

## Majid Al Futtaim

### PRESS RELEASE

## Majid Al Futtaim Secures \$1.5 Billion Sustainability-Linked Loan

- Majid Al Futtaim's SLL is in line with global best practice and demonstrates the Company's commitment to achieving real, tangible sustainability progress
- A landmark transaction, the SLL makes Majid Al Futtaim the first privately-owned Dubai corporation to borrow via this type of innovative facility
- The SLL is the first and only "penalty-only" loan structure in the region, with clear targets for each year of the loan
- Standard Chartered Bank acted as sustainability coordinator on the loan

**Dubai, United Arab Emirates, 26 August 2021:** Majid Al Futtaim, the leading shopping malls, communities, retail and leisure pioneer across the Middle East, Africa and Asia, has signed its inaugural \$1.5 billion (AED 5.51 billion) Sustainability-Linked Loan (SLL), a financial instrument secured primarily on environmental, social and governance (ESG) related performance.

In line with Majid Al Futtaim's ambitious sustainability strategy, the SLL aims to facilitate and support environmentally and socially sustainable economic activity and growth by incentivising ambitious, predetermined sustainability performance objectives.

Majid Al Futtaim's five-year SLL is structured as a revolving credit facility (RCF) and is the largest corporate, non-government-linked SLL in the region and the largest in the MENA real estate sector, with over a dozen banks participating in the syndicate. The Company's agreement also includes a gender diversity target for women to constitute 30% of board members and senior management roles, aligning with the global aims of the 30% Club, a first for the region.

Ziad Chalhoub, Chief Financial Officer, Majid Al Futtaim Holding, said: "Majid Al Futtaim continually strives to become one of the most sustainably considerate companies in the world, and this extends to genuine accountability in how we finance our operational and capital expenditures across the Group. The signing of our first Sustainability-Linked Loan comes as a result of, and in line with, our long-term strategic targets, including the production of more energy and water than we consume, reaching a Net Positive business model by 2040.

"While a company's profitability is important, how you contribute to sustainability is becoming more crucial and a filter for investors to decide how much and where they will invest. To ensure that you have access to funding – and at attractive rates – in a world where sustainability is becoming more important, it is imperative to embrace this reality now and not be left behind."

One of Majid Al Futtaim's core ambitions as part of this SLL is to have all its malls certified LEED Gold or better, which would be another first for the region. It is worth noting that Majid Al Futtaim Properties' hotels were the region's first to receive LEED Platinum certification across its 13-hotel property portfolio earlier this year.

Majid Al Futtaim's SLL is the largest in the region since the updated principles of the Loan Market Association (LMA) were published in May 2021, requiring independent, external verification of

annual KPI performance reporting to ensure clarity and compliance against specific sustainability performance targets (SPTs).

Mohamed Salama, Regional Head of Client Coverage MENA, Standard Chartered Bank, said: "We are delighted to support Majid Al Futtaim in their landmark debut sustainability linked loan by acting as sole sustainability coordinator. Having structured the first-ever loan in the Middle East to incorporate sustainability-linked pricing in 2018, we are proud to have brought another pioneering facility to the market. As a regional leader in sustainable finance and given our own commitment to be Net Zero across all our activities by 2050, we are committed to supporting our clients, like Majid Al Futtaim, to deliver on their sustainability objectives by structuring innovative solutions."

There has been a remarkable increase in the volume of SLLs globally following the launch of the Sustainability-Linked Loan Principles (SLLP) in March 2019, published to promote the development of SLL products by providing a framework for application by lenders and borrowers.

This SLL has clear SPTs across three KPIs for each year of the loan, in line with global best practice and is the region's first and only "penalty-only" facility, demonstrating Majid Al Futtaim's commitment to achieving real, tangible sustainability targets.

Majid Al Futtaim has a long history of working towards the effective and efficient management of resources. In 2018, as a part of the company-wide sustainability strategy, Dare Today, Change Tomorrow, Majid Al Futtaim established three focus areas: Transforming Lives, Rethinking Resources, and Empowering Our People. In 2020, Majid Al Futtaim Launched its Company-wide Circular Economy Strategy to reduce environmental impact further, aiming by 2030 to have all Majid Al Futtaim businesses operating with circularity at the core.

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**About Majid Al Futtaim**

Founded in 1992, Majid Al Futtaim is the leading shopping mall, communities, retail and leisure pioneer across the Middle East, Africa and Asia.

A remarkable business success story, Majid Al Futtaim started from one man's vision to transform the face of shopping, entertainment and leisure to 'create great moments for everyone, every day'. It has since

grown into one of the United Arab Emirates' most respected and successful businesses spanning 17 international markets, employing more than 43,000 people, and obtaining the highest credit rating (BBB) among privately-held corporates in the region.

Majid Al Futtaim owns and operates 27 shopping malls, 13 hotels and four mixed-use communities, with further developments underway in the region. The shopping malls portfolio includes Mall of the Emirates, Mall of Egypt, City Centre malls, My City Centre neighbourhood centres, and five community malls which are in joint venture with the Government of Sharjah. The Company is the exclusive franchisee for Carrefour in over 30 markets across the Middle East, Africa and Asia, operating a portfolio of more than 350 outlets and an online store.

Majid Al Futtaim operates more than 500 VOX Cinemas screens as well as a portfolio of world-class leisure and entertainment experiences across the region including Ski Dubai, Ski Egypt, Dreamscape, Magic Planet, Little Explorers and iFLY Dubai. The Company is parent to the consumer finance company 'Najm', and a Fashion, Home and Specialty retail business representing international brands such as Abercrombie & Fitch, Hollister, AllSaints, lululemon athletica, Crate & Barrel, Maisons du Monde, LEGO and THAT, a Majid Al Futtaim fashion concept store and app. In addition, Majid Al Futtaim operates Enova, a facility and energy management company, through a joint venture operation with Veolia, a global leader in optimised environment resource management.

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