

MAJID AL FUTTAIM – SUSTAINABILITY

# UNITED NATIONS GLOBAL COMPACT COMMUNICATION ON PROGRESS 2020



I am pleased to reaffirm Majid Al Futtaim's continued support for the Ten Principles of the United Nations Global Compact that are derived from the areas of Human Rights, Labour, Environment and Anti-Corruption.

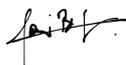
As the leading shopping mall, communities, retail and leisure pioneer across the Middle East, Africa and Asia, and with over 44,000 team members in 16 countries, we are proud of our commitment to people and the planet. We strive to lead by example through the power of collaboration by working with the government and other diverse stakeholders on the path to a more sustainable world.

It's through our sustainability strategy, 'Dare Today, Change Tomorrow,' that we address and tackle some of the most pressing issues facing our planet – from the climate crisis, to an inclusive, safe and healthy workplace, to the social and environmental challenges in markets where our people live and work. At Majid Al Futtaim, we continually challenge ourselves to positively impact communities, the environment, the economy and our customers. We've made great strides but recognise that we must continue to set the stage for our long-term success, driven by our people, our values, our policies and strategies.

Our seventh United Nations Global Compact Communication on Progress details Majid Al Futtaim's progress, actions and initiatives taken to meet the Ten Principles of the United Nations Global Compact. This includes progress on our Net Positive commitment, strengthened this year through the development and impending launch of our circular economy strategy. We also provide further detail on our commitment to safeguarding human rights and employment conditions throughout our operations, by rolling out a company-wide Employment Conditions Policy, which previously only covered one of our operating companies, but now supports all our employees and businesses. It also demonstrates how, through partnerships with key stakeholders, we continue to drive greater impact.

We are committed to doing our part to embed the principles of the United Nations Global Compact across our operations. The world will continue to evolve and present us with new and complex challenges, but we will adapt by keeping our sustainability strategy realistic and relevant. Our ambition to deliver long-lasting, positive change will always remain the same.

Regards,



Alain Bejjani  
Chief Executive Officer  
Majid Al Futtaim – Holding

## ABOUT THIS REPORT

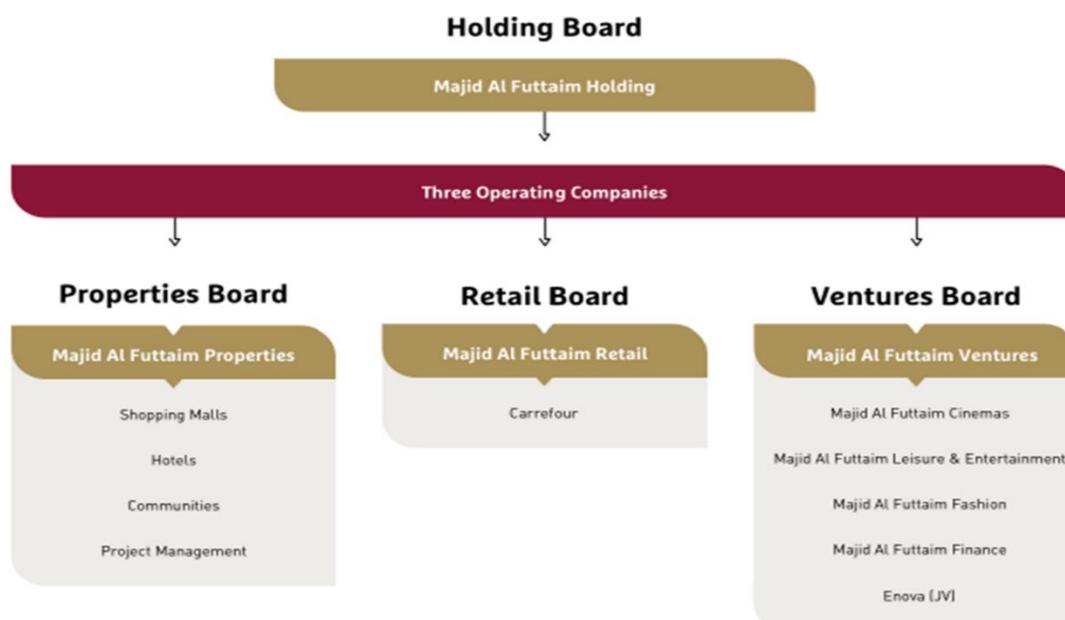
This report provides an overview of our previous, current and planned actions to advance the ten principles of the UN Global Compact on human rights, labour standards, the environment and anti-corruption across our sphere of influence.

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

For clarity, our company structure is demonstrated in the diagram below:

Figure 1. Majid Al Futtaim company structure



## DARE TODAY, CHANGE TOMORROW AND UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

We have set in motion a Company-wide strategy that will transform the way we do business over the coming decades, making sustainable thinking a natural component of every business decision we make. *Dare Today, Change Tomorrow* brings together all Majid Al Futtaim’s businesses under one overarching sustainability strategy. This is a bold strategy that will revolutionise our organisation through three strategic areas of focus.

Figure 2. *Dare Today, Change Tomorrow* focus areas and material issues



Over the past year, we’ve worked hard to continue embedding our strategy across our business and into every decision that we take. To ensure this, sustainability is included as an item in business meetings and board reports to allow for discussion of the topic as well as performance progress at all levels. We believe that embedding sustainability into the core of our daily operations and reporting will help us achieve a significant impact.

Our Company-wide culture of transparency and accountability has led the Chief Executive Officer of each Operating Company to set sustainability targets for themselves, to ensure the strategy is being driven from the highest level of our business. As we continue to grow and move towards our first Sustainable Business Commitments to be met by 2022, this will help us realise our longer-term sustainability vision to create a way of life for a positive future.

To ensure the delivery of our sustainability goals, each Operating Company’s sustainability manager will track our sustainability targets and actions on a quarterly basis to ensure that progress is being measured and managed, enabling any issues to be highlighted as early as possible. Progress against our sustainability targets is also tracked quarterly and audited on an annual basis by a third-party auditor. This year, for the first time, our sustainability targets, as well as our environmental data for Majid Al Futtaim – Properties’ Green Sukuk portfolio for 2018 and 2019, have been fully assured by a third-party auditor. For further information please refer to [Green Sukuk Report](#) and [Independent Assurance Statement](#). This is of particular relevance to this Communication on Progress report, as it demonstrates a commitment to enhancing transparency, and enables us to demonstrate to our stakeholders the credibility of the work we are doing to reach our sustainability ambition.

*Dare Today, Change Tomorrow* is aligned and directly contributes to addressing 10 out of the 17 UN Sustainable Development Goals (SDGs). In addition, we will contribute to addressing the other 7 SDGs indirectly. Across our three strategic focus areas we are working to transform lives in the communities we serve to provide a healthy, fulfilling and sustainable way of life, rethink resources to make a net positive impact and empower our people to unlock their full potential. To support the ambitions of our sustainability strategy, we are developing a series of exciting initiatives and have put in place Company-wide targets to track our progress. In meeting these targets, we will contribute directly to 10 UN SDGs.

Figure 3. *Dare Today, Change Tomorrow* and United Nations Sustainable Development Goals



## 1. HUMAN RIGHTS

	<p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.</p>
<p><b>HUMAN RIGHTS</b></p>	<p>Principle 2: Businesses should make sure that they are not complicit in human rights abuses.</p>

### 1.1 ASSESSMENT, POLICY AND GOALS

#### 1.1.1 ASSESSMENT

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, suppliers and contractors to abide by these principles.

The broad scale of our operations, across 16 countries and employing over 44,000 people, means that we have a significant role to play. Our commitment to safeguard human rights and employment conditions throughout our operations is an important part of *Dare Today, Change Tomorrow* and our ambition to lead by example.

#### 1.1.2 POLICIES AND PROCEDURES

This year, Majid Al Futtaim – Properties’ [Employment Conditions Policy](#) was adapted and rolled out across the entire Company to ensure every person who works for us has appropriate conditions to do so. With the inclusion of Majid Al Futtaim – Ventures and Majid Al Futtaim – Retail, we have taken a huge step to include an additional 42,000 employees and ensure the protection and enhancement of labour standards amongst our own workforce, our contractors and our direct suppliers (Tier 1). The policy 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 drafted 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. Suppliers and contractors who fail to comply face the risk of contract termination and exclusion from any future tendering process with immediate effect.

Our [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. We are proud to promote a values-led, diverse

and inclusive culture where colleagues are treated fairly and with respect. Our policies prohibit discrimination and harassment of any kind. 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.

### 1.1.3 LONG-TERM GOALS

One of the strategic focus areas of our Company-wide sustainability strategy is Empowering Our People. Our people are our greatest asset; which is why we are committed to protecting the rights of our employees by upholding best practice working conditions and ensuring that our suppliers and contractors do the same. To support this ambition, all our Operating Companies have committed to:



Promoting the advancement of international human rights by ensuring accommodation and employment conditions for all employees and direct (tier 1) contractors comply with the International Labour Organisation's (ILO) eight core conventions.

## 1.2. IMPLEMENTATION

### 1.2.1 IN THE WORKPLACE

#### **Ethics Panel and Code of Conduct Panel**

By fostering a culture of openness to ask questions, we aim to prevent non-compliant behaviour, protecting the welfare and safety of our operations, our reputation and each other. Both colleagues and business partners are expected to raise questions or concerns about behaviours or events that might infringe on our commitments to promoting human rights. To support the implementation of our Code of Conduct and supporting policies, there is an Ethics Panel present in each of our Operating Companies. It is a multidisciplinary independent body with representation from Compliance, Legal and Human Capital. The Ethics Panel consists of the Chief Compliance Officer, CEO or their delegate, the General Counsel and Chief Human Capital Officer. Their responsibilities include:

- deploying a “speak up” culture;
- ensuring that all reports of alleged misconduct are promptly and thoroughly substantiated, handled in line with the criticality level, and independent investigations are initiated;
- proposing corrective measures and/or disciplinary actions to the CEO of their respective company (when applicable).

In addition to the processes we have in place to support the implementation of the Code of Conduct, we have set up an Employment Conditions Committee to oversee the implementation of the Employment Conditions Policy. The committee ensures the requirements of our Employment Conditions Policy - such as carrying out documentation checks and monitoring hours worked – are

applied consistently. The committee oversees the audit process we have in place to support the implementation of the policy and track compliance with its requirements. As we deployed the Employment Conditions Policy across the business, we have expanded this committee to include representatives from each of our Operating Companies.

### **Health & Safety Audits**

We conduct regular Health & Safety audits to understand the performance of our direct suppliers and contractors against the standards set out in our Company-wide Employment Conditions Policy. We continue to take pride in the impact of the policy across our projects. For instance, a significant number of direct suppliers' and contractors' employees live in employee accommodation. Audits are performed on the accommodation twice a year and scored against set criteria in areas such as facilities, health and safety and water supply. Any actions to rectify the non-compliant employment conditions are expected to be taken within 30 days, with any failure to comply risking financial penalties and reporting to the local authority. In 2019, over 40 workers' accommodation facilities audits took place with several achieving a score of 100%. Furthermore, as we continue to strive to provide the safest work environment, our projects are setting new standards on health and safety. Of the 19 major construction projects under management in 2019, 14 completed the whole year without any major or lost time incidents and, of the 40 health and safety audits conducted on the projects, 95% achieved an audit score of 90% or more.

### **1.2.2 IN THE COMMUNITY**

Transforming Lives is one of the strategic focus areas of our sustainability strategy where we transform the lives of the communities we serve, to provide a healthy, fulfilling and sustainable way of life.

#### **Supporting a More Inclusive Community**

In 2019, Majid Al Futtaim launched the region's first People of Determination Advisory Panel, bringing together members from the UAE Ministry of Community Development, Dubai Municipality and Sharjah City for Humanitarian Services, other independent experts, as well as customer representatives, who are people of determination or parents of children of determination. Our aim is to contribute to the UAE government's efforts to make society more inclusive and ensure that our services are accessible for all members of the community.

- We provide free wheelchairs at Mall of the Emirates and wheelchair stations are available at the entrances of our malls in the United Arab Emirates (UAE), Bahrain and Oman.
- At VOX Cinemas, our cinemas benefit from a wheelchair friendly environment including the lobby, corridors, lift access and seats. We host a monthly sensory friendly screening for children with autism and support free screenings with popcorn and soft drinks for any organization who would like to host an event for people or children of determination.
- At Majid Al Futtaim – Retail we have purchased “Caroline carts” and have electric trolley scooters available at all branches of Carrefour Hypermarkets. We have also introduced a

dedicated checkout counter for people of determination in all hypermarkets. Lastly, we supported the Enable Fair which aims to integrate inclusion in the retail experience.

### **Sponsoring Internships for Students of Determination**

At the start of Autism Awareness Month, our Kempinski Hotel Mall of the Emirates championed seven internships for students of determination from the Integreat Center for Special needs. Over a period of six weeks, the students worked in different areas of the hotel, gaining valuable experience to support them as they enter the workforce in the future.

### **One of the Largest Supporters of Food Banks**

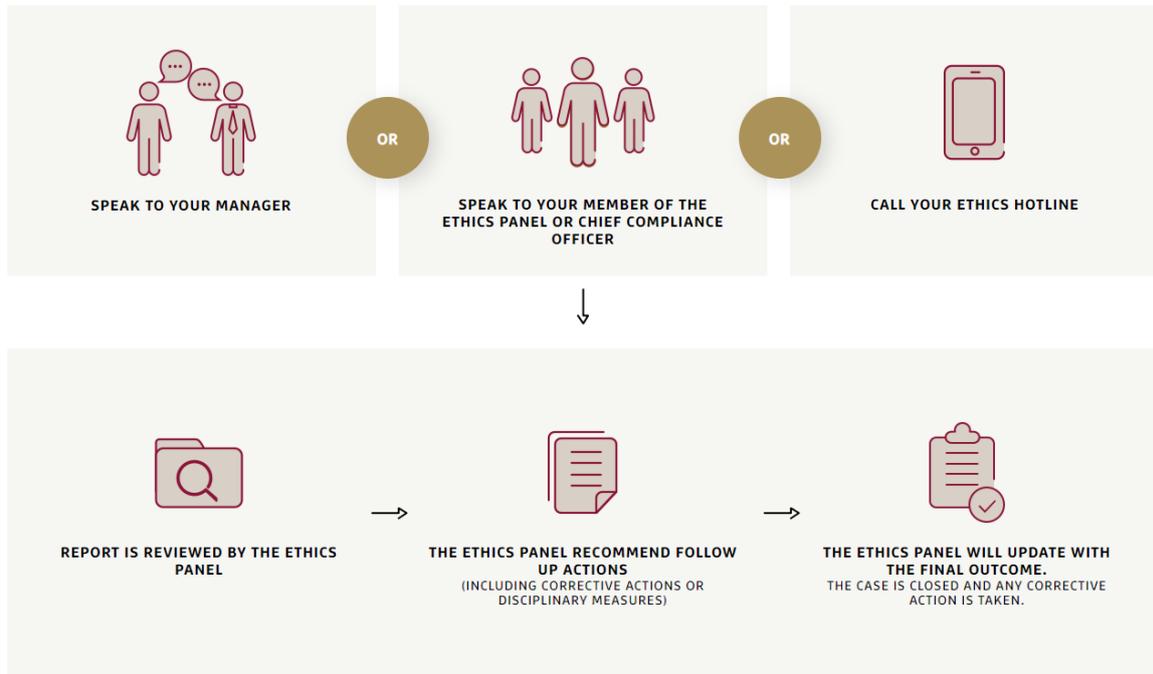
We want to take an active role in solving our communities' greatest challenges and for many people, food security remains a large problem around the world. To help tackle this problem in the Middle East and North Africa (MENA) region and support achieving the 2030 global Zero Hunger Sustainable Development Goal, Majid Al Futtaim has been among the leading partners of the UAE Food Bank since 2017. The UAE Food Bank is well on its way to becoming one of the nation's largest humanitarian institutions, encouraging a culture of sustainable giving. In 2019, we donated more than 550,000 AED and 52 tonnes of essential products. In addition, Majid Al Futtaim – Retail Bahrain has signed an agreement with the Conserving Bounties Society, the first specialised foodbank in the Kingdom. Together, we will work to raise awareness of the importance of food safety and the need to reduce food waste. Majid Al Futtaim – Retail Bahrain will provide leftover food items to the foodbank, which will then be distributed to families and individuals in need, positively impacting both the environment and local communities.

## **1.3. MEASUREMENT OF OUTCOMES**

At Majid Al Futtaim, all employees are equally responsible for promoting human rights and upholding the Code of Conduct. We have established a process (shown below in figure 4) for raising concerns about Code of Conduct breaches including human rights violations. Concerns can be raised in a number of ways including: speaking to a manager, speaking to a member of one of our Ethics Panels or Chief Compliance Officer, or contacting the Ethics Hotline (via phone). Any of these conversations with a manager, the Ethics Panel or via the Ethics Hotline are treated with absolute confidentiality. We operate a zero-tolerance policy in respect to breaching that confidentiality. Subsequently, each company's Ethics Panel will manage all allegations of non-compliance that are reported and oversee any corrective actions and/or disciplinary measures.

Full details of Majid Al Futtaim's performance on human rights-related issues can be found in our latest [Sustainability Report](#).

Figure 4. Majid Al Futtaim Code of Conduct implementation process



## 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 is committed to protecting the rights of our employees, upholding best practice labour standards and managing and improving labour conditions throughout our supply chain. We also recognise the need to prevent child labour in all of the 16 countries that we operate in and source materials from.

The Empowering Our People commitments focus on attracting, retaining and developing the best talent by being an inclusive and supportive employer; and enabling our people to unlock their full potential through providing safe and healthy workplaces and investing in their training. With over 44,000 employees across 16 countries and thousands more working in our supply chain globally, this presents us with a significant opportunity to improve the lives of the people who work for us, whether in our offices, shopping malls, leisure destinations, cinemas or our construction sites.

#### 2.1.2 POLICIES AND PROCEDURES

The policies and procedures that Majid Al Futtaim has in place to promote human rights and manage the associated risks are also applicable to our management approach to uphold labour standards.

Majid Al Futtaim'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'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.

Our commitment to safeguard human rights and employment conditions throughout our operations is an important part of *Dare Today, Change Tomorrow* and our ambition to lead by example. This year, Majid Al Futtaim – Properties’ [Employment Conditions Policy](#) was adapted and rolled out across the entire Company to ensure every person who works on our behalf has appropriate conditions to do so. With the inclusion of Majid Al Futtaim – Ventures and Majid Al Futtaim – Retail, we have taken a huge step to include an additional 42,000 employees and ensure the protection and enhancement of labour standards amongst our own workforce, our contractors and our direct suppliers (Tier 1). The policy 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. Suppliers and contractors who fail to comply face the risk of contract termination and exclusion from any future tendering process with immediate effect.

At Majid Al Futtaim we believe that our greatest and most valuable asset is our people. Human Capital is one of our four strategic business priorities, which ensures that the best human resource practices are deeply rooted in our business culture. Attracting and retaining outstanding talent with the right vision, values and expertise is key to our continued growth. We have taken great strides in increasing the recruitment of people of determination across our business. At Majid Al Futtaim – Retail, we have recruited over 300 people of determination across nine countries in a variety of roles including cashier, stocker, security and head of department.

Our ability to provide workplaces and corporate programmes that support the wellbeing and productivity of our people helps us to incubate top talent and is a crucial part of what makes our business attractive and successful. Majid Al Futtaim’s [Healthy Workplaces Policy](#) forms the foundation of our approach to deliver on our Sustainable Business Commitment to create a holistic corporate wellbeing programme, as well as set specific employee health and wellbeing targets and monitor and measure their performance.

### 2.1.3 LONG-TERM GOALS

Since we began our sustainability journey over ten years ago, we have been working towards transforming labour conditions across the MENA region, both through our work with government authorities and the delivery of a best practice management system. Through the Empowering Our People focus area, we are working towards creating and promoting healthy workplaces where employees can reach their potential and ensure that health and safety, human rights and employment condition standards are safeguarded. When our employees thrive, so does our business – because at Majid Al Futtaim, people are at the heart of everything we do. Ultimately, we want to use our purchasing power and significant value chain network as a catalyst for improving employment conditions across the markets in which we operate.

*Dare Today, Change Tomorrow* embodies our ambition to Empower Our People which includes ensuring that our employees and contractors are treated with the upmost respect, compensated fairly and provided with a safe workplace that supports their wellbeing and development. To support our strategy, all Operating Companies have committed to:



Embed sustainability within their attraction, retention and development programmes in order to meet the evolving values of the workforce



Have a wellbeing programme in place and demonstrate measurable improvements in employee health, wellbeing and productivity



Provide role-specific sustainability training to all their employees and have a programme that offers sustainability training throughout the value chain focusing on tenants and tier 1 suppliers

## 2.2. IMPLEMENTATION

### 2.2.1 IN THE WORKPLACE

#### **Ethics Hotline**

Majid Al Futtaim is committed to a culture of integrity and ethical behaviour, marked by a sense of openness, honesty and accountability. Our employees are all equally responsible for upholding these values and principles. In case someone 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 employees in addressing these sorts of concerns. The confidential telephone line provides the opportunity for employees to voice concerns around ethics in the workplace and is available 24 hours a day, 365 days a year.

#### **Employment Conditions Policy**

Throughout Majid Al Futtaim, we ensure the implementation of our Employment Conditions Policy which sets out our approach to safeguarding and protecting our own workforce as well as those who work on our behalf through our contractors and suppliers. We were one of the first companies in the MENA region to apply such rigorous standards, and to ask our suppliers to adopt these requirements further up our supply chain. To support its implementation, we ensure that its requirements are included in all new contracts. In addition, we also perform 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.

#### **Health & Safety Conditions**

At Majid Al Futtaim – Retail, we audit the social standards in our supply chain to ensure that Majid Al Futtaim – Retail’s Ethical and Social Charter for our suppliers is respected. 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.

### **Wellness Week**

We are working hard to make valuable and long-term improvements in employee health, wellbeing and productivity. Majid Al Futtaim's Wellness Week plays a large part in ensuring we achieve our ambition and is designed to raise awareness of the most common health problems, encourage early detection and treatment, and provide our employees and contractors with tools, information and guidance to maintain their physical and mental health. In 2019, it was our biggest yet, reaching more employees and offering a wide variety of activities, from medical health check-ups with dermatologists and therapists, blood pressure measurement and sugar analysis, to mental health awareness talks, free fitness classes and nutrition talks. Our 2019 Healthy Workplaces Survey is crucial for understanding the impact these initiatives have on our staff and helping us to determine new strategies and ongoing initiatives which benefit the health and wellness of our employees. As a result of the survey, Majid Al Futtaim now provide employees with access to an in-house doctor and psychiatrists throughout the year to provide them with the support they need in the workplace.

### **New Learning and Development Centre**

We want to ensure we provide inspiring training and development opportunities for our employees so they can continuously grow and fulfil their ambitions with us. In October 2019, Majid Al Futtaim – Retail opened its first training and development centre in Georgia, at Tbilisi Mall, with the capacity to train 100 people every day on the skills they need to grow and develop in their roles. Last year, we also developed training content for an e-learning module to empower employees with practical sustainability knowledge and skills, including how they can contribute to *Dare Today, Change Tomorrow* and incorporate its commitments in areas such as local economic development, attracting and retaining talent, healthy workplaces, net positive, and human rights and economic development into their projects, products and services. In 2020, the e-learning module will be rolled out across all office employees and as training continues to be a priority in the coming year, we will be developing a bespoke frontliner (including non-customer facing employees) training for approximately 35,000 employees.

## **2.2.2 IN THE COMMUNITY**

Through our Transforming Lives focus area, we are committed to using our purchasing power to increase the availability of sustainable products and improve the sustainability of operational practices throughout our supply chain.

### **Assessing our Suppliers' Performance**

In 2019, Majid Al Futtaim – Properties implemented a supplier code of conduct and assessment system to monitor suppliers' performance against key environmental, social and ethical risks such as

labour standards, human rights and community involvement. Throughout 2020, we will continue to work with our suppliers to improve their performance in this area, as well as providing appropriate training and skill development.

### 2.3. MEASUREMENT OF OUTCOMES

We have established a process for raising concerns about Code of Conduct breaches including issues concerning employment conditions. The Ethics Panel will manage all allegations of non-compliance that are reported and oversee any corrective actions and/or disciplinary measures.

As the annual Wellness Week campaign continues to expand across the countries we operate in, it has become increasingly important to measure the impact of the various campaigns and initiatives. In order to do this and to give our employees further opportunities to share their views, we conduct an annual Company-wide Healthy Workplaces survey. In 2019, the survey received 168% more respondents than in the previous year, reaching over 1,800 employees. The survey allows us to measure and monitor the most successful and impactful initiatives as well as identify the concerns and needs of our employees. These findings are vital in helping us determine new strategies and ongoing initiatives which benefit the health and wellness of our employees.

Full details on Majid Al Futtaim's performance on labour-related issues can be found in our latest [Sustainability Report](#).

### 3. ENVIRONMENT



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

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

#### ENVIRONMENT

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

### 3.1 ASSESSMENT, POLICY AND GOALS

#### 3.1.1 ASSESSMENT

Our vision is to create great moments for everyone, everyday and it is imperative that we do this without compromising the environment. Our ability to deliver this vision has the potential to be compromised by the impact of climate change and water scarcity if we do not act. As a result, we are committed to limiting our environmental impact and setting the standard for sustainable development in the region. Rethinking Resources is one of the three strategic focus areas of our *Dare Today, Change Tomorrow* strategy.

Our Rethinking Resources commitments aim to ensure that Majid Al Futtaim's activities not only have a reduced negative impact on the surrounding environment, but also make a positive contribution to the environment and communities in which we develop and operate. By pursuing Net Positive carbon and water, and circular economy principles, Majid Al Futtaim has the potential to decouple growth in its business operations from the use of finite, natural resources. In addition, to further enhance the long-term resilience of our business, we will be working to integrate climate-related risks in our strategic decision-making.

#### 3.1.2 POLICIES AND PROCEDURES

Majid Al Futtaim's [Sustainability Policy](#) sets out our broad, high-level commitment to delivering our sustainability strategy. The policy addresses our environmental impact and details our approach to rethinking our use of resources to make a Net Positive impact.

This year, we made strides in developing our first circular economy strategy, *Unlocking Value*, and set a new vision for the future of circularity for the business. By 2030, all our Operating Companies have committed to placing circularity at the core of their operations, and we will actively engage with our suppliers, customers and the wider business and government communities to bring about systemic change and impact. To achieve this, Majid Al Futtaim set out a strategy and a roadmap towards circularity for the next ten years. The strategy will address the key areas of our impact and

leverage relationships between key stakeholders through five pillars: Resource Mapping, Maximising Value, Closed-loop Supplies, Circular Lifestyles, and Collaborate to Accelerate. *Unlocking Value* will be formally launched in 2020 and further details on our circular economy roadmap, including our 2020 actions and company-wide targets, will be available on our [website](#).

In addition, to manage material risks and opportunities specific to Majid Al Futtaim – Properties, we have developed a set of policies to manage our sites and buildings throughout the property lifecycle. It is anticipated that these policies and procedures will be rolled out across the Company as we continue to embed our *Dare Today, Change Tomorrow* strategy.

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, 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.

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

### 3.1.3. LONG-TERM GOALS

We have an opportunity to grow our business in a way that adds lasting value to our planet, while leaving it better than we found it. Majid Al Futtaim is rethinking the way in which we use our resources and our ultimate aim is to achieve business growth without negatively impacting the environment. In 2017, we took the bold step of committing to become Net Positive. This means we will create more accessible water than we consume and avert more carbon than we emit in our own operations by 2030, and in our development activities and tenant operations by 2040. In addition, the development of our circular economy strategy, *Unlocking Value*, represents a major step in our journey towards more circular business models.

As part of our Rethinking Resources focus area, each Operating Company has committed to:



Become Net Positive in carbon for all operational, tenant and development activities

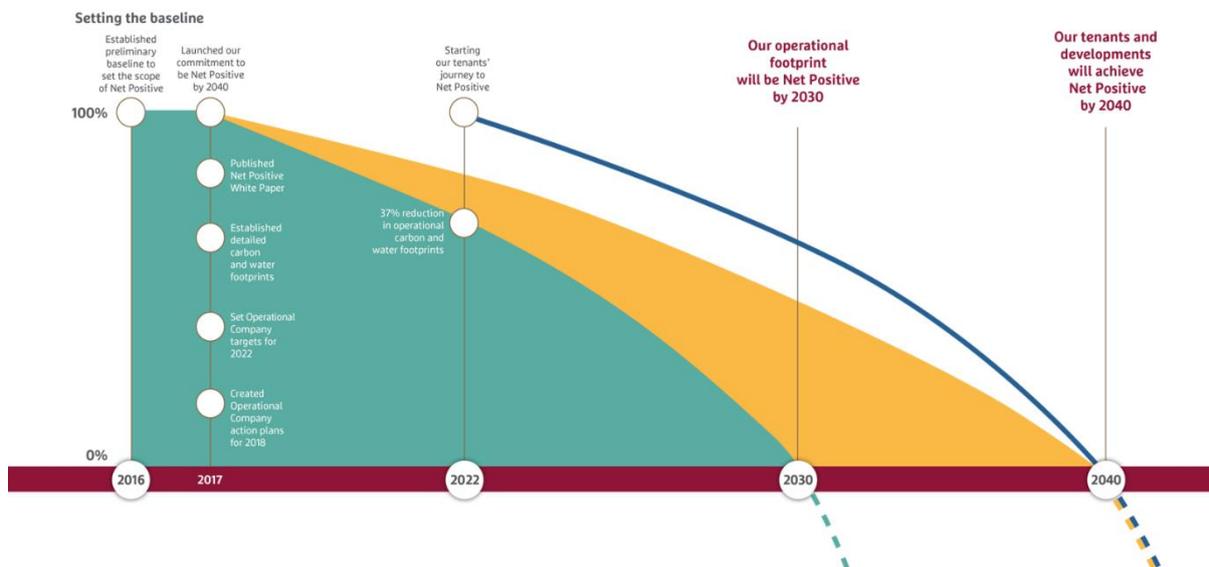


Become Net Positive in water for all operational, tenant and development activities



Embed circular economy principles into business operations to minimise harmful impacts on the environment and generate new revenue streams

Figure 5. The roadmap to Net Positive



## 3.2 IMPLEMENTATION

As part of our Rethinking Resources focus area, we are developing a series of initiatives to reduce our carbon emissions, minimise our water consumption, support the ecosystems around us and embed circular economy principles into our business. To become Net Positive, we will need to reduce our negative impact through investments in innovations, energy and water procurement, and partnerships.

### 3.2.1 IN THE WORKPLACE

#### Raising Recycling Awareness

In 2019, we increased our efforts to raise understanding of the need to cut single-use plastics amongst our employees. We held a DaretoRecycle awareness campaign where employees learnt about the varying types of plastic, their recyclability, and their impact on the planet. As a result,

100% of participants pledged to reduce their own plastic consumption. We're also taking steps to eliminate single-use plastics from our offices. At Majid Al Futtaim Headquarters in Dubai, we have provided company-branded reusable water bottles for employees and introduced sustainable alternatives to plastic cups in our office pantries, meeting rooms and office facilities.

### **Soap for Hope**

Together with Soap for Hope's charity campaign, our housekeeping employees at Pullman City Centre Deira Dubai Hotel and Residences and the Hilton Garden Inn Dubai Mall of the Emirates are helping us repurpose soap from our hotel that would otherwise go to waste. Through this initiative, the collected soap is being turned into hygiene kits for those in need, including homeless people, shelters and food banks. As part of our partnership, we have hygienically recycled and distributed over 5,000 bars of soap collected from hotel rooms, amounting to over 52kg being diverted away from landfill.

### **War on Waste Working Group**

Established in 2018, the War on Waste Working Group is a committee which brings together representatives from across the Company, aiming to identify and implement operational efficiency initiatives that support Majid Al Futtaim's Net Positive commitments. In our shopping malls, we have reduced our overall power and water consumption by 3.3% and 3% respectively through a series of technical and practicing measures, and at City Centre Deira, a Treated Sewage Effluent (TSE) Reverse Osmosis (RO) plant is in development which, when operational, will be critical for providing a cost-effective solution for purifying 100,000m<sup>3</sup> of water every year. These are just some of the ways our collective action has resulted in tangible progress towards our Net Positive commitments.

### **3.2.2. In the Community**

#### **World's first Green Sukuk**

Majid Al Futtaim listed the world's first benchmark corporate Green Sukuk, and the first Green Sukuk issued by a corporate in the region. Raising \$1.2 billion in two tranches, the Green Sukuk is a testament to our long-term commitment to support the transition to a low carbon economy. The investment will be used to finance and refinance our existing and future green projects, including green buildings, renewable energy, sustainable water management and energy efficiency.

#### **Bringing Solar Power to Majid Al Futtaim – Retail Jordan**

In 2019, we entered into a power purchase agreement with a leading regional commercial developer to procure renewable energy for our Carrefour stores in Jordan. The solar power will supply 29 gigawatt-hours of clean energy in its first year of operation to fully cover the electricity demand of the majority of Majid Al Futtaim – Retail stores in Jordan.

### Strengthening our Green Building Credentials

As our business continues to grow, we have found ways to adapt and reduce our impact by ensuring we manage our sites as sustainably as possible. We are proud to have attained 29 green certified buildings under LEED and BREEAM or equivalent, and 2.5 million square meters of space with green credentials.

### First Retail Hydroponic Farms in the Region

At My City Centre Masdar and Yas Mall in Abu Dhabi, we introduced another regional first - hydroponic farms. The two farms have an equivalent growth area of 182m<sup>2</sup> and grow 35 unique leafy green herbs and vegetables, using 90% less water than traditional soil agriculture. With a combined daily yield of 31kg, the produce is then sold in the Carrefour store, eliminating transport emissions associated with food delivery. The ingenious see-through glass panel design allows customers to see the produce being grown in real-time and inspires the adoption of sustainable behaviours.

### Embedding Circularity Across the Business

Following the development of Majid Al Futtaim's circular economy strategy, throughout 2020 we are committed to implementing the initiatives that form our roadmap to 2030. However, in 2019 there were a number of circular initiatives employed across the business.

- **Introducing detergent refill stations at Carrefour** We are working hard to encourage our customers to adopt circular consumption habits. At Majid Al Futtaim – Retail, a zero-waste 'Green Home' bio-certified, vegan and cruelty free detergent refilling station was launched at Carrefour Mall of the Emirates Dubai, in collaboration with Planet Pure.
- **Tackling single-use plastics** Supporting behaviour change amongst our employees and customers is crucial for protecting our planet, and central to our recently launched [Single-Use Plastics Phase-Out Strategy](#) which will see many single-use plastic items in the business phased out by 2025.
- **Coalition of Innovation in Recycling towards a Closed Loop Economy (Coalition Circle)** As a member of the Coalition Circle, we are committed to developing closed loop solutions to improve waste management infrastructure through innovations in areas such as collection and recycling. In 2019, the Coalition Circle partnered with the UAE's Ministry of Climate Change and Environment (MOCCA) to trial a circular economy approach towards plastic and packaging waste.
- **Green Cash Counters** We continue to support behaviour change and inspire action through innovative customer initiatives. At our 33 Majid Al Futtaim – Retail hypermarkets in the UAE, we offer exclusive 'Green Cash Counters' for customers with reusable bags, helping to entice people to adopt new shopping behaviours and speed up their shopping experience.

- **World Clean-Up Day** On World Clean-Up Day, in Qatar we distributed 30,000 reusable bags for free and introduced No Plastic Bag Tuesdays on the third Tuesday of each month. In our fruit and vegetable sections, we are replacing single-use plastic bags with cotton bags. By raising awareness of single-use plastic pollution, we hope to encourage more sustainable shopping habits that collectively will have a larger impact in reducing global consumption and protecting our planet.

These are just some of the ways we are working to minimise our environmental impact; further details are available in our latest Sustainability Report.

### 3.3 MEASUREMENT OF OUTCOMES

In order to meet our Net Positive commitment, we need to fully understand and measure our carbon and water impacts across the Company and implement measures to reduce them. We will be working to reduce and then balance our impacts, before making a positive contribution by 2040. Data will be important to this process and over the past year, we've continued to improve our data collection throughout the Company. We will monitor our Net Positive progress against our 2016 baseline and will publish the first report on our efforts in 2022.

Full details of the Company's environmental performance can be found in our latest [Sustainability Report](#). Our annual Sustainability Report is aligned with the Global Reporting Initiative (GRI) principles. In addition, our Majid Al Futtaim – Properties business participates 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. In 2019, we were pleased to be awarded a five-star rating for the sixth year running and maintain our Green Star status. Despite the growing number of participants, our GRESB score (81) continues to place us above our peers and the global average demonstrating our commitment to sustainability leadership.

## 4. ANTI-CORRUPTION



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

### ANTI-CORRUPTION

### 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. 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

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 Company, 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 employees may be exposed to corrupt behaviour. Where risk is identified, Majid Al Futtaim assesses our strategy for managing the risk and, where necessary, takes action to improve procedures and protocols.

Our [Code of Conduct](#) sets out our commitment to complying with the highest standards and laws governing antibribery 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 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 the leading independent, non-profit organisation working to improve corporate accountability and transparency in the Gulf Region. The Pearl Initiative has a strategic partnership with the United Nations Global Compact to collaborate on programmes in the region. We aim to support the Pearl Initiative's objective to drive the adoption of best practice in corporate governance throughout Gulf Cooperation Council (GCC) countries and to tackle issues including bribery and corruption. We count this objective among our own goals.

## 4.2 IMPLEMENTATION

To comply with the UK's Combined Code on Corporate Governance we have put in place world-class boards at Majid Al Futtaim – Holding and 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 addition, we have partnered with Expolink to set-up a fully independent Ethics 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 Panel 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.

### 4.3 MEASUREMENT OF OUTCOMES

We have clear codes of business conduct across our Operating companies. We expect our employees to sign these codes annually. Across the Company, there is 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 (including corruption) are promptly and thoroughly substantiated, handled in line with the criticality level, and initiate independent investigations. When applicable, it will also propose corrective measures and/ or disciplinary action to the CEO of the respective Operating Company.

*All figures stated are correct as of 22 May 2020 and may be subject to change.*

**MAJID AL FUTTAIM**

Majid Al Futtain Tower 1  
City Centre Deira Complex  
PO BOX 91100

T +971 4 294 9999  
[majidalfuttain.com](http://majidalfuttain.com)

Dubai, United Arab Emirates