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tracking supermarket progress towards a  
fairer and greener food system

## 2003 results overview

# Supermarkets and Sustainability

### Introduction to the Race to the Top project

This document provides an overview of how the UK supermarket sector has responded to the challenge of a project that set out to benchmark and track the social, environmental and ethical performance of UK supermarkets.

#### **The need for transparency**

While public trust in supermarkets remains quite strong, a swing in the public mood seems to be taking place, around concerns about supermarkets' growing dominance of the food system.

Government scrutiny is also quite intense; the impending buy-out of Safeway prompted a tough Competition Commission inquiry on the heels of another Commission investigation into the sector in 2000. Secretary of State Margaret Beckett announced a *Food Industry Sustainability Strategy* in which 'challenging key performance indicators' were to be developed for food manufacturers, wholesalers, retailers and caterers. Friends of the Earth and some farming groups have been heavily critical of supermarkets' commitment to fair trading and UK produce.

Because supermarkets are the gatekeepers of modern food systems, they are automatically targets for numerous campaigns aimed at driving improvements in the social and environmental performance of food systems—from ending slavery in cocoa plantations, or improving food security in poor housing estates, to increasing bird populations in farmland. There are many benchmarking tools in use by supermarkets and their critics with different degrees of credibility, transparency and rigour. Most either fall into the category of broad industry indices or single-issue campaigns. There are some very innovative and dynamic companies in food retailing which are campaigners in their own right. But there no tools available to take a look *across the sector* to get an in-depth view of how supermarket companies are performing beyond traditional measures of market share, profitability or shareholder value.

#### **Race to the Top**

*Race to the Top* (RTTT) was set up in 2000 with the idea of expanding competition to other issues influenced by supermarkets' 'gatekeeper' role in the food system, including the improvement in production practices and animal welfare, the promotion of public health, and the fairness of trade between consumers and workers along the food chain.

An alliance of 24 farming, conservation, labour, animal welfare, health and sustainable development organisations drafted a number of *indicators* of supermarket performance. These indicators were then developed into a set of survey methodologies, including a comprehensive questionnaire to supermarkets and techniques to gather other data from surveys of stores and supermarket suppliers. The themes were divided into 'modules' with an organisation or individual expert leading on each module.

The intention has been to publish annual results on how the top 10 UK supermarkets are performing across the board, and to track improvement over at least 5 years. RTTT can therefore

be described as *multi-stakeholder benchmarking*, in that many of the key *stakes* in agriculture and food pool their resources to benchmark the performance of an industry over time.

The project was structured as a *brokered relationship* between civil society and supermarkets, with IIED as the intermediary and an *Advisory Board* providing oversight. Thousands of hours have been invested in the administration and analysis by IIED and partners.

Race to the Top was welcomed by civil society groups as a groundbreaking initiative in which comparable data is gathered together in one place to allow sectoral comparisons over time against a range of indicators along the whole interface between supermarkets and sustainability. This would allow interested citizens, investors, consumers and policy makers to easily see information which otherwise is either not available or is buried in reports by benchmarking schemes or NGO campaigns. The key principles of the project are constructive engagement and dialogue; respect for confidentiality where necessary; a focus on positive examples of good practice; rigorous research; and efforts to build on and coordinate with other initiatives to minimise the duplication of effort in data collection.

### **Testing the tools**

In order to ensure that the project did not rush to premature judgement with untested methods, partners eventually agreed with retailers that a confidential *pilot year* should be undertaken in 2002 before going public in 2003. In 2002, six of the top 10 UK supermarkets—Co-op, Iceland, Marks & Spencer, Safeway, Sainsbury's and Somerfield—and 24 alliance members had signed a memorandum of understanding with the project, committing themselves to the process of data collection and constructive dialogue. All six retailers provided a full set of data in the pilot phase, and received detailed analysis of their scores relative to the industry best and industry average. This important phase of the project represented an acknowledgement by civil society partners that they did not necessarily have all the answers, and that RTTT could comprise a form of *joint learning*. In the light of experience from the pilot year, most survey methods were modified for 2003.

### **Going public, going nowhere**

At the beginning of the 2003 'public' year, things were looking good for large-scale industry participation. A letter was received from the chief executive of Tesco on 2<sup>nd</sup> June 2003, stating that the company "would like to participate on a yearly basis providing our concerns are addressed". This was followed by a constructive meeting at Tesco headquarters. Meetings with Waitrose had been taking place. Only Morrisons had resolutely distanced itself from the process, and Asda showed no intention of taking part. After some very tough negotiations, a compromise was reached between civil society partners and participating supermarkets on the way in which results would be made public. The agreement meant that only the narrative reports on each company would be made publicly available, but not the detailed scores on which the published results are based. In addition, the supermarket that scores best in each category would be named. The detailed scores would be provided with detailed feedback to each respective supermarket.

But by the deadline for data submissions in 2003, only 3 supermarkets were on board—the Co-operative Group, Safeway and Somerfield. Therefore, comprehensive *company profiles* are only available for these three supermarkets. These companies are to be commended for their hard work in collecting data and for demonstrating a willingness to open themselves up to scrutiny.

In the face of a shortage of participating supermarkets, IIED has no choice but to terminate the project in its current model in January 2004. A full analysis of the RTTT experience will be posted on this website in early 2004.

### **What went wrong?**

What has made a large proportion of the UK supermarket sector turn its back on this constructive approach by civil society organisations?

#### Critical mass

The key problem was one of *critical mass*. Once it became clear that industry leaders Tesco and Asda were not going to actively participate in the project in 2003, the attractiveness of participation for other supermarkets clearly declines. The reasons behind these two company's decisions must therefore be examined in detail, along with other challenges faced by supermarkets in responding to the RTTT challenge.

#### Regulation and self-regulation

Supermarkets have advocated voluntary self-regulation rather than mandatory and enforceable rules to improve their social and environmental performance. Transparency is a key pillar of self-regulation, but even the basic idea of Key Performance Indicators on sustainability for food retail—as proposed in DEFRA's Food Industry Sustainability Strategy—have been strongly resisted by parts of the industry. There was no strong government drive to push supermarkets into engagement with the project, but some companies still seemed to fear that government might pick up a successful RTTT and turn it into a form of third-party regulation. The low participation in RTTT could be seen as evidence of the failure of self-regulation in the sector. Another example is the DTI Code of Practice on supermarket trading relations with suppliers—an outcome of the Competition Commission 2000 report—that has been criticised as being emasculated by industry lobbying to the extent that it is valueless to *all* parties.

#### Compromise and leverage

In seeking to find compromises along the way, RTTT lost some leverage with the corporate sector. The commitments of civil society partners to respect constructive engagement and confidentiality diluted their ability to challenge business, and may have contradicted the aims of partnerships with RTTT, which is increased transparency as a lever for change.

#### Over-reliance on industry data

The project relied heavily on data disclosed by the retailers themselves. But it is clear that external (third party) surveys are the most powerful measures of supermarket performance, in that they are indicators of *observable changes* rather than measures of aspiration or company policy. External surveys, such as store surveys for local food, or surveys of supermarket suppliers, are expensive, highly labour intensive, and methodologically problematic.

#### The lack of company resources

Committing to a process such as RTTT requires staff time and technical resources. But in order to stay competitive against Asda and discount supermarkets, rival companies feel obliged to squeeze costs in both their supply chains and offices. Companies such as Sainsbury's are cutting staff and technical capacity in order to match Asda's cost structure and profitability. It is ironic that the increasing pressure on supermarket companies to improve the quality and transparency of data which they release on environmental and social impacts comes at a time when companies have a declining ability to collect that information.

#### The diversity of the sector

UK supermarkets are very heterogeneous, in terms of ownership, customer base, and market sector served. Ownership ranges from PLCs such as Sainsbury's, subsidiaries of transnational corporations (Asda), co-operatives (e.g. Co-operative Group), or employee-owned structures (Waitrose). PLCs are judged on profits, market share and relatively short-term shareholder value, and wider corporate citizenship is often not rewarded in the marketplace. Customer bases range from the affluent (Waitrose, M&S) to shoppers on a tight budget (e.g. Somerfield's Kwik Save, and Iceland). Store sizes range from very large (e.g. Asda) to smaller high street formats (e.g.

Somerfield, Co-op), with some of the smaller stores being used mainly for 'top-up shopping' rather than weekly shopping trips. All these factors affect the ability of companies to be successful in certain aspects of 'sustainable' business such as the marketing of organic or high animal-welfare produce. Some companies have stressed the risks of RTTT indicators comparing 'apples and oranges'. Clearly each company's performance needs to be evaluated in the business context within which it operates, which is why the RTTT results are published in the 'company profile' format.

#### Quality of benchmarking tools

Some of the RTTT tools, particularly for the 'emerging' issues addressed by the Local Economies and Health modules, are still at a relatively experimental stage. Supporting research is still required to demonstrate the connections between business activity measured by some of the indicators and positive outcomes for sustainable development.

#### **The 2003 results**

Despite the low level of participation in 2003, it is important to evaluate the RTTT results to draw lessons from the surveys and point to both best practice and areas in need of attention to improve the impact of UK retailers on the wider impacts of our food system on people and the planet. The issues under the seven RTTT 'modules' are now discussed in turn.



## Commentary on the ENVIRONMENT module

The environment module provides an opportunity to benchmark supermarket performance across the sector around three broad areas: *Corporate Commitment to Environmental Responsibility and Performance*, *Climate Change and Waste*. For practical reasons we limited the review of supermarket performance to these three critical areas. Throughout the pilot we also scaled down the scope of the questions, due to supermarket comments regarding data intensive exercises. This resulted in a questionnaire that was not as challenging as we had hoped. However, we especially praise the supermarkets that submitted the questionnaire this year, as well as those that took part in the stakeholder process.

Leading companies are implementing environmental management systems, setting performance targets and implementing policies. To meet the expectations of their various stakeholders – including consumers and investors – public reporting is essential. The UK government has threatened mandatory reporting. Guidelines for the reporting of waste, water and greenhouse gas emissions have already been issued. Despite this, not all the supermarkets were reporting on environmental issues – Safeway being the only supermarket to report back on both Climate change and waste using the government guidelines.

Commitment at the top is essential to drive through real change. All the supermarkets demonstrated varying stages of board-level responsibility. The degree to which training and awareness raising was carried out captured some sense of a deeper commitment to environmental performance throughout the supermarkets. In an ideal world all staff would receive some sort of environmental awareness training – covering the key impacts of the company's activities and operations. For two of the supermarkets, only staff with environmental responsibilities received training, although awareness raising is due to take place for all staff in the near future.

Supermarkets are increasingly recognising the need to manage, improve and also report on their environmental performance. Environmental reporting contributes to meeting the increasing demands from external audiences for environmentally related data. A proactive approach to environmental management is seen as a good indicator of the overall management quality within a company. Safeway's web-based environment report, scored highly against the ACCA environmental reporting award criteria and being on the web is cost effective, saves on paper and printing, and allows for the report to be updated more frequently. Co-op also covered every aspect of their business through their social accountability report, proving that both supermarkets can show they are committed to environmental performance in a managed, targeted and transparent way.

Global climate change has been described by many, including the UK Prime Minister as the biggest public policy challenge we face. The main source of human enhanced emissions is carbon dioxide from energy use. Unless emissions of greenhouse gases are reduced substantially, climate systems are likely to become increasingly unstable. All supermarkets should be aiming for absolute CO<sub>2</sub> emission reduction in accordance with Government targets and obligations. All supermarkets set targets for reducing energy consumption, some more vigorous than others. Again, reporting on climate change and waste was very important in verifying the supermarket comments, with Safeway gaining most scores for the module as they had all data available in their report.

The UK produces over 78 million tonnes of commercial and industrial waste each year. Using the DETR Environmental Reporting *Guidelines for Company Reporting on Waste*, most companies should already be aware of the wastes they produce and where they go. All supermarkets were beginning to take positive measures to tackle waste minimisation, mainly through the production of biodegradable carrier bags and packaging. These suit organic waste recovery systems, but are no



substitute for reducing excessive waste in the first place.

Overall, the supermarkets did respond well to this module and two performed very well. Safeway was the best in class for the module and demonstrated a range of good practice initiatives, including establishing one of the most efficient distribution systems to reduce food miles and decrease the number of vehicles on the roads, as well as having 4 distribution centres that are ISO14001 accredited. In the future, we would strongly recommend all supermarkets to have an environmental policy with ambitious targets for the reduction of CO<sub>2</sub> and greenhouse gases along with a massive reduction in waste sent to landfill (and hence any costs incurred!). We would hope that supermarkets would gain 'points' in the future with their stakeholders by developing innovative ideas (like distribution vehicles running on chicken fat and cooking oil!) which progress the challenge towards a truly sustainable supermarket.

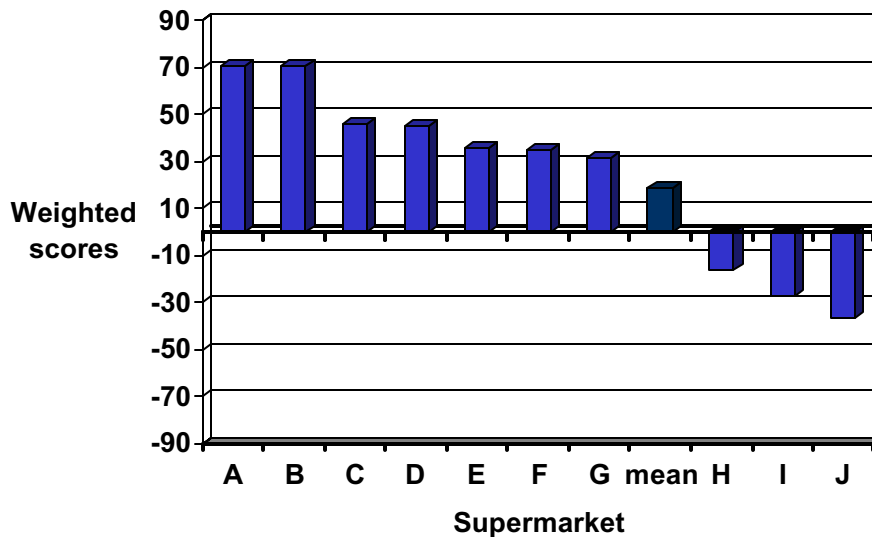
**Commentary on the PRODUCERS module**

**Trading relationships with suppliers and farmers** is one of the most contentious elements of supermarkets' influence on sustainability. And yet supermarkets generally put a lot less emphasis on their trading relationships when they report on Corporate Social Responsibility.

Most retailers have put sound *policies* into place which oversee relations between themselves and their suppliers. The Office of Fair Trading (OFT) Code of Practice was adopted, as required, by the Big Four retailers with market shares over 8%, though it was also voluntarily adopted by Co-op. The other retailers have adopted their own Codes, such as Somerfield's *Code of Practice on Supermarkets' Dealings with Suppliers*. The OFT Code of Practice encountered criticism of being watered down by industry lobbying, and of failing to curb retailers' predatory practices. Some retailers have adopted more stringent Codes, such as the Co-op's *Code of Business Conduct*.

Although there is very little difference in corporate *policy* on fairness in trading with suppliers and farmers, there are clear differences on the ground in suppliers' rating of supermarkets' integrity in the way in which they do business. The need to 'ground-truth' supermarkets' policies is particularly acute in this module, which is why the Centre for Food Chain Studies at Imperial College was commissioned to develop a methodology to compare supermarkets, based on concepts of *distributive justice* (how costs and benefits are divided between trading partners) and *procedural justice* (the fairness of one party's procedures and policies for dealing with its partner(s)).

When the supplier survey was piloted in 2002-3, the variation between retailers was clear (see figure), though the sample size was quite small. It is of utmost importance that supermarkets subject themselves to this form of comparative assessment. The fact that only two retailers (Co-op and Iceland) participated in the main survey using this method in 2003 reflects very poorly on the level of transparency in UK food retailing.





## **Fairtrade**

In 2003, RTTT chose 'availability and promotion of Fairtrade Marked products' as an indicator of supermarkets' support for smallholder producers in developing countries. Retailers with smaller store formats and lower-income customer bases often complain that this indicator is skewed in favour of retailers with hypermarket formats (shelf space for many niche products) and higher-spending customers (willingness to pay Fairtrade premium). This is partially true, and also applies to products with higher Animal Welfare credentials. But the success of the Co-op's development of the Fairtrade sector supports the view that the market has much more to offer than an up-market niche.





## Commentary on the WORKERS module

This module looked at pay and working conditions for supermarket workers (in particular check-out operators or general assistants) and farm and factory workers in the companies that supply food to supermarkets, both in the UK and overseas.

Labour standards are the framework to make improvements and we began with asking about the supermarkets commitment to these standards. Each supermarket that responded had responsibilities for labour standards designated at board level and had management structures to support this commitment both in the UK and through their supply chains.

We looked in more detail at the implementation of labour standards within the companies and in particular how this implementation affected checkout operators (or general assistants) who are at the lower end of the pay scales. We were particularly interested in the number of contracted hours these staff worked, how long they stayed in their jobs, their pay and conditions and what benefits were available to them. This presented a more complex picture.

The retail sector has traditionally high levels of staff turnover and this data demonstrated annual staff turnover rates either side of the 50% mark. Pay was reasonably comparable across the sector, with all of the supermarkets offering rates slightly above the National Minimum Wage. It should however be noted that although the NMW has undoubtedly improved pay for those on the bottom tier of the pay structure, retail checkout operators (84% are women) still fall in the bottom ten percent of non-manual occupations with average full-time earnings of less than £200 a week.

In addition, the data provided shows that a significant percentage of staff are not contracted to work the minimum number of hours required to pay NI contributions and will be excluded from pensions and other contribution-based benefits thus damaging their long term financial security.

The issue of flexibility is an important one. Flexible hours make working for supermarkets attractive to many people for a number of reasons. For example, young mothers, students etc. From the responses given, and the limited amount of supporting data provided by the supermarkets, it is difficult to gauge what mechanisms exist for checkout operators to change their working hours. The supermarkets refer to flexibility within work schedules but no details were provided. Evidence from trade unions indicates that demands from the supermarkets for greater flexibility and longer working hours from staff as opening hours are lengthened threatens this idea of family-friendly/ work-life balance benefits.

The response to the questions on employee representation are interesting and perhaps indicate that the supermarkets who have responded have more open policies than some of the others.

All these supermarkets have structures which include staff councils or consultative forums. Trade union recognition agreements which make provision for collective bargaining over pay are relatively unusual in the sector but the Co-op makes pay the subject of collective bargaining and a national agreement and is to be commended for this. Pay bargaining also takes place within Somerfield and Safeway has a recognition agreement with USDAW which covers the majority of staff although this does not include pay and benefits.

Codes of conduct are increasingly used as a way of shaping corporate policy on labour standards and as an attempt to take some responsibility for what happens throughout their complex supply chains. To make them effective, workers need to be familiar with the codes and have confidence that they will be respected if they are to benefit from the protection they provide. Effective



monitoring and independent verification are critical and the module attempted to capture data on this.

The supermarkets responded well to this set of questions and supplied excellent supporting data. They all have Codes modelled on the ETI Base Code and have a range of good practice which includes training for key staff and suppliers, the development of tools to help suppliers review their compliance with the Code and participation in ETI pilots and projects.

The data also highlighted other areas which need addressing by the supermarkets. These included the Code only being adopted for own-brand products and their associated supply chains and a lack of financial commitment to help with implementation of the Code by their suppliers. This can be an important limitation as compliance costs can be significant and varied including such things as auditing charges, management and capital costs to improve equipment or systems to make them compliant. These additional costs can push the smaller suppliers out of business.

The extent to which labour standards improve working conditions in the supply chain depends on monitoring and verification and the supermarkets' responses reveal that they are at different stages of development on this. All participating supermarkets record a high level of implementation with first tier suppliers and all monitor implementation internally and externally. Only the Co-op currently has verification of its audits carried out by an independent company.

Overall this data further developed the picture of commitment to and implementation of labour standards in the supermarkets both within the UK and globally in their supply chains. There were lots of examples of good practice which included:

- The Co-op's group-wide approach to sound (ethical) sourcing ; its policy to make pay the subject of collective bargaining and a national agreement and its active commitment to deal with exploitative gangmasters
- Safeway's initiative with USDAW to offer Lifelong Learning opportunities for retail staff in Scotland; the development and use of a "toolkit" to undertake social assessments of first tier suppliers for own brand products and a similar commitment to helping develop a code of practice for gang masters
- Somerfield's development of the one-day audit tool and its continued work with ETI members to ensure validity of information.

Some areas for improvement which were highlighted by the data included:

- Improved mechanisms for consultation and negotiation with staff over pay and conditions
- Extending the application of the Codes beyond own brand suppliers
- Addressing the issue of financial support to help suppliers with the implementation of the Codes
- More verification of social audits by a third party and more significant corrective actions of non-compliance

**Commentary on the LOCAL ECONOMIES module**

It is evident that this area is still in an early phase of development. Judging by their questionnaire responses the participating retailers seem aware that this is an area of growing interest and concern to some of their shoppers. However this is perceived as mainly of interest in areas with a traditionally strong regional and local identity such as Scotland, Northern Ireland, parts of Wales, northern England, South-West England, island localities and rural areas in general.

There is a tendency to avoid taking a proactive stance on this issue by the retail sector, as demonstrated by the fact that some do not yet have a written corporate policy on sourcing local and locality foods. Most also do not have set targets for the percentages of local foods that they aim to stock throughout their stores. Most multiple retailers claim to be stocking increased or increasing numbers of local and locality food lines, however they say that they are not recording systematic data on their own performance on this type of sourcing. None can provide accurate overall figures on the percentages of their food lines that are sourced and sold as local or locality foods. The one retailer that did provide guideline figures revealed that the proportions of local and locality foods stocked is very low relative to overall food lines stocked – less than 5% for local food and less than 10% for locality foods. In general the focus is more on stocking UK or British foods, rather than on defining local as foods sourced from within a 30 mile radius of a store, or even from within the region in which the store is located. Most retailers seem to have clear policies on buying UK First, however again they do not tend to go as far as setting targets on this. There is a tendency for the sector to perceive its role as supplying what consumers ‘want’ rather than trying to educate and guide consumer preferences towards food sourcing that supports the UK’s local and regional economies as well as providing good and appealing food for consumers.

In terms of actual performance, the results from the Local Food Store Survey indicate that none of the retailers have ensured that their customer service staff are briefed on this issue. When ‘mystery shoppers’ asked customer service staff for information about local foods available in their stores, the overwhelming response from all retailers was that no information was available, or customer services simply ‘didn’t know’. Occasionally shoppers were told that the lack of information on local food in the store was because ‘no local food is stocked, as it is all delivered to and from a central depot’.

In terms of actual stocking, overall very few apples were sourced from the UK, let alone from local areas or UK regions. The timing of the first phase of the survey was in July and August, before the UK apple season gets into full swing, which partly explains this. Potatoes scored rather better, with many stores around the country stocking several locality varieties, labelled with their various counties of origin. However very few were local to the store in which they were sold. Milk tended to be UK or British sourced, although the stores of some retailers did stock a few varieties of milk that named a locality of origin; quite often this included a goat’s milk. Fresh lamb and beef stocked in stores tended to be all labelled the same – either all UK/British, or all from just one broad locality such as Scotland, Ireland or Wales. Occasionally two or three locality beef or lamb cuts would be in stock. Local meat was only very rarely encountered by surveyors. As for cheeses, these scored highest as most retailers’ stores do stock several cheeses from around the UK, with an identifiable locality of origin. Some also stocked a few local cheeses.

However, the overall findings demonstrate a very low general rate of local sourcing, and a somewhat higher but still low level of locality food sourcing, by the ten retailers. Only a tiny number of stores showed any evidence of local food ‘promotion’ such as point of sale advertising, sampling stands or local food information leaflets.

## Commentary on the NATURE module

The **Nature** module provides an opportunity to benchmark the retailers' performance on three broad areas: *Environmental Issues within the Supply Chain*, *The Farmed Environment* and *Sustainable Fisheries*. Food production practices can have a major impact on the natural environment, both positive and negative. This applies both to domesticated crops and livestock grown all over world, and to products sourced from the wild, such as fish. As the gatekeepers of the modern food system, retailers are in a prime position to encourage their suppliers to adopt more sustainable production methods, to bring real biodiversity benefits. Retailers are increasingly aware of their influence, either setting their production standards and/or participating in industry initiatives (e.g. British Farm Standard, Scottish Quality Salmon Environmental Management System). This, combined with a small but growing sector of consumers demanding to know how (and where) their food is produced, suggested this would not be a difficult module for most retailers.

Retailers were asked whether they ran environmental awareness training programmes for primary produce buyers and how they ensured consumer choice in relation to Genetically Modified (GM) foods. They were asked whether they required farmers that supplied them with fresh fruit, vegetables, meats and dairy products to take positive action to protect the natural environment on their farms (including pesticide use), and whether they provided any assistance (financial or in kind) to help farmers comply with these requirements. The fisheries questions focused on sourcing from sustainable, legal fisheries (both wild and farmed), focusing on the NE Atlantic as a particularly vulnerable area, and on long-lining and seabird bycatch.

Of those retailers who responded this year, one stands out as having made a real effort and is now seeing a return on its investment. The Co-op is the best retailer in all 3 areas examined under this module. There were a number of examples of good practice:

- The Co-op runs a comprehensive environmental training programme for its primary produce buyers, and ensures consumers can access information via a number of means.
- Safeway is sponsoring the development of the LEAF Marque assurance scheme, a 'green' certification standard for horticulture farmers but now looking to extend to livestock farmers.
- All three retailers require their fresh fruit and vegetable farmers to belong to an assurance scheme (Assured Produce Scheme in the UK, EUREP-GAP overseas) and in some cases also adhere to the retailer's own Code of Practice, and their farmed fish to come from accredited fish farms.

A key area for improvement highlighted by the data included a misplaced reliance on farm assurance schemes (in particular those operating under the Little Red Tractor logo) to ensure environmental delivery. At the present time the environmental component of nearly all the assurance schemes is weak, and by and large relies on compliance with legislation. The horticulture scheme does encourage the farmer to look to conserve the environmental capital on the farm, but it is not a compulsory element of the scheme.

It is important to note that all actors in the food system must recognise the need to reward and share the costs of higher standards. In many cases this might involve lobbying governments to provide incentives. However, sustainable production must also be matched by sustainable consumption. Consumers need to be able to access information about the impacts of different production practices so that they can make a reasoned choice in favour of sustainable food products, paying premiums where necessary. In all cases, retailers should aim to work with suppliers towards long-term improvement of standards, and to provide support for the shift to more sustainable practices where appropriate. Finally, retailers and other stakeholders, including their critics, must be prepared to have a rational and realistic debate about how standards can be raised in an equitable and long-lasting manner.



## Commentary on the ANIMALS module

Supermarkets have enormous influence over the animal welfare standards adopted in the production of the meat, milk and eggs they sell. The RTTT initiative supports supermarket best practice on farm animal welfare and consumer choice by tracking performance on key animal welfare indicators and highlighting progress. RTTT selected corporate retail sales proportions of non-cage eggs, extensive chickens, and stall and tether-free pigmeat as its key indicators, as well as company policy on journey times to slaughter.

Battery egg sales can be seen as a flagship animal welfare indicator, especially as European Union legislation is scheduled to ban conventional battery cages by 2012. Unfortunately, all 3 companies surveyed reported a drop from last year in the proportion of their non-cage egg sales.

Most meat (broiler) chickens sold by the major multiples are still reared using intensive farming techniques. The higher welfare alternative accounted for 1-5% of total chicken sales of the companies surveyed.

The vast majority of own label pigmeat sold by the 3 companies surveyed comes from animal-friendly stall and tether-free systems.

On animal transportation, all 3 companies set a maximum journey time for cattle, sheep and pigs travelling for slaughter. Somerfield set an 8 hour maximum, whereas Safeway and Co-op set a 6 hour maximum. In the case of pigs, Co-op went still further by insisting on travel times of no more than 4 hours. In order to monitor performance levels against policy, RTTT asked for average journey times to slaughter as well as policy maximums. All 3 companies reported average journey times well within the permitted maximum.

The company that showed the best overall performance on animal welfare standards for the 2003 dataset is the Co-op.



### Commentary on the HEALTH module

This module tried to do something which has not been done before, but which is becoming more and more urgently necessary. It tried to map, by means of mutually agreed indicators, the extent to which the activities of the major multiple food retailers support (or undermine) public policy goals to improve diet in order to prevent ill-health.

Clearly, any attempt to “measure” such a complex area will be fraught with difficulty, and the science of defining and quantifying impacts of this type is in its infancy. The questions have been devised to give an indication of retailers’ level of commitment and action. Part of the objective (and achievement) of this module has been the consensual development of a set of workable indicators, which can be improved and refined in future phases of the project.

The retailers which submitted completed questionnaires (as well as those which collaborated in the development of the questions but did not go on to complete the questionnaire) are to be congratulated for their participation in the process.

There was a wide gap between the majority of retailers and the single best performer in this module, suggesting that there are identifiable differences in practice, and that the poorer performers can learn from the best. It must be borne in mind that the module asks retailers to consider issues which do not yet routinely feature in environmental or social responsibility audits, and in some cases asks for data which retailers may not collect for other purposes. One of the objectives of the module has been to encourage retailers to collect this data, and to consider the light it sheds on the extent to which their policies and activities support wider public health goals. The fact that the highest performer in the module achieved four stars and was able to answer and score highly on most questions demonstrates the feasibility of this approach, and the scope for improvement in the sector as a whole.

Encouragingly, most of the retailers who submitted questionnaires this year were able to answer most questions, suggesting that the data being asked for is more accessible than previously. There are still gaps, but there was no question on which none of the retailers could supply data. Two questions were not scored, but were included to provide baseline data for future questionnaires.

There is a balance to be struck between asking for information that the retailers can readily supply, and challenging them to search for meaningful data that they may not previously have collected or thought important. In this year’s questionnaire, it may be that the questions relating to indicator 7.4 (Extent to which sales support dietary guidelines), which were extensively modified in the light of retailers’ criticisms, are not now challenging enough, in effect awarding “easy” points for what is already industry-wide practice, rather than discovering and rewarding outstanding performance.