

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 operational environmental performance data as stated in its 2022 Annual ESG Report and 2023 Green Capital Market Issuances 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 2022 Annual ESG Report and 2023 Green Capital Market Issuances 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;
 - 2022 January to December Energy, Water and GHG data from the 2022 Annual ESG Report and 2023 Green Capital Market Issuances Report

RESPONSIBILITY

The management of Majid Al Futtaim is responsible for the completion of the 2022 Annual ESG Report and 2023 Green Capital Market Issuances 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 Esmma Araim, Properties CBU & Design Studio - Sustainability Executive; Ryan Sabilala, Entertainment - Sustainability Associate Manager; Abhishek Prabhu, Retail - Sustainability Lead; Dima El Cheikh, Lifestyle – Director, Retail Excellence & Compliance; 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 2023 through interviews conducted with Majid Al Futtaim staff;
- Discussed data, evidence and data issues with Majid Al Futtaim property managers, data managers and users, and external consultants;
- 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 assets throughout the 2022 calendar year. We tested a sample of approximately 1,633 data points from a total of 159 data sources (e.g., assets, meters, or waste disposal routes) from:

- 724 operational assets within Majid Al Futtaim that are reporting environmental data in 2022 Annual ESG Report and 2023 Green Capital Market Issuances Report.

A sample from Majid Al Futtaim’s Properties, Retail, Lifestyle, and Entertainment 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 ESG 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 in 2022.

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

Through a stakeholder mapping exercise covering all operating companies, Majid Al Futtaim has clearly identified and disclosed its key stakeholders, including quantifying the scale of each group within its 2022 ESG Report. Those identified include employees, tenants, customers, suppliers, contractors, peers, communities, NGOs, charities, and governments. The engagement medium and key engagement topics are also detailed as part of this, clearly defining how the organisation interacts with each stakeholder group. The engagement media are tailored to ensure the most effective method is used for each type of stakeholder, based on the nature of the interactions and levels of participation required. As a result, stakeholders from all groups are provided with sufficient opportunities to share the opinions and feedback on relevant issues. Engagement is measured for some stakeholder groups in a number of ways, particularly via surveying. This provides further opportunities for stakeholders to share their experiences and ensures that these engagements remain effective. A particularly notable example of stakeholder engagement is demonstrated through Majid Al Futtaim's Innovation Centre of Excellence. This provides employees from across the business with the opportunity to highlight challenges and present potential solutions to these challenges, enabling individuals to directly influence actions that the company is taking.

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

Majid Al Futtaim's most recent materiality assessment was undertaken in 2021, where sustainability issues were scored based on the level of importance to stakeholders and the business, and categorised under three focus areas (transforming lives, empowering our people, rethinking resources) to cover a variety of environmental, social and governance (ESG) topics. The material issues were also developed in line with the United Nations Sustainable Development Goals (UN SDGs) and United Nations Global Compact (UNGC) principles, aligning to best practice through these globally recognised focus areas. The materiality assessment has been used to inform the company's sustainability strategy, which has supported the identification of high-level issues and visions for the company. With this direction, both long-term (5 year) sustainable business commitments, and shorter term (1 year) annual targets have been developed, which are established at the relevant aforementioned frequencies and at an organisational and operating company level. Majid Al Futtaim frequently reconsiders its material issues, most recently via a strategy refresh in 2022, and through annual strategy reviews and target setting. This ensures that material issues are still representative, enabling the company to remain agile to emerging risks and opportunities. Majid Al Futtaim's first phase of its ambitious sustainability strategy, '*Dare Today, Change Tomorrow*', completed in 2022, and this will be refreshed in 2023 with a new set of sustainable business commitments.

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

In order to respond to sustainability issues, Majid Al Futtaim has developed action plans that provide a clear pathway to achieve its sustainability targets, which are developed to address the company's material issues. Progress against the sustainability targets were reported internally on a tri-annual basis throughout 2022, moving from a quarterly process in prior years. This ensures that internal stakeholders can remain informed as to how sustainability issues are being addressed, as well as understanding the progress being made towards these issues. At year end, Majid Al Futtaim reports the progress made against its annual targets, which are validated by external auditors, in its annual ESG report; the company's primary medium for responding to sustainability issues. This promotes transparency and ensures that external stakeholders are also informed as to how sustainability issues have been addressed by the business. In addition to the annual ESG report, Majid Al Futtaim maintains a suite of policy documents which are regularly updated, covering a variety of environmental, social, and governance issues. New and updated policies in 2022 included Responsible Marketing Policy, Health and Safety Policy Statement, Zero Waste Policy, and Sustainable Pre-Acquisition Policy. To ensure on-demand access to all stakeholders, Majid Al Futtaim publishes its responses to sustainability issues on its corporate website ([here](#)). In addition to the numerous reports and policies available, this also presents thought leadership articles and white papers around a variety of ESG topics. Internal systems such as the company intranet also provide regular updates on how sustainability issues are being responded to by the business, and employees are actively engaged and upskilled to ensure the company has the required capacity and resources to take action. Majid Al Futtaim's responses are reviewed by a number of both internal and external stakeholders before being published, helping to ensure that these are reasonable and appropriate. The company has demonstrated its commitment to responding to material issues by publicly committing to a number of ESG initiatives, including the World Green Building Council (WGBC) Net Zero Carbon commitment, Business Ambition for 1.5°C, Race to Zero, Science Based Targets Initiative (SBTi), EP100, United Nations Global Compact (UNGC) principles, the United Nations Sustainable Development Goals (UN SDGs), and the World Economic Forum's (WEF) Stakeholder Capitalism Metrics.

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

Majid Al Futtaim has numerous processes in place to monitor and measure impact across all three pillars of ESG, supported by the structure of its sustainability strategy through its corresponding focus areas. Environmental impact is quantified through a number of measures, including utilities data which is collected across the entire organisation, underpinned by a data management system, and both direct and indirect carbon emissions. Majid Al Futtaim is aware that its value chain remains a material aspect of the company's overarching impact, and in order to reduce this, it has become a CDP Supply Chain member. A variety of other environmental measures are also monitored, such as green building certifications, renewable energy capacity and generation, for example. Social and governance impacts are also monitored and measured; indicators include local economic development, employment conditions, health and safety, customer experience, employee satisfaction, wellbeing, and training. In order to achieve performance improvement, a variety of targets have been set as part of the overarching sustainability strategy which are reported annually. Additionally, Majid Al Futtaim continues to respond to a number of annual sustainability indices, such asGRESB and Sustainability's ESG Risk

Ratings, in order to understand its sustainability performance in relation to its peers. Performance is also disclosed in line with best practice frameworks, such as Global Reporting Initiative (GRI) standards, European Public Real Estate Association (EPRA) reporting guidelines, Taskforce for Climate-Related Financial Disclosures (TCFD), Taskforce for Nature-Related Financial Disclosures (TNFD), and the Science-based Targets Initiative. Alignment to these frameworks further increases transparency, as the company's performance can be compared to its peers more easily.

Majid Al Futtaim's Green Sukuk and Sustainability Linked Loan also mandate reporting against specific KPIs covering, environmental, social, and governance factors.

OBSERVATIONS & RECOMMENDATIONS

- Majid Al Futtaim has a wide variety of stakeholders and maintains strong records of how each of these groups are engaged. This ensures that stakeholders can participate in and influence the organisations actions and decision making in relation to sustainability issues, demonstrating its inclusivity.
- Majid Al Futtaim has clearly established its material issues and continues to address these through its sustainability strategy. Processes are in place to ensure that emerging sustainability issues are frequently addressed and incorporated into the company's material issues.
- Majid Al Futtaim continues to respond to sustainability issues through a variety of media, ensuring that stakeholders are aware of how the company is addressing these through its actions and performance. The company's public commitments to ESG initiatives demonstrates that it is responding to the associated sustainability issues that these ESG initiatives address.
- Majid Al Futtaim monitors a wide variety of indicators across all three pillars of ESG to understand the company's impact. This includes responding to multiple sustainability indices and reporting in line with best practice frameworks, enabling stakeholders to gain a better understanding of the company's performance.

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 the scope of work described above, nothing has come to Upstream's attention that causes it to believe that the specified operational 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:

Refrigerant consumption (kg)

Energy consumption (kWh)

Water consumption (m³)

Scope 1 Greenhouse Gas Emissions (Location-Based tCO₂e)

Scope 2 Greenhouse Gas Emissions (Location-Based tCO₂e)

Scope 3 Greenhouse Gas Emissions (Location-Based tCO₂e)

- Tenant energy consumption
- Transmission and distribution losses

OBSERVATIONS & RECOMMENDATIONS

- Although environmental performance data was frozen when assurance commenced, revisions continued to be made throughout the engagement to improve the accuracy of the reported data. Majid Al Futtaim should ensure that sufficient preparation and ongoing quality checks are made in advance of assurance commencing to ensure that data does not change between the start and end of the process and testing.
- For some utilities, particularly refrigerants, the approach to reporting was inconsistent between different areas of the business. To ensure consistent and comparable reporting, Majid Al Futtaim should develop further and more detailed guidance for data managers, and regularly check this is being adhered to.
- In some instances, conflicting data was provided at different granularities, which caused challenges in confirming the final consumption data. It is important that data managers report source data, or that reported data can easily be traced back to its source without unreasonable effort. Any calculations or manipulations applied should be clearly documented and provided along with corresponding evidence when requested for assurance.
- On multiple occasions, evidence provision was incomplete, and queries were not effectively addressed. Evidence should be checked for completeness and accuracy before being handed over to assurance, and requests in queries must be directly responded to in order to reach a positive outcome and provide the necessary information for assurance.

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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