



Retailers Reaching for Net-zero

A Guide for Taking
Science-based Action
to Reduce Greenhouse
Gas Emissions



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ABOUT NRF

The National Retail Federation, the world’s largest retail trade association, passionately advocates for the people, brands, policies and ideas that help retail thrive. From its headquarters in Washington, D.C., NRF empowers the industry that powers the economy. Retail is the nation’s largest private-sector employer, contributing \$3.9 trillion to annual GDP and supporting one in four U.S. jobs — 52 million working Americans. For over a century, NRF has been a voice for every retailer and every retail job, educating, inspiring and communicating the powerful impact retail has on local communities and global economies.

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Executive Summary

The World Economic Forum, United Nations and other authoritative organizations identify climate change as a top risk to our economy and society. The impacts of unchecked climate change are extensive, including widespread drought, more intense storms, heavier localized rainfall, increased flooding events and more that will affect raw materials, supply chains, facility operations and transit.

Retailers are already facing challenges related to extreme weather events at their stores and distribution centers and with their employees, supply chains and consumers. As a result, retailers are prioritizing action to address the growing risks and opportunities from climate change.

Companies that focus attention on mitigating their climate risks are discovering business benefits such as cost-saving opportunities. They are also more aligned with the expectations of the next generation of consumers and **investors**. A survey of corporate executives found that 79 percent consider a strengthened brand reputation to be one of the most significant business benefits for their company when committing to climate targets through the **Science Based Targets initiative**. Investors such as BlackRock Inc. are calling for companies to align with targets to reach net-zero emissions by 2050 and shareholders are bringing forward resolutions that businesses will need to address. Not surprisingly, competitors and peers are making commitments to reduce and remove greenhouse gas emissions from retail operations and supply chains.

By measuring emissions, establishing a target and making the needed GHG reductions, companies can temper regulatory, operational and supply chain risks and grow their businesses. The goal of the science-based targets effort is to **achieve net-zero emissions by 2050, with near-term targets that support the needed GHG reductions in the next five to 10 years.**

Dozens of retailers have already set or are in the process of setting SBTs, including Amazon, Gap Inc., Kohl's Corporation, Lidl, Panera Bread, Target, The Home Depot, Walmart Inc., Williams-Sonoma, Inc., and Yum! Brands Inc. Every retailer has a different starting point and so the journey to achieving net-zero emissions is unique. Not all organizations are ready to set public net-zero targets, but every retailer can make decisions that will create business benefits while reducing emissions. A company might begin with energy efficiency and renewable energy projects, or it might be ready to engage the supply chain for even more significant benefits.

The best possible action is to begin now, identify the next steps and start moving forward. Look to do the following actions:

- **MEASURE EMISSIONS** using available tools to understand emissions across the business.
- **SET SCIENCE-BASED TARGETS** that are aligned with the **Science Based Targets Initiative**.
- **PREVENT, REDUCE, AND ELIMINATE GHG EMISSIONS** to get to net-zero emissions.
- **ENGAGE EXTERNALLY** by reporting targets and progress and support others to do the same.



“ **The time to act is now — for all of us.** Climate change is a global challenge that transcends boundaries, affecting people and communities everywhere. We view it as an environmental issue, a human rights issue and a business issue. We also feel an ethical responsibility to address climate change by aligning our goals and strategies with the best science and industry practices. ”

— GAP

Introduction

The warming of our climate is accelerating and is already negatively impacting parts of the retail industry. Climate change and the buildup of greenhouse gas emissions in the atmosphere affect business throughout the entire retail value chain, from the availability of raw materials and products to the ability to operate stores.

The resulting business risks and opportunities are growing. As a result, retailers are taking steps to mitigate and adapt to climate change including reducing and removing GHG and aiming for net-zero emissions by 2050.

Warmer global temperatures increase extreme weather events like droughts, floods, heat waves and hurricanes. According to the **U.S. Environmental Protection Agency**:

- Eight of the top 10 warmest years on record in the United States have occurred since 1998 and all the worldwide warmest years have occurred since 2005.
- Individual heat waves are lasting longer and becoming more intense.
- Nine of the top 10 years for extreme one-day precipitation events in the United States have occurred since 1996.

The overwhelming **consensus of climate scientists** is that humanity needs to take significant steps to reduce GHG emissions. Some retailers are responding to this need by taking actions to reduce their emissions and developing additional strategies and targets for meaningful change that also create business value. They are reducing costs, decreasing business risks and increasing growth opportunities. All retailers can take steps to reduce their GHG emissions while creating business value.

In 2015, governments around the world gathered in Paris to establish an international agreement on climate change. Known as the United Nations **Paris Agreement**, it set a goal to limit global warming to well below 2 degrees Celsius and preferably 1.5 degrees. Six years later, the **United Nations** has warned that the planet is on track to warm by more than 2.7 degrees Celsius by the end of the century, which

climate scientists say will produce devastating effects unless the world can reach net-zero greenhouse gas emission by 2050.

This guide provides an overview of how retailers are setting targets and taking action to reduce GHG emissions, including some companies that are aiming for “net-zero.” The guide also includes personal insights from retailers, including their challenges and successes. This information is intended to help all retailers begin and advance their efforts to take positive action. Though it is intended for North American retailers, the guide may be helpful to others.

TOP ACTIONS to TAKE



1 Measure emissions
Leverage available measurement methods from [WRI](#) and other tools.

2 Set science-based targets
Set net-zero and near-term science-based targets, aligned with the [Science Based Targets Initiative](#).

3 Prevent, reduce, and eliminate GHG emissions
Start with low-hanging fruit and progress to address hotspots to get to net-zero emissions.

4 Engage externally
Report targets and progress, and support others to do the same.

RETAILER STORY

Climate Impacts on Stores and Supply Chains

Retailers are affected by climate change in a variety of ways. **Walmart Inc.** launched its sustainability and climate commitments shortly after witnessing the devastating 2005 impacts of Hurricane Katrina. In announcing the initiative, Walmart Inc.'s CEO referenced Walmart stores and Sam's Clubs left underwater by the storms and employees that lost their savings, their homes and their lives.

Drought and fire have also impacted many. A 2020 NRF survey of 62 members reported that half had to close stores because of the West Coast wildfires; 44 percent of respondents had workers who were unable to get to work and one-third experienced delivery delays due to the fires.

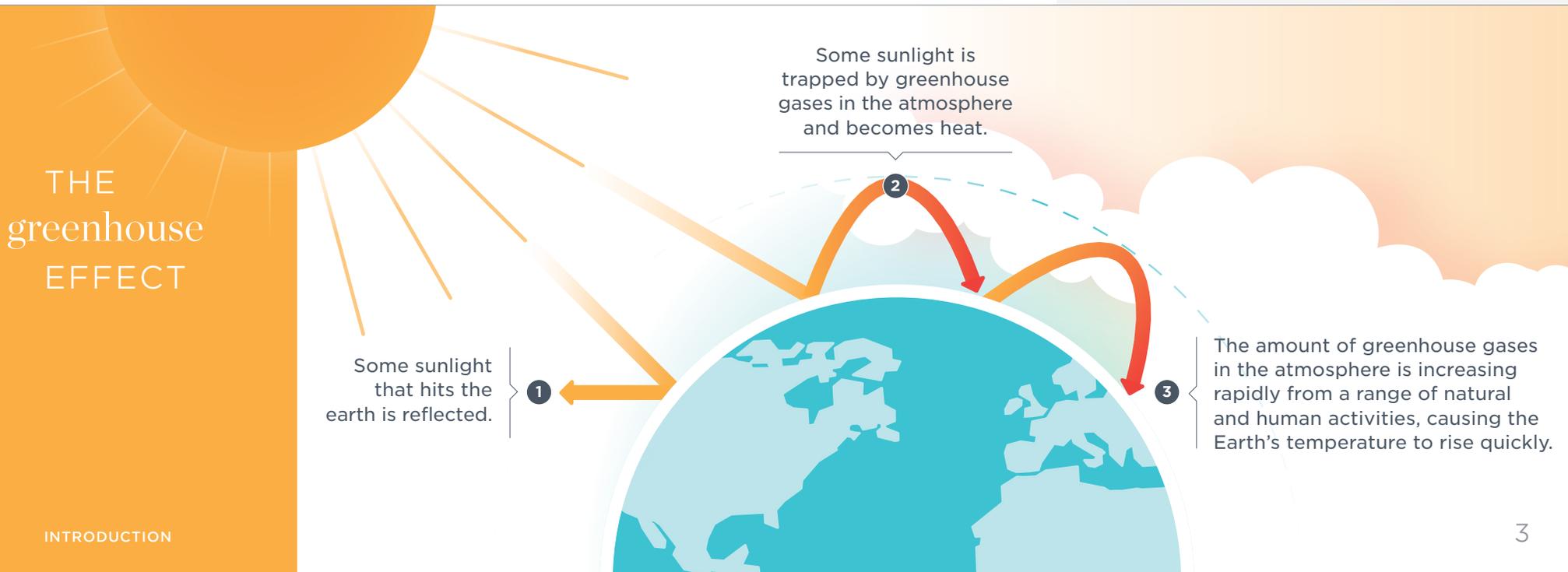
In 2021, hurricanes and ice storms in Texas disrupted retail operations and supply chains. The impact caused delays in furniture production for several retailers amidst the increased demand for home furniture during COVID-19.

“As a retailer, we see firsthand how climate change affects our business. Frequent or unusually heavy snow, ice or rainstorms; natural disasters such as earthquakes, tornadoes, floods, fires, and hurricanes; or extended periods of unseasonable temperatures shift consumer shopping patterns.

It can also cause physical damage to our properties as well as our customers and associates. **We are committed to managing climate risks and are taking action.**”

— KOHL'S 2019 SUSTAINABILITY REPORT

FIGURE 1. Connection between climate change and greenhouse gas emissions. Carbon dioxide is the main GHG emitted through human activities. GHG and “carbon” are often used interchangeably in climate science to refer to all GHG emissions. Source: [Overview of Greenhouse Gases | U.S. EPA](#)



Business Case for Reducing Greenhouse Gas Emissions

Emerging investor interest and the growing risk of regulations to address climate change are affecting business decisions.

Companies are setting targets to guide and track emission reductions; they are also aligning their targets with the latest climate science. Many retailers are adopting an approach developed by the **Science Based Targets Initiative (SBTi)**.

What is a science-based target for GHG emissions?

The **Science Based Targets initiative** is viewed by investors, scientists, business and civil society as the standard for business to make climate commitments. SBTi acknowledges that “the scientific community has clearly stated the need to reach net-zero global CO₂ emissions by midcentury in order to limit global warming to 1.5 degrees Celsius and to reduce the destructive impacts of climate change on human society and nature.”

What is net-zero?

Net-zero means that GHG emissions due to human activity are balanced by human-based reductions and removals during a certain period — in other words, the amount of GHGs emitted should be equal to those removed by 2050. SBTi emphasizes the need for near term targets (e.g., 2030) to support progress toward net-zero by 2050.

SBTi notes that: “Business leaders need a common, robust, science-based understanding of net-zero. Otherwise, they risk following a pathway that may not be consistent with addressing the climate crisis and keeping warming to 1.5 degrees Celsius.” SBTi provides such guidance on how to set near-term and long-term targets.

An effective GHG reduction and net-zero strategy can deliver important business benefits and support business growth (Figure 2).

Investor group, **BlackRock Inc.**, calls on companies to **align with global efforts to reach NET-ZERO GREENHOUSE GAS EMISSIONS by 2050.**

79%

of corporate executives surveyed found **A STRENGTHENED BRAND REPUTATION to be one of the most significant business benefits** for their company from committing to the **SBTi**.

FIGURE 2. The range of benefits available to companies when reducing greenhouse gas emissions.



1 Cost savings

- Lower energy and other input costs
- Lower waste-handling costs
- Access to more and lower-cost capital



2 Risk reduction

- Less reactivity to changing regulations
- Ability to address stakeholder interests, such as changing consumer demand, regulatory pressure and investor requirements
- Greater understanding of vulnerabilities in supply chain and ways to develop greater resilience



3 Growth opportunities

- More opportunities for new products or solutions
- Stronger brand reputation and loyalty
- Greater profitability

Some of the easier actions to reduce GHG emissions, such as energy efficiency, come with inherent cost savings. These savings usually occur early in a company's GHG reduction journey and can be used to invest in other efforts to generate growth or reduce risk.

Companies are using GHG reduction programs to help prepare for potential future regulations, shift market expectations and ensure resilience in the supply chain from **environmental impacts**. They are also responding to investor interest in companies that are setting science-based and net-zero targets, creating access to additional and lower-cost capital. Retailers experience greater customer loyalty and new business opportunities from innovations in product development and operations.

The **Task Force on Climate-Related Financial Disclosures** provides guidance for companies to better understand the risks and opportunities associated with climate change. Retailers such as Amazon, H&M, Walmart, Yum! Brands and others use the TCFD framework (see Table 1).

RETAILER STRATEGY

De-coupling business growth from GHG emissions

Williams-Sonoma, Inc. has grown its business while decreasing its GHG emissions (see Figure 3 below). This helped the sustainability team gain additional upper management support for its climate targets and validate the investment and benefits of climate action.

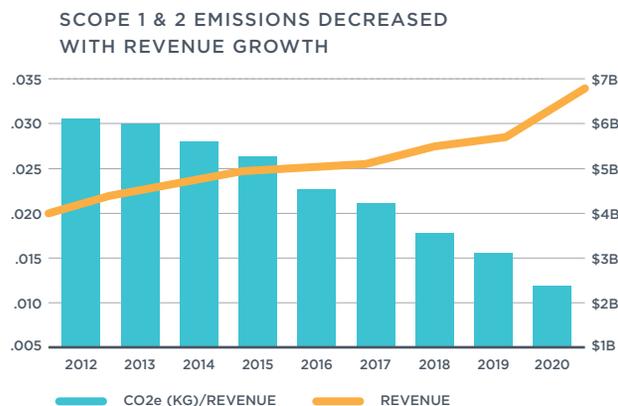


FIGURE 3. Carbon emissions decrease and revenue grows for scopes 1 and 2. Source: Williams-Sonoma, Inc.'s **2020 Impact Report**

“Reducing emissions and adapting to climate change is critical to the collective success and resilience of the McDonald’s System, and our ability to feed communities today and in the future. While taking action on climate change is challenging and requires significant investment, **we believe it will drive business value in the long term** by ensuring we are managing operational costs in our energy supply, improving the security of supply of our raw materials, and reducing our exposure to increasing environmental risks, regulation and taxes”

— MCDONALD’S CLIMATE ACTION APPROACH

Table 1. Example Risks and Opportunities Identified by Retailers through the Task Force on Climate-Related Financial Disclosures

CLIMATE RISKS	BUSINESS IMPACT	CLIMATE OPPORTUNITIES	BUSINESS IMPACT
Acute and chronic physical risks from increased flooding, droughts, hurricanes and damages due to climate-related events	Operational interruptions, higher heating/cooling costs, more building repairs, higher insurance costs, sales and cost of goods volatility and raw material and final product availability and access uncertainty	Energy efficiency in operations and shift to renewable energy and electric vehicles	Resilience with energy sources and cost savings
Transition risks from increasing regulations and evolving public preference demanding faster transition to a low-carbon economy	Potential increases in operational costs and impacts to brand reputation	Product and packaging sustainability	Business growth through greater customer trust and loyalty and offering new products and services

Setting a Greenhouse Gas Reduction Target

A GHG reduction target provides direction and accountability and helps motivate progress. Before setting a target, retailers must understand the sources and amount of GHG emissions.

Understand your baseline

Retailers find that measuring GHG emissions is critical because it is hard to manage what is not measured. Many retailers begin by measuring a subset of GHG emissions like those from their electricity use, to build experience and the business case. Over time, they expand to cover all GHG emission sources.

There are three categories of GHG emissions related to a company's activities: scopes 1, 2 and 3. They are described in Figure 4.

Scope 1 and 2 emissions are easier to track and manage because a retailer has more direct control over these emissions. Scope 3 emissions — both upstream and downstream — are included in the concept of science-based targets and net-zero. These emissions account for a significant portion of a retailer's carbon footprint and are not under direct control of the company (see Figure 5 on next page). Scope 3 emissions include those from supply chains and those from consumer impacts.

The World Resources Institute's **GHG Protocol Corporate Standard** provides external guidance for measuring emissions.

“If you don't measure your GHG emissions, you cannot set a target or take any kind of position on climate issues.”

— KIM HELLSTROM, H&M SUSTAINABILITY AND CLIMATE LEAD

FIGURE 4. GHG emissions sources and where they fall across the three scopes. Source: Adapted from **GHG Protocol Corporate Value Chain (Scope 3) Standard**

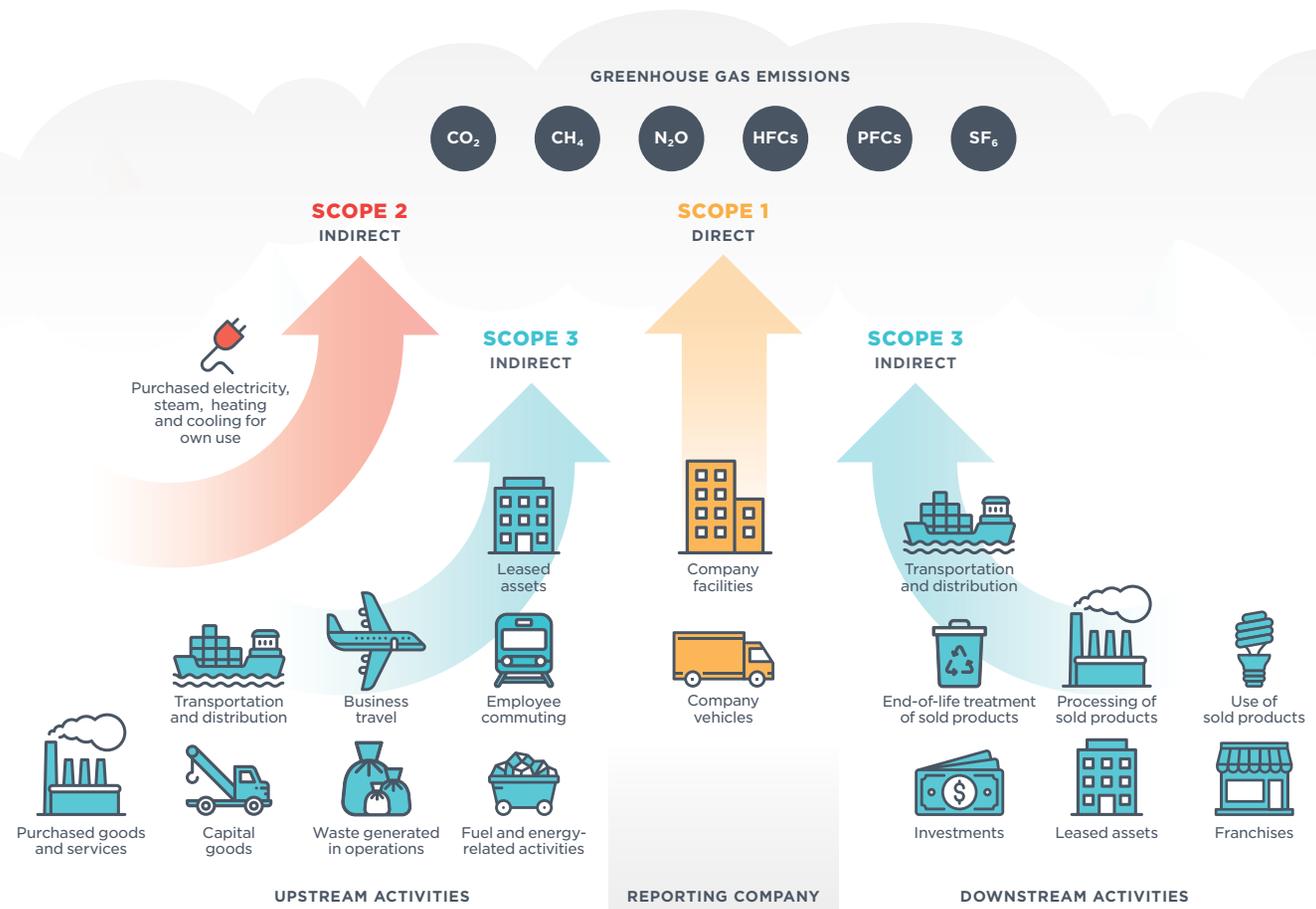
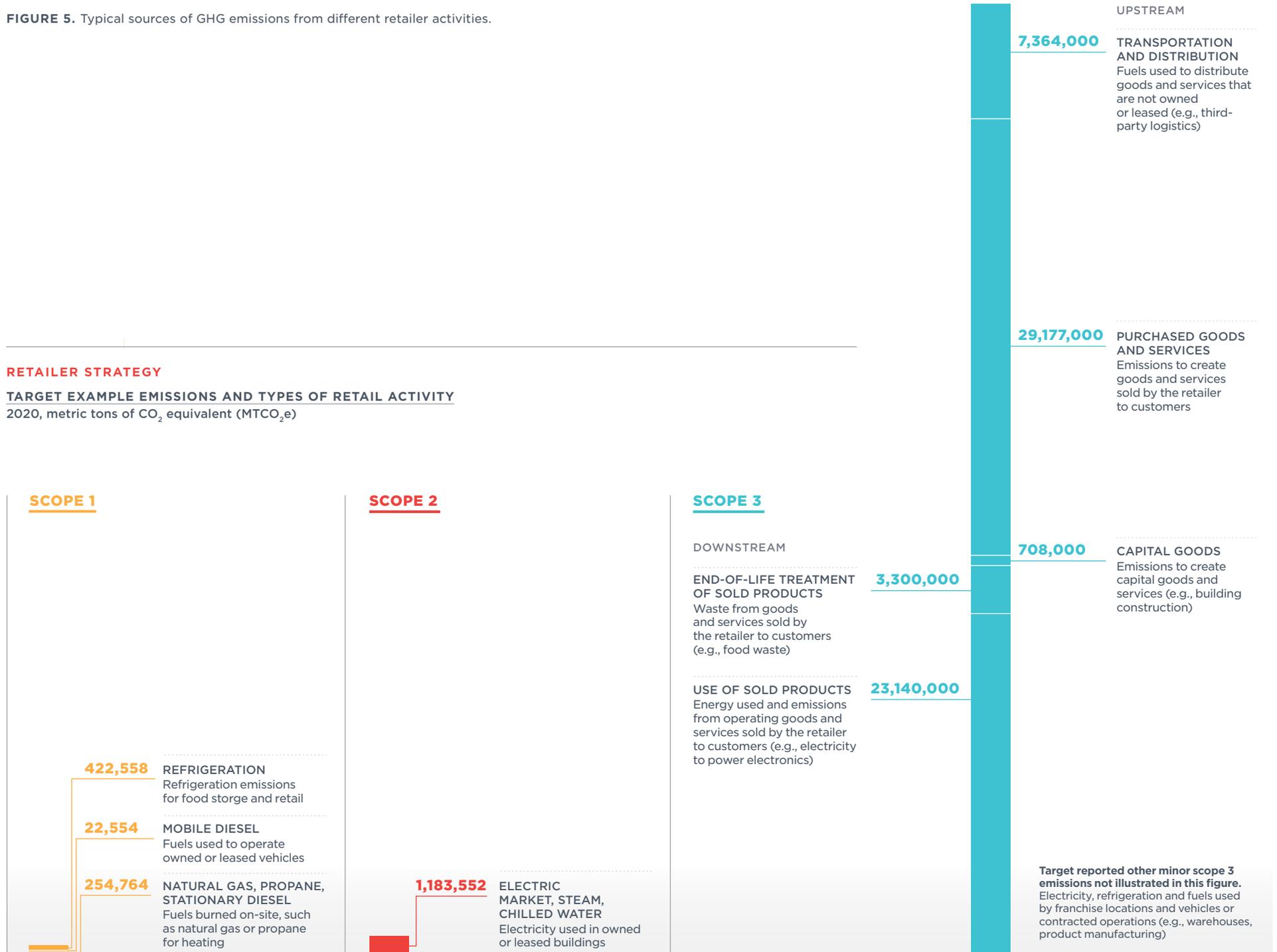


FIGURE 5. Typical sources of GHG emissions from different retailer activities.



The importance of scope 3

Scope 3 emissions represent the largest percentage of any retailer's GHG emissions (see Figure 6 for examples) because they include upstream and downstream emissions. Scope 3 emissions include purchased goods and services (i.e., upstream emissions) and use and disposal of sold products. They will vary by retailer depending on how the business is structured and what types of products the retailer sells.

Retailers that own their own fleets will manage those emissions as part of their scope 1 strategy; retailers that rely more heavily on third-party logistics providers will manage them as part of their scope 3 strategy. Similarly, retailers that sell appliances will have larger scope 3 emissions from the electricity that consumers use to run those appliances than the scope 3 emissions from the sale of books.

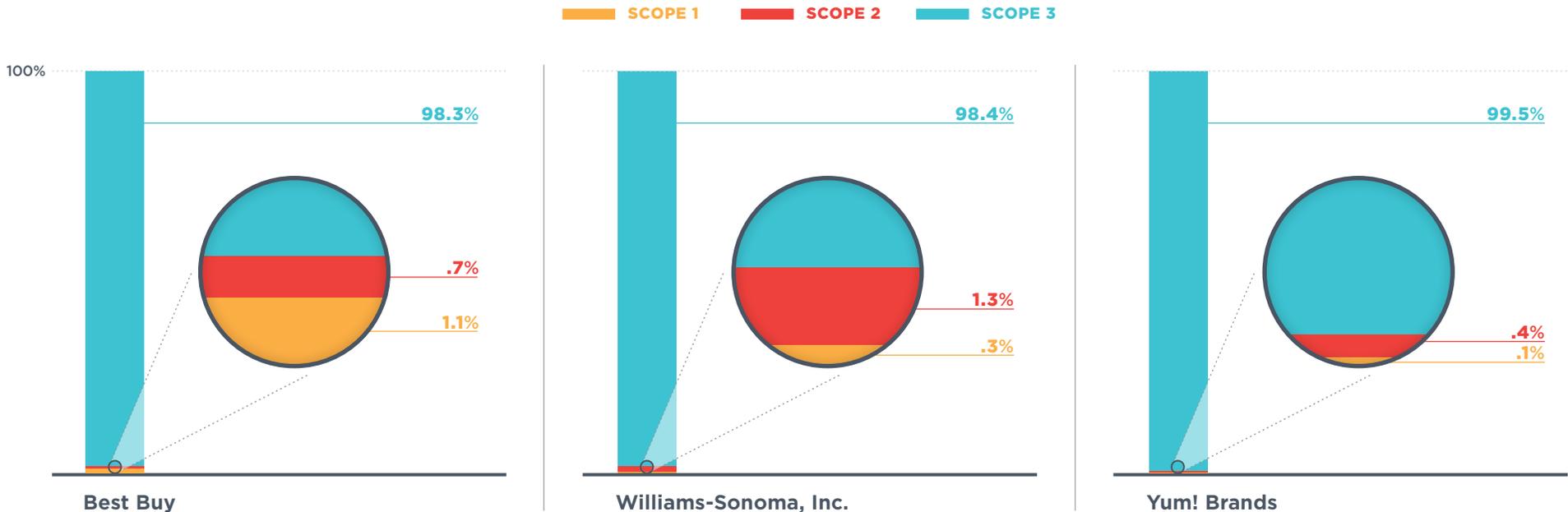
Williams-Sonoma, Inc.'s 2020 GHG calculations show that 98.4 percent of its total emissions come from scope 3. This reflects the full lifecycle of the products it sells, accounting for the origin of fabrics for furniture upholstery, the significance of how consumers use its products such as household goods and what happens when consumers (or the retailer) discard the products. Best Buy has similar scope 3 percentages with a higher percentage of its scope 3 emissions driven by the energy use of the appliance and electronics products it sells. Apparel retailer Rothy's has a relatively lower percent of scope 3 emissions (80 percent) because it owns its factory, and the emissions related to purchased electricity for manufacturing are part of its scope 2 emissions. Rothy's purchases wind power in the form of Renewable Energy Certificates (RECs) to account for all scope 2 emissions (purchased energy used in its factory, stores and offices).

“As a retailer with operations in more than two dozen countries and sourcing that spans the globe, Walmart is deeply committed to addressing climate change. We're focused on strengthening business resilience, advocating for climate action and targeting zero emissions across our global operations by 2040, without relying on carbon offsets.”

— WALMART INC.'S CLIMATE STRATEGY

FIGURE 6. Relative scale of scopes 1, 2 and 3 emissions.

ILLUSTRATION OF RETAILER EMISSIONS SOURCES



Identify and address hotspots

Measuring GHG emissions helps to identify the key sources of those emissions. Retailers can use that information to identify **hotspots — the areas with greatest improvement opportunities** — which in turn can help prioritize where to focus and determine actions to address.

Retailers have scope 3 hotspots (e.g., upstream emissions from purchased goods and services and downstream emissions from use of purchased goods and services are common hotspots). Even though scope 3 emissions may be out of direct control, retailers can have influence over scope 3 hotspots through decisions they make on private brand product and packaging design, overall assortment (e.g., energy efficient products, lower impact foods) and by prioritizing suppliers with lower carbon footprints. Further, stronger relationships with the supply chain can influence and drive lower GHG emissions by encouraging more energy-efficient manufacturing and greater use of renewable energy by suppliers.

The sources of scope 3 emissions can vary depending on what products or services a retailer offers. The Science Based Targets Initiative points out that automotive retailers have high downstream emissions and food retailers have high upstream emissions, with other examples shown in Figure 7.

Use tools to help with measuring emissions

These tools can help retailers get started in tracking emissions:

- **Scope 1 and 2: Greenhouse Gas Protocol tool**, Carbon Trust (UK based) **Small and Medium Business tool**
- **Scope 3: Scope 3 Evaluator tool**, **CDP Supply Chain** (through supplier responses) and industry tools (e.g., **Energy Star** Scope 3 Use of Sold Products Tool, Sustainable Apparel Coalition's **HIGG Index**)

Purchased goods and services — products sold by the retailer — are often a top source of scope 3 emissions upstream and downstream (depending on the product). The Scope 3 Evaluator Tool helps determine this, but the tool itself is not sufficient for developing a plan to reduce emissions and track progress. Developing a plan requires a different measurement approach which includes a closer look at sales data and information from suppliers. CDP Supply Chain has been used by some retailers to measure progress (with supplier data and industry average data), while others have leveraged their own data collection or industry sources such as the **Cool Farm Tool**.

Small and Medium-Sized Retailers

The Science Based Targets Initiative provides specialized guidance for companies with fewer than 500 employees. This route allows the SME to avoid setting a scope 3 emissions target. However, the company still needs to measure and reduce their scope 3 emissions, along with their SBTs for scope 1 and 2 emissions.

FIGURE 7. Examples of different retailers and their scope 3 hotspots.



Automotive

Use of sold products (aka emissions to use the products sold by the retailer to customers)



Consumer packaged goods

Purchased goods and services (aka emissions to create goods and services sold by the retailer to customers)



Electronics

Use of sold products (aka emissions to use the products sold by the retailer to customers)



Food

Purchased good and services (aka emissions to create goods and services sold by the retailer to customers)

Use the Science Based Targets Initiative method to set a target

Companies are using guidance developed by the **Science Based Targets Initiative** to set targets. This is a well-accepted and robust approach to align their targets with climate science aiming to achieve **net-zero emissions** by 2050 at the latest, with corresponding near term targets (e.g., 2030 targets). Companies can also have their science-based targets validated by the SBTi. See Table 2 for example targets from retailers.



Table 2. Example of GHG Emissions Reduction Target Set by Select Retailers (Example Science-Based Targets¹)

					
SCOPE 1 AND 2	<ul style="list-style-type: none"> Reduce absolute scope 1 and 2 GHG emissions 40% by 2030 from a 2017 base-year. Increase annual sourcing of renewable electricity from 95% in 2017 to 100% by 2030. 	<ul style="list-style-type: none"> Achieve 50% absolute reduction in operations emissions (scopes 1 & 2) from a 2017 base-year. 	<ul style="list-style-type: none"> Reduce absolute scope 1 and 2 GHG emissions 35% by 2025 and 65% by 2030 from a 2015 base year. Zero emissions across global operations by 2040 without relying on carbon offsets. 	<ul style="list-style-type: none"> Reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2019 base year. 	<ul style="list-style-type: none"> Reduce absolute scope 1 and 2 GHG emissions 46% by 2030 from a 2019 base year.
SCOPE 3	<ul style="list-style-type: none"> Reduce scope 3 GHG emissions from purchased raw materials, fabric and garments 59% per piece by 2030 from a 2017 base-year. 	<ul style="list-style-type: none"> Achieve 30% absolute reduction in supply chain emissions (scope 3) covering retail purchased goods and services from a 2017 base-year. 80% of suppliers (by spend covering all purchased goods and services) will set science-based scope 1 and scope 2 targets by 2023. 	<ul style="list-style-type: none"> Reduce or avoid CO₂ emissions from upstream and downstream scope 3 sources by 1 billion metric tons between by 2030 from from a 2015 base year. 	<ul style="list-style-type: none"> Reduce absolute scope 3 GHG emissions 14% by 2030 from a 2019 base year. 	<ul style="list-style-type: none"> Reduce scope 3 GHG emissions from franchises 46% per restaurant and reduce scope 3 GHG emissions from purchased goods and services 46% per metric ton of beef, poultry, dairy and packaging by 2030 from a 2019 base year.

¹ These examples are not comprehensive. Most companies have several targets that comprise their ambitions to reduce and remove emissions. All companies listed here have set SBT commitments and have their targets verified through SBTi. See the appendix for a longer list of retailers with SBTi commitments and targets.

Being “**net-zero**” refers to when companies deeply reduce emissions and counterbalance the impact of any emissions that remain in line with the 1.5°C mitigation pathway (see Table 3 for description). As illustrated in Figure 8, it requires the following steps:

1. **Prevent, reduce and remove** the company’s carbon footprint through business actions, such as increasing energy efficiency, supporting renewable energy or optimizing refrigeration. This is the top priority for action and the main focus of science-based targets.
2. **Neutralize** the residual emissions that cannot be reduced. Removal projects² (sometimes called neutralization) include biological and technological solutions to permanently take GHG emissions out of the atmosphere such as planting trees in a previously unforested landscape or **regenerative agriculture**, a type of farming practice that improves soil health to restore the ecosystem.
 - **Offsetting** emissions involves purchasing credits or supporting activities that reduce GHG emissions by others. This is not an approach counted by SBTi for reduction targets. It may help with removing residual emission and compensating for emissions while progressing to net-zero.

² Carbon removal methodologies are still developing; see [here](#) for more information.

FIGURE 8. The pathway to net-zero. Source: [SBTi Corporate Net-Zero Standard October 2021](#)

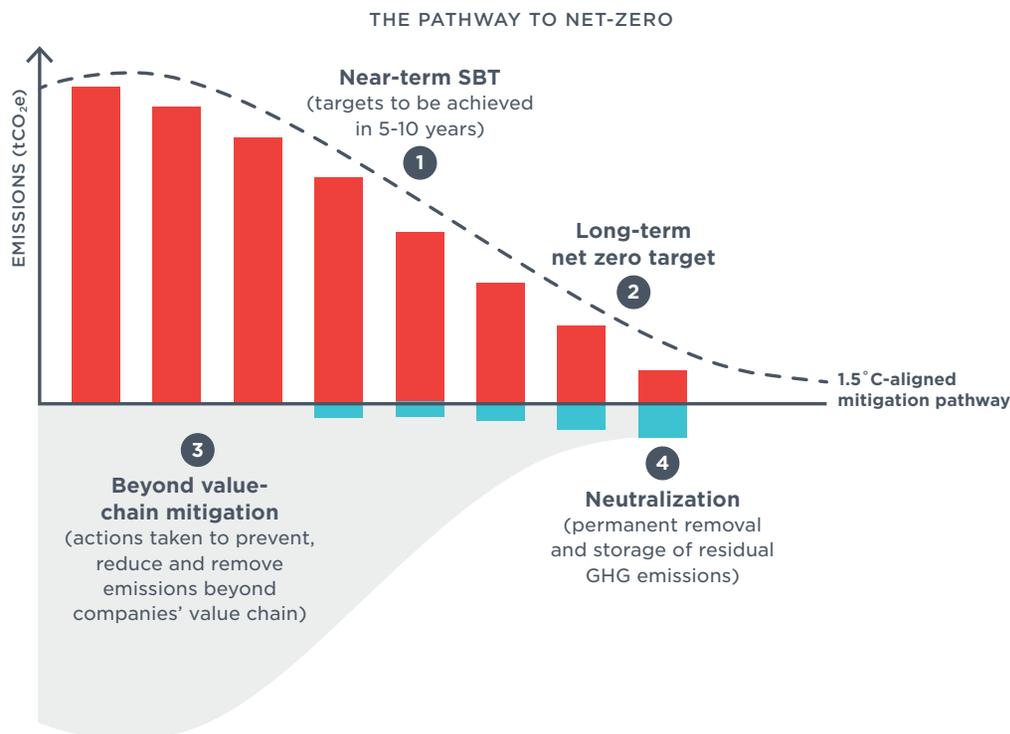


Table 3. Select Terminology Used to Describe GHG Emissions Targets

TERMS	DESCRIPTION	IS THIS A STANDARDIZED APPROACH?
Science-based target	Science-based targets are set by companies to reduce their GHG emissions in line with the Paris Agreement .	SBTs are defined and have standard guidance. They can be formally committed to and validated by the Science Based Targets Initiative (SBTi) .
Net-zero	Net-zero refers to when companies deeply reduce emissions and counterbalance the impact of any emissions that remain.	Net-zero is defined, has standard guidance, and can be validated by SBTi. Note that food service and food retailers have sector-specific guidance that is different from other retailers (see FLAG information in the SBTi standard).
Carbon neutral	A range of methods can be used where a company reduces, removes or offsets as many GHG emissions as it generates.	There is no standard definition. Some third parties provide verification to their own standards and often rely heavily on offsetting GHG emissions versus requiring meaningful reductions first. Sometimes it can include SBTs.
Carbon positive	A range of methods can be used where a company reduces, removes or offsets more GHG emissions than it generates.	There is no standard definition. This can be applied in different ways. Sometimes it can include SBTs.

Pathway to Science-based Reduction

With or without science-based targets, all retailers can take action to reduce GHG emissions (aka decarbonization) while generating business value.

Retailers trying to reduce GHG emissions within their businesses and value chains typically focus on the key areas identified in Table 4 – energy, operations and logistics, suppliers, and products and packaging. As noted earlier in this guide, each retail operation is unique, and every retailer will define its own priorities through measuring its emissions and identifying hotspots.

The following pages outline the strategies and projects retailers are using to reduce GHG emissions across their businesses.

Table 4. Actions From Retailers That Can Be Used to Reduce GHG Emissions

DECARBONIZATION OPPORTUNITY	STRATEGIES ³
 <p>1 Energy</p>	<p>Energy efficiency: Reducing the amount of electricity and thermal energy needed, especially from fossil fuels</p>
	<p>Renewable energy: Shifting to renewable sources of electricity and thermal energy</p>
 <p>2 Operations and logistics</p>	<p>Logistics: Reducing the use of fossil fuels in transportation across the value chain</p>
	<p>Refrigeration: Avoiding leakage of GHG refrigerants into the environment</p>
	<p>Food waste: Reducing food waste and managing food waste effectively</p>
 <p>3 Suppliers</p>	<p>Supplier SBTs: Encouraging activity and commitment of suppliers in line with SBTs</p>
	<p>Support suppliers and franchisees: Increasing the number and effectiveness of projects across the value chain</p>
 <p>4 Products and packaging</p>	<p>Sustainable sourcing: Reducing the GHG impact from producing raw materials for product</p>
	<p>Better products: Shifting to lower GHG products and business models</p>
	<p>Sustainable packaging: Reducing the GHG impact from packaging</p>

³ While this is not a comprehensive set of actions, it serves as an overview of the various actions retailers are taking.

1 Energy



Why

Reducing the energy retailers need for lighting, heating, air-conditioning, ventilation and transportation creates immediate cost savings and environmental benefits. The tools and technologies for improving energy efficiency are affordable and accessible regardless of business size. Transitioning to renewable energy such as solar or wind (either installed on-site or purchased through energy contracts) further reduces GHG emissions by reducing reliance on carbon-emitting fossil fuels.

How

STRATEGY	EXAMPLE PROJECTS
Energy efficiency	<ul style="list-style-type: none"> • Install LEDs • Install occupancy and daylight sensors • Use efficient HVAC and Energy Star equipment • Use water-efficient equipment (heating water requires energy) • Adopt green building approaches
Renewable energy (electricity and thermal energy)	<ul style="list-style-type: none"> • Install solar on-site • Develop new off-site solar or wind farms/fields to power buildings • Implement renewable electricity power purchase agreements to power buildings • Purchase renewable energy credits for electricity use • Purchase thermal renewable energy credits for heating needs • Convert liquid fuel or gas-powered equipment to electric energy (preferably electricity from renewable sources)

Retailer Actions

Walmart Inc. found that electricity is the biggest contributor to its operational carbon emissions. Its energy efficiency and renewable energy projects include:

- Incorporating efficiency into new store designs in lighting, heating, ventilation and air conditioning, refrigeration and other categories such as plug loads.
- Replacing or upgrading aging buildings and older equipment with the latest in high-efficiency technology.
- Using technology to monitor and optimize energy use in buildings and installing energy meters at thousands of facilities around the world. This data is used to compile monthly store reports and trigger variance alarms, diagnose equipment problems, validate performance of new equipment and engage associates in campaigns and competitions to improve their energy use.
- Committing to 100 percent renewable electricity by 2035 — both through systems installed at its facilities and through power purchases from external providers.

H&M Group includes energy efficiency and renewable energy as two of its four key climate focus areas. It “aims to lead in energy efficiency by using as little energy as possible” across the entire value chain. It is also working toward 100 percent renewable electricity in its own operations as well as setting high expectations for energy sources.

H&M plans to meet its goals through a “balanced portfolio of energy attribute certificates, power purchase agreements on large-scale renewables projects and rooftop solar photovoltaic.”

Jon Hixson from Yum! Brands points out that in addition to energy efficiency, renewable energy is one of the most common starting points for retailers.

All businesses use lighting, typically **a major electricity use**, so it is an opportunity that everyone can take action on along with identifying and addressing GHG emissions hotspots.

The **Ellen MacArthur Foundation** highlights the value of a circular economy in providing important climate solutions. It finds that 45 percent of global emissions are linked to the production of goods and land management, which means that renewable energy alone is not enough to meet climate goals.

Project Drawdown outlines climate solutions across all industries worldwide and found energy use was a top priority for every organization.

2 Operations and logistics



Why

While all retailers are different, many find additional carbon reduction opportunities by focusing on operations and logistics. The chart here highlights typical projects.

How

STRATEGY	EXAMPLE PROJECTS
Logistics	<ul style="list-style-type: none"> Utilize alternatively fueled vehicles (e.g., hybrid and electric vehicles) Improve fleet energy efficiency (see U.S. EPA's SmartWay program about transportation efficiency) Optimize freight modes (e.g., shift to train and boat where possible instead of truck miles or air freight) Improve load optimization and consolidation Optimize locations of distribution centers and warehouses
Refrigeration (most relevant to food retailers)	<ul style="list-style-type: none"> Change from high global warming potential refrigerants to zero and low GWP alternatives (see U.S. EPA's GreenChill program for more information) Retrofit to remove or repair refrigeration leaks Optimize operations to reduce refrigeration demand (e.g., lighting, maintenance)
Food waste (most relevant to food retailers)	<ul style="list-style-type: none"> Improve food inventory management to minimize waste (forecasting, ordering, merchandising) Donate food waste to humans (e.g., Feeding America) Compost food waste or feed to animals

Retailer Actions

Best Buy set its first climate target in 2009 and since then has reduced emissions nearly 61%. They found that being more sustainable easily aligned with their



business strategy, which also helped reduce their environmental impact and costs across the company.

One of its early efforts was to replace Geek Squad Volkswagen Beetle automobiles with the Toyota Prius C hybrid. The change rapidly reduced fuel consumption and the related GHG emissions, and the progress encouraged the retailer to develop even more ambitious targets. For example, the next step with the fleet is to shift to an electric vehicle. To help with this transition, Best Buy is a member of the **Corporate Electric Vehicle Alliance**, led by nonprofit Ceres.

Image source: **Best Buy**

Amazon notes that transportation is a major component of its business operations and a key part of its plan to reach net-zero carbon by 2040. Efforts to reduce transportation emissions include:

- Network optimization including freight, loads and facility locations
- Scaling last-mile delivery using electric vehicles, bicycles or by a delivery associate on foot. This includes ordering 100,000 custom electric delivery vans from Rivian.

- Installing thousands of electric vehicle chargers.
- Optimizing freight transportation by testing and using alternatively-fueled trucks, such as tractors fueled by renewable natural gas, electric box trucks and improving the fuel efficiency of existing fleet (e.g., aerodynamic skirts, mud flaps, and automatic tire inflation systems).
- Expanding multimodal transport to reduce emissions from road travel.
- Supporting development and testing of sustainable aviation fuels derived from renewable resources by purchasing 6 million gallons.

Target has certified 59 stores to the U.S. Environmental Protection Agency (EPA)'s **GreenChill** standards and installed around 15,000 hydrofluorocarbon (HFC)-free units in stores, accounting for approximately 57% of operations' refrigerants in stand-alone cases. Target is moving toward HFC-free refrigeration systems whenever technically feasible.

Suppliers



Why

The majority of carbon emissions for most retailers occur within their supply chains (scope 3). Finding ways to improve the sustainability and resilience of the supply chain is the key for reducing scope 3 emissions. As a result, retailers are engaging and encouraging suppliers to take more action toward net-zero goals by setting SBTs and making and reporting progress against their goals.

How

STRATEGY	EXAMPLE PROJECTS
Supplier SBTs	<ul style="list-style-type: none"> Encourage suppliers to set their own SBTs to reduce GHG emissions
Support suppliers and franchisees	<ul style="list-style-type: none"> Provide training and guidance on GHG emissions reduction actions Provide funding or incentives to advance supplier GHG reduction projects (e.g., facilitate the purchase of renewable energy)

Retailer Actions

Walmart Inc. works with suppliers to support their climate goals. Project Gigaton is the company’s supplier engagement platform for GHG emissions reduction. The tool aims “to democratize climate action by making resources available for any supplier to get started and increase their ambition and impact over time.” The platform offers resources such as calculators to help set and report on goals within the initiative, workshops on best practices and links to additional resources and initiatives. As of 2020, more than 3,100 suppliers have formally signed on with diverse goals including energy efficiency and renewable energy use, product energy use efficiency and product materials (e.g., recycled content), waste reduction, nature protection with deforestation-free sourcing and regenerative agriculture, and packaging improvement.

Walmart Inc. is helping its suppliers source renewable energy through its **Gigaton PPA Program**. Walmart Inc. suppliers can participate in large power purchase agreements that make renewable energy more affordable.



Target has a supplier engagement program on climate where it helps suppliers calculate their carbon footprint, set science-based emission reduction targets, track progress and drive action together. The retailer also works with third-party logistics providers to improve their efficiency.

Yum! Brands, Inc. is helping franchisees reap the environmental and financial benefits of sustainability — and contribute to its progress on climate action. The general approach is to lead by example, providing a list of recommendations that franchisees can take to meet Yum’s sustainable standards and allowing franchisees to choose which measures to implement.

PROJECT GIGATON ACTION AREAS million metric tons (MMT) CO₂e

82.8 MMT Energy	31.8 MMT Product use & design	26.1 MMT Waste	21.6 MMT Nature	20.2 MMT Packaging
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Suppliers report having avoided more than **186 MMT of CO₂e in 2020**
for a cumulative total of more than **416 MMT of CO₂e avoided since 2017**

4 Products and packaging



Why

The GHG emissions from products and packaging are typically a leading hotspot for scope 3 emissions – upstream in the materials/manufacturing and/or downstream in the use of the product. The selection, design and sourcing of better products and packaging are an important strategy for retailers trying to reduce or avoid their GHG emissions. For example, products that include recycled content and are designed for the circular economy reduce the resources needed to manufacture, package, deliver, maintain and operate and dispose of the product. Private-brand products are typically the first area of focus for retailers, followed by the broader product assortment.

How

STRATEGY	EXAMPLE PROJECTS
Sustainable sourcing	<ul style="list-style-type: none"> • Source materials from deforestation-free supply chains • Seek recycled-content and sustainably produced renewable materials • Support sustainable and regenerative agriculture practices in supply chains
Better products	<ul style="list-style-type: none"> • Shift product assortment to lower-impact options (e.g., more plant-based foods, more energy-efficient products) • Use product materials with lower impacts (e.g., as noted above with recycled content and sustainably sourced renewable materials) • Offer more durable products • Provide programs for consumers to repair products and extend product life
Sustainable packaging	<ul style="list-style-type: none"> • Reduce material use in packaging • Ensure packaging is reusable, recyclable or compostable • Use recycled or sustainably produced renewable materials in packaging • Work to have packaging manufactured with renewable energy

Retailer Actions



H&M is expanding circularity for customers by using innovative technologies to improve **post-consumer recycling of fabrics**. Currently, 64.5% of materials used in fabrics are from recycled or more sustainable sources.

Vera Bradley developed web-based instructive videos that teach customers how to wash and care for their Vera Bradley handbags. That not only extends the life of the product but also reduces the number of bags that might end up in landfill. It also partners with ThredUp to provide programs that support extending the life of products, noting that an average of 2.2 years of additional product use **reduces** carbon, waste and water footprints by 82 percent.

Yum! Brands, Inc. determined the food it purchases is its most significant source of GHG emissions. As a result, the company is working to advance sustainable agriculture and responsible forestry, including:

- Reducing emissions from chicken, beef and dairy by educating suppliers, recognizing them for progress and encouraging them to set emissions-reduction targets of their own. Areas for improvement could include practices such as improved fertilization and manure management, including the use of anaerobic digesters to produce heat and electricity from waste. Changing animals' diets can also reduce GHG emissions.
- Addressing climate change in the supply chain by reducing deforestation across food and fiber. This includes understanding sourcing areas with high risk for deforestation for key commodities (beef, soy [for feed], palm oil and fiber), collaborating with direct and indirect suppliers to ensure they are sourced from areas with a lower risk of deforestation.

IKEA has a goal for 50% of main meals offered in its restaurants to be plant-based and 80% to be non-red meat by 2025.

The **circular economy** decouples economic growth from the consumption of finite resources. It is a shift from a traditionally linear approach of “take-make-waste” to one that designs out waste and pollution, keeps products and materials in use, and regenerates natural systems. The circular economy relies on repair, reuse, recycling, regeneration and other systems.

Design out waste and pollution to REDUCE GHG EMISSIONS across the value chain

Keep products and materials in use to RETAIN THE EMBODIED ENERGY in products and materials

Regenerate natural systems to SEQUESTER CARBON in soil and products

Scaling Up GHG Reduction Success

Sustainability professionals from the retail industry find that measuring the GHG baseline, developing an SBT and determining GHG reduction pathways and projects are best supported with a few additional enabling strategies. These include engaging leadership, establishing capacity and accountability, and collaborating externally.

Engage leadership

Building and maintaining leadership support requires consistent attention to ensure that stakeholders are informed, empowered and up to date. Retailer sustainability managers state that much of their time is spent communicating across their organizations to increase awareness of the importance of climate issues for their business and to all parts of the supply chain.

Getting teammates, managers and leadership involved in and aligned with the approach will help to secure approval for goals and plans and will support progress toward achieving measurable outcomes. Williams-Sonoma, Inc., for example, finds that communicating with senior management early in the process allows leadership to follow along and support the organization's climate plan. It was especially important in their case while preparing to publicly announce climate targets.

Establish capacity and accountability

Sufficient staffing, project funding and accountability are important to effectively execute the strategy. Each company has a unique approach to how sustainability is organized, ranging from small, centralized technical teams to larger teams with staff dispersed in departments or supplier regions. Others operate with singular staff or diffused expertise throughout the organization. Although outside help is often needed

from consultants, interns (including those provided by outside organizations like **EDF Climate Corps**) and nonprofit organizations to establish and meet climate goals, having a sufficient level of internal company capacity to support climate initiatives is an important indicator of commitment and a predictor of success.

Accountability is also an important component for making progress, especially when climate targets are public. Retailers find that additional internal incentives can help with accountability such as connecting individual performance evaluations to progress on the goals from the top of the organization and across the core functions. This may also take the shape of business unit-level goals.

CARBON PRICING

Some retailers, such as H&M, use an internal carbon pricing mechanism to drive accountability for GHG goals. This is achieved by connecting GHG emissions across the business to an internal carbon price. Setting an internal carbon price helps decision-makers throughout the company understand the GHG impacts of decisions that are made in designing, producing and selling a product. As decisions are evaluated, they include a line item for the carbon cost based on the carbon emissions and the carbon price. The resulting carbon cost is paid into an internal fund. The carbon fund is then used to support the company's GHG reduction projects.

“ Think in terms of small messages like waves against the beach; **get their depth of understanding moving** with small messages to bring people along. ”

— JON HIXSON, CHIEF SUSTAINABILITY OFFICER AT YUM! BRANDS

When engaging company leadership, be prepared for typical questions, such as:

- What are our competitors doing?
- What are the business benefits for us?
- Which stakeholders have been interested in this (e.g., investors, non-governmental organizations)?
- What are customers interested in?
- Is there a standard to follow for this?
- What are the issues we need to address (e.g., what are the hotspots)?
- How will we meet this target and how much will it cost?
- What if we don't reach the target?

RETAILER STORY

Building a sustainability team

While Best Buy's sustainability team consists of only four full-time staff, it is supported by all programs across the company to meet the climate targets because of the wide reach that GHG reduction strategies require from all parts of the organization.

At Williams-Sonoma, Inc., the growing sustainability team has helped move the issue “from a compliance perspective to a thriving competitive advantage” where the board is heavily engaged. The team is also crucial in making progress, including data compilation, analysis and communications.

H&M's global sustainability team aims to integrate some members of its strategic team into other parts of the organization and have a smaller, science-focused center of excellence in the organization's core.

Collaborate externally

The third strategy for scaling up reductions of GHG emissions is collaboration with others. Climate change risks and opportunities for retailers are typically shared by other organizations. Engaging externally can help identify common challenges and benefits and produce helpful guidance and resources. External engagement can also help companies gain access to support to help in situations of limited internal staff capacity or financial resources.

Many retailers believe the global nature of climate change requires a common aim and collective approach. This can include industry-specific collaborations and public private partnerships. Initiatives such as the United Nations Climate Change **Race to Zero**, the **Business Ambition for 1.5 degrees**, Walmart Inc.'s Project Gigaton and Amazon's **The Climate Pledge** highlight the value of an aligned approach and shared resources.

There are many other ways to collaborate on GHG efforts. Several retailers work with topic-specific groups to drive public policy, innovation and support. For example, some engage with the **Corporate**

Electric Vehicle Alliance to facilitate the electric fleet transition. Retailers also work with the **Clean Energy Buyers Association** (formerly known as the Renewable Energy Buyers Alliance) to support their shift to renewable energy.

H&M works with the **Sustainable Apparel Coalition** — a global nonprofit alliance for the fashion industry — to access tools like the **HIGG Index**, a standardized measure of supply chain GHG emissions and sustainability. It helps H&M assess its value chain and make responsible decisions that support their organizational sustainability and GHG goals. There are multiple collaboration opportunities outlined in the appendix.

TRANSPARENCY

Publishing a company's GHG baseline, targets and progress creates accountability, facilitates collaboration and helps drive progress on the overall GHG reduction strategy; see Figure 9 for **Williams-Sonoma, Inc.'s** annual report for example. In addition, companies can look to the guidance from TCFD for best practices in disclosing climate governance, strategy, risks, metrics, and targets.

“Target acknowledges the scientific consensus that the climate is changing, that our business is contributing to that change, and that our supply chain, operations, and customers will continue to be impacted by the effects of climate change. **By 2040 Target commits to net-zero greenhouse gas emissions across our enterprise, and to engaging constructively with industry peers, value chain partners, external stakeholders, and policymakers to help accelerate the transition to a zero-carbon economy.**”

— TARGET'S 2021 CLIMATE POLICY

FIGURE 9. Transparency creates accountability and support GHG reduction and removal.
Source: **Williams-Sonoma Inc.'s 2021 sustainability report**

We're prioritizing emissions reduction across our value chain, from our factories to your home.

SCIENCE-BASED TARGET BY 2030

Measured against a 2019 baseline

→ **50% ABSOLUTE REDUCTION** in Scope 1 & 2 Emissions

→ **14% ABSOLUTE REDUCTION** in Scope 3 Emissions from materials, production, transportation & product use

GHG EMISSIONS INVENTORY*		2019 BASELINE	
Scope	Description	MTCO2e	Percent**
1	Operations	16,440	0.3%
2	Purchased Energy	75,671	1.3%
3	Purchased Goods & Services	3,122,007	53.6%
3	Capital Goods	33,629	0.6%
3	Fuel & Energy Emissions	23,219	0.4%
3	Upstream Transportation	474,015	8.1%
3	Waste from Operations	27,993	0.5%
3	Business Travel	18,629	0.3%
3	Employee Commuting	417,191	7.2%
3	Downstream Transportation	535,237	9.2%
3	Use of Sold Products	719,929	12.4%
3	End of Life	335,775	5.8%
3	Franchise	20,311	0.3%
SCOPE 3 TOTAL		5,727,935	
SCOPE 1, 2 & 3 TOTAL		5,820,046	

SCOPE 1 & 2 EMISSIONS: OUR OPERATIONS



EFFICIENCY We'll retrofit systems and upgrade to more energy efficient equipment across our offices, stores and distribution centers, reducing the energy used to power our operations.



RENEWABLES We'll install solar where appropriate, purchase green power when possible and support new renewable energy projects through power purchase agreements (PPAs).

SCOPE 3 EMISSIONS: OUR VALUE CHAIN



MATERIALS Some of our highest emitting materials are wool and polyester, so we're developing a materials strategy and switching to lower-impact options like Responsible Wool Standard certified wool and recycled polyester.



TRANSPORTATION Through increased direct-to-consumer sales and more efficient delivery, we're ensuring our customers receive our products in the lowest-impact way.



PRODUCTION We collected suppliers' environmental data to develop supplier strategies. Together, we'll set targets for emissions and renewable energy and track yearly progress.



PRODUCT USE We're working with brand partners to offer the most energy-efficient options for appliances and lighting.

Next Steps

Each retailer is unique. Each will have a different starting point and set of priorities. As a result, there are many possible paths to achieving net-zero emissions.

A company might begin with energy efficiency and renewable energy projects, or it might be ready to engage the supply chain for scope 3 improvements. Not all retailers are ready to set public net-zero targets aligned with SBTi, but every retailer can make decisions that will positively affect its business while reducing emissions.

The matrix here provides a tool to map a journey to net-zero (see Table 5). Every step creates opportunities that support additional progress. The best possible action is to begin, identify what the next steps are and start moving forward.

Table 5. Phases of GHG Emissions Reduction Journey for Retail Businesses

	①	②	③	④
	PHASE 1 Early	PHASE 2 Exploring	PHASE 3 Engaged	PHASE 4 Excelling
REGULAR GHG MEASUREMENT	Limited and ad hoc	Energy use	Scope 1 and 2 emissions	Scope 1, 2 and 3 emissions
EMISSIONS TARGETS	None	Energy efficiency	Scope 1 and 2 reduction and renewable energy use	Net-zero and near term SBT (aligned with SBTi)
PROJECTS	A few ad hoc projects	Project plan for energy and operations	Project plan for hotspots in scopes 1 and 2; projects for scope 3	Project plan for hotspots across scopes 1, 2 and 3
SUSTAINABILITY STAFFING LEVEL	Limited and ad hoc	Sustainability-focused role/s	External consulting support and sustainability focused role/s with medium or larger organizations having dedicated climate staff	Sustainability team, external consulting and cross-functional engagement with accountability
FUNCTIONAL ENGAGEMENT	Limited and ad hoc	Store operations and energy teams	Store operations, energy, supply chain teams (e.g., sourcing, procurement)	Integrated across the organization with incentives
LEADERSHIP ENGAGEMENT	Limited and ad hoc	Senior management of operations and energy teams	Executives	CEO and board
EXTERNAL ENGAGEMENT	None	Limited and ad hoc	Consult with nonprofit organizations and report risks and progress externally	Commitments through external organizations and public policy advocacy
BUSINESS STRATEGY	Limited and ad hoc	Considered in energy and operations decisions	Incorporated into core business systems and decisions (e.g., operations, supplier engagement, product development)	Investing in innovation and solutions for the business, company culture, and across the value chain (e.g., green finance tools)
BUSINESS BENEFITS	Cost savings	Cost savings	Cost savings, risk reduction	Cost savings, risk reduction, growth opportunities
GENERAL TIMEFRAME	1+ months	1-6 months	-1-2 year	-2+ years

Conclusion

The pressing issues of the climate crisis call on businesses individually to take action by building awareness and implementing solutions.

There is no singular pathway to net-zero where the amount of GHGs emissions emitted should be equal to those removed by 2050. All retailers can find options that fit their business such as working with efficiencies in their energy supply, instilling packaging improvements and collaborating with others. This guide provides any size and type of retail organization with ways to get started.

Business benefits and insights can be gained from implementing these efforts, but the time is now. The ultimate benefits will be felt by retailers, the planet and consumers for generations to come.

As **Walmart Inc.'s Climate Lead Zach Freeze** notes, “We cannot wait to take action as an industry.”

Jessica Fogle from Vera Bradley encourages getting started by taking “directionally correct action while developing specific targets and goals, as these help energize a team and lead to valuable insights and learning.”

Jon Hixson from Yum! Brands points out that “the work on addressing GHG emissions has been a positive experience.”

“Scientific consensus is clear: Global climate change is a serious threat that requires urgent action. **For our industry and our planet to survive and thrive into the future, business as usual is no longer an option.** It is imperative that we all do our part to mitigate the impacts that our business has on the environment and protect the raw materials that go into making our products.”

— **LEVI STRAUSS & CO. CLIMATE ACTION STRATEGY 2025**

TOP ACTIONS to TAKE



1 Measure emissions
Leverage available measurement methods from WRI and other tools.

2 Set science-based targets
Set net-zero and near-term science-based targets, aligned with the Science Based Targets Initiative.

3 Prevent, reduce, and eliminate GHG emissions
Start with low-hanging fruit and progress to address hotspots to get to net-zero emissions.

4 Engage externally
Report targets and progress, and support others to do the same.

Appendix



Executive One-Page Summary Template

This is an example internal communications outline to adapt based on a company's starting point, organizational structure and audience. It provides a framework for early internal communication around climate change goals. The italicized text highlights areas where retailer-specific details should be included.

HEADLINE: There are real and growing risks and opportunities for taking meaningful action on reducing GHG emissions to stem climate change.

What

Authoritative organizations such as the **IPCC** and **WEF** point to the need for corporate action to mitigate the worst effects of climate change.

- Climate change has environmental impacts that are extensive and include widespread drought, more intense storms, heavier rainfall, increased flood events and more that can affect raw materials, supply chains and transportation systems.
- Climate change also has human impacts to **health and society** such as famine, drought, heat and desertification force migrations, increased food requirements and water scarcity.
- *[add impact that connects to the business]*

Why

Companies with the highest environmental, social and governance ratings **outperform** the lowest-rated firms by as much as 40 percent, with environment (e.g., climate) key metrics connected to this performance in North America.

- 79 percent of corporate executives surveyed found a strengthened brand reputation to be one of the most significant business benefits for their company from committing to the **Science Based Targets initiative**.
- Our customers are *[insert customer insights here]*.
- Competitors and peers have this approach *[insert specific examples here]*.
- Investors are expecting science-based targets for GHGs. **BlackRock Inc.** called on companies to align with the target of net-zero GHGs by 2050.
- Shareholders are bringing forward **resolutions** that businesses should be prepared for. *[adjust for relevant stakeholder interest]*
- Regulatory, operational and supply chain risks can be tempered by planning ahead. *[insert relevant risk]*

How

There is external consensus on the credible approach for effectively addressing climate change risks and opportunities. This is called the Science Based Targets Initiative for greenhouse gas (GHG) emissions.

- Initial figures based on company data show some easy wins for the business *[insert initial examples here to help make the business case]*.
- Start measuring emissions to identify hotspots; we anticipate that energy use and our supply chain will be priorities *[adjust based on business and if already measured baseline, then note where hotspots are]*
- Establish a science-based target to reach net-zero by 2050 with near-term targets that align with the **Science Based Targets Initiative**. *[adjust if already have a goal and you need to update it]*
- Develop plan to reduce and remove GHG emissions and include in quarterly executive reviews. *[adjust if already have a plan, then note plan highlights and describe accountability approaches]*
- Engage in external groups *[insert specific ones here]* that have policy advocacy campaigns, collaborative opportunities and capacity-developing programs to help support the process.

Additional Resources

This is a starting point to explore topics further.

MEASUREMENT

Carbon Trust SME tool

UK-based GHG calculator for small and medium sized businesses

Cool Farm Tool

GHG calculator for different crop production systems (agriculture)

Cool Food Pledge

(from World Resources Institute)

Food GHG calculator for businesses to support consumer labeling

Food Loss and Waste Protocol

Food loss and waste GHG calculator for businesses

GHG Protocol Corporate Standard

(from World Resources Institute)

Standard for measuring corporate-level GHG emissions

GHG Protocol Corporate Value Chain

(Scope 3) Standard

(from World Resources Institute)

Standard for measuring corporate scope 3 GHG emissions

Greenhouse Gas Protocol tool

Corporate GHG calculator

Scope 3 Evaluator tool

Corporate scope 3 GHG calculator

Sustainable Apparel Coalition's

HIGG Index

Apparel industry GHG data collection and calculator tools

U.S. Environmental Protection Agency

Waste Reduction Model (WARM)

Waste GHG calculator

TARGET SETTING

Science Based Targets Initiative

Standard for corporate science-based targets for GHG emissions

- SBTi [net-zero target standard](#)

REDUCTION AND REMOVAL APPROACHES

Ellen MacArthur Foundation

Circular economy resources (e.g., apparel, plastic)

Environmental Defense Fund

- **CLIMATE CORPS INTERNS:** annual program to get student support
- **GREEN FREIGHT:** guide for improving freight efficiency and emissions
- **SUPPLY CHAIN:** list of resources on supply chain improvement

Environmental Investigation Agency

HFC-Free Technologies

guidance on low/no emission refrigerants

North American Council for Freight Efficiency

Resources on freight transportation efficiency

Project Drawdown

A list of GHG reduction and removal options

Sustainable Packaging Coalition

Several resources on advancing sustainable packaging (e.g., using recycled content and responsible fiber)

U.S. Environmental Protection Agency

- **ENERGY STAR:** resources and recognition program for energy efficiency in buildings and products
- **GREENCHILL:** resources and recognition program for better refrigeration
- **SMARTWAY:** resources and recognition program for freight transportation efficiency

EXTERNAL ORGANIZATIONS FOR COLLABORATION

Carbon Leadership Forum

Collective action network on GHG reduction in the apparel supply chain

Clean Energy Buyers Association

Organization supporting companies and others with the transition to renewable energy (formerly known as the Renewable Energy Buyers Alliance)

The Climate Pledge

Commitment to reach net-zero emissions by 2040

Consumer Goods Forum

Collective action network on a number of topics including forests, plastic, food waste and refrigeration in the consumer goods industries

Corporate Electric Vehicle Alliance

Collaborative group working to accelerate the transition to electric vehicles

The Fashion Pact

Coalition of fashion brands working on a shared commitment to reach net-zero emissions by 2050, among other aims for biodiversity and oceans

RE100

Collaborative group working on a shared commitment to transition to 100 percent renewable electricity

Rocky Mountain Institute (RMI)

Business Renewables Center

Platform that streamlines and accelerates corporate purchasing of off-site, large-scale wind and solar energy

Textile Exchange

Collective action network on sustainability in global textile industry, including climate-focused efforts

United Nations Climate Change

Race to Zero

Commitment to setting science-based targets, working to halve greenhouse gas emissions by 2030 and committing to achieve net-zero carbon emissions by 2050 at the latest

United National Global Compact

Climate Change

Resources for companies to mitigate climate change

World Business Council for Sustainable

Development (WBCSD) Climate & Energy

Resources for companies to mitigate climate change

REPORTING

CDP and CDP Supply Chain

A framework to help companies disclose their management approach for GHG emissions and climate change risk

Task Force on Climate-Related Financial Disclosures (TCFD)

A framework to help public companies and other organizations more effectively disclose climate-related risks and opportunities through their existing reporting processes

World Wildlife Federation (WWF)

emissions reporting

A guide to help companies with reporting

Updates to this guide can be found at nrf.com/netzero/resources. This guide is accurate as of December 2021.

Representative Retailers' Science-based Target Commitments

The sample of retailers below already have or have committed to developing an approved target through the Science Based Targets Initiative. This table also identifies those retailers that have formally committed to the SBTi/UN campaign on business ambition.⁴

ORGANIZATION	SBTI APPROVED GOAL	PATHWAY	SIGNATORY TO THE SBTI/UN CAMPAIGN "BUSINESS AMBITION FOR 1.5°C"
Ahold Delhaize	Commits to reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2018 base year. Commits to reduce scope 3 GHG emissions 15% by 2030 from a 2018 base year.	1.5°C	Signatory
Albertsons	Committed to setting goal		
Amazon.com Inc.	Formally joined SBTi, goals are under review		
American Eagle Outfitters Inc.	Reduce absolute scope 1 and scope 2 GHG emissions 80% by 2030 from a 2018 base year. Also reduce absolute scope 3 GHG emissions from purchased goods and services and capital goods 40% by 2030 and 60% by 2040, from a 2018 base year.	1.5°C	
Best Buy Co. Inc.	Reduce absolute scope 1 and scope 2 GHG emissions 50% by 2030 from a 2017 base year. Also reduce absolute scope 3 GHG emissions from use of sold products 20% by 2030 from a 2017 base year.	Less than 2°C	
Capri Holdings Limited	Committed to setting goal		
Chanel	Reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2018 base year. Also reduce scope 3 GHG emissions 40% per unit sold, which is a 10% reduction in absolute emissions by 2030 from a 2018 base year.	1.5°C	Signatory
Chipotle Mexican Grill Inc.	Committed to setting goal		
CVS Health	Reduce absolute scope 1 and 2 GHG emissions 67% by 2030 from a 2014 base year. Also reduce absolute scope 3 GHG emissions from purchased goods and services 14% by 2030 from a 2019 base year.	1.5°C	
eBay Inc.	Committed to setting goal		
Eileen Fisher	Reduce absolute scope 1 and 2 GHG emissions 100% by 2025 from a 2017 base year. Also reduce absolute scope 3 emissions from purchased goods and services and upstream transportation and distribution 25% by 2025 from a 2017 base year.	1.5°C	
Etsy Inc.	Reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2019 base year. Also reduce absolute scope 3 GHG emissions 13.5% over the same target period.	1.5°C	Signatory
Gap Inc.	Reduce absolute scope 1 and 2 GHG emissions 90% and scope 3 GHG emissions from purchased goods and services 30% by 2030 from a 2017 base year. Also increase annual sourcing of renewable electricity from 0% in 2017 to 100% by 2030 for its owned and operated facilities globally.	1.5°C	

⁴ Business Ambition for 1.5°C: The SBTi 'Business Ambition for 1.5°C' is a campaign in partnership with the United Nations **Race to Zero** campaign that calls on companies to sign and commit to setting bolder SBTi goals aligned with limiting global temperature rise to 1.5°C above pre-industrial levels. By signing a formal letter, companies commit to setting targets in line with 1.5°C emissions scenarios and can also commit to the longer-term goal of net-zero emissions by 2050. Signatories to this campaign are considered to demonstrate the highest level of ambition on climate and pursuing net-zero emissions.

ORGANIZATION	SBTI APPROVED GOAL	PATHWAY	SIGNATORY TO THE SBTI/UN CAMPAIGN "BUSINESS AMBITION FOR 1.5°C"
H&M	Reduce absolute scope 1 and 2 GHG emissions 40% by 2030 from a 2017 base year. Increase annual sourcing of renewable electricity from 95% in 2017 to 100% by 2030. Also reduce scope 3 GHG emissions from purchased raw materials, fabric and garments 59% per piece by 2030 from a 2017 base year.	Less than 2°C	Signatory
Ikea	Reduce absolute GHG emissions across its value chain (scope 1, 2 & 3) at least 15% by FY2030, from a FY2016 base year. Reduce scope 1 and 2 GHG emissions 80% by FY2030, from a FY2016 base-year. For retail operations (scope 3), the franchisee Ingka Group commits to reduce absolute scope 1 and 2 GHG emissions 80% by FY2030, from FY2016. Inter Ikea Group also commits to reduce absolute scope 3 GHG emissions from production at direct home furnishing, food, component and catalog suppliers 80% by FY2030, from a FY2016 base year. Inter Ikea Group and the franchisee Ingka Group commit to reduce scope 3 GHG emissions 50% per person for customer and co-worker travel and home deliveries by FY2030, from a FY2016 base year. Inter Ikea Group includes the Ikea franchisor, range development (including food), supply and some manufacturing activities. The target boundary includes biogenic emissions and removals from bioenergy feedstocks	1.5°C	Signatory
J.Crew Group	Committed to setting goal		
Kering	Reduce absolute scope 1 and 2 GHG emissions 90% by 2030 from a 2015 base year. Increase annual sourcing of renewable electricity from 25% in 2015 to 100% by 2022. Reduce scope 3 GHG emissions 70% per unit of value added by 2030 from a 2015 base year.	1.5°C	
Kohl's Corporation	Committed to setting goal		
La-Z-Boy Inc.	Committed to setting goal		Signatory
Levi Strauss & Co.	Reduce absolute scope 1 and scope 2 GHG emissions 90% by 2025 from a 2016 base-year. Also reduce absolute scope 3 emissions from purchased goods and services 40% by 2025 from a 2016 base-year.	1.5°C	Signatory
Lidl	Reduce absolute scope 1 and 2 GHG emissions 34% by 2030 from a 2015 base year. Reduce scope 3 GHG emissions from upstream transportation and distribution and employee commuting 18% by 2030 from a 2015 base year. Also reduce scope 3 GHG emissions from purchased goods and services 36% per kilogram by 2030 from a 2017 base year.	2°C	
LVMH Inc.	Committed to setting goal		
McDonald's Corporation	Will partner with franchisees to cut greenhouse gas emissions to restaurants and offices by 36% by 2030 from a 2015 base year. Through collaboration and partnership with suppliers and producers, also commits to a 31% reduction in emissions intensity (per metric ton of food and packaging) across its supply chain by 2030 from 2015 levels.	2°C	
Nike Inc.	Reduce absolute scope 1 and 2 GHG emissions 65% by 2030 from a 2015 base year. Also reduce absolute scope 3 GHG emissions 30% within the same timeframe.	1.5°C	
Nordstrom Inc.	Committed to setting goal		
Panera Bread	Committed to setting goal		Signatory

ORGANIZATION	SBTI APPROVED GOAL	PATHWAY	SIGNATORY TO THE SBTI/UN CAMPAIGN “BUSINESS AMBITION FOR 1.5°C”
Ralph Lauren Corporation	Reduce absolute scope 1, 2 and 3 GHG emissions 30% by FY 2030 from a FY 2020 base year. Also increase annual sourcing of renewable electricity from 2% in FY 2020 to 100% by FY 2025.	1.5°C	Signatory
Swarovski	Committed to setting goal		
Tapestry, Inc.	Committed to setting goal		Signatory
Target Corporation	Reduce absolute scope 1 and 2 emissions and scope 3 GHG emissions from retail purchased goods and services 30% by 2030 from a 2017 base-year. Also commits that 80% of its suppliers by spend covering all purchased goods and services will set science-based scope 1 and scope 2 targets by 2023.	2°C	Signatory
The Children’s Place Inc.	Reduce absolute scope 1 and 2 market-based GHG emissions 30% by 2030 from a 2018 base year. Also reduce absolute scope 3 GHG emissions from purchased goods and product transport 30% over the same timeframe.	Less than 2°C	
The Estee Lauder Companies Inc.	Reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2018 base year. Also reduce scope 3 GHG emissions from purchased goods and services, upstream transportation and distribution and business travel 60% per unit revenue over the same timeframe.	1.5°C	
The Hershey Company	Reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2018 base year.* Also reduce absolute scope 3 GHG emissions 25% over the same timeframe. *The target boundary includes biogenic emissions and removals from bioenergy feedstocks	1.5°C	
The Home Depot	Committed to setting goal		
Under Armour Inc.	Reduce absolute scope 1, 2 and 3 GHG emissions 30% by 2030 from a 2018 base year. Also increase annual sourcing of renewable electricity from 0% in 2018 to 100% by 2030.	1.5°C	Signatory
Verizon	Reduce absolute scope 1 and 2 GHG emissions 53% by 2030 from a 2019 base year. Also reduce absolute scope 3 GHG emissions 40% by 2035 from a 2019 base year.	1.5°C	
VF Corporation	Reduce absolute scope 1 and 2 GHG emissions 55% by 2030 from a 2017 base year. Also reduce absolute scope 3 GHG emissions from purchased goods and services and upstream transportation 30% by 2030 from a 2017 base year.	1.5°C	Signatory
Walmart Inc.	Reduce absolute scopes 1 and 2 GHG emissions 35% by 2025 and 65% by 2030 from a 2015 base year. Also reduce CO ₂ emissions from upstream and downstream scope 3 sources by one billion metric tons by 2030 from a 2015 base year.	1.5°C	Signatory
Williams-Sonoma, Inc.	Reduce absolute scope 1 and 2 GHG emissions 50% by 2030 from a 2019 base year. Also reduce absolute scope 3 GHG emissions 14% over the same timeframe.	1.5°C	
Yum! Brands Inc.	Reduce absolute scope 1 and 2 GHG emissions 46% by 2030 from a 2019 base year. Also reduce scope 3 GHG emissions from franchises 46% per restaurant and commits to reduce scope 3 GHG emissions from purchased goods and services 46% per metric ton of beef, poultry, dairy and packaging by 2030 from a 2019 base year.	1.5°C	Signatory



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