

resilience

Pick n Pay and its mission for tomorrow

Established in 1967, Pick n Pay is one of South Africa's leading supermarket chains, with 500-plus stores through the country. Its reputation for delivering top-quality products at competitive prices is rock solid but, over the past five years, it has also been acting quietly on its broader responsibilities to its customers, suppliers and the environment.

Within its own ranks, there has been rapid progress towards sustainability, following the launch of Pick n Pay's five-year sustainability vision in 2007. 'We have refined our approach around the concept of "four pillars", focusing on four priority areas: economic sustainability, transformation, social development and environmental responsibility. Our duty to the environment includes limiting our impact, introducing eco-friendly stores and distribution centres, exploring natural farming methods, reducing waste and carbon emissions, and maintaining sound animal welfare practices,' says Pick n Pay CEO Nick Badminton. 'We realise that protecting nature, or at least ensuring a more efficient use of natural resources, is in everyone's long-term interest.'

To the cynical ear, this may smack of green window dressing, but underpinning this philosophy is the company's growing engagement with the concept of resilience, and the need to adapt to an increasingly challenging future. Nicola Robins, partner with Incite Sustainability, which has been working with the company on this issue, explains, 'An economic system based on unlimited growth must inevitably lead to a time when demand outstrips supply of life-sustaining resources. In this situation, all human activities, including business, will take place in a context of increasing turbulence. Food, energy, financial: the list of crises is unlikely to tail off soon. Before long, we will also have to deal with water, biodiversity and climate change crises.'

In this situation, companies can either deny responsibility, or choose to develop strategies for adapting to changing conditions. 'It requires companies to recognise that sustainability is about far more than how to spend one per cent of pre-tax profits,' says Nicola. 'Resilience is concerned with how a company makes those profits, both now and in the future. When a large retailer with millions of stakeholders chooses to engage with it, there is certainly cause for optimism.'

It all begins with trying to do things the right way. For example, did you know that all the fish stocked by Pick n Pay complies with WWF's Southern African Sustainable Seafood Initiative (SASSI) guidelines, which means that no endangered fish species are bought or



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sold? Or that its fresh dairy milk is rBST-free, or that the company is committed to minimising the environmental impact of packaging on its own-brand products? By pursuing sustainable practices, Pick n Pay hopes to inspire others – suppliers and customers – with a model that they can buy into. 'If we can't do things right ourselves, how can we expect anyone else to be responsible?' asks Bronwen Rohland, Director Sustainability.

She continues, 'We'd like to think we can empower our customers to make the right choice for themselves. At the end of the day, it's up to them to decide whether it's relevant.' What's relevant to some may not be relevant to others – some may rethink empowerment, or transformation. But most will probably think more carefully about making responsible consumer choices or recycling. It's a shift in consumer thinking that has already started. 'We are encouraged by the increasing demand from customers for our organic products, the turnover of which has increased enormously,' reflects Badminton. ▶

Kids in parks

Children are often better informed than their parents are about environmental matters, something that Pick n Pay realises. Through its commitment to the Kids in Parks initiative, for instance, the company hopes to open the eyes of South Africa's youth to the value of their natural heritage. For every 'green bag' Pick n Pay sells, one rand is donated to this fund, which helps youngsters to experience national parks and wild places they would probably never see otherwise. 'It's about doing the right thing,' says CEO Nick Badminton. 'Hopefully some of these children will empower not only themselves, but also their parents, into making more informed choices.'



'We would like to help our customers to become even more aware of their role as individuals. Every little bit they do will make a difference,' Rohland adds. 'We serve millions of customers. There's no doubt that collectively this number can make a huge difference, even if, as an individual, it sometimes seems futile.'

Pick n Pay customers are also not slow to tell the company what they want – a dialogue that is actively driven at all levels of the company. As chairman Raymond Ackerman elaborates in his memoirs: 'Keep your ear close to the ground until you feel the grasshoppers jumping in.' In other words, listen to people's advice and don't be too big-headed to learn from them.

Power play

Within its own ranks, Pick n Pay is dedicated to minimising its environmental footprint by improving energy and water efficiency and cutting emissions. For instance, the company is committed to reducing electrical consumption by 20 per cent by 2012. In an effort to learn more about operating with renewable energy, it has recently invested in a wind turbine project at its Eastern Cape regional office in Port Elizabeth. 'It's not about South Africa's power supply crisis, it's about a bigger issue – the global energy crisis,' Rohland explains. In fact, at every level, in every store, the company is looking at ways to cut power consumption – and to encourage its customers to do the same.

A year ago, the company launched its 'Be a bright spark' campaign. Endorsed by national

power utility Eskom, the campaign aims to inspire its customers to use less electricity, either by swapping their energy-sapping tungsten light bulbs for compact fluorescent ones, or by purchasing energy-saving bulbs instead. To make this option more attractive, the company has sold these relatively expensive bulbs at cost price and has given customers access to 400 000 discount vouchers that offer a 75-per-cent saving on the cost of upgrading to this more efficient lighting option.

Less carbon

Pick n Pay keeps close track of its carbon footprint and has established an energy, travel and fuel profile. Last year, it was ranked fifth in the low-carbon sector by the Carbon Disclosure Project, an achievement that is both a source of pride and an inspiration to do more. '2009 will see us fully develop our carbon strategy,' says Rohland. 'Fuel usage by our vehicle fleet, air travel by our employees and the use of diesel from our generators are all scrutinised closely. To further reduce pollution, we have been using low-sulphur-content diesel for a number of years, and ozone-friendly lubrication oils have introduced a low-noise system for our vehicles.'

The company's focus on its carbon footprint is not a new way of thinking – it's building on an ethos that took root some years ago. In 2000, the 'ecostores' initiative was launched. This aimed to make new stores and distribution centres more eco-friendly – for instance by reclaiming heat, using air-cooled towers, upright refrigeration and demand side management lighting. More recently, Pick n Pay sponsored 3 250 trees for the Greening of Soweto Project 2010 to offset the carbon emissions from its new Hypermarket there. During South Africa's 2008 Arbor Week, the company also gave a tree to all 40 000 members of staff.

Cheap at the price

'It needn't cost money to be responsible,' says Bronwen Rohland, Director Sustainability. She cites the company's commitment to reducing its carbon footprint. 'In the past, we used to fly from meeting to meeting; today we conduct video conferences. In six months we've saved 40 per cent of our travel costs – that translates into millions of rands. Perhaps more importantly, we've reduced the fossil fuels we were burning and we have saved on travel time – good for the environment, the company and the individual.'



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Recycling

Pick n Pay has taken the adage 'reduce, reuse, recycle' to heart. Following a waste-minimisation study, the company rolled out a waste-management programme in its KwaZulu-Natal stores. These now separate all the waste they generate, with 40 per cent in weight and 74 per cent in volume being recycled. Based on this success, the programme is poised to be introduced to stores across the country in 2009.

The conversion of waste oil into biodiesel to fuel the company's truck fleet is being investigated and the introduction of trolleys and baskets made from recycled plastic has been approved. Rohland says, 'We try to pay attention to the smallest details. Staff canteens in our Cape Town and Johannesburg head offices even use worm bins to recycle food waste.'

At the end of the day, we'd like to think that what is important to us as a business is important to you as our customers. We need to build awareness – a call to action, if you like – so that with a groundswell of support, we can all make a difference together,' says Rohland. Badminton concludes, 'We believe that, through our vast network of stakeholders, small steps can lead to great things.'

Something to say? Contact Pick n Pay directly on tel. (+27-11) 856 7000 or (+27-21) 658 1000, or visit the website www.pnp.co.za

ABOVE During South Africa's 2008 Arbor Week, Pick n Pay presented a tree to all 40 000 members of staff, and planted hundreds more.

OPPOSITE The company has seen an increase in the demand for organic products, a trend it will encourage. Proceeds from every 'green bag' sold, go to the Kids in Parks programme.

PAGE 27 Pick n Pay's Eastern Cape regional office recently initiated a wind turbine project. Renewable energy options are a key focus for the company and this project is expected to yield valuable lessons for the future.

