

AR/0:2050
COUNTDOWN TO NET ZERO

CLIMATE ACTION PLAN

AUSTRALIAN RETAILERS ASSOCIATION (ARA)
JULY 2022 - JUNE 2024



Our commitment

Having navigated the global pandemic, Australian retailers are moving on to tackle the next big global disruption - climate change.

Unlike previous disruptions that have caught some retailers off guard, we've had plenty of notice about the need for urgent and decisive climate action. The science is clear, the business case is strong, and the call for change is growing louder by the day.

That's why I am so proud to launch the ARA's Climate Action Plan, to detail the steps our team will take to unify the Australian retail sector behind a common vision for change, outline the strategic roadmap to net-zero emissions, and drive collective impact across our sector – helping our members to not only set and achieve their own ambitious goals, but exceed them too.

No sector will achieve net zero emissions in isolation though. That's why we need strong policy settings and a robust framework to collaborate with other sectors to ensure that the retail sector is best-placed to achieve net-zero emissions by 2050.

The launch of our plan follows the release of the ARA's Net-zero Roadmap for the Australian retail sector and our pledge to become an accelerator for the UN-backed Race to Zero campaign - demonstration of our commitment to work with our sector, local partners and global collaborators to accelerate the transition to net-zero.

I commend the ARA's Climate Action Plan to our members, retail community and stakeholders, and we welcome your feedback on how we can continuously improve the plan.

A handwritten signature in black ink, appearing to read 'Paul Zahra', written in a cursive style.

Paul Zahra
CEO, Australian Retailers Association

Our position on climate change

The Australian Retailers Association (ARA) believes in the science that says human activity is responsible for climate change and that the global community needs to take urgent and decisive action by 2030, to avoid the worst impacts of climate change.

We also believe the retail sector is uniquely placed to engage consumers on climate action, drive investment to accelerate the transition to the low-carbon economy of the future, and work with partners to reduce emissions along the retail supply chain.

Our targets

As an accelerator for the UNFCCC Race to Zero campaign, the ARA believes that the Australian retail sector needs to achieve the following targets:

- 50% reduction in emissions by 2030
- 100% renewable energy by 2030
- Zero emissions from electricity and natural gas consumption by 2030
- Zero emissions from fuel usage by 2040
- Net-zero emissions on all other activities (including supply chain emissions) by 2050

Our sector and membership

The ARA is the oldest, largest and most diverse national retail body, representing a \$360 billion sector that employs 1.3 million Australians and is the largest private sector employer in the country.

As Australia's peak retail body, representing more than 100,000 retail shop fronts and online stores, the ARA informs, advocates, educates, protects and unifies our independent, national and international retail community.

Our members sell across all retail categories - from food to fashion, hairdressing to hardware, and cosmetics to computers. And the ARA is proud to represent this rich diversity, including our small and medium sized members who make up 95% of our membership.

The ARA operates as a not-for-profit incorporated association and is governed by the Registered Organisations Commission (ROC). Our team works between our Melbourne office on Wurundjeri land, our Sydney office on Gadigal land, and from their homes across the country.

Our purpose and roles

The purpose of this Climate Action Plan is to outline the measures that the ARA will implement over the next two years, to support the Australian retail sector in its transition to net-zero.

Informed by engagement with global sustainability experts, the ARA's CEO Forum and Sustainability Advisory Committee, and the ARA's broader membership, we have identified three areas where the ARA could add most value for members:

- Focus on what we can control ourselves to build awareness and momentum around the sector's transition to the low-carbon economy of the future;
- Help our members set, achieve and exceed their own ambitious targets; and
- Work with local and overseas partners to connect members with global best practice and enable strong cross-industry collaboration.

The ARA will lead the design, development and implementation of measures outlined in this plan, supported by subject matter experts from ARA member organisations.

Governance will be provided by the ARA's Policy and Sustainability Steering Committee, supported by industry experts from our membership and the sustainability community.

Our Climate Action Plan



Vision

Engage stakeholders and unify our sector behind a common vision for change

Expert Advisory Group

Position Statement for Climate Action

Stakeholder Engagement Plan

Ambassadors and C-Suite Champions

ARA Sustainability Microsite



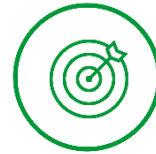
Strategy

Outline the strategic roadmap to net-zero emissions for the Australian retail sector

Climate Action Plan

Net-zero Roadmap

Race to Zero campaign



Targets

Support retailers in setting, meeting and exceeding their own ambitious targets

Leadership in Sustainability Podcasts

Masterclass Series

Professional Development Program (Sustainability in Retail)

Education Events



Actions

Support the retail sector transition to the low-carbon economy of the future

Low Emissions Operations

Low Carbon Logistics

Responsible Sourcing

Sustainable Consumption



Impact

Collaborate for a holistic approach and collective impact to reducing emissions

Value Chain Emissions

Data Management and Sharing



Vision

Engage stakeholders and unify our sector behind a common vision for change

Action	Deliverables	Due dates	Accountability
Action 1.1 Engage thought leaders to help shape and validate the ARA's vision for change	1.11 Establish an Expert Advisory Group to provide guidance on climate change	June 2022	Director of Policy, Sustainability and Impact
	1.12 Engage the Expert Advisory Group to review and validate the ARA's key deliverables, including future updates to its Position Statement on Climate Change, Net-zero Roadmap and Climate Action Plan	June 2022	Director of Policy, Sustainability and Impact
Action 1.2 Develop a Position Statement that outlines a common vision for change	1.21 Engage subject matter experts from member organisations to update the ARA's Position Statement on Climate Change, outlining its vision for change	June 2022	Director of Policy, Sustainability and Impact
	1.22 Publish the ARA's Position Statement on Climate Action on the ARA website	July 2022	Director of Marketing
	1.23 Secure member support for the ARA's Position Statement on Climate Change through an industry pledge on the ARA's microsite for climate action	July 2022	Director of Policy, Sustainability and Impact
	1.24 Test support for the ARA's vision for change through six-monthly pulse surveys about progress against our sustainability goals and changes in sentiment	September 2022 March 2023 September 2023 March 2024	Director of Policy, Sustainability and Impact Director of Marketing
	1.25 Update the ARA's Position Statement on Climate Change annually to reflect changing member support, stakeholder expectations and scientific guidance	May 2023 May 2024	Director of Policy, Sustainability and Impact
Action 1.3 Promote ARA's vision for climate action through our sphere of influence	1.31 Update and relaunch ARA's microsite for climate action, providing an online platform for member resources, achievements, news and events	May 2022	Director of Marketing
	1.32 Develop and execute an engagement plan that communicates the ARA's commitment to climate action to our employees, members and stakeholders	June 2022	Director of Policy, Sustainability and Impact
	1.33 Engage relevant ministers, government departments and agencies, and other key stakeholders on the ARA's commitment to climate action and opportunities for collaboration	July 2022	Director of Policy, Sustainability and Impact
	1.34 Appoint high-profile, pro-business climate change advocates as ARA Ambassadors to help communicate the ARA's commitment to climate action to our employees, members and stakeholders	November 2022	Chief Industry Affairs Officer
Action 1.4 Build capability and secure support from retail C-Suite	1.41 Plan and execute an annual event, enabling Australia's retail C-Suite and senior leadership to engage deeply on the issues, risks and opportunities posed by climate change	May 2023 May 2024	Director of Marketing
	1.42 Provide annual updates to the ARA CEO Forum about progress of the ARA's Climate Action Plan and the transition to the low-carbon economy	October 2022 October 2023	Chief Industry Affairs Officer



Strategy

Outline the strategic roadmap to net-zero emissions for the Australian retail sector

Action	Deliverables	Due dates	Accountability
Action 2.1 Create a net-zero roadmap for the Australian retail sector, to inform members' efforts to address climate change	2.11 Relaunch and socialise the ARA's Net-zero Roadmap with key stakeholders	June 2022	Director of Marketing
	2.12 Collect and analyse data from participating members annually to compile annual progress report against targets and suggested actions outlined in the Net-zero Roadmap	September 2022 September 2023	Director of Policy, Sustainability and Impact
	2.13 Engage subject matter experts from member organisations annually to ensure that the Net-zero Roadmap reflects member progress, changing stakeholder expectations and best-available scientific guidance at the time of each review	October 2022 October 2023	Director of Policy, Sustainability and Impact
Action 2.2 Develop a Climate Action Plan, to outline the steps the ARA will take to enable the transition to net-zero emissions	2.21 Publish the ARA's Climate Action Plan on the ARA's Sustainability Microsite	June 2022	Director of Marketing
	2.22 Establish working group to support implementation of the Climate Action Plan	June 2022	Director of Policy, Sustainability and Impact
	2.23 Include implementation of the Climate Action Plan as a Key Performance Indicator (KPI) for accountable members of the ARA executive team	July 2022 July 2023	Director of Finance
	2.24 Engage subject matter experts from member organisations annually to ensure Climate Action Plan reflects increased aspiration of the global community	October 2022 October 2023	Director of Policy, Sustainability and Impact
Action 2.3 Work with global partners to accelerate the UNFCCC Race to Zero campaign	2.31 Develop and execute a campaign plan to engage ARA members about the Race to Zero - with the aim of signing up at least 10% of ARA's membership to one of the Race to Zero partner initiatives by December 2023	July 2022	Director of Policy, Sustainability and Impact
	2.32 Develop registration process and webpage to facilitate and track the onboarding of signatories to one of the Race to Zero partner initiatives	July 2022	Director of Member Services
	2.33 Run regular webinars providing information to members and other retailers about the requirements and process of becoming a signatory to one of the Race to Zero partner initiatives	monthly from July 2022	Director of Member Services
	2.34 Develop and launch an online Centre of Excellence on the ARA's Sustainability Microsite, featuring content from local and international collaborators to connect ARA members with global best practice	September 2022	Director of Policy, Sustainability and Impact Director of Marketing
	2.35 Provide quarterly progress updates to the global Race to Zero Campaign Manager and other relevant stakeholders	quarterly from September 2022	Director of Policy, Sustainability and Impact
Action 2.4 Promote a risk-based approach to prioritising climate action	2.41 Connect members with information about identifying and prioritising their material issues, risks and opportunities	November 2022	Director of Policy, Sustainability and Impact
	2.42 Connect members with information about establishing science-aligned targets	November 2022	Director of Policy, Sustainability and Impact
	2.43 Connect members with information about taking a long-term view of climate change and reporting their material issues, risks and opportunities	November 2022	Director of Policy, Sustainability and Impact



Targets

Support retailers in setting, meeting and exceeding their own ambitious targets

Action	Deliverables	Due dates	Accountability
Action 3.1 Build capability of retailers to set their own targets to address their material issues, risks and opportunities	3.11 Connect members with information about setting specific and measurable goals, to be achieved over a specified timeframe	July 2022	Director of Policy, Sustainability and Impact
	3.12 Design and commence delivery of Small Business Net-zero Workshops	July 2022	Director of Policy, Sustainability and Impact
	3.13 Release and promote podcast series focusing on the issues, risks and opportunities posed by climate change for Australian retail	August 2022	Director of Marketing
	3.14 Release and promote Masterclass webinar series with global subject matter experts, providing high-level insights into the ARA’s key focus areas, in-line with the pathways highlighted in the ARA’s Net-zero Roadmap	October 2022	Director of Policy, Sustainability and Impact
	3.15 Design and commence delivery of non-accredited professional development program, providing lower level of detail on the ARA’s key focus areas, in-line with the pathways highlighted in the ARA’s Net-zero Roadmap	October 2022	Director of Policy, Sustainability and Impact
	3.16 Present an annual calendar of educational events for members	October 2022	Director of Policy, Sustainability and Impact
	3.17 Establish peer learning network for members developing their own climate plans	November 2022	Director of Policy, Sustainability and Impact
Action 3.2 Connect retailers with partners who can help collect and manage data, to establish a baseline and track progress	3.21 Establish question set to help retailers define material issues, risks and opportunities and track their performance against industry benchmarks	September 2022	Director of Policy, Sustainability and Impact
	3.22 Work with leading green-tech start-up Greener to design, develop and commence deployment of the ARA’s “Sustainability Manager in a Box” digital solution, to help members build tailored action plans and track progress	October 2022	Director of Policy, Sustainability and Impact

What do our members believe? And what support do they require?

ARA Member Survey - Climate Action
March 2022 (n=42)

74%

agree that we need to take urgent and decisive action to mitigate the impacts of climate change

62%

don’t feel their business is sufficiently prepared for the transition to the low-carbon economy of the future

>50%

of responding members said they most needed:

- Information about how to achieve net-zero emissions
- Information about supply chain environmental impacts
- Information about governance frameworks



Actions

Support the retail sector transition to the low-carbon economy

Action	Deliverables	Due dates	Accountability
Action 4.1 Support the retail sector reduce emissions from their operation and transition to renewable energy	4.11 Engage with standards setters about the development of retail-specific environmental performance rating tools for new and existing operations	July 2022	Director of Policy, Sustainability and Impact
	4.12 Connect members with information and tools to help identify, cost and implement energy efficiency opportunities within their existing operations	September 2022	Director of Policy, Sustainability and Impact
	4.13 Connect members with information and tools to help identify opportunities to reduce the use of gas and fuel across their operations	September 2022	Director of Policy, Sustainability and Impact
	4.14 Connect members with information about their options for renewable energy including green power, group procurement and power purchase agreements. Connect members with best-practice guidance about the use of offsets	September 2022	Director of Policy, Sustainability and Impact
	4.15 Present business case for ARA and/or large members entering into Power Purchase Agreements, to invest directly into new renewable energy generation	March 2023	Director of Policy, Sustainability and Impact
Action 4.2 Support the retail sector transition to the low-carbon logistics	4.21 Engage with government around policy settings for low-carbon logistics	July 2022	Director of Policy, Sustainability and Impact
	4.22 Raise the profile of foundational measures that improve fuel efficiency	September 2022	Director of Policy, Sustainability and Impact
	4.23 Connect members with experts who can help inform their investment and procurement decisions about the transition to electric and hydrogen vehicles	March 2023	Director of Policy, Sustainability and Impact
	4.24 Conduct research and provide insights to help members assess, select and manage low-carbon logistics providers	March 2023	Director of Policy, Sustainability and Impact
Action 4.3 Support the retail select embrace responsible sourcing	4.31 Work with subject-matter experts to provide guidance to members about responsible sourcing programs that aim to reduce environmental degradation	April 2023	Director of Policy, Sustainability and Impact
	4.32 Use the ARA's Sustainability Microsite to start showcasing sustainable products, as case studies to influence product design and specifications	May 2023	Director of Policy, Sustainability and Impact
Action 4.4 Support the transition to sustainable consumption	4.41 Formalise arrangement with the Australian Packaging Covenant Organisation to deliver sectorial initiatives that support the National Waste Targets	July 2022	Director of Policy, Sustainability and Impact
	4.42 Develop and launch Circular Economy Roadmap, with a focus on supporting sectorial projects to test and scale-up solutions in the circular economy	August 2022	Director of Policy, Sustainability and Impact
	4.43 Work with leading green-tech start-up Greener to design, develop and deploy a universal set of trust marks and a consumer-facing application that connects customers with sustainable brands	October 2022	Director of Policy, Sustainability and Impact
	4.44 Develop and deploy creative assets to help members engage with their customers about emissions that occur during use and disposal of products	April 2023	Director of Marketing
	4.45 Develop and deploy education campaign to help members avoid greenwashing, by promoting best practice and defining common language	April 2023	Director of Retail Institute



Impact

Partner with others for a holistic approach and collective impact to reducing emissions

Action	Deliverables	Due dates	Accountability
Action 5.1 Collaborate with supply chain partners to reduce emissions	5.11 Establish a multi-sectorial working group comprising member associations from other sectors, ARA members and some of their supply chain partners to scope a project focused on capturing and tracking supply chain emissions	June 2022	Director of Policy, Sustainability and Impact
	5.12 Identify methodology for capturing and managing supply chain emissions data, looking at the global supply chain, the local supply chain and last-mile deliveries	July 2022	Director of Policy, Sustainability and Impact
	5.13 Capture data from members and stakeholders, to provide a baseline view of supply chain emissions and engage with other industry bodies along the supply chain to understand what plans are in place to reduce emissions	September 2022	Director of Policy, Sustainability and Impact
Action 5.2 Secure key partnerships to optimise the impact of actions taken by the ARA and Australian retailers	5.21 Secure mutually beneficial partnerships with consulting firms who can provide content and expert advice to the ARA, and support ARA members	June 2022	Director of Policy, Sustainability and Impact
	5.22 Formalise partnerships with content partners from NGO's and non-profits	July 2022	Director of Policy, Sustainability and Impact
	5.23 Start to connect members with data partners and seek consent for the ARA to use that data for the purposes of sectorial reporting and benchmarking	July 2022	Director of Policy, Sustainability and Impact
	5.24 Define data architecture and start to establish mutually beneficial relationships with data providers and aggregators,	August 2022	Director of Policy, Sustainability and Impact
	2.25 Capture data to help the ARA establish a sectorial baseline, understand key focus areas for retailers and track progress against targets	September 2022 September 2023	Director of Policy, Sustainability and Impact

Our collaborators

Our Position Statement on Climate Change, Net-Zero Roadmap and Climate Action Plan have been developed in collaboration with subject matter experts from our membership and the broader sustainability community.

The ARA would like to thank the following stakeholders and the many others who provided their valuable insights.

Member Working Group

Jacquie Fegent-Mcgeachie – THE ICONIC
Chris Foley – Kmart Group
Kathryn Franklin – Coles Group
Gillian Hector – Bunnings
Ryan Swenson – Officeworks
Ronald Tan – JB HiFi

Industry Experts

Andrew Petersen – CEO, BCSD Australia
Tom Ferrier – Founder, Greener
Monica Richter – Director, Business Renewable Centre
Sara Redmond-Neal – Principal, Small Mighty CSR
Charlie Knaggs – Principal, Point Advisory
Scot Case – Vice President CSR and Sustainability, National Retail Federation