

MAJID AL FUTTAIM – SUSTAINABILITY

SINGLE-USE PLASTICS PHASE-OUT POLICY

Background

At Majid Al Futtaim, we are committed to the implementation and delivery of our comprehensive sustainability strategy, *Dare Today, Change Tomorrow*, through which we manage the socio-economic and environmental issues that are most material to our business. *Dare Today, Change Tomorrow*, has three fundamental business priorities:

- Transforming the lives in the communities we serve, to provide a healthy, fulfilling and sustainable way of life.
- Rethinking resources, addressing our use of resources to make a Net Positive impact.
- Empowering our people to unlock their full potential.

As part of the Rethinking Resources focus area, Majid Al Futtaim committed to embed circular economy principles into its business operations. To make sure this commitment tackles the most impactful areas, Majid Al Futtaim set out to develop an ambitious circular economy strategy and to set a new vision for the future of circularity for the business. By 2030, all of our Operational Companies will have circularity at the core of their operations and will actively engage with their respective suppliers, customers and the wider business and government communities to bring about systemic change and impact.

One of the key areas of focus in our circular economy strategy is plastic waste. Plastic waste is a global challenge that has significantly increased over time and is polluting land and water bodies, adversely impacting the planet and our food chain. It is estimated that, globally, over 1 million sea birds and 100,000 mammals die every year as a result of their interaction with plastic waste.

Purpose of the Policy

In response to this global challenge, and in line with our sustainability strategy, Majid Al Futtaim is taking the lead in the region and is committing to phase out the distribution of single-use plastics from all its operations, across all business units and all countries in which it operates, by 2025. The scope of items included in the phase out, the approach, and the timeline are discussed below.

Scope of the Policy

The scope of the phase-out includes single-use plastic items distributed to customers and does not include any on-shelf merchandise products typically sold in our premises. For example, customers shopping at Majid Al Futtaim - Retail stores will be able to purchase single-use plastic water bottles, or a pack of single-use plastic cutlery but will not be served any ready-made meal in a single-use plastic container. In addition, customers in our shopping malls might still receive single-use plastic cutlery when dining in restaurants that are not within our operational control.

We will focus on removing single-use plastics that are avoidable, i.e. not essential, and/or have sustainable alternatives. For example, consumables in food preparation areas (such as gloves) need to be evaluated for alternatives, where available and in line with the hygienic standards followed by the store or applicable regulatory requirements. To the extent that alternative non-plastic materials exist, they will replace single-use plastic materials.

The below non-exhaustive list highlights the scope of this policy based on areas of presence of single-use plastics currently in our operations. The phase-out scope does **not** include any on-the-shelf merchandise items which can be bought by customers (e.g. garbage plastic bags, disposable plastic cutlery, single-use plastic bottles, etc.) However, Majid Al Futtaim will actively encourage customers to opt for new sustainable alternatives and we will work with our suppliers to provide detergent refill stations and/or reverse vending machines in selected locations.

Majid Al Futtaim - Retail

- Single-use plastic bags
 - Shopping bags
 - Fruits & vegetables' bags
 - Fresh food (bakery, fishery)
- Containers
 - Polystyrene foam trays
 - Cheese / dairy containers
 - Ready meals
- Cutlery (for ready meals)
 - Forks, spoons, knives
 - Straws
- Cling films (for trays / containers)

Majid Al Futtaim - Ventures

- Cinemas
 - Single-use plastic bags
 - Containers (e.g. for nachos)
 - Cutlery
 - Straws
- Fashion stores
 - Plastic bags
- Leisure & Entertainment & Cinemas' F&B Outlets
 - Straws
 - Containers (for take-away meals)
 - Plastic bags (for take-away meals)
- Leisure & Entertainment (Magic Planet, iFly, Little Explorers, Wahoo, Yalla! Bowling)
 - Plastic Bags
 - Toy packaging
 - Plastic wrappings for socks

Majid Al Futtaim - Properties

- Shopping malls
 - Single-use plastic bags for hands-free shopping
 - Single-use plastic water bottles for "VIP valet car lounge"
- Communities
 - Plastic water bottles for visitors in the sales centres
 - Plastic foam cups for water/coffee/ tea in sales centres
 - Plastic plates, cutlery and cups when internal events are held
 - Plastic water bottles handed out in community events as a compliment
- Corporate offices, site offices and store offices
 - Water bottles for employees and visitors
 - Single-use plastic cutlery (forks, spoons, knives, plates, cups)
- Hotels

This policy applies to assets under Majid Al Futtaim's full operational control. Majid Al Futtaim owns several hotels across the region; however, these are operated by international third-party chains (e.g. Marriott, Accor, Kempinski, Hilton) which have brand-driven plans tackling the phase-out of single-use plastics.

As such, the scope of this policy excludes single-use plastics within the premises of our hotels or any other assets which we do not fully control. However, Majid Al Futtaim will continue engaging with hotel operators to encourage the adoption of sustainable practices using circular economy strategies.

In addition to the above list, single-use plastics will be eliminated from the entire Majid Al Futtaim premises wherever possible. Consequently, Majid Al Futtaim will also work with its tenants to influence a reduction / elimination of single-use plastics. This includes shopping mall tenants, consignments in Retail stores (e.g. pharmacy inside a hypermarket), and Food & Beverage outlets inside our assets.

Policy approach and implementation

Majid Al Futtaim's approach to phasing out single-use plastics has three overlapping stages:

- raising awareness of customers to drive behavioural change;
- incentivising behavioural change and reducing demand for single-use plastics; and
- operating without single-use-plastics.

Raising Awareness of Customers to Drive Behavioural Change

- Physical and Digital communications and marketing campaigns that raise awareness on the negative impacts of plastic waste

Incentivising Behavioural Change and Reducing Demand for Single-use Plastics

- Introducing incentive / reward programs to encourage adoption of reusable products (bags, containers) – this includes earning loyalty points for shopping with reusable bags, in-store privileges such as a dedicated green cash counter, etc.
- Where possible, introducing a mandatory minimal charge on single-use plastics (where alternatives exist) in our assets
- Working with governmental stakeholders to encourage adoption of legislation aimed at reducing / eliminating single-use plastics

Operating Without Single-use-Plastics

- Completely removing all single-use plastics
- Replacing single-use plastic items with alternative, sustainable materials

The phase-out will be gradual, starting with one country in 2019, and spreading by 2025 to all countries in which we operate. This approach will give teams in certain countries additional time to work on increasing customer awareness levels.

Policy Timeline

Majid Al Futtaim - Retail

	2019	2020	2021	2022	2023	2024	2025	
	Shopping Bags							
Plastic Bags	<ul style="list-style-type: none"> Rewarding reusable bag users in 3 countries 	<ul style="list-style-type: none"> Rewarding reusable bag users in all countries 	<ul style="list-style-type: none"> Charging customers in at least 5 countries 	<ul style="list-style-type: none"> Charging customers in all countries 	<ul style="list-style-type: none"> Phase out in at least 5 countries 	<ul style="list-style-type: none"> Phase out in at least 10 countries 	<ul style="list-style-type: none"> Phase out in all countries 	
	<ul style="list-style-type: none"> MyClub plastic survey in all countries 	<ul style="list-style-type: none"> Charging customers in at least 1 country 	<ul style="list-style-type: none"> All hypermarkets to feature a “green” checkout counter 					
	<ul style="list-style-type: none"> Phase out in at least 1 country 	<ul style="list-style-type: none"> At least 50% of hypermarkets to feature a “green” checkout counter 	<ul style="list-style-type: none"> Phase out in at least 3 countries 					
		<ul style="list-style-type: none"> Phase out in at least 2 countries 						
		Fresh Food						
		<ul style="list-style-type: none"> Investigate and pilot alternative materials (e.g. paper bags for bread, plant-based bags) 		<ul style="list-style-type: none"> Phase out in at least 1 country 	<ul style="list-style-type: none"> Phase out in at least 2 countries 	<ul style="list-style-type: none"> Phase out in at least 5 countries 	<ul style="list-style-type: none"> Phase out in all countries 	
		Fruits and Vegetables						
		<ul style="list-style-type: none"> Introduced reusable F&V bags in UAE 	<ul style="list-style-type: none"> Introduce reusable F&V bags in at least 5 countries 	<ul style="list-style-type: none"> Piloting alternative materials (plant-based, paper bags) 	<ul style="list-style-type: none"> Phase out in at least 2 countries 	<ul style="list-style-type: none"> Phase out in at least 5 countries 	<ul style="list-style-type: none"> Phase out in at least 10 countries 	<ul style="list-style-type: none"> Phase out in all countries
		<ul style="list-style-type: none"> Rewarding reusable bag users in 3 countries 	<ul style="list-style-type: none"> Phase out in at least 1 country 					

Majid Al Futtaim - Retail (Continued)

Containers (butchery, fishery, bakery, ready meals, cheese, cold cuts)	<ul style="list-style-type: none"> Investigate and pilot alternative materials (e.g. wax paper bags for yellow cheese, cardboard / bagasse trays instead of polystyrene foam, PLA starch materials) 			<ul style="list-style-type: none"> Phase out in at least 2 countries 	<ul style="list-style-type: none"> Phase out in at least 5 countries 	<ul style="list-style-type: none"> Phase out in at least 10 countries 	<ul style="list-style-type: none"> Phase out in all countries
	<ul style="list-style-type: none"> Incentivize customers to bring their own reusable containers (for cheese, cold cuts, etc.) 						
Cutlery	<ul style="list-style-type: none"> Pilot sustainable options (e.g. wood, PLA materials) in at least 1 country 	<ul style="list-style-type: none"> Phase out in at least 2 countries 	<ul style="list-style-type: none"> Phase out in at least 5 countries 	<ul style="list-style-type: none"> Phase out in all countries 			

Majid Al Futtaim - Properties

	2019	2020
	Sales Centre Walk-in Customers	
Plastic Water Bottles	<ul style="list-style-type: none"> • <u>Al Zahia Community:</u> - Replace by glass jars & glass cups in all meeting rooms • <u>Al Mouj Community:</u> - Launch Dare to Say No to Single-use Plastic Campaign - Investigate and pilot alternative options (e.g. Glass bottles/ drinking water fountains with reusable bottles/ glass bottles with glass cups to serve customers, etc..) - Using bags made of recycled material 	<ul style="list-style-type: none"> • <u>Al Mouj Community:</u> - Replace by glass bottles and cups in all meeting rooms in both the sales area and the Marina
	Distributed in Events	
	<ul style="list-style-type: none"> • <u>Al Zahia Community:</u> - Investigate the best approach for water bottles in community events 	<ul style="list-style-type: none"> • Plastic bottles will No longer be distributed in community events. Residents will be encouraged to bring in their reusable bottles • Investigate the possibility of having a water fountain during the event
	Inside Offices	
<ul style="list-style-type: none"> • Replace by glass jars & glass cups in all meeting rooms and Offices facilities 	<ul style="list-style-type: none"> • Installing water fountains in all the offices' common areas for Al Mouj Community. 	

Majid Al Futtaim - Properties (Continued)

<p>Plastic Cutlery & Plates (for employees)</p>	<ul style="list-style-type: none"> Plastic cutlery will be removed from all pantries in our offices and sales centers by end of 2019. These will be replaced by alternative options such as wood, PLA starch materials, or reusable options. 	<ul style="list-style-type: none"> Plastic cutlery and plates will be removed from the Marina and Golf in Al Mouj Community
<p>Plastic Cups</p>	<ul style="list-style-type: none"> Plastic cups will be removed from all pantries in our offices and sales centers by end of 2019. These will be replaced by ceramic mugs (for hot drinks) and company-branded reusable bottles for drinking water. 	<ul style="list-style-type: none"> Plastic cups will be removed from shopping malls (inside prayer rooms) and replaced by either paper cups or water fountains
<p>Plastic Water Bottles (distributed in VIP valet car lounge) in shopping malls</p>	<ul style="list-style-type: none"> Replaced by glass jars and glass cups 	
<p>Plastic Bags (hands-free shopping in some malls)</p>	<ul style="list-style-type: none"> Investigate alternative materials to replace the plastic bags (e.g. paper, reusable options) 	<ul style="list-style-type: none"> Replace plastic bags by alternative materials

Majid Al Futtaim – Ventures

	2019	2020	2021	2022	2023
Leisure & Entertainment & Cinemas (LEC): Food & Beverage					
Plastic Bags	<ul style="list-style-type: none"> • Feasibility study completed • RFP for plastic alternatives • RFP analysis and selection 	<ul style="list-style-type: none"> • Full phase-out across 2 countries by replacing with alternative material (e.g. FSC paper, plant-based bags) 	<ul style="list-style-type: none"> • Full phase-out across 4 countries by replacing with alternative material (e.g. FSC paper, plant-based bags) 	<ul style="list-style-type: none"> • Full phase-out across 6 countries by replacing with by alternative material (e.g. FSC paper, plant-based bags) 	<ul style="list-style-type: none"> • Full phase-out across all countries by replacing with alternative material (e.g. FSC paper, plant-based bags)
Food Containers, Cutlery & Straws		<ul style="list-style-type: none"> • Full phase-out across 2 countries by replacing with alternative material (e.g. Non-PLA such as PHA/PHB or TPS, starch based) 	<ul style="list-style-type: none"> • Full phase-out across 4 countries by replacing with alternative material (e.g. Non-PLA such as PHA/PHB or TPS, starch based) 	<ul style="list-style-type: none"> • Full phase-out across 6 countries by replacing with alternative material (e.g. Non-PLA such as PHA/PHB or TPS, starch based) 	<ul style="list-style-type: none"> • Full phase-out across all countries by replacing with alternative material (e.g. Non-PLA such as PHA/PHB or TPS, starch based)
Blanket Bags (for VIP Cinemas)		<ul style="list-style-type: none"> • Full phase-out across 2 countries by replacing with alternative material (e.g. FSC paper, plant-based bags) 	<ul style="list-style-type: none"> • Full phase-out across 4 countries by replacing with alternative material (e.g. FSC paper, plant-based bags) 	<ul style="list-style-type: none"> • Full phase-out across 6 countries by replacing with alternative material (e.g. FSC paper, plant-based bags) 	<ul style="list-style-type: none"> • Full phase-out across all countries by replacing with alternative material (e.g. FSC paper, plant-based bags)

Majid Al Futtaim – Ventures (Continued)

Fashion Stores					
Plastic Bags	<ul style="list-style-type: none"> Currently only 3 brands still use single-use plastic bags 	<ul style="list-style-type: none"> Phase out of 1 additional brand by replacing with alternative materials (e.g. FSC paper, planet-based bags, PHA/PHB, TPS, Starch based) 	<ul style="list-style-type: none"> Phase out of 2 additional brands by replacing with alternative materials (e.g. FSC paper, planet-based bags, PHA/PHB, TPS, Starch based) 	<ul style="list-style-type: none"> Phase out of all brands by replacing with alternative materials (e.g. FSC paper, planet-based bags, PHA/PHB, TPS, Starch based) 	
Magic Planet					
Plastic Packaging of Toys	<ul style="list-style-type: none"> Discussions with vendors on alternative packaging materials 	<ul style="list-style-type: none"> Integration into procurement guidelines 	<ul style="list-style-type: none"> Full phase-out across 2 countries by replacing with alternative materials (e.g. FSC paper, planet-based bags, PHA/PHB, TPS, Starch based) 	<ul style="list-style-type: none"> Full phase-out across 4 countries by replacing with alternative materials (e.g. FSC paper, planet-based bags, PHA/PHB, TPS, Starch based) 	<ul style="list-style-type: none"> Full phase-out across all countries by replacing with alternative materials (e.g. FSC paper, planet-based bags, PHA/PHB, TPS, Starch based)
Ski Dubai & Ski Egypt					
Plastic Bags	<ul style="list-style-type: none"> Feasibility study completed RFP for plastic alternatives RFP analysis and selection 	<ul style="list-style-type: none"> Phase out in Ski Dubai by replacing with alternative materials (e.g. FSC paper, planet-based bags, PHA/PHB, TPS, Starch based) 	<ul style="list-style-type: none"> Full phase out in all countries by replacing with alternative materials (e.g. FSC paper, planet-based bags, PHA/PHB, TPS, Starch based) 		
Plastic Wrapping for Socks	<ul style="list-style-type: none"> Feasibility study completed RFP for plastic alternatives RFP analysis and selection 	<ul style="list-style-type: none"> Phase out in Ski Dubai by replacing with alternative materials (e.g. FSC paper, planet-based bags, PHA/PHB, TPS, Starch based) 	<ul style="list-style-type: none"> Full phase out in all countries by replacing with alternative materials (e.g. FSC paper, planet-based bags, PHA/PHB, TPS, Starch based) 		