ENVIRONMENTAL RETAIL INDEX

State of Retail Environmental & Sustainability Programs

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About APTIM

APTIM enhances the quality of the environment, wellbeing of people, resilience of communities, and the opportunity for employees to make a difference, not just a living. A leading professional solutions firm, we specialize in environmental, sustainability, resilience, and infrastructure solutions. APTIM and our legacy companies have been supporting the retail market with environmental services for over two decades. We are the leading environmental services supplier to this industry, working with a variety of retailers across sectors, geographies, and facility types.

Our solutions include environmental compliance and regulatory review, sustainability, and data management and digital solutions.

Learn more about APTIM's environmental compliance & sustainability consulting services.

2026 Environmental Retail Index

The Environmental Retail Index (ERI) is an annual benchmarking tool for US-based retailers. It helps participants compare their preparedness for emerging regulations and adoption of environmental best practices, tools, and technologies with those of their peers.

ERI builds on APTIM's trusted relationships with retail clients and ongoing efforts to share best practices across the industry. The survey gives senior leaders a concise view of the practices peers are implementing and how effective they consider those practices to be.

ERI explores environmental compliance and sustainability programs across facilities, operations, and supply chains, with a focus on five areas:

- Energy & greenhouse gases
- Environmental resilience
- Waste management & diversion
- Water management & conservation
- Supply chain sustainability

Reach out to EnvironmentalRetail@APTIM.com to participate, learn more, and/or connect with a member of our team.

Note: Results are reported on a question-level based on the number of respondents; each question in the ERI survey is optional so number of participants varies.

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Overall, survey results indicate that retailers are focused on sustainability initiatives that support operational efficiency, regulatory preparedness, and risk mitigation.

Main barriers to implementing sustainability initiatives:

#1 Implementation is expensive

#2 Lack of capital

Main benefits resulting from sustainability initiatives:

#1 Decrease in resource consumption

#2 Overall improvement in facilities management

#3 Improvement in employee satisfaction

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Executive Summary



Compliance requirements are reshaping priorities

- Sustainability teams are shifting focus to address growing compliance demands.
- EPR and PFAS regulations are advancing sustainability strategy across retail portfolios.
- Disclosures are maturing as targets and commitments decline.



Stronger supply chain data and supplier collaboration are critical

- Spreadsheets remain the primary environmental data management tool.
- Supply chain emissions calculations are not yet aligned with upcoming regulatory standards.
- Growing stakeholder expectations increase the need for supplier collaboration.



Gaps in facility-level implementation limit environmental progress

- Energy management does not consistently translate into efficiency improvements.
- Climate risk assessments rarely inform strategy, and water management remains focused on compliance.
- Non-hazardous waste diversion offers significant room for improvement.
- Adoption of low-GWP refrigerants remains limited.

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Participant Overview

10 participating retailers

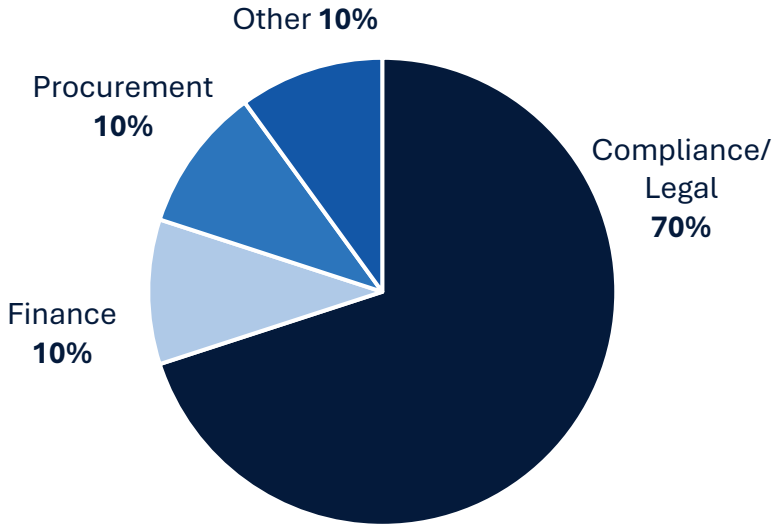
100% a have national footprint, and 20% are international

Range of retail sectors represented:

- Automotive
- Beauty
- Convenience
- Department store/apparel
- Electronics
- Outdoor/sporting goods
- Pharmacy

Organizational structure of environmental & sustainability departments

Which department oversees the sustainability function? (n=10)



How many full-time employees (FTE) support EHS&S programs? (n=8)

On average, respondents have

4 FTEs dedicated to corporate sustainability (range: 0-10)

14 FTEs dedicated to environmental, health, and safety (range: 2-57)

3.5 : 1

average ratio of environmental, health, and safety staff to sustainability staff

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Retail Sustainability Teams Are Shifting Focus to Compliance Demands

As regulations become more complex and fragmented, sustainability teams are increasingly focusing on addressing compliance, as reflected by trends in organizational structure and functional expectations.

Additionally, the emerging regulations ERI participants are watching most closely have direct implications for sustainability and circularity strategy. These overlapping priorities make coordination between compliance and sustainability teams increasingly important (via data collection and tools, stakeholder communications, etc.).

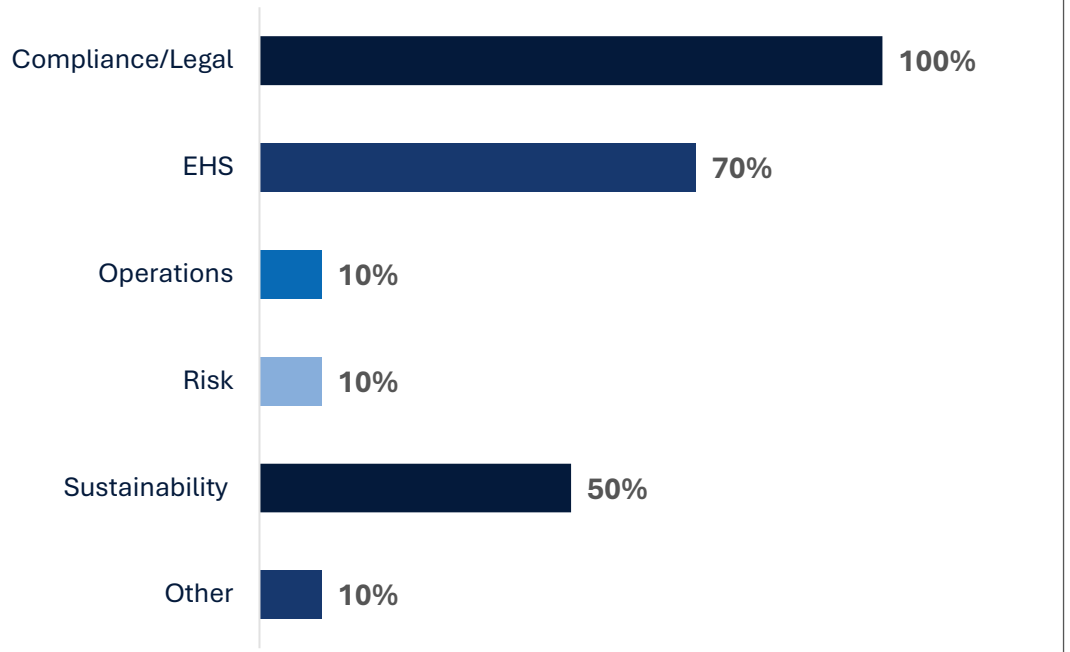
40% of participants are using more than one method to track environmental and sustainability regulations.

Top 2 environmental regulations that retailers are watching most closely:

> **#1** Extended Producer Responsibility laws

> **#2** California Senate Bills 253 and 261

Which teams are primarily responsible for tracking environmental and sustainability regulations and compliance? (n=10)
Multiple responses allowed.



50% of participants say sustainability teams are primarily responsible for tracking environmental and sustainability regulations and compliance.

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EPR & PFAS Regulations Are Maturing Sustainability Strategy Across Portfolio

Product-level sustainability regulations, such as extended producer responsibility (EPR) and per- and polyfluoroalkyl substances (PFAS) bans, are prompting higher levels of organizational awareness and sophisticated data management for sustainability. On the other hand, facility-focused building performance standards (BPS) are managed on a bespoke, jurisdictional basis and generally have lower levels of organizational awareness.

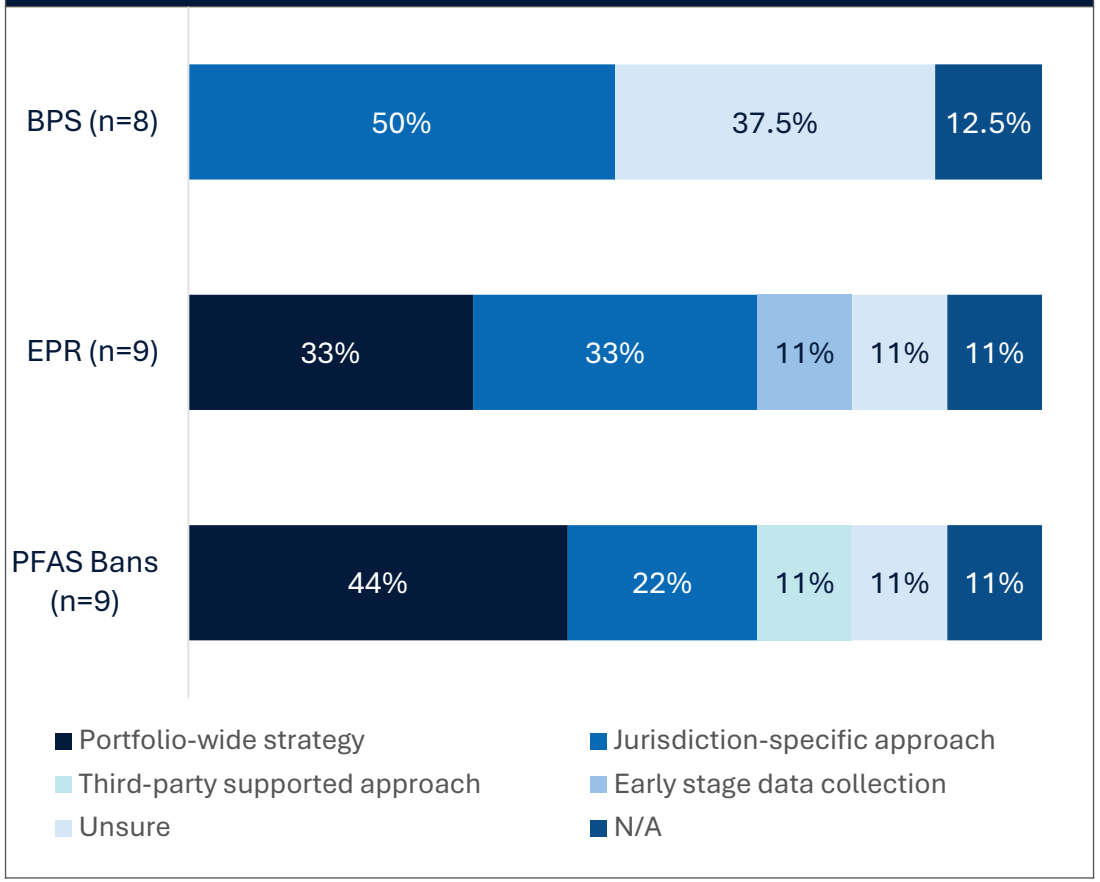
38% of respondents are unaware of how BPS are being managed, whereas most respondents have a coordinated compliance strategy for EPR and PFAS regulations.

Need help navigating product-level sustainability compliance?

Effective supplier engagement is critical to build the data foundation for compliance and identify opportunities to reduce costs and impact. For instance, as retailers prepare for EPR requirements for packaging and materials, 55% of respondents report obtaining more than 75% of their packaging data directly from suppliers rather than relying on estimates.

Our compliance experts can help your team manage supplier data and reporting, while developing long-term strategies to meet requirements and reduce fees for EPR and PFAS regulations.

How is your organization approaching compliance with the following emerging regulations:



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Sustainability Disclosures Are Advancing as Commitments Diminish

California Senate Bills 253 and 261 are prompting large organizations doing business in the state to disclose their greenhouse gas emissions impact and climate-related financial risks, while changes in federal priorities are reducing external pressures on corporate climate commitments. As a result, retailers are streamlining their reporting and focusing on drivers of operational progress. According to ERI survey results, political changes are influencing sustainability communications and potentially unrealistic targets more than budgets.

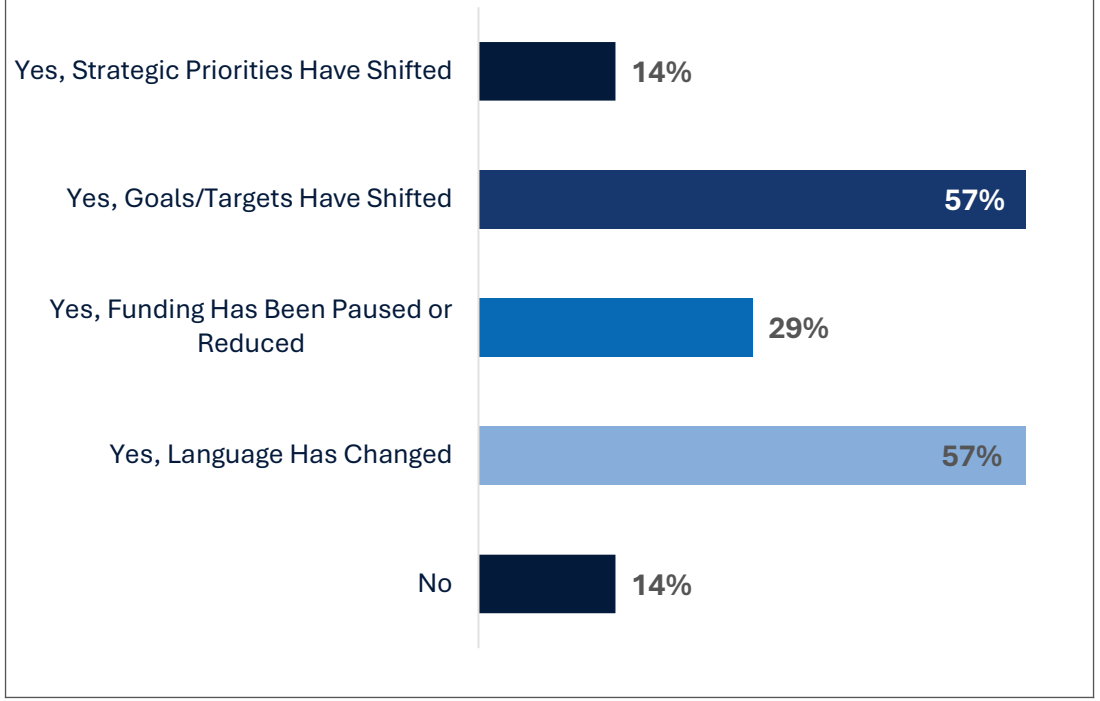
Language around certain sustainability goals/priorities may have changed but **over half of respondents (57%)** are currently disclosing in alignment with SB 261 and **75%** are prepared for climate-related financial risk disclosures.

Percentage of respondents with public environmental commitments

30% of respondents have made emissions reduction commitments

33% of respondents have a waste minimization goal

Has your company made any changes to environmental sustainability strategy as a result of the recent change in federal administration? (n=7) *Multiple responses allowed*



57% of respondents have changed their language around sustainability strategy**, 57%** have changed their targets, and **28.6%** have reduced funding.

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Environmental Data is Still Managed Primarily in Spreadsheets

Technology adoption related to environmental and sustainability efforts remains selective, with spreadsheets still serving as the core data management tool. Despite advancements in software solutions and AI features baked into these platforms, which can collect and analyze operational and supply chain data, 50% of respondents are not planning any change in technology investments over the next 12–24 months.

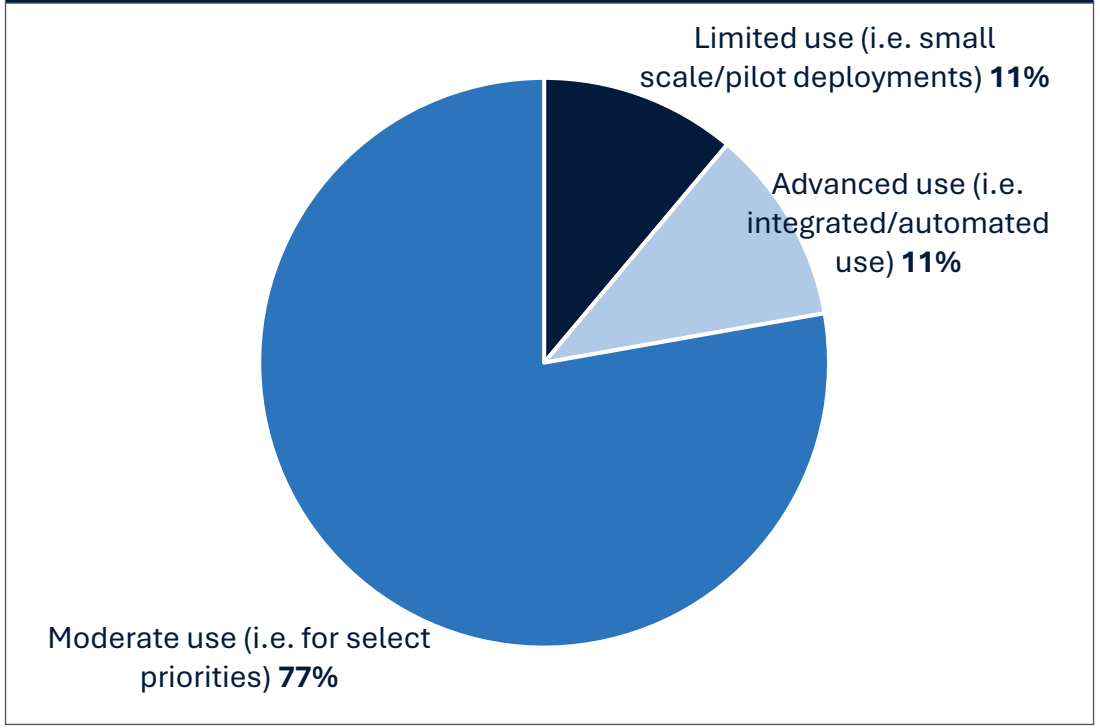
62% of respondents are still using Excel spreadsheets to manage sustainability data.

Considering an environmental data management platform?

As environmental compliance and sustainability reporting expectations grow, companies need reliable, traceable data that can support third-party assurance. Centralized platforms can streamline data collection, automate reporting tasks, and improve data consistency.

APTIM can help your team identify a platform that meets your needs and support a smooth transition to the new system.

Which of the following best describes your organization's use of technology to support environmental and sustainability initiatives? (n=9)



77% of respondents describe their technology adoption as moderate (i.e., for select priorities).

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Energy Management Does Not Necessarily Lead to Optimal Efficiency

Energy management remains one of the most mature areas of retail sustainability, but adoption of more advanced efficiency strategies is limited. Common measures, such as HVAC efficiency improvements and LED lighting, are widely implemented and partially driven by compliance, yet opportunities to address major sources of energy consumption may remain.

Submetering is one tool that can help retailers identify these sources and prioritize targeted improvements. AI-informed energy management can also be used to uncover patterns in energy use and improve efficiency.

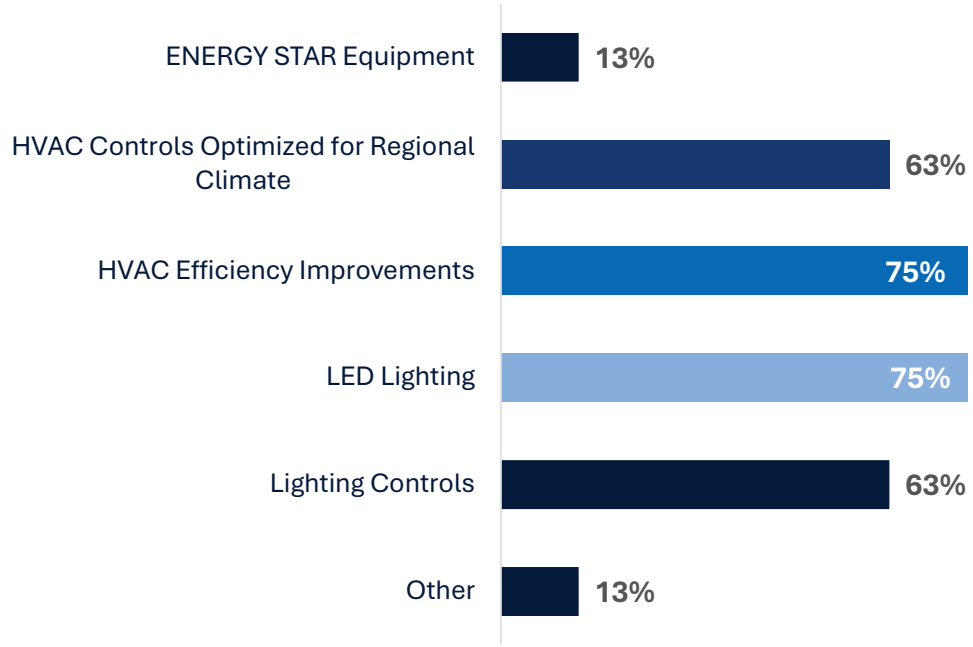
75% of respondents use an energy management system to monitor energy consumption at stores, but only **12%** are using submetering.

Need help making the business case for energy efficiency investments?

Only half of ERI survey respondents definitively use utility incentives when planning energy efficiency projects, suggesting an opportunity for more retailers to explore available funding.

APTIM can help your team identify grants and incentives to offset project costs and accelerate energy efficiency improvements across your facilities.

Which of the following energy efficiency investments at store locations has had a significant impact on energy savings? (n=8)
Multiple responses allowed.



HVAC efficiency improvements and **LED lighting** have had the most impact on energy savings at stores.

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Adoption of Low-GWP Refrigerants Is Still in the Early Stages

Refrigerants commonly used in HVAC and refrigeration equipment at retail stores have an outsized impact on greenhouse gas emissions and pose an increasing compliance risk. Refrigerant policies enforced by the US EPA (e.g., AIM Act) and state governments (e.g., 6 NYCRR Part 494) include stricter monitoring, leak detection, and reporting requirements for high-global-warming-potential (GWP) refrigerant leaks.

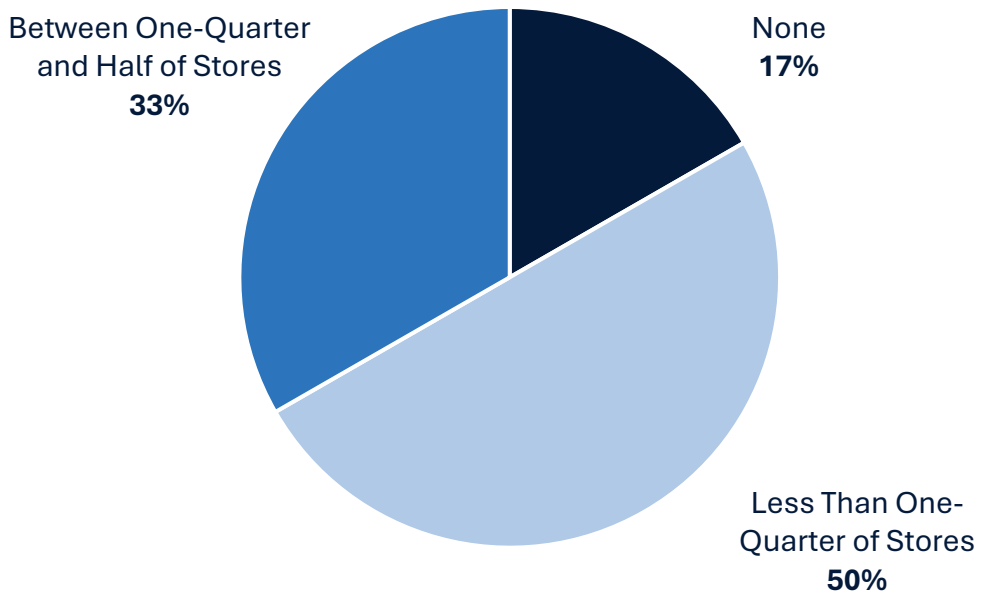
According to the ERI survey, **44% of respondents** are not tracking refrigerant charging activity/loss from leaks at stores—putting them at risk for fines (e.g., up to $22,500 per day for continued violations in New York) and/or operational risks.

Looking to assess compliance with federal and state refrigerant policies or improve efficiency for refrigeration systems?

ERI survey results indicate that low-GWP refrigerant adoption is low, which can have implications for compliance with emerging refrigerant regulations, as well as overall energy efficiency. Regulatory review and energy audits (including HVAC and refrigeration system evaluations) can help identify opportunities to ensure compliance and lower operating costs.

APTIM can help your team focus your efforts and improve overall compliance and efficiency.

Approximately what percentage of store locations have transitioned to propane (R-290), A2L refrigerants (such as R-32, R-455A, R-454C), or other low global warming potential (GWP) refrigerants for refrigeration and HVAC systems? (n=6)



The **majority of respondents (67%)** have transitioned to low-GWP refrigerants at 0–25% of stores.

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Supply Chain Emissions Calculations Trail Upcoming Regulatory Expectations

SB 253 requires US companies with more than $1 billion in annual revenue that do business in California to disclose their greenhouse gas emissions, with scope 3 reporting beginning in 2027 and assurance requirements phased in over time. ERI survey results indicate that scope 3 accounting and third-party verification remain significant gaps, highlighting a need to strengthen reporting readiness to avoid administrative penalties of up to $500,000 per reporting year.

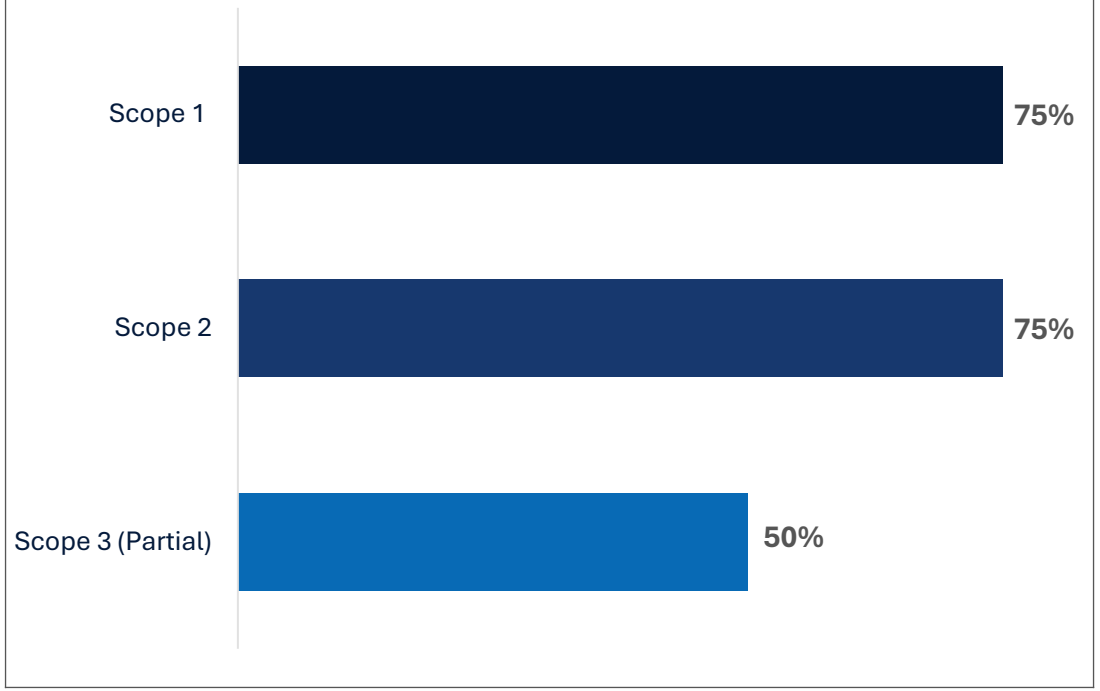
Only **33% of respondents** verify scope 3 emissions, but about half of them use external consultants to calculate emissions.

Looking to strengthen supply chain data and emissions reductions?

ERI respondents identified supplier engagement and training as the most impactful initiative to reduce scope 3 emissions. These efforts can also improve the accuracy and completeness of supplier data over time.

APTIM can help your team engage suppliers to assess their environmental performance, strengthen emissions reporting, and identify reduction opportunities.

Which GHG emissions scopes does your company track? (n=8)
Multiple responses allowed



75% of respondents are tracking scopes 1 and 2, and **50%** are tracking most scope 3 categories.

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Climate Risk Assessments Are Common Practice but Rarely Impact Strategy

Compliance drives climate risk assessments, which retailers can use to estimate potential revenue losses, compliance costs, supply chain vulnerabilities, and costs from operational downtime. However, physical risk assessments generally lead to limited, short-term action.

For example, while 75% of respondents identify heavy rain and wildfire as material physical risks to their businesses, these concerns appear to have limited influence on longer-term strategy. Store ownership arrangements and the geographic diversity of facilities may help explain this gap.

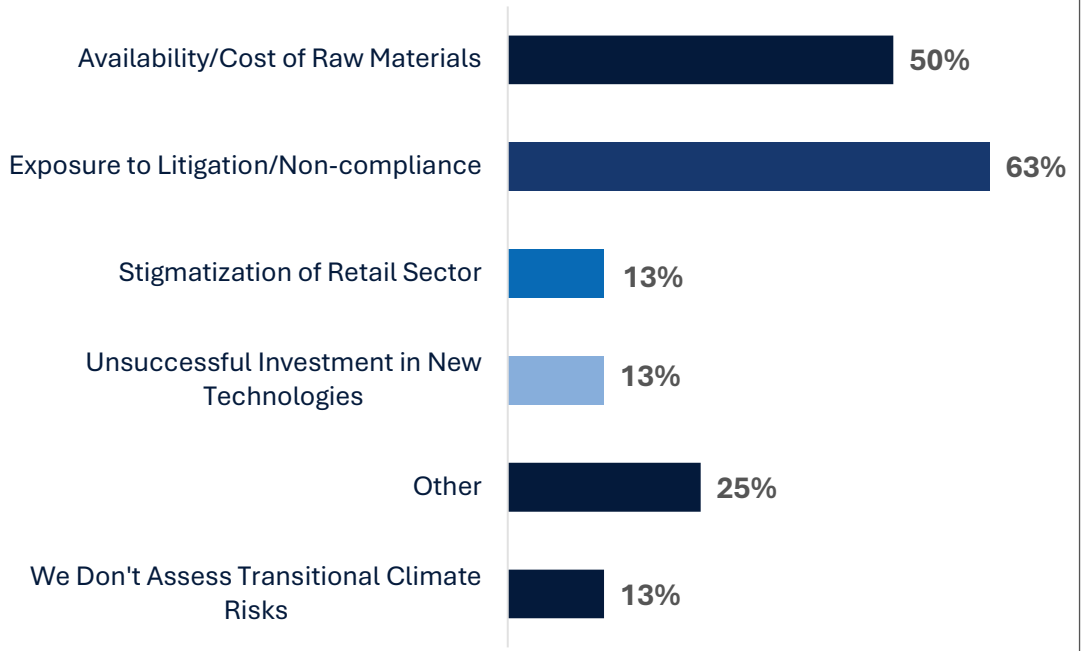
87.5% of participants are assessing their climate risks, with about **half** of them having conducted a climate risk assessment in the past 2 years and about **28%** conducting specific climate risk assessments for distribution centers.

Looking to assess, report, and/or address climate-related financial risk?

SB 261 will require companies with total annual revenue exceeding $500 million and operating in California to publish a climate-related financial risk report every two years.

APTIM can help your team prepare for compliance and transform your assessment into a practical strategy to mitigate identified risks.

Which of the following transitional climate risks does your company consider material? (n=8) *Multiple responses allowed.*



Exposure to litigation/non-compliance is the most highly cited transitional climate risk.

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Non-Hazardous Waste Diversion Presents a Significant Area of Opportunity

Despite corporate investments in waste diversion programs, implementation at the store level remains fragmented and recycling rates remain low. According to ERI results, 71.4% of retailers recycle less than one-quarter of the non-hazardous waste generated at their stores. Respondents with resale or refurbishment programs reported diverting no more than 25% of returned products through these channels.

These findings may reflect a lack of access to recycling vendors/outlets that make it cost-competitive to divert and/or opportunities to strengthen store-level waste management through clearer guidance and training.

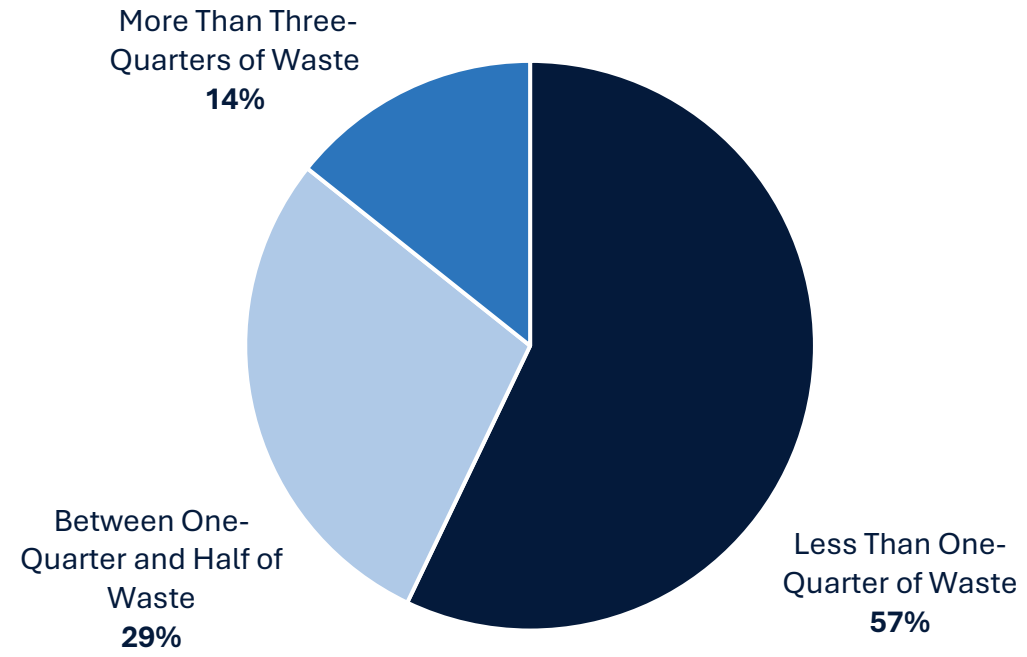
Plastic film recycling and **OCC recycling** are the most impactful waste diversion efforts at stores, according to survey participants.

Need support with increasing store-level waste diversion?

Effective waste diversion starts with understanding which materials employees most often sort incorrectly, but only about half of survey respondents have conducted store-level waste audits in the past two years. Even after addressing operational and training gaps identified through audits, your company may still face market challenges.

APTIM can help your team assess generation and compliance, develop trainings, and identify competitive end markets to increase overall diversion.

Approximately what percentage of non-hazardous waste at store locations did your company divert from landfill/incineration in 2025? (n=7)



The **majority of respondents (57%)** diverted less than one-quarter of their waste from landfill at stores, on average.

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Water Management Remains Focused on Compliance Rather Than Resilience

Water management is emerging as a sustainability priority with an emphasis on ecosystem conservation and supply chain resilience. However, ERI respondents primarily focus on improving the water efficiency of facility fixtures and meeting water quality and wastewater compliance requirements.

In the past two years, 57% of respondents have assessed water risks or water stress in the areas where they operate, using the findings to target efficiency improvements in locations facing high water stress.

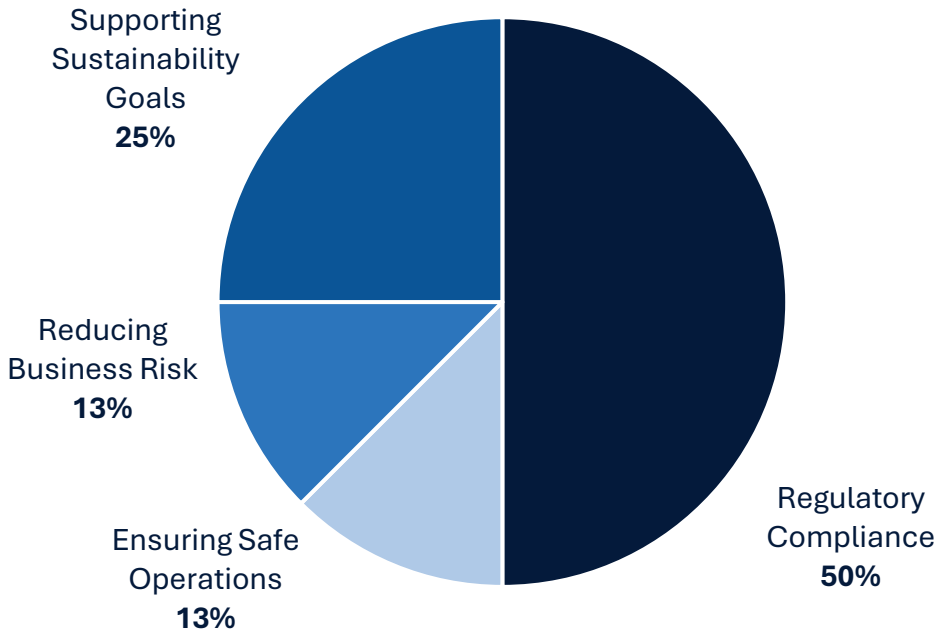
100% of respondents track water usage across the facility portfolio, to identify leaks, general usage trends, and opportunities to improve efficiency.

Most impactful water efficiency efforts identified by retailers:

> **#1** Low-flow fixtures

> **#2** Monitoring systems (e.g., leak detection and submetering)

What is the primary driver for your organization to monitor or manage water consumption at retail facilities and operations? (n=8)



63% of respondents manage water consumption for compliance and risk management purposes.

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Supplier Collaboration on Sustainability Is an Identified Need

Regulatory requirements and retailer sustainability standards are raising expectations for suppliers, but survey responses suggest that education and engagement efforts have yet to reach much of the supply base.

While 75% of respondents assess supplier sustainability through self-reported questionnaires and desktop audits, most lack broad supplier education programs to support performance improvements and more accurate reporting.

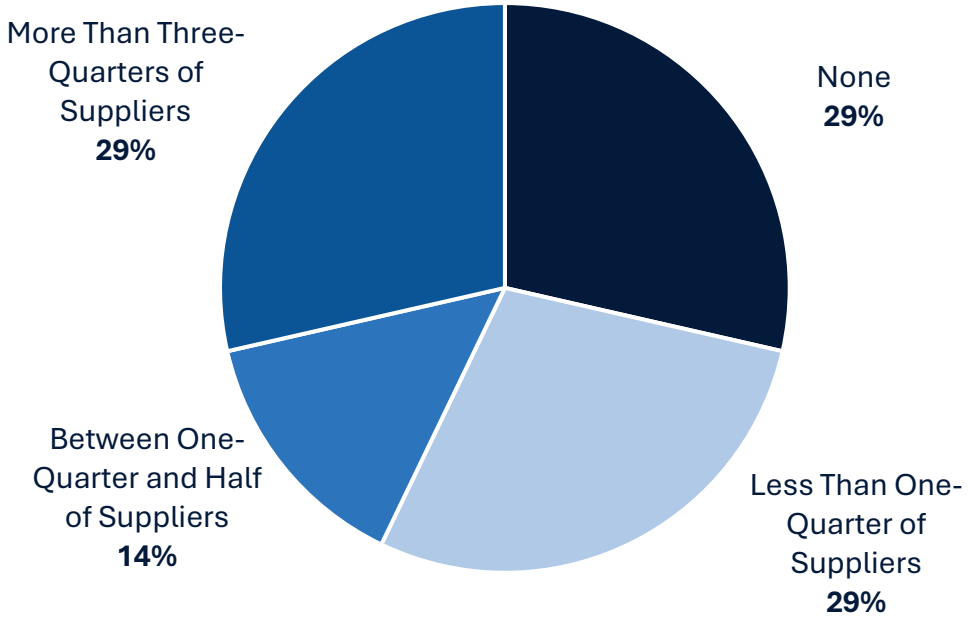
62.5% of respondents have unique sustainability standards for owned brand products, and **50% of respondents** have supplier selection criteria based on sustainability performance.

Need support developing an effective supplier engagement program?

Survey respondents identified contract negotiations, supplier scorecards, and recognition programs as the most successful approaches to supplier sustainability engagement. Other approaches include virtual training, on-site visits, and new reporting requirements.

APTIM can help your team develop a supplier engagement program that communicates expectations and addresses data and compliance needs.

What percentage of suppliers has your company engaged via educational programs to increase capacity, enhance data accuracy, and/or improve sustainability performance? (n= 7)



The **majority of respondents (71.4%)** have educated less than half of their suppliers on sustainability.

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APTIM Services

Energy & GHG | Climate Risk & Resilience | Waste & Materials | Supply Chain Management | Water Management

Service Offerings

- Regulatory review & compliance support (EPR, PFAS, BPS, RCRA, HMBP, SWPP, refrigerants, climate disclosures)
- Environmental goal review & validation
- Energy, water, waste & EHS audits
- Technology adoption & data management
- Educational training development & implementation
- Compliance and sustainability strategy, implementation & progress tracking
- Climate risk assessment & disclosure support
- Hazardous waste & materials management
- Hazardous materials reporting & planning
- Scope 3 data collection & supplier engagement
- Water quality & wastewater compliance

2026 Retail Sustainability Case Studies

Refreshing Public-Facing Environmental Goals to Reflect Current Regulatory & Industry Landscape



This year, APTIM supported a global apparel retailer to evaluate and revise its environmental goals to ensure credibility and defensibility in the current landscape.

We delivered a set of external and internal environmental goals aligned with emerging EPR expectations and the SBTi Corporate Net Zero Standard v2.

Developing Waste Diversion Educational Materials for Nationwide Stores & Distribution Centers



APTIM supported a national retail client with enhancing training and waste management practices and increasing participation in specialized recycling programs for high-volume materials.

We delivered universal signage for stores and distribution centers, desktop resources, and recorded webinar trainings with a focus on keeping content accessible for facility-level associates.

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