

SUSTAINABLE DEVELOPMENT INITIATIVES



WHAT ARE YOUR RESPONSIBILITIES?

Dr Utho Creusen, Director - DSGi

**INDUSTRY
SPOTLIGHT**

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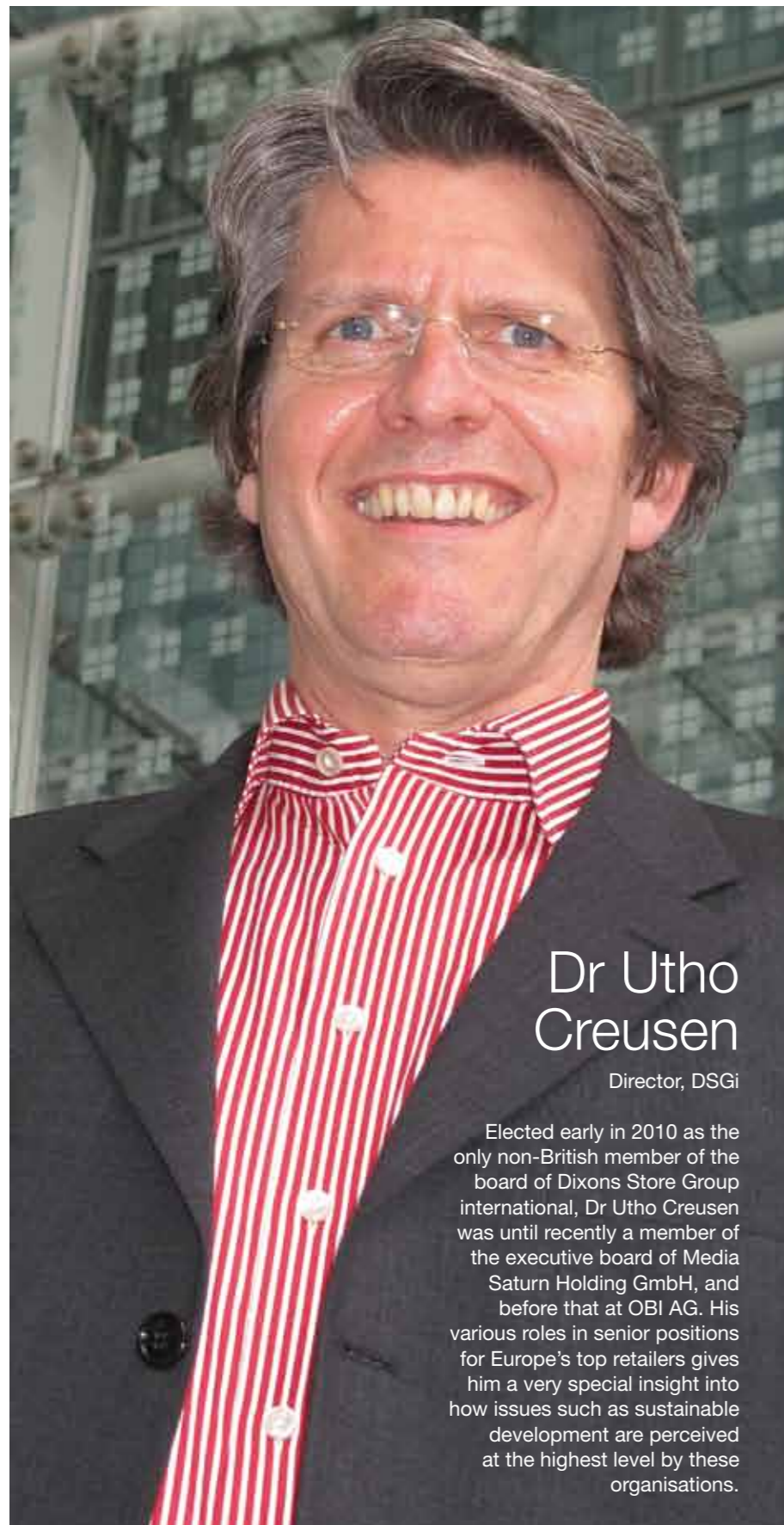


**Nestor
Coronado Palma**

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Director of Sustainability
Philips Consumer Lifestyle

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Dr Utho Creusen

Director, DSGi

Elected early in 2010 as the only non-British member of the board of Dixons Store Group international, Dr Utho Creusen was until recently a member of the executive board of Media Saturn Holding GmbH, and before that at OBI AG. His various roles in senior positions for Europe's top retailers gives him a very special insight into how issues such as sustainable development are perceived at the highest level by these organisations.

Getting Green To Market

Insights on Sustainability by Director DSGi, Dr Utho Creusen

Dr Utho Creusen is known in the Consumer Electronics industry for his different "positive" approach to leadership and his firm ideas on "what's good for people". In this interview, Dr Creusen talks to us about green issues, and the broader topic of sustainability.

What are your personal thoughts on ecology and sustainable development? How do you feel about these issues?

In my opinion sustainable development is a very important issue that should be supported. I am glad that many companies already do care about ecology, but I see a lot of "green washing" as well. With the help of PR and marketing methods some do only pretend that their business is green, which is in fact not true.

I have two major concerns for our industry: our products use so much electricity and the recycling of electronic appliances is an increasing problem. Thus there is a need for an intense debate on ecologic issues, especially for the electronic branch. It is desirable to reduce energy consumption and to use resources more intelligently. The current oil catastrophe shows how severe pollution can affect the habitats of men and animals.

Please tell us in your opinion, what the general buying public feels about green products and products made by green companies.

In general the public thinks very positively about green products, especially if the price is the same as for conventional ones. In the past ecological products have been very expensive; in addition the financial crises, decreasing incomes and a general price consciousness were reasons for consumer's rather reluctant attitude towards green products.

Some initiatives were very helpful to develop cheaper green products that are suitable for a mass market. There are already eco-friendly products on the same price level than conventional offers. Furthermore people do increasingly favour high quality regional products and try to avoid those ones with long routes of transport like from Far East. Sustainable logistics are realised as an important part of environmental protection.

What is changing in the way retailers think and present "green"... and why?

Nowadays they do increasingly focus on green products. In the past we had separated green areas in our stores. Today there are green alternatives logically integrated in every product line and department.

There is more and more advertising for green products. Retailers try to distinguish their selves with green product lines and do present them very eye-catching. The problem for consumers is the vast number of different eco labels – which of them are trustful is hard to tell. Not every labelled product is automatically better than a conventional one. In addition many companies try to suggest eco friendliness

by using "eco" brand names. The customer is confused, whether these brands really can keep their promise.

What is DSGi doing to be more environmental?

There are several environmental initiatives. For example DSGi is seeking to improve the energy efficiency of the products it sells. In addition the transport efficiency has been ameliorated by an increased usage of rail deliveries and improved logistics in general. For example the transport space in vehicles has been optimised, deadheads (empty rides) are avoided and products got a smaller packaging. Furthermore DSGi is constantly looking for ways to reduce its energy consumption and waste. The energy consumption of its top 200 stores is monitored in order to find out where additional power can be saved. If it should not be possible to save further material in products or packaging at any point, DSGi tries to find recyclable substances instead.

Obviously, reduced energy consumption of CE products and home appliances is becoming increasingly vital... but what other factors are important?

Intelligent recycling, the reduction of hazardous waste, intelligent allocation of goods and the logistics of the company itself are key factors. But it is also relevant how store locations are built and managed. Retailers go more and more for buildings with a low energy balance. Another issue

is advertising. Every day we print and distribute millions of newspaper flyers, which probably end up in the bin without being read in most cases. This wastage of paper and other resources should be stopped.

An important aspect of sustainability today is the human factor: how people "feel" in their lives. Your involvement in "positive leadership" has the aim of making life better for employees and consequently improving business... could you tell us more?

EXERGUE

Studies of the Gallup Organization reveal that only 15 to 20 percent of European employees are highly engaged and have a positive mental attitude. But our business impact analysis shows that positive mental attitude drives sales significantly. Thus there is much potential left for companies. If they improve training of staff, they can be more successful. More and more managers learn to create positive emotions and develop the so-called soft factors.

The success of their companies proves that this approach is right, because it combines productivity with happiness. The old leadership approaches that rely on pressure, hierarchies or even anxiety are obsolescent. The new approach - that is based on positive psychology - is called Positive Leadership. More and more managers use this method, which relies on positive emotions.