Retailers are implementing a raft of greening initiatives, not only to mitigate their impact on the environment but to sharpen their competitive edge too.

By Iga Motylska
In the SA retail sector, an increasing number of conscious consumers and non-governmental organisations are insisting on sustainable sourcing as well as locally and responsibly produced goods that are transparent and traceable in terms of their value chain. This is especially true when it comes to raw materials that are known for labour violations, human rights and animal abuses, corruption or non-ethical environmental practices.

The biggest culprits often include palm oil, cocoa, coffee, soya beans, fish and seafood. Not only do these commodities have a large environmental impact, but they can also be harmful to human health.

Embracing sustainable practices gives retailers the competitive edge, and it makes good business sense. Many are now driven by responsible strategy and operating practices. Woolworths outlines its Good Business Journey as ‘building meaningful or value-sharing relationships with stakeholders and working with our suppliers to ensure the products we source are created in safe facilities by workers whose human rights are respected and who are paid fair wages. This means working only with suppliers that practice due care towards the environment, do not use child labour or subscribe to any form of corruption’.

Similarly, David North, group executive of strategy and corporate affairs at Pick n Pay, emphasises that sustainability should start at the source and upstream of the supply chain. Not only does it benefit the retailer, often resulting in lower long-term operational costs, and make for a more resilient business model, but it also ensures consumer buy-in. ‘Our strategy is broad and includes our work to help customers lead healthier lives by incentivising them to buy more fruit and vegetables, and products with lower levels of sugar or fat. We are also hugely committed to helping drive economic and social development, and build a sustainable future for South Africa,’ he says.

Some key concerns in SA include the sustainable sourcing of fish and seafood according to the WWF South African Sustainable Seafood Initiative (SASSI), as well as the local cotton industry. Despite sufficient local production capacity, low import duties, creating good conditions for growing cotton, and other considerations to invest in and build a sustainable future for South Africa, he says.

Pick n Pay, Woolworths and Shoprite are members of the Global Consumer Goods Forum, alongside global retailers such as Marks & Spencer, Sainsbury’s, Wool-Mart and multinational manufacturers such as PepsiCo, Nestlé and Kellogg’s. The Global Consumer Goods Forum brings together consumer goods manufacturers and retailers in pursuit of responsible business practices for efficiency and sustainability, to benefit consumers, the industry and the world through protection against climate change, reducing waste, compliance with environmental practices, food safety regulations, health and wellness measures and sustainable packaging.

Pick n Pay is a member of the forum’s environmental sustainability committee—and the only SA retailer too, and one of a handful of local companies, listed on the climate A-list (2016) on the global CDP (Carbon Disclosure Project).

Another good measure of sustainability is sustainable buildings and green retail outlets—such as decreasing waste and encouraging the use of reusable plastic bags and cups—that are focused on being energy-efficient, resource-efficient and environmentally responsible.

The Woolworths Palmyra store in Cape Town became the first retail outlet in SA to receive a five-star custom retail tenant green building rating by the GBCSA. The criteria cover environmental performance over 12 months and rate nine impact categories, namely management, indoor environment quality, energy, transport, water, materials, land-use and ecology, emissions and innovation.

The Palmyra store has automated doors to maintain interior temperature, reclaimed heat from the refrigeration system and air-conditioning for under-floor heating, harvested rainwater to flush toilets, a CO₂ refrigeration system, and a fully automated lighting system. ‘It makes good business sense to invest in renewable energy, water harvesting and use innovative energy and water-saving practices,’ says Corli le Roux, head of sustainability at Woolworths.

In 2015, Woolworths’ head of sustainability, Manfred Braune, chief technical officer of the GBCSA, was invited to address the climate change conference in Paris. ‘The Palmyra store in Cape Town was a model in our ongoing efforts to develop greener retail environments across the Woolworths Group,’ says Smith. ‘As part of the Green Building Programme, we made our biggest single investment in sustainability last year with the installation of an R16.8 million solar photovoltaic system at our Midrand distribution centre. This has resulted in between 20% to 34% of the centre’s energy being generated from a renewable source.’

It is Ackermans, however, that’s the sustainability hero of the SA retail space. In 2012, Ackermans launched the SWATT (Saving Watts) initiative to reduce the retailer’s electricity costs by replacing light-fittings with LEDs, spacing light-fittings more efficiently, installing a lighting management system and online meters with immediate alert to store managers, teaching staff smart energy habits, and including energy-related KPIs for store managers.

In this way, Ackermans has halved its annual electricity bill, saves 14 GWh—enough to power 1 200 homes—cut 14 000 tons of CO₂ emissions per year and cut 130,000 Olympic-sized swimming pools of water each year. Through the investment was R13.4 million, the retailer received a R15 million Eskom rebate and pockets savings of R18.6 million annually.

Similarly, since 2010 Makro has implemented numerous initiatives in all its stores and build new ones in an environmentally sustainable manner by reducing their carbon footprint and saving energy. Both the Makro-Carnival and Woodmead stores produce renewable energy via roof-mounted solar PV plants. Makro Carnival generates 1 GWh of solar energy each year, which accounts for close to a third of the store’s energy requirements. ‘All Makro stores use energy-efficient, high bay LED lighting and intelligent lighting management systems that dim or switch off lights when sufficient natural light penetrates the store via skylights,’ says Melanie van Rooy, Makro marketing director. Furthermore, in 2015, Makro stores collectively conserved around 9 million litres of water through condensate harvesting, which collects water during the defrosting stage of large refrigeration plants. While heat recirculation plants at some stores use heat from refrigeration plants to heat water used on-site, like in bathrooms, hence eliminating reliance on boilers.

Retailers are gearing up for the future by embracing responsible measures and are being rewarded for doing so. And not just through positive ratings, but by customers too. 

‘Inclusion in the FTSE/JSE Responsible Investment Index provides encouraging recognition that our work is having an impact.’

‘Another good measure of sustainability is sustainable buildings and green store practices—such as decreasing waste and encouraging the use of reusable plastic bags and cups—that are focused on being energy-efficient, resource-efficient and environmentally responsible. The Woolworths Palmyra store in Cape Town became the first retail outlet in SA to receive a five-star custom retail tenant green building rating by the GBCSA. The criteria cover environmental performance over 12 months and rate nine impact categories, namely management, indoor environment quality, energy, transport, water, materials, land-use and ecology, emissions and innovation.

The Palmyra store in Cape Town was a model in our ongoing efforts to develop greener retail environments across the Woolworths Group,’ says Smith. ‘As part of the Green Building Programme, we made our biggest single investment in sustainability last year with the installation of an R16.8 million solar photovoltaic system at our Midrand

a handle of local companies, listed on the climate A-list (2016) on the global CDP (Carbon Disclosure Project).

Another good measure of sustainability is sustainable buildings and green store practices—such as decreasing waste and encouraging the use of reusable plastic bags and cups—that are focused on being energy-efficient, resource-efficient and environmentally responsible. The Woolworths Palmyra store in Cape Town became the first retail outlet in SA to receive a five-star custom retail tenant green building rating by the GBCSA. The criteria cover environmental performance over 12 months and rate nine impact categories, namely management, indoor environment quality, energy, transport, water, materials, land-use and ecology, emissions and innovation.

The Palmyra store in Cape Town was a model in our ongoing efforts to develop greener retail environments across the Woolworths Group,’ says Smith. ‘As part of the Green Building Programme, we made our biggest single investment in sustainability last year with the installation of an R16.8 million solar photovoltaic system at our Midrand
distribution centre. This has resulted in between 20% to 34% of the centre’s energy being generated from a renewable source.’

It is Ackermans, however, that’s the sustainability hero of the SA retail space. In 2012, Ackermans launched the SWATT (Saving Watts) initiative to reduce the retailer’s electricity costs by replacing light-fittings with LEDs, spacing light-fittings more efficiently, installing a lighting management system and online meters with immediate alert to store managers, teaching staff smart energy habits, and including energy-related KPIs for store managers.

In this way, Ackermans has halved its annual electricity bill, saves 14 GWh—enough to power 1 200 homes—cut 14 000 tons of CO₂ emissions per year and cut 130,000 Olympic-sized swimming pools of water each year. Through the investment was R13.4 million, the retailer received a R15 million Eskom rebate and pockets savings of R18.6 million annually.

Similarly, since 2010 Makro has implemented numerous initiatives in all its stores and build new ones in an environmentally sustainable manner by reducing their carbon footprint and saving energy. Both the Makro-Carnival and Woodmead stores produce renewable energy via roof-mounted solar PV plants. Makro Carnival generates 1 GWh of solar energy each year, which accounts for close to a third of the store’s energy requirements. ‘All Makro stores use energy-efficient, high bay LED lighting and intelligent lighting management systems that dim or switch off lights when sufficient natural light penetrates the store via skylights,’ says Melanie van Rooy, Makro marketing director. Furthermore, in 2015, Makro stores collectively conserved around 9 million litres of water through condensate harvesting, which collects water during the defrosting stage of large refrigeration plants. While heat recirculation plants at some stores use heat from refrigeration plants to heat water used on-site, like in bathrooms, hence eliminating reliance on boilers.

Retailers are gearing up for the future by embracing responsible measures and are being rewarded for doing so. And not just through positive ratings, but by customers too. 

‘Inclusion in the FTSE/JSE Responsible Investment Index provides encouraging recognition that our work is having an impact.’