

# Green Retail Project

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## Awareness Session for Retailers

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## Overview

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# Indian Retail Sector



- Traditionally dominated by small unorganized retail outlets
- Organized retail chains emerging and expected to grow in line with increasing consumerism and urbanization in India - estimated to be over 20% of total retail in 2020
- F&B vertical accounts for almost 60% (2011 figures) of organized retail
- Impact of F&B vertical is significant and includes agriculture, which accounts for 16% of India's GDP and where almost half the population is employed in

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# Indian Retail Sector



- Indian household income spend on food is one of the highest in the world – 48%
- Low understanding and implications of environmental impacts of different players of the value chain of the F&B retail sector, e.g.:
  - Energy consumption by retailers accounts for 15% of their operational cost.
  - 40% of food produced in India is estimated to be wasted due to improper handling, transportation and storage

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# Value Chain of F&B Vertical Retail Sector



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# Green Retail Project Overview



## Aim

To promote sustainable development of retail sector (F&B vertical) in India

## Specific Objectives

Instil sustainable thinking and adoption of sustainable approaches in strategy, operations and marketing of large retail chains

Drive sustainable practices in the supply chain of retailers

Encourage key stakeholders to educate consumers on sustainable consumption and create a favourable climate that nurtures adoption of sustainable practices

## Target Groups

Supply Chain



F& B Retailers



Consumers

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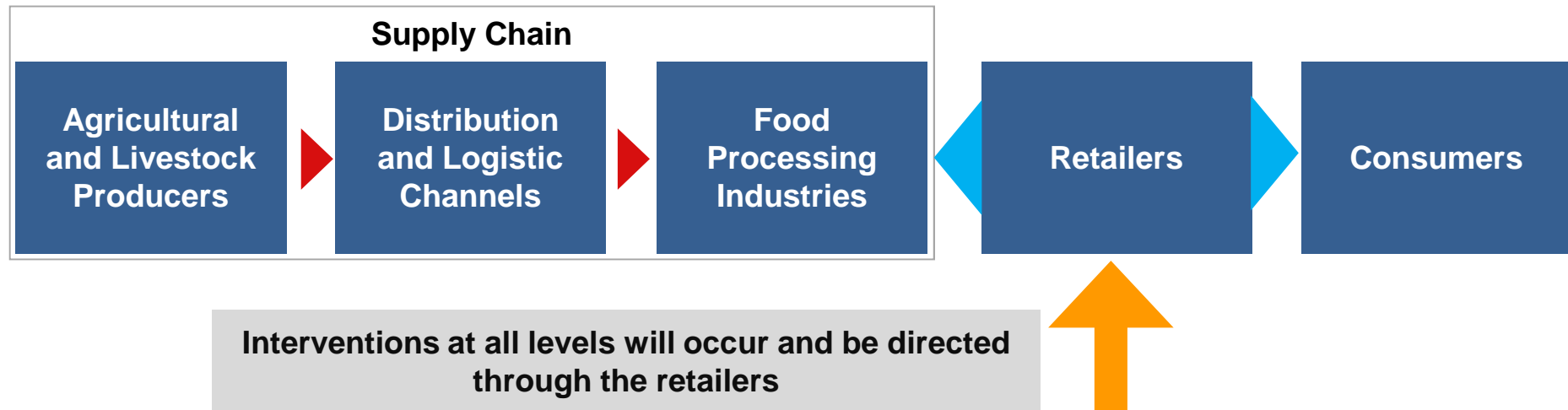
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# Project Approach – Value Chain



- Value chain approach is needed to enable enhanced levels of SCP practices
- Interventions shift from purely entity focus, e.g. SMEs or retailers specific only, to a broader product and industry focus
- Across the board interventions will enable understanding and action on impacts at all levels of an industry and product's life cycle aspects

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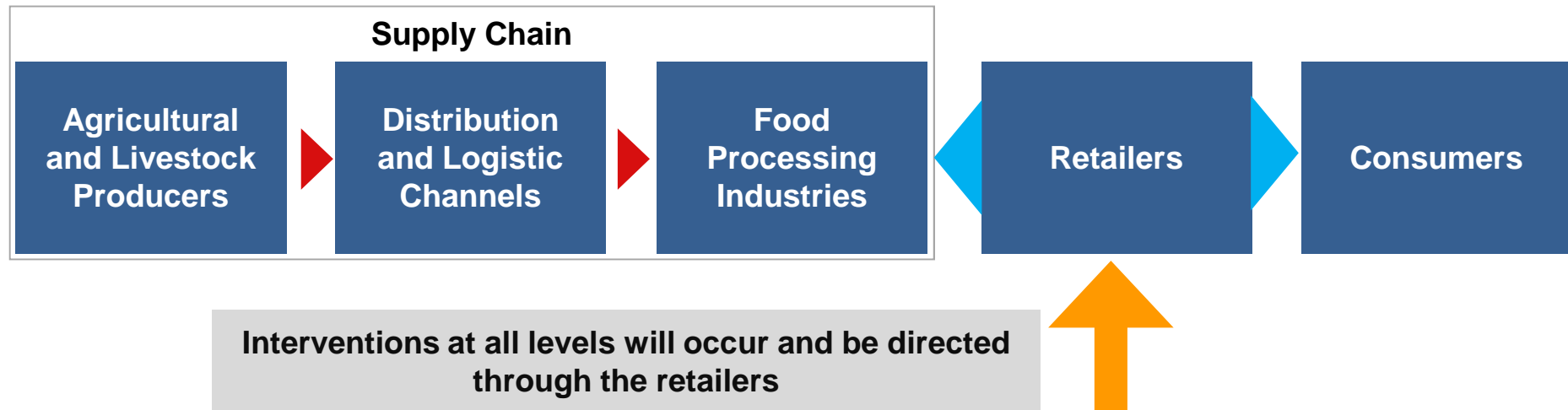
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# Project Approach – Value Chain



- Collaboration between different players in the value chain will promote continued and progressive support, assistance and improvement, e.g.:
  - **Retailers defining environmental requirements as part of procurement guidelines**
  - **Consumers demanding more sustainable offerings from retailers**
  - **Retailers informing consumers on reducing wastage of products after consumption**

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# Project Approach – Role of Retailers



- The approach is to drive interventions through 5 pilot retailers, and work with members in the upstream – supply chain – and downstream – consumers – of their operations.
- Retailers are the most effective players in influencing change at all levels, as they are at the crossroads between both areas of the value chain
- Characteristics and impacts at both levels can have significant impacts to retailers’ operations and financial outcomes

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# Project Activities



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# Project Benefits



Supply Chain

Retailers

Consumers

Improved Resource Efficiency

Reduced energy & water consumption

Knowledge of Innovative Practices from Intl Retailers

Cleaner production and packaging optimization

Financial savings through cost reductions

Increased sustainable consumption of end consumers

Improved waste management

Closer partnership between supply chain and retailers

Strengthened Brand and Reputation

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## Value Chain Interventions

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COLLABORATING CENTRE ON SUSTAINABLE  
CONSUMPTION AND PRODUCTION



# Defining Value Chain Interventions



- A key F&B product category of the retailer will be selected to direct interventions of the project in the upstream supply chain and operations of retailers.
- The selected F&B product category will be one that:
  - + **Is relevant to the business of the retailer – significant contribution to turnover**
  - + **Has a substantial improvement potential**
  - + **The retailer has ability to influence and control improvements of the project across value chain**
- Questionnaire will be provided to retailer to understand the above aspects of 3 main F&B product categories to finalize, together with the retailer, the F&B product category and supply chain members for project intervention

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# Defining Value Chain Interventions



5 main direct intervention initiatives that will be undertaken in retailers operations:

**1. Sustainable Business Model:**

+ Systems and structures for intervention in operations and across value chain

**2. Green Supply Chain Management:**

+ Managing and overseeing interventions in supply chain members

**3. Green Retail Store Framework:**

+ Improvements to store operations and promoting sustainable consumption for consumers

**4. Partnerships throughout Supply Chain**

+ Strengthening partnerships to various supply chain tiers, aim to reach last tier (farmers)

**5. Sustainability Reporting**

+ Disclosure on sustainability performance in organization

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# Defining Value Chain Interventions



- Activities for interventions are based on the 3 focus areas as shown above
- For each focus area, activities and initiatives will be undertaken based on the nature of the product category selected for intervention
- Following slides show a broad range of activities and intervention that can be implemented at the various focus areas

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# Supplier and Manufacturing Practices



Overseeing & Managing and raw material sourcing at agriculture level	Traceability of products / services procured	Ensuring compliance of SC members to laws / regulations	Waste reduction and waste to positive use	Energy efficiency in production, processing and warehousing
Water efficiency in production, processing and warehousing	Reduced use of packaging and transport materials	Partnerships with suppliers / collaborative value chains	Internal environmental management systems	

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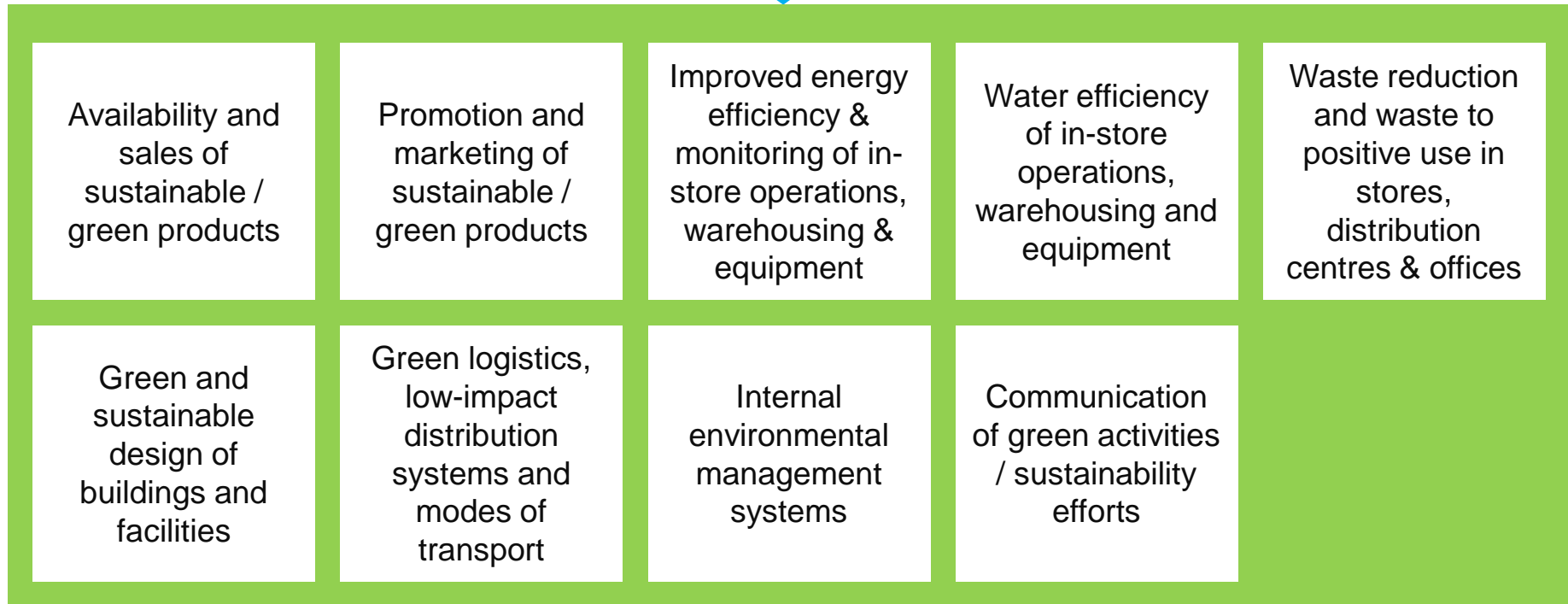


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# Retailing and In-Store Practices



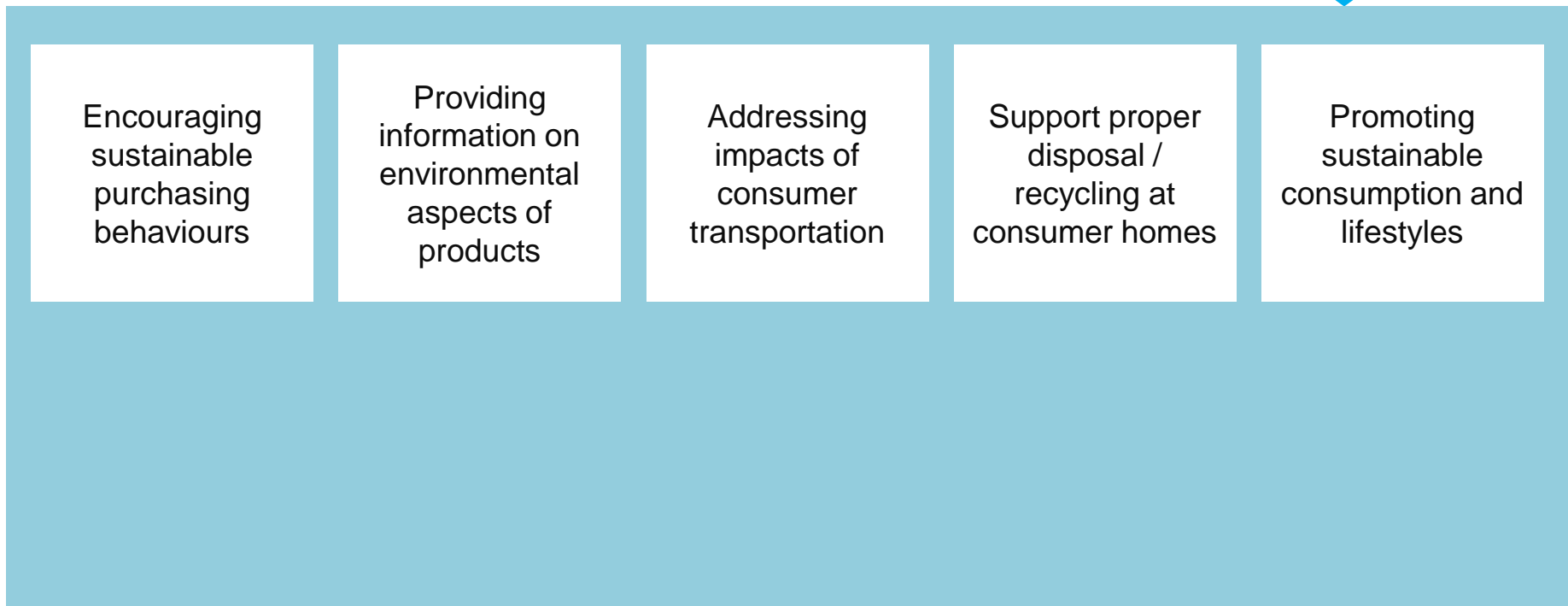
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# Consumption & End-of-life Practices



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