



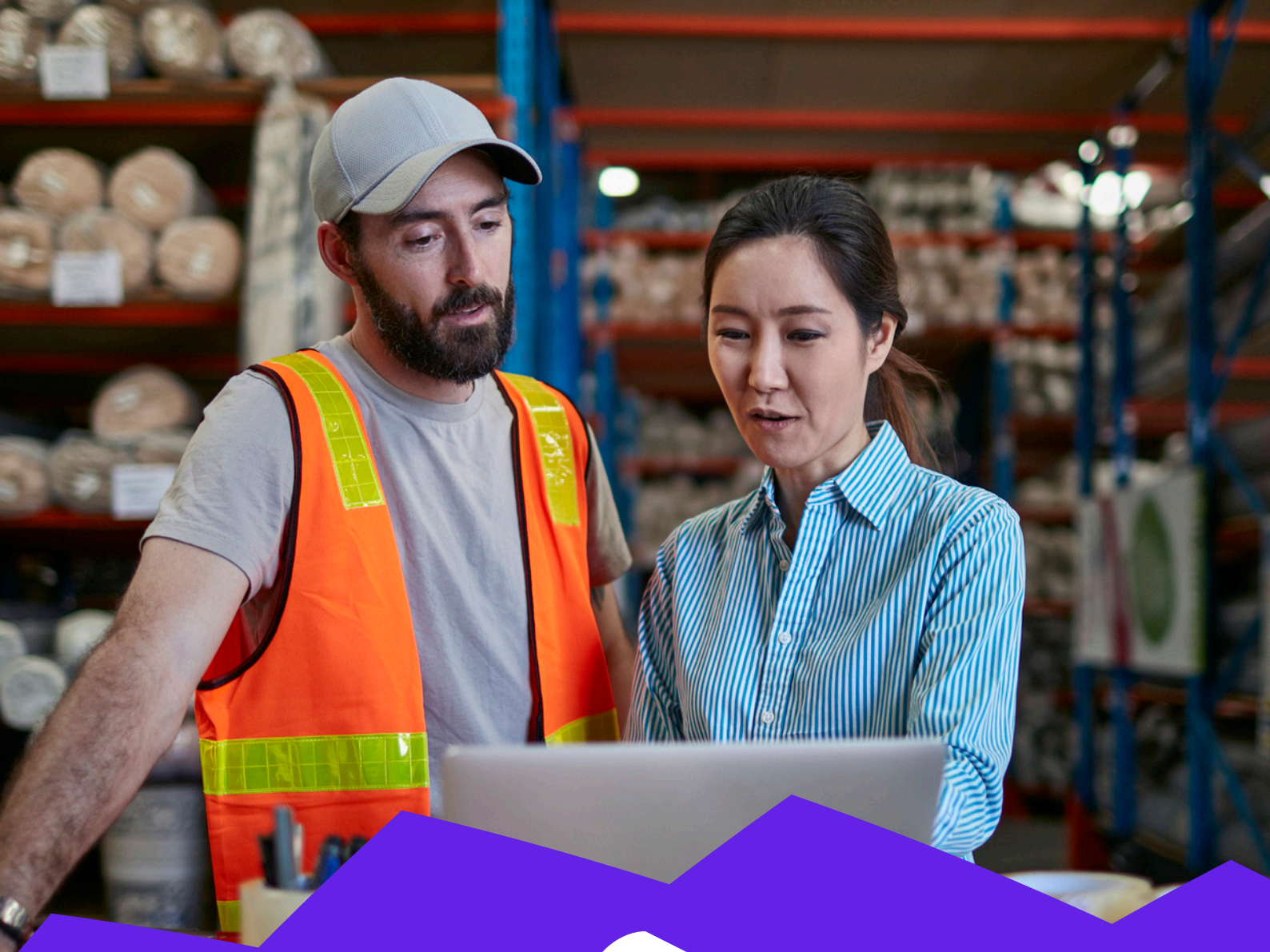
**2024**

# **Sustainability Spotlight**

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outstanding social and  
environmental responsibility  
initiatives in the retail industry.**

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# Introduction



**Anna  
Forster**

The Purpose Agents,  
Head Judge



**Rosalea  
Catterson**

Editor of Power Retail

## 2024 SUSTAINABILITY SPOTLIGHT

Power Retail, in partnership with The Purpose Agents, have developed the Sustainability Spotlight, an annual update on standout social and environmental responsibility initiatives in the retail industry. We are hoping that it can provide guidance and inspiration to help accelerate the sustainability journey of the industry as a whole.

This year's highlights and featured articles share some thoughts and give some insight into the important topics of resource stewardship and the state of sustainability in challenging economic times, and how sustainability strategies continue to manage business risk but also support the greater good.

We put out the call to Australian retailers and service providers to share actionable and measurable efforts their business has made in sustainability across people and/or planet up to and including 2024. This covers anything from driving positive social impact in the business, industry, or society overall to circularity, carbon footprint reduction, or innovative products and materials.

As a result, we will be highlighting retailers and some service providers who are doing fantastic work across the following topic areas:

- Scope 3 Carbon Emissions
- Changing Consumer Behaviour
- Low Impact Materials
- Product Innovation
- Circularity
- Stewardship
- Social Impact

In light of ongoing cost of living pressures, we also asked retailers how the current economic climate is influencing their sustainability work, and the way customers consider sustainability in their purchasing decisions.

These insights are highlighted in one of our featured articles *"Sustainability in Challenging Economic Times: A Fading Trend or Strategic Imperative?"* on page 9, authored by Anna Forster from The Purpose Agents.

The Purpose Agents also share some information around incoming sustainability reporting requirements, set to come into law next year. You can find their expert insights on page 30.

On page 30, we delve into one of Australian retail's biggest waste producers, the fashion industry, and what steps are being taken by the government, retailers and consumers to address and overcome this issue through a groundbreaking stewardship initiative driven by the industry, changing customer behaviours, and social impact work.

We applaud everyone featured in this year's Sustainability Spotlight, thank them for their submissions, and are looking forward to the stories we can share in the future.

## THE SELECTION PROCESS

The Sustainability Spotlight questionnaire was developed by Anna Forster from The Purpose Agents. Anna also reviews the submissions and selects the businesses highlighted in the Spotlight jointly with the Power Retail Team.



# SUSTAINABILITY SPOTLIGHT

# HIGH LIGHTS

Scope 3 Carbon Emissions  
Low Impact Materials  
Product Innovation



## Scope 3 Carbon Emissions

**ELK**

**Wild  
Earth**

As we discussed in last year's Spotlight, there has been an increasing focus on retailers tracking and managing their Scope 3 carbon emissions with mandatory reporting expected to be introduced by the Australian Government in 2025. Scope 3 emissions refer to indirect emissions from a company's value chain, including impact from materials and production of goods, transportation, the use of products by customers, as well as product end of life. They usually make up over 90% of a retailer's total emissions and measuring and managing them is crucial for retailers to address business risk.

Independent Australian fashion brand ELK's approach to sustainability is rooted in their 'conscious fashion' philosophy. This means they take a considered approach at every stage of the life cycle of their products, from materials selection to end-of-life.

ELK has mapped their supply chain carbon emissions, with more than 95% of their environmental impact based in the supply chain, tracking and understanding where they can improve enables them to direct resources efficiently and minimise their environmental impact in that area. To support their core suppliers in this mission, ELK launched the Sustainability Action Plans (SAP) program. These plans are a simple step-by-step guide to help suppliers align with ELK's environmental and social sustainability expectations. The SAPs are tailored for specific suppliers and consist of goals and actions required to achieve them over a period of three years.

Another Australian brand pioneering this is camping and outdoors brand Wild Earth. In consultation with tech company Klean Technologies, Wild Earth developed ANZ's first automated carbon software to measure, monitor and reduce carbon footprints in real-time.

Wild Earth educates and mobilises their customers by providing an accurate understanding of the carbon footprint of their order and what's required to make it carbon neutral. By integrating with the live data from their Point of Sale, Klean also provides Wild Earth with automated carbon footprint data that assists the company to understand their own impact, giving them the tools to become carbon neutral, and engage customers in sustainability initiatives in a seamless and cost-effective way.



## Low Impact Materials

**LUSH** FRESH  
HANDMADE  
COSMETICS

**BOODY**

Producing with low impact materials that come from renewable, abundant or circular sources is imperative in the pursuit of sustainable retailing. The wider impact of their use can affect a lot of areas positively, from land and biodiversity preservation and farming practices, to supporting healthier manufacturing environments, and the protection of waterways.

Skincare and cosmetics company Lush implements this throughout their supply chain.

Lush has implemented a strict buying policy that ensures they only work with suppliers that align with and further their values. This means prioritising suppliers who employ regenerative farming practices that actually improve the nature of the land. For example, the company established a small bitter orange orchard in South East Lebanon as an example of how the neroli blossom could be grown in an organic and biodiverse way, in an area that is also a bird migration route.

As a result of Lush's involvement, this space has become a no-hunt zone, in order to protect migratory birds from being hunted. Lush funded and supported the planting of over 13,000 trees, and the creation of natural water harvesting structures, like lakes, to promote water for wildlife and to heal the hydrological cycle.

Forty-eight percent of Lush's product range is produced with no packaging to reduce plastic waste. Lush invented bath bombs, shampoo bars, solid massage bars and more to eliminate the need for packaging. In 2024 Lush also introduced its Prevented Ocean Plastic concept, in which they use collected and recycled plastic from Indonesian shores as packaging materials. They also incentivise customers to return plastic packaging to their stores for money back on their shopping to ensure that the products can be recycled properly.

While Lush is a company with a huge global presence, homegrown Australian underwear and clothing brand Boody is proving that companies of all sizes can make a difference by investing in low impact materials. Boody's products are seamless - reducing fabric waste, and made from organic bamboo, which is the fastest-growing and most versatile plant in the world. The bamboo is grown without fertilisers or pesticides and requires four times less water than cotton. The company also reduces water consumption by reusing and recycling rainwater to grow their bamboo.

Once products reach the end of their life cycle, Boody incentivises customers to donate unwanted textiles with a voucher as a reward, and the donated textiles are either given to charity partner Thread Together or recycling partner UPPAREL, where the fabrics are transformed into new yarn or shredded to create insulation materials, which helps reduce greenhouse gas emissions by up to 4kg for every 1kg of textiles diverted from landfill.



## Product Innovation



Sustainable product innovation focuses on integrating low impact materials and processes into a product's lifecycle. This process of enhancing resource efficiency benefits retailers, customers, and the planet.

With their patented Australian-designed technology, Coolzy is an innovative force in sustainable design. Their Coolzy-Pro portable air conditioner uses only 20% of the energy consumed by conventional cooling competitors, significantly cutting down on energy wastage. This efficiency not only minimises their carbon footprint but also supports our users in making more environmentally conscious choices.

The Coolzy-Pro is also designed to improve quality of life in developing countries. Their global operations are strategically designed with a multilingual website and multiple warehouses, designed to reduce shipping distances and carbon emissions.

By providing efficient cooling, Coolzy helps people in these regions get more restful sleep, which is directly linked to increased productivity and improved GDP. This positive social impact underscores their dedication to fostering global well-being through innovative technology.

The smallest changes can make a significant impact. Naked Wines, an online wine store showcasing local boutique wine makers across ANZ, have reduced their carbon footprint with a range of innovative solutions.

Naked Wines have transitioned 99% of their wine range to utilise screw cap technology which reduces the overall weight and cost of production, and the number of chemicals required for production. Alongside that, they have transitioned into using lightweight glass, and recycled stock paper labels. The move to lightweight glass alone equals a saving of 211,177 kilograms of CO<sub>2</sub>e which is equal to powering 14 homes in Australia for one year based on the average household emitting 15 tonnes of CO<sub>2</sub> a year.



# Sustainability in Challenging Economic Times: A Fading Trend or Strategic Imperative?

Author: Anna Forster, The Purpose Agents

As we navigate through 2024, the discourse around sustainability in retail seems to be undergoing a shift. Once a dominant narrative in corporate strategies and consumer demands, sustainability initiatives now appear to face reassessment. With the ongoing economic pressures, some are asking the question: Has sustainability run its course? Was it merely a trend? However, The Purpose Agents argue that, by now, sustainability should have already evolved into a core business strategy—a necessity for enhanced resilience, risk management and long-term financial success.

## The Status Quo

In the early 2020s, sustainability was at the forefront of retail strategies worldwide. Consumers, particularly younger demographics, demanded that brands reduce their environmental impact and enhance social responsibility. Retailers responded with eco-friendly product lines, commitments to carbon neutrality, and ethical supply chain reforms.

However, as economic challenges have intensified—driven by inflation and supply chain disruptions—retailers are now under dual pressure: maintaining profitability while adhering to sustainability commitments. This balancing act may cause some to reassess their sustainability goals.

In a recent survey of 250 Australian business leaders conducted by SAP, 40% stated that they struggle to prove the return on investment on their sustainability initiatives, also citing issues like lack of funding, expertise, and environmental impact strategies.

A study from the IBM Institute for Business Value further revealed that while most organisations recognize sustainability's importance, economic uncertainties have led many to reduce their sustainability investments. Nearly half of executives (47%) face challenges in funding these initiatives, and 60% struggle to balance financial and sustainability goals.

## The Continued Business Case for Sustainability

This development is concerning because research has now firmly shown that sustainable practices are vital for long-term resilience, consumer trust, and innovation. They attract and retain talent, improve environmental and financial performance, and enhance cost efficiencies. Companies with sustainability embedded in their strategies are also more likely to be resilient, especially during economic shocks.

A global corporate sustainability study by NTT and ThoughtLab found that 44% of companies have seen improved profitability from sustainability programs, making them both an ethical and business imperative. The aforementioned SAP study indicates that 68% of Australian businesses saw sustainability strategies contributing to outcomes like revenue or profit growth as well as efficiency of business processes.

The SAP study further states that 60% of executives expect a positive financial return on their sustainability investments within the next five years. Already, 11% of them said they have found sustainability to be material to their business results, and a further 36% expect this to be the case within five years.

SAP's regional CFO for Asia-Pacific and Japan Gina McNamara comments: "Sustainability can no longer be considered separately to the wider financial performance of the business because it is increasingly clear that more sustainable organisations are more successful organisations".

## Sustainability Remaining Resilient in Australia

Despite economic pressures, leading Australian retailers have also remained committed to their sustainability initiatives, citing benefits such as brand equity, customer loyalty, and cost efficiency. For these companies, sustainability is not a fleeting trend but a core element of long-term strategy.

David Jones CEO Scott Fyfe emphasises, "Sustainability is ingrained in our business strategy. Maintaining our sustainability commitments is crucial to staying relevant and trusted by our customers."

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***"Sustainability is not something we can afford to ignore. It's about building a business that can thrive in the long term, and that means being responsible stewards of the environment."***

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**Michael Schneider**  
Bunnings, Managing Director

Outgoing Woolworths Group CEO, Brad Banducci, has also commented that, "Sustainability is not just a trend for us—it's a core part of how we do business. Investing in sustainability today is crucial for future resilience."



Submissions to the Sustainability Spotlight paint a similar picture, with many brands believing that their customers still prioritise sustainability when making purchasing decisions. Although economic pressures may lead some consumers to prioritise affordability, there is a growing interest in environmentally friendly products (according to both Okanui and Wild Earth). Lush Cosmetics notes that customers are increasingly seeking options aligned with their personal values and providing value for money. Reebelo concludes that the current economic climate is actually driving consumer to get the best value for their money in second hand options. Second hand sales, being the best of both sustainability and affordability, have seen a considerable rise in sales, as described in one of our other feature articles on page 21.

## Regulatory Pressures in Australia: Modern Slavery Act (2018) and Australian Sustainability Reporting Standards (ASRS)

Globally, regulatory changes are proliferating, with ESG regulation increasing by 155% over the past decade (ESG Book, 2024). This also makes sustainability no longer optional - with mounting reporting and disclosure requirements, it is critical for continued business operations and mitigating regulatory risk.



In Australia, two key regulations have been and will shape retailers' sustainability approaches into the future: the Modern Slavery Act (2018) and the Australian Sustainability Reporting Standards (ASRS) reporting requirements.

Australia's Modern Slavery Act, introduced in 2018, requires businesses with an annual consolidated revenue of at least \$100 million to report on the risks of modern slavery in their operations and supply chains and the actions they are taking to address those risks. In 2024, following a comprehensive review of the Act, significant changes are expected, such as a lowering of the revenue threshold to \$50 million, introduction of penalties and enhanced reporting requirements. These changes reflect growing demand for greater corporate accountability in human rights. For Australian retailers, this means sustainability efforts must be comprehensive, covering both environmental initiatives and stringent social responsibility measures.

The Australian Sustainability Reporting Standards (ASRS) are a framework for climate-related financial disclosures coming in 2025. Businesses with a specific size will need to prepare a sustainability report as part of their annual financial report, detailing the company's governance structure, strategy and risk management processes with regard to climate, as well as reporting all scope 1, 2 and 3 carbon emissions. In Australia, the Accounting Standards Board (AASB) has developed this reporting framework to align with the International Sustainability Standards Board (ISSB) reporting requirements, which are global sustainability reporting standards that are rapidly gaining traction around the world. On September 9, 2024, the Bill to make ASRS climate reporting mandatory in Australia was passed by the House of Representatives, with the first businesses needing to comply from January 1, 2025.

## The Long-Term Perspective: Sustainability as a Business Imperative

While the initial buzz around sustainability may have faded in some areas due to economic pressures, its importance has only grown. Instead, it has become an essential element of long-term business strategy. Retailers that continue to invest in sustainability not only contribute to environmental and social goals but position themselves to drive long-term financial success and resilience, and manage risk as global and local regulations tighten.

In Australia, there are many businesses who are unwavering in their efforts, with leaders also reporting a continued interest from their customers and their sustainability strategies contributing to revenue or profit growth.

As we look ahead, the question is not whether sustainability has run its course but how businesses will continue to integrate sustainable practices in an increasingly complex and regulated world, and do it in a way where these are cost-effective and affordable for consumers in challenging economic times. The retailers that can successfully answer this question will not only survive but thrive in the years to come.

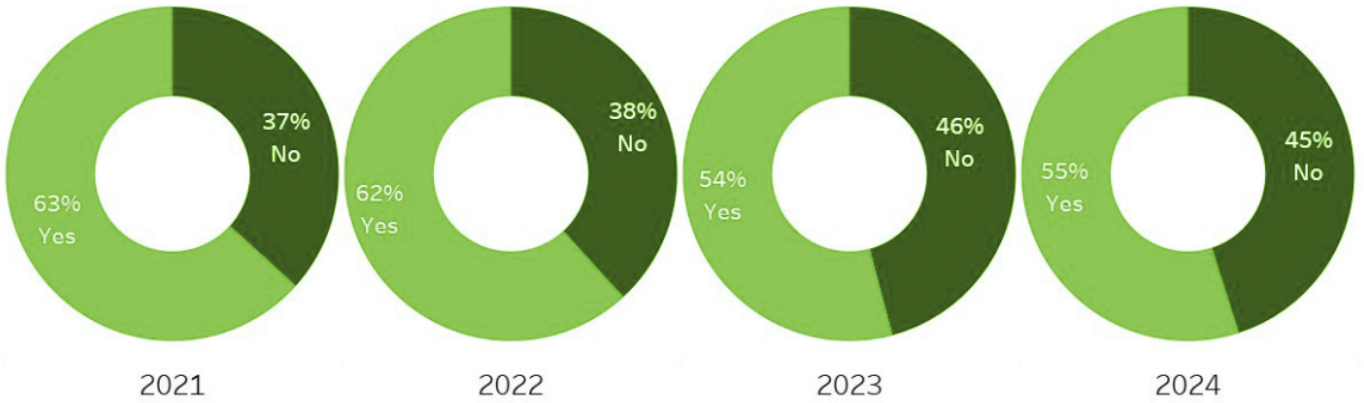
# Inside the Consumer Mind:

Thoughts  
on Retail  
Sustainability

## Paying More For Sustainability

- The majority of customers (55%) are willing to pay more for products made with ethically sourced or sustainable materials and practices, a 1ppt increase from last year, despite an overall downward trend from 2021-2024.
- While consumers may be less inclined to personally bear the cost of sustainability, other data shows they still value ethical practices. This suggests customers may prefer sustainability to be integrated into retailer operations rather than presented as an extra cost.

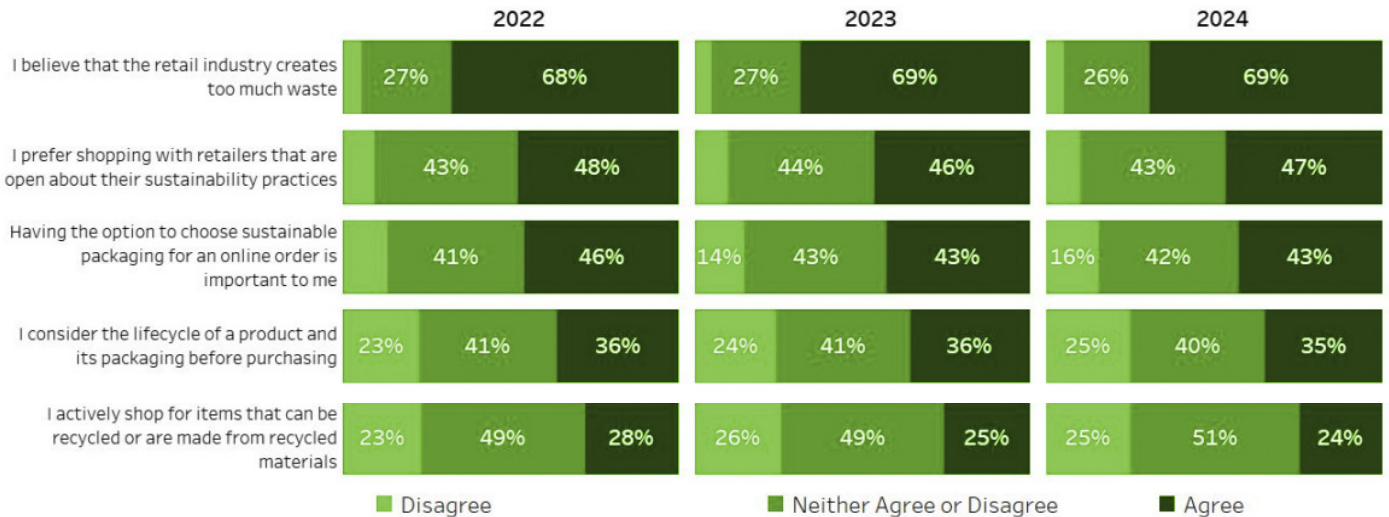
Would you be willing to pay more for a product if it was made using ethically sourced or sustainable materials and practices?



## Retailer Sustainability

- 69% of customers feel that the retail industry creates too much waste.
- The percentage of customers who actively shop for recycled or recyclable items has declined to 24%, possibly due to skepticism about how effectively these items are actually recycled.
- 47% of customers, up 1ppt from last year, prefer to shop with retailers that are open about their sustainability practices.
- Overall, despite showing slightly less interest in recycling, customers remain concerned about industry waste and retailer practices.

How would you agree or disagree with the following statements regarding SUSTAINABILITY?

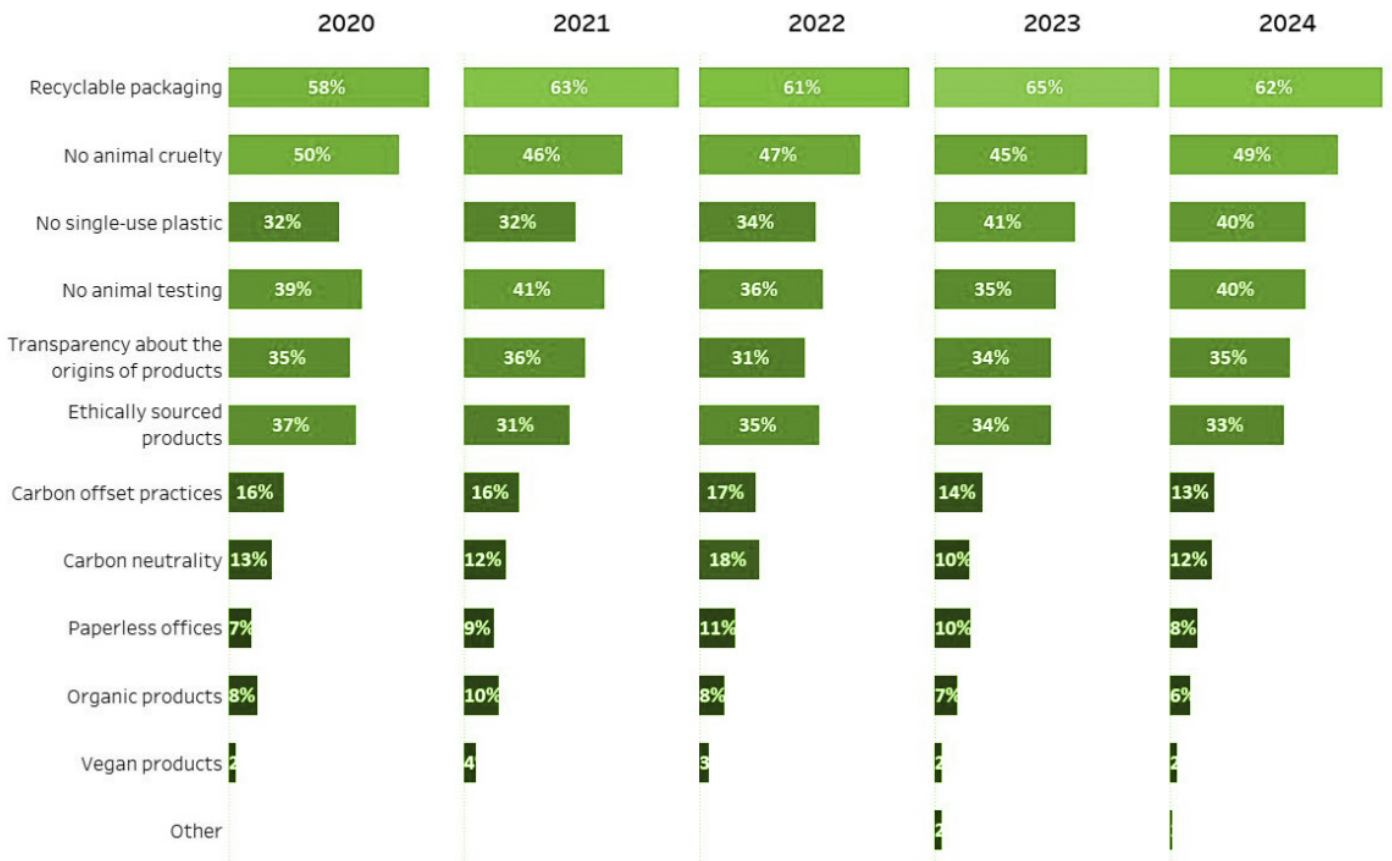


## Most Important Sustainability and Ethical Practices

● Concerns about waste in the retail industry persist, with 62% of customers still viewing recyclable packaging as the most crucial practice.

● Opposition to single-use plastics is on the rise, with 40% of customers expressing disapproval. While this figure is down 1ppt from last year, the overall trend shows increasing consumer resistance to single-use plastics.

Please select the 3 sustainability and or ethical practices that you believe to be the most important

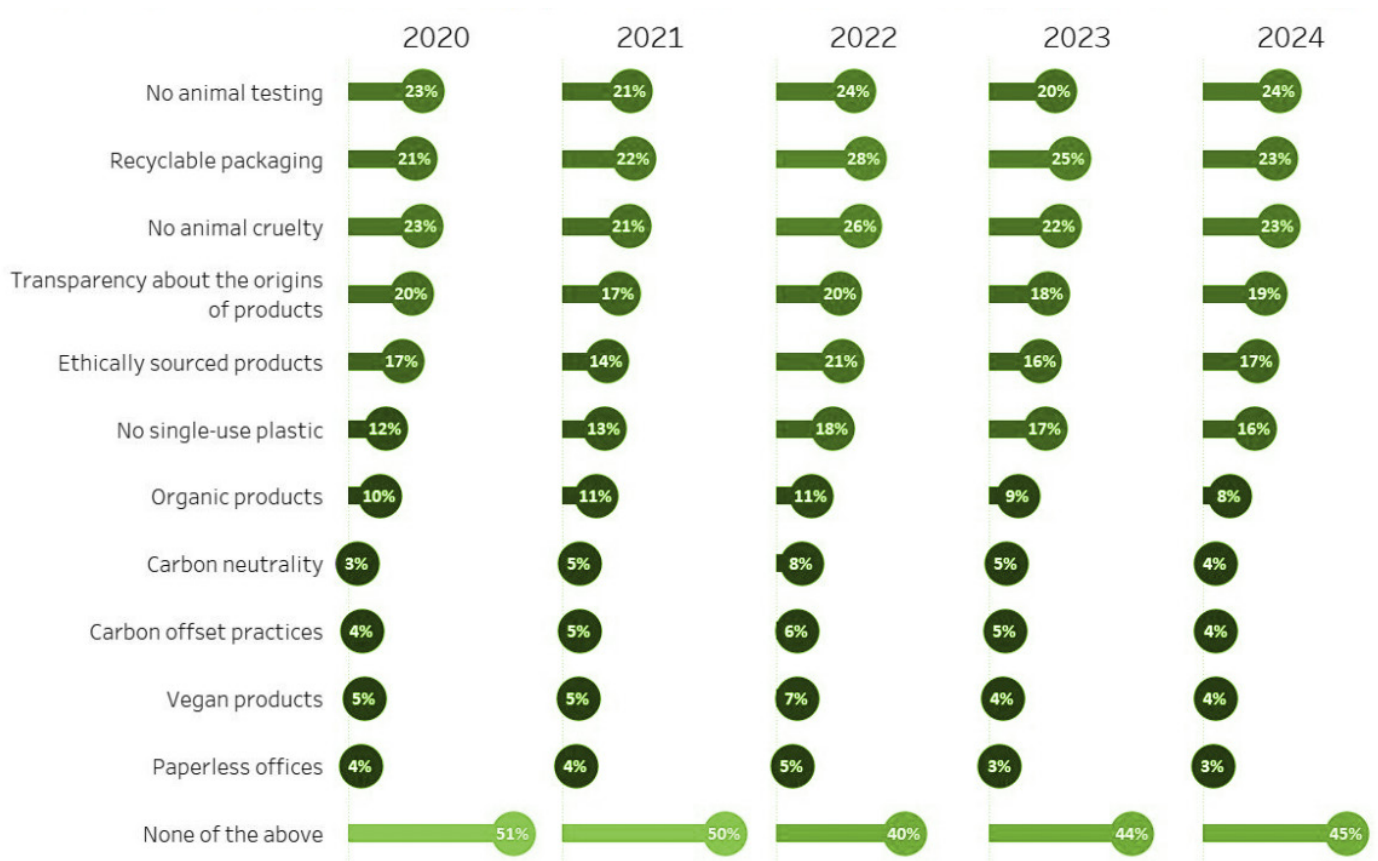


## Impact on Customer Purchases

● 45% of customers have not been swayed by sustainability practices in the last six months. With cost-of-living pressures high, consumers may be prioritising affordability over sustainability for now. Despite this, many shoppers still factor sustainability and ethics into their decisions. Key practices like animal welfare and recyclable packaging influence nearly a quarter of buyers.

● Additionally, 19% value transparency and 17% are guided by ethical sourcing when making purchase decisions.

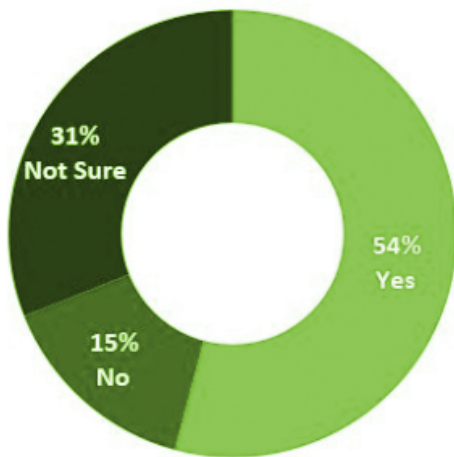
In the last 6 months, has your purchase been influenced by any of the following?



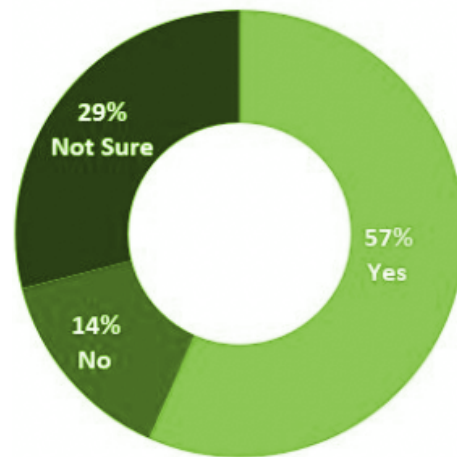
## Returning Customers

- In 2024, 51% of customers say they would return to a retailer with sustainable or ethical practices, up 2ppt from 2023, though slightly lower than in previous years.
- 34% of consumers remain unsure if these practices would influence their decision to shop again, while 15% say it wouldn't impact their choice.
- Overall, the trend highlights that customer loyalty is increasingly shaped by a retailer's commitment to sustainability and ethics.

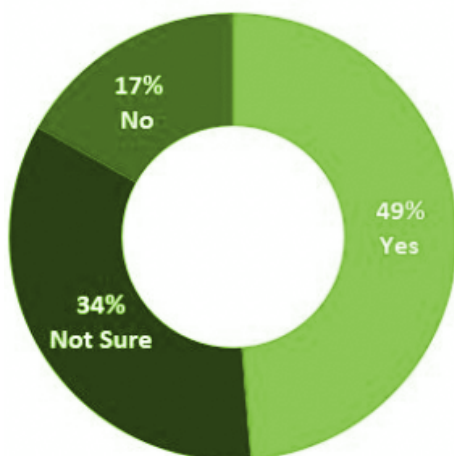
If you have a purchase from a retailer with sustainable and/or ethical practices, does this make you more likely to shop with them again in the future?



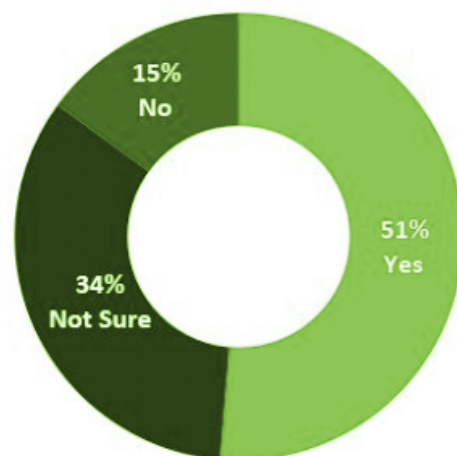
2021



2022



2023



2024





# SUSTAINABILITY SPOTLIGHT

# HIGH LIGHTS

Changing Consumer Behaviour  
Circularity  
Stewardship



## Changing Consumer Behaviour

**greenfriday** *ShhhSilk*

Our culture of consumption is not going away anytime soon, and often the concept of ethical consumerism feels like nothing more than an oxymoron. However, as sustainability comes to the fore for both retailers and consumers, a trend toward conscious consumption emerges. We are seeing customers increasingly making purchases from retailers that align with their values. By providing more sustainable alternatives to traditional consumption, retailers can help change consumer behaviour and we can move closer toward a sustainable future.

Green Friday is innovating the way shoppers and retailers think about their product consumption. Originally developed as a movement against the mass consumerism frenzy that drives unnecessary purchases on sales events such as Black Friday, Green Friday has now evolved to connect conscious consumers with sustainable businesses and businesses that have committed to a sustainability transformation. During Black Friday, Green Friday educates consumers about sustainable alternatives, and year round they run the Buy Better by Green Friday marketplace, allowing brands to sell their sustainable ranges or edits and communicate with an eco-conscious consumer under a new channel - therefore not impacting their main channel messaging.

One retailer who is also innovating the way customers shop is Shhh Silk, who operate a Made-To-Order D2C model. The company, known for its silk pillowcases and sleep masks tackles one of the fashion industry's most pressing issues: overproduction. By manufacturing certain products only when ordered, they have significantly reduced manufacturing wastage. This not only conserves valuable resources but also lessens their environmental footprint.



## Circularity



Driving circularity remains the key topic to reduce environmental impact of any product category and the only way the retail industry can reduce emissions towards Net Zero.

This year, we highlight pureplay flower delivery company, LVLVY in this category to showcase their efforts in transforming operations to align with environmental and social responsibility.

At the core of LVLVY's sustainability initiatives lies a commitment to circularity and a bold Zero Waste Promise. LVLVY repurposes all unsold flower posies. These unused blooms find a new purpose as they are donated to local aged care homes and hospices. This not only embodies LVLVY's commitment to environmental stewardship but also underscores a dedication to fostering positive social impact.

In an industry where 40% of flowers sold in Australia are imported, LVLVY is spearheading a movement toward locally sourced blooms. This not only reduces flower miles but also minimises the need for harmful pesticides, resulting in flowers that last longer.

Another notable Australian company driving circularity is beachwear and lifestyle brand Okanui. Okanui's Repeve Program transforms discarded plastic bottles into high-quality fabric. The program not only reduces the demand for virgin materials but also addresses the pressing issue of plastic pollution. This closed-loop system ensures that each Okanui garment is not just a piece of fashion but a conscious step towards a cleaner, healthier planet.

What sets Okanui apart is their commitment to quantifiable impact, transparently reporting the number of plastic bottles repurposed. In doing this, Okanui provides consumers with tangible evidence of the environmental impact achieved through their purchase.

Okanui actively engages with their community, educating them about the importance of sustainable fashion and the positive impact of choosing Repeve-based products. In doing so, Okanui not only sells garments but also cultivates a mindset of responsible consumption. This level of accountability sets Okanui on a pedestal of transparency, inspiring trust and confidence in its sustainability mission.



## Stewardship



Product stewardship acknowledges those involved in designing, manufacturing and selling products have a responsibility to ensure those products, materials and related services are managed in a way that reduces their environmental and human health impacts throughout the life-cycle and across the supply chain. Here, we've highlighted two retailers who are reducing the impact of products on the environment by giving them a new life.

Sports and outdoors retailer Decathlon is taking on their product stewardship responsibility by offering a second life for their products, preventing them from going to waste. Last year, they launched a "Second Life" department in all stores. All customer returns, damaged packages, and everything not in a sellable condition but can still be used is repaired, repriced and displayed in stores.

To address a specific issue causing waste, Decathlon launched a Buy Back program on all kids bikes. They noticed that shoppers would be coming back every two years to get a new bike as their children grew. To address this issue, they now offer a Buy Back program for kids bikes, which they then repair and make them available for sale on the second life platform.

Refurbished tech retailer Reebelo is contributing to the circular economy by taking responsibility for products by extending their lifecycle. In selling refurbished products, Reebelo contributes to minimising the product's environmental impact, and giving it new life. Reebelo offers both affordability and sustainability through these refurbished products.

Reebelo aims to encourage sustainable practices by making high quality products accessible to all. From personal and home electronics to kitchen appliances and sport equipment, their goal is to minimise resource consumption and give used goods a new life. To date, they have helped save 77,171 tons of greenhouse gases and 104.4 million litres of water.

# The Changing Fabric of Australia's Fashion Industry: Circularity and Product Stewardship

Author: Rosalea Catterson, Power Retail



Here in Australia, the fashion industry manufactures and imports over 1.4 billion units of new clothing every year, with over 200,000 tonnes of clothing being sent to landfill.

There has historically been a systematic lack of accountability in the fashion industry, however, that is starting to change with retailers and the government taking steps to address this overconsumption and take on a product stewardship role.

According to the EPA, product stewardship involves taking responsibility for the full life cycle of a product, including the development, design, creation, production, assembly, supply, use or re-use, recovery, recycling or disposal of the product. It is one of the ways that businesses can promote and support the principles of a circular economy and reduce the impact, or potential impact, of a product on the environment and human health.

## Seamless

Established by the Transition Advisory Group with support and guidance from the Product Stewardship Centre of Excellence, The National Clothing Product Stewardship Scheme, Seamless, was officially launched on July 1, 2024. Seamless aims to transform how clothing is made, used, reused, and recycled in Australia to create clothing circularity by 2030.



Minister for Environment and Water, Tanya Plibersek has been prompting the industry to take action and supports the scheme.

"Now is the time. The momentum of the industry shows that organisations and businesses are joining and there is an increasing demand from your consumers and staff to demonstrate your ecological credentials," Plibersek urged businesses to join at the scheme launch.

"For this beautiful country that we live in and take care of, please take this step."

Over sixty brands formed the foundation members and committed to contributing a levy of \$0.04 cents for each new garment placed on the Australian market. Foundation members include Big W, Cotton On Group, David Jones, Lorna Jane, Rip Curl, R.M. Williams, Sussan Group and THE ICONIC.

Current economic modelling suggests that if 60 percent of the fashion market joins the scheme, a funding pool of around \$36 million will be raised per year to transform the industry.

These funds will be invested in four priority areas:

- **Circular design:** Incentivising clothing design that is more durable, repairable, sustainable, and recyclable.
- **Circular business models:** Scaling new revenue models for reuse, repair, remanufacturing, rental, and other services that prolong the life of clothing and create new value while lowering resource use.
- **Closing the loop:** Significantly expanding existing clothing collection and sorting practices for effective reuse, and enabling clothing to be recycled into new high-value products and materials.
- **Citizen behaviour change:** Encouraging changed practices in the community around clothing acquisition, use, care, and disposal.

## Waste Hierarchy

The waste hierarchy is a set of priorities for the efficient use of resources and lists a preferred order for managing waste:

- 1** avoidance including action to reduce the amount of waste generated by households, industry and all levels of government
- 2** resource recovery including reuse, recycling, reprocessing and energy recovery, consistent with the most efficient use of the recovered resources
- 3** disposal including management of all disposal options in the most environmentally responsible manner.

Seamless aims to support all of these waste management priorities by directing their funds toward responsible disposal, and facilitating resource recovery by encouraging retailers to implement new revenue models for reuse, repair, remanufacturing, rental, and other services that prolong the life of clothing and create new value while lowering resource use.



“The transition to a circular economy clearly requires economy-wide changes, with innovative thinking and reforms from governments and businesses. This is the opportunity that the Productivity Commission will explore, and I look forward to its report.” This inquiry will take place over the next twelve months.

## The Rise of Resale

While waste avoidance is the ideal outcome of sustainability measures, resource recovery is picking up steam among retailers as they look to realistic ways to manage their excess stock.

As a reaction to both cost of living pressures and an increased awareness of environmental responsibilities, many consumers are turning toward second hand clothing and products.

Worth mentioning are brands like Reluv and Salvos who, amid the rising financial challenges many Australians face during the current cost of living crisis, are not only keeping our fashion items affordable but are also working higher in the waste hierarchy, by preventing clothing from going to waste/recovering clothing meant for landfill and help find it a new home.

“Amid the rising financial challenges many Australians face during the current cost of living crisis, keeping our pre-loved items affordable is essential at Salvos Stores. This enables us to offer options accessible to budget-conscious customers, allowing them to prioritise sustainability without compromising their financial well-being,” says Salvos.

Salvos, like many other stores, are also seeing a growing trend of customers who are mindful of their purchases and are supporting businesses that reflect their values.

Online resale platforms have also benefited from this trend. Reluv is a digital resale platform on a mission to minimise the impact of the fashion industry on people and planet. Their digital platform is designed to facilitate buying and selling quality preloved clothing for women, and to inspire a new generation of shoppers by making reuse easy and accessible.

Seamless isn't the only regulatory scheme addressing this issue, Minister Plibersek recently announced the Productivity Commission will be leading an inquiry into opportunities to boost circularity across the Australian economy, exploring sustainable solutions that are good for the environment and good for business – helping to cut waste going to landfill while also encouraging more efficient use of raw materials.

“Australia currently has the third highest material footprint per capita in the OECD, and the fourth lowest rate of materials productivity. According to the most recent National Waste Report, Australian households and businesses generate the equivalent of almost three tonnes of waste per person, per year,” stated Minister Plibersek.



Depop and eBay have also reported increased activity as more people buy and sell pre-owned items. Depop's General Manager for Australia, Sarah Hawley, has commented, "We've seen robust growth in our Australian market. Younger consumers, in particular, are driving this trend towards sustainable fashion and second-hand goods."

Op-shop chain Vinnies (St Vincent de Paul Society) has experienced a significant surge in the past financial year.

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***According to ABC, Vinnies has experienced an over 50% increase in total funds raised and a 56 percent rise in customers, due to both cost-of-living pressures and changing attitudes.***

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Nationwide, op-shops divert over a million tonnes of waste from landfills and save around 880,000 tonnes of CO2 emissions each year.

CEO Toby O'Connor noted, "The rising cost of living has driven more Australians to our stores. By choosing second-hand, they are not only saving money but also reducing their environmental impact."

## **Making a Difference**

With customers' changing attitudes and both environmental and economic factors affecting everyone, how can retailers make a difference?

Companies like Thread Together and Good 360 offer an approach to waste management that benefits the wider community.

Thread Together operates on a simple yet powerful premise: the best way to manage fashion excess is to clothe people in need. Instead of allowing brand-new clothes to meet their end in landfills, Thread Together rescues these clothes and provides them to people in need, restoring dignity and empowering individuals who are experiencing hardship. A ripple effect that saves our planet while lifting the spirits of those who need it most.

The group accepts excess end-of-line, new clothing, shoes, and accessories from designers, manufacturers, wholesalers, and retailers. These items are then redistributed through a network of charities and social service agencies to Australians in need. Thread Together provides an ethical solution to fashion excess, providing clothing to approximately 2,500 people every week.

Good360 similarly specialises in the facilitation and distribution of surplus goods from businesses to a network of more than 4,000 charities and disadvantaged schools nationwide, uplifting vulnerable Australians across all aspects of life, promoting dignity and empowerment. You can read more about the work they do on page 28.

Sustainability is everyone's business. There is a range of options for retailers and consumers to make better choices when it comes to waste management and product life cycles, all while benefiting the wider community and environment.

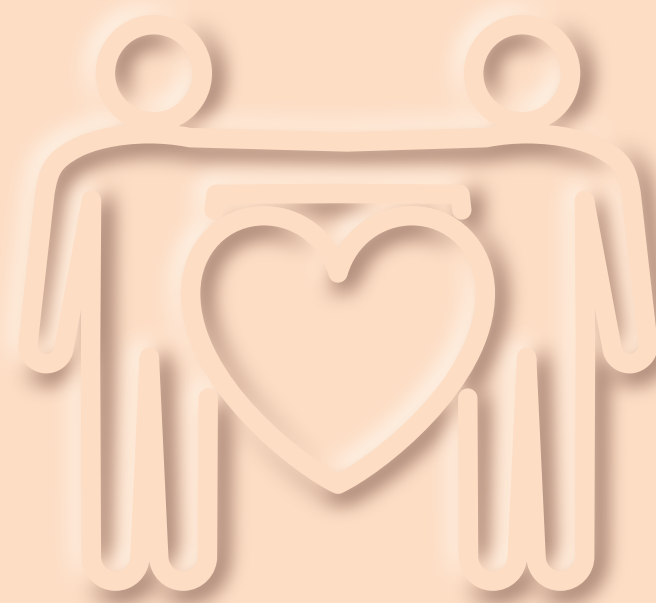




# SUSTAINABILITY SPOTLIGHT

# HIGH LIGHTS

Social Impact  
Service Providers



## Social Impact

### **i=Change®** DECJUBA

Retailers are uniquely positioned to give back to their communities and inspire their customers. With hordes of loyal customers, retailers have a responsibility to create change by living their values and making a difference.

i=Change is generating new and sustainable funding for NGOs in Australia and globally, by making it simple and valuable for retailers to give back while driving customer engagement, loyalty and growth.

A unique tech solution for online retailers to build purpose into their brands, i=Change has raised \$10M and counting, impacting the lives of up to 2 million people - \$1 at a time with a simple prompt at the checkout.

By helping over 400 brands meet consumers' expectations to 'shop their values', and build this messaging into the customer journey, giving through i=Change is driving customer engagement, conversions and loyalty. Brands can also discount less, and be purpose-led in their marketing throughout the year. i=Change is building a movement at a critical time, by helping retail become a force for good.

A shining example of a retailer using their influence and position as a force for systematic change, Australian women's fashion brand DECJUBA established a philanthropic arm in 2021 with a mission to positively impact 25 million lives by 2025.

The DECJUBA Foundation has committed to supporting Australia's leading digital-led mental health not-for-profit, Smiling Mind, with a \$3.6M, three-year investment - their largest partnership to date.

DECJUBA is pioneering systemic change in the pursuit of a sustainable mental health system that positions children and prevention at the centre. This approach is inspiring and a fantastic example of a retailer using its position to give back to its community and create change.



## Service Providers

**SKUTOPIA**

**Greener for Business**

Retailers work with a range of service providers in order to get their product to customers. Sustainability can often lose priority at this stage as other logistical considerations come into play. It is important to consider who you work with and how they align with your values. We've highlighted a couple of service providers whose value proposition can actively help retailers be more sustainable.

Skutopia is making a difference with their main development goal of decarbonising logistics.

With an urban micro-fulfillment model, Skutopia positions locations close to customers to decrease the transport miles per parcel. Building emissions are reduced further with a custom robotic set up and proprietary software, which enables 15 orders per day per sqm over 2k sqm, vs a conventional model with 2 orders per day per sqm on a 25k sqm footprint. This robotic set up also reduces manual warehousing errors.

Greener for Business is an all-in-one sustainability platform that aims to save SMBs money and time, whilst reducing emissions.

Greener for Business demystifies climate action with step-by-step guides tailored for each business, supported by exclusive member offers on sustainable solutions from trusted suppliers. Since their launch, they've established a coalition of partners with a reach of over 1.1 million SMBs, and helped businesses save over \$783,000 by transitioning to sustainable solutions in areas such as energy, waste management, packaging and logistics. These initiatives have resulted in a reduction of carbon emissions equivalent to taking 3,500 cars off the road.

# Case Study: GOOD360 Australia



**I**n Australia, a staggering \$2.5 billion of unsold household goods are wasted annually in the retail sector. This insight comes from a report by Deloitte Access Economics commissioned by Good360 Australia. This includes all household consumer product categories (excluding food), with a further 1 in 5 items purchased online estimated to result in a customer return which often ends up unnecessarily in waste streams before fulfilling its intended lifecycle.

At the same time, 1 in 8 Australians are living below the poverty line according to the '2023 Poverty In Australia Report', with the cost-of-living crisis placing increasing pressure on people already struggling, and even more people finding it hard to get by.

Good360 provides a much-needed solution to this society-wide challenge and has established itself as a leader in advancing sustainability efforts, delivering substantial social impact and environmental benefits simultaneously. At the core of Good360's mission is the promotion of circularity principles through simple yet innovative solutions and strategies that retailers can employ and build into their regular business operating models.

There are many reasons why businesses may have surplus unsold goods. This can include logo changes meaning old-branded stock can no longer be sold, items nearing 'use-by' dates, end-of-range seasonal stock sitting in warehouses or in-store that become too costly to store and handle. Another common reason is minor damage to the packaging of perfectly usable goods.

Good360 operates as a crucial connector in the system, specialising in the facilitation and distribution of surplus goods from businesses to a network of over 4,500 charities and disadvantaged schools nationwide. This strategic approach not only extends the life of these products at their highest value but also significantly reduces overall waste while saving considerable financial resources for charity and schools to spend on their community missions.

Since establishing in Australia in 2015, Good360 has successfully connected over 42 million brand-new items valued at an estimated \$465 (RRP) million to 4.3 million people in need nationwide. This concerted effort has also diverted more than 7,300 tonnes from waste or potential landfill.



Central to Good360's operational model is inclusivity and accessibility. Eligible charities and disadvantaged schools can easily register to become members of Good360 for free, gaining access to their online platform for a diverse range of essential brand-new goods across all consumable product categories (except for food). The cause areas supported include critical services for domestic violence victims, homelessness alleviation, disability assistance, youth programs, mental health initiatives, Indigenous community support, and disaster recovery efforts.

The impact of Good360's operations is further amplified by their highly efficient framework. For every \$1 of cash funding received, Good360 distributes \$20 worth of brand-new goods to communities in need. This efficiency is bolstered by robust partnerships with more than 600 retailers and service providers, enhancing their capacity to connect surplus resources with people who can benefit most and reinforcing the circular principles of reuse and resource optimisation.

Recognising the importance of collaborative sustainability initiatives, Good360 launched the Inner Circle program which was co-designed with industry partners and supported by the Australian Retailers Association. This structured pledge and recognition program supports businesses committed towards zero waste of usable goods and social impact as a way of doing business. Participating businesses commit to donating goods and/or services, volunteering, fundraising, and advocacy to help raise further awareness towards these aims. In return, they receive impact reporting, a badge of recognition and impact stories that showcase their contributions towards sustainability goals and societal well-being.

Through the Good360 Inner Circle program, businesses not only demonstrate their dedication to sustainable principles but also provides meaningful action towards ESG outcomes and the Sustainable Development Goals (SDGs). This collaborative approach aids in waste reduction and fosters an ongoing proactive mindset among businesses, encouraging the responsible management of surplus stock and preventing it from becoming waste in the first place.

Established retailers and brands such as BIG W, Best&Less, Winning Group, Linen House, Gildan and Koh have already joined the program as founding partners and it is expected that more than 50 businesses will join by the end of 2025.

Good360 is committed in its mission to help advance Australia towards a circular economy where every usable good is valued and utilised for its full lifecycle. By focusing on essentials spanning education (e.g. backpacks, stationery, digital devices), home necessities (e.g. furniture, kitchenware), hygiene products (e.g. toothpaste, shampoo, deodorant), and play items (e.g. sporting equipment, clothing, games). Good360 aims to uplift vulnerable Australians across all aspects of life, promoting dignity and empowerment.

By harnessing the collective power of businesses, charities, and disadvantaged schools, Good360 transforms surplus into opportunities, paving the way for a more sustainable and equitable future for all Australians. If you are a business that is focused on sustainability with measurable environmental and social benefits, then Good360 could be your perfect partner. Please make contact with Hayley Moffiet, at [corporatepartnerships@good360.org.au](mailto:corporatepartnerships@good360.org.au) to arrange an exploratory conversation or to find out more visit [good360.org.au](http://good360.org.au)

# Get Ready for the Australian Sustainability Reporting Standards (ASRS)

Author: The Purpose Agents





With the incoming Australian Sustainability Reporting Standards (ASRS) setting a new benchmark for environmental impact reporting and management, Australian businesses are poised for a significant shift in how to approach sustainability. Aligning with global efforts to drive transparency and comparability of corporate performance, the ASRS, slated for 2025, will embed sustainability into companies' core financial reporting. Retailers must understand these regulatory changes now to get ready to disclose and reduce regulatory risk to their business.

## Key Developments

In January 2024, the Australian Treasury proposed mandatory climate-related financial disclosures for public and private companies to align with international benchmarks, including those set by the International Sustainability Standards Board (ISSB), the new global standard for sustainability and climate reporting. The proposed Australian Sustainability Reporting Standards (ASRS) were introduced to Parliament as part of the Treasury Laws Amendment Bill in March and have now been passed by the Senate and also House of Representatives on September 9, 2024.

The ASRS outline climate-related financial reporting for large businesses, particularly those lodging annual financial reports under Chapter 2M of the Corporations Act. Entities meeting specific size thresholds, those with emissions reporting obligations under the National Greenhouse and Energy Reporting Act 2007 (NGER Act), or asset managers with significant assets must prepare a sustainability report as part of their annual financial report. The report should include climate statements for the year and information on climate-related risks, opportunities, governance, strategy, transition planning, targets, and industry-based metrics, including a full account of all scopes 1, 2 and 3 of GHG emissions, in line with the AASB standards. These will also need to be audited.

The ASRS categorise companies into three tiers, each required to begin reporting in a phased manner, based on revenue, assets and employee count. The first group of the three must start reporting from January 1, 2025.

## Implications for Retail Companies

For retail, the ASRS present challenges and opportunities. Companies will need to implement robust systems for tracking and managing environmental impacts, such as carbon emissions, as well as develop in-depth materiality and climate scenario analyses. Non-compliance could result in penalties, requiring companies to adapt their processes and become extremely knowledgeable of their operations and supply chain. However, this is not just about managing regulatory risk, but an opportunity to measurably drive positive environmental change, and build long-term resilience. With the January 1, 2025 deadline approaching, businesses must start preparing now.

For further information on ASRS reporting and a custom ASRS compliance readiness assessment, you can get in touch with The Purpose Agents at [info@thepurposeagents.com](mailto:info@thepurposeagents.com)



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## SUSTAINABILITY SPOTLIGHT

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