



EXECUTIVE SUMMARY

BRC
CLIMATE
ACTION ROADMAP



INTRODUCTION

“Climate change is the greatest threat we face, one that none of us can afford to ignore. The BRC Climate Action Roadmap is a clear and decisive statement that the retail industry is ready to take on this challenge - to be part of the solution. By 2040, we want every UK consumer to be able to make purchases – in store and online – safe in the knowledge that they are not contributing to climate change.

“Never before has an entire industry been so ambitious in tackling climate change. Our industry is the critical gateway between vast international supply chains and every one of us as citizens. We have a fantastic opportunity to make a real global difference if we can all work collectively.”



HELEN DICKINSON OBE
Chief Executive
British Retail Consortium

“Through the BRC Climate Action Roadmap, retailers are setting a world-leading industry ambition to reach net zero emissions. It’s a fundamental goal, requiring bold leadership from government and from commerce – I highly commend each retailer who supports this initiative.”

CHRIS STARK
Chief Executive
Committee on Climate Change

“Business has a huge role to play in tackling the climate crisis – every business leader must decide urgently whether they are working towards a 1.5 degree future, and stand up and be counted. The BRC and its members are leading the way with this bold commitment. As customers, let’s show our support to the businesses making this commitment. And as citizens let’s call on government to work with the BRC and other corporate leaders to help deliver on it, and bring other businesses along with them.”

GARETH REDMOND-KING
Head of Climate Change
WWF-UK

About the Climate Action Roadmap

The Roadmap provides retailers with guidance on the steps they can take to decarbonise their operations and supply chains. It gives retailers tools to plot their own journey to net zero, with the needs of their customers, employees and business at the centre.

The Roadmap also provides clear directions in order to allow retail industry suppliers, business partners and other stakeholders to take action to decarbonise their own activities.

ACCESS THE ROADMAP

The Climate Action Roadmap is available in full on the BRC website - please visit and make use of the contents to support your work on decarbonisation: [brc.org.uk/climate-roadmap](https://www.brc.org.uk/climate-roadmap)

Roadmap prepared by:

3Keel LLP, Canopy: Sustainability Consulting, and Mike Barry on behalf of the BRC, and through consultation with, and funding from, a Roadmap Steering Group drawn from BRC membership.

Design by 3Keel LLP



www.brc.org.uk



www.3keel.com



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SUPPORTING RETAILERS

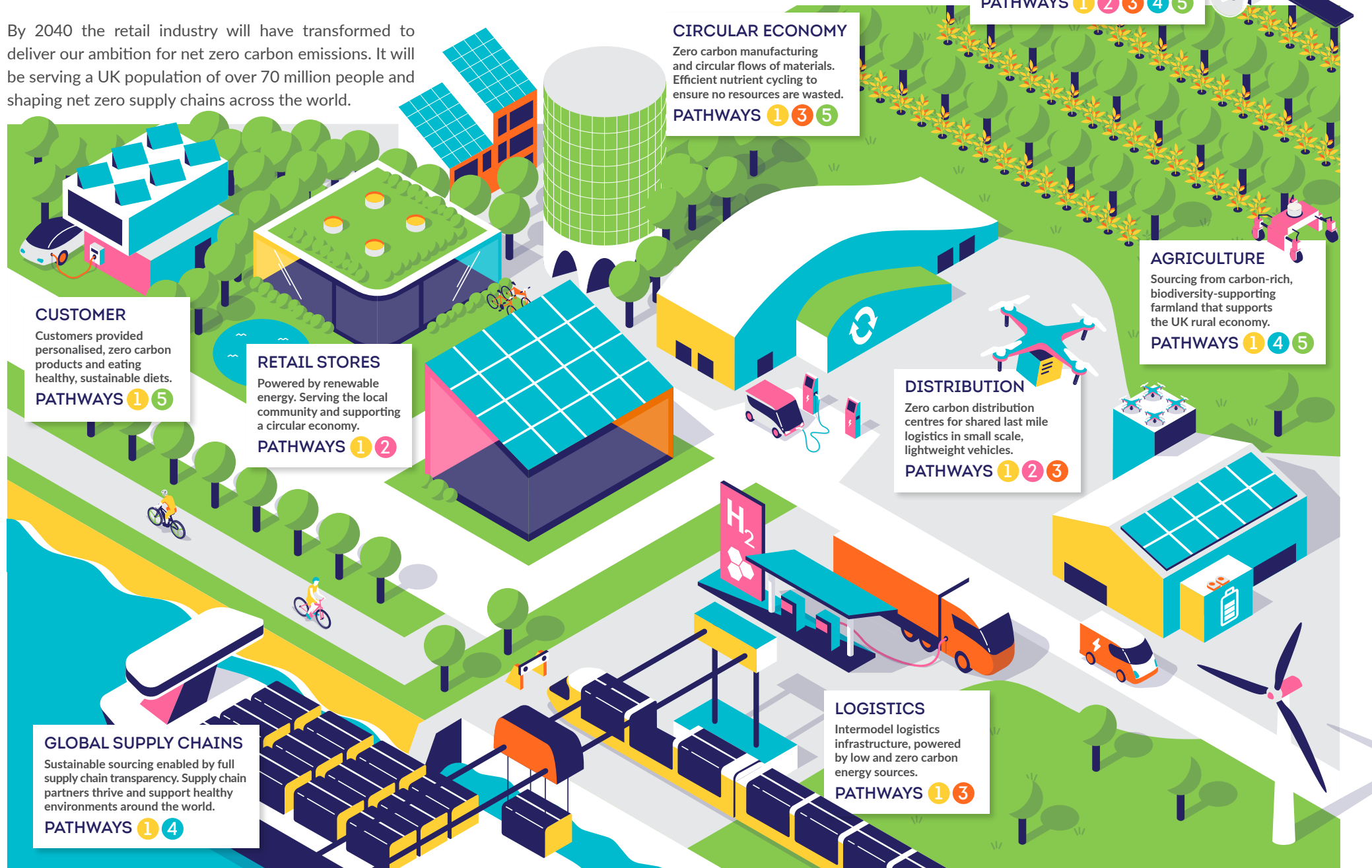
Supporters of the BRC Climate Action Roadmap commit to working with other retailers, their suppliers, government, and other stakeholders, and to support customers to collectively deliver the industry's net zero ambition.

Supporters



OUR VISION: A NET ZERO RETAIL INDUSTRY

By 2040 the retail industry will have transformed to deliver our ambition for net zero carbon emissions. It will be serving a UK population of over 70 million people and shaping net zero supply chains across the world.



THE PATH TO NET ZERO

Retailers support urgent climate action

The climate emergency is recognised as one of the greatest threats to our planet. The UK government is participating in global efforts to limit the global temperature rise to 1.5°C and has set legislative targets for the UK to reach net zero greenhouse gas emissions by 2050. UK retailers recognise and support the need for urgent action and have come together through the BRC to draw up this Climate Action Roadmap with the aim of accelerating progress towards a net zero retail industry.

The retail industry has an important influence on carbon emissions

UK retail connects British consumers to millions of farmers and countless factories across the globe. From extreme weather conditions to global pandemics, supply chains have proven to be resilient and reliable, providing the UK population with everything they need whether it be food, clothes, entertainment or furniture. However, meeting this demand currently comes at a significant cost to our planet, with a carbon footprint in excess of 200 million tonnes of carbon dioxide equivalent, emitted from retail operations, supply chains and the use of products. Supporters of this Roadmap have committed to work together to help to bring the UK retail industry's greenhouse gas emissions to net zero by 2040.

The path to net zero

To reach zero, the Roadmap identifies five pathways for action. These cover the need for: greenhouse gas data to be at the core of decision making; the decarbonisation of

retail sites; low carbon logistics; sustainable sourcing of materials; and support for employees and customers to lead low carbon lifestyles.

The retail industry has come together to set bold goals for net zero and lay down the pathways to get there. However, retailers cannot achieve them alone. The Roadmap includes clear asks of the government, for a policy environment that supports the transition to low carbon retail, and sets a level playing field to ensure good practice across the industry.

The role of the BRC

The British Retail Consortium (BRC) has a critical role to play. Our members have welcomed this Roadmap and have called for the BRC to continue to unite the industry in order to explore the key challenges and facilitate working together to find solutions. The launch of this Roadmap therefore represents the start of the journey for the BRC, and will be followed by an ongoing programme to help to decarbonise UK retail.

The opportunity to lead

Retail is one of the fastest moving, most advanced sectors of the UK economy. We are setting out here a bold vision of a decarbonised retail sector serving UK society. It is a vision that is ambitious, and that will stretch us to reconsider every aspect of our businesses. We know we will have to revisit our plans periodically to ensure they are keeping pace with the need for decisive action on the climate emergency. However, we are also optimistic that by embracing the potential of digital disruption and other emerging technological innovations, we have within our grasp the opportunity to be a world leader, not just in commitment, but in action too.

**OUR AMBITIOUS VISION WILL
STRETCH US TO RE-CONSIDER EVERY
ASPECT OF OUR BUSINESSES.**

RETAIL INDUSTRY CLIMATE ROADMAP TARGETS

2040 NET ZERO

Beneath this headline target the industry will move faster to meet net zero by:

2030



for retailers' UK electricity use
(‘Scope 2’ emissions)

2035



for UK fuel, gas and refrigerant use
(‘Scope 1’ emissions).

And the ambition is to move to net zero by working with our industry partners by:

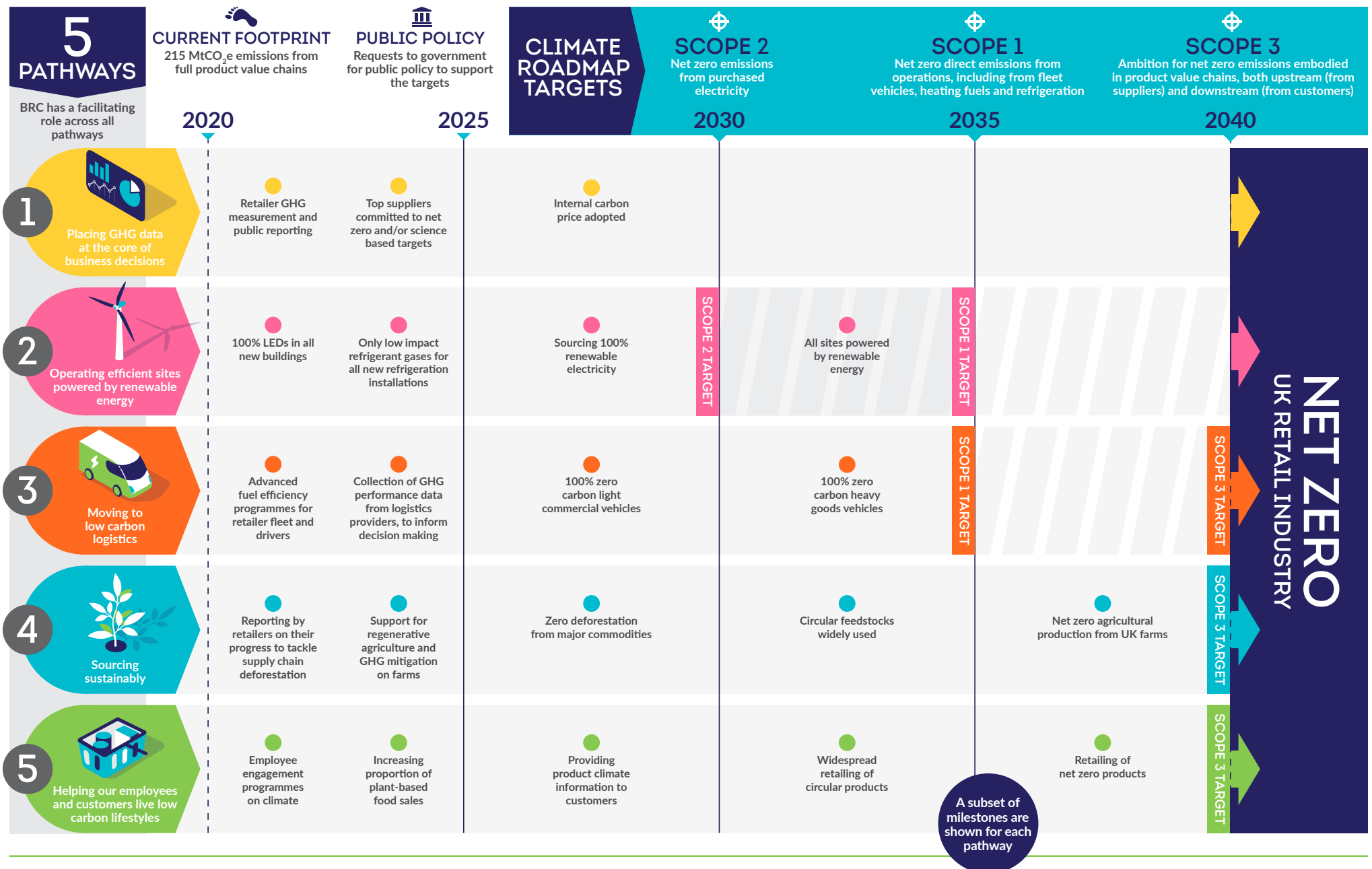
2040



for all products sold in the UK
(‘Scope 3’ emissions).

ROADMAP OVERVIEW

The BRC Climate Action Roadmap describes how the UK retail industry can work with its partners to accelerate progress towards a net zero industry by taking action in five areas.



THE URGENT NEED FOR ACTION

The climate emergency

The climate emergency is one of the most pervasive and threatening challenges of our time for both our society and the economy that serves it. Without urgent action to shift from our current path we will face devastating consequences, with implications for where we live, how we work, how we grow food, what we consume and how we provide services vital to well-being.

Today we are already seeing the impact of a 1.1°C global temperature increase above the pre-industrial period. 2019 concluded a decade of exceptional global temperatures, retreating ice, and record high sea levels, driven by greenhouse gas emissions from human activities. These trends have continued at pace into 2020 despite the COVID-19 pandemic suppressing economic activity.

The need for collaborative action

Retailers recognise that they are uniquely placed to support the UK's journey to a low carbon future. While any one retailer can make progress in reducing operational emissions under their direct control, transformative change across the industry and supply chain will require concerted collaborative action. To deliver, retailers need to work with supply chain partners, governments, and other stakeholders.

“
**THE TRANSITION TOWARDS INCLUSIVE
AND LOW-CARBON ECONOMIES
MUST BE JUST AND FAIR, MAXIMIZING
OPPORTUNITIES FOR ECONOMIC
PROSPERITY, SOCIAL JUSTICE, RIGHTS
AND SOCIAL PROTECTION FOR ALL,
LEAVING NO ONE BEHIND. ”**
- UNFCCC

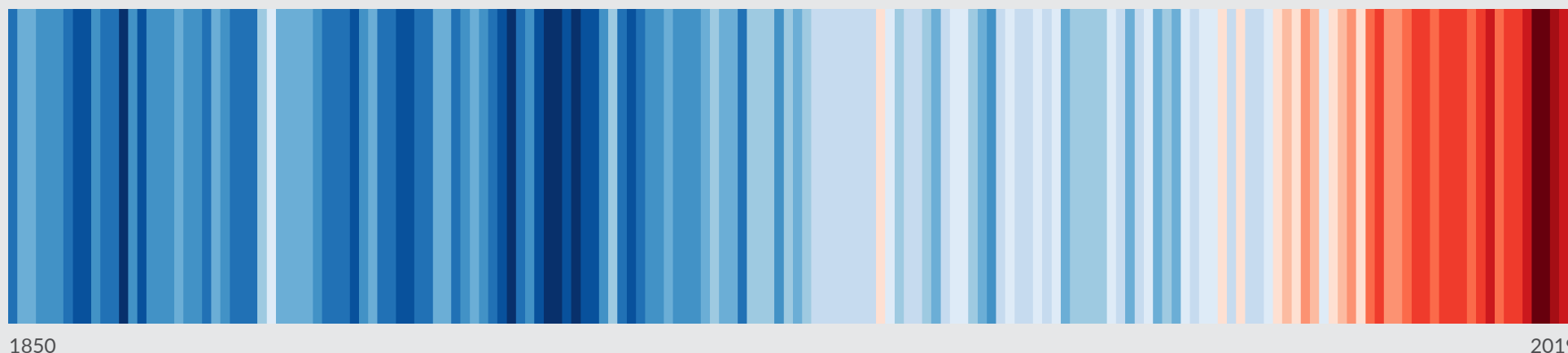
A great acceleration in progress is needed

Many of the UK's largest retailers already have their own ambitious climate targets and plans. Retailers of all sizes, across different sectors, are taking action to reduce their emissions and improve the products they offer. Significant progress is also being made through programmes led by businesses, government and civil society. However, despite this wave of activity the current level of progress in decarbonisation is not adequate.

The journey to net zero promises significant new commercial opportunities for retailers. The rapid decarbonisation of the industry will allow retailers to reduce costs and deliver new products and services to customers. It will also present exciting new opportunities to reimagine the ways in which customers engage with the emerging circular, low-carbon economy.

CLIMATE WARMING

A visual representation of the change in global temperatures over the last 170 years¹



THE UK RETAIL INDUSTRY

The retail industry today

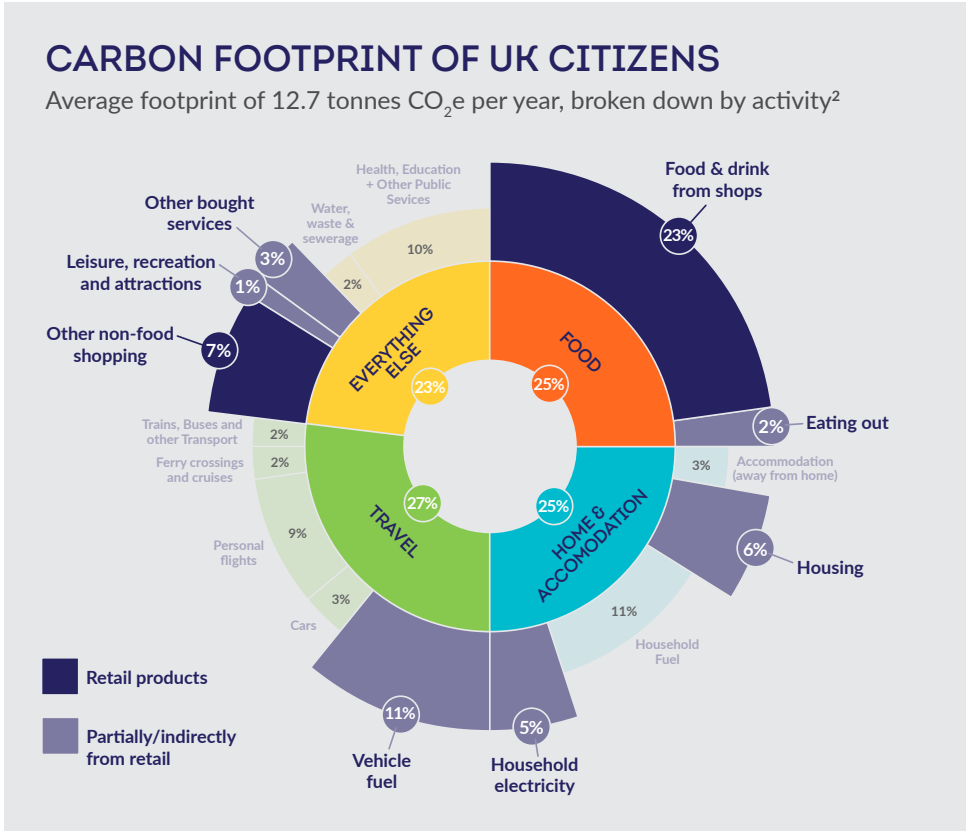
The UK has one of the most vibrant and dynamic retail industries in the world. It accounts for 5% of our economy, contributes £17 billion in business taxes and has higher productivity growth than almost any other industry. The UK retail industry provides essential goods and services, helping customers to meet their needs and aspirations. Customers shop at more than 300,000 separate retail businesses that in turn employ over 3 million people, equivalent to 8% of all jobs in the UK. From small shops on high streets, to shopping malls, out-of-town centres and online platforms, retail is critical to the UK economy.

The UK retail industry and climate change

The UK retail industry contributes more greenhouse gases from goods sold annually than all of the emissions generated by UK households. This places the retail industry among the highest contributors to emissions in the UK.

Virtually all aspects of retail contribute emissions, from the energy required for store operations and trucks, to emissions from farms and factories, to the energy used by customers to power their purchased devices. The industry can influence emission reductions of both suppliers and customers, and mobilise considerable action to address the climate emergency. Equally, investors in the retail sector have rising expectations around emissions measurement and disclosures, and concrete strategies for reduction.

The retail industry is not alone in this journey. As the UK economy faces up to the challenge of rapid decarbonisation, other sectors are racing to make net zero commitments - from the National Farmers Union's Net Zero 2040 commitment, to the Better Buildings Partnership's Climate Change Commitment for major commercial property owners. Initiatives like RE100 (renewable energy) and EV100 (electric vehicles) are driving change with businesses at global level.



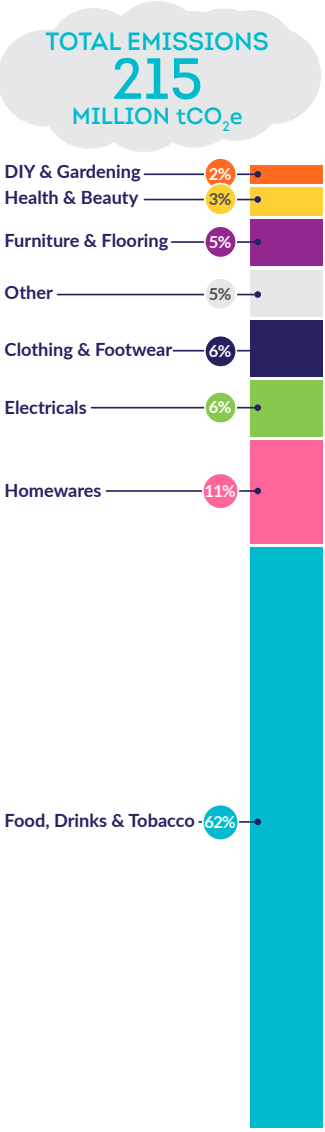
CUSTOMERS ARE SEEKING CHANGE

Customer research shows a strong demand for sustainable alternatives. There is a tremendous opportunity to deliver low carbon products that meet customers' needs and address the climate emergency. Recent customer insights show:

- 79%** of customers are changing their preferences based on the social responsibility, inclusiveness or environmental impact of their purchases⁴
- 88%** of customers want brands to help them live sustainably⁵

ANNUAL RETAIL EMISSIONS

By sector, based on goods sold³



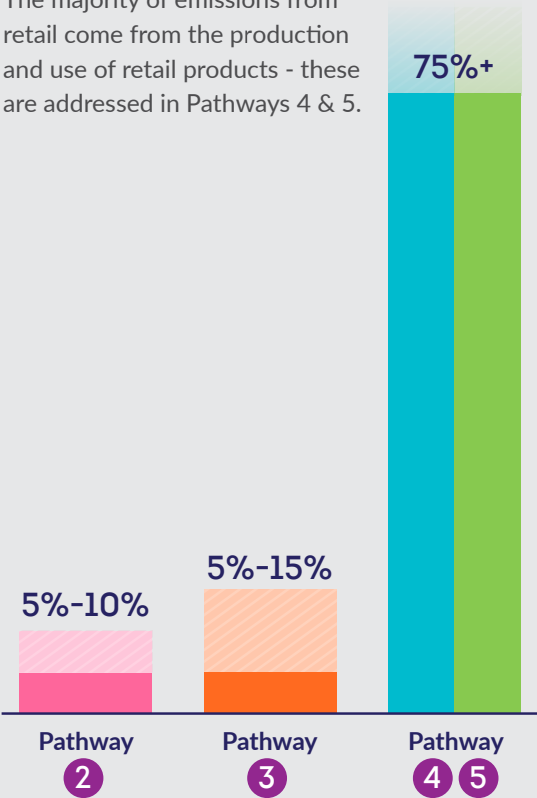
FIVE DECARBONISATION PATHWAYS

To achieve the net zero ambitions outlined in the Roadmap, supporting retailers will pursue action along a series of pathways towards full decarbonisation. Each pathway identifies key interventions that are important enablers and drivers of decarbonisation

These pathways are not targets for individual retailers, but will be addressed at an industry level, with support from suppliers, customers and the BRC, as well as action from government.

VALUE CHAIN EMISSIONS

The majority of emissions from retail come from the production and use of retail products - these are addressed in Pathways 4 & 5.



1



Placing GHG data at the core of business decisions

Robust data on existing greenhouse gas emissions is essential for each retailer to plan its own decarbonisation priorities. Ambitious public targets, supplier engagement and the embedding of GHG data into corporate decision making will act as enablers on the path to net zero.

2



Operating efficient sites powered by renewable energy

Retailer sites range from small, local shops to superstores, to distribution warehouses. Across all properties, heating, lighting and refrigeration are the dominant emissions sources. Sourcing renewable energy and installing efficient technologies can slash make zero emission operations a near term reality.

3



Moving to low carbon logistics

The retail industry is supplied by global logistics operations across multiple transport modes and providers. Decarbonisation will require logistics data and the adoption of zero and low carbon fuels. 'Last-mile' delivery to customers will increasingly transition to high performance electric vehicles and other low-carbon transport.

4



Sourcing sustainably

The emissions from growing, extracting and manufacturing raw materials represent a major hotspot in the retail industry's carbon footprint. Although outside of their direct operations, retailers are ideally placed to facilitate the transformation of product supply chains through improved specifications and procedures for sustainable sourcing.

5



Helping our employees and customers live low carbon lifestyles

The UK retail industry is operated by a large and dynamic workforce, and it serves the entire population. Retailers can support employee and public behavioural change by providing climate information, and products and services that help people to live low carbon lifestyles. A circular economy, healthy diets, and sustainable transport are all needed for the transition to net zero.

NET ZERO
UK RETAIL INDUSTRY

NEXT STEPS

The Climate Action Roadmap will adapt and evolve as the industry pursues implementation, together with its supply chain partners and government. The delivery will be supported by the BRC.

How to get involved

BRC invites organisations who would like to support the Roadmap to get in touch at climate@brc.org.uk

ACCESS THE ROADMAP

The Climate Action Roadmap is available in full on the BRC website - please visit and make use of the contents to support your work on decarbonisation: brc.org.uk/climate-roadmap

REFERENCES

- 1 Professor Ed Hawkins, University of Reading, <https://showyourstripes.info/>
- 2 Retail share of emissions overlaid onto data from 'What we buy' presentation from Lancaster University & Small World Consulting, presented to UK Citizens Climate Assembly 2020.)
- 3 Figures created by authors, based on 2017 data for UK consumption emissions from Defra
- 4 Capgemini Research Institute 2020, based on a global survey of 7,500 customers (<https://www.uk.sogeti.com/globalassets/reports/final-web-report-sustainability-in-cprd.pdf>)
- 5 Data taken from GlobalData's survey conducted in September 2018 as shown on Retail Insight Network



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The BRC's purpose is to make a positive difference to the retail industry and the customers it serves, today and in the future.

Retail is an exciting, dynamic and diverse industry which is going through a period of profound change. Technology is transforming how people shop; costs are increasing; and growth in consumer spending is slow.

The BRC is committed to ensuring the industry thrives through this period of transformation. We tell the story of retail, work with our members to drive positive change and use our expertise and influence to create an economic and policy environment that enables retail businesses to thrive and consumers to benefit.

Our membership comprises over 5,000 businesses delivering £180bn of retail sales and employing over one and half million employees.