

THE ANNUAL SUSTAINABILITY HORIZON SCAN

THE ESG IMPERATIVE:
BUILDING A RESILIENT,
SUSTAINABLE FUTURE
FOR RETAIL IN 2025 AND
BEYOND



EVENT



WI-FI NAME: THEFORMROOMS GUEST

PASSWORD: FORMROOMS22!

AGENDA

10:00 ARRIVAL & COFFEE

10:30 OPENING SESSION

11:30 SESSION ONE

- WORKSHOP A - Enhancing data and technology capabilities
- WORKSHOP B - Integrate quantified risks and long-term ESG macro trends into the strategy

12:30 LUNCH

AGENDA

13:30 SESSION TWO

- WORKSHOP C - Best practices for collaborating with investors, suppliers, and regulators to drive transparency
- WORKSHOP D - The role of employee empowerment in delivering sustainability goals

14:30 COMFORT BREAK

14:45 REVIEW AND DISCUSSION OF WORKSHOPS HIGHLIGHTS

15:45 CLOSING REMARKS

WHAT IS YOUR BIGGEST SUSTAINABILITY CHALLENGE IN THE YEAR AHEAD?

Please submit your answer - You can send anonymous questions

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ABOUT THE BRC: MEET THE SUSTAINABILITY TEAM



Andrew Opie
Director of Food &
Sustainability



Naomi Brandon-Bravo
Sustainability Policy Adviser



Sophie De Salis
Sustainability Policy Adviser



Tracey Banks
Climate Action Roadmap
Project Manager

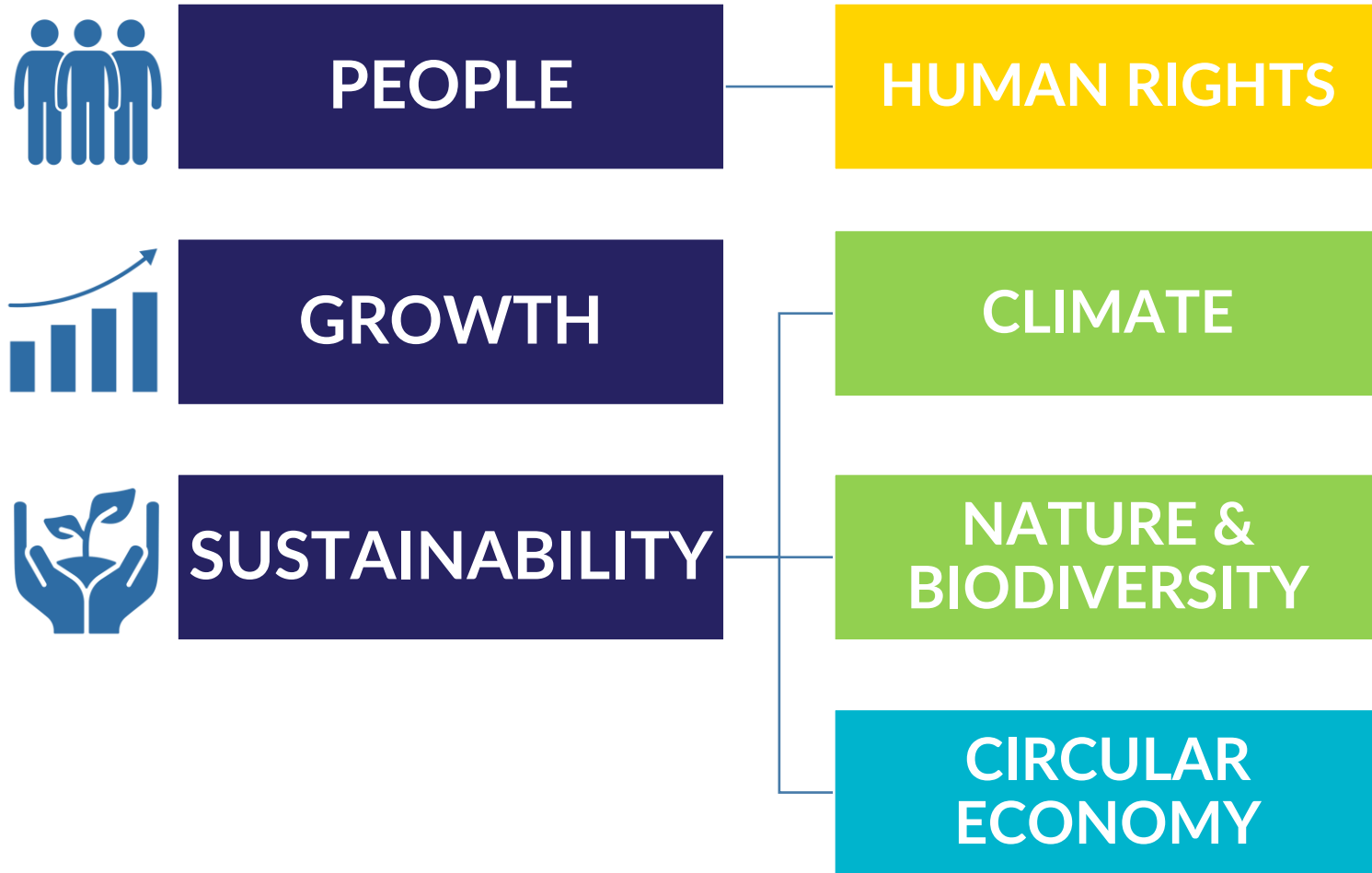


Lou Sherry
Sustainability Co-ordinator



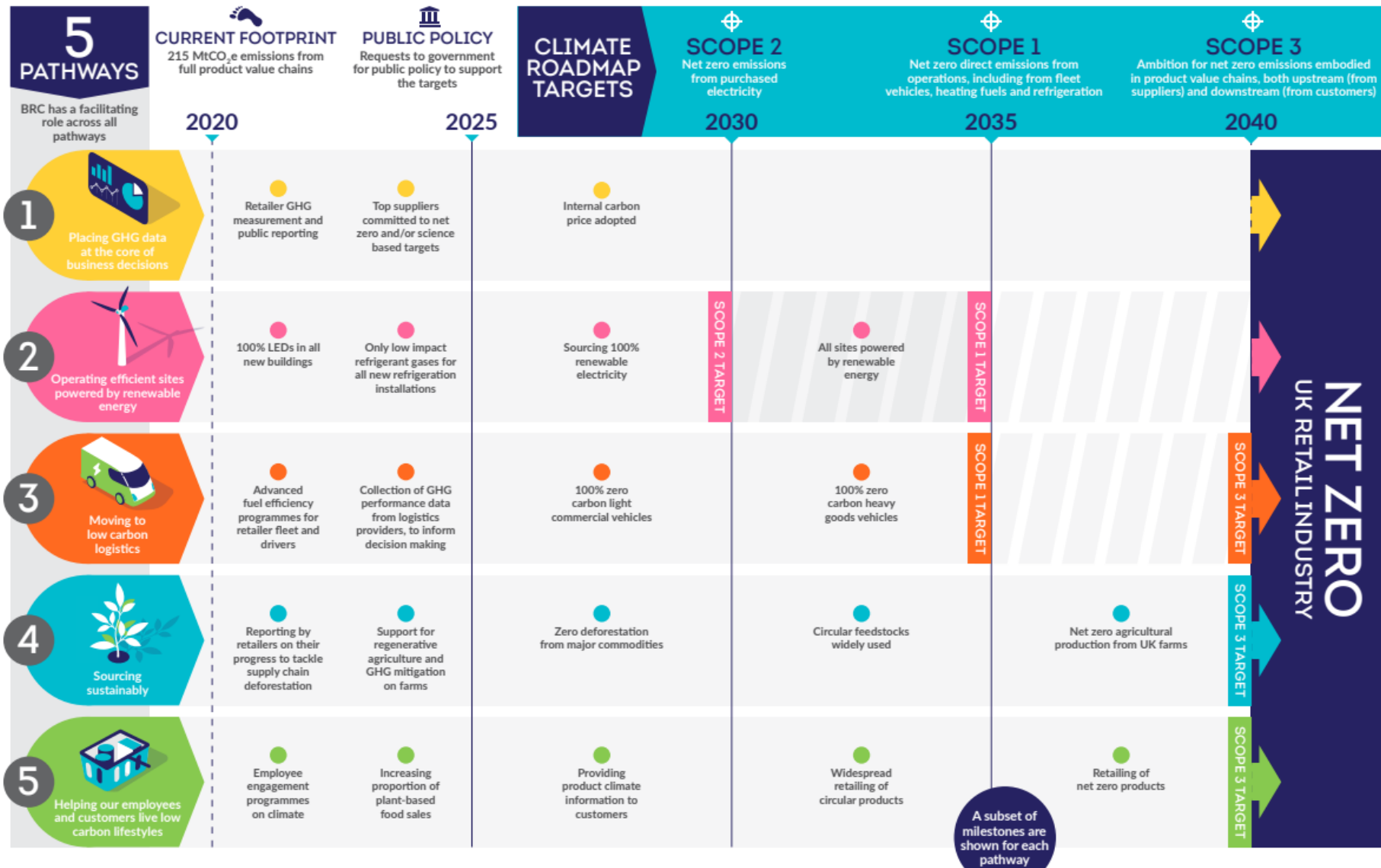
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BRC SUSTAINABILITY TEAM: OUR STRATEGY



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BRC CLIMATE ACTION ROADMAP



CLIMATE ACTION ROADMAP: DELIVERY OVERVIEW



CLIMATE: REGULATORY OVERVIEW



<p>1</p> <p>Placing GHG data at the core of business decisions</p>	<h2>DATA & REPORTING</h2>	<ul style="list-style-type: none"> • Taskforce on Climate-related Financial Disclosures (TCFD) • UK Sustainability Disclosure Requirements (SDR) & Sustainability Reporting Standards (SRS incl. Transition plans) (2026 tbc) • EU Corporate Sustainability Reporting Directive (CSRD) (mandatory from 2026) • EU Corporate Sustainability Due Diligence Directive (CSDDD) (mandatory from 2027)
<p>2</p> <p>Operating efficient sites powered by renewable energy</p>	<h2>ENERGY</h2>	<ul style="list-style-type: none"> • Streamlined Energy and Carbon Reporting (SECR) • Energy Efficiency Regulations (EPC) • Minimum Energy Efficiency Regulations 2018 (MEES) • Energy Savings Opportunity Scheme (ESOS) (2014/23) • F-Gas Phasedown Regulations (2014) • Renewable Energy Guarantees of Origin (REGOs) (reform tbc) • Planning Regulation (reform tbc)
<p>3</p> <p>Moving to low carbon logistics</p>	<h2>LOGISTICS</h2>	<ul style="list-style-type: none"> • Car park EV charging infrastructure (2022) • Fossil fuel HGV phaseout (2040)
<p>4</p> <p>Sourcing sustainably</p>	<h2>SOURCING</h2>	<ul style="list-style-type: none"> • Modern Slavery Act (2015) • UK Forest Risk Commodities Legislation (UK FRC) (tbc) • Peat Ban (expected 2025) • Carbon Border Adjustment Mechanism (CBAM) (2027) • Scope 3 Reporting (tbc) • EU Deforestation-Free Regulation (EUDR) (2025)
<p>5</p> <p>Helping our employees and customers live low carbon lifestyles</p>	<h2>PEOPLE</h2>	<ul style="list-style-type: none"> • CMA Green Claims Code • Digital Markets Competition & Consumer Act (DMCC) (Q2 2025) • EU Green Claims Directive (2027) • Ecodesign for Sustainable Products Regulation (ESPR) (April 2025) • EU Right to Repair (2027)

CAR Delivery Group

Food Net Zero Group

Textiles Net Zero Group

Retailer Green Claims Forum

2025 Key Focus Working Groups tbc



NATURE & BIODIVERSITY: KEY ISSUES FOR RETAILERS



Increasing concern about nature & biodiversity loss, alongside climate

New disclosure frameworks (TNFD) and Science Based Targets for Nature

Renewed UK government focus with legislation, e.g. Biodiversity Net Gain & Forest Risk Commodity Due Diligence



NATURE & BIODIVERSITY: REGULATORY OVERVIEW



REPORTING

Taskforce on Nature-related Financial Disclosures (TNFD): Voluntary disclosure framework

Science-based Targets for Nature (SBTN)

UK Sustainability Disclosure Requirements (SDR): Expected 2025

EU Corporate Sustainability Reporting Directive (CSRD): Mandatory from 2024/25

EU Corporate Sustainability Due Diligence Directive (CSDDD): Mandatory from 2027

SOURCING

EU Deforestation Regulation (EUDR): Delayed until December 2025

UK Forest Risk Commodities (FRC) Regulation: On hold – coming soon

- Reduced scope compared to EUDR: less commodities, no geolocation reporting, illegal deforestation only

Ban on the sale of peat-containing products: Expected 2025

Best practice:

- Regenerative agriculture
- Water usage & reduction
- Circular design
- Sustainable Farming Initiative

OPERATIONS

Biodiversity Net Gain Legislation: For new UK developments

Forest Risk Commodity Working Group & EUDR Sprint Group

CIRCULAR ECONOMY: REGULATORY OVERVIEW



PACKAGING

Packaging Extended Producer Responsibility (pEPR): First invoices due October 2025

Deposit Return Scheme (DRS): October 2027

Plastics (e.g., UK Plastic Packaging Tax)

Single Use Legislation: Bans to be expected

RECYCLING, REFILL & REUSE

Digital Waste Tracking: Under consideration

Refill/reuse project

Simpler Recycling in England: From March 2025

Workplace Recycling in Wales: In force

Consultation on Waste Management in Northern Ireland

Packaging Working
Group

DRS Working
Group

Single-Use Working
Group



CIRCULAR ECONOMY: REGULATORY OVERVIEW



ELECTRONICS

Waste Electrical and Electronics Scheme (WEEE):
Awaiting further updates

Vapes: Single-use vapes banned from June 2025

Batteries: Digital Product Passports (DPPs) in EU (TBC from 2025)

WEEE & Batteries Working Group



TEXTILES & FURNITURE

Circular Economy Taskforce: Textile Roadmap expected

Circular Textiles & Clothing Working Group

FOOD WASTE

UK Mandatory Food Waste Reporting: Update expected soon

Unpackaged Loose Produce

HUMAN RIGHTS: REGULATORY OVERVIEW



UK

Modern Slavery Act 2015:

Government review of Section 54 guidance

Establishment of Fair Work

Agency: Government to establish single enforcement body

Ongoing support of SWS Taskforce

EUROPE

Corporate Sustainability Due Diligence Directive (CSDDD):

Businesses in scope from 2027-2029

Forced Labour Product Ban (FLPB):

From 2027

Ethical Labour Working Group



2025 REGULATORY WATCHOUTS FOR SUSTAINABILITY

Access the full list on the BRC
website

SUSTAINABILITY

CIRCULAR ECONOMY

WHEN?	WHAT?	SO WHAT?
	Govt to lay secondary legislation to enforce mandatory food waste reporting	Retailers in scope required to report on their food waste
	Packaging EPR regulations come into force	Producer-retailers will be expected to continue with various reporting requirements and obligated large producers will be invoiced significant fees for packaging in October 2025
- TBC	Final fees will be released Invoices issued to producers	
/Feb	Deposit Return Scheme regulations for England, NI, Scotland come into force DMO will be appointed	Grocery retailers will be obligated to host a return point from October 2027 (there are exemptions) Producers will have to ensure in scope drink containers carry the logo and return code for October 2027 – retailers also have to ensure the products they are selling comply with regs
	Government Circular Economy Taskforce launched	Taskforce will consider priorities for future reforms such as textiles and electricals

SUSTAINABILITY COMMUNITY: 2025 KEY EVENTS



2025	HUMAN RIGHTS	CIRCULAR ECONOMY	CLIMATE	NATURE & BIODIVERSITY
	Annual Sustainability Horizon Scan (TODAY)			
Q1	Human Rights in Retail Breakfast Event (25 March)		Textile / Food Net Zero Groups (10 Feb/6 Mar) <i>Climate Action Roadmap Relaunch (March webinar)</i>	EUDR Sprint Group (6 March)
Q2			<i>Retailer Green Claims Forum (Apr tbc)</i> <i>Breakfast Event (June tbc)</i>	Plan For Nature: Roundtable on Data Challenges (13 May)
Q3	CEO Forum (Oct)			
			Climate Action Week (Oct)	<i>Breakfast Event - TBC</i>
Q4		<i>Breakfast Event - TBC</i>		

The ESG imperative

Building a resilient, sustainable future

30 January 2025



Meet the RSM team



Jacqui Baker

Partner
Head of Consumer Markets and Retail



Rich Hall

Partner
Head of Sustainability and ESG services



Meet the RSM team



Sarah Belsham
Partner
Consulting



Andrew Gibson
Partner
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Alex Fraser
Director
Consulting



Paul Bennett
Director
Consulting



Jake Salpeter
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Senior Consultant
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Ian Lam
Assistant Manager
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Cathy Faria
Managing Consultant
Consulting



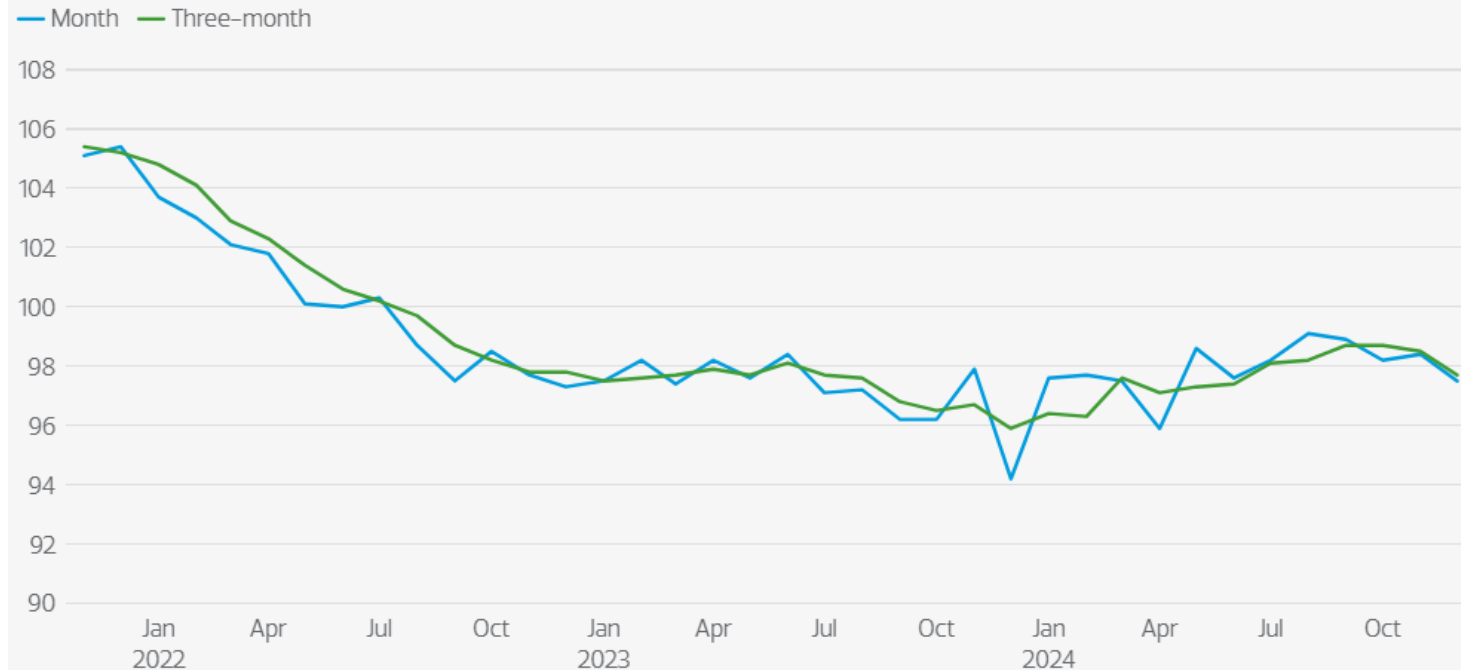
Ed Baker
Consultant
Consulting



Khevna Masuria
Manager
Consulting

Retail sales – state of play

Volume sales, seasonally adjusted, Great Britain, December 2021 to December 2024



Source: Monthly Business Survey, Retail Sales Inquiry from the Office for National Statistics

Drop in retail sales marks a disappointing end to tough year – but cautious optimism for 2025



Consumer Outlook 2025

What's shaping consumer spending
in the year ahead?

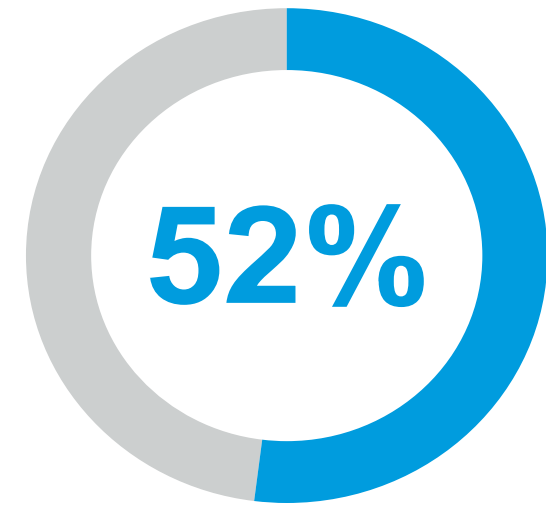
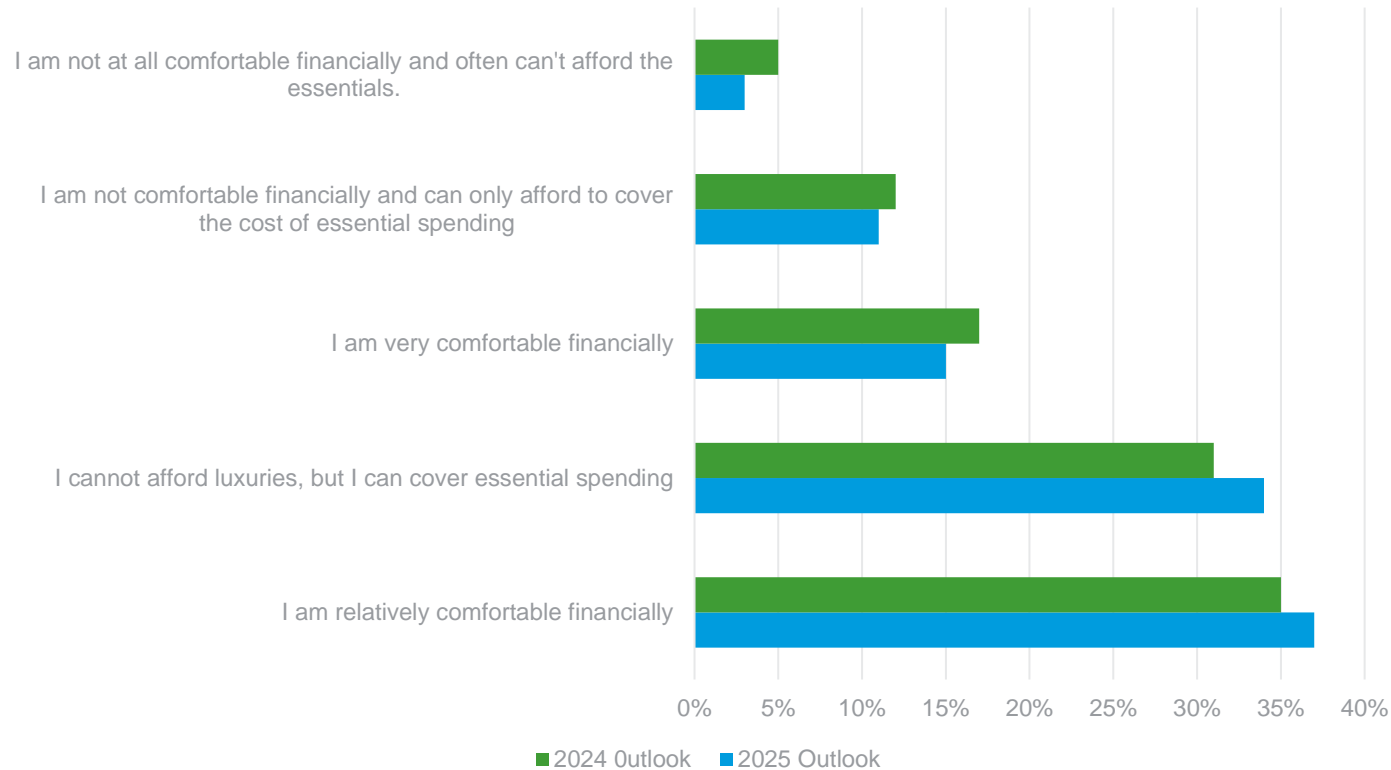


RSM



Consumer finances and impact on retail spending

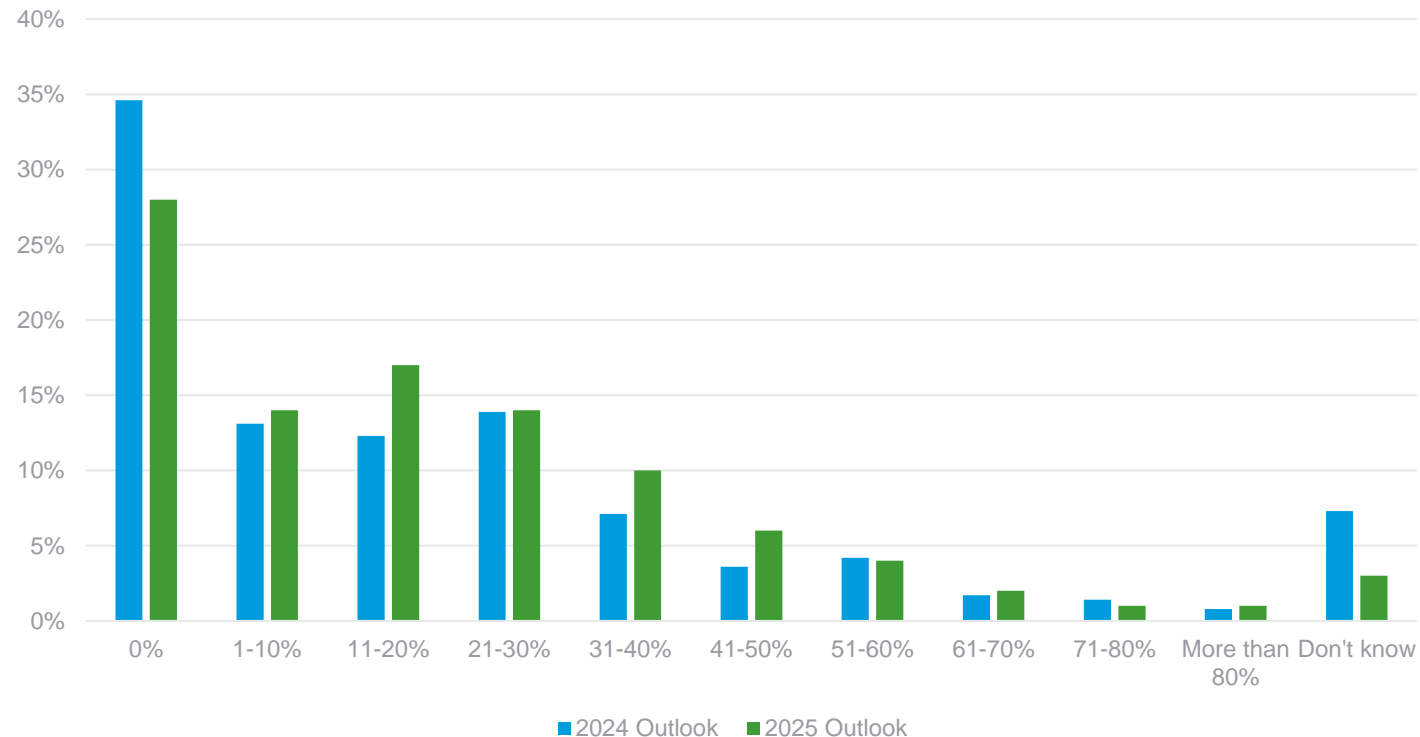
Thinking about your personal finances which of the following best describes your current situation?



of consumers report feeling financially comfortable, but a cautious mindset persists

Consumers feeling comfortable towards their finances

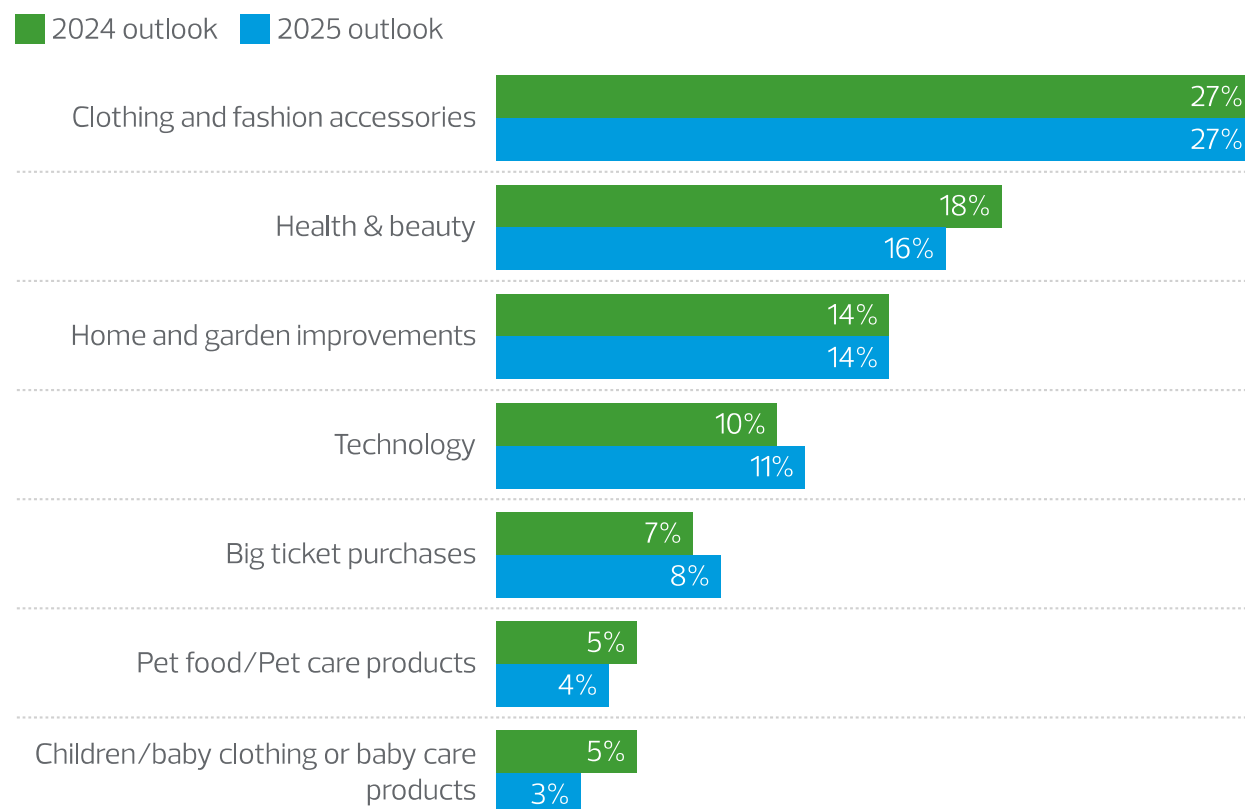
Percentage of monthly income left after paying essential costs each month such as household bills energy mortgage/rent and food



Individuals are finding more room in their budgets at the end of each month – but that doesn't mean they are willing to spend

Retail and consumer products

Categories where consumers will cut back in the next three months



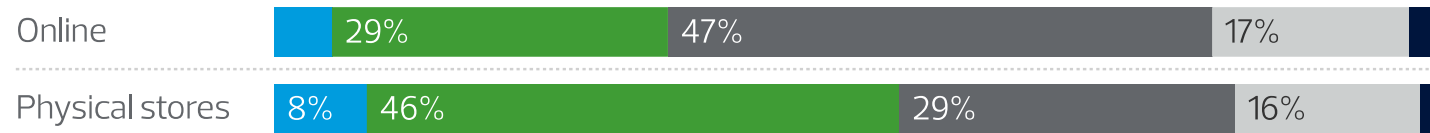
Clothing and fashion accessories are key categories where many intend to cut back

Retail - what are consumers looking for in 2025?

Retail reimaged

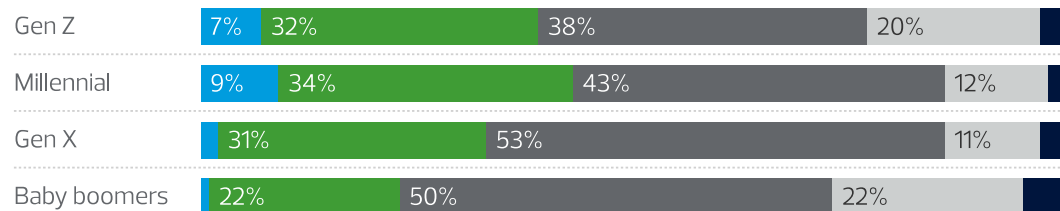
Thinking about where you do your non-grocery shopping, how often do you currently shop in each of the following?

■ Daily
 ■ Weekly
 ■ Monthly
 ■ Rarely
 ■ Never



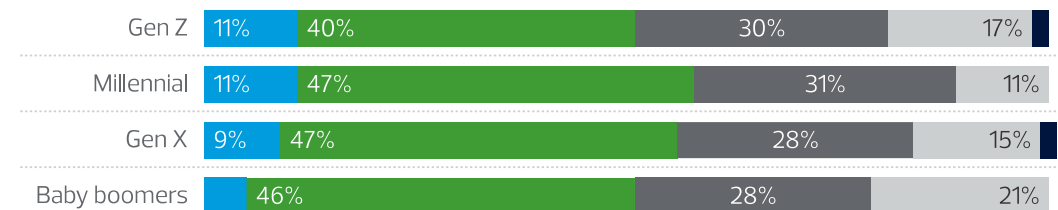
Online shopping

■ Daily
 ■ Weekly
 ■ Monthly
 ■ Rarely
 ■ Never



In-store shopping

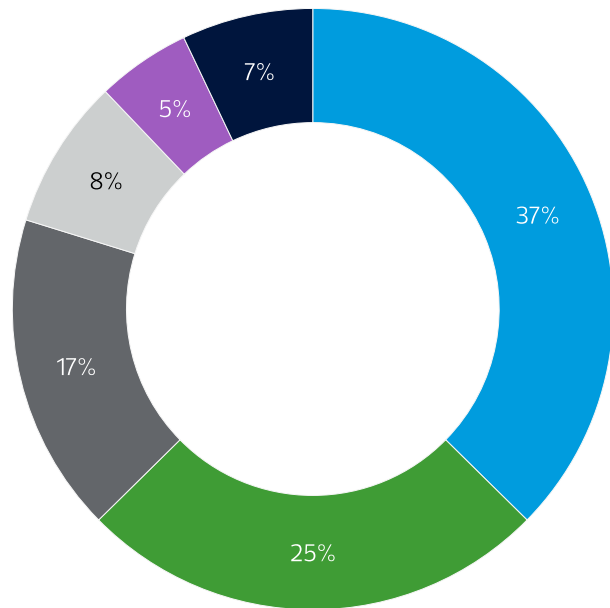
■ Daily
 ■ Weekly
 ■ Monthly
 ■ Rarely
 ■ Never



Online shopping - what's behind the click?

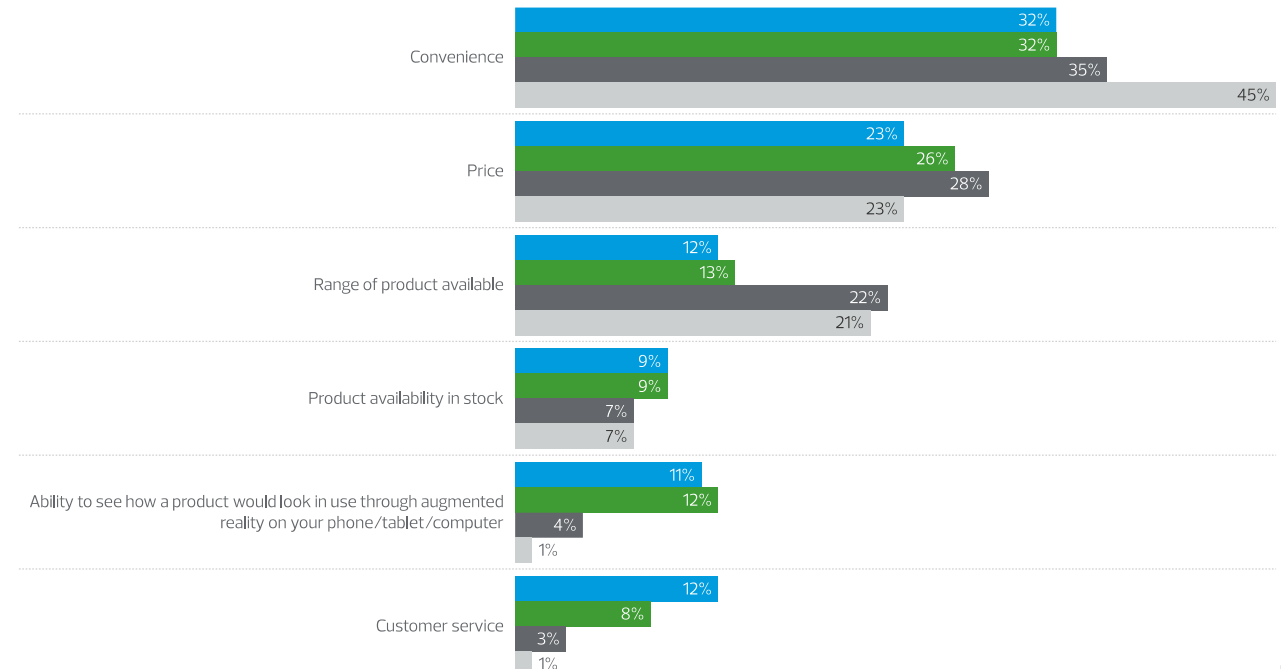
When shopping online, what is the main reason you to choose to shop online rather than in-store?

- Convenience
- Price
- Range of product available
- Product availability in stock
- Customer service
- Ability to see how a product would look in use through augmented reality



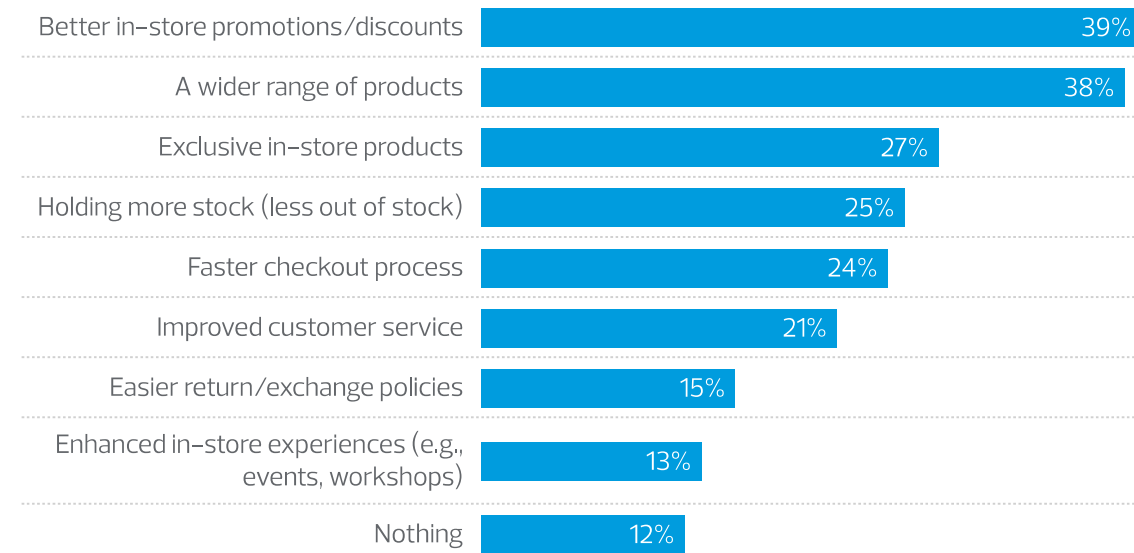
Online shopping reasons by age

- Gen Z
- Millennial
- Gen X
- Baby boomers

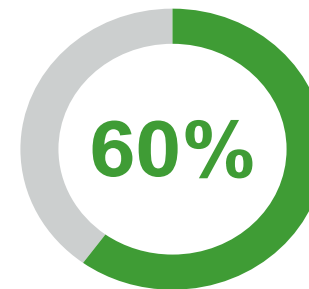
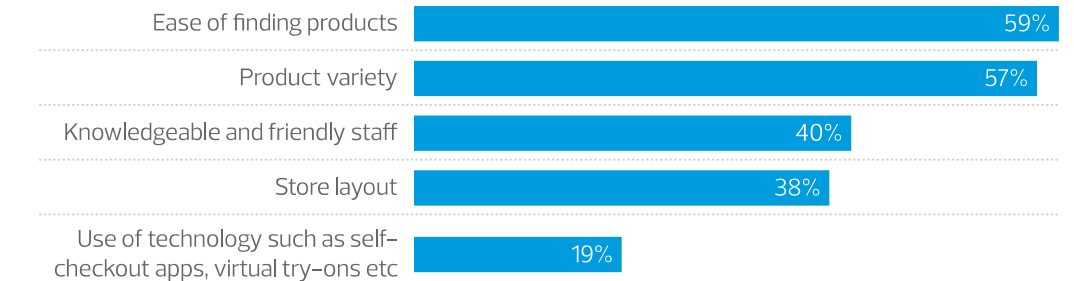


Drawing consumers back to the in-store experience

What would encourage you to visit a physical store more often?



Which aspects of the in-store shopping experience are most important to you?

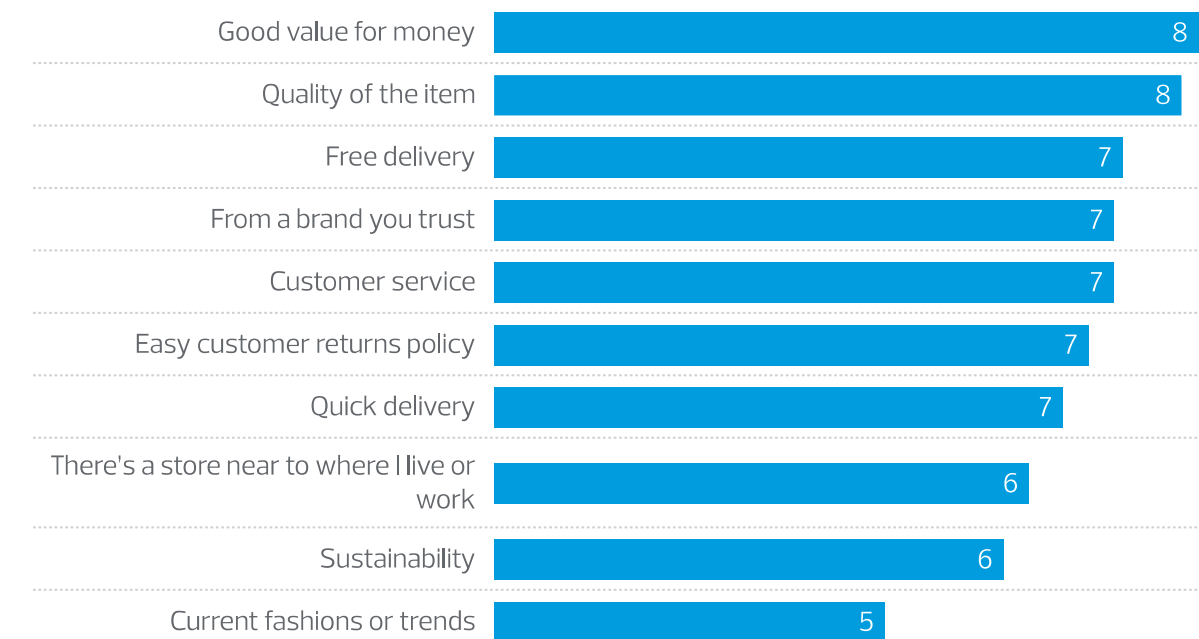


of Gen X shoppers say product variety is the most important factor when shopping in-store, highlighting their strong preference for a wide selection and the opportunity to explore different options in person.

Driving forces behind consumer spending

When considering a new purchase of something that you buy regularly (that is not food), how important to you are each of the following?

(Average score out of 10)

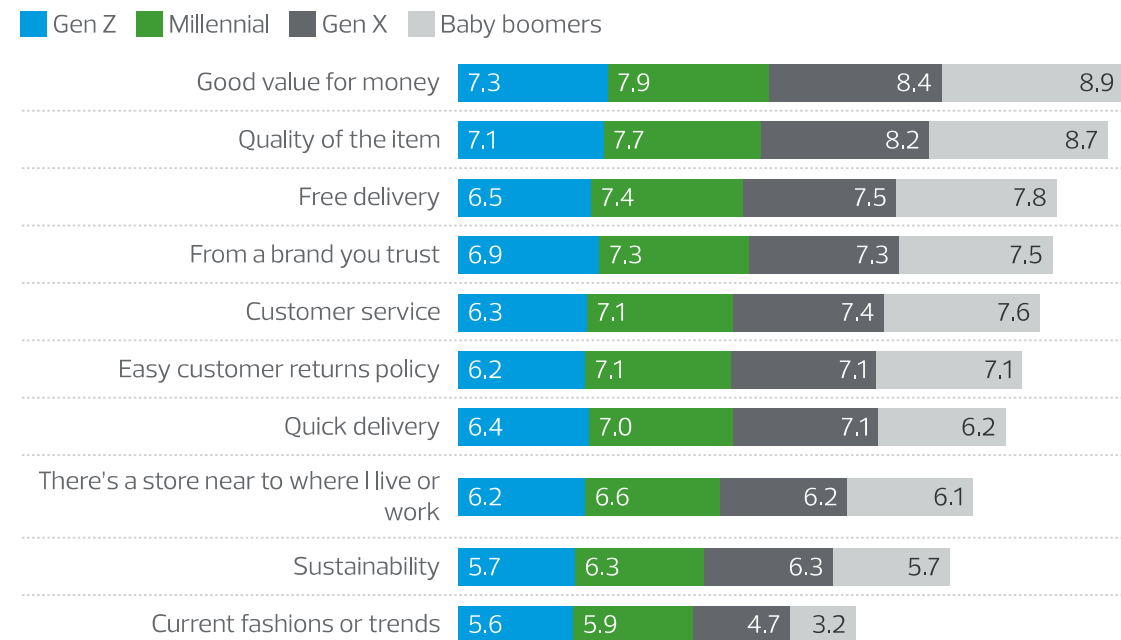


Affordability remains a top priority, but the demand for quality will also drive decision-making

Driving forces behind consumer spending

When considering a new purchase of something that you buy regularly (that is not food), how important to you are each of the following?

Age group (Average score out of 10)



Gen Z emerged as the only generation to prioritise a trusted brand over free delivery, highlighting the growing importance of brand trust in their purchasing decisions.

Sustainability and the conscious consumer



The rise of the conscious consumer

When considering a new purchase of something that you buy regularly (that is not food), how important is sustainability to you?

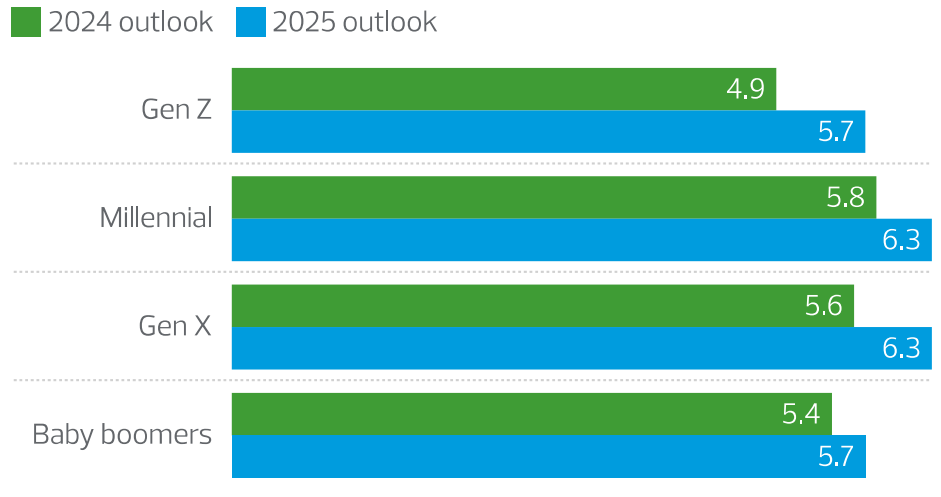
■ 2024 Outlook ■ 2025 Outlook



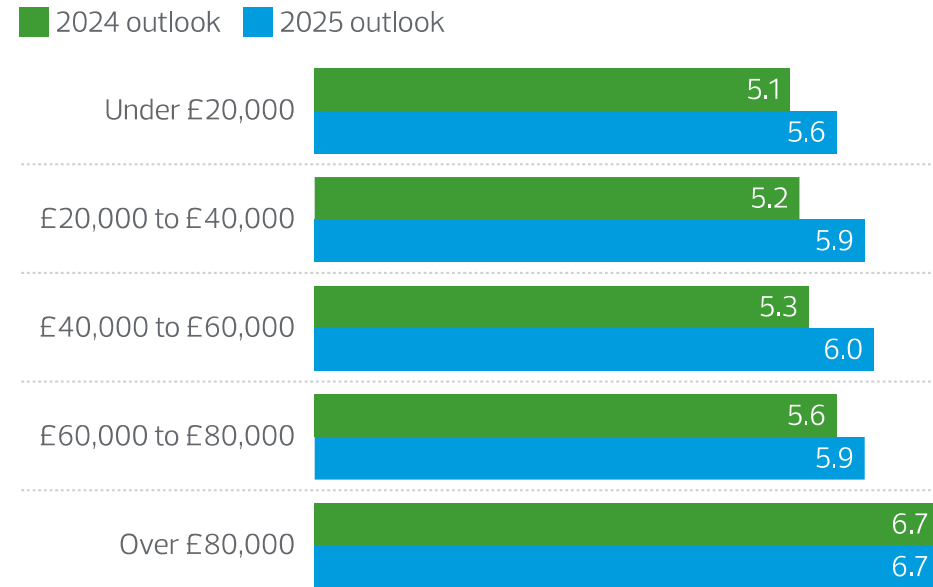
The rise of the conscious consumer

When considering a new purchase of something that you buy regularly (that is not food), how important is sustainability to you?

Age group

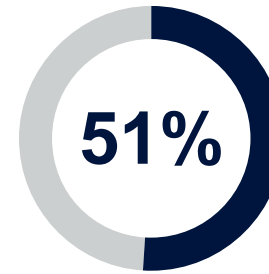
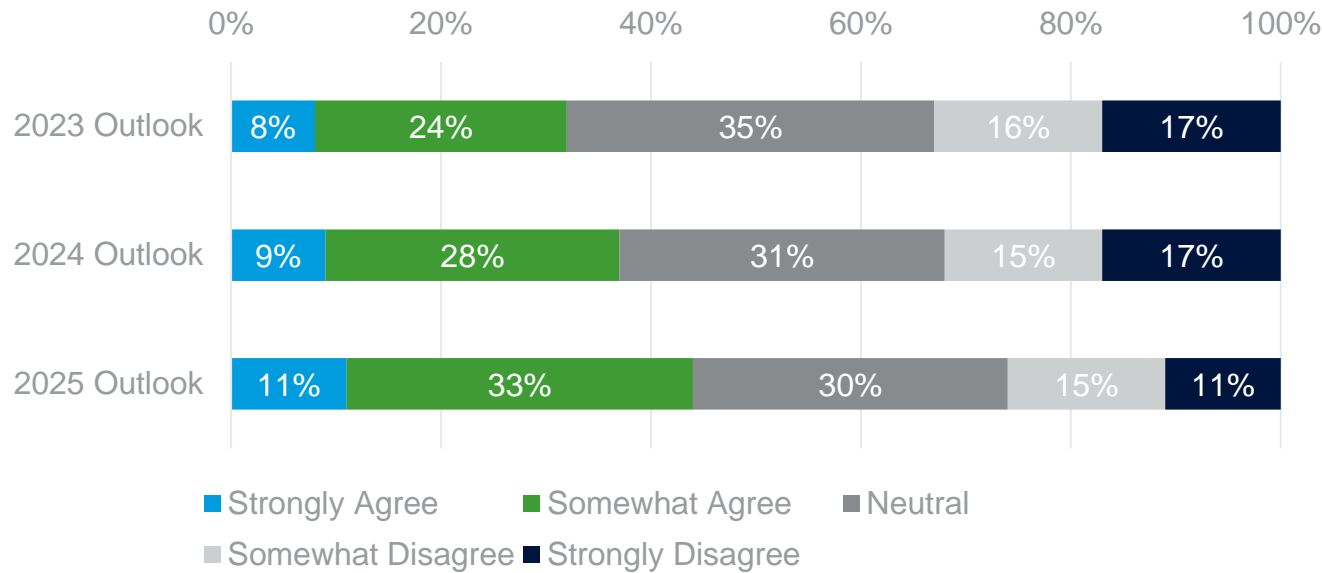


Personal income

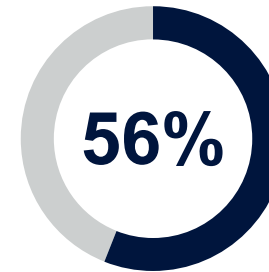


Consumers willing to pay more?

An increase in consumers willing to pay more for products that are sustainably produced

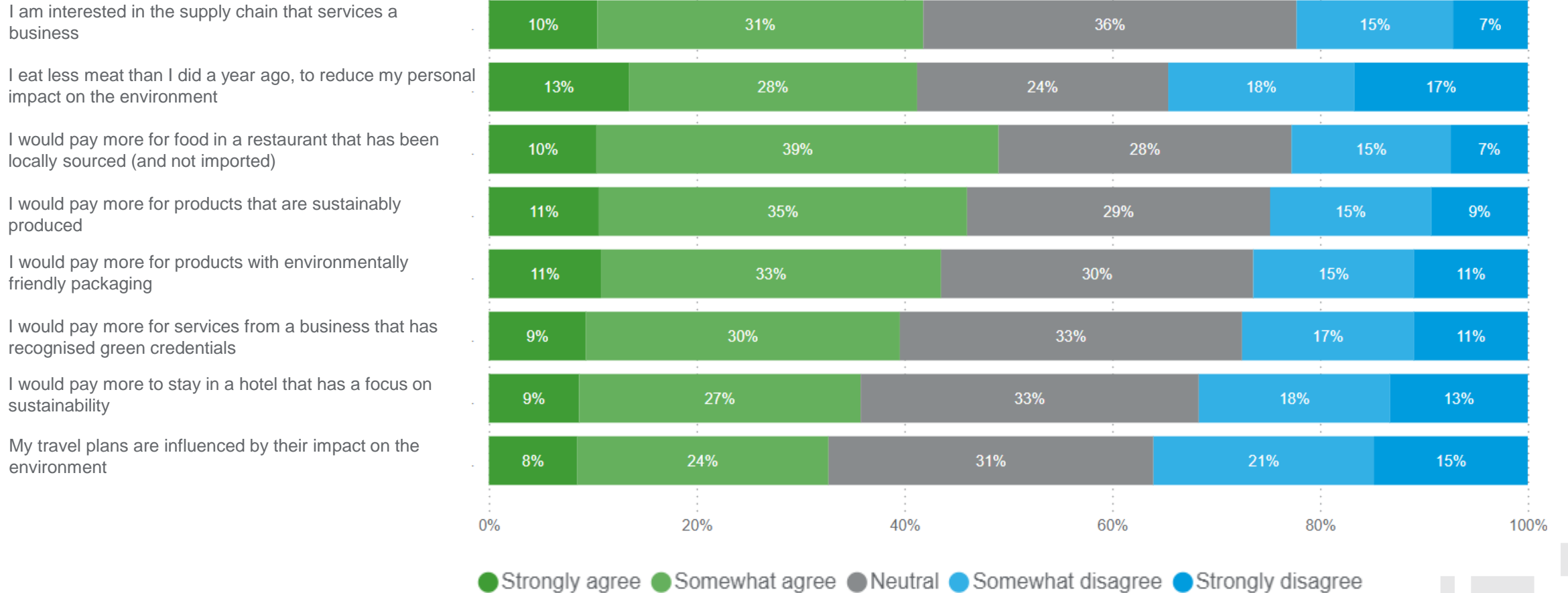


of those with children said they are willing to pay more for sustainable products.



of Millennials said they are willing to pay more for sustainable products.

Conscious consumers



Setting the scene

The Intersection of Sustainability with Strategy

Drivers in the market

Regulations, Transparency, and Disclosures

CSRD, Green Claims Code, CAP Code, Anti-greenwashing, EPR schemes

Value Chain Pressures

Transparency and traceability, onshoring / nearshoring, sustainable logistics

Consumer Preferences

Conscious consumers, demand for transparent practices, and ethical employment.

Product Responsibility, Brand & Purpose

Ethical sourcing, circular economy business models, eco-friendly product design, B Corp

Today's workshops

A

Enhancing data and technology capabilities

The use of data and technology to track ESG performance, streamline reporting, and unlock **opportunities for innovation.**

Workshop led by Sarah Belsham, with support from Ian Lam and Cathy Faria.

B

Integrate quantified risks and long-term ESG macro trends into the Strategy

Strategies for incorporating long-term macro trends into your business, while effectively **managing risks.**

Workshop led by Rich Hall, with support from Jake Salpeter.

AM sessions

C

Collaborating and holding themselves accountable with external stakeholders

Best practices for **collaborating** with investors, suppliers, and regulators to drive transparency.

Workshop led by Andrew Gibson, with support from Paul Bennett and Jake Salpeter.

D

Recognise the pivotal role of employees in driving sustainability initiatives

The role of **employee empowerment** in delivering sustainability goals.

Workshop led by Alex Fraser, with support from Cathy Faria.

PM sessions

Thank you

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SESSION ONE – WORKSHOP A AND B



SARAH BELSHAM

Partner Consulting Digital & Data, RSM

Workshop A “Enhancing data and technology capabilities”



RICH HALL

Head of Sustainability and ESG, RSM

Workshop B “Integrate quantified risks and long-term ESG macro trends into the strategy”





LUNCH BREAK



SCAN THE QR CODE TO REGISTER FOR



**CARBON REMOVALS ACCOUNTING:
CORE RULES AND REQUIREMENTS
EXPLAINED**

11 February, 2pm – 3pm, Online



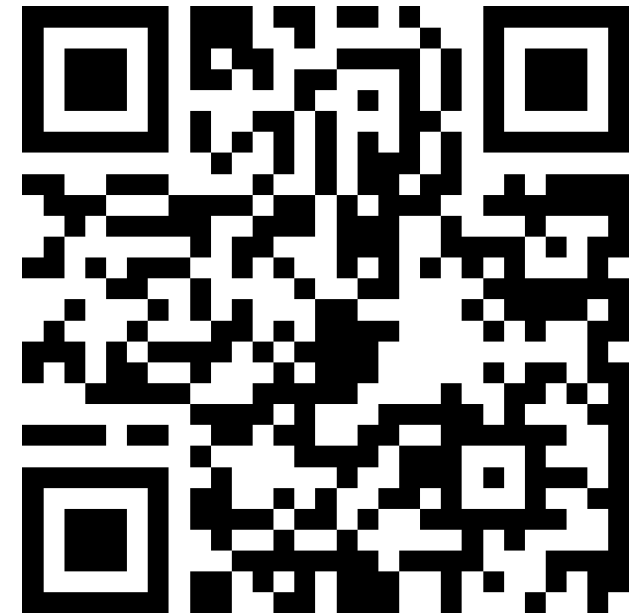
**HUMAN RIGHTS IN RETAIL
BREAKFAST EVENT**

25 March, 9am – 11am
The Form Rooms

WHAT IS YOUR BIGGEST SUSTAINABILITY CHALLENGE IN THE YEAR AHEAD?

Please submit your answer - You can send anonymous questions

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SESSION TWO – WORKSHOP C AND D



ANDREW GIBSON

Partner, Consulting Risk & Governance, RSM

Workshop C “Collaborating and holding yourself accountable with external stakeholders”



ALEX FRASER

Director, Consulting Business Transformation, RSM

Workshop D “Recognise the pivotal role of employees in driving sustainability initiatives”





COMFORT BREAK



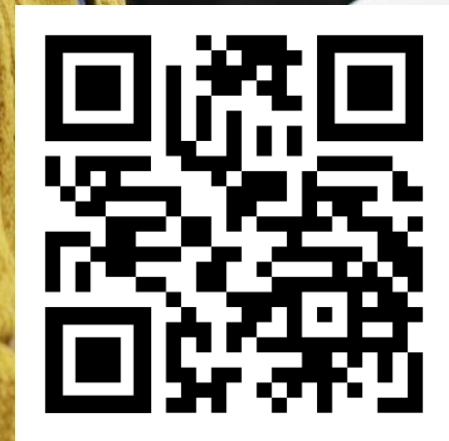
COMFORT BREAK

SUSTAINABILITY MASTERCLASS

A TWO DAY WORKSHOP FOR LEADERS WHO HAVE
INFLUENCE OVER THE SUSTAINABILITY STRATEGY

2ND - 3RD APRIL 2025

THE FORM ROOMS, LONDON



LEARN MORE



WHAT IS YOUR BIGGEST SUSTAINABILITY CHALLENGE IN THE YEAR AHEAD?

Please submit your answer - You can send anonymous questions

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REVIEW AND DISCUSSION OF WORKSHOPS HIGHLIGHT



RICH HALL

Head of Sustainability
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SARAH BELSHAM

Partner Consulting Digital
& Data, RSM



ANDREW GIBSON

Partner, Consulting Risk
& Governance, RSM



ALEX FRASER

Director, Consulting
Business Transformation,
RSM

”



CLOSING REMARKS



ANDREW OPIE

Director of Food and Sustainability,
British Retail Consortium



SCAN THE QR CODE TO REGISTER FOR



CARBON REMOVALS ACCOUNTING: CORE RULES AND REQUIREMENTS EXPLAINED

11 February, 2pm – 3pm
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