

MAJID AL FUTTAIM – SUSTAINABILITY

Employment Conditions Policy

Background

Majid Al Futtaim operates in a region where there may be a gap between employment conditions and international best practice. As a business, we directly employ over 40,000 people and have numerous direct suppliers' and contractors' staff living in employee accommodations.

Majid Al Futtaim is committed to implementing and delivering a comprehensive sustainability strategy, Dare Today, Change Tomorrow, through which Majid Al Futtaim manages the socio-economic and environmental issues that are most material to its business.

Dare Today, Change Tomorrow has three fundamental business priorities:

- **Transforming the lives** in the communities of Majid Al Futtaim serves, to provide a healthy, fulfilling, and sustainable way of life
- **Rethinking resources**, addressing Majid Al Futtaim's use of resources to make a Net Positive impact
- **Empowering our people** to unlock their full potential

As part of our *Empowering our People* pillar, we are committed to protecting the rights of our employees, upholding best practice labour standards, and ensuring that our suppliers and contractors do the same.

Purpose

This policy outlines the labour standards we uphold, which were developed in accordance with international best practices, namely the International Labour Organisation Core Conventions and UN Global Compact Principles, and engagement with internal and external stakeholders. It seeks to ensure that the protection and enhancement of employment conditions is one of the primary ways which we manage risks relating to human rights.

Scope

This policy lays out the employment conditions we provide for our workforce, and what we require from our direct (Tier 1) suppliers and contractors.

In addition to expecting all concerned parties to comply with all applicable government legislation and to disclose incidences of non-compliance, we are committed to the below standards for our own employee workforce and require our direct service providers and Tier 1 contractors to do the same.

Grievance

As part of our Code of Conduct, we provide a way for our employees to report ethical concerns; whistleblowing is done anonymously with options for reporting potential cases being:

1. Person raises a concern with his/her manager
2. Person raises a concern with the Ethics Panel or with the Chief Compliance Officer
3. Person raises a concern through the Ethics Hotline

Further details can be accessed through the links below:

[Ethics Hotline Process](#), [Ethics Hotline Toll Free Numbers](#) and [Ethics Hotline Online Reporting line](#).

Labour Standards

Outlined below are the labour standards that need to be complied with:

Child Labour:

- Child labour will not be tolerated. The minimum working age is 16 or as per the respective country's law, whichever more stringent.

Basic Rights:

- As per local regulations, employees shall retain, or have unbarred access to, custody of original government-issued documentation and travel documents.
- Employees shall only be employed on a voluntary basis.
- The main terms of the employer and employee relationship, details of pay, leave, discipline, and grievance systems shall be freely agreed. Terms of employment shall be provided in a language understood by the employee. Where a third-party recruiter is used, all fees and expenses shall be covered by the employer and shall not be reclaimed from the employee at any time.
- Unreasonable restrictions on the movement of employees within the workplace when entering or leaving shall not be imposed.
- All employees shall be treated with respect and dignity throughout their employment. Employees shall not be exposed to harassment and abuse in the workplace. Acts of harassment and abuse include mental or physical coercion, threatening behaviour, inhumane treatment, or sexual harassment.
- Where legally permitted, employees shall be allowed to associate with others and able to

form profession-related organisations of their choosing and they shall be allowed to engage in bargaining together (collectively) without fear of discrimination, harassment, or retaliation. Employees shall be informed of their rights in this regard.

- The right of employees to seek resolution of labour disputes shall be recognised and respected.
- Employment bans for those seeking to change jobs at the end of a contract is not allowed. If required, employer is to provide a no objection letter at the end of the services to the employee.
- In the case of ethical misconduct, employees are provided an anonymous ethics hotline to report concerns, as mentioned in the Grievance section.

Remuneration:

- Where applicable, employees shall be provided remuneration that meets or exceeds the legal minimum.
In case there is no minimum remuneration mandated, the market-benchmarked compensation (which considers location-specific living costs) should be used.
- Overtime should be voluntary and properly compensated for, according to local regulations.
- Employees shall receive their remuneration in full via electronic bank transfer or as per labour law requirement and on a pre-agreed schedule without delay. A payslip shall be provided detailing legally mandated deductions. All other deductions from remuneration shall only be made with expressed consent of the employee or as per applicable law.
- The employer shall cover or reimburse foreign/expatriate employee costs for medical examination, visas, and air travel, as per the labour law of the respective country.
- The employer will provide employees transport to and from their workplace or provide allowances/subsidies, where applicable.
If local labour laws mandate it, allowances/subsidies must be declared by the employer and be in addition to the agreed remuneration.
- Employees will receive medical insurance, as per the local labour laws that govern this benefit.
- Where the labour laws mandate it, all expatriate employees with a tenure of over one year will be entitled to end-of-service pay. If the employee is a citizen of the country of

employment, then the country-applicable social insurance or pension plans will prevail.

Working Days and Hours:

- Employees shall not be required to work more than 60 hours per week, or the legal limit on regular working hours where the legal limit is lower, unless formally agreed. In cases where overtime is agreed upon, it should be undertaken in line with the requirements set out in the Remuneration section.
- Employees are entitled to at least one day off in every seven-day period, or what is required by the respective country labour law.
- No employee will work more than 5 hours without a break. Where applicable, regional requirements in this regard shall be observed.

Work Leave:

- Employees are entitled to paid annual leave, as per local legal requirements.
- Employees are entitled to take public holidays in their country of employment fully paid, plus one additional fully paid day for relevant religious holidays.
- Employees are entitled to paid maternity leave and paid paternity leave, in accordance with relevant local legal requirements or employer's policy, whichever is longer.
- Employees are entitled to paid sick leave of at least 15 days, or longer as per local regulations.
- Employees are entitled to paid compassionate leave of at least 3 days, or longer as per local regulations

Flexible Working:

- Majid Al Futtaim may introduce flexible working hours at its discretion, as long as the set of core working hours is being adhered to in particular for the case of UAE Nationals.

Diversity and Inclusion:

- To ensure equal opportunity, employees shall not be discriminated against during hiring, advancement, disciplinary procedures, and termination of employment or retirement. Employees shall not be discriminated against based on gender, race, ethnicity, national origin, religion, age, disability, sexual orientation, union membership or marital status.
- Female employees shall receive equal pay including benefits, equal treatment, and equal opportunity to fill all positions open to male employees.

- Female employees shall not be required to take a pregnancy or medical tests except if required by applicable laws or regulations or if relevant for workplace safety.
- Appropriate services and job-related modifications shall be provided to support employees during their pregnancy, as per the local labour laws.

Occupational Health and Safety:

- Employees shall be provided with a safe work environment that employs best practices for health and safety measures.
- Health and safety audits should be performed bi-annually at all operations and developments.
- Employees are trained for emergency protocols, in accordance with local regulations:
 - First-aid training must be performed by a certified third-party training provider:
 - Less than 250 employees: 1 first-aider
 - Between 250 to 500 employees: 2 first aiders
 - More than 500 employees: 3 first-aiders
 - Fire safety training must be performed by a certified third-party training provider:
 - At least 2 fire wardens per floor/department/area
 - Bi-annual fire drill
 - Awareness campaign sessions with the Health & Safety team
- There must be a dedicated health and safety manager / risk & compliance manager to oversee the management of health and safety across all operations and developments where required.

Accommodation:

- Where employees are provided with accommodation, accommodation will be required to meet the requirements laid out in the Majid Al Futtaim Employee Conditions Audit Checklist (which is included with the supplier's contract) or local regulations, whichever more stringent.
This is also applicable for both Majid Al Futtaim employees and the direct service providers providing services on-site (e.g., security personnel, cleaners, trolley-boys, contractors).
- Employee accommodation audits should be performed bi-annually at all accommodation sites. Those who fail these audits will be expected to rectify the required measures within 30 days or as per the timeframes constituted in the Governance section, depending on the non-compliance. Failure to do so may result in termination of contractor/supplier contracts, as a last resort.
- In the case that an accommodation allowance is provided, the allowance should cover the

costs for an accommodation that meets the requirements set out in the Majid Al Futtaim Employee Conditions Audit Checklist.

Training and Development:

- Employees will receive the training they require to deliver their roles.
- Employees will be offered additional training in areas that improve their employment opportunities and earning potential.
- Employees are given annual performance reviews by managers to identify strengths and weaknesses and to create a personal development plan.

Governance

Responsibility for the delivery of this policy and the associated processes and procedures rests with the Corporate Sustainability team at Holding, in collaboration with Human Capital, Risk & Compliance, and Health & Safety department of each operating company, with oversight from the Board.

To understand the performance of our direct suppliers and contractors against the employment conditions standards, we require our service providers and contractors to maintain accurate records of compliance, make all relevant documentation available to Majid Al Futtaim and provide access to all relevant sites and facilities to Majid Al Futtaim auditors or any designated third-party audit company.

Two main processes will be employed to ensure these standards are maintained:

1. Regular audits of health and safety, employee accommodation provisions, and documentation and records
2. Interviews with a proportionate sample of the workforce

To guarantee the timely and full payment of agreed-upon compensation, Majid Al Futtaim will utilise the Wages Protection System (if available in country of operation), and within the boundaries of local regulations laws in all other countries where Majid Al Futtaim operates.

We recognise that improving employment conditions requires ongoing effort and attention. To ensure that these standards are consistently applied, we commit to monitoring and auditing both our performance and that of our contractors and tier 1 suppliers.

To uphold the accommodation standards stated in the Majid Al Futtaim checklist guidance, members of relevant Majid Al Futtaim teams will plan regular visits throughout the contract term.

Failure to comply with those requirements will constitute a breach of contract and will result in an issuance of an immediate improvement notice with a rectification timeline:

- For prerequisites, non-compliance results in an immediate failure of the audit. The audited party must then submit a remediation plan within three days and ensure that the non-compliance is addressed within a month.
- For any other non-compliance, the audited party has three days to submit a remediation plan to Majid Al Futtaim. This remediation plan should have a timeline appropriate to the nature of non-compliance.

Further non-compliance could lead to blacklisting and/or contract termination. Notwithstanding the given requirements, the local regulations of each country are to be complied with. Where local regulations are of a lower standard, the given standards shall be adopted as best practice.

Failure to comply with this policy will result in the issuance of a formal warning and a deadline to remediate non-compliance within 30 days. If unmet, this may result in termination of the contract and exclusion from any future tendering processes with immediate effect.