

# AUSTRALIAN RETAILERS JOIN FORCES TO TACKLE CLIMATE CHANGE IN THE RACE TO ZERO

Sydney, Australia: Leading retailers IKEA Australia, Officeworks and Kmart Group today announced their support for a new, UN-backed global climate change initiative – [the Race to Zero Breakthroughs: Retail Campaign](#) – led in Australia by the Business Council for Sustainable Development Australia (BCSDAustralia) in collaboration with the Australian Retailers Association (ARA).

The retailers have pledged their support to accelerate a movement in the retail industry in Australia to drive climate action and encourage other retailers to set out their plans to achieve 1.5 degree aligned carbon reduction targets.

As Australia's second largest employer after healthcare, the retail sector is a critical player in determining consumer choices and affecting suppliers, producers, and manufacturers across various economic sectors. While the sector's retail stores and company offices only represent a small part of its total emissions, it is the value chain of production, transportation, use and disposal of goods that is its biggest contributor. Given this, the Race to Zero is rallying retailers to act as a force for good, asking four ongoing requirements:

- Pledge to reach net-zero as soon as possible (and by 2050 latest);
- Within 12 months of joining, explain what actions their business will take;
- Take immediate action towards achieving their set aims;
- Commit to report publicly - at least annually - against targets set.

With 8 in 10 consumers caring enough about sustainability that they will make purchasing decisions based on a brand's sustainability credentials, being a sustainable business is no longer a nice-to-have<sup>1</sup>. The retail sector needs to consider sustainable practices as a necessary component to the future success of their business.

A recent report<sup>2</sup> showed 56% of Australians are actively looking for 'good' brands and products from retailers that support causes or have environmentally friendly attributes that make a positive impact on social, community or environmental issues. The Race to Zero campaign will provide more transparency from local brands on how they're supporting climate change, and how purchasing from those brands will collectively help the country to reach net-zero emissions.

Paul Zahra, ARA CEO said, "Report after report has demonstrated that Australian consumers want this change. Having navigated the global pandemic, Australian retailers are now moving onto the next big global disruption - climate change. Unlike previous disruptions that have caught some retailers off guard, we've had plenty of notice about the need for climate action - the science is clear, the case for change is compelling and our members are acting, with 40% of Australia's retail trade already covered by net-zero commitments. The opportunity to play a lead role in the Race to Zero campaign in retail will galvanise our intent, connect our members with

international best practice and send a signal to the global supply chain that Australian retail is ready to play its part in addressing climate change.”

Andrew Petersen, BCSDAustralia CEO said, “With this positive step by IKEA Australia, Officeworks and the Kmart Group, we want to encourage other Australian retailers representing different sectors (e.g. food and agriculture retailers, fashion, electronics, house furniture, office supplies) to start the climate recovery effort that is already underway in other sectors in Australia across the globe, adopt

<sup>1</sup>[Consumer Segmentation Quantitative Research Wave 1, April 2021](#)

<sup>2</sup>Republic of Everyone and The Bravery commissioned independent market researchers Mobium Group to undertake The Power and Passion community research.

decarbonization roadmaps tailored to local contexts as proposed by the ARA, and achieve net zero carbon emissions by 2050 at the latest. Through this initiative we begin to bridge the gap and work with Australia’s retail sector to a tipping point to accelerate a whole-economy transition for a healthy, resilient, zero-carbon future.”

Sarah Hunter, Managing Director, Officeworks, said, “Collectively, the retail sector serves millions of Australians every day, so the choices that we make can have an enormous impact beyond what we can directly control. From powering our operations with 100% renewable energy, to reducing emissions associated with how we source, design, manufacture and transport products, to helping our customers make more sustainable choices. By working together as an industry, we can demonstrate the leadership and action needed to limit the worst impacts of climate change.”

Ian Bailey, Managing Director, Kmart Group (Kmart Australia and Target Australia) said, “Climate change and the resulting impacts are among the greatest challenges we’ll face in our lifetime and, in collaboration with everyone who is committed to this cause, we hope to achieve a net zero future. I know we don’t have all of the answers right now, however what I do know is that if we join forces together we can work our way through this very complicated challenge and make things right.”

Melissa Hamilton, Sustainability Manager, IKEA Australia, said, “By 2030, our ambition is to be a circular business built on clean, renewable energy and regenerative resources, de-coupling material use from our growth. We are on the journey but have a long way to go. By working together and united under a common goal with this initiative, we want to share our knowledge and experience, and learn from others. Each one of us can be a leader for change. This is a huge opportunity to create a sustainable path forward for the retail sector in Australia and I’m excited to see what we can achieve together.”

Australian retailers can join the [Race to Zero](#) effort by 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. The Breakthroughs campaign helps retailers achieve these goals by providing sector specific guidance, access to networks and best practices. The campaign is also working with key retail association partners to drive awareness about the Race to Zero, share tools and resources, and accelerate the adoption of net-zero roadmaps.

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Note to editors

About The Race to Zero Breakthroughs: Retail Campaign

The Race to Zero Breakthroughs: Retail Campaign was founded by leading retailers H&M Group, Ingka Group (IKEA), Kingfisher plc and Walmart in collaboration with the [COP26 High Level Climate Action Champions](#) and supported by the [World Business Council for Sustainable Development \(WBCSD\)](#). Through the collaboration, the retailers have pledged their support to accelerate a movement in the retail industry to drive climate action and hope to encourage other retailers to set out their plans to achieve 1.5 degree aligned carbon reduction targets. For more information, please visit the [campaign website](#).

About the Race to Zero

Race to Zero is the United Nations-backed global campaign rallying non-state actors – including companies, cities, regions, financial and educational institutions – to take rigorous and immediate action to halve global emissions by 2030 and deliver a healthier, fairer, carbon-neutral world in time. [racetozero.unfccc.int](http://racetozero.unfccc.int)

About ARA

The Australian Retailers Association (ARA) is Australia's oldest, largest and most diverse retail body, representing a \$360bn sector that employs one in ten Australians. As Australia's leading peak body for retail, the ARA represents around 7,500 independent, national and international retailers, with more than 100,000 retail shop fronts nationally. For more, visit [www.retail.org.au](http://www.retail.org.au)

About BCSD Australia

BCSD Australia is an Australian coalition of over 70 private and public organisations advocating for progress on sustainable development. Its mission is to be a catalyst for innovation and sustainable growth in a world where resources are increasingly limited. The Council provides a platform for companies to share experiences and best practices on sustainable development issues and advocate for their implementation, working with governments, non-governmental and intergovernmental organisations.

BCSD Australia's members include leading Australian businesses, from all sectors, who share a commitment to economic, environmental and social development, public sector enterprises institutions, business and industry non-government organisations and community organisations, which in turn represent more than 100,000 Australian employees.