

Sustainability Outlook

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Sustainability Reporting

Extended Producer Responsibility

Financing Sustainable Infrastructure

Green Leap needed to shape global leadership



Moving from operating defensively,
to capturing advantage

SUSTAINABLE RETAIL: THE NEW INDUSTRY BUZZWORD



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The sustainability coin has two sides: sustainable production and sustainable consumption. Newer compliance mandates and regulations coupled with increased investor and client demands for responsible business behavior have led to the onset and acceptance of cleaner production practices.

Due to this, sustainable production has increasingly become a reasonably well known and well accepted concept in Indian companies. However, when it comes to promoting sustainable consumer behavior in India, there is still a high hurdle to cross.

Even though consumer surveys show that more and more Indian upper middle class consumers are ready to shell out extra money to buy 'greener products', there is still no denying the fact that this group constitutes only a small minority of the consumer class. One of the key reasons for this limited uptake of responsible consumer behavior is that consumers still cannot relate to the environmental impact caused by the products that are daily used or consumed by them. The only way to overcome this hurdle is for the brands to step forward and help customers understand such aspects of product use, while also providing them a wider range of more sustainable options.

Lately, a few forward thinking brands have come up with innovative and ingenious methods to ensure that they influence consumer behavior while also creating a positive brand image for themselves.

Environmentally Sustainable Retail – The Puma way

PUMA, leading sports lifestyle brand, made big news in the sustainability circuits last year by releasing the first-of-its kind Environmental Profit and Loss Account (E-P&L) for the company. PUMA's E P&L was the first ever attempt to measure, value and report the environmental externalities caused by a major corporation and

its entire supply chain and set a new benchmark in corporate environmental reporting.

The firm added a new 'green' feather in its cap by opening the first and only sustainable retail space in India. The store in Bangalore is locally developed, sourced out of India, and incorporates a number of revolutionary design elements to ensure that it meets the highest criteria for sustainability. Poised to be the flagship store for PUMA in India, the store is a global first for the brand.

"PUMA is happy to take this pioneering step forward for the retail industry", said Franz Koch, CEO of PUMA. "Establishing a sustainable PUMA Store underlines our commitment to reduce CO2 emissions, energy, water and waste in PUMA offices, stores, warehouses and direct supplier factories."

"Our aim is to incorporate sustainability into every aspect – be it in our design, use of material or packaging", says Rajiv Mehta, Managing Director of PUMA India.

Talking about the recent retail format initiative, Rajiv adds, "We changed our mission statement a year ago to emphasize our commitment to becoming the most desirable and sustainable sports lifestyle brand in the world. We began with Clever Little Bag (a packaging solution), made our headquarters in Germany a sustainable building and then forayed into taking this to our most important and visible touch point – retail."

The store, spread over an area of 5000 sq. ft., has design features focused on enabling energy efficiency, optimal daylight usage, natural cooling features and air insulation through earth air tunnel system. The store is also completely powered by renewable energy through solar PV panels installed on the roof. Even the porotherm blocks used for constructing the building shell have been made using silt from the regional lakes which earlier ended up as waste.

“Sustainability is being economically, socially and environmentally conscious and not just being eco-friendly”

Along with sustainable building design features, the PUMA sustainable store would also be hosting a complete range of organic pesticide free cotton merchandise as well as the PUMA Wilderness collection, a range primarily sourced and produced in Africa using environmentally sustainable materials and certified by the Aid by Trade Foundation (AbTF). Additionally, the PUMA Store would also have an in-store recycling program for footwear, apparel and soft accessories, called 'Bring Me Back' launched in collaboration with global recycler I:CO .

Socially Sustainable Retail

Recently, fashion and lifestyle retailer, Shopper's Stop pioneered the entry of socially sustainable products into large-format retail. The retail brand recently entered into partnership with Shop for Change, an NGO collaborating with farmer groups across 5 Indian states to source environmentally sustainable organic cotton while ensuring better livelihoods for the farmers. Shopper's Stop launched an exclusive range of clothes using this fair trade cotton and also promoted it by organizing special sustainable retails sections within their stores.

While talking about customer feedback, Vinay Bhatia, Senior Vice President, Marketing & Loyalty, Shoppers Stop Ltd. says, "This collection is made entirely from Shop for Change Fair Trade certified cotton. The social implications of using Shop for Change fair trade certified cotton are truly phenomenal. It allows farmers to receive 15% additional income and at the same time makes customers feel good about making

a difference. We are already seeing a great response to the Shop for Change collection from our customers."

Through such initiatives, leading brands as well as retailers are clearly showing that they are ready to take the first step. Rajiv Mehta, Managing Director of PUMA India sums it up nicely "Sustainability is being economically, socially and environmentally conscious and not just being eco-friendly. If companies show commitment to being sustainable then they will soon find that it bring more rewards and gains in the long run."

Clearly long terms benefits are achievable by promoting sustainable consumption and retail behavior as well – the key is to understanding how to best leverage this opportunity.

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