

# Cyprus: Metro Foods Trading

27 January 2013

Since 2008, Metro Foods Trading Ltd has implemented a comprehensive set of green business practices and is currently one of the most environmentally friendly retailers in Cyprus. To do this, the company has collaborated with private sector companies and NGOs. The employment impact of green business practices is rather limited to date, due to the characteristics of the practices, the features of its economic sector (retail trade) and efforts made to simplify green labour tasks as much as possible.

## Introduction

According to the Statistical Service of Cyprus, in 2009 the share of the trade sector (wholesale and retail) represented 11.6% of Cyprus' GDP and 17.7% of overall employment. In retail trade, 37.230 persons were employed (11.241 in retail sale in non-specialised stores or 3% of overall employment).

Metro Foods Trading Ltd ([METROHOD](#)Check upper case spelling – search website) was established in Larnaca in 1982. The company has four supermarkets, located in Strovolos, Larnaca, Aglatzia and Platy. The four stores employ approximately 250 people. In 2008, the company launched a comprehensive strategy for greening its business activities. This initiative was taken independently of any specific regulatory obligation. This makes it particularly innovative, not only for other companies in the retail sector, but even for the whole business community in Cyprus. This strategy includes the following measures:

- reducing plastic bag usage by launching an eco-friendly shopping bag;
- replacing the usual plastic bags with bags made from recycled polythene;
- recycling of all boxes and other recyclable materials used within the superstores;
- introducing measures aiming at reducing energy and water consumption;
- tree-planting by Metro staff (in collaboration with the Cyprus Department of Forests);
- introducing 'green' cars for company use to reduce CO2 emissions;
- making continuous efforts to reduce HCFC gases in fridges and air-conditioning systems;
- sourcing and supporting agricultural varieties produced in Cyprus.

This case study focuses on the first four measures of the strategy outlined above.

## Drivers and motivations

The greening strategy has been implemented following the decision of the company itself and was not imposed under legal obligation from the Cypriot government. However, the growing concern in recent years of both the media and the government with environmental issues has been beneficial for Metro, as now consumers fully acknowledge the value of the company's green practices. There were several reasons for the company's involvement in greening business practices, outlined here.

Awareness of general public and consumers

Green business practices were stimulated by rising consumer expectations that companies should contribute to the mitigation of climate change and environmental protection. The company implemented a small survey among its customers about their perceptions as regards Metro's involvement in energy saving practices. The results showed that customers of the company positively evaluated this project.

Improving image and reputation

### About

Case study name: The greening of industries in the EU

Country: Cyprus

Organisation: 100-499

Size:

Sectors: Distribution and trade

The adoption of the concept was aimed at improving the image and reputation of the company and thus increasing a competitive advantage in the market.

Reducing risks related to availability or cost of resources and availability and economic feasibility of new technologies

The company was aware that drastic changes to conserve energy and the environment would be sooner or later inevitable, and therefore chose to adopt a pro-active attitude. The availability of new technologies and the emergence of new companies and organisations related to green practices have played an important role in this.

The financial crisis has affected the company's ability and motivation to implement green business practices. Expenses have been minimised in all activities, including the company's environmental policy (for example, the company cancelled the purchase of new green vehicles). The enrichment of the greening strategy has been thus temporarily suspended.

## Green business practices

All METRO's green business practices have been initiated by the marketing department. Their implementation is achieved in cooperation with the other departments of Metro.

### Recycling

#### Eco bags

The company has introduced biodegradable eco-bags which are for sale. Metro has also replaced the (free) plastic bags with bags made from recycled polythene.

#### Recycling of paper

The company has placed bins inside and outside the supermarkets to collect all recyclable materials used within the stores. The collection of the recyclable material is completed by the non-governmental organisation Green-dot. The company has also installed information tables across its stores which provide information to customers on products' recycling. Information leaflets are also available for the public on this issue.

#### Recycling animal waste

The company has introduced special bins for the collection of animal waste. The separation of waste by employees (such as in the butcher's shop) aims to provide material for producing bio gas. The residues are collected by an external contractor (Animalia) which is specialised in producing bio gas.

#### Water conservation

Information on potential water savings in the supermarket is provided regularly to employees, while special markers are installed across the stores for this purpose. Furthermore, organic detergents are used. These detergents help both to save water (a special dispenser is used indicating the exact amount of water which is to be used) and protect its quality (non-pollution of the aquifer).

#### Energy saving

Reduction of energy consumption is required in all seasons (both in air conditioning and heating processes). For this reason, Metro uses an external certified company to maintain regularly its air conditioners which contributes to the minimisation of energy consumption. Photovoltaic systems (solar panels) have been installed in all Metro stores at a total cost of EUR 200,000. Metro has also installed at each store a power management system which helps to reduce energy consumption by 5%. The system has been installed by an external company (Powerstar). Both the power management system and the photovoltaic installations have been subject to funding from the Ministry of Trade, Industry and Tourism (30% and 40% of total investment respectively). Overall, energy savings of 15% have been achieved. The company also receives a subsidy from the Electricity Authority of Cyprus (EAC) for the energy it produces from the photovoltaic systems and which is transmitted to EAC's grid.

## Anticipation and management of the impact of green change on quantity and quality of jobs

Green business practices at the company have not, to date, caused significant changes to employment. No jobs were created or cut due to the introduction of green business practices. The impact on job quality is considered to be rather limited. This is due to factors such as the already existing familiarity of workers with water saving practices, simplification of green labour tasks, outsourcing of specific tasks to specialised external partners and installation of an automatic system for energy management. Overall, public authorities contributed to Metro's greening strategy only by providing financial support for the instalment of the energy systems as mentioned above.

## Water conservation

Due to its geographical position and insularity, Cyprus has always had problems with its water resources. Discussions on this issue have grown in recent years due to the rising public awareness of climate change issues, but also because of the drought afflicting the country. Employees of Metro, as citizens of Cyprus, are therefore conscious of the necessity of saving water and also have a high degree of familiarity with relevant practices. There is therefore no specific need to organise training courses on this issue as the company's greening policy seems to be fully in line with the citizens' expectations, knowledge and practices on environmental issues. Furthermore, once a month, employees take part in training activities provided by the staff of the Quality Control Department. However the trainers have not themselves been trained as the tasks do not require special knowledge which would need to be obtained externally. The (re)training of personnel is a requirement of the standard ISO 22000 (Quality Control Management). In this context, internal trainers provide information to employees on water saving in the supermarket. Markers have been placed at all water points in the stores in order to provide advice about its proper usage.

## Energy saving

Energy management is carried out under an automatic central system which has been installed by an external company (**Powerstar**). Employees therefore are not directly involved in energy saving practices although monitoring of the system in each store is carried out by an employee from the maintenance department who has been trained by Powerstar. Maintenance of the solar panels is also carried out by the maintenance department. As in the case of energy management, employees doing this have been trained by the company who carried out the installation of the photovoltaic system.

## Recycling

### Recycling animal waste

The method is simple and has been achieved by placing coloured bins indicating where each category of waste has to be deposited.

### Recycling of paper

Recycling is limited to the transfer of paper and other recyclable material in special bins. The content is collected by Green-dot. Therefore, there is no particular need for the training of employees regarding this issue.

## Simplification of green tasks to ensure successful implementation

Most green business practices have been introduced by the marketing department in close collaboration with supervisors of all departments. When designing the greening strategy, the marketing department researched the best green business practices of foreign retail companies.

The job tasks relating to the implementation of green business practices have been simplified as much as possible for two main reasons. First, work in the stores can be very intensive. Thus simplification aims to avoid additional workload which could lessen employees' productivity and the quality of service. Secondly, simplification is linked with objective constraints resulting from the usually low educational level of workers working in the retail industry.

## Conclusions and recommendations

RO has introduced a comprehensive policy on environmental issues and contributing to the mitigation of climate change. This policy has evolved into one of the major features of Metro's corporate image. It should be stressed that the greening of Metro's business activities was not the result of legal obligations. This gives the company a leading role in this area among other businesses in Cyprus. The direct impact on employment has been relatively small. This is mainly due to the nature of green business practices in the retail sector, which do not require particular knowledge and depend mainly on efforts of the management to minimise the complexity of labour tasks.

Green change was implemented in a rather pragmatic way in order to ensure the smooth running of the business' core activities. The more specialised tasks are performed by specialised external partners. This could also mean that Metro green practices might have induced a small employment effects on its external partners. This in turn could raise the need to consider the employment effects of green innovations introduced beyond the business itself.

The clear objective of Metro to establish itself as one of the leading green businesses in Cyprus may foster, in the future, further collaborative practice with new categories of stakeholders involved in the green economy. This also means that policies for the mitigation of climate change could include supporting green business clusters of knowledge intensive businesses and those which are not. Public authorities could be further involved by providing high-added value training to business executives for the designing and implementation of comprehensive and sustainable greening strategies.