Supporting the Retail Sector for Compliance with Sustainability Requirements

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The 3 Dimensions of Sustainable Development

- **Economic**
  (financial capital)

- **Environmental**
  (natural capital)

- **Social**
  (human capital)
**Sustainable Development, a long-term issue**

If we go on with current production and consumption patterns, **Two planets needed by 2050**
Sustainable Development, a long-term issue (2)

- Political leaders term of office
- Corporate investment payback period
- Life of an electricity generating plant
- Life of a child born today
- Influence of CO$_2$ on ozone layer

1900 2002 2050 2100
Major environmental challenges of the 21st century

- Climate change and atmosphere pollution
- Freshwater scarcity and pollution
- Depletion of biological resources
- Land degradation
- Environmental emergencies
Root causes of environmental degradation

- Poverty
- Inequalities
- Unsustainable production and consumption patterns
- Social and economic problems – inadequate functioning of the market
Some Policy Responses

- Integration of environmental considerations in public and corporate strategies
- Promoting a life cycle economy
- Precautionary approach
- Knowledge building, sharing of information
- Awareness raising, education
Promoting Sustainability: A Challenge for All

“Our biggest challenge in this new century is to take an idea that seems abstract - sustainable development - and turn it into a daily reality for all the world’s people.”

Kofi Annan, UN Secretary General
UNEP DTIE Objectives

• Support Government initiatives

• Facilitate Industry Cooperation

• Build Public awareness
WSSD - September 2002
Watch for...

Developing corporate responsibility
Watch for… (2)

Changing consumption patterns
WSSD - September 2002
Watch for... (3)

Promoting sustainable energy
Fostering public/private partnerships
UNEPE contributions to WSSD

• 22 Industry Sector Reports

• Progress Report of Production and Consumption

• Proposal for a work program on Production and Consumption
After WSSD...

- Lead implementation agency with UN DESA on the 10 YFP on SCP
- Regional consultations (including 2 in Asia) on SCP
- Industry: sector report cards
- Integration of SCP objectives in poverty reduction strategy papers
- SC Asia project
Sc Asia Project

- Capacity building for implementation of UN guidelines on consumer protection
- 12 Asian countries (including Indonesia, Malaysia and Philippines) and 6 European ones (including Germany)
- National Action Plans (priority areas)
Role of the retail sector in SCP

“Enhance corporate environmental and social responsibility…encourage industry to improve social and environmental performance through voluntary initiatives including environmental management systems, codes of conduct, certification and public reporting…”

*WSSD Plan of Implementation, Sept. 2002*
Retail Sector: Some Figures

- Worldwide retail sales estimated at USD 7 trillion in 2000 (GDP: USD 30 trillion)
- The top 200 largest retailers account for 30% of worldwide demand
- The money spent on household consumption worldwide increased by 68% between 1980 and 1998
Some Drivers for Change

- Internal cost reductions
- Food safety and quality
- Transparent and efficient supply chain
- Pressure from society

Ensuring customer loyalty in the long run
Can Sustainability Sell?

... or are consumers going to buy sustainability?
What Consumers Say

According to numerous surveys a growing number of consumers are ready to buy sustainable, green, socially responsible… products and services
...and the Reality

- Retail prices are still the key concern for most consumers
- Fair trade products account for very small market shares
- Buying habits are changing … but very slowly
Role of the Retail Sector

Three main areas:

- internal operations
- influence producers & suppliers
- influence consumers
How Can Sustainability Sell?

- Implement EMS and CP schemes
- Help suppliers comply with sustainable requirements
- Design and promote sustainable products & services
- Communicate to customers through transparent and reliable information
  - Show to customers more than green assets
  - Appeal first on an emotional level

Demonstrate leadership to facilitate change
What Opportunities for Retailers?

- New markets through an improved understanding of consumer needs
- New products through the application of new technologies
- Greater investor confidence
- Increased loyalty of customers
The Retail Community: Being Leader with UNEP

Engage the retail sector in the promotion of sustainable development through three different channels:

- internal green-housekeeping: energy, water, chemicals, packaging and waste, transport, etc.

- influencing suppliers: organic food, sustainable products, fair trade, labour conditions, etc.

- influencing consumers: advertising and promotional activities, information and labelling, facilities for recycling and other services, etc.
**UNEP Activities**

- Can Sustainability Sell + SCP Resource Kit on SCP
- International meeting on retail and sustainable development
- Shopping for a Better World
- Study on retailers’ communication to promote SC
- Pilot project in Asia (Indonesia, Malaysia, Philippines) to help retailers comply with sustainable requirements
Objectives of Today’s Meeting

• Share and learn from experiences of key players in the region (status report)
• Pinpoint needs and priorities within the sector
• Explore future activities (including a demonstration project)
• Provide input to the outline of the training kit (manual + CD Rom)
Thank you for your attention!

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