

OUR SUSTAINABILITY STRATEGY

DARE TODAY, CHANGE TOMORROW

THE NEXT PHASE: 2023-2028



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INTRODUCTION

Since launching our first Company-wide sustainability strategy *Dare Today, Change Tomorrow* in 2018, the landscape in which we operate has shifted considerably. The world is witnessing rapid transformations, driven by technological advancements, shifting stakeholder needs and expectations, and growing environmental concerns. Meanwhile, urbanisation and population growth are driving the demand for sustainable and efficient infrastructure, and social and political instability is negatively impacting markets and supply chains around the world. At the same time, substantial opportunities to deliver a more resilient and sustainable future have arisen from these challenges. To capitalise on them, organisations are reimagining how they do business and thinking beyond short-term profits to embrace long-term strategies that are beneficial to their bottom line as well as to people and the planet.

It is with this in mind that Majid Al Futtaim has been working to position ourselves as a pioneer in sustainability within the Middle East and North Africa (MENA) region and as catalysts for driving positive change for our customers, colleagues, and communities. *Dare Today, Change Tomorrow* is our roadmap for navigating global challenges and seizing the opportunities these present. Commencing in 2023, the next phase of our strategy builds on our progress over the past five years as well as enhanced monitoring and reporting against our Sustainable Business Commitments, allowing us to better integrate how we create value for people and the planet into how we operate. In doing so, we can continue to achieve regional and global firsts and set new benchmarks for responsible business practices across the MENA region.

OUR MISSION AND VALUES

Starting as one man's vision to transform the face of shopping, entertainment and leisure, Majid Al Futtaim is driven by its mission to create great moments for everyone, everyday. To continue doing so far into the future has required us to think deeply about what we do, how we do it, and who we do it for. Aligning our strategy with a respect for nature, a desire to uplift our people, and a determination to transform the economic and social development of where we operate, sets us on a path to continue creating value for all our stakeholders.

Our business activities – including the development and operation of our properties, Carrefour retail business and entertainment and lifestyle offerings – have a significant impact on the environment and the communities where they are located. At the same time, our scale and influence, from the +46,000 people we employ to the +178 million customers visiting our assets each year, means there are substantial opportunities to make our impact a positive one.

Our approach to creating positive sustainable impact has naturally evolved with our business and the awareness of challenges and opportunities, at the local to global level. Starting from our first CSR strategy in 2011, initiated by our then Head of Corporate Social Responsibility who found a Carrefour plastic bag in the sea, our sustainability strategy now reflects a deeper understanding of our environmental, social and governance (ESG) risks and opportunities and how we should manage them.

OUR BUSINESS VALUES



BOLD

We promote a creative environment where there is courage to challenge convention and make the impossible possible, celebrating progress through innovation.



PASSIONATE

We nurture a spirit of excellence and perseverance. We take pride in what we do, how we do it, and who we do it for.

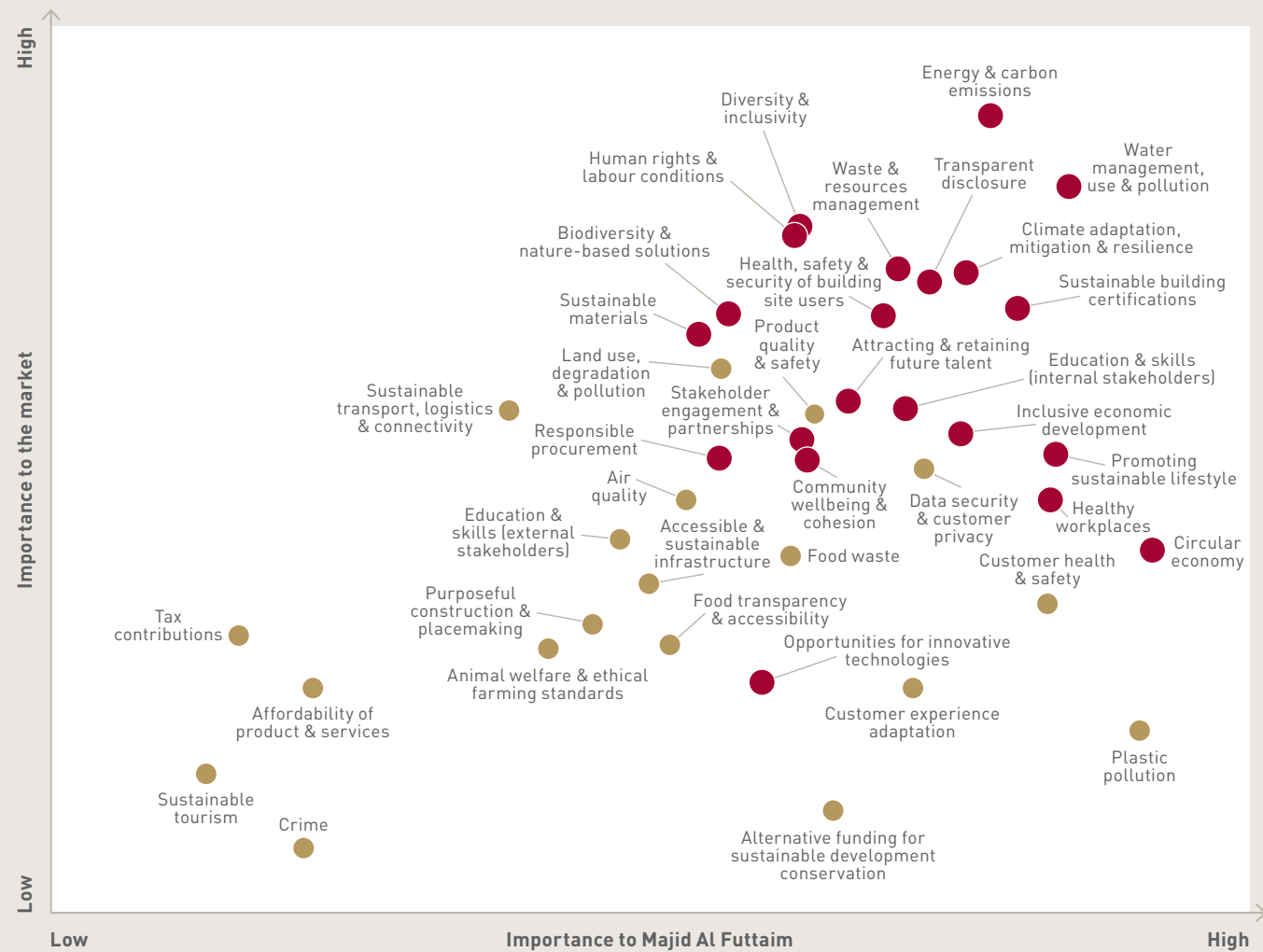


TOGETHER

We cultivate synergy where the whole is greater than the sum of the parts. We shape and deliver the future together in an atmosphere of support and openness that respects diversity, facilitates communication and makes collaboration constructive.



OUR MATERIALITY MATRIX



● = Most important material issues

Figure 1. Majid Al Futtaim's materiality matrix highlights the 21 material issues determined from the complete set of material issues assessed during the materiality assessment. Whilst most of the identified material issues were selected based on being the most important to the business and to the market, we also undertook a validation exercise that identified several additional material issues that we believe are vital to our operations and that will become more important in the future.

We then refreshed and aligned our SBCs to address and manage these 21 material issues. This resulted in 11 SBCs, which run to 2028. The SBCs are common across the Group (shown on pages 6 to 11) and have risks and opportunities that manifest similarly across all Operating Companies. Most of these SBCs are a continuation of the 2022 SBCs and our work over the past five years, emphasising the importance of the issues that we are already managing. This includes combining our previously two local economic development SBCs into one and adding climate resilience and nature-based solutions as a new commitment.

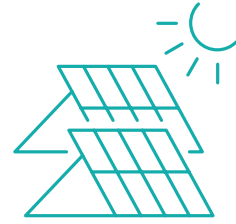
DARE TODAY, CHANGE TOMORROW

Our strategy comprises three focus areas: Rethinking Resources to make a net positive impact, Transforming Lives in the communities we serve, and Empowering Our People to contribute at their full potential. These focus areas encompass our 21 material ESG risks and opportunities, highlighted below. Each focus area has a set of SBCs, which are guided by targets to be achieved by 2028. Our 2028 SBCs and roadmap for achieving them are described in more detail over the following pages.



RETHINKING RESOURCES	TRANSFORMING LIVES	EMPOWERING OUR PEOPLE
ENERGY & CARBON EMISSIONS	PROMOTING SUSTAINABLE LIFESTYLES	DIVERSITY & INCLUSIVITY
WATER MANAGEMENT, USE & POLLUTION	INCLUSIVE ECONOMIC DEVELOPMENT	HUMAN RIGHTS & LABOUR
SUSTAINABLE BUILDING & CERTIFICATIONS	STAKEHOLDER ENGAGEMENT & PARTNERSHIPS	HEALTH, SAFETY & SECURITY OF BUILDING & SITE USERS
BIODIVERSITY & NATURE-BASED SOLUTIONS	RESPONSIBLE SUPPLY CHAIN MANAGEMENT	HEALTHY WORKPLACES
RESPONSIBLE SUPPLY CHAIN MANAGEMENT	COMMUNITY WELLBEING & COHESION	EDUCATION & SKILLS (INTERNAL STAKEHOLDERS)
CIRCULAR ECONOMY	OPPORTUNITIES FOR INNOVATIVE TECHNOLOGIES	ATTRACTION & RETENTION OF FUTURE TALENT
SUSTAINABLE MATERIALS	TRANSPARENT DISCLOSURE	TRANSPARENT DISCLOSURE
CLIMATE CHANGE ADAPTATION, MITIGATION & RESILIENCE		
WASTE & RESOURCE MANAGEMENT		
OPPORTUNITIES FOR INNOVATIVE TECHNOLOGIES		
TRANSPARENT DISCLOSURE		

RETHINKING RESOURCES



We DARE TO

rethink our use of resources to make a net positive impact

Rethinking Resources means transforming our relationship with resources, from the water, energy and land we use to the waste and greenhouse gas (GHG) emissions we produce. It means rethinking both our inputs and outputs, to produce positive outcomes for society and the planet. This is particularly important when operating in the Middle East, North Africa and Asia, which are vulnerable to significant climate risks in the form of rising temperatures, water stress and extreme weather events, exacerbated by above-average population growth.

As a builder and operator of shopping malls, communities and hotels, we require a substantial amount of resources and our business activities, from fashion to food and beverages, can result in a significant amount of waste. Under the first phase of our strategy, we expanded our green-certified portfolio to include 54 assets, set science-based carbon reduction targets, installed and signed 16 million kWh of renewable energy in 2022, and phased-out single-use plastic bags across six countries in Majid Al Futtaim – Retail. This next phase presents significant opportunities to scale up our climate resilience and maximise the far-reaching benefits of nature-based solutions.



This focus area is underpinned by four 2028 Sustainable Business Commitments:



NET POSITIVE CARBON

We will become net positive in carbon by 2040

By:

- Reducing carbon emissions in line with science-based targets (SBTs)
- Improving data collection for scope 1, 2 and 3 GHG emissions
- Maximising on-site and off-site renewable energy systems
- Engaging with authorities to promote policy and regulations
- Designing all new property developments and major refurbishments as net zero carbon



NET POSITIVE WATER

We will become net positive in water by 2040

By:

- Reducing water consumption in line with Science-Based Targets for Nature (SBTN) or alternative best practice
- Improving data collection for direct and upstream consumption
- Engaging with organisations to develop SBTN and best practice offsetting projects
- Designing all new property developments and major refurbishments to minimise water consumption and maximise opportunities for water reuse



CIRCULAR ECONOMY

We will embed circular economy principles across our business operations to minimise our impact on the environment and generate new revenue streams

By:

- Reducing food waste by over 50%
- Disposing of residual waste in line with circular economy principles
- Phasing-out single-use plastics within our operational control by 2025
- Designing new property developments and major refurbishments to minimise raw material extraction and waste, and promote longevity, flexibility and future disassembly and reuse
- Aiming for all tenants to adhere to circular retail fit-out guidelines
- Increasing the scope and diversity of 'circular' retail concepts available in our malls and generating a year-on-year growth in revenue from these concepts



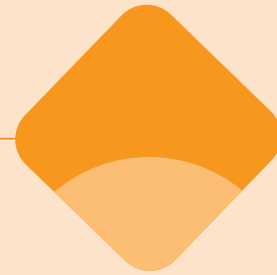
CLIMATE RESILIENCE & NATURE-BASED SOLUTIONS

We will increase the resilience of our business in the context of global climate change and promote the restoration of natural habitats and biodiversity on our own sites and in our value chain

By:

- Improving climate resilience through the implementation of the climate risk strategy
- Establishing SBTs for nature, based on SBTN's AR3T Action Framework (Avoid, Reduce, Regenerate, Restore, Transform)

TRANSFORMING LIVES



We DARE TO

transform the lives of the communities we serve, to provide a healthy, fulfilling and sustainable way of life

With a diverse customer base of over 178 million across our assets and experiences spanning 17 countries, our impact extends beyond our direct operations to the local people who live and work in the communities where we operate. Transforming Lives is our approach to ensuring we provide a healthy, fulfilling, and sustainable way of life to the communities we serve, by harnessing our influence and leadership across the region as well as our strong relationships with local organisations.

Under the first phase of our strategy, we maximised the proportion of our expenditure in local economies, with 80% of our products sold in the UAE sourced locally in 2022. Through our Launchpad Programme, we supported the growth of start-ups and SMEs in the region, with 14 winners in 2022, 50% of which are run by female entrepreneurs. We recruited 700 Emiratis between September 2021 and 2022 through the NAFIS programme and 233 Egyptians graduated from the Almaza Recruitment and Training Centre (ARTC) since opening in 2021, with an 81% job placement rate. With the development of our Social Impact Framework in 2023, which includes measurable targets to track and report on our performance, the next phase of our strategy will help direct our efforts where we can have the most positive impact on the communities we interact with, serve and work alongside.



This focus area is underpinned by three 2028 Sustainable Business Commitments:



LOCAL ECONOMIC DEVELOPMENT

We will promote prosperity and economic development in our communities through upskilling and entrepreneurship in line with local needs and by increasing our expenditure in local economies

By:

- Conducting a local supplier capability assessment on products and services related to operations
- Increasing the proportion of expenditure annually, which leverages local suppliers and supply chains
- Leveraging regional human capital to maximise and support engagement with local innovative sustainability-related start-ups



DISRUPTIVE TECHNOLOGY

We will invest in our employees' innovative ideas by having an Innovation Centre of Excellence to drive improvements in sustainability performance across Majid Al Futtaim and our supply chain

By:

- Conducting a basic environmental and social benefit and risk assessment of initiatives for all Innovation Centres of Excellence



CUSTOMER WELLBEING

We will offer inclusive customer experiences and promote healthy and sustainable consumer choices

By:

- Maximising the safety and accessibility of customer experiences and adhering to an inclusive marketing approach
- Promoting sustainable lifestyle choices across all communities, hotels, malls, retail and leisure venues through design, product and service offers and customer engagement and marketing
- Enabling all our customers, guests and visitors to experience great moments with lower ecological impact and better health outcomes

EMPOWERING OUR PEOPLE



We DARE TO

empower our people to unlock their full potential

As one of the largest employers in the MENA region, we have the resources and responsibility to create an empowering and positive experience for the over 46,000 MAFers we employ as well as setting standards for our wider value chain. Investing in our peoples' career development and education, fostering a diverse and inclusive culture, offering a healthy workplace and upholding the highest standards of human rights and employment conditions all contribute to attracting and retaining the best talent and enabling all MAFers to achieve their full potential, which is vital for our success.

Since the launch of the first phase of our strategy, women now account for 20% of our senior management, we have expanded the representation of people of determination across the business and in 2022 alone, held sustainability training for over 20,930 frontline employees to ensure they feel empowered to contribute towards our sustainability goals, and increased our Wellness Week reach year-on-year to achieve the highest engagements yet in 2022. Within this next phase, the focus will be on ensuring all workplaces align with international best practice health and wellbeing standards, developing a career accelerator programme for MAFers to facilitate their advancement into senior roles, and providing sustainability training to all employees and tier 1 contractors.



This focus area is underpinned by four 2028 Sustainable Business Commitments:



ATTRACTING & RETAINING TALENT

We will integrate sustainability into attraction and retention programmes to meet the evolving values of our workforce

By:

- Developing career accelerator programmes for MAFers to enable them to advance to more senior roles
- Achieving the highest quartile ranking in a workplace benchmark (e.g, Best Workplace)



HEALTHY WORKPLACES

We will implement wellbeing programmes across the business and demonstrate measurable improvements in employee health, wellbeing and productivity

By:

- Demonstrating a year-on-year improvement in employee wellbeing against a 2023 baseline
- Ensuring all workplaces align with international best practice health and wellbeing standards
- Achieving accreditation, where relevant, including WELL, Global Healthy Workplace Certification (Global Centre for Healthy Workplaces) and We Invest in Wellbeing (Investors in People)



TRAINING & DEVELOPMENT

We will provide sustainability training to employees and suppliers throughout the value chain

By:

- Providing annual sustainability training to employees and tier 1 suppliers, within priority roles and spend, to reach 100%



HUMAN RIGHTS & EMPLOYMENT CONDITIONS

We will lead by example by requiring all employees and direct (tier 1) contractors to comply with the International Labour Organisation's eight core conventions

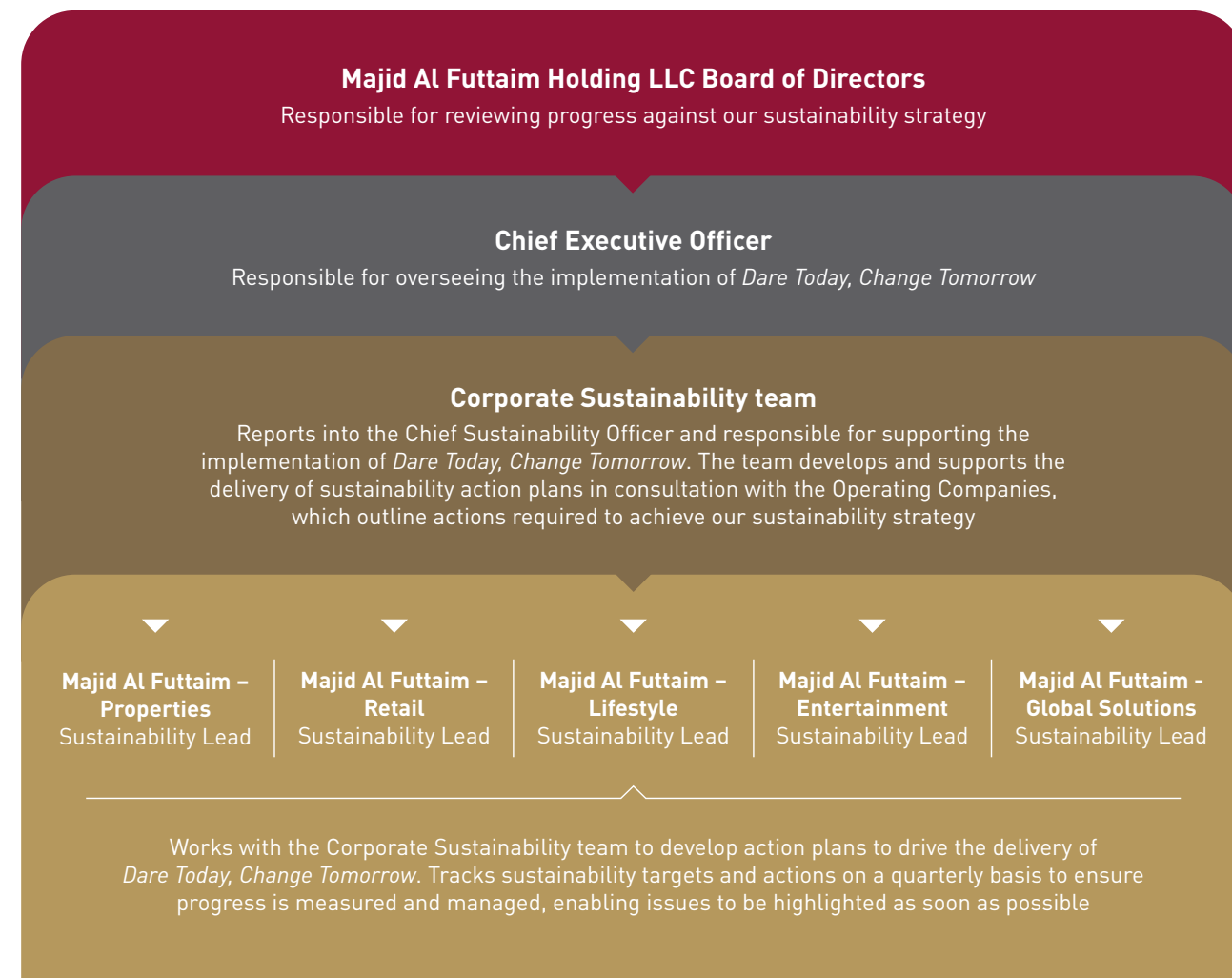
By:

- Developing and implementing a value chain human rights approach that encompasses risk-specific due diligence, standards and requirements for suppliers and partners, training and engagement, assessment and reporting
- Requiring all brand partners, tenants and first-tier suppliers to participate in or independently assess against the Corporate Human Rights Benchmark (CHRB) methodology and achieve a top-quartile score
- Ensuring all contractors and on-site suppliers, including staff accommodation, adhere to ISO 45001 occupational health and safety management standard requirements and reduce the frequency rate of physical and mental health and safety incidents among their employees

GOVERNING, MEASURING AND MONITORING PROGRESS

Our SBCs are part of our long-term *Dare Today, Change Tomorrow* ambitions. To drive progress, we develop action plans, short and medium-term measures of success and annual targets for each Operating Company, which we measure and report on internally and externally. In order to report the outcomes of our sustainability targets within annual corporate reporting that takes place at the end of the year, we have transitioned to tri-annually tracking the performance against our sustainability targets, which is also audited on an annual basis by a third-party auditor. In addition, the environmental data related to our portfolio of assets is fully assured by an independent third-party.

As well as our robust governance framework, shown below, the Group's Chief Sustainability Officer, the Chief Executive Officer of Majid Al Futtaim – Holding, and the Chief Executive Officers of Majid Al Futtaim's Operating Companies are issued with sustainability targets, which are in turn cascaded down to senior management. All executive management have ESG KPIs within their annual objectives, which are linked to their performance rating and bonus. Additionally, every day, our strategy is supported by a vast network of more than 40 Company-wide Sustainability Champions, who are tasked with leading positive change in their own roles and inspiring their colleagues to do the same.



CONTINUOUS RISK MANAGEMENT

In light of continued expansion and innovation across Majid Al Futtaim's five Operating Companies as well as global economic, political and social volatility, Majid Al Futtaim is exposed to a complex and interconnected range of business risks. These risks have the potential to materially impact both our corporate performance and reputation. To leverage emerging opportunities and reduce our risk exposure, we operate a risk mitigation approach to effectively monitor and manage our internal and external risk landscape. This helps us nurture a risk-conscious culture and enhance risk-based decision-making.

Our Risk Appetite Statement (RAS) and robust Enterprise Risk Management (ERM) Framework govern key risks that could adversely affect our business, including sustainability and climate-related risks. In addition, they ensure the effective identification, assessment and communication of risk management information between Majid Al Futtaim – Holding and the five Operating Companies in line with stakeholder expectations and the overall strategy of the Company.



ENGAGING STAKEHOLDERS

Diverse internal and external stakeholder input was integral to the development of this new phase of our strategy, where we engaged employees, suppliers, regional NGOs and global industry-wide organisations to integrate their views on our performance, industry trends and where we can improve. However, the delivery of *Dare Today, Change Tomorrow* relies on continuous and constructive engagement with our stakeholders to ensure our strategic approach evolves in line with their needs and expectations. As a signatory to the World Economic Forum's (WEF) Stakeholder Capitalism Metrics, we are committed to creating long-term value by meeting the needs of all our stakeholders, including society and the planet.

Our stakeholders, detailed below, have been identified through a stakeholder mapping exercise with input from each Operating Company based on their importance. You can read more about how we engage with them as well as their expectations in our 2022 ESG Report [here](#).



LINKS TO POLICIES AND OTHER USEFUL RESOURCES

To support the implementation of our strategy, we have a comprehensive set of policies and procedures in place, aligned to global best practices, which are reviewed and updated on an annual basis. Further information about our sustainability practices, along with our ESG reporting and thought leadership, can be found [here](#). Links to a selection of our policies are included below.

- Code of Conduct
- Diversity and Inclusion
- Occupational Health and Safety
- Ethics Hotline
- Employment Conditions
- Healthy Workplace
- Supplier Code of Conduct
- Sustainable Procurement
- Responsible Marketing
- Sustainable Building
- Sustainable Pre-Acquisition
- Near Zero Fit-Out and Refurbishment
- Unlocking Value
- Zero Waste



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