

ENVIRONMENT

The group recognises environmental and climate change responsibility as a critical component of business sustainability. The environmental policy and framework is governed by the risk and sustainability committee which has been delegated the task of overseeing the group's business sustainability. The chief executive officer is responsible for ensuring that environmental concerns are integrated into the business.

Risk of non-compliance

The risk of not taking any action goes beyond possible reputational damage and could have a significant affect on the group's bottom line. The strategy is to identify opportunities to do things more efficiently and effectively, ultimately resulting in cost efficiencies. These environmental initiatives will not only mitigate rising costs but also improve the supply chain process, and reduce the group's carbon footprint.

Carbon footprint

The group completed its first carbon footprint assessment in the past financial year. Processes and procedures were introduced to improve the accuracy and completeness of the information for the 2011 carbon footprint, thereby establishing a more accurate baseline for future target setting.

The 2011 carbon footprint is 147 592 tonnes CO₂e, with 98% of carbon emissions related to electricity consumption. The scopes reported on are as follows:



Scope	Emission sources	Tonnes CO ₂ e
Scope 1	Consumption of fuel of company owned vehicles	2 344
	Consumption of fuel for generators (stationary fuels)	6
	Refrigeration and airconditioning (fugitive emissions)	688
Scope 2	Consumption of purchased electricity	144 554
Total		147 592





Carbon Disclosure Project

The group participated in the Carbon Disclosure Project (CDP) for the first time in 2010 and again in 2011. It supports the objectives of the CDP and will continue to participate in the project in the future.



Environmental initiatives

The carbon footprint calculation and CDP participation have helped confirm the importance of a number of relevant initiatives with which the group had already commenced, namely:

Element	Initiative	Details
Energy	Improve the energy efficiency of stores and thereby reduce electricity usage.	An in-store energy efficiency project to reduce the group's carbon footprint and improve cost efficiencies through lower energy bills is in progress. This includes the retrofitting of certain stores with appropriate energy efficient lighting. All new stores will be fitted with new energy efficient lighting and airconditioning systems.
	Reduce electricity usage at the distribution centre.	The power optimiser installed at the distribution centre in April 2010 has achieved the targeted savings of 8.5% per month. This translates into a saving of approximately 119 149 kWh (equivalent to 121 tonnes CO ₂ e).
Fuel	Reduce fuel usage through improved merchandise planning to stores.	There have been many initiatives implemented by the group and its transporter to achieve fuel efficiencies. The dynamic route master implemented in Gauteng in the previous financial year is proving successful and has achieved a 12% saving in fuel consumption. There is an on-going focus on identifying new opportunities to operate more efficiently. Other examples include: <ul style="list-style-type: none"> • Consolidation of loads using a transport optimising tool; • Operating low-volume route masters to reduce inefficient kilometres in the low-volume periods; • Forecasting and planning in the distribution supply chain to reduce waste and total kilometres travelled; and • A system to monitor fuel consumption against targets in real time.

Element	Initiative	Details
Green IT	Use technology to reduce environmental impact.	<p>The Financial Services division has been testing the use of e-statements for account customers. This initiative has already been rolled out to approximately 12% of account customers with a target to increase to 35% by the end of the next financial year. In addition to a reduction in environmental impact, the use of electronic statements results in significant savings in stationery, printing and postage costs.</p> <p>All store computers are automatically powered down at the end of the day and support centre computers are automatically put into a “dormant” state when not in use for a prescribed period of time.</p> <p>The server room has been upgraded to include more energy efficient airconditioning, saving power and reducing greenhouse gas emissions.</p> <p>All printer cartridges are recycled and refurbished for future use where possible. Support centre network printers are set to double-sided printing and all associates are encouraged to manage their paper usage and minimise waste as the group strives towards a more paperless work environment.</p> <p>The till slip length per transaction was shortened by approximately 8cm, saving approximately 10km of till slip paper per day.</p>
Waste management	Reduce, reuse and recycle.	<p>The ‘Mr Price Goes Green’ recycling initiative was launched at the Durban support centre complex during the year. This recycling initiative presents an opportunity to reduce costs and work more economically toward minimising waste that currently goes to landfill.</p> <p>Other recycling initiatives include:</p> <ul style="list-style-type: none"> • reuse of fixtures from refurbished or closed stores; • reuse of plastic hangers; • thicker plastic bags that can be reused by customers; • recycled cardboard boxes; and • recycled support centre paper. <p>A team of passionate associates, called the Green Force Team, was established to drive awareness and to promote the philosophy of reduce, reuse and recycle amongst all associates.</p>