

HOLDING – SUSTAINABILITY

# SUSTAINABILITY POLICY

## Sustainability Policy

At Majid Al Futtaim, Sustainability means that we're committed to three fundamental business priorities: **Transforming lives in the communities we serve**, **Rethinking resources to make a Net Positive impact** and **Empowering our people to contribute at their full potential**. We are embedding these priorities company-wide, because we dare to make a difference in every area of our business. We intend to build a positive future for those we serve, while continuing to deliver on our vision to create great moments for everyone, everyday.

Majid Al Futtaim is the leading lifestyle conglomerate across the Middle East, Africa and Asia, serving over 560 million visitors a year. For the past two decades, we have shaped the consumer landscape across the region, transforming the way people shop, live and play, while maintaining a strong sustainability track record. We have over 40,000 team members in 15 international markets representing over 100 nationalities – all keeping the customer at the heart of everything we do, while living our values to be bold, passionate and together.

To create great moments for everyone, everyday, both now and in the future, we must deliver long-term benefits to the economy, society, and natural environment. We are acutely aware of the challenges facing the markets in which we operate and recognise that it is fundamental to our continued success to address these issues in a manner that aligns our business strategy with societal needs, while minimising environmental impact. We aim to become the sustainability partner of choice across the region.

### Our Strategy

We commit to the implementation and delivery of a comprehensive sustainability strategy that manages the socio-economic and environmental issues that are most material to our business. Our approach is aligned to international standards and contributes to ten of the United Nations' Sustainable Development Goals (SDGs).

The three fundamental priorities for our business are: Transforming lives, Rethinking resources and Empowering our people. Under each of these priorities, we have made Sustainable Business Commitments that must be achieved across all three of our operating companies. Our Sustainable Business Commitments address those issues where we can have a greatest impact by managing them across the Group. In addition to our Sustainable Business Commitments, each operating company will create an action plan to manage material risks and opportunities specific to their business activities.

Figure 1. shows how our strategy is managed across the Group.



## Our Sustainable Business Commitments

### *Transforming lives*

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

We will invest in skills, infrastructure and local supply chains to help diversify regional economies, accelerate local economic development and secure the sustainability of the communities we serve.

Specifically, all our Operating Companies will be required to meet the following Sustainable Business Commitments:

1. Annually increase the proportion of expenditure which contributes to the local economy.
2. Invest in an enterprise hub which supports the development of skills and entrepreneurship in line with local needs.
3. Invest in an innovation center of excellence to drive improvement in sustainability performance across Majid Al Futtaim's omnichannel platform.
4. Participate in a Customer Experience Taskforce to implement a programme that uses sustainability to enrich the customer experience across Majid Al Futtaim's omnichannel platform.

### *Rethinking resources*

We will rethink our use of resources to make a Net Positive impact.

We aim to sustain rather than deplete natural resources and make a real contribution to The Paris Agreement's aim to limit global temperature rise below two degrees centigrade.

All our Operating Companies will be required to meet the following Sustainable Business Commitments:

5. Become Net Positive in carbon for all operational, tenant and development activities.
6. Become Net Positive in water for all operational, tenant and development activities.
7. Embed circular economy principles into business operations to minimise harmful impacts on the environment and generate new revenue streams.

### *Empowering our people*

We will empower our people to unlock their full potential.

We will work with our employees and direct suppliers to ensure that the employment conditions of all people who work on our behalf meet international standards for safety and human rights.

All our Operating Companies will be required to meet the following Sustainable Business Commitments:

8. Implement a programme which supports Majid Al Futtaim's commitment to being an inclusive and supportive employer, empowering employees to achieve their potential.
9. Have a wellbeing programme in place and demonstrate measurable improvements in employee health, wellbeing and productivity.
10. 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.
11. Promote 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.

## **Investment in Innovation**

Majid Al Futtaim will invest in innovation and technology to tackle sustainability challenges that are material to its business operations, scale up its impacts and accelerate the attainment of its commitments.

## **Robust governance structure to oversee implementation**

Majid Al Futtaim commits to maintaining a high level of accountability in its professional conduct and to the stakeholders it engages with. This is evidenced by the separation of ownership and management, the existence of a strong management team supported by majority independent Boards, and the voluntary adoption of the United Kingdom's Combined Code on Corporate Governance.

Majid Al Futtaim's approach to sustainability governance reflects its commitment to best practice corporate governance. A Group-level Sustainability Steering Group will meet at least twice a year, be chaired by the Group Chief Executive and will hold Operating Companies to account for delivering on Sustainable Business Commitments. Two or more measures of success (KPIs) have been defined for each Sustainable Business Commitment and Operating Companies' progress will be reviewed on an annual basis. A public report on sustainability performance will also be issued annually to keep stakeholders informed of Majid Al Futtaim's progress and invite their feedback and collaboration.

Each Operating Company will regularly engage with stakeholders to inform the development of sustainability action plans and leverage existing networks to share specialist sustainability knowledge and promote collaboration within and across the businesses.

Responsibility for the delivery of this policy and its supporting processes rests with the Head of Sustainability and the Majid Al Futtaim Sustainability Group as a sub-committee to the main board, with oversight from the Chief Executive.