



# Data is the Key to Unlocking Growth and Driving Sustainability in Retail



## How Retailers Can Build Sustainable Digital Infrastructure to Meet Their Sustainability Targets

85%

Consumers changed buying behaviours over past five years

93%

Employees said companies are making positive impact on the world

Environmental, social and corporate governance (ESG) has long been an important consideration for retailers. Key issues that companies have sought to address include the use of plastics, excessive packaging, and waste.

With the pandemic transforming the retail sector, ESG considerations have come into sharper focus. COVID-19 has seen retailers accelerate their investments in digital operations in order to compete for consumers who are now shopping from their couches. However, as online delivery volumes surge, so too is their carbon footprint.

What's more, as retailers work harder than ever to deliver enriched digital customer experiences, those efforts require managing huge volumes of data. This is also putting tremendous pressure on power consumption and CO2 emissions.

All this is posing new challenges for retailers who are committed to strengthening the environmental credentials of their brands. And with the generational shift in how global markets view issues such as climate change, these credentials have become increasingly important for retail customers, investors, employees and regulators.

For example, 85% of consumers in a recent Simon-Kucher & Partners survey said they had changed their purchasing behaviour over the past five years, preferring companies with proven sustainability credentials. Meanwhile, investment in global ESG-focused funds has more than doubled in two years, hitting a record US\$649 billion in the year to November 2021. And, in a recent WeSpire survey, 93% of employees who said their companies were making a positive impact on the world were planning to stay in their jobs.

# As Unilever CEO Alan Jope said recently, “Any company that wants to stay relevant in the future should think about sustainable behaviour.”

At the same time, retailers are being pressured to reveal the sustainability credentials of their entire value chains. That means making investment and purchasing decisions that will reduce the environmental impact of their operations and supply and distribution networks.

## Solving Data Gravity challenges

Data is crucial in helping retailers reduce their environmental impact. After all, a company can only manage what it can measure.

Retailers need to tap into data flows from the first to the last mile. They need insights into emissions, waste and energy consumption of their own stores and warehouses, along with full visibility of the green credentials of their supply chain and distribution partners.

Recent or planned digitisation efforts may help, with many retailers investing in digital infrastructure across their value chains to improve omnichannel customer experiences and build resiliency into their supply chains.

However, adding sustainability information to surging volumes of customer and other data will further exacerbate the impact of Data Gravity. This is an especially powerful phenomenon in the retail industry.

Digital Realty’s Data Gravity Index™ (DGx™) predicts an increase in the volume of data by 137% annually from 2020 to 2024.

To defy Data Gravity, retailers need to rethink the way their data is captured, managed and used. They need to adopt a data-centric infrastructure architecture that’s built on a pervasive data center platform that integrates the physical and digital worlds.

## PlatformDIGITAL®

Digital Realty’s PlatformDIGITAL® provides such a platform, linking more than 700 connectivity providers across over 280 data centers around the world. It solves Data Gravity challenges by bringing users, Internet of Things devices, applications, clouds and networks to the data at centers of data exchange. This helps retailers secure data near the customer, enforce compliance and enable artificial intelligence capabilities.

PlatformDIGITAL® can also accommodate distributed workflows at centers of data exchange in support of digitally enabled interactions across all channels, business functions and points of business presence. It also enables like-minded organisations to join open, pervasively connected data communities at these centers of data.

Retailers, for example, can form connected data communities to gain better visibility of their complex supply chain and distribution networks. They can create a sustainability-focused ecosystem with manufacturers, transport companies and other partner businesses.



## Innovating to reduce emissions

As the demand on data centers continues to increase, operators must embrace innovative ways of improving efficiency, reducing power consumption, and minimising carbon emissions.

In 2020, Digital Realty set a global carbon reduction target with the Science Based Targets initiative (SBTi). The target involves reaching a targeted 68 percent reduction in direct emissions and a 24 percent reduction in indirect emissions by 2030, in line with a 1.5-degree climate change scenario.

This target has pushed Digital Realty to identify and implement innovative ways of improving sustainability through PlatformDIGITAL® and other measures. For example, all of its European data centres run on 100% renewable energy, harnessing a broad range of natural and renewable resources to minimise their environmental footprint.

Digital Realty has also put in place a number of technically innovative solutions such as the use of aquifers in Amsterdam, Switzerland and the Marseille River Cooling solution, which is now 100 percent operational at Marseille Campus – MRS2 and MRS3 data centers. The €15 million cooling solution, which is up to 30 times more energy efficient than traditional cooling systems, will result in savings of up to 18,400 megawatt hour (MWh) annually, while simultaneously mitigating the emission of 795 tons of CO<sub>2</sub>, the equivalent of 5,560 trees planted each year without water removal. The River Cooling Project in Marseille won the DCD Carbon Champion Award in 2021.



Reduction in direct emissions by 2030



Reduction in indirect emissions by 2030

The heat generated by the Marseille data centres will be fed into the local heating network, supporting the heating needs of 5.4 million square feet of residential and commercial buildings.

## Shaping a greener future in retail

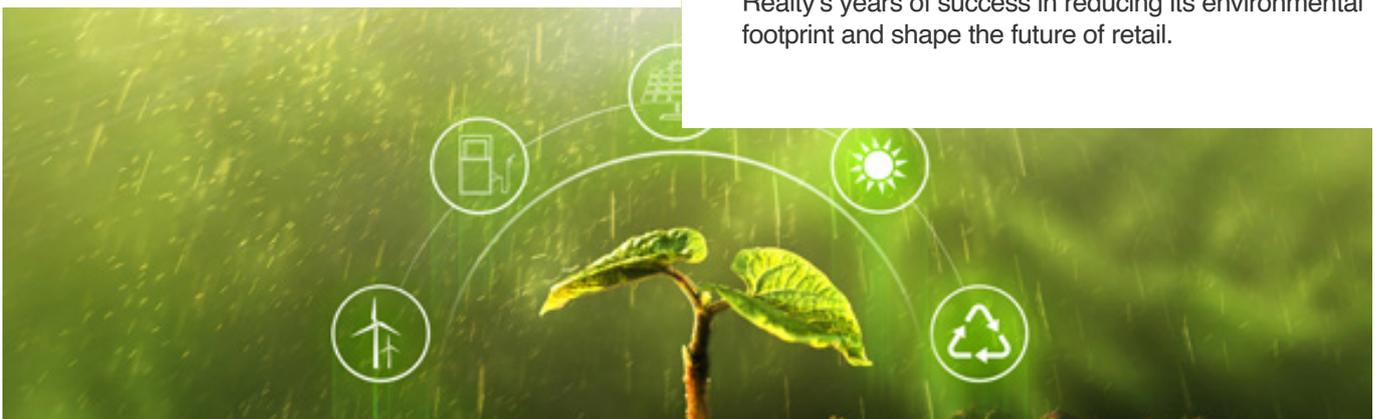
The Intergovernmental Panel on Climate Change's Sixth Assessment Report was yet another reminder that it has never been more urgent to act to avert climate change. But it's a familiar refrain for industry leaders, with a KPMG study finding that most CEOs see climate change as one of the top three threats to business growth.

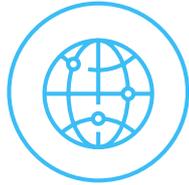
By partnering with Digital Realty to streamline their infrastructure operations, retailers can realise the benefits of data-driven operations while reducing their environmental impact.

With PlatformDIGITAL, business-critical analytics and data processing runs on a net zero compute platform enabling retailers to remove Data Gravity barriers, while building a sustainable digital infrastructure to meet sustainability targets.

Improving environmental stewardship can make retailers more appealing as employers – and it can even help improve their profit margins. The Simon-Kucher survey found that 34% of consumers are willing to pay more for sustainable products or services.

By catering to these customers with targeted sustainability initiatives, retailers will benefit from Digital Realty's years of success in reducing its environmental footprint and shape the future of retail.





Want to learn more about how retailers can reduce their **environmental footprint** while unlocking data-driven growth?

Download our Toolkit

### About Interxion

Interxion: A Digital Realty Company, is a leading provider of carrier- and cloud-neutral data centre services across EMEA. With more than 700 connectivity providers in 291 data centres across 13 European countries, Interxion provides communities of connectivity, cloud, and content hubs. As part of Digital Realty, customers now have access to 47 metros across six continents. For more information, please visit [interxion.com/uk](https://interxion.com/uk).



[interxion.com/uk](https://interxion.com/uk)  
[customer.services@interxion.com](mailto:customer.services@interxion.com)



**International Headquarters**  
Main: + 44 207 375 7070  
Email: [info@interxion.com](mailto:info@interxion.com)

**European Customer Service Centre (ECSC)**  
Toll free Europe: + 800 00 999 222 / Toll free US: 185 55 999 222  
Email: [customer.services@interxion.com](mailto:customer.services@interxion.com)

**Cofounder:** Uptime Institute EMEA chapter, **Founding member:** European Data Centre Association, **Patron:** European Internet Exchange Association, **Member:** The Green Grid, with role on Advisory Council and Technical Committee, **Contributor:** EC Joint Research Centre on Sustainability, **Member:** EuroCloud.

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