

## Driving sustainability through retail - News | Khaleej Times

Unilever Arabia and Lulu Group launch a joint initiative



In Q4 of 2024, Unilever Arabia and Lulu Group launched a joint initiative aimed at driving sustainability through retail. This initiative, in line with the UAE's Net Zero 2050 strategy and announced at COP 28, focuses on educating and empowering consumers to support the restoration of 6,000 UAE mangroves.

The campaign, a collaboration between Unilever, Lulu Group, and Mastercard, encourages UAE consumers to make environmentally impactful choices through their everyday purchases. By doing so, consumers can contribute to the restoration and monitoring of approximately 1.2 hectares of the UAE mangrove ecosystem, equivalent to 6,000 mangrove trees, through Unilever's contribution to Emirates Nature WWF.

Mangroves are crucial for climate change mitigation as they can store up to four times more carbon than tropical forests. The UAE Ministry of Climate Change and Environment has linked mangrove restoration to the national Carbon Sequestration Project, highlighting the importance of these ecosystems.

“Unilever focuses on optimising shopper journey triggers, such as increasing shopability, improving navigation through shelf layouts, and delivering relevant communication at key touchpoints. These efforts aim to make sustainable choices more accessible and appealing, thereby reinforcing the importance of sustainability within the retail experience and driving purposeful consumption,” said Shazia Syed, GM, Personal Care Unilever Pakistan, Turkey, Arabia and Bangladesh.

Unilever's sustainability campaign, executed in partnership with Lulu, aims to educate, encourage, and incentivize consumers to choose sustainable products. According to Ipsos Views on Sustainability, in MENA 2023, 82% of people in the UAE are willing to make lifestyle compromises for the environment, but 57% are unsure how to make a difference. This gap in awareness, combined with key purchase decision drivers such as affordability, convenience,

price, availability, and quality, underscores the pivotal role of retail settings in fostering purposeful consumption. Unilever’s analysis of shopper journeys highlights behavioral patterns at different stages of the purchase process, distinguishing between ‘Decided’ shoppers with predefined plans and ‘Open’ shoppers influenced by in-store communication and displays. For ‘Open’ shoppers, factors like effective shelf layouts, promotional strategies, and on-shelf communication significantly shape purchasing decisions. Unilever focuses on optimizing shopper journey triggers, such as increasing shopability, improving navigation through shelf layouts, and delivering relevant communication at key touchpoints to make sustainable choices more accessible and appealing, Syed said.

Balancing sustainability goals with competitiveness and profitability, Unilever embeds sustainability at the heart of its business strategy. Through cutting-edge technology, Unilever drives operational efficiencies and continuous quality improvements while reducing its environmental footprint. The Dubai Personal Care factory, recognized as an ‘Advanced 4th Industrial Revolution Lighthouse’ by the World Economic Forum in 2020, exemplifies this approach with a 34% reduction in energy consumption, 100% green electricity usage leading to a 90% reduction in CO<sub>2</sub> emissions, 100% water recycling, and zero non-hazardous waste to landfill. “Unilever also reduces emissions through warehouse consolidation, maximizing logistics utilization, and introducing innovations like electric vehicle vans and trucks, and rail freight transportation in the UAE,” Syed said.

Unilever’s commitment to sustainability is driven by a consumer-centric approach, leveraging data-driven insights to understand which sustainability issues resonate most with consumers. This approach ensures that sustainability is not only a core value but also a competitive advantage. Partnerships with companies like Lulu enhance Unilever’s sustainability efforts, such as the eco-friendly purchase initiative tied to mangrove restoration projects, benefiting the environment and boosting brand loyalty.



The collaboration between Unilever and Lulu highlights the importance of retail as a pivotal touchpoint in driving sustainable consumption in the UAE. The campaign links purchases from 10 Unilever brands with sustainability credentials to support mangrove restoration efforts,

contributing to biodiversity and climate change mitigation. “By integrating educational messaging and rewards, the campaign helps consumers overcome common barriers like price concerns and ingrained purchasing habits, promoting sustainability while making sustainable product choices more accessible and appealing,” Syed said.

Lulu Retail, motivated by a commitment to environmental sustainability, partnered with Unilever to promote sustainability and environmental education. By offering price promotions on sustainable products, Lulu aims to create environmental awareness and demystify sustainable choices. “Lulu believes that retail chains play a pivotal role in driving habit changes and product discovery, emphasizing education and awareness, strategic product placement and promotion, and partnerships with sustainable brands. Lulu’s store layout and category management strategy enhances the visibility and accessibility of sustainable products, encouraging environmentally conscious shopping,” said Ashraf Ali M.A., Executive Director of LuLu Group. “We promote eco-friendly electrical appliances by assigning a dedicated section in our stores. On average, around 21% of the total floor area in the selected product categories is allocated to eco-friendly appliances,” he added.

Current retail trends related to sustainability and consumer preferences, such as conscious consumerism, circular economy principles, community engagement, and incentive programs, are expected to impact the success of this campaign. Lulu’s recent promotion of sustainable brands has yielded positive results, with a 9% overall growth in customer numbers and a 28% growth rate for one of the sustainable brands. “Incentive programs have also shown effectiveness, with a 6% sales growth rate and a 13% increase in transactions, underscoring the positive impact of incentivizing sustainable purchases on the campaign’s success,” Ashraf Ali added.