

# CORPORATE SOCIAL RESPONSIBILITY PRACTICES IN THE RETAIL SECTOR: A MULTIPLE CASE STUDY ANALYSIS OF US RETAILERS

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## ***Abstract***

*Over the last few years, Corporate Social Responsibility (CSR) has become a central theme in corporate management and is a relevant element of competitiveness for businesses. However, it is difficult to find a sustainable business model that fits perfectly to all companies, therefore, the aim of this study is to analyze the social responsibility balances of some of the major American companies in the retail sector through a multiple case study analysis, to verify similarities and differences in their approach to defining a socially responsible strategy. The methodology used is a multiple case study analysis that compares the Social Reports of 5 American companies selected as a sample as they are leaders in the Retail sector, considering the Deloitte rankings. The commitment on the social and environmental front of companies considered is aimed at producing long-term collective benefits and is not reduced to formal and facade interventions adopted in the short term mainly for opportunistic purposes. Sometimes companies consider sustainability as a goal to be achieved, but from the results of the study, analyzing the different time period 2012-2018, it can be seen that it is not an achievable goal, but a prolonged path, during which the company and its stakeholders try to improve each other continuously.*

**Keywords:** Corporate Social Responsibility; Retail sector; US Retailers; Corporate Strategy.

## **1. Introduction**

Both from literature and from field research, it appears that, over the last few years, Corporate Social Responsibility (CSR) has become a central theme in corporate management; it is defined as the commitment of an organization "to behave in an ethically correct way and to contribute to economic development by improving the quality of life of workers and their families, of the local community and of society in a broader sense". The main idea is defined under the concept of "triple bottom line" (Elkington, 1994; Elkington, 2013), that is the pursuit of three types of results: economic, social and environmental decisions (Arrigo, 2005; Książka and Fischbach, 2017).

CSR is therefore a management orientation that goes beyond the respect of regulatory compliance and defines a broader objective function than the simple profit. With CSR, in fact, it is not only property and management that define and compete for the value created by the company, but all the stakeholders that are part of it, that is, all those subjects directly and indirectly involved in the organization's activities. CSR focuses on the composition of the various interests of the multiple stakeholders at the center of the company's objective-function, where the environmental, humanitarian and social dimensions are freed from a historical role of subjection to the objective of profit and, contribute to defining methods and constraints for achieving the most strictly economic results (Popoli, 2011; Kopel, 2021).

According to the literature, a variable that leads companies to consider social issues is competition, which drives companies to differentiate and qualify their offer (Souza-Monteiro and Hooker, 2017). The large multinationals, including the large food chains, were among the first to adopt CSR policies (Gheribi et al., 2017). Developing such a strategy is in fact able to improve the image and reputation of the company by promoting customer loyalty, effectively manage human resources, efficiently use environmental and natural resources, and better manage business risk and relations with financial institutions (Księżak, 2016; Chatzoglou et al., 2017).

In recent years there has been a rapid rise in the global fair trade market but, with reference to the context of large retailers, this is a relatively recent phenomenon. Until the 1980s, eco-friendly, organic products were sold in shops, specific shops or directly by farmers. Starting from the 1990s, these products entered large supermarkets, which were joined by private label products at more competitive prices. It should be stressed that it cannot be spoken of “responsible large-scale distribution” if the entire upstream chain is not like this.

The concept of supply chain sustainability develops alongside that of corporate social responsibility, receiving considerable attention in the industrial world; in fact, an increasing number of companies are implementing annual social reports, sustainability strategies and codes of conduct, deriving from national legislative impositions, international conventions, standards or principles such as: Social Accountability 8000, ISO 14001, Global Reporting Initiative (Jadhav et al., 2019; Andreson et al., 2020; Murmura and Bravi, 2020).

For the application of the sustainable supply chain, a strong integration between the internal and external environment of the company is required, putting into practice mechanisms to increase knowledge. As regards the internal dimension, it includes the training of employees and the sharing of experiences between groups of workers; in the case of the external one, on the other hand, the training of key suppliers and the development of promotion programs through positive incentives (for example long-term contracts and / or large volumes of orders) are considered for all those who implement codes of conduct and periodic review of their performance (Carter and Jennings, 2002; Zaid et al., 2018). As stated by Maloni and Brown (2006), it is not possible to find a sustainable business model that fits perfectly to all companies, but each specific case must be studied. For this reason, the aim of this study is to analyze the social responsibility balances of some of the major American companies in the retail sector through a multiple case study analysis, to verify similarities and differences in their approach to defining a socially responsible strategy, considering the time period 2012-2018 and underling the main improvements of their socially responsible strategy during this period.

## **2. Methodology**

### ***2.1 Sample and data analysis***

The analysis carried out in this study begins with the consultation and extrapolation of data from the "Global Powers of Retailing" world ranking. This ranking is promoted every year by

Deloitte, a consulting and auditing services company, the first in the world in terms of revenues and number of professionals, which identifies the 250 largest retailers in the globe based on data published annually by the companies.

The methodology used is a multiple case study analysis that compares the Social Reports of 5 American companies selected as a sample as they are leaders in the Retail sector, considering the Deloitte rankings. According to Creswell (2013, p. 97), a multiple case study method explores multiple bounded systems (cases) over time, through detailed, in-depth data collection involving multiple sources of information (Creswell, 2013). In this case the time period considered is 2012-2018. The methodology of the multiple case-study chosen is that of a descriptive type, as the research aims to delineate the general and particular features of a given phenomenon (Bertazzaghi et al., 2010).

Companies for this study were originally selected according to the following criteria:

- position: all companies must be located in America;
- industry: all companies must belong to the retail sector;
- relevance: all companies must be present in the Deloitte rankings as leaders in the sector.

The choice to focus on the retail sector is motivated by the fact that it is characterized by the presence of companies that have to deal with a large number of stakeholders and that play a dual role: they constantly communicate with consumers, for whom the information and image of the company are decisive in the choice of products and they act as intermediaries in the supply chain of consumers paying more attention to issues related to corporate social responsibility.

The purpose of this work is to analyze and compare the corporate social responsibility (CSR) policies implemented by American leading companies in the retail sector, in order to understand differences and the possible factors influencing these differences.

For the purposes of the multiple case study analysis, in addition to the documents provided by Deloitte on its website, the public domain data that can be consulted in the relevant CSR reports of the companies selected as a sample were taken into consideration, studied and analyzed. More specifically, with regard to Deloitte's "Global Powers of Retailing 2013 - Retail Beyond", the data refer to the 2011 fiscal year with financial years ending in June 2012; while, for the data taken from the Global Powers of Retailing 2019 report, used for the analysis, refer to the 2017 fiscal year with the end of the financial year in June 2018. The main sources of data for financial and other information used by Deloitte come from annual reports; SEC filing, which is financial statements or other formal documents filed with the United States Security and Exchange Commission (SEC); press releases; information sheets of companies or on company websites. If information issued by companies is not available, other publicly available sources are used, including estimates from trade journals, industry analyst reports, and press interviews.

It should also be noted that the financial information used for each company in a given year is accurate from the date of publication of the financial report. Although a company may have restated the results of the previous year to reflect a change in its activities or as a result of an accounting change, such restatements are not reported in these data. The Deloitte investigation is therefore not an accounting report. Due to these factors, it reflects the dynamics of the market and the impact on the retail trade industry for a given period of time.

The selected sample is shown in Table 1 and it is composed by:

- *Wal-mart Stores, Inc.*, is a US multinational, owner of the Walmart retail chain of the same name, founded by Sam Walton in 1962, in Rogers, Arkansas. It is the largest

chain in the world in the large-scale retail channel. It also owns and operates the retail warehouses of Sam's Club. It has 2.2 million employees and according to Deloitte 2019 data has a turnover of 500.343 billion dollars, currently operates in 29 countries and it has as the largest operating format: Hypermarket / Supercenter / Superstore. Headquarters: Bentonville, Arkansas (US).

- *Costco Wholesale Corporation*, is a large American chain of wholesale hypermarkets founded by James Sinegal and Jeffrey Brotman in 1983 in Kirkland, Washington. It has 225,000 employees and according to Deloitte 2019 data has a turnover of 129.025 billion dollars, currently operates in 12 countries and it has as the largest operating format: Cash & Carry / Warehouse Club. Headquarters: Issaquah, Washington (US).
- *The Kroger Co.*, is a US retail chain founded by Bernard Kroger in 1883 in Cincinnati, Ohio. It has over 450,000 employees and according to Deloitte 2019 data has a turnover of 118.982 billion dollars, currently operates in one country and it has as the largest operating format: Supermarket. Headquarters: Cincinnati, Ohio (US).
- *The Home Depot, Inc.*, is a US retailer of products for home improvement, construction and maintenance. Founded in Atlanta in 1978 by Arthur Blank, Bernard Marcus, Pat Farrah and Ron Brill. It has 400,000 employees and according to Deloitte 2019 data has a turnover of: 100.904 billion dollars, currently operates in 4 countries and as a major operating format: Home Improvement (renovation, improvement and maintenance of houses or apartments). Headquarters: Vinings, Georgia (US).
- *Walgreens Boots Alliance, Inc.*, Named Walgreen Co. until 2013, today it is an American multinational world leader in the distribution of health and wellness products. The new company was founded on December 31, 2014 in Chicago following the acquisition by Walgreens of 55% of the Swiss company Alliance Boots in which it had already entered in 2012, acquiring 45% of the capital. It has 415,000 employees and according to Deloitte 2019 data it has a turnover of 99.115 billion dollars, currently operates in 10 countries and it has as the largest operating format: Drug Store / Pharmacy. Headquarters: Deerfield, Illinois (US).

Table 1 – Sample profile of companies that participated in the analysis (Source: elaboration on Deloitte 2013-2019 data).

Company	Country of origin	Number of employees	FY 2011 Retail Revenue (US\$M)	FY 2017 Retail Revenue (US\$M)	Countries of operation (Deloitte 2013)	Countries of operation (Deloitte 2019)	Dominant operational format
Wal-Mart Stores, Inc.	US	2,200,000	446,950	500,343	28	29	Hypermarket / Supercenter / Superstore
Costco Wholesale Corporation	US	225,000	88,915	129,025	9	12	Cash & Carry / Warehouse Club
The Kroger Co.	US	453,223	90,374	118,982	1	1	Supermarket
The Home Depot, Inc.	US	400,000	70,395	100,904	5	4	Home improvement
Walgreens Boots Alliance, Inc.	US	415,000	72,184	99,115	2	10	Drug store / Pharmacy

### 3. Analysis of the 2012-2018 CSR report

#### 3.2 Company - Internal organization

As for the data reported in the 2012 CSR reports, each of the selected retailers has a set of principles and methods that govern their employees and establish duties, rights and working conditions. Almost all retailers cite compliance with the Universal Declaration of Human Rights which recognizes the inalienable and inviolable rights of all people. Walmart does not refer, in their 2012 social responsibility report, to the protection of workers' rights, but report it on the principles that guide the choice of suppliers.

Overall, it can be said that the common goal of all companies is to create a serene, friendly, stimulating work environment in which employees can grow professionally, develop skills and work peacefully and aspire to leadership positions. The retailers highlight this aspect only in the part relating to the ethical and social characteristics that their suppliers must have, so they implicitly declare themselves opposed to the exploitation of workers and the imposition of unfair working hours. The active participation of employees and their involvement is another very important topic. All companies, with the exception of Costco, and Kroger have in their 2012 CSR report at least one reference to the centrality of their employees and five out of twelve companies periodically submit them to surveys or questionnaires to assess their degree of satisfaction, have opinions and suggestions on the policies to be adopted and, in some cases, involve them in strategic choices. Companies want to create a work environment based on dialogue, participation and sharing. Interaction is also a goal that many companies want to achieve but still have a long way to go. The development of values of respect and protection towards the worker will certainly help to achieve this goal.

Occupational health and safety are a priority for all retailers. In particular, Walmart's safety programs focus on preventing employee and customer injury by having trained safety professionals in every store. Additionally, Walmart creates standards to protect workers who use high-risk chemicals or machinery. These proactive measures go beyond local laws and industry standards and improve employee conditions. Only Costco does not refer to this aspect in its report. Therefore, it is possible to note that the problem of workplace safety and accident prevention is a very relevant topic, close to the heart of companies that want to avoid unpleasant accidents and damage that could affect the corporate image.

Training is a requirement that cannot be missing from any type of company. In fact, all retailers are committed to developing their employees' skills, offering them good career opportunities. In particular, Walmart collaborates with universities and training institutes, developing mentoring programs such as "Mentor Me", designed to help, create and share diverse knowledge, experiences and perspectives.

As for the data reported in the 2018 CSR reports, for all the retailers analyzed, setting the economic well-being of their employees as an objective is a form of investment for an organization, because offering higher wages than the minimum standards guaranteed by the contract allows it to build strong links with the community, build employee loyalty and strengthen the organization. Human resources are an essential asset. Their development represents a fundamental factor for the consolidation of the growth and continuity of retailers. Communication with head office and network employees becomes an increasingly important tool for collaboration and innovation, so much that various reports talk about employee loyalty. In 2018, Costco employees had, on average, nearly nine years of service at the company. Over 60% of US employees have five or more, and over a third have more than ten. Worldwide, they have more than 13,000 employees with more than 25 years of service with Costco.

With 225,000 employees, Costco Wholesale Corporation believes the key to the company's continued success and growth is employee attraction and retention. The overall goal of all

retailers is to promote an attractive, fair and safe work environment and encourage an atmosphere of openness and support with an open-door policy, which allows any employee to discuss a problem with any level of management. Promote diversity, individuality and personal responsibility within the workforce. What changes is the systematic integration of sustainability into personal development programs through seminars and training courses. Also in 2018, most of the retailers analyzed listened to the opinions of their employees through a survey.

For Walmart, employees are also at the heart of the company's business and it engages with them in a variety of ways, including: individual interaction, group meetings, corporate intranet, Facebook Workplace and other social media, in addition to traditional digital communications like e-mail. Walmart uses the feedback it receives from its employees to understand the issues that are of primary importance and tries to respond as effectively as possible. Employees involved are happier and perform at their best.

As a result, they provide better customer service by creating a clean, fast and friendly shopping experience. This is why the world's leading retailer invests \$ 2.7 billion in its staff over two years - in education and training, salaries and programming - ensuring that even more collaborators have clear paths to grow and advance. A diverse leadership team, as well as a diverse board, is a priority for Walmart, which argues that the best place to find strong leaders for the management team is within the company itself.

The health and well-being of its employees, but not only, in 2018, also of its customers, leads to very important reflections for most of the analyzed sample. With this it is appropriate to present the most significant actions implemented by the various retailers.

Among the most important initiatives in the US, Kroger focuses on providing training and equipment suitable for safety, safe working conditions and access to resources to maintain and improve the well-being of members. The company relies on several policies to ensure compliance with relevant OSHA (Professional Safety and Health Administration) requirements. Through clear expectations, routine monitoring, communications and regular engagements, Kroger manages to reduce the number of injuries and accidents that occur in the workplace. Walgreens Boots Alliance is committed to creating and maintaining a safe environment for employees, customers and patients. While it did not map a GRI standard on employee safety in the 2018 report, it is examining the new 403-4 standard "Worker participation and consultation and communication on occupational health and safety" for the 2019 report. The company conducts its global business planning and day-to-day operations with the utmost concern for health and safety management, including through its own retail stores and distribution centers. It constantly strives to expand its robust approach to health and safety and to promote continuous improvements even when they exceed local legislative requirements, including through coordination with the Walgreens Boots Alliance Health, Safety and Environment Committee. Walgreens encourages open dialogue and constructive feedback from all stakeholders to help ensure best practices in health and safety management are implemented in all businesses around the world. It also requires that all divisions, entities, cross functions and business functions have complete formal governance processes in place regarding health and safety in the business operations for which they are responsible. Through training courses and a focus on safety culture, Walgreens achieves reductions in employee and customer incident reductions in retail stores over a four-year period, ending August 31, 2018. In fiscal 2018, Walgreens also records a significant improvement in its minimization of causes and management of risks relating to accidents at work. Walmart associates receive training on a variety of health and safety-related processes.

One example is the "Walmart Compliance Champions," with which the company, through associates chosen by management, promotes compliance and ethics initiatives, including safety.

Additionally, an active continuous improvement team monitors facility compliance with health and safety regulations, as well as other compliance initiatives.

A fundamental tool for developing the skills and abilities of employees is training, which is positioned at the center of the human resources enhancement policies of all retailers. As it has been seen, much of the training is now also provided on the subject of health and safety in the workplace. In addition to the sensitive issue of security, training is also used to achieve: better customer relationships, product knowledge, company operation, hiring positions for new employees and capacity building for digital tools. Different from the past are the modules developed to train employees on CSR, both on social and environmental aspects. Making the staff more and more competent and professional in the management of commercial dialogue is a commitment that all companies undertake towards partners and customers.

Kroger in 2018, updates the curriculum of "Leadership Essential", a training program to better prepare trainees for new positions. This training offers skills development to develop technical knowledge and safety expertise to provide the best customer experience. It offers a comprehensive leadership training and development curriculum, through Kroger University, with two different levels: role-based skills training from new hiring associate to store manager and leadership development from department head to executive.

The Home Depot employs \$ 50 million to train 20,000 merchants by 2028 to help address the shortage of skilled labor. As part of this commitment, in 2017, the THD Foundation collaborated with the Home Builders Institute (HBI) to launch a twelve-week commercial training program for military and veteran members through the support of: e-learning, experiences led by instructors, online resources, executive development and mobile learning.

The common goal of all retailers is to build a learning-rich environment in which employees and leaders are prepared to succeed, motivated to serve customers well and offer opportunities for growth. Development and learning programs expand skills and capabilities so employees can master their roles, which ultimately leads to great customer experiences.

Understanding, respecting and valuing diversity, styles, experiences, identities, ideas and opinions are the basis on which every company, regardless of the sector of origin, must start to offer equal opportunities to its valuable builders, every day. "A truly inclusive workplace culture is one in which every employee feels able to bring their authentic self to work every day." This is where the world leader in the Retail sector, Walmart, starts from to respect the theme of inclusion and equal opportunities.

Unanimously, the analyzed retailers consider diversity and inclusion as a critical success factor as having different talents within their organization is the best way to understand the diversity and expectations of their customers.

At The Home Depot, people from different backgrounds bring different perspectives and ideas to the company and this fosters innovation. The company actively integrates diversity and inclusion into every aspect of the business. The collaborators and suppliers, the selection of products and the services it offers all aim to create a workplace and a company that reflects the community it serves. The Home Depot proudly collaborates with the National Council for Female Entrepreneurship to promote gender equality among suppliers. Finally, the world leader in the distribution of health and wellness products, Walgreens Boots Alliance, argues that diversity and inclusion have a real impact on their brand and it is imperative that marketing and products reflect the diversity of consumers and their needs. Starting in September 2018, Walgreens Boots Alliance implements a diversity and inclusion performance target, which is measured by a number of key factors, including an increase in the representation of women in leadership positions, year-on-year, in all countries in which the company operates and a greater representation of people of color in leadership, year after year, in the United States.

Appreciating the diverse backgrounds, experiences, knowledge and skills of all employees and guaranteeing equal employment opportunities and equal treatment to all individuals is part of the entire sample analyzed today. Decisions within companies are made regardless of gender, race, language, religion, ethnicity, sexual orientation, age, disability. The common goal is to achieve gender equality and offer a wide range of job opportunities for workers of all ages and aspirations, from teenagers looking for their first job to experienced career professionals and seniors who wish to stay active and connected in their community.

Today, making diversity a business asset is part of the corporate strategies of the world's top retailers.

### ***3.2 Company - Family, social and stakeholder context***

The companies are also active in the social context towards the families of their employees through health insurance, subsidized pension schemes, family assistance programs, insurance services and scholarships.

General health insurance and benefits include preventive health checks for workers and their families, free counseling services for heart disease, diabetes, weight problems and nicotine replacement therapy, free preventive care and HIV testing. Walmart is moving in this direction, while no health information is reported by Costco.

The general objective of companies is to guarantee their employees a decent standard of living through satisfactory salaries and benefits, in line with national standards.

Finally, in the reports of almost all the retailers analyzed, the commitment of the companies to create value for the shareholders is mentioned without going into detail. However, most retailers want to emphasize their member discount policy.

Companies have long been aware of the need to ensure a better life and good health for their employees. This is why, in 2018, almost all retailers implement health coverage or additional benefits in all countries in which they operate.

In view of the recurring disengagement of several states regarding the assumption of certain health costs, various entities are organizing themselves to offer quality services (health / wellness) at competitive prices, thus preserving the purchasing power and health of employees.

Costco applies its philosophy of pricing and high standards to an industry where price spreads are the norm, creating an alternative solution for employers, transferring all savings to the company sponsoring the benefit plan. This alternative program is part of Costco's Health Solution offering and is one of the few in the industry to offer this benefit to the end consumer. For each dispensed prescription, the customer pays only the actual cost of the prescription and Costco's only source of revenue is a fixed monthly administration fee. This 100% pass-through model matches Costco's pharmacy management efforts with the employer's need for transparency and savings and eliminates the spread and gameplay found elsewhere in the industry. Companies that participate in the statute of limitations indemnity program typically cut costs by 10 to 25%. Even Kroger, which ranks immediately after Costco in the rankings, is very keen on the physical, economic and financial well-being of its employees. It offers a number of important benefits to help them save money, continue their education, take care of themselves and their families. All this, Kroger is ready to help its collaborators with the Helping Hands fund which, in 2017, provides 2,4 million dollars in financial assistance to over 2,600 employees - a 41% increase over 2016.

As evidence of how much the companies have assumed responsibility for the lives of their employees, it is also appropriate to report the numerous initiatives taken by The Home Depot. In 2018, The Home Depot is launching an updated parental leave policy that provides six weeks of 100% paid leave to all parents, plus an additional six weeks of 100% paid maternity leave to all mothers at the birth of their children.

At Walgreens Boots Alliance, proactively supporting employee health and well-being is also a top priority. They recognize that they have a responsibility to enable their employees to receive high-quality care by providing them with the services, resources and the support they need. As the extent and ways in which healthcare is provided vary significantly by country, Walgreens Boots Alliance manages the healthcare and benefits offered to full-time and part-time employees nationwide. For example, in the United States, home to over 60% of employees, the company offers a comprehensive package of full-time employee benefits that typically includes: full medical and health benefits, employer matching to contributory retirement account defined, leisure and paid vacation, paid disability, employee stock purchase program, life insurance and employee discount. For Walgreens, engaging and collaborating with stakeholders helps address the most relevant sustainability issues. The company regularly consults with its internal and external stakeholders to ask for their feedback on performance in areas where Walgreens has the greatest economic, environmental and social impact. The company proactively involves stakeholders on issues where it believes it can have a significant impact, for example, in the field of health and well-being, as well as on topics in which they are aware of the changing expectations of society. Additionally, it seeks to interact with stakeholders representing a wide range of industries, geographies, organization types and sizes. The issues brought to attention are then forwarded to the CSR committee. In line with the US models just analyzed, is Walmart's experience, which also offers health benefits starting at around \$ 26 per month for full-time and part-time employees who work an average of 30 hours per week for the past 12 months. Like Walgreens, Walmart also offers 401 (k)<sup>1</sup> contributions and provides full-time and part-time hourly U.S. associates with up to 6% match after one year on the job. Members are entitled to contribute to their 401 (k) from the first day of work. Other policies envisaged by the US giant are: Paid Time Off (PTO), Walmart's US PTO policy simplifies paid vacation, sick time, personal time and vacation into a single category; extended parental leave, which covers paid employees in the United States and full-time hourly employees. The company has been listed on Wall Street since 1972, making it inevitable to partner with its shareholders through: formal communications, quarterly earnings materials, Securities and Exchange Commission (SEC) documentation, investor conferences, investment community meetings, the annual shareholder report, the annual proxy statement and other information made available through the website. In addition, there are also shareholder awareness programs, which are conducted throughout the year to discuss corporate governance, executive compensation and other matters relating to Walmart's business strategy. The expansion of the importance of the family, social context and relationships with stakeholders for the entire sample analyzed, means that the gaps identified in the 2012 CSR reports are largely filled and sometimes overcome. In particular, Costco, which in 2012 made no reference to this aspect, today guarantees numerous services within the reach of all its employees with a portfolio of over 1,300 treatment and research centers of its own. Each reality has the primary objective of making its collaborators feel at home while they are in their workstations, guaranteeing healthy and efficient working conditions from the point of view of safety to avoid any type of accident at work. Finally, the detail that is left in the background in the 2012 reports (creating value for shareholders) takes on greater relevance in the 2018 CSR reports, as can be seen more from the experiences of Walmart.

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<sup>1</sup> In the United States, a 401 (k) plan is the defined contribution, tax-qualified retirement account defined in subsection 401 (k) of the Revenue Code.

### ***3.3 Products and assortments - Relations with suppliers and degree of control***

In the 2012 CSR reports, in relations with suppliers, the watchword for retailers is "responsible supply", or rather the imposition of quality and social ethical standards that establish long-term relationships of trust. To this end, retailers have a code of ethics or a detailed list of requirements ranging from respect for human (and, therefore, workers') rights to responsible management of the production chain. Along the supply chain there are four main areas in which responsible management of resources is activated: a) cultivation and production of products; b) logistics; c) site management; d) waste disposal. Suppliers must ensure quality, safe and healthy products and raw materials, minimize the environmental impact both in the production phase and in the transport of goods and in the waste disposal phase. In particular, Costco works to protect fish species and the marine ecosystem.

Suppliers are periodically checked (e.g., on the use of pesticides or substances potentially dangerous to human health) because the nutritional, organoleptic, technological and health quality of the products sold, as well as the reputation and credibility of retailers, depend on them.

Finally, collaborations with local suppliers increased in 2012. This is demonstrated by the presence, on almost all the shelves of the retailers considered, of products from local suppliers. In particular, Walmart and Costco have always prioritized local suppliers for all their products, especially food.

The relationship with suppliers is central to the development strategy of companies, because a relationship based on fairness and reciprocity guarantees higher standards in products and services. And it is precisely the quality of the products that represents the distinctive character, together with the quality of relations and the desire to be part of the social and economic community of the territories in which one is present. It is for this reason that in the 2018 CSR reports of the analyzed dealers, it can be found complete and detailed information regarding the relationships and the degree of control of suppliers. The increasingly stringent regulations in terms of control and selection of the supplier portfolio on the one hand and the preparation by companies of standards that require high levels of efficiency on the other, lead to increasingly accurate decisions and, where necessary, immediately stop any kind of collaboration undertaken.

In 2018, all retailers analyzed have a supplier rating system that is based on a detailed classification matrix on standards, which include: the prohibition of any form of forced or other labor and any form of slavery or trafficking human beings; opposition to discrimination in any form; working hours that do not exceed the applicable legal requirements; the prohibition of child labor; safe and healthy conditions; the prohibition of corruption; freedom of association and recognition of the right to collective bargaining; compliance with applicable laws and regulations on environmental protection; commitment to improve the sustainability of products. This list represents what are the qualified standards of primary importance from the different retailers. Subsequently, other issues and other requirements related to the specific case of the individual retailer and the country in which it operates are then shown.

Costco Wholesale Corporation is committed to protecting the labor rights and safety of the people who manufacture, process or collect the merchandise it sells, recognizing and respecting the cultural and legal differences found around the world. To this end, Costco expects its suppliers and facilities to comply, at a minimum, with all applicable labor, employment, health and safety, environmental laws and regulations of the country in which the merchandise is manufactured. In the absence of applicable laws and regulations, suppliers and facilities must meet the requirements set forth in the Costco Supplier Code of Conduct. This Code of Conduct applies to all suppliers who supply goods to Costco. The company tries to use suppliers who share their commitment and conducts audits of production facilities on its behalf in order to

monitor the commitment of suppliers to the Code. Costco also reserves the right to terminate the relationship with any supplier and / or facility that does not conform to established requirements and standards. Salient points of the code are: antitrust and competition laws; the United States Corrupt Foreign Practices Act; restrictions on insider trading; accounting, financial reporting and internal control rules; laws on health, safety and the environment. Kroger has programs in place to hold its suppliers accountable for compliance with standards through assessments of environmental, social and human rights practices, as well as working to improve the traceability of its brand products. Kroger monitors its supply chain for social and environmental impacts in several ways. Many of the company's commitments and programs are aligned with specific environmental and social certification schemes to provide clarity and credibility. Kroger organizes social compliance audits, designed to verify the alignment of its suppliers with the supplier's Code of Conduct. Suppliers must, upon registration, accept the supplier code of conduct provided by the company to become part of the Kroger supplier hub. The Code informs them that the structures they manage or subcontract may be subject to social compliance audits. Factory visits are guided by Kroger's audit content and conducted by a company-approved third-party audit firm over a five-day audit window. Kroger requires social compliance audits for all own-label products (food and non-food products), for non-branded products (such as bulk products) processed in facilities outside the United States, and for imported domestic brand products. Additionally, Kroger requires all beef, pork, chicken, turkey and egg suppliers to provide evidence of an annual animal welfare audit and they must align with animal welfare standards and be conducted by independent commercial third-party auditing firms.

### ***3.4 Products and assortments – Consumer protection***

Consumer protection by retailers manifests itself in many ways, through the guarantee of hygiene and safety, product labeling, packaging care, the full range of organic products and own brand products.

In addition to having suppliers demonstrate compliance with strict manufacturing standards for food safety, Walmart supports research and develops additional food and raw material safety requirements that are science-based. A front icon to help consumers easily and quickly identify healthier food options. Kroger conducts a food safety check every two months in each of its stores, through external companies, and the results are checked with the same rigor with which the financial ones are checked. Kroger also guarantees security to its customers through its 24/7 service for the removal of "problematic" products from its stores, based on industry and government standards. The company is a leader in this field and is one of the first to create a customer notification service for certain types of product collection (using the database created with the data of loyal customers). Kroger offers thousands of natural, organic and eco-friendly products. Among others, for attention to the protection of animal welfare, it offers free-range eggs, sells only milk from cows not treated with the artificial hormone BST and supports the sustainable food program. In Kroger stores there are pharmacists who provide not only advice on drugs, but also brochures for their disposal. In some points of sale there are "Little Clinics" (medical micro-clinics) with specialized staff ready to help families. Kroger also extends the training to its customers by providing information sheets with advice and general information on food safety at home (how to cook them or at what temperature to keep them).

For retailers, product safety is the first commitment to consumers. At a minimum, all retailers comply with national legislation and safety and hygiene regulations, but established internal regulations often go beyond those required by legislation. In fact, most companies use a special management system that allows them to identify any suspicious products, remove them from sale, and inform customers about the products that need to be returned.

As already mentioned, customer protection is also achieved by creating innovative packaging that is sustainable (for example by reducing or eliminating unnecessary outer envelopes or using recycled materials), easy to use, useful for rapid product recognition, which contains nutritional information and communicates a healthy lifestyle. In this regard, Costco creates sustainable, easily manufactured (or recyclable) and resistant packaging.

As for the results that emerged from the comparison of the data relating to the 2018 CSR reports, the actions that retailers constantly take to ensure full consumer protection are varied.

In particular, Costco, Walgreens, and Walmart have one thing in common, namely the How2Recycle label, a US-based recycling label standardization program. The How2Recycle label identifies each part of the package and how to recycle it for optimal recovery, thus allowing consumers to know where and how to recycle the packaging.

At Walmart, the “Gigaton” project invites suppliers to avoid emissions as well as reduce waste by reducing unnecessary packaging, optimizing packaging materials and increasing reuse and recycling of the same. Walmart is specifically targeting plastics, with extensive waste reduction commitments for its US private brands. In fiscal year 2019, over 800 Walmart private label suppliers subscribe to the How2Recycle label (compared to just 100 in fiscal year 2018) and over 16,000 inventory units receive the label.

Costco, on the other hand, offers sustainable packaging that protects the product, complies with laws and regulations, reduces materials and communicates this effectively. Costco is also looking for opportunities to reuse packaging, identify the materials used so that the packaging can be recycled or composted, and find already recycled content. Costco's innovation in the packaging industry keeps this area in continuous and dynamic improvement. The goal is that all plastic is made from recyclable PET or recycled plastic. It also offers fiber and corrugated packaging, recognizing that there is a limited supply of certified fiber, encourages the use of recycled content whenever possible. Costco offers global packaging by developing, through its purchasing team, a standard packaging format for use in multiple countries. This has the advantage of reducing the amount of packaging waste in the production process and eliminating the costs and packaging cycles of individual countries. In 2018, Costco creates a global recycling banner for these global packaging items to help understand when to recycle them.

The Home Depot packaging team works with private label product suppliers to apply science to creating better packaging. The goal is to reduce the ecological footprint of packages and use more sustainable materials. In 2018, THD redesigned 134 packaging to reduce size and materials. The Home Depot's "Eco Options" program helps customers identify products that have less impact on the environment and encourages suppliers to develop more sustainable offerings. Eco Options was launched in 2007 in partnership with “SCS Global Services”, a leading, independent, third-party certification body that validates environmental claims. Today, Eco Options branded products are over 25,000. In 2017, the chemical strategy was also published for the first time, which represents an important part of the commitment to offer greener products. Strategy that guides the company's efforts to work with suppliers to reduce the impact of chemicals used in products. The publication is a milestone made possible by what the company learns in a decade of attention to sustainability. In 2018, Kroger continues to expand its digital reach and enhance the digital shopping experience to offer customers the products they love, as well as weekly ads, digital coupons, recipes, rewards, smart shopping lists and more. thanks also to the launch of the Kroger mobile app. The collection and delivery coverage area now exceeds 93% of customers. Kroger has long been a leader in customer satisfaction by creating unique and personalized shopping experiences that drive loyalty. Each year, it provides over three billion personalized recommendations through the customer analytics team. Kroger is creating a seamless digital shopping experience for its customers so they can access everything, anytime, anywhere. Kroger offers several options for ordering and

delivery, such as "Kroger pickup" which gives customers the ability to order online and collect in nearly 1,700 stores. Through the partnership with "Instacart", it offers delivery in 2,126 locations. "Kroger Ship", its B2C e-commerce platform, extends reach to even more customers across the country. How it improves health and nutrition is important to Kroger and its stakeholders, so the president of Kroger Pharmacy and The Little Clinic oversees health and nutrition strategies and programs. 18 dieticians on staff and about 60 nutritional technicians in the store promote and develop health and wellness initiatives throughout the company and in stores. Sustainable packaging is a fundamental principle of the zero-waste vision. Following the reduction, reuse and recycling approach, it is working to reduce the environmental impacts of product packaging. Key priorities include reducing unnecessary packaging, increasing the recyclability of packaging and increasing the amount of recycled content and certified fiber, supporting the community in building better infrastructure and offering customers options for recycling. Through its "Zero Hunger / Zero Waste" social impact plan, Kroger is committed to finding innovative solutions to help end hunger and eliminate waste in the communities in which it operates. This is why Kroger is also a U.S. grocery retail partner for Loop, the revolutionary new circular e-commerce platform that is advancing Kroger's zero waste vision by reducing single-use plastics in the environment. Several Kroger plastic packaging items, as well as many other items, are recyclable in plastic film recycling bins located in Kroger store lobbies. Collected items, such as disposable plastic grocery bags and bread bags, are recycled into new items and transformed into composite lumber or hi-tech wood.

### ***3.5 Products and assortments – Communications policies***

With regard to communication policies, the analysis conducted for the 2012 CSR reports highlights a general trend towards a commitment by retailers to carry out their activities towards other economic operators on the market, opposing acts of unfair competition and respecting the national antitrust legislation. Indeed, the analyzed retailers try to sensitize the consumer towards sustainable development by improving their CSR initiatives and policies to improve their image and reputation. Resellers understand that information must be accurate, correct, easily understandable, compliant with misleading advertising law, and communicated clearly and transparently. However, investments in communication and advertising initiatives are quite different.

The Retail sector presents an extremely competitive market, which is constantly changing and materializes with the emergence of large distribution brands, the emergence of new sales channels and the ever-increasing needs of customers. Sales processes become more and more complex and those who work closely with customers must have the tools and information necessary to understand purchasing habits and needs to increase sales opportunities.

In 2018, in the CSR reports of some analyzed companies, no data emerged to the point of being able to define real considerations.

In the last ten years, social media has changed the way in which brands and consumers interact, giving greater importance to consumer opinion, such as to require a customer-oriented approach, and placing ever higher expectations of brands, which must be authentic, respond to consumer concerns and take a stand on issues relevant to social and cultural responsibility. Consumer confidence has become crucial to brand success. Faced with the implementation of new technologies and services to improve the consumer experience, companies must therefore consider being authentic and reliable among their priorities, always having an eye on the security of consumer data. On the other hand, it is not easy for retailers to gain consumer trust in their brand. It is an activity that involves understanding each individual consumer and constantly satisfying their expectations. For example, Kroger uses powerful statistical systems to track consumer behavior trends, which allow it to tailor its digital offers and promotions to

individual shoppers. However, this is not always enough. Transparency as regards suppliers and materials used, reliability, constant quality of products and services and genuine commitment to charitable activities are also fundamental. Attracting consumer confidence is important not only for new brands that are about to be launched, but also for established brands such as the companies in the analyzed sample.

### ***3.6 Social commitment – Charities, community services and educational initiatives***

The social commitment of retailers in local communities is divided into two types of actions: on the one hand there are solidarity and charity initiatives, fundraising and community services and on the other there are educational awareness activities.

Solidarity and charitable initiatives are developed both locally and internationally. In 2012, each of the retailers analyzed creates a foundation that deals with solidarity projects, fundraising or food distribution for people in need. Walmart and Costco donate unsold, near-expiry or damaged packaging products to associations to provide the opportunity to feed families living in poverty. The Walmart Foundation is committed to meeting the needs of under-served populations in the United States and supports organizations that positively impact local communities. Through financial contributions, in-kind donations and volunteer work, Walmart and its associates are committed to operating globally and giving back locally. When natural disasters like hurricanes or earthquakes hit people hard, the Walmart Foundation steps in by donating food and helping rebuild destroyed homes. An increasing number of children from socially disadvantaged or orphaned families are unable to receive toys at Christmas or equipment when they start school. Costco promotes access to medical care for children through United Way and Children's Hospital and works proactively to create local jobs through the Costco Scholarship Fund. Walmart on the other hand, is very committed to food education. With their campaigns they propose a healthy and correct lifestyle, as well as encouraging sporting activity. In addition, among the initiatives to educate the population to respect the environment, the "Water Sense" project activated by The Home Depot, aimed at saving water consumption, should also be mentioned.

In the 2018 CSR reports, the charity and awareness initiatives implemented by retailers have increased considerably, but above all they are largely detailed compared to the past. For people in difficulty, being a responsible business means being close to people not only at the time of purchase, but also in critical situations.

Costco's commitment is to be active in local communities. The company expects 1% of pre-tax profits to be donated to selected charitable contributions focused on children, education, health and human services. In 2018, it continues to contribute over 39 million dollars to the aforementioned organizations, United Way, Costco Scholarship Fund and the new Children's Miracle Network Hospitals. Since 2012, Costco has partnered with New Eyes for the Needy to support its overseas program. Costco ships used glasses and hearing aids to "New Eyes," where they are sorted, tested and repackaged for distribution to those in need around the world. Annual donations are approximately 260,000 used eyeglasses and 1,800 hearing aids. Most often, glasses are the first and only pair of glasses that recipients have ever owned. The World Vision program to donate non-food items to people in need continues to grow and the company donated 41,945 pallets of products in 18 international countries in fiscal year 2018. Additionally, throughout the world, Costco's offices donate edible food items to food banks and other nonprofits in their local communities. In order to further reduce food waste and provide food to the needy in the United States, Costco expands its program with "Feeding America", a non-profit organization based in the United States that works with local food banks to provide food pantries, canteens and shelters for more than 37 million people. The organization leads the nation in the fight against hunger. In fiscal year 2018, Costco donated more than \$ 34.7 million

worth of edible food products in all states in which it operates, which represents approximately 29 million meals for people in need. Also in the 2018 fiscal year, it made cash contributions of \$ 1.75 million. Like Costco, Walmart and Kroger are also part of Feeding America's visionary partners. Walmart and the Walmart Foundation have invested over \$ 100 million in Feeding America since 2005 to provide charitable meals, develop infrastructure, and build essential programs. These investments provide funding for equipment, trucks and logistics expertise to help food banks at the forefront of providing charitable food to extend their reach and impact. Kroger partners with Feeding America to complete the new “Zero Hunger / Zero Waste” plan by 2025. This program addresses a fundamental nonsense in the American food system: about 40% of food produced in the United States is thrown away, yet an out of eight Americans live hunger. As an American grocer, Kroger believes it has the size, scope, experience and dedicated collaborators to address this paradox. Zero Hunger / Zero Waste represents the vision of the company today.

In fiscal year 2018, Walgreens Boots Alliance diverts more than 1.5 million kilograms of products from landfills in the United States by donating them to Feeding America. Donations of unsold or discontinued products that have been screened for safety include food and household items that often cannot be purchased through government assistance programs. The Walgreens Health Analytics research and reporting team collaborates with academic institutions and scientific researchers on numerous studies, with the aim of helping to improve patient care while reducing healthcare costs. Numerous other initiatives are being implemented by the company. Every day, according to a study by the United States Department of Veterans Affairs (VA), about 20 U.S. military veterans die from suicide. Walgreens works with the VA and The Veterans of Foreign Wars of the US (VFW) to reduce this number through community disclosure of service organizations available to veterans. For the eighth consecutive year, in recognition of the US National HIV Testing Day, Walgreens and the Greater Than AIDS public information campaign are teaming up to offer free HIV testing. On June 27, 2018, the test is made available in over 300 Walgreens stores in 180 cities. In recent years, Walgreens has partnered with the Centers for Disease Control and Prevention (CDC) and the National Safety Council (NSC) to help reduce falls for older people. According to the CDC, falls are the leading cause of serious and even fatal injuries among adults aged 65 and over.

As for educational activities to raise awareness in the communities in which the retailers themselves operate, some companies show different types of actions in their 2018 CSR reports, from sports to food, from the environment to food waste.

Finally, Walgreens' experience with Boots Ireland, which participates for the second year in "See Change", an alliance of over one hundred organizations that work together, through the National Stigma Reduction Partnership, to bring about positive changes in attitudes towards of people with mental health difficulties. Stores participate in See Change's “Green Ribbon” campaign, which provides customers with over 45,000 green ribbons to promote conversations and break down mental health stigma. For this partnership, Boots Ireland wins excellence in the Workplace category at the Chambers Ireland 2018 CSR Awards.

### ***3.7 Environmental commitment – Energy saving, emissions, waste and recycling***

To be truly responsible and gain the trust and loyalty of consumers and stakeholders, retailers must also preserve the environment around them. Unlike the previous paragraphs, the analysis of the 2012 CSR reports on environmental commitment, understood in its broadest sense, shows how companies are already particularly active with the various measures taken in the first decade of the 21st century.

Analysis of the 2012 reports shows that companies try to save energy through centralized management systems that automatically adjust heating, air conditioning and lighting according

to needs and monitor consumption, avoiding waste. Another front on which the analyzed retailers are committed is the reduction of pollution due to the transport of goods and separate waste collection through the installation of recycling areas inside the stores. To understand better, let's see individually the Carbon footprint of the retailers analyzed. At Walmart, renewable energy projects provide 1.1 billion kilowatt hours (kWh) per year, or about 4% of the electricity for the company's buildings globally. The grid provides another 18%, for a total of 22% renewable electricity as of 2010. Walmart has 180 renewable energy projects in operation or in development and continues to test solar energy, fuel cells, off-site wind projects and green energy. Walmart focuses on helping suppliers identify and implement packaging solutions to create zero waste and achieve packaging neutrality, where it is recyclable, reusable or renewable. By developing a smaller, reusable package, the supplier is able to ship more products per truck. The Super Sandwich Bale (SSB) program allows the recycling of cardboard, paper, aluminum, plastic bags and other items. Items not suitable for SSB, including wooden, plastic and polystyrene pallets, are sent to return centers for reuse or recycling.

From 2000 to 2012, energy consumption in Kroger stores decreased by 31% thanks to the installation of LED lights, motion sensors for switching on the lights and the use of "natural" light through a system of skylights. Kroger aims at greater efficiency in transport by reducing the so-called "Empty miles" and to eliminate excess waste by increasing recycling efforts. Since 2009, waste has been reduced by 67.4%.

Since 2006, in an effort to clean up the community environments where Walgreen stores operate, Walgreens has partnered with IMAGINiT Technologies to bring solar power systems to two distribution centers and 100 stores. This greatly reduces the amount of electricity supplied by external sources. Distribution centers and facilities in California produce 20 to 50 percent of their electricity from the solar power system. In 2010, Walgreens recycled over 31 million kilograms of cardboard, which is equivalent to the weight of 2,909 school buses. If all of the shrinkage Walgreens recycles were placed in one roll, it would span 30,770 kilometers - more than three-quarters worldwide.

The Home Depot collects and uses recycled materials extensively in its business. It sells Energy Star certified products and products that respect environmental sustainability, with the Eco options brand.

Costco in 2007 created the Corporate Sustainability and Energy Group (CSEG) to evaluate, develop, implement and report on its environmental management efforts. CSEG's mission is to help Costco-branded companies to operate in an environmentally and socially responsible and sustainable way, reduce the use of resources and the generation of company waste. Some of the highlights and ongoing efforts of the CSEG are as follows: 1) Greenhouse Gas Reduction Program. In 2008, Costco completely discontinued the use of hydrochlorofluorocarbon refrigerant in refrigeration systems and air conditioning systems. During 2007, Costco completes a basic inventory of greenhouse gas emissions that meets the standards set by the GHG Corporate Accounting and Reporting Standard. 2) Sustainable construction and renewable energy. The Leadership in Energy and Environmental Design (LEED) organization, the US energy efficiency and ecological footprint classification system of buildings, has a certification program that is nationally accepted as a benchmark for design and the construction of ecological buildings. In addition, the tons of waste that warehouses generate each week in the form of cardboard, plastic, unusable products and other materials, many of which once used are discarded, are now being refurbished into usable products, recycled into biofuels or compost, or used as feed. 4) High energy efficiency products and innovative packaging. Packaging is also more environmentally sustainable. In collaboration with suppliers, it actively pursues opportunities to remove polyvinyl chloride (PVC) plastic from packaging and replace it with recycled or recyclable materials. Likewise, changes in the design of innovative

packaging make it possible to increase the quantity of product on a pallet, resulting in a reduction in delivery trucks on the road. 5) Commuting. Costco encourages employees to carpool or vanpool whenever possible to reduce energy consumption and reduce emissions to the atmosphere.

The analysis for the 2018 CSR reports follows, for convenience, the same sequence just seen. Walmart is the first retailer to announce a scientific goal to reduce greenhouse gases in line with the Paris agreement. The goal is an 18% reduction by 2025 (compared to 2015 levels), through multiple initiatives. These include increasing the energy efficiency of buildings, with the goal of powering 50% of operations with renewable energy by 2025, improving the performance of refrigeration systems and maximizing fleet sustainability. As of 2017, it reduces emissions by 6.1% compared to 2015 levels. In addition, renewable sources provide approximately 28% of global electricity needs; this includes generating over 520 projects in eight countries, 18 US states and Puerto Rico. Based on the pipeline of solar and wind projects, it plans to supply 35% of its electricity from renewable energy sources by 2020. In addition to direct operations, it aims to galvanize transformative action through the “Gigaton” project, a global effort that invites suppliers to join Walmart in its commitment to avoid one billion tons of emissions in collective value chains by 2030. Launched in 2017, the “Gigaton” project engages with suppliers to set goals and pursue initiatives to avoid emissions in any of the six areas where there are opportunities to do so: energy use, sustainable agriculture, waste, deforestation, packaging and product use.

Kroger uses the Environmental Protection Agency (EPA) waste management hierarchy to guide its work. The goal is to move waste management in the hierarchy as much as possible: adopt reduction, reuse and recycling before sending waste to landfill. Tracking, synthesizing and analyzing waste management data is critical to making progress on zero waste goals. Kroger has joined EPA's nationally recognized “WasteWise” program and uses their reporting tool to consistently measure and track progress over time. Kroger focuses on improving energy efficiency in supermarkets with the goal of achieving electricity savings of 40% by 2020. In 2018, Kroger received the "US EPA ENERGY STAR Partner of the Year" award for adopting a continuous energy management strategy across the organization's entire portfolio of buildings and plants. At the end of 2018, 818 stores are certified as Energy Star buildings. The current results are in line with the objectives, as, in 2018 alone, there was an electricity saving of 44.9%. This result saves over two billion kWh in stores. In 2018, Kroger launches construction of the largest solar power plant ever built to date at its 5,000-square-foot Paramount, California distribution center. When fully operational, the array can generate 4.28 million kWh of clean energy annually. Collectively, Kroger's solar and wind plants generate over 14.59 million kWh of renewable energy in 2018. In addition, it also implements two anaerobic digesters that process organic waste and wastewater and produce renewable biogas as a by-product.

Kroger makes significant progress towards the goal of zero food waste. In 2018, it conducts food waste analysis, using the World Resources Institute's Food Loss and Waste Protocol. Thanks to dedicated collaborators, they have managed to reduce the overall production of such waste, greater diversion from landfills and greater recycling. Walgreens invests over \$ 115 million in energy efficiency programs, including projects in approximately 2,500 stores. Walgreens Boots Alliance operations generate nearly 17,000 kWh of electricity through solar panels during fiscal 2018, primarily from solar plants in 240 stores and distribution centers. Walgreens also involves employees, customers and suppliers in reducing energy. One example is Walgreens Boots Alliance's innovative "EnergyCare" program. The program is designed to educate employees about energy waste and encourage an energy-conscious culture. The program helps reduce emissions by encouraging energy targets, investing and implementing energy-efficient technologies and proactive energy supply management, and developing

renewable energy standards. Walgreens continues to actively pursue the Consumer Goods Forum's commitment to the second refrigeration resolution to phase out gases with high global warming potential, allowing all new refrigeration plants to use only natural or ultra-low impact refrigerants by the end of 2025.

The Home Depot uses the GHG Corporate Accounting and Reporting Standard protocol, which is adopted by more than 90% of Fortune Global 500 companies, to calculate tons of greenhouse gas emissions and efforts to reduce them. Continuously review and refine emissions measurements to reflect business changes and improvements in data collection and reporting. Receives an A rating from Carbon Disclosure Project (CDP), reflecting the high level of action on climate change mitigation, adaptation and transparency in 2017. CDP also names The Home Depot as an industry leader (Walmart, which is the retailer par excellence, has a score of A). THD is committed to reducing carbon dioxide emissions by 2.1% per year to achieve a reduction of 39.9% by 2030 and a reduction of 50.4% by 2035. Costco's Business Delivery Fleet extends its internal initiative called "Truck of the Future" aimed at maximizing efficiency in growing delivery fleets. In 2018, Costco successfully field tested a customized vehicle with "Penske Truck Leasing", which improves payload capacity while reducing weight. Costco corporate delivery centers implement procedures to use plug-in ground power, connecting to the grid to allow refrigerated trucks to maintain temperature during loading and storage. This eliminates the previous practice of running the reefer diesel engine, thereby saving fuel and eliminating carbon emissions of more than 70% for every truck using power on the ground. Since 2008, Costco has collaborated with APANA to implement an intelligent water management system. Costco continues to promote operational efficiency by using this program to reduce overall operating costs through the elimination of water waste and the use of sewers. Ultimately, this reduces the associated energy and maintenance costs. Using the "APANA" program, Costco is able to monitor water use in real time, detect inefficient consumption and guide operators to quickly identify and reduce waste. Water management systems are currently installed in all warehouses in North America and Japan. Costco plans to expand these systems to Australia, Asia and Europe. Costco also uses waste to generate energy. Costco currently has 46 locations in the United States that send waste to a waste-to-energy facility. This program represents \$ 43.7 million of post-recycled waste that generates 12,011,368 kWh of renewable energy, enough to power 12,534 homes for one month. Much organic waste (inedible food waste) is now recycled into usable products, such as organic fertilizers, compost, pet food, biofuels and electricity. Additionally, Costco is able to recycle \$ 1.7 million worth of scrap metal, which has returned to local commodity markets to be transformed into something new.

#### 4. Conclusions

The approach to Corporate Social Responsibility has changed considerably over time. Today more than ever, many organizations realize that in order to legitimize their work in the market it is no longer enough to ensure a return only in terms of performance. Consumers and investors are increasingly informed and want companies to take responsibility for the pressure exerted on the planet and its population. On the other hand, the growing technological and digital innovation that has characterized the last few years, especially environmental, green and clean technologies, allow a growing diffusion of sustainable development worldwide. Taking a voluntary path towards Corporate Social Responsibility, also considering the growing increase in the rules drawn up to protect the environment and workers, can allow companies to be ready to face future regulatory tightening and obtain a strong competitive advantage.

The sample analyzed, composed of the 5 main US retailers allows to define what are the CSR actions implemented by some of the largest companies of retail trade in the world. The

commitment on the social and environmental front of companies considered is aimed at producing long-term collective benefits and is not reduced to formal and facade interventions adopted in the short term mainly for opportunistic purposes.

Sometimes companies consider sustainability as a goal to be achieved, but from the results of the study, analyzing the different time period 2012-2018, it can be seen that it is not an achievable goal, but a prolonged path, during which the company and its stakeholders try to improve each other continuously.

The study shows the main CSR policies adopted from the US leaders in the retail sector, and while sometimes results of these policies adoption is tangible, in the majority of times, there is a difficulty in measuring results, since typically the return generated by CSR policies is reputational and therefore intangible. Hence, it would be relevant to develop a complete CSR strategy also to evaluate the perception of its customers. All companies, in interfacing with their interlocutors, adopt behaviors that lead stakeholders to formulate a value judgment. It is dangerous for a company to believe that its actions do not have an impact on its reputation. While in the past, to build trust with consumers it was enough to provide quality products, now companies must consider the aspirations of their customers, since issues such as authenticity, community building and data security have become fundamental pillars of trust. Facing these challenges would ensure consumer trust and therefore the development of a CSR strategy that would allow to maintain a prominent position on the business' reference markets.

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