

## Sustainable Trade - Current Aspects

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### Abstract

*Protecting the environment and the profitability of a business are not two approaches that go always in the same direction. Therefore, all the factors involved, from suppliers, manufacturers, companies that offer various packaging solutions, to sellers or buyers or agents operating in the field of waste management, should contribute to the creation and application of sustainable and efficient solutions. This paper presents a series of aspects regarding the existing preoccupations in the modern trade regarding the achievement of the sustainability objectives. The attention paid to sustainability in the trade activity is relatively recent, that's why we tried to highlight the involvement of some important retailers acting in Romania, where the idea of sustainability becomes more and more attractive.*

**Key words:** sustainability, retailers, management, waste, environment

**J.E.L. classification:** L2, K32, M14, Q01, Q2

### 1. Introduction

The global climate crisis and the fact that 57% of consumers say they are willing to change their buying behavior to reduce the negative impact on nature (according to a study by the National Retail Federation, from 2020, on 18.90 people in 29 countries), causes large retailers to adapt through appropriate measures, informs [cncb.com](https://cncb.com). Companies that invest in business solutions that protect the environment will only gain in the coming years, say experts in the field. (<https://ecompedia.ro/5-tendinte-legate-de-marii-retaileri-care-au-initiative-eco/>)

With the COVID-19 pandemic, sustainability took on a new meaning for companies: disposable masks and gloves filled the landfills, and tons of food were dumped after the restaurants closed. According to a CB Insights report (published in December 2020), retail companies have begun to use technology and innovation to operate more sustainably. (<https://ecompedia.ro/5-tendinte-legate-de-marii-retaileri-care-au-initiative-eco/>)

In this context, the responsibility for ensuring sustainability in commercial activities of all types increases, represented by the pillars of success which are healthy choices, product transparency, elimination of food losses and plastic packaging and environmental impact.

As health and sustainability grow in importance for consumers, they expect retailers to be increasingly transparent about the products they sell to help them make the best choices. Customers want to know the impact of their purchasing decisions on their own well-being, on the lives of other people and on the health of the planet.

The consultation of specialized works and studies related to commercial activity but also the analysis of information published in various publications in the field of trade highlights a series of trends that are emerging both on the evolution of all commercial activities and in connection with the series of changes that will take place in the typology of sales.

Businesses' attempts to cope with a constantly changing environment represent the overall evolution of retail activity. The attempts of the enterprises will be materialized in the development and improvement of the managerial concepts as well as in the promotion of some commercial practices and technologies. (Danciu, 2013)

## 2. Theoretical background

From the regional and local perspective, the topic of sustainability is very important, also in the context of the transitions to a more sustainable economic model that takes on the challenges and opportunities of the digital and environmental transitions.

Trade policy represents a powerful way to encourage and promote sustainability and digitalisation not only in the EU countries, but also throughout the world. During the period of COVID-19 when protectionism rose, it is clear that if the EU is striving for sustainability outside the Union, it must do the same inside and each stakeholder playing their role. It is obvious that the global trade affects the world order; we already have seen the impact on the creation of jobs, reducing poverty and powering economic growth. The leadership from the EU meaning promoting trade free but fair, must continue and be extended outside of the European space. EU has always been very vocal in the sustainability matter in trade which ensure that sustainability and green rules are followed inside the Union and all over the world. (Murphy, 2020)

For the first time, sustainability is becoming a central and explicit pillar of trade policy. The EU is committed to mobilizing global power and strong trade relations to support more sustainable and equitable trade, as well as to enhance the ambition of its trading partners to address global challenges such as climate change.

([https://ec.europa.eu/commission/presscorner/detail/RO/qanda\\_21\\_645](https://ec.europa.eu/commission/presscorner/detail/RO/qanda_21_645))

The EU needs a new trade strategy to meet the challenges we face and especially the economic recovery, climate change and environmental degradation.

Therefore, the new strategy will further integrate trade policy into the Union's economic priorities, reflected in the Green Pact and the European Digital Strategy, will specify the role of trade policy in the post-COVID economic recovery. The new strategy aims to establish a new consensus for a trade policy based on openness, sustainability and firmness. It strengthens the EU's position as a global, rules-based, fair and sustainable promoter of open trade.

([https://ec.europa.eu/commission/presscorner/detail/RO/qanda\\_21\\_645](https://ec.europa.eu/commission/presscorner/detail/RO/qanda_21_645))

Less waste, more products rented and sold second-hand - recycling is in vogue, and digital platforms that offer second-hand or rental products have multiplied, especially as Generation Y prefers to rent clothes on the Internet ( see the Vestaire Collective clothing marketplace, the Back Market mobile phone start-up or the local ro marketplace, the Furlenco Indian furniture start-up, even after Ikea has recycling programs and buy back - one also present in Romania)

Monitoring the source of products through new technologies - consumers want to know where the purchased products come from and how they were made, and governments ask producers to be transparent about the supply chain; In this sense, the start-up Material Exchange offers software that provides brands with information on how sustainable the materials in their products are, and companies such as Ugg, Calvin Klein and North Face use this platform to procure their raw materials.

Some of the most visible preoccupations in this direction at world level are:

- 0-emission logistics - to slow global warming, the widespread use of electric cars is vital, both by consumers and retailers;
- investments in all-electric logistics equipment companies reached a record \$ 7.9 billion in 2020, reports notes; these include Rivian (which has a partnership with Amazon), Nuro, Arrival or Einride;
- more sustainable ingredients - investments in start-ups that produce alternative proteins (designed to reduce the impact of animal farms on the environment) reached a record \$ 2.3 billion in 2020;
- companies such as Impossible Foods, Memphis Meats, Perfect Day and Califia Farms; major retailers continue to adopt these sustainable products (Pizza Hut sells pizza with Beyond Meat sausage topping, and Califia Farms cashew, avocado and olive oil are sold at Whole Foods Market, Kroger, Stop & Shop and Target) (<https://ecompedia.ro/5-tendinte-legate-de-marii-retaileri-care-au-initiative-eco/>)

### 3. Research methodology

This paper looks at the various research methodologies and research methods that are commonly used in the field of information systems, mainly at qualitative ones. The field research was used at the mentioned commercial operators, being analyzed both their databases and the practices regarding their preoccupations regarding the assurance of sustainability in their activity, for the benefit of the consumers. Descriptive methods have been used to investigate the opportunities and issues related to the subject of sustainability in the trade activities.

### 4. Results

Considering the existing preoccupations at international level and the tendency regarding the implementation of the principles of social responsibility in all types of activities and the traders from Romania have aligned in this direction of action in order to ensure sustainability.

The aspects presented have in view some aspects of the trade activities, related to development strategies on sustainability, with reference to the activity of some Romanian retailers companies already well known by most people who shop in these store chains.

As health and sustainability grow in importance for consumers, they expect retailers to be increasingly transparent about the products they sell to help them make the best choices. Customers want to know the impact of their purchasing decisions on their own well-being, on the lives of other people and on the health of the planet. (Isaac, 2021)

The most visible results in this sense are found in the Romanian retail trade in the activity of large international companies such as Mega Image or Lidl.

Founded in 1995, Mega Image is the largest supermarket chain in Romania with over 9000 employees and a network that currently includes over 800 stores, having among associates legal entities the Belgian company Delhaize the Lion Nederland B.V. Ahold Delhaize was formed in July 2016, the Ahold Delhaize group was born from the merger of Ahold and Delhaize, retail innovators for almost 150 years. Ahold Delhaize is one of the largest food groups in the world. They are leaders in supermarkets and e-commerce being at the forefront of sustainable retail. Thus, the group's approach to sustainability is found in the Mega image activity and is based on 4 pillars of success: healthy choices; product transparency; elimination of food waste and plastic packaging; environmental impact.

Mega Image aims to make healthier eating commonplace. By making fresh, nutritious and delicious food available and affordable, it contributes to healthier communities. As health and sustainability grow in importance for consumers, retailers expect retailers to be increasingly transparent about the products they sell to help them make the best choices. Delhaize believes their brands they can help customers understand the impact of purchasing decisions and allow them to make choices that fit their needs, tastes and values. To achieve this, Delhaize brands will use the latest technologies, such as blockchain and artificial intelligence, to bring customers more transparency by 2025 - starting with fresh fruits and vegetables and then moving to supply chains with seafood and meat. By giving customers access to personalized information - for example, through loyalty apps or online tips - Delhaize brands will empower and enable busy customers to make better choices.

Ahold Delhaize are signatories to the global commitment to the New Plastics Economy, led by the Ellen MacArthur Foundation in collaboration with the UN Environment Program, to address plastic waste and source pollution. The commitment calls on companies and governments to eliminate the plastic we don't need; innovate so that all the plastic we use is 100% reusable, recyclable or compostable; to circulate all the plastic we use to keep it in the economy and out of the environment. Concrete actions include: optimizing the packaging of own-brand products, reducing disposable plastics used for transport bags and recycling plastic waste generated in its own facilities. Their brands continue to improve their own product packaging, moving to materials more environmentally friendly or reusable packaging, eliminating unnecessary plastic packaging and increasing the use of post-consumer recycled content. To meet the challenge of environmental impact, customer engagement is accelerated and they are encouraged to adopt healthier and more sustainable diets, reduce climate emissions throughout the value chain, promote biodiversity and

reduce waste. Moving to low-carbon distribution and logistics, their brands will further modernize their fleets and opt for green fuels. In 2021, they will also start to include an internal model of the carbon price in investment proposals. ([www.aholddelhaize.com](http://www.aholddelhaize.com))

Lidl is a company that acts responsibly in all areas of activity. Thus, the company is permanently oriented towards sustainability and efficiency, a fact that can be observed in all the projects developed and implemented during its presence on the Romanian market. Their CSR strategy has 5 main dimensions: environment, society, assortment, employees and partners

Acting sustainably is their way of fulfilling their promise to customers about quality and, at the same time, ensuring a better future for all. LIDL's goal is to put on the shelf the best products that their customers can enjoy every day. And this is based on the two central pillars: safety and quality. Quality assurance is not limited to the product itself. LIDL also focuses on packaging and tries to meet customer needs, trying to make them as practical as possible and include a transparent description of the product. This information facilitates the purchase of Lidl products for customers and is an important component for a responsible diet. In Lidl, both quality management and consumer safety are each based on 3 pillars, these being: monitoring of residues, suppliers and traceability and feedback and respectively checking products in specialized laboratories, testing products and monitoring them. This approach is aimed at achieving the sustainability objectives they set for themselves. (<https://www.lidl.ro/>)

Other concerns that can be mentioned refer to Zalando, a marketplace that has almost 39 million customers, according to the company's information, will start selling in Romania as part of an expansion strategy on eight other new European markets. online tries to attract customers but also partners by showing concern for sustainable fashion, with a positive impact on people and the planet. (Cicovschi, 2021)

Another example is about IKEA, the world's largest retailer and largest manufacturer of wooden furniture, is - we believe - the best example of success for the way a company can change its production processes. to minimize or even zero the impact on the environment and for success in implementing the concept of circular economy. 2020 marks the year of sustainability at IKEA. (Ilie, 2021)

In IKEA stores in Romania, only electricity from renewable sources is purchased since 2011. Since 2019, Ikea offers customers in Romania the opportunity to buy back old IKEA furniture, which the company then resells without profit, giving it a second chance.

Ikea Romania organizes active consumer education and information campaigns and has conducted in stores educational sessions and practical workshops related to our sustainable products or which provide inspiration for a sustainable way of life. The coronavirus pandemic forced them to temporarily stop these activities, but they will be resumed when possible.

## 5. Conclusions

Sustainability encourages the responsible use of resources and is undoubtedly the main strategic option for the future.

Awareness of the need for the sustainability of companies and in particular of trade activities is relatively new and has grown in the last decade.

The contribution of companies to a promising future must be the result their increased favorable impact on society, and this goal can only be achieved if companies become sustainable. In order to become sustainable, companies collaborate with suppliers and retailers to develop and use environmentally friendly raw materials and components and reduce waste.

Thus, the role of the commercial branch is decisive and where the idea of sustainability becomes more and more attractive.

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