European food retail research

drivers, challenges and technologies of European supermarket operators to reduce energy consumption and carbon footprint

Düsseldorf, 18 February, 2014

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shecco

about the research

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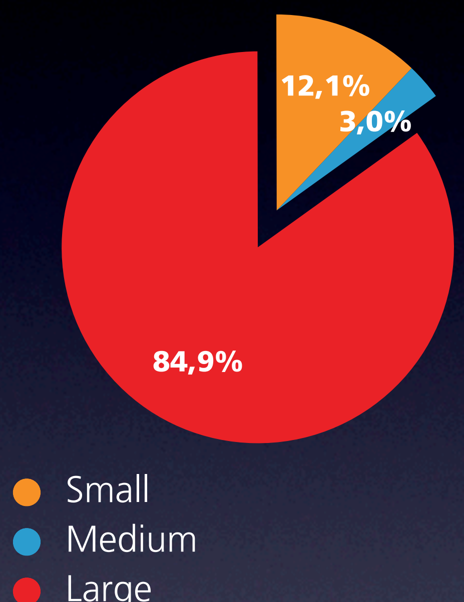
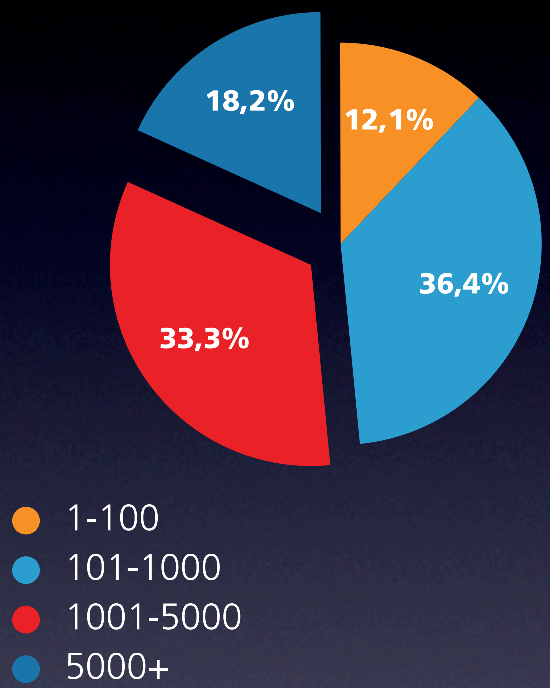
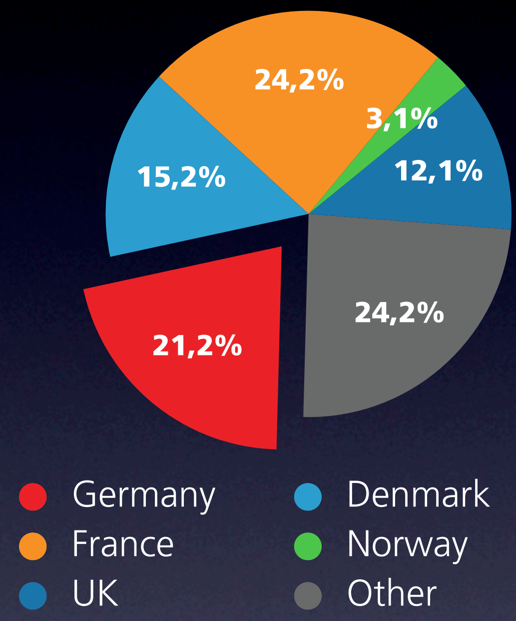
- qualitative research with quantitative elements
- period: 10 January to 21 February 2014
- interviews with leading food retailers in Germany, France, Denmark, Norway, the UK + other mainly Western and Northern European countries
- 50 initial responses, 33 used in analysis for EuroShop
- retailers that agreed to be mentioned (others opted to remain anonymous):

METRO GROUP
MADE TO TRADE.
coop
Norge
Dansk
Supermarked
SPAR
MIGROS
TESCO
EDEKA

respondents





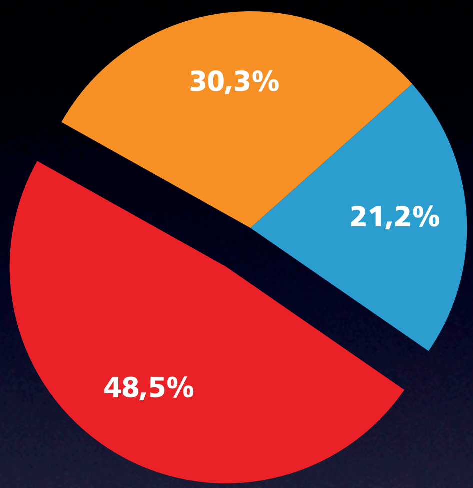


mostly represented: large food retailers, often part of a bigger enterprise group

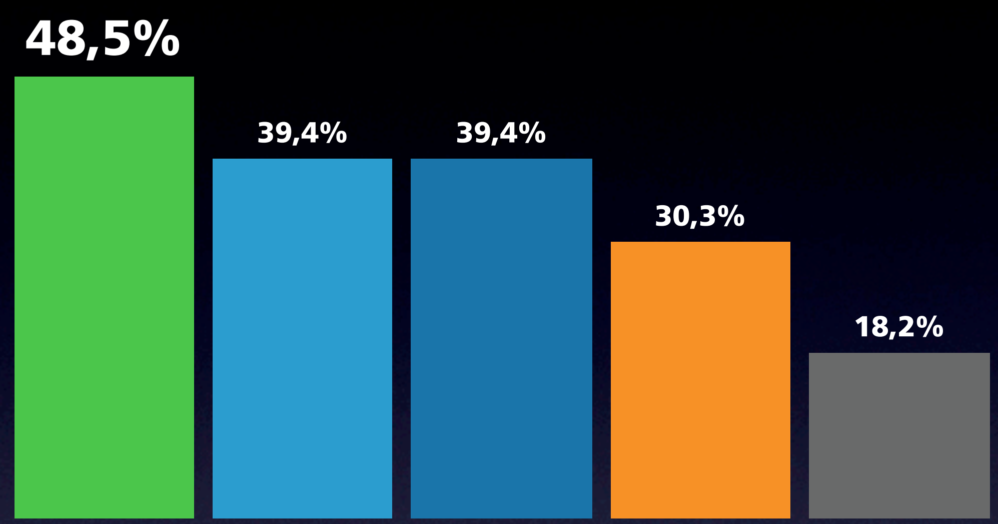
more than half of respondents represent food retailers with 1001 to more than 5000 stores across Europe

German and French food retailers strongest response group

respondents



- Non-management
- Strategic management
- Operational management

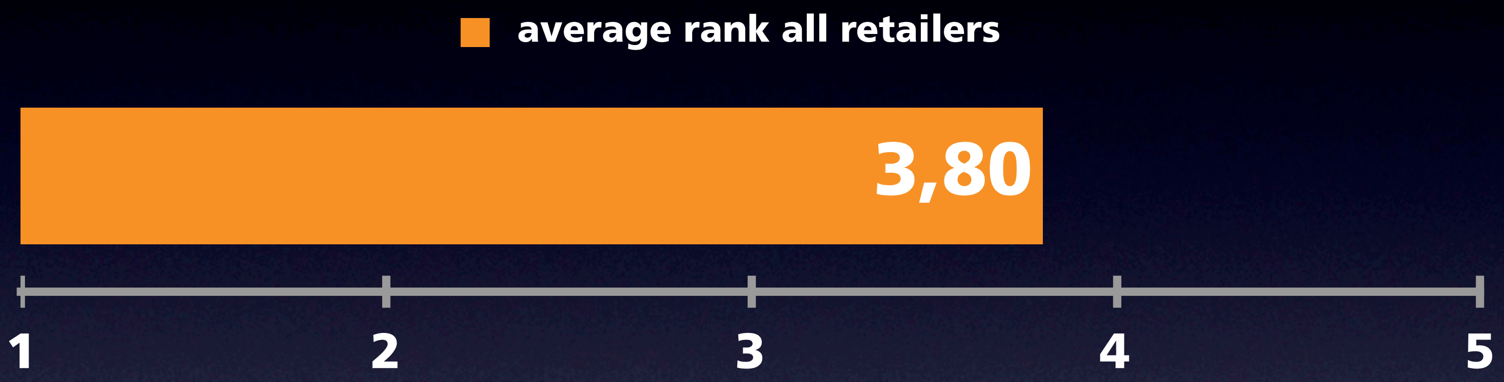


- Sustainability, CSR etc.
- Environment, energy management etc.
- Technical equipment, refrigeration etc.
- Facilities, building management etc.
- Strategic management, business development etc.

two major groups, mostly at the operational management level, participated in the research:

1. sustainability, CSR, environment, energy management
2. refrigeration, technical equipment, facilities, building management

importance of reduced carbon footprint in stores for overall future business success



- reducing the carbon footprint in their stores is “rather important / important” to Western and Northern European mostly large food retailers
- technology choice is embedded in a broader framework of sustainability considerations
- carbon footprint reduction in stores and future business success are directly linked

importance of reduced carbon footprint in stores for overall future business success

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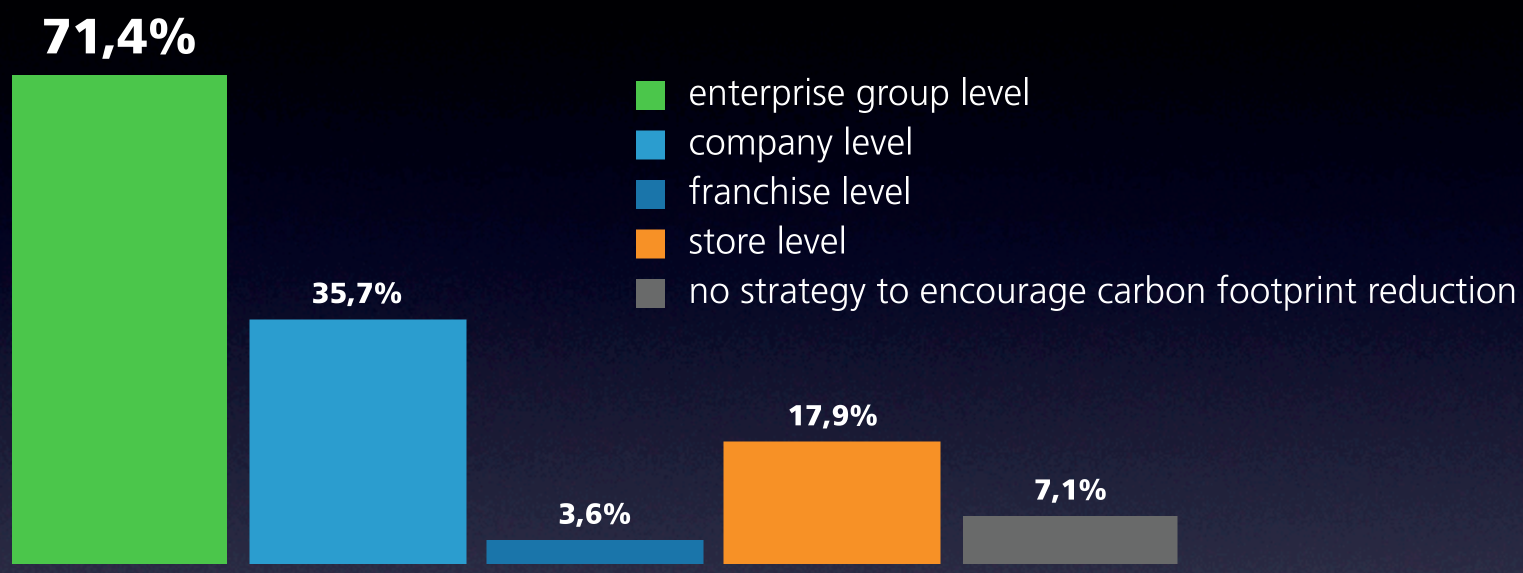
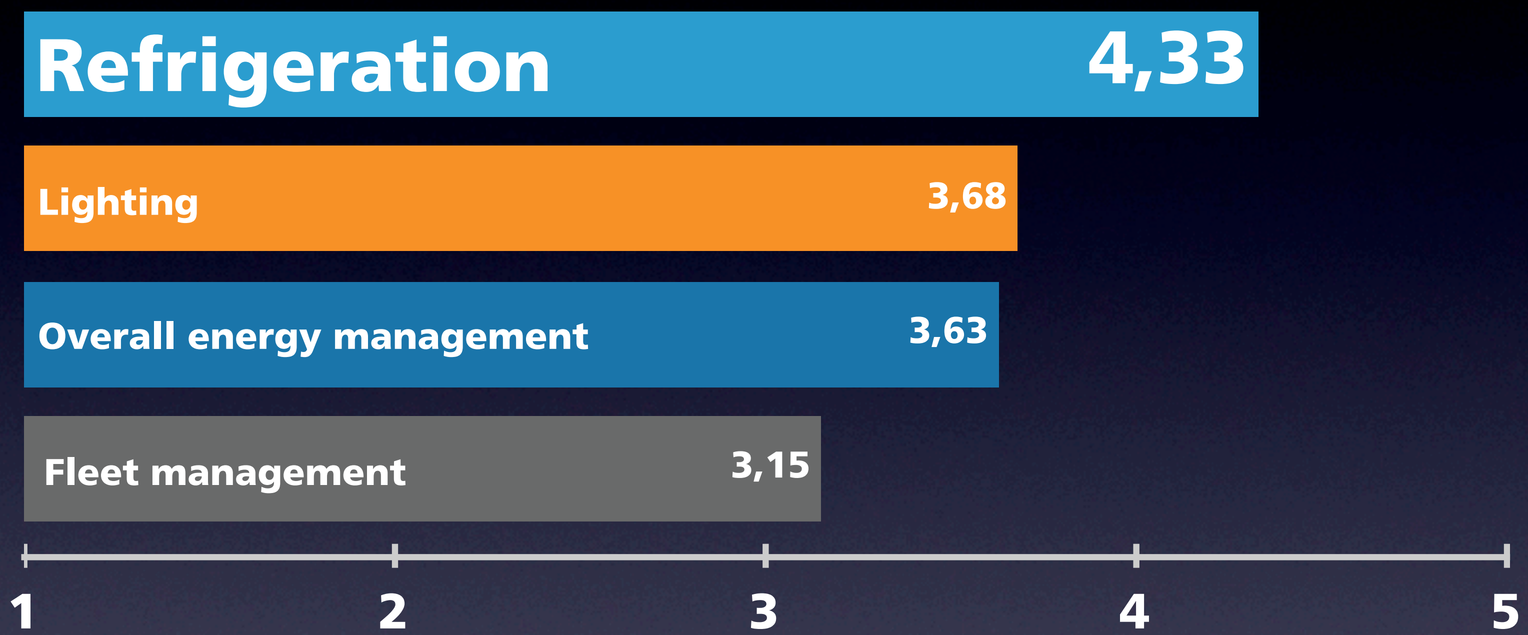
- technology choice is embedded in a broader framework of sustainability considerations
- carbon footprint reduction in stores and future business success are directly linked
- German food retailers attach the greatest value to carbon footprint reduction as a tool to increase or maintain future business success (4.43 average rank)

strategy to encourage carbon footprint reduction in stores



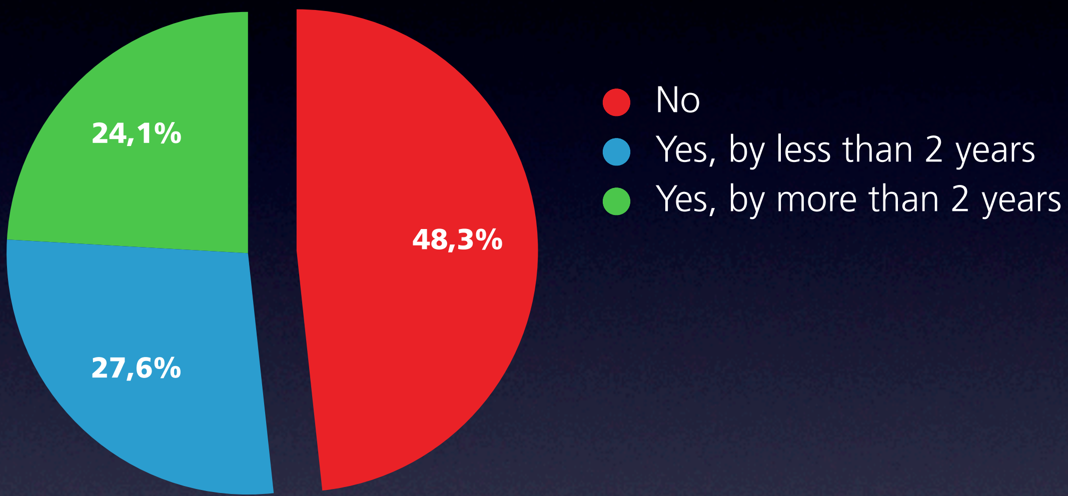
- an overwhelming majority follows a strategy at the enterprise level to encourage carbon footprint reduction across all enterprise group members = carbon footprint reduction is driven from the highest-possible level
- more than 1/3 follows only or also such a strategy at the company level
- only very few state there is no such strategy available at any level

importance of environmental features to increase energy efficiency in stores



- refrigeration - energy-efficient systems & the use of low-global warming refrigerants - has the highest priority among surveyed European food retailers, translating to "rather important / important" in their strategy to increase their stores' energy efficiency
- German food retailers attach a more equal value to the different means of increasing a store's energy efficiency

willingness to reduce investment cycles to promote the uptake of more environmentally-friendly refrigeration



- more than half of all respondents would be willing to reduce their normal investment cycles to promote the uptake of more environmentally-friendly refrigeration technology
- among those, 24.1% would even be willing to reduce investment cycles by more than 2 years
- the average investment cycle for refrigeration systems in surveyed food retailers is mostly between 9-15 years

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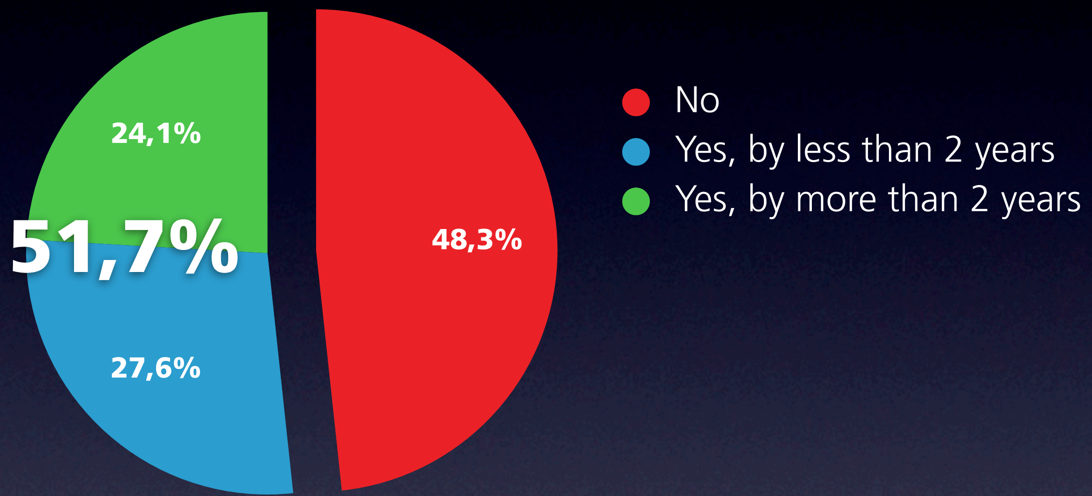

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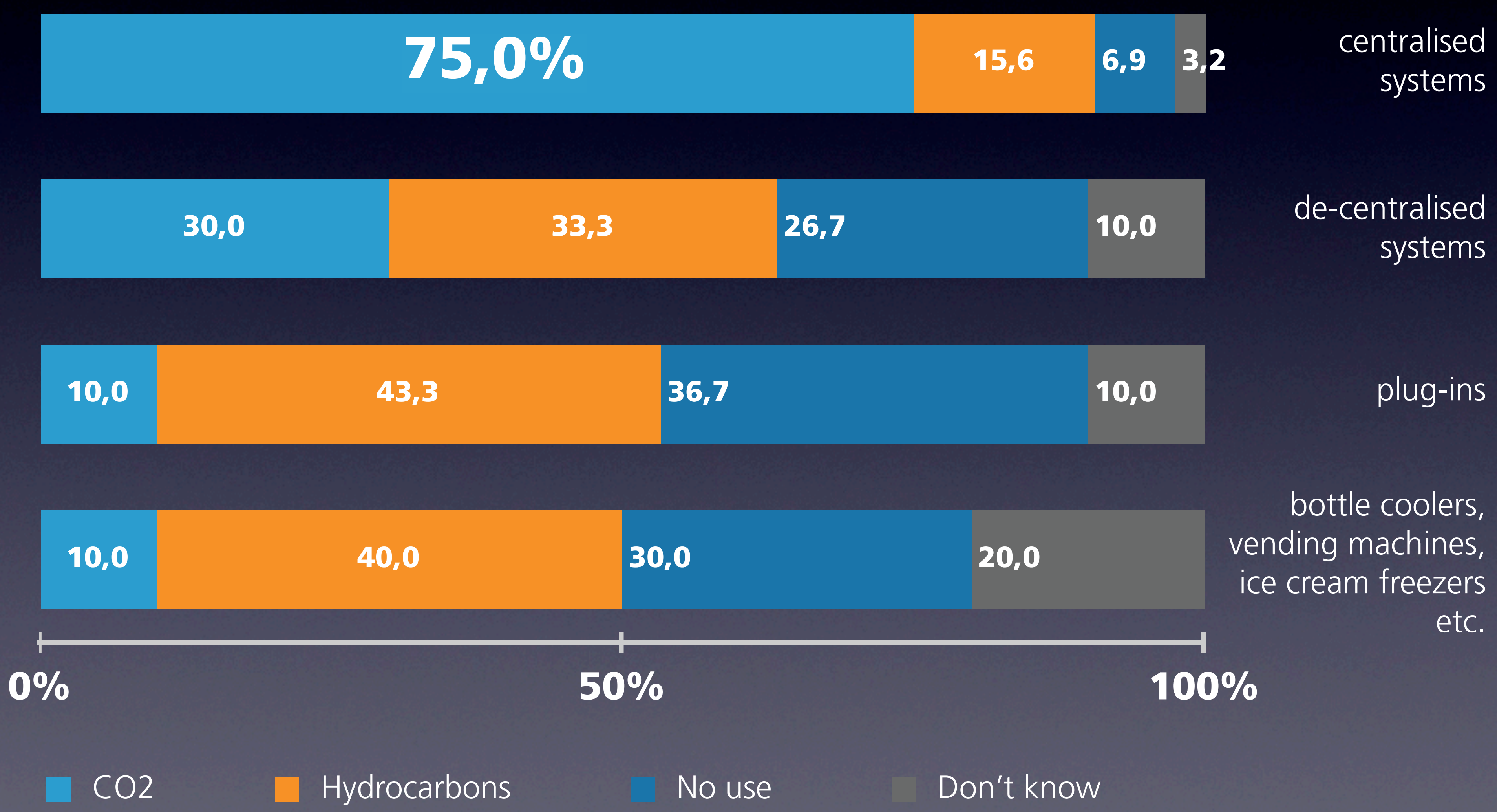
use of natural refrigerants among European food retailers, by application



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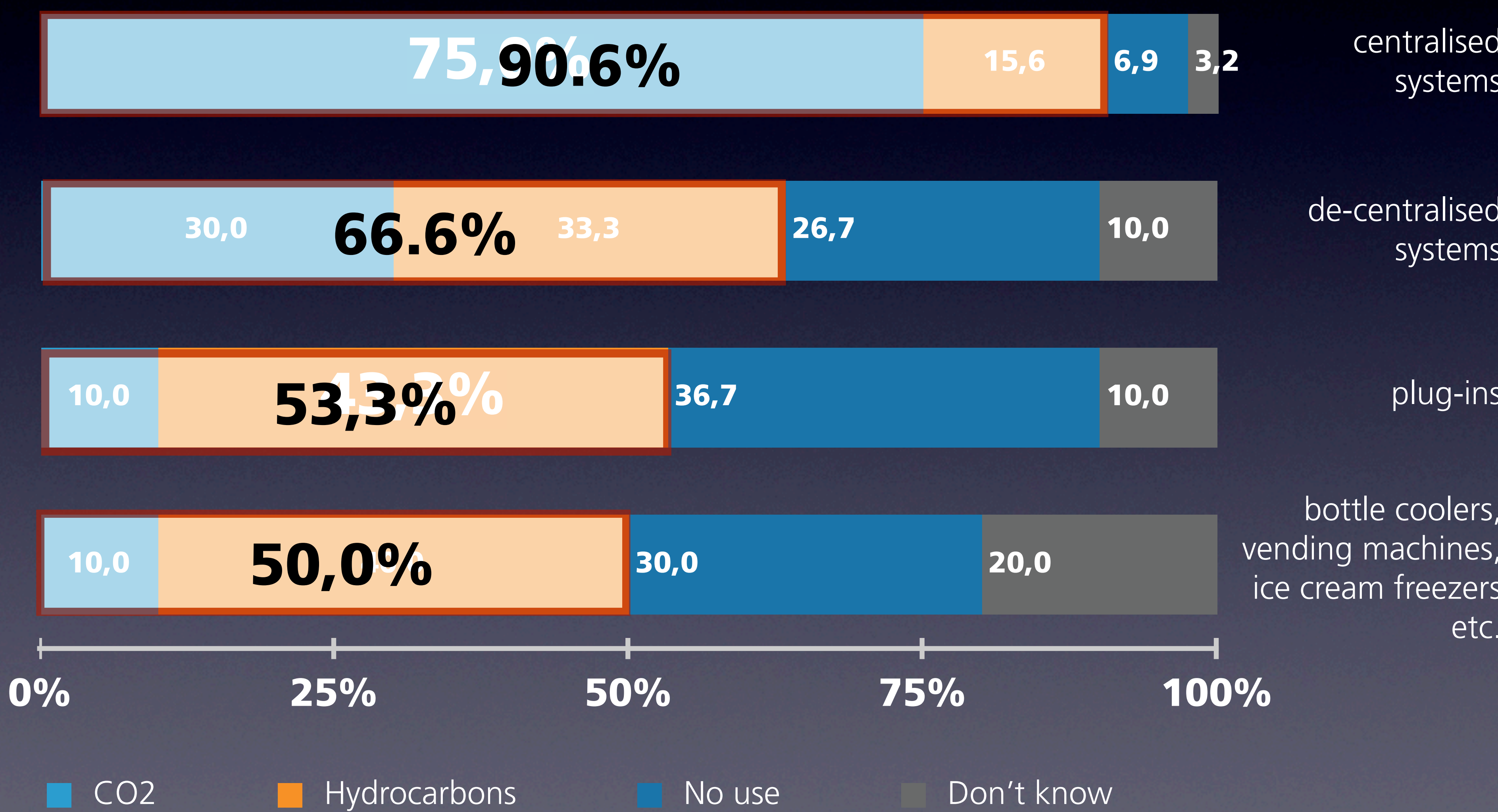
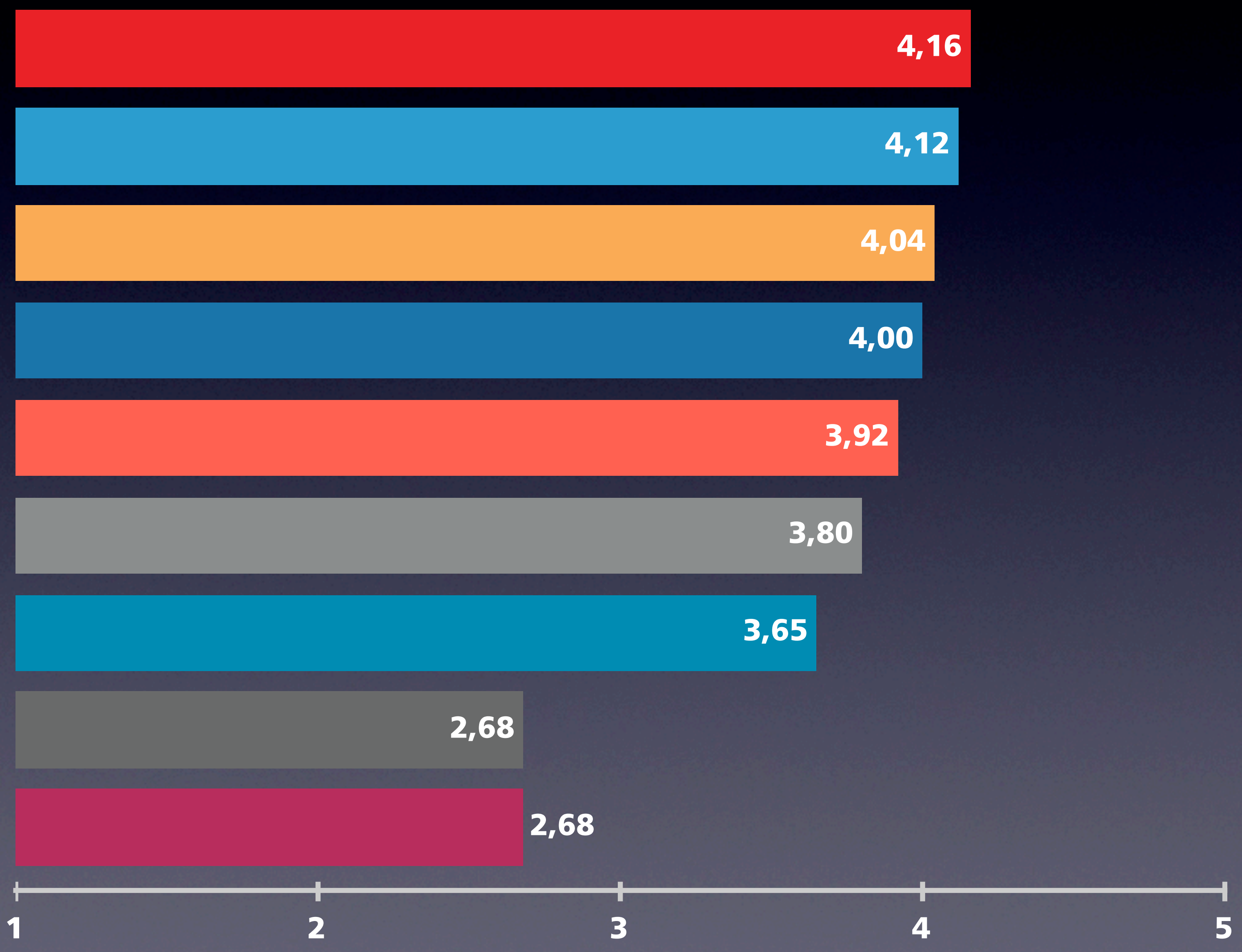


importance of factors for purchasing new refrigeration technology for stores



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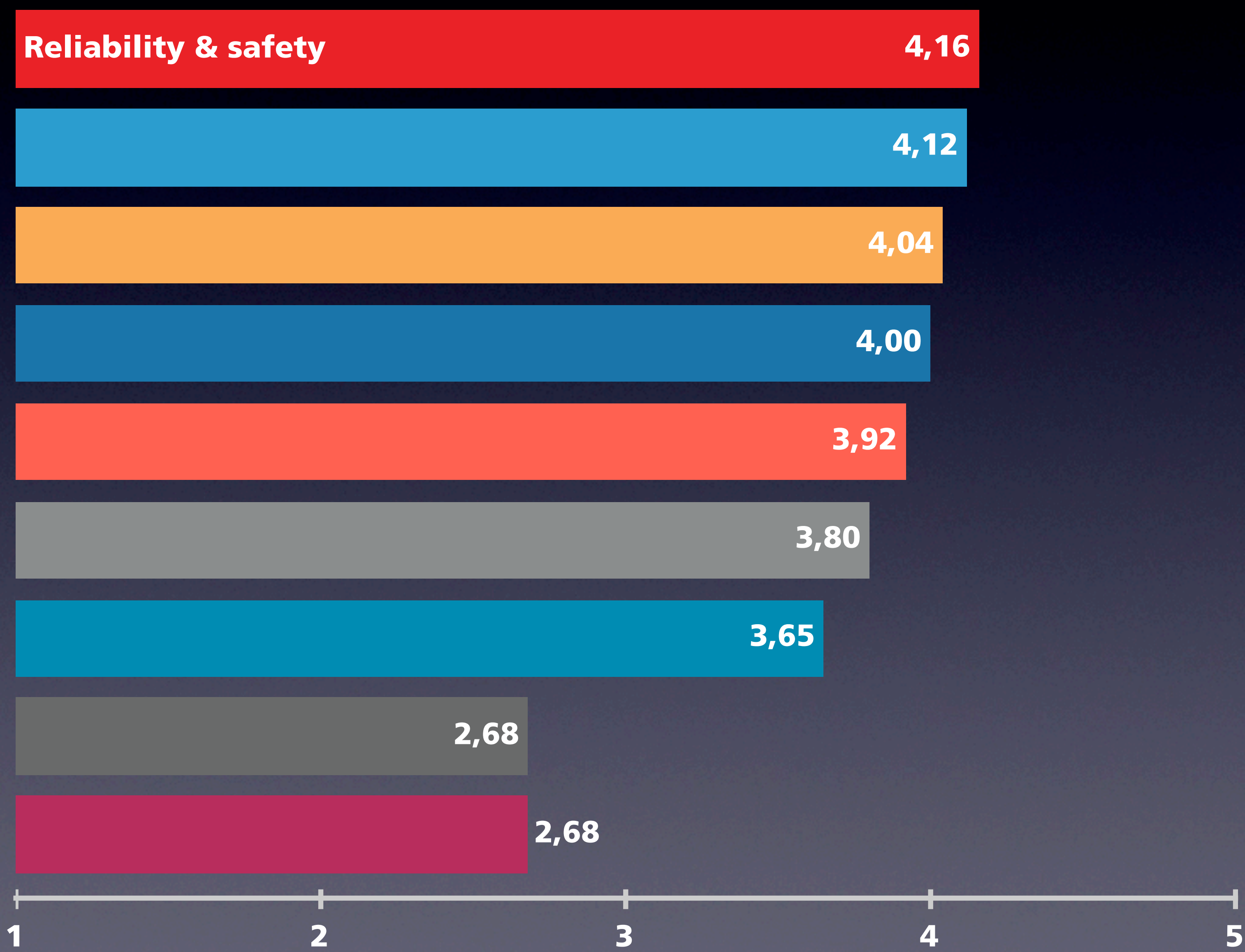

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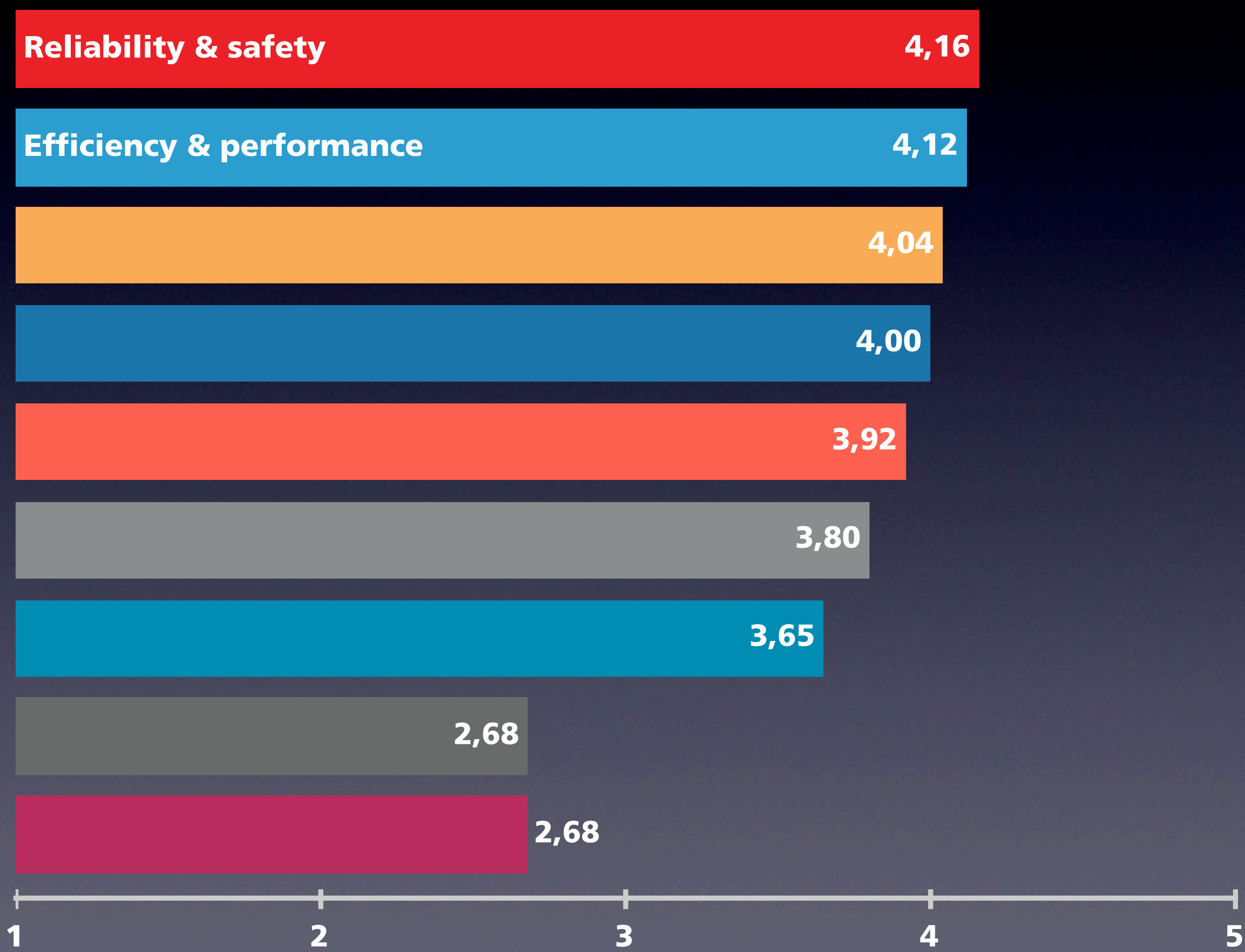

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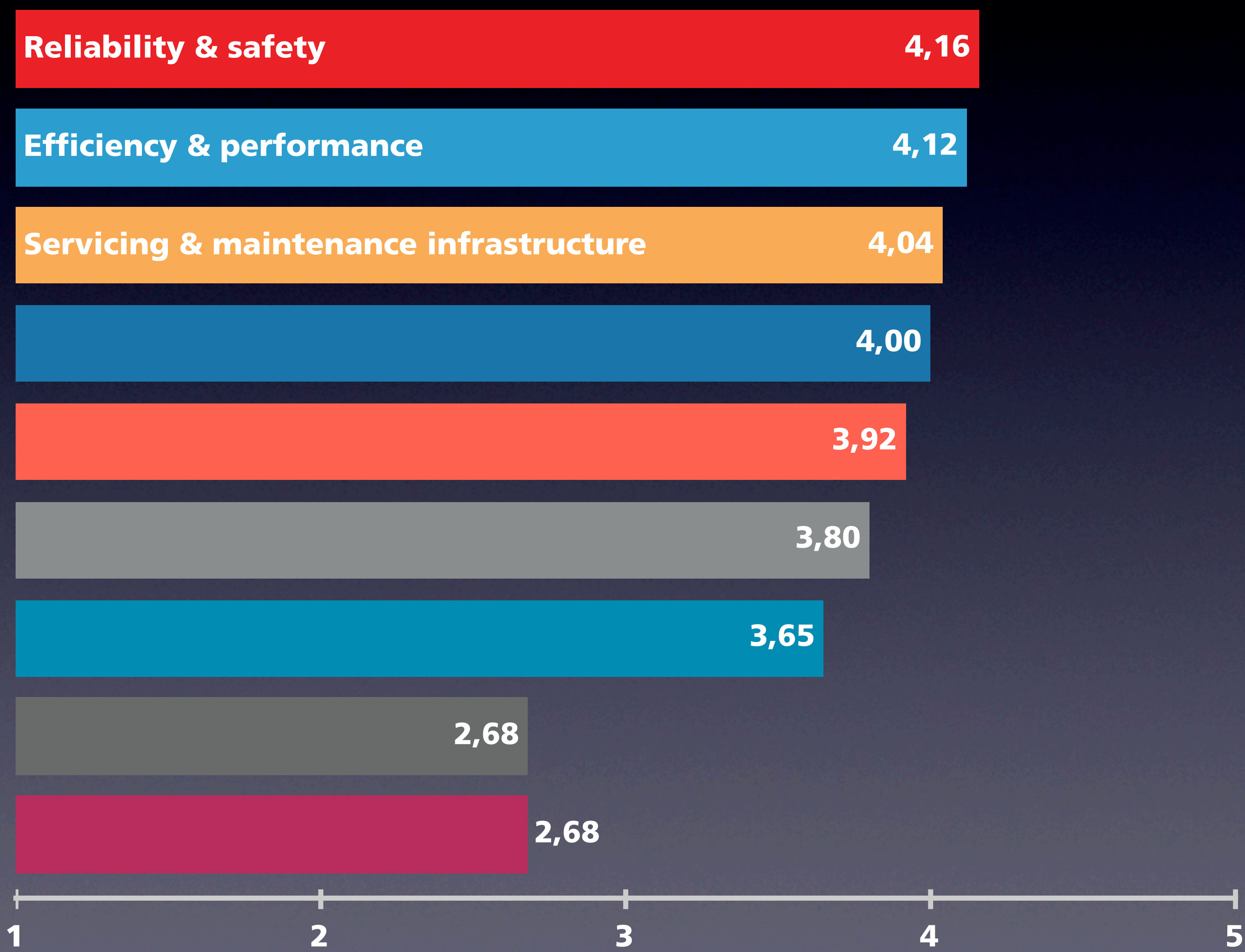

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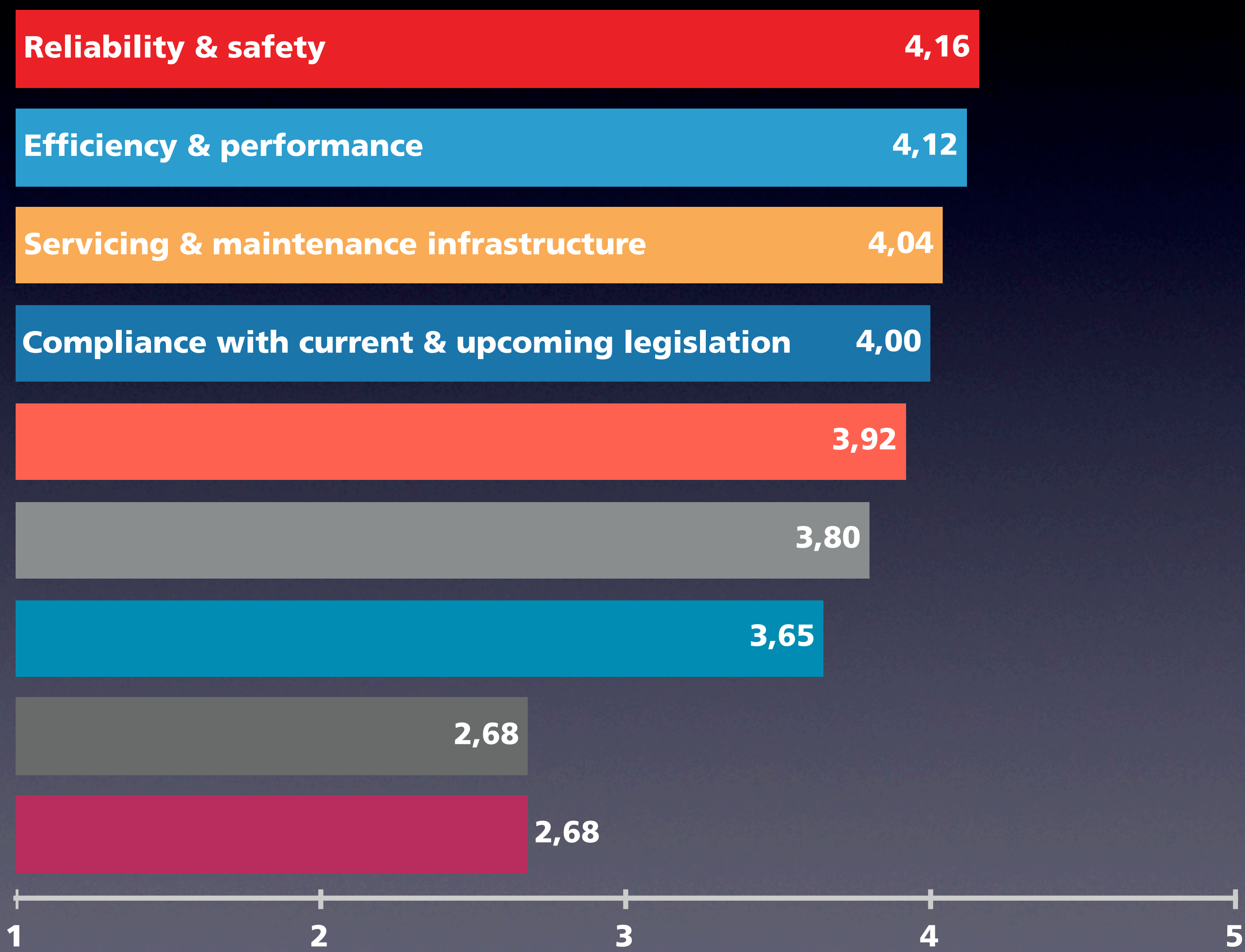

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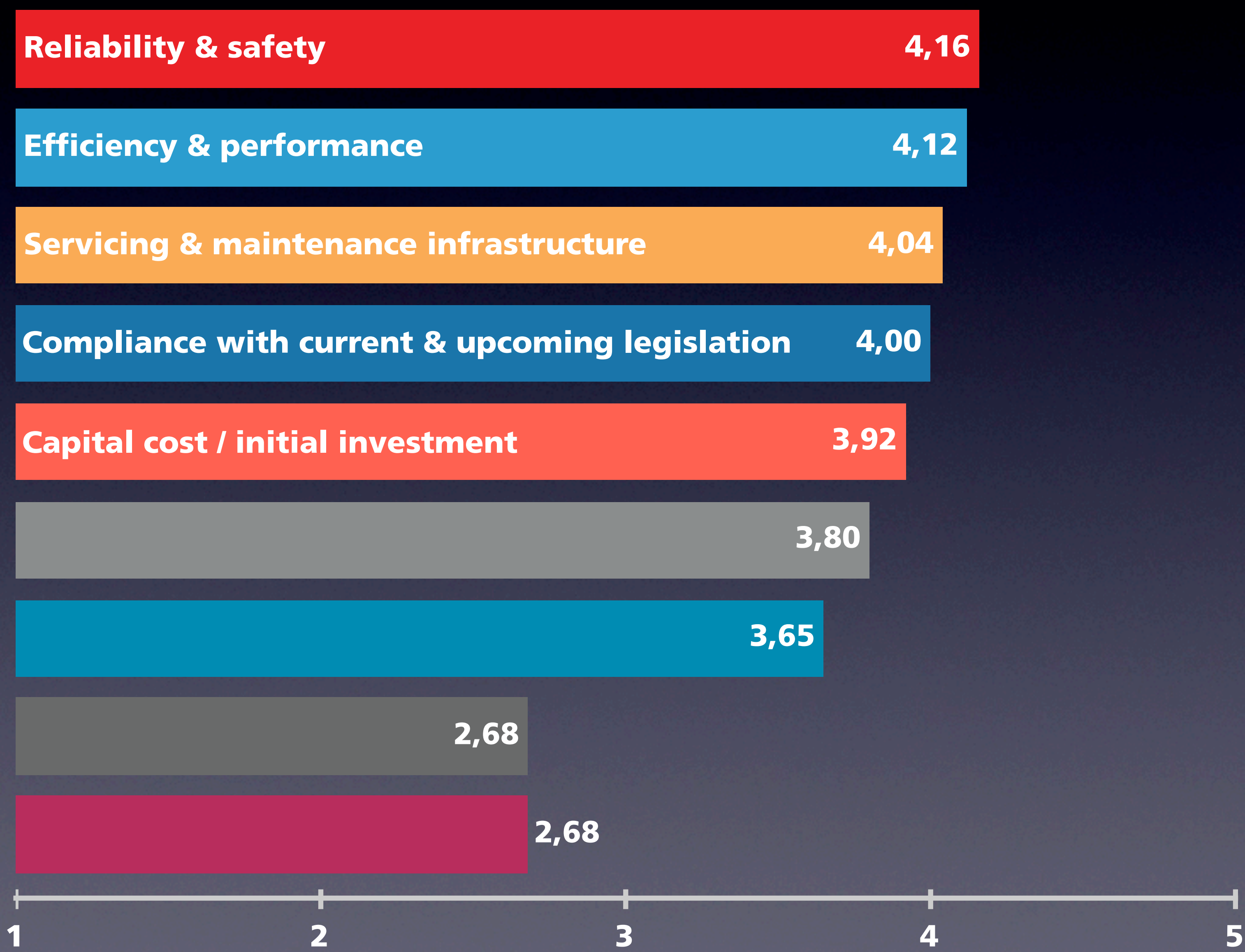

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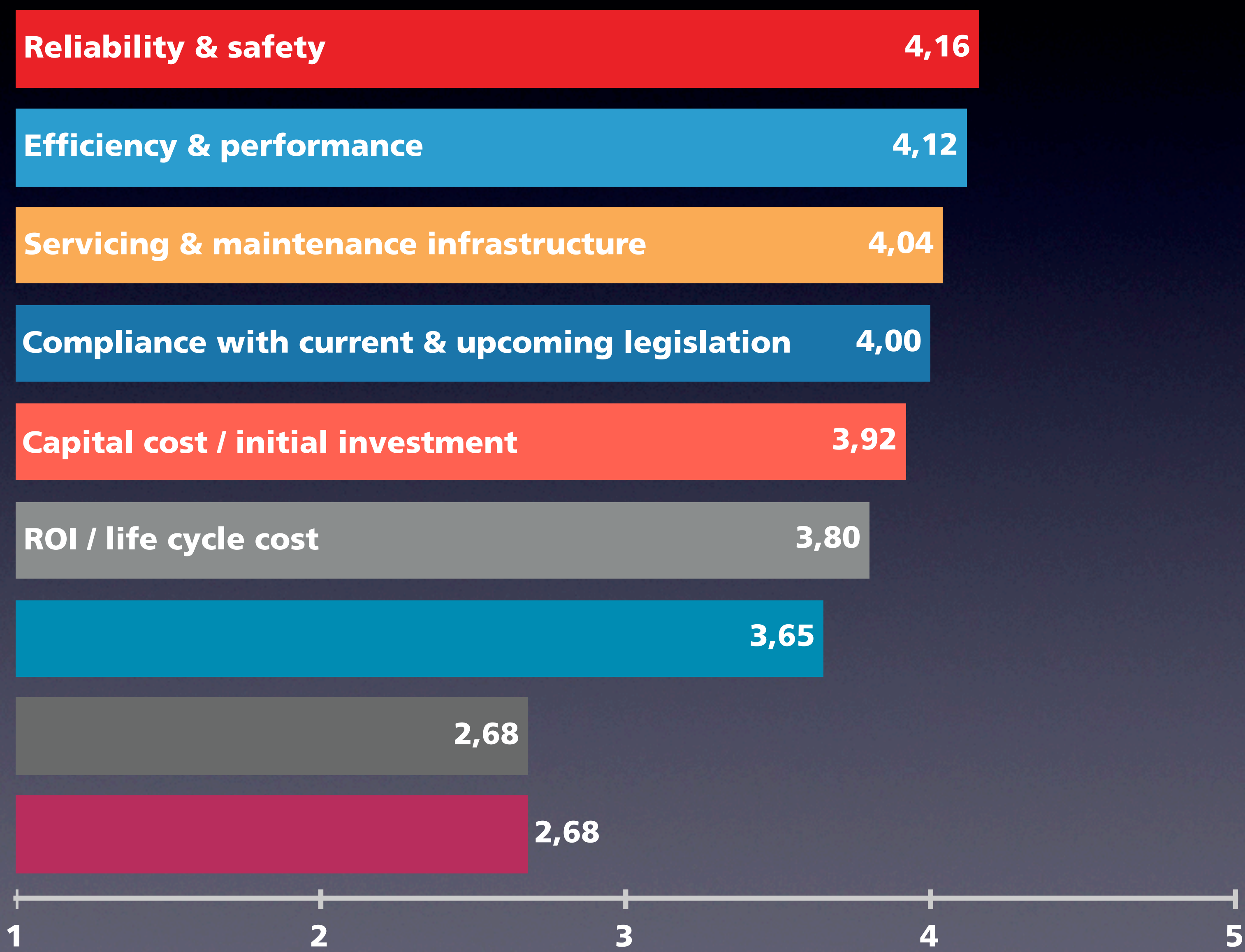

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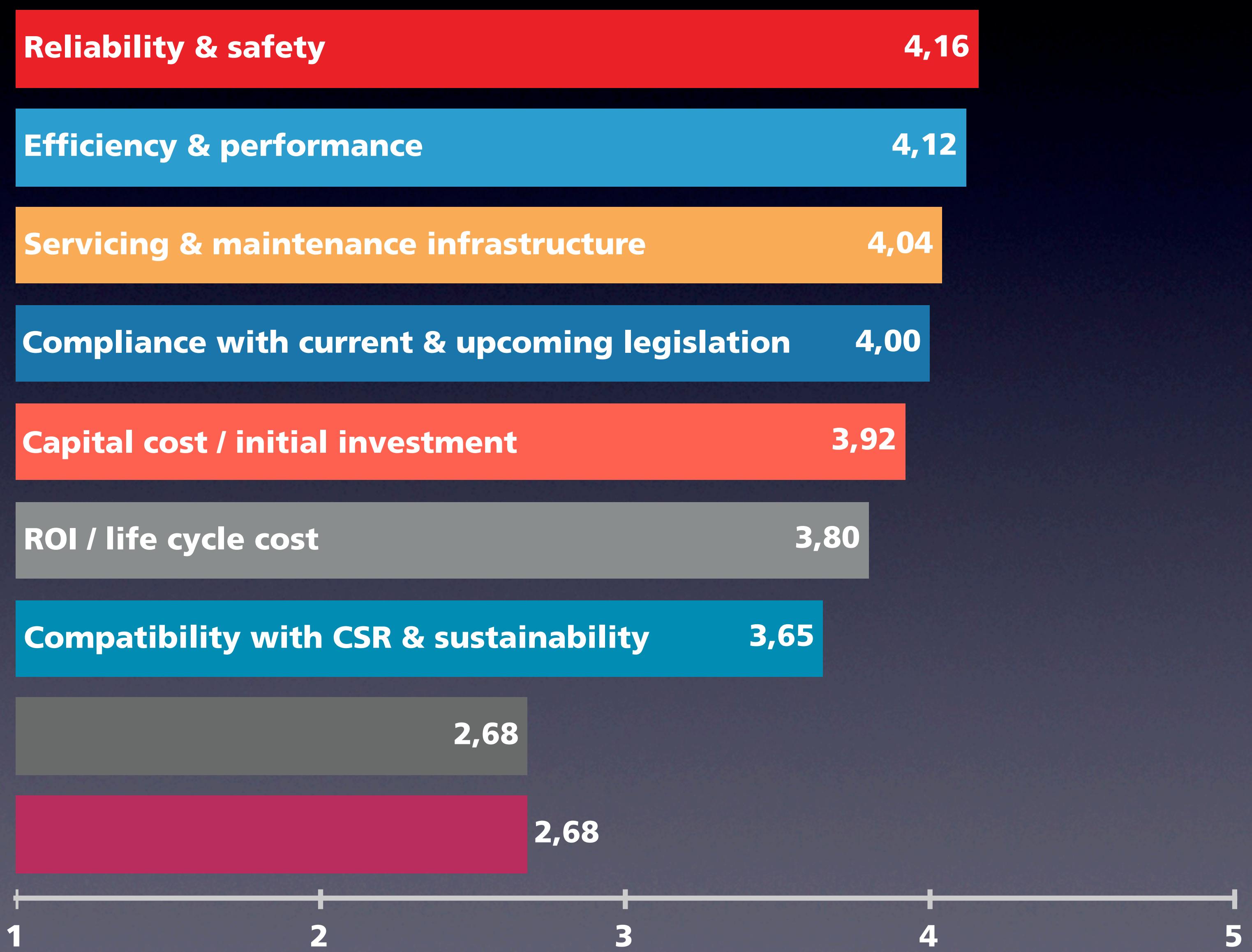

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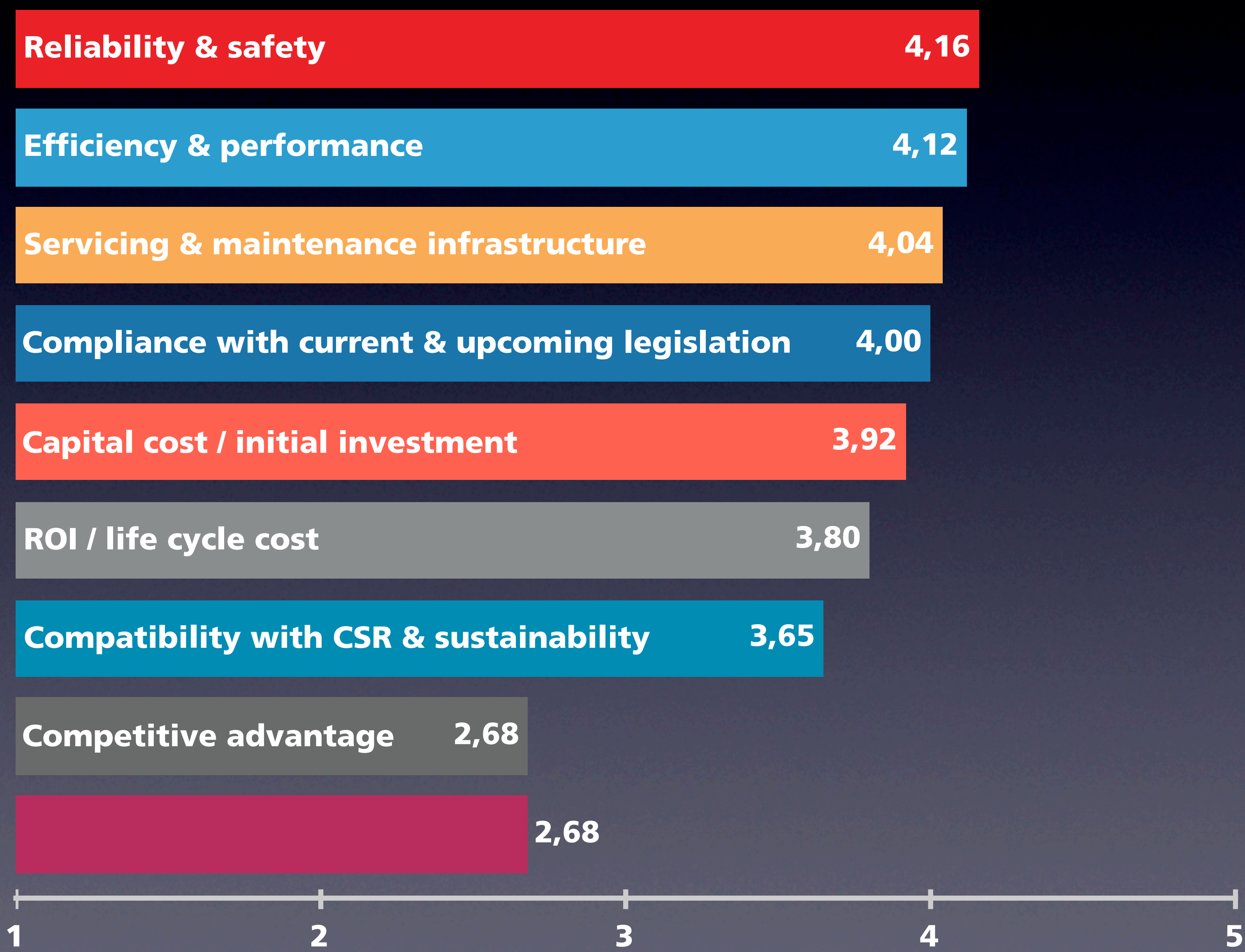

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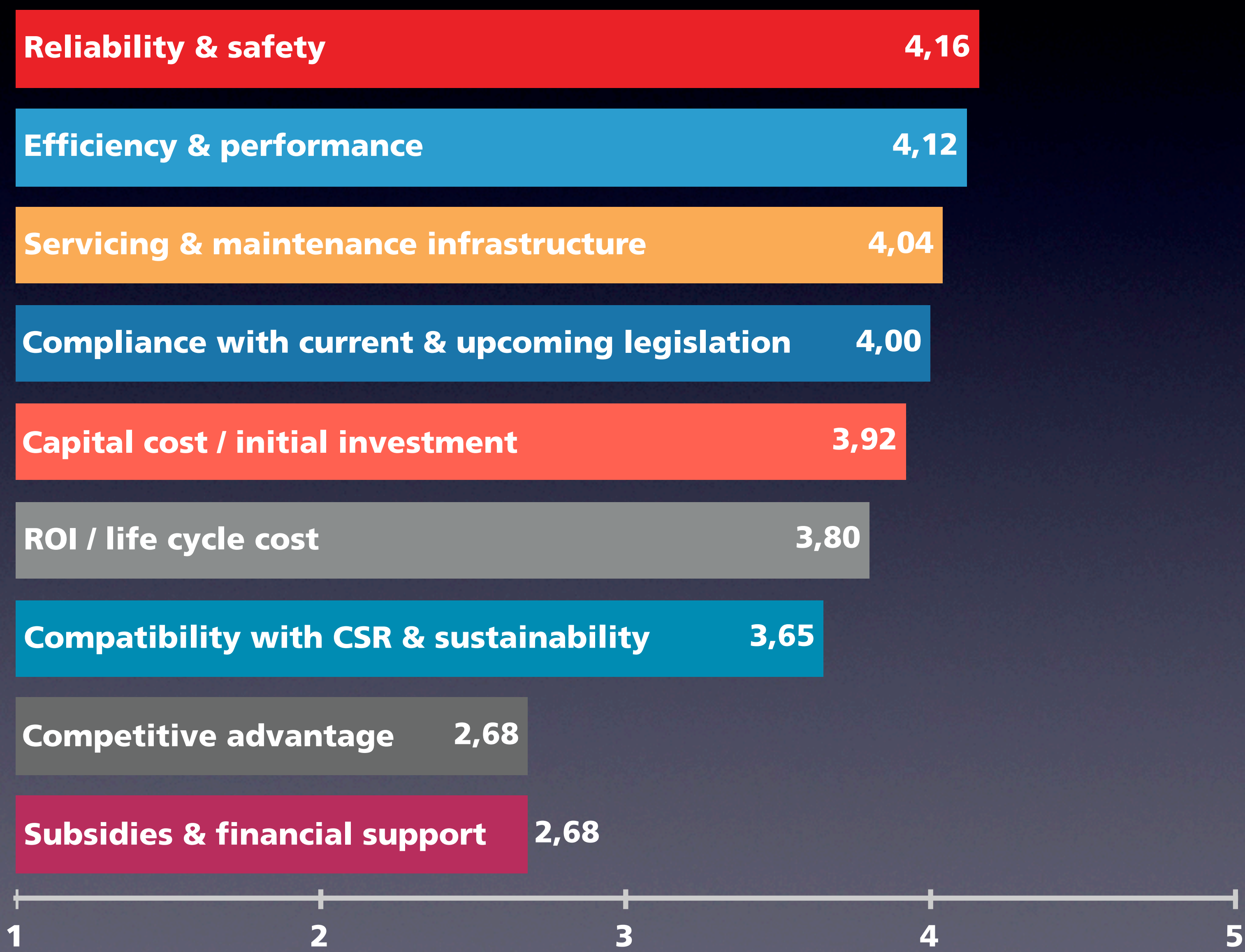
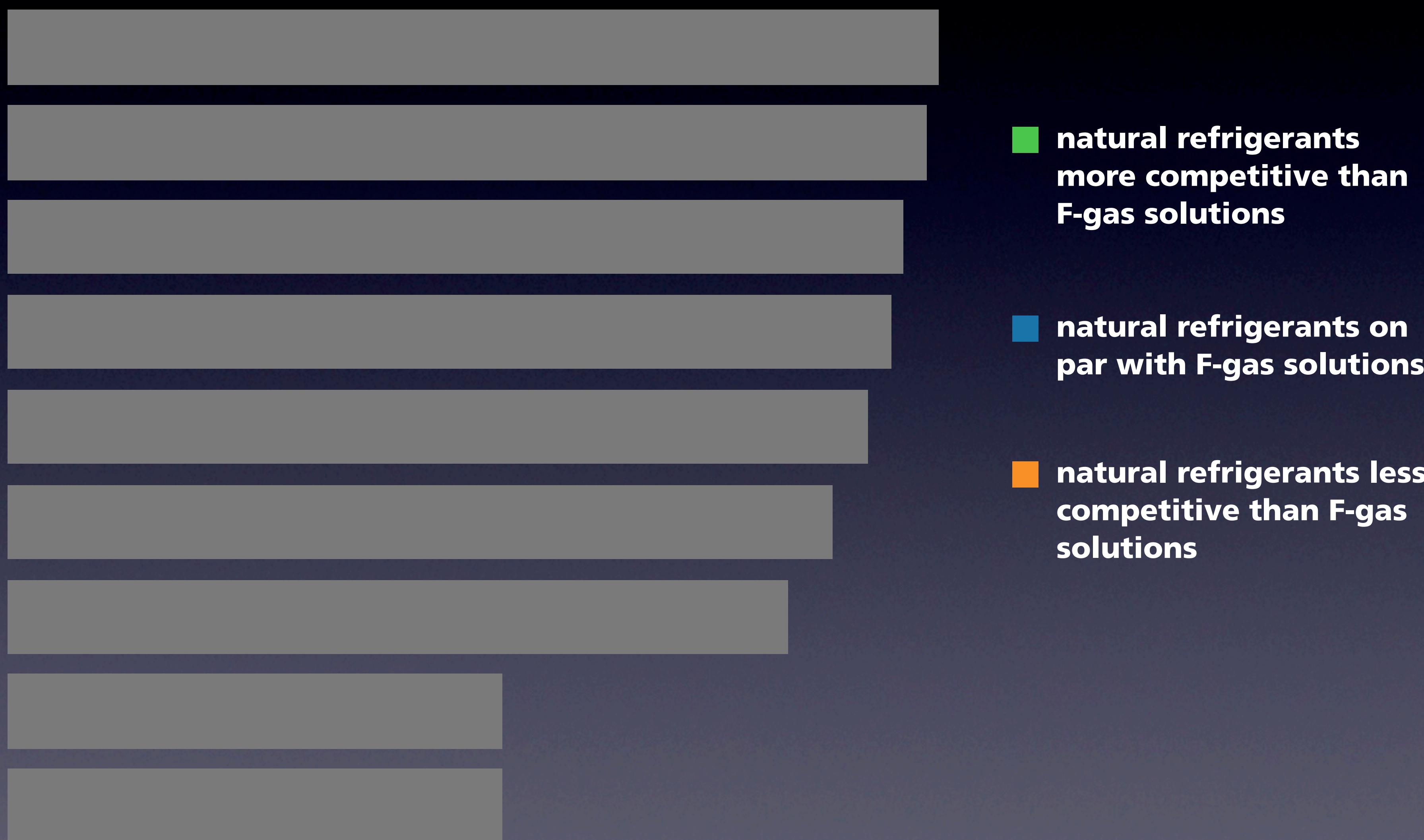


performance of natural refrigerant technology as compared to F-gas solutions



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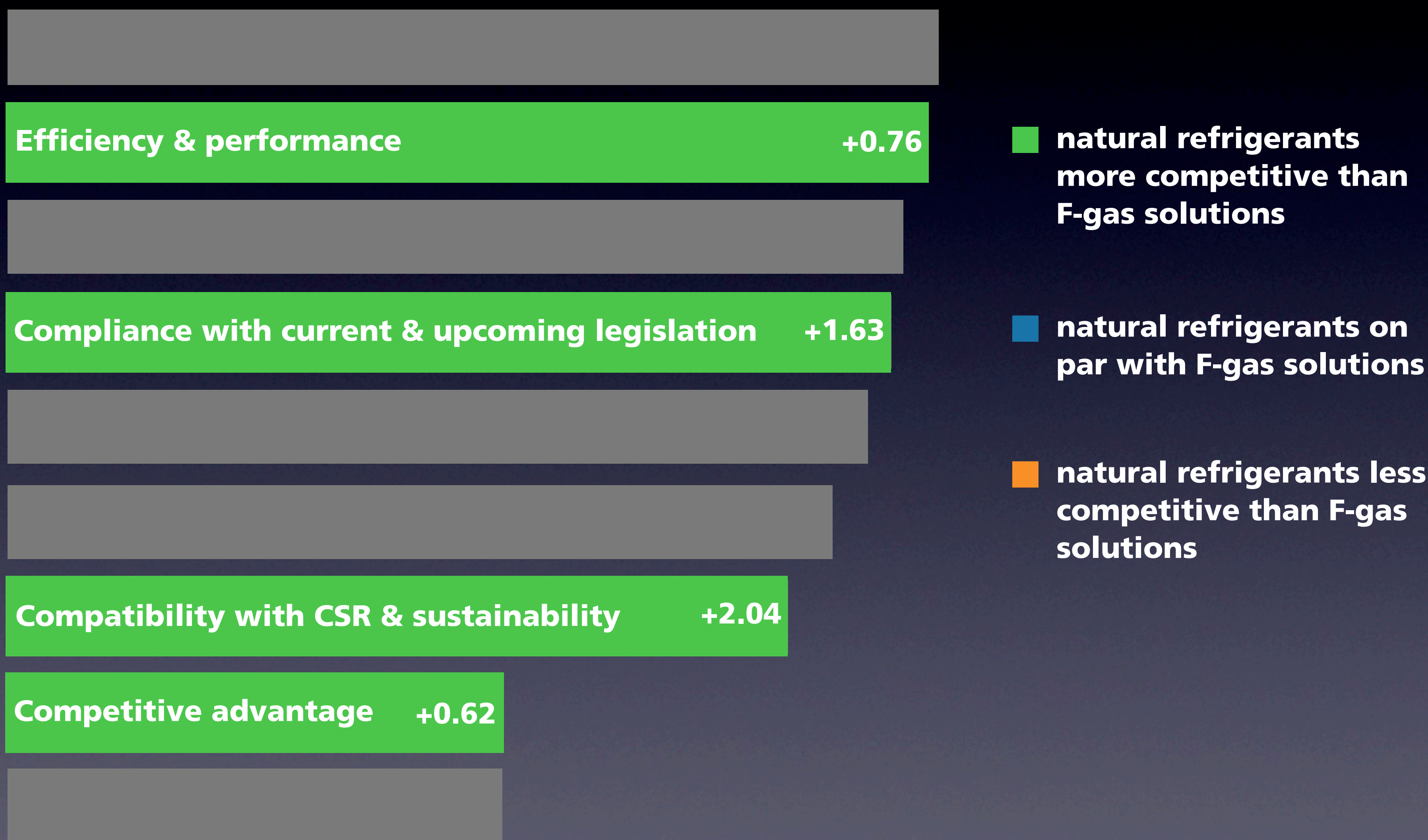

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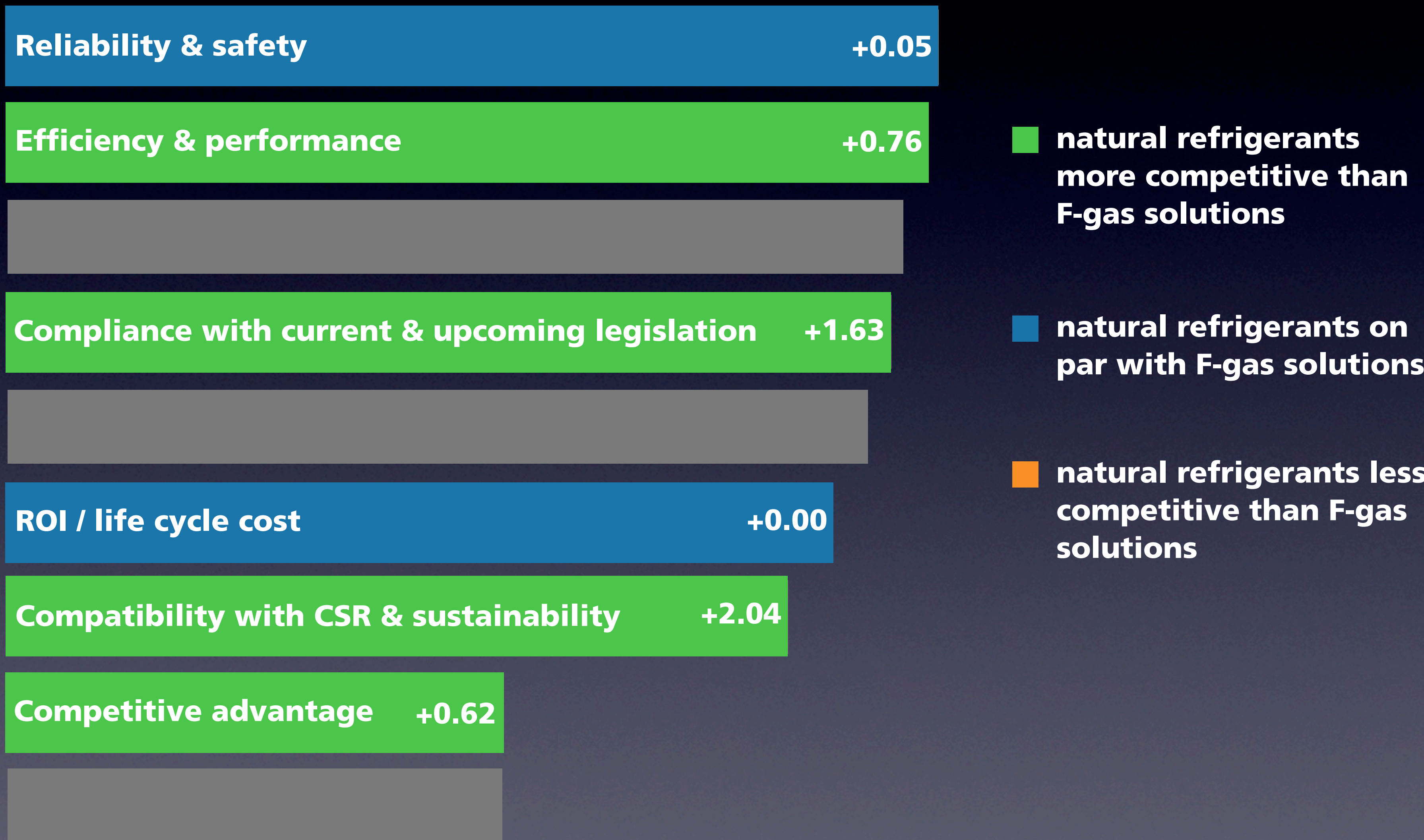

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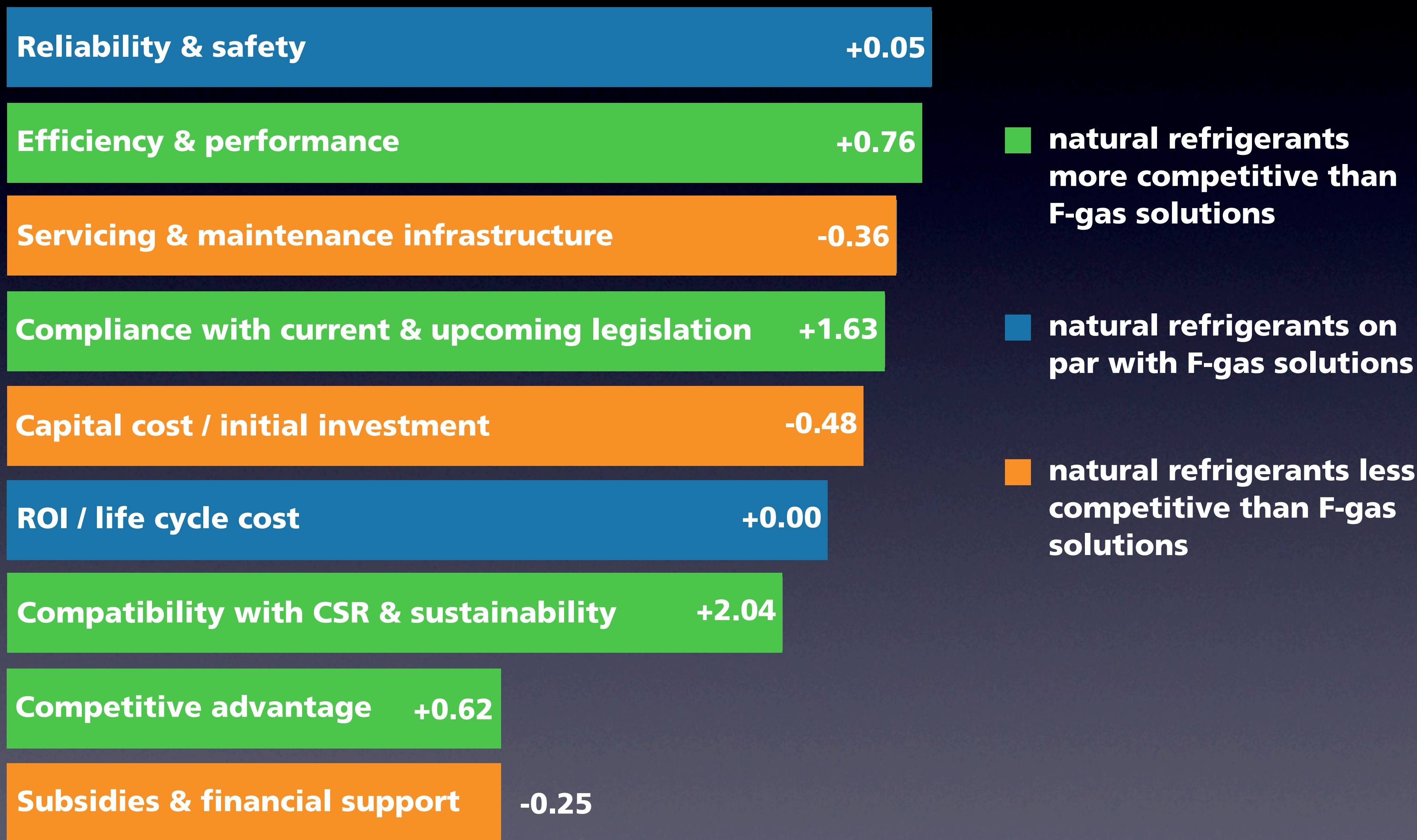
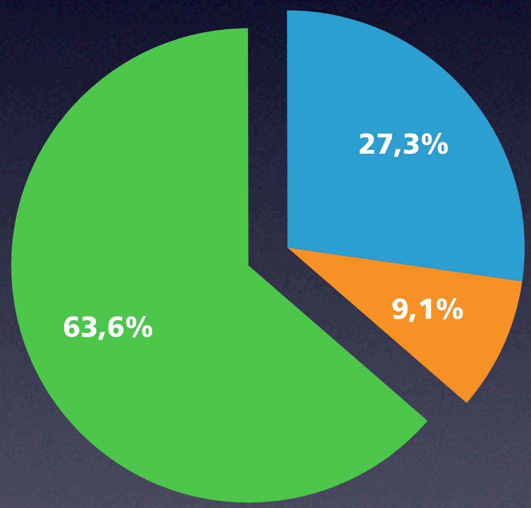


impact of F-gas bans in centralised refrigeration systems as of 2022

- more than 3 out of 5 food retailers anticipated upcoming bans on the use of HFCs to adapt their refrigeration strategy and use non-fluorinated (natural refrigerant) gases
- those are now well-positioned to combine long term legislative compliance with investment security, independent of upcoming F-gas rules



- I need to adapt my refrigeration strategy already today/or as soon as the f-gas agreement becomes official.
- I need to adapt my refrigeration strategy, but closer to the 2022 date.
- The f-gas agreement does not change my strategy as I am already implementing f-gas alternatives in new systems.
- I have not heard about the f-gas rules and/or I have no clear strategy yet regarding the use of f-gases in my store.

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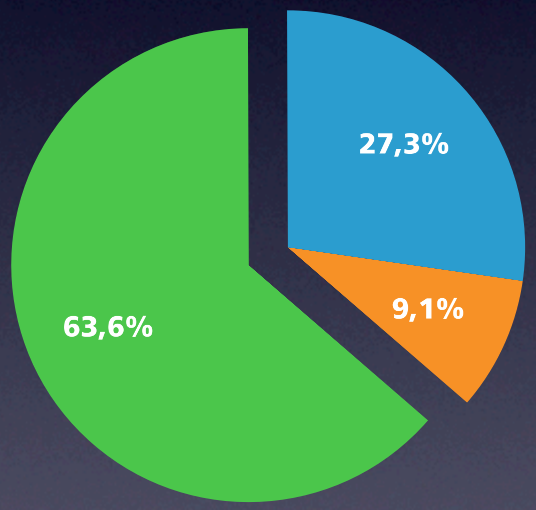

- without exception, all food retailers have already heard about the upcoming HFC bans and have developed an appropriate strategy
- only a minor share has adopted a wait-and-see strategy to adapt their refrigeration strategy closer to the 2022 deadline

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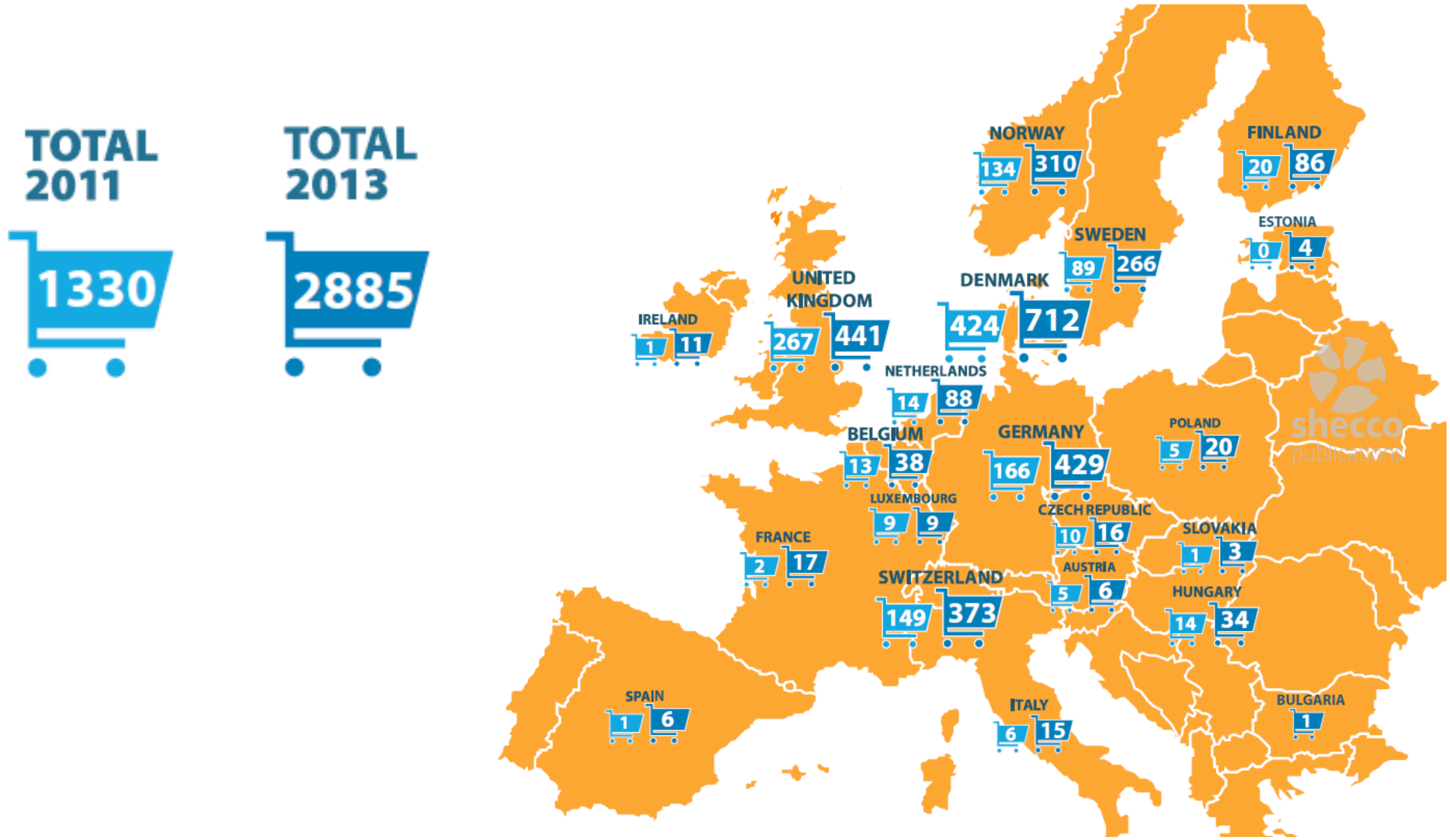
europe: the world leader for CO_2 commercial refrigeration

europe: “CO_2-only” stores



source: shecco, status Nov 2013, “GUIDE Europe 2014: Continued Growth and Innovation for Europe”, data from 14 system suppliers / contractors, 11 food retailers

europe: "CO_2-only" stores

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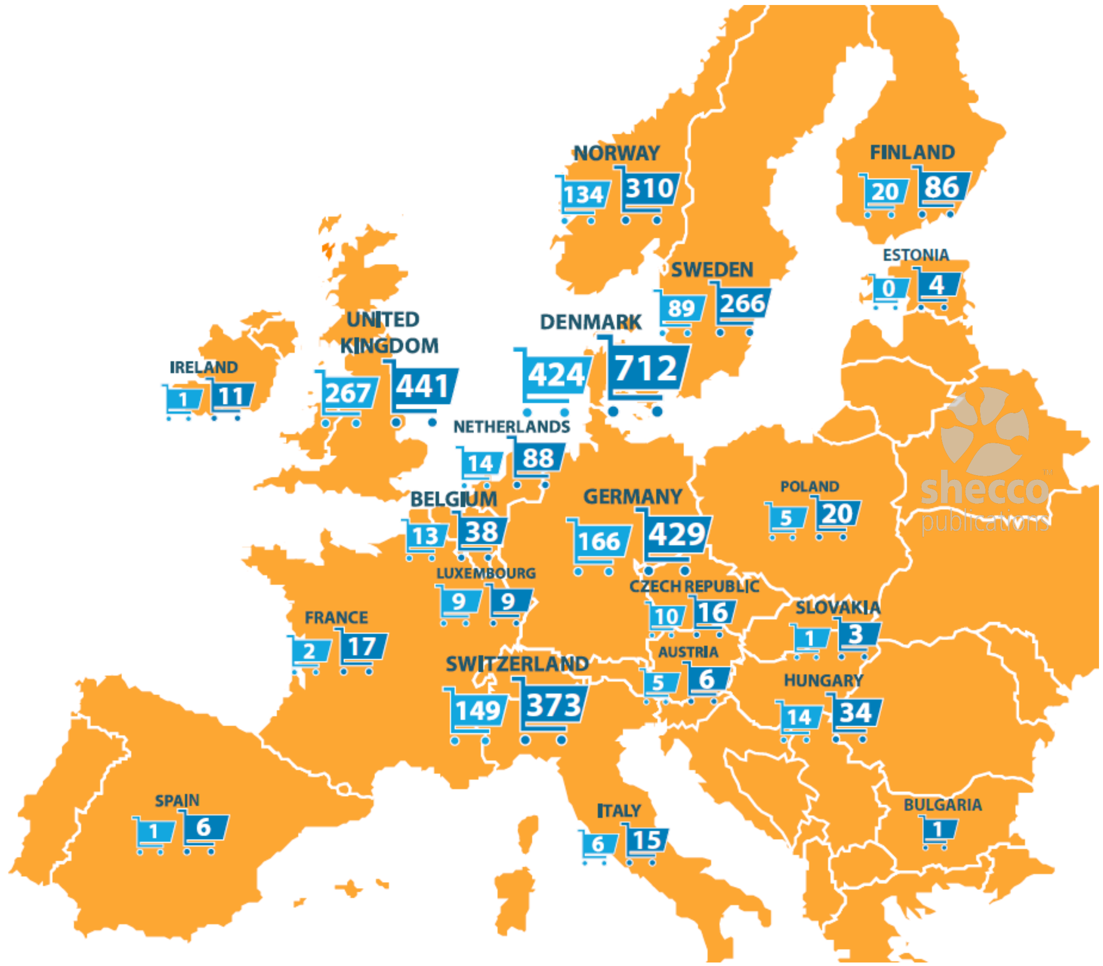
TOTAL 2011
1330

TOTAL 2013
2885

market change can happen very fast



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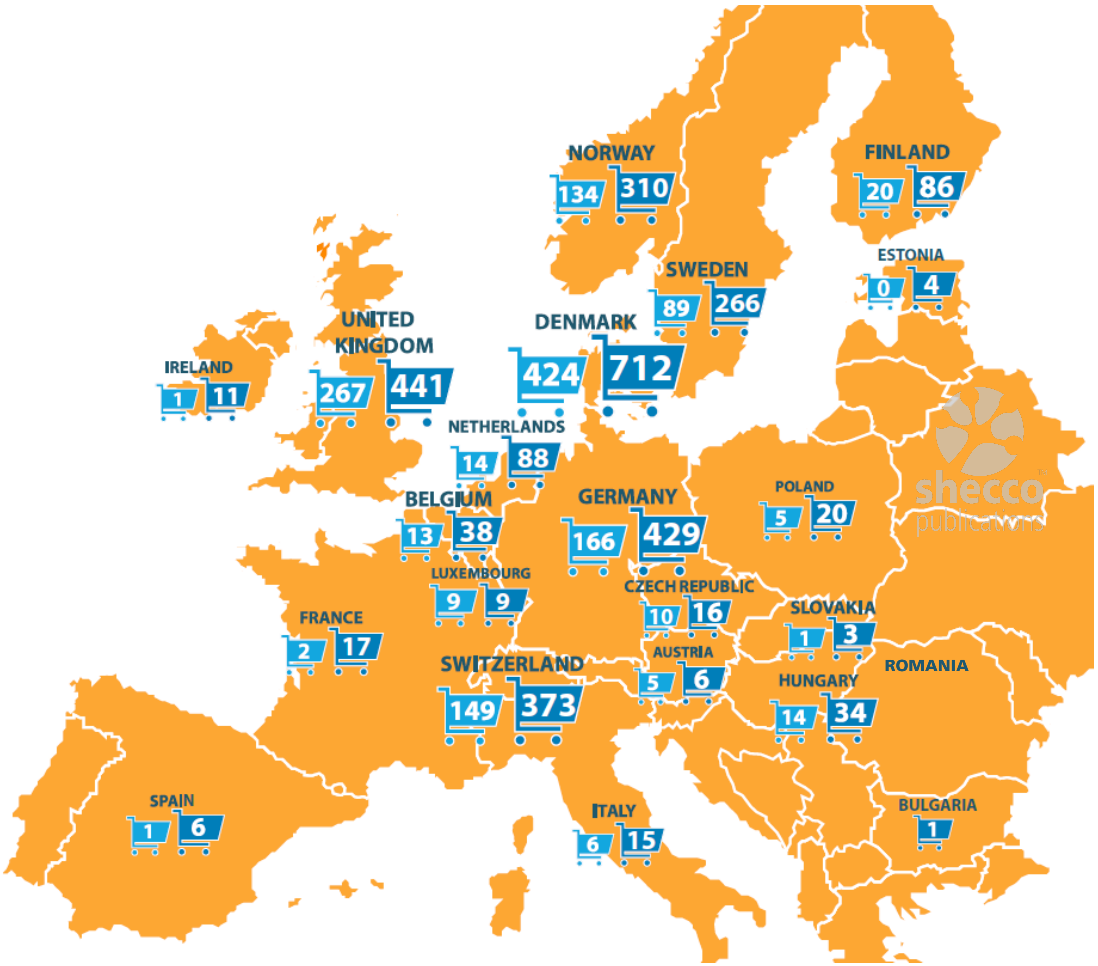

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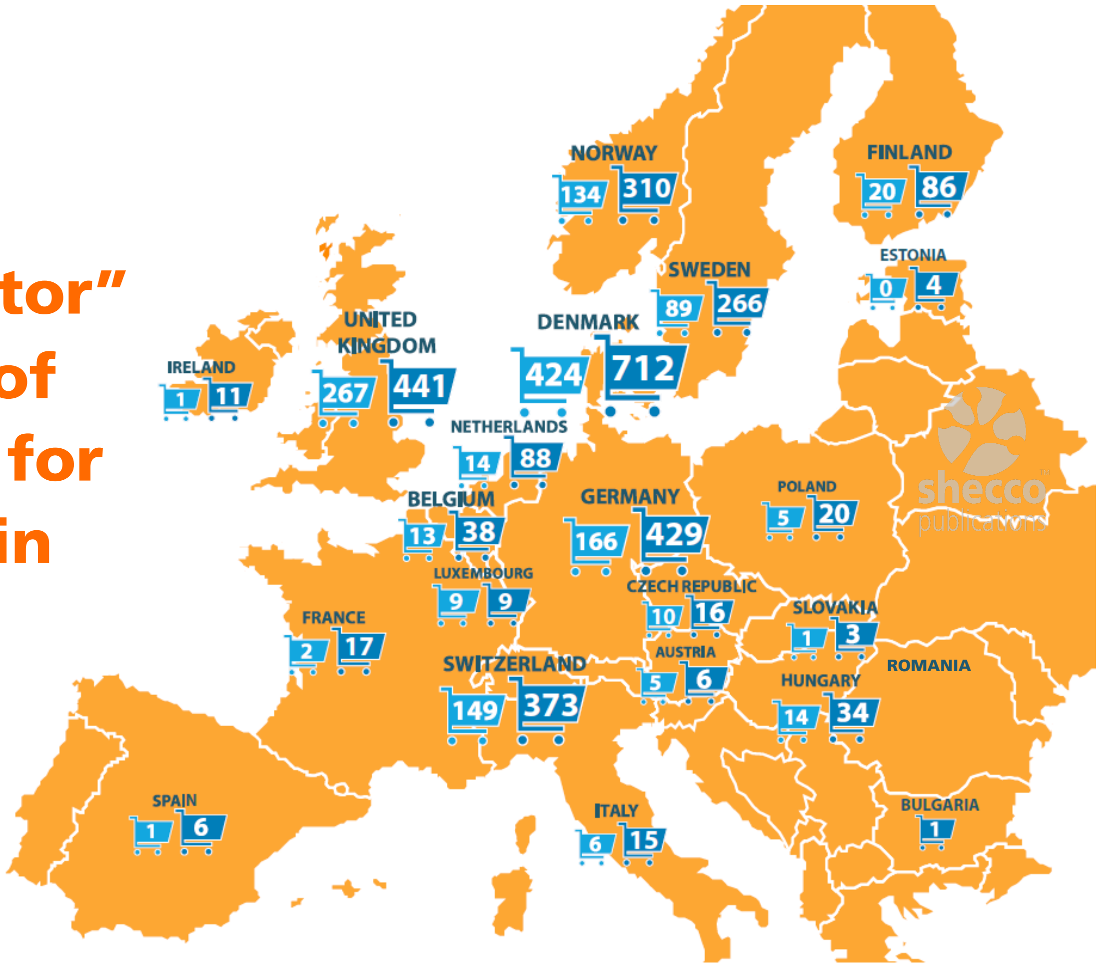
europe: "CO_2-only" stores

"CO_2 efficiency equator" disappears - variety of solutions developed for increased efficiency in warm climates



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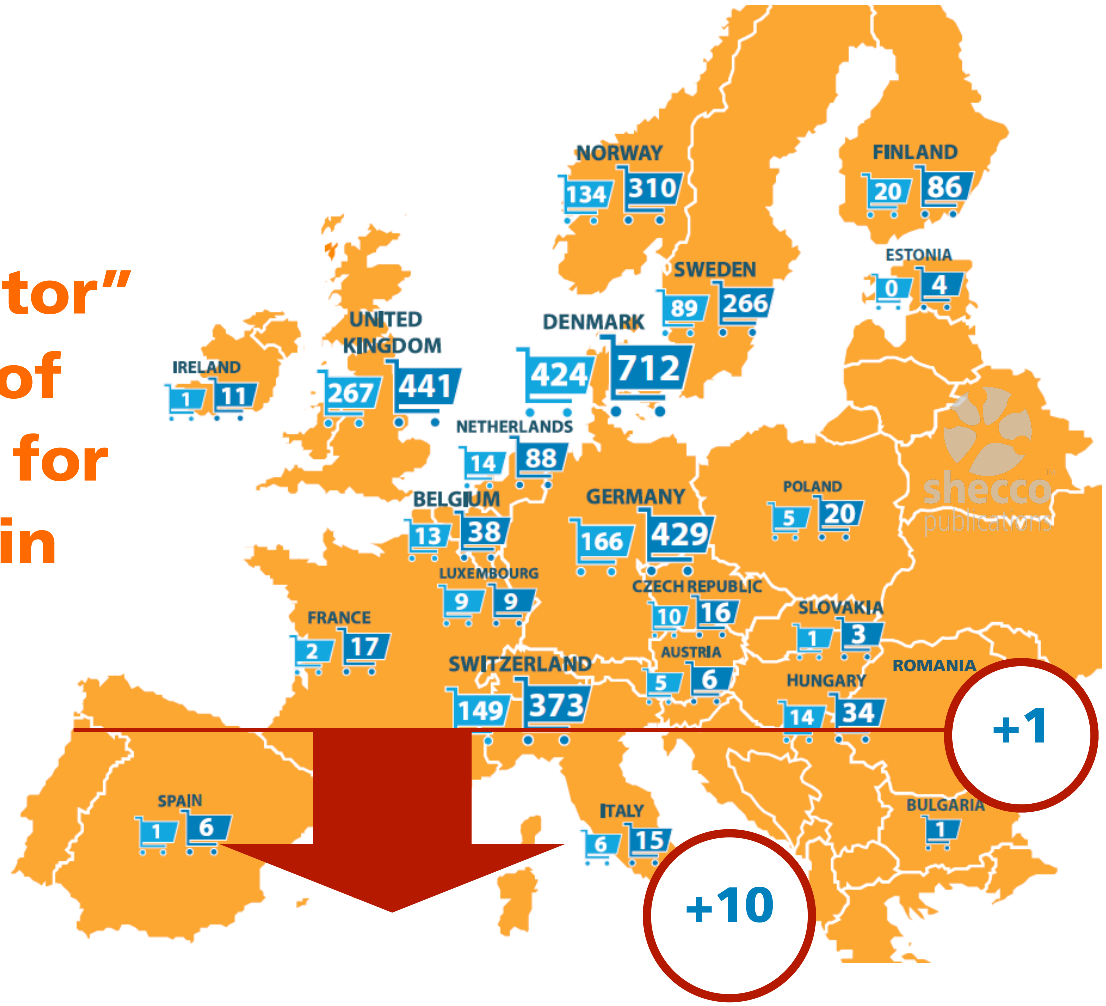

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CO_2 TC stores: europe 2011-13 (est.)

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	2011	2013	Increase in 2 years
Denmark	424	712	+68%
United Kingdom	267	441	+65%
Germany	166	429	+158%
Norway	134	310	+131%
EU	1331	2885	+117%

natural refrigerant stores: europe brands

source: shecco, status Nov 2013

natural refrigerant stores: europe brands

source: shecco, status Nov 2013

shecco - useful links

Industry Platforms:

http://www.hydrocarbons21.com

http://www.R744.com

http://www.ammonia21.com

http://www.R718.com

shecco publications

http://publications.shecco.com

ATMOsphere events

http://www.atmo.org

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