



Green initiatives

It's fair to say that, until recently, the retail sector had a pretty poor environmental reputation, as an industry responsible for producing vast quantities of waste, while using unsustainable road and air distribution methods. But, as David Adams points out, things are changing slowly but surely

Go to any large supermarket today and you're now less likely to find excessive packaging of food, or to be given piles of carrier bags at the checkout than you are to see to new recycling facilities, and posters detailing environmental initiatives. Sainsbury's has run its own initiatives aimed at raising consumer awareness of the carrier bag issue, has launched a variety of green products and is moving a fifth of its online delivery fleet over to electric-powered vehicles. Perhaps the most ambitious programme is Plan A, launched by Marks

& Spencer in January 2007: a £200 million environmental strategy that includes a commitment to become carbon neutral by 2012, a pledge to

phase out the use of landfill sites, and an extension of sustainable sourcing.

Technology has a many roles to play here, of course, with improved communications removing the need for unnecessary journeys and reducing the need to use paper, while IT is improving the environmental efficiency of many business processes, from supply chain planning to improved lighting and energy consumption management and monitoring.

But to what extent are initiatives like these making a real difference? "We always welcome moves by companies to reduce their environmental impact," says Sandra Bell, food campaigner at Friends of the Earth. "But we do feel that a lot of it is more PR than substance. If you take, for example, Tesco's commitment on energy efficiency for its buildings: their expansion plans for new stores will make their overall carbon footprint go up."

Complaints received

Friends of the Earth has a long list of complaints to direct at supermarkets in particular but also at some other large retailers, and these are not always addressed by such initiatives. For example, many of the same supermarkets now championing local produce still transport it to stores via distribution

centres that may be many miles away. Most supermarkets also continue to build out of town stores, encouraging more consumers to drive to out of town retail parks. Recent research carried out by Sheffield Hallam University reveals that the major supermarkets emit, on average, three times as much CO₂ as do local, independent greengrocers.

But some larger retailers are winning praise from environmental groups. For example, Musgrave Retail Partner's development of local hubs to source produce for its Budgens and Londis stores has been welcomed. It is also difficult to criticise multi-faceted programmes like Plan A. In November 2007, M&S announced it had started using an anaerobic digester, which converts food waste into electricity, at a site in Shropshire. A second, which will use cow slurry and agricultural crops as fuel, will go into operation in early 2008, and the energy produced by these facilities will be used to power six M&S Simply Food stores. In October, it started using a new wind turbine in Aberdeenshire. This will generate energy for its new eco-store at Pollok, one of three that opened in 2007 (the others are at Galashiels and Bournemouth), and are constructed using eco-friendly materials and use energy-efficient lighting, air conditioning and fridges inside. Each eco-store emits up to 95 per cent less CO₂ than an equivalent conventional M&S store and uses up to 55 per cent less energy. Meanwhile, electricity consumption in the store network as a whole fell by six per cent in 2007, as part of a target to reduce it by 25 per cent over the years up to 2012.

The retailer has also invested in environmentally efficient delivery vehicles. Its 'teardrop' lorry trailers are so-called because of a unique design that enables carriage of 16 per cent more per load, yet also, through improved aerodynamics, reduces fuel consumption by ten per cent per journey. The 140 trailers it has ordered should reduce its annual carbon footprint by 840 tonnes. Olivia Ross, spokesperson for M&S, says that none of the 100 Plan A commitments can be viewed as any more important than any of the others. "They're on the list because they are of equal importance," she says. "We could be adding more to it, and we probably will do over the course of the next five years."

Friends of the Earth's Bell admits that there are some praiseworthy aspects of

Plan A, but that the retailer still has plenty of work to do. "Plan A is a genuine attempt to look at their issues and to try to do something about them," she says. "It does seem to have some substance behind it. But there again, in some areas, like packaging, they're starting from a poor position."

Tesco is also pouring resources into environmental programmes. "We're a very customer-driven company, and they are telling us that they want to be able to take more green choices when they go shopping," says a spokesperson. In addition to introducing more recycling facilities, and to reducing packaging and carrier bag use, Tesco has pledged to reduce the carbon footprint of its stores and distribution centres worldwide by 2020. By the end of 2008, it will already have succeeded in reducing energy use in its UK buildings by 50 per cent in two years, largely through investment in energy-efficient technology, including energy efficient light bulbs and fridges. The retailer is also building eco-stores with a 60 per cent smaller carbon footprint than conventional stores, at Shrewsbury, and at sites in the Czech Republic, Hungary and Poland.

A target to reduce by half the amount of CO₂ produced by its distribution processes will be achieved in part through more efficient packing and planning, but also through alternative transport methods. Modoc vans emit no carbon, and run on rechargeable electric batteries. They have a top speed of 50 miles and a range of 100 miles on a single charge. Tesco is already using them in Shrewsbury and in some London locations, and 300 will be ordered over the next three years.

The company has already switched the transport of goods from its Daventry distribution centre to Scotland from road to railway; and now uses canal barges to move wine from Liverpool docks to Manchester for bottling. Air transport is restricted to less than one per cent of Tesco products, and customers will now see an aeroplane sticker on any products that have been sent by air.

Tesco also has a stated aim of wanting to make it easier for customers to buy environmentally friendly products. It has set itself a target of selling ten million energy efficient light bulbs during the next year, and is promoting a range of energy efficient electric equipment, including products offered as part of its low-price Value range. In conjunction with a team

from Oxford University it is also developing a carbon labelling scheme for products; and is investing £25 million in a new sustainable consumption institute at the University of Manchester.

And yet, despite initiatives like these, at other major supermarkets and retailers, only in one area of concern to the environmental cause has there been impressive progress: the recycling and disposal of waste electrical and electronic equipment – the result of the EU's WEEE (Waste Electrical and Electronic Equipment) Directive, which came into force in January 2007. "The bottom line is that we need better targets and regulation on these issues," says Bell. But regulators cannot necessarily be relied upon to deliver the recommendations the green lobby wants. The Competition Commission's report on supermarkets has recommended that planning rules be relaxed to improve competition. Friends of the Earth is appalled by this suggestion. "Our view is that the government mustn't weaken planning policy," says Bell. "To do so would go against all their environmental commitments. We're hopeful that the government will make sure that planning is town centre and neighbourhood-focused instead."

Tesco's spokesperson rejects the idea that expansion of its store network is necessarily bad for the environment. "We have a variety of store formats including Tesco Express and Tesco Metro, and shoppers are encouraged to walk to those stores," she counters. Nor does she accept that building new stores will cancel out the company's carbon savings. "If you take into account the strict targets that we've set on reducing carbon emissions, the net effect could well be to reduce the overall carbon footprint. I think when you look at the carbon reduction targets, that's a serious commitment. We are working very hard to make consumption as sustainable as it can be. It's a huge priority for the business."

There's certainly plenty of ammunition here for both pessimistic cynics and optimists, but both will hope retailers apply their competitive instincts to green issues. After all, there is plenty of evidence that sustainable business practices can be good for the bottom line, as well as for the planet. The problem is that consumption – the greatest contributor to climate change – has also always been the foundation on which retailers' profits were built. We can only hope that retailers, and private companies of all kinds, find a way to balance these priorities.