

Book Abstract

How to 'Net' Positive

The rapid growth of global population and the increase in the overall income per capita around the world has resulted in an ever-increasing demand for natural and manmade resources, energy, food, and housing. This implies added pressure on the environment, which is already suffering from the adverse impacts of excessive production, over-exploitation of natural resources, and the resulting increase in dangerous by-products.

While governments are trying to tackle this problem through the creation of incentives and other regulatory interventions, the private sector is also realizing the importance of prioritizing sustainability in its production and distribution value chain. Historically, sustainability efforts of the private sector were limited to the inclusion of environmental protection as corporate philanthropy or corporate responsibility initiatives focused on damage control. More recently, however, the role of the business sector with regard to environmental sustainability has evolved, and innovative players in the sector are moving from fulfilling social responsibility to creating shared value. Furthermore, the Sustainable Development Goals launched by the United Nations in 2000 provided a thrust for businesses to align their growth priorities and business strategies with future policies and stakeholder needs. Realizing this, many global businesses realized that making a profit while simultaneously benefiting society had the potential to generate viable and scalable solutions.

Global supply side risks are one of the main drivers causing this shift. Businesses realize the extent to which environmental issues can jeopardize supply chains and limit growth. In order to mitigate these risks, companies are having to rethink their strategies with an eye on environmental impacts and regulatory constraints. They are trying to manage downside risks posed by climate change, and some are even profiting from the new market opportunities that are emerging. They are finding ways to generate revenues by designing and marketing products that are eco-friendly and meet customer expectations of sustainability. This has led to the understanding that placing environmental sustainability at the heart of a business's core strategy can reap benefits, not only for the society and environment, but also for the business's own bottom-line.

On the demand side, increasing consumer awareness about sustainability and environmental issues has been the driving force behind the adoption of sustainability as a strategic priority for businesses. Products and services produced by companies who have established a reputation for environmental stewardship are more attractive to millennials. This has important implications for businesses, as millennials constitute an influential and fast-growing consumer market. Businesses are compelled to extend beyond the narrow

measurement of financial performance and economic impact, and start assessing their contribution in the socio-economic and environmental spheres as well.

In this context, a number of companies around the world have starting adopting the Net Positive approach, which focuses on opportunities that can provide solutions to environmental and socio-economic problems while also generating a profit. This book outlines the shift in the corporate paradigm, and highlights how a Middle Eastern retail giant, Majid Al Futtam, embarked on its Net Positive journey and integrated the approach as the new way to do business. It also provides details about the material impact areas that Majid Al Futtam identified, and the initiatives that are being undertaken by the Company to achieve Net Positive goals. Most importantly, however, the book provides a conceptual and practical blueprint to help companies start their Net Positive journey. To this end, the book provides a framework complete with material impact area identification criteria, guidelines for impact measurement, Net Positive principles, potential risks in embracing a Net Positive approach, and the critical success factors that must be in place to ensure the successful design and implementation of a Net Positive strategy.

The book also highlights the potential of 4IR (Fourth Industrial Revolution) technologies such as augmented reality, artificial intelligence and the Internet of Things in forwarding the sustainability agenda and spurring creative destruction to generating large and often untapped strategic advantage for businesses. These technologies enable businesses to produce and sell more while achieving cost reductions, exploring new revenue streams and securing the planet's future.