

11 May, 2018

To our stakeholders,

I am pleased to reaffirm Majid Al Futtaim's support of the Ten Principles of the United Nations Global Compact (UNGC) in the areas of Human Rights, Labour, Environment and Anti-Corruption. Through the delivery of our new company-wide sustainability strategy, *Dare Today, Change Tomorrow*, we will embed these principles in every aspect of our business.

At Majid Al Futtaim, we recognise and take responsibility for our impact. Our shopping centres, hypermarkets, hotels, community developments, leisure and entertainment offerings exist to create great moments for everyone, everyday. Being a sustainable business goes hand-in-hand with our vision and is critical to our growth and commercial success. We are leading by example in the Middle East, and working diligently to be recognised as a global leader, by applying best practices within our operations.

As you will see from this Communication on Progress report, we continued to take bold strides in 2017 that place sustainability at the heart of our business. Our new company-wide sustainability strategy, launched last month, brings all our operating companies together under one overarching sustainability umbrella. *Dare Today, Change Tomorrow* will ensure that the sustainability issues that matter most to our business are managed across the Group.

In 2017, we launched our commitment to become Net Positive in carbon and water by 2040. This goal will support future-proofing of the environments in which we build and operate. It is a significant undertaking and I am proud that Majid Al Futtaim is the first company based in the Middle East to make this commitment.

This, our fifth UNGC Communication on Progress, details the actions Majid Al Futtaim has taken to meet the Ten Principles of the UNGC. For now, our focus remains predominantly on Majid Al Futtaim – Properties, where we began our sustainability journey and where we continue to experience the greatest impact. Our new strategy also will advance our commitment to uphold the UNGC principles across our other businesses.

Sustainability will always be an integral part of who we are, what we do and how we operate. I believe *Dare Today, Change Tomorrow* represents a huge opportunity for Majid Al Futtaim to be a catalyst for positive change in our region and beyond.

Sincerely,



Alain Bejjani
Chief Executive Officer
Majid Al Futtaim - Holding

HOLDING

PO Box 91100, Dubai, United Arab Emirates
T +971 4 294 9999
F +971 4 294 0217

majidalfuttaim.com

Majid Al Futtaim Holding LLC issued capital AED 2,486,729,000
Commercial registration number: 59383 - Dubai

القابضة

ص.ب. ٩١١٠٠، دبي، الإمارات العربية المتحدة
هاتف: +٩٧١ ٤ ٢٩٤ ٩٩٩٩
فاكس: +٩٧١ ٤ ٢٩٤ ٠٢١٧

ماجد الفطيم القابضة ش. ذ. م. رأس المال ٢.٤٨٦.٧٢٩.٠٠٠ درهم إماراتي
رقم السجل التجاري: ٥٩٣٨٣ - دبي

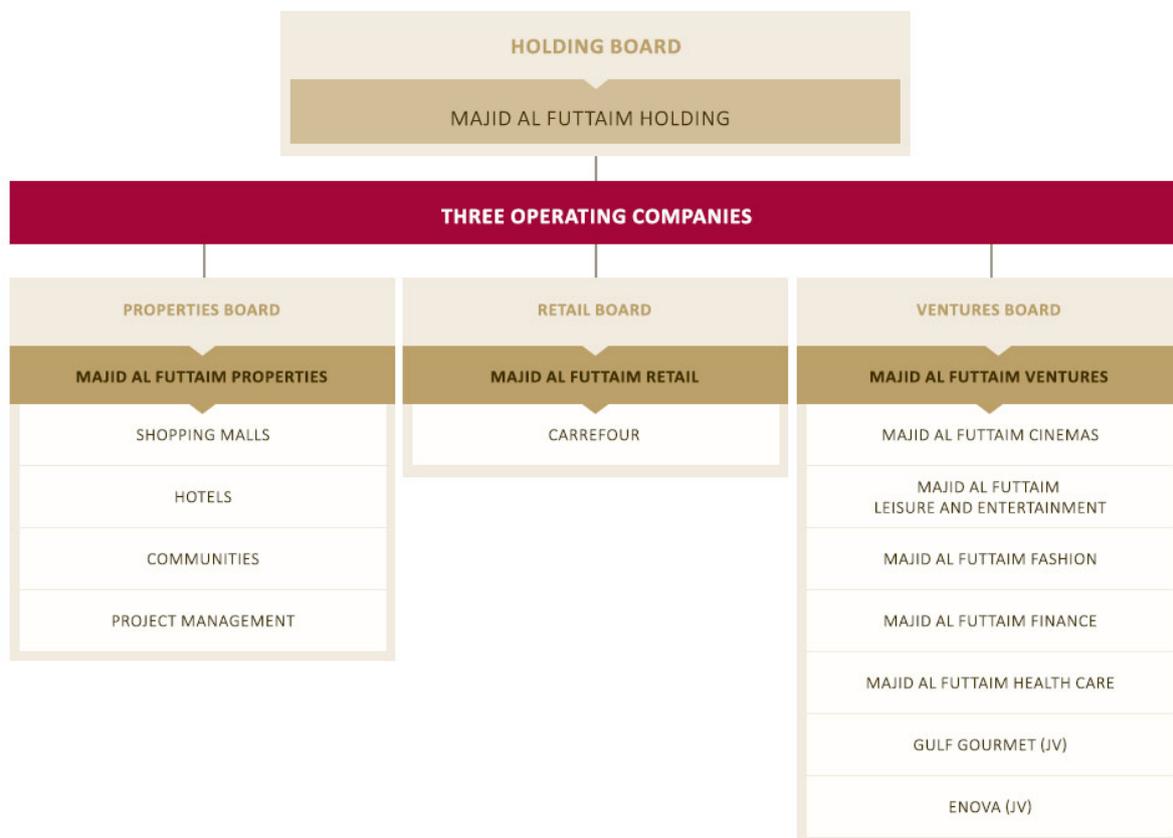
About this report

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

At Majid Al Futtaim, we believe how we do business is as important as what business we do. We are committed to a culture of integrity and ethical behaviour and encourage a culture of openness, honesty and accountability. 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 40,000 people across 15 countries.

Majid Al Futtaim – Holding’s [Code of Conduct](#) sets out a common set of behaviours to which every member of Majid Al Futtaim must comply. These behaviours are applicable across all our environments and irrespective of Business Unit or Operating Company.

Majid Al Futtaim – Holding’s Code of Conduct and policies prohibit discrimination and harassment of any kind. We are proud to promote a values-led, diverse and inclusive culture where colleagues are treated fairly and with respect. Our Code of Conduct also includes a health and safety section, which requires all employees to contribute to ensuring a safe, healthy and injury-free workplace for our colleagues and customers.

In 2017 we carried out a strategic sustainability review to develop a strategic approach to sustainability for the Group. As part of this review we identified the following material issues: healthy workplaces, training & development, human rights & employment conditions, health & safety and the changing role of women in the workplace, demonstrating the importance of this range of human rights and labour related issues to our business. Following the review, and as part of our Group wide strategy, in 2018 we created the Majid Al Futtaim [Sustainability Policy](#) which sets out the business’ corporate approach to sustainability.

Majid Al Futtaim - Properties

Majid Al Futtaim - Properties’ [Employment Conditions 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 employee rights, women’s rights, child labour, health and safety, employee 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 Employment Conditions 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. In 2017, we updated the policy so that suppliers and contractors who fail to comply face the risk of contract termination and exclusion from any future tendering process with immediate effect.

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.

In 2017, we also set up an Employment Conditions Task Force to ensure the requirements of our Employment Conditions Policy - such as carrying out documentation checks and monitoring hours worked – are applied consistently.

Details of the implementation of our employment conditions and health and safety commitments are included below in Section 2.

1.3. Measurement of Outcomes

Majid Al Futtaim – Holding

At Majid Al Futtaim, all employees are equally responsible for upholding the Code of Conduct. We have established an [Ethics Hotline Process](#) for raising concerns about Code of Conduct breaches. The Ethics Panel is responsible for evaluating cases and overseeing corrective actions and/or disciplinary measures.

Majid Al Futtaim – Properties

To understand the performance of our direct suppliers and contractors against our standards, we require our suppliers and contractors to maintain accurate records of compliance, make all relevant documentation available to Majid Al Futtaim Properties and provide access to all relevant sites and facilities to Majid Al Futtaim – Properties auditors or any designated third-party audit company.

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

Majid Al Futtaim – Holding

Majid Al Futtaim is committed to protecting the rights of our employees and upholding best practice labour standards. 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.

In 2017 we carried out a strategic sustainability review to develop a strategic approach to sustainability for the Group. As part of this review we identified the following material issues: healthy workplaces, training & development, human rights & employment conditions, health & safety and the changing role of women in the workplace, demonstrating the importance of this range of human rights and labour related issues to our business. Following the review, and as part of our Group wide strategy, in 2018 we created the [Majid Al Futtaim Sustainability Policy](#) which sets out the business' corporate approach to sustainability.

Majid Al Futtaim – Properties

Majid Al Futtaim – Properties has over 1,300 employees. In addition, 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 53,847,102 person hours were worked by contractors on Majid Al Futtaim - Properties' construction sites in 2017.

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. We are currently working towards achieving OHSAS 18001 certification in 2018.

2.1.2. Policies and procedures

Majid Al Futtaim – Holding

Majid Al Futtaim – Holding's [Code of Conduct](#) sets out our commitment to not tolerate any form of discrimination. We are proud to promote a values-led, diverse and inclusive culture where colleagues are treated fairly and with respect.

Majid Al Futtaim – Holding's commitment to diversity and inclusion applies – but is not limited – to our practices and policies on talent recruitment and selection; compensation and benefits; professional development and training; promotions; transfers; terminations; and the ongoing development of a workplace environment.

The Code of Conduct also includes a health and safety section, which requires all employees to contribute to ensuring a safe, healthy and injury-free workplace for our colleagues and customers.

Majid Al Futtaim - Properties

Majid Al Futtaim - Properties' [Employment Conditions 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.

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

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.

Majid Al Futtaim - Properties strives to achieve zero fatalities. This goal will be supported by a certified health and safety management system covering all activities, which we aim to have in place by the end of 2018.

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. We have set up an 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

At Majid Al Futtaim – Properties, we ensure that our Employment Conditions 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 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 Policy.

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 126 employee accommodation audits and 150 health and safety audits were conducted across our malls and offices and construction sites in 2017. We have 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 also 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 OHSAS 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.

Full details on Majid Al Futtaim - Properties' performance on labour-related issues can be found in our Sustainability Report.

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

Majid Al Futtaim - Holding is committed to limiting our environmental impact and setting the standard for sustainable development in the region. As a company, we believe we have a responsibility to tackle climate change and water scarcity, both of which are critical issues in the MENA region.

In 2017, we announced our commitment to become [Net Positive](#) in carbon and water across all Operating Companies by 2040. This means that over the next two decades, Majid Al Futtaim will undergo a transformation that will result in us putting back more into the environment than we take out.

In addition, we will continue to address all of our other material environment issues identified in our latest strategic sustainability review. These include: climate change adaptation, ecosystem services and the circular economy.

Majid Al Futtaim - Properties

Majid Al Futtaim - Properties' operational portfolio has an absolute carbon footprint of 596,833 tonnes of CO₂e in 2017. 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.

Basic waste infrastructure across the markets in which we operate, and a waste footprint of 60,526 tonnes¹ in 2017, 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 186 million visitors in 2017, 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 - Properties

Majid Al Futtaim - Properties' [Sustainability Policy](#) sets out our broad, high level commitment to delivering our sustainability strategy.

The Majid Al Futtaim - Properties' [Sustainable Building Policy](#) specifies detail on the minimum green building standards which all Majid Al Futtaim - Properties' projects must achieve during design, delivery and operation,

¹ Excluding Mall of Egypt waste

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.

3.2. Implementation

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 2017, 514 of our tenants have successfully achieved three Green Stars or more, with 46 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. In 2017, we used this research to develop our 'One Drop Means a Lot' water conservation campaign. The campaign ran across our Malls and aimed to empower visitors to reduce water consumption by raising awareness of daily consumption. Majid Al Futtaim - Properties also supported Earth Hour for the tenth consecutive year in 2017.

Finally, as part of Majid Al Futtaim - Properties' commitment to producing high performance assets and minimising our impacts, we have established a set of [renewable energy targets](#) which outline our commitment to using solar energy across our existing portfolio and new developments.

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. We have also installed LED lighting which has led to energy consumption reductions.

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. 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.

Measurement of Outcomes

3.2.1. 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. In 2017, we established baselines against which performance will be measured over time.

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.

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.

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

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

Majid Al Futtaim - Holding

Majid Al Futtaim - Holding 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. At Majid Al Futtaim, we pride ourselves on our obligation to uphold the highest standards of ethics with each other, our customers, business partners, government and society at large.

4.1.2. Policies and procedures

Majid Al Futtaim - Holding

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.

Majid Al Futtaim – Holding's [Code of Conduct](#) sets out our commitment to complying with the highest standards and laws governing anti-bribery and corruption. As such we have adopted the principles of the UK's Anti-Bribery Act.

In addition, we have established a [Gifts, Hospitality and Entertainment Policy](#) to set out the expected principles and behaviours of Majid Al Futtaim employees when giving or receiving Gifts, Hospitality or Entertainment.

4.1.3. Long term goals

Majid Al Futtaim - Holding

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

Majid Al Futtaim – Holding

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.

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.

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.

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.

4.3. Measurement of Outcomes

Majid Al Futtaim - Holding

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.

We have established an Ethics Panel in each Operating Company. The Ethics Panel reports to the CEO and is a multidisciplinary independent body with representation from Compliance, Legal and Human Capital. The Panel is responsible for ensuring that all reports of alleged misconduct are promptly and thoroughly substantiated, handled in line with the criticality level, and initiate independent investigations. When applicable, it will also propose corrective measure and/ or disciplinary action to the CEO of their respective company.

All figures stated are correct as of 11 May 2018 and may be subject to change.