

## **EXPLORATIVE ANALYSIS OF CORPORATE SOCIAL RESPONSIBILITY REPORTING: THE CASE OF LEADING EUROPEAN FOOD RETAILERS**

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### ABSTRACT

*The purpose of this paper is to give an insight into the corporate social responsibility (CSR) activities reported in CSR reports published on the web sites of the leading European food retailers. Paper explains the importance of the CSR, followed by the latest state-of-art on the CSR issues reported by food retailers, with special emphasis and focus on international, leading European food retailers. The findings of explorative analysis of corporate social responsibility reporting of the leading European food retailers reveal their dedication to CSR issues and consideration of their own activities. However, based on the previous style of reporting activities, we observe the positive shift from focal company view to the holistic view of the entire supply chain and consequentially, sustainable supply chain perspective. This observation confirms that leading food retailers are power holders and trend-setters in the CSR issues.*

*KEYWORDS: corporate social responsibility, corporate social responsibility reporting, leading European food retailers, explorative analysis*

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## 1. INTRODUCTION

The future of any company in today's society depends on how it is perceived by key stakeholders such as investors, customers, consumers, employees and members of the community in which the company operates. The interest in corporate social responsibility (CSR) reflects a deeper change in the relationship between the company and its stakeholders. CSR is becoming ever more important, as it is evident by the fact that most leading public companies include a specific statement on their CSR policy within their annual reports.<sup>1</sup> As the stakeholders want to know more about companies and their operations, companies must therefore nurture relationships with stakeholders and know how to strategically manage and communicate their business activities. Reporting is one of the measures used by companies, and in the light of reporting, it is important to know how to report consistently on CSR activities.<sup>2</sup> In a study of reporting on CSR conducted on 4 100 companies worldwide<sup>3</sup>, some global trends in reporting are identified, among others:<sup>4</sup> exceptional growth in reporting on emerging markets, narrowing the gap between the leading and the lagging sector industries, information on CSR in the annual accounts are becoming standard practice and the use of the Global Reporting Initiative (GRI)<sup>5</sup> guidelines is nearly universal.

The remainder of the paper is organized as follows. In the next section, we describe CSR and the emergence of the CSR reporting in the food retailing, with focus on the actual state-of-art of CSR and CSR reporting of the leading, inter-

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<sup>1</sup> Bowd, R., Bowd, L., Harris, P., Communicating corporate social responsibility: an exploratory case study of a major UK retail centre, *Journal of Public Affairs*, Vol. 6 (2) 2006., p. 147.

<sup>2</sup> Thomsen, A. E. N. C., Reporting CSR – what and how to say it?, *Corporate Communications: An International Journal*, Vol. 12 (1) 2007, p. 39.

<sup>3</sup> 100 leading companies from 41 countries, categorized into four geographic entities and America (Brazil, Chile, Colombia, Mexico, US, Canada); Asia/Pacific (Australia, New Zealand, Indonesia, India, China, Japan, Malaysia, Taiwan, Singapore, South Korea, Kazakhstan); Europe (Belgium, Denmark, Finland, France, Germany, Greece, Hungary, Italy, Netherlands, Norway, Poland, Portugal, Romania, Russia, Slovakia, Spain, Sweden, Switzerland, United Kingdom) and Middle East/Africa (Angola, Israel, Nigeria, South Africa, United Arab Emirates)

<sup>4</sup> KPMG (2014) The KPMG Survey of Corporate Responsibility Reporting 2013, available at <<http://www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/corporate-responsibility/Documents/kpmg-survey-of-corporate-responsibility-reporting-2013.pdf>>, last accessed on 15/05/2015.

<sup>5</sup> GRI Sustainability Reporting Guidelines, formerly known as GRI guidelines offer reporting principles, standard disclosures and an implementation manual for the preparation of sustainability reports by organizations, regardless of their size, sector or location., available at: <<https://www.globalreporting.org/reporting/g4/Pages/default.asp>>, last accessed on 15/05/2015.

national food retailers, with UK market leading the way. We then describe the exploratory research which was conducted by analyzing CSR reports posted on the web pages of the leading European food retailers (based on the Deloitte<sup>6</sup> frame of reference). Based on the theoretical and explorative analysis, we form the concluding remarks.

## **2. CORPORATE SOCIAL RESPONSIBILITY IN FOOD RETAILING**

All sectors of the economy are affected by the increased demand due to CSR. However, depending on the characteristics of the industry, the pressure on companies to adopt this concept is different. Although there are sectors of the economy such as mining, for example, which has a stronger impact on the environment, there is probably no other sector as food sector, that is so dependent on natural resources and yet has a large and diverse impacts on the environment. In the context of CSR, food sector is faced with specific challenges especially for three reasons. First, the food sector has a big impact and greatly depends on the natural, human and physical resources. Furthermore, since the food covers basic human needs, people have very strong opinions about what they eat, so that leads to the complex issues in the food sector for the production of raw materials, environmental and social conditions along the entire value chain, as well as the quality of health and product safety. Third, the food chain has a unique and multifaceted structure. Since small and large enterprises differ in their approach to CSR, this implies potential conflicts regarding CSR involvement in the food supply chain<sup>7</sup>. As the food products are closely related to human health, it is not surprising that the consumer sensitivity to food products is from day to day increasing. Therefore, CSR can help retailers to respond to the ever growing interest of the consumers in business operations.

According to the summative content analysis, sustainability seems to be more important in other sectors than in retail as retail is the sector with fewest sustainability considerations.<sup>8</sup> However, CSR retail research stream covers specific aspects of sustainability; such as sustainability/sustainable, environment/

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<sup>6</sup> Deloitte, Global powers of Retailing 2015: Embracing innovation, available at: <<http://www2.deloitte.com/content/dam/Deloitte/global/Documents/Consumer-Business/gx-cb-global-powers-of-retailing.pdf>>, last accessed on 15/05/2015.

<sup>7</sup> Hartman, M., Corporate social responsibility in the food sector, *European Review of Agricultural Economics*, Vol. 38(3) 2011., p. 298.

<sup>8</sup> Wiese, A., Kellner, J., Lietke, B., Toporowski, W., Zielke, S., Sustainability in Retailing – a Summative Content Analysis, *International Journal of Retail & Distribution Management*, Vol. 40 (4) 2012, pp. 318-335.

environmental, carbon footprint/CO<sub>2</sub>, CSR/corporate social responsibility, fair trade, eco-friendly, green, eco-marketing and organic. Taking into account the spike in sustainability mentioned in recent past, it might well be one of the most promising research themes currently pursued. This view is also supported by *Carter & Easton*<sup>9</sup>, who suggest that it is necessary to focus on the individual industries in future research.

Research papers which cover the scope of CSR in food retail research have been published recently (from 2000 onwards), by *Spence & Bourlakis*<sup>10</sup>, *Piacentini & MacFadyen*<sup>11</sup>, *Manning*<sup>12</sup>, *Renko, Rašić & Knežević*<sup>13</sup>, *Sutić, Lazibat & Baković*<sup>14</sup>. However, taking into consideration leading European food retailers, dominating research stream in this area is set by *Jones, Comfort & Hillier*, who mainly focus on UK food retail market and different perspectives of CSR in UK food retailing; such as assessment of the employment of assurance in the CSR/sustainability reports<sup>15</sup>, CSR as means of in-store marketing and communication<sup>16</sup>, CSR within food stores<sup>17</sup>, environmentally friendly product assortment<sup>18</sup>, etc. Over the past few decades grocery retailing is be-

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<sup>9</sup> Carter, C.R., Easton, P.L., Sustainable supply chain management: evolution and future directions, *International Journal of Physical Distribution & Logistics Management*, Vol. 41 (1) 2011, pp. 46-62.

<sup>10</sup> Spence, L., Bourlakis, M., The evolution from corporate social responsibility to supply chain responsibility: the case of Waitrose, *Supply Chain Management: An International Journal*, Vol. 14 (4), 2009, pp. 291-302.

<sup>11</sup> Piacentini, M.L., MacFadyen, D. E., Corporate social responsibility in food retailing, *International Journal of Retail & Distribution Management*, Vol. 28 (11), 2000, pp. 459-469.

<sup>12</sup> Manning, L., Corporate and consumer social responsibility in the food supply chain, *British Food Journal*, Vol. 115 (1), 2013, pp. 9-29.

<sup>13</sup> Renko, S., Rašić, S., Knežević, B., Corporate Social Responsibility in Croatian Retailing, Managerial and Entrepreneurial Developments in the Mediterranean Area, EuroMed Press, 2009, pp. 1346-1358.

<sup>14</sup> Sutić, I., Lazibat, T., Baković, T., Corporate Social Responsibility – Analysis of the leading food retailers in Croatia, *Trade Perspectives 2012: Trade in the Context of Sustainable Development*, Faculty of Economics and Business Zagreb, 2012, pp. 109-124.

<sup>15</sup> Jones, P., Hillier, D., Comfort, D., Assurance of the leading UK food retailers' corporate social responsibility/sustainability reports, *Corporate Governance*, Vol. 14 (1), 2014, pp. 130-138.

<sup>16</sup> Jones, P., Comfort, D., Hillier, D., Corporate social responsibility as a means of marketing to and communicating with customers within stores: A case study of UK food retailers, *Management Research News*, Vol. 28 (10), 2005, pp. 47-56.

<sup>17</sup> Jones, P., Comfort, D., Hillier, D., Marketing and corporate social responsibility within food stores, *British Food Journal*, Vol. 109 (8), 2007, pp. 582-593.

<sup>18</sup> Jones, P., Comfort, D., Hillier, D., Healthy eating and the UK's major food retailers: a case study in corporate social responsibility, *British Food Journal*, Vol. 108 (10), 2006, pp. 838-848.

coming more concentrated, which reflects a decrease in sales of food products of small independent retailers and increased market share of large retailers of food products. The market concentration is undeniably affected by the growth of power of large grocery retailers and it is one of the key concepts and trends that marked the European retail industry in the past two decades.<sup>19</sup>

Retailers use reports on CSR as a major tool for communicating its commitment and sustainable development achievements.<sup>20</sup> Jones, Comfort & Hillier were analyzing reports of the Britain's biggest retailers within the *TOP 20 list*. Reports were analyzed with special attention to the so-called '*three pillars of sustainability*'; the environment, the society and the responsibility of retailers, to determine which of these areas are parts of the information included in the CSR reports. Information on the environment and society were easily identified, given that most retailers use the term '*environment*' and '*society*' as the titles of sections in which the overview of activities from these areas is given. Here retailers usually state awareness of the impact of their business on society and the environment. Jones, Comfort & Hillier note several topics that retailers are most focused on, such as, for example: *water consumption, waste reduction, recycling, genetically modified food* in the area of '*environment*', and *being a 'good neighbor' in the communities in which they operate, the health and safety of employees*, as well as *participation in charitable initiatives* in the field of '*society*'. However, the identification of the economic impacts associated with sustainability is much harder to identify. For example, the '*ethical trading*' and '*market operations*' are indicators of commitment to the economic dimension of sustainability, but few retailers use this approach in order to describe the economic impact of their operations. Its economic contribution, large retailers mainly see through employment or wages of their employees, dividends paid to shareholders, retained earnings as the basis for future growth, and taxes paid by the government. Although food retailing is dominated by small numbers of national retailers (due to the high concentration), there is an increase and shift in supplying food from local producers and engaging in short food supply chains. Authors conclude that British retailers recognize the impact of their operations on the environment, economy and society, and some have already developed *KPI's*<sup>21</sup> in order to measure their

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<sup>19</sup> Knežević, B., Knego, N., Deliđ, M., The retail concentration and changes of the grocery retail structure, *InterEULawEast-Journal for International and European Law, Economics and Market Integrations*, Vol. 1 (2), 2014, p. 38.

<sup>20</sup> Jones, P., Comfort, D., Hillier, D., Corporate social responsibility and the UK's top ten retailers, *International Journal of Retailing & Distribution Management*, Vol. 33 (12), 2005, pp. 882-892.

<sup>21</sup> Key Performance Indicators

performance, monitor progress and compare the performance with industry standards and governments objectives. Yet, it seems that it is more business than sustainability driven. Further on, in the research on sustainability and the UK's leading retailers, *Jones, Hillier & Comfort*<sup>22</sup> were using data available on the UK's top ten retailers' companies website regarding CSR and pillars, such as *the environment, the market, the workplace, and the community*. Research results indicate that each of the retailers has his own approach towards the CSR and that there are significant differences in the nature and scope of the reporting process, although there are some common points in reporting on issues such as the *environment, commitment to customers, employees* and the *community* in which retailers operate. All retailers believe that the long-term economic viability is in the interest of all stakeholders and that the integration of CSR in their everyday operations is important and will ensure them the long-term growth, financial security for stakeholders and maintenance or even improvement of their market position.

*Jones, Comfort & Hillier*<sup>23</sup> using the case study methodology conducted research on the ways in which the UK's leading food retailers promote healthy food products as part of its commitment to CSR and also how those activities are promoted in retail stores. Research results indicate that there are a significant differences among leading food retailers to the extent they communicate 'healthy eating', although the extent of this communication is not always identical to the one which is communicated in the store.

### **3. REPORTING CORPORATE SOCIAL RESPONSIBILITY AMONG LEADING EUROPEAN FOOD RETAILERS**

In the light of prevailing CSR studies in the UK market, the aim of the explorative research was to identify how leading European food retailers<sup>24</sup> are reporting their CSR. The European region, which is in the focus of this analysis, with 90 companies, accounted for the largest share of the world's Top 250 retailers in 2013.<sup>25</sup> European retailers (*Table 1*) are, by far, the most globally

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<sup>22</sup> Jones, P., Hillier, D., Comfort, D., In the Public Eye: Sustainability and the UK's Leading Retailers, *Journal of Public Affairs*, Vol 13 (1) 2013, pp. 33-40.

<sup>23</sup> Jones, P., Comfort, D., Hillier, D., Marketing and corporate social responsibility within food stores, *British Food Journal*, Vol 109 (8), 2007, pp. 582-593.

<sup>24</sup> according to: Deloitte, Global powers of Retailing 2015: Embracing innovation, available at <<http://www2.deloitte.com/content/dam/Deloitte/global/Documents/Consumer-Business/gx-cb-global-powers-of-retailing.pdf>>

<sup>25</sup> Deloitte, Global powers of Retailing 2015: Embracing innovation, available at <<http://www2.deloitte.com/content/dam/Deloitte/global/Documents/Consumer-Business/gx-cb-global-powers-of-retailing.pdf>>, p. 28, last accessed on 15/05/2015.

active – especially those based in Germany and France where revenue from foreign operations exceeds 40 percent.<sup>26</sup> *Carrefour* slipped into the top spot as Europe’s largest retailer in 2013, marginally ahead of *Schwarz* and *Tesco*. *Schwarz* moved to the second place from third in 2012. *Tesco*, which had been the top-ranked retailer in 2012, fell to number three.

**Table 1. Leading European food retailers**

| Rank | Company                          | Country of origin | Number of countries in which they operate | 2013 retail revenue (US\$ mil) | 2013 retail revenue growth |
|------|----------------------------------|-------------------|---|--------------------------------|----------------------------|
| 1    | Carrefour S.A.                   | France            | 33  | \$98,688                       | -2.4%                      |
| 2    | Schwarz Unternehmens Treuhand KG | Germany           | 26  | \$98,662 <sup>e</sup>          | 9.5%                       |
| 3    | Tesco PLC                        | U.K.              | 13  | \$98,631                       | -2.0%                      |
| 4    | Metro Ag <sup>1</sup>            | Germany           | 32  | \$86,393 <sup>e</sup>          | -2.5%                      |
| 5    | Aldi Einkauf GmbH                | Germany           | 17  | \$81,090 <sup>e</sup>          | 4.7%                       |
| 6    | Casino Guichard-Perrachon S.A.   | France            | 29  | \$63,468**                     | 15.1%                      |
| 7    | Groupe Auchan SA                 | France            | 13  | \$62,444                       | 2.4%                       |
| 8    | Edeka Zentrale AG & Co. KG       | Germany           | 1   | \$59,704**                     | 3.3%                       |
| 9    | Rewe Combine                     | Germany           | 11  | \$51,109**                     | 1.0%                       |
| 10   | Centres Distributeurs E. Leclerc | France            | 7   | \$47,671 <sup>e**</sup>        | 4.1%                       |

**Notes:**

<sup>1</sup> *Metro* changed its fiscal year from end December to end of September. Fiscal 2013 revenue reported here includes the 9 months ended 30 September plus the 3 months ended 31 December; *e*=estimate;

\*\* revenue includes wholesale and retail sales

Source: *Deloitte* (2015), p. 30

In order to obtain an initial state of the extent to which leading European food retailers report on the CSR issues, the leading European food retailers, ranked by region (Europe) were selected for study. All companies state that

<sup>26</sup> Deloitte, *Global powers of Retailing 2015: Embracing innovation*, available at <<http://www2.deloitte.com/content/dam/Deloitte/global/Documents/Consumer-Business/gx-cb-global-powers-of-retailing.pdf>>, p. 29, last accessed on 15/05/2015.

CSR is part of their strategic orientation and that it is integrated into their business activities. Further on, all European retailers are aware of their role in the community in which they operate and report various forms of the responsible business activities in which they want to encourage the development of the society. In order to do so, retailers issue comprehensive annual reports to inform stakeholders on all activities undertaken and the progress made in comparison with previous periods, in the areas of CSR that are considered relevant and through which they achieve the mission and vision of the company. Below is a brief overview of statements and activities of leading European food retailers: *Carrefour S.A.*, *Schwarz Unternehmens Treuhand KG*, *Tesco PLC*, *Metro AG*, *Aldi Einkauf GmbH*, *Casino Guichard-Perrachon S.A.*, *Groupe Auchan SA*, *Edeka Zentrale AG & Co. KG*, *Rewe Combine* as stated in their CSR reports. *Centres Distributeurs E. Leclerc* was omitted from study due to the language barrier.

**CARREFOUR S.A.** is the leading retailer in Europe and the second-largest retailer in the world, employing more than 380.000 people in more than 10.800 stores in 34 countries, which generates more than 53% of its sales outside France.<sup>27</sup> *Carrefour* has submitted a comprehensive annual report *Working for you*<sup>28</sup> on its activities in the areas of CSR that have permeated through four sections: *Our stores*, *Our products*, *Our employees & Our performance*. Through the first section, the Group commits to reduce the environmental impact of the retail business. Company emphasizes significant importance that they give to the introduction and implementation of initiatives that help to protect the environment and combat the climate changes, with the tendency to develop stores that use less energy, water, and generate less waste and carbon dioxide emissions. To achieve this objective, the Group designs stores that save energy, experiments with new technologies, shares best practices with other retail players and aims to enhance awareness of employees and customers toward the more sustainable consumption. In the area of product as its priorities Group states quality assurance of products, increase in supply, promotion of sustainable sourcing, guarantees the best price, and encourages local production. The Group points out that in addition they help their suppliers to align their operations with the sustainable development. Also, they are emphasizing, that for many years they are trying to optimize the global strategy of responsible sourcing in order to reduce their impact on the ecosystem and the biodiversity, and increase the economic viability of their business.

Regardless in which part of the world Group operates, the Group and its em-

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<sup>27</sup> < <http://www.carrefour.com/content/presentation-group-0>>, last accessed on 15/05/2015.

<sup>28</sup> <[http://www.carrefour.com/sites/default/files/ESSENTIEL\\_CARREFOUR\\_GB\\_BD.pdf](http://www.carrefour.com/sites/default/files/ESSENTIEL_CARREFOUR_GB_BD.pdf)>, last accessed on 15/05/2015.

ployees are committed to solidarity and CSR in the local communities. The Group's priority is to develop the retail spirit and sense of initiative of its people; to guarantee the transfer of knowledge and to prepare the future management; to encourage and develop a sense for fair and responsible trade; to enable stores to the satisfaction of its employees, and to encourage the professional development of its employees. The last part of the report comprises the financial review, and the review and comparison with the activities of the previous years in the field of CSR, as well as the changes that the Group has achieved in the aforementioned categories (products, human resources, environment) in which the Group has focused on carrying out their socially responsible policies.

**SCHWARZ UNTERNEHMENS TREUHAND AG** (*Lidl* and *Kaufland*) do not publish the public statements on sustainable development nor the CSR. However, on the group members' website, there is a section in which the companies state their responsibilities, particularly in the area of community involvement. Summarized annual review and CSR assessment are not published online.

**TESCO PLC** is British retailer with over 500.000 employees, serving millions of customers a week in their stores and online.<sup>29</sup> In the report on CSR called '*Tesco-what matters now: using our scale for good*' company emphasizes its role in society as an extension to the main purpose of the business. Report elaborates three main ambitions of the company which are related to *the creation of opportunities, the improvement of health and to the reduction of food waste*. In addition, the main areas in which the company is focused on are the implementation of the CSR in responsible trade, which is reflected in product safety and quality, fair and accurate price, data protection, followed by the reduction of environmental impact through energy management system, as well as being a good employer. The foundations of CSR are helping the local community by supporting various charities and collecting food for those in need. The report contains also information about *Tesco's* performance metrics, the activities and changes that they have achieved, and performance indicators<sup>30</sup>.

**METRO AG**, German retailer, states its commitment to the CSR in the *Corporate Responsibility Report 2013/14*<sup>31</sup> of 64 pages, in which company emphasizes *METRO GROUP's* sustainability vision – '*We offer quality of life*'. Main spheres of action are seen in the whole of the supply chain - from *procurement, production and processing, transport, warehousing and stores*,

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<sup>29</sup> <<http://www.tescopl.com/index.asp?pageid=71>>, last accessed on 15/05/2015.

<sup>30</sup> <<http://www.tescopl.com/index.asp?pageid=71>>, last accessed on 15/05/2015.

<sup>31</sup> <[http://reports.metrogroup.de/2013-2014/corporate-responsibility-report/servicepages/downloads/files/entire\\_metrogroup\\_crr14.pdf](http://reports.metrogroup.de/2013-2014/corporate-responsibility-report/servicepages/downloads/files/entire_metrogroup_crr14.pdf)>, last accessed on 15/05/2015.

customer, waste disposal, to the social commitment. The report is prepared in accordance with the guidelines of the *Global Reporting Initiative (Gri G3.1)*. They state that they were making important progress on the sustainability front in the financial year 2013/14, which was also confirmed in 2014, when Metro GROUP was listed on the *Dow Jones Sustainability World and Europe Indices (DJSI)* as well as the *FTSE4Good Global and Europe Indices*. Within these areas, the company states management approach as well as different projects and concrete measures to be used, if necessary, to check and adjust its performance.

In the area of supply chain management, focus is placed on accountability along the entire supply chain - starting from the raw materials and the selection of farmers and manufacturers, followed by transport and storage, through to the distribution to final consumers. In addition, special attention is placed on ensuring satisfactory working conditions of employees and collaboration with suppliers. The measures and projects undertaken in the supply chain framework relate to sustainable procurement, fair working conditions, effective sales structure, transparency in the supply chain, legislative support, responsible consumption and sustainable textiles.

**ALDI** – similar like with members of the *Schwarz group*, annual report on CSR from this discount retailer is not available on the company's web page. However, the English subsidiary has published on its web page *Corporate Responsibility*<sup>32</sup> declaration. With the introduction of the *Corporate Responsibility Policy (CR Policy)*<sup>33</sup>, with the statement '*Responsibility is our response*', company has made responsibility an integral part of its corporate decision making process. The *CR Policy* is a set of activities directed towards *consumers, suppliers, resources for products, operations and people*.

**CASINO GUICHARD-PERRACHON S.A.**, a long-standing player in the French retail market has motto '*Nourishing a world of diversity*'. From the last available *Annual and corporate social responsibility performance report*<sup>34</sup>, it is evident that *Casino Group's* CSR policy is structured around five major themes; *committed employer, responsible retailer, trusted partner, engaged local corporate citizen* and a Group that is *environmentally proactive*. The Group has been selected for inclusion in the *Dow Jones Sustainability Index (DJSI) World and Europe*, two of the benchmark indices with regard to

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<sup>32</sup> <<https://corporate.aldi.co.uk/en/responsibility/corporate-responsibility/>>, last accessed on 15/05/2015.

<sup>33</sup> <[https://corporate.aldi.co.uk/fileadmin/fm-dam/Corporate\\_Responsibility/Landing\\_Page/ALDI\\_CR\\_Policy.pdf](https://corporate.aldi.co.uk/fileadmin/fm-dam/Corporate_Responsibility/Landing_Page/ALDI_CR_Policy.pdf)>, last accessed on 15/05/2015.

<sup>34</sup> <<http://www.groupe-casino.fr/IMG/pdf/RA2013-EN.pdf>>, last accessed on 15/05/2015.

CSR. This distinction is a strong acknowledgement of the Group's CSR policy, which has also been recognized through the inclusion in other indices as well, such as: *FTSE4Good*, *Vigeo Eurozone 120*, *EPCI* and *Ethibel*. However, after detailed analysis of the report, it can be concluded that the retailer puts emphasis on key CSR performance indicators, among which the reduction of greenhouse-gas emissions and the promotion of responsible consumption are in main focus of the report, just after the committed employer. In their report, the Group states objectives, scope, target dates, status and principal accomplishments.

**GROUPE AUCHAN S.A.**, a French retailer, states its CSR activities in *The Responsible Discounter*<sup>35</sup> report, with which they declare their responsible discount' approach. This approach is focused towards the strategy, consumption, internationalization, innovation, stakes and finance. Special part of the report is dedicated to the explanation of the CSR methodology. In 2011 the Group became the member of the *Global Compact*. In their report, they emphasize the sharing of the CSR information as a company priority, by developing responsible product ranges, encouraging supply traceability and helping customers to eat healthier, and offering more and more eco-friendly products. They combine environmental levers together with discount retailing, through the usage of green energy, efficient usage of raw materials, eco-friendliness of the in-store and around the store.

**EDEKA ZENTRALE AG & CO. KG**, a German retailer publishes its CSR report as part of its financial report. As food retailer they consider that it is of utmost importance to advocate for sustainable food production along the entire value chain. In order to be able to follow this process, the cooperation with the *WWF*<sup>36</sup> was established. WWF suggest ideas and regulates intervals, as well as they examine the progress in a separate progress report. Environmental liability of the company not only covers the product assortment, but also the environmental impact of in-store and warehouse activities, as well as other logistics processes at all supply chain level. The primary focus is put on the reduction of power consumption, usage of natural refrigerants, raw materials as well as low-energy construction methods. Social engagement of the company can be seen through nutrition consultation and help in different social initiatives.

**REWE GROUP** is one of the leading trade and tourism groups not only in Germany, but in Europe as well. With the number of 330.000 employees,

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<sup>35</sup> <<http://www.lebensmittelzeitung.net/unternehmen/pages/pdfs/1/2221-gb.pdf>>, last accessed on 15/05/2015.

<sup>36</sup> World Wide Found for Nature

working in 12 European countries, in 15.000 stores last year they have generated a turnover of more than 51 billion Euros.<sup>37</sup> They are an award winning company for their commitment to sustainability (*a role model supermarket, CSR Award for PRO Planet, 2014-ECR Award*). The four sustainability pillars of the Rewe Group are *green products; employees; energy, climate and the environment and social involvement*<sup>38</sup>. Each of these pillars is elaborated on into more details on the company's web page with the focus on sustainable products, encouraging satisfaction, motivation and productivity of their employees, explaining activities for protection of the environment, supporting and sponsoring charitable products.

#### 4. CONCLUSION

Due to the growing stakeholder pressures, retailers communicate more and more not only through their internal CSR practices, but also the external ones, through the whole of the supply chain as well. The aim of this research was to explore the ways in which the leading European food retailers consider and communicate CSR. Based on the literature review, as well as on the explorative analysis of their CSR and annual reports, it could be concluded that the retailers focus more and more on the whole chain of values, as well as measuring their performance and adjusting it according to the targets set for specific supply chain activities. In the future we can expect even bigger focus on the performance measures in the CSR reporting, with even more significant shift from the company (retail) to the whole food supply chain.

#### LITERATURE

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<sup>37</sup> <<http://www.rewe-group.com/en/unternehmen>>, last accessed on 15/05/2015.

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