



MASSMART

GROUP UPDATE

Making saving the planet and saving money easier



Massmart encourages its chains to promote environmentally responsible products. This is a summary of some recent product promotions aligned to this objective.

Massmart's recent Corporate Accountability stakeholder engagements emphasised our consumers' growing expectation of environmentally responsible products, suppliers and retailers, and specifically the need for improved affordability of these greener alternative products on the shelf. While this is in line with international consumer trends it also highlights increased awareness among the South African buying public of our dwindling natural resources, increased energy costs and tighter household economic realities, something that was not as prevalent when Massmart first explored its green options in the last decade.

Creating a brand for responsible products

As far back as 2007 the group was selling over 400 environmentally responsible products across a variety of categories, followed in 2008 by the introduction of the Eco Wise product range, which includes both private brand and co-branded national products available across the Massmart group. A wider in-store range of environmentally friendly options is now a part of Massmart consumers' purchasing decisions. These products are integrated onto the shelves in all departments and are supported by trained employees who understand the advantages of energy efficiency, saving water and recycling. They can share this understanding with customers.



access to this type of information that makes sustainable purchasing easier, especially as Massmart chains have also increased the frequency of promotions that feature environmentally responsible merchandise options, introducing customers to the fact that the ethical choice is not the most expensive choice.

Sharing its experience has been integral to Massmart's drive toward end-to-end environmental awareness in its operations and the group has included eco-facts on Eco Wise packaging to ensure easy access to environmental information for consumers. It is

More environmentally responsible products

A host of eco-friendly products have been introduced in the home-improvement environment. Builders Warehouse is constantly



A short history of Eco Wise

In 2007 Massmart's chains were selling approximately 400 environmentally responsible products.

Massmart launched the Eco Wise brand in 2008 to help raise awareness of environmental issues related to everyday products and highlight responsible product choices for shoppers.

Instead of using Eco Wise only as a standalone brand, Massmart also uses it to endorse supplier branded products that have environmentally responsible features and/or use responsible packaging. These products may help consumers save electricity, save water, be made from recycled/recyclable material or make use of less packaging.

Today, the Eco Wise endorsement can be found on a wide variety of products in Massmart stores and is a regular feature in some of the group's chain's broadsheet advertising.



increasing its offering of products that are themselves green, or alternatives that assist in saving either customers money and/or South Africa's stressed resources. These include energy-saving solar water heaters, energy-efficient LED and solar lights, household lighting timers and dual-flush toilet systems.

Not all environmentally responsible products are big ticket items; one of Massmart's most impactful awareness programmes has been with compact fluorescent light bulbs (CFLs), which are regularly featured in the group's chain's promotions. CFLs use between 75% and 80% less energy than their standard incandescent counterparts. A 15-watt CFL can be used to replace a standard 60-watt bulb and produce roughly the same amount of light, they only need that initial switch on boost to fluoresce, giving a consistent light from a relatively small energy supply, which is reflected in the consumer's electricity bills. Currently CFLs are more expensive than the traditional bulb and Massmart is working with Walmart to source a less expensive product that will make them a more appealing choice for consumers. But until then the immediate advantage is CFLs last at least 10 times longer, run at a fairly cool temperature and decrease the strain on South Africa's power grid. Closing the environmental cycle Builders Warehouse, Builders Express and Builders Trade Depots country-wide provide safe disposal of used CFLs in stores.

More environmentally responsible promotions

Recycled merchandise doesn't always sound appealing but Makro's Remarkable school stationery range has really driven the message home to learners, schools and parents that reusing can be cool. Bright, stylish and recycled, these pencils, pens and notebooks proudly boast their origins as plastic cups, tyres and

CD covers, teaching even our youngest customers that they can make a difference to the future of our planet's resources.

Irresponsible acquisition of raw materials and manufacturing practices can cause widespread damage to the environment. One way to counter this is through independent verification that certifies supplier procurement, manufacturing and distribution practices. Massmart is enthusiastic about the opportunities that the Walmart merger presents to leverage Walmart's packaging expertise and has initiated discussions to get started. This will assist Massmart to achieve its goal of reducing the environmental impacts of its packaging, starting with private label products.

Responsible messaging on private brand products

Walmart has considerable expertise in price democratisation and information transparency. It is currently working to develop a product information database that will provide the framework for the development of a consumer-facing index tool, which will offer shoppers easy-to-understand labelling information that assists them in making sustainable product choices. Massmart has prioritised consumer empowerment as a key area for knowledge exchange with Walmart. In the meantime, steps are being taken to raise consumer awareness. Makro's new food range, M Brand, for example includes a 'Please recycle' message printed on food packs.

From end to end, Massmart is working to increase awareness of the importance of environmental responsibility for customers. The group is working every day to increase the number of responsible products available in its stores, advertise these products to the public on broadsheets, highlight them on the shelves for shoppers and include responsible messaging on private label brands. ■