Risks

New climate regulations can increase costs and require changes to operations

Businesses may need to **update packaging** and **supply chain practices**

New technologies can improve **energy efficiency** and **product tracking**

Businesses that do not adapt may **fall behind competitors**

Older systems may become more expensive to operate and maintain

Investment in new equipment and technology can be challenging



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Understanding Climate Change & Its Effects on Retail

New technologies require employees to develop new skills

Customers want more information about **where products come from** and their environmental impact

Demand for climate-friendly products is increasing

Businesses that do not respond to climate change may **damage their reputation**

Products and services may need to change to meet **customer expectations**

Climate change can increase **insurance costs**



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Activity 2

Think-Pair-Share

(Identify physical and transition risks for a specific retail product)



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Retail's Carbon Footprint and Emissions



Understanding Carbon Footprint:

Greenhouse gas (GHG) emissions generated by all retail activities.



Sources of Emissions in Retail Operations:



Energy use in stores and buildings:

Heating, cooling, lighting, equipment.



Transportation and logistics:

Moving goods (ships, planes, trucks, vans).



Product manufacturing and sourcing:

Emissions from production and raw material extraction.



Packaging:

Production and disposal.



Customer travel:

To and from physical stores.



Product end-of-life:

Disposal or recycling.

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Retail's Carbon Footprint and Emissions

Measuring Complexity:



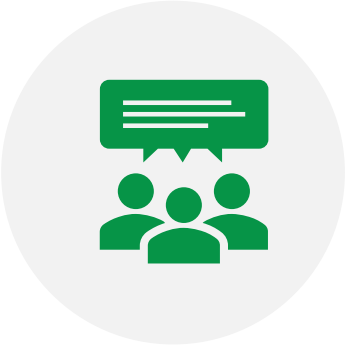
Requires lifecycle or whole supply chain approach.



Challenge: Environmental impact can be greater in end use than production.



Need for standard methodology for measuring carbon footprints, possibly for individual product carbon labelling.



Increased Scrutiny: Retail companies, being consumer-facing, may face increased scrutiny regarding their contribution to climate change.

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Activity 3

Brainstorming and Mapping

(Brainstorm activities and emission points for a product lifecycle).



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Strategies to Reduce Environmental Impact (Store, Operations, Product Lifecycle)

Tackling Environmental Issues: Now a social and commercial priority.

Strategies for Reducing Emissions in Stores and Operations:

Improving Energy Efficiency

Invest in LED lighting, efficient heating systems, industrial motors. Retrofitting older buildings is important. ***Energy audits can reduce use by 10-30%.***

Using Renewable Energy

Transition to wind, solar, wave energy for cost savings and resilience.

Water Conservation

Implement water usage and treatment solutions.



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Strategies to Reduce Environmental Impact (Store, Operations, Product Lifecycle)

Strategies for Addressing Product Lifecycle and Waste:

- Reduce plastic packaging
- Improve packaging design
- Increase recycling and composting
- Reduce food waste



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Strategies to Reduce Environmental Impact (Store, Operations, Product Lifecycle)

- Work with partners to reduce packaging and waste
- Support reuse, recycling, and take-back programmes
- Keep products and materials in use for longer
- Support circular economy practices



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Activity 4

Strategy Matching

(Match retail operations with relevant sustainability strategies).



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Strategies to Reduce Environmental Impact (Supply Chain & Consumers)

- **Retailers can influence sustainability across their supply chains**
- **Choose suppliers with lower environmental impact**
- **Support low-carbon sourcing practices**



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Strategies to Reduce Environmental Impact (Supply Chain & Consumers)

Work with suppliers to support fair working conditions and fair pay	Use trusted sustainability certifications and standards	Work with other organisations to improve sustainability across supply chains
Support suppliers in improving sustainability practices	Apply sustainability standards consistently across the business	Encourage suppliers to take action on climate change



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Strategies to Reduce Environmental Impact (Supply Chain & Consumers)

Include sustainability requirements in supplier selection

Use product information to measure environmental impact

Follow sustainability regulations and standards

Use sustainability ratings to assess suppliers



Examples of Influence:
Carrefour's carbon labels, Green Procurement criteria, supplier sustainability platforms (EcoVadis).

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Strategies to Reduce Environmental Impact (Supply Chain & Consumers)

Engaging and Influencing Consumers:

Help customers make informed and sustainable choices	Provide clear information about products and their environmental impact
Support customers in choosing more sustainable products	Educate customers about climate-friendly choices



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Strategies to Reduce Environmental Impact (Supply Chain & Consumers)

Provide clear information about sustainability

Help customers compare sustainable options

Explain complex sustainability topics in simple language

More customers are looking for sustainable products

Meeting customer expectations can improve business performance



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Strategies to Reduce Environmental Impact (Supply Chain & Consumers)



Challenges in Communication and Implementation:

- Use clear and consistent information about environmental impact
- Focus on reducing emissions before using carbon offsetting
- Balance sustainability goals with costs
- Sustainable products may not always be the lowest-cost option
- Help customers understand the value of sustainable choices

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Sustainability in Practice

Climate Action in Practice

patagonia

- Sustainable materials
- Product longevity
- Environmental activism

IKEA

- Net Zero ambition
- Renewable energy investment
- Emissions reduction targets

LIDL

- Scope 1 and 2 emissions reductions
- 100% renewable electricity (US operations)
- Electric vehicles in logistics

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Activity 5

Role-Playing



(Customer interested in sustainable product, retailer employee guiding them).

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Sustainable Logistics

- Logistics plays an important role in retail operations
- Demand for delivery services is growing due to e-commerce
- Retailers need reliable and consistent deliveries
- Retailers need flexible and fast delivery services
- Deliveries should minimise disruption to store operations
- Deliveries often need to meet strict delivery times



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Sustainable Logistics

- Good inventory management depends on reliable deliveries
- Logistics can be expensive due to transport, warehousing, and infrastructure costs
- Inventory issues can affect product availability
- Measuring logistics performance helps reduce costs
- Efficient logistics can improve customer satisfaction



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Sustainable Logistics

Strategies for More Sustainable Logistics:

- Use technology to improve logistics efficiency
- Share information across the supply chain
- Optimise delivery routes and schedules
- Reduce transport emissions
- Use electric vehicles where possible



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Sustainable Logistics

- The final stage of delivery can increase traffic, pollution, and emissions
- Use local delivery solutions to reduce environmental impact
- Support collection points, such as click-and-collect and parcel lockers
- Work with partners to improve delivery efficiency
- Support take-back programmes for packaging and products



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Activity 6

Problem Solving- Sustainable Delivery

(Scenario: same-day delivery in urban area, challenges, solutions).



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Conclusion

- Climate change significantly shapes retail's future.
- Retailers have numerous strategies for impact reduction (energy, waste, packaging, sourcing, transport).
- Retail operations contribute to GHG emissions across value chain.
- Sustainable logistics, especially last mile, is critical.
- Climate change impacts retail via physical and transitional changes.
- Engaging and educating consumers is an opportunity.

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Conclusion contd.

Moving Forward:

- **Climate change will continue to dominate sustainability concerns.**
- **Retailers need to integrate sustainability into all business aspects.**
- **Adopt adaptation strategies for climate impacts, especially on supply chains.**

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Conclusion contd.

- **Significant opportunities despite challenges (cost, complexity of labelling).**

- **Benefits: cost savings, capture conscious consumer market, improve brand loyalty.**

- **May require tough choices, challenging traditional business models. Long-term public policy needed for investment confidence.**

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Pause & Reflect

- How could climate change affect your organisation over the next five years?
- What physical risks (e.g. flooding, heatwaves, supply disruption) could impact your workplace?
- What actions is your organisation already taking to reduce its carbon footprint?



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Activity 7

Personal Action Plan

(Identify one specific strategy to implement/advocate for).



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Unit 4

Regulatory and Standard Requirements

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Learning Objective

Learners will be able to:

- Explain the responsibilities of retailers.
- Compare the strengths and limits of national, EU and global sustainability measures.



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Key terms and definitions

Sustainability Standards

Agreed requirements, guidelines or criteria used to assess or improve environmental, social or economic performance.

Sustainable Development

Development that meets present needs without limiting the ability of future generations to meet their own needs.

Regulatory Compliance

Following the laws, regulations and legal requirements that apply to an organisation.

Paris Agreement

An international climate agreement that aims to keep the rise in global average temperature well below 2°C and pursue efforts to limit it to 1.5°C.

European Green Deal

The EU policy framework for moving towards a climate-neutral, resource-efficient and competitive economy.

Supply Chain Due Diligence

A process for identifying, preventing, reducing and addressing environmental and human-rights risks and impacts in a supply chain.

Corporate Sustainability Reporting Directive (CSRD)

An EU directive on sustainability reporting by companies within its scope.

Transparency

Providing clear, accurate and accessible information about decisions, activities and impacts.

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Key Terms and definitions

ESG (Environmental, Social and Governance)

A framework used to consider environmental, social and governance matters in an organisation or investment.

Sustainability Certification

Formal confirmation that a product, service or organisation meets specified sustainability requirements.

Ecolabel

A label showing that a product or service meets stated environmental criteria.

Environmental Management System (EMS)

A structured system for managing an organisation's environmental responsibilities and improving its environmental performance.

Greenwashing

A misleading environmental claim that is not supported by enough evidence.

Corporate Sustainability Due Diligence Directive (CSDDD)

An EU directive on due diligence relating to human rights and environmental impacts.

EU Taxonomy

An EU classification system for environmentally sustainable economic activities.

Task Force on Climate-related Financial Disclosures (TCFD)

A framework of recommendations for reporting climate-related risks and opportunities.

Forest Stewardship Council (FSC)

An international certification system for forest-based products from responsibly managed sources.

PEFC (Programme for the Endorsement of Forest Certification)

An international forest-certification system that endorses national forest-certification standards.

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Key Terms and definitions

Marine Stewardship Council (MSC)

A certification and ecolabelling programme for seafood from sustainable fisheries.

EPEAT

A sustainability rating system for electronic products.

TCO Certified

A sustainability certification for information technology products.

Environmental Product Declaration (EPD)

A standardised document that reports information about the environmental impacts of a product.

Product Environmental Footprint (PEF)

An EU method for measuring the environmental performance of products across their life cycle.

Traceability

The ability to track the origin, movement and processing of a product or material.

As we work through this unit, think about how these terms relate to your own workplace and role.

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Introduction to Regulations and Standards

Sustainability as a Legal & Strategic Priority:

- No longer just "nice to have," but a risk and commercial imperative.
- Policymakers are increasing the pace of legislative change.
- Understanding requirements is crucial for compliance, risk management, opportunities, and building consumer trust.
- The retail sector is under particular spotlight.



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Why is sustainability increasingly becoming a legal and strategic priority for retail?

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Overview of National and International Regulations

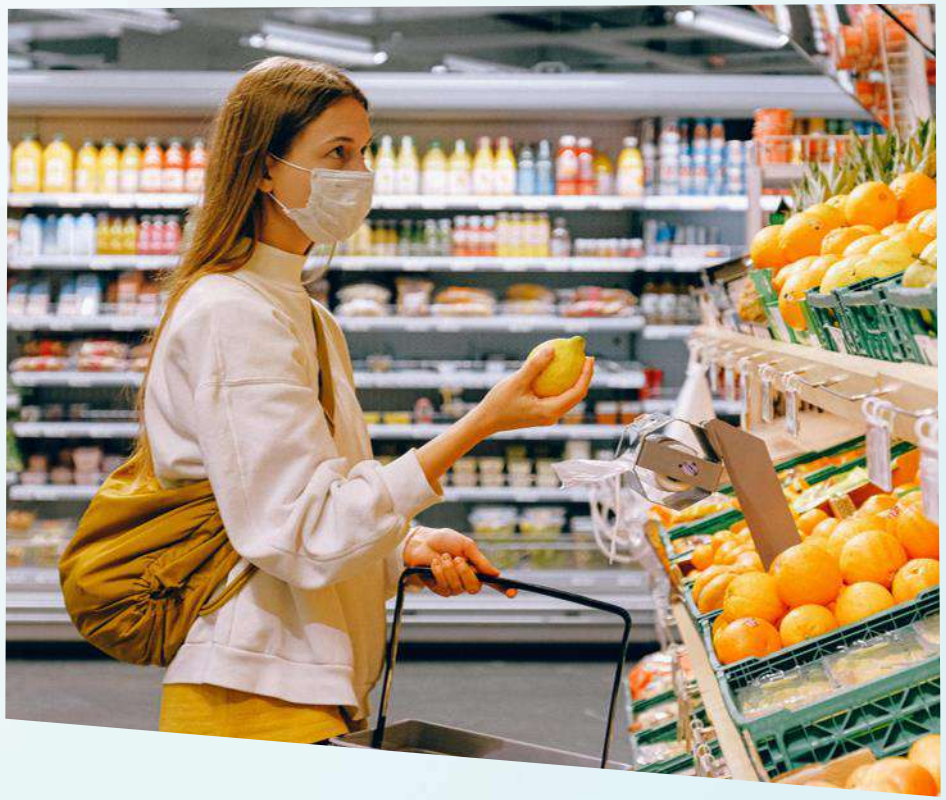
- Sustainability is guided by policies at local, national, and international levels
- Consider the wider impact of business decisions
- Retail supply chains often operate across multiple countries
- Actions in one part of the supply chain can affect other regions



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Overview of National and International Regulations

- Retailers can influence sustainability across their supply chains
- Customer purchases can have impacts in other countries
- Retailers should consider both local and supply chain impacts
- Reduce impacts in stores, transport, and supply chains



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Overview of National and International Regulations

Key Global Initiatives:

- Sustainable development means meeting today's needs **without limiting future generations** ability to meet their own needs
- **The Paris Agreement** supports action on climate change
- It encourages **lower emissions** and **greater climate resilience**



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Overview of National and International Regulations

EU Strategies

- EU aims to achieve climate neutrality by 2050 and to strengthen climate resilience.
- The European Green Deal supports action on climate change and sustainability

National Policies

- Countries develop their own climate and sustainability policies
- National policies support EU goals and requirements
- Climate regulations continue to evolve



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Role of Governments and International Organisations

The Role of Governments:

- Governments **create laws and policies** to support sustainability
- Governments **can take action** when markets do not address environmental issues
- Governments **provide information, support, and incentives** to encourage sustainable practices
- Environmental laws **help protect** people and the environment
- Governments use taxes, fees, and other measures to **encourage sustainable behaviour**



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Role of Governments and International Organisations

Invest in infrastructure that supports long-term change, such as recycling systems.

Financial Regulators: Increasingly consider climate change risks in their work (e.g., European Central Bank, Central Bank of Ireland).

They also support sustainable finance initiatives such as the EU Taxonomy.



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Role of Governments and International Organisations

Collaboration

Experts agree that collaborative efforts between retailers, government, and other stakeholders are key.



Note:

Consumers often believe the government holds the main responsibility for keeping retailers "green".

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Key Environmental Laws and Policies Affecting Retail (Examples)

Waste and Packaging Regulations:
Pressure to reduce packaging and provide recycling/reuse guidance.

Examples: Germany's economic incentives, Repak in Ireland, EU Strategy for Sustainable and Circular Textiles (moving from fast fashion, prohibiting destruction of unsold inventory).



Climate Change Regulations:
Pressure to reduce carbon intensity of products.

Examples: Carbon taxes, EU's Emissions Trading Directive, Irish Climate Action Act, Renewable Portfolio Standards.

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Key Environmental Laws and Policies Affecting Retail (Examples)

Supply Chain Due Diligence:

Laws focusing on supply chains (e.g., Germany, EU's Corporate Sustainability Due Diligence Directive - CSDDD).

Requires businesses to identify, prevent, and reduce negative human rights and environmental impacts in their supply chains.

Retailers are expected to provide more information about their supply chains.



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Key Environmental Laws and Policies Affecting Retail (Examples)

Product-Specific Regulations:

Target specific categories.

Examples: EU Sustainable Product Initiative (durability, repairability, recyclability), EU's Battery Regulation (carbon footprint declaration).



Spatial Regulations:

Urban transport rules, such as low-emission or restricted-traff zones, can affect last-mile delivery.

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Certifications and Standards

Voluntary Tools:
Used by suppliers and retailers to verify sustainability claims.

Types of Ecolabels:

- **Type 1 (ISO 14024):** Third-party assessment based on lifecycle impacts (e.g., GECA).
- **Type 2 (ISO 14021):** Self-declared claims (not independently verified).
- **Type 3 (ISO 14025):** Voluntary declarations of sustainability (e.g., EPDs).



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Certifications and Standards

Other Relevant Standards and Certifications:

Fairtrade:

Globally recognised for social, economic, environmental standards in developing countries.

Environmental Management Systems (EMS):

e.g., ISO 14001. ISO 20400 for sustainable procurement.





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Certifications and Standards

Product-Specific Standards:

- Energy efficiency labels,
- Water rating labels,
- Sustainable forestry certifications
  - FSC (Forest Stewardship Council),
  - PEFC (Programme for the Endorsement of Forest Certification).

Building Certifications:

Green Star, NABERS.

Verifying Claims:

Crucial to check credentials and avoid greenwashing.
Procurers can ask for verification.



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Sustainability in Practice

How Retailers Demonstrate Compliance

Patagonia

- Transparency and environmental reporting
- Supply chain accountability

IKEA

- FSC (Forest Stewardship Council) Certification
- Science Based Targets Initiative (SBTi)

Lidl

- Sustainability reporting
- Supplier audits
- Fairtrade-certified products

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Activity 1

Certification Exploration

(Research and summarise assigned certifications/labels).



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Reporting and Transparency in Sustainability

More investors, lenders, customers, and employees want businesses to share information about their sustainability performance.

Task Force on Climate-related Financial Disclosures (TCFD): A framework that helps businesses identify, assess, and report climate-related impacts. It is becoming a widely used reporting standard.



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Reporting and Transparency in Sustainability

Supply Chain Due Diligence Laws: Require increased transparency in supply chains.

Technology for Transparency: Blockchain can enhance transparency and accountability in supply chains (e.g., Walmart's system reducing food waste).

Challenges: Consumers confused by labels. Lack of independent standard for measuring retail sustainability performance. Consistency of messaging is critical.



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Strengths and Weaknesses of Measures at Different Levels

Global Measures (e.g., Paris Agreement, SDGs):

Strengths: Set overarching goals, encourage cooperation, raise awareness, drive national policies.

Weaknesses: Reliance on national action, broad goals, challenging enforcement, difficult for consumers to link local to global.



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Strengths and Weaknesses of Measures at Different Levels

European Union Measures (e.g., EU Green Deal, CSDDD, EU Taxonomy):



Strengths: Common rules across EU countries help drive changes in product design and supply chains, encourage investment, reduce greenwashing, and influence standards around the world

Weaknesses: Rules may be applied differently between countries, some industries may resist changes, and trading partners may be negatively affected.

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Strengths and Weaknesses of Measures at Different Levels

National Measures (e.g., specific environmental laws, carbon taxes):

Strengths: Designed for local needs, can have a direct impact, respond quickly to issues, and make use of existing local systems.



Weaknesses: Rules can differ between countries, may not address impacts in international supply chains, may focus on national priorities, and depend on government resources and support.

Overall Challenges: Meeting customer expectations while managing the time and effort needed for change. Balancing efficiency with sustainability. High costs and difficulties in expanding new technologies. Lack of common data standards.

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Activity 2

Policy Comparison Debate

(Advocate for national, EU, or global policy effectiveness).



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Impact of Policy on Retail Businesses & Greenwashing

Practical Implications for Businesses:

Costs and Compliance: Retailers must meet legal requirements, which can increase costs for new technologies, supplier changes, and reporting. Failing to comply can result in fines or damage to reputation.

Innovation and Opportunities: Regulations can encourage new ideas and sustainable products. Using resources more efficiently can reduce costs, and financial support may be available.

Supply Chain Pressures: Large companies are increasingly asking smaller suppliers about their climate impacts.



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Impact of Policy on Retail Businesses & Greenwashing

Greenwashing and Compliance

Definition: Companies making sustainability claims that are not fully accurate or supported by evidence.

Examples: Making claims without taking action, relying mainly on carbon offsets, or presenting legal requirements as sustainability achievements.

Consumer Trust: Many customers are sceptical of large companies. Exaggerated sustainability claims can reduce trust further.

Addressing Greenwashing: Follow regulations and recognised standards. Retailers should communicate clearly, honestly, and consistently about their sustainability activities.



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Activity 3

Spotting Greenwashing

(Analyse retailer marketing claims for greenwashing)



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Conclusion

- **Sustainability regulatory landscape is constantly changing and updating**
- **Measures at different levels have strengths and weaknesses**
- **Retailers have significant responsibilities to meet evolving standards.**
- **Understanding regulations is about strategically managing risks, capitalising on opportunities, and building trust.**

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Pause & Reflect

- Why is it important for retailers to understand sustainability regulations and standards?
- What risks might arise if a business fails to comply with sustainability requirements?
- How can transparency and reporting enhance customer trust?



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Reflect on how this knowledge can be applied in your retail roles.

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Unit 5

Risks and Opportunities in Sustainability

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Learning Objective

Learners will be able to:

- Assess the risks and opportunities of sustainable practices in retail and propose strategies to reduce risks and take advantage of opportunities.



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Key terms and definitions

Sustainability Risk

A potential environmental, social or governance issue that may affect an organisation, its stakeholders or its ability to operate.

Operational Disruption

An interruption to normal business activities caused by events such as new processes, technology changes, regulation or supply-chain problems.

Supply Chain Vulnerability

The risk that environmental, social, economic or climate-related factors will disrupt a supply chain

Reputation Risk

The risk of damage to an organisation's reputation because of its actions, performance or communication

Greenwashing

A misleading environmental claim that is not supported by enough evidence.

Operational Efficiency

Using time, materials, energy and processes effectively while reducing waste and unnecessary costs.

Competitive Advantage

A feature or capability that helps an organisation perform better than competitors or provide greater value to customers.

Business Resilience

The ability of a business to prepare for, respond to and recover from disruption.

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Key terms and definitions

Conscious Consumer

A consumer who considers environmental and social impacts when choosing products.

Return on Investment (ROI)

A measure that compares the financial benefit of an investment with its cost.

Resource Efficiency

Using energy, water and materials effectively while reducing waste and environmental impact.

Sustainable Investment

Investment that considers environmental, social and economic effects as well as financial performance.

Risk Management

The process of identifying, assessing and addressing risks to an organisation.

Business Case

A documented explanation of the benefits, costs, risks and expected outcomes of a proposed action or investment.

ESG (Environmental, Social and Governance)

A framework used to consider environmental, social and governance matters in an organisation or investment.

Stakeholder

A person or group that affects, or is affected by, an organisation or its activities.

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Key terms and definitions

Value Chain

The full range of activities involved in creating, selling, using and managing the end of life of a product or service.

Responsible Sourcing

Choosing materials, products and suppliers using environmental and social criteria.

As we work through this unit, think about how these terms relate to your own workplace and role.

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Activity 1

Share one word for "risks" and "opportunities" in retail sustainability.



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Introduction – Why Understand Risks & Opportunities?

- Sustainability can create both challenges and benefits for retail businesses.
- Understanding these impacts helps businesses include sustainability in their activities and plans.



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Identifying Risks of Sustainable Practices

Adopting sustainable practices is essential,
but the transition has challenges.

Key Risks Include:

Operational Disruptions:

- New activities such as waste sorting, packaging changes, and energy upgrades may affect day-to-day operations.
- Climate-related events can also disrupt supply chains.



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Identifying Risks of Sustainable Practices

Increased Operational Costs:

- Sustainable alternatives may cost more at the start.
- New technologies require investment.
- Measuring carbon emissions can be difficult and expensive.
- Insurance costs may also increase, and funding can be difficult to secure.



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Identifying Risks of Sustainable Practices

Market Rejection or Consumer Confusion:

- Customers do not always buy the sustainable products they say they support.
- Having too many labels can cause confusion.
- Misleading environmental claims can reduce customer trust and damage a company's reputation.



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Identifying Risks of Sustainable Practices

Supply Chain Challenges:

- Global supply chains can be disrupted by climate-related events.
- Businesses may face challenges balancing low costs with sustainable practices such as fair trade.
- Large companies can also place pressure on smaller suppliers.



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Identifying Risks of Sustainable Practices

Reputation Risk:

- Retailers that do not take enough action on sustainability may lose customer trust.
- Businesses that do not adapt to changing customer preferences may become less attractive.



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Activity 2

Risk Identification

(Brainstorm potential risks for a specific sustainable initiative)



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Identifying Opportunities of Sustainable Practices

Embracing sustainability unlocks significant opportunities for retailers, leading to improved performance, enhanced competitiveness, and long-term value.



Key Opportunities Include:

- Cost Savings and Operational Efficiency:
- Using less energy, water, materials = lower bills.
- Reducing waste, reusing materials = lower disposal costs.

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Identifying Opportunities of Sustainable Practices

- **Better transport planning** and fuel-efficient vehicles can reduce fuel use and save time.
- **Meeting Customer Demand:** More customers are choosing sustainable products and may be willing to pay more for them. Offering these products can increase sales. Retailers can also help customers make environmentally responsible choices.
- **Competitive Advantage:** Sustainability can help a business stand out from competitors. Offering sustainable products and building trust with customers can support business growth.



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Identifying Opportunities of Sustainable Practices

Enhanced brand reputation and trust can benefit retail businesses:

- Looks good, builds trust, stands out.
- Credible and trustworthy companies.
- People loyal to brands sharing their values.
- Credibility: Be honest and consistent to avoid greenwashing and distrust



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Opportunities (Continued): Increased Resilience & Attracting Capital/Talent

- **Increased Resilience:** Sustainable practices help businesses adapt to climate change and respond more effectively to climate-related risks
- **Physical Climate Risks:** Local sourcing, a wider range of suppliers, stronger buildings, and better forecasting can help reduce supply shortages during events such as floods.
- **Transition Risks:** Reduce emissions, use more sustainable products, follow regulations such as the EU Green Deal and CSRD, and encourage suppliers to do the same.



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Opportunities (Continued): Increased Resilience & Attracting Capital/Talent

- **Supply Chain Continuity & Transparency:** Supplier sustainability audits, digital supply chain mapping, contingency planning.
- **Complying with Regulation:** Agile in compliance, prepared for audits, able to influence policy.
- **Organisational Agility & Reputation:** Innovate faster, attract purpose-driven employees, maintain brand loyalty.



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Opportunities (Continued): Increased Resilience & Attracting Capital/Talent

Attracting Investors and Talent:

- **Attracting Investors:** Sustainability performance important for ESG-focused funds. Lower risk, better long-term investments. Clear strategy builds confidence.
- **Attracting and Retaining Talent:** Employees want to work for companies aligned with their values. Strong sustainability record helps stand out in job market and retains staff.
- **Sustainability as a Source of Value:** Drives growth, improves reputation, increases loyalty, opens new markets.



Sustainability in Practice

Opportunity	Patagonia	IKEA	Lidl
Brand Reputation	✓	✓	✓
Customer Loyalty	✓	✓	✓
Cost Savings	✓	✓	✓
Competitive Advantage	✓	✓	✓
Investor Confidence	✓	✓	✓

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Activity 3

Opportunity Mapping

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(Brainstorm specific ways a retail business could realise opportunities).

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Strategic Risk Management

- Sustainability should be **included in everyday business activities and decisions**.
- Include climate and sustainability issues **in long-term business planning and risk management**. Tools such as TCFD can help.
- Assign a person or team to lead sustainability efforts, but **all business teams should share responsibility.**



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Strategic Risk Management

- **Setting Goals and Measuring Progress:** Create a plan, identify priority areas, set clear goals, measure progress, review regularly, and share updates with staff and other stakeholders.
- **Collaboration:** Work with suppliers, innovators, industry groups, policymakers, activists.

  Focus on supply chain to reduce carbon footprint.
- **Addressing Barriers:** Understand funding gaps and need for stronger policy support.

  Engage with finance sector for green finance options.



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Developing a Business Case for Sustainability

- **Justifying Investment:** Explain the business benefits of sustainability in a way that business leaders understand.
- **Return on Investment (ROI):** Sustainability can reduce costs and improve business performance. Using less energy and resources can lower bills, while improving waste management and transport can reduce operating costs.
- **Increased Revenue and Market Share**: Sustainable products can help increase sales by meeting growing customer demand. They can also attract customers who value sustainability and help the business stand out from competitors.



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Developing a Business Case for Sustainability

- **Brand Value and Reputation:** Improves how customers see the brand, builds trust, increases customer loyalty, and helps the business stand out from competitors.
- **Risk Reduction:** Helps avoid costs from climate-related events such as flooding, improves supply chain security, and prepares the business for new regulations.
- **Attracting Finance and Talent:** Investors (ESG funds) prefer companies with strong environmental/social performance. Employees want to work for companies aligned with their values.



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Activity 4

Action Planning and Business Case Sketch

(Sketch a business case for a concrete action step).



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Conclusion

Sustainability presents significant risks and opportunities for retail.

Risks include operational costs, market challenges, supply chain vulnerabilities.

Opportunities include cost savings, growing consumer demand, enhanced brand reputation, increased resilience.

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Conclusion contd.

Requires a strategic approach, embedding sustainability into planning, operations, and risk management.

Developing a clear business case is essential to drive action.

Ultimately: Understanding and responding to sustainability risks and opportunities is a "must-do" for retailers to survive and thrive.

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Pause & Reflect

- What do you see as the biggest sustainability risk facing your organisation?
- Which sustainability opportunity could provide the greatest business benefit?
- How can sustainability improve competitive advantage in retail?



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Activity 5

Personal Commitment

(Reflect on one specific risk/opportunity to pay attention to or step to take)



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Unit 6

Practical Tools for Environmental Assessment

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Learning Objective

Learners will be able to:

- Conduct a basic environmental assessment of a retail workplace and suggest practical ways to improve sustainability.



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Key terms and definitions

Environmental Assessment

The process of identifying and evaluating the environmental impacts of an organisation, product, service or activity.

Environmental Footprint

The overall environmental impact of an organisation, product, service or activity, including emissions, energy, water, materials and waste.

Baseline

A starting measurement used to compare future performance or progress.

Energy Efficiency

Using less energy to perform the same task or achieve the same result.

Waste Audit

A structured review of the types and amounts of waste produced in order to identify prevention, reuse and recycling opportunities.

Waste Hierarchy

An order of preferred actions that prioritises preventing waste, followed by options such as reuse, recycling, recovery and disposal.

Resource Efficiency

Using energy, water and materials effectively while reducing waste and environmental impact.

Circular Economy

A system that prevents waste and keeps products and materials in use through reuse, repair, refurbishment and recycling.

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Key terms and definitions

Supply Chain Transparency

Providing clear and accurate information about activities and impacts across a product's supply chain.

Environmental Performance

How effectively an organisation manages and improves its environmental impacts.

Sustainability Improvement

An action that reduces environmental or social impacts or strengthens sustainability performance.

Carbon Footprint

The total greenhouse gas emissions linked to a person, product, organisation or activity.

Environmental Audit

A structured review of an organisation's environmental practices, impacts and compliance.

Renewable Energy

Energy from sources that are naturally replenished, such as wind and sunlight.

Sustainable Procurement

Purchasing products and services using environmental, social and economic criteria.

Key Performance Indicator (KPI)

A measurable value used to monitor performance and progress towards an objective.

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Key terms and definitions

Payback Period

The time required for savings or income from an investment to recover its initial cost.

Take-back Scheme

A programme that allows customers to return used products or packaging for reuse, repair, refurbishment or recycling

As we work through this unit, think about how these terms relate to your own workplace and role.

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Introduction to Environmental Assessment

This unit introduces fundamental concepts and tools for assessing environmental performance of retail operations. It focuses on energy, waste, water, and supply chain impacts.



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Introduction to Environmental Assessment

What is Environmental Assessment in Retail?

- Understanding how a business affects the environment.
- Looking at the environmental impact of store operations, supply chains, products, and waste.
- Goes beyond meeting legal requirements to help businesses make better improvement decisions.



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Introduction to Environmental Assessment

Why is it Important for Retailers? (The Business Case)

- **Preparing for the future:** Helps businesses stay competitive, prepare for new regulations, and respond to future challenges.
- **Cost Savings:** Using less energy and water, and reducing waste, can lower costs. Businesses that use resources efficiently are better prepared for the effects of climate change.



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Introduction to Environmental Assessment

Consumer Expectations & Reputation:

- Consumers demand action.
- Demonstrating sustainability builds trust and brand loyalty.
- Failure to act can lead to reputational damage.



Supply Chain Resilience:

- Understanding environmental risks is critical for resilient operations.

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Introduction to Environmental Assessment

Policy and Regulation:

- Helps navigate future policy changes.

Meeting Stakeholder Expectations:

- Attracts talent, meets loan criteria, shows leadership.



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Key Concepts & Basic Assessment Tools

Key Concepts & Terminology:

- Sustainability: Balancing environmental, social, and economic factors.
- Environmental Footprint: The overall impact on areas such as greenhouse gas emissions, water, materials and waste.
- Circular Economy: Reducing waste, keeping products and materials in use, and restoring natural systems.



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Key Concepts & Basic Assessment Tools

- **Energy Efficiency:** Using less energy for the same outcome.
- **Waste Management Hierarchy:** First reduce waste, then reuse and recycle materials before disposal.
- **Supply Chain Transparency:** Understanding and sharing information about social and environmental impacts throughout a product's life cycle.
- **Basic calculators :** Simple online tools can estimate a carbon footprint. Results depend on the information entered and the method used.



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Key Concepts & Basic Assessment Tools

Basic Assessment Tools:

- Checklists.
- Visual inspections.
- Analysing utility bills (energy, water, waste).
- Basic calculators (e.g., carbon footprint estimates).



Note: More advanced tools involve sensors, data analysis, professional audits.

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Activity 1

Why Assess?

(Discussion/Brainstorm: environmental impacts, benefits, challenges).



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Performing Basic Assessments – Step-by-Step Approach

Core Areas for Basic Assessment in Retail:

- **Energy Consumption:** Heating, cooling, lighting, appliances, vehicles.
- **Waste Management & Recycling:** What waste is produced, how it is handled, and how recycling can be increased.
- **Resource Use:** Materials, packaging, and products used in the store; considering whether they can be reused, recycled, and sourced responsibly.



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Performing Basic Assessments – Step-by-Step Approach



Note: Start by measuring current energy and resource use, and the amount of waste produced. This provides a starting point for future improvements.

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Basic Assessments in Detail: Energy & Waste

Energy Assessment:

Where to Look:
Lighting, HVAC, refrigeration, appliances, power outlets, vehicles.

How to Assess:

Utility Bills:
Collect recent bills for total consumption and seasonal patterns.

Visual Inspection:
Note lighting types, thermostats, open/closed doors/windows, equipment left running.



Simple Checklists:
Systematically review areas and equipment.

Appliance Labels:
Check energy efficiency labels.

Building Envelope:
Check insulation, windows, and areas where air may enter or escape.

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Basic Assessments in Detail: Energy & Waste

Waste Management Assessment:

Where to Look: Customer-facing areas, back-of-house (receiving, packaging, storage), staff rooms.

How to Assess:

Waste Audit:
Sort waste into categories (cardboard, plastic, food waste, etc.), and weigh or estimate the amount. Look for areas where waste can be reduced.

Waste Logs:
Review waste collection records.



Packaging:
Note amount and type on incoming goods and sold products.

Specific Waste Types:
Plastics, food waste, textiles, e-waste.

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Basic Assessments in Detail: Water & Materials

Resource Use Assessment (Water)

Where to Look:
Restrooms, staff kitchens, cleaning areas, product-specific processes.

How to Assess:

Utility Bills:
Review water bills for total consumption.

Visual Inspection:
Check for leaky faucets, running toilets.

Fixture Labels:
Check labels on taps and other fittings to see if they are designed to use less water.



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Basic Assessments in Detail: Water & Materials

Resource Use Assessment (Materials & Procurement - Basic Level)

Where to Look:

Office supplies, cleaning supplies, retail fixtures, bags, uniforms

How to Assess (Basic):

Visual Check:

Note types of materials (e.g., single-use plastic bags vs. reusable).

Inquire:

Ask how products are purchased and whether suppliers use recycled materials or sustainable sources.



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Activity 2

Workplace Walkthrough Plan

(Group planning for an environmental assessment walkthrough).



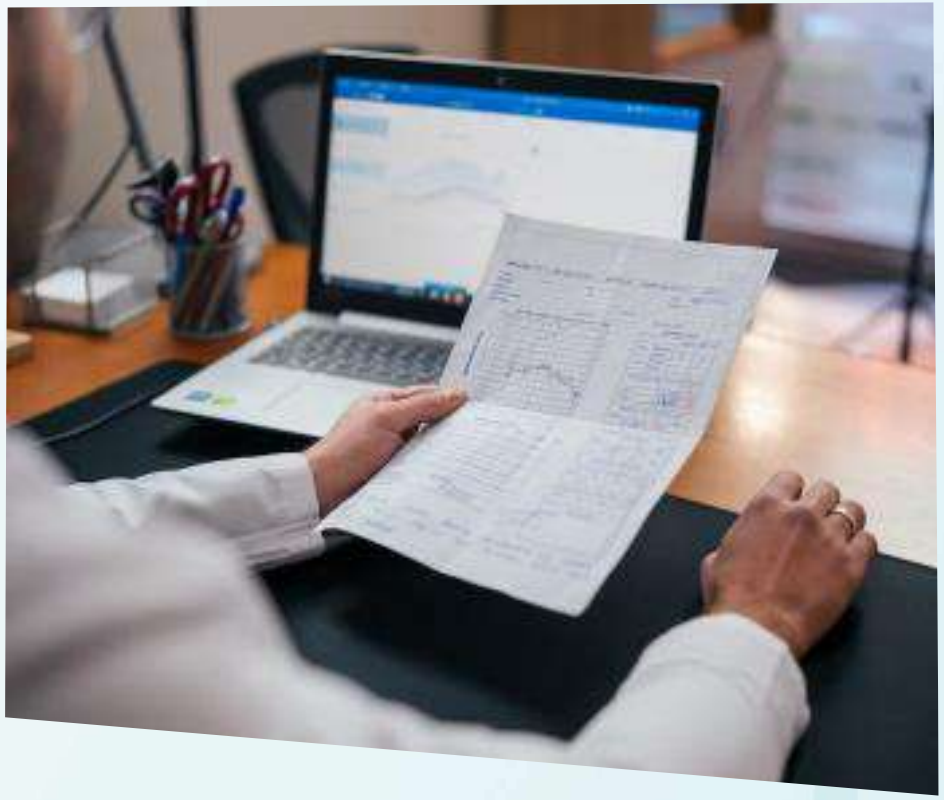
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Identifying & Prioritising Improvements

Analysing Assessment Results:

- Review the data to identify patterns, areas with high energy use or waste, and opportunities for improvement.
- Compare findings to benchmarks if available.
- Identify possible improvements, such as replacing lights or improving recycling.

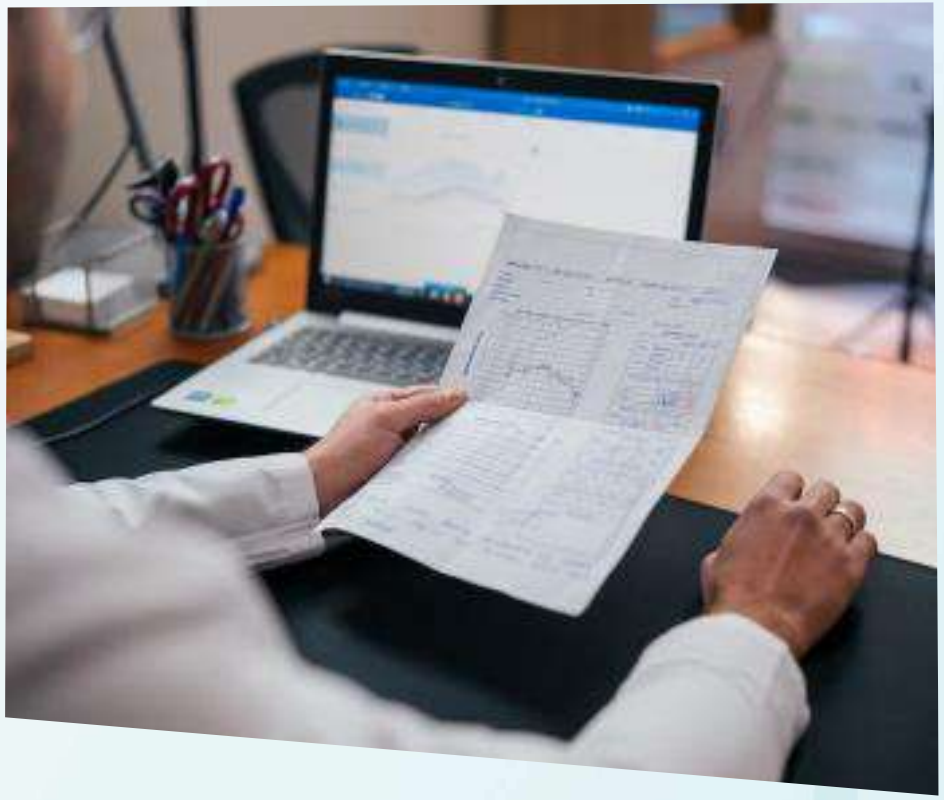


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Identifying & Prioritising Improvements

Prioritise based on:

- **Impact:** Environmental benefit (energy saved, waste reduced).
- **Feasibility:** How easy or difficult it is to put into practice (cost, time, skills, disruption).
- **Cost:** Consider the investment required and how long it may take for savings to recover that cost.
- **Alignment:** Matches company goals and customer expectations.



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Sustainability in Practice

Measuring Sustainability Performance

Patagonia

- Tracks material sourcing and product lifecycle impacts.

IKEA

- Monitors climate footprint reduction.
- Measures renewable energy usage.

Lidl

- Monitors waste recovery rates.
- Tracks emissions and packaging reductions.

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Practical Improvement Strategies for Retail

Energy:

Upgrade to LED lighting, improve heating and cooling systems, improve insulation, use smart controls, train staff, use energy-efficient appliances, use night covers for fridges, and switch to renewable energy suppliers.

Waste:

Reduce packaging, improve recycling facilities, reuse materials where possible, train staff, reduce food waste, introduce product return schemes, and reduce paper use.

Water:

Install low-flow fixtures, fix leaks, educate staff.



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Practical Improvement Strategies for Retail

- **Materials & Procurement:** Use products made with recycled materials, choose products that last longer, work with certified suppliers, and explore renting products instead of selling them.
- **The Role of Technology:** Technologies such as AI, IoT, and data analysis can improve stock management, transport, and waste collection, helping to reduce emissions and waste.
- **Getting Staff and Customers Involved:** Educate employees on practices, communicate efforts to customers, help them make sustainable choices.



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Activity 3

Improvement Plan Workshop

(Outline specific steps for a top priority improvement).



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Conclusion

- Environmental assessment is vital first step for retailers.
- Identifying improvement areas leads to cost savings, enhanced reputation and increased resilience.
- Moving Forward:

Encourage continued learning and action.

- Basic tools can help assess energy, waste, resource use.
- Practical improvements can be supported by technology and engagement.

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Pause & Reflect

- What environmental information is already available within your workplace?
- Which area would you assess first: energy, waste, water, or materials? Why?
- What quick-win improvements could be implemented immediately?



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Activity 4

Exploring Support Tools

(Links in notes for tools).



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Unit 7

Case Studies of Sustainability in Retail

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Learning Objective



Learners will be able to:

- Examine successful sustainability initiatives in retail, identifying key success factors, challenges, and lessons learned.

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Key terms and definitions

Sustainability Initiative

A programme, project or action intended to improve environmental, social or economic sustainability.

Effective Practice

An approach that has worked well in a particular context.

Circular Economy

A system that prevents waste and keeps products and materials in use through reuse, repair, refurbishment and recycling.

Sustainable Sourcing

Choosing materials, products and suppliers using environmental and social criteria.

Corporate Social Responsibility (CSR)

An approach in which a business considers the social, environmental and economic impacts of its activities.

Environmental Stewardship

Responsible use and protection of the natural environment.

Stakeholder Engagement

The process of communicating and working with people or groups affected by an organisation's decisions and activities.

Sustainability Strategy

A long-term plan for integrating environmental, social and economic considerations into decisions and operations.

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Key terms and definitions

Supply Chain Transparency

Providing clear and accurate information about activities and impacts across a product's supply chain.

Renewable Energy

Energy from sources that are naturally replenished, such as wind and sunlight.

Net Zero

A state in which greenhouse gas emissions are reduced as far as possible and remaining emissions are balanced by removals.

Sustainable Packaging

Packaging designed to reduce environmental impact through prevention, reduced material use, reuse, recyclability or compostability.

Resource Efficiency

Using energy, water and materials effectively while reducing waste and environmental impact.

ESG (Environmental, Social and Governance)

A framework used to consider environmental, social and governance matters in an organisation or investment.

Environmental Activism

Action intended to protect the environment or influence environmental change.

Sustainable Innovation

The development of products, services or processes that create environmental or social benefits while supporting economic value.

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Introduction to Case Studies in Retail Sustainability

Dynamic and Influential Sector:
Retail is vital to the European economy, employing over 30 million people.

Major Changes Affecting Retail:
Economic uncertainty, rapid growth in digital technology, climate and environmental pressures, and labour and skills shortages.

Retailers are responding by investing in sustainability, new digital technologies, and better value for customers to stay competitive.



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Introduction to Case Studies in Retail Sustainability

Purpose of Unit: Explore how leading brands embed sustainability, gain insight into:

- Key success factors in sustainable retail strategies.
- Common barriers and challenges.
- Practical lessons applicable in diverse retail contexts.

Goal: Equip learners to reflect on their own workplace and identify opportunities.

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The Landscape of Retail Sustainability

- Sustainable Growth.
- Sustainable Careers.
- Sustainable Communities.



Note:
Aligns with EU Green Deal,
European Pillar of Social Rights,
Digital and Green Transitions.

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The Landscape of Retail Sustainability

"Three Pillars" Model / ESG Framework:

- **Environmental :** Climate action, energy efficiency, waste reduction, water stewardship.
- **Social :** Employee development, fair labour, diversity, community engagement.
- **Governance :** Corporate ethics, transparency, board diversity, and risk management.



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The Landscape of Retail Sustainability

Key Environmental Focus Areas in Retail:

- Energy Management & Efficiency.
- Water Conservation.
- Waste Reduction & Sustainable Packaging.
- Sustainable Sourcing & Procurement.
- Circular Economy: Move from a system of make, use, and dispose to one that reuses and recycles materials. This reduces waste and pollution and supports nature. Retail can play an important role.



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Activity 1

Group Discussion

(Which sustainability areas are most relevant to their workplace?)



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Connecting the learning

Throughout this programme you have explored:

- ✅ Sustainability Principles
- ✅ Environmental Impacts
- ✅ Climate Change
- ✅ Regulations and Standards
- ✅ Risks and Opportunities
- ✅ Environmental Assessment

As you review each case study, identify examples of:

- Circular Economy
- Sustainable Sourcing
- Climate Action
- Waste Reduction
- Resource Efficiency
- Stakeholder Engagement
- Compliance and Reporting
- Business Benefits

Case Study: Patagonia – Environmental Activism as a Business Model

Core Identity Rooted in Environment:

- Founded on the belief that business can help protect the environment.
- Mission (since 2018): "We're in business to save our home planet".
- The ownership structure ensures that future profits support environmental causes.

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Case Study: Patagonia – Environmental Activism as a Business Model

Environmental Responsibility Drives Decisions:

Product Design & Materials: Focuses on durable products, organic and recycled materials, and high environmental standards across the supply chain (even with higher costs).

- One of the first companies to use organic cotton.

Circular Economy & Repairs: "The Worn Wear" program supports repair, trade-in, and reuse.

- Operates repair centres worldwide and offers the Re-Crafted product line made from leftover materials.
- Its resale platform helps reduce waste sent to landfill. Extending product life reduces carbon emissions and water use.

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Case Study: Patagonia – Environmental Activism as a Business Model

Activism as Business, Not Just Brand:

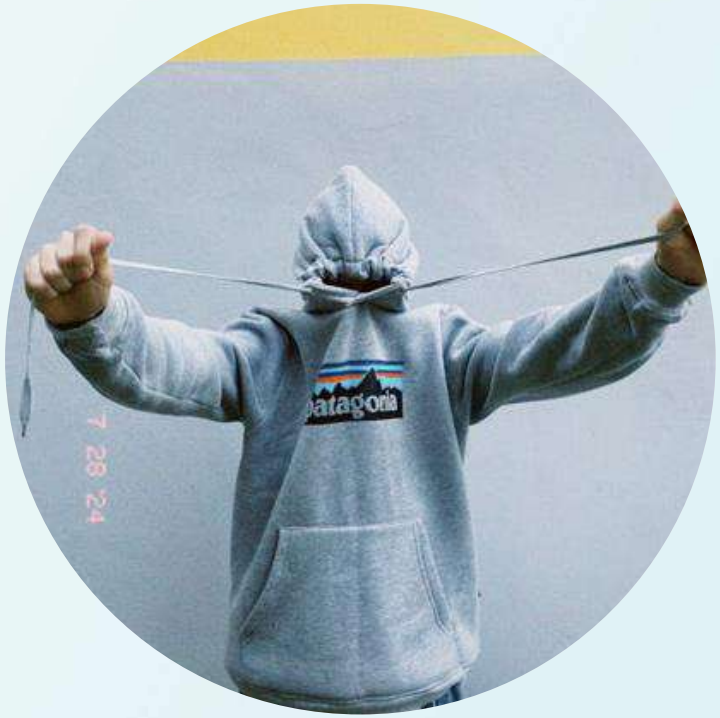
- **"Earth Tax" & Funding:** Since 1985, Patagonia has committed 1% of annual sales to environmental causes through its self-imposed "Earth Tax" programme**.**
- **Public Advocacy & Legal Action:** Patagonia uses its platform to encourage environmental action and support local organisations working to protect nature and address climate change.

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Patagonia (Continued): Strategic Integration & Impact

Strategic Integration of Sustainability and Profit:

- **Premium Pricing:** Customers are willing to pay more because they value the company's environmental and ethical efforts.
- **The company encourages customers to buy less and repair more.** Despite this approach, the business continues to grow and has generated more than $1 billion in revenue.
- **Repair campaigns, second-hand product programmes, and awareness campaigns** help build customer loyalty.

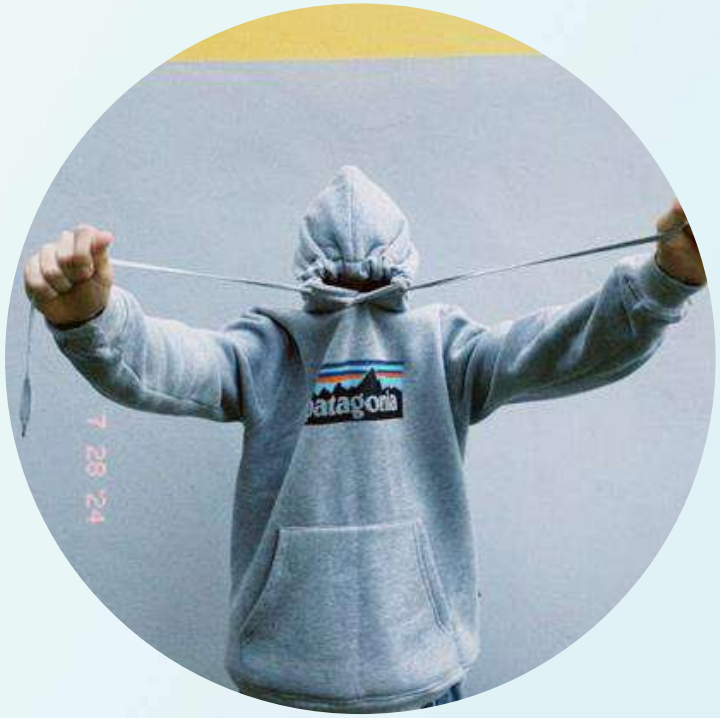


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Patagonia (Continued): Strategic Integration & Impact

Outcomes & Impact:

- **Funding:** US$140M donated through 1% for the Planet; ~US$240M in environmental grants
- **Policy & Awareness:** High-profile advertising campaigns, legal action, and community campaigns.
- **Circular Economy:** Repair centres around the world and sales of repaired clothing.
- **Governance:** The ownership structure supports climate action for the long term.



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Key Takeaways from Patagonia:

patagonia



Environmental purpose is the business purpose: Every decision is calibrated for planet stewardship.



Activism is key in the financials: Not a side program, but a must have!

Profit and planet coexist: Profitability and sustainability reinforce each other.



Conclusion: Patagonia is a blueprint for businesses embedding environmental commitment at their core.

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Activity 2

Individual Reflection & Group Share

Which Patagonia practice could be adapted to your workplace? What changes would be needed?



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Case Study: IKEA – Global Sustainability Progress

Global Retail Business: In home furnishings, noted for sustainability.

Core Identity Rooted in Sustainability:

- Its design approach focuses on affordable products, efficient use of resources, and environmental responsibility.
- Its vision of creating a better everyday life is supported by sustainable products and solutions.



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Case Study: IKEA – Global Sustainability Progress

Governance & Strategic Commitment:

Group-Sustainability is managed across the IKEA value chain.

Climate targets are aligned with the Science Based Targets initiative (SBTi).

- **Target:** Reduce total value-chain greenhouse gas emissions by at least 50% by FY2030 from a FY2016 baseline.
- **Long-term goal:** Reach net-zero emissions by 2050.



Source: Ingka Group, Accelerating climate action towards Net Zero - Ingka Group's net-zero science-based targets approved, published 13 June 2024; IKEA Climate Report FY24.

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Case Study: IKEA – Global Sustainability Progress

Circular Economy & Product Lifecycle:

- **Design for Durability & Reuse:** Products are designed to last longer, be repaired, and be recycled. This includes flat-pack designs and recyclable materials.
- **Sell-Back Service:** Customers can return used items to be repaired or sold again.



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Case Study: IKEA – Global Sustainability Progress

Circular Economy & Product Lifecycle:

- Product repair and reuse: IKEA provides spare parts and services that help customers repair, maintain, and extend the life of products.
- Second-hand marketplace: IKEA Preowned and buy-back services support the resale and reuse of furniture, helping products stay in use for longer.
- Circular business ambition: "We aim to become a circular business by 2030”
- "Material use target: “By 2030, all materials in IKEA products will be recycled or renewable and sourced in responsible ways”



Source: IKEA Sustainability Strategy and IKEA Climate Report FY24;

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IKEA (Continued): Energy, Sourcing, People & Impact

Renewable Energy & Resource Management:

- Invested US $2.8billion in renewable energy (wind, solar farms) by 2019. Solar installations at stores, major wind farms.



Sustainable Sourcing & Forestry:

- In FY2021 97.8% of wood is FSC-certified or recycled.
- Goal of one-third recycled wood by 2030.
- Acquired and committed to protecting vast forest tracts.

Source: Adapted from Ingka Group sustainability reporting, renewable energy investment disclosures, and IKEA sustainability and responsible sourcing publications (2019-2025)

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IKEA (Continued): Energy, Sourcing, People & Impact

People, Social Responsibility, & Governance:

- Fosters diverse, inclusive work culture focused on sustainability awareness.
- IKEA Foundation channels grants for sustainable livelihoods and climate action.



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IKEA (Continued): Energy, Sourcing, People & Impact

Activism & Stakeholder Engagement:

- Works with regulators and NGOs to support policies that encourage reuse and recycling (for example, removing taxes on second-hand goods).
- Recognises sustainability challenges, such as deforestation linked to suppliers, and shares information about its progress.
- Results & Impact Dashboard: Shows progress in climate footprint, circular economy, renewables, wood sourcing, philanthropy.

Initiative	Result FY2024/FY2025
Climate Footprint	30.1 % lower than the FY 2016 baseline ; net zero target 2050
Circular Economy	Preowned marketplace, 26.7 million spare parts, global sell-back services
Renewables Investment	€4.2 billion invested: broad solar and wind uptake
Wood Sourcing	96.5 % of wood FSC-certified or recycled (FY2025)
Philanthropy	€268 million grants for climate & livelihoods via the IKEA Foundation

Source: IKEA Sustainability Reports and Ingka Group Sustainability Reports (2023-2025).

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Lessons & Best Practices

Sustainability goals are included in all franchise and supplier agreements. This helps IKEA respond to future challenges.

Selling spare parts, reselling products, and repairing used items reduces waste and supports business growth.

IKEA's sustainability policies help shape customer choices, laws, and supply chain practices.

Being open about challenges and taking action to address them helps build trust.

IKEA combines circular business practices with clear sustainability goals and practical actions.



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Activity 3

Brainstorming

If your company was IKEA's size, what major sustainability initiative would you implement?



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Case Study: Lidl – Success in Sustainable Practices

Grocery Retail Context: Major Grocery Retailer, direct impact on consumer choices and food supply chain.



Context & Strategy:

- Operates an international network of stores across multiple countries.
- Sustainability strategy focused on key areas: **biodiversity**, **climate**, **resources**, **fairness**, **health**, **dialogue**.
- Guided by the vision "A Better Tomorrow" (Good for planet, people, you). Supports UN Global Compact, SDGs.

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Case Study: Lidl – Success in Sustainable Practices

Governance & Reporting:

- Organised sustainability reporting (report published every two years and independently checked).
- Schwarz Group (parent company) has GreenCycle/PreZero environmental division for waste management.

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Case Study: Lidl – Success in Sustainable Practices

Climate & Emissions:

- Long-term goal to achieve net-zero greenhouse gas emissions.
- Ongoing efforts to reduce emissions from operations, transport, and the supply chain.
- Increased use of renewable electricity and energy-efficient technologies.
- Climate targets are monitored and reported as part of sustainability commitments.

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Lidl (Continued):
Resource Management, Sourcing, Social & Impact

Resource Management & Waste Reduction:

- Schwarz Group works to keep materials in circulation through reuse, recycling, composting, and resource recovery.
- Goals: Reduce waste, increase recycling and reuse, and prevent food waste across operations and the supply chain.
- GreenCycle/PreZero manages recycling.
- Reverse vending machines are used in stores participating in Ireland's Deposit Return Scheme.

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Lidl (Continued):
Resource Management, Sourcing, Social & Impact

Sustainable Sourcing & Packaging:

- Commitment to sourcing from certified suppliers (palm oil, chocolate, fish), Fairtrade chocolate.
- Lidl Ireland/NI cut plastic packaging used for Lidl own-brand products by 20% in 2022.
- Lidl set a 2025 target for all own-label and branded packaging to be recyclable, reusable, refillable, or renewable.

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Lidl (Continued):
Resource Management, Sourcing, Social & Impact

Social Responsibility:

- Supplier reviews include human rights checks.
- Food donations (US).
- Employee development: Training hours in US, global training in sustainability.

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Lidl (Continued):
Resource Management, Sourcing, Social & Impact

Partnerships & Dialogue:

- WWF collaboration for sustainable supply chains and consumer choices.
- Supports local communities, Electric Vehicles & Hydrotreated Vegetable Oil trucks, school projects (e.g., #SeeYourBees).
- Results & Measures: Show progress in emissions, waste recovery, food donation, packaging, renewables. Open reporting through annual or every two-year reports.

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Lidl (Continued): Resource Management, Sourcing, Social & Impact



Strengths, Challenges & Next Steps:

- Strengths: Clear goals, a joined up approach, certification and supply chain transparency.
- Challenges: applying effective practices consistently across all countries
- Next Steps: Improve reporting and training, expand circular economy practices and renewable energy, and strengthen supplier compliance and customer information.

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Lidl (Continued): Resource Management, Sourcing, Social & Impact

Conclusion:

Lidl provides an example of a retailer using global sustainability goals alongside local initiatives. Further work is needed to apply successful practices consistently.



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Activity 4

Pair Share

In pairs, identify one major sustainability challenge in grocery retail and suggest how Lidl could address it.



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Broader Retail Sustainability Initiatives & Key Learnings

Waste Reduction and the Circular Economy:

- **Initiatives:** Extensive recycling, reuse, reducing packaging, reducing food waste (donations, inventory management) can lower costs and improve reputation.
- **Learnings:** Retail sustainability actions are connected. Collaboration is often needed to achieve results.



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Broader Retail Sustainability Initiatives & Key Learnings

Energy Management and Efficiency:

- **Initiatives:** Energy-efficient lighting, heat pumps, sensor doors, renewable energy.

- **Learnings:** Leads to reduced operating costs, business advantage, reduced carbon footprint, and the ability to adapt to change.



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Broader Retail Sustainability Initiatives & Key Learnings

Sustainable Sourcing and Supply Chain Management:

- **Initiatives:** Choose suppliers that meet environmental and social standards. Improve transport efficiency and packaging.
- **Learnings:** Supply–chain responsibility includes both local and international impacts. Transparency and collaboration are important.



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Broader Retail Sustainability Initiatives & Key Learnings (Continued)

Digital Transformation and Logistics for Sustainability:

- **Initiatives:** Accelerating digital transformation, investing in new logistics tech (Electric Vehicles , route planning software), automated waste management (Artificial Intelligence , Internet connected devices).
- **Learnings:** Important factor in sustainable growth, improves efficiency and the ability to adapt. Artificial Intelligence and Internet connected devices can reduce waste by improving inventory management, transport, and supply chain coordination.



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Broader Retail Sustainability Initiatives & Key Learnings (Continued)

Employee and Customer Engagement:

- **Initiatives:** "Green teams," employee ideas, volunteering, training, digital receipts, eco-friendly products, green loyalty programs, in-store recycling, transparent supply chains.

- **Learnings:** Creates shared responsibility, creates effective initiatives. Retailers educate consumers on environmentally responsible choices, increasing demand for sustainable products.



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Broader Retail Sustainability Initiatives & Key Learnings (Continued)

Successful initiatives usually have leadership support, clear responsibilities, collaboration, innovation, open reporting and a clear business benefit.



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Common Challenges & Conclusion

Common Challenges:

- **Economic Pressures:** Cost-of-living concerns, sustainability is often seen as expensive
- **Customer Trust & Knowledge:** Some customers doubt environmental claims or lack clear information
- **Supply Chain Complexity:** Managing environmental/social impacts across global/local chains.
- **Labour & Skills Shortages.**
- **Physical Climate Risks:** Extreme weather impacts on operations, logistics, insurance.
- **Infrastructure & Investment:** High costs for upgrading ageing infrastructure, investing in new technology.

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Activity 5

Developing Practical Strategies

Identify two or three practical strategies for your workplace, considering benefits and challenges.



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Conclusion

Sustainability supports long–term resilience and competitiveness.

Retailers need coordinated action, suitable technology, collaboration and clear communication.

Challenges can also lead to new ideas and improvements.

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Pause & Reflect

- Which case study initiative was most relevant to your workplace?
- What was the most important lesson learned from Patagonia, IKEA, or Lidl?
- Which sustainability practice could realistically be adopted by your organisation?



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Personal Reflection Point:

One actionable step to contribute to a more sustainable practice in your workplace.

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Pause & Reflect

- What has been your most important learning from this programme?
- How has your understanding of sustainability in retail changed?
- What action will you take as a result of completing this programme?
- How can you contribute to a more sustainable retail sector in your current role?



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Thank you.

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