

# SUSTAINABILITY COMMITTEE RETAIL CASE STUDY



## Coles Group

Major Australian grocery retailer, Coles Group, also recognises the importance of integrating sustainability actions into its mainstream decision making processes. The Group has taken the issue as far as to develop a structure to support its environmental strategies and initiatives; an environment manager has been appointed and a number of work groups have been established to ensure an integrated approach to the environmental challenges across its business (Coles, 2008). Through the Energy Work Group, a range of management initiatives have been put in place to reduce energy consumption. One such initiative took place within the Gisborne store in Victoria, which underwent significant energy improvements. The improvements were a collaborative effort involving the Federal Department of Environment and Heritage, a developer and many internal stakeholders. The store, which opened in April 2005, includes around 40 environmentally friendly initiatives, some of which are (Coles, 2005):

Initiatives	Benefit
Day-lighting (more natural lighting)	Reduces artificial lighting and energy use; improves store ambience and comfort
Airlocks at the main entrance and rear dock seals	Significantly reduce air ingress and energy used by heating, ventilation and air-conditioning (HVAC) and refrigeration systems
'Thermomass' insulated concrete panel to west and east walls	Reduces heating and cooling requirements through better insulation
Eliminating the suspended ceiling	Reduces material use and provides access to day-lighting
Insulated roof deck system	Reduces energy use, material use and air leakage
Water retention and recycling for toilet flush system and for landscape irrigation	Reduces water usage and peak load on storm water infrastructure
Renewable timber construction	No rainforest timbers used; low embodied energy material

The key energy results of the Gisborne green store are:

- A 12 percent reduction in radiant heat loads emitted by refrigeration;
- A 10 percent energy savings on refrigeration through the use of dual and triple air curtains; and
- Estimated annual energy and cost savings in the range of 719,000 kw and \$57,000 through the use of airlocks in store.



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Coles has also been one of the first major Australian retailers to introduce a natural refrigerant system in its new Ropes Crossing store. The system is expected to eliminate up to 700 tonnes from the stores annual GHG emissions. The new Coles system uses ammonia and CO<sub>2</sub> as the refrigerant gases - both natural gases - instead of synthetic chemicals, which means that if any leakages occur the global warming potential will be dramatically reduced. The Ropes Crossing Coles also represents the retailer's fifth 'Environmental Concept Store', which is used as a testing ground for environmental initiatives. The store also includes environmental improvements such as: night blinds on refrigeration cases to reduce energy use during non-trading periods; and low-energy LED lighting in freezer cases, including freezer aisle motion sensors to turn lights off when there are no shoppers around. Coles has made a number of changes and refinements to its stores over recent years that have led to significant energy savings, including reductions in energy used by store lights and refrigeration by 40 percent and 30 percent respectively since 1985 (Palmer, 2008).

In 2000, Coles became the first major retailer to sign the first National Packaging Covenant. Since the signing of the first covenant, the company has carried out a number of initiatives towards packaging waste minimisation and reducing its impact on the environment. Some of these efforts include (Coles Annual Report, 2006/07):

- Introducing the Go Green bag into supermarkets, with a certain percentage of sales contributing to a Go Green Fund;
- Contributing to the reduction in the use of single-use lightweight plastic carry bags by 25 percent as at December 2004 and 50 percent as at December 2005, in accordance with the Federal Government's voluntary single-use lightweight plastic phase-out agreement;
- Promoting the re-cycling of plastic bags by customers by locating at least one recycle bin at the front of each Coles supermarket. More than 20 million bags have been re-cycled into plastic products such as flowerpots, farm irrigation piping and garbage bins since 1995;
- Developing a National Waste Strategy - an initiative aimed primarily at day-to-day waste collection services and reducing the amount of waste being transferred to landfill;
- Re-cycling and re-using up to 170 million garment hangers, collected at its checkouts throughout Australia every year;
- Launching the Returnable Plastic Crate Initiative, reducing the use of millions of cardboard boxes from the supply chain and allowing for 'one touch' handling from supplier to shelf. Coles recycles almost nine percent of Australia's cardboard waste; and
- Partnering with Planet Ark for its 'Cartridges 4 Planet Ark' in Specifically marked recycling bins have been placed at Officeworks stores to encourage customers to drop off their used ink and toner cartridges for recycling.

From the initiatives outlined earlier, it can be said that the Coles Group is poised to be at the forefront of addressing the concerns of consumers regarding environmental sustainability.

**\* Excerpt from "Environmentally Friendly Retailing", The Australian Centre for Retail Studies, 2008.**

