

SEE WHAT THE FUTURE HAS IN STORES

LEARNINGS FROM
EUROPE'S BEST
SUSTAINABLE
RETAIL START-UPS



 VERTONE


UNIBAIL-RODAMCO-WESTFIELD

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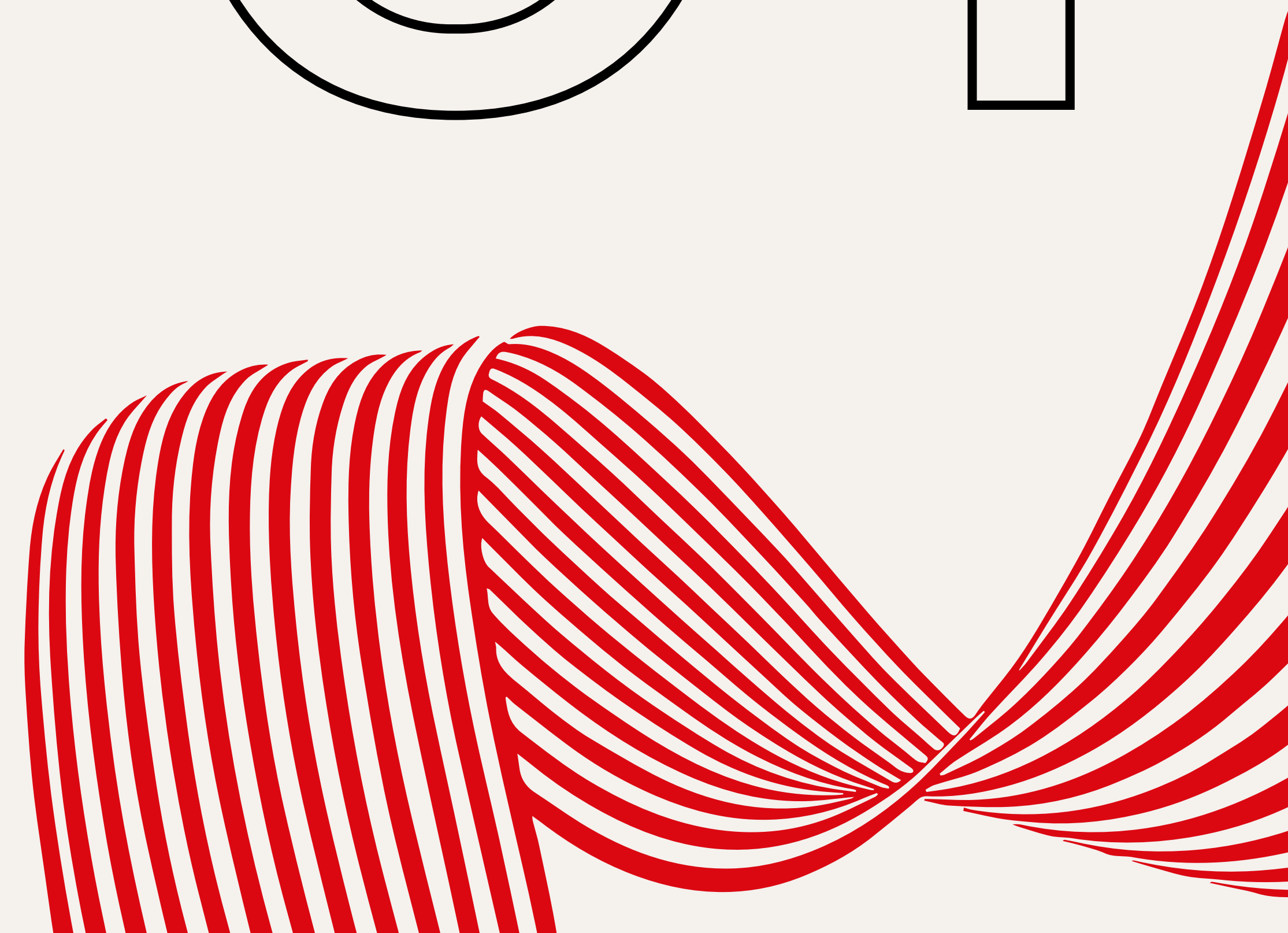


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01

WESTFIELD
GRAND
PRIX 2023



EDITORIAL



BY URW:

Unibail-Rodamco-Westfield (URW) is dedicated to supporting the evolutions of retail by offering an ever-renewed selection of stores that align with our promise of creating memorable and meaningful experiences. Our commitment to discovery, innovation, and sustainability ensures that customers always find something new and exciting at Westfield.

URW is at the forefront of sustainable retail transformation, supporting established retailers in their sustainability journeys and boosting young sustainable brands. By fostering these partnerships, we help drive the industry's shift towards more responsible practices.

Supporting entrepreneurship is central to our mission, with 20% of our tenants being independent entrepreneurs. This dedication to nurturing small businesses

and innovative startups underscores our role as a catalyst for retail innovation and growth.

The Westfield Grand Prix competition, which serves as a data source for this white paper, exemplifies our commitment to sustainability and innovation. By identifying and supporting the most promising retail concepts, we ensure that our malls remain vibrant hubs of commerce and community engagement.

URW's comprehensive approach empowers retailers to thrive in an evolving market, making our shopping destinations synonymous with sustainability and excellence. Through continuous innovation and support for sustainable practices, we create significant value for retailers and memorable experiences for customers.

BY VERTONE:

Driven by the pressing economic and social challenges, retail companies must adapt swiftly to stay competitive. Since its inception, VERTONE has been enabling retailers and brands embrace sustainable transformation. Looking ahead, we foresee three major trends set to revolutionize retail in the coming years :

The rise of second-hand and recycling practices, driven by CSR awareness among consumers, is prompting retailers to revamp their business models. They're integrating sustainability into product design, circular economy initiatives, and partnerships with eco-conscious suppliers to align with ethical values.

Omnichannel retail has become essential, offering seamless shopping across online, in-store, and mobile channels. This enhances customer engagement, improves inventory management, and provides personalized services, driving growth and customer value.

The AI revolution presents opportunities for retail players to boost productivity and revenue through data analytics, automation, and personalized recommendations. Customising offerings is key for brands in sustainable development, especially with innovation for responsible growth.



WESTFIELD GRAND PRIX 2023: DISCOVERING THE SUSTAINABLE CHAMPIONS OF TOMORROW

In 2023 Unibail-Rodamco-Westfield held the first ever European Westfield Grand Prix competition.

THE MISSION

To find the most innovative and sustainable retail start-ups across 4 European regions (UK, France, Spain, Germany & Austria) with a vision to expand their physical retail presence.

THE PRIZE

A free retail location for one year in a Westfield shopping destination, dedicated funding and support from experts along with an advertising package from URW's retail media agency Westfield Rise.

THE COMPETITORS

In total, 310 businesses applied spanning various retail sectors. Applicants were evaluated across four criteria: scalability of the brand, growth potential, capacity to engage customers and sustainability credentials.

THE PEOPLE'S CHOICE

In addition, 15,000 votes were cast by Westfield customers in the People's Choice Award, which saw the winning businesses in each region receive a spotlight at the 2024 Westfield Good Festival in their home country.

IN THE FOLLOWING
PAGES, WE HAVE
ANALYSED 196 START-UPS
COMPLYING WITH THE
COMPETITION RULES.

A UNIQUE
PERSPECTIVE
ON TRENDS IN
INNOVATION &
SUSTAINABILITY

We crossed up to thirty quantitative and qualitative criteria grouped into 6 major categories: launch date, sector, sustainability commitments, distribution channels, founder's profile, and target customers. Out of 190 tables and thousands of data points, we prioritized more or less the 20 most impactful insights to explore sustainable retail trends.

WE EXPLORE THESE TRENDS IN-
DEPTH AND CONSIDER THREE
PIVOTAL QUESTIONS:

- How do retail start-ups effectively utilize omnichannel approaches and begin international expansion?
- How do sustainability commitments shape the business models of retail start-ups?
- Who are the people behind these retail start-ups?



**RETAIL
START-UPS
EXPAND
PHYSICALLY
TO SEIZE
OMNICHANNEL
OPPORTUNITIES**

02



310

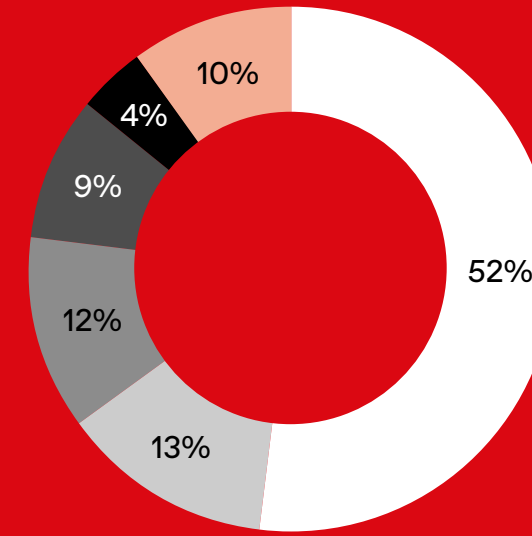
APPLICANTS FROM ACROSS EUROPE

For the first time at an international level, Westfield Grand Prix 2023 assembled 310 start-up businesses from four European regions: UK, France, Spain, Germany & Austria. The start-ups spanned various key retail sectors including:

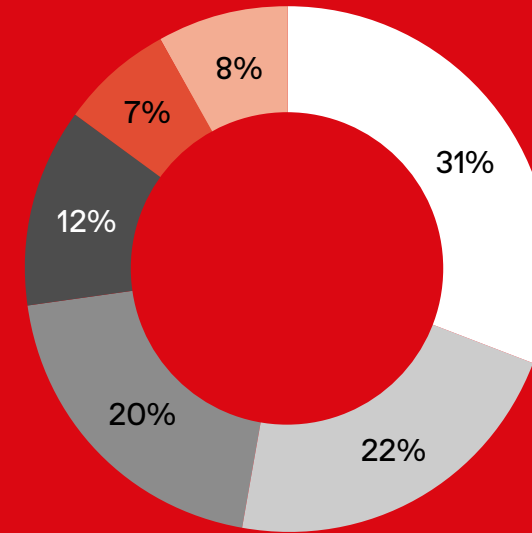
- Fashion, Accessories and Jewellery
- Health and Beauty
- Home, Pets and Gardening
- Food and Beverage
- Sport and Fitness

The type of start-up businesses which entered the Westfield Grand Prix 2023 varied significantly by country. Spain had the highest proportion of applicants from the Fashion, Accessories and Jewellery category (55%) followed closely by the UK (52%), while France took the lead in the Health and Beauty sector (22%). Meanwhile, Germany & Austria had the largest percentage of applicants from the Food and Beverage sector (18%).

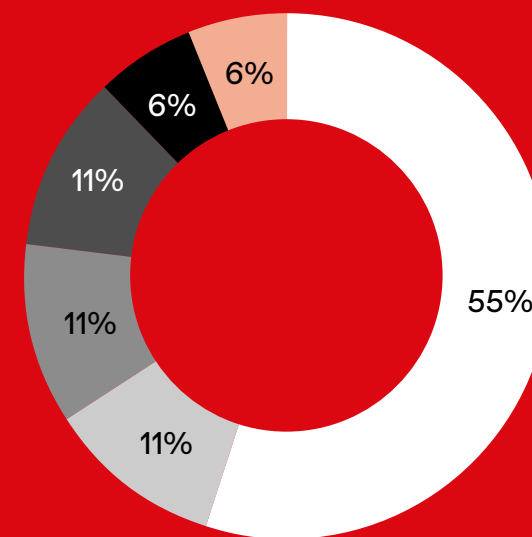
UK



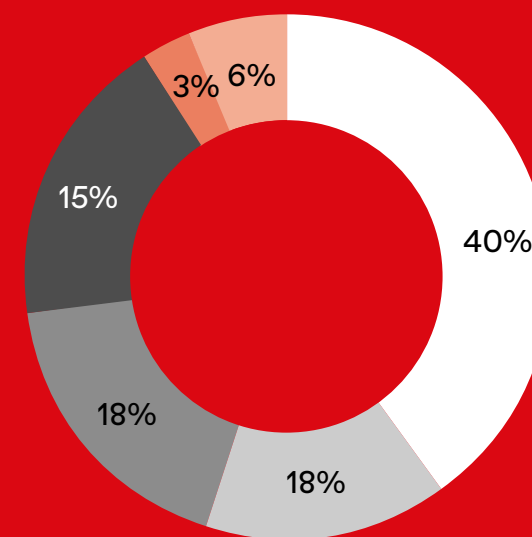
FR



ES



GER/AT



100%

Of retail start-up applicants are aiming for physical expansion in the coming years

79%

Of which:

Distribute their own brand

56%

Online Pure Players – relying solely on e-commerce as their own distribution channel

17%

Omnichannel Players – leveraging e-commerce with their own bricks-and-mortar stores

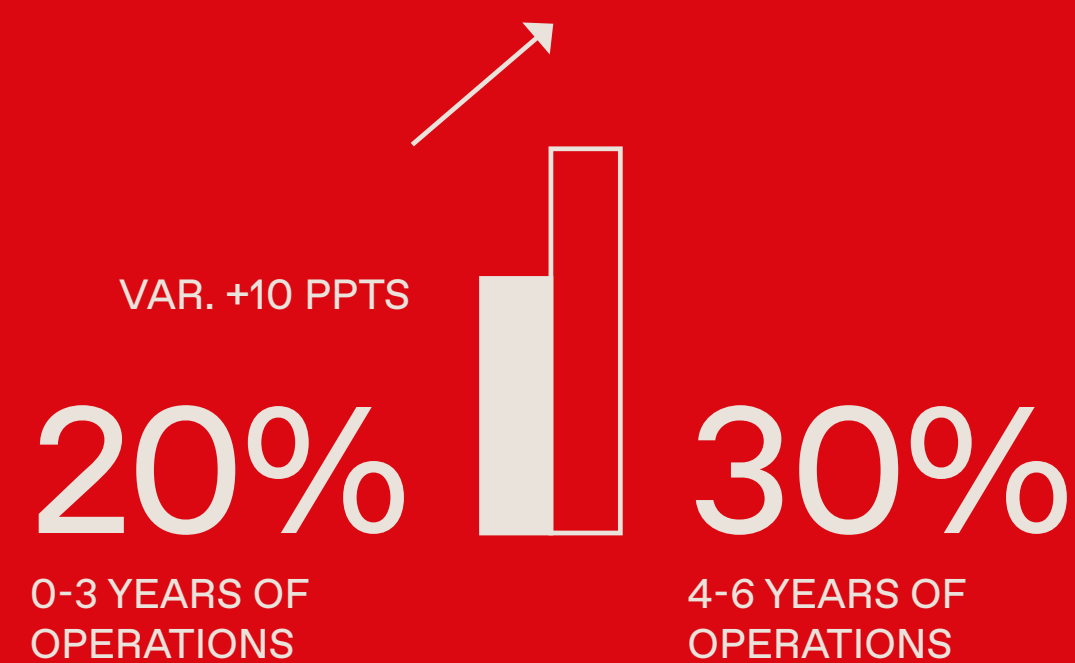
6%

Pure Physical – exclusively distributing through their own stores

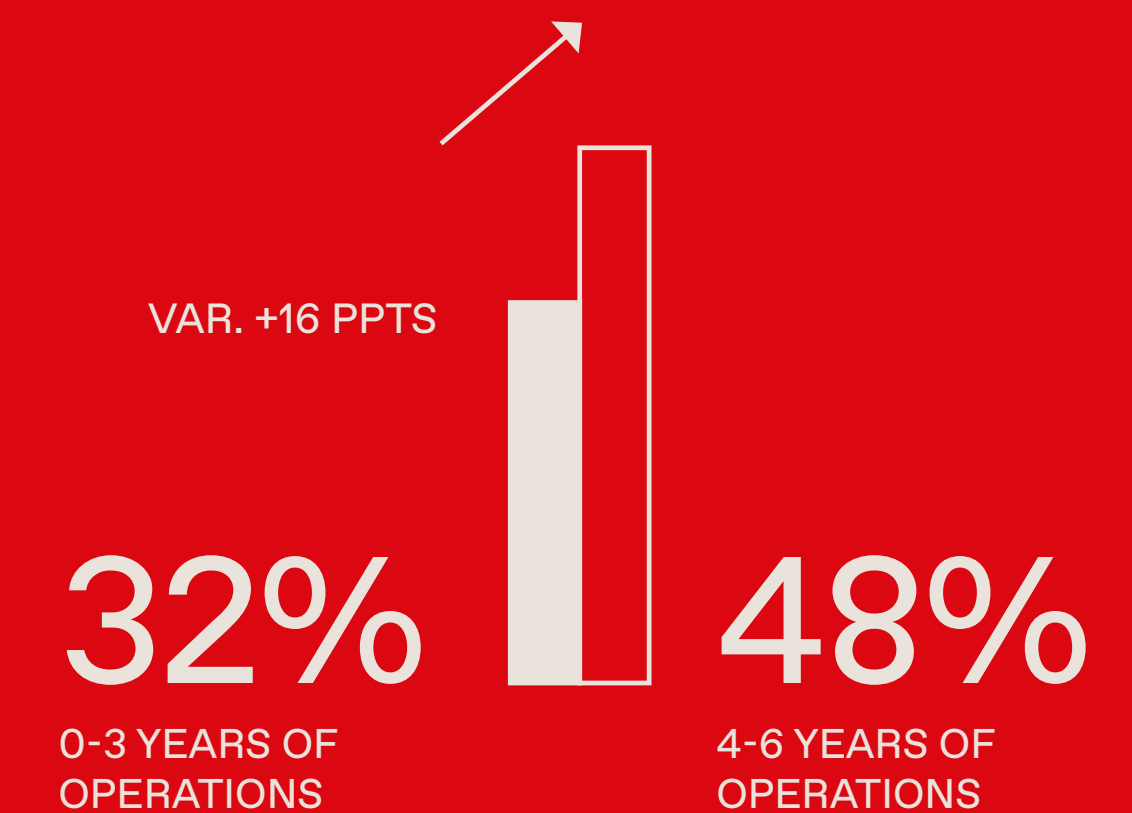
LET'S GET PHYSICAL

AS THEY MATURE, RETAIL START-UPS EXPLORE NEW DISTRIBUTION CHANNELS TO PROPEL THEIR BRAND GROWTH

OMNICHANNEL RATE (%)



WHOLESALE RATE (%)



FOCUS ON... P.J. LOBSTER



Creator of handmade eye wear designed in Barcelona.

After launching in 2018 as a digitally native brand, P.J. Lobster accelerated its retail expansion in 2022 to seize business opportunities from physical retail.

THE FUTURE'S CONNECTED

21%

OF RETAIL START-UPS ARE MULTI-BRAND RETAILERS.

THEY ARE SHAPING A SUSTAINABLE FUTURE IN THE FOLLOWING WAYS:

CIRCULAR BUSINESS MODELS

Multi-brand retailers fuel the circular economy. They champion second-hand products, reconditioned items, responsible consumption and reducing waste.

ECO-FRIENDLY LIFESTYLE & PRODUCTS

Multi-brand retailers advocate for an eco-friendly lifestyle and have a focus on wellness and personal care services. They emphasize well-being, beauty and ethical practices.

EXPERT INSIGHT

PIERRE BRUN,
PARTNER RETAIL
& CONSUMER
GOODS, VERTONE

While DNVBs initially succeed in establishing themselves among the new ultra-connected generations through a social media acquisition strategy and distinctive content, they confront heightened competition on these channels.

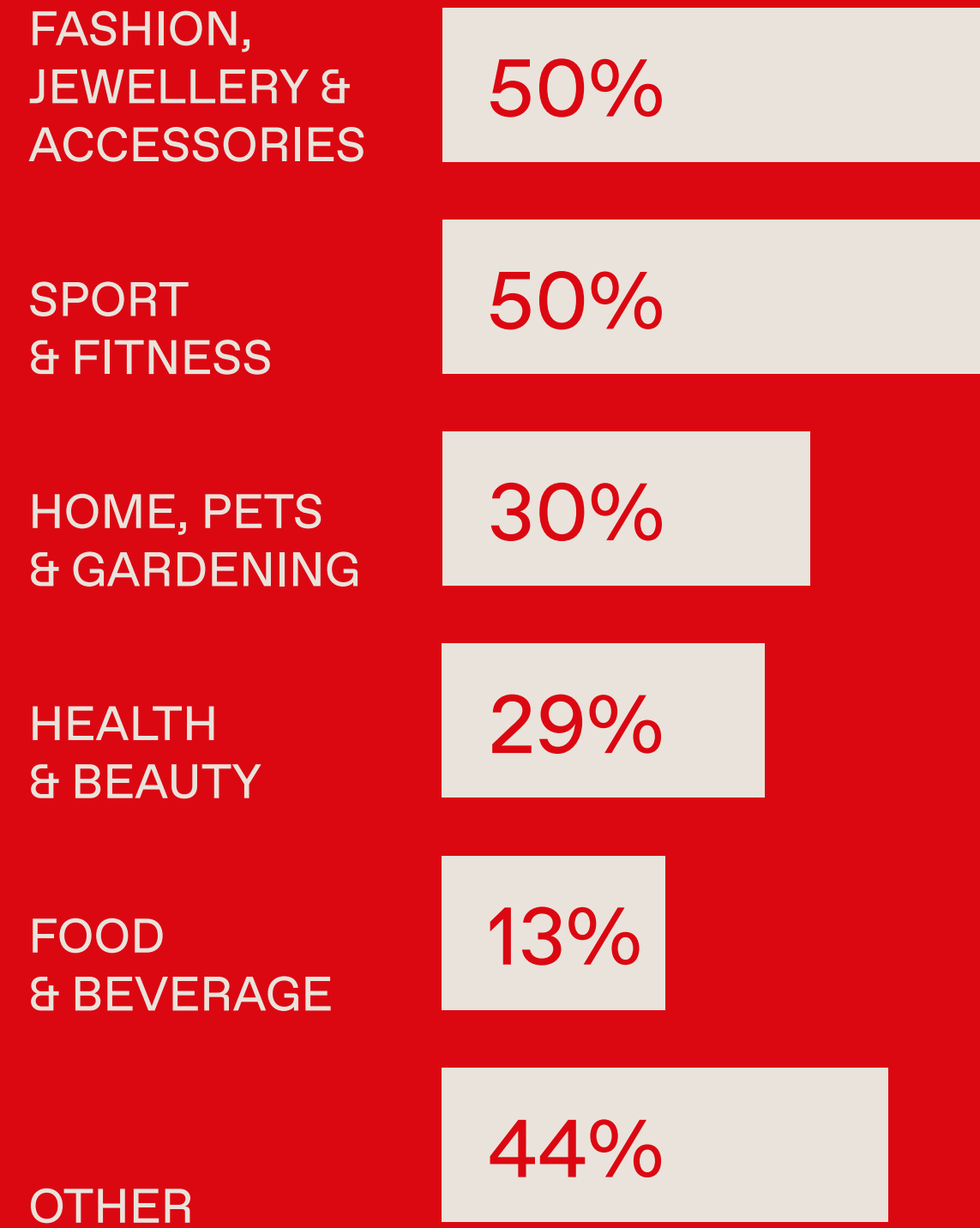
Successful strategies for growth among DNVBs include: the ability to expand the customer base beyond early adopters; the development of omnichannel distribution, notably

through a network of physical stores; an acceleration of investments fuelled by external financing or partnership with a major brand. Omnichannel is a leverage for DNVBs to express their unique brand identity, reach a new customer base and foster the development of customer experience innovations.

Consequently, DNVBs tend to evolve towards a new model of integrated brands.

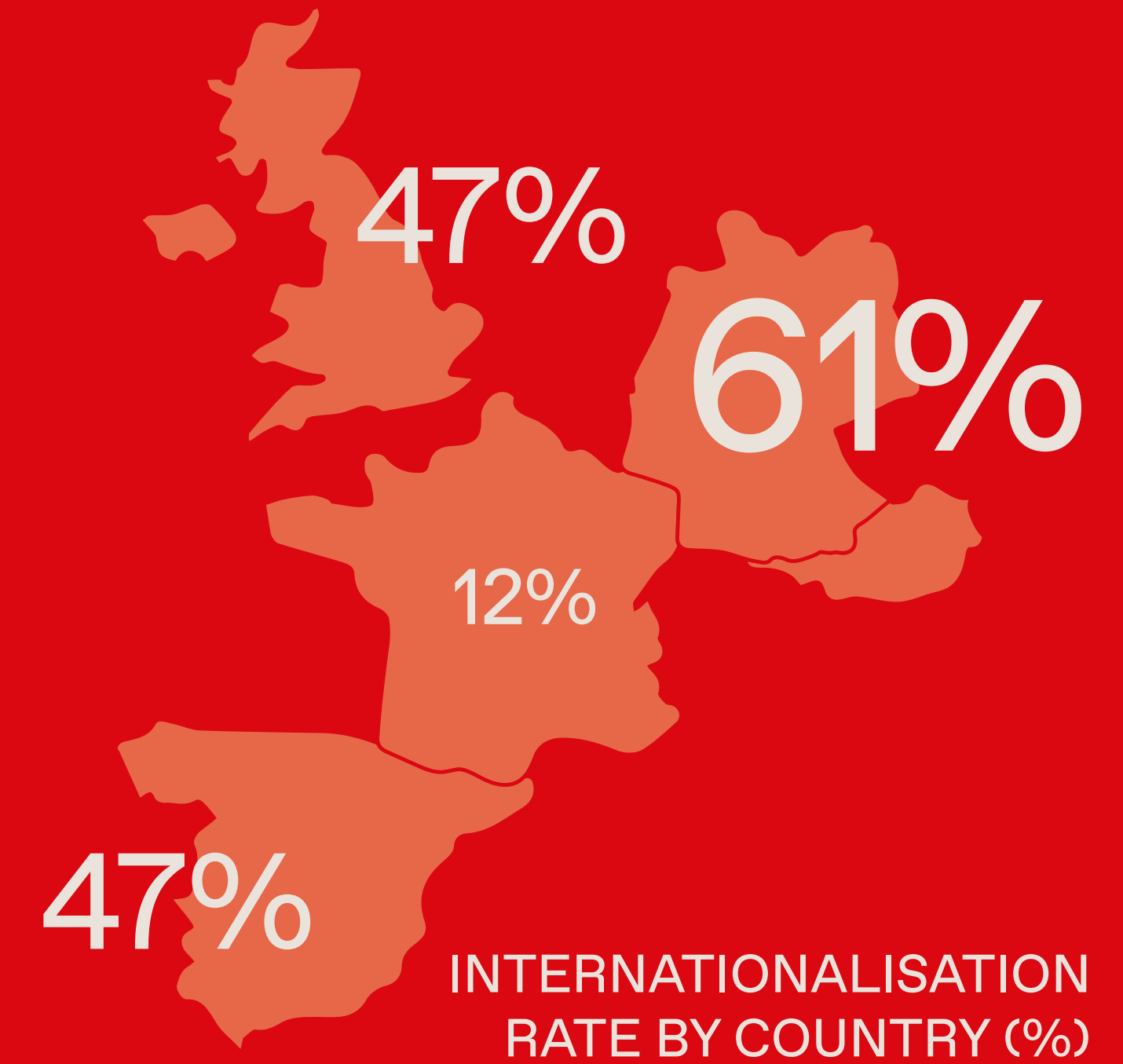
THE WESTFIELD GRAND PRIX 2023 PROVIDED KEY METRICS ABOUT THE INTERNATIONALISATION OF INNOVATIVE AND SUSTAINABLE RETAIL START-UPS.

INTERNATIONALISATION RATE PER SECTOR (%)



FASHION & SPORT LEAD THE WAY

An impressive 50% of Fashion, Accessories and Jewellery start-ups showcase their products on the global stage, outpacing the 29% of Health and Beauty.



GERMANY & AUSTRIA LEAD IN GLOBAL DISTRIBUTION

A significant 61% of start-ups in Germany and Austria distribute their products globally, surpassing the 12% in France.

EXPLORING GLOBAL HORIZONS

INTERNATIONALISATION: THE FOUR-YEAR SWEET SPOT

THE MAJORITY OF RETAIL START-UPS BEGIN TO INTERNATIONALISE THEIR BUSINESSES AFTER FOUR YEARS OF OPERATIONS. TWO STRUCTURAL FACTORS DRIVE THIS INTERNATIONALISATION:

WHOLESALE

Most mature retail start-ups establish a track record and robust product portfolio, which enhances their credibility & attractiveness to potential wholesale partners.

CRITICAL SIZE

As they grow their customer base, retail start-ups reach a critical size in their local markets and consequently pursue international expansion.

% OF RETAIL
START-UPS
THAT SELL
PRODUCTS
INTERNATIONALLY

35%

0-3 YEARS OF
OPERATIONS

VAR. +15 PPTS



50%

4-6 YEARS OF
OPERATIONS

EXPERT INSIGHT

To successfully expand internationally, a small brand must strategically align with the right partners. At Westfield, we are dedicated to bringing quality traffic to our locations globally, ensuring that brands are placed in vibrant, high-footfall environments through the international recognition of the Westfield brand and the operational excellence of our platform. We further enhance visibility and drive commercial success offline and

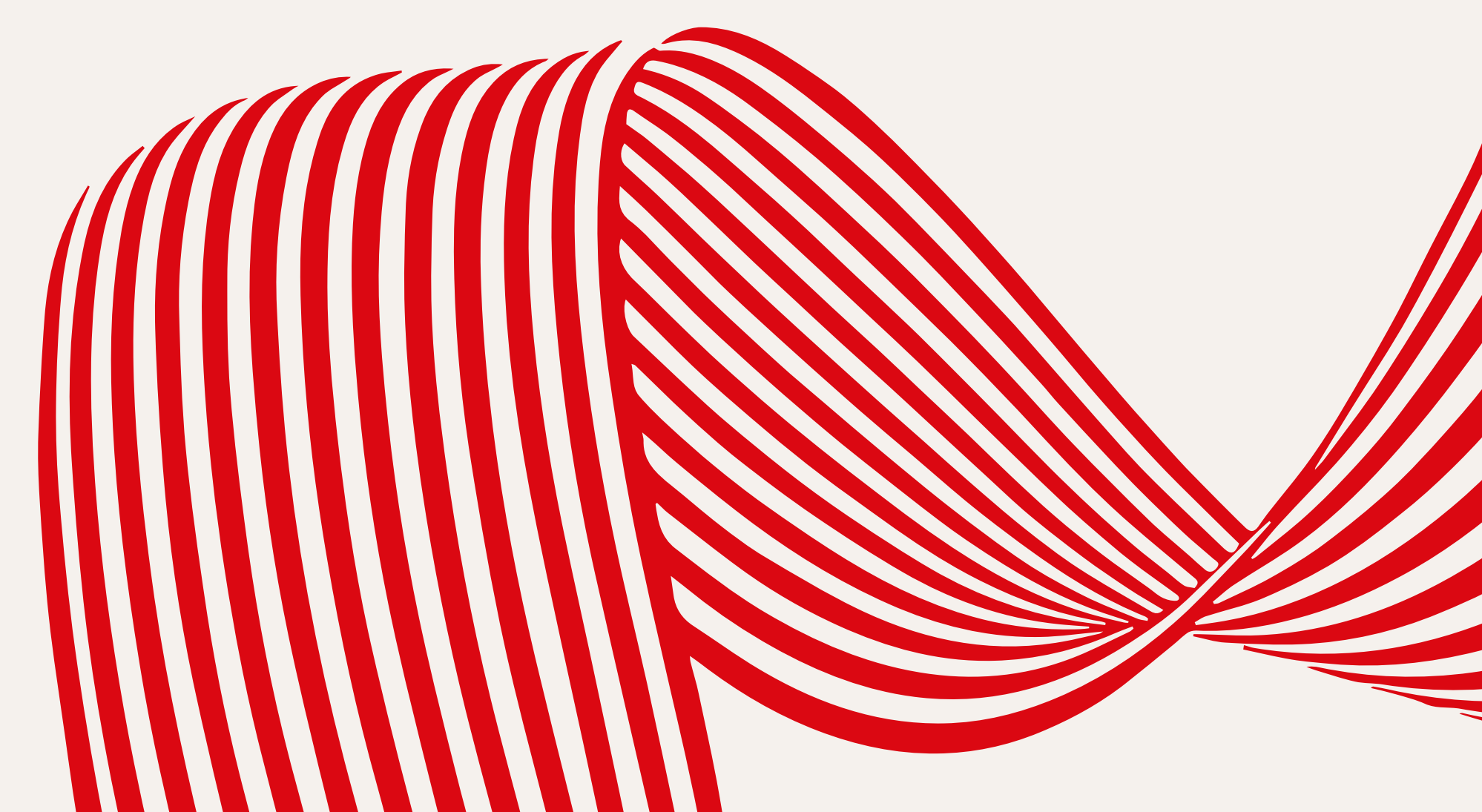
LOUISE BERGQVIST,
GROUP DIRECTOR, OF
INT. LEASING, UNIBAIL-
RODAMCO-WESTFIELD

online for our partners through Westfield Rise, our retail media agency, providing a seamless bridge for brands to transition their online presence into physical retail spaces. This omni-channel approach ensures that brands can meet their customers wherever they are, creating cohesive and impactful customer experiences. We prioritize creating spaces where innovation and commerce thrive, making Westfield a pivotal partner for brands aiming to scale internationally.



03

SUSTAINABILITY
COMMITMENTS
AS BUSINESS
MODEL DRIVERS



SUSTAINABILITY COMMITMENTS

INNOVATIVE RETAIL START-UPS HAVE ROBUST AND DIVERSE SUSTAINABILITY PLEDGES ACROSS EUROPE.

85%

CLAIM TO HAVE AN ENVIRONMENTAL, SOCIAL OR ANIMAL WELFARE IMPACT



THE ECO WARRIORS

TRANSPARENT SUPPLY CHAIN

By sharing key information on the origin of ingredients and components, notably through technologies and social media to show the journey of each product, retail start-ups aim to change consumer behaviour towards sustainable choices.

PRODUCT USAGE & END OF LIFE

By replacing single-use products with reusable products, extending product life through care and repair services or rental models and recycling/up cycling end-of-chain products to reduce CO₂ emissions.

PRODUCTION & DISTRIBUTION

By prioritising lean and local manufacturing processes, reusing inputs to minimize waste and carbon emissions, and the use of CO₂-conscious delivery systems.

RETAIL START-UPS CURRENTLY LEADING THE CHARGE VIA THEIR ENVIRONMENTAL COMMITMENTS:

FOCUS ON...

CLEAN-LYECO



Eco-friendly laundry strips from Austria.

Thanks to its innovative, eco-friendly laundry strips Cleanly achieves 30 times fewer transport emissions, resulting in 94% less CO₂ during transportation compared to conventional laundry detergents.

THE SEAM



The UK interactive and premium platform in wardrobe care Via its care and repair services.

The Seam aims to reduce the footprint of consumers' wardrobes. The climate impact is evident in two ways. Firstly, repairing clothes, shoes and handbags extends the lifespan of these items and offsets the impacts of producing new goods. Secondly, these longer lifespans prevent items from being sent to landfill.

QISU



Designer and manufacturer of sustainable dog accessories.

Qisu strives for transparency by providing information about the origin of each material on the composition label and website. The brand also share photos and videos of the production process, offering customers a transparent view of the creation of Qisu's products.

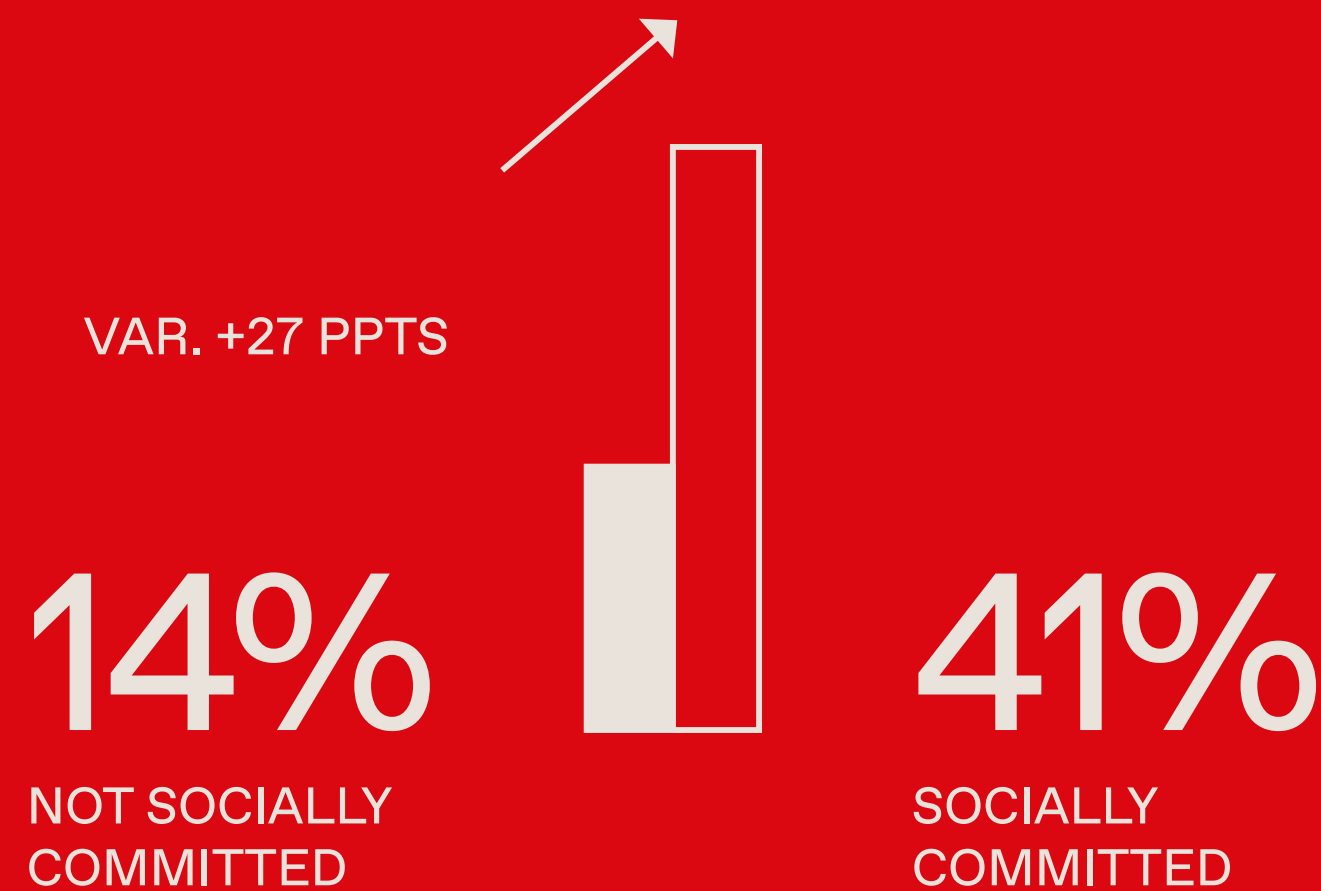


NAVIGATING THE PRICING LANDSCAPE

THE IMPACT OF SOCIAL COMMITMENTS ON PRICE POSITIONING

Socially committed start-ups generally pay employees and partners the local living wage. A strong social commitment correlates with a higher price positioning, as seen in the graph enclosed.

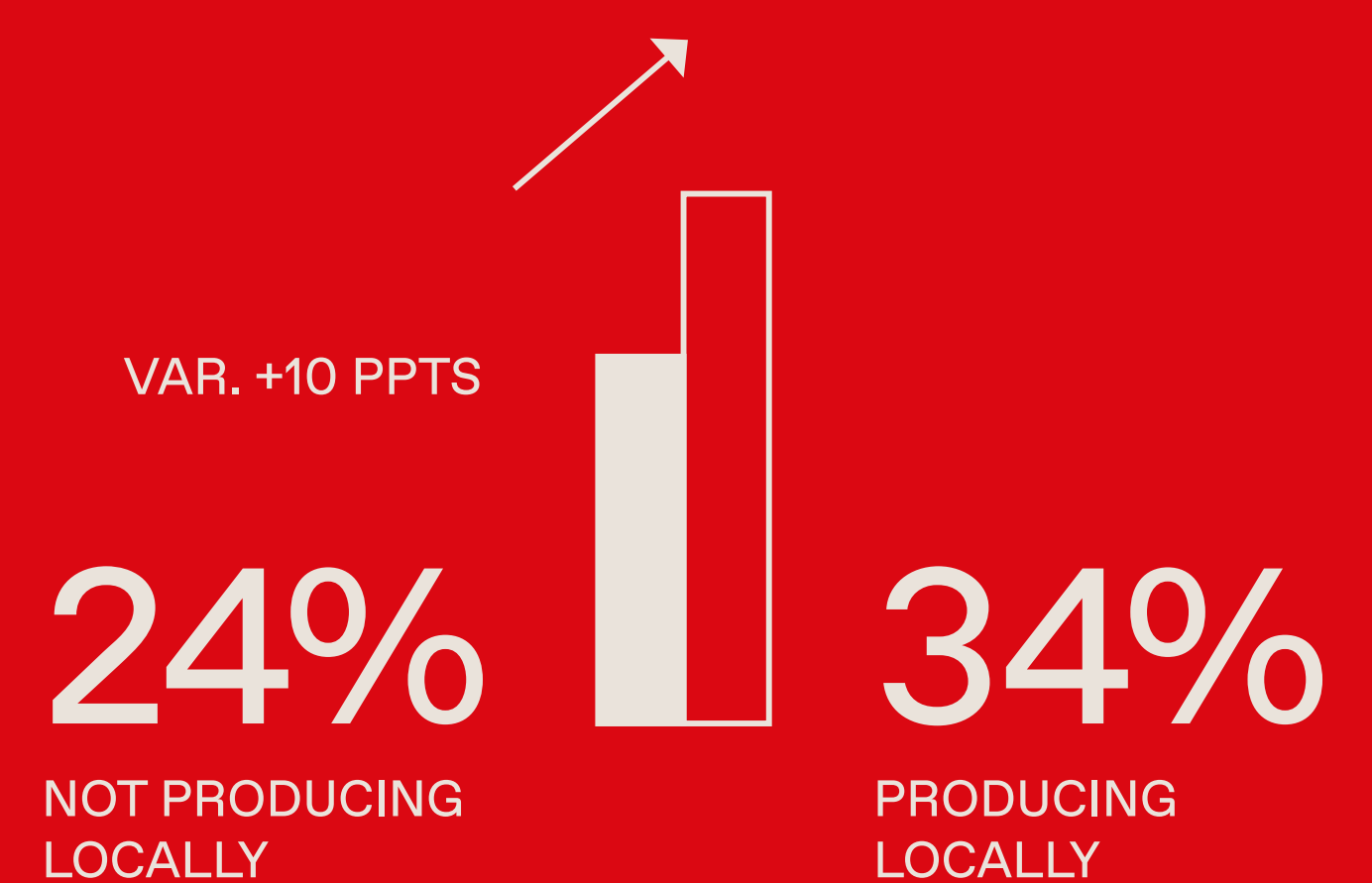
% OF RETAIL START-UPS ADOPTING A HIGH PRICE POSITIONING



LOCAL PRODUCTION AND PRICING

Retail start-ups which produce locally in the EU ensure supply chain transparency. Regular visits with local suppliers help maintain fair working conditions and wages.

% OF RETAIL START-UPS ADOPTING A HIGH PRICE POSITIONING



WHAT'S YOUR FLAVOUR?

UNLOCKING TRAITS & TRENDS IN SUSTAINABLE FOOD & BEVERAGE START-UPS

78% Of food & beverage start-ups leverage e-commerce & delivery

22% Are pure physical players (take-away and service to table)

HOW FOOD AND BEVERAGE START-UPS ARE CHAMPIONING ENVIRONMENTAL RESPONSIBILITY:

ECO-FRIENDLY PRODUCTS

By anchoring sustainability along their value chain, F&B start-ups minimize waste, energy consumption and CO₂ emissions.

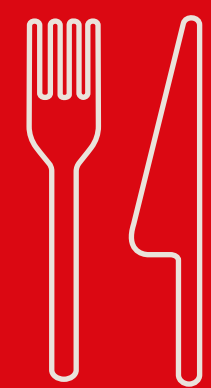
CONSUMER HEALTH

From healthy fast-food options and snacks to vegan products, sustainable F&B start-ups continuously innovate to enhance consumer health.

CUSTOMER EXPERIENCE

Many F&B start-ups aim to transform the customer experience into something fun & memorable while remaining eco-friendly. They offer customers a new way of consuming products hedonistically and responsibly.

FOCUS ON...
**SAVANE &
MOUSSON**



Innovative African-Asian cuisine, Savane & Mousson offers a culinary journey that fuses the vibrant flavours of Africa and Asia. Promising 'two continents in one bite', Savane & Mousson aims to take diners on a journey via unique and unforgettable fusion dishes.

SPEAK NOW

THE IMPORTANCE OF ELEVATING CONSUMER AWARENESS REGARDING ECO-FRIENDLY INITIATIVES

HOW SUSTAINABLE RETAIL START-UPS CAN EFFECTIVELY EDUCATE CONSUMERS AND OVERCOME 'GREENHUSHING'-
SANDRA CAPPONI, CO-FOUNDER, GOOD ON YOU

WHAT IS GREENHUSHING?

Greenhushing is when organisations under-report or hide their green credentials from the public to evade scrutiny.

WHAT ARE THE CAUSES OF GREENHUSHING?

1. Lack of trust from consumers. A rapidly growing demographic of conscious consumers are demanding clearer information that covers the issues they care about. They're wary of 'greenwashing' and often don't trust what brands say about their impacts.
2. Scrutiny from regulators is increasing around the world –and it's long overdue.

WHY IS EDUCATING CONSUMERS ABOUT SUSTAINABILITY CRUCIAL?

Providing less info is dangerous. Greenhushing could lead to a backslide on transparency setting back the drive to make real progress in a more responsible fashion industry.

HOW CAN BRANDS MAKE PROGRESS IN THEIR COMMUNICATION?

By publishing verifiable data about direct operations and supply chains – covering everything from where and how clothes are made, to what resources were consumed and how much pollution and waste was produced across their life cycle.

51%

Of large brands with greenhouse gas emissions targets do not state whether they're on track to meet them or not.

85%

Claim to have an environmental, social or animal impact. Of which:

37%

Still need to go further in consumer engagement and education

48%

Communicate to educate consumers on sustainability commitments

EXPERT INSIGHT

**CLÉMENT JEANNIN,
GROUP DIRECTOR OF
SUSTAINABILITY, UNIBAIL
-RODAMCO-WESTFIELD**

In the heart of our commitment to sustainable retail lies the Sustainable Retail Index, a cornerstone initiative designed to amplify sustainability within our store portfolio. Developed in collaboration with Good On You, this index serves as a powerful measurement tool, empowering brands to showcase their environmental and social commitments.

Good On You, a valued partner of the 2023 Westfield Grand Prix, brings invaluable expertise to our sustainability efforts, ensuring that our initiatives align with industry-leading standards. Through this partnership, we aim to not only assess but also elevate the sustainability performance of brands operating within our malls, fostering a culture of transparency and accountability.

SPINNING THE WHEEL

RETAIL START-UPS SPEARHEAD IMAGINATIVE STRATEGIES TO ADOPT AND THRIVE IN THE CIRCULAR ECONOMY. THESE INCLUDE:

PRODUCT INNOVATION

Circular retail start-ups mostly focus on up cycling, giving a second life to used products. Many re-use existing products to create new ones while others specialise in circular services such as renovation, cleaning and rental models.

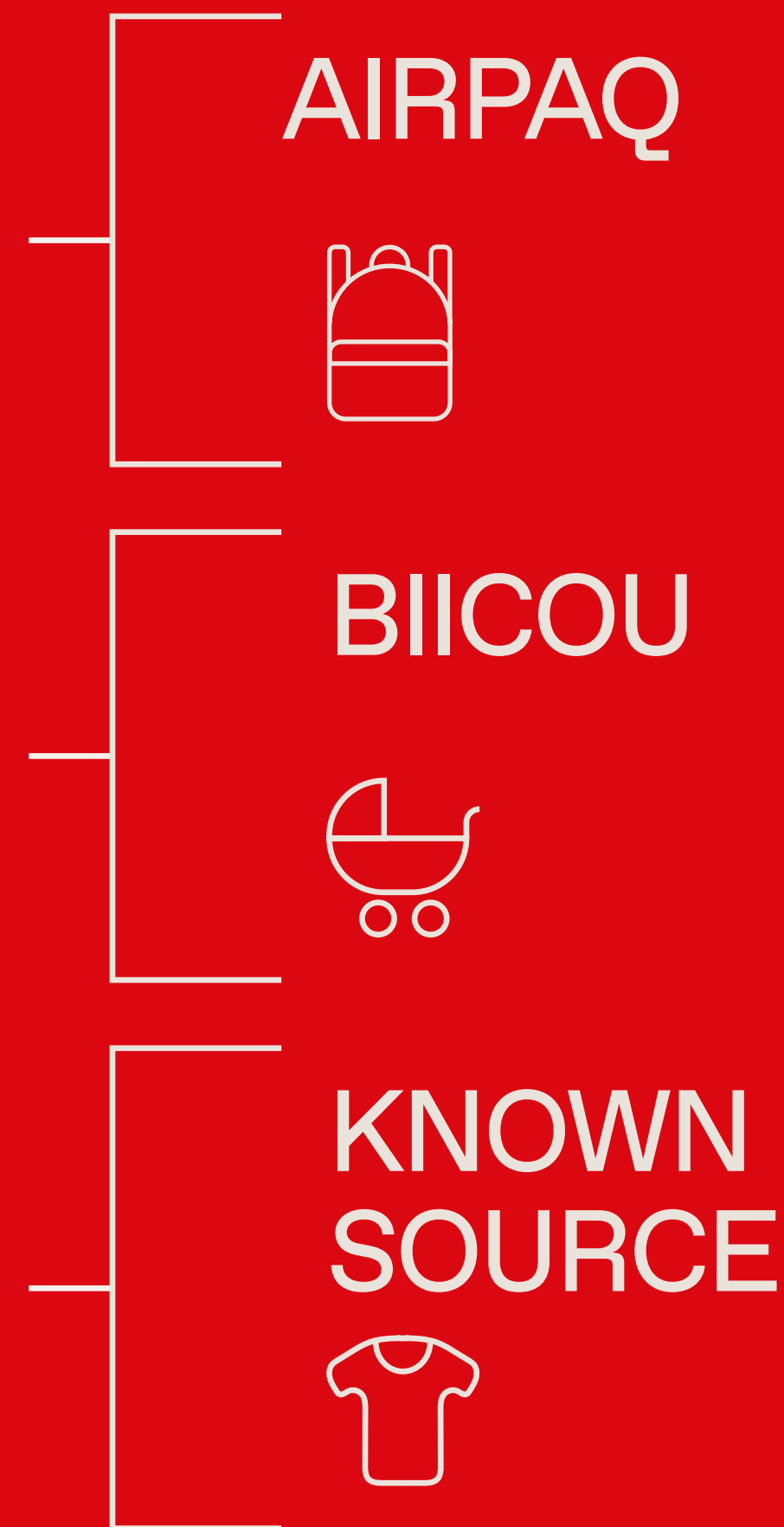
CONSUMER EDUCATION

Engaging consumers in sustainable practices is a crucial component to spin the circularity wheel. Sustainable retail start-ups leverage technologies as well as social media to communicate directly with their consumers and invite them to participate in circular initiatives.

COLLABORATIONS & PARTNERSHIPS

These play a significant role in the circular business. Sustainable retail start-ups often collaborate with various and local stakeholders to source materials to up cycle or dispose of used products.

FOCUS ON...



THREE START-UPS USING CIRCULAR FEATURES IN THEIR BUSINESS MODELS:

Fashion accessories up-cycling auto industry waste in Germany.

In Germany, 501,658 tons of car scrap are generated annually. By re-purposing these materials, Airpaq aims to extend their lifecycle and reduce waste. Circular design principles are firmly embedded in their company philosophy.

French marketplace offering local & refurbished children's products.

Biicou is a pioneer in the reuse of children's equipment and was the first to enable to launch of a 100% responsible baby registry. Circularity is at the heart of the project – Biicou takes back everything it sells at the end of its lifecycle.

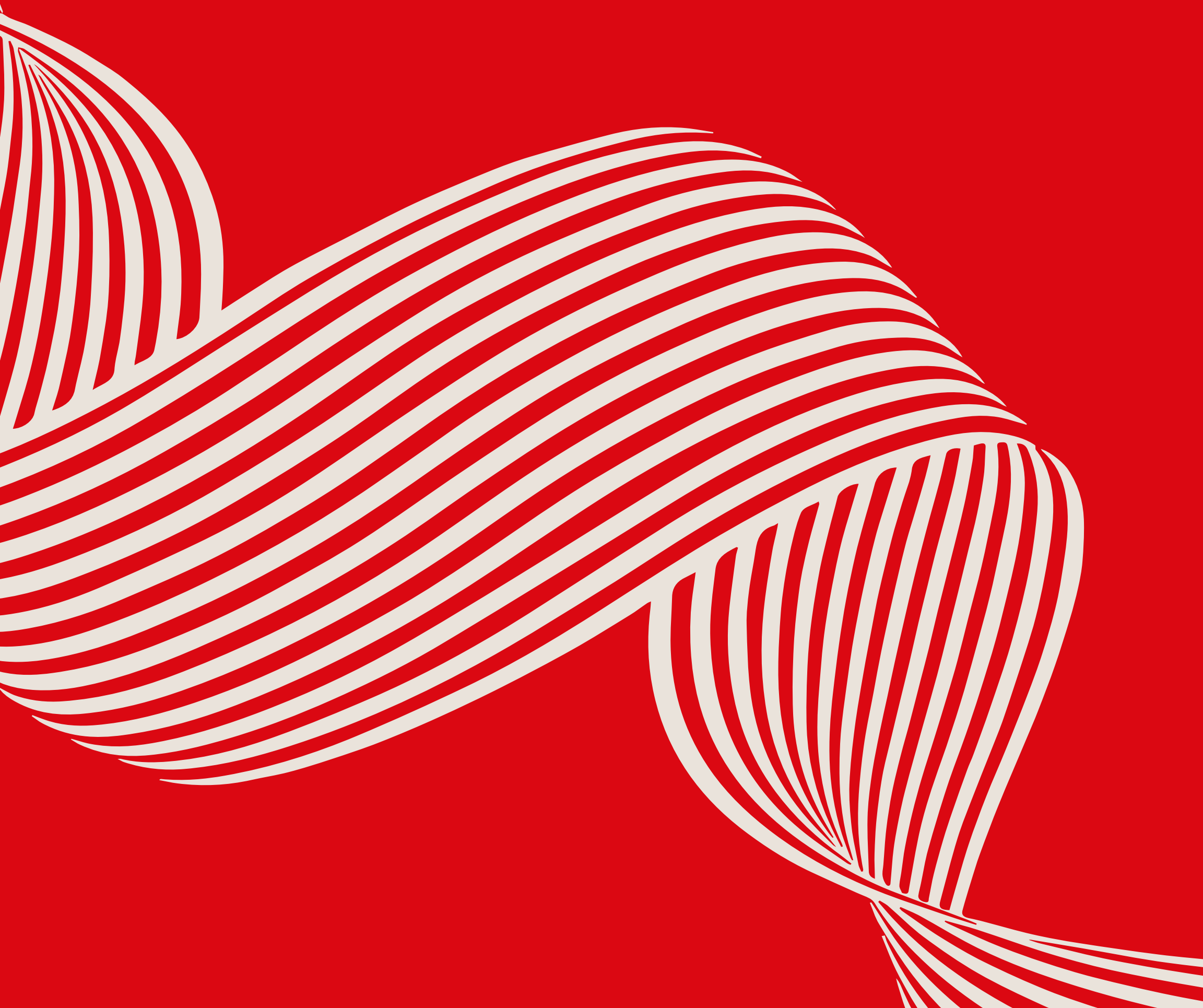
UK circular ecosystem of second-hand specialists & dealers.

Known Source has a 'Circular Curation' model which eliminates barriers to buying and selling second hand fashion. Only hand-picked and reputable dealers are invited to sell on their platform, guaranteeing authentic and high-quality garments.

A THRIFTY BUSINESS

44%

OF RETAIL START-UPS INTEGRATE CIRCULAR FEATURES IN THEIR BUSINESS MODELS



EXPERT INSIGHT

FREDERIC ESTEVE,
PARTNER BRANDS
& ENTERTAINMENT,
VERTONE

The second-hand market in Europe is estimated at €86 Bn in 2022. Widely driven by the fashion industry, it has now expanded to toys, furniture and high-tech.

On the consumer side, the main factors for buying second-hand items are related to pricing and the quality of the items. We assessed four barriers to purchase for both current buyers and

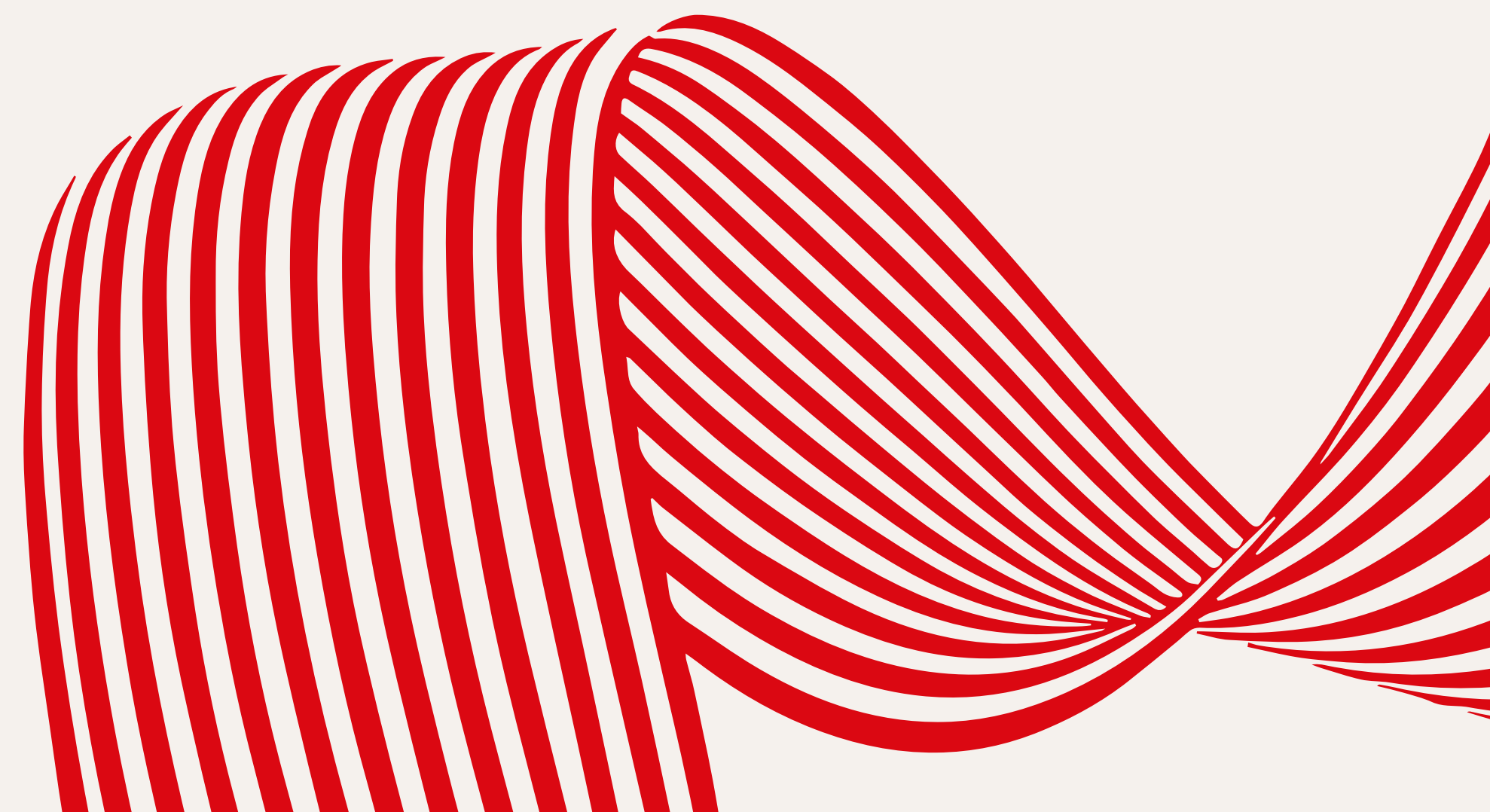
potential buyers: shipping costs in terms of price, the inability to see the products, the risk of scams, and the quality.

Traditional retail players can strategically address consumer motivations and associated barriers by offering attractive trade-in deals, emphasizing reassurance for the customer, highlighting the physical network for retail chains and building customer loyalty.



**SUSTAINABLE
RETAIL
ENTREPRENEURSHIP
SPEARHEADED
BY YOUNG
FEMALE
ENTREPRENEURS**

04



LEADERS OF THE PACK

YOUNG, FEMALE
ENTREPRENEURS ARE
SPEARHEADING THE WAY
IN SUSTAINABLE RETAIL

Start-ups in sustainable
retail are a playground of
opportunities for women &
next-gen entrepreneurs

66%

Of sustainable retail
start-ups were
founded or co-
founded by women

60%

Of sustainable retail
start-ups were
founded by junior
entrepreneurs

90%

Of UK impact retail
start-ups were
founded by junior
entrepreneurs

WESTFIELD GRAND PRIX 2023 WINNERS:
A KALEIDOSCOPE OF SECTORS, SUSTAINABLE
BUSINESS MODELS AND FOUNDER PROFILES

56%

Were founded or co-
founded by women

100%

Were founded by
young entrepreneurs

56%

Are engaged in a
circular scheme

WESTFIELD GRAND PRIX 2023:

THE WINNERS

WINNER - WESTFIELD GRAND PRIX GERMANY & AUSTRIA:

AIRPAQ

Fashion accessories
upcycled from auto
industry waste.
airpaq.de

WINNER - WESTFIELD GRAND PRIX FRANCE:

BIICOU

Local and refurbished
children's products.
biicou.com

WINNER - PEOPLE'S CHOICE GERMANY & AUSTRIA:

**CLEAN-
LYECO**

Eco-friendly
laundry strips.
cleanly.eco

WINNER - WESTFIELD GRAND PRIX UK:

**KNOWN
SOURCE**

A collective of second-hand
specialists and dealers,
curating the best in fashion.
knownsource.co.uk

WINNER - JURY PRIZE FRANCE:

**LOLO
PARIS**

Inclusive and innovative
lingerie brand.
lolo.paris

WINNER - WESTFIELD GRAND PRIX SPAIN:

**P.J.
LOBSTER**

Handmade eyewear
designed in Barcelona.
projectlobster.com

WINNER - PEOPLE'S CHOICE SPAIN:

QISU

Sustainable dog
accessories.
qisubrand.com

WINNER - PEOPLE'S CHOICE FRANCE:

**SAVANE &
MOUSSON**

Innovative African
and Asian cuisine.
savane-mousson.fr

WINNER - WESTFIELD GRAND PRIX UK:

**THE
SEAM**

Connecting customers with
local, specialist makers to
repair and restore their clothes.
theseam.uk



05

ABOUT





ABOUT UNIBAIL- RODAMCO- WESTFIELD & VERTONE

UNIBAIL-RODAMCO-WESTFIELD

Unibail-Rodamco-Westfield is the creator and operator of a platform of unique, sustainability-driven retail, office and lifestyle destinations that are catalysts for the environmental, economic and social vitality of the communities we serve.



VERTONE

VERTONE is a French independent strategy and management boutique which has developed unique expertise in strategy, marketing, business development and customer experience. Our teams are a recognised authority on developing business revenue and customer/ user satisfaction.





 VERTONE


UNIBAIL-RODAMCO-WESTFIELD