

## 2022 ESG REPORT HIGHLIGHTS

# Dare Together





# 2022 key highlights



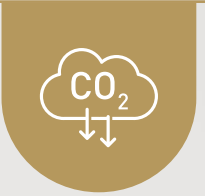
## Top-rated

regional and industry ESG company by Sustainalytics' ESG Risk Ratings and Moody's



## US\$1.25 billion

second Sustainability-Linked Loan signed



## 11% reduction

in market-based Scope 1 and 2 emissions across the Company compared to 2019 baseline



## Science-based targets

developed for our Operating Companies – Retail, Entertainment and Lifestyle



## Gold level TRUE zero-waste certification

awarded to Majid Al Futtaim Tower 2, the first in the UAE



## First BIO store

opened at City Centre Me'aisem, offering over 3,000 organic, health-conscious, local products



## 20,000

employee engagements during Wellness Week, our most far-reaching yet



## Launchpad Programme

established to turbo-charge the growth plans of start-ups and SMEs in the region



## +20,930

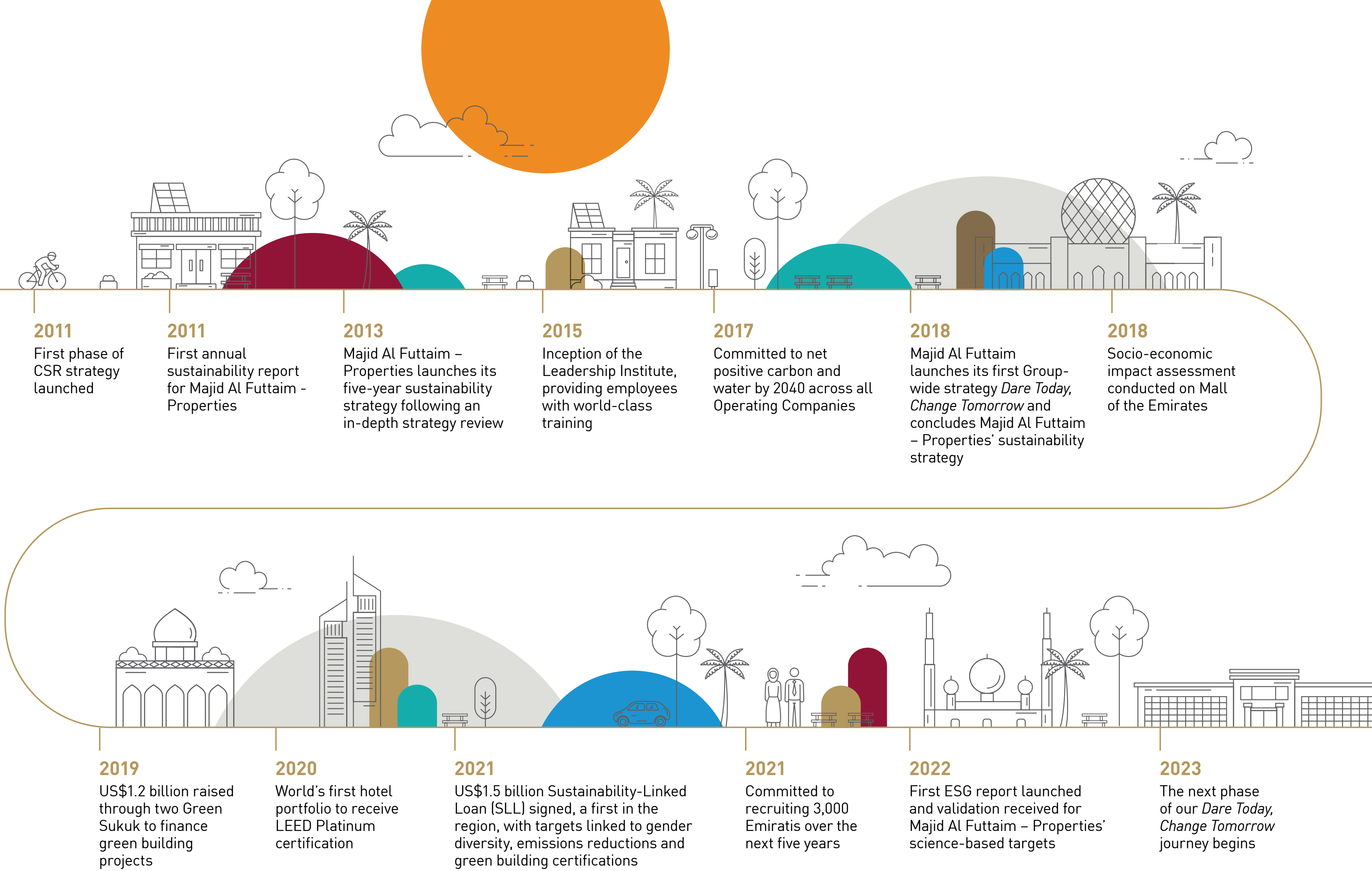
frontline employees completed sustainability training



# Our journey to *Dare Today, Change Tomorrow*

Majid Al Futtaim’s vision to create great moments for everyone continues to guide its activities to transform the shopping, entertainment and leisure industries in the Middle East, Africa and Asia. Since our first CSR strategy was launched in 2011, initiated from our then Head of Corporate Social Responsibility who found a Carrefour plastic bag in the sea, how we create value for people and the planet has evidently become more deeply integrated into our transformation journey.

Today, this has naturally progressed to encompass ESG risks and opportunities to ensure how we manage them is embedded throughout our culture, policies and business activities. Some of the key highlights of our journey are shared in the timeline.







## ENVIRONMENTAL

# Rethinking Resources

Since the launch of our first Company-wide Sustainable Business Commitments in 2018, Majid Al Futtaim has proven our approach to building and operating best-in-class assets. We have expanded our green certified portfolio to include 54 of Majid Al Futtaim's assets, set science-based carbon reduction targets, installed and signed 16 million kWh of renewable energy and Power Purchase Agreements (PPAs) in 2022, phased-out single-use plastic bags across 6 countries in Majid Al Futtaim - Retail and pioneered innovative solutions to achieve water and energy efficiencies.

## 2022 highlights



**54**

green certified Majid Al Futtaim assets

**60%**

reduction in Tilal Al Ghaf's office annual carbon footprint, by installing a solar hybrid power system

### LEED EBOM Platinum

(Operations and Maintenance) achieved at Mall of the Emirates, City Centre Shindagha and City Centre Ajman

Mall of the Emirates is the **world's biggest shopping mall**

to achieve the LEED EBOM (Operations and Maintenance) Platinum Certification

**51 million kWh**

of renewable energy generated in 2022

**94%**

green star applicable tenancies rated 3-star or above (vs. 91% in 2021)

**2,500**

indigenous trees planted by MAFers and their families

**4,210**

beverage containers recycled through reverse vending machines, equivalent to 239 kgCO<sub>2</sub>



### ▼ SPOTLIGHT ON

## Nature-based Solutions

Owing to their potential in supporting the goals of our Climate Transition Action Plan and particularly for managing our climate risk, we have adopted a NbS approach within our Climate Resilience Strategy. Over the past few years, we have been exploring NbS in a variety of forms.

Tree planting can remove greenhouse gases (GHG) from the atmosphere and protect against flooding and soil erosion so long as the right species are planted. In 2022, for example, Majid Al Futtaim and its employees joined forces with Emirates Environmental Group and Fujairah Municipality to plant 1,250 indigenous Ghaf and Sidr sapling trees in Fujairah. Another 1,250 UAE native trees were planted by MAFers and their families in Dubai's Hatta region. This is equivalent to offsetting almost 15 MtCO<sub>2</sub> upon the tree reaching maturity and we are working with relevant stakeholders to closely monitor them.

A key benefit of NbS is their ability to enhance and protect biodiversity. For example, we have been piloting 10 beehives across both the Tilal Al Ghaf community and one of our headquarters, Majid Al Futtaim Tower 1, in collaboration with Native, a local start-up, to boost the population of these pollinators and their associated benefits to food production and wild plant biodiversity. In 2022, we hosted an event for MAFers to harvest honey from the Majid Al Futtaim - Tower 1 beehives. We harvested 60 kg of honey, with MAFers receiving their own jars and learning about the full harvest experience.





## SOCIAL

# Transforming Lives

In 2022, Majid Al Futtaim provided tailored support to our communities through building additional infrastructure based on communities' needs, supporting local people and businesses with access to valuable skills, investment and meaningful employment and promoting sustainable lifestyles through our products, services and experiences. With a highly diverse customer base of over 178 million across our assets and experiences, we are embedding inclusivity, innovation and wellness into our offerings to ensure that we create great moments for everyone, everyday.

## 2022 highlights



**233**

Egyptians graduated from the Almaza Recruitment and Training Centre (ARTC) since opening in 2021, with an 81% job placement rate

**700 Emiratis**

recruited between September 2021 and 2022 through the NAFIS programme

**14 start-ups**

chosen through our Launchpad Programme, with 50% of companies run by female entrepreneurs

**70 stores**

rolled-out the Merge Interpreter Sign Language platform

**EGP 650,000**

provided by Carrefour Egypt through its 'Rest of the Money Collection' to establish and equip three classrooms to serve 60 female students

**60**

people of determination and their families welcomed by Ski Egypt to enjoy a ski experience

**81%**

of spending was on suppliers local to Majid Al Futtaim operations (2021: 85%)

**12**

projects invested in to develop additional infrastructure in the UAE and Egypt in 2022



### ▼ SPOTLIGHT ON

## Economic Inclusion

As one of the largest employers in the MENA region, we can play a key role in closing the skills gap, providing the tools and resources to scale-up innovation and ensuring our efforts have inclusivity at their core. Although MENA benefits from access to a large market as well as a young and educated workforce, economic opportunities are not always equal, with youth unemployment currently the highest in the world (26%) and female labour force participation the lowest (20%)<sup>1</sup>. Read our white paper on Economic Inclusion [here](#), which explores methods for supporting communities to develop the skills and resources needed to excel within a just transition to a green economy.

To support marginalised and vulnerable youth in gaining real-life work experience, Carrefour Egypt signed a Memorandum of Understanding (MoU) with UNICEF and the Ministry of Social Solidarity in 2022. This involves a two-year partnership and the launch of a training programme to upskill 200 vulnerable youth between the ages of 15 and 24. The training will take place within the different departments of Carrefour's hypermarkets during a two-month placement. After commencing in August, 20 interns were trained through the programme, over half of who were girls. Carrefour Egypt also continued its 'Healthy Life for a Better Future' programme in 2022, ran in partnership with the Sawiris Foundation and Samusocial International Egypt. This programme offers internships within Carrefour hypermarkets to vulnerable youths and over the past three years, 300 interns have been trained in Carrefour stores, with almost 50% being female. Carrefour also provides food at cost from its stores to seven shelters on a monthly basis, which provides for 700 children living in the shelters, 350 children visiting the day care centres, 500 homeless children and 100 social workers and shelter assistants.





## SOCIAL

# Empowering Our People

Since the launch of our first Company-wide Sustainable Business Commitments in 2018, women now account for 20% of our senior management, we have expanded the representation of people of determination across the business and in 2022 alone held sustainability training for over 20,930 frontline employees, to ensure they feel empowered to contribute towards our sustainability goals and increased our Wellness Week reach year-on-year to achieve the highest engagements yet in 2022.

## 2022 highlights



**536**

women participated in modules and programmes ran by the Majid Al Futtaim School of Analytics & Technology in 2022 and completed 2,000 hours of learning

**20%**

women in senior management positions

**288**

people of determination in positions across our business in 2022

**+41,000**

learning hours delivered through our Leadership Institute

**25**

audits on workers' accommodations, with 20 scoring ≥95% and 5 scoring 100% (2021: 27)

**1,378 hours**

of volunteering completed by MAFers in the UAE, including tree planting and bee harvesting

**127 million**

steps taken by MAFers in three months via the Step-Up Challenge

**0.01**

lost time injury frequency rate (2021: 0.01)



### ▼ SPOTLIGHT ON

## Hosting our 6th Annual Wellness Week

With 20,000 engagements across 10 countries, 2022 represented our most far-reaching Wellness Week yet. Events were hosted virtually and in person, with both Company-wide and country level activities. This included sporting tournaments, fitness competitions and exercise classes as well as private consultations with doctors and psychiatrists and free health check-ups.

MAFers engaged in various topics such as how to reduce stress, create better sleeping patterns and improve nutrition. For instance, dieticians offered advice on healthy eating and alternative cooking methods, demonstrating how traditional dishes can still be enjoyed and incorporated into a healthy diet and lifestyle. Importantly, we held financial wellbeing workshops to provide advice and support during the cost-of-living crisis.

In 2022, we held our first internal wellness bazaar, hosting start-ups and wellness outlets that encourage ethical consumerism, circular economy principles and inclusion for people of determination. Entities included Yoga Flamingo, a start-up who supplies yoga mats and equipment that is handmade by native villages in India and 100% pure cotton. Pocketmeals also attended, who makes healthy and preservative free meals as well as Enable, a social enterprise ran by people of determination who sells plants including succulent arrangements.



# Dare Today, Change Tomorrow: Our achievements

Since launching our first Company-wide sustainability strategy in 2018, we have made substantial progress against our 2022 Sustainable Business Commitments, as highlighted on this page (a full progress report is available in the full ESG report).

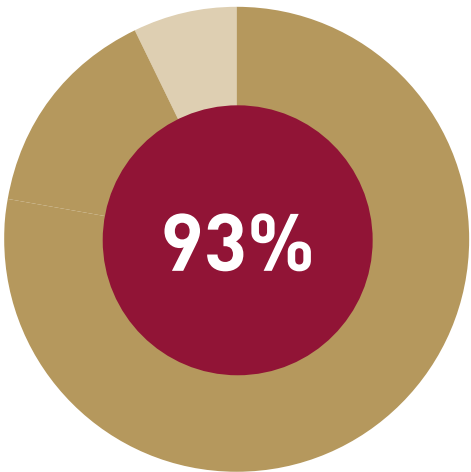
Our Sustainable Business Commitments are supported by annual sustainability targets across our three focus areas: Rethinking Resources, Transforming Lives and Empowering Our People. In 2022, we achieved and partially achieved 93% of our annual targets, supporting the realisation of many of our Sustainable Business Commitment ambitions.



### Company-wide target performance

**2022:**  
78% Achieved  
15% Partially Achieved  
7% Not Achieved

**2021:** 82% Achieved  
**2020:** 93% Achieved



## Rethinking Resources



### NET POSITIVE CARBON

- ✓ US\$4.45 billion raised through green and sustainable finance to scale-up our impact
- ✓ Became the world's first hotel portfolio to receive LEED Platinum certification
- ✓ Validated science-based targets for all our Operating Companies
- ✓ 94% of green star applicable tenancies have been rated 3-star or above



### NET POSITIVE WATER

- ✓ Installed 19 water dispensers totalling 3,350 litres in the UAE through air-to-water integrated systems
- ✓ Developed a water offsetting strategy and partnered with Project Maji to pilot a drinking water kiosk in Kenya that will save 5,000 litres of water a day



### CIRCULAR ECONOMY

- ✓ Published our circular economy strategy, *Unlocking Value*, to embed circular practices within our organisation and throughout our supply chain
- ✓ Majid Al Futtaim - Lifestyle is single-use plastic free and Majid Al Futtaim - Retail has phased-out single-use plastic bags in six countries, e-commerce bags in five countries and cutlery in seven countries



## Transforming Lives



### LOCAL ECONOMIC DEVELOPMENT

- ✓ Developed an Additional Infrastructure Framework to increase investment into and contribute to the local economy, with 12 projects invested in within the UAE and Egypt in 2022 alone
- ✓ Chose 14 start-ups as winners of our Launchpad Programme, with 50% of companies run by female entrepreneurs
- ✓ Generated 30,000 job opportunities through Tital Al Ghaf



### DISRUPTIVE TECHNOLOGY

- ✓ Joined the Scale Up programme
- ✓ Launched our Open Innovation platform to support an open and inclusive approach to innovation



### CUSTOMER EXPERIENCE

- ✓ Implemented numerous initiatives and campaigns aimed at promoting sustainable lifestyles, including Carrefour's Healthy Kitchen, the first BIO store in the UAE and zero-waste and bottle refill stations



## Empowering Our People



### ATTRACTING AND RETAINING FUTURE TALENT

- ✓ Launched a Diversity and Inclusion Policy
- ✓ Increased women in senior management positions to 20%



### HEALTHY WORKPLACES

- ✓ Launched the MyWellness app for all Majid Al Futtaim employees on MyHub
- ✓ Rolled-out Wellness Week across our countries of operation and hosted +100 wellness-related activities in 2022 alone



### TRAINING AND DEVELOPMENT

- ✓ Trained +20,930 frontline employees on sustainability



### HUMAN RIGHTS AND EMPLOYMENT CONDITIONS

- ✓ Issued a Sustainable Procurement Policy and Supplier Code of Conduct, requiring our suppliers to adhere to a set of minimum sustainability requirements

# Our Sustainability-Linked Loan target progress

In July 2021, we signed our first US\$1.5 billion Sustainability-Linked Loan (SLL 1), the largest in the MENA real estate sector, that aims to facilitate and support environmentally and socially sustainable economic activity and growth. This was followed by a second US\$1.25 billion SLL in September 2022 (SLL 2), making Majid Al Futtaim the largest SLL borrower in the region and only “penalty-only” borrower.

Key to driving this activity are predetermined sustainability performance targets, outlined here, that seek to reduce our emissions, increase the green building certifications within our portfolio and enhance gender balance within our senior management. Annual target performance is externally and independently verified to ensure clarity and compliance against the specific sustainability performance targets.

In 2022, we achieved our annual targets for all KPIs. Most notably, we surpassed our Scope 1 and 2 emissions target for Majid Al Futtaim’s property portfolio significantly, reaching 151.6 kgCO<sub>2</sub>e/managed m<sup>2</sup> against a target of 173 kgCO<sub>2</sub>e/managed m<sup>2</sup>.



## SLL SUSTAINABILITY PERFORMANCE TARGETS<sup>2</sup>

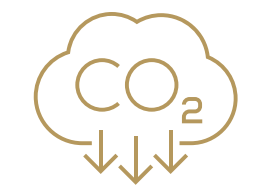
### DEFINITION

### 2022 TARGET

(Test date: 25th June 2023)

### 2022 PERFORMANCE

### 2022 PROGRESS



#### KPI 1

Reducing the Scope 1 and 2 emissions intensity of Majid Al Futtaim’s property portfolio, calculated as kgCO<sub>2</sub>e/managed m<sup>2</sup>, in line with Majid Al Futtaim’s science-based targets and net positive 2040 ambition

Reduce the emissions we own or control within our properties

173.0

151.6



Achieved



#### KPI 2

Reducing the number of malls in Majid Al Futtaim’s portfolio that do not have a green building certification of a minimum level of LEED Gold, or equivalent

Increase the number of shopping malls with a green building certification

≤ 8

8



Achieved



#### KPI 3

Increasing gender diversity among Majid Al Futtaim’s senior management, defined as the percentage of women in the top three seniority levels (board, senior executive and senior management) to reach 30% and therefore align to the 30% Club

Increase the number of women in senior positions

≥ 20%

20%



Achieved

<sup>2</sup> SLL 1 has the same sustainability performance targets as SLL 2 for reporting years 2022 up until 2024 inclusive. For the reporting years 2025 and 2026, for SLL 2, KPI 1 is extended to an additional year, in line with the validated science-based targets. In addition, KPI 2 will have an additional target to increase the number of malls with a LEED Platinum or equivalent rating to more than 2. For KPI 3, the percentage will increase from 30% to 32%.



# Looking to the future

We have an exciting year ahead in 2023, where we kick off the next phase of our *Dare Today, Change Tomorrow* strategy. With robust tools and frameworks now in place, we are well equipped to execute our ambitions and achieve measurable progress towards our goals.



This next phase will reflect a more advanced and sophisticated approach with the evolution of our strategy to include tools such as nature-based solutions, science-based targets, a new social impact strategy and climate risk strategy and best practice workplace benchmarking.

We look forward to continuing to share our progress, delivering on our shared goals and daring together.



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