



Supermarkets Thematic Review: Stakeholder Consultation Report

Prepared for the Sustainable Development
Commission

May 2007



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Executive summary

Background, objectives and approach

The Sustainable Development Commission (SDC), as part of its thematic policy review on the role of Government in enabling supermarkets in the UK to deliver a more sustainable food chain, commissioned Opinion Leader to conduct research with stakeholders to assess their perceptions of Government's policies to date, and look at how Government could proceed in this area in the future.

Telephone interviews with 37 stakeholders (both retailers and non-retailers) were conducted in March and April 2007. This report details the findings from those interviews.

Supermarkets and the sustainable food supply chain

Of all the issues linked to the idea of a sustainable food chain, climate change is considered to be the key focus for supermarkets at the moment. The main reason for this is its prominence on the consumer agenda.

Within this category, stakeholders are most likely to cite the main issues as being:

- Energy saving
- Packaging and waste
- Supply chain relationships

Supermarkets are seen to be making some tangible efforts around energy saving in terms of use in-store and in distribution, and packaging and waste primarily in terms of recycling. Action in these areas of activity is driven by a combination of financial savings, high visibility (packaging) and fit with Government policy.

Whilst there is recognition that these are early days and that activities linked to sustainability are difficult to measure, there are some supermarket chains that are taking more action to tackle climate change than others, with Marks and Spencer seen to be leading the field.

Overall though, many non-retail stakeholders feel that the majority of supermarkets are not yet doing enough to improve sustainability in the food supply chain. There are high levels of cynicism about motives (purely financial, for PR purposes, pre-empting legislation) and the jury remains distinctly out in terms of supermarkets delivering on their claims.

There is a consensus of opinion again amongst non-retailers that supermarkets maintain a very poor record when it comes to treatment of suppliers.

Retailers themselves also see Climate Change as a key area of concern for their businesses, but are keen to point out the other areas of priority, such as Fairtrade and sourcing. Most retailers are able to cite numerous examples of the areas they have taken action, and claim to have been doing so for an extended period of time; however, non-retailers are somewhat less convinced.

The role of Government

Government is not seen to have played a leading role in helping supermarkets to improve the sustainability of the food chain, although some of the organisations and initiatives it has supported or initiated are welcomed e.g. The Carbon Trust, FISS. Many commentators feel Government has played little or no role and, in general, lobby groups feel it would be appropriate for Government to play a significant part in pressurising or encouraging more positive movement from retailers. This perception that Government has not had a great deal of influence over supermarkets is shared by retailers and non-retailers alike.

Government is seen to have had an indirect impact in that it has influenced consumers on issues of sustainability. All stakeholders recognise that supermarkets are commercial concerns, in the business of making money, and that, as a result, consumer opinion is constantly monitored. Change in consumer attitude is therefore one of the most powerful influences on retailers and, as Government heightens consumer awareness of issues like sustainability, so retailer activity is likely to change.

However, because the issues are so complex and consumer attitudes can be slow to change, non-retailers feel that Government cannot rely on the consumer voice alone on what is considered to be a pressing issue. Likewise, most retailers would welcome further input / assistance from Government in influencing consumer behaviour.

The key criticisms stakeholders (both retailers and non) have of Government policy to date are:

- Perceived lack of long term vision – crucial if business is to make financial investment in change
- Lack of joined up strategy / framework – there are seen to be plenty of initiatives but these have no common objective, and there are similarly plenty of targets but they lack the necessary detail behind them
- Conflicting views from different Government departments (e.g. DIFID and Defra) – resulting in a lack of consistency

Generally, Government is seen by non-retail stakeholders to have little clout when it comes to influencing supermarkets, or at least Government is seen to be reluctant to make demands on businesses which are part of a healthy economy. Retailers themselves, see little in the way of guidance or incentives to further encourage them to move towards a more sustainable food chain (and claim to be doing more than demanded of them by Government at present).

1. Background and objectives

The Sustainable Development Commission (SDC) is conducting a thematic policy review to determine the role of Government in enabling supermarkets in the UK to deliver a more sustainable food chain.

As part of this review, the SDC commissioned Opinion Leader to carry out a stakeholder consultation to assess perceptions of Government's policies towards supermarkets, in this area.

The research objectives were to:

- Evaluate perceptions of how Government policies have helped or hindered supermarkets to date
- Explore how Government could work most effectively in this area moving forwards

This research also provides recommendations about how Government can better facilitate action from supermarkets to tackle this challenge in the future.

2. Methodology

A qualitative approach was adopted in order to gain the depth of information required, with a total of 37 interviews affording sufficient breadth of audience, split as follows:

Sector	No. of interviews	Notes
Supermarkets	8	3 large, 3 medium and 2 associations (1 representing smaller supermarkets)
Government agencies	3	
Consumer/environmental interest groups	12	Split evenly between Consumer, Environmental and Development
Farming, food and drink industry	4	1 specifically representing Scotland
Academics	6	
Socially Responsible Investment (SRI)	2	
Other commentators	2	

The SDC provided Opinion Leader with contacts from different organisations, all of whom were written to about the consultation. We then telephoned potential participants and set up interviews with these individuals or took referrals where appropriate.

Interviews were conducted on the telephone by executive researchers, and lasted approximately 45 minutes. A semi-structured discussion guide was used as a basis for the discussion flow and is provided in the appendix of this report.

Fieldwork took place between 1st March and 26th April 2007.

3. Main findings

The definition of 'sustainability'

As part of the research, we were asked to evaluate what participants understood by the term 'sustainability'. Broadly speaking, almost all take the holistic view and include social and economic factors in their responses, as well as environmental. However, some of the retailers focused more on environmental issues during our conversations and, generally speaking, these are the supermarkets that non-retailers rated as less convincing in their stance on sustainability overall.

There is also some commentary that *consumers* understand sustainability to centre on environmental issues and confusion arises for some participants when considering themes such as organic and GM foods – do these fall under the umbrella of sustainability?

When considering sustainability and the food supply chain, a number of stakeholders want supermarkets to take their responsibilities one step further and not just think about the production side of the equation, but also consumption. For example, non-retailers feel that supermarkets should consider issues such as how customers are encouraged to over-buy, and how to facilitate greater domestic recycling.

"[The Government should be] shifting consumer mentality away from purchasing for lifestyle towards purchasing for need."

SRI

Others are keen that the catering, and not just the retail, sector should be included in this review.

Supermarkets and the food supply chain

The current state of play - priorities

Retailers are in the business of making money, and have a responsibility to make profit for their shareholders – none of our contributors are in any doubt about this. In this environment it is therefore not surprising that many of our participants feel that issues around sustainability are in fact low down on the overall agenda.

"I don't believe any of this [the sustainable food chain] is a big issue or driver for the supermarkets."

Farming, food and drink industry

However, once activities linked to sustainability offer some market advantage they inevitably begin to move up the list of priorities.

Participants are of the opinion that market advantage can materialise due to consumer demand or to financial savings, and one dimension of sustainability which currently meets both these criteria is climate change.

So, when questioned about supermarkets' priorities in relation to sustainability of the food chain, climate change is commonly cited as number one. It is an issue that is seen to have risen rapidly up the consumer agenda over the past six months and so has become top priority for the retailers.

"No doubt at all that it's increased consumer awareness. Three years ago it was all about selling good, safe food to the masses."

Farming, food and drink industry

"First Competitor Advantage - biggest driver is always consumer demand. Tesco and Sainsbury wouldn't do anything unless it delivered shareholder value. Where there is a happy coincidence between government and supermarket policy they will milk it to hell."

Government agency

Within climate change, transportation, refrigeration and supply chain relationships are seen to be main priorities, not least because these are considered to be easy financial wins.

Health and Fairtrade remain of interest to the supermarkets but are considered to have been toppled from their top spot over the last few months.

There is strong feeling amongst contributors that climate change in particular is a hot topic at the moment with supermarkets competing on green credentials:

"They seem to be having mini-green wars, for example with Tesco and M&S out-greening each other."

Consumer organisation

However, this feeling is equalled by fairly high levels of cynicism amongst non-retailers, who feel that the plethora of recent announced intentions/targets now need to be lived up to:

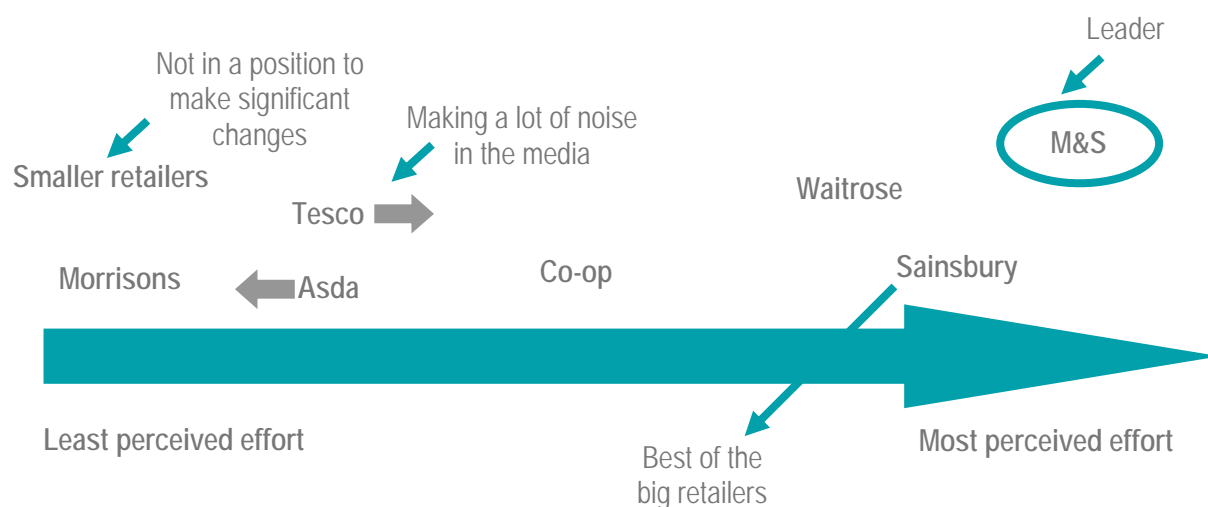
"We hear most from the big three plus M&S and Waitrose, but we're not seeing it yet."

Consumer organisation

The current state of play – action taken

In terms of evaluating how much concrete progress has been made, commentators admit that this is difficult to measure, not least because these are early days - in fact there is a minority view that things have even taken a backward step (damage to UK food production, increased deliveries to outlets such as Tesco Metro/Sainsbury's Local etc). However, there is consensus that some chains are more convincing in their stance than others; either due to past performance (Waitrose, M&S, Sainsbury's) or feasibility (M&S – customers who will pay price premiums and selling solely own label goods whose provenance/footprint can be tracked more easily).

The following chart plots the perceived performance of the major players (by non-retailers):



It shows the largest supermarkets, Tesco and Asda, performing relatively badly in spite of Tesco making numerous recent announcements on plans to tackle climate change. Participants are, however, willing to say that they are hoping to see more progress from Tesco in the months to come. Asda, however is seen to be slipping down the chart as it is not seen to be increasing its efforts by comparison to the other retailers.

M&S is seen to have made the most moves, and certainly commitment, towards sustainability, followed by Waitrose and then Sainsbury's – one of the big four. Co-op receives mixed response, as it is praised for its early stance on Fairtrade, but at the same time this is considered to represent a very small percentage of its ranges and movement on only one key issue. There is also recognition that a smaller chain which is not commanding premium prices is not in an ideal position to take a lead.

Retailers are quick to list the different areas they have taken action, particularly where they consider themselves to have been the market leaders, for example, at least two retailers feel they are the local sourcing champion in the UK. They also cite consumer concerns as a key trigger to determine their **Opinion Leader**

areas of priority, and agree that Climate Change is the current hot topic, although they are anxious not to forget about other areas such as local sourcing and Fairtrade. Many also claim to have been active in the different areas of sustainability over a long period of time.

"We are attempting to address all the areas of sustainability [not just Climate Change]."

Supermarket

Most retailers do not deny that they also welcome the cost savings some actions can bring (for example reducing the amount of fuel used), and that combined with satisfying consumer concerns, there can be a strong business case for improving their sustainability. Other retailers claim their activities in these areas are simply due to the company culture.

Specific areas

In the remainder of this sub-section of the report we look at the key areas of concern in relation to sustainability of the food chain, and relate how participants perceive actions taken to date.

Energy use

On the positive side, supermarkets are seen to be making some moves to reduce energy use in the areas of logistics and in-store energy use:

- Some supermarkets are seen to be making an effort to make transportation more efficient in order to reduce fuel emissions or are looking into the use of biofuels
- A few supermarkets have started to cut down on lighting / refrigeration

These actions are driven by the cost savings of reduced fuel consumption, at a time when the cost of oil represents a significant expense.

"We're looking at full footprint of energy use. Our bit has been calculated at 8% of the total chain, and so we need to collaborate with others to reduce the total."

Supermarket

"I simply don't believe the PR. They're looking at haulage and refrigeration because of the increasing price of oil! They're looking at anything that will affect the bottom line."

Media

Amongst some stakeholders, the view is that supermarkets will only continue making efforts as long as there is a financial incentive e.g. for high performing buildings. Some commentators feel that the new phenomenon of city centre stores requiring multiple deliveries is exacerbating the situation. Furthermore, the DTI's delivery curfews are seen to add to congestion.

"40% of our stores having delivery time restrictions does not help our efforts to reduce fleets."

Supermarket

Many stakeholders feel that the centralised distribution system historically employed by supermarkets means transportation methods are unable to change to any significant degree without a major restructuring – which would be costly and would also involve collaboration between highly competitive parties. One or two of the retailers we spoke to claim to be already looking at this issue, but only one of them is optimistic that it is feasible.

Some stakeholders would like to see more energy efficient products being sold in stores, given the amount of electrical produce now sold in supermarkets.

Food and packaging waste

Recycling is a key area where supermarkets are seen to be making more effort. The rationale behind this again is cost saving, through not paying for landfill as well as the fact that packaging waste is an area where changes are fairly visible to the consumer.

"Packaging is very visible so consumers can get heated up about it."

Academic

Many stakeholders feel that retailers could make more effort in packaging / waste minimisation and would like to see more biodegradable / compostable packaging.

However, many issues are seen to be beyond supermarkets' direct control and are more about consumer education:

- Consumer reliance on convenience foods is a key factor in terms of packaging. Many stakeholders feel that consumers need to be encouraged to buy fresh food, a message which could be driven by Government.
- Because consumers now associate high quality produce with 'perfect' appearance, they need to be educated so that they do not demand unnecessary layers of packaging.

A few retailers also blame the Government for being slow to provide composting facilities for commercial waste which leaves supermarkets unwillingly relying on landfill.

"[The Government] needs to encourage local authorities to collect compostible packaging."

Supermarket

Fairtrade bananas are raised as point of irony for many non-retailers. Whilst they applaud the fact that some retail chains now supply only Fairtrade bananas, they criticise the fact that they are often wrapped in plastic.

There is a sense amongst many that plastic carrier bags should be taxed / banned and cite the success of the initiative in Ireland (although some retailers disagree with the success of this).

Relationships with suppliers (UK)

Supermarkets' treatment of suppliers is a big issue for many stakeholders, and one that attracts a lot of criticism. The general feeling is that suppliers are being 'squeezed' to the extent that they are being put out of business, and that this is not sustainable for the future.

"If you take the example of the milk industry, the way they've driven down price has led to farmers going out of business – that's not sustainable. I'm highly cynical over what Tesco has said this week on pricing milk – this is nothing new and hasn't changed the fundamentals."

Farming, food and drink industry

"There's no evidence that they're treating suppliers better."

Media

The perception is that lack of regulation means that supermarkets can 'get away with it', with the relatively impotent supplier unable to fight back and, in some cases, blacklisted if they speak out. Retailers, unsurprisingly, feel that they are making efforts in this area, and some such as Waitrose are seen as beginning to redress the balance.

Some supermarkets are praised for encouraging suppliers to think about sustainability. However, other commentators feel that the cost of sustainability is being passed onto suppliers who have no resources to deliver – that supermarkets are pushing responsibility down the supply chain.

Smaller retailers recognise that as they have little control over manufacturers / producers, they do not have significant influence over suppliers' behaviour compared to the large retailers.

Fair international trade

Just as domestic suppliers are seen to get a raw deal from UK supermarkets, so are their international counterparts. Although there are some chains which have been seen to make inroads on this issues (Co-op, Waitrose), as a whole the retail sector comes in for criticism.

Fairtrade is a theme that has been very popular (i.e. with consumer opinion and therefore retailers), but is seen to have been overtaken by climate change in the last six months. Commentators welcome the efforts that had been made but see it as limited in its scope, with retailers stocking a few high profile Fairtrade products rather than fundamentally reviewing their sourcing. It is considered a move in the right direction, but little more.

Supermarkets and other commentators tell us that Fairtrade also presents them with something of a conundrum, one perpetuated by conflicting views from different government departments. Should they source local, seasonal produce as advocated by Defra, or should they support international trade and developing communities and buy abroad – DFID's line?

"Environmental and social sustainability can be mutually exclusive, for example buying beef from Kenya, bottled water from Fiji."

Farming, food and drink industry

Planning

Although perhaps not top of mind when considering issues around a sustainable food chain, planning remains a significant issue for many.

Non-retailers are keen to talk about land banks, the decline of the high street, and the relative lack of resources available to local government. The view is that supermarkets wield enormous economic power and are able to counter protests from other local businesses, residents or local authorities. Supermarkets and other stakeholders point out that planning regulations have impeded development of alternative energy production (wind turbines, biofuel plants etc), and some believe that this is because local planning departments are immediately negative when faced with any application from a supermarket.

"Planning is right up there. In reducing their carbon footprint they're looking increasingly at renewable energies, and I know Tesco have been setting up a biofuels plant in

Lincolnshire and planning has been a real problem. Supermarkets are experts at playing the system, and so planners are cautious when it comes to other things."

Farming, food and drink industry

Car parking is also a key issue – there is some feeling there should be a tax on car park spaces to keep the parking areas smaller thereby discouraging consumers from driving to the supermarket.

Competition

There is a strong sense amongst non-retailers that there is currently no level playing field for supermarkets.

Furthermore, the Competition Commission is not seen to be doing enough in this area with its powers centred round selling rather than buying. Therefore it may have some control over what price consumers are charged, but not what price suppliers are paid.

There is concern that increasing numbers of small retailers are going out of business due to the increased prominence of large supermarkets. Smaller retailers feel that they have an important role to play in improving the sustainable food chain in that they provide a local source of food that is fresh and locally produced. Although out of town stores remain an issue, the flood of 'local' and 'central' inner city stores are encroaching on convenience and other local stores. This is seen to be unsustainable in terms of it leading to a lack of choice and variety which impedes on the production system.

"Monoculture is replacing multiculture which is unsustainable in the long term."

Consumer organisation

Some call for enforced establishment of a level playing field in terms of requirements for sustainable practices, which would therefore encourage smaller supermarket chains to engage without fear of losing out to larger competitors who don't make the same efforts. Interestingly, although smaller supermarkets want to see a level playing field they would prefer incentives to encourage this rather than penalties. At the moment they feel they bear a disproportionate financial burden, compared to larger chains.

Agricultural production and animal welfare

Agricultural production is not raised spontaneously as an issue by many stakeholders. There is, however, some discussion around pesticides, as well as organic produce and its increased popularity – and supermarkets' response to this demand.

There is a general acceptance that animal welfare is a long established concern of consumers and that supermarkets are unlikely to do anything that might lead to bad publicity. However, supermarkets are seen to be putting pressure on suppliers to provide at lower cost which makes it difficult for them to provide high animal welfare standards.

In addition, some stakeholders voice concern that strict regulations in the UK mean that retailers are turning to suppliers abroad where restrictions are not so well regulated, and therefore lower quality produce is coming into the country. The classic example of this would seem to be sow tethering – illegal here, but meat brought in from other countries is not subject to such stringent (and expensive) standards. Another case cited is that of the ‘gold-plating’ of hygiene standards in the UK compared to other nations, making it almost impossible for small food processors to operate economically here. This in turn leads to larger, more distant, processing plants, and all that that means for animal transport (fuel, welfare).

“Supermarkets are importing food from countries where production methods would be illegal in the UK – it shouldn’t be allowed.”

Consumer organisation

Sustainable sourcing

Non-retailer stakeholders feel that this issue is not high up the agenda for supermarkets and that it is an area where very few supermarkets seem to have made any progress.

“They’re not structured to alter the way they source.”

Consumer organisation

There are some chains that appear to have given it more priority than others however, such as Waitrose, Sainsbury and M&S with Sainsbury and M&S receiving praise for their actions in the area of certified fish.

The majority of stakeholders think that the mass consumer market still buys on price and supermarkets will deliver on this, with perhaps only the best informed customer giving this issue any real thought.

There is real concern amongst some participants that food production in the UK is under serious threat, with all that that means for rural communities and the countryside itself. A number of commentators told us that the government should educate the population to value our national sources of food production - before they die out.

The squeeze imposed on domestic suppliers is thought to bring with it other, less obvious, long-term economic impacts. For example, there are currently such small profit margins in the dairy sector that little or no NPD work is being carried out, this means that almost all innovation in dairy products is emerging from France and Germany, leaving our processing industry in the doldrums.

Diet, nutrition and health

Many feel that health has been a key issue in recent years (though climate change is now taking over) with the spotlight being on obesity.

Traffic light labelling is a fairly contentious issue for stakeholders on a number of levels, but primarily for its inconsistency. It was often cited as an example of:

- Lack of leadership by government, who should have imposed guidelines for consistency
- Larger supermarkets doing exactly as they wish
- The sort of confusion that is also likely to occur with carbon labelling
- A way of avoiding a problem

"The glib answer is – label it."

Farming, food and drink industry

But overall its development is applauded by most, and seen as a step in the right direction. Its implications with regard to sustainability lie in the area of carbon labelling. It is felt that there are lessons to be learnt (imposing consistency), and there is also concern that consumers may be approaching 'label overload'.

Food poverty and access

This is not an issue that gives rise to much spontaneous comment. Some non-retailers are sceptical of the claims made by supermarkets that they build stores in areas requiring regeneration.

Non-retailers also stress the importance of supermarkets not passing on the cost of sustainability to consumers as this would effectively exclude those on lower incomes. Supermarkets do receive praise for having brought high quality produce at low prices to all sectors of society, and stakeholders are anxious that environmental considerations should not jeopardise this social inclusion.

Labour matters

Again, this is not an issue that is mentioned spontaneously. Such issues are only raised in relation to Fairtrade and suppliers in developing countries.

It is recognised that this is not an area with high public interest, and some non-retailers feel the Government have greater involvement in such 'unfashionable' areas.

"Government should reinforce the behaviour of best practice."

Academic

Consumer awareness

Many stakeholders feel that this should be a key area of concern. Although supermarkets are seen to be making some effort to improve consumer awareness, stakeholders feel that they need to continue providing information that will allow customers to make appropriate choices on sustainability.

However, the supplementary view mainly from supermarkets, is that consumers don't want 'choice' they just want reassurance that retailers are 'doing the right thing'. It is too much effort for consumers to try to find out for themselves.

"Customers expect us to do the right thing on their behalf, so that they can shop guilt-free."

Supermarket

"Make the complex decisions for me."

Supermarket

Looking to the future

Almost all stakeholders, including supermarkets, feel that environmental sustainability will remain an area for focus in the foreseeable future.

"There is a massive interest in green and to a lesser extent in trade, so they will continue to compete on the basis of being environmentally friendly."

Consumer organisation

At the moment, climate change is the buzz word and lots of targets are being set – a key concern for supermarkets in the future will be having to actually meet those targets.

"Climate change is not going to go away."

Consumer organisation

"But then we will move into an operational phase when people will have to think about how they are going to actually do this."

Farming, food and drink industry

A minority view amongst both retailers and non-retailers was that over the next five years there will be 'climate change burn out' leading to a more holistic view of sustainability:

"We'll have had an overdose of climate and will come back to more of a balance."

Supermarket

Carbon labelling is likely to rise as an issue and some non-retailers feel that supermarkets will take the lead on this to pre-empt legislation. Other areas will remain consumer driven, such as packaging and waste, and an increased interest in local sourcing / provenance is also expected.

Overall there is a sense that as things stand at the moment supermarkets will not make future progress unless it is demanded of them:

"Depends on consumer demand. Supermarkets are not saving the planet, they're exploiting the planet."

Consumer organisation

Whilst some non-retailers hold out some hope for change following the Competition Commission's Groceries Market Inquiry, not all believe it has the breadth of remit to effectively cover all areas of the food chain.

Triggers

As previously discussed, Supermarkets are most likely to make efforts to improve sustainability when they can see the business case for taking action. The two key triggers for this are:

- Consumer demand/interest/sensitivity
- Financial savings

Consumer demand

Any actions that keep customers happy and save retailers money are, unsurprisingly, the most attractive to supermarkets, and areas where they are quickest to adopt sustainable behaviour.

Supermarkets' prime concern is to keep their customers happy and provide them with the goods they are demanding. As a result, supermarkets are likely to prioritise the sustainability issues that resonate most with consumers.

Recent media coverage has increased consumer awareness; however, consumers are not informed / engaged enough to drive all issues or, indeed, pay for environmental benefits.

"It's difficult to expect change to be driven by consumers because they are split into two camps - those who go to farmers markets, connect more locally and have disposable income, and those who wouldn't know what to do with fresh food if you gave it to them!"

Farming, food and drink industry

Financial savings

Supermarkets want to make a profit and are therefore swift to act in any area where there are cost savings to be had. To date, stakeholders view the key cost savings for supermarkets to have been around fuel reductions, hence their efforts in this area.

Further financial incentives or penalties in areas related to sustainability are likely to result in action from retailers.

"They will all have read the statements by the CEO of Walmart which basically said that there is an opportunity to do the right thing and at the same time make money!"

Academic

In addition to these two key triggers, four further influences on supermarket behaviour are identified:

- Brand/reputation
- Competitor action
- Pre-empting legislation
- Pressure from NGOs

Brand/reputation

For some supermarkets there has been a realisation that their attitude towards sustainability issues

could represent a massive opportunity for competitive differentiation, for example, M&S's Plan A has relaunched its entire brand.

"Some might take a financial hit with a view to enhancing their long term reputation."

Farming, food and drink industry

Conversely, supermarkets are also beginning to appreciate that (consumer perception of) failure to take action could be a threat for their reputation, for example Tesco's recent announcements are seen to be an effort to boost their waning public image in this area.

"Tesco in particular wants to defend its brand and reputation."

SRI

Competitor action

It is important for retailers to keep ahead of the competition. Supermarkets do not want to be seen to be behind the times; therefore action from one retailer is likely to trigger others to follow suit.

"They will compete for the slot of lowest carbon provider."

SRI

"A key priority for supermarkets is not being left behind by their competitors."

Farming, food and drink industry

Pre-empting legislation

Some stakeholders feel that supermarkets will take action if they believe that Government is moving towards legislation in that area anyway. Taking action in advance of Government intervention means supermarkets will have greater control in the area, and may mean that they are able to avoid actual legislation (if their voluntary action is seen as sufficient). For example, many retailers are looking to produce their own carbon labelling in order that they can shape exactly how it will look in the hope that they will then avoid being bound by Government standards.

"They're trying to stay ahead of regulatory trends."

SRI

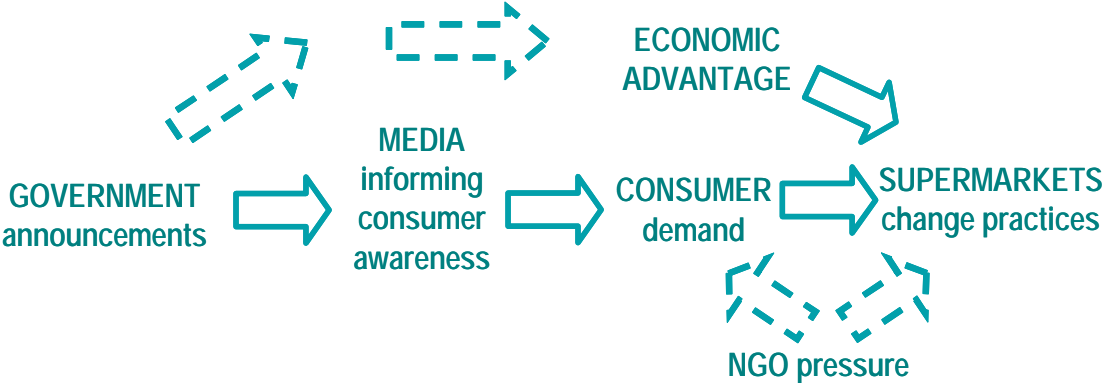
Pressure from NGOs

Stakeholders do believe that NGOs have some indirect influence over supermarket behaviour. This is usually in terms of bringing issues to consumers' attention which in turn leads to increased consumer demand on retailers.

NGO activity gets media presence which can act as a further trigger (particularly in terms of brand / reputation) and, in fact, NGO pressure can give supermarkets an indication of where the next consumer priority may lie.

The following diagram shows the different direct and indirect influences on supermarkets where consumer demand and cost savings have the strongest direct impact on supermarket behaviour and Government and NGOs have indirect influence via the media.

Figure 1: Drivers of change



Barriers

The four key barriers inhibiting progress on sustainability are seen to be:

- Cost
- Complexity of issues
- Lack of direction from Government
- Need for competitive advantage

Cost

Supermarkets, answering to their shareholders, are unwilling to invest in areas unless they will see a rapid return on their investments. Long term rewards are less attractive, with many stakeholders, including supermarkets themselves, feeling that unless retailers see some financial benefits upfront they will be slow to invest. Supermarkets that are not beholden to their shareholders are seen to have more flexibility in terms of waiting for investment returns.

“Environmental technologies do not have the same pay back as conventional technologies.”

Supermarket

Supermarkets are also seen as unwilling to pass on the cost of sustainability to their consumers, unless they are already operating in a premium environment. This means they have to be absorbed elsewhere in the business, or even back down the supply chain.

There is a sense amongst some stakeholders that penalties / incentives are not always sufficient to change behaviour. One supermarket told us that it was still cheaper to use landfill rather than recycle, and that fuel costs are not yet high enough to warrant fundamental change.

Complexity of issues

It is recognised that there is a great deal of uncertainty surrounding sustainability and climate change, and retailers admit that they do not necessarily know how best to improve the sustainability of the food chain. Many stakeholders also feel that there is little incentive to make real changes when these may not be easily visible to the consumer. This is because, in the same way that it is difficult to measure climate change, it is also hard to quantify the impact of retailers' actions. It is also almost impossible to measure the differences between supermarkets, and in a competitive marketplace this would be a key lever – one which Government could wield to its advantage.

In addition, the fact that issues and associated technologies are changing so rapidly means it is increasingly difficult for retailers to know where to take action and prioritise resources.

“There is no definitive answer to some questions eg. what does sustainable farming look like?”

Supermarket

Lack of direction from Government

Retailers and non-retailers alike feel that it is hard to know which areas to prioritise or focus on without clear and consistent direction from Government. In particular, there is a lack of long term guarantee of policy which inhibits financial investment. Without this, retailers are loathe to take action when they feel that Government might perform a volte-face and reverse their policy decisions.

“Government needs to set a long term, stable agenda, for example, they said they want to reduce carbon emissions by 60% by 2050 - they need policies around this. Otherwise it's a barrier to investment as we're not sure who will be in power in 5 years time.”

Farming, food and drink industry

Need for competitive advantage

There are mixed views on the value of first competitor advantage in respect of sustainability issues. Some commentators take the view that those making the first moves would benefit in the long run.

"They are all businesses after all. But some might take a financial hit with a view to enhancing their long term reputation."

Farming, food and drink industry

Others feel that this strategy is too risky, as there are too many imponderables. It is seen to be particularly risky for smaller players who could lose out financially to larger competitors.

In this respect, intervention from Government in the form of regulation or incentivisation is seen to be necessary in some areas. Unsurprisingly, incentivisation is preferred by supermarkets.

"We need incentives for first mover advantage."

Supermarket

Other supermarkets mention competition as hindering knowledge transfer and sharing of best practice, which would be in 'the planet's' best interests, but are virtually unheard of in reality. Transport and logistics is apparently an area ripe for collaboration between the chains, and desired by retailers such as M&S, but considered a long way off by many.

In addition to these four main barriers supplementary issues were identified as:

- Current processes and logistics – centralised distribution systems necessitating journeys of increased length and number, large processing plants such as abattoirs to which livestock has to be transported over long distances.
- Consumer willingness to change – the challenges associated with being green. Participants feel that supermarkets need to take some responsibility for this, perhaps through choice editing, but certainly through education. There is also a view from stakeholders that most consumers are not willing to pay a premium for environmentally friendly produce.
- Supermarkets feel that they are sometimes hindered in the efforts they are making – for example planning applications for unusual structures such as wind turbines, eco-friendly stores etc.

The role of Government

The consensus from the majority of stakeholders is that Government has played very little part to date in helping supermarkets improve the sustainability of the food supply chain.

"They've done little up till now, they haven't intervened in a meaningful way. All changes have been consumer driven."

Consumer organisation

Some feel that supermarkets have, in fact, done more in the area of sustainability than has been demanded of them. This is not to say that non-retailers feel that supermarkets have done enough; it is more that they have surpassed the low threshold expected by Government.

There is a sense from some however, that Government is starting to become more involved in this area

"Government has started to show more leadership in the last six months. Prior to that it was practically laissez-faire."

Supermarket

Almost all participants feel that issues such as climate change are so important that it would be right and proper for Government to be seen to take a lead in this regard. Non-retailers see this leadership taking perhaps a more forceful tone than retailers, who are looking for incentives rather than penalties; voluntary agreements rather than legislation.

Achievements

Although most stakeholders feel that the Government has done little to encourage supermarkets to improve their sustainability, it does receive praise in some areas:

Increasing consumer awareness

As retailers are responsive to consumer demand, keeping sustainability issues high on customers' radar will in turn keep such issues high on supermarkets' agendas.

Government is praised for its awareness campaigns that have brought the different issues relating to sustainability to the front of consumers' minds, particularly around the topic of health. Stakeholders do not identify specific campaigns, rather, they praise the overall coverage.

"Government have helped facilitate the argument - the issues are more in the public psyche now."

Supermarket

The development of FISS and establishment of organisations such as WRAP and the Carbon Trust

The Government is praised by a number of stakeholders for the development of the Food Industry Sustainability Strategy (FISS). It is seen to have raised awareness and importance of these issues amongst retailers, enhanced an understanding of good practice, and helped the Carbon Trust get the big players onboard. It is also welcomed as an attempt to bring the different aspects of the sustainability issue together.

However, some people feel that the Government could have gone even further, by making FISS legally binding and some of the targets more demanding.

"FISS could have been a lot stronger earlier. Defra have not really embraced it - they sit on it and don't do enough."

Consumer organisation

"Initiatives like FISS are useful because they raise the issues, but it has only scratched the surface."

Farming, food and drink industry

There was also some comment that Government has allowed industry to hijack FISS, so that the retailers have, to a large extent, shaped the agreements themselves.

Climate Change Levy

The Government's introduction of the Climate Change Levy was seen as a good move towards making supermarkets think about their carbon footprint and encouraging them to invest in alternative energy sources.

However, many report that it is limited in scope, failing to include elements such as refrigeration, and that it is limited to in-store bakeries and rotisseries etc.

"The Climate Change levy was a start but it needs to be in refrigeration as well."

Supermarket

Media prominence and leadership of individuals such as Miliband and Bradshaw

Some Government individuals were mentioned specifically for their roles in raising sustainability (or more accurately, climate change) to the top of the agenda. Ben Bradshaw's call to action on packaging was mentioned by several participants, and David Miliband was also praised for his efforts in office.

"Miliband has done a good job in convincing them [supermarkets] to play ball."

Farming, food and drink industry

Failings/Weaknesses

The key message from stakeholders is that Government is currently not providing leadership to the retail sector in the area of sustainable food chain. It is felt that Government is failing on the following fronts:

Lack of consistent messages

Most stakeholders feel that there is no consistent message coming from Government because of the incompatibility of different departmental viewpoints.

"Sustainability doesn't fit neatly into one government department."

Government agency

"Defra, DTI and DIFID - they all have their own thoughts, which is no good to industry."

Farming, food and drink industry

Retailers complain of conflicting departmental requirements. For example, DTI's delivery curfews do not fit with Defra's strategies on transportation and DFID encourages business to buy from developing economies, but this conflicts with encouragement to reduce food miles.

Some even feel that Defra is not internally consistent in its messages:

"Defra is schizophrenic, promoting both industry and sustainability. It should have had a clearer objective from the start i.e. climate change, waste, etc. Promoting industry should have gone to the DTI."

Consumer organisation

Lack of clarity around strategy

Stakeholders (both retailers and non-retailers) do not feel that they have a clear understanding of Government strategy in the area of sustainability. It would seem that Government is not communicating key priority areas to supermarkets, which is part of what is necessary to encourage positive momentum.

"Definitely not [giving clear and sufficient leadership]. No framework in terms of a vision of where they want to go."

Supermarket

Furthermore, Government seems to lack both a long-term vision and a long term commitment to a distinct set of initiatives, which is what retailers see as necessary for them to make concrete and perhaps costly improvements. Almost all stakeholders agree that there has been an initiative 'overload' and that the Government needs to focus on its material policies.

"There is no long term certainty of where their policy is going."

Supermarket

Lack of example

Some stakeholders feel that Government cannot expect retailers to make significant changes to business practices without seeing the Government do likewise, for example, meeting their own targets on energy reduction.

"The government should get its own house in order first, e.g. public procurement. It's hypocritical if they insist on supermarkets doing things sustainably."

Farming, food and drink industry

"The Government is failing its own targets on energy reduction. Terrible."

Farming, food and drink industry

Lack of competition in the sector

Government is criticised by many non-retailers for allowing the big supermarkets to flourish. This is seen to have led to small businesses (often key players in local sourcing) going out of business resulting in a lack of competition. In addition it is seen to have prevented suppliers/processors from getting too big, meaning no one has the power to stand up to the supermarkets and negotiate better terms. Many feel that Government have been slow to stop the large retailers from growing as the low prices are good for the economy.

"They should have changed competition policy to address supplier welfare rather than just consumer welfare."

Academic

Lack of real power

Stakeholders feel that as a result, the Government is, in many ways, powerless in the face of supermarkets' economic clout. Tesco's refusal to follow Government's traffic light labelling system is

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cited as an example of where Government was unable to force supermarkets to 'behave'.

"They've been too accommodating to supermarkets and shown a lack of guts."

SRI

Lack of substance

Some stakeholders consider the Government to be overly concerned with its media profile and less concerned with the detail behind the statements it issues. In the greater scheme of things sustainability is not seen to be a genuine priority.

"This is not a priority for government, they focus on flexible workforce, being globally competitive and keeping a lid on inflation."

Media

"They're not against it. ...They've muttered positively on the sidelines about Business Terms, but then they just handed it over to the Competition Commission."

Farming, food and drink industry

The way forward

Stakeholders, both retailers and non, were in agreement that in order to further assist supermarkets in improving the sustainable food chain, Government needs:

A clear, long term vision

If supermarkets have a good understanding of Government's long term objectives, they can work in partnership towards a shared end goal. If industry is to invest, it needs reassurance that direction will not change in the foreseeable future. Many participants were of the view that on matters as important as this, cross-party agreements should be considered.

A cohesive strategy and framework

Supermarkets need to know what the priorities are and how Government intends to tackle the issues, in order to develop their own complementary sustainability strategies. This means that as well understanding the Government's long term vision, retailers must also have the opportunity to get to grips with the detailed policies behind the targets.

Clearly if Government intends enforcing these policies, it also needs to have a clear mechanism for measuring progress.

"They need to have a clear vision with strategies to support this, e.g. should food be grown locally or globally. They need to work out the 'whys' before setting targets that are not fully understood....They need to design a method for measuring changes."

Supermarket

"...setting of unified boundary conditions around how sustainability in products is measured."

Consumer organisation

A unified approach

There is currently a strong sense that different Government departments have different priorities with regards to sustainability – it is vital that Government has one shared vision. Retailers want to ensure that by adhering to one departmental message, their resulting behaviour will not conflict with another.

Some would also welcome reassurance of cross party consensus so that they know that policy decisions would not be undone with a change of Government.

"[The one thing government should do to help supermarkets improve their sustainability is] link different Government departments so that there is continuity in policy and delivery."

Supermarket

In looking to further influence supermarkets efforts to improve sustainability, most participants feel that it would be most appropriate for Government to use a combination of a 'carrot' and 'stick' approach. Not surprisingly, supermarkets prefer encouragement and incentivisation, but they are realistic and assume that more demands will be made of them.

Encouragement

It is felt by many that Government should lead by example and ensure its own procurement policies withstand scrutiny.

Stakeholders would like Government to commission good quality, independent research which should then form the basis of policy. This research should be shared with all supermarkets on an equal footing. There was a sense, amongst non-retailers, that supermarkets should not be allowed to present their own research as the basis of policy, as this could allow for misrepresentation of facts. It was felt that Government needs to 'own' this debate.

Supermarkets progress should be monitored and published by Government. This would allow those

making real efforts to benefit from good PR. Indeed, Government could exploit the highly competitive nature of this sector by making sustainability a public point of comparison.

"Have a published sense of progress - where would we like to be in 5-10 years time, and put this out into the public domain this would have massive leverage on retailers by using consumer opinion."

Government agency

There is no doubt that supermarkets are looking for financial incentives to change behaviours, but they are also looking for a level playing field. Those who make efforts in the right direction need assurance that they will not lose out financially to competitors, this is particularly (although not exclusively) the case when engaging smaller players.

"Government should incentivise businesses to sell more sustainable products."

Supermarket

"Should be a framework that's applicable to all (supermarkets), so that there's a fair playing field."

Consumer organisation

Enforcement

In addition to encouragement offered, participants also feel that there should be some harsher measures in place to better ensure co-operation. Most of these suggestions come from non-retailers, but clearly defined targets that are then enforced would not be rejected by supermarkets.

Participants are keen that clearly defined targets should be set and that these targets should be founded on evidence-based research openly shared with retailers. Targets should generally be more demanding than those set by FISS for example, which are felt to have been largely defined by the supermarkets themselves. Stakeholders would like them to include detail as to how they are to be met, with firm deadlines.

Failure to achieve these targets should result in meaningful penalties, probably financial.

"Use economic levers to make sure the polluter pays, which would lead to a shift in distribution systems."

Media

Many participants feel there is a place for legislation, as there is concern that financial penalties will be

more of a burden for smaller businesses, and also may simply be passed on to the consumer.

One target that non-retailers see as a key priority, and one that requires tougher penalties, is improving the treatment of suppliers, both domestic and internationally. Others centre around over-packaging, use of compostable/recyclable packaging, plastic bags, energy use, universal agreement on format for carbon labelling, local and seasonal sourcing.

Another common theme linked to enforcement is the call for an independent regulator or ombudsman, specifically for the retail sector.

"So there needs to be an ombudsman, to see that fair contracts are enforced."

Farming, food and drink industry

"Our suggestion is that we need an Independent Regulator for Retail - one of the UK's biggest and more powerful sectors - for both UK, EU and outside supply chains."

Consumer organisation

And finally, taking the 'published sense of progress' theme one step further, some non-retailers suggest the idea of naming and shaming poor performers or those failing to meet targets.

"Brands are very vulnerable to bad PR."

Media

Working with industry

Many stakeholders (retailers and non-retailers alike) feel that Government should make more effort to engage with the retail sector and work in partnership towards improved sustainability. Given that both parties are working towards the same end goal, it is felt that it would be mutually beneficial to do this together. An example was given of government attempting to arrive at an agreement on reduction in the use of plastic bags. It was portrayed as supermarket representatives being summoned to a meeting where targets were outlined:

"They (supermarkets) were told the Press were outside and an announcement needed to be made. Industry felt completely ambushed and just walked away!"

Farming, food and drink industry

Stakeholders feel that Government should consult with supermarkets and facilitate the debate as well as also playing a role in demonstrating the business case for change.

"Recognition by supermarkets themselves that this is the only way their businesses will be sustainable in the long term."

SRI

It is also seen as important to attempt to encourage collaboration between the supermarkets. It is suggested that Government can help to facilitate retailers working together on issues such as logistics, carbon labelling etc.

Participants were asked to evaluate the various tools at Government's disposal, specifically voluntary agreements, regulation and fiscal tools:

Voluntary agreements

Voluntary initiatives are seen as a good way of encouraging innovation and best practice at early stages of changes. They are seen to be beneficial in terms of codifying acceptable behaviour. However, they are also seen to be open to abuse because industry effectively sets their own standards, there is no enforcement, and there is potential to leave participating retailers at a competitive disadvantage.

Overall, although seen as appropriate in some areas, it is felt that they cannot be relied upon for the most important or pressing issues. For the areas where a 'bottom line' is needed, regulation is seen to be the best form of Government intervention. This view is more commonly voiced by non-retailers.

"Government should be there to provide the framework and, where the market fails, to legislate. I think legislation in commercial markets is bad. There should be voluntary agreements within a legislative structure."

Farming, food and drink industry

Regulation

Stakeholders have mixed views about the relative benefits of regulatory tools. Some welcome increased regulation on such an important issue; others feel it is not feasible in a free market economy.

"There is a place for legislation, responsibility lies with government - the supermarkets are there to make a profit, the government represents its electors."

Consumer organisation

There is a sense from some that regulation would be beneficial in terms of providing a level playing field for all retailers as everyone would have to conform to the same standards.

"There should be a legislative bottom line in terms of what's acceptable, and they should help the retailers who make significant moves."

Consumer organisation

Not surprisingly regulation is only considered useful if it is seen to have teeth and to be fairly enforced (i.e. not over-penalising smaller players).

"The retail sector is not convinced about the extent to which government will introduce proper legislation, therefore they'll only move when they have to."

SRI

Reservations centre around creating a more demanding environment in the UK, leading to retailers looking for ways to circumvent legislation, perhaps by buying abroad - to the detriment of domestic markets. However, non-retailers cite the very fact that supermarkets only operate and compete for consumers in the domestic arena as a good opportunity for Government to regulate, without jeopardising the UK retail industry at a global level.

A mandatory code of conduct for supermarkets' relationships with suppliers is a move that would be welcomed by many non-retailers.

Stakeholders are also conscious that it is difficult to regulate supermarkets in isolation, for example, if they were to increase planning regulations, this would impact on all retailers, likewise, carbon taxes would impact on all industries.

Fiscal tools

Retailers see fiscal measures in the form of incentives, while non-retailers see them as a mixture of both incentives and penalties.

Retailers would like to be incentivised for taking the lead on sustainable behaviour rather than penalised for not. For example they would like to pay lower rates on energy efficient buildings.

"Government should incentivise businesses to sell more sustainable products."

Supermarket

However, many non-retailers feel that the only way to actually encourage sustainability amongst retailers is via taxation, for example on plastic bags, car parking spaces etc.

The fiscal approach is seen to work only where the mechanism is not too burdensome, and should only

be used if it really changes behaviour. For example, some participants claim that recycling tax does not make people use less packaging.

It is also important to many stakeholders that taxes are not passed directly to consumers in the form of price hikes.

Overall, stakeholders (both retailers and non-retailers) would welcome a balanced combination of tools / instruments in order to both encourage and enforce supermarkets to improve the sustainable food chain.

"Green taxes harnessed with tougher regulations [would work best]."

Academic

4. Conclusions and recommendations

Stakeholders recognise that improving the sustainability of food production and consumption is an extremely complex issue, with a number of critical triggers and barriers.

Action taken to date by supermarkets is primarily seen to have been driven by consumer concern and demand around climate change, and the opportunity to capitalise on financial savings. Brand and reputation, competitor action, the desire to pre-empt legislation and pressure from NGOs have also played a role in encouraging supermarkets to make changes to the way that they operate. The areas where most progress have been made are energy use, and food and packaging waste.

However, there are also a number of substantial barriers to action from supermarkets to operate more sustainably, primarily cost, the complexity of the issues, lack of direction from Government and the need to maintain competitive advantage in the market place. There are significant concerns around the lack of competition in the market place and the implications that this has for supplier relationships, both domestically and internationally.

Government has made some positive moves to encourage supermarkets to adopt sustainable practices. Driving consumer awareness, the introduction of FISS and The Carbon Trust, and the Climate Change Levy are all seen as successful initiatives from Government. In addition, the increasing profile of key ministers within Government is also playing a positive role.

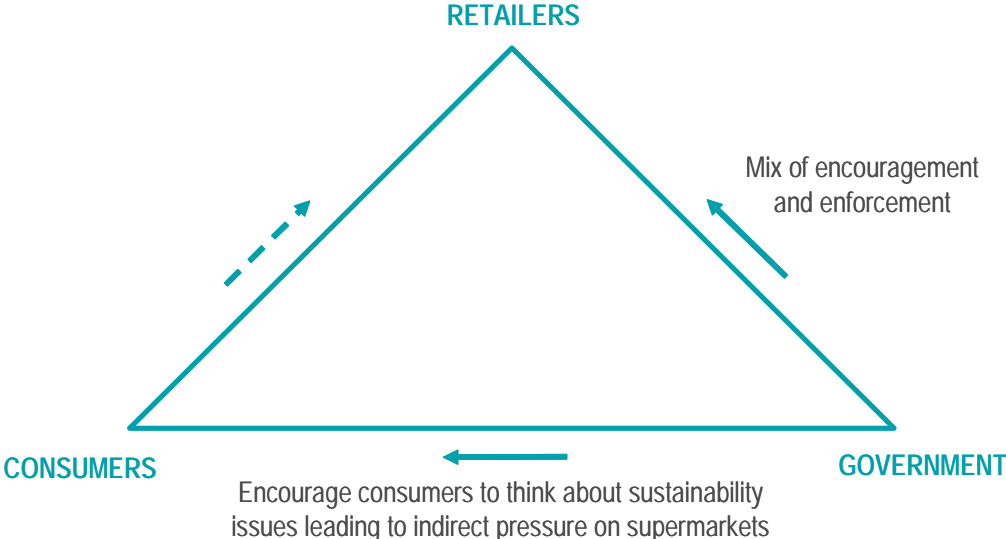
However, the overall view is that Government has done relatively little so far to encourage or compel supermarkets to address the issues. There is widely seen to be a lack of leadership from Government on this issue and some specific problems around inconsistent messages across Government, lack of a clear strategy, lack of a positive example in Government's own behaviour, and a failure to tackle the broader issue of competition in the supermarket sector. Some are also sceptical about Government's ability to act effectively in this sector given the perceived imbalance of power between Government and the major supermarkets.

However, most stakeholders see an opportunity for Government to take a lead in the future. Within the different stakeholder groups there are some who advocate a 'wait and see' approach; however, the majority feel that Government should take firm action as soon as possible.

Government has two main channels through which to influence retailers: direct action and indirect action, via influencing consumers to demand improved sustainable practices from supermarkets (see Figure 2 below). In terms of direct action, stakeholders believe that a mix of encouragement and enforcement will be most effective. However, they are keen to emphasise the critical role that Government can have in pushing sustainability issues up the consumer agenda, particularly given that

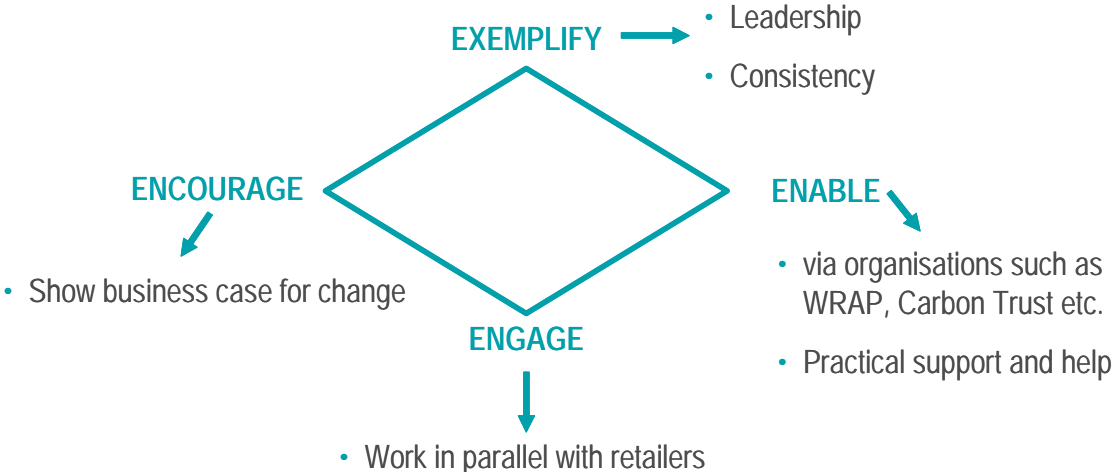
consumer demand is seen as one of the two key drivers of supermarket action.

Figure 2: How Government can influence retailers



Looking in more detail at the scope for Government to directly influence supermarkets, we can identify four different ways the Government can influence supermarkets (based on Defra’s behaviour change model illustrated in Figure 3 below).

Figure 3: The Four E’s behaviour change model



Overall, the Government needs to adopt a range of strategies and tactics in order to effectively work with supermarkets on sustainability on this complex issue. First of all, Government should engage retailers by working closely with them to understand their issues and enable co-production of effective Opinion Leader

solutions. Given the size and influence of the largest supermarkets, flexibility and a tailored approach will be required for successful engagement.

Government has a role to play in encouraging supermarkets to adopt more sustainable practices, initially voluntarily if possible through clear demonstration of the business case for changing, focussing on competitive advantage and cost savings. Change can also be enabled by the provision of practical support and help via organisations such as WRAP and The Carbon Trust. However, it may also be necessary to enforce behaviour change through a balance of fiscal and regulatory tools.

Finally, Government must also exemplify best practise on sustainability, both in terms of providing clear leadership and consistent policy, and its own behaviour and procurement practices.

5. Appendix: Discussion guide

Revised Discussion Guide – For Retailers

SDC Supermarkets Thematic Review Stakeholder Consultation

Discussion flow	
Introduction and background	
<p>5 mins</p> <p><i>To explain the background of the project and the interview process</i></p> <p><i>To find out about respondent's background and set context</i></p>	<ul style="list-style-type: none"> • Explain background to and purpose of the research SDC seeking to assess current stakeholder perceptions of government policies towards supermarkets Will help SDC provide recommendations to government on how it can better facilitate supermarkets to deliver sustainable food supply chain in the UK NB Want to talk about sustainability in its fullest sense i.e. economic and social as well as environmental – <i>please note how respondent defines sustainable/sustainability over course of interview – and whether they feel there is a practical working definition in place currently</i> • Reassure confidentiality and that the session is off the record – no comments will be attributed • Ask permission to record • Ask participant to introduce themselves, what they do, and explain the nature of their role in terms of sustainable food supply chain
Sustainability and the food supply chain	
<p>10 mins</p> <p><i>To understand general attitudes and approach to sustainable food supply</i></p>	<ul style="list-style-type: none"> • What are the current priorities for your company in relation to sustainability and the food supply chain? What actions have you already taken to work towards delivering a more sustainable food chain? <i>If not mentioned spontaneously, PROMPT for:</i> <ul style="list-style-type: none"> – Energy use across supply chain. <i>NB please distinguish between what they are doing in respect to their own operations (business / transport) and what they are doing to look at this throughout the whole food supply chain / products)</i> – Food and packaging waste – Relationship with suppliers / fair international trade – Planning

	<ul style="list-style-type: none"> - Competition issues - Agricultural production/animal welfare - Sustainable sourcing - Diet, nutrition and health - Food poverty and access - Labour matters including welfare, skills, training etc. - Consumer awareness, information, education and choice - Are there any other priorities? <ul style="list-style-type: none"> • How have your priorities changed over the past year? Past five years? • <i>For each action mentioned:</i> What were the triggers that prompted the company to start? • <i>For any prompted actions not seen as a priority:</i> Why is this not a current priority for your organisation? • How do you see this changing in the future? Next year / next five years? • What do you see as the main barriers for future action?
Role of government currently	
<p>15 mins</p> <p><i>To evaluate perceptions of government policy to date</i></p>	<ul style="list-style-type: none"> • What role do you believe the government has played in helping supermarkets to improve the sustainability of the food supply chain? • What do they do well? What do they do less well? • Are there any areas where government has hindered supermarkets' efforts? (ask for specific examples) Why do you think this is? • Prompt on specific areas from list above. • Is government giving sufficient and clear leadership to the retail sector? What should 'leadership' look like?
Role of government in future	
<p>10 mins</p> <p><i>To explore how the government could work most effectively in this area moving forward</i></p>	<p>What could the government do to help retailers to improve the sustainability of the UK food supply chain? (Ask as open question.)</p> <ul style="list-style-type: none"> • What are the advantages / disadvantages of the different tools / instruments available to government? PROMPT on: <ul style="list-style-type: none"> - Regulatory - Fiscal eg pricing, taxation, VAT - Voluntary
Conclusions	

<p>5 mins</p> <p><i>Summarise and cover off anything not discussed</i></p>	<ul style="list-style-type: none">• What is the one thing the government should be doing to help supermarkets improve the sustainable food supply chain?• Is there anything you'd like to mention that hasn't already been discussed?• Any other comments?• Thank and close
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