

This is an abbreviated version of the supermarkets article published in November/December issue of Ethical Consumer magazine. A back issue containing the complete article including full ethical rating of all the supermarkets, plus three other reports costs £3.75 from www.ethicalconsumer.org or call 0161 226 2929

Stopping the one-stop

Can we differentiate between the supermarkets or are they all as bad as each other? **Ruth Rosselson** investigates

Once upon a time, the British public used to shop on foot at their local high street, buying individual products from different retailers - bread from the bakery, meat from the local butcher, fruit and vegetables from the grocer and screws from the hardware store. Those days are long gone. In our modern, time-pressured, car-fuelled society we have wholeheartedly embraced the once-a-week one-stop shop ethos of the supermarket. As a result, we're losing the option of shopping at small, local, specialist shops. In the past fifty years the 'independents and others' sector has fallen from half of the market to under 15%. In 2004, we lost around 2,157 independent shops which either went bust or were taken over by a larger company. Four giants dominate the market - Tesco, Asda, Sainsbury's and Morrisons who take 75% of the market share. Tesco takes £1 for every £3 spent in the UK and recently announced record profits, while Asda Walmart has grown to be the world's largest company by turnover.

Does big mean better?

There are plenty of arguments in favour of shunning supermarkets. However, as many people can't avoid some supermarket shopping, we need to ask ourselves whether we can meaningfully differentiate between them? This is the difficult question that Ethical Consumer was faced with when researching this report.

We started by asking to see policy

documents in the usual areas we research: Environment reports, workers' rights and animal testing. We also asked for policies across a range of other areas. These were: fish sourcing, organic foods, animal welfare, local produce, fairtrade products, wood and paper sourcing, chemicals and pesticides. Where they did not reply, we searched their websites to see whether this information was publically available. We then rated the policies below:

Environment

Given the environmental impact of the sector, you'd think that the supermarkets would be taking environmental issues seriously, setting reduction targets for performance and producing comprehensive, publically available environmental reports. Not so, unfortunately, as we discovered when we looked at the environmental reports. Since we last covered supermarkets two years ago, not only has there been no improvement in this area, things have actually deteriorated. Two of the three companies who received a best rating last time (Sainsbury & the Co-op) no longer qualify for our top rating. Sainsbury's report was not independently rated this time and the Co-op omitted to include targets for future performance. A pretty poor state of affairs. Only two supermarkets received a best rating - Musgrave group, owners of Budgens and Londis, - and Marks & Spencer. We received no reports (and none were publically available on websites) from Aldi,

Booths, Costcutter, Budgens, Farmfoods, Iceland, Lidl and Netto supermarkets. Tesco's glossy report received a middle rating as it was not independently verified and although Waitrose sent us a report, it was not comprehensive enough to receive a middle rating. Somerfield appeared to have set itself future targets but as these were not publically available, we were unable to give it anything higher than the worst rating. Given the issues raised by Friends of the Earth, ECRA would like to see supermarkets take this area a lot more seriously, setting targets for all areas of their business, including energy use, waste generation, transport, imports by air and packaging used.

Genetic engineering

Most of the supermarkets now have clear policies banning the use of GM ingredients from own-brand products, largely as a result of public pressure.² Although it might

Supermarket policy ratings

Companies received 1/2 a mark for a poor policy, 1 mark for a good one and 0 marks for no policy. Maximum marks available 8.

| | |
|-----------------|-----|
| Co-op | 4.5 |
| Marks & Spencer | 4.5 |
| Waitrose | 3.5 |
| Somerfield | 3 |
| Sainsbury's | 3 |
| Tesco | 2.5 |
| Morrisons | 1.5 |
| Asda | 1 |
| Netto | 1 |

Bottom scoring - 0 due to no response and no publically available information

• Aldi • Booths • Budgens
• Costcutter • Farmfoods • Iceland
• Kwik Save • Lidl • Londis



The way we rate companies on our tables has always struggled to give a good picture of the best and worst supermarkets because they are so different to other types of company. Consequently, the supermarkets that have the highest

ethicscore are not those which have the best policies or best practice regarding the ethical issues flagged up in this report. Recommended for taking the ethical issues more seriously than others are **Marks & Spencer** and **Waitrose** for the large stores. **The Co-op** is the best buy for smaller stores.

appear that the GM war has been won, this is far from the case. Clare Oxborrow from Friends of the Earth warns that large amounts of GM products such as soya are still being imported into the UK to be used in animal feed. Supermarkets are able to sell the animal products from animals fed on a GM diet because they don't have to be labelled, making it difficult for consumers to avoid. Oxborrow warns that the repercussions of ignoring GM animal feed could be disastrous in the long term. "If we don't get our act together now, it will threaten the availability of non-GM ingredients for food - such as soya lecithin and soya oils" she warns. Oxborrow says that despite the supermarkets' protestations, it is possible to obtain GM-free animal feed. Although most of the major supermarkets claim to be 'working towards' eliminating meat from animals fed on a GM diet, most have yet to make good on these commitments according to Oxborrow.² "Consumers need to start demanding GM-free animal products now."²

A read-through of company policies has found that not one of the supermarkets can guarantee that all of its meat and dairy is GM free. The supermarket performing best on this issue is M&S which guarantees that its milk, fresh meat and eggs all come from animals not fed on a GM diet.⁴ However, this does not extend to other dairy products, cheese and other processed food. Sainsbury's currently offers milk from animals not fed on GM food, but it's only a niche product. For this reason, all the companies receive a small circle on the table in the genetic engineering column. Those that received a full mark do so because, in addition to not guaranteeing meat products from animals fed on a GM-free diet, they have been found to sell other products containing GM ingredients.

Chemicals

As well as pesticides, campaigners are also concerned about the use of potentially damaging chemicals in everything from plastic packaging to children's toys. These chemicals can 'bio-accumulate' in our bodies or potentially harm our hormone systems. Chemicals such as PVC, artificial musks, triclosan, brominated flame retardants and bisphenol A are among those which campaigners say that retailers and manufacturers should monitor and reduce. Friends of the Earth's "Safer Chemicals Campaign" asks retailers to sign their Risky Chemicals pledge and, as part of this, produce a strategy to identify which own-branded products contain the chemicals along with a timeline to phase out the chemicals. Signatories so far include: Co-op, Marks & Spencer, Sainsbury's, Kwik Save and Somerfield.⁴ When Friends of the

Earth last performed a league table on these issues, Marks & Spencer performed best of the supermarkets, with the Co-op next best. Further behind were Safeway, Somerfield and Waitrose. Tesco only gave very limited information and Morrisons and Sainsbury's did not reply.⁵

Trees

As well as using paper in packaging, supermarkets sell a range of wooden items from spatulas to garden furniture. Given the rate of deforestation worldwide, it is important that these products are sourced from sustainably managed sources and carry Forestry Stewardship Commission (FSC) or similar certification. Without such guarantees, it's possible that the wood could have been sourced from illegally logged or old growth forests. In 2003, Tesco admitted to having sold garden chairs and tables made from hardwoods from the Indonesian rainforest.⁶ This resulted in it being expelled from the WWF 95 group, a collaboration between retailers and WWF to ensure that their timber and paper supplies come from well managed forests, and don't contribute to forest destruction and illegal logging practices.⁷ Members of the WWF-UK FTN are required to:

- operate a responsible purchasing policy for timber and paper;
- submit an annual Action Plan showing how their policy will be implemented;
- report to the WWF-UK FTN manager annually
- agree to follow the WWF-UK FTN Communication Code of Practice and not make any misleading or unsubstantiated claims about the forest products they sell. Of the supermarkets, the Co-op, Marks & Spencer and Sainsbury's are signatories.⁷

We asked all the supermarkets for their policy on sourcing paper and wood. We received a policy from Marks & Spencer, vague statements from Sainsbury and Tesco and a brief statement from Waitrose.

Animals

Welfare

Most of the major supermarkets address animal welfare issues by pointing to the certification of their products under Farm Assurance Schemes. However, in 2002, Compassion in World Farming concluded that most of the standards set by the main Farm Assurance Schemes fell short of offering high standards of animal welfare.¹⁰ The highest standards of animal welfare, it said, were the organic standards laid out by the Soil Association. Poor welfare systems permitted under the various Farm Assurance Schemes included: the use of

farrowing crates for breeding pigs which meant that mothering sows could not turn round, battery cages for laying hens, tail docking of pigs or debeaking of chickens.¹⁰ Most supermarkets have improved in animal welfare commitments, say CiWF, though further improvements still need to be made. Performing better in this area are Waitrose and M&S which both refuse eggs from caged hens, and the Co-op which is also phasing these out.¹¹

People

Workers' rights

As ever, we asked the supermarkets to provide us with their code of conduct for workers' rights at supplier companies. Those that received best ratings from us were Co-op and Waitrose. As supermarkets have branched out into stocking a range of own branded non-food products, especially cheap clothing, the issue of workers' rights abuses overseas is particularly pertinent. Wal-Mart is almost constantly under the spotlight for workers' rights abuses overseas as well as in the UK and US. Wal-Mart's website also states that it does not believe in unionisation (known as 'third party representation') and this stance has begun to filter down to the UK. Author William Young claims that the GMB union has seen its position threatened by "supermarkets' reluctance to publicise its existence" and that the position of unions in supermarkets is already precarious and that "others will follow where one leads".¹⁴ Ethical Consumer's Corporate Critic database contains a plethora of criticisms of Wal-Mart's treatments of workers including child labour offences, victimising safety whistleblowers, racial discrimination, excessive working hours in China and wages well below the minimum wage. Tesco has similarly been criticised for a range of workers' rights abuses from paying poverty wages to poor working conditions in farms in South Africa and for garment workers in China.

Suppliers' rights

It isn't just overseas workers that bear the brunt of the supermarket drive for lower costs and higher profit margins. In an effort to cut costs and maximise profits, supermarkets require suppliers to enter into 'reverse' auctions until they get the lowest price for their goods. The company with the greatest market share and greatest profits - Tesco - has been found to pay suppliers the lowest prices.

The result of such policies has had a devastating impact on the UK farming industry with growers leaving the industry

What we would like to see

Policies on:

- Fish sourcing: With targets set for percentage of fish from sustainable sources - ideally 100%.
- Fairtrade policies: Given the large volume of sales from own-brand products, we would like to see more supermarkets producing OWN BRAND fairtrade products, with an ultimate target of 100% fairtrade products wherever the scheme is applicable.
- Animal welfare: Given that many animal welfare schemes are still subject to criticism, we would like to see supermarkets pledge to go over and above 'legal minimums' and 'farm assurance schemes'. This could involve set targets for the sourcing of organically farmed meat.
- Local produce: Most supermarkets give a 'nod' to sourcing local and regional food but thus far Waitrose and Booths are the only ones to show a dedicated commitment to these issues. We would like to see targets set for sourcing local and regional foods. This would compromise the homogeneity of supermarkets but benefit local farmers. Vicky Hird argues that there is a lot of marketing puffery generated by supermarkets about sourcing local, but to date it's mostly 'hype'. "They'll do a few high profile promotions of local food but, in the main, food is trucked, transported, shipped and flown large distances".³
- Organic foods: Pledging to stock organics is a start, but we would like to see supermarkets set targets for stocking of organic foods, preferably British-grown and in season, and to support organic farming bills. A recent Soil Association survey found many organic products had been sourced from overseas and called for supermarkets to stock more British grown organic products. Its survey found that, although Tesco sold more organic food than any other shop, it also imported more organic beef than any other supermarket.¹⁶
- Chemicals: Join FOE's Risky Chemicals pledge and set targets for the removal of the chemicals of concern.
- Pesticides Follow campaigners' recommendations with set targets for reducing of pesticide use, eliminating problem chemicals and publishing residue testing results.
- Wood and paper: Set targets for the sourcing of wood and paper with an ultimate target of 100% FSC or similar certified products. This should extend to all paper packaging as well as products on sale.
- Own Brands: Given that own-brand sales are a significant portion of supermarket profits, we would like to see supermarkets disclose who manufactures their own-brand products to allow supply chain scrutiny by public interest groups. Currently the only supermarket with a transparent own-brand policy is the Co-op.

"never to return, because there is so little margin in it".¹⁴ Farmers are "working a 70-hour week for the equivalent of 70p an hour".¹⁴ Friends of the Earth claims that Tesco makes more profit in less than five minutes than the average UK farm makes in a year.¹⁵

There are plenty of complaints by suppliers about supermarkets' bullying practices, forcing them to lower prices and enter into promotions against their will. However, most suppliers are afraid to speak out because of the potential repercussions to their business. "If I leaked to supermarkets, I would be delisted and so forced out of business" said one supplier.¹⁴ Another supplier giving evidence to the Competition Commission said "It would be commercial suicide for any supplier to give a true and honest account of all aspects of relationships with retailers".¹⁴

Reduce your impact

There are a wealth of small, independent 'ethical' alternatives. Organic box schemes are a great way to buy fresh, locally grown organic produce without having to resort to supermarket shopping. For the computer literate, there are an ever increasing number of websites offering the opportunity to do your shopping from the comfort of your home computer. Farmers' markets are also

a good alternative and are increasing in number around the country. Vicky Hird urges consumers shopping in supermarkets to ask questions and buy ethical produce whenever possible. In addition, she says that you should avoid air freighted food, buy seasonal and look at recipes and ingredients that allow you to do that. "Avoid processed food" she continues "because it is a huge chunk of energy use and CO2 emissions". In addition, you could:

- Look out for and buy fish certified with Marine Stewardship Council logo
- Buy seasonal, locally produced food
- Choose products that clock up the fewest food miles
- Take your own bag and say no to additional plastic bags
- Buy fairtrade
- Wash your own salad and vegetables.
- Avoid over-packaged products



1 Friends of the Earth Briefing - Checking out the Environment? June 2005 Environmental Impacts of Supermarkets **2** Conversation with Clare Oxborrow of Friends of the Earth, 14/9/05 **3** Friends of the Earth briefing "Pesticides in Supermarket food", July 2004 **4** www.foe.co.uk/campaigns/safer_chemicals/success_stories/retailer_action_risky_chemicals.html **5** www.foe.co.uk/campaigns/safer_chemicals/news/league_table2004.html **6** Friends of the Earth press release, July 14th 2003 "Tesco sells garden furniture made from illegal Indonesian timber" **7** www.wwf.org.uk/ftn/current_members_page: www.wwf.org.uk/ftn/members.asp visited September 2005 **10** Supermarkets & Farm Animal Welfare, Raising the Standard, Compassion in World Farming 2004 **11** Conversation with CiwF 15/9/05 **14** Sold Out, the true cost of supermarket shopping, William Young 2004 **15** Friends of the Earth press release 19/9/05 **16** Soil Association supermarket survey, Spring 2005 **17** The Tesco Takeover, Friends of the Earth briefing June 2005 **18** Farm Animal Voice, June 2002 **19** Co-operative Group Corporate Responsibility Report, 2003 **20** Co-operative Bank's Financial Statements, 2003 **21** Baby Milk Action Update, September 2004, **22** Food Magazine, October/December 2004 **23** The Ecologist, March 2003 **24** Red Pepper, March 2005 **25** Corporate Watch, February 2005 **26** BIG Campaign website, www.bigcampaign.org 23/2/05 **27** Somerfield Plc Health & Safety - Annual Report 2002/2003, **28** Food Magazine, Jan/March 2005

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