

Why more retailers are going green

By <u>Iggy Sathekge</u> 3 Apr 2019

Every week, around the world, an area of floor space the <u>size of Paris</u> is constructed. With building and construction comes harmful emissions that remain with us for decades, threatening our environment, livelihoods and economy. Buildings and construction contribute <u>close to 40%</u> of the emissions causing climate change today.



Iggy Sathekge, head of brand marketing, Pareto

The recent <u>World Green Building Council survey</u> found that, because of climate change, 77% of organisations are looking to reduce their energy consumption and greenhouse gas emissions. Green buildings are growing in popularity – particularly in the retail sector – and not just because of the positive impact on the environment, but on people and profits too.

Understanding green buildings

Green building refers to both constructing, operating and maintaining a building that is environmentally responsible, resource-efficient and sustainable. Green buildings consume less energy and water, have less indoor air pollution, and manage waste more effectively – reducing the negative impact of construction and development.

South Africa currently has over 100 certified green buildings – one of which is the Menlyn Park Shopping Centre in Pretoria, the country's largest green retail space. In 2014, Pareto re-invented its 500-store, 170,000m² mall to go green, introducing sustainable building materials, sophisticated metering systems, responsible transport options, air quality sensors and waste management programmes. As a result, today Menlyn Park uses 49% less energy and 71%

less water than SANS204 compliant buildings.

Retailers going green

Because shopping centres boast large floor spaces (that need to be cooled or heated) and thousands of occupants (with ablution needs), the need to go green is pressing. But the benefits are many. Outside of tackling global warming, lower utility and operational costs benefit owners and tenants, while healthy, attractive indoor environments result in less sick days for staff and longer stays for shoppers. Something as simple as introducing more natural daylighting and greenery, for example, can <u>increase sales by 40%</u>.

For South African retailers, who are regularly plagued by local issues like loadshedding and water shortages, green solutions also mean more uptime and less disruption. By installing solar PV panels, Massmart has been able to produce some <u>4.4 million kilowatt-hours</u> of renewable energy a year, accounting for 60–80% of the building's daily electricity needs.



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Going green is also likely to appeal more to today's millennial consumers, who are increasingly dedicated to wellness. A <u>Nielsen study</u> found that millennial consumers are willing to pay extra for sustainability. While this is currently more for the product itself, it's not long before it expands into the environment from which the product is sourced.

The Australian Food and Grocery Council's <u>Green Shopper Summary Report</u>, for example, found 96% of shoppers place importance in a retailer's efforts to reduce their environmental impact. The renovation rate of shopping centres in Europe is also 4.4% higher than other buildings, as consumer demands shift and expectations for more sustainable solutions increase.



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The opportunity in front of us

South Africa currently has the sixth most shopping centres in the world, with close on 2,000 individual centres, and hundreds of new stores and expansions in the pipeline. Given the current impact of buildings on the environment, and the increasing size of malls today, this presents a massive, untapped opportunity for us to make malls greener, addressing climate change and promoting wellness on a broad scale.

The World Green Building Council has set a goal for all new and existing buildings to be net zero carbon by 2050. It's an ambitious goal, but achievable if more stakeholders join the cause. As Pareto, we have committed to creating a base for knowledge-sharing, leadership and overall expertise within the South African built environment, so that sustainability is something we can achieve together.

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