



11 May, 2017

To our stakeholders,

I am pleased to reaffirm Majid Al Futtaim's support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption for the fourth consecutive year. Through the delivery of our sustainability strategy, we are committed to embedding these principles into the way we do business.

Sustainability is at the heart of everything we do at Majid Al Futtaim. We want to lead by example in the Middle East and be recognised as global leaders by applying best sustainable practices within our operations. As you will see from this Communication on Progress, we have continued to take bold strides to recognise the importance of sustainability in our business.

In 2010, we began our sustainability journey with our Properties business given that the majority of our sustainability impact came from there. Recognizing the positive influence of our sustainability work, we undertook a sustainability materiality and risk review in 2014 across our entire group of companies (Majid Al Futtaim - Holding; Majid Al Futtaim - Properties; Majid Al Futtaim - Retail; the sole franchisee of the Carrefour brand in the MENA and Central Asia regions; and Majid Al Futtaim - Ventures) with a view to enhancing our ambitions in line with the sustainability objectives of local, regional and global leaders.

Over the last twelve months and based on our findings, we have spent time carefully considering suitable options for our sustainability approach on a Group level and building on the importance of the private sector's role in contributing to a better and healthier world. This process has led us to commit to being Net Positive in carbon and water by 2040, while continuing to strengthen our social and economic impacts.

As we are still in the process of establishing the required governance structure and putting the tools in place to meet our ambitious and new commitment to Net Positive across the Group, the focus remains predominantly on Majid Al Futtaim – Properties. However, our revised corporate approach to sustainability outlined in this fourth Communication on Progress will include details on our actions under Majid Al Futtaim – Holding, including Majid Al Futtaim - Retail and Majid Al Futtaim – Ventures, to be embedded within our operations. Further details on our Group-wide sustainability approach, spanning all our sustainability issues, will be published over the next year and of which will ensure our support and commitment to upholding the principles of the United Nations Global Compact.

Yours Sincerely,

Alain Bejjani
Chief Executive Officer
Majid Al Futtaim - Holding

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رقم السجل التجاري: ٥٩٣٨٣ - دبي

About this report

This report provides an overview of our previous, current and planned actions to advance the ten principles of the UN Global Compact Principles on human rights, labour standards, the environment and anti-corruption across our sphere of influence.

The report is split by the four different themes that the ten principles fall under: Human Rights, Labour, Environment, and Anti-Corruption. The themes are then split by the following three categories in alignment with the UNGC COP requirements:

- **Assessment, Policy and Goals** – this section includes a description of relevant issues for each theme, as well as Majid Al Futtaim’s policies, public commitments and goals
- **Implementation** – this section includes a description of concrete actions to implement policies, address risks and respond to concerns relevant to each theme
- **Measurement of outcomes** – this section includes a description of how Majid Al Futtaim monitors and evaluates performance

To ensure transparency, we further split our response up according to each Majid Al Futtaim operating company. For clarity, the company structure is demonstrated in the diagram below:



1. Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

Principle 2: Businesses should make sure that they are not complicit in human rights abuses.

1.1. Assessment, policy and goals

Majid Al Futtaim - Holding

Majid Al Futtaim aims to uphold the principles in the Universal Declaration of Human Rights and expects all employees to abide by these principles. We employ over 34,000 people across 84 different nationalities and 15 countries.

In 2016, we launched a [Graduate Management Development Programme](#) called Tomouhi. It aims to support local students with training and development opportunities, such as mentoring from senior Emirati leaders across the business. There will be 15 places for local graduates on the 18 month programme each year, which will be followed by a permanent position with Majid Al Futtaim.

Majid Al Futtaim - Properties

Majid Al Futtaim - Properties' Code of Business Conduct sets out our values, which include ethical actions, honesty, respect for others and teamwork. Their exercise requires an environment that is open, supportive, and interdependent. No action could be more contrary to our values than discrimination.

Majid Al Futtaim - Properties' policies prohibit discrimination and harassment of any kind, and each employee needs to meet this obligation. Discrimination, harassment, slurs, or jokes based on a person's race, colour, creed, religion, national origin, citizenship, age, sex, sexual orientation, marital status, or mental or physical disability are not tolerated.

Majid Al Futtaim - Properties' Code of Business Conduct also includes a health and safety section, which requires all staff to contribute to promoting a safe environment and asserts that Majid Al Futtaim - Properties respects the right of all individuals to work in a safe environment that promotes wellbeing.

In some of the countries we operate in there is a quota for the employment of local people in order to support local skills development and economic growth. Majid Al Futtaim - Properties aims to meet or exceed these quotas wherever possible.

Majid Al Futtaim - Properties' [Labour Standards Policy](#) ensures the protection and enhancement of labour standards amongst our own workforce, our contractors and our direct suppliers. It makes a number of commitments pertaining to wages and benefits, working hours, annual leave, basic worker rights, women's rights, child labour, health and safety, labour accommodation and education. It has been designed to align with international best practice standards, in particular the International Labour Organisation Core Conventions and the requirements set out in the UN Global Compact.

This Labour Standards Policy also includes minimum standards for labour conditions and the health and safety of the supply chain workers on our construction sites and in our assets, and we have special criteria for those supply chain staff resident in labour accommodation camps. Contractors are required to comply with Majid Al Futtaim - Properties' standards and our labour accommodation audits follow International Labour Organisation (ILO) guidance.

Majid Al Futtaim - Retail

As the sole franchisee of the Carrefour brand in the MENA and Central Asia regions, Majid Al Futtaim - Retail applies many of Carrefour's international standards, including those that relate to procurement and our global supply chain. Carrefour's own requirements relating to the United Nations Global Compact are set out in its Code of Business Conduct and its Ethical and Social Charter for Suppliers.

1.2. Implementation

Majid Al Futtaim - Properties

Our Human Capital Policies and Procedures Manual includes details of our equal opportunities commitments and is the principal way in which the practical implementation of our commitments is met.

Details of the implementation of our labour conditions and health and safety commitments are included below in Section 3.

1.3. Measurement of Outcomes

Majid Al Futtaim – Properties

In terms of local employment and skill development, in 2016, 37% of all Majid Al Futtaim – Properties' employees were local people, a small increase from 2015. In order to increase this percentage, we have put in place a number of initiatives including the Graduate Programme described in Section 1.1.

Details of the measurement of outcomes of our labour conditions and health and safety commitments are included below in Section 2.3.

2. Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour.

Principle 5: Businesses should uphold the effective abolition of child labour.

Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.

2.1. Assessment, policy and goals

2.1.1. Assessment

With labour conditions in the regions in which we operate lagging behind international best practice and scrutinised by the press and NGOs, there are considerable risks if we do not manage and improve labour conditions in our supply chain. We also recognise the need to prevent child labour in all of the countries that we operate in and source materials from.

Majid Al Futtaim - Properties

Majid Al Futtaim - Properties has over 1,100 employees. Additionally a significant proportion of Majid Al Futtaim – Properties’ work at construction sites and assets is delivered by contractors, and therefore supply chain standards and auditing are critical to the upholding of the UN Global Compact Labour Conditions Principles. A total of 46,407,115 man hours were worked by contractors on Majid Al Futtaim - Properties’ construction sites in 2016.

In this context, health and safety is a constant management challenge and underpins Majid Al Futtaim - Properties’ licence to operate. Majid Al Futtaim - Properties has put in place many of the building blocks of a robust health and safety management system but more work is needed to establish a holistic and systematic approach across all activities to minimise this risk to our organisation.

2.1.2. Policies and procedures

Majid Al Futtaim - Properties

In 2014, we advanced our approach by introducing a [Labour Standards Policy](#) to ensure the protection and enhancement of labour standards amongst our own workforce, our contractors and our direct suppliers. It makes a number of commitments pertaining to wages and benefits, working hours, annual leave, basic worker rights, women’s rights, child labour, health and safety, labour accommodation and education. It has been designed to align with international best practice standards, in particular the International Labour Organisation Core Conventions and the requirements set out in the UN Global Compact.

In 2015, we worked to ensure that our Labour Standards Policy requirements are included in all new contracts. In 2016, we performed a review of our existing processes and procedures relating to this policy to ensure that the systems we have in place are fit for purpose. Following this process, we have put in place a 2017/18 framework to expand the audit requirements, further embed labour standards within the contractual negotiation process, and to provide contractors with more guidance on meeting the Labour Standards Policy.

Majid Al Futtaim - Properties’ Code of Business Conduct includes a health and safety section, which requires all employees to contribute to promoting a safe environment and which asserts that Majid Al Futtaim - Properties respects the right of all individuals to work in a safe working environment that promotes wellbeing.

The Code of Business Conduct sets out Majid Al Futtaim - Properties’ values which include ethical actions, honesty, respect for others, and teamwork. Their exercise requires an environment that is open, supportive, and interdependent. No action could be more contrary to our values than discrimination.

In some of the countries we operate in there are quotas for the employment of local people in order to support local skills development and economic growth. Majid Al Futtaim - Properties aims to meet or exceed these quotas wherever possible.

Majid Al Futtaim - Retail

As the sole franchisee of the Carrefour brand in the MENA and Central Asia regions, Majid Al Futtaim - Retail applies many of Carrefour's international standards, including those that relate to procurement and our global supply chain. Carrefour's own requirements related to the United Nations Global Compact are set out in its Code of Business Conduct and its Ethical and Social Charter for Suppliers.

2.1.3. Long term goals

Majid Al Futtaim - Properties

By 2018, Majid Al Futtaim - Properties aims to achieve public recognition for transforming labour conditions in the MENA region, both through our work with government authorities and the delivery of a best practice management system.

By 2018, Majid Al Futtaim - Properties strives to achieve zero fatalities and have in place a certified health and safety management system covering all activities.

2.2. Implementation

Majid Al Futtaim - Holding

Majid Al Futtaim is committed to a culture of integrity and ethical behaviour, marked by a sense of openness, honesty and accountability. As a staff body we are all equally responsible for upholding these values and principles. But sometimes we may see or hear something that seems unethical, out of step with our Policies, our Code of Conduct or the Law. In 2016, we launched our *Ethics Hotline* to help support staff in addressing these sorts of concerns. The confidential telephone line provides the opportunity for staff to voice concerns around ethics in the workplace and is available 24 hours a day, 365 days a year.

Majid Al Futtaim - Properties

Majid Al Futtaim - Properties performs bi-annual audits to assess levels of compliance with our labour conditions and health and safety standards, and make improvements to health and safety systems. A total of 63 labour camp audits and 123 health and safety audits were conducted across our malls and offices and construction sites in 2016. During 2016 we also appointed a Project Management Health and Safety Manager to support the development of corporate health and safety standards.

Majid Al Futtaim - Properties uses a staff satisfaction survey to solicit the views of direct employees on their happiness and job satisfaction.

Majid Al Futtaim - Retail

Majid Al Futtaim - Retail audits social standards in our supply chain to ensure that Carrefour's Ethical and Social Charter for Our Suppliers is respected. To ensure employees have the opportunity to voice concerns, Majid Al Futtaim - Retail has a supplier and employee hotline, through which feedback can be given.

Majid Al Futtaim - Retail uses a management survey to gauge the views of employees on their satisfaction working at Majid Al Futtaim - Retail.

To ensure a safe working environment for employees, all hypermarkets and supermarkets have been certified to the ISO 18001 Occupational Health and Safety Standard and hygiene training is given to employees. In addition, Hazard Analysis and Critical Control Point (HACCP) certification is used to further improve the occupational conditions of hypermarkets and supermarkets.

2.3. Measurement of Outcomes

Majid Al Futtaim - Properties

We assess the progress of all our sustainability activities including those related to labour. To ensure the delivery of long term sustainability goals, Majid Al Futtaim - Properties sets and tracks annual targets and key performance indicators which are externally audited on a quarterly basis. Progress is directly reported on a bi-annual basis to the Board and publicly in our annual financial and sustainability reports. To ensure continual improvement, we have established a Sustainability Steering Group, which includes the CEO, and is supported by national sustainability groups. The Sustainability Steering Group meets on a quarterly basis to review our progress and implement changes where required.

Majid Al Futtaim - Retail

In accordance with Carrefour international standards, Majid Al Futtaim - Retail regularly audits suppliers to ensure that its labour standards set out in the “Ethical and Social Charter for Our Suppliers” are respected.

3. Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges.

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

3.1. Assessment, policy and goals

3.1.1. Assessment

Majid Al Futtaim - Holding

In early 2016, following a detailed internal analysis, Majid Al Futtaim – Holding identified carbon and water as the most material environmental issues, and subsequently conducted an assessment into the feasibility of achieving Net Positive in these areas. The resulting Net Positive commitment is described in more detail in Sections 3.1.2 and 3.1.3 and will be launched in 2017.

Majid Al Futtaim - Properties

Majid Al Futtaim - Properties' operational portfolio has an absolute carbon footprint of 585,634 tonnes of CO₂e in 2016. This is only set to increase as we continue to rapidly expand our portfolio across the region.

As a market leader in the development of world class shopping malls and communities in the Middle East, Majid Al Futtaim - Properties wants to build high performance assets to international standards. For us this means using best practice green building standards. However, this continues to be challenging in our operating markets where environmental standards are yet to be enshrined consistently in building codes and regulations.

We operate in some of the most water-scarce countries in the world where energy-intensive desalination is common place. We need to minimise our water footprint to protect the long term availability of water and to reduce associated carbon emissions.

Poor waste infrastructure across the markets in which we operate, and a waste footprint of 56,230 tonnes in 2016, means waste management is an ongoing challenge for our business. If managed properly, this could become a net positive income stream for our business.

With Majid Al Futtaim - Properties' malls and hotels receiving over 178 million visitors in 2016, Majid Al Futtaim - Properties has a huge opportunity to engage with customers and visitors to help them live sustainable lives. This represents a significant opportunity for us to operate as a sustainability 'change agent'.

3.1.2. Policies and procedures

Majid Al Futtaim - Holding

Following the completion of a Net Positive feasibility assessment in early 2016, we have been developing a Net Positive approach which will be finalised and launched during 2017.

Majid Al Futtaim - Properties

Majid Al Futtaim - Properties' **Sustainability Policy** sets out our broad, high level commitment to delivering our sustainability strategy.

The Majid Al Futtaim - Properties' **Green Building Policy** specifies detail on the minimum green building standards which all Majid Al Futtaim - Properties' projects must achieve during design, delivery and operation, and provides guidance on how to achieve these standards. A target of achieving LEED Gold/equivalent accreditation has been set for all assets.

Majid Al Futtaim - Properties' **Energy Management Policy** sets out how all property divisions should approach the design, development, delivery and operation of their properties in order to reduce their electricity and water consumption. The policy aims to: limit and control electricity and water wastage, minimize electricity and water costs through the property lifecycle, and reduce carbon emissions and environmental impacts.

Majid Al Futtaim - Properties' **Pre-Acquisition Policy** seeks to identify major environmental risks and to ensure that these are properly considered as part of the due diligence undertaken before the acquisition of development sites, new land or new buildings.

Our **Sustainability Implementation Plans** are developed for each new project to ensure that all developments are created in line with the Sustainability Policy.

Majid Al Futtaim - Retail

As the sole franchisee of the Carrefour brand in the MENA and Central Asia regions, Majid Al Futtaim - Retail applies many of Carrefour's international standards, including those that relate to procurement and our global supply chain. Carrefour's own requirements related to the United Nations Global Compact are set out in its Code of Business Conduct and its Ethical and Social Charter for Suppliers.

3.1.3. Long term goals

Majid Al Futtaim - Holding

Majid Al Futtaim – Holding has **committed to achieving Net Positive** for carbon emissions and water consumption by 2040. This commitment spans all of our operating companies. In doing so, we will help provide a framework to ensure the private sector becomes a force for good, further protecting our shared resources in a region that faces challenges around water scarcity and energy consumption. We are extremely proud to be the first company in the Middle East to commit to such a target and hope our action inspires others in the region follow suit.

Majid Al Futtaim - Properties

Majid Al Futtaim - Properties aims to create and manage resource efficient assets, communities and infrastructure.

We will build and operate all assets to best practice green building standards in the MENA region.

3.2. Implementation

3.2.1. Concrete actions to date

Majid Al Futtaim - Properties

In 2010, we established energy, water and waste baselines across our portfolio. Since then we have invested a significant amount in improving the energy and water efficiency of assets. This includes measures such as the installation of energy efficient equipment including LED lighting and efficient building services plants.

To engage tenants Majid Al Futtaim - Properties has developed a Green Star Rating system to assess the environmental credentials of tenants' shop fit-outs. The system appraises the measures taken by the tenants in our shopping malls to reduce their impact on the environment and takes into consideration energy, water and waste efficiency. A Green Star Rating Manager, who oversees, and drives improvements in green building performance across Majid Al Futtaim - Properties' malls portfolio, has been in post since 2014. In 2016 336 of our tenants have successfully achieved three Green Stars or more, with 13 tenants achieving the coveted five green star rating.

To further expand our measurement and reporting of our total impact we introduced environmental data monitoring for our construction sites in 2013. This process is gradually being rolled out across all our construction sites.

Majid Al Futtaim - Properties has engaged millions of customers through environmental communications in malls and hotels. In 2016 we carried out a customer engagement survey on sustainability, harnessing the views of visitors to our Malls and Hotels to understand their appetite for sustainability initiatives, and decipher which issues most capture their imagination. This information will be used to develop a customer engagement campaign in 2017. Majid Al Futtaim - Properties also supported Earth Hour for the ninth consecutive year in 2016.

Finally, as part of Majid Al Futtaim - Properties' commitment to producing high performance assets and minimising our impacts, we commissioned high level research into renewable energy technology investment and installation. As a result we are proud to have launched a series of renewable energy commitments in 2016, as set out in the case study on p12.

Majid Al Futtaim - Retail

In 2013, Carrefour announced the launch of its Eco-Friendly shopping bags; reusable bags made entirely of recycled material. The bags are available to purchase at a nominal fee of AED 5 (USD 1.36) from all Carrefour stores and will help reduce plastic bag usage and waste in the UAE.

As part of its environmental CSR programme, Carrefour has been involved in a number of beach and desert clean-ups throughout the GCC. Volunteers from Carrefour's workforce took time out of their weekends to help pick up rubbish along coastlines and desert areas, reducing the amount of litter that damages wildlife and helping to preserve these eco-systems.

Majid Al Futtaim - Retail is benchmarking the utility performance of our portfolio of stores and trialling closed refrigeration to improve the resource efficiency of our operations.

Majid Al Futtaim - Ventures

Majid Al Futtaim - Ventures has put in place a waste reduction programme and enacted initiatives to reduce water and energy use at Ski Dubai.

3.2.2. Next steps

Majid Al Futtaim - Properties

Majid Al Futtaim - Properties has set a range of long term environmental and green building targets, aiming to reduce like for like energy and water use and waste production. We will continue to invest in capital projects to improve environmental performance.

In 2017, we will be publishing a piece of thought leadership into water scarcity in the MENA region. We hope that by raising this important issue, and discussing how we address the risks associated with water consumption, we might encourage other companies to consider their own approach.

3.3. Measurement of Outcomes

3.3.1. Approach

Majid Al Futtaim – Holding

In order to meet our **Net Positive commitment**, we need to fully understand our carbon and water impacts across the Group. We will be working to reduce and then balance our impacts, before making a positive contribution by 2040. We will do this by measuring our current carbon and water impact and implementing measures to reduce them. These measures will be focused on decreasing carbon emissions and water consumption at all assets across the region and will range from small scale energy efficiency measures and on-site renewable energy installations to on-site rainwater harvesting and grey water recycling. In the long term, Majid Al Futtaim will create a positive impact by providing more accessible and better quality water to local communities where it has extracted water for business purposes.

Majid Al Futtaim - Properties

We regularly assess the progress of all of our sustainability activities. To ensure the delivery of long term sustainability goals, Majid Al Futtaim - Properties sets and tracks annual targets and key performance indicators which are externally audited on a quarterly basis. Progress is directly reported on a bi-annual basis to the Board and publicly in our annual financial and sustainability reports. To ensure continual improvement, we have established a Sustainability Steering Group, which includes the CEO, and is supported by national sustainability groups. The Sustainability Steering Group meets quarterly to review progress and implement changes where required.

Our annual Sustainability Report is aligned with the Global Reporting Initiative principles and we participate in the Global Real Estate Sustainability Benchmark (GRESB) through which we, and our stakeholders, are able to better understand our performance in comparison with that of our peers. We provide a separate report on environmental data in line with the European Public Real Estate (EPRA) Sustainability Best Practice Recommendations. This can be downloaded from our website.

Majid Al Futtaim - Properties' first set of environmental targets were established for the period 2010 to 2013. The most recent set of environmental targets were set using a bottom up target setting approach. Performance in the baseline year of 2014 was analysed to see what improvements or reductions had been achieved at each individual asset to date. Based on the history of each asset and the available CAPEX funds, the engineers forecasted what potential improvements or reductions could be achieved at each individual asset. This was used to set a challenging but achievable asset level target to aim for by 2018. The asset level targets were aggregated at a portfolio level to produce the portfolio level targets which act as the corporate targets outlined. In addition, the 5 year targets were annualised to calculate what level of improvement or reduction was required each year on the path to 2018.

3.3.2. Performance

Majid Al Futtaim – Holding

Ensuring Majid Al Futtaim – Holding is net positive for carbon and water by 2040 means establishing a robust monitoring framework, to measure our performance, and the performance of our tenants on an ongoing basis. During 2017 we will establish a baseline against which performance will be measured over time.

Majid Al Futtaim - Properties

To measure the resource efficiency of assets, at the end of 2013, Majid Al Futtaim - Properties launched a new set of long-term environmental targets. Since this launch, highlights have been:

- **12% reduction in like-for-like landlord shared services and common parts energy consumption (kWh/m²) for malls against a 2014 baseline**
- **13% reduction in whole building energy intensity across the office portfolio against a 2014 baseline**

- **7% reduction in water consumption (m³) for hotels against a 2014 baseline**
- **60% recycling rate across the office portfolio**

Full details on Majid Al Futtaim - Properties' environmental performance can be found in our 2016 Sustainability Report.

Case Study: Using renewables to become more energy efficient

We reached a significant landmark in 2016 with the launch of our [renewable energy white paper](#), which sets out plans for an investment in renewable energy of AED 152 million that will reduce our annual carbon footprint by 27,000 absolute tonnes of carbon and will deliver a return on investment in as little as nine years.

In line with this environmental commitment we will now aim to source a minimum of 7.5% of our energy consumption from solar energy via solar panels at all new developments and a minimum of 5% in existing buildings by the end of 2017. We will also look into using thermal and ground source cooling technology whenever feasible.

In addition, assessments will be carried out into the feasibility of establishing offsite solar and wind power plants and large scale solar panel installations. And we will establish power purchasing agreements with partner businesses that support the growth of renewable energy across the region.

Work is already underway on delivering on our new target. Our City Centre Me'aisem mall in Dubai has car park shading structures featuring integrated solar panels that generate 12% of the annual energy consumption of the entire building, and similar arrangements have been put in place at the My City Centre Al Barsha mall, also in Dubai. We are investigating the installation of solar facilities across a number of other assets and in 2016 obtained internal sign off for work at two properties.

The white paper is the first in a series of thought leadership publications, of which there will be more in 2017, and gives us a leadership position in the region. It also provides stakeholders with a useful understanding of our business and environmental case for investing in renewable energy.

Majid Al Futtaim - Retail

Majid Al Futtaim – Retail has also experienced improvements in environmental performance during 2016, most notably through the installation of LED lighting which has led to energy consumption reductions.

Majid Al Futtaim - Ventures

Majid Al Futtaim – Ventures similarly implemented both energy and water initiatives across the portfolio in 2016. There is a well-established water recycling process at Ski Dubai, whereby used snow is transferred to a melting pit and then used for air-conditioning in the adjoining shopping centre, as well as irrigation for the surrounding gardens.

4. Anti-Corruption

Principle 10: Businesses should work against all forms of corruption, including extortion and bribery.

4.1. Assessment, policy and goals

4.1.1. Assessment

At Majid Al Futtaim we recognise that the countries we operate in can present challenges related to bribery and corruption. This can be a result of political conditions or the lack of good corporate governance. Corruption presents a risk to the success of our business and we resolutely seek to minimise our exposure to corruption.

4.1.2. Policies and procedures

To ensure effective governance, we have voluntarily adopted the principles of the UK's Combined Code on Corporate Governance. The code sets out principles that inform how the management and board of an organisation are structured, remunerated, held accountable and engage with shareholders.

Across the Group we implement a robust risk management framework which covers corruption and bribery risks. As an example of how this translates into our operations, each Majid Al Futtaim business uses country risk registers. The risk registers assess the quality of governance in each country and the risk that staff may be exposed to corrupt behaviour. Where risk is identified, the Majid Al Futtaim business assesses our strategy for managing the risk and, where necessary, takes action to improve procedures and protocols.

4.1.3. Long term goal

Majid Al Futtaim places considerable emphasis on upholding best practice approaches to governance and transparency. We believe strong corporate governance is fundamental to making better commercial decisions over the long term and ensuring that risks, including those related to bribery and corruption, are reduced to the greatest extent possible. Our goal is to maintain international best practice corporate governance.

To demonstrate our commitment to corporate governance, Majid Al Futtaim became a founding partner of the Pearl Initiative in 2012. The Pearl Initiative is a GCC based private sector-led not-for-profit organisation set up in collaboration with the UN Global Compact. We aim to support the Pearl Initiative's objective to drive the adoption of best practice in corporate governance throughout the GCC and to tackle issues including bribery and corruption. We count this objective among our own goals.

4.2. Implementation

4.2.1. Concrete actions to date

To comply with the UK's Combined Code on Corporate Governance we have put in place world-class boards at all of our operating companies, chaired by and with a majority of independent non-executive directors.

We conduct due diligence and regular audits to ensure that all applicable laws and regulations in the countries in which we operate are complied with including those related to corruption and bribery.

As part of the Pearl Initiative, Majid Al Futtaim actively contributes to roundtable discussions and thought leadership on the challenges of bribery and corruption within the GCC region. At these meetings, we share our insights and learnings to help improve the policies and actions of other organisations to mitigate the risk of corrupt practice in GCC markets.

In 2015 Majid Al Futtaim - Holding partnered with Expolink to set-up a fully independent whistleblowing hotline to encourage employees to speak up if they hear something that is unethical, out of step with our Policies, our Code of Conduct or the Law. Employees are still encouraged to speak to their line manager or a member of the Ethics Committee if they so wish, but the hotline gives employees the option of remaining anonymous.

Majid Al Futtaim - Retail

Majid Al Futtaim - Retail, which controls Carrefour operations in the MENA and central Asia regions, operates in accordance with Carrefour's international standards and supports Carrefour's Code of Business Conduct and Social and Ethical Charter for suppliers which require all employees, suppliers and sub-contractors to refuse all forms of corruption.

4.2.2. Next steps

In 2014, Majid Al Futtaim continued to implement international best practice in corporate governance by further developing the risk management framework within all businesses.

4.3. Measurement of Outcomes

We have clear codes of business conduct across our operating companies. We expect our staff to sign these codes annually. The Group also has clear governance with transparent terms of reference.

All figures stated are correct as of 11 May 2017 and may be subject to change.