

Majid Al Futtaim

Independent Assurance Statement

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TO: THE STAKEHOLDERS OF MAJID AL FUTTAIM

Independent assurance statement by Upstream Sustainability Services, JLL (“Upstream”) to the stakeholders of Majid Al Futtaim concerning its environmental performance data as stated in its 2021 Annual Sustainability Report and 2022 Green Sukuk Report.

SCOPE OF WORK

Majid Al Futtaim engaged Upstream to provide independent assurance of Refrigerants, Energy, Water, and Greenhouse Gas emissions performance information relevant to its 2021 Annual Sustainability Report and 2022 Green Sukuk Report. The engagement was Type 2 moderate assurance in accordance with the AA1000AS v3 standard which consisted of:

A. Evaluation of Majid Al Futtaim’s adherence to the AA1000 AccountAbility Principles (AA1000AP 2018) of inclusivity, materiality and responsiveness;

B. Evaluation of the reliability of the specified sustainability performance information and associated data collection and management processes and systems relating to;

- 2021 January to December Energy, Water and GHG data from the 2021 Annual Sustainability Report and 2022 Green Sukuk Report

RESPONSIBILITY

The management of Majid Al Futtaim is responsible for the completion of the 2021 Annual Sustainability Report and 2022 Green Sukuk Report and all statements and figures contained therein. Upstream’s responsibility was to complete the assurance process, prepare this assurance statement and to provide a report on its findings for the management of Majid Al Futtaim. See section, ‘Independence of Assurance’ for further information on Upstream’s involvement with Majid Al Futtaim.

METHODOLOGY

Upstream undertook the following assurance activities:

- Interviewed Shamma Alsuwaidi, Sustainability Executive; Samit Chakkapayon, Country Maintenance & Assets Manager; Nigora Rapolbekova, Facilities Support Officer; Peter Stubbs, Director - HSE regarding Majid Al Futtaim's adherence to the AA1000 accountability principles and its data collection, management and reporting processes;
- Reviewed internal and publicly available information relating to the principles of inclusivity, materiality and responsiveness and drew upon information gathered in 2021 through interviews conducted with Majid Al Futtaim staff;
- Discussed data, evidence and data issues with Majid Al Futtaim property managers, data managers and users;
- Reviewed the approach to data collection, management and reporting.

LEVEL OF ASSURANCE AND LIMITATIONS

Upstream provided a moderate level of assurance which included desktop review, management and property level data verification and evidence gathering from internal sources and third parties. The verification did not include financial data, technical descriptions of or information relating to buildings or other information not related to sustainability.

The scope of our data testing was limited to operational properties throughout the 2021 calendar year. We tested a sample of 1,572 data points from a total of 131 data sources (e.g., assets, meters, or waste disposal routes) from:

- 651 operational properties within Majid Al Futtaim that are reporting environmental data in 2021 Annual Sustainability Report and 2022 Green Sukuk Report.

A sample from Majid Al Futtaim's Properties, Retail, Lifestyle, and LEC Operating Companies was selected, to ensure that assurance was representative of each of these individually, as well as at a company level. The sample of data from the Properties Operating Company was also checked to ensure that this was representative of the Green Sukuk portfolio.

The scope of AA1000 Assurance is limited based on the amount of interaction and information provided. Material from Majid Al Futtaim's data management platform, utilities providers, site teams, and strategy and policy documents were provided as part of the evidence. Other key evidence reviewed included invoices, meter readings, metering reports, maintenance reports, purchase orders, delivery notes, email correspondence, the draft Annual Sustainability Report, and other publicly available information on Majid Al Futtaim's website [here](#).

A: EVALUATION OF MAJID AL FUTTAIM'S ADHERENCE TO THE AA1000 ACCOUNTABILITY PRINCIPLES (AA1000AP 2018) OF INCLUSIVITY, MATERIALITY, RESPONSIVENESS AND IMPACT

Based on the scope of work described above, nothing has come to our attention to suggest that Majid Al Futtaim did not adhere to the majority of the criteria under the principles of inclusivity, materiality, responsiveness and impact for 2021.

INCLUSIVITY - HOW THE ORGANISATION ENGAGES WITH STAKEHOLDERS AND ENABLES THEIR PARTICIPATION IN IDENTIFYING ISSUES AND FINDING

Majid Al Futtaim has identified key stakeholders with whom it engages in working towards the goals set out in its sustainability strategy. These include customers, employees, tenants, suppliers, investors, NGOs, governments, and communities. Majid Al Futtaim formally communicates its ESG commitments in the annual sustainability report and has established several communication channels to facilitate participation in the identification and response to sustainability issues. Mode of communication is tailored by stakeholder group to ensure the most effective method is utilised. Engagement is used to share ESG best practice, upskill employees and service partners through training, communicate ESG goals and strategy, and to provide input on community/government initiatives. Surveys are also used to gather information on employee and customer satisfaction and include ESG related questions. In addition to the identification of issues, employees can feed directly into Majid Al Futtaim's response and are encouraged to present innovative ideas to Majid Al Futtaim via the Innovation Centre for Excellence; during 2021, an ESG initiative to reduce printed paper was proposed by colleagues and was approved and adopted by the business. This demonstrates one example of stakeholder participation facilitating improvements within the organisation.

MATERIALITY – HOW THE ORGANISATION DETRIMES THE RELEVANCE AND SIGNIFICANCE OF AN ISSUE TO ITSELF AND TO ITS STAKEHOLDER

Majid Al Futtaim's Dare 'Today, Change Tomorrow' sustainability strategy has been used to define the businesses approach to addressing the material ESG issues identified as part of its most recent materiality assessment, conducted in 2017. This process involved the ranking of issues based on their importance to stakeholders and the business to identify key areas of focus. During 2021, Majid Al Futtaim has undertaken a materiality review. This has enabled the business to identify risk and opportunity and ensure that the strategy remains responsive to developing market trends. As part of this review, baseline performance against ESG criteria was established and engagement was conducted with stakeholders, the identification of issues was supported by peer and legislation review, taking into account the various regions in which the business operates. Majid Al Futtaim has a well-established network of sustainability professionals with the necessary competencies to respond to the material issues they have identified. This includes direct employees holding dedicated sustainability roles, as well as external consultants, that support the identification and response to material issues. Material issues have also been aligned to the United Nations Sustainable Development Goals (UNSDGs), as well as the United Nations Global Compact (UNGC) principles.

RESPONSIVENESS – HOW THE ORGANISATION RESPONDS TO STAKEHOLDER ISSUES AFFECTING SUSTAINABILITY THROUGH ITS PERFORMANCE, ACTIONS, DECISIONS AND COMMUNICAITON

Business response to stakeholder sustainability issues is coordinated by the Chief Sustainability Officer and Chief Executive Officer of each Operating Company. Targets are set per Operating Company and responsibilities are assigned to individual employees through the senior management teams. Target trackers are used to communicate responsibilities to relevant stakeholders and track the actions taken in implementing ESG initiatives. The business' response is supported by policy documentation that formally states business commitments, and provides information on the processes used to deliver on these. Newly published policies for 2021 include occupational health and safety, diversity and inclusion, and the environmental management system, which mandate the inclusion of environmental and social issues as part of Majid Al Futtaim's business strategy. The Insights & Publications section of Majid Al Futtaim's corporate website ([here](#)) continues to be a key source of continuous and passive engagement with stakeholders, and is regularly updated. This enables stakeholders to access thought leadership reports and is used to communicate the businesses progress against its ESG targets. Internally, updates are shared via the Workplace social media platform, to help ensure that employees are aware of ESG issues and initiatives. During 2021 sustainability training was rolled out to frontline staff in order to further communicate the ambitions of its strategy to colleagues and help embed consideration of ESG issues into day-to-day business operations.

During 2021, Majid Al Futtaim has conducted a climate risk assessment to understand risk and opportunity in line with the requirements of TCFD, and to communicate these to stakeholders in a consistent way. This exercise has helped inform risk management processes and facilitate the creation of action plans for key assets to ensure longevity and resilience. Majid Al Futtaim also makes use of industry initiatives, frameworks, and benchmarking tools that support the comparability of information and align responses to best practice.

IMPACT – HOW THE ORGANISATION MONITORS AND MEASURES THE EFFECTS OF ITS BEHAVIOUR AND PERFORMANCE ON THE ECONOMY, THE ENVIRONMENT, AND SOCIETY

Majid Al Futtaim tracks progress against the activities it undertakes, and utility data is collected across its portfolio as a means of quantifying environmental impact. Progress against targets is monitored and reviewed quarterly and audited on an annual basis to help ensure that both impact and business response to ESG issues is accurately addressed and communicated. In addition to the environmental impact of standing assets, Majid Al Futtaim has also taken steps to measure and manage the emissions associated with new developments in line with their sustainable building policy, and have conducted studies related to the embodied carbon of their portfolio to ensure that a more comprehensive and balanced understanding of impact is measured. Majid Al Futtaim's World Green Building Council (WGBC) Net Zero Carbon commitment is also aligned to the Science Based Targets Initiative (SBTi), demonstrating to stakeholders that a credible and replicable process has been applied to evaluate impact and manage its response to climate change. Majid Al Futtaim presents performance data and information on an ongoing basis. ESG performance is reported in line with Global Reporting Initiative Standards (GRI), European Public Real Estate Association (EPRA) reporting guidelines, United Nations Global Compact (UNGC) and the United Nations Sustainable Development Goals (UN SDGs). It also participates in the Global Real Estate Sustainability Benchmark (GRESB) in order to understand and evaluate performance in relation to industry peers. Majid Al Futtaim is also a supporter of the Task Force on Climate-related Financial Disclosures (TCFD).

Majid Al Futtaim continues to track and improve its social impacts through the 'Transforming Lives' and 'Empowering our People' pillars of the sustainability strategy. This provides the framework for creating and tracking social value. Indicators considered include local economic development, employment conditions, health and safety, customer experience, employee satisfaction, wellbeing, and training. Staff and customer surveying is also used to collect data and understand these stakeholder groups' perceptions on ESG issues.

OBSERVATIONS & RECOMMENDATIONS

- Majid Al Futtaim has made continuous efforts to ensure that the expectations of stakeholders are reflected in their ESG strategy, particularly through refreshing their material issues, engagement with customers and employees via surveys, the delivery of training, and by facilitating onsite engagement.
- Majid Al Futtaim has further embedded the principle of inclusivity in their approach of responding to and reporting on ESG issues. This is demonstrated by their commitments to the World Economic Forum (WEF) Stakeholder capitalism metrics which facilitates greater transparency and comparability of their ESG disclosures, as well as continued reporting against GRI criteria, and the WGBC Net Zero Carbon commitment.
- Majid Al Futtaim's sustainability strategy is supported by a suite of policy and process documents, ensuring that high standards of practice are maintained.
- Majid Al Futtaim has a well-developed and robust governance structure to respond to ESG issues. The role of a sustainability lead for each operating company ensures that the goals and ambitions of the central sustainability strategy is cascaded throughout the various arms of the business by the robust network of sustainability champions across countries of operation.

The above findings and additional observations and recommendations have been presented to the management of Majid Al Futtaim in a more detailed management report.

B: EVALUATION OF THE RELIABILITY OF THE SPECIFIED SUSTAINABILITY PERFORMANCE INFORMATION AND ASSOCIATED DATA COLLECTION AND MANAGEMENT PROCESSES AND SYSTEMS

Based on our sampled data points and the scope of the work described above, nothing has come to Upstream's attention that causes it to believe that the specified Refrigerants, Energy (PV, electricity, district chilled water, received cooling, natural gas, diesel, petrol, and LPG), Water, and Greenhouse Gas Emissions performance information is not fairly stated for Majid Al Futtaim.

DATA ASSURED:

43,815 kg operational Refrigerant consumption, assured with 98.99%

1,416,773,254 kWh operational Energy consumption, assured with 99.68%

6,218,320 m3 operational Water consumption, assured with 99.93%

147,627 tCO₂e Scope 1 Greenhouse Gas Emissions, assured with 99.68%

666,218 tCO₂e Scope 2 Greenhouse Gas Emissions, assured with 99.68%

214,097 tCO₂e Scope 3 Greenhouse Gas Emissions, assured with 99.68%

OBSERVATIONS & RECOMMENDATIONS

- Inconsistency was identified in the provision and reporting of environmental data. It is recommended that data providers undertake further training to fully understand roles and responsibilities, as well as best practice reporting guidelines. Closer collaborating between external consultants and individuals will support this.
- Conflicting sources of evidence (and data reporting) were provided which caused challenges in confirming the final consumption data, and evidence folder structures became challenging to navigate due to inconsistent structures being used between different areas of the business. It is recommended that a formal and consistent folder structure is agreed within the business, and that files is carefully reviewed to ensure that there are no duplicates or conflicts.
- Evidence provision was often incomplete, or was not the source of the data reported by individuals on the data management platform. Evidence provided should be the data source of what has been reported, and files should be checked for completeness and accuracy before being handed over to assurance.

- Ensure that minimal unit conversions are applied between source data and reporting on SoFi - The platform can do conversions so only those essential should be made to ensure consistency and best practice alignment
- Whilst a clear and consistent estimation methodology is applied to cover assets where data is unavailable, it is imperative that data providers ensure that reporting periods are confirmed to prevent erroneous estimates occurring.
- Although an improvement in accuracy of reported data has been observed in the 2021 data, the percentage variance between reported consumption and evidence should continue to be reduced in the first instance to prevent the need for any restatements.

The above findings and additional observations and recommendations have been presented to the management of Majid Al Futtaim in a more detailed management report.

INDEPENDENCE OF ASSURANCE

Due to our expertise and experience with non-financial information, sustainability management and social and environmental issues, we have the competencies required to conduct this independent assurance engagement. We are bound by the JLL Code of Business Ethics and are independent as defined by AA1000AS v3.

Upstream is a consultant to Majid Al Futtaim and provides support on their environmental, social and governance programme. The assurance team has not been involved in the delivery of these other services for Majid Al Futtaim and we do not consider that there is any conflict of interest between these other services and this assurance engagement.



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