



MASSMART

# WALMART GROUP UPDATE

## Massmart measures its 2011 energy efficiency

*Massmart is constantly working to improve the quality of its energy consumption data. With better quality data, more impactful projects and interventions can be developed to reduce consumption overall.*



Massmart understands that its operations and the products it sells have the potential to contribute towards global warming and result in carbon emissions. Electricity related CO2 emissions represent the bulk (70-80%) of the group's carbon emissions.

As a low-cost retailer and wholesaler, energy efficiency is crucial. An important part of the process to reduce energy usage is the collection of reliable data. Without accurate and consistent data, it is almost impossible to implement new energy conservation strategies. It is also difficult to track progress and adjust energy saving projects effectively.

In 2008 Massmart initiated a project aimed at measuring CO2 emissions resulting from its operations. The process was however hampered by data inaccuracy and inconsistencies.

In the 2010 Annual Report, Massmart CEO Grant Pattison said, "A review has been conducted and it became clear that there was an urgent need to improve the accuracy of electricity consumption data."

In response, the group implemented an electricity-metering project. Stores were fitted with metering units that could accurately measure and record the amount of electricity used by an individual store. This meant more reliable data that was easier to collect. In 2011 the project has been rolled out to all Makro, Builders Warehouse and Builders Express stores as well as 80% of Game and DionWired outlets.

Massmart has also dedicated more resources to the gathering and analysis of the data. All the information across the divisions has been collated and trends have been observed. This makes it easier to compare similar stores, pick up discrepancies and investigate inconsistencies. This also allows analysis of the effectiveness of newly implemented initiatives.

All of this has resulted in the group achieving greater accuracy in its energy consumptions reporting and more confidence in the data.

Monitoring energy usage constitutes good business practice

and now that Massmart is part of the Walmart family, it can learn from the global retailer's expertise. Walmart is one of the world's leaders in energy efficiency and working together will undoubtedly help Massmart achieve further reductions in energy consumption and so doing, help save money and minimise the group's environmental footprint. ■

### Improvements made

Thanks to all the initiatives being implemented by Massmart's various divisions significant improvements relating to energy efficiency have already been achieved.

- Massbuild and Massdis-counters have achieved 10% and 3% energy intensity savings respectively based on their original 2008 baseline energy consumption.
- The new Makro stores incorporate electricity saving innovations that have led to a 25% reduction in energy consumption. This is based on an annualised comparison between the new Makro Vaal store and a similar-sized legacy store.
- Massmart has seen a decrease in its electricity consumption intensity from 181kWh/(GLA)m<sup>2</sup> in 2010 to 178 kWh/(GLA)m<sup>2</sup> in 2011.

