



For the life
you're after

Retail Sustainability Guide

At AIB, sustainability is a key pillar of our strategy.

As a financial institution at the heart of the Irish economy, we recognise that the scale and impact of our business gives us a responsibility to the wider economy and society. We have committed to do more to help ensure a greener tomorrow, by backing those building it today.

AIB has a target to achieve Net Zero in our own operations by 2030 and an ambition that green/transition lending will account for 70% of overall new lending by 2030, with a target to achieve Net Zero in our financed emissions by 2040 for our lending portfolio (2050 including agriculture).

To support our customers on their own sustainability journey, AIB has developed a series of sector specific sustainability guides. These guides aim to provide practical tips and information which can be used by businesses to transition their operations to a more sustainable footing.

This series has been produced in partnership with Mabbett, a leading environmental consulting and engineering firm.

To view the full series of guides, please visit www.aib.ie/business.

Resource efficiency in the Irish retail sector

The Irish retail sector contributes significantly to the nation's economic landscape. With €30 billion in annual sales and generating €7 billion in tax revenue annually, it holds a pivotal role, constituting 12% of Ireland's GDP. The sector employs a substantial workforce of 320,000 individuals, making it a cornerstone of employment across the country.

In terms of job distribution, retail positions are evenly spread throughout every corner of the country. Retail Ireland, an initiative by Ibec, emphasises the sector's integral role, describing how, for every €100 spent, the local benefit can be as much as €500. Retail not only

contributes significantly to national GDP but also holds a critical place as either the largest or second-largest employer in every region, with employment rates ranging from 12% to 15.5%. The total retail wage bill surpasses €9 billion, making a substantial impact on the Irish economy.¹

Enhancing resource efficiency in the retail industry aligns with not just global environmental efforts but also makes prudent business sense. The retail industry, known for its tight profit margins, continues to face escalating costs which requires careful management.

This guide, crafted specifically for the Irish retail sector, looks at key resource intensive areas for the industry, including:



Energy



Waste



Water



Logistics

Each section identifies common challenges faced by retailers, highlighting potential 'hot spot' areas. To assist, actionable ideas and practices are presented to empower businesses with the knowledge and tools needed to address these issues. Through the

implementation of these strategies, retailers can make a tangible impact on both their environmental footprint and financial bottom line, contributing to a more resilient and sustainable Irish retail landscape.

Why improve sustainability in the retail sector?

Evolving consumer behaviour in the retail sphere has highlighted sustainability as a crucial factor influencing purchasing decisions. Research indicates that a considerable percentage of shoppers now prioritise sustainable and eco-friendly products. This shift emphasises the increasing requirement for retailers to incorporate sustainable practices into their operations, aligning with the changing expectations and values of their consumer base.



¹ <https://www.ibec.ie/-/media/documents/connect-and-learn/industries/retail-ireland/2023/a-sustainable-future-for-irish-retail-2023-2026.pdf>

Benefits

Financial savings – both long and short term

Improving the efficiency of resource use not only saves money on utility bills and waste costs, but it can reduce 'hidden' costs such as labour and contractor costs, making a difference to your bottom line.

Reduced carbon footprint

Better resource efficiency could reduce your business's carbon footprint.

This can support future proof your business, in line with government legislation such as Ireland's Climate Bill2 and path to Net Zero emissions.

Good for the environment, good for business

Improving your environmental performance could also improve your sales, with growing consumer preferences for sustainable products and businesses. Taking an active approach to sustainability can also make you a more attractive employer, which could lead to better team motivation, higher job satisfaction, and reduced staff turnover.

Enhances supply chain stability

Improved resource efficiency and sustainable sourcing can reduce demand on goods and shorten the supply chain, enhancing resilience in the face of wider supply chain instabilities.



Taking a systematic approach towards sustainability

Making changes to business practices can feel overwhelming, especially if you are unsure where to begin. One of the most effective ways to implement

sustainable practices – and keep them up – is to develop a structured approach. Here are several steps that you can take to guide you and your team.

Get management on board

Securing management buy-in will be key when looking to implement change as they will likely be responsible for embedding new practices. If necessary, consider putting forward a business case of how the proposed measures will benefit the business.

Develop a sustainability action plan

Putting in place an action plan will support colleagues in achieving your targets. Consider how to effectively prioritise change for maximum results. This may include aiming for the “low hanging fruit” first, before moving onto initiatives where greater investment is required.

Set up a green team

Depending on the size of your business, setting up a ‘Green Team’ is a great way to support sustainability goals. Aim to include staff from all areas of the team (e.g., cashiers, warehouse staff, shop floor assistants) to ensure greater impact across the business. Sharing the workload with those who are passionate will promote engagement, motivation, and support, which all go a long way to seeing results.

Review and report on your performance

Make sure to review your operations performance regularly (e.g. monthly, quarterly, yearly) to see the impact of the measures that were introduced. It’s well known that you can’t manage what you haven’t measured, so keep a record of your findings and report on some key observations.

Carry out an environmental baseline review

Understanding what your current environmental impact is (be that energy use, waste levels, water utilisation), is crucial in order to know where improvements will be most effective.

Communicate your performance with your team and customers!

Don’t forget to share the outcome of the review with your team! Doing so can enhance a sense of value, pride and motivation. Recognise the teams’ efforts where performance has been strong and highlight any priority areas to focus on. Consider communicating your environmental performance to your customers and other stakeholders. Consumers are increasingly making purchases based on sustainability performance so why not seek to be rewarded for the efforts you’ve made.

Set your targets

Once you have your performance benchmark you can begin to set your resource efficiency targets. It’s important to communicate these targets with the team so that everybody knows the shared goals to aim towards and what is expected of them.



Energy

One of the first steps towards improving the energy efficiency of your operations is to understand what your current energy performance is. Doing so will provide you with the tools for making effective change by being able to see where change is most needed.

To do this, you should have access to good data, such as energy bills or any energy usage reports related to specific equipment. Once you have this, you can consider implementing measures to increase efficiency levels.

Energy efficiency measures

Achieving greater efficiency while ensuring the comfort of both employees and customers is entirely feasible. Consider the following strategies:

Open-door policy management

For those adopting an open-door policy, it is advisable to limit it to peak times to prevent unnecessary loss of hot or cold air.

Night-time temperature optimisation

Exploring the potential of maintaining nighttime temperatures at 10°C, a level often sufficient for most buildings becomes a significant contributor to energy conservation. A mere 1°C reduction in heating during these hours can result in a significant 8% reduction in fuel consumption.²

Low-cost solutions

- Consider relocating thermostats if their current placement affects performance, potentially avoiding unnecessary temperature adjustments and reducing costs.
- Regularly servicing boilers can lead to potential savings of up to 5% on annual heating costs.³

Long-term savings

- Minimise heat loss by insulating pipes, boilers, and tanks.
- Consider upgrading heating controls. For instance, a device known as a compensator adjusts building temperature based on external weather conditions, and an optimum start controller optimises heating based on the time needed to reach the desired temperature.
- Establish different zones within your buildings, each with distinct thermostats and default temperature settings for customised and efficient temperature control.
- Equipment upgrade can often result in a long-term saving due to the cost reductions achieved by energy efficient models.

² OC_Drax_Smart-D139_Smart-Retail_Leisure_and_Entertainment_V4.pdf (ctfassets.net)

³ OC_Drax_Smart-D139_Smart-Retail_Leisure_and_Entertainment_V4.pdf (ctfassets.net)

Renewable energy

Renewable energy systems can be employed strategically to reduce or eliminate a retail space's dependence on conventional fossil fuel energy systems. Choosing the right system for a retail establishment is influenced by factors such as available resources, site conditions, energy requirements, and financial feasibility.

It is advisable to conduct a comprehensive feasibility study and consult with renewable energy and environmental professionals to identify the most fitting and cost-effective renewable energy solution for a specific retail setting. The following systems offer valuable initial considerations in the context of retail sustainability.

Solar water heating

Install solar water heating systems that utilise solar collectors to heat water using renewable energy. This can supplement traditional water heating methods and reduce reliance on fossil fuel-based heating sources.

Solar-powered lighting

Install solar-powered lighting fixtures for outdoor areas such as entryways, paths, and parking lots. These fixtures have built-in solar panels that convert sunlight into electricity, eliminating the need for grid power and reducing energy consumption.

Solar photovoltaic (PV) systems

Install solar PV systems on the roof or in nearby open spaces to generate energy. The generated solar power can be used to offset the energy consumed by lighting systems, making the lighting more sustainable and reducing reliance on fossil fuel-based energy sources.

Heat pump water heaters

Consider installing heat pump water heaters, which extract heat from the surrounding air and use it to heat water. Heat pump water heaters are highly energy-efficient and can provide significant savings compared to traditional electric water heaters.

Solar diverters

Consider utilising a solar diverter to redirect surplus electricity generated by solar/ PV panels to alternative loads or energy storage systems (e.g. water tank), rather than exporting it back to the grid. This allows generation to be used in alternative ways that can reduce the energy demand of other systems (e.g. heating water).

Case study

Founded in 1991, the Ryan SuperValu Group is a well-established business of five retail grocery stores operating under the SuperValu & Centra franchise across Munster - where it employs over 500 staff.

In 2022, as part of a wider capital investment programme at its' 26,000 sq ft Glanmire store, the business installed 162 solar panels on its' rooftop space. Since becoming operational, the solar panels generate approximately 27% of the business's energy requirements - resulting in a material saving for the business with a potential payback period between 3.5 - 4 years.



Collaborating with landlords on sustainability

For retailers leasing premises, fostering a collaborative relationship with landlords is essential for achieving sustainable objectives. Engaging in open communication and cooperation can lead to mutually beneficial

outcomes. Some key considerations are outlined below which aim to enhance overall energy efficiency in retail buildings, founded in the core concept of shared building data between landlords and retail tenants.

Key considerations

Encouraging investments in energy efficiency

Promote investments in energy-efficient measures, including enhancements to building fabric and the adoption of energy-efficient systems such as heat pumps and Solar PV which often require the landlord's leadership. By collectively investing in these technologies, both landlords and tenants contribute to the overall energy performance of the retail space, resulting in long-term cost savings and environmental benefits.

Aligned energy efficiency targets

Initiate the collaboration by setting aligned energy efficiency targets between landlords and retail tenants such as an absolute % reduction or a benchmark e.g. kWh energy/ area of retail space against a set baseline annual period. This shared vision provides a foundation for a unified approach toward sustainability, ensuring that both parties are working towards common goals.

Leveraging technology for automated data processes

Streamline the exchange of vital building data by embracing technology for automated data processes. This not only enhances the efficiency of data sharing but also ensures its accuracy and completeness. Automated systems can facilitate seamless communication, allowing both landlords and tenants to monitor and optimise energy consumption in real-time e.g. building management systems and online dashboards.

Heating, ventilation, and air conditioning (HVAC)

In Ireland, heating accounts for 36.5% of total energy consumption.⁴ In the context of providing a comfortable environment for customers and employees in your retail stores, it is crucial to balance temperature control and fresh air circulation. Achieving this balance in a cost-effective and environmentally friendly manner is a priority.

Whether your HVAC components operate independently or are integrated, examining how each element complements the others can be valuable. Fine-tuning your HVAC system may lead to significant energy and cost savings.

Energy efficiency actions

- Check the insulation level of your building, considering its age and insulation standards.
- Inspect for potential heat loss through openings such as roller doors, archways, and open doors.
- Identify the type of window glazing installed to assess its insulation properties.
- Evaluate the efficiency of your heating system, including its age, energy consumption, and ability to maintain desired temperatures.
- Consider the potential benefits of upgrading to a heat pump system, known for its high efficiency in heating.
- Ensure regular maintenance is performed on your heating system to optimise performance and lifespan.
- Consider investing in energy-efficient fans and controls to improve air circulation while reducing energy consumption.

⁴Energy-in-Ireland-2023.pdf (seai.ie)

Balancing temperature control and fresh air circulation

- Employ strategies to prevent cold air infiltration into buildings, potentially resulting in a remarkable 30% reduction in heating costs.⁵
- Ensure proper ventilation to maintain indoor air quality and comfort for customers and employees.

Integration and synergy of HVAC components

- Evaluate how heating, ventilation, and air conditioning components function together to optimise overall system efficiency.
- Understand the synergy among these components to achieve a more holistic and efficient approach.

Long-term savings strategies

To achieve long-term savings and enhance sustainability in your retail stores, consider implementing the following strategies:

Implementation of advanced control measures

- Utilize interlocked controls equipped with time switches and sensors to automatically regulate HVAC systems.
- These controls can effectively turn off ventilation when specific equipment is not in use, conserving energy and reducing unnecessary wear and tear on system components.

Investment in energy-efficient technologies

- Invest in energy-efficient technologies that contribute to prolonged savings over time.
- Consider installing energy-efficient fans, despite an initial upfront cost, as they can lead to significant energy savings while improving air circulation within retail spaces.
- Energy-efficient technologies align with sustainable retail practices by reducing energy consumption and minimising environmental impact.

⁵ SME-Guide-to-Energy-Efficiency.pdf (seai.ie)





Lighting

Appropriate lighting levels are essential for health and safety, and retail establishments should explore ways to enhance lighting efficiency. In the retail context, lighting plays a vital role beyond general illumination, serving as a tool for product display, attracting shopper attention, and emphasising key selling zones.

LEDs present a cost-effective illumination alternative, boasting the highest efficacy and lamp life among widely used lighting types. They offer easy control, no warm-up period, and have experienced cost reductions in recent years, accompanied by improvements in light output, efficacy, and reliability. LED light bulbs are a sustainable choice, consuming significantly less electricity than traditional bulbs - converting 95% of energy into light, wasting only 5% as heat.⁶

Approximately a quarter of a retailer's energy costs are attributed to lighting, a figure that can rise notably in specific sub-sectors. Given increased energy costs, retailers should assess the cost-benefit opportunities associated with transitioning to more energy-efficient lighting solutions. The implementation of technology controls, such as timers and sensors, combined with staff training and practices, can effectively reduce energy usage and overall costs.

No-cost solutions

- Basic maintenance practices, such as keeping windows, skylights, and light fixtures clean, can reduce lighting costs by up to 15%.⁷
- Implement a "switch off policy" and utilise straightforward light switch stickers to empower individuals to confidently turn off the correct lights.

Low-cost solutions

- Use blinds that redirect daylight to the ceiling or walls instead of blocking it completely. Open blinds when glare is not an issue.
- Employ timers to synchronize artificial lighting with working hours and/or occupancy.
- Transition to energy-efficient LEDs by replacing conventional bulbs.

Long-term savings

- Incorporate sensors to achieve savings of up to 50% on lighting costs, particularly beneficial in stockrooms, storerooms, toilets, meeting rooms, and zoned areas.⁸
- Install daylight sensors to automatically switch off artificial lighting when sufficient natural light is available.

⁶ Why you should make the Switch to LED light bulbs (electricireland.ie)

⁷ Drax Energy Efficiency Guide

⁸ Drax Energy Efficiency Guide

Refrigeration efficiency

Many retail outlets (especially supermarkets, convenience stores etc.) utilise refrigeration units for the storage of chilled or frozen products for customers. Efficient management of refrigeration systems is pivotal in curbing energy consumption, contributing not only to

environmental sustainability but also significantly reducing overall energy expenses. By adopting simple strategies, retailers can cut up to 20% of the energy⁹ consumed in refrigeration with minimal or no additional costs. Here are some key practices to consider:

Sustainable practices for refrigeration

- **Optimal shelf fill:** Avoid overfilling shelves to ensure proper air circulation and maintain the optimal temperature.
- **Insulating covers and blinds:** Utilise insulating covers and blinds if available to reduce heat loss and improve overall refrigeration efficiency.
- **Chiller lighting management:** Turn off chiller lighting during non-business hours to minimise heat generation.
- **Chiller door management:** Keep chiller doors closed, use reminders for staff and customers. Transparent display cabinets create a warmer store environment and reduce energy consumption.
- **Regular maintenance schedule:** Implement a regular maintenance schedule, including defrosting, checking door seals, cleaning condensers, and monitoring refrigerant levels.
- **Adherence to temperature settings:** Adhere to recommended temperature settings, as each degree below the required level adds 2-4% to the overall cost.¹⁰
- **Energy-efficient equipment:** When upgrading or replacing refrigeration equipment, opt for Energy Star or other energy-efficient models.
- **Renewable energy integration:** Explore the feasibility of integrating renewable energy sources, such as solar panels, to power refrigeration systems.
- **Employee training:** Provide training programs for staff on energy-efficient practices.
- **Smart technology implementation:** Consider implementing smart technologies, such as automated temperature monitoring and control systems.
- **Waste heat recovery:** Explore opportunities for harnessing waste heat from refrigeration systems for other store heating needs.

Case study

The Kane McCartney SuperValu Group is an award-winning family-owned grocery business renowned for its fresh food expertise. The stores specialise in freshly prepared meal solutions along with fresh bakery, delicatessen and butchery products.



In 2022 and 2023 as part of store renovations the business upgraded refrigeration units in stores to improve energy cost efficiency. Following the upgrade, the business benefitted from a 37% drop in energy usage across refrigeration in its' stores. This energy saving for the business represents a potential payback period of approximately three years.

⁹ www.opusenergy.com/help/energy-efficiency-in-retail/#:~:text=for%20most%20buildings,-Refrigeration,to%20maintain%20the%20right%20temperature
¹⁰ www.opusenergy.com/help/energy-efficiency-in-retail/#:~:text=for%20most%20buildings,-Refrigeration,to%20maintain%20the%20right%20temperature

Waste management

Retailers can generate a significant amount of waste through their operations which can comprise of everything from unsold goods, packaging materials to food waste. The causes and streams of waste can vary significantly between operators.

Sustainable retail practices include a strong focus on waste management, acknowledging the global concerns surrounding waste generation. Adopting sustainable practices will have a direct impact on the level and nature of waste that's generated. In this section, the aim is to strengthen your understanding of the link between sustainable material usage and waste disposal.



Did you know?

Preventing waste has been estimated to save up to 10 times the actual disposal cost, due to the hidden costs of waste such as lost labour time, energy costs, lost materials.¹¹

The waste hierarchy

For all material types, all businesses should aim to prevent or eliminate waste by using materials efficiently from the outset, wherever possible, as this will almost always save money as well as reducing environmental impact. Much like the Energy Hierarchy, the Waste

Hierarchy identifies waste management options and ranks them in terms of priority, providing you with a sustainability framework for material use to work towards.

Process flow



Waste hierarchy

- **Prevention:** The best way to manage waste is to prevent it from occurring in the first place! This could include adapting working practices or ceasing the purchase of products that result in unnecessary waste.
- **Reduce:** Where the elimination of waste is not possible, consider how it can be reduced. This could include purchasing products that result in less use of a material, slowing down the waste generation process.
- **Reuse:** Making use of materials again (if possible!) to increase product lifespan.
- **Recycle:** Recycling makes use of a material and processes it for further use in another form. This process is energy intensive and still results in residual waste, therefore should only be considered where other options are not possible.
- **Disposal (to landfill):** Disposal is often the costliest waste management option – both financially and to the environment. Aim to 'move up' the waste hierarchy so that your business can save money, materials, water, energy, and your environmental impact.

Waste management for sustainable retail

As retailers, taking steps to reduce environmental impact through responsible waste practices is crucial. Here are key strategies for waste management in a retail environment.

¹¹ www.investni.com/sites/default/files/documents/static/library/invest-ni/documents/waste-minimisation-efficient-management-for-cost-savings.pdf



Actions and strategies

Understand your business waste

- Conduct a comprehensive assessment of the types of waste generated within your store.
- Stay informed about waste disposal regulations and guidelines to ensure compliance.

Minimise packaging

- Set targets to use minimal and eco-friendly packaging.
- Collaborate with suppliers to adopt sustainable packaging practices and reduce excess packaging.

Reusable and returnable packaging

- Encourage the use of reusable bags and containers within your store.
- Explore options for returnable packaging to minimise single-use materials.

Waste reduction initiatives

- Engage your staff in brainstorming sessions to generate ideas for waste reduction.
- Implement initiatives such as 'zero-waste' days or events to raise awareness and promote responsible waste practices.

Community engagement

- Extend your waste reduction initiatives to the local community.
- Participate in or organise community clean-up events to promote environmental awareness.

Recycling program

- Establish a comprehensive recycling program within your store, ensuring that there are segregated waste disposal options.
- Clearly communicate recycling guidelines to both staff and customers.

Waste audits and targets

- Conduct regular waste audits to track and analyse your waste stream.
- Set measurable targets for waste reduction and recycling, and regularly assess your progress.

Employee involvement

- Involve your staff in waste reduction efforts, fostering a culture of responsibility.
- Provide training on proper waste sorting and disposal.

Supplier engagement

- Collaborate with suppliers committed to sustainable packaging and waste reduction.
- Encourage suppliers to take back packaging materials or participate in 'closed-loop' systems.

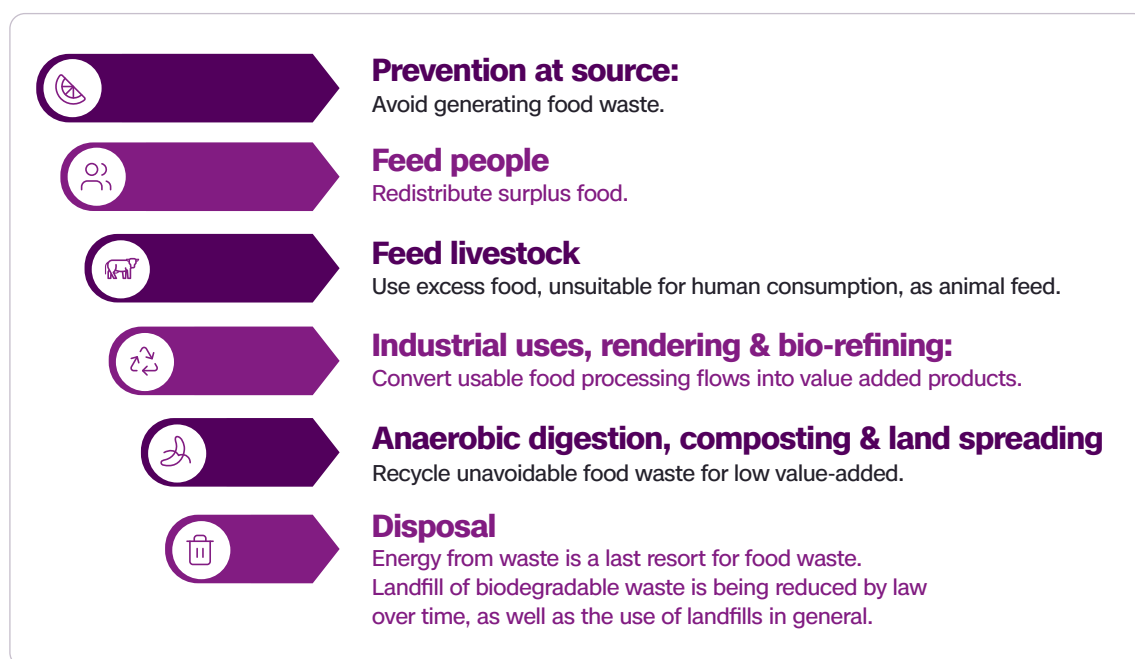
Food waste

Food waste is a significant contributor to climate change, with food loss and waste contributing to 8-10% of global greenhouse gas emissions.¹² The retail sector accounts for approximately 10% of all the food waste generated in Ireland, therefore is a key area of concern with reduction strategies required at both an operator and national level.

Food waste reduction strategies

In the pursuit of sustainable retail practices, addressing food waste should be a critical aspect for food retailers. The EPA has developed a Food Waste hierarchy to follow in order of sustainable preferences.

Food waste hierarchy



Where prevention is not possible, explore innovative solutions like 'Too Good To Go' and 'Food Cloud'. The platforms provide practical answers to the challenges associated with surplus food in the retail sector through redistribution to the wider community.

Too good to go: Rescuing surplus meals

'Too Good To Go' is a user-friendly app that allows retailers to sell surplus meals at a discounted rate to consumers. By leveraging the app, retailers can ensure that prepared meals and products nearing the end of their shelf life find their way to customers rather than being discarded. This not only reduces food waste but also provides consumers with affordable options while supporting local businesses.

Key Benefits:

- Minimises food waste from retail.
- Offers cost-effective food to consumers.
- Strengthens the connection between retailers and the local community.



¹² Food Waste Statistics | Environmental Protection Agency (epa.ie)

Foodcloud

FoodCloud is an Irish social enterprise and global food donation platform tackling the twin issues of food waste and food insecurity by partnering with leading retailers, food companies, non-profit organisations, government and the wider business community to redistribute surplus food and help drive progress towards a circular economy for our food systems. Since 2013, it has redistributed more than 272 million meals or 114,000 tonnes of surplus food, through solutions in Ireland and internationally. Find out more here: www.food.cloud/

Key benefits:

- Facilitates the donation of unsold food to charities.
- Reduces food poverty by channelling surplus food to those in need.
- Enhances corporate social responsibility by actively participating in community support.

By harnessing innovative solutions for sustainable food practices, your retail store can actively contribute to the reduction of food waste, support local communities, and enhance your overall sustainability initiatives. These strategies not only align with responsible retail practices but also foster a sense of community engagement and social responsibility.



Circular economy

The circular economy is an approach which prioritises the minimisation of waste and maximisation of resource use. Unlike the linear model, which follows a “take, make, dispose” pattern, the circular economy emphasises closed-loop systems and sustainable practices throughout the product life cycle.

Retailers have an important role in supporting the circular economy, with some strategies outlined below.

Take-back programs

Implementing take-back programs allows retailers to responsibly manage the return of used products and packaging. These approaches incentivise recycling or refurbishing, contributing to a circular approach e.g. Ireland’s deposit return scheme “Re-Turn”.

Waste reduction strategies

Implementing waste reduction strategies across the product life cycle, particularly packaging to disposal, helps minimise environmental impact. This may involve strategies like minimising excess packaging or promoting bulk purchases.

Collaboration with suppliers

Retailers can incorporate responsible sourcing principles across their supply chains, seeking out circular products to offer to their customer base - enhancing the overall circularity of the retail ecosystem.

Repair and maintenance services

Offering repair services or collaborating with repair centres extends the life of products, shifting away from a disposable mindset and encouraging a culture of reuse.

Consumer education

Educating consumers about the circular economy is crucial. Retailers can play a role in encouraging responsible product disposal, emphasizing the value of recycled or upcycled products.



Water

For sustainable retail, water conservation stands as a critical pillar for both environmental responsibility and operational cost-effectiveness. Initiating a comprehensive water conservation strategy begins with a detailed assessment of water usage across the premises, pinpointing areas for potential waste. Implementation of water-efficient fixtures, such as low-flow faucets and toilets, not only reduces consumption but also minimises operational costs. Employee training plays a pivotal role in fostering a culture of water conservation, urging prompt reporting of leaks and responsible water usage.

Rainwater harvesting systems offer an innovative approach to reuse rainwater for non-potable purposes, aligning with sustainable water management principles. Regular monitoring and auditing ensure ongoing efficiency, allowing for the identification and rectification of any areas requiring improvement. Engaging with suppliers committed to water-efficient manufacturing processes and extending water conservation efforts to the community solidify a store's commitment to holistic sustainability. Through these measures, retailers can pioneer responsible water usage, minimising their ecological footprint and inspiring positive change.

Case study

The Arboretum Group is an award-winning, family-owned business which won Retail Excellence's coveted Garden Centre of the Year award for 2022. The Group, with locations in Leighlinbridge, Co Carlow and Kilquade, Co. Wicklow, has created destination locations with something for everyone from its garden café and restaurant to its vast horticultural selection in the garden centre to its kitchen store, home & gift shop, furniture area, fashion department all under one roof.

In August 2023, as part of an extensive capital investment programme with a focus on sustainability, the business began building out its new state-of-the-art garden centre and retail facility in Kilquade which incorporates a rainwater harvesting system. Rainwater that falls on the new and existing buildings is collected and is stored in a series of 38,000 litre capacity tanks. This reclaimed water, often referred to as "grey water" is used for all plant irrigation needs as well as toilet flushing on site, saving approximately 124,000 litres of water per year.



Water efficiency in refrigeration

Food retailers, with their extensive refrigeration systems, represent a significant area of water consumption.

Addressing water usage in supermarket coolers is crucial for achieving comprehensive sustainability goals.

Sustainable practices

- **Advanced cooling technologies:** Upgrade to water-optimised systems like closed-loop or air-cooled refrigeration, significantly reducing water usage compared to traditional open-loop counterparts.
- **Proactive maintenance:** Implement regular maintenance schedules to detect and promptly repair cooler leaks, preventing long-term water wastage.
- **Smart defrosting:** Optimise freezer defrosting schedules using intelligent systems that consider temperature, humidity, and usage patterns, ensuring water-efficient practices.
- **Water recycling:** Explore water recycling systems that capture and treat condensation water, repurposing it for nonpotable uses within the store.
- **Employee training:** Educate staff on maintaining cooler efficiency, emphasising proper loading, ensuring tight door closures, and prompt reporting of any issues.
- **Energy-water synergy:** Consider the synergy between energy and water efficiency, upgrading to energy-efficient cooler systems to indirectly lower water footprints associated with energy production.
- **Collaboration with suppliers:** Engage with suppliers committed to sustainable practices, sourcing energy-efficient and water-conscious cooling systems.
- **Consumer awareness:** Educate consumers about the environmental impact of refrigeration systems, providing product labels with information on water and energy efficiency, empowering informed and sustainable choices.



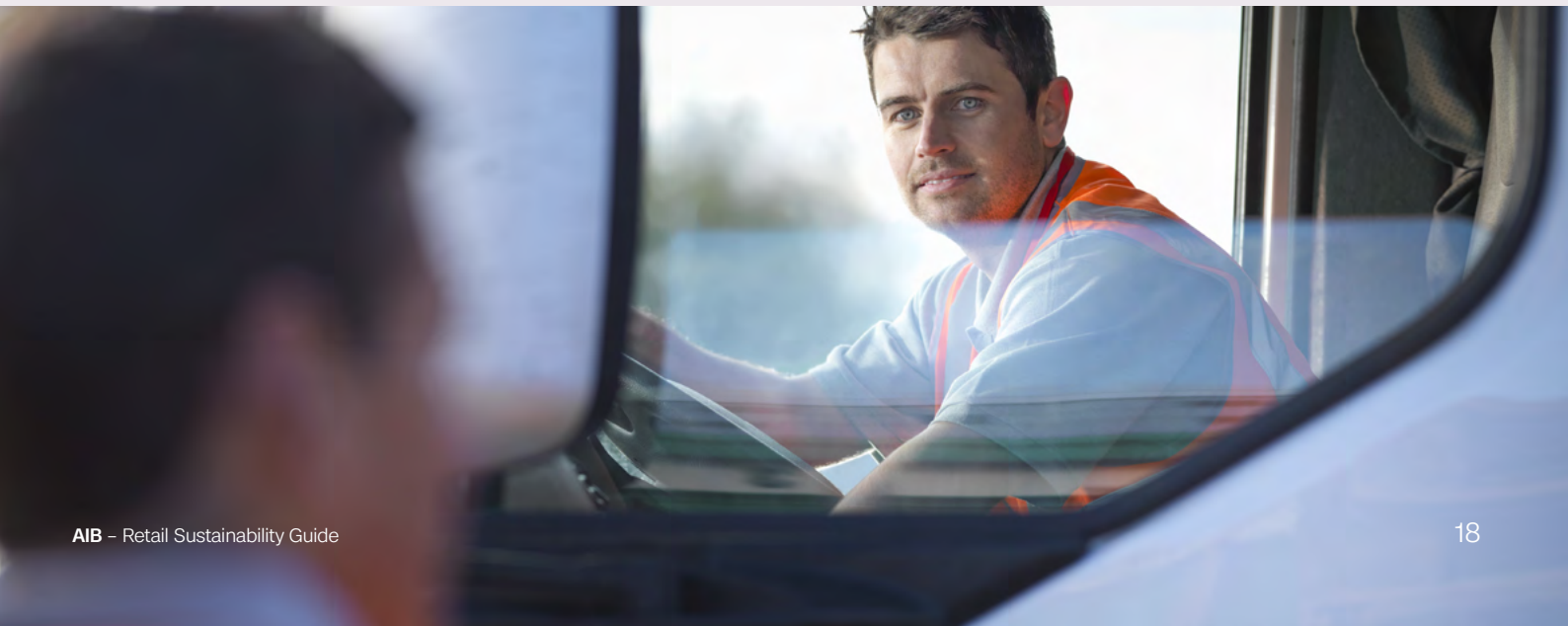
Transport and logistics

This section outlines a set of strategic sustainable practices designed to minimise the environmental impact of retail transport and logistics - while optimising operational efficiency. From streamlining suppliers

to collaborative shipping initiatives, each practice plays a crucial role in aligning retail operations with environmental responsibility.

Sustainable practices / description

- **Supplier consolidation:** Streamline and consolidate the supplier list to reduce the number of deliveries required.
- **Local sourcing:** Prioritise local suppliers to reduce transportation miles, which can also go to ensuring the sourcing of fresher and higher-quality products.
- **Optimised delivery:** Assess delivery schedules and consider bulk ordering to minimise environmental impact and reduce costs.
- **Environmentally conscious suppliers:** Inquire about suppliers' eco-friendly delivery methods, such as back-haulage or the use of green transport modes.
- **Employee and customer:** Encourage sustainable commuting options for staff, like public transport, carpooling, or the bike to work scheme.
- **Monitoring and reporting:** Implement a system to monitor and report on transportation-related emissions, setting goals for improvement.
- **Reverse logistics:** Integrate a reverse logistics system to manage product returns efficiently. This reduces unnecessary transportation and minimises the environmental impact.
- **Fleet efficiency:** Invest in a modern and energy-efficient transportation fleet. Electric or hybrid vehicles can significantly reduce carbon emissions associated with transportation.
- **Data-driven decision-making:** Utilise data analytics to optimise transportation routes, reducing fuel consumption and emissions. Implement real-time tracking systems for proactive adjustments.
- **Packaging optimization:** Optimise product packaging to reduce both material usage and transportation space. Explore innovative, eco-friendly packaging materials to align with sustainability goals.
- **Stakeholder collaboration:** Collaborate with logistics partners, suppliers, and other stakeholders to collectively work towards sustainable supply chain practices. Share success stories and challenges.
- **Continuous improvement:** Establish a continuous improvement process for logistics and transportation sustainability. Regularly review and update practices based on evolving technologies and standards.



Social sustainability

Introduction to social sustainability

Social sustainability is a crucial aspect of Environmental Social Governance, that is, a set of standards set by businesses to measure their impact on society, the environment and business operations, such as decision making and reporting.

Social sustainability assesses a company's engagement with, and impact on, its workers, customers, suppliers, and the local community. Organisations can positively contribute to fairness in society, investing in fair and equal opportunities and conditions for employees, people working in the supply chain, and local communities.

Social sustainability in retail

In today's dynamic retail landscape, fostering social sustainability is a fundamental aspect that goes beyond environmental concerns. It involves creating a positive

impact on the community, employees, and customers. The following principles, aligned with sustainable practices, contribute to enhancing the social fabric of retail operations:



Community engagement

- Establish partnerships with local community organisations to support initiatives that address social issues, such as poverty, education, and health.
- Contribute to community development projects, leveraging resources to positively impact the areas surrounding your retail store.

Employee well-being

- Prioritise the well-being of your employees by providing fair wages, safe working conditions, and opportunities for professional development.
- Implement policies that promote work-life balance, mental health support, and inclusivity within the workplace.

Ethical sourcing and fair trade

- Embrace ethical sourcing practices, ensuring that the products on your shelves are produced under fair labor conditions and environmentally responsible methods.
- Consider supporting fair trade initiatives, contributing to the empowerment of marginalised communities involved in your supply chain.

Customer education and empowerment

- Educate customers about sustainable choices, offering information on eco-friendly products, and providing incentives for making environmentally and socially responsible purchases.
- Empower consumers with the knowledge and tools to make informed decisions, fostering a sense of responsibility and consciousness about their shopping habits.

Diversity and inclusion

- Promote diversity and inclusion within your workforce, reflecting the demographics of the community.
- Ensure that your retail environment is welcoming and inclusive, creating a positive shopping experience for customers from all backgrounds.

Charitable initiatives

- Engage in charitable initiatives and events that align with your company's values, contributing to social causes and reinforcing your commitment to community betterment.

Additional resources

- **The Carbon Trust** provides advice and support to businesses looking to improve their environmental performance.
<https://www.carbontrust.com/>
- **B Corp or Benefit Corporation** is a type of business certification that recognises companies committed to meeting rigorous standards of social and environmental performance, transparency, and accountability.
B Lab Global Site www.bcorporation.net
- **Sustainable Energy Authority of Ireland** is Ireland's national sustainable energy authority, working with businesses to create a cleaner energy future.
<https://www.seai.ie/business-and-public-sector/>
- **Foresight** has opened a Dublin office and launched the AIB Foresight SME Impact Fund. AIB has committed €30m to the fund, which will provide €2m to €5m equity investments to smaller companies across Ireland that will support transition to a low carbon economy. Please contact Barclay Clibborn, Principal of the Fund, on bclibborn@foresightgroup.eu for any queries

Important/regulatory information – The above content is expressed in broad terms and is limited to general information purposes only. Readers should always seek professional advice to address issues arising in specific contexts and not seek to rely on the above information which does not constitute any form of advice or recommendation by AIB. Some of the links above bring you to external websites. Your use of an external website is subject to its terms. Lending Criteria, terms and conditions apply. Credit facilities are subject to repayment capacity and financial status and are not available to persons under 18 years of age. Security may be required.

Mabbett®

Established in 1996, Mabbett are a leading independent environment, engineering, planning and safety consultancy with offices throughout Ireland and the UK.

www.mabbett.eu

Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland.