

SUSTAINABLE ACTION

RETAIL SECTOR'S CONTRIBUTION
TO THE 2030 AGENDA



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FOREWORD

Josef Sanktjohanser

President
German Retail Federation (HDE)



Dear Readers,

In 2030 almost nine billion people will be living on Earth – each individual having the same right to a life in dignity and an intact environment. The relentless growth in the world population poses a Herculean task for the international community. Natural resources are not inexhaustible and already insufficient for all. Climate change, water scarcity, marine pollution and disrupted ecosystems show that it is essential for survival to organise our business in a sustainable manner.

The United Nations' Agenda 2030 and the Sustainable Development Goals (SDGs) guide the way for the world community to organise business in a global and multi-dimensionally sustainable way. Together with the Paris climate agreement, it forms the foundation for a social, economic and ecological change which actively supports retail. It is in the strong interest of our companies to organise their supply chains in a more socially and ecologically sustainable way and to promote climate protection. Because sustainable consumption alone enables the sector's economic feasibility in the long term.

Accordingly, the retail sector has been committed for many years and in very different ways to sustainable business practices. Sustainably produced product ranges are now offered by retail outlets of all formats.

The retail sector is fully aware of its product responsibility and has made a crucial contribution to ensuring that today Germany is regarded internationally as a pioneer in recycling. Quality, safety as well as social and environmental excellence are central requirements on product procurement. The origin of raw materials must be verifiable at all times. One of the greatest challenges is securing high social standards among the retail sector's suppliers, especially in developing and emerging countries.

At the interface between manufacturers and consumers, the retail sector assumes its responsibility for socially and ecologically responsible consumption and for climate protection with concrete successes. This report sets out to inform all interested parties and those connected to the sector, but also our companies, about the retail sector's wide spectrum of activities. Together we want to act sustainably.

I hope you find it instructive.

A handwritten signature in blue ink that reads "Josef Sanktjohanser".

FOREWORD

Stefan Genth

Secretary General
German Retail Federation (HDE)



Dear Readers,

The Sustainable Development Goals (SDGs) are a milestone for sustainability. Because, for the first time with them, the world community has agreed on a catalogue of fixed time targets incorporating all three sustainability dimensions and which will have a major influence on international cooperation in the coming decades. The objective of Agenda 2030 is to organise global development socially, ecologically and in an economically sustainable way.

The retail sector feeds into this UN Agenda 2030 and its goals with a large number of measures and initiatives. As the third-largest economic sector, as one of the largest employers and as a manufacturer and distributor of products, the retail sector assumes its responsibility at the direct interface with the end consumer. This means that companies have an overview of the entire value chain.

The focus is on promotion of sustainable consumption and production models. Whether so-called green foods, textiles made using organic cotton, fairly traded coffee and bananas or electrical appliances with the *Blauer Engel* environmental label – goods manufactured ecologically and fairly have long since ceased to be niche products in Germany. In this regard, labels can help consumers to make sustainable purchasing decisions.

Germany is an international pioneer in recycling. Deposit systems for single-use and reusable packaging minimise littering and increase reuse and recycling rates for packaging. The retail sector has contributed considerably to the development and co-financing of comprehensive return and recycling systems. High requirements on eco-design of products are boosting reuse and recycling rates, also in other sectors. As one of the largest energy consumers in Germany, the retail sector is in the vanguard of modern energy efficiency management. It has managed to halve its carbon dioxide emissions since 1990.

As one of the largest employers, the retail sector bears responsibility for its direct employees, but also for compliance with social standards among its suppliers, above all in developing and emerging countries. Retail businesses are working intensively on ensuring safe and fair working conditions for employees in the factories of suppliers as well as for their own workers. This brochure shows the sector's commitment.

A handwritten signature in blue ink that reads "Stefan Genth". The signature is fluid and cursive, with a large initial 'S' and 'G'.



Essential sustainability goals

Good work, sustainable consumption, climate protection and partnerships are the retail sector's central goals

The retail sector is Germany's third-largest economic sector. Its economic significance is manifested in a turnover of around 500 billion Euro and a share of more than 15 percent in German gross domestic product. The retail sector creates around three million jobs in Germany. If indirect employees such as those of manufacturers, dealers and suppliers in the supply chain are added in, the figure rises to 4.5 million employees in Germany. In this way the retail sector contributes to the prosperity of society because it provides people with work and offers products at every price point. The first section of this report therefore presents the contribution of the retail sector to sustainable development goal 8, decent work and economic growth.

Organic products and being socially responsible are guiding themes for the retail sector. From the use of organic cotton in the production of textiles and fairly traded coffee and bananas, activities range through to the drastic reduction in plastic bags in the German retail sector. Correspondingly, the retail sector's activities surrounding sustainable development goal 12, sustainable consumption and production, are examined in the second section.

Retail is among the sectors which contribute strongly to reaching the objectives of the Paris climate agreement and setting priorities for combating climate change. For instance, the German retail sector has saved 54 percent of climate-damaging CO₂ since 1990. By implementing the retail sector's Climate Action Campaign (*Klimaschutzoffensive*) we want to reduce the sector's CO₂ emissions even further. This contribution is at the heart of the third section on sustainable development goal 13, climate action.

The retail sector is convinced that many of the sustainability goals can only be reached in partnership and in shared dialogue along the entire supply chain and with all stakeholder groups. Hence, companies interlink closely with civil society groups and are involved in lively exchanges with national and international parliaments and governments. The outcomes of these partnerships are presented in the fourth section on sustainable development goal 17, partnerships for the goals.

8 DECENT WORK AND ECONOMIC GROWTH



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Steady and inclusive economic growth is a precondition for sustainable development which can contribute to better living conditions worldwide. Economic growth can create new and better employment opportunities and offer more economic security for all.

Responsible employers and providers of training

Companies in the German retail sector are responsible, modern employers and providers of training. Over three million employees work in the retail sector, in addition around 150,000 trainees are prepared for a professional future in retail every year. The steady increase in employment in recent years has contributed to economic growth and to the good situation on the labour market. In this context, retail businesses are increasingly creating jobs which generate social insurance revenues and rights whereas so-called “minijobs” are constantly being reduced. In terms of employment security, work contracts are generally for an indefinite period while the share of fixed-term jobs in the retail sector is just 7 percent.

The increasing digitisation of the working environment poses major challenges to retail businesses and qualification of workers. The requirements on human resources are changing as a result of the digital structural change in the sector, new fields of activity, processes and business models are emerging. Employers therefore assign great value to all forms of training for their employees – not least because it is in their own interest.

With the new e-commerce vocational training course, the German Retail Federation has created a completely new qualification which aims to prepare young workers systematically for a career in online commerce. The new qualification starts in training year 2018/2019 and is the first 4.0 vocation to be created in Germany. In addition, companies in Germany invest more than 30 billion Euro a year in training their employees. Around 80 percent of businesses in the retail sector implement training measures for employees. In particular, e-learning programmes are often used to keep employees continuously fit to assimilate digitisation processes.

Through digitisation and the proceeding automation, various working processes are considerably simplified and leave only simple tasks to be performed. This opens up additional employment possibilities for workers with limited basic qualifications but at the same time also raises the question of how these jobs can in future be reasonably covered. In the interest of sustainable work, social partners in the retail sector have therefore tasked the professional association responsible for trade and goods logistics (*Berufsgenossenschaft Handel und Warenlogistik – BGHW*) with identifying prevention models for examining and structuring these jobs (e.g. effects of smart glasses and exoskeletons on people).

ALDI NORTH

Established monitoring processes promote better working and social conditions in the supply chain

Supply chain responsibility is a central area of ALDI North's corporate responsibility (CR) policy. We expect our suppliers to ensure fair working conditions. Thus, we and our suppliers commit ourselves to comply with the amfori BSCI code of conduct. Compliance is monitored and evaluated through audits by independent auditing companies. The quality of audit results plays an essential role for ALDI North. The CR department verifies the available data which are then taken into account with the buying decision.

In its engagement within the countries of production, the CR department is supported by ALDI CR-Support Asia Ltd. in Hong Kong. Their tasks include monitoring and supporting suppliers and production sites. To this end, among other things, we carry out ALDI social assessments (ASA) jointly with suppliers. An ASA encompasses conversations with management, examination of accounts and policies, inspection of the production site to verify working and social standards as well as talking to employees. In the event of deficiencies, action plans are drawn up jointly with suppliers and production sites so that long-lasting improvements are achieved as quickly as possible. Implementation is monitored.



In this way, we can form our own picture of how our requirements are met in the supply chain. The insights gained are integrated into the buying decisions.

Furthermore, ALDI North implements own programmes to promote continuous improvement of occupational health and safety standards within manufacturing business and production sites, such as the framework of the ALDI Factory Advancement (AFA) project for production sites of the apparel industry in Bangladesh, which was launched in 2013 (together with ALDI SOUTH).

ALDI North enables customers to track the origin of textiles and shoes. All relevant production sites for these commodity groups were disclosed for the first time in 2017. Textiles were dealt with under the ALDI transparency code (ATC) for the first time in 2018. This provides customers with information about production stages and sites.



> cr-aldinord.com/2017/sustainability-report



Photos: © ALDI North

TCHIBO

Tchibo WE Programme



The WE Programme (Worldwide Enhancement of Social Quality) is a human rights programme which builds on an innovative, dialogue-oriented approach. The aim is a sustainable improvement in working conditions in production sites of the consumer goods industry in developing and emerging countries.

Out goes the wagging finger, in comes partnership; out go theoretical notions, in come workable solutions: WE looks to dialogue and cooperation as the engine for changes and implementation. The focus is on dialogue between managers and employees in production sites, as well as between trading companies and suppliers in supply chains. Ownership and empowerment are central principles of WE. Local moderators build the bridge between managers and employees for dialogue and co-creation of potential solutions. For this, methods such as agile management, theory U, system theory and design thinking are used.

Regular WE workshops are held jointly with management, employees and worker representatives in order to achieve compliance with and improvement of human rights in businesses. Themes within the WE Programme encompass discrimination and sexual harassment, wages and overtime, freedom of association, forced labour as well as occupational health and safety.

The pilot phase of the WE Programme (2007–2011) took place in the framework of a development partnership between Tchibo GmbH and the German Corporation for international Cooperation (Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH – GIZ) with financial support from the Federal Ministry for Economic Cooperation and Development (BMZ). Since the end of the pilot phase and a successful impact assessment, Tchibo GmbH has extended the WE Programme to all strategic producers, currently over 360.

In 2016, Tchibo GmbH, together with IndustriALL Global Union, was one of the first international trading companies to adopt a global framework agreement for non-food supply chains. This step is based on the conviction that sustainable working conditions require social dialogue. In the future, Tchibo will also use the WE Programme to raise awareness among managers and employees along these lines – dialogue will be channelled into long-term structures.



> www.tchibo-nachhaltigkeit.de



Photos: © Tchibo

TEGUT

Training is sustainable – tegut... training excellence recognised many times

Well trained skilled workers secure the future of tegut... for that reason, tegut... offers around 300 training and study places in twelve different specialisms or academic disciplines. The company has already been honoured many times as “Trainer of the year” and with the Creative Cup.

Motivation through personal discussions

In 2017, tegut... store operator Michele Chierchia from Wiesbaden / Mainz and tegut... branch manageress Manuela Bauersachs from Meiningen were awarded 2nd and 3rd place in the “Trainer of the year” competition. Michele Chierchia places great value on old and young being able to learn from each other in his teams. “My trainees should feel well taken care of and respected in the community”. Alongside vocational training, Manuela Bauersachs is concerned to strengthen trainees’ self-assurance “so that they go through life confidently also outside my branch and in their everyday working lives”. For instance, she organised a self-defence course for that reason. Similarly, she plans priorities for the training modules jointly with young co-workers. In an open discussion “Where should it go?”, she gives trainees motivation and says: “Questions are always allowed, because that is the only way to learn responsibility”.

Encourage sustainable behaviour – the tegut... sustainability car park

tegut... and Benjamin Brähler, head of vocational training at tegut..., was awarded the Creative Cup 2017 for the “Sustainability car park” trainee project. Sustainable and conscious action is close to the heart of the training supervisor and the 24 wholesale trainees at tegut... headquarters.

The tegut... trainees came together in a workshop to discuss sustainability. The aim was to encourage people to consume sustainably and with awareness in their own particular context. To pass on this message, they organised a so-called tegut... sustainability car park in front of a tegut... supermarket in Fulda. They showed the challenges of the “social-ecological-economic” sustainability triangle on their information stand. Questions like: where do regional products come from? How much space does a chicken have and need? Or answering questions and arousing customers’ interest during a tour to discover regional, organic and fairly produced items in the tegut... assortment.



> www.tegut.com/aktuell/artikel/tegut-gewinnt-zwei-mal-den-ausbilder-des-jahres-und-den-kreativcup-fuer-beste-ausbildung-2017.html



Photos: © tegut...





Ensure sustainable consumption and production patterns

To ensure that growth and development are sustainable, consumption of natural resources and toxic substances as well as the volume of waste and hazardous materials produced are minimised throughout the entire production and consumption process.

Sustainability as a guiding principle

Putting in place sustainable consumption and production models is one of the central objectives of the German retail sector's sustainability activities. The figures show that ecological and fairly manufactured products in Germany are present across the board and are in strong demand among consumers. Over the last ten years, German retail companies have doubled the turnover of organic foods to over 10 billion Euro in 2017. Turnover of fairly manufactured products increased tenfold between 2005 and 2016 to 1.3 billion Euro. This includes organic foods or textiles, fairly produced coffee and bananas as well as a wide product range with the *Blauer Engel* environmental quality label. Retailers use a very wide variety of measures to reduce food wastage. The spectrum ranges from broadly based cooperation with charities to which surplus food is made available free of charge to the establishment of food-sharing units in which discarded foods can be offered to take away.

Germany is regarded internationally as a pioneer in waste prevention, reduction and re-use. The deposit system for single-use and reusable beverage containers reduces littering to a minimum and at the same time increases re-use and recycling rates. The retail sector has contributed significantly to the development and financing of comprehensive return and recycling systems for beverage containers. Furthermore, the retail sector implemented strict requirements on the eco-design of other types of packaging with a view to high re-use and recycling rates. The sector works at high pressure to reduce the consumption of raw materials and close production/consumption loops. This ranges from ambitious projects for plastic and textile recycling to acting as collection points for waste electrical equipment and batteries.

The voluntary agreement to reduce plastic bags concluded in 2016 between the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (*Bundesumweltministerium*) and HDE has succeeded in reducing the consumption of plastic bags by more than half within two years. The number of plastic bags sold decreased by more than three billion. As a result, Germany was able to meet the European Union's reduction target for 2025 by as early as 2016. In addition, many trading companies have replaced single-use plastic bags with reusable alternatives and in this way strengthened customers' environmental awareness.

EDEKA

Partnership between EDEKA and WWF for sustainability

Based on the shared wish to protect and preserve nature and resources for subsequent generations, EDEKA and WWF have been strategic partners for sustainability since 2012. The common goal is to reduce EDEKA’s ecological footprint markedly – for instance, by expanding the offer of more sustainable products and using resources in a more environment-friendly way – as well as to promote awareness of doing business and consuming more sustainably. Clear labelling of more sustainable alternatives on the shelf and in the market should contribute to making consumers aware of reaching more conscious purchasing decisions: thus, EDEKA’s own-brand products additionally carry the WWF logo, a panda, for better orientation. To do this, they must meet recognised ecological standards (EU organic quality seal, *Naturland*, *Bioland* or comparable organic associations, MSC™, FSC® or *Blauer Engel*) and be certified by independent testing organisations.

The partnership was extended in 2014 and 2017 respectively and the thematic priorities were continued and widened. The focus is on the thematic fields of fish and seafood, wood/paper/tissue, palm oil/palmseed oil/derivatives of palm(seed) oil, soya/more sustainable animal feeds, freshwater, climate, and packaging and procurement management of critical agricultural raw materials. Once a year, the status of



targets is assessed, documented and summarised in a progress report. This is verified by an independent third party.

In 2018 a new study showed the effectfulness of the cooperation. The results of a research project commissioned by the Federal Environment Agency demonstrate that the EDEKA-WWF partnership for sustainability is leading to changes above and beyond the concrete aspects of the cooperation and benefits environment and nature. The study cites the cooperation as a positive example and a leader in the areas of clear identification of targets and transparency.



> www.edeka.de/nachhaltigkeit/unsere-wwf-partnerschaft/die-partnerschaft/intro.jsp



Photos: © EDEKA



ERNSTING'S FAMILY

For a socially and ecologically sustainable textile value chain

An ecologically sustainable production process, fair treatment of all persons involved in the textile chain, satisfied customers: Ernsting's family has embraced the challenge of combining these aspects in its day-to-day-operations. The textile chain based in Münsterland in North Rhine Westphalia, associates itself with respected initiatives and is helping to establish wide-ranging social and environmental standards in textile production. As an example, Cotton made in Africa, Fairtrade and GOTS (Global Organic Trade Textile Standard).

The Cotton made in Africa and the Fairtrade standard address the work-related situations in regions where the cotton is produced. Productivity is increased in an environmentally friendly way, in accordance with research on economics and the agricultural use of water, pesticides, and fertilisers. Ernsting's family purchases cotton from small-scale farmers in these developing and emerging countries to promote economic survival.

Furthermore, Ernsting's family collections regularly bear the GOTS Quality Seal which underlines compliance with the comprehensive environmental, chemical, and social standards throughout the full

production process. Starting with organic cotton seeds which have to be free from gene modification as well as the regulated use of fertilisers, the products meet all downstream sustainability requirements necessary for GOTS. The sustainability of the textile chain is reliably guaranteed through transaction certificates.

Ernsting's family is now introducing the OCS (Organic Content Standard) quality seal. The OCS seal shows the customer the percentage of organically grown and processed materials in the final product. Last but not least, all Ernsting's family textile products meet the *Öko Tex 100* criteria.

Thanks to the involvement in various initiatives, Ernsting's family makes substantive contributions in continuing to establish social guidelines which exceed the ILO conventions and ecological standards in multiple creative stages.



> www.ernstings-family.de/blog/2016/02/fairtrade-bei-ernstings-family



© Aid by Trade Foundation, Hamburg

GALERIA KAUFHOF

Doing yourself and others good

A very wide range of standards and quality seals make it possible to buy with a clear conscience. However, it is no easy thing for the customer to have an overview when looking for goods produced in an environment-friendly and socially responsible manner, and to understand what each label stands for.

So that it is easier for its customers to make environmentally and socially aware purchases from Galeria Kaufhof, the department store chain has created its own brand. The generic label *Natürlich GALERIA* offers guidance to employees and customers alike. The green leaf is used to identify products which have been manufactured sustainably and carry a recognised sustainability quality seal such as GOTS, bluesign®, Fairtrade, Natrue or FSC®.



© Galeria Kaufhof

Progressively wider offer

Galeria Kaufhof offers its customers a wide assortment of sustainable products in almost all goods categories and informs its customers about the offer through the generic label *Natürlich GALERIA*. A total of more than 7,500 articles which meet these criteria were listed by Galeria Kaufhof at the end of 2017.

Offer more animal-friendly alternatives

In addition, Galeria Kaufhof offers its customers more animal-friendly alternatives and has banned some products associated with particularly critical production conditions. For instance, Galeria Kaufhof has set itself the goal of bringing all down jackets bearing the in-house brands Manguun, Mark Adam and Rover & Lakes into line with the Responsible Down Standard (RDS).

Galeria Kaufhof's animal welfare rules:

- > no real fur
- > no down from live-plucked or force-fed birds
- > no live-harvested angora wool
- > no merino wool from mulesing-treated animals
- > no leather products from exotic animals such as alligators or snakes
- > no foie gras
- > no rabbit meat from caged animals
- > no shell eggs or processed products with eggs from caged birds
- > no in-store presentations with live animals



> www.galeria-kaufhof.de/unternehmen/unsere-werte/nachhaltigkeit

GLOBETROTTER

Mission Green Horizons – towards an even greener Globetrotter

Since the foundation of Globetrotter in 1979, deployment for nature and the environment has been one of the fundamental values of its business philosophy – sustainability is part of the company’s DNA. In the past years, Globetrotter has taken many positive measures for mankind, animals welfare, nature and sustainable economy. Efforts for fair working conditions in the supply chain and endeavours to constantly increase the share of ecological products will also continue into the future. As a company, Globetrotter naturally focuses its sustainability activities on its core business and its value creation chain. But Globetrotter also wants to demonstrate its commitment in a wider societal context – and become the leading and most sustainable outdoor retailer.

Mission Green Horizons

In March 2018, Globetrotter started its campaign *Eine grünere Wahl* (A greener choice)– a label used to evaluate Globetrotter products from the standpoint of sustainability. The *Eine grünere Wahl* symbol’s goal is to make it even simpler for customers to purchase greener products from Globetrotter.

Ecological and fairly manufactured products are in Globetrotter’s DNA. All products in the assortment will eventually be evaluated with respect to defined sustainability criteria and labelled if they make an extra contribution for mankind, animals welfare and nature. Examples could be that the product has been produced under particularly energy-efficient and resource-friendly conditions, recycled materials or organic quality natural materials have been used or the product supply chain is transparent and traceable. To launch the initiative, Globetrotter presented the first *Eine grünere Wahl* products as well as the most relevant sustainability themes (e.g. length of service life, repair or recycling, closed material loop) as part of an exhibition in its seven branches. Besides guided tours through the exhibition, the start of *Eine grünere Wahl* was accompanied by various events in the branches such as a free tailoring and repair service or an information day on maintaining and waterproofing outdoor clothing and equipment.



> www.globetrotter.de/ueber-globetrotter/nachhaltigkeit



Photos: © globetrotter.de

H&M

H & M en route towards a closed material loop

H & M has already been making a contribution to more sustainability in the fashion sector for many years. As one of the largest fashion retailers in the world, we are therefore very aware that almost every one of our global decisions has a direct impact on many people and the environment. This starts as early as the design process, because the question of what raw materials are used goes ahead of all others. Cotton is far and away the most important raw material for us. But, as is known, cotton is a plant which is often grown with extensive use of water and chemicals. Yet H & M does not have any direct contractual relations with raw material suppliers and must therefore promote this aspect indirectly with other organisations.

Certified organic cotton is part of the solution here, and we are proud to have been one of the two largest organic cotton buyers in the world for several years. And with Organic Cotton Accelerator and Textile Exchange, we encourage the cultivation of organic cotton jointly with other brands and non-governmental organisations. But it is unfortunately economically and ecologically unrealistic for textile businesses of our size to seek to use organic cotton exclusively.

We are therefore engaged in the Better Cotton Initiative and invest further in our global recycling programme. Here, mechanical separation and further processing of mixed fibres continues to be one of the most urgently sought-after innovations, which could possibly enable an entire industry to make a sustainability breakthrough. With the H & M Foundation, we provide intensive financial support for research in this area, as we also do with the annual Global Change Award.

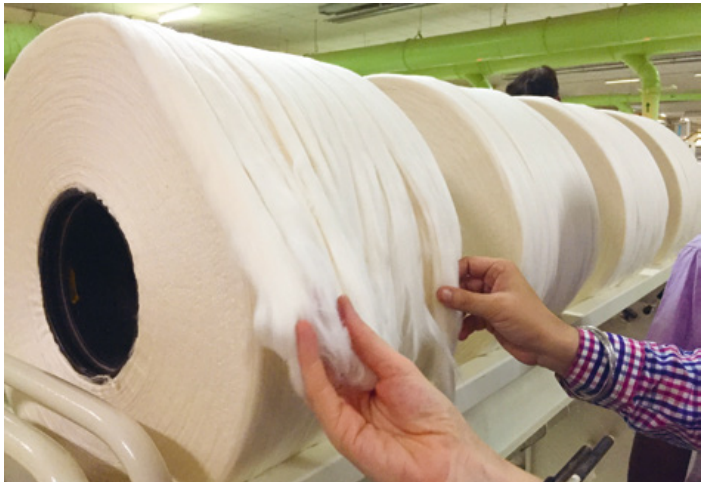
We have set ourselves the ambitious goal of procuring 100 percent of the materials we use from sustainable sources by the year 2030. This share was already 35 percent in 2017 (2016: 26 percent). For us, this includes organic raw materials, recycled materials and Better Cotton. In the long term, we want to close the fashion material cycle and hence decouple our growth and resource consumption. We call this publicly stated aspiration for our business "becoming 100 percent circular".



> sustainability.hm.com



Photos: © H&M



OTTO

Platz schaffen mit Herz – a clothing donation in a package

Devising courageous and sustainable ideas for the future and at the same time moving the focus on to themes which are relevant for society such as resource scarcity – that is what *Platz schaffen mit Herz* has managed to do. This initiative has been in place since 2014 under the umbrella of OTTO's *Initiative Zukunft gGmbH*.

The principle of “Package, send, do good” is incredibly simple: clothes and shoes in good condition can be sent free of charge to Platz schaffen mit Herz. In cooperation with various service providers, the initiative transforms the clothing into donations in kind. For instance, logistics partner Hermes transports the clothing donations to SOEX, which is responsible inter alia for textile sorting. The clothing is then sold on and is given a second life or a new function following recycling processes.

“The public debate around fast fashion and short lifecycles of textiles provided the trigger; it quickly became clear that OTTO needs a solution which keeps clothing in good condition in the textile material loop. That is how the idea of *Platz schaffen mit Herz* was born”, says Benjamin Köhler, Senior Project Manager Corporate Responsibility with OTTO.



And the initiative has been a success:

At the end of the 2017/2018 business year, *Platz schaffen mit Herz* had generated more than 500,000 Euro of donation revenue – since its foundation in 2014. “The lion’s share of revenue goes to our long-term partner Cotton made in Africa, *Naturschutzbund Deutschland, Welthungerhilfe* and, since 2017, also to Plan International”, explains Köhler. Moreover, further social projects such as the children’s hospice *Sternenbrücke* are supported. The aim is to pay even greater attention to the issues of sustainability, resource protection and responsible textiles with future measures linked to clothing donation packages.



> www.platzschaffenmit Herz.de



© OTTO

REWE GROUP

REWE Group pulls sustainability out of its niche

For REWE Group, sustainability is an essential component of business culture. Solidarity and responsibility are our fundamental values, environmental protection and social commitment are among our strategic priorities. For REWE Group, this means: we promote more sustainable ranges and deal fairly with partners and suppliers, we act with environment and climate awareness, we assume responsibility for our employees and strive for a society which is fit for the future. In this way, REWE Group actively supports the United Nations' sustainability goals.

With 40 million customer contacts per week, we make an important contribution to bringing sustainable consumption out of the niche into the mass market and hence into the everyday lives of our customers. Our PRO PLANET sustainability label identifies products from the conventional sphere for which ecological and social aspects are gradually being improved. REWE Group's range includes more than 900 labelled products.

For more than a decade, REWE Group has been pressing for the preservation and protection of biodiversity. In 2008, REWE Group began with reforestation of pasture land in the border region of the

banana-growing countries Panama and Costa Rica with a view to protecting biological diversity in the tropical nature protection reserve. Thanks to reforestation and nature restoration projects, it has been possible to close gaps in the woodland cover.

A joint project of REWE Group, *Bodensee-Stiftung*, *BirdLife Österreich* and *Naturschutzbund Deutschland e.V.* (NABU) initiated in 2010 has now brought together more than 250 farmers in 13 growing regions to promote biodiversity in apple plantations in Germany and Austria. Today, 300 hectares of flower pastures, more than 5,500 of newly planted hedges, trees and bushes as well as over 2,000 insect nesting aids enrich apple orchards and adjacent areas on which PRO PLANET apples are grown. The successful project has also been extended to potato cultivation in Germany since 2018.



> rewe-group-nachhaltigkeitsbericht.de/2017/en



Photos: © REWE



SCHWARZ GRUPPE

Schwarz Gruppe with 360°-approach on plastics

In early 2018, the Schwarz Gruppe launched a comprehensive plastic strategy which encompasses all business units and sites around the world. In doing so, the international company with decades of cross-border experience in discount and full-range retail contributes to the preservation of resources and the environment.

The retail company will implement effective initiatives via Lidl, Kaufland, its production facilities as well as GreenCycle, the proprietary service provider for waste management and recycling. The plastic strategy is based on a holistic, comprehensive approach, covering waste prevention, reuse, resource-efficient design and disposal. Schwarz Gruppe is working together with all its business units to reduce plastic consumption in primary, secondary and transport packaging, to harmonise processes and to create the conditions for the management of properly sorted plastic waste streams.

Close cooperation between the business units in day-to-day operations allows for frictionless, international transfer of know-how.



© Schwarz Gruppe

Further Information:

Every year the Schwarz Gruppe collects around 2 million tonnes of recyclable materials. This includes about 150,000 tonnes of plastic, which GreenCycle uses to produce items such as bags for the collection of returnable bottles and waste by the business units.

All international subsidiaries of Lidl have announced that they will reduce the amount of plastic used in primary and secondary packaging by 20 % and that all plastic packaging for own brand products will be 100 % recyclable.



© Schwarz Gruppe

> www.greencycle.de/de/wertstoffe/pet-flaschen



> <https://unternehmen.kaufland.de/content/dam/kaufland/kaufland-selbstverpflichtung-mikroplastik-schutz-der-meere.pdf>



> www.lidl.de/de/asset/other/Positionspapier_Reduzierung_Verpackungsmaterial_Lebensmittelverluste.pdf



> www.meg-gruppe.de/produktinformationen/produktinformationen-2.html





13 CLIMATE ACTION



Take urgent action to combat climate change and its impacts

Climate change is the largest individual threat to development; if not mitigated, its widespread effects will affect the poorest and the weakest disproportionately.

Towards a climate-neutral retail sector

The German Government has set itself ambitious targets to face climate change: Germany should be broadly greenhouse-gas-neutral by 2050. The retail sector supports these targets and has further intensified activities in the area of climate protection in recent years. Thus, in 2015, leading businesses in the sector signed a joint declaration on the world climate conference in Paris and thereby committed to the climate protection goals. More than 500 million Euro has now been invested in climate protection measures. Around 110,000 tonnes of CO₂ have been saved through the development of renewable energies, use of natural refrigerants and energy efficiency measures. Since 1990, CO₂ emissions in the retail sector have been reduced by as much as 54 percent. In addition, an effective energy efficiency network has come together in the sector with the goal of saving 100 GWh of energy and hence around a further 60,000 tonnes of CO₂ by 2019.

Store chains are continuously optimising their energy concepts and achieving considerable electricity and energy savings. Increasingly, companies are using renewable energies to provide their own electricity as well as efficient lighting and climate technology. They are also involved in developing infrastructure for electromobility. Moreover, retailers are implementing green building concepts in many places. These success stories create empirical value for the entire sector and show the way to greater energy efficiency from the economic point of view as well.

HDE Climate Action Campaign (*Klimaschutzoffensive*) – support offers for small and medium-sized retail businesses

With the HDE Climate Action Campaign (*Klimaschutzoffensive*), the retail sector, with support from the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (*Bundesumweltministerium*), launched a broadly based sectoral campaign around the theme of climate protection in 2017. The aim is to make a perceptible contribution to climate protection and energy efficiency in the retail sector and to achieve concrete savings of 300,000 tonnes of CO₂. In this regard, the focus is on supporting small and medium-sized enterprises.

At the heart of the offensive is the website www.hde-klimaschutzoffensive.de where retailers can find comprehensive and practical information about various topics in the area of climate protection and find motivation for their own efficiency measures. One can find precise information about efficiency potential in a virtual shopping street: from lighting, heating and climate technology, from building management to cooling. Practical guidelines and checklists make it easier to cross the threshold into a professional involvement with energy issues and a more efficient use of resources. By implementing appropriate measures, companies can achieve considerable cost savings and position themselves better for the future in a strongly changing market environment.

> www.hde-klimaschutzoffensive.de

ALDI SOUTH

The perfect couple: ALDI SOUTH bets on photovoltaic and electromobility

ALDI SOUTH is one of the largest operators of solar installations on building roofs in Germany. Of around 1,890 sites, more than 1,320 branches and 15 logistics centres are currently equipped with solar installations with a total output of over 183,800 kWp. The company uses around 80 percent of the electricity generated itself, thereby saving around 65,000 tonnes of CO₂ a year. In addition, more than 50 sites already provide charging stations for electric cars and bicycles, which can be used free of charge by customers. ALDI SOUTH plans to have another 28 quick charging stations installed by the end of 2018. The stations are powered with electricity from the photovoltaic installations during hours of sunshine.

By 2020, the ALDI SOUTH Group wants to reduce emissions of greenhouse gases by 30 percent per square metre of sales space internationally as compared with 2012. In Germany, this target was exceeded as early as the start of 2017: all sites have been climate neutral since. From 2012 to 2017 ALDI SOUTH reduced emissions at German sites by 71 percent per m² of sales space. Thanks to a range of efficiency measures, it has also been possible to reduce electricity consumption from 335 kWh/m² to 294 kWh/m² of sales space. The retailer wants to bring around 70 more photovoltaic installations into service by the end of 2018.



On an international view, the ALDI SOUTH Group emitted around 40,000 tonnes of CO₂ less in 2016 than in 2012.

In addition, in 2010, the ALDI SOUTH Group published its corporate responsibility principles which are applicable worldwide (<https://cr.aldisouthgroup.com/en/cr-portal/simply-responsible/cr-principles>) and thereby defined guidelines for the everyday business action of all eleven ALDI SOUTH countries with 5,910 branches and more than 138,000 employees.



> unternehmen.aldi-sued.de/verantwortung



Photos: © ALDI SOUTH



IKEA

Focus on people – most sustainable IKEA store worldwide in Kaarst

The most sustainable IKEA store worldwide opened last autumn in Kaarst near Düsseldorf. The “more sustainable store” reflects the theme of sustainability in all its facets – starting from the use of environmentally efficient technologies through to local cooperative ventures. People stand at the heart of the concept, not only the needs of customers and neighbours but also those of employees.

The holistic approach includes an unusual architectural concept which connects the individual buildings to each other with grassed terraces and a walkable roof landscape. At the same time, with the *Café Buxbaum*, IKEA integrated an existing building and developed it into a meeting point (*träffpunkt*). There is room here for three social local cooperation partners which run a carpentry workshop (third-age association), a professional music rehearsal room (*Musikschule Koll*) and an inclusive art atelier (*Café Einblick Kaarst*).

“We regard the store not as an island but would like to make a contribution to greater quality of life and community spirit, to be a good neighbour” says Armin Michaely, Sustainability Manager IKEA Deutschland. This is also aided by the plaza idea: there is a space to relax by the entrance, surrounded by a grassed outdoor area which encourages leisure activities with play and sport facilities including a

barbecue area. “A feel-good atmosphere for our customers and employees goes before everything else” says Michaely. There is a spacious roof café and also a translucent daylight concept. In addition, employees are able to use a relaxation and sport area as well as a self-catering space.

For the energy concept, IKEA calls on a combination of many efficient and resource-friendly technologies – including combined heat and power plant, solar heat, photovoltaic and reuse of rain and waste water.

“Our aim in Kaarst was to find the best possible balance between the ecological, economic and social pillars. We approached the project from an unconventional angle. What has emerged is a completely new concept, a small revolution in the IKEA world. Nowhere else have we such unique architecture or worked so intensively with the needs of our customers, the local community and employees in order to present the theme of sustainability as comprehensively as possible” explains Armin Michaely.



> [www.ikea-unternehmensblog.de/
topic/eco](https://www.ikea-unternehmensblog.de/topic/eco)



Photos: © IKEA

MEDIAMARKTSATURN

Smart monitoring and green energy at MediaMarktSaturn

Saving Energy 2.0

Reducing the energy consumption and the associated CO₂ emissions of more than 1,000 stores worldwide is one of the main sustainability goals of the MediaMarktSaturn Retail Group. Under its Saving Energy 2.0 campaign, electricity consumption has been cut by more than 23 % since 2011 – and is set to be reduced by another 15 % by 2025. This is achieved by means of an efficient system of energy management as well as by continuously modernizing stores.

Since 2012, all MediaMarkt and Saturn stores have been equipped with monitoring systems which permanently keep tabs on power consumption, air quality, room temperature and other indicators. If the figures at a certain store deviate from the norm, the property management system immediately intervenes by adjusting the technical services. In addition, during regular modernization, stores are fitted with the very latest technical building services and high-efficiency LED lighting systems as well as smart metering technology.

By 2025 at the latest, LED lighting is to be installed in all the group's stores worldwide. In addition, MediaMarktSaturn aims for high standards of quality regarding sustainable furnishings and equipment in its stores. For this purpose, the company has drawn up sustainable property guidelines based on the Leadership in Energy and Environmental Design (LEED) – the gold standard of energy and environmentally friendly certification programmes.

Certified green electricity

By the start of 2017, all MediaMarkt and Saturn stores throughout Germany had been converted to 100 % green electricity meeting the criteria of TÜV Süd Standard CMS 89 Accounting for Renewable Energy. At present, 77 % of the stores across the



© MediaMarktSaturn

group are powered by green electricity. By switching to renewable energy, the greenhouse gas emissions of the stores in Germany have been slashed by more than 50 %.

Encouraging e-mobility

Since 2014, customers with electric vehicles have been able to recharge their batteries for free at some MediaMarkt and Saturn stores. The new e-charging stations have gone down well with customers. For example, at Saturn's store in Ingolstadt alone, on average 200 vehicle batteries are recharged every month.



> www.mediamarktsaturn.com/en/company/our-understanding-sustainability

METRO

METRO: worldwide energy management

METRO is pursuing a comprehensive energy strategy 2030 in which various measures and concepts for achieving higher energy efficiency are summarised. These include energy saving programmes and range through investments as well as behavioural changes and the use of renewable energy sources based on own generation and/or development of capacities.

Reduction of energy consumption by 20 percent as compared with 2011

Energy consumption per square metre of sales space has been reduced by 20 percent over the last seven years. As recently as 2011, the energy consumption of a store averaged 378 kWh/m². When the green store was built in Dongguan (China), this value was more than halved to 150 kWh/m². With the “zero emission store” in St. Pölten (Austria), a further reduction to 115 kWh/m² was achieved.

To be able to plan, implement and verify energy and efficiency measures, METRO uses an energy management system as a central database for all energy and resource consumption. For instance, instruments such as benchmarking for energy and leakage devices as well as CO₂ accounting are used.

Savings are achieved on the basis of the saving potential identified in the framework of an ISO 50001-certified energy management system, partly

through a so-called energy awareness programme for employees and partly via investments in energy-saving technology.

In September 2016, METRO was recognised by the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (*Bundesumweltministerium*) for its involvement in the Handel im Wandel (retail in a changing situation) energy efficiency network.

In October 2017, METRO opened a first zero emission store in St. Pölten. With the deployment of innovative energy-saving measures, the market consumes 60 percent less electricity and 100 percent less heating energy than other METRO sites. METRO has already reached the climate protection target set for 2020 and reduced greenhouse gas emissions per square metre of sales space by 20 percent as compared with 2011. The aim is to reduce specific greenhouse gas emissions by 50 percent as compared with 2011 by 2030. In concrete terms, that means reducing emissions per square metre of sales space from 369 to 184 kg/m² of CO₂ equivalent a year.



> www.metro.de/unternehmen/nachhaltigkeit



Photos: © METRO



Strengthen the means of implementation and revitalize the global partnership for sustainable development

To reach the ambitious goals of the 2030 Agenda, we need a reinvigorated and improved global partnership between governments, civil society, private sector, the United Nations system and other players as well as mobilisation of available resources.

Together for sustainable development

For successful implementation of the sustainability goals, the necessary financial resources and implementation capacities are needed for all countries. In addition, the use and transfer of environment-friendly technologies – in particular in developing countries – should be promoted. For the success of all efforts, political decision-makers, representatives of non-governmental organisations (NGOs) and business must pull in the same direction and effective measures must be implemented. Many of the sustainability goals can be achieved only in close co-operation and in shared dialogue along the entire supply chain and with all involved parties. This includes producers and suppliers, customers and market partners, consumers and societal institutions, policy-makers, academia and, self-evidently, companies.

German retail companies commit in a wide range of multi-stakeholder initiatives at both national and international level, and successfully drive important measures along supply chains forward. These include initiatives which serve protection of the environment, such as *Forum Nachhaltiger Kakao e. V.*, a joint initiative of Federal Government, civil society, industry and commerce. The association connects relevant stakeholders from Germany, other production countries and various international initiatives. It aims to improve the living conditions of cocoa farmers and to promote a sustainable cultivation. A further example is *Forum Nachhaltiges Palmöl*, in which stakeholders from business, politics and NGOs work jointly on improvements to working conditions in the palm oil sector.

National initiatives such as *Bündnis für nachhaltige Textilien*, which champions fair working conditions for workers in textile production sites and seeks to improve their living conditions, also make valuable contributions. Almost 100 companies have joined forces in this textile alliance in order to organise the entire textile supply chain in a sustainable manner jointly with partners from politics, civil society and standards organisations.

Furthermore, many companies have committed to comply with guidelines in the framework of membership of initiatives such as UN Global Compact, Business Social Compliance Initiative (BSCI), or Roundtable on Sustainable Palm Oil (RSPO). In addition, there are numerous stakeholder dialogues and cooperative arrangements between companies and NGOs. The sector creates transparency and improves the possibilities for the evaluation of measures through its own reporting on sustainability commitment.

C&A

C&A and Fashion for Good promote innovative start-ups

In early 2017, C&A Foundation together with C&A and other partners launched Fashion for Good™ in Amsterdam. The purpose of Fashion for Good is to connect various players in the textile industry to rethink and sustainably change the way in which fashion is produced and consumed. Fashion for Good convenes brands, producers, retailers, suppliers, non-profit organisations, innovators and funders united in their shared ambition.

At the centre of Fashion for Good's work is the promotion of innovative start-ups that strive to drive the transformation of the textile industry into a circular economy. To achieve this, Fashion for Good works with Plug and Play from the USA, one of the largest technology accelerators worldwide and one of the most important venture capital providers for Silicon Valley. A Fashion for Good expert jury collectively identifies promising start-ups and promotes their ideas.

In addition, Fashion for Good works with a range of fashion businesses and organisations such as the Cradle to Cradle Products Innovation Institute, the Ellen MacArthur Foundation, the IDH – the Sustainable Trade Initiative, the Impact Hub Amsterdam, McDonough Innovation, and the Sustainable Apparel Coalition.

A first result of the cooperation between C&A and Fashion for Good was the introduction of the world's first Gold Level Cradle to Cradle Certified™ T-shirt by C&A in 2017. These Gold Level Certified T-shirts are made of 100 percent organic cotton, are fully recyclable and produced sustainably. Concretely, this means that the cotton is sourced from organic farmers who grow their cotton without hazardous fertilisers and pesticides. No hazardous chemicals are used during processing and the dyes are harmless. The T-shirts meet such high ecological standards that they can even be composted in domestic compost heaps. Independent tests have shown that decomposition takes place in eleven weeks. The energy for production of the garment comes from renewable resources and the water is reused. Furthermore, the C2C certification also defines specific social requirements. In this way, Gold Level C2C Certified fashion protects the dignity and health of those who make it as well as our planet's ecosystem.

Since the launch of the T-shirt, C&A has successively extended its C2C Certified product line and now offers C2C products to all consumers – ladies, men and children. C&A has already placed more than 2 million C2C Certified products on the market across Europe.



© C&A



> www.c-and-a.com/de/de/corporate/company/nachhaltigkeit

KIK

For better production conditions: Kik's commitment in the Partnership for Sustainable Textiles (*Textilbündnis*)

To implement the Sustainable Development Goals as part of the sustainability commitment, in 2015 Kik joined the Partnership for Sustainable Textiles. In this way, it was pursuing the objective of improving the conditions under which our clothing is produced. This relates both to worker safety and to social and ecological aspects of textile production. In addition, a market alliance was to be developed in which a majority of the sector – high street shops and e-commerce providers – is represented in order to create a level playing field.

The Partnership for Sustainable Textiles has achieved a first success. 100 chemicals in textile production are progressively being substituted by harmless substances. In addition, members have submitted their individual action plans (roadmaps) with which they want to reach their objectives within the Partnership. Kik was one of the members which submitted its first roadmap by the deadline and it was endorsed on the first examination. And we were among the members which have voluntarily published the roadmap.

For Kik, it was clear: if we join, we accept all the consequences. If you take the requirements of the Partnership for Sustainable Textiles seriously, membership involves additional human resources and financial input as well as organisational changes in the company. But it is worth the effort. Initiatives by the Partnership such as improvement of working conditions in the South Indian state of Tamil Nadu help to improve local framework conditions and to involve suppliers – a process which is markedly more effective with the strength of all members.

Nevertheless, we are concerned to see that just 50 percent of market providers are currently in the Partnership. Important players are missing, above all from the e-commerce sector which is becoming ever more important in the fashion segment. In terms of content, the Partnership for Sustainable Textiles is on the right track but must not lead to competitive disadvantages for its members.



> www.kik-textilien.com/unternehmen/de/verantwortung



Photos: © Kik

PRIMARK

The Power of Partnership – PRIMARK and HERhealth

The garment industry in developing markets employs a large number of female workers. In these countries women often lack basic healthcare knowledge and access to healthcare facilities. Common issues include poor personal hygiene, poor pre and post-natal care, anaemia, the risk of infections and illness including HIV/AIDS, hepatitis B and C, and tuberculosis.

Primark believes in educating and empowering the people who make our products. We also recognise collaborating with others is the best way to have a positive impact, so we partnered with Business for Social Responsibility, a global non-profit organisation to implement the HERhealth (Health Enables Returns) initiative in a number of Primark's suppliers' factories in Bangladesh, China, India and Myanmar.

HERhealth provides health education and access to healthcare to the women working in these factories. Women are trained, so that in turn they can train other women on their health needs and help support each

other in their learning and understanding. Topics covered include healthy eating, personal hygiene, menstruation, family planning, maternal health, sexually transmitted diseases, reproductive cancers, HIV/AIDS, malaria and dengue fever.

To date, over 950 female coaches have been trained, educating more than 25,000 women.

"I've learnt many things from the peer educators and The HERhealth, such as the importance of taking breaks, and the importance of nutrition and a good diet and that nutritious food does not have to be expensive. The training has taught me to eat vegetables as well as protein to give you energy. I cook for my husband and he now eats better."

Shahana, HERhealth participant Dhaka, Bangladesh



> www.primark.com/en/our-ethics



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