

GROWING ECONOMIC INCLUSION FOR A JUST AND FAIR ECONOMY

LEADING BY EXAMPLE: SUSTAINABILITY THOUGHT LEADERSHIP SERIES



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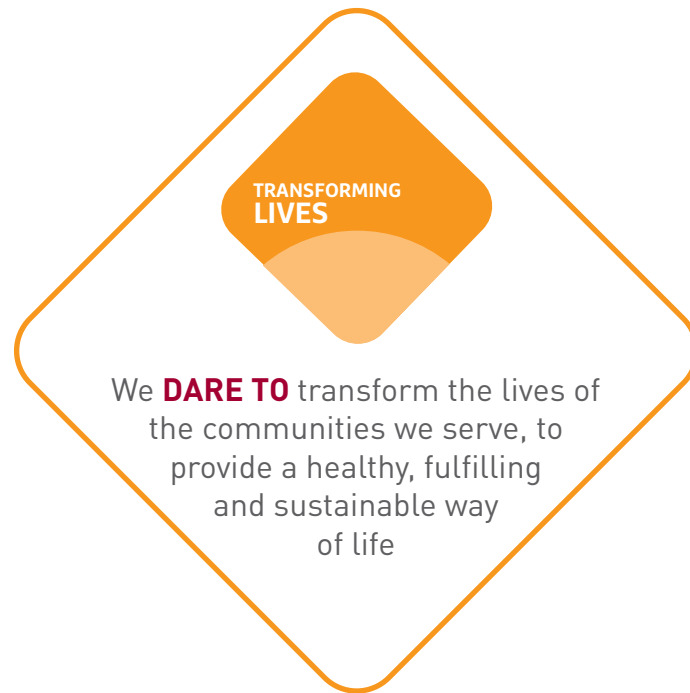
As we adjust to the dynamic changes of the last few years, there is an ever-increasing need to pinpoint meaningful solutions to address the challenges and barriers to socio-economic growth.

One factor remains key to achieving a strong and sustainable level of stability - investing in people, entrepreneurship and local businesses. 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 ensure our efforts have inclusivity at their core.

We must devise tangible initiatives to support the under-served groups in our region and beyond. The 2022 Sustainable Development Report, which highlights the critical need of development finance for low and lower-middle income countries, suggests that investing in local communities by creating and facilitating training and employment opportunities and infrastructure, is vital for businesses who strive to operate responsibly. This is essential for the just transition, a movement that calls for the fair treatment of workers and the communities most affected by the shift to clean energy and the phasing out of harmful fossil fuels. To reach Majid Al Futtaim's 2040 Net Positive commitments, we see the just transition as vital to our long-term business success and a solution to some of our region's most pressing challenges.



Ibrahim Al-Zu'bi
Chief Sustainability Officer
Majid Al Futtaim



OUR ALIGNMENT TO THE SDGS

1 NO POVERTY 	4 QUALITY EDUCATION
5 GENDER EQUALITY 	8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	10 REDUCED INEQUALITIES
11 SUSTAINABLE CITIES AND COMMUNITIES 	17 PARTNERSHIPS FOR THE GOALS

DARE TODAY, CHANGE TOMORROW

In 2018, we launched our Company-wide sustainability strategy, *Dare Today, Change Tomorrow*. Our five-year strategy aims to reflect the world we live in and defines our commitment to transform the way we do business and embed sustainability thinking in everything we do.

The strategy sets out 21 material issues and 11 Sustainable Business Commitments (SBCs) across three strategic focus areas: Rethinking Resources, Transforming Lives and Empowering Our People. Within this thought-leadership paper, we discuss the topic of economic inclusion that falls within our Transforming Lives pillar and the role that businesses can play in upskilling and job creation to support a just and fair transition.

OUR COMMITMENT TO ECONOMIC INCLUSION



As one of the largest corporates and employers in the Middle East, Africa and Asia, we have the ability and responsibility to serve and enrich the communities where we operate, empowering them to prosper.

With high unemployment in our region, particularly among the youth population, initiatives that focus on economic inclusion can build resilience and support people into meaningful and sustainable employment. Through programmes that focus on education, targeted training, job creation and entrepreneurship, we can support our local communities to develop the skills and resources needed for them to excel within a just and fair transition to a green economy.

Economic inclusion involves the opening up of economic opportunities to previously under-served social groups, ensuring they have access to education, training and employment to participate within the economy.

A just and fair transition means greening the economy in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind.



DRIVING A JUST AND FAIR TRANSITION

In recent years, there has been growing global momentum to improve and build upon inclusive economic development and ensure no one is left behind. Economic growth has lifted millions of people out of poverty but hasn't delivered for all, causing substantial disparities in wealth and excluding particular social groups who face disproportionate barriers to economic opportunity due to circumstances out of their control. These barriers can often include gender, place of birth or socio-economic background, which in turn influences access and transition from education into employment. These challenges have also been magnified by the continued effects of the COVID-19 pandemic.

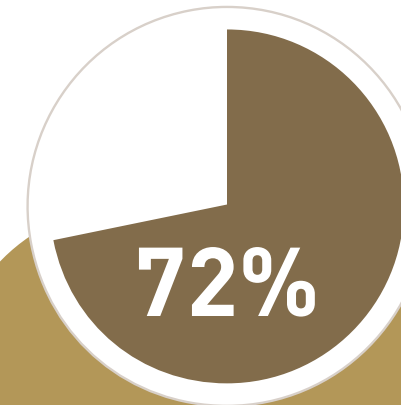
For a long time, governments have faced pressure to address these issues and as a result, have introduced initiatives and programs that build on social protection, livelihoods and jobs. The European Bank for Reconstruction and Development defines economic inclusion as the opening up of economic opportunities to under-served social groups and an integral pillar to the just transition towards a sustainable and green economy. A just transition means greening the economy in a way that is as fair and inclusive as possible for everyone, creating decent work opportunities for everyone in society¹.

Mirdif Kashta: showcasing 50 local designers, homegrown SMEs and unique brands

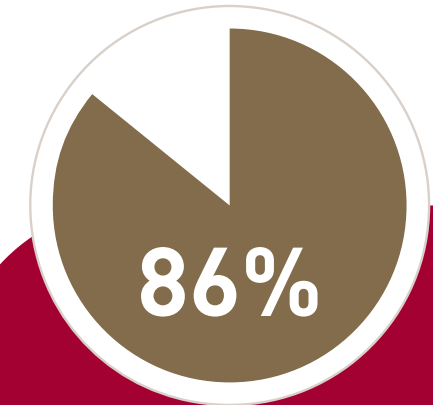


For businesses in the private sector, this presents a real opportunity to step up. The business case for companies is becoming clearer, for example, the 2021 Edelman Trust Barometer found that 72% agreed that companies can both increase profits and improve communities, and 86% believe that CEOs should take the lead on societal issues.

At a company level, participating in an inclusive economy implies decision making that recognises the full potential of employees, suppliers and clients and invests in the fair treatment, training and employment of those in the communities where they operate. Businesses can promote the economic inclusion of vulnerable groups in their supply chains, products and service offerings. Whether through sourcing, distribution, financial services or other means, there is increasing momentum for the private sector to explore how they can contribute.



AGREED THAT COMPANIES CAN BOTH INCREASE PROFITS AND IMPROVE COMMUNITIES



BELIEVE THAT CEOs SHOULD TAKE THE LEAD ON SOCIETAL ISSUES

ECONOMIC INCLUSION IN THE MENA REGION

THE MIDDLE EAST AND NORTH AFRICA (MENA) REGION HAS UNDERGONE SIGNIFICANT ECONOMIC GROWTH OVER THE PAST DECADES, FACILITATED BY ECONOMIC AND POLITICAL TRANSFORMATIONS.

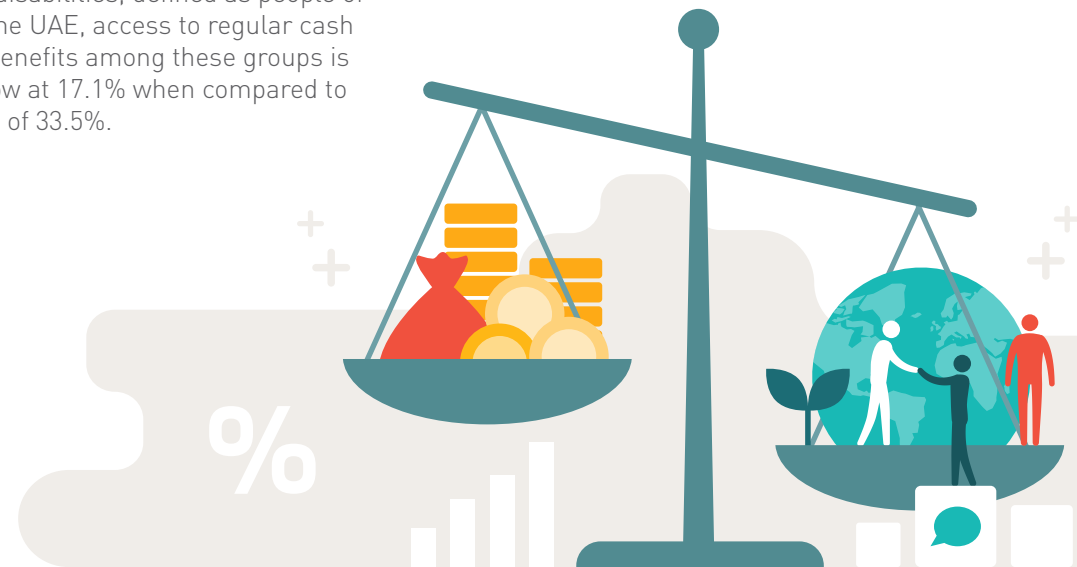
The region has access to large markets, a young and educated workforce and comparative advantages in sectors such as manufacturing, renewable energy and tourism due to the access to sunlight, abundance of natural resources and increase in tourist hotspots. However, the benefits and opportunities associated with this economic growth have not been equally distributed across its populations. Economic inclusion programmes seek to resolve this issue of economic inequality and are in place across the world, often including measures such as cash or in-kind transfers, skills training, coaching, access to finance and job access initiatives.

Despite these programmes being well-intentioned, their value differs from region to region. According to a report by the World Bank³, despite 7.3% of all global economic inclusion programmes being targeted at the most disadvantaged in MENA, in reality, less than 1% of the disadvantaged benefitting from these programmes are situated in the region. Recent trends in many MENA economies have included high levels of youth and women unemployment and underemployment, along with low levels of female labour force participation. When looking at people living with disabilities, defined as people of determination in the UAE, access to regular cash social protection benefits among these groups is also remarkably low at 17.1% when compared to the global average of 33.5%.

This signals the lack of access that MENA's most disadvantaged communities have when it comes to economic inclusion programmes and highlights the importance of private sector participation in initiatives targeted at these groups.

The MENA region recognises these issues and countries are implementing reforms to try and build a resilient and more inclusive economic model through a coordinated approach with other organisations such as the MENA-OECD (Organisations for Economic Cooperation and Development) Initiative. The initiative addresses regional needs through innovative policy dialogue, links between key stakeholders, peer learning and capacity building, bringing together MENA and OECD governments, the international community, civil society and the private sector.

Established by the Department of Community Development in February 2019, the Authority of Social Contribution – Ma'an, in Abu Dhabi, has been bringing the government, private sector, and civil society together to help drive social innovation and build a culture of social contribution and participation. Motivated by creating social impact and a positive difference in the everyday lives of Abu Dhabi residents and citizens, Ma'an aims to support and accelerate the growth of the third sector, creating meaningful opportunities for not-for-profit organisations or foundations and social enterprises to contribute to the development of strong, active and connected communities⁵.



WHERE YOUNG PEOPLE CAN'T FIND JOBS

Global unemployment estimates by region (in %)*

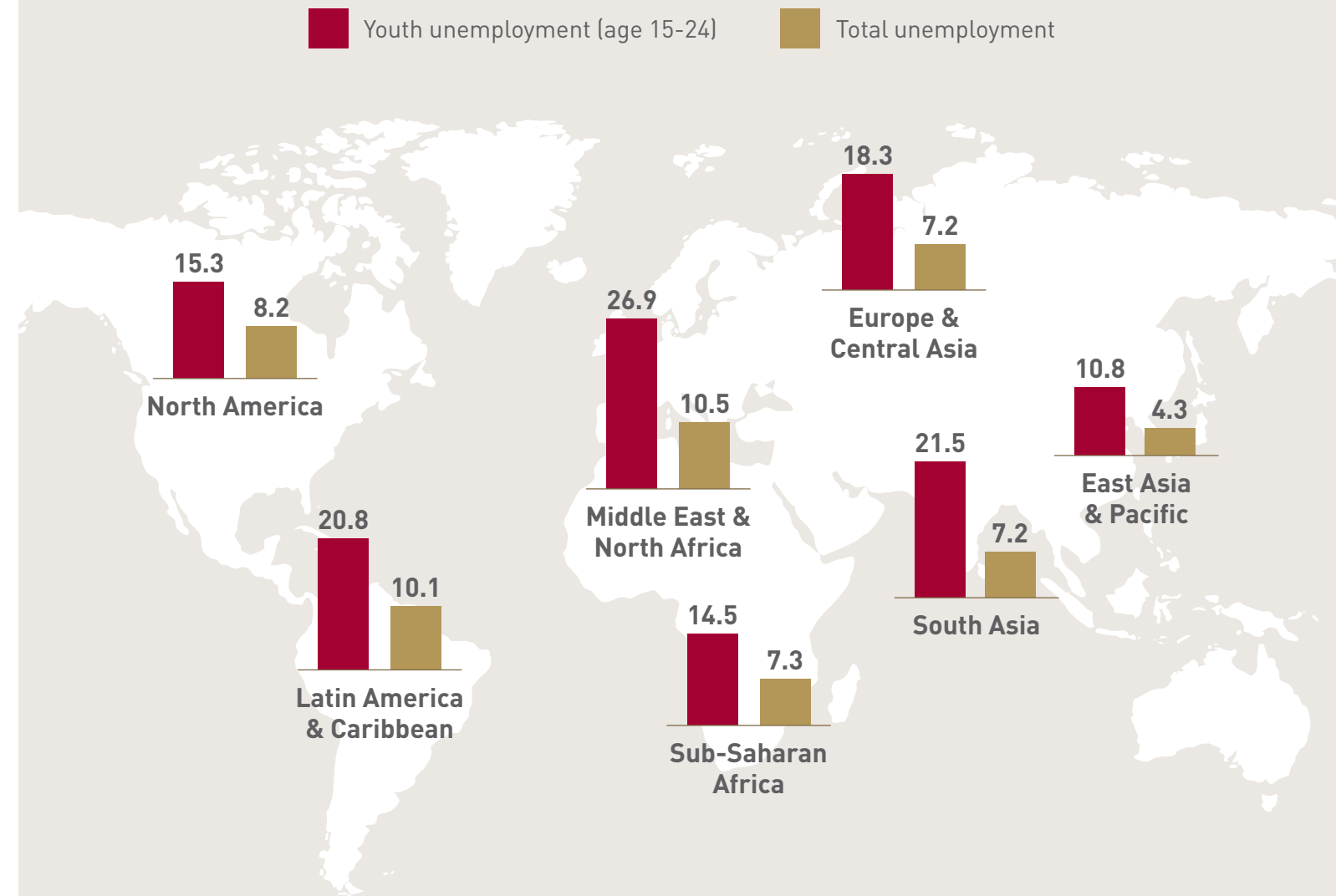


Fig. 1 Employment and youth unemployment rates by region (2020)⁶

* Modeled on ILO estimates
Source: World Bank

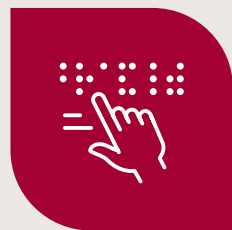
LEARNINGS FROM OTHERS

Economic inclusion has been seen as a purely governmental issue that needs to be resolved via public institutions or charitable organisations. However, persisting and faltering economic inclusion, along with the growing attitudes of businesses towards looking beyond profit margins, has resulted in growing private sector participation in helping the most vulnerable in society through community outreach, skills training, access to capital and job mobility programmes. Over time, private sector contributions towards addressing these issues have changed from more tokenistic efforts to more impactful, systemic contributions that seek to resolve issues including entrepreneurship programmes and collaborative approaches between businesses, non-profits and governments.



THE EMBANKMENT PROJECT FOR INCLUSIVE CAPITALISM (EPIC)

The Embankment Project for Inclusive Capitalism (EPIC)⁶ is an initiative that embodies a more systemic approach, with the aim to make economic systems more inclusive, sustainable, strong and trusted. This collaboration between EY and the Coalition for Inclusive Capitalism brought together more than 30 global business leaders, including asset owners, managers, and companies representing almost \$30 trillion assets under management (AUM), to develop a standardised, material, and comparable set of metrics that help businesses measure activities that generate long-term value for their customers, employees, suppliers, communities, and shareholders. The result was an open-source framework and an initial set of metrics with principles, guidance, and tools for companies to better articulate long-term performance, looking beyond profits and taking account of metrics relevant to the most vulnerable.



ENTALEQ

Entaleq⁷, a company based in Egypt, is helping to drive the economic and social inclusion of people of determination through a platform that locates over 800 accessible places across the country. The organisation's aim is to promote full inclusion of disabled individuals in all aspects of life and specifically that of employment. The platform results in building and land operators documenting their services, providing people of determination with the confidence to visit such locations, and incentivising participants to improve the accessibility of their locations. In partnership with Vodafone Egypt's Foundation, the organisation is encouraging companies to associate their brand with positive work through disability services such as parking spots, washrooms, ramps and braille menus.



SARAL DESIGNS

Saral Designs' "business in a box"⁸ concept is one that not only promotes accessible entrepreneurship, but also promotes wider access to women's health products. Saral Designs' concept allows local entrepreneurs to purchase a fully customised sanitary towel production machine, with the benefit of customising the end product for the needs of women in their local communities. Following an order, the machine is fully assembled, tested and product quality checked, before being disassembled and shipped to the end destination. Upon arrival, Saral Designs' sends a team to fully assemble the machine, train staff on operating the machine, maintain stock and sell the product. Long-term support is given, with all raw material shipped directly to the recipient and maintenance and support services provided. Additionally, Saral Designs offers menstrual health educational support to the local communities in which the products are targeted.



ANSAAR MANAGEMENT COMPANY (AMC)

Ansaar Management Company (AMC)⁹, a Pakistan-based social enterprise, is tackling the lack of affordable housing in Pakistan unlike any other company in the country. The company's inclusive business model goes beyond simply low-cost housing construction and seeks to develop homes that facilitate ecologically sound, healthy and productive communities. Every unit constructed has access to clean drinking water, electricity and underground sewage, addressing the lack of access to key facilities and infrastructure experienced across much of rural Pakistan and its existing informal housing. After the construction of new housing blocks, AMC stays involved in the community for five years to nurture new residents' engagement and build their capacity and ensures that all civil works contractors hire masons, electricians, plumbers and labourers from within the local community whenever possible. Additionally, AMC builds and sells 70% of its new residential units at or near cost, while selling the remaining prime and commercial plots at the market rate. Within 10 years, AMC is projected to provide healthy and sustainable communities for nearly 200,000 of Pakistan's most vulnerable.

WHAT MAJID AL FUTTAIM IS DOING

To unlock the true potential of the MENA region, we must create a fair and inclusive economy that leverages our individual strengths across sectors, industries and communities. The development and retention of homegrown talent presents significant opportunities to reduce the region's high unemployment rate, particularly amongst youth and women, whilst ensuring people are equipped with the skills to meet changing job requirements such as those required to be competitive within newer industries including artificial intelligence and green energy.

Majid Al Futtaim's economic inclusion approach aligns with the five pillars of our social impact framework, directly contributing to education, diversity and inclusion and community prosperity and indirectly to health and wellness and human rights and humanitarian aid. Our key areas of focus, detailed on page 9, align with the strategic framework of the European Bank for Reconstruction and Development (EBRD).¹⁰

As one of the UAE's largest employers, we can play a significant role in creating direct job opportunities within our region whilst promoting the economic growth and prosperity of the UAE.

Importantly, we want to be able to measure the long-term value we create, so Majid Al Futtaim developed a socio-economic framework to define how our socio-economic impacts should be measured. Guided by international best practice, the framework defines the principles, scope and hierarchy of impacts for understanding the true value of our activities and developments. In alignment with this framework, one of our shopping centres in Egypt delivers training programmes to the local youth population, providing them with the skills to secure employment and begin building their careers. We also host our Community Impact workshop to engage with our community partners to hear what action they are taking on specific issues such as employment, youth enablement, education, sustainable lifestyles and gender equality. These workshops enable us to enhance the reach and impact of our social value via collaboration on issues material to our partners, communities and business.

In 2022, we are enhancing and building on our economic inclusion approach by creating a framework for economic inclusion and social impact. This will involve active engagement with our stakeholders to ensure that the desired outcomes are in line with their needs and expectations. We will also set social impact metrics and key performance indicators (KPIs) to drive our performance.

Majid Al Futtaim supporting the UAE Government's NAFIS programme



KEY AREAS OF FOCUS:

1 ACCESS TO EMPLOYMENT AND SKILLS

In 2021, we opened the Almaza Recruitment and Training Centre (ARTC) in partnership with the European Bank for Reconstruction and Development (EBRD), to provide targeted training to the local population in Egypt, ensuring they are equipped with the skills and resources necessary to thrive in today's dynamic job market. The centre, which is run by Employment-Egypt (EFE-Egypt), offers vocational training programmes by certified trainers to empower people with the technical and employability skills required to build and secure their careers in retail and hospitality.

Importantly, the ARTC provides inclusive training for demographics who have historically faced additional barriers to employment such as women, youth and people of determination. Management, staff and trainers are educated on identifying and eliminating the barriers that these groups may face and ensuring everyone feels welcomed and supported to excel.

In 2020, in partnership with The Retail Agency, which aims to elevate Oman's retail sector through education, training, and consulting, we launched the Tamheen Initiative to design and deliver a tailor-made educational and training programme for Omani nationals. The trainings specialise in equipping the Omani workforce with the tools they need to succeed in the retail workplace and in 2021, over 148 Omani job seekers completed the training and were subsequently hired by retailers within our malls. This coincides with the opening of Majid Al Futtaim's Mall of Oman in 2021, which was built with sustainability at its core as our first super-regional LEED Platinum certified mall, and will undoubtedly be a significant employer of local Omani people.



2 ENTREPRENEURSHIP AND ACCESS TO FINANCE

In 2022, Majid Al Futtaim – Retail in Jordan signed an agreement with the United Nations Development Programme (UNDP) to support and promote the products of cooperatives in Northern Shouneh.

The agreement promotes development projects and provides a space for cooperatives to sell their products within Carrefour markets across the country.

This aligns with our strategy aimed at supporting the growth and prosperity of the Jordanian community and local small businesses and laying solid foundations for the development of sustainable economic projects. In particular, it contributes towards improving the opportunities for women allowing them to build on their entrepreneurship skills. The project covers the production of reusable and eco-friendly shopping bags by Al-Sheikh Hussein Association in the municipality of Tabaqet Fahel, and the food repurposing project of Wadi Al Rayan Women Association in the municipality of Sharhabeel bin Hasna.

3 ACCESS TO SERVICES THAT ENHANCE ECONOMIC OPPORTUNITIES

In 2021, we pledged to support the UAE Government's NAFIS programme, which strives to accelerate the UAE's development journey by increasing the competitiveness of Emirati human resources. As part of our commitment, we will hire 3,000 Emiratis across our UAE workforce over the next five years, with job opportunities available within Majid Al Futtaim's Retail, Leisure, Entertainment and Cinemas Operating Companies. Whether Emiratis are experienced professionals, new graduates or looking to advance their career, they are invited to apply through our website.

In addition, by working with our NAFIS partners, we will ensure we offer new hires the appropriate training and bespoke learning opportunities to build their expertise.

More recently, in June 2022, we announced Majid Al Futtaim Launchpad, an accelerator programme aimed to attract start-ups and SMEs in strategic sectors including homegrown brands, health and beauty and Proptech to scale-up growth plans and support economic development. Highlighting our role as a collaborative partner in supporting entrepreneurs and start-up businesses in the UAE and MENA region, in partnership with AstroLabs, we will offer participants access to business growth incentives, mentorship opportunities and a vast innovation ecosystem to strengthen their commercial viability.





LOOKING TO THE FUTURE

With over 178 million customers across 17 countries, Majid Al Futtaim believes growing economic inclusion is key to our role, as evidenced by our 'Transforming Lives' Sustainable Business Commitments:

HELPING COMMUNITIES TO INCREASE THEIR CONTRIBUTION TO LOCAL ECONOMIES AND PROMOTE ECONOMIC DEVELOPMENT; AND SUPPORTING THE DEVELOPMENT OF SKILLS AND ENTREPRENEURSHIP IN LINE WITH LOCAL NEEDS.



Through the enhancement of our socio-economic framework, we are building on our community and social impact work to create a roadmap that sets a pathway for measuring and achieving long-term value creation when it comes to economic inclusion. We will create a community engagement action plan to ensure that our desired outcomes are in line with our stakeholder needs and expectations and will develop robust and measurable targets across our different businesses and asset types to drive performance and accountability across the company.

It will be vital for us to build on many of the programmes we have already undertaken, enabling Majid Al Futtaim to reach more under-served economic groups and improve access to work and training. Importantly, we need to ensure that we are building resilience into our programmes and investments to ensure that we are supporting the innovation, jobs and skills creation that will equip our local populations with the business models, tools and knowledge to be successful in the green economy for the long-term.

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