

Industry first: World's largest retailer announces all products to feature eco-rating label

IN A MOVE set to shake up the global retail sector, the world's largest retailer – US based Wal-mart – has announced it will introduce an eco-rating to be placed on every grocery item in store nationally.

The rating will be based on a new worldwide sustainable product index which will track the environmental credentials of a product through its entire lifecycle, from raw material to disposal. Using data collected from every one of their 100,000 suppliers, Wal-mart has set up a consortium of universities that will work with suppliers, retailers, NGO's and government to develop a global database on product lifecycles.

"Customers want products that are more efficient, that last longer and perform better," Mike Duke, Wal-mart's president and CEO says. "They want to know that the materials in the product are safe, that it was made well and that it was produced in a responsible way."

Mr Duke said the database will create greater transparency while generating innovation and accountability in regards to the environmental impact of the entire global supply chain.

UK retailers have also taken active steps to promote their own carbon labelling schemes, with Tesco (UK's largest retailer) vowing to have over 500 of its products labelled with the Carbon Trust's Carbon Reduction 'footprint' Label by the end of 2009.

While the Carbon Reduction Label has been operating on a number of products in the UK since 2007, Tesco has become the first UK retailer to display the carbon footprint label on its milk ranges. Confirming their commitment to innovation, the retailer has already begun work with dairy farmers on research projects to lower methane emissions



given that the agricultural stage of milk production accounts for the highest proportion of its carbon footprint.

Although no direct move has been made by Australian supermarket chains to introduce an enforced eco-rating scheme, the Carbon Trust (UK) has partnered with Planet Ark to launch the Carbon Reduction Label in Australia – with products bearing the label expected to hit Australian supermarket shelves by 2010.

Paul Klymenko, Research Director of

Planet Ark, said "The Carbon Reduction Label scheme represents a strategic opportunity for Australian businesses to measure and reduce their product's carbon footprint and their energy cost.

Holly Vyner, General Manager of Biological Farmers of Australia, says the move to label grocery items according to their carbon footprint credentials will place many organic brands in an advantageous position.

"Organic farming systems are based on the principle of land and soil regeneration and best environmental practice," she says. "Organic products have a head start in carbon reduction due to the exclusion of synthetic nitrogen fertilizers which account for approximately two-thirds of all cropping emissions."

"The other significant benefit is the carbon sequestration capacity of organic production. Research conducted by the Rodale Institute over 30 years shows conclusively that regenerative organic agricultural practices can be the most effective currently available strategy for mitigating CO2 emissions. If practiced on the planet's 3.5 billion tillable acres, organic regenerative production could sequester up to 40% of current CO2 emissions," she says.

Australian supermarkets show commitment to reductions

Further to the introduction of Planet Ark and Carbon Trust's Carbon Reduction Label on various products here in Australia, a report by the Australian Food and Grocery Council (AFGC) released in October found industry-wide commitment to reducing the environmental impact of the sector with more and more companies already taking steps to measure their environmental impacts through the Global Reporting Initiative (GRI) Framework. The Towards Sustainability report found a number of moves had been made across the industry to address the challenge of manufacturing food and grocery products with less impact on the environment through greater water, energy and waste efficiencies.

"Water and energy costs are rising and agriculture's productivity is going to be increasingly unpredictable due to climate changes, so getting the sustainability balance right is crucial for the industry. This requires a fundamental shift in thinking," AFGC Chief Executive Kate Carnell says.