

SUSTAINABLE LIVING

HOW MAJID AL FUTTAIM IS ENCOURAGING
MORE SUSTAINABLE LIFESTYLES

LEADING BY EXAMPLE: SUSTAINABILITY THOUGHT LEADERSHIP SERIES



IN THIS REPORT

- ◆ 1 UNDERSTANDING OUR IMPACT ON THE PLANET
- ◆ 2 CONSUMER EXPECTATIONS ARE CHANGING
- ◆ 4 SUSTAINABLE LIFESTYLES TRENDS AROUND THE WORLD
- ◆ 6 USING YOUR INFLUENCE WISELY
- ◆ 7 THE POWER OF PURPOSE
- ◆ 9 DOING OUR PART
- ◆ 10 THE FUTURE IS SUSTAINABLE
- ◆ 11 REFERENCES AND CITATIONS

“You cannot get through a single day without having an impact on the world around you. What you do makes a difference, and you have to decide what kind of difference you want to make.”

Jane Goodall’s inspiring words have made me stop and think on numerous occasions about the impact we can have from our daily decisions. From the foods we eat and the clothes we buy, to the organisations we choose to support and the places we spend our time. These daily choices may feel insignificant, but collectively they shape the world in which we live in and enable businesses to either thrive or fail.

At Majid Al Futtaim we have a responsibility to enable and support customers and colleagues to live more sustainably. It is up to us to demonstrate how we can support not just the local people and the environment but also be part of the bigger picture by helping to create sustainable and healthy communities. Our actions today will shape the future and we need to collectively help promote sustainable lifestyles for all.



Ibrahim Al-Zu'bi
Chief Sustainability Officer
Majid Al Futtaim



OUR STRATEGY

In 2018, we launched our Company-wide sustainability strategy, *Dare Today, Change Tomorrow*. Our strategy will transform the way we do business and embed sustainability thinking in everything we do. The strategy set out 21 material issues and 11 ambitious Sustainable Business Commitments across three strategic focus areas: Transforming Lives, Rethinking Resources and Empowering Our People.

OUR MATERIAL ISSUE....

has seen us commit to transform the lifestyles of our customers and employees by making a sustainable way of life desirable



PROMOTING SUSTAINABLE LIFESTYLES

OUR ALIGNMENT TO THE SDGS...



UNDERSTANDING OUR IMPACT ON THE PLANET

Our impact as a species on the planet is monumental and our current rate of resource consumption and waste production is unsustainable. Now, there is no where on Earth that human waste can not be found, from plastic in the deepest depths of the oceans¹ to rubbish left on the highest mountain peaks.

With populations continuing to grow and the Earth’s finite resources being put under more pressure, our lifestyles and choices will play a significant role in whether or not we can reach the Sustainable Development Goals by 2030 and ensure that there is a thriving future for our children and grandchildren in the years to come.

We are utterly dependent on our planet for not just our health and wellbeing, but our survival as well.

As the impacts of climate change, global warming and resource depletion become more apparent, we must each take responsibility for the changes we can make in our every day lives to help lead more sustainable lifestyles. The current climate provides an opportunity for people to change how they live for the better, by not only reducing their carbon footprint but also enabling biodiversity to flourish and to live a healthier and more sustainable life.

WHY IT MATTERS

The rise in consumer awareness around sustainability and transparency is changing how businesses must act. At Majid Al Futtaim, we understand the need for this dramatic shift at both business and individual levels. That is why through our sustainability strategy *Dare Today, Change Tomorrow*, we are not only creating change within our own operations but also working to help our customers, employees, suppliers, contractors and communities to shift towards living more sustainable lifestyles.

We want to demonstrate that living sustainably can be easy, fun and healthier for everyone. Whether that be through community fitness programmes, reducing single-use plastic consumption, being able to buy healthy food options or encouraging behaviour change and awareness through campaigns. Creating and living sustainably must be a priority for all of us.

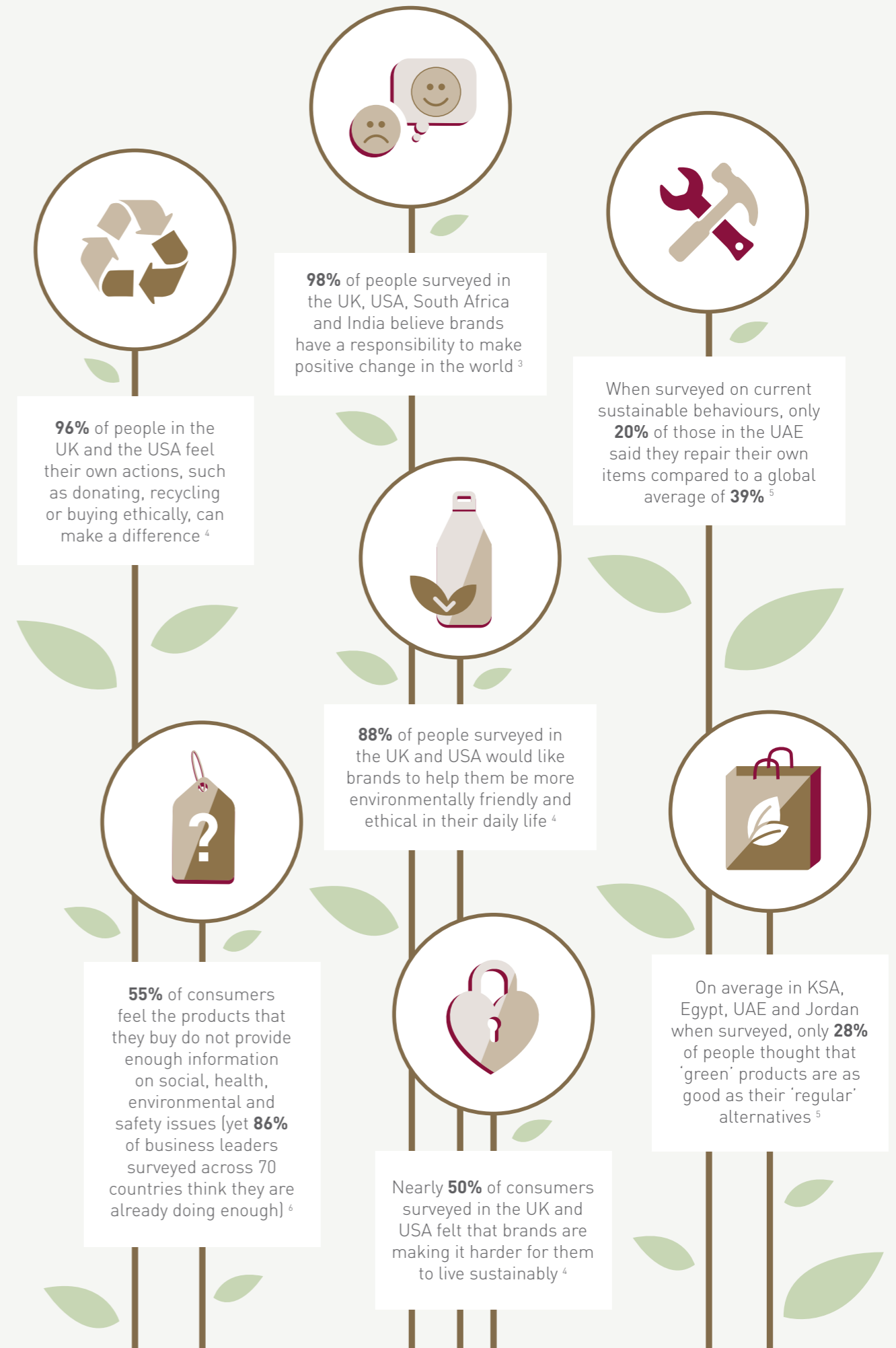
To further support Majid Al Futtaim’s commitment toward this issue, ‘Promoting Sustainable Lifestyles’ was highlighted as a material issue for the business during our strategy creation in 2018. This commitment, part of the Transforming Lives pillar of the *Dare Today, Change Tomorrow* sustainability strategy, will see us working to transform the lives of the communities we serve, to provide a healthy, fulfilling and sustainable way of life that we hope will help shape a brighter future for us all.



CONSUMER EXPECTATIONS ARE CHANGING

Environmental awareness has risen very quickly to the top of the agenda and is likely to remain a priority for the future, with sustainable lifestyles increasing as environmental awareness spreads around the world. With this in mind, being able to offer sustainable alternatives will be vital to retaining customers, attracting new environmentally conscious individuals, encourage behaviour change and being a partner of choice for other local businesses.

Sustainable living is a lifestyle that attempts to reduce an individual's or society's use of the Earth's natural resources and personal resources. Practitioners of sustainable living often attempt to reduce their carbon footprint by altering methods of transportation, energy consumption, and diet.



SUSTAINABLE LIFESTYLES TRENDS AROUND THE WORLD

Individuals are shifting their behaviour to a more conscious form of consumption. As part of this, holding businesses, products and services to account for their impact is becoming a greater priority. Not all industries are taking strides towards a more sustainable future, however, there are clear trends appearing from consumer demand, and with the help of Greta Thunberg and David Attenborough, more and more issues surrounding sustainability are rising to the forefront of people's minds.

FROM CONSUMER SPECTATOR TO CHANGE MAKER



The decision to live a more sustainable lifestyle is synonymous with consumer's evolving role from a spectator of businesses efforts to a change-maker and driver of the increasing availability of sustainability products and services. 96% of people believe that their own actions, such as donating, recycling or buying ethically, can make a difference and 88% of people want brands to help them to transition to a more sustainable lifestyle⁴. This, alongside the belief that 3 in 5 people aged 16-75 would take their custom elsewhere if they discovered a company wasn't donating surplus stocks to charity, demonstrates that businesses must do more⁷. The power of consumer's purchasing decisions will continue to influence the market and more than ever before, people are increasingly favouring products and services that reflect their values on environmental and social responsibility.

HONESTY IS THE BEST POLICY



Value-driven consumers expect complete transparency, as well as clear, reliable and responsible information to make informed decisions about products and services which can support them in their sustainability transition. Pinterest revealed in 2019 "a huge surge in user searches around sustainability — with "sustainable living" the most searched term (up 69% since last year), and searches for "sustainable living for beginners" up 265%"⁷ whilst 89% of people care more than seven out of ten about businesses being honest¹. Therefore, businesses who can deliver on this front stand to gain a competitive advantage and potentially life long custom.

THE WAR ON PLASTICS



Consumer awareness on environmental concerns is fuelling the green packaging market where demand for less packaging, as well as that which is recyclable and reusable, is growing. The market reportedly reached \$237.74 billion in value during 2019 and is expected to grow by over \$76 billion by 2025¹⁰. Similarly, plastic remains an emotive topic for consumers, with many determined to lead a plastic-free lifestyle. In fact, more than half (52%) of individuals from the UAE showed great concern with the use of plastic in their city, especially those residing in Dubai and Abu Dhabi when surveyed in 2018¹¹.

YOU ARE WHAT YOU EAT



With consumers becoming more aware of sustainability and in turn their environmental footprint⁸ how we produce and consume our food has become a central part of the conversation, with food systems and their impact on the environment being brought to light. As a response, environmentally friendly alternatives which use a fraction of the natural resources and produce significantly fewer emissions have become increasingly prevalent on restaurant menus and supermarket shelves. The sustainable food movement encompasses a wide range of initiatives, including the abundance of food labels from organic to fair trade to the B-Corporation certification, which requires businesses to legally consider the impact of their decisions on their workers, customers, suppliers, community, and the environment, balancing purpose and profit. One part of the movement that's gained significant traction in recent years is the shift to plant-based diets, with research showing that social media conversation on vegetarian and vegan diets in the Middle East has climbed 169% since 2012⁹.

THE CIRCULAR WAY



As the world becomes increasingly urban, with limited space and the crazes around decluttering entering popular culture with the likes of the Marie Kondo effect. A new wave of consumers has emerged who are seeking out new services that will provide access to products without the burdens of ownership. In response, businesses are incorporating new models into their propositions which connect consumers with opportunities to recycle, resell, donate, share/rent, and maintain/repair/upgrade their products to achieve a more circular lifestyle. This presents a staggering opportunity, with potential cost savings on materials used of \$700 billion¹².

CLOTHING RENTED OR RECYCLED



With the fashion industry nearly doubling manufacturing between 2000 and 2014¹³, yet consumers only keeping clothes for half the amount of time compared to what they used to, throw away fashion culture has become part of our everyday lives. Yet there is now a new wave trend to ensure the lives of clothes can be extended through the increase in second hand shopping, resale, repurpose and clothing rental opportunities. In addition, the demand for recycled fibres and more sustainable materials to be used in the creation of new clothes has also seen rapid uptake, with fibres such as ECONYL^R made from old fishing nets being just one example of circularity in the fashion industry.

USING YOUR INFLUENCE WISELY

In today's economy, consumers are connecting with brands on a more personal level than ever before. This means that brands who are able to align and clearly demonstrate the same values individuals hold, are likely to benefit.

Having a strong purpose can not only help benefit society as a whole, but also demonstrate to prospective customers what the company stands for through purpose driven actions. In a world where consumers can quickly identify whether a brand is greenwashing or is actually following through on their commitments, a strong purpose is becoming ever more important.

Connecting with customers means brands must truly understand what role they are playing in their customers lives, how they have helped shaped the

landscape and how the world would look without them. It is only then, that brands can sell their unique elements and build trust.

Successful brands will therefore be those that see their consumers as more than just buyers, but stakeholders who play an active role and have the potential to act as powerful champions of their brand, which can help fuel innovation, deliver growth, and inspire new partnerships along with help influence others towards certain purchasing decisions. With 62% of consumers surveyed in the US wanting companies to take a stand on issues such as transparency, fair employment practices and sustainability, and 42% of consumers stating that they would walk away in frustration if brands do not do so, there has never been a better time to use influence for good ¹⁴.



THE POWER OF PURPOSE

Brands and businesses who have put their purpose at the heart and angled themselves towards those seeking a more sustainable lifestyle have already seen the benefits from their actions and have also been able to have a positive impact on the planet.



UNILEVER

Through Unilever's sustainable living brands, they aim to engage consumers to make sustainable living commonplace. In 2018, their 28 Sustainable Living Brands grew 69% faster than the rest of the business, delivering 75% of their businesses overall growth¹⁵. The business continues to build on their understanding of how and where they can influence consumers who use their brands to help tackle some of the most pressing issues in our society. The use of large-scale behaviour change campaigns is just one way they are looking to do this. The campaigns have seen the company develop their Unilever's Five Levers for Change, a practical toolkit and set of principles which increase the likelihood of behaviour change campaigns having a lasting impact.

"Two-thirds of consumers around the world say they choose brands because of their stand on social issues, and over 90% of millennials say they would switch brands for one which champions a cause." Alan Jope, CEO, Unilever ¹⁷.



LOOP

Loop, are an online delivery service who are hoping to change the way households' shop and consume by creating durable, multi-use packaging instead of single-use. Considered the "milkman reimagined" and supported by some of the world's biggest brands such as Unilever and Pepsi Co, shoppers will have products including toothpaste, soft drinks and washing power delivered to their door in durable metal, glass or plastic containers. Once used, the containers are collected from shopper's doorstops, cleaned and reused up to 100 times.



IMPOSSIBLE FOODS

Impossible Foods is pursuing a system change from within the food industry, with a mission to replace the need for animals as a food-production technology globally by 2035. The company's Impossible Burger uses "96% less land, 87% less water, 89% fewer greenhouse gas emissions, and 92% less dead-zone creating nutrient pollution than ground beef from cows"; evidence of the capability to decouple food production from natural resource depletion and ecosystem destruction ¹⁸.



HURR

HURR Collective, the fashion rental app, was founded with one simple vision: to connect forward-thinking women and pave the way towards a more sustainable future for fashion. Rent, re-use, re-purpose. Their goal is to help women monetise their wardrobes, and to revolutionise the rental process. The brand has enabled members to extend the life-cycle of their luxury pieces whilst earning money in the process and the recent launch of their pop-up in Selfridges demonstrates rental fashion is becoming more main stream.

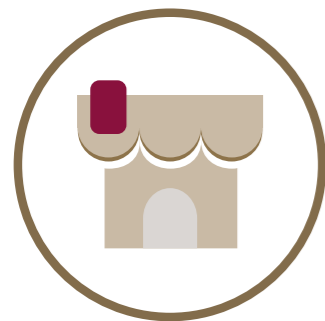


ECOSOUK

EcoSouk, the Middle East's first zero waste shop, hosts a refill bar with liquid products such as shampoo, cleaning products and laundry detergent, as well as solid shampoo bars, essential oils, handmade pottery, upcycled jewellery, handmade pouches and purses made from discarded plastic shopping bags, knives made from reclaimed wood, books about plastic-free living, soap bars, upcycled coasters, all-natural candles, miswak sticks, pencils, and tote bags. The shop is showing the communities how they can live more sustainably using locally made products to do so.

DOING OUR PART

At Majid Al Futtaim we understand the need to help our customers shift to a more sustainable lifestyle, both for themselves and the planet around us. That is why, over the past few years we have implemented a wide variety of initiatives to try and encourage more sustainable living. Below are just some examples of the work we have been doing.



PROPERTIES

One Drop Means a Lot

As part of our Net Positive commitment to significantly reduce our water consumption, we ran our highly successful 'One Drop Means a Lot' community education campaign that encourages water conservation. We hosted stands at three of our most popular shopping malls to engage directly with customers about their daily water usage habits and encourage them to reflect on how they could change these to preserve scarce water resources.

The campaign was also supported by print, broadcast and social media activities that engaged thousands of people and resulted in our customers pledging to save 190,200 litres of water overall. One Drop Means a Lot demonstrates how by having open conversations with our customers we can generate change.

Fitness in the Park

At our Al Zahia community, to encourage sustainable lifestyles we created a bespoke set of weekly exercises classes for all of our residents in partnership with Lululemon. The programme offered classes for Yoga, Pilates and general fitness with each session having between 6-10 attendees. We believe that by making exercise accessible to all we can encourage our communities to try new things and with our women's only classes, we believe we can encourage new people to take up different classes and feel more confident about attending. The initiative has been so successful that in 2019 we embarked on our month of fitness which also saw us provide classes for kids to encourage them to get more active as well.



VENTURES

Fashion Bazaar

To encourage more sustainable behaviours and raise awareness of waste within our business, Majid Al Futtaim – Ventures launched our own 'Fashion Bazaar' which enabled employees to buy previous seasons' stock at a discount. These items would have typically been sent to a warehouse where they take up space before being eventually being disposed of, a process which requires energy whilst also generating waste at the end. Through the initiative we have not only been able to generate money for our business and prevent items going to waste when they are in useable condition but also reduce our environmental impact and educate our employees around the value of products regardless of whether they're 'in season' or not.



RETAIL

Eat Good Feel Good

We believe that what we eat plays a large role in how we feel, that is why we launched our Eat Good Feel Good campaign which provides customers with information and advice on the benefits of certain fruit and veg that they can find in store. In line with our campaign, across a variety of our stores we've launched a section which offers a range of organic, vegan, or free-from (gluten free, sugar free) products in addition to all protein / energy bars etc. to provide our customers with different options and encourage them to try healthier alternatives.

Refill Station

In line with Majid Al Futtaim's overarching goal to become net positive in carbon and water by 2040 and our commitment to phase out single-use plastic by 2025, we launched our detergent refill stations at our Hypermarket in Mall of the Emirates. The station will enable customers to buy reusable bottles and fill them time and time again with certified organic, cruelty free detergent instead of buying new bottles whenever they run out of washing liquid. Although only a small step to reduce our customers single-use plastic consumption we believe that any behaviour change and questions we can encourage in our customers will be beneficial.

THE FUTURE IS SUSTAINABLE

In the years to come, sustainable living must become ingrained in our society and our actions. That means businesses need to not just support the transition towards sustainable lifestyles but actively encourage it and demonstrate through business activity that this is a priority.

Our circular economy strategy, *Unlocking Value*, will help us meet our 2030 Sustainable Business Commitment for all Operating Companies to embed circular economy principles into business operations to minimise harmful impacts on the environment and generate new revenue streams. This strategy will sit alongside our Single-use Plastic Strategy launched in 2019. This strategy will see us address how we procure with circularity in mind, how we use resources effectively and how we maximise the value of waste. We truly believe that it will unlock opportunities that benefit both our communities and our business.

With the need to help our customers also adapt to a more circular way of living, we will look to provide a holistic view, enabling us to provide customers with more sustainable options and a greater understanding of their benefits.

How our customers experience sustainable lifestyles will also play a large role in how we can use our influence for good. By finding ways to integrate sustainability and new lifestyle ideas into our customer experience journeys, we hope to encourage a new wave of people to try out more sustainable alternatives and behaviours.

Finally, we are looking at how to integrate sustainability features in all of our malls, communities and hotels that are in development to ensure that we can continue encouraging sustainable behaviours for those already living more sustainable lifestyles and demonstrate to those at the start of their journey, that it really is easy and accessible.

Living sustainable lifestyles can not only help our customers to become healthier by choosing to walk, cycle and eat a plant-based diet, but also help the planet by reducing waste, reusing what we already have and encouraging a sharing economy. We believe that shifting towards sustainable lifestyles will benefit our stakeholders and our business simultaneously, as we learn new behaviours and embrace new products and services in the future.

We hope that by making sustainable lifestyles affordable and convenient for everyone to adopt, we can also demonstrate the value of becoming sustainable in other areas of our lives and in turn help to build a more sustainable future for everyone in our region and the world.

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