

Green on Green

Welcome to our new **Green on Green** series,
featuring valuable mini case studies on companies
that are making Green by going Green.

Monday April 2, 2007



Green On Green: TESCO

Big Green Monster UK Supermarket Giant's Green Steps Are Big and Flashy

Tesco is Britain's Wal-Mart but with more attitude. If it's big and flashy and makes money, Tesco does it. The chain – known mostly as a supermarket company but not afraid to sell electronics, furniture, gasoline and now even considering a foray into homebuilding – has long been the target of environmental and community action groups. It faces allegations of monopolizing, cost-cutting, crushing mom-and-pop businesses, ruining entire towns – again, think Wal-Mart in the UK. Tesco even has its own hate group, Tescopoly, and a tell-all book by the same name. Tescopoly.org bills itself as “an alliance of organizations concerned with the negative impacts of supermarket power.” Yes. You read that right.

But as much as its myriad opponents hate to admit it, Tesco has made some promising efforts toward sustainability. Sure, it has the resources to do more. And sure, every green policy is splashed across its website and UK newspapers as if to squeeze out every ounce of green PR. But it is trying, and as pointed out on this blog before, when industry giants start trying, that means they are getting the message.

Company Profile

To say Tesco dominates its competitors is an understatement. Tesco sales account for almost one-third of food spending in the UK. It hosts 20 million British customers each week. (There are only 60 million Britons on the island.) It operates 2,700 stores in 12 countries, employs 380,000 people, and last year reported net sales of 43 billion pounds.

Loved to Hate

One thing that can't be said is that Tesco is ignoring environmental concerns. While critics claim its cost-cutting practices contribute to unhealthy conditions for workers and suppliers, Tesco seems committed to countering with high-visibility initiatives to reduce waste and contribute to efficiency.

Tesco operates wind-powered stores and biodiesel delivery trucks. It uses state-of-the-art trains that use lower-than-normal noise and pollution to reduce the use of trucks, and therefore, carbon dioxide emissions. And in one its most impressive steps, Tesco has linked bonuses of senior management partly to meeting energy and waste-reduction targets. (Not that any of Tesco's senior management will starve without those bonuses. Last year, CEO Sir Terry Leahy brought home 3.9 million pounds.)

TESCO BY THE NUMBERS

Founded: 1919

Stores: 2,700

Employees: 380,000

UK Customers Each Week: 20 million

Countries With Stores: 12

2006 Revenue: 43 billion pounds

Promised investment in green initiatives over the next five years: 500 million pounds

Targeted energy reduction in Tesco's UK buildings from 2000 to 2010: 50 percent

For all its progress to date, Tesco makes even more impressive promises for the future. Last year, it pledged to cut the average energy use in its British buildings in half by 2010 compared to 2000 numbers. Now it says it will get there two years early. Over the next five years, it promises to invest 500 million pounds into efforts to bring environmental programs to its customers including a “carbon calorie counter” to help shoppers follow a low-carbon lifestyle. Also, in stores, Tesco has plans to estimate the “carbon costs” of every item it sells and to award points, redeemable for merchandise, to customers who bring their own reusable shopping bags.

Love them or hate them – plenty of Britons do both – Tesco is joining the movement toward greener industry. And when an 800-pound gorilla moves. Others notice.

Editor’s note: I have eaten their tuna sandwiches and sushi while in London... not that bad.