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SUSTAINABILITY IN RETAIL SUPPLY CHAINS

Peter Jones and Daphne Comfort

Abstract

Large retailers have been taking an increasing interest in sustainable development for the past 20 years. Although retailers play a central role in supply chains, research into sustainability within retailers' supply chains has been limited. With this in mind, this paper provides an exploratory review of how the five leading retailers in both the US and the UK are addressing supply chain issues in their latest sustainability reports. The paper revealed that all ten retailers addressed sustainability in the supply chain as part of their reporting on a range of issues including sustainable sourcing, human rights, carbon emissions, and waste management, but that there was no dedicated or discrete focus on sustainability in the supply chain within the reporting process. At the same time, many of the retailers' approaches to sustainability in the supply chain were aspirational and this raised issue of cost and external assurance. Looking forwards, particularly in the wake of the COVID-19 pandemic, it remains to be seen how much enthusiasm, political will and investor support, large retailers will have to continue to sustainability agendas in their supply chains. However, if large retailers do look to introduce more rigorous environmental, social and economic measures into their supply chains, this will provide a major challenge for, and potentially a radical change to, their conventional business models.

Keywords Retailers, Sustainability, Supply Chain, Business Model, US, UK

Introduction

For over 20 years large retailers have taken an increasing and visible interest in sustainable development. The British Retail Consortium, for example, published its a retail sustainability strategy in 2001 and four years later Jones et al. (2005) reported that the majority of the UK's leading retailers recognised some of the impacts their businesses have on the environment, society and the economy, and were developing, and reporting on, their sustainability programmes and strategies. Walmart (2008), the world's largest retailer, published its first sustainability report in 2008, and claimed '*we're making sustainability our business.*' Reviews of the leading global, (e.g. Jones et al. 2011) and European, retailers' (e.g. Jones et al. 2012) sustainability reports revealed a focus on a wide range of environmental, social, and to a lesser extent, economic issues. However, while retailers, as the intermediaries between consumers and producers, play a central role in supply chains, Weise et al. (2012) suggested that existing reviews of sustainability issues in retailing had a narrow focus and more particularly that there was '*a research gap regarding the role of retailers in implementing sustainability along supply chains.*' In a similar vein, Sebastiani et al. (2015) claimed that '*supply chain sustainability, although being an extremely up to date issue does not seem to have been fully examined yet, particularly from the retailers' point of view.*' More recently, McWilliams and Hawkins (2019) suggested that '*driven by a shift in consumer attitudes and expectations, as well as ever-tightening government legislation, the need for businesses to re-evaluate the economic, environmental and social impact their supply chain has, and the risks and opportunities that these bring, is more important than*

ever.’ This reflects the US Retail Industry Leaders Association (undated) assertion that *‘in retail, a small fraction of natural resource use—and subsequent impacts on humans and the environment—occurs in direct operations. The remainder is in retail supply chains and with customers.’* With these thoughts in mind, this paper, provides an exploratory review of how a number of leading retailers are addressing supply chain issues in their latest sustainability reports.

Sustainability and Retail Supply Chains

According to Diesendorf (2000) sustainability is *‘the goal or endpoint of a process called sustainable development.’* The initial definition of sustainable development namely, *‘development that meets the needs of the present without compromising the ability of future generations to meet their own needs’* (World Commission on Environment and Development 1987), is still widely used over three decades after it was framed. That said, there is little consensus in defining sustainability and it is essentially a contested concept which *‘means different things to different people’* Aras and Crowther (2008). On the one hand, there is a family of definitions based in and around ecological principles and on the other hand there are wider definitions, which look to embrace social and economic, as well as environmental, goals, and which look to embrace equity in meeting human needs.

More critically, Hudson (2005) argued that definitions range from *‘pallid blue green to dark deep green.’* The former, Hudson (2005) suggested centre on *‘technological fixes within current relations of production, essentially trading off economic against environmental objectives, with the market as the prime resource allocation mechanism’* while for the latter *‘prioritizing the preservation of nature is pre-eminent.’* A distinction is also often made between ‘weak’ and ‘strong’ sustainability and Roper (2012) suggested that *‘weak sustainability prioritizes economic development, while strong sustainability subordinates economies to the natural environment and society, acknowledging ecological limits to growth.’*

Sustainability has become an increasingly public issues for retailers, who have seen it as a potentially important source of competitive advantage. However, a number of critics see the growing business interest in sustainability as little more than a thinly veiled and cynical ploy, popularly described as ‘Green Wash’, designed to attract socially and environmentally conscious consumers while sweeping pressing environmental and social concerns under the carpet. So seen, corporate commitments to sustainability might be characterised by what Hamilton (2009) described as *‘shifting consciousness’* towards *‘what is best described as green consumerism.’* This he sees as *‘an approach that threatens to entrench the very attitudes and behaviours that are antithetical to sustainability’* and argues that *‘green consumerism has failed to induce significant inroads into the unsustainable nature of consumption and production.’* Perhaps more radically Kahn (2010) argued that *‘green consumerism’* is *‘an opportunity for corporations to turn the very crisis that they generate through their accumulation of capital via the exploitation of nature into myriad streams of emergent profit and investment revenue.’*

As interest in sustainability has gathered momentum so a number of attempts have been made to conceptualise sustainability and two approaches merit attention. Firstly, a number of authors (e.g. Garvare and Johansson 2010) have employed stakeholder theory to

conceptualise sustainability. In simple terms stakeholder theory is developed around the belief that companies should be sensitive to the interests not just of their shareholders, but also to those of a wider variety of stakeholders, including suppliers, customers and society at large, and that in so doing they will ultimately be more successful. Secondly, Amsler (2009) has looked to develop a more critical theory, which seeks to locate sustainable development within wider economic, social and political structures. Amsler (2009), for example, emphasised the need to *'explore the complex processes through which competing visions of just futures are produced, resisted and realized.'*

In simple terms the retail supply chain has been seen as the process by which retailers source primary and manufactured goods and services and make them available to customers in shops and stores or online. However, managing the retail supply chain, so characterised, has become a complex and process. A typical large Walmart store stocks 120,000 different items while large stores operated by Tesco, the UK's largest retailer, stocks some 90,000 store, and retail supply chains have a global geographical spread. A number of factors contribute to the complexity of retail supply chains including differing customer needs, the retail calendar, costs, inventory management, disparate ICT systems and cyber security, quality control and logistics. At the same time natural disasters, such as earthquakes, flooding, hurricanes and pandemics can have disruptive and unpredictable impacts on supply chains, as can political and civil unrest, war and terrorism.

Retail supply chains usually include goods supplied by producers, processors and manufactures which carry generic brand names, as well as own brand products, which carry the retailer's name and which can be supplied by firms that specialise in own brands and by firms that also supply generically branded products. The nature of the relationship between retailers and their suppliers, and the locus of power within these relationships varies considerably. Own brands enable retailers to work closely with suppliers, they can help retailers to negotiate better terms with suppliers and they can strengthen the retailers' bargaining power with suppliers. That said, few independent suppliers can ignore the access to customers offered by large retailers, and the general balance of power is increasingly seen to lie with the retailers.

Traditionally, customers were seen as the end users in retail supply chains. However, growing concerns about the increasingly unsustainable demands consumption is making on the environment, particularly in the developed world, and on communities, particularly in the less developed world, has effectively expanded the scope of the retail supply chain to incorporate the reprocessing and recirculating of materials and products. Such an expanded model of the retail supply chain, reflects wider growing interest in the concept of the circular economy. This concept embraces all stages of the product life cycle from product design and production, through marketing and consumption to waste management, recycling and re-use. Retail customers are seen to have a vital role to play in a transition to a more circular economy, not least in that they need to be prepared to embrace what they may see as radical new buying behaviours and more sustainable consumption practices. At the same time retailers have a responsibility to provide customers with information to enable them to make more sustainable choices.

As 'stakeholder pressure from investors, shareholders, customers and nonprofits to push sustainability into the supply chain has significantly increased in recent years'

(Wollmuth and Ivanova 2014), so sustainability has been seen as an important element across the supply chain, by both trade commentators and academic researchers. From a trade perspective, in outlining the benefits of a sustainable supply chain, Nutburn (2019) argued that *'to achieve a sustainable supply chain, a company has to address environmental, social, economic and legal concerns across its entire supply chain. A fully sustainable supply chain is one that ensures socially responsible business practices.'* More specifically, Nutburn (2019) suggested that a sustainable supply chain reduced environmental impact; improved continuity of supply; offered protection against reputational damage, the potential for new partnerships, and opportunities for business growth. In looking to address protection against reputational damage which can emerge with in supply chains issues about human rights, fair labour practices and representation, anti-corruption measures and environmental protection are often to the fore.

On the academic side, de Brito et al. (2008) argued that within the fashion retail supply chains in Europe, sustainable logistics and transport solutions can *'optimise costs through flow consolidation and clean transport modes, thus lowering the environmental impact of the activity.'* In focusing upon food supply chains, Smith (2008) claimed that the *'the business case for investment in more sustainable supply chains is strongest if investment costs can be used to improve profitability by generating products with higher consumer value.'* Here, Smith (2008) suggested that *'creating consumer value for more nutritious, healthier products'* and *'creating consumer value from sustainable procurement'* both have important roles to play. Styles et al. (2012) argued that *'in the context of globalized supply chains, the reach of government regulation is limited and large retailers and brand manufacturers are uniquely positioned to drive environmental improvement'* and more specifically that, *'retailers are beginning to view environmental management of supply chains as prudent business practice.'*

More specifically, the concept of the circular economy has attracted attention from a number of major retailers. In his Chief Executive Officer's message in the preface to fashion retailer H&M's 2016 sustainability report, for example, Karl-Johan Persson argued that the transition to a circular economy is essential if the company is *'to continue to offer sustainable fashion to present and future generations in a world with growing populations and finite resources'*(H&M 2016). However, less enthusiastically, in a review of how leading European retailers were addressing the circular economy, Jones and Comfort (2018) suggested the *majority of retailers' commitments to the circular economy generally do not fully embrace all stages of the product life cycle from product design and production, through marketing and consumption to recycling and reuse.'* Further, Jones and Comfort (2018) recognised that *'at best, many retailers may, in truth, just be embarking on a long and complex journey to gradually transform their businesses to a circular economy model'*, but argued that *'while the major retailers can certainly influence their suppliers they have less control of the often complex and geographically diverse sourcing of products and of the life cycles of the products they sell.'*

Frame of Reference and Method of Enquiry

In an attempt to review of how leading retailers are addressing sustainability in their supply chains, the authors selected the leading five primarily store based retailers, as measured by retail revenue (Deloitte 2020) in the US, namely Walmart, Kroger, Walgreens

Boots Alliance, Home Depot and CVS Healthcare Corporation, and in the UK, namely, Tesco, J. Sainsbury, Morrisons, Kingfisher and the John Lewis Partnership, for study. As the leading players in the retail economy of the US and the UK the selected retailers might be seen to reflect contemporary approaches to sustainability within retail supply chains. However, the focus of the paper is on providing a general, rather than a comparative, review of their approaches, though specific examples are extensively used to illustrate how the selected retailers have reported on their approaches to sustainability within their supply chains.

The vast majority of large retailers publish their sustainability commitments and achievements in annual sustainability, or corporate social responsibility, reports on their corporate websites. This led the authors to conduct a digital Internet search for information, using the key phrase 'sustainability report', and the name of each of the selected retailers. This search was undertaken in May 2020, employing Google as the search engine. Each of the ten sustainability reports was then searched using the terms 'supply chain' and 'supplier', and where there was reference to sustainability, it was noted. This second search process provided the empirical information for this paper. The paper is based on information that is in the public domain and the authors took the considered view that they did not need to contact the selected retailers to obtain formal permission prior to conducting their research.

Walmart is not only the world's largest retailer, by revenue, but also the world's largest company, it has over 11, 500 stores in 27 countries and it trades from hypermarket, supercentre and superstore formats. Kroger's, operations span 35 US states, and its trading formats include grocery and multi-department stores, convenience outlets and jewellery stores. Walgreens Boots Alliance are a pharmacy led health and wellbeing retailer, trading from over 9,000 retail outlets in the US and its international operations include shops in the UK, Ireland, Norway, the Netherlands and Thailand. Home Depot is the largest home improvement retailer in the US, with 2,000 stores, and it also has stores in Canada and Mexico. CVS Healthcare originally began trading in the North Eastern US in the 1960s but it no operates over 9,000 retail pharmacies nationwide.

The three largest retail companies based in the UK, namely, Tesco, J. Sainsbury, and Morrisons, are often referred to as food retailers, though in part this is a misnomer in that while they were all initially established as grocery retailers, they now all sell a wider range of consumer goods. Tesco is the UK's largest retailer, with some 3,400 stores and over 310,000 employees and it trades from hypermarket, superstore, and convenience store formats. J. Sainsbury trades from over 600 supermarkets, some 800 convenience stores and 800 stores operating under the banner of Argos, throughout the UK. Morrisons, trades from some 500 stores, and while the company's operations were originally concentrated in the Midlands and North of England it is now well represented in the South of England. The John Lewis Partnership operates a chain of over 30 John Lewis department stores and some 600 Waitrose food supermarkets. Kingfisher is a UK based home improvement retailer, with over 1,200 stores in 10 countries across Europe, Russia and Turkey and it trades as B&Q, Brico Depot, Screw Fix, Castorama and Praktiker.

Findings

All the selected retailers addressed the role of sustainability within the supply chain. That said, information on the ways in which sustainability was addressed in the retailers' supply chains was generally dispersed throughout the sustainability reports and only Walmart and Kroger published sub-sections devoted to sustainability in the supply chain. In the 'Environmental' section of the Walmart (2019), report, there was a subsection entitled 'Sustainable Supply Chain' and in the 'Social Section', a section on 'Responsible Supply Chains.' Kroger's (2019) included an outline of 'Our Supply Chain' in the introductory 'Highlights' to its sustainability report and a subsection on 'Supply Chain Accountability' as part of the treatment of 'Responsible Sourcing.'

A number of the selected retailers reported on their general commitment to sustainability in their supply chains. Tesco (2020), for example, emphasised *'we want to make a big difference and we believe our position in the market gives us a unique ability to pursue transformative change across the supply chain and lead industry-wide action to tackle some of the biggest social and environmental challenges facing us today.'* Kingfisher (2019) reported *'we are improving the sustainability of all our ranges – making it the easy choice for our customers – while embedding sustainability into our operations and supply chain too.'* In 'Our Supply Chains', Kroger (2019) reported it *'maintains a global supplier base, with thousands of domestic and international suppliers of raw materials, ingredients and items for Our Brands, as well as national brand suppliers of other products we carry on our shelves for customers'* and that *'we actively manage environmental, social and governance.'*

More specifically, a review of the retailers' approach to sustainability in their supply chains, identified a number of common themes, namely, sustainable sourcing, human rights, carbon emissions, and waste management. Many of the selected retailers reported their commitment to responsible sourcing and to using their supply chain systems to minimise the environmental impact associated with the production of key commodities. For many of the selected retailers, sustainable food sourcing is an important issue. Morrisons (2019), for example, claimed *'our customers care where their food comes from and want to know that it has been responsibly and sustainably sourced'* and *'we work with our suppliers to improve the transparency, social and environmental performance of our supply chain.'* In looking to evidence such claims, Morrisons outlined its approach to the responsible sourcing of fish and seafood and its commitment to the Sustainable Seafood Coalition, as well as to its certification of all palm oil and palm oil derivatives used in its own brand food and drink products.

J. Sainsbury (2018) reported sourcing some 12,000 own brand products from over 70 countries and acknowledged *'we have a vital role to play in supporting our farmers, growers and suppliers across the world.'* Here, the company's approach is to work collaboratively to tackle climate change, reduce the environmental impact of its raw materials, advance respect for human rights across its supply chain and improve the livelihoods of its farmers, growers and suppliers. Working with the Sainsbury's Foundation, the company's not for profit arm, the aim is to *'strengthen our supply chains through investments designed to improve the sustainability, resilience, efficiency and competitiveness of suppliers and*

producers by addressing their social, economic and environmental development' (J. Sainsbury 2018). J. Sainsbury also reported its commitment to source all of its key raw materials sustainably to an independent sustainability standard by 2020, and to help build stronger and more resilient supply chains.

Kroger (2019) acknowledged that flowers and plants grown for sale in its stores and garden centres *'can have negative environmental and social impacts due to the requirements of the growing and harvest processes'*, that *'customers increasingly want to know where and how flowers and other plants are grown, harvested and transported so they can feel good about their choices'* and that *'as a result, we seek to adopt sustainable practices in our floral and plant assortments.'* Further, Kroger reported on its partnership with the Rainforest Alliance, through which it has looked to advance sustainable sourcing. Products carrying the Rainforest Alliance certification are grown on farms that meet social and environmental standards designed to protect forests, soil, water wildlife, and the communities and people who live and work in those forests and farms. At the same time, Kroger reported on its recognition that the global honey bee population is vulnerable, to the use of pesticides such as neonicotinoids. Due to this risk to the honey bee population, the company has committed itself to eliminating the sourcing of live plants in its stores and garden centers that have been treated with pesticides containing these neonicotinoids.

Timber products are an important sustainable sourcing issue for some of the selected retailers. Home Depot (2019), for example, emphasised that as *'one of the world's largest home improvement retailers, we have the ability to promote sustainable forestry through the wood products we sell.'* The company established a policy on wood purchasing over 20 years ago, in which it pledged to give preference to wood from forests that are managed in a responsible way, to eliminate wood purchases from regions of the world where forests are endangered and to embrace a range of social and economic issues arising from the designation of endangered forest regions. Morrisons reported the launch of a zero deforestation policy, which committed the company to not taking products from areas which have been deforested after 2018 and working with suppliers to ensure its own brand products are fully compliant with this policy by 2025. Geographically, Morrisons stressed it would be specifically concentrating on high risk areas including the Cerrado and the Amazon in Brazil and the Gran Chaco in Argentina. J. Sainsbury (2018) acknowledged that *'with a rising demand worldwide for meat products, soy has become one of the world's biggest crops and is a major driver of deforestation'* and pledged its support *'to halt deforestation and native vegetation loss in Brazil's Cerrado.'*

More generally, Walmart (2019) reported on its *'Sustainability Index'*, developed in collaboration with suppliers, academics and non-governmental organisations, which includes data from suppliers on key environmental and social indicators at the category level. The aim is to improve the sustainability across product supply chains. In 2009, Walmart set itself the goal of buying 70% of its US sourced goods from suppliers that participated in the index. Walmart reported meeting that goal by 2017 and that the percentage of goods from participating suppliers had risen to over 80% by 2018. Walmart (2019) also reported on its *'20x25'* initiative, centred around the company's aspiration to source at least 20 key commodities more sustainably by 2025. The commodities included fresh produce, animal products, seafood, coffee, tea, and cocoa as well as textiles and

personal care products. Here the choice of products was informed by the nature and scale of environmental and social improvement opportunities, by supply security and cost issues and by Walmart's ability to promote change with its suppliers.

In addressing sustainability in their supply chains, the majority of the selected retailers drew attention to their corporate commitment to human rights. Walmart (2019) emphasised that *'Our Human Rights Statement confirms our respect for human rights and articulates how our four values inform our approach to human rights throughout our corporate activities, with a focus on our associates, customers, supply chain and the communities in which we operate.'* The John Lewis Partnership (2019) reported sourcing its products from over 70 countries and that it was *'acutely aware of the risks of modern slavery in our supply chains.'* At the same time, the John Lewis Partnership acknowledged that modern slavery is hard to identify because of its complexity. In the light of such complexity the company reported that in addition to its compliance based model of factory checks it was working with its suppliers, through training and collaborative industry initiatives, *'to ensure workers' rights are upheld'* (John Lewis Partnership 2019). J. Sainsbury (2018) argued that *'empowering women is key to achieving gender equality and to accelerating sustainable development'* and reported on its work in developing *'a more sustainable grape industry in India.'*

Walgreen Boots Alliance have developed a policy on ethical sourcing, which it requires all vendors and subcontractors to comply with when supplying it with merchandise and services. More specifically, Walgreens Boots Alliance (2019) reported using *'the policy to screen suppliers against social and environmental criteria'* and that it assessed *'suppliers using a detailed grading matrix based on the standards in the policy.'* The issues assessed include *'the prohibition of any form of bonded, forced, indentured or other illegal labor and of any form of slavery or human trafficking; opposition to discrimination in any form; fair and reasonable reward for workers; working hours that do not exceed applicable legal requirements: the prohibition of child labor; safe and healthy conditions'* and *'the prohibition of corruption and bribery.'* The company also reported *'we focus intensely on our owned brands supply chain because it's where we believe we can have the greatest impact on eliminating modern slavery'* (Walgreens Boots Alliance 2019). CVS Healthcare (2019) reported that *'respect for human rights is expressed in our company's Supplier Ethics Policy, which all vendors around the world must adhere to as a condition of doing business with the company.'* This policy prohibits human trafficking and the use of child, forced or imprisoned labour and forbids any form of discrimination with regard to age, gender or minority status.

A number of the selected retailers addressed carbon emissions within their supply chains. Tesco (2020), for example, recognised *'climate change as the biggest environmental threat the world faces, impacting our business as well as our supply chains.'* Here, Tesco (2020) acknowledged that *'transport and distribution is also one of the largest emissions sources for Tesco and is therefore a core part of our climate change strategy'* and reported a *'longstanding commitment to reduce carbon emissions.'* In a similar vein, the John Lewis Partnership (2019) recognised that its operations, *'from the energy used to run our stores to the fuel used to power our transport fleet, creates greenhouse gas emissions which are warming the earth and changing the climate.'* Here the company argued that its transport fleet is critical in achieving its target of a zero carbon transport fleet by 2045. In looking to

meet this target the John Lewis Partnership eventually plan to move to a fully electric heavy vehicle fleet but it claimed that as neither the technology nor the infrastructure is currently available to allow such a move, the company has been investing in biomethane trucks as an interim measure.

Kroger (2019), reported *'our large portfolio of stores, warehouses and food production plants are a significant driver of our energy and carbon impacts'* but acknowledged *'with a large, complex supply chain, we also incur carbon impacts via the products we sell and suppliers we partner with to procure and manufacture these products.'* Under the banner *'Energy Management in our Supply Chain Operations'* Kroger (2019). The company has taken part in the US Environmental Protection Agency's Smart Way programme, which enables it measure, benchmark and report on its annual carbon emissions and it has also invested in energy efficient technologies and renewable energy within its supply chain operations. Kroger also reported working with farmers and suppliers to bring locally sourced products to its stores and to minimise the impact on the environment through reduced transport.

The issue of waste management within retail supply chains has assumed increasing importance and here the focus is on both the customer and the design stages of the supply chain, and there has been particularly interest in plastics and packaging. At the customer stage, there have been increasing concerns about food waste, some of which occurs because retailers are left with foodstuffs that are past their see-by-dates and some of which is purchased by customers, never eaten and discarded. The John Lewis Partnership, for example, looks, wherever possible, to donate surplus food from its Waitrose shops and distribution centres, to organisations who distribute it to those in need within the community. Further, the company reports that any remaining food and organic waste is used to generate energy by anaerobic digestion. More generally, some of the selected retailers have pursued in store awareness programmes in an attempt to reduce the food customers buy and then waste. Morrisons (2020), for example, reported *'having specialists on hand to help our customers to reduce food waste in the home'*, to provide *'cooking and storage tips'* and also offering *'a large range of loose fruit and vegetables so customers can buy the exact quantities they need.'*

Kroger (2019) recognised that *'the environmental impacts of single-use product packaging, particularly of plastic packaging, have become increasingly important to our stakeholders, including investors, environmental groups and our customers.'* Further, Kroger (2019) reported following the *'reduce, reuse then recycle hierarchy, we are working to decrease the environmental impacts of our product packaging.'* Here, the company's key priorities include reducing unnecessary packaging, increasing the recyclability of packaging and increasing the amount of recycled content in our packaging, while also building better recycling facilities and providing giving our customers with recycling options. Kroger also reported that many of its plastic packaging items are recyclable in the plastic film recycling containers at its stores' entrances and that collected items are recycled into new items such as composite lumber and decking.

While waste management is often associated with the circular economy, and the concept received some attention in the selected retailers' sustainability reports. Morrisons

(2020) for example, argued that *'the linear model of take, make and waste is no longer working for business or the planet. It's important we're moving towards a circular economy; removing, reducing, reusing and recycling where possible.'* In a similar vein, the John Lewis Partnership (2019) suggested *'the current economic model of extracting natural resources, producing products and then disposing of them at the end of their lives is not sustainable for the planet'* and argued *'we know that if we want to reduce the environmental impact of our business we must move to a more circular business model.'* At the same time the company acknowledged *'we're at the start of our journey and so far, we've mostly focused on product reuse which helps extend the life of our products, while providing our customers with a way of disposing of their products.'* The circular economy received a single explicit mention in Walmart's (2019) sustainability report, namely *'increasing global demand is placing unsustainable pressure on the climate and natural ecosystems, challenging us all to shift from a "take-make-dispose" system of production and consumption to a circular, regenerative approach.'*

More extensively, Kingfisher (2019) claimed *'we're rethinking how we source and use resources, integrating circular economy principles and designing out waste.'* The company reported *'we are integrating circular economy principles into our product design, aiming to use resources more sustainably. Our target is to have 20 product ranges or services that help customers and our business get more from less, reuse or use longer by 2025.'* Kingfisher (2019) identified its *'principles for circular product design'*, which included materials that are easily and widely recycled, design for durability, low energy and carbon usage and working conditions in the supply chain. Durability is seen to be important in that it is deemed to be better for customers and it reduces waste. More generally Kingfisher (2019) reported partnering with other organisations, including the Ellen MacArthur Foundation, Forum for the Future, and the Green Alliance Circular Economy Task Force, *'to share ideas and support the systems change needed to create a circular economy.'*

Concluding Reflections

The findings revealed that while all the selected retailers addressed sustainability within their supply chains, none of them identified the supply chain as a major discrete element in their sustainability strategies and programmes. Rather, all the retailers reported sustainability in the supply chain as part of their reporting of a range of issues including sustainable sourcing, carbon emissions, human rights and waste management. These are all major issues for retailers, but the lack of a dedicated focus on sustainability in the supply chain within the reporting process might suggest that retailers recognise the difficulties they face in monitoring the environmental, social and economic impacts in what are increasingly complex retail supply chains. At the same time, the fragmented way in which the selected retailers report on sustainability within their supply chains, might be seen to mirror Sebastiani et al.'s (2015) claim that academic researchers have been slow to explore the retailers' perspective on sustainability within the supply chain, and Weise et al.'s (2012) suggestion of a research gap in how retailers are implementing sustainability along supply chains, cited earlier.

While the selected retailers reported on a number of achievements in addressing sustainability within the supply chain, many of their approaches were aspirational. Here, the

focus was on retailers' claims to be rethinking how they sourced and used resources and integrated circular economy principles into their business strategies; to be working to decrease the environmental impact of packaging; to be moving to a fully electric distribution fleet; to be collaborating with suppliers to ensure that workers' rights are upheld; and to be supporting campaigns to halt deforestation. Such aspirations are very much to be welcomed in that they look to address important environmental and social issues within retail supply chains but they, in turn, present a number of challenges, including the costs of meeting future commitments and the need for independent external assurance, which itself has significant cost implications.

Cost is seen as a major barrier to the development of more comprehensive supply chain strategies. In examining the barriers and drivers for sustainable food retailing, Chkanikova and Mont (2015), for example, argued *'costs are obviously the most often mentioned barrier and therefore retailers generally tend to address sustainability aspects that require lower investment costs'* and that *'addressing more profound impacts upstream in supply chains is usually more costly, which makes retailers reluctant to invest in sustainability strategies.'* Chkanikova and Mont (2015), also argued that where retailers look to enhance sustainability in their supply chains with requires the development of collaborative relationships with suppliers, which *'implies considerable costs.'* At the same time, it is increasingly important that the retailer's approach to sustainability throughout their supply chains is consistent with their overall corporate sustainability strategies. Here retailers may need to review and reposition their supply chain strategy, which will come at cost, but such costs may be relatively small compared to the costs of losing the trust of customers, and gradually their patronage, and that of their investors.

While all the selected retailers addressed sustainability within their supply chains, and reported on their achievements and aspirations, and some published key performance indicators, only five of them, namely Walgreens Boots Alliance, CVS Health Care Corporation, Morrisons, Kingfisher and the John Lewis Partnership commissioned any independent external assurance by way of verification of their sustainability achievements and claims. Further, this assurance process covered only a small number of the issues concerning sustainability within the supply chain. This is problematic in that it can be seen to reduce the credibility, integrity and reliability of the reporting of sustainability in the supply chain reporting undertaken by the selected retailers. That said the selected retailers are large, complex and dynamic organisations and capturing and storing comprehensive information and data in a variety of geographical locations and then providing access to allow external assurance is a challenging and a potentially costly venture. Thus, while data on a supplier's carbon emissions may be systematically collected, collated and audited as part of the company's environmental commitments, information on the impact on workforces and communities in less developed countries, may be more difficult to comprehensively measure, collate, interpret and assure. Currently, the selected retailers choose not to publicly pursue such a comprehensive exercise.

Looking forwards, particularly in the wake of the COVID-19 pandemic, it remains to be seen how much enthusiasm, political will and investor support, large retailers will have to address sustainability in their supply chains. That said, if large retailers do look to introduce more rigorous environmental, social and economic measures into their supply chains, this

will provide a major challenge for, and potentially a radical change to, their conventional business models. Such a change is perhaps epitomised by a transition to a circular economy within the retail sector of the economy. The transition to a circular economy could, for example, see the small local shops, rather than large out of town and edge of town stores, become the dominant retail format, and see the growth of local, rather than international supply chains. Such a transition could also see a much larger service economy 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.

The authors recognise that this paper has a number of limitations, not least that it draws its information from a small number of retailers, that these retailers are based in the US and the UK and that it is based on corporate information posted on the Internet. However, the authors believe that as an exploratory review of retailers' approaches to sustainability in the supply chain, which has received limited attention in the literature to date, the paper provides a useful platform for future research. Looking to the future, academic research might, for example, include primary empirical research designed to examine retailers' strategic thinking about sustainability within their supply chains, it might focus on retailers in both other advanced capitalist economies and it might include specific detailed case studies as well as more comparative investigations of retailers within different sectors of the retail economy. Here, negotiating access to key decision makers may prove to be a thorny issue, in part because sustainability in the supply chain can be a sensitive issue for both suppliers and retailers, and in part because of the more general issue of commercial confidentiality. Further, research on sustainability in retail supply chains may also help to illuminate, and contribute to stakeholder and critical theories of sustainability.

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