



# Enhancing your store's sustainability credentials



**Sustainability is now a global priority. Organisations are under pressure from investors, regulators and consumers to reduce their carbon footprint.**

According to a recent study, 86% of multinational corporations regard sustainability as the most important factor for top level decision-making. Indeed, over 3,900 companies have now formally committed to clear carbon reduction targets for measuring and reducing CO2 emissions.

When it comes to retail, 88% of consumers would rethink purchasing from companies that aren't ethically or environmentally sustainable.<sup>1</sup>

As a result, sustainability is shaping the retail boardroom agenda, influencing every aspect of strategy through ESG, the framework being used to evaluate the sustainability and ethical practices of a company, including retail businesses.

## Environment

This focuses on a retail company's environmental impact and how it manages its carbon footprint. It involves assessing the organisation's efforts to reduce carbon emissions, energy consumption, waste generation, water usage and overall environmental sustainability.

## Social

The social component examines a retailer's relationships with its employees, customers, suppliers and the communities it operates in. This aspect includes evaluating employee pay and working conditions, diversity and inclusion policies, supply chain ethics (particularly pertinent within fashion retail), customer data privacy and the company's engagement with local communities and social causes.

## Governance

Governance focuses on the structure and practices of a retail company's management and leadership. So, who is in the boardroom, and who is building resilience within the organisation?

It involves assessing the transparency, accountability and integrity of the company's decision-making processes.

## Proven credentials

Retail businesses need to make sure they're partnering with companies which have proven ESG credentials, particularly the supply chains that have direct influence on a retailer's brand and reputation.

<sup>1</sup> Anderson Strathern. (2022) Sustainability key to retail sector's relevancy  
<https://www.andersonstrathern.co.uk/insights/sustainability-key-to-retail-sectors-relevancy/>





As a key supplier to the retail industry, partnering with nine out of 10 of the UK's top retailers, we put sustainability at the heart of our strategy.

We have a science-based target to be net zero by 2031 for our own operations and 2041 for our supply chain and customer emissions.

We hold an A rating on CDP and have done so for the last seven years, demonstrating our commitment to reducing climate impact.

We currently hold an Advanced rating from EcoVadis, a global provider of sustainability ratings and assessments for businesses.

Recently, we've been placed 25th in the Corporate Knights Global 100 list of the world's most sustainable companies.

## Retailers' environmental priorities

Retailers have a shared and important responsibility to help accelerate to a low carbon economy, but they can't achieve net zero targets in isolation. To reach sustainability aims, companies are going to need to work in collaboration with suppliers and their wider ecosystem.

More than 36 retailers in the UK have committed to 'science-based' targets. By setting science-based targets, retail businesses commit to taking measurable and ambitious actions to reduce their carbon emissions and overall environmental impact.<sup>2</sup>

These targets require retailers to identify the various sources of emissions within their operations and supply chains. This includes direct emissions (Scope 1) from owned or controlled sources (e.g. store operations), indirect emissions from purchased electricity (Scope 2), and emissions from the entire supply chain, including manufacturing and transportation (Scope 3).

# Transitioning to a sustainable future

## Scope 1 and 2

### Optimising fleet

Organisations that operate diesel or petrol vehicles will be looking to reduce their Scope 1 emissions. We have partnered with Geotab to help customers connect their existing fleet vehicles and leverage data analytics to optimise these based on idle times and route guidance. Geotab also uses this data to help customers determine when it would make sense to switch over to electric vehicles (EVs) based on ROI.

### In-store

There are opportunities to reduce energy use across retail stores, warehouses and distribution hubs which will help to reduce a retailer's Scope 2 emissions.

We have partnered with Johnson Controls to develop scalable network and security blueprints to enable customers to seamlessly and securely connect their buildings to the cloud, ready for optimisation and decarbonisation. This includes providing both IoT (Internet of Things) sensors for a better and more sustainable workplace and computing at the Edge to run AI, which has the ability to drive energy and carbon savings. Our Carbon Network Dashboard can also help customers optimise energy across their in-store network infrastructure, by leveraging a number of key data parameters such as bandwidth, ports, PoE (Point of Entry), as well as occupancy.

<sup>2</sup> NRF. (2021) Retailers' Science-based Target Commitments  
<https://infogram.com/1p5lwe5jwkn51php7kv0l7k6q1h3w5n9nd7?live>

## Data centres

Together with Intel and QiO, we have developed a proposition to help customers decarbonise their servers and data centres. The proposition utilises AI to intelligently learn server power usage patterns and propose (open loop) or automatically trigger (closed loop) actions to adjust power consumption, enabling more efficient server workload management without compromising operations or the quality of service.

By triggering Intel's power management technology, central processor (CPU) cores can be put into a deep sleep if the server load decreases and CPU cores are idle.

## Scope 3

As part of the journey towards achieving net zero, retailers will be grappling with baselining and reducing the carbon footprint across their supply chain, including ICT products and services. Scope 3 emissions can easily make upwards of 80% of a retailer's overall carbon footprint and reducing emissions across all suppliers is key.<sup>3</sup>

## Sustainable network refresh proposition

Our Digital Carbon Calculator helps customers baseline the carbon impact and identify carbon hotspots within their digital infrastructure estate. This tool covers network devices, servers and endpoint devices (e.g. mobile handsets, laptops). We've built this tool to help customers optimise their digital infrastructure estate by bringing visibility on estimated energy and carbon use and potentially opportunities for optimisation, which will lead to both potential financial savings and carbon emissions reduction. The tool can be used to track carbon footprint changes for digital infrastructure as you digitally transform with BT.

## Employee travel emissions

To further reduce Scope 3 emissions, retailers will also have to reduce the carbon footprint of employee commutes. Retailers should formulate strategies around leveraging the future of the digital workplace to minimise the necessity for employee travel.

There's an important role for 3D technologies, such as Augmented Reality (AR) and Virtual Reality (VR) in the metaverse, to play in powering the future of travel – a future where hybrid working isn't just Microsoft Teams.

## Supply chain emissions

It's important that organisations ask themselves how they are securely connecting and managing the data that's going across their supply chains. Retail businesses could ask each supplier to assess their emissions or may want to leverage an ERP (Enterprise Resource Planning) system to collect data to baseline supply chain emissions.

## Capturing wider supply chain carbon footprint

We have partnered with SAP to help our retail customers access the recently launched Sustainability Data Exchange. This enables them to request and receive carbon footprint data from all their suppliers in a standardised manner, aligned with the Pathfinder Framework developed by PACT.<sup>4</sup>

It'll mean retail customers with complex supply chains that need to exchange vast amounts of sustainability data can rely on us to be the best-in-class partner to provide global, secure and reliable connectivity without them having to worry about infrastructure.

The pace of digital transformation and the need to implement the latest technology solutions seamlessly and securely, at scale, can be a daunting prospect for many retail businesses looking to improve their sustainability credentials.

As a trusted technology partner and leader in the digital innovations space, with proven sustainability credentials, we're ideally placed to help retailers and their wider ecosystem reduce their carbon footprint and achieve their sustainability goals.

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For more information on our sustainability solutions please visit

<https://www.globalservices.bt.com/en/digital-industries/digital-sustainability>

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<sup>3</sup> British Retail Consortium. (2023) Climate Action Roadmap <https://brc.org.uk/climate-roadmap/section-2-retail-industry-emissions-profile/21-emissions-scopes-boundary-setting/>

<sup>4</sup> WBCSD. (2023) Emissions transparency: Pathfinder Framework provides updated guidance for the accounting and exchange of product life cycle emissions <https://www.wbcd.org/Programs/Climate-and-Energy/Climate/SOS-1.5/News/Pathfinder-Framework-Version-2.0>

