

Unlocking Value

Majid Al Futtaim's Roadmap to Circularity



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EXECUTIVE SUMMARY

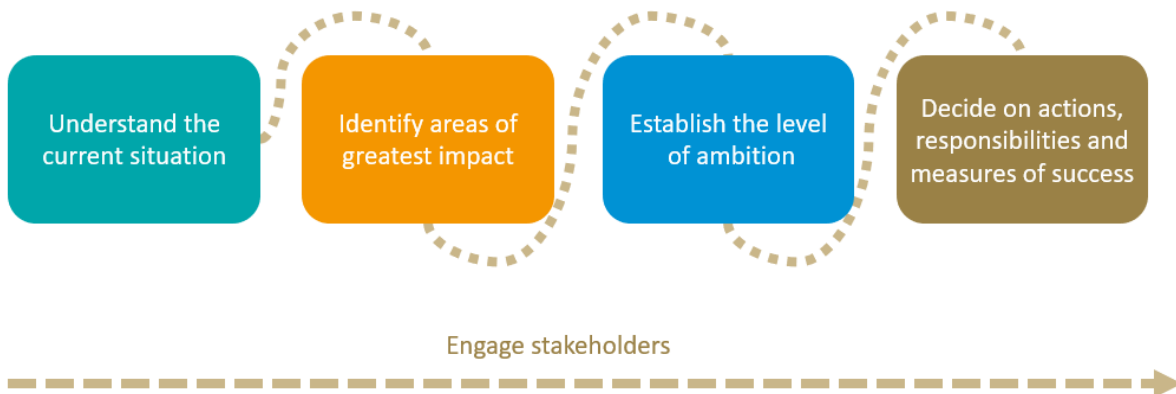
BACKGROUND

Traditional economic approaches to resource use have historically been very linear, based on the ‘take-make-waste’ model. A circular economy – the opposite of the current, linear approach – decouples resource use from economic growth and is based on three principles: designing out waste and pollution, keeping products and materials in use and regenerating natural systems. This way, a circular economy not only brings substantial environmental and social benefits, but it also presents a significant financial opportunity by encouraging organisations to maximise the value of resources that they are already using.

Majid Al Futtaim recognises the importance of managing global resources more efficiently. In 2018, as a part of our new Company-wide sustainability strategy, *Dare Today, Change Tomorrow*, Majid Al Futtaim established three focus areas: Transforming Lives, Rethinking Resources, and Empowering Our People. As part of the Rethinking Resources focus area, Majid Al Futtaim committed to embed circular economy principles into its business operations. To make sure this commitment tackles the most impactful areas, Majid Al Futtaim set out to develop an ambitious circular economy strategy and to set a new vision for the future of circularity for the business. By 2030, all of our Operational Companies will have circularity at the core of their operations and we will actively engage with our suppliers, customers and the wider business and government communities to bring about systemic change and impact.

APPROACH

The strategy was developed following a four-stage process:



The process was informed by a review of procurement and waste data, review of international best practice, review of the policy landscape and market maturity in the region, interviews with key stakeholders, as well as a Circular Economy Workshop.

FINDINGS

Through the above process it was established that international businesses and governments are increasingly publishing their circular economy strategies and with its leadership position in sustainability, Majid Al Futtaim should have a circular strategy which focuses not only on key resources used in the organisation, but also on engagement with a wider audience – customers, suppliers and external bodies.

In addition, it became apparent that more granular, comprehensive and standardised waste data is needed in order to accurately pinpoint the hotspots for action. However, the current data showed that food waste and construction waste are the most significant areas to tackle.

The Circular Economy Workshop revealed that circularity already exists in many places across the business and these initiatives could be rolled out and managed across all operations.

Stakeholder interviews provided more detail on Majid Al Futtaim's internal processes and highlighted the need for supplier management and a systematised approach to reuse old or idle assets. Interviewees also emphasised that circularity should be integrated in the early stages of all decision-making.

Finally, the review of the policy landscape and market maturity showed that the region is only at the beginning of its transition to a circular economy and the focus is mainly on waste segregation and management. However, the UAE has made global commitments to develop a circular economy and introduce policies to manage waste and resource use.

THE STRATEGY PILLARS

The circular economy strategy is based on five pillars which address the key areas of Majid Al Futtaim's impact and aim to leverage the relationships between key stakeholders:

- **Resource mapping:** We will improve the understanding of resource flow through our organisation to reduce waste
- **Unlocking value:** We will implement internal systems to maximise the value of resources within our organisation
- **Closed-loop supplies:** We will support our supply chain to progress towards circularity
- **Circular lifestyles:** We will engage with our customers to help them make circular choices
- **Collaborate to accelerate:** We will support research and innovation to accelerate the global transition to a circular economy

This document details the recommended strategy, actions, targets and milestones for Majid Al Futtaim to embed circular economy principles across its business activities.

1 INTRODUCTION

1.1 THE CIRCULAR ECONOMY

Traditional economic approaches to resource use have historically been very linear. As a global society, we extract the resources we need from the environment around us, manufacture the products which we want or need, use them until they break, or we no longer want them, and then we dispose of them. This method has resulted in a uni-directional system, where significant value is lost along the way and where virgin natural resources are continually depleted and the surrounding environment is polluted and cluttered with materials we no longer want.

With a rapidly growing population and increasing standard of living, the demand for natural resources is accelerating. It has been recognised that this linear approach to the economy cannot work in the long term. Concern over the unsustainable use of resources is not new and alternative ideas have been proposed as far back as the Industrial Revolution; however, as issues surrounding climate change and resource use (such as resource scarcity, insecurity and price volatility) have become increasingly prevalent in the public discourse, these ideas have begun to take greater hold.

In 2012, Dame Ellen MacArthur presented the opportunities of an alternative economic approach, a circular economy, to global business and political leaders at the World Economic Forum in Davos. A circular economy – the opposite of the current, linear approach - decouples resource use from economic growth and is based on three principles:ⁱ

- Design out waste and pollution;
- Keep products and materials in use;
- Regenerate natural systems.

Circular economy focuses on using durable and renewable materials which can be easily reused, repaired, upgraded or refurbished. Products and materials in a circular economy are shared and used to their highest capacity. In many cases, the need for physical products and materials is removed through, for instance, digitalisation.ⁱⁱ

1.2 THE BUSINESS OPPORTUNITY

With rising costs of raw materials, and the increasing scarcity of some, the financial business case for a circular system, which retains or reinjects value in the supply chain, is increasingly compelling. In 2015, research conducted by the Ellen MacArthur Foundation and McKinsey found that a circular economy could lead to direct cost savings of Euros 600 billion a year and Euros 1.3 trillion in other knock-on economic benefitsⁱⁱⁱ. Within the UK, Business In The Community (BITC) have estimated that the value of circular activities is already approximately £40 billion^{iv}. Most recently, a report submitted to the World Government Summit estimated that the Gulf Cooperation Council (GCC) countries could save almost \$138 billion by 2030 by adopting a circular economic model^v.

The most obvious business benefits of a circular approach are associated with the cost savings resulting from the more efficient use of materials. A circular economy also generates new revenue streams by extracting value out of what was previously considered waste and by encouraging innovation, requiring that new quality jobs - often at a mid-skilled level - be created locally. Finally, a circular economy improves business resilience by reducing dependency on virgin resources and volatile supply chains.

An economy based on circular principles will generate economic gains for all stakeholders, while benefiting the environment and the society as a whole.

1.3 THE TIME IS NOW

The concept of a circular economy has established itself in the mainstream and is rapidly gaining popularity. It is increasingly recognised that now is the perfect time to accelerate the global transition towards circularity, due to the alignment of two essential conditions.

Firstly, the pressure on resources is reaching a tipping point – the availability of some of the crucial materials has been declining and, at the same time, commodity prices and costs of waste disposal have been steadily growing.

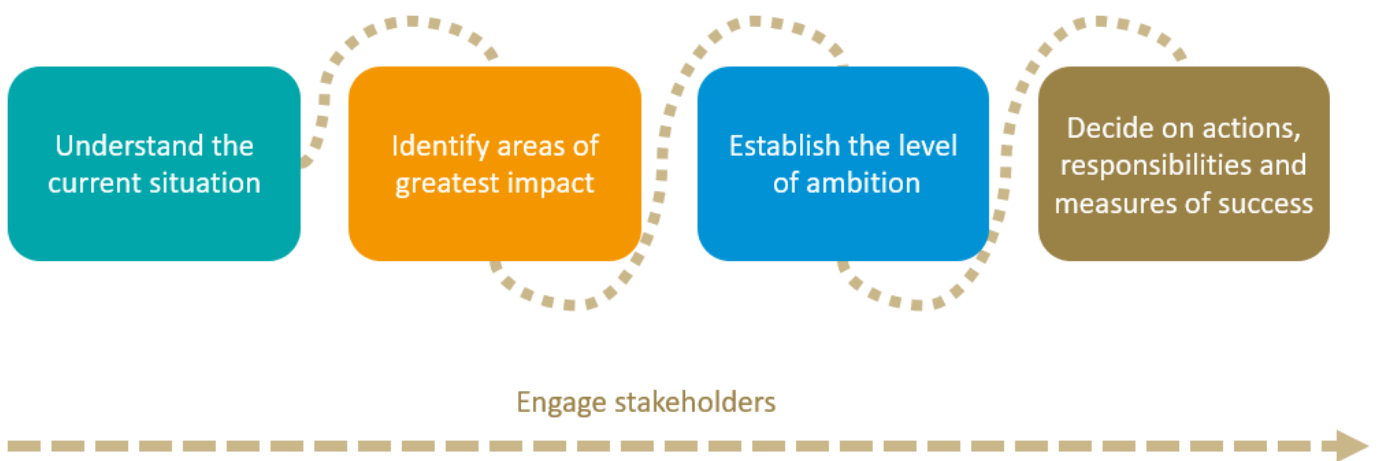
Secondly, a number of circular economy enablers have come into place: technology advancements allow us to better capture and maximise resource value; consumers are increasingly concerned about the impact of their choices and increasingly prefer access to services rather than ownership, resulting in higher product utilisation rates; urban populations continue to rise, and the increase in cities' densities facilitates the logistics of closing resource loops; finally, governments are introducing progressively stringent regulations in the areas of material use and waste.

The need for action has never been as urgent as it is today – but our ability to bring about change is also greater than ever before.

2 APPROACH

2.1 APPROACH TO DEVELOPMENT OF THE CIRCULAR ECONOMY STRATEGY

Majid Al Futtaim took a structured and carefully considered approach to developing its circular economy strategy. The aim was to understand Majid Al Futtaim’s role within a circular economy and to ensure that the most relevant and meaningful areas of impact were addressed in the most effective ways. To achieve this, Majid Al Futtaim followed a four-stage process:



Step 1: Understanding the current situation

The first step was to examine resource flows within Majid Al Futtaim. This allowed the business to identify key resource inputs, outputs and disposal routes and in doing so, highlighted existing circular initiatives already taking place. In addition, the wider context in which Majid Al Futtaim operates was reviewed, including looking at legislation, market readiness and best practice.

Step 2: Identifying areas of greatest impact

Building on the information gathered in Step 1, Majid Al Futtaim was able to identify the areas that have the largest impact on resource use. This was crucial to shaping the direction of the strategy and the roadmap, and helped to identify where efforts should be focused and where the greatest opportunities lay.

Step 3: Establishing the level of ambition

The results of Step 1 and Step 2 allowed Majid Al Futtaim to determine the starting point and decide what needs to be achieved in each of the key impact areas, considering the wider context. The first two steps demonstrated the huge potential of a transition to more circular business models for the Company. As a result, they were fundamental to the decision to put together an ambitious strategy through which Majid Al Futtaim will lead the way and demonstrate the benefits of a transition to more circular ways of doing business.

Step 4: Deciding on actions, responsibilities and measures of success

Once the direction of travel was clear, setting specific actions, timelines and responsibilities was critical to ensure effective implementation.

Based on the outputs of these four steps, a comprehensive roadmap towards circularity was put together, detailing targets, timelines and a clear set of initial actions for 2020

Relevant internal stakeholders¹ were also engaged throughout the process and were critical to the development of a meaningful strategy.

The table below summarises the activities undertaken during the first three steps of the strategy development process. The outcomes of Step 4 form the basis of this circular economy strategy and are described in Chapter 4.

¹ Relevant stakeholders were defined as individuals or groups of individuals who were likely to have an impact on Majid Al Futtaim's resource use, or who were likely to be impacted by Majid Al Futtaim's activities relating to circular economy.

	Understanding the current situation	Identifying areas of greatest impact	Establishing the level of ambition
Procurement and waste data review	<ul style="list-style-type: none"> identifying resource inputs, outputs and disposal routes establishing baseline data quality 	<ul style="list-style-type: none"> identifying most material resource groups identifying sources of significant value loss identifying gaps in data 	<ul style="list-style-type: none"> deciding the most meaningful actions depending on Majid Al Futtaim’s level of maturity in given areas
Circular Economy Workshop	<ul style="list-style-type: none"> uncovering existing circular economy initiatives within Majid Al Futtaim 	<ul style="list-style-type: none"> harnessing knowledge of workshop participants to identify circular economy opportunities within the business 	<ul style="list-style-type: none"> establishing goals which build on and scale up the potential of existing circular economy initiatives
Internal stakeholder interviews	<ul style="list-style-type: none"> understanding current processes and procedures establishing the current level of circular economy knowledge 	<ul style="list-style-type: none"> discussing key areas of impact as perceived by the stakeholders identifying existing processes and procedures for embedding and scaling up circular economy principles identifying key limitations and challenges 	<ul style="list-style-type: none"> establishing stretching but feasible goals with consideration of identified material areas, leverage points and challenges
Desktop-based best practice review	<ul style="list-style-type: none"> understanding current best practice across the sectors in which Majid Al Futtaim operates 	<ul style="list-style-type: none"> cross checking and benchmarking Majid Al Futtaim’s current activities against those of international leaders to identify areas for improvement 	<ul style="list-style-type: none"> identifying examples of best practice which may be applicable to Majid Al Futtaim and which could be explored further learning from challenges identified by other organisations
Policy and market review	<ul style="list-style-type: none"> understanding policy and market practices in Majid Al Futtaim markets to understand current availability of infrastructure and political support for more efficient resource use 	<ul style="list-style-type: none"> identifying areas where Majid Al Futtaim’s strategy could align with legislation to maximise impact 	<ul style="list-style-type: none"> identifying locations where the legislation and the market support higher level of ambition

Table 1 – Activities undertaken during the strategy development process

3 FINDINGS

3.1 PROCUREMENT AND WASTE DATA REVIEW

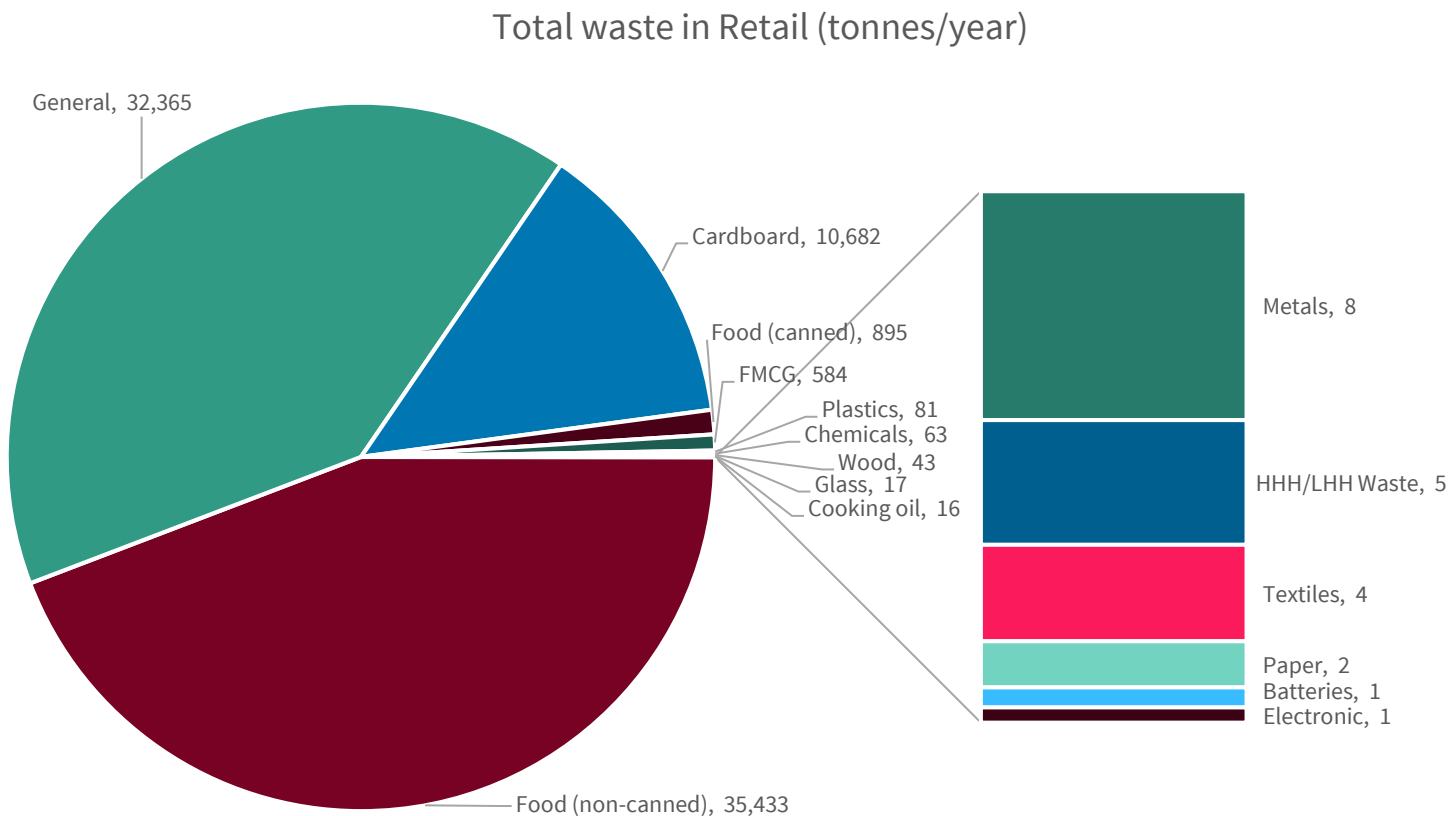
The analysis of procurement and waste data was essential for understanding resource inputs and outputs within Majid Al Futtaim. Data quality and completeness was not uniform across the three OpCos; therefore is important to note that the findings described below are indicative.

Key areas of resource use and potential impact

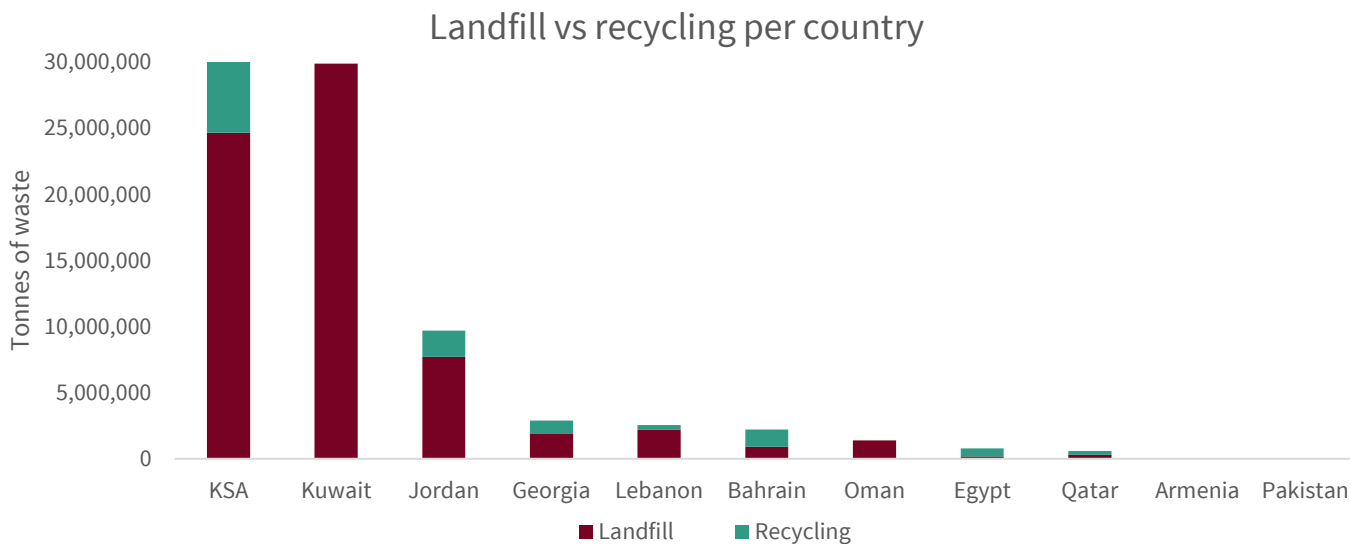
Available data was reviewed to identify key areas of resource use and potential impact; charts shown below show high level analysis across the three OpCos and key points of note. Full results of the analysis can be seen in **APPENDIX A: DATA ANALYSIS**.

Retail:

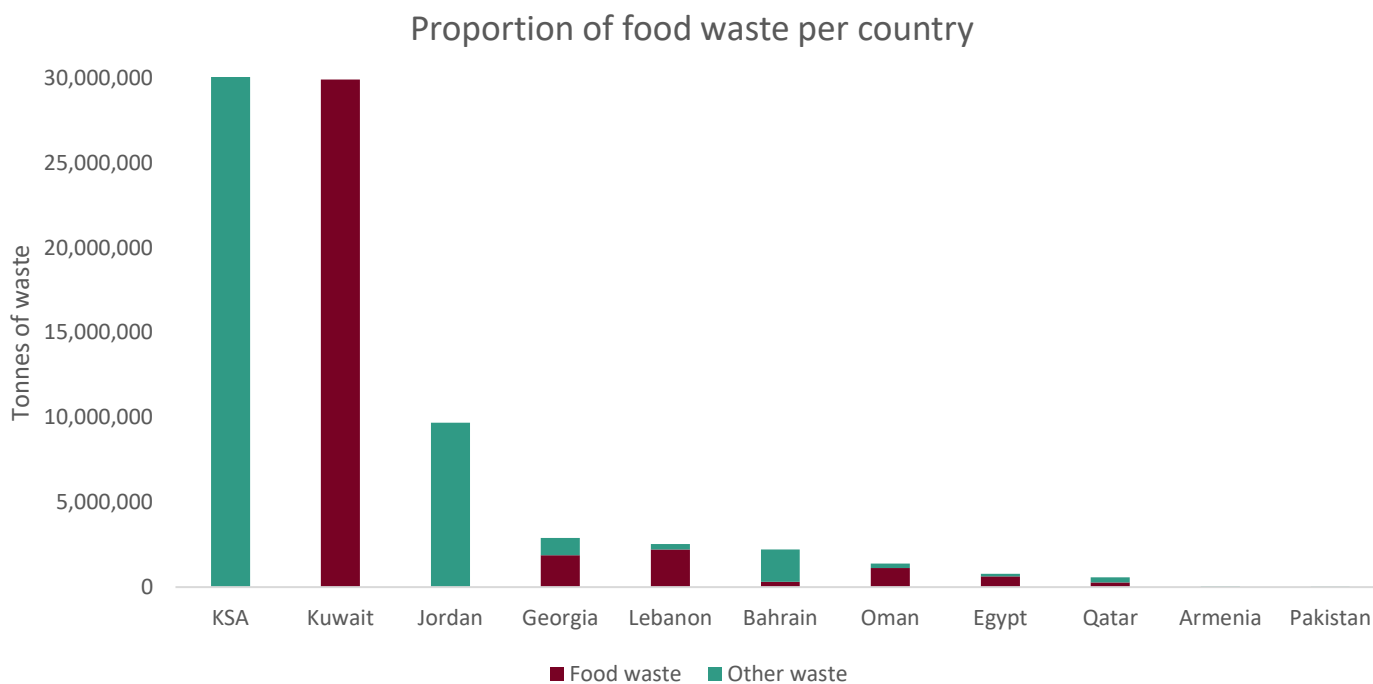
The figure below represents waste categories for Retail in all countries excluding the UAE. The UAE data was provided in a format significantly different to the one provided by other countries which rendered it incomparable. As shown in the chart, food waste (especially associated with non-canned food) is a key area of concern for Retail. It is closely followed by general waste which is a mixture of mostly non-recyclable materials. The third largest category of waste is cardboard; however, this source of waste is well-managed.



The figure below indicates high waste-to-landfill rates in the majority of countries in which Majid Al Futtaim - Retail operates. Almost all of non-canned food waste and all of general waste is sent to landfill. However, it should be noted that high waste figures in Kuwait were unexpected given the size of the operation there and this suggests that the business should take action to improve data quality.



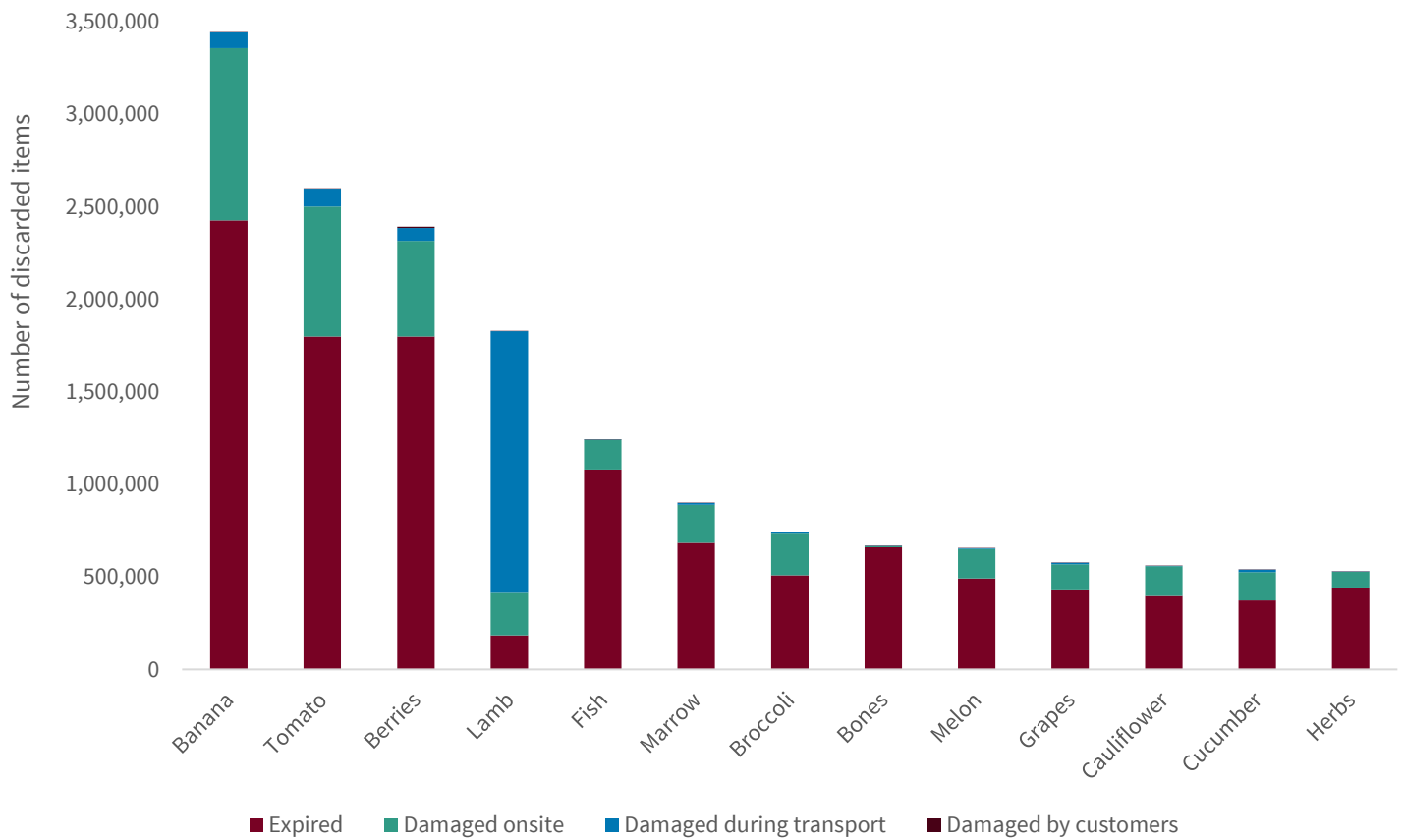
The graph below shows that food waste is the major source of waste in numerous countries.



The above figures exclude the UAE, one of the main markets for Majid Al Futtaim, due to the UAE data being gathered in a substantially different format and covering a different scope to other countries. The UAE data provided a detailed overview of wasted stock with a number of items per category rather than weight.

The figure below is based on detailed data from the UAE which listed all items disposed of by during a calendar year. Fresh fruit and vegetables constitute a significant proportion of all food waste, and they are mainly discarded due to their expiry.

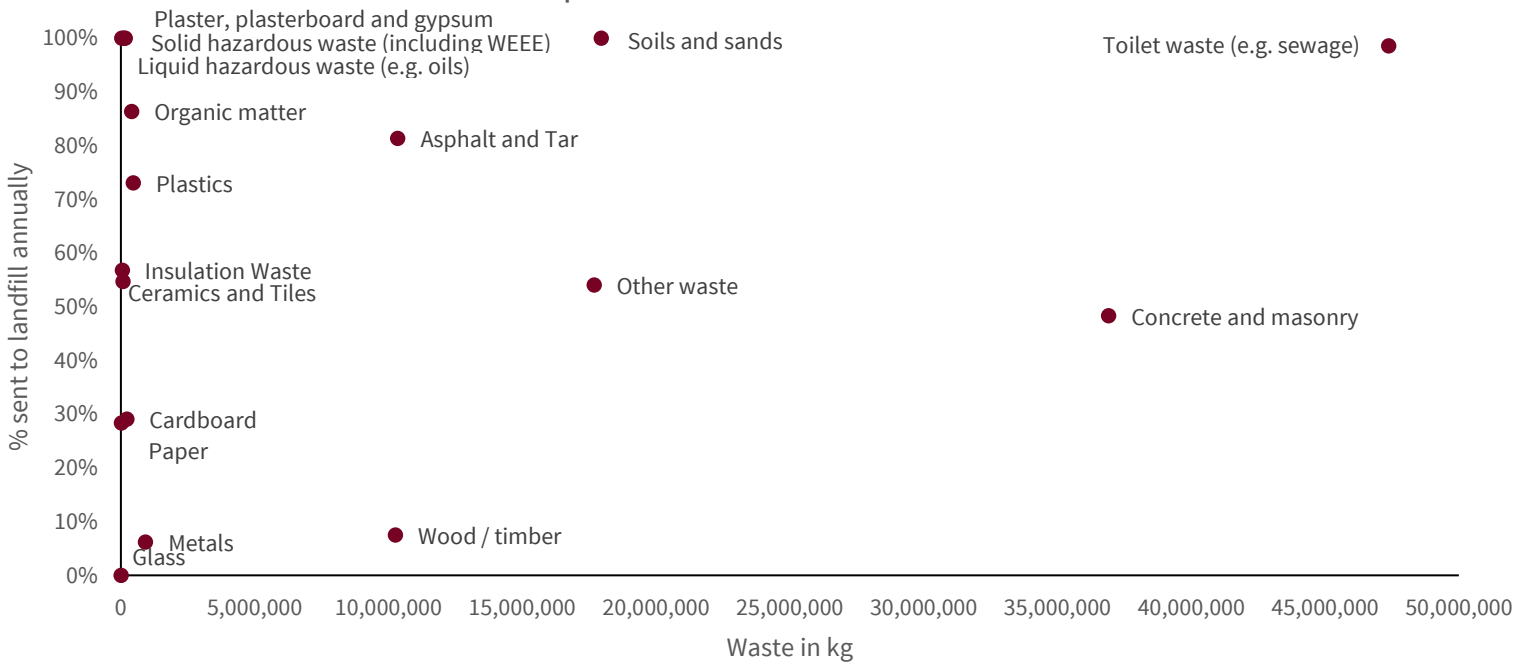
Food waste in UAE



Properties:

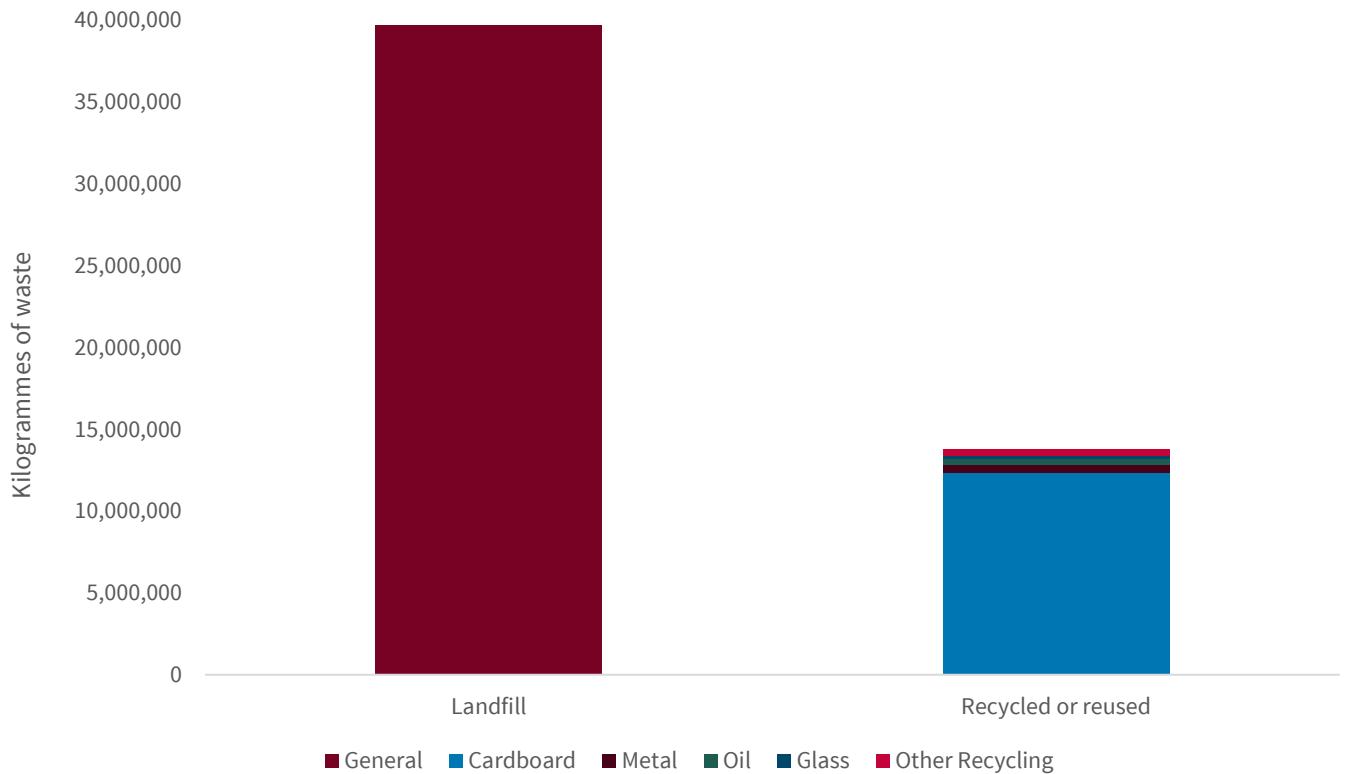
The figure below maps all construction waste streams and their recycling rate. All waste streams placed in the bottom left corner are well managed and require little additional action. Toilet waste, concrete and masonry, soils and sands, asphalt and tar, as well as waste labelled as “other” should be the key areas of focus for improvement as these waste streams combine both high volume and high landfill rates.

Properties - Construction waste



The diagram below shows the operational waste for Majid Al Futtam Properties which is sent to landfill vs waste which is recycled. Biofuel was not included in the recycled or reused waste section as it constitutes less than 0.1% of total waste and is considered de minimis.

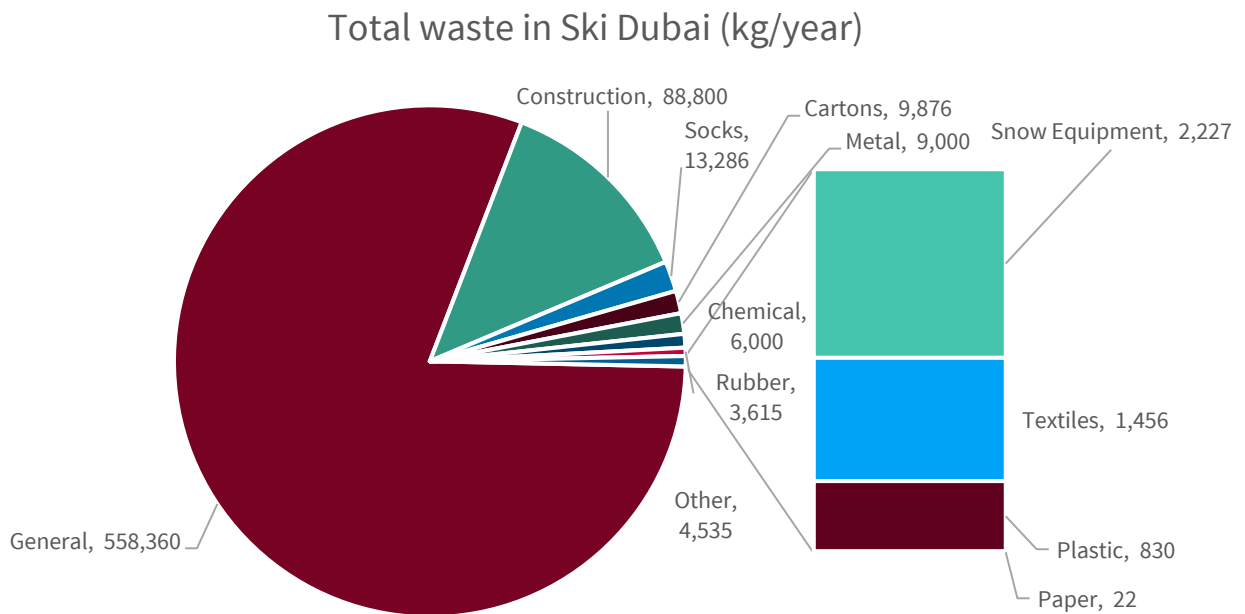
Properties - Operations waste



Ventures

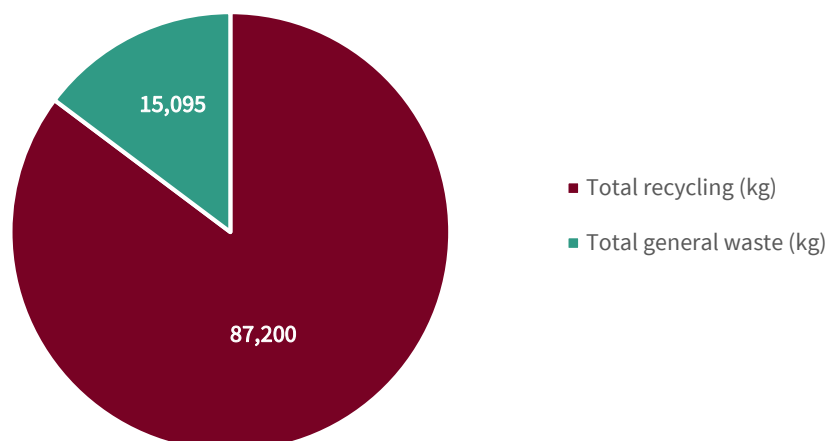
Unfortunately, full waste data across Ventures was not available. However, information on some of Ventures largest waste streams from Ski Dubai and Magic Planet was provided and analysed.

The figure below shows waste streams for Ski Dubai. General waste which is sent to landfill is the main source of waste. Construction waste constitutes another significant waste stream. Socks, cartons and metals are the largest recycled waste streams.



The chart below shows the 85% recycling rate achieved by Magic Planet, predominantly due to the resale of obsolete arcade machines / games.

Total waste in Magic Planet (kg/year)



Key findings

- A large proportion of waste data was categorised as general waste sent to landfill. More granular and comprehensive data is needed to create an effective action plan for waste reduction.
- Food waste in Majid Al Futtaim Retail and construction waste in Majid Al Futtaim Properties are major sources of waste.
- Key findings per OpCo are summarised in the table below.

Retail	Ventures	Properties
<ul style="list-style-type: none"> • Most of food waste goes to landfill. A large part of food waste in the UAE consists of damaged fresh fruit, vegetables (in particular bananas, tomatoes and berries) that expired. There was no data available to conduct this level of analysis for other countries. • Cardboard is a significant source of waste but is well managed and widely recycled. Other significant waste categories which are not widely recycled are chemicals, plastics and wood. • Sales data indicated that fresh fruit and vegetables, chocolate confectionery, cooking oil and phones are the most commonly sold products. 	<ul style="list-style-type: none"> • Waste data across business units is not standardised and there are significant gaps in data coverage. • If waste data is tracked, a large proportion of it is labelled as “general” and sent to landfill. • A lot of the waste is associated with store closures. • Some of the most significant sources of waste are already recycled, such as machines and rides from Magic Planet or socks from Ski Dubai. 	<ul style="list-style-type: none"> • In terms of operations, malls are the major waste producer. Most of waste is labelled as “general” and is sent to landfill. • Construction is a much more significant source of waste than operations. Key waste streams for operations are: <ul style="list-style-type: none"> ○ Toilet waste/sewage (only 1% recycled) ○ Concrete and masonry (52% recycled) ○ Soils and sands (not recycled at all) ○ Asphalt and tar (19% recycled) ○ Plastics (27% recycled) ○ Organic matter (14% recycled)

Table 2 – Key findings of the data analysis per Operating Company

3.2 CIRCULAR ECONOMY WORKSHOP

The main purpose of the workshop was to raise awareness of circular economy principles in key internal stakeholders who are expected to play a significant role in making and implementing decisions relating to circularity. Key stakeholders were nominated by Sustainability Managers at each Operating Company from across numerous business functions including procurement, developments & fit out, operations, sustainability and waste management.

Over 30 people attended the live workshop which was later recorded and made available online to key stakeholders based outside of the UAE.

The workshop supported the identification of existing examples of circularity within Majid Al Futtaim, as well as the generation of ideas for new opportunities.

Key findings

- There are already many examples of Circularity within the business (see **APPENDIX B**)
- Many examples already in place are not systematically managed or rolled out across all operations – systematisation of these would significantly improve Majid Al Futtaim’s management of resources
- Stakeholders quickly engaged with the principles of a circular economy and identified possible new opportunities as a group (see **APPENDIX B**)
- Cross-OpCo engagement and business functions allowed for positive generation of ideas and sharing of knowledge

3.3 INTERNAL STAKEHOLDERS INTERVIEWS

To gain in-depth understanding of current practices, practical challenges and opportunities to implement circular economy principles, interviews were conducted with key internal stakeholders responsible for procurement, fit-out (or construction), and operations and waste management at each OpCo.

Nine interviews were conducted in May 2019, each comprising between three and ten attendees. Full interview notes can be seen in **APPENDIX C**

Key findings

Key findings from the interviews are summarised in the table below. In general, it was found that:

- Some reuse of old / idle assets occurs on an ad hoc basis within Retail and Ventures – this would benefit from systematisation and formalisation.
- Most decisions affecting the circularity of fit out / construction are made at the design stage – circular principles should be integrated into design standards or guidelines at the earliest stages.
- Retail and Ventures would benefit from a system allowing them to better communicate with their suppliers and monitor their performance against KPIs such as those relating to circularity.
- Changes in concepts during the construction/fit out of a project can create substantial amounts of waste

	Retail	Ventures	Properties
Fit-out / Construction	<ul style="list-style-type: none"> • setting detailed specifications is key to material selection • there is a concern about recycled or reused materials being lower quality • waste produced during fit-out works is usually not tracked • contractors are paid a lump sum which incentivises them to minimise their own costs 	<ul style="list-style-type: none"> • there is an issue around lack of understanding of the value of complex systems such as BMS • lifecycle cost assessment usually is taken into account • all sustainability requirements should be included in the design guidelines as these are used to inform the decision-making 	<ul style="list-style-type: none"> • most decisions are made at the concept design stage – lifecycle and maintenance of buildings is usually considered • there are no cases of recycled or reused materials being included in the project • there is a target to achieve a minimum of BREEAM Very Good or LEED Gold on all developments
Procurement	<ul style="list-style-type: none"> • suppliers are reviewed against quality and cost separately • new suppliers are appointed if current preferred suppliers cannot meet the requirements • there is no central system to manage supplier performance – such group-level system would improve efficiency and engagement • assets used to be automatically removed at the end of depreciation period; currently they are kept beyond that if they are suitable • idle assets are placed in other stores but there is no formal system in place to support this and there is a concern from store managers that used assets mean more maintenance and less reliability 	<ul style="list-style-type: none"> • Central Procurement Operations (CPO) department was created in 2017 – common categories for all business units are covered by CPO • CPO monitors adherence to sustainability criteria but category managers determine the criteria for their categories • there is a strong preference to use existing suppliers and work with them to improve their performance • there are monthly meetings with key suppliers to review performance • currently, there is no supplier engagement on packaging 	<ul style="list-style-type: none"> • circular requirements should be embedded in both the requests for proposals and the supplier evaluation process • local procurement is preferred from commercial perspective • lifecycle cost of products is considered if Majid Al Futtaim retains long-term responsibility for them, e.g. in Retail • Majid Al Futtaim can influence the main Tier 1 suppliers and work with them to improve their sustainability • there are examples of efficient resource management, e.g. leasing equipment (printers, air scent diffusers, tissue dispensers); donating refurbished laptops and mobile phones to charity; reusing decorations between malls; or asking subcontractors to take back packaging
Operations	<ul style="list-style-type: none"> • a certain proportion of food waste is expected as a sign of produce quality control • dried foods are donated to food banks in Dubai • there is supplier engagement on packaging; wooden pallets are problematic as suppliers charge for taking them back 	<ul style="list-style-type: none"> • Magic Planet refurbishes and/or resells games and machines that are no longer in use • there is a concern around the market for used materials and the uncertainty of supply and demand • in Fashion, there is no waste management but some surplus stock is sold at a reduced price through bi-annual Bazars or Fashion for Less 	<ul style="list-style-type: none"> • largest resource groups are technical items (filters from AHUs, motors), floor tiles and stationary • there are regular targets to optimise resource use already • there is a full technical asset register and standard depreciation terms are set; no assets can be disposed of before the term is finished but they

	<ul style="list-style-type: none"> • Styrofoam is problematic and expensive to dispose of • staff training is needed to ensure correct segregation of waste • some expectations need to change, e.g. keeping the baked goods display full at all times or disposing of all products from multipacks if the multipack packaging is damaged 	<ul style="list-style-type: none"> • Stock is thrown away if the brand instructs to do so and Majid Al Futtaim has little control over this • In VOX, used cinema equipment is refurbished or repaired and placed in lower grade cinemas but there is no system to support this • VOX recycles cooking oil from commercial kitchens and restaurants which is then used to power vehicles – this initiative generates revenue • VOX also reuses all IMAX 3D glasses and there is a Reverse Vending Machine for plastic bottles at VOX Deira City Centre 	<ul style="list-style-type: none"> can be refurbished and kept for longer • large tenants manage their own waste; other tenants’ waste is segregated by on-site management team • tenants are the key stakeholder who needs to be engaged in terms of waste management
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Table 3 – Activities undertaken during the strategy development process

3.4 DESKTOP-BASED BEST PRACTICE REVIEW

A comprehensive review of international best practice was carried out to identify circular economy strategies and initiatives of leading organisations, wherever possible, operating across similar sectors to Majid Al Futtaim. Key findings and additional highlights are drawn out below. A full copy of research carried out can be seen in **APPENDIX D**.

Key findings

- As an organisation with a leadership position in sustainability, Majid Al Futtaim should have a circular strategy.
- The strategy should include broad commitments around key areas of resource use, focusing on between 3 to 5 key areas.
- The strategy should include commitments to engaging with a wider audience on the issue of resource use, including customers, suppliers and relevant external bodies.

Circular economy strategies: An increasing number of international organisations – as well as local governments – are publishing their circular economy strategies. All strategies include broad commitments based around each organisation’s most material resources. They also acknowledge the importance of reaching out beyond their own operations and engaging with relevant bodies, suppliers, customers and the wider public. Some examples of leading circular economy strategies are provided below.

PwC divided its journey towards becoming a fully circular business into three stages: Zero waste to landfill (2007-2012), 100% reuse and recycling (2013-2017) and Circular solutions (2018-2022)^{vi}.

M&S set out four key objectives around circular economy: becoming a zero net waste business (tackling operational and transit packaging waste); supporting suppliers to reduce and recycle waste; creating partnerships to help customers reuse and recycle; as well as prioritising business model innovation to put circular economy into practice. M&S's efforts are focused around the most material resources: food waste, packaging and clothes.^{vii}

Google's circular economy strategy is based around one overarching goal: to maximize the reuse of finite resources across Google's operations, products and supply chains. Five key areas of focus are data centres, workplaces, consumer electronics, consumer engagement and supplier engagement.

Circular economy implementation: There are numerous organisations which, although not always formalising their circular economy strategies, have realised the opportunities presented by the closed-loop approach and implemented circular economy in practice at varying scales. The summary below outlines leading examples of circular economy implementation in sectors relevant to Majid Al Futtaim.

Construction: The construction sector prioritises reuse of materials and maximising the value of construction waste. There are many examples of good practice already within the construction sector:

- Lendager Group from Denmark developed a residential area called the Resource Rows using materials from abandoned buildings such as old schools and industrial sites.
- Crossrail, the development of a new rail link across London, has reused 99% of all material excavated for the project, a large part of which was used to create a wetland nature reserve in Essex, UK.
- Globechain, an international reuse marketplace where unneeded items (including construction materials) can be listed and collected for free by charities or individuals.

Food waste: Food waste has been at the top of the agenda for many international supermarkets.

- Walmart created a customised field-to-store network for highly perishable products which reduces days in transit. It has also adjusted product specifications in several countries to accept different sizes and other cosmetic variations of produce. In addition, the company offers discounts on foods approaching their expiry dates.
- In the UK, supermarket chains including Tesco, Marks & Spencer, Waitrose and Unilever have voluntary targets to halve food waste by 2030, in line with the UN Sustainable Development Goal number 12. They plan to achieve this through such initiatives as marketing seasonal produce, whole crop purchasing or stopping bulk buy promotions.

- In Europe, Carrefour Group introduced anti-wastage committees in stores, lowered the prices of excess stock or items with short use-by dates to avoid wastage, and in France it extended use-by date of some products.
- To divert food from landfill, numerous organisations follow the food waste hierarchy, prioritising redistributing food to people in need, converting food into animal feed and finally, composting and recovering energy from food waste. Supermarkets such as Tesco and Sainsbury's, but also other global organisations such as Disneyland and IKEA, send their food waste to anaerobic digestion plants where it is turned into energy and fertiliser.

Product packaging: It is widely recognised that packaging is a major source of non-recyclable waste and frequently it is the first point of action for organisations.

- Waitrose, a chain of British supermarkets, committed to making all own-brand packaging recyclable, reusable or home compostable by 2025.
- Unilever, Procter & Gamble and PepsiCo are some of the co-founders of a new 'waste-free' retail platform, "LOOP", where businesses will provide product refills while retaining ownership of their reusable packaging. The platform will be trialled in Paris and New York in 2019. Products will include refillable versions of food and drink, health and beauty, and cleaning products.

Circular stores: The environmental and social impacts of waste and resource use are increasingly present in public awareness. This drives higher consumer demand for waste-free, reused and reusable goods.

- EcoSouk in Lebanon is a zero-waste shop which champions eco-friendly materials and manufacturing processes while promoting traditional skills. The shop offers packaging-free and chemical-free cosmetics and cleaning products, along with clothing, accessories, kitchen utensils and decorative items made from recycled waste.
- BlueCity in the Netherlands is a circular hub located in a disused swimming pool which brings together innovative entrepreneurs who all connect their waste streams in different ways. For instance, the coffee grounds from the on-site restaurant are used to grow mushrooms which then are served back in the restaurant or turned into biodegradable packaging materials.
- ReTuna in Sweden is the world's first recycling mall where everything sold is recycled, reused or has been organically or sustainably produced. Visitors can drop off different items and materials (such as toys, furniture, clothes, decorative items, and electronic devices). The staff at the mall then sort the items, deciding what to repair, fix up, convert, refine – and ultimately sell. A similar model is now being adopted by others: Oxfam, an international charity, is planning to open a second-hand supermarket and Asda, a British supermarket chain, is piloting a second-hand pop-up in its stores.

Customer engagement and behavioural change: Engaging with customers on the topic of circular economy goes beyond providing sustainable products.

- Some theme parks in the UK, including Legoland, Alton Towers and Thorpe Park, teamed up with Coca-Cola to install reverse vending machines which issue half-price entry discount vouchers in exchange for plastic bottles.
- In the Netherlands, E-waste Arcades accept used electronic devices, such as phones, as well as recyclable paper and plastic waste to allow users to play games. The arcade machines themselves were built of waste electronics, such as old computers and monitors, and durable wood, and are customisable by design for client's purposes.
- In the area of circular fashion, Levi's introduced a series of initiatives aiming to prolong the life of its products, including providing care guidance for jeans, offering repairs, resizing and restyling services in stores, as well as repurposing or recycling customers' used clothes and shoes.
- Customer engagement can also take a digital form - Google has launched an online tool called Your Plan, Your Planet which shows users everyday examples of positive behaviours. It also allows users to make their own pledges to support a circular economy.

International collaboration: There are numerous networks and programmes which gather a wide range of organisations to collaborate on researching opportunities, finding solutions to challenges and supporting each other in the transition to a circular economy. The most prominent network is CE100 established by Ellen MacArthur Foundation. Its key aim is to provide businesses, innovators, governments, universities, and thought leaders with space learn and share knowledge. CE100's partners and members include international giants such as Google, Unilever, IKEA, McDonald's and Veolia.

3.5 POLICY AND MARKET REVIEW

Key trends in Majid Al Futtaim's countries of operation

The region is at the beginning of its transitional journey towards a circular economy. Legislation, regulation and strategies aiming to incorporate circular economy principles into national plans are, at present, largely centred around three core areas:

1. Improving the management of waste
2. Improving energy efficiency and increasing countries' share of energy produced from renewable sources
3. Improved handling of wastewater and better use of potable water

Key findings of the research are summarised immediately below with some additional information on the trajectory of waste management in the region. Full details of the legislation review can be seen in **APPENDIX E**.

Key findings:

- Commitments, policy changes and tax incentives in the UAE, coupled with the size and extent of Majid Al Futtaim’s operations and waste streams in this country, make this a high priority country for early action.
- Across the region, countries will increasingly be seeking the improved segregation of waste streams by waste type. Majid Al Futtaim would be well placed to collect data on the different types of waste it produces and aim to separate materials accordingly.
- As many countries make drives for greater public education about recycling and waste management, Majid Al Futtaim could highlight its commitment to sustainability leadership by providing recycling facilities and education around recycling for its customers. This could help to increase recycling rates and provide positive brand awareness.
- Although specific targets vary widely across the countries reviewed, targets for renewable energy production are increasingly being established, and improving building energy efficiency is a key component to reducing fossil fuel-derived energy usage. Aiming to improve energy efficiency could cut costs over the long term and reduce Majid Al Futtaim’s carbon footprint.

Country	Pledge to embed circular principles	Reduce waste to landfill	Waste to energy	Plastic bag bans	Tax incentives to reduce waste	Increase recycling rates	Educate on waste and recycling	Evidence of private market delivery
UAE	X	X	X		X	X		X
Egypt			X		X	X	X	X
Jordan	X			X		X	X	X
Bahrain	X		X	X		X	X	X
Saudi Arabia		X	X			X		X
Georgia		X			X	X		X
Oman	X	X	X			X	X	X
Armenia		X				X	X	X
Iran			X		X	X	X	X

Iraq		X				X	X	
Pakistan	X	X	X					X
Qatar		X	X		X	X		X
Kenya	X	X	X	X	X	X		
Kuwait		X				X		
Lebanon	X	X	X			X		

Table 4 – Government initiatives in the area of circular economy and waste management per country

Waste management

A number of countries, including the UAE, Lebanon, Oman, and Pakistan, have pledged to centrally embed circular economy principles into their waste management planning. Many base their strategies on the United Nation’s ‘waste hierarchy’, where waste should first be prevented, reduced, recycled, recovered and, lastly, disposed of to landfill.

Recycling infrastructure in the region is to be increased as a matter of priority. Many countries target specified recycling rates and plan to educate the public about waste and reusing goods and materials. Many countries are also expanding landfills and improving landfill environmental quality standards, in response to concerns over the environmental impact of dumpsites.

Waste to energy is also a key consideration in many national strategies. Waste incineration raises concerns of air and environmental pollution but can aid the reduction of fossil fuel emissions and reduce landfill emissions. This strategy is being pursued by countries such as Saudia Arabia, Pakistan, Oman, Lebanon and the UAE. Pakistan is also exploring biomass energy technologies, which could use food waste as a source of energy.

Other measures to improve waste management include plastic bag bans, and tax incentives and disincentives to reduce waste sent to landfill or improve waste and recycling handling.

The UAE government, in cooperation with the World Economic Forum (WEF) on the Middle East and North Africa (MENA), has become the first signatory globally to the WEF’s ‘Scale 360’ initiative, which seeks to find new ways to establish the circular economy. Following this, the UAE government, in partnership with NGOs, global and local companies announced a pledge on Earth Day, 22nd April 2019, to develop a circular economy and tackle plastic waste pollution. This includes developing a coalition, which Majid Al Futtaim is a part of, to test a closed-loop recycling model for plastic bottles, beverages cartons, and other packaging materials in Abu Dhabi. The UAE, as part of its strategic vision to divert 75% of waste from landfill by 2021, is expanding its waste to energy infrastructure, as well as developing waste management centres that aim to recover and recycle materials. Dubai announced a landfill tax scheme in 2018, with phased increases in

the tax to be paid on different materials sent for disposal and for higher tax fees to be paid if waste streams have been sorted incorrectly. Dubai also plans on charging waste haulers for waste sent to recycling facilities. This will increase waste management costs for organisations but at the same time, it will incentivise the development of recycling infrastructure.

Some leading measures regarding waste management are described as follows:

- **Dubai** municipality is installing the largest waste to energy plant in the Middle East, which is due to be operational in 2020 and will have an initial capacity of 60MW.
- **Bahrain, Jordan and Kenya** are all implementing legislation aiming to drastically reduce single-use and/or environmentally damaging plastic bags.
- **Pakistan** is developing its infrastructure and legislature to support the development of biomass energy technologies. This includes developing supportive tariff subsidies and formally registering quality standards.

4 CIRCULAR ECONOMY STRATEGY

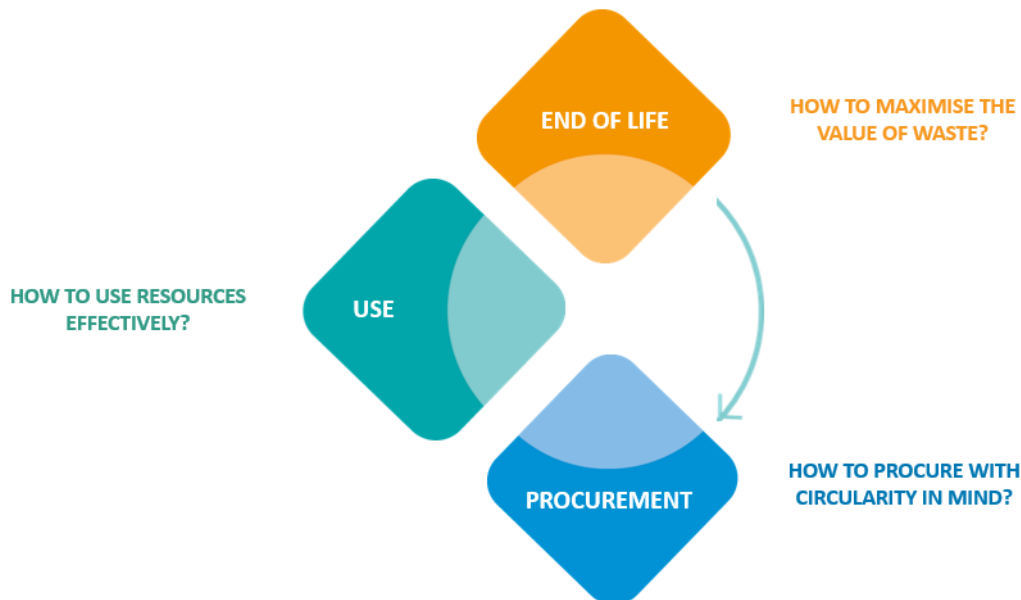
4.1 MAJID AL FUTTAIM'S CIRCULAR ECONOMY VISION

In 2017, Majid Al Futtaim set a Sustainable Business Commitment for 2022 to **embed circular economy principles into business operations to minimise harmful impacts on the environment and generate new revenue streams across all OpCos**. However, we recognise that to truly support the transition to a circular economy, our vision must go further than this. By 2030, it is our ambition that:

“All OpCos have circularity at the core of their operations. We actively engage with our suppliers, customers and the wider business and government communities to bring about systemic change and impact.”

Achieving this vision means that circular economy should be an integral part of all aspects of the business and underpin everything Majid Al Futtaim does. To do this, two crucial elements are required:

- First of all, a circular economy will succeed only if the entire system changes. To take meaningful action, Majid Al Futtaim needs to understand its role in the wider system and address the key areas of its resource impacts, reaching out to internal and external stakeholders who can work with Majid Al Futtaim to accelerate the transition to a circular economy.
- Secondly, to progress towards circularity, it is crucial to integrate lifecycle thinking into all business planning and decision-making. This approach allows Majid Al Futtaim to link up different elements of the value chain and, in its simplest form, can be summarised in three key questions:



To achieve this circular economy vision, Majid Al Futtaim set out a strategy and a roadmap towards circularity for the next 10 years.

4.2 ROADMAP TOWARDS CIRCULARITY: FIVE PILLARS

Majid Al Futtaim's circular economy strategy is based on five pillars which address the key areas of its impact and aim to leverage the relationships between key stakeholders.

Resource Mapping

We will improve the understanding of resource flows through our organisation to reduce waste

It is a universally accepted truth that what is not measured cannot be managed. The foundations of Majid Al Futtaim's circular economy strategy are based on improving the understanding of how resources flow through the organisation – what products and materials are brought in, how they are used and what happens to them when they are no longer of use. Accurate and complete information, which includes procurement data, asset inventories and waste data, allows Majid Al Futtaim to pinpoint key areas for action, monitor the resource flow and measure progress towards circularity.

Unlocking Value

We will implement internal systems to maximise the value of resources within our organisation

The ultimate goal of a circular economy is to eliminate waste and retain products and materials in the value chain. To Majid Al Futtaim it means using all products and materials to their highest potential and moving them efficiently across the organisation. It also means seeing value in what until now was considered as waste, and capitalising on it.

Closed-loop Supplies

We will support our supply chain to progress towards circularity

Majid Al Futtaim does not have direct control over the design and manufacture of the products and materials it procures – but design and manufacture are precisely when many decisions affecting circularity take place. It is therefore essential for Majid Al Futtaim to work together with suppliers to improve resource efficiency and close the loops within the supply chain.

Circular Lifestyles

We will engage with our customers to help them make circular choices

Majid Al Futtaim's mission is to create 'great moments for everyone, everyday' – which means the entire business focuses on engaging with customers and enabling them to enjoy their lifestyle. This puts Majid Al Futtaim in a strong position to make circular, sustainable choices easy and accessible for the wider public. By including circularity in its customer offering, Majid Al Futtaim shows true integration of circular economy principles in the business strategy.

Collaborate to Accelerate

We will support research and innovation to accelerate the global transition to a circular economy

Transitioning to a circular economy requires systemic change and all parties have to work together to turn theory into practice at scale. To act as a catalyst in this process, Majid Al Futtaim needs to engage with other organisations to learn from them but also share the lessons learned during its own journey. Majid Al Futtaim can also play an important role in creating circular markets by supporting the development of innovative start-ups.

5 ROADMAP TOWARDS CIRCULARITY

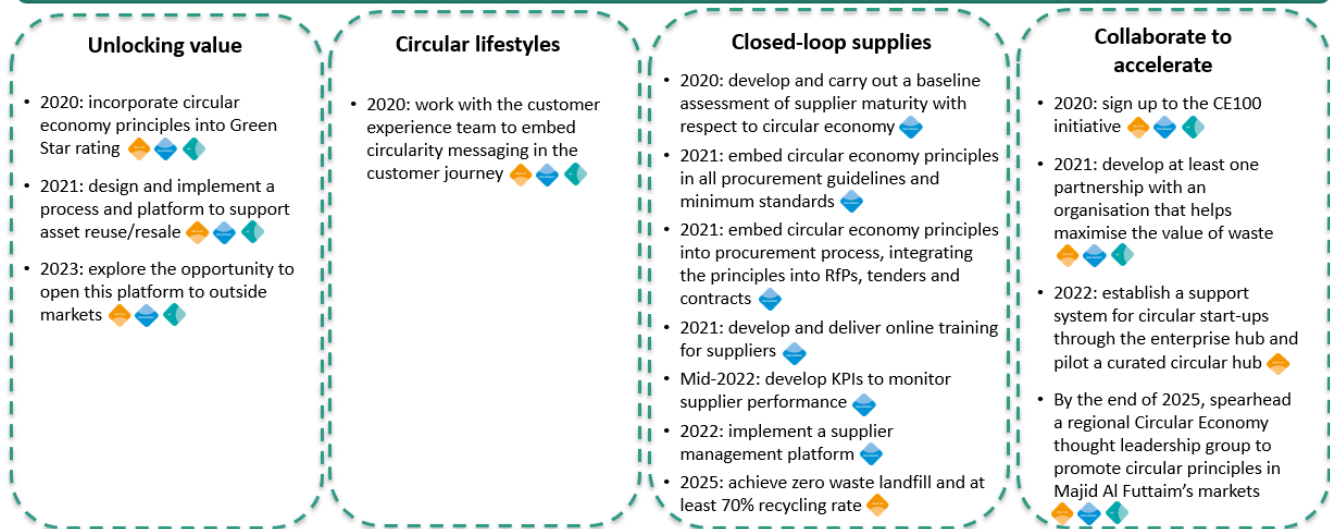
For each of Majid Al Futtaim’s Operating Companies, targets have been set out under the five pillars, spanning the ten years from 2020 to 2030. Targets are shown under the relevant pillar in the sections below, along with a timeline for completion. There are no company-wide targets under the “Resource mapping” pillar due to the fact that resource flows are specific to each Operating Company. All targets under the “Collaborate to accelerate” pillar are company-wide as research, innovation and partnership building will require support at the Holding level.

5.1 COMPANY-WIDE TARGETS

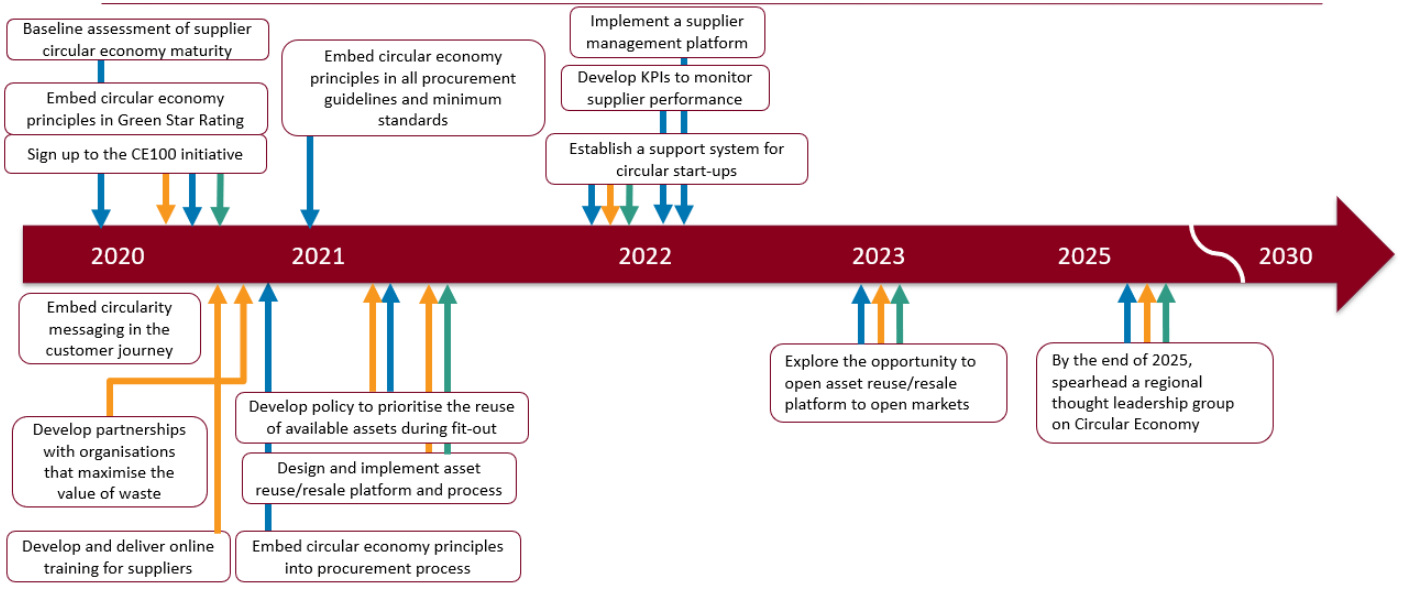
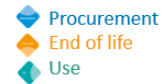
- ◆ Procurement
- ◆ End of life
- ◆ Use

COMPANY-WIDE TARGETS

Overall: Develop a circular economy policy across all of Majid Al Futtaim’s OpCos and operations



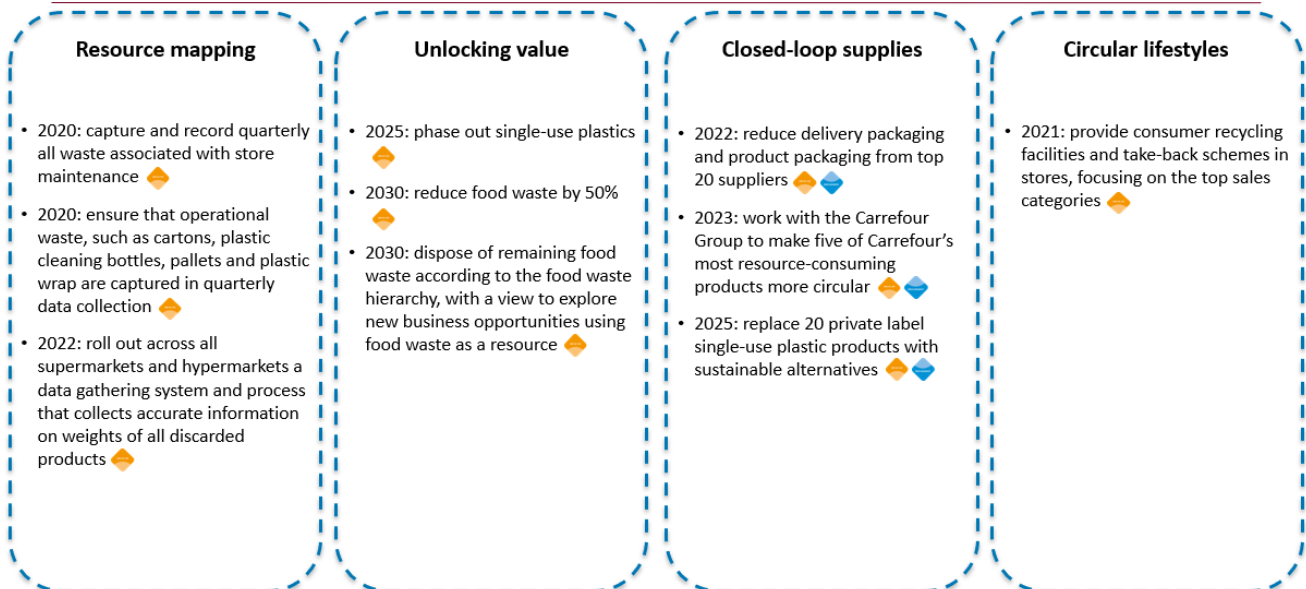
TARGETS TIMELINE



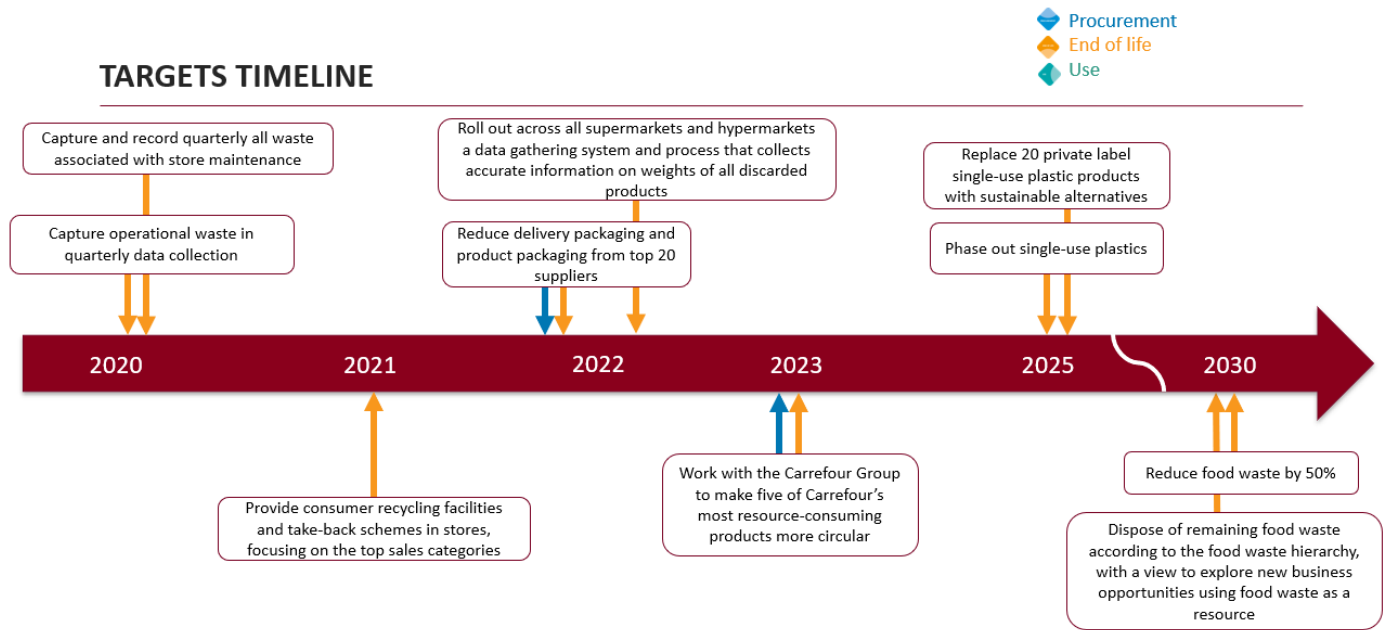
5.2 MAJID AL FUTTAIM – RETAIL TARGETS



ADDITIONAL TARGETS - RETAIL



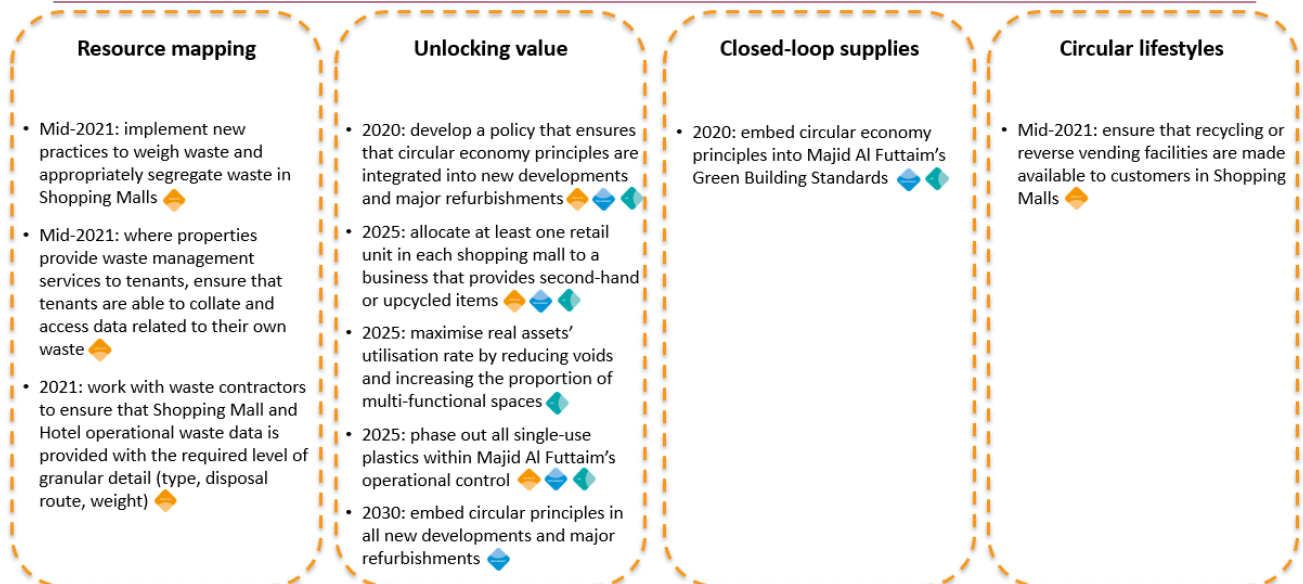
TARGETS TIMELINE



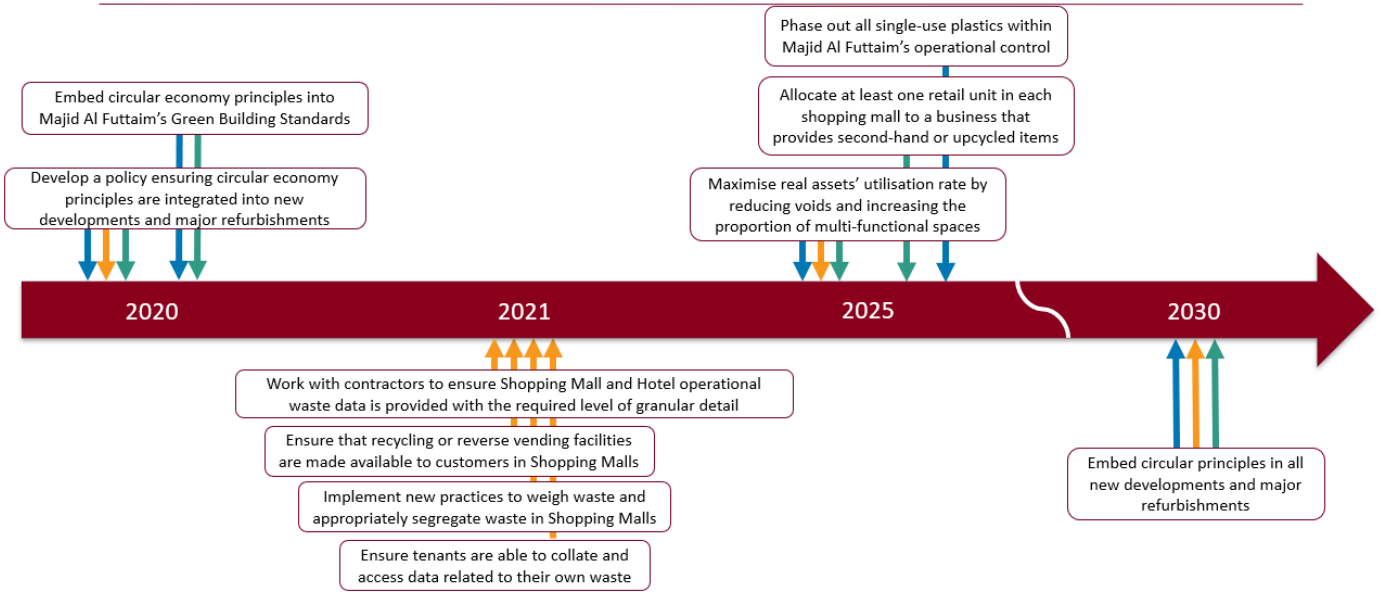
5.3 MAJID AL FUTTAIM – PROPERTIES TARGETS



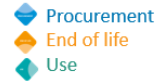
ADDITIONAL TARGETS - PROPERTIES



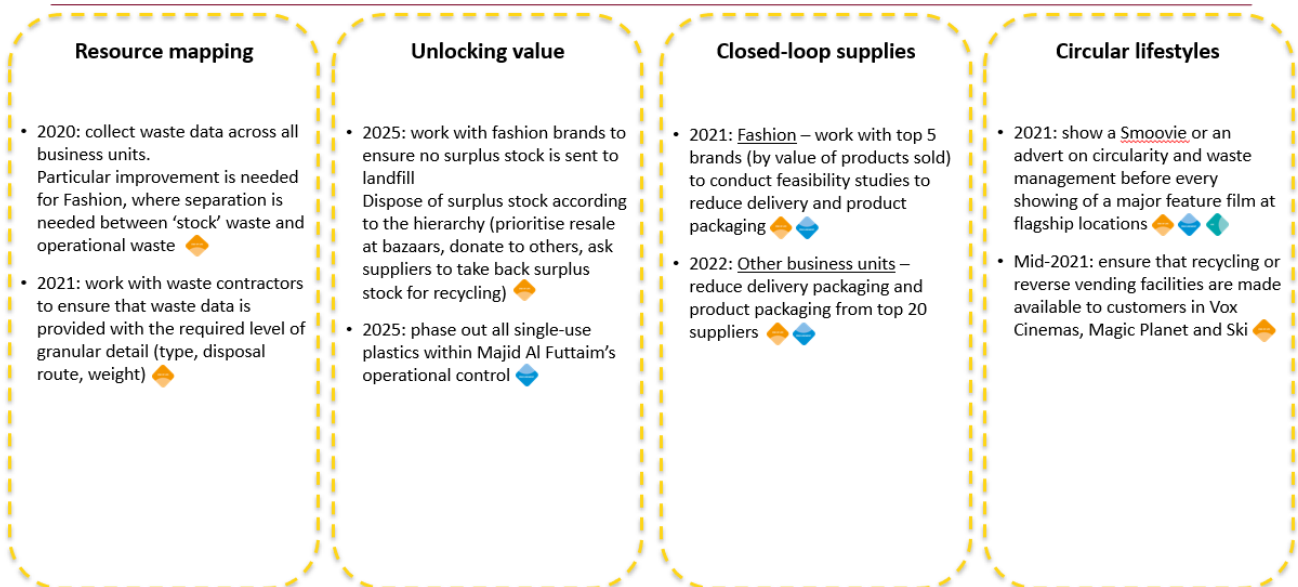
TARGETS TIMELINE



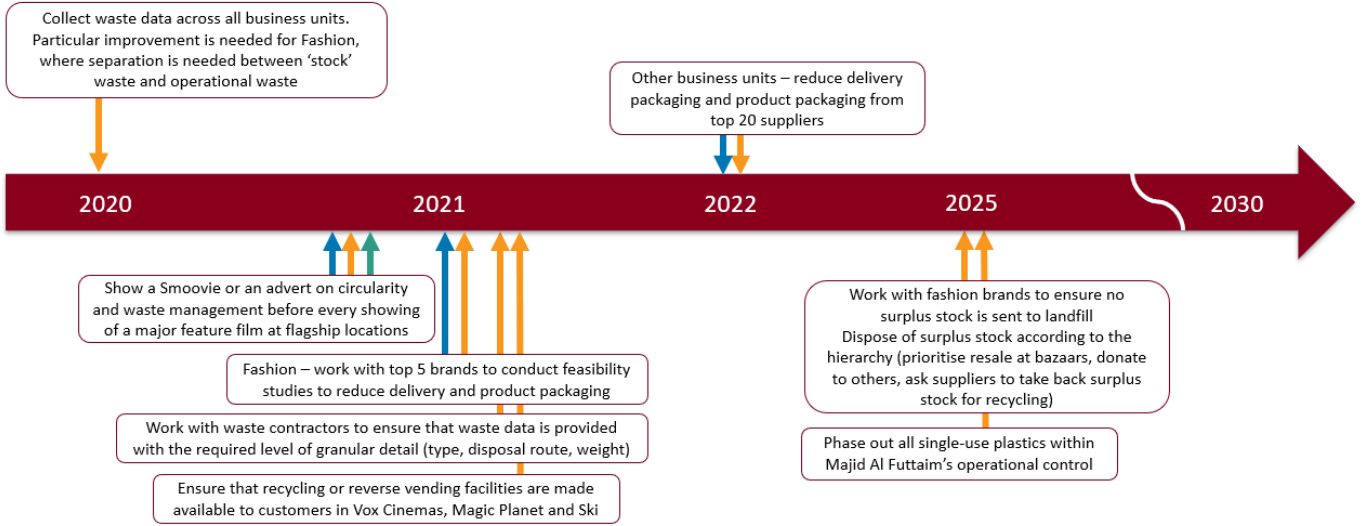
5.4 MAJID AL FUTTAIM – VENTURES TARGETS



ADDITIONAL TARGETS - VENTURES



TARGETS TIMELINE



6 2020 ACTION PLANS

To support the business in moving forward with its strategy and achieving its targets, key actions to be undertaken during 2020 have been developed and aligned with the roadmaps for each OpCo.

6.1 MAJID AL FUTTAIM – COMPANY-WIDE ACTION PLAN FOR 2020

Pillar	Pillar Outline	Target	2020 Actions
Collaborate to accelerate	Support research and innovation to accelerate the global transition to a circular economy	By end of 2020, sign up to the CE100 initiative	<ol style="list-style-type: none"> 1. Review information necessary to submit a CE100 application 2. Compile necessary information, with support from Circular Economy champions across Retail, Properties and Ventures, and any supporting evidence 3. Submit application for membership
		By end of 2021, develop at least one partnership with an organisation that helps maximise value of waste	<ol style="list-style-type: none"> 1. Carry out desktop research to identify a shortlist of potential organisations to partner with who can assist the business in maximising the value of waste 2. Assess the shortlist to understand their areas of expertise and map this against Majid Al Futtaim's waste streams. Select an organisation from the shortlist with whom to make contact and explore a possible partnership 3. Conduct high level due-diligence assessment on the selected organisation
		By end of 2022, establish a support system for circular start-ups through the enterprise hub and pilot a curated circular hub	<ol style="list-style-type: none"> 1. Working in alignment with the enterprise hub guidelines, develop a proposed outline plan for the curation of a circular hub, including: <ul style="list-style-type: none"> - development of criteria for identification and selection of circular start-ups - assessment of possible format of the curated hub (physical / virtual) - assessment of possible hosted locations (physical or virtual) - proposed length of time across which the curated circular hub be hosted - assessment of business benefits to Majid Al Futtaim
		By the end of 2025, spearhead a regional thought leadership group on Circular Economy	<i>Begin at start of 2022</i>

6.2 MAJID AL FUTTAIM – RETAIL ACTION PLAN FOR 2020

Pillar	Pillar Outline	Target	2020 Actions
Resource mapping	Improve the understanding of resource flow through our organisation to reduce waste	By end of 2020, ensure that operational waste, such as cartons, plastic bottles from cleaning, pallets and plastic wrap are captured in the quarterly data collection process	<ol style="list-style-type: none"> 1. Identify all MAF staff who need to receive training in how to enter waste data onto the data platform, SoFi 2. Roll out SoFi training on the capture and entry of waste data to all identified staff 3. Monitor data quality each quarter in 2020 to ensure that data quality is increasing (i.e. provision of data according to waste stream, disposal route, weight or volume and value) 4. Identify areas of improvement required and develop an action plan to improve data quality as required
		By end of 2020, capture and record quarterly all waste associated with store maintenance	
		By end of 2022, roll out across all supermarkets and hypermarkets a data gathering system and process which collects accurate information on weights of all discarded products	<ol style="list-style-type: none"> 1. Carry out a mapping exercise to understand current waste recording practices across Hypermarkets and Supermakerts in all countries 2. Complete a gap analysis to identify areas of missing data or insufficient data quality 3. Identify actions to improve data availability and quality 4. Develop a plan to implement actions
Unlocking value	Implement internal systems to maximise the value of resources within our organisation	By end of 2020, incorporate circular economy principles in Green Star rating	<i>To be included in the scheduled review of Green Star rating</i>
		By end of 2021, design and implement a process and platform to support asset reuse/resale and which allows project managers for new fit-outs and maintenance managers to: *ensure that when sites are closed / refurbished or upgraded, assets are retained and stored within the "asset	<ol style="list-style-type: none"> 1. Carry out a mapping exercise to understand the extent of asset reuse currently underway, and the mechanisms used to facilitate this, across the three OpCos 2. Engage with key stakeholders to understand the incentives and barriers to re-utilisation of assets and the stages at which key decisions are made 3. Identify and implement actions to address any barriers and maximise incentives to support uptake of an asset re-utilisation process and platform 4. Identify possible platforms which could be used to host and facilitate an asset re-utilisation register and process 5. Assess which platform would be most suitable for use by Majid Al Futtaim 6. Design a clear process for using the platform at key stages of projects

		<p>spares warehouse" unless they have no further working life</p> <ul style="list-style-type: none"> *review the assets held within the spares warehouse and select these for delivery to their sites *add new assets to the warehouse (physical and digital addition), including any minor repairs or refurbishments and categorisation by tier to make ready for future use *develop a policy which ensures that during fit-out, new sites prioritise assets which are already available for use within the business 	
		<p>Explore the opportunity for opening this platform up to outside markets by end of 2023</p>	<p><i>Begin at start of 2023</i></p>
		<p>Phase out single-use plastics by 2025 in line with the single-use plastic phase out roadmap</p>	<p><i>See single-use plastics roadmap</i></p>
		<p>By end of 2030, reduce food waste by 50% (in line with the objectives of UN SDG number 12)</p>	<ol style="list-style-type: none"> 1. Carry out an assessment to determine the key contributors to food waste within Majid Al Futtaim - Retail, including (but not limited to): <ul style="list-style-type: none"> - Policies e.g. food display policies, minimum food waste expectations - Processes e.g. forecasting of demand, handling of products - Technologies e.g. food display cabinets 2. Identify possible actions to mitigate / reduce the impact of key contributors to food waste changes. 3. Analyse possible actions to determine the likely level of impact they could achieve, their complexity / difficulty of implementation and cost of implementation. 4. Prioritise actions to reduce food waste according to the above analysis and develop an implementation plan to

			begin in 2021. The plan should incorporate: - SMART interim targets - KPIs - monitoring - auditing and reporting
		By end of 2030, dispose of remaining food waste according to the food waste hierarchy, with a view of exploring new business opportunities.	1. Utilise available data to carry out a high level assessment of food waste by category across the UAE 2. Conduct an assessment to determine the share and category of food waste which is suitable for: - reuse (i.e. redistribution for human consumption) - recycling (i.e. redistribution for animal feed) - recovery (i.e. sending food waste for anaerobic digestion to generate renewable power and compost) 3. Carry out an exercise to identify possible avenues for reuse and recycling of food waste within the UAE & carry out a high-level assessment to determine viability of these. 4. Based on the above, estimate the volume of food waste available for recovery and begin a feasibility study into the viability of an anaerobic digestion facility in the UAE
Closed-loop supplies	Support our supply chain to progress towards circularity	In 2020, develop and carry out a baseline assessment of supplier maturity with respect to circular economy	1. Develop a framework against which to assess supplier maturity with respect to circular economy: - identify key criteria / metrics which indicate level of maturity - rank / weight criteria or groups of criteria according to importance 2. From the framework, develop a questionnaire which can be used to assess supplier maturity with respect to circular economy 3. Conduct a baseline assessment of supplier maturity with respect to circular economy utilising the framework & questionnaire above
		By end of 2021, embed circular economy principles in all procurement guidelines and minimum standards.	1. Review all procurement guidelines and minimum standards and carry out a gap analysis to identify areas or opportunities for inclusion of circularity 2. Develop circularity principles for inclusion which convey requirements and which are appropriate to the market 3. Begin to update procurement guidelines and minimum standards to include principles of circularity
		By end of 2021, embed the principles of circular economy in the procurement process including: *integrating circular economy requirements in tenders and RfPs	<i>Begin in 2021</i>

	<p>*integrating circular economy requirements and KPIs in contracts</p> <p>*integrating circular economy requirements in supplier criteria</p>	
	<p>By end of 2021, develop and deliver a short online training on MAF's Circular Economy commitment for suppliers</p>	<i>Begin in 2021</i>
	<p>By mid-2022, develop KPIs to monitor supplier performance</p>	<i>Begin in 2021</i>
	<p>By end of 2022, implement a supplier management platform, such as Ariba, to improve communication across the supply chain and utilise this platform to monitor and manage circularity across the supply chain</p>	<i>Begin in 2021</i>
	<p>By end of 2022, reduce delivery packaging and product packaging from top 20 suppliers</p>	<ol style="list-style-type: none"> 1. Review procurement data to identify the top 20 product suppliers by spend 2. Identify all products delivered by the top 20 suppliers and conduct a sample audit on the delivery and product packaging received from these suppliers 3. Discuss results of the audit with suppliers to begin communication re: reducing delivery and product packaging
	<p>By end of 2023, work with the MAF Private Label to make five of Carrefour's most resource-consuming products more circular</p>	<ol style="list-style-type: none"> 1. Compile a list of MAF Private Label products sold by volume and unit price 2. Cross check the list of products sold by volume with list of products by unit price 3. Select the top 15 cross over products for further investigation 4. Assess the resource impact of these 15 products to select the five most resource consuming 5. Begin engagement with the suppliers to investigate how the circularity of five top products can be improved

			(use sustainable materials, provide reusable alternatives, make them recyclable)
		By end of 2025, work with your waste management contractors to achieve Zero Waste To Landfill and at least 70% recycling rate	<ol style="list-style-type: none"> 1. Identify all waste management contracts in operation across each OpCo 2. Request information on rate of recycling currently achieved by each for Majid Al Futtaim's waste streams 3. Meet with contractors to identify opportunities for increasing recycling rates and any barriers currently in place 4. Identify actions to begin increasing recycling rates across the business
		By end of 2025, replace top 20 single-use plastic products with sustainable alternatives	<ol style="list-style-type: none"> 1. Compile a comprehensive list of Majid Al Futtaim Retail's single-use plastic products 2. Identify the top 20 products by sales volume 3. Identify suppliers of the top 20 products 4. Engage with suppliers to open discussions into changes which can be made to replace single-use plastic components with alternatives
Circular lifestyles	Engage with our customers to help them make circular choices	Work with the customer experience team to embed circularity messaging in the customer journey by end of 2020	<ol style="list-style-type: none"> 1. Review customer journey information with the customer experience and marketing teams and identify the key stages of the customer journey and touchpoints for inclusion of circularity messaging (we're doing this this year but not specifically for circular econ) 2. Prioritise the customer journey stages and touchpoints in terms of impact, engagement and value to the customer 3. Develop a company-wide circularity messaging, to be embedded across Operating Company within the top priority stages of the customer journey
		By end of 2021, provide customer recycling facilities and take back schemes in store, focusing on the top sales categories	<ol style="list-style-type: none"> 1. Review sales data and group sold products into categories with similar packaging / materials 2. Assess product groups to identify the top 5 3. Review the products in the top 5 group and identify the materials which these are made from 4. Engage with suppliers and waste contractors to understand opportunities for take-back or recycling schemes
Collaborate to accelerate	Support research and innovation to accelerate the global transition to a circular economy	By end of 2020, sign up to the CE100 initiative	1. Based on requirements set at a group level, provide support to the Majid Al Futtaim - Holding Sustainability Team to drive this agenda forwards
		By end of 2021, develop at least one partnership with an organisation that helps maximise value of waste	1. Based on requirements set at a group level, provide support to the Majid Al Futtaim - Holding Sustainability Team to drive this agenda forwards
		By end of 2022, establish a support system for circular start-ups through	1. Based on requirements set at a group level, provide support to the Majid Al Futtaim - Holding Sustainability Team to drive this agenda forwards

		the enterprise hub and pilot a curated circular hub	
		By the end of 2025, spearhead a regional thought leadership group on Circular Economy to share best practice and promote circular principles and partnerships in the regions in which Mjid Al Futtaim operates	1. Based on requirements set at a group level, provide support to the Majid Al Futtaim - Holding Sustainability Team to drive this agenda forwards

6.3 MAJID AL FUTTAIM – PROPERTIES ACTION PLAN FOR 2020

Pillar	Pillar Outline	Target	2020 Actions
Resource mapping	Improve the understanding of resource flow through our organisation to reduce waste	By mid-2021, implement new practices to ensure appropriate waste segregation at Shopping Malls and weighing of waste, using City Centre Ma'aisem as an example	<ol style="list-style-type: none"> 1. Review waste management and segregation at City Centre Ma'aisem to understand: <ul style="list-style-type: none"> - practices and policies in place - facilities / logistical inputs to achieving segregation and higher recycling rates - means of assessing the weight / volume of waste being disposed of 2. Develop a framework, based on practices seen at City Centre Ma'aisem and desktop research, to assess the maturity of waste segregation and waste management at Shopping Malls 3. Assess each Shopping Mall for their maturity with respect to waste segregation and waste management, identifying opportunities for improvement and challenges to this 4. Develop an implementation plan to roll out improved waste segregation and management at Shopping Malls

		Work with waste contractors to ensure that Shopping Mall and Hotel operational waste data is provided to the level of granularity required (i.e. type, disposal route, weight); in particular improve the understanding of the contents of "general" waste (this represents 74% of operational waste data) by end of 2021	<ol style="list-style-type: none"> 1. Request waste data from all contractors 2. Review data to conduct a gap analysis between the data provided and the data required for improved reporting 3. Feedback to waste contractors on requirements and any gaps identified 4. Formulate an action plan with suppliers to address gaps and improve reporting
		Where properties provide waste management services to tenants, ensure that tenants are able to collate / access data in relation to their own waste by end of 2021	<ol style="list-style-type: none"> 1. Carry out as part of the above process
Unlocking value	Implement internal systems to maximise the value of resources within our organisation	By end of 2020, incorporate circular economy principles in Green Star rating	<i>To be included in the scheduled review of Green Star rating</i>
		By end of 2020, develop a policy which ensures that circular economy principles are integrated into new developments and major refurbishments	<ol style="list-style-type: none"> 1. Conduct a full review of the developments and refurbishments project processes to identify all key stages and their activities 2. Review key stages to assess key opportunities for integrating circularity 3. Develop a policy reflecting these opportunities to ensure that circularity is integrated into development and refurbishment projects
		By end of 2021, design and implement a process and platform to support asset reuse/resale and which allows project managers for new fit-outs and maintenance managers to: *ensure that when sites are closed / refurbished or upgraded, assets are retained and stored within the "asset spares warehouse" unless they	<ol style="list-style-type: none"> 1. Carry out a mapping exercise to understand the extent of asset reuse currently underway, and the mechanisms used to facilitate this, across the three OpCos 2. Engage with key stakeholders to understand the incentives and barriers to re-utilisation of assets and the stages at which key decisions are made 3. Identify and implement actions to address any barriers and maximise incentives to support uptake of an asset re-utilisation process and platform 4. Identify possible platforms which could be used to host and facilitate an asset re-utilisation register and process 5. Assess which platform would be most suitable for use by Majid Al Futtaim

		<p>have no further working life</p> <p>*review the assets held within the spares warehouse and select these for delivery to their sites</p> <p>*add new assets to the warehouse (physical and digital addition), including any minor repairs or refurbishments and categorisation by tier to make ready for future use.</p> <p>*develop a policy which ensures that during fit-out, new sites prioritise assets which are already available for use within the business</p>	<p>6. Design a clear process for using the platform at key stages of projects</p>
	<p>Explore the opportunity for opening this platform up to outside markets by end of 2023</p>		<p><i>Begin at start of 2023</i></p>
	<p>By end of 2025, provide at least one retail unit in each shopping mall to a business which provides second-hand or upcycled items.</p>		<ol style="list-style-type: none"> 1. Conduct market research to assess possible routes to inclusion of a second-hand / upcycled items retailer e.g. via charitable groups, specialist retailers focussing on upcycled goods etc 2. Identify one candidate for trialling in 2021 3. Conduct market research to assess which Shopping Malls within the UAE would be best suited to trialling an initial offering 4. Identify one Shopping Mall to trial the identified offering in 2021

		By end of 2025, maximise real assets' utilisation rate by reducing voids and increasing the proportion of multi-functional spaces	<ol style="list-style-type: none"> 1. Conduct desktop and best practice research into possible means of reducing voids and increasing proportion of multi-functional spaces in Shopping Malls, Offices and Hotels 2. Conduct a desktop assessment of Shopping Malls, Offices and Hotels to understand: <ul style="list-style-type: none"> - modes of utilisation by share of floor space - average rate of utilisation by month and by mode over the last calendar year 3. Conduct a workshop with a sample of Mall Managers, Hotel Managers and an appropriate representative from Offices to: <ul style="list-style-type: none"> - Present results of the desktop reviews - Understand which opportunities to reduce void spaces may be best suited to Shopping Malls, Hotels and Offices - Understand the challenges / limitations which would need to be overcome to enable any of the identified opportunities
		By end of 2025, phase out all single-use plastics within MAF's operational control	<ol style="list-style-type: none"> 1. Compile a comprehensive list of MAF-Properties single-use plastic products 2. Identify the top 20 products by volume 3. Identify suppliers of the top 20 products 4. Engage with suppliers to open discussions into changes which can be made to replace single-use plastic components with alternatives
		By end of 2030, embed circular principles in all new developments and major refurbishments	<i>Begin in 2021, following development of the relevant policy and updated Green Building Standards</i>
Closed-loop supplies	Support our supply chain to progress towards circularity	In 2020, develop and carry out a baseline assessment of supplier maturity with respect to circular economy	<ol style="list-style-type: none"> 1. Develop a framework against which to assess supplier maturity with respect to circular economy: <ul style="list-style-type: none"> - identify key criteria / metrics which indicate level of maturity - rank / weight criteria or groups of criteria according to importance 2. From the framework, develop a questionnaire which can be used to assess supplier maturity with respect to circular economy 3. Conduct a baseline assessment of supplier maturity with respect to circular economy utilising the framework & questionnaire above
		By end of 2020, embed the principles of circular economy into MAF's Green Building Standards	<ol style="list-style-type: none"> 1. Conduct desktop research into best practice approaches to integrating circularity into building / construction projects 2. Review MAF's Green Building Standards to identify: <ul style="list-style-type: none"> - existing aspects reflecting principles of circularity - opportunities for enhancing aspects to include circularity 3. Conduct a gap analysis between identified best

		<p>practice and MAF's Green Building Standards for Circular Economy</p> <p>4. Make recommendations for inclusion of Circular Economy aspects into MAF's Green Building Standards</p> <p>5. Present findings and recommendations to key stakeholders within MAF for sign off</p>
	By end of 2021, embed circular economy principles in all procurement guidelines and minimum standards	<p>1. Review all procurement guidelines and minimum standards and carry out a gap analysis to identify areas or opportunities for inclusion of circularity</p> <p>2. Develop circularity principles for inclusion which convey requirements and which are appropriate to the market</p> <p>3. Begin to update procurement guidelines and minimum standards to include principles of circularity</p>
	By end of 2021, embed the principles of circular economy in the procurement process including: *integrating circular economy requirements in tenders and RfPs *integrating circular economy requirements and KPIs in contracts *integrating circular economy requirements in supplier criteria	<i>Begin in 2021</i>
	By end of 2021, develop and deliver a short online training on MAF's Circular Economy commitment for suppliers	<i>Begin in 2021</i>
	By mid-2022, develop KPIs to monitor supplier performance	<i>Begin in 2021</i>
	By end of 2022, implement a supplier management platform, such as Ariba, to improve communication across the supply chain and utilise this platform to monitor and manage circularity across the supply chain	<i>Begin in 2021</i>

		By end of 2025, work with your waste management contractors to achieve Zero Waste To Landfill and at least 70% recycling rate	<ol style="list-style-type: none"> 1. Identify all waste management contracts in operation across each OpCo 2. Request information on rate of recycling currently achieved by each for Majid Al Futtaim's waste streams 3. Meet with contractors to identify opportunities for increasing recycling rates and any barriers currently in place 4. Identify actions to begin increasing recycling rates across the business
Circular lifestyles	Engage with our customers to help them make circular choices	Work with the customer experience team to embed circularity messaging in the customer journey by end of 2020	<ol style="list-style-type: none"> 1. Review customer journey information with the customer experience and marketing teams and identify the key stages of the customer journey and touchpoints for inclusion of circularity messaging (we're doing this this year but not specifically for circular econ) 2. Prioritise the customer journey stages and touchpoints in terms of impact, engagement and value to the customer 3. Develop a company-wide circularity messaging, to be embedded across OpCo within the top priority stages of the customer journey
		By mid-2021, ensure that customer facing recycling facilities are made available for customers in shopping malls	<ol style="list-style-type: none"> 1. Conduct a waste audit of shopping mall customer bins to understand key categories of items thrown away by customers 2. Based on waste audits, identify top items that customers dispose of 3. Engage with waste contractors to understand opportunities for recycling 4. Develop a plan for the roll-out of customer facing recycling facilities
Collaborating to accelerate	Support research and innovation to accelerate the global transition to a circular economy	By end of 2020, sign up to the CE100 initiative	1. Based on requirements set at a group level, provide support to the Majid Al Futtaim - Holding Sustainability Team to drive this agenda forwards
		By end of 2021, develop at least one partnership with an organisation that helps maximise value of waste	1. Based on requirements set at a group level, provide support to the Majid Al Futtaim - Holding Sustainability Team to drive this agenda forwards
		By end of 2022, establish a support system for circular start-ups through the enterprise hub and pilot a curated circular hub	1. Based on requirements set at a group level, provide support to the Majid Al Futtaim - Holding Sustainability Team to drive this agenda forwards
		By the end of 2025, spearhead a regional thought leadership group on Circular Economy to share best	1. Based on requirements set at a group level, provide support to the Majid Al Futtaim - Holding Sustainability Team to drive this agenda forwards

		practice and promote circular principles and partnerships in the regions in which Majid Al Futtaim operates	
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6.4 MAJID AL FUTTAIM – VENTURES ACTION PLAN FOR 2020

Pillar	Pillar Outline	Target	2020 Actions
Resource mapping	Improve the understanding of resource flow through our organisation to reduce waste	By end of 2020, collect waste data across all business units. Particular improvement is needed from Fashion (where separation is needed between "stock" waste and operational waste)	<ol style="list-style-type: none"> 1. Ensure that all relevant stakeholders have been provided with a link to the training on how to enter waste data onto the data platform, SoFi 2. Following the end of Q1, work with any Business Units not providing data to understand the barriers to this and to improve uptake of reporting
		Work with waste contractors to ensure that waste data is provided to the level of granularity required (i.e. type, disposal route, weight); in particular improve the understanding of the contents of "general" waste by end of 2021	<ol style="list-style-type: none"> 1. Request waste data from all contractors 2. Review data to conduct a gap analysis between the data provided and the data required for improved reporting 3. Feedback to waste contractors on requirements and any gaps identified 4. Formulate an action plan with suppliers to address gaps and improve reporting
Unlocking value	Implement internal systems to maximise the value of resources within our organisation	By end of 2020, incorporate circular economy principles in Green Star rating	<i>To be included in the scheduled review of Green Star rating</i>
		By end of 2021, design and implement a process and platform to support asset reuse/resale and which allows project managers for new fit-outs and maintenance managers to: *ensure that when sites are closed / refurbished or upgraded, assets are retained and stored within the "asset spares warehouse" unless they	<ol style="list-style-type: none"> 1. Carry out a mapping exercise to understand the extent of asset reuse currently underway, and the mechanisms used to facilitate this, across the three OpCos 2. Engage with key stakeholders to understand the incentives and barriers to re-utilisation of assets and the stages at which key decisions are made 3. Identify and implement actions to address any barriers and maximise incentives to support uptake of an asset re-utilisation process and platform 4. Identify possible platforms which could be used to host and facilitate an asset re-utilisation register and process 5. Assess which platform would be most suitable for use by Majid Al Futtaim

	<p>have no further working life (in which case they will be recycled) *review the assets held within the spares warehouse and select these for delivery to their sites *add new assets to the warehouse (physical and digital addition), including any minor repairs or refurbishments and categorisation by tier to make ready for future use *develop a policy which ensures that during fit-out, new sites prioritise assets which are already available for use within the business</p>	<p>6. Design a clear process for using the platform at key stages of projects</p>
	<p>By end of 2021, develop a policy which ensures that during fit-out, new sites prioritise assets which are already available for use within the business</p>	<p><i>Begin at start of 2021</i></p>
	<p>Explore the opportunity for opening this platform up to outside markets by end of 2023</p>	<p><i>Begin at start of 2023</i></p>
	<p>Work with fashion brands to ensure no surplus stock is sent to landfill by 2025 - dispose of surplus stock according to the hierarchy (prioritise reselling at bazaars, donate to others, ask suppliers to take back their surplus stock for recycling)</p>	<ol style="list-style-type: none"> 1. Continue running biannual bazars 2. Conduct a review of all brands / suppliers to understand their position with respect to: <ul style="list-style-type: none"> - sale of excess stock at reduced prices - donation of excess stock to charitable causes - take back schemes for excess stock and what is then done with this 3. Begin engaging with brands / suppliers where improved practices are required 4. Develop a fashion waste disposal strategy according to the hierarchy and brand / supplier constraints
	<p>By end of 2025, phase out all single-use plastics within MAF's operational control</p>	<ol style="list-style-type: none"> 1. Compile a comprehensive list of MAF-Ventures single-use plastic products 2. Identify the top 20 products by volume 3. Identify suppliers of the top 20 products

			4. Engage with suppliers to open discussions into changes which can be made to replace single-use plastic components with alternatives
Closed-loop supplies	Support our supply chain to progress towards circularity	In 2020, develop and carry out a baseline assessment of supplier maturity with respect to circular economy	<ol style="list-style-type: none"> 1. Develop a framework against which to assess supplier maturity with respect to circular economy: <ul style="list-style-type: none"> - identify key criteria / metrics which indicate level of maturity - rank / weight criteria or groups of criteria according to importance 2. From the framework, develop a questionnaire which can be used to assess supplier maturity with respect to circular economy 3. Conduct a baseline assessment of supplier maturity with respect to circular economy utilising the framework & questionnaire above.
		By end of 2021, embed circular economy principles in all procurement guidelines and minimum standards	<ol style="list-style-type: none"> 1. Review all procurement guidelines and minimum standards and carry out a gap analysis to identify areas or opportunities for inclusion of circularity 2. Develop circularity principles for inclusion which convey requirements and which are appropriate to the market 3. Begin to update procurement guidelines and minimum standards to include principles of circularity
		By end of 2021, embed the principles of circular economy in the procurement process including: *integrating circular economy requirements in tenders and RFPs *integrating circular economy requirements and KPIs in contracts *integrating circular economy requirements in supplier criteria	<i>Begin in 2021</i>
		By end of 2021, develop and deliver a short online training on MAF's Circular Economy commitment for suppliers	<i>Begin in 2021</i>
		By mid-2022, develop KPIs to monitor supplier performance	<i>Begin in 2021</i>
		By end of 2022, implement a supplier management platform, such as Ariba, to	<i>Begin in 2021</i>

		improve communication across the supply chain and utilise this platform to monitor and manage circularity across the supply chain	
		By end of 2025, work with your waste management contractors to achieve Zero Waste To Landfill and at least 70% recycling rate	<ol style="list-style-type: none"> 1. Identify all waste management contracts in operation across each Operating Company 2. Request information on rate of recycling currently achieved by each for Majid Al Futtaim's waste streams 3. Meet with contractors to identify opportunities for increasing recycling rates and any barriers currently in place 4. Identify actions to begin increasing recycling rates across the business
		FASHION: By end of 2021, work with top 5 brands (by value of products sold) to conduct feasibility studies to reduce delivery and product packaging	<ol style="list-style-type: none"> 1. Identify the top five brands/suppliers by value of product sold across Fashion 2. Conduct an audit of the delivery and product packaging which is received from these five brands 3. Utilising results of the audit, identify areas of excess or non-recyclable packaging 4. Engage with suppliers to begin discussing opportunities for reducing delivery and product packaging
		OTHER BUSINESS UNITS: By end of 2022, reduce delivery packaging and product packaging from top 20 suppliers	<ol style="list-style-type: none"> 1. Identify the top twenty suppliers by value across each business unit 2. Conduct audits of the delivery and product packaging which is received from these twenty suppliers 3. Utilising results of the audit, identify areas of excess or non-recyclable packaging 4. Engage with suppliers to begin discussing opportunities for reducing delivery and product packaging
Circular lifestyles	Engage with our customers to help them make circular choices	Work with the customer experience team to embed circularity messaging in the customer journey by end of 2020	<ol style="list-style-type: none"> 1. Review customer journey information with the customer experience and marketing teams and identify the key stages of the customer journey and touchpoints for inclusion of circularity messaging 2. Prioritise the customer journey stages and touchpoints in terms of impact, engagement and value to the customer

			3. Develop a company-wide circularity messaging, to be embedded across OpCo within the top priority stages of the customer journey
		By end of 2020, show an advert on circularity and waste management before every showing of a major feature film at flagship locations	<ol style="list-style-type: none"> 1. Identify feature film types / categories (e.g. childrens, action, thriller etc) 2. Develop a survey to engage with customers to assess their level of understanding and priorities with respect to resource use and waste 3. Utilitise the results of the surveys to develop movie category appropriate advert on circularity/waste management
		By mid-2021, ensure that customer facing recycling or reverse vending facilities are made available for customers in Vox Cinemas, Magic Planet and Ski	<ol style="list-style-type: none"> 1. Across each of VOX Cinemas, Magic Planet and Ski Dubai, review sales data and group sold products into categories with similar packaging / materials across each business unit 2. Assess product groups to identify the top 5 by sales value 3. Review the products in the top 5 group and identify the materials which these are made from 4. Engage with suppliers and waste contractors to understand opportunities for take-back or recycling schemes.
Collaborating to accelerate	Support research and innovation to accelerate the global transition to a circular economy	By end of 2020, sign up to the CE100 initiative	1. Based on requirements set at a group level, provide support to the Majid Al Futtaim - Holding Sustainability Team to drive this agenda forwards
		By end of 2021, develop at least one partnership with an organisation that helps maximise value of waste	1. Based on requirements set at a group level, provide support to the Majid Al Futtaim - Holding Sustainability Team to drive this agenda forwards
		By end of 2022, establish a support system for circular start-ups through the enterprise hub and pilot a curated circular hub	1. Based on requirements set at a group level, provide support to the Majid Al Futtaim - Holding Sustainability Team to drive this agenda forwards
		By the end of 2025, spearhead a regional thought leadership group on Circular Economy to share best practice and promote circular principles and partnerships in the regions in which Majid Al Futtaim operates	1. Based on requirements set at a group level, provide support to the Majid Al Futtaim - Holding Sustainability Team to drive this agenda forwards

7 APPENDIX A: DATA ANALYSIS

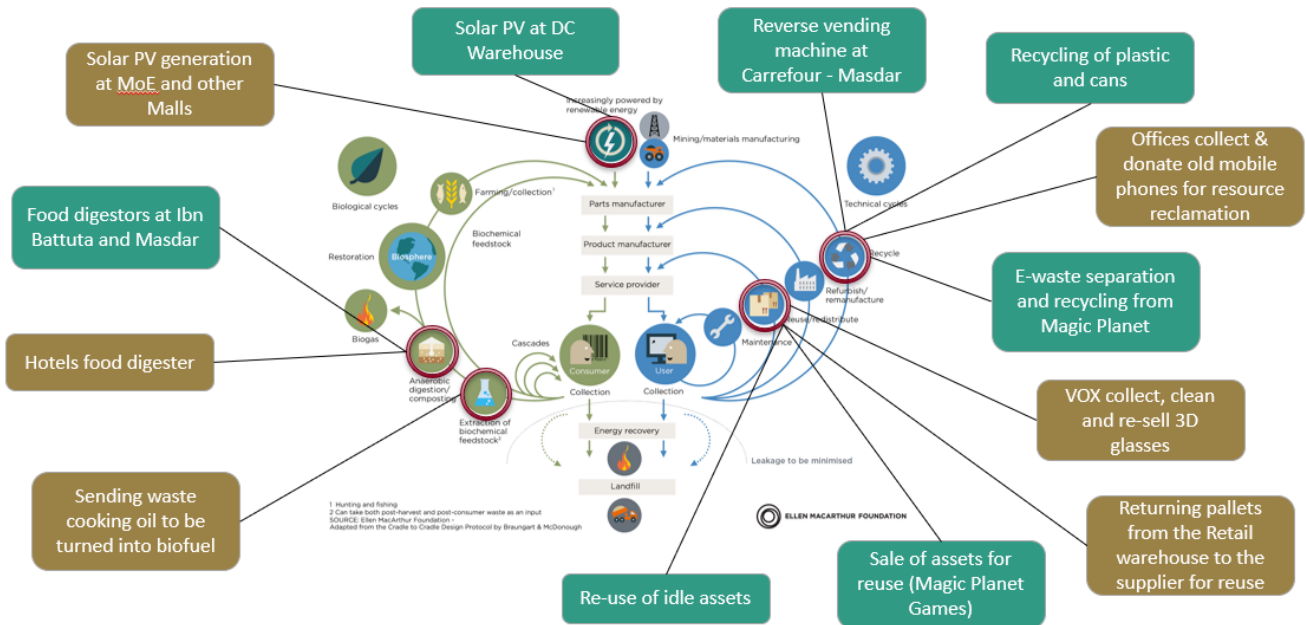
The excel document below shows summary analysis of waste data from across the business to support identification of key impact areas.



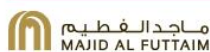
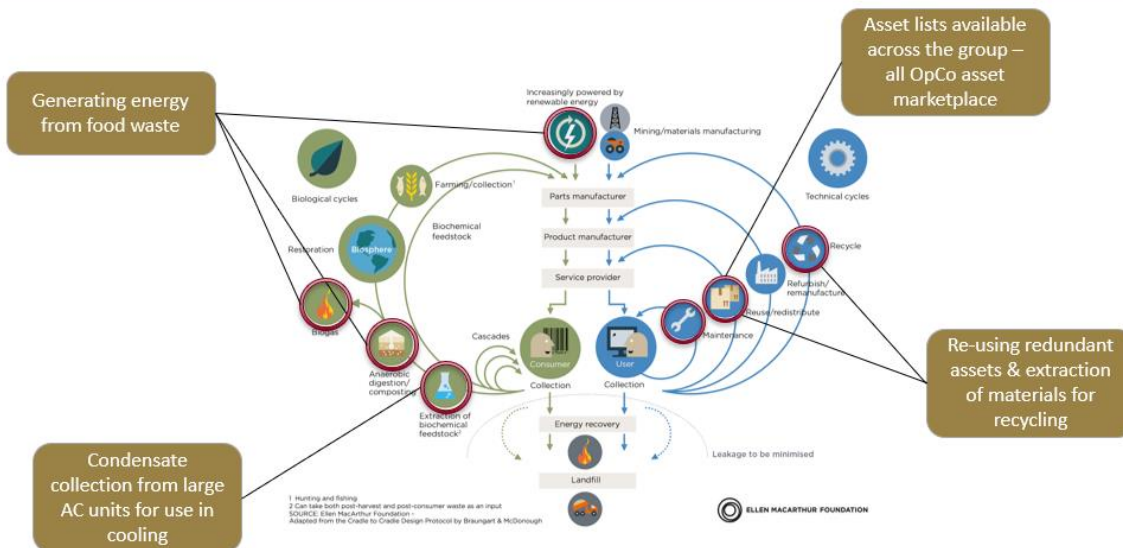
Data_Summary.xlsx

8 APPENDIX B: CIRCULAR INITIATIVES IN MAJID AL FUTTAIM

EXISTING EXAMPLES WITHIN MAJID AL FUTTAIM



IDEAS FOR NEW INITIATIVES



9 APPENDIX C: KEY STAKEHOLDER INTERVIEW NOTES

Retail



Interview_Notes_Retail_Procurement.docx



Interview_Notes_Retail_FitOut.docx



Interview_Notes_Retail_Ops.docx

Properties



Interview_Notes_Properties_Procurement.c



Interview_Notes_Properties_Construction.c



Interview_Notes_Properties_Operations&V

Ventures



Interview_Notes_Ventures_Procurement.dc



Interview_Notes_Ventures_Fit-out.docx



Interview_Notes_Ventures-Operations.docx

10 APPENDIX D: INTERNATIONAL BEST PRACTICE REVIEW

Circular Economy Strategies



Circular Economy
Best Practice Research

Circular Economy Initiatives



Circular Economy
Best Practice Research

11 APPENDIX E: LEGISLATION AND MARKET RESEARCH

Legislation and policy context research



Legislation and
Context Research.xlsx

12 REFERENCES

ⁱ <https://www.ellenmacarthurfoundation.org/circular-economy/concept>

ⁱⁱ Accenture, “Circular Advantage”, 2014 (https://www.accenture.com/t20150523t053139_w_us-en/acnmedia/accenture/conversion-assets/dotcom/documents/global/pdf/strategy_6/accenture-circular-advantage-innovative-business-models-technologies-value-growth.pdf)

ⁱⁱⁱ <https://www.mckinsey.com/~media/McKinsey/Business%20Functions/Sustainability/Our%20Insights/Mapping%20the%20benefits%20of%20a%20circular%20economy/Mapping-the-benefits-of-a-circular-economy.ashx>

^{iv} https://www.bitc.org.uk/sites/default/files/smart_growth_economic_case_circular_economy_may_2018.pdf

^v https://www.worldgovernmentsummit.org/docs/default-source/default-document-library/putting-gcc-cities_v4.pdf?sfvrsn=79f7614d_0

^{vi} <https://www.pwc.co.uk/corporate-sustainability/going-circular/pwc-going-circular-fourth-edition.pdf>

^{vii} <https://corporate.marksandspencer.com/sustainability/business-wide/waste-and-circular-economy>