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## SUSTAINABLE CONSUMPTION AND THE LEADING US RETAILERS

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### **Abstract**

In its 2017 Retail Sustainability Management Report, the Retail Industry Leaders Association identified sustainable consumption as the most critical issue for retailers to address. With this in mind, the aims of this paper are to provide an exploratory review of how the leading US retailers are publicly addressing sustainable consumption and to offer some reflections on current approaches to sustainable consumption within the retail industry. The paper begins with an outline of the characteristics of sustainable consumption, a recognition that it is a contested concept and a brief literature review. The paper draws its empirical material from the most recent sustainability reports posted on the Internet by nine of the top ten US retailers. The findings reveal that while the specific issue of sustainable consumption, per se, was not explicitly addressed in the selected sustainability reports, the leading US retailers did address a number of surrogate elements, including waste management, sustainable procurement and sustainable transport, seen to characterise sustainable consumption by the United Nations Environment Programme. However the authors suggest that that the selected companies' commitments to sustainable consumption are at best ambivalent in that they are driven as much by business efficiency and cost savings measures as by any desire to encourage more sustainable patterns of consumption, let alone reduce overall consumption levels. The paper provides an accessible commentary on current approaches to sustainable consumption amongst the leading US retailers and as such it will interest academics and retailing and business management students as well as professionals working in, and with, the retail industry.

**Keywords** sustainable consumption, US retailers, Retail Industry Leaders Association, external assurance, circular economy, economic growth

### **Introduction**

For a growing number of commentators, the need to move towards more sustainable patterns of consumption is becoming increasingly pressing. Welch and Warde (2015), for example, argued *'protecting planet earth from the consequences of human-induced climate change and environmental degradation will be a formidable, collective, political endeavour which entails a radical transformation in the patterns, forms and levels of consumption in wealthier societies*. The World Economic Forum (2012) stressed that *'businesses must reshape demand by making sustainable consumption more personal and relevant to consumers, leveraging the power of technology to drive engagement and*

*transparency and by redesigning products and services to deliver increased value with fewer resources, thus making the sustainable choice the default choice.'* However, the World Economic Forum (2012) has also argued *'there is no silver bullet for achieving sustainable consumption'* and this strikes a chord with Cohen's (2005) argument that *'sustainable consumption is the most obdurate challenge for the sustainable development agenda.'*

That said, there is a growing awareness that retailers have a vital role to play in promoting more sustainable patterns of consumption not least in that *'retailers act as gatekeepers between producers and consumers'* (Wiese et al. 2015). As such retailers might be seen to be in a singularly powerful position to drive sustainable consumption in three ways, namely through their own actions, through partnerships with suppliers and through their daily interactions with consumers. Durieu (2003), for example, argued that large retailers *'can greatly influence changes in production processes and consumption patterns and are well positioned to exert pressure on producers in favour of more sustainable choices.'* Within the US, the most recent *Retail Sustainability Management Report* published by the Retail Industry Leaders Association (2017) identified sustainable consumption as the most critical issue for retailers to address. The Retail Industry Leaders Association's membership includes leading US, and world, retailers Walmart, Target, Home Depot, JC Penney, Gap, Lowe's and Costco, and sustainable consumption would thus seem to have come of age within the retail world.

However, there is little consensus in defining sustainable consumption and it is widely recognized to be a contested concept (Seyfang 2004). As such, organisations wishing to pursue sustainable consumption policies face major challenges not only in defining, but also in operationalising, the concept. In looking to put some flesh on the concept the International Institute for Sustainable Development (2017) suggested that sustainable consumption can be seen as *'an umbrella term that brings together a number of key issues, such as meeting needs, enhancing the quality of life, improving resource efficiency, increasing the use of renewable energy sources, minimising waste, taking a life cycle perspective and taking into account the equity dimension.'* More specifically the United Nations Environment Programme (2015) has identified nine elements namely: *'waste management', 'sustainable resource management: design for sustainability; cleaner production and resource efficiency; sustainable transport; eco-labelling and certification; sustainable procurement; sustainable marketing'* and *'sustainable lifestyles'*, which characterize sustainable consumption. This paper employs these elements to provide an exploratory review of how the leading US retailers are publicly addressing sustainable consumption, as characterized by the nine elements listed above, and then offers some reflections on the ways in which these retailers are currently addressing and pursuing sustainable consumption.

Cohen (2010) traced the emergence of the term sustainable consumption to the Rio Earth Summit in 1992 while Geels et al. (2015) suggested that early policy ideas about sustainable consumption and production can be traced back to reports by the United Nations, the Organisation for Economic and Cultural Development and the World Business Council for Sustainable Development over twenty years ago. In the years since then sustainable consumption has become an increasingly important policy element in national, and increasingly international, sustainable development strategies. A commitment *'to ensure sustainable consumption and production patterns'* is one of the United Nations 17 Sustainable Development Goals established in 2015 and in outlining this goal the United

Nations (2015) argued *'It's in businesses' interest to find new solutions that enable sustainable consumption and production patterns.'*

However, there is little consensus in defining sustainable consumption and it is widely recognized to be a contested concept which embraces *'competing discourses'* (Hobson 2006). Hinton and Redclift (2009), for example, argued that sustainable consumption *'could be considered an ambivalent term: the discourse comprises many different parts, mobilised at different times and in different ways.'* Jackson (2006) summarised a variety of definitions but noted that these adopt different positions, not only on *'the extent to which sustainable consumption involves changes in consumer behaviour and lifestyles'* but also on whether sustainable consumption implies *'consuming more efficiently, consuming more responsibly or quite simply consuming less.'* Jackson (2006) further argued that *'the dominant institutional consensus'* is that sustainable consumption *'is to be achieved primarily through improvements in the efficiency with which resources are converted into economic goods.'*

More generally, a distinction has been made between *'weak sustainable consumption'* and *'strong sustainable consumption.'* The former has been defined as *'choosing products and services that either are less resource consuming, or less burdening for the environment, or less destructive for those people actually producing them'* (Church 2009). The latter definition embraces *'increases in the eco- efficiency of consumption (often via more efficient production patterns or an efficiency friendly design) and fundamental changes in consumption patterns and reductions in consumption levels in industrialized countries'* (Fuchs and Lorek 2004). Arguably more pointedly, Geels et al. (2015) argued that current thinking on sustainable consumption (and production) is framed by two generic positions. The first, described as *'the reformist position'* focused *'on firms pursuing green eco-innovations and consumers buying eco-efficient products, represents the political and academic orthodoxy.'* The second, is described as *'the revolutionary position'* namely *'a radical critique'* which *'advocates the abolition of capitalism, materialism and consumerism and promotes values such as frugality, sufficiency and localism.'*

The study of consumption has generated a wide range of perspectives and approaches but three sets of approaches merit attention here. Firstly, the traditional approach to consumption is based on the individual consumer as the basic unit of analysis. Consumers are seen to be empowered individuals making decisions for themselves, or their households, and voluntarily exercising their freedom of choice, in their buying behaviour. Hansen and Schrader (1997), for example, argued *'the model of consumption prevailing in the theory of market economies as well as in consumer policy, was traditionally based upon the notion of consumers' sovereignty'* and the authors suggested that *'this model served both as a description and as the ethical foundation of the market economy.'* Under the banner *'Sustainable Consumption and Behavioural Change'*, Warde (2013), suggested that *'the current political fashion, at least in the UK and USA, is for "behavioural change" initiatives which encourage citizens to assume greater "personal responsibility" for their lifestyles and their "choices" in the market-place. Strategies are typically directed towards influencing consumers to make different choices when out shopping. Perhaps most prominent are social marketing and information campaigns' ..... 'which hope that individuals will adopt rational behaviour by recognising how sensible it would be to modify their ways of life and help save the planet.'* However while Brand (2010) recognised that *'in*

*environmental and consumer policy it has become common place to view the critical consumer as the decisive agent for a change towards sustainable consumption’, he argued that such ‘individualized approaches do not take into account the complex socio-technical nature of consumption, its dependency on systems of provision, its varying symbolic meanings across social milieu, and the systematic interlinkages of consumption practices and conventions of everyday life.’*

Secondly there is growing interest in developing a better understanding of how the practices of consumption can help contribute to the study of sustainable consumption and here *‘practices, instead of individuals, become the units of analysis that matter most’* (Spaargaren 2011). More pointedly, Shove and Spurling (2013) argued that *‘rather than seeing change in the resource intensity of daily life as an outcome of individual choice, or of seemingly external economic and social forces, it makes sense to ask how social practices evolve, and what this means for the use of energy, water and other natural resources.’* This work draws on the wider genre of practice theory which in simple terms looks to understand *‘the role that practices play in our lives’* (Schatzki 2010). Ropke (2009) asserted that *‘practices are meaningful to people, and if asked about their everyday life, they will usually describe the practices they are engaged in. Consumption – which is interesting from an environmental perspective – comes in as an aspect of practices: performing a practice usually requires using various material artefacts, such as equipment, tools, materials, and infrastructures.’* Ropke (2009) further argued that *‘primarily, people are practitioners who indirectly, through the performance of various practices, draw on resources.’* Welch and Warde (2015) suggested that *‘theories of practice have an affinity with the analysis of sustainable consumption’* and that such theories *‘seem to have produced particularly promising applications in the understanding of sustainable consumption.’* In particular Welch and Warde (2015) suggested that studying sustainable consumption through the lens of theories of practice promises a way out of the *‘attitude-behaviour gap’* namely *‘the phenomenon of the discrepancy between reported pro-environmental values and obdurately unsustainable behaviour’* that bedevils approaches to sustainable consumption based on individual consumer sovereignty.

Thirdly there is the issue of power described as *‘the missing element in sustainable consumption’* (Fuchs et al. 2016). More specifically Fuchs et al. (2016) argued that *‘real sustainable consumption - consumption at levels that reverse the depletion of natural capital, repair the rapid unravelling of the global biosphere and produce more prosperity at lower levels of overall consumption – will only emerge through collective action, adroit organizing and the focused exertion of influence: in short through the dynamics of power.’* In a similar vein, Geels et al. (2016) suggested that *‘the role of politics and power could be strengthened’* in future research into sustainable consumption and production and that *‘politics, power and political economy’* were *‘noticeably absent’* in *‘practice theories.’* Bradshaw et al. (2013) emphasised *‘the need for a politically – oriented analysis of consumption, not only for the sake of informing academic debates but also for the sake of informing contemporary consumption practices.’* In concluding their review of the importance of focusing on the importance of power in sustainable consumption Fuchs et al. (2016) argued *‘power is essential in understanding what drives overconsumption and creates barriers against attempts to make it sustainable, and in identifying where potentially effective intervention points may exist.’* This, in turn, echoes Dolan’s (2002) belief that *‘the goal of sustainable consumption needs to be seen as a political project,*

*recognising the power relations between social groupings and between cultural value systems' and his warning that 'this is the context within which the idea of sustainability will stand or fall.'*

## **Methods**

In an attempt to obtain an exploratory review of the ways in which the leading US retailers were addressing sustainable consumption the top ten US country of origin retailers (Deloitte 2017), as measured by retail revenue, namely Wal-Mart, Costco, Kroger, Walgreens Boots Alliance, Home Depot, Amazon, Target, CVS Health, Lowe's and Albertsons, were selected for study. These 10 retailers accounted for some 28.5% of the retail revenue generated by the world's top 250 retailers (Deloitte 2017). As the largest retailers, not only within the US, but also within the world, the selected companies might be seen to reflect cutting edge and innovative approaches to addressing sustainable consumption within the sector and to be keen to publicise their sustainable consumption initiatives to a wide audience. While the majority of the selected retailers operate in a number of countries, three, namely Kroger, Target and Albertsons, only have retail operations within the US, though all the top ten US country of origin retailers have global supply chains. Walmart, Walgreens Boots Alliance, Costco and Lowe's have operations in 30, 10, 10 and 3 countries respectively. Walmart are the world's largest retailer, and trade from hypermarket, supercentre and superstore formats. Walgreens Boots Alliance are a pharmacy led health and wellbeing retailer, while Lowe's operates home improvement and appliance stores in the US, Canada and Mexico. Kroger, whose operations span 35 US states, is the third largest retailer in the world and its store formats include grocery and multi-department stores, convenience outlets and jewellery stores. Target is principally a discount store retailer and it trades from over 1,800 locations within the US.

While retailers have employed a range of methods to report on their sustainability commitments and achievements, publication on corporate websites has become the most popular, and the most accessible, reporting mechanism (Morhardt 2009; Gunardi et al. 2016). With this in mind, the authors conducted a digital Internet search for information, using the key phrase 'sustainability report' and the name of each of the selected US retailers. This search, conducted in November 2017, used Google as the search engine, and the most recent reports for each of the selected companies obtained from this search process provided the empirical information for this paper. All of the leading US country of origin retailers, apart from Amazon, posted sustainability or corporate social responsibility reports on the Internet, though the nature and content of the sustainability reporting process varied considerably. Some of the selected companies, including Wal-Mart, Home Depot and Walgreens Boots Alliance posted traditional linear style reports while the sustainability reports posted by Costco, Kroger and Target contained linked highlights, which expanded their readability. The traditional sustainability reports varied considerably in length. The Wal-Mart report contained 198 pages while the corresponding figures for Home Depot, Target, and Walgreens Boots Alliance were 101, 53 and 44 respectively. Some of the selected companies provided detailed structured narratives while others offered a lighter and less detailed commentary. The selected companies illustrated the narrative in their sustainability reports with cameo 'case studies' and with short quotations from senior

company executives as well as with statistical information, time series environmental and social data, personal stories, diagrams and photographic images.

In reviewing the selected retailers' sustainability reports the authors were guided by loose-grounded theory and took the decision to tease out the key themes and narratives by a close inspection of the sustainability reports on the selected companies' corporate web sites. More specifically the authors searched for the nine elements namely: sustainable resource management; design for sustainability; cleaner production and resource efficiency; sustainable transport; eco-labelling and certification; sustainable procurement; sustainable marketing; sustainable lifestyles' and 'waste management,' which the United Nations Environment Programme identified as characterising sustainable consumption. This paper employs these elements, essentially as surrogates of sustainable consumption, to provide an exploratory review of how the leading US retailers are publicly addressing sustainable consumption and then offers some reflections on the ways in which these retailers are currently addressing and pursuing sustainable consumption. The specific examples and quotations drawn from the selected sustainability reports are used for illustrative purposes, with the focus being on reviewing the ways the major US retailers addressed the issue of sustainable consumption, rather than on providing a systematic analysis and comparative evaluation of the retailers' approach to sustainable consumption.

As the paper draws on information that is in the public domain, the authors took the considered view, they did not need to contact the selected companies to obtain formal permission prior to conducting their research. When outlining the issues of reliability and validity in relation to information drawn from the Internet, Saunders et al. (2009) emphasised the importance of the authority and reputation of the source and the citation of a specific contact individual who might be approached for additional information. In reviewing the sustainability reports, the authors were satisfied that these two conditions were met. At the same time, the authors recognise that their study has its limitations. Not least in that it is based on just nine of the US country of origin retailers' sustainability reports and on the authors' reading and selection of material on sustainable consumption from these reports. That said, they believe that their approach is appropriate in what is an exploratory study.

### **Results and Discussion**

At a general level, all nine selected US retailers that published sustainability reports, emphasised their ongoing corporate concern for, and commitment to, sustainability. Home Depot, for example, claimed that *'we approach sustainability and corporate responsibility with the mindset of continuous improvement'*, that *'continual sustainable improvements are woven into our operations'* and that the company was positioned *'to continue in a rapid pace to improve the social and environmental impacts of our company.'* In a similar vein, in its *'Sustainability Report'* subtitled *'Improving today to Protect Tomorrow'* Kroger stressed the company's commitment to *'improve people's lives, protect our planet and act responsibly as a global citizen.'* Walmart stressed its commitment to *'enhancing the sustainability of our operations and value chains'*, and Lowe's claimed the company was *'building on our 70-year heritage of serving customers, employees and our communities to become more sustainable and responsible every day.'* More generally, Target reported that the company had *'designed its corporate social responsibility areas to support a better, more sustainable world in alignment with the United Nations Sustainable Development Goals.'*

However, while the specific issue of sustainable consumption was not explicitly mentioned in any of the sustainability reports, the selected retailers addressed a number of the nine elements identified as characterising sustainable consumption by the United Nations Environment Programme, albeit in different measure. Walmart, for example, reported on its work in *'eliminating waste in our operations'* and more specifically on its goals to *'achieve zero waste in our own operations in the US, Canada, the UK and Japan by 2025'* and to *'continue working to divert waste (from landfill) in all markets, moving as fast as infrastructure and best practices allow.'* Here Walmart stressed its work in collaborating with customers, suppliers, governments and non-profit organisations to improve reuse and recycling levels and in pursuing a circular economy approach. In outlining its approach to the circular economy, Home Depot claimed that *'our suppliers are working to extend the life of retired products by utilizing more recycled content in products and packaging.'* More specifically Home Depot reported on a range of recycling initiatives with lawn refuse bags, floor mats made from recycled rubber and plastic, festive light strings, cloth and canvas bags and cardboard boxes.

Walmart reported on its initiatives to measure waste within its operations, to implement a standardised waste management data-system, to eliminate food waste in the company's operations and to eliminate waste from non-food products and packaging. In addressing design for sustainability, Walmart, reported on *'designing products for efficiency and end of life.'* Here, for example, the company stressed its 2015 commitment to phasing out compact fluorescent lamp bulbs from its US stores in favour of light-emitting diode light sources, which are a more efficient technology. Walmart also reported on its work with its suppliers to make packaging more sustainable and on encouraging its suppliers to put recycling information on packaging.

Home Depot stressed its commitment *'to properly managing waste and hazardous waste generated through our store operations and customer returns'* and claimed that the company *'continues to seek out ways to reduce, reuse and recycle our hazardous waste.'* More specifically, for example, Home Depot reported on its work in identifying chemical-based products sold or used by the company, on taking preventative steps to avoid spills and contamination, on its procedures for handling damaged containers and on its use of various sustainable methods for managing hazardous waste. Overall Home Depot reported that 41% of hazardous waste was recycled or converted to energy. Walgreen Boots Alliance reported on *'waste pilot project'*, which the company claimed would set the stage for *'comprehensive US waste programs.'* Walgreen Boots Alliance also argued that it was *'working to identify realistic waste reduction targets'* and *'to continue developing a comprehensive zero waste to landfill approach that will, include distribution centers, retail stores and support center offices.'*

A number of the selected retailers addressed sustainable procurement and sustainable resource management. Kroger, for example, reported that the company's stakeholders are placing increasing emphasis on the supply chain namely *'the entire food growing and distribution system from farm or ocean to our stores.'* Further, Kroger claimed that *'more and more people also care about and want to know how Kroger positively influences the supply chain from raw materials and ingredients and manufacturing inputs to*



*labor practices and animal life.*' Kroger also reported on its commitment to stocking fresh organic fruits, vegetable and salads, fair trade products and locally produced goods in its stores and claimed to be the one of the largest natural food retailers in the US. Costco stressed its commitment to *'strategically source our merchandise in a sustainable manner'* and more specifically to human rights, animal welfare, sustainable fisheries and environmental impacts in pursuing this goal.

Albertson's reported that the company offered *'organic, earth friendlier and sustainably sourced products'* and emphasised its commitment to animal welfare and improved accountability in the dairy industry. Home Depot reported on its approach to *'sustainable forestry'* and claimed that the company *'purchases wood responsibly throughout the world.'* Lowe's emphasised its collaboration with suppliers *'to encourage the maintenance of natural forests and environmentally responsible wood sourcing practices'* and reported that in 2016 *'more than 73 percent of our wood was certified for sustainable management practices.'* Albertsons reported on its commitment to *'ocean conservation'* and on its plans to *'generate collaborative solutions to the most pressing issues in seafood and promote socially and environmentally responsible sourced seafood.'*

Resource efficiency was an issue in a number of the selected retailers' sustainability reports. Home Depot, for example, stressed the company's *'commitment to energy efficiency in our stores'* and reported that *'in 2015 our innovative products reduced US carbon emissions by over 4 million metric tons.'* More specifically, Home Depot's sustainability report provided details of energy efficiency savings embracing a wide range of domestic products including programmable thermostats, solar panels, washing machines, garage lights, bath vents, air purifiers, ceiling fans and water heater pumps. Home Depot also reported that the company and its suppliers had been *'instrumental in taking water-efficient products to a new level'* and here again this achievement was illustrated with summary water saving data on a range of domestic products including showerheads, kitchen and bath faucets, toilets, hoses and the installation of rain barrels. Lowe's outlined its *'ambitious plans to reduce energy use and associated carbon emissions'* and claimed that the company *'continually look for opportunities to implement energy-efficient projects.'* Costco reported on the introduction of a water efficiency programme in 120 of its stores in Arizona, California, Nevada and Hawaii while CVS Health reported on an energy efficiency initiative in the refrigeration units in its transport fleet.

At the same time, Walmart reported on the challenges the company faced in *'reducing energy intensity and emissions in our operations.'* Here the company emphasised that its strategic commitments to expand its retail offer, both in stores and online, placed growing demands on energy suppliers and posed *'an uphill battle in reducing absolute carbon emissions.'* Further, Walmart argued that the increasing incidence of extreme weather events and price volatility of fossil fuels were also major challenges in improving energy efficiency. In arguing for *regulatory freedom to directly source electricity from project developers or independent power producers'* the company argued *'our ability to scale renewable energy projects is diminished because we are not able to sign direct power purchase agreements.'* CVS Healthcare reported tension between the overall increase in fuel consumption attendant upon the growth in the number of the company's pharmacies and a

change in employee business travel policy on the one hand, and the desire to improve energy efficiency on the other.

Under the banner headline, *'Moving in the Right Direction'* Albertsons addressed two sustainable transport initiatives. Firstly, the company reported that 89% of its truck fleet carried US Environmental Protection Agency 'Smartway' certification and as such made an important contribution to *'supply chain sustainability and freight transport efficiency.'* Secondly, it was reported that during the past five years the company's biodiesel programme had converted over 13 million lbs. of used cooking oil from its California stores to power a proportion of the company's fleet of trucks. Under the headline *'maximizing the efficiency and safety of our trucking fleet'*, Walmart announced that the company had *'exceeded our goal of doubling the efficiency of our trucking fleet.'* This has been achieved by the company's employees' *'efforts to improve techniques for loading, routing and driving, as well as through collaboration with equipment and system manufacturers on new technologies.'* Further Walmart reported that these efficiency gains led to a reduction of 650,000 metric tons of carbon dioxide emissions and achieved savings of almost \$1 billion. CVS Health reported on the implementation of an improved routing software system which allows the company *'to track and optimize miles driven, fuel efficiency, average cost per load and on-time service delivery.'*

While the issue of sustainable lifestyles was rarely explicitly addressed in the sustainability reports, a number of the selected retailers reported on ways in which they looked to help their customers to live more sustainably. Under the headline *'Inspiring Solutions for Better Living'*, Target, for example, claimed that the company *'strives to make better living attainable for all families by making better-for-you products accessible and affordable.'* Further Target reported that *'in 2016, we granted nearly \$40 million to organizations across the country to help youth and families build life-long healthy habits, making better-for-you living easier and more accessible for all.'* In illustrating this commitment, Target reported on its partnership with 'Common Threads', an organization which offers *'culturally relevant, hands on cooking and nutritional education programs for children, parents and teachers that help prevent childhood obesity and get kids cooking for life.'* A number of the selected retailers reported on their work in supporting local communities and enhancing resilience in the face of environmental disasters. Albertsons, for example, reported on its work on flood relief in Louisiana. In a similar vein the Wal-Mart reported on how the company had helped provide relief following the destruction wrought by Hurricane Matthew in 2016 as well as its work in disaster relief in Guatemala, China and Argentina.

Lowe's argued that *'customers expect products that are safe, socially and environmentally responsible, and also affordable.'* Further, Lowe's stressed its commitment to *'building customer awareness'* and here the company reported that employees have access to online training to communicate product information to customers and that customers can access a range of online resources which can help them to choose products that reduce their collective impact on the environment. CVS Health emphasised its mission *'to help people on their path to better health'* and reported that the company was the first national pharmacy chain to remove tobacco products from its retail shelves and on its involvement in tobacco prevention education programmes in schools and colleges. Costco

stressed its commitment *'to be active in our local communities'* and reporting budgeting *'1% of pre-tax profits for charitable contributions focused on children, education and health and human services.'*

The majority of the elements seen to characterise sustainable consumption by the United Nations Environment Programme (2015) are collectively addressed in the selected US retailers' sustainability reports. That said, there is considerable variation between the selected retailers in both range and the extent of the coverage of these elements within the sustainability reports. While it is not the aim of this paper is to provide a comparative evaluation of how the leading US retailers are addressing sustainable consumption, the findings suggest that the leading players in US retailing do not speak with one voice. As such the findings of the current exploratory review would not appear to be wholly consistent with the Retail Industry Leaders Association position that sustainable consumption is the most critical issue for retailers to address. That said a number of issues merit attention and discussion.

Firstly, there are issues around the selected retailers' interpretations of the nine elements of sustainable consumption identified by the United Nations Environment programme. On the one hand the retailers made some explicit attempts to link their commitments and reported achievements to sustainable consumption. The leading US retailers generally claimed to be responding to, and in many ways, being driven by, consumer demands, and there was some evidence of retailers' attempts to formally recognise and encourage consumer sovereignty in changing behaviour, and in adopting more sustainable buying behaviours. Home Depot's *'Eco Options Program'*, for example, *'helps consumers locate products that have comparably lower environmental impact'* Here Home Depot, claimed *'the answer lies in our everyday actions. Just knowing the impact of certain products may help us all make better decisions. With millions of people going through our doors on a daily basis, The Home Depot is in a unique position to educate and influence our customers on products that are good for them and good for the environment.'* However such claims are not consistent with concerns, outlined earlier in this paper that approaches to sustainable consumption policy based on the individual consumer as empowered decision maker do not take into account complex nature of consumption or the discrepancy between pro-environmental attitudes and unsustainable buying behaviour.

On the other hand, many of the retailers' commitments and achievements to the nine elements of sustainable consumption identified by the United Nations Environment Programme seem to be driven as much by cost savings, business efficiency drives and competitive pressures, as by commitments to sustainable consumption per se. In outlining its approach to *'reducing energy intensity and emissions in our operations'*, Walmart, for example, argued that *'setting targets to cut greenhouse gas emissions in line with science is not just good for the planet, it's good for consumers and the bottom line. Walmart has sent a strong signal to other companies by shifting their business strategy to secure competitive advantage in the transition to a low-carbon economy.'* Costco reported on the management of its operations in over 700 stores worldwide *'in an energy-efficient and environmentally responsible manner.'* More specifically the company argued that *'these efforts, together with our attention to detail to find efficiencies that lower costs, use fewer resources and generate less waste, help us remain a low-cost operator, become more efficient and reduce*

*our carbon footprint. These measures also save money on energy costs, help us remain a low-cost operator, become more efficient and reduce our carbon footprint.*' More generally the retailers' position might be seen to be supported by Rokhmawati et al. (2017), for example, which suggested that customers' responses to a company's efforts to reduce greenhouse gas emissions had a positive effect on sales.

Secondly, while all the selected retailers used a variety of quantitative measures and statistical data to support their achievements in reporting on the nine elements seen to characterise sustainable consumption, external verification of these measures and data was very limited. Conventionally, such verification can be undertaken in a number of ways but the most widely adopted approach is the commissioning of an assurance statement by an independent external organisation. A number of benefits are claimed for commissioning and producing an assurance statement. Perhaps most importantly, as a range of stakeholders share an increasing interest in how companies are discharging their social, environmental, economic and ethical responsibilities so the inclusion of a robust and rigorous assurance statement within a sustainability report helps to enhance reliability and credibility. More commercially, the provision of an assurance statement might be seen to enhance both a company's reputation with its stakeholders, its brand identity and its standing in the wider community.

Only one of the selected US retailers, namely, Walgreen Boots Alliance, included an independent assurance statement in their sustainability report, while none of the other retailers provided any external verification of the data contained in their sustainability reports. Deloitte reviewed a range of 12 environmental indicators, including carbon dioxide emissions from a number of sources, energy use, waste generation and disposal and business travel by air, and a 9 community and workplace indicators in a limited assurance exercise for Walgreen Boots Alliance. Here, Deloitte concluded that *'nothing came to our attention that caused us to believe that the specified indicators are not presented in all material aspects, in conformity with the Walgreen Boots Alliance Corporate Social Responsibility Performance Data Base of Preparation.'* That said, Deloitte qualified their assurance statement by noting two caveats. First, *'the preparation of specified indicators within the Corporate Social Responsibility Report requires management to establish the criteria, make determination as to the relevancy of the material to be included, and make estimates and assumptions that affect reported information.'* Second, *'our review was limited to those indicators specified by the management and such specified indicators may not necessarily reflect the overall sustainability profile of the company.'* CVS Health reported that the company did not have a formal policy for external assurance but that it did use a third party to verify its greenhouse gas emissions inventory, though the results of this verification exercise were not included in the company's sustainability report.

Overall, the failure by all but one of the selected retailers to provide any independent external assurance of the data relating to the nine measures seen to characterise sustainable consumption can, in turn, be seen to reduce both the credibility and the integrity of the reporting process and of the selected retailers' commitments to sustainable consumption. This is not a problem per se, as sustainability reports are themselves voluntary and the accompanying assurance statements are not subject to regulation. Further, it is important to note that the leading US retailers are large and dynamic organisations. Capturing and storing comprehensive information and data across a

diverse range of business activities throughout the supply chain in a variety of geographical locations and then providing access to allow external assurance is a challenging and a potentially costly venture and one which the majority of the selected retailers currently seemingly choose not to pursue.

Thirdly, there are issues surrounding some of the selected retailers' commitment to the concept of the circular economy. Essentially the concept of the circular economy embraces all stages of the product life cycle from both the product design and the production process, through retail strategy and marketing, consumption to waste management, recycling and re-use. Changes both in consumer behaviour and in the retailers' traditional business model merit attention in relation to sustainable consumption. On the one hand a transition to a circular economy would constitute a dramatic change in the ways in which consumers approach consumption, and arguably see the emergence of a *'new consumption culture'* (Korhonen et al. 2018). Indeed, the emergence of such a new culture of consumption with *'user groups and communities sharing the use of the function, service and value of physical products'* (Korhonen et al. 2018) is certainly central to the circular economy. Here research into the practices of consumption might help to shed light into how such a collective approach to consumption might foster more sustainable patterns of behaviour.

The transition to a circular economy could see the growth of a larger service economy, for example, with a greater accent on consumers leasing products as and when they are required, rather than on purchasing and owning products, and then discarding them when their useful or fashionable life was seen to be at an end. That said such a change could be seen to challenge the current social value which consumers ascribe to many of the products and services they buy, which may in turn, make it difficult for large numbers of consumers to buy into second hand or reusable patterns of consumption. More generally, it thus remains to be seen how enthusiastically consumers will embrace the realities of the circular economy not least because it might be seen by many as *'a reverse of progress towards a better life'* that involved *'a sacrifice of our current, tangible needs and desires, in the name of a better but uncertain future'* (European Commission 2012).

On the other hand, retailers face fundamental changes in their traditional business model if they are to embrace the circular economy. While some of the selected leading US retailers recognised their role in providing customers with more information about the importance of recycling and reusing to reduce waste within store, in truth, the circular economy will demand a radical restructuring in the traditional retail business model. Such a restructuring will involve a range of challenges and changes throughout the retailers' supply chains and in their corporate strategies. The circular economy also demands greater efficiency in production processes and here retailers will need to look to use their power within the supply chain to reduce the environmental and social impact of production, for example, through more sustainable sourcing and the promotion of innovative design and production. Some retailers, particularly those specialising in consumer household goods, may look to reframe their relationships with their customers, with increasing emphasis being put on servicing rather than sales. This in turn could, for example, involve retailers digitally monitoring the performance of products and enabling customers to repair products easily, rather than discarding them. Leading retailers may also look to develop new relationships with suppliers to build the potential for more widespread reuse and recycling, rather than obsolescence, at the design stage in new product development.

More generally, there are more fundamental, and more contentious, issues about the tensions between sustainable consumption and both the dominant retail business model centred on continuing growth and existing economic and political structures, which in some ways are reflected in debates about the circular economy. On the one hand, the selected US retailers stressed their commitment to continuing growth in a variety of ways. Walmart, for example, emphasised *'we pursue our mission by creating more economic opportunity for our customers and associates, while putting tools in place that can help grow our suppliers, partners and the economy more broadly.'* Further Walmart reported looking *'to expand our retail offerings worldwide, both in stores and online'*, and that *'this means more stores, clubs, data centers, distribution centers, suppliers, products and trucks to move products are added each year.'* More generally there is a majority business belief that *'the circular economy would decouple economic growth from resource use'* (McKinsey and Company 2015) might be seen to justify the leading retailers' commitment to continuing growth, despite wider concerns about the overconsumption of natural resources and the damaging environmental effects of such growth.

On the other hand, Gregson et al. (2015) argued that a circular economy *'would require radical transformation to the economic order, including fundamental recasting of manufacture, retail, consumption and property rights.'* Such radical changes would extend far beyond the retail sector of the economy and, given its global supply chains, well beyond the US. As such, concerns have been expressed that the concept of the circular economy might be captured by corporate interests, and more specifically by corporate capitalism. Valenzuela and Bohm (2017), for example, suggested that *'given the all too obvious consequences environmental crises associated with out-of-bounds growth capitalism, the circular economy has been one of the main references for rebuilding and reforming a political economy of sustainable growth.'* However, Valenzuela and Bohm (2017) further argued that the terms circular economy and sustainability were effectively being *'captured by politic-economic elites claiming that rapid economic growth can be achieved in a way that manages to remain responsible to environment and society.'* As such the leading US retailers might be seen to be capturing the concept of the circular economy for their own business ends, while effectively and conveniently ignoring the fact that present patterns of consumption may be simply unsustainable in the long term.

## **Conclusion**

The Retail Industry Leaders Association's 2017 Retail Sustainability Management Report identified sustainable consumption as the most critical issue for retailers to address/ However, this exploratory review of the most recent sustainability reports published by the leading US retailers suggests their current approach to sustainable consumption is, at best, ambivalent. On the one hand it is ambivalent in that while sustainable consumption is not explicitly mentioned in any of the selected retailers' sustainability reports, the selected retailers addressed a number of the nine elements identified as characterising sustainable consumption by the United Nations Environment Programme in 2015. More specifically the selected retailers reported on a range of their sustainability commitments and achievements, including waste management, sustainable sourcing, sustainable transport, resource efficiency and sustainable lifestyles. On the other hand, the selected retailers approach to sustainable consumption can also be seen to be ambivalent in that the authors argue that it is driven as much by business efficiency and cost savings measures as by any

desire to encourage more sustainable patterns of consumption let alone to reduce overall level of consumption. More critically the authors suggest that the leading US retailers might be seen to be capturing sustainable consumption, for example, through their public support for the concept of the circular economy, for their own business ends, while effectively and conveniently ignoring the fact that present patterns of consumption are unsustainable.

This exploratory paper clearly does not lend itself to definitive managerial recommendations per se, but in some ways it can be seen to provide a mirror in which the leading US retailers, and the retail industry as a whole, might reflect on current approaches to sustainable consumption. Such reflections might focus on a number of challenging issues. Initially, for example, there is the complex and testing issue of the development of a definition of sustainable consumption which looks to genuinely embrace not only *'consuming more efficiently'* and *'consuming more responsibly'* but also *'consuming less'* (Jackson 2006). Translating radical definitions of sustainable consumption into new corporate strategies would challenge traditional business models within the retail community and would have profound implications throughout supply chains. Here leading retailers could adopt different strategic positions in the search for competitive advantage in what could become a dynamic, if very different, retail marketplace.

More practically, how new definitions of sustainable consumption might be operationalised at store level and online would also be a major challenge as would how retailers would respond to consumer reaction to what might be perceived as fundamental changes in the nature of the retail offer. The leading retailers may also wish to explore how they might more effectively pursue their buying and supply activities to promote sustainable consumption and they may look to develop more effective and focused initiatives to sensitise buyers to sustainable consumption agendas. Further, the leading US retailers may look to review their approach to external assurance, and thus to improving the transparency of their commitments to sustainable consumption and their achievements in fostering it, if sustainable consumption is to be genuinely addressed as a critical issue.

While this paper has limitations as noted earlier, the authors believe that their approach is appropriate in what is an exploratory study and that, as such, it provides a platform for future research. Looking to the future, academic research might look, for example, to investigate strategic thinking about sustainable consumption amongst leading retailers within the US and elsewhere within advanced capitalist societies. Such investigations might profitably include specific case studies of individual retailers and detailed as well as more comparative investigations with a larger number of retailers. In both cases negotiating access to key decision makers, will probably prove to be a difficult issue, in part because sustainable consumption is a sensitive issue for retailers and in part because of the issue of commercial confidentiality. Here researchers may be advised to explore the possibilities of undertaking their research in collaboration with the Retail Industry Leaders Association. Such work may also explore the challenges and barriers, retailers face in looking to drive sustainable consumption through their supply chains. Further, consumers' perceptions of, and enthusiasms, for a move to more sustainable consumption will provide valuable insights into what could become a radically changing consumption process.

By way of a general, if pessimistic, finale, the authors believe that there is little evidence, at the present time, of widespread corporate or consumer appetite for a

transition to a more sustainable future, which genuinely prioritises sustainable consumption, and that such a scenario also seems currently politically unacceptable. However, it is important to recognise that retail changes do not take place within a vacuum and that while the leading retailers currently have the power to influence, and some critics would say, control, much of the environment in which they operate and trade, there are limits to their influence and power. Although the increasing incidence of extreme weather events across the world is often seen being a harbinger of seemingly inevitable climate change, for example, such events quickly seem to be largely, though not entirely, forgotten and simply brushed aside. In truth, it may require a truly cataclysmic global event, or series of events, to trigger collective, rather than individual, self-interest, to precipitate widespread political, corporate and consumer engagement with sustainable consumption. While the leading US retailers currently report on how they respond to localised climatic events in their work in enhancing community resilience, they will surely also be scenario planning for how they might respond to, and maintain business continuity, in the face of more catastrophic change.

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