

PROPERTIES | SUSTAINABILITY REPORT 2016
EMPOWERING OUR PEOPLE
TO REACH OUR GOALS



ABOUT OUR COMPANY

WHO WE ARE AND WHAT WE DO

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

Majid Al Futtaim - Properties is the Middle East & North Africa's (MENA) leading diversified real estate and property services company with a regional portfolio of innovative, world class shopping malls, offices, hotels and mixed-use communities.

We have a portfolio of 21 malls, 12 hotels, three mixed-use communities and four office buildings across the United Arab Emirates, Egypt, Lebanon, Bahrain and Oman.

In 2016 our malls attracted more than 181 million visitors, and our hotels welcomed more than 1.6 million guests.

Majid Al Futtaim - Properties employs more than 1,000 people and our revenue in 2016 was AED 4.5 billion.

ABOUT THIS REPORT

This document, which covers 1 January to 31 December 2016, is our sixth annual sustainability report. It has been created for our key stakeholders: our employees (both within Majid Al Futtaim - Properties and across our sister companies), tenants and operators, customers, suppliers, regional and global peers, communities, NGOs, governments and global investors.

The report covers all operations and assets in our portfolio, including four office buildings, one of which is our Headquarters. The UAE portfolio also includes Matajer Malls, a neighbourhood retail centre concept by Sharjah Holding, and Al Zahia, Sharjah's first gated mixed-use community, both of which are joint ventures with the government of Sharjah. However, it excludes our other joint venture projects: Al Mouj Muscat where we did not have operational control in 2016; and Lebanon Waterfront City in Beirut which was still under development in 2016. The absolute environmental data in this report covers 100% of the floor area* of the assets over which we have operational control and which were operational throughout 2016. There have been no significant changes in the scope of the document since last year, nor in its measurement.

As part of our commitment to follow international best practice and report on our sustainability performance in a balanced and transparent manner, we reference the 2016 GRI Standards on p30 of this report.

KEY FACTS



1,198
EMPLOYEES



AED 2.9
BILLION
EBITDA



2 MILLION
MAN HOURS
WITHOUT LOST
TIME INCIDENT
(HILTON GARDEN INN DUBAI
MALL OF THE EMIRATES
DEVELOPMENT)



46.4 MILLION
HOURS
WORKED ON
CONSTRUCTION
SITES



181
MILLION
VISITORS TO
OUR MALLS



OVER
1.6 MILLION
GUESTS STAYED
AT OUR HOTELS

OUR PORTFOLIO**



BAHRAIN

1 Mall
2 Hotels



EGYPT

3 Malls



LEBANON

1 Mall
1 Mixed-use
community



OMAN

2 Malls
1 Mixed-use
community



UAE

14 Malls
10 Hotels
4 Offices
1 Mixed-use
community

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*Floor area is measured by Net Lettable Area for the majority of assets, but Gross Internal Area is used for the Hotels portfolio and Total Land Area for the Al Zahia gated mixed-use community where Majid Al Futtaim - Properties is responsible for external common areas only.

** Our portfolio as of May, 2017



CEO MESSAGE



“Empowering our people to reach our goals” is the theme of this 2016 Sustainability Report because our employees have played, and continue to play, such a critical role in delivering the many successes under our sustainability strategy.

The results of their work are visible in the daily operations of our business and in the reports of progress that are discussed regularly by the Majid Al Futtaim - Properties’ Steering Group which is comprised of a cross section of committed representatives from all our businesses. As a learning organization, Majid Al Futtaim cements its commitment to our sustainability agenda by providing numerous training and educational programs which are highly recommended. I attended the company’s executive leadership training programme on sustainability in 2016, which further strengthened my own commitment to fulfilling our aspirations with sustainability.

Another excellent way of empowering our people on these critically important subjects has been the creation of sustainability champions throughout our business, and I would like to congratulate all of our champions on all their superb work embedding sustainability across the business.

As you will see in this report, all of our people have helped us towards some impressive achievements in 2016, including the launch of our renewable energy targets, the development of socio-economic indicators for our communities business, and LEED Gold accreditation at our Hilton Garden Inn Dubai, Mall of the Emirates and My City Centre Al Barsha developments.

Through these milestone achievements, we have already helped to establish ourselves as a pioneer of sustainability in the MENA region, which has been one of the chief aims of our strategy. Going forward, we need to improve our approach to health and safety, and ensure we achieve consistent reductions in energy and water use.

These challenges aside, it is a measure of how far we have come on this journey that the Board of Majid Al Futtaim - Holding has now decided to invest in sustainability at a Company-wide level, and in the process has endorsed an incredibly ambitious new Net Positive approach to carbon and water (p3). These decisions mean that sustainability will be part of the direction of travel, Company-wide.

While we clearly have much to celebrate, there is still a long way to go if we are to achieve the 2018 goals we set when we launched our sustainability strategy back in 2014. Until now much of our attention has rightly been focused on developing policies and frameworks. Having hit the halfway mark in delivering our current five-year strategy, we now need to concentrate whole heartedly on implementation, and embedding our strategy in our business. To achieve our targets on time will require great effort and dedication not just from our sustainability champions but from all our people, in every area of the business.

On behalf of Majid Al Futtaim, your continued support, assistance and participation is greatly appreciated.

Robert Welanetz
Chief Executive Officer
Majid Al Futtaim - Properties



HEAD OF SUSTAINABILITY MESSAGE



With support from the Board of Majid Al Futtaim – Holding, we were able to confirm that our sustainability strategy for 2016 will encompass the impacts of all of our businesses. In recognition of this I was honoured to be appointed to the newly-created post of Head of Sustainability for Majid Al Futtaim - Holding, expanding my remit across all Majid Al Futtaim operating companies.

This is a great personal and professional challenge, and one that empowers me to work with employees across Majid Al Futtaim to introduce changes to policy and practice in the future. Of course in my new role I will maintain my close relationship with Majid al Futtaim - Properties and will continue to oversee delivery of its sustainability strategy, as well as our new Net Positive agenda.

As we hit the midway point of our five-year sustainability strategy, 2016 was another successful year for Majid Al Futtaim - Properties' sustainability programme, with the achievement of a number of firsts that position us as a regional pioneer.

We became one of the first companies in the MENA region to publicly commit to investing in renewable energy, launching a well-received white paper that includes important commitments for the future, such as a pledge to source a minimum of 7.5% of our energy consumption from solar energy at all new developments.

We also received the region's first BREEAM Communities accreditation at Al Zahia, Sharjah's first gated mixed-use community. The Hilton Garden Inn Dubai, Mall of the Emirates became the first property within our hotel portfolio to obtain a LEED Gold certificate. And for the first time since the launch of our sustainability strategy in 2014, CEOs of each business unit, along with Majid Al Futtaim's CEO and Chief Human Capital Officer, attended executive leadership training on sustainability.

We also established our Green Star tenant awards program to recognise tenants who have made bold

strides on sustainability. We developed an action plan for sustainable procurement in our shopping malls, developed a set of socio-economic key performance indicators that will be used across our communities portfolio, and appointed a Health and Safety Manager into our Project Management Business unit. Overall in 2016 we achieved 56% of our sustainability targets for the year, while partially achieving another 44%.

Despite the successes of 2016, challenges and opportunities remain. For instance, we need to ensure that achievement of annual targets is prioritised early in the year to allow momentum to be maintained throughout the following 12 months. We should make more use of the wealth of environmental and social data we have been collecting over the past six years to help inform our decision-making. And we must explore new ways of collaborating with our key stakeholders – including tenants, contractors and suppliers – to scale up the impacts we can make together.

Each of these challenges represents an opportunity for improvement. During 2017 we will provide more resources to take us towards our goals, such as offering bespoke sustainability training to ensure best practices are embedded within our business and redoubling our efforts to apply our sustainability policies and procedures consistently across all business units.

I am hugely impressed by the commitment our people show towards improving the social and environmental performance of our company. While we clearly still have much to do, sustainability is becoming a big part of the daily life of our business. I am sure that if we continue to empower our people to harness their passion for sustainability, we will begin to reap rich rewards in the near future.

Ibrahim Al-Zu'bi

Head of Sustainability
Majid Al Futtaim - Holding
sustainability@maf.ae



OUR NET POSITIVE COMMITMENT

As our sustainability journey continues, we are determined to take our environmental commitments to a much higher level whilst continuing to manage social and economic impacts. We are very excited to announce our commitment across all Operating Companies to become Net Positive in carbon and water by 2040. At Majid Al Futtaim - Properties we are looking forward to taking on this Company-wide commitment as we build on our existing sustainability achievements.

WE COMMIT TO BE NET POSITIVE IN CARBON & WATER BY 2040



Net Positive simply means putting more back into the environment than you take out. For us we need to understand our impacts, reduce our carbon emissions and water use, generate renewable energy and reuse grey water. We then need to ensure we go beyond by creating positive impacts for the communities in which we operate by producing more renewable energy than we use and creating clean water.

We have the geographical scale, the right number of employees, and the level of influence that is required to make this commitment. While we believe major companies such as ours have a responsibility to tackle climate change and water scarcity, which are critical issues in the MENA region, there are also sound business reasons to adopt this approach. For instance, we need to ensure that there is enough

water to go around when there are droughts and that we can provide air conditioned spaces at low cost.

The scale of our Net Positive commitment needs a substantial shift in the way we operate and requires us to empower our people to bring about this change. We have 23 years to meet this commitment and we will need to consider our longer term impacts in our day to day decision making. Our long-term commitments will help us to focus even more clearly on where we need to get to. The successes achieved in the past have helped us be confident in making this bold and ambitious commitment.

In 2017 we are working to understand our Company-wide impacts and lay a solid foundation on which to implement our Net Positive actions. We will be setting shorter term targets to ensure we see the progress we require year on year that will enable us to become Net Positive by 2040. We will publish a white paper setting out our approach, developing a detailed plan for meeting our targets and addressing broader goals, and at a later stage we will begin to set targets on other sustainability issues that are material to the business.

Adopting this new approach means we will be joining an elite group of pioneering companies that have made similar commitments. We are the first in the MENA region to commit to become Net Positive. We realise this puts a big responsibility on our shoulders, but we are excited about taking on the challenge.

OUR SUSTAINABILITY STRATEGY

SUPPORTED BY STRONG FOUNDATIONS FOR EMBEDDING:

POLICIES

- Sustainability Policy
- Green Building Policy
- Energy Management Policy
- Labour Standards Policy
- Pre-Acquisition Policy

ANNUAL TARGETS

- 19 targets for 2017 (p26-27)

LONG-TERM 2018 GOALS

- 11 goals for 2018



LONG TERM 2018 GOALS:

PIONEERING STANDARDS



GREEN BUILDING STANDARDS

To build and operate all assets to best practice green building standards in the MENA region



SUSTAINABLE PROCUREMENT

To transform the MENA real estate market through our procurement of sustainable materials and services



HEALTH & SAFETY

To achieve zero fatalities and have in place a certified Health & Safety management system covering all activities



LABOUR CONDITIONS IN THE SUPPLY CHAIN

To achieve public recognition for transforming labour conditions in the MENA region, both through our work with government authorities and the delivery of a best practice management system

PROSPEROUS COMMUNITIES



COMMUNITY WELL-BEING & ENGAGEMENT

To create prosperous and inclusive communities and pioneer new approaches to community engagement for the MENA region



EMPLOYEES

To be recognised as the real estate employer of choice in the MENA region



LOCAL ECONOMIC DEVELOPMENT

To demonstrate the socio-economic value we bring to the communities in which we develop and operate



ENHANCEMENT OF THE PUBLIC REALM

To create exemplar public spaces both within and around our assets

HIGH PERFORMANCE ASSETS



WATER, WASTE, ENERGY & CARBON

To create and manage resource efficient assets, communities and infrastructure



TENANTS & OPERATORS

To work together with tenants and operators to deliver high performance assets



CUSTOMERS & VISITORS

To fully understand our customers' and visitors' sustainability drivers and use this information to create assets that enhance people's lives



SUSTAINABLE DEVELOPMENT GOALS

In 2016 the United Nations introduced its Sustainable Development Goals (SDGs), which are 17 goals that aim to end poverty, protect the planet and ensure prosperity for all by 2030. The goals cover areas such as sustainable communities, renewable energy and climate change.

The UN expects all parts of society to deliver on the SDGs, and we are committed to playing our part. That is why we are moving towards a Net Positive approach (see p3) and why we are already signed up to the UN Global Compact, which is separate to, but supportive of, the SDGs.

Aligning with the SDGs will create better business and a better world, and although the SDGs were established after our five-year sustainability strategy was agreed, many of our targets are compatible with their intentions. When we develop our next strategy in 2018, we will explore ways to align our goals even more closely with the SDGs.

There are nine SDGs which our business can influence the most. Examples of how we are contributing towards achieving these goals are below:

3 GOOD HEALTH AND WELL-BEING



We aim to improve the health and well-being of contract construction workers through our twice-yearly audits of their accommodation, which identify shortcomings and make sure that living environments are improved. The appointment of a Health & Safety Manger will ensure we have clear ownership of health and safety issues for the first time.

6 CLEAN WATER AND SANITATION



We are committed to becoming Net Positive in water by 2040. Currently, we reduce demand on local water supplies through the use of treated grey water for air conditioning cooling. Our Hilton Garden Inn Dubai, Mall of the Emirates development uses flow restrictors and efficient toilet flushing systems to achieve savings of 30% on the building's water use.

7 AFFORDABLE AND CLEAN ENERGY



Our **Renewable Energy White Paper** sets out our commitments to using solar energy both across our existing portfolio and in new developments. For example, our City Centre Me'aiseim mall in Dubai has solar panels that generate 12% of the building's energy consumption.

8 DECENT WORK AND ECONOMIC GROWTH



We seek to measure and improve the socio-economic impact of our developments and developed a methodology that allowed us to demonstrate the socio-economic value of Al Zahia, Sharjah's first gated mixed-use community, including increased employment, increased economic activity and the provision of recreational areas.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



All our projects feature significant infrastructure elements – including roads and water facilities – that link into existing city infrastructure. We have begun research into how we can make a greater contribution to public spaces within and around our developments.

11 SUSTAINABLE CITIES AND COMMUNITIES



Our developments create sustainable communities that are good for the environment and are economically successful. In recognition of this, Al Zahia, Sharjah's first gated mixed-use community, obtained the first BREEAM Communities certificate in the MENA region in 2016.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



We have developed a sustainable procurement action plan for our shopping malls based on our five areas of major spending: cleaning services, building maintenance, waste management, promotion and merchandise, and decoration.

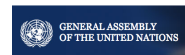
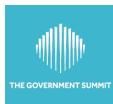
13 CLIMATE ACTION



We are committed to becoming Net Positive in our carbon emissions from our operations and tenants by 2040. This means we will ensure we reduce our emissions through efficiency, technology and by investing in generating more energy than we use from renewable sources.

17 PARTNERSHIPS FOR THE GOALS

We work on sustainability in partnership with others via a network of global, regional, national and local stakeholders, from the UN to local community organisations.



EMPOWERING OUR PEOPLE TO REACH OUR GOALS

EMPOWERING OUR PEOPLE

Our people have transformed our sustainability performance over the past few years, and it is they who will take us to the next level in the future. To celebrate how far we have come, we talked to some of them about their achievements in 2016 and the passion they bring to our sustainability strategy.



2016 was an excellent year when it came to green building certification.

My role was to ensure we obtained the BREEAM Communities certification for Al Zahia, Sharjah's first gated mixed-use community. This certification aims to

help developers design places that are not only an economic success but which people want to live and work in, and are good for the environment.

The effort we put in on BREEAM Communities certification resulted in Al Zahia coming out with a "Very Good" rating across the board, the first of its kind in our region.

There was a great feeling of ownership across the Al Zahia team, and I benefited from being given transparent responsibilities and a clearly defined goal right from the beginning. Throughout the process we all felt able to discuss our approach, to raise any difficulties, and to brainstorm whenever we needed a solution.

BREEAM is not just a certificate – it is confirmation that the work everyone has put in at Al Zahia will improve the lives of the people who live there."

Nazly Asadollahpour, Green Building Project Manager
Project Management
Majid Al Futtaim - Properties



Sustainability Steering Group



Executive leadership sustainability training



Communications and community engagement workshop



Sustainability breakfasts



COP22



In 2016, I was involved in an interesting project which showed how attention to detail can bring sustainability benefits.

In the pre-opening procurement phase at the Mall of Egypt in Cairo, the mall's management,

procurement and sustainability teams agreed we should buy clay pots from a local supplier.

We needed 4,000 of them. So we partnered with an NGO that could provide 10 days of training for pot makers. They learned to increase their productivity and to meet the expectations of a multinational client. All the pots were produced in Egypt and were delivered on time, to the quality standards we require.

The support we received from top management was a reflection of how much they trusted our choices, and the coordination between the sustainability and procurement teams was great.

Not only have we created great moments for our customers by adding these pots to the mall; we have given back to the community by ensuring the money we spent on them stayed in the local area."

**Taghrid El Sayed Mohamed, Associate Manager
Customer Service
Shopping Malls, Majid Al Futtaim - Properties**



For me, the highlights of 2016 were our efforts to improve the living conditions of contract workers through labour accommodation audits.

The audits look at accommodation facilities twice yearly. By working

with contractors, we have seen standards improve dramatically, especially in terms of kitchen facilities, washrooms and laundry areas.

It gives me great satisfaction to see the impact these audits have on the welfare of construction workers; they improve many people's lives. Once you become aware of the conditions some workers have been living in, it stirs your passion to ensure standards are raised.

That passion is not just confined to me and my team – it is shared by our senior managers and by many other employees not directly involved in the audits. That feels very empowering, as we know we have the full support of the business behind us, which helps ensure our recommendations are implemented. And to be fair to the contractors, most of them are also engaged in wanting to improve the lives of their workers."

**Dennis Balogh, Senior Manager
Health and Safety, Project Management
Majid Al Futtaim - Properties**

"We've Got Your Back" initiative for workers' health & wellbeing





“ Signing a waste management agreement might not sound exciting, but it is when it heralds a dramatic new approach to the way things are done.

We signed the agreement for the Mall of the Emirates and City Centre Deira. We now

pay the waste management company a rate for each ton of waste sent to landfill and they pay us a rebate for each ton of recyclable material extracted from our waste.

Of course this procurement initiative will also reduce our environmental impact, which is one of our prime aims and will make us a regional sustainability leader in this field.

There was excellent help from all the teams involved, including through brainstorming meetings.

Our management strongly supported what we were doing and encouraged us to pursue change all the way, even though change can sometimes be risky.”

Sacha Bender, Director Procurement
Majid Al Futtaim - Properties

Iyas Khatib, Procurement Manager
Egypt, Lebanon, Oman, Bahrain, Shopping Malls
Majid Al Futtaim - Properties

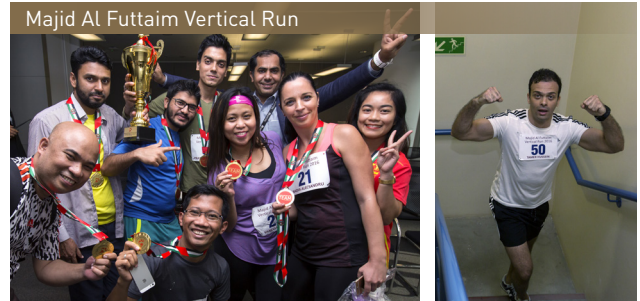




Dubai Corporate Games



Ramadan Tournament



Majid Al Futtaim Vertical Run



Abu Dhabi Striders Half Marathon & 10K



Labour Run



Walk for Education



The achievement I was most proud of in 2016 was the embedding of our Community Engagement Charter within key commercial campaigns.

One initiative – in which our malls in Dubai gave shoppers the chance to

make a sketch of a cuddly toy that could be made into the real thing – started with the idea of giving customers a bit of fun by playing the board game Pictionary. Team members built on this and the outcome was a campaign that presented the cuddly toys to 50 local orphans and reached more than three million people through social media.

It was a team effort, with everyone willing to explore ideas and share insights. We felt empowered by our leadership's commitment and through working closely with members of our sustainability team, who were very supportive.

The reward was amazing. When the orphans received the toys, we all got such a sense of pride and achievement. More importantly, we put smiles on the orphans' faces, and that was our biggest win!"

Nada Abou Saab, Director Marketing East Region, Shopping Malls Majid Al Futtaim - Properties

EMPOWERING OUR PEOPLE TO REACH OUR GOALS

PIONEERING STANDARDS

TOWARD
OUR LONG
TERM GOALS

2018

CURRENT HIGHLIGHTS

2016



63 LABOUR
ACCOMMODATION
AUDITS



123 HEALTH &
SAFETY AUDITS



0 FATALITIES



APPOINTMENT OF
**HEALTH & SAFETY
MANAGER**



12 GREEN
BUILDINGS



**PROCUREMENT SPEND
ANALYSED** FOR MOST
IMPACTFUL SPEND
CATEGORIES



BREEAM COMMUNITIES
CERTIFICATION FOR AL ZAHIA



FIRST LEED GOLD HOTEL
CERTIFICATION FOR OUR
HOTELS PORTFOLIO



**ACCIDENT
FREQUENCY RATE***
2.64 UAE & OMAN
3.64 OTHER MARKETS

SUPPORTED BY PAST
ACHIEVEMENTS

2014-2015



**LABOUR
STANDARDS
POLICY LAUNCHED**



**GREEN BUILDING
BENEFITS WORKING
GROUP CREATED**



FIRST 5 STAR HOTEL IN
MENA TO ACHIEVE **LEED
SILVER** ACCREDITATION



CITY CENTRE ME'AISEM FIRST
MALL IN THE MIDDLE EAST TO
ACHIEVE **LEED PLATINUM**



COMMITMENT FOR ALL NEW
ASSETS TO BE BUILT TO **LEED
GOLD MINIMUM STANDARD OR
EQUIVALENT**

*Monthly AFR = Severe & first aid accidents divided by the total man hours

REVIEWING OUR PROGRESS TOWARDS OUR LONG TERM GOALS

Operating in a region where sustainability performance is relatively low, we have a responsibility and an opportunity to show the way for others. By setting, meeting and exceeding international best practice standards, we establish new benchmarks and adopt a leadership position across the MENA region. We also protect our business from the financial and reputational damage associated with a failure to meet good sustainability standards.

3 OF 6

2016 TARGETS ACHIEVED



LABOUR CONDITIONS IN THE SUPPLY CHAIN

Enhancing the lives of the people who work for us, whether in our offices or on our construction sites, is key to our sustainability mission. Although most construction workers are employed by contractors, we will not shrink from our social and moral responsibility to ensure that the conditions in which they live and work are as good as they can be. We embrace this challenge, and use our influence with contractors to make sure that working and living environments are continually improved.

We formalised our approach in this area in 2014 through the launch of our **Labour Standards Policy**, which is referenced in our procurement contracts and aims to safeguard the safety and rights of workers who work for our contractors on construction sites, as well as those of our own direct employees.

Across every property, whether in operation or construction, health and safety and labour accommodation audits are carried out at least twice per year. If failings are identified, we encourage contractors to deal with them quickly and efficiently.

In 2016 a review of our Labour Standards Policy found that not all of its requirements were being thoroughly implemented by contractors. As a result, in 2017 we are setting up an Employment Conditions Task Force to ensure the requirements – such as carrying out documentation checks and monitoring hours worked – are applied consistently. We are also reviewing all contracts to ensure they explicitly refer to the Labour Standards Policy requirements.



HEALTH & SAFETY

In spite of the measures we take to enhance the lives of people in the region, there will be little point in making such progress if we cannot also guarantee the health and safety of our employees – and of those who work for our contractors. Health and safety is a critical issue for us, but we recognize that we have much to do, especially in terms of ensuring consistent performance across all areas of the business.

In 2015, we conducted a gap analysis of the health and safety measures taken across the business. This analysis revealed that while some business units were making significant strides towards alignment with OHSAS 18001 best practice standards on health and safety management, other parts were not as advanced.

As a result of this analysis, in 2016 we appointed a health and safety manager to oversee the construction side of our business, a step towards defining clear ownership of health and safety issues for the first time.

In 2017 we will work towards developing a Health and Safety Policy as a prerequisite for the health and safety management system we intend to have implemented by the end of 2018. We will adopt a staggered approach to implementation, applying the system to our Project Management business in 2017 and then expanding it to the wider business in 2018.



GREEN BUILDING STANDARDS

One of the most significant ways we can live up to our aim of providing sustainable real estate is to make sure that the properties we build and manage conform to the highest possible environmental standards. Seeking and obtaining green building certification is a very tangible aim towards which our employees can strive, and about which they have become engaged and passionate. Through this engagement they also become more enthusiastic about other sustainability objectives.

Over the past few years we have invested significantly in developing assets which comply with green building standards, both in terms of time and money, as we believe they deliver tangible benefits for us, our tenants and the community as a whole. In 2014 we committed ourselves to building all new properties to LEED Gold or equivalent standards, and by the end of 2016 we had 12 assets at that standard or beyond.

Two of our newly-built shopping centres in Dubai – City Centre Me'aisem (opened in 2015) and My City Centre Al Barsha (opened in 2016) have achieved LEED Platinum, the highest possible standard, while in 2016 the Hilton Garden Inn Dubai, Mall of the Emirates became the first property within our hotel portfolio to obtain a LEED Gold certificate (see case study on p13).

During the year, Al Zahia, Sharjah's first gated mixed-use community, also obtained the first BREEAM Communities interim certificate in the MENA region.

From 2017, we will begin to develop our own minimum green building guidelines for developments that will focus on the most relevant issues in our region. For instance, while most certification systems lay emphasis on providing cycling facilities, this is not relevant in the MENA region, where cycling in hot temperatures is an unrealistic option. The guidelines which we will be working on in 2017 will include the most relevant green building requirements for the MENA region and ensure our LEED Gold (or equivalent) requirement continues to be met.



SUSTAINABLE PROCUREMENT

As a major company in our region we have considerable buying power that we can put to good use for the benefit of everyone. By adjusting our long-term procurement patterns to ensure we buy locally and with an eye to the sustainability of products and

services, we can have a significant impact on the environment and society in our region. Often we will also save money into the bargain.

Until last year most of our efforts on sustainable procurement were focused on particular properties or ad-hoc projects. However, we have begun to embed sustainability into our pre-qualification questionnaire for potential suppliers and are looking at ways in which sustainability performance can be tracked across contract delivery periods.

In 2016 we commissioned a thorough review of our shopping malls' procurement and as a result have developed a sustainability action plan based on our five areas of major spending: cleaning services, building maintenance, waste management, promotion and merchandise, and decoration. In 2017 we will explore the feasibility of creating a list of preferred sustainable suppliers for these categories – both in products and services, as well as investigating the sustainability impacts of our largest-spend construction materials.



If we're to deliver on our mission to 'enhance people's lives through sustainable real estate', then green building standards and sustainability principles have to be embedded into everything we do. That means incorporating

them from the design stage through to development, to project execution, to operation, and then to the marketing and community engagement that follow.

Keeping on top of innovation also plays an important role in delivering against our mission, especially as techniques in the construction industry evolve so quickly – each with a huge potential impact and opportunity attached.

Setting clear goals is another key way of ensuring we stick to our mission and achieve our aims. But as well as looking forward, we also need to stop to review – and celebrate – our successes. Only by doing so will we ensure we are still on the right track, and that the standards, targets and goals we're aiming for are still relevant."

**Chris Dixon, Director
Technical Operations, Shopping Malls
Majid Al Futtaim - Properties**

CASE STUDY: HILTON GARDEN INN DUBAI, MALL OF THE EMIRATES ACHIEVES LEED GOLD CERTIFICATION

Often when a building project is finished in double-quick time there's a price to pay in terms of reduced quality and sustainability performance. But completion of the Hilton Garden Inn Dubai, Mall of the Emirates during 2016 showed this does not have to be the case.

The 370 room hotel was built in just 18 months, yet it also achieved LEED Gold status, becoming the first hotel in Dubai, under NCv2009, to do so.

Features of the project include:

- A grey water collection and treatment plant to supply water to cooling towers.
- Smart guest room management that uses motion sensors to adjust temperature and energy use in areas that are not being used or vacant rooms.
- High performance insulated walls and roofs, high-efficiency water cooled chillers, automated and LED lighting, and energy recovery units for ventilation.
- Water flow restrictors and water-saving toilet flushing systems.

Thanks to these and other measures the building is expected to reduce CO₂ emissions by 665 tons per year when compared to similar hotels. It will also make savings of 30% on water use and 28% in energy use.

All of these benefits help to make the hotel cheaper to run, proving that it's possible to make a property not only more sustainable but more profitable. Even better, construction was completed without a single lost time incident across 2.2 million working hours.

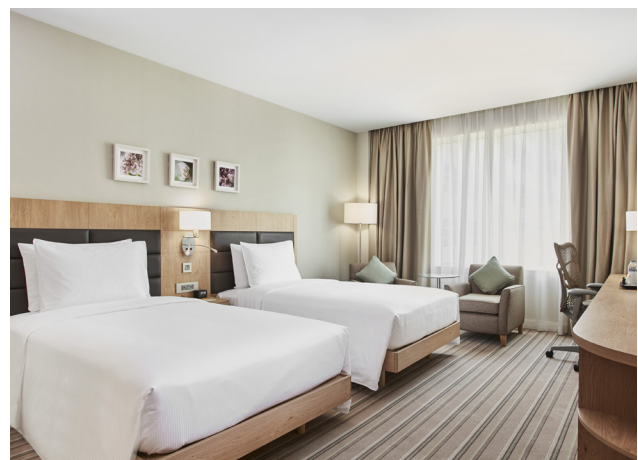
We are pleased to report that the Hilton Garden Inn Dubai, Mall of the Emirates is now visited regularly by representatives of hotel-owning companies from across the region who are keen to understand the best practices it showcases and to use them as a model for their own projects.



“

It is our responsibility to provide our assets with the tools and facilities to operate sustainably and ensure commercial, environmental and socio-economic benefits are in harmony.”

Rasheed Duwaji
Senior Development Manager, Hotels
Majid Al Futtaim - Properties



EMPOWERING OUR PEOPLE TO REACH OUR GOALS

PROSPEROUS COMMUNITIES

TOWARD
OUR LONG
TERM GOALS

2018

CURRENT HIGHLIGHTS

2016



AED 8.9 MILLION
COMMUNITY
INVESTMENT



13,228 HOURS OF
VOLUNTEERING



**EXECUTIVE
LEADERSHIP**
TRAINING DELIVERED



DEVELOPMENT OF
SOCIO-ECONOMIC KPIs TO
BE MONITORED IN OUR
COMMUNITIES PORTFOLIO



STAFF RECEIVED
319 HOURS OF
SUSTAINABILITY
TRAINING



170 INTERNSHIPS & 236 JOB
SHADOW PLACES



LAUNCH OF
GRADUATE
PROGRAMME:
TOMOUHI



AED 27.2 MILLION PR VALUE
CREATED FROM COMMUNITY
INVESTMENT

SUPPORTED BY PAST
ACHIEVEMENTS

2014-2015



INITIAL
RESEARCH INTO
PUBLIC REALM
COMMITMENTS



SOCIO-ECONOMIC
ASSESSMENT OF
AL ZAHIA



CREATION OF
**COMMUNITY
ENGAGEMENT**
GUIDELINES

REVIEWING OUR PROGRESS TOWARDS OUR LONG TERM GOALS

We are driven by a commitment to enhance people's lives, to create social and economic value for the communities in which we operate, and to provide an environment that supports and nurtures our talented workforce. By doing this we stay closer to the communities we rely upon for our business, engender loyalty from customers and employees, and safeguard our reputation.

4 OF 5

2016 TARGETS ACHIEVED



EMPLOYEES

Our people are at the heart of everything we do on sustainability, and nothing would have been achieved without their continued support and enthusiasm. They act as catalysts and advisers, as innovators and advocates – and they empower each other to make progress. We need to support them in all these activities and must ensure that they feel valued and engaged at all times.

Since the launch of our sustainability strategy in 2013, we have encouraged our employees to become more involved in sustainability issues through a series of training initiatives and events (see case study on p17). In addition we have introduced job shadowing days and ad hoc internships across the MENA region – encouraging locals to take part in sustainability activities with our employees.

In 2016, we worked with Majid Al Futtaim - Holding to create a graduate management development programme called Tomouhi, which is available to 15 graduates each year. Over an 18-month period each will spend some time in various areas of the business, including in Majid Al Futtaim - Properties, before being placed more permanently in a specific job.

In 2017, in line with international best practice and moving closer to our 2018 goal of being the "real estate employer of choice in the MENA region", we will focus on the health and well-being of our employees, in particular the health and well-being benefits of the fit-out of our head office.

We will also be introducing an employee sustainability award scheme to recognise the significant effort and dedication of those who take on the role of being our sustainability champions.



COMMUNITY WELL-BEING & ENGAGEMENT

By engaging with local communities, we improve our understanding of the environment in which we operate. Many of the sustainability challenges we face can only be tackled with the support and understanding of these communities, which – after all – provide us with many of our employees, customers and tenants. To date, community engagement has been limited in the MENA region. However, we are committed not only to pioneering new approaches, but also to sharing the lessons we learn from them so that these approaches can be adopted successfully by other companies.

In 2014 we created a Community Engagement Charter, with guidelines setting out ways of supporting communities in which we build and operate. We tested the Charter at the Mall of the Emirates in 2015, conducted a series of training sessions and developed guidance material specifically for the marketing team.

Since then we have come to the conclusion that despite their strengths, the Charter and the guidelines have not clearly enough identified stakeholders or what our priority issues on community engagement must be. We will try to address this shortcoming in 2017, partly through a stakeholder mapping exercise. We will also apply the Charter and its guidelines at our newest residential development, Ghaf Hills, in order to further test it and improve its effectiveness.



ENHANCEMENT OF THE PUBLIC REALM

Creating sustainable real estate is not just about what we do within the boundaries of our assets – it's about creating exemplar public spaces around them, too. This feeds into our aim of providing socio-economic benefits to the communities within which we operate.

Until recently we have devoted only limited attention to understanding our impact on the spaces around and between buildings, including streets – known as the public realm.

However, in 2016 we began to carry out research into how we can best take account of these areas, including by looking at best practice examples across the world.

In 2017, once this research is concluded, we will develop and publish public realm ambitions focused on enhancing best practice in the MENA region. We will then pilot public realm projects across our existing assets and look at embedding them within our future property design.



LOCAL ECONOMIC DEVELOPMENT

To develop prosperous and inclusive communities that promote well-being and engagement, we must pay attention to local economic development. Through our activities, we want to provide positive socio-economic benefits for the communities in which we operate.

Our monetary support for such communities continues to be substantial, and in 2016 we invested AED 8.9 million in community causes across the region. However, over the years we have moved away from an ad-hoc approach to charitable giving, towards a more strategic approach, thinking more holistically about the changes we can generate in society through our donations.

To get a better understanding of the socio-economic impacts of our assets, we conducted an impact assessment at one of our mixed-use developments – Al Zahia, Sharjah's first gated mixed-use community. In what was a pioneering move for the region, we produced a methodology that allows us to demonstrate the socio-economic value that Al Zahia is adding to the community in various ways, including through employment, increased economic activity and the provision of recreational areas.



It is genuinely exciting to work for a business that has such a great opportunity to make spaces that will help meet the community's needs and improve the public realm. We really do believe that our company has the potential to "enhance

people's lives" through its operations across the MENA region, including by contributing to the local economic development of the communities in which we operate.

As sustainability champions both of us have an interesting perspective on how to take this agenda forward, and we often speak to managers about ways in which improvements can be made.

From our point of view it's always valuable when senior leaders in the company speak about sustainability and show us that it's something they place great value upon. When this happens it encourages all levels of the company to become more engaged – so the more that it happens, the better. Sustainability is not the task of a few, but a company mind set, and so to get the best results, we need to move forward together – as one."

**Nicholas Mulders, Director
Retail Design Management, Shopping Malls
Majid Al Futtaim - Properties**

**Carlos Navarro, Manager
Retail Design Management, Shopping Malls
Majid Al Futtaim - Properties**

With Al Zahia welcoming its first residents in 2016, we had planned to test out this methodology to produce precise figures on the development's socio-economic impacts. Delays in launching a residents' survey meant that we were unable to obtain any results during the year, but this remains our plan for 2017.

A guidance manual has been developed so that the methodology can be applied to other assets, and in 2017 and beyond we will aim to align methodologies for measuring socio-economic impacts Company-wide.

CASE STUDY: EMPOWERING OUR PEOPLE THROUGH TRAINING

If knowledge is power, then we can only expect our employees to fully embrace sustainability if they are well trained in its essentials. For that reason, in 2016 we held a number of training sessions on sustainability topics for staff.

Notably, we delivered two community engagement training sessions to the mall teams in charge of developing marketing materials. During the sessions – which were attended by over 80 employees – we ran through our Community Engagement Charter and its guidelines, and provided advice on how to apply it using real-life examples.

Around 50 people in our mall marketing teams also attended a communications workshop designed to familiarise them with various sustainability issues, and to provide them with ideas on creating more powerful communications around the topic. It also sought to help them understand how to better communicate sustainability messages in general.

As green building certification is an important part of our sustainability strategy, in June 2016 we also provided ten employees from across the company with training on the BREEAM certification scheme. This allowed them to become more familiar with the technical aspects of green buildings, and had the advantage of equipping them with the skills to become assessors for certain BREEAM schemes.

Eight senior executives also received training in December 2016 aimed at helping them to become more effective sustainability advocates both internally and externally. The session included a brainstorming section during which participants looked at sustainability opportunities for the business, a number of which have now been integrated into our 2017 targets.



Within less than a year with Majid Al Futtaim, I managed to become a registered BREEAM International Assessor after passing the exams. I'm very proud of this because Majid Al Futtaim is the region's first company to provide Company-wide BREEAM certification training."

Maissam El Kouche, Sustainability Administrator
Majid Al Futtaim - Holding

EMPOWERING OUR PEOPLE TO REACH OUR GOALS

HIGH PERFORMANCE ASSETS

TOWARD
OUR LONG
TERM GOALS

2018

CURRENT HIGHLIGHTS

2016



LAUNCH OF
**RENEWABLE
ENERGY TARGETS**



GREEN STAR RATING
TENANT AWARDS
INTRODUCED IN BEIRUT



6,947 PEOPLE
SURVEYED IN
MALLS



12% REDUCTION IN
ENERGY INTENSITY FOR
MALLS SINCE 2014



INCREASED
ENVIRONMENTAL
DATA COLLECTION



7% REDUCTION
IN WATER USE
INTENSITY FOR
HOTELS SINCE 2014



343 GREEN STAR
RATINGS



69% RECYCLING
RATE AT OUR HEAD
OFFICE

SUPPORTED BY PAST
ACHIEVEMENTS

2014-2015



ENVIRONMENTAL DATA
BEING COLLECTED ON
CONSTRUCTION SITES



AED 3 MILLION EXPECTED
SAVINGS BY INSTALLING LED
LIGHTING ACROSS OUR MALLS



GREEN STAR
RATING MANAGER
APPOINTMENT



CREATION OF THE GREEN STAR
RATING SYSTEM WITH **3 STAR**
MINIMUM REQUIREMENT



CUSTOMER
SURVEYS
LAUNCHED

REVIEWING OUR PROGRESS TOWARDS OUR LONG TERM GOALS

One of the most important ways we can help society is by reducing the environmental impact of our assets. Ensuring strong environmental performance across our portfolio contributes to tackling pressing global issues such as climate change, water scarcity and waste management. In addition, these environmental pressures directly affect our own business and have the potential to increase costs. Addressing them therefore also improves our financial performance.



WATER, WASTE, ENERGY & CARBON

Our buildings use a lot of energy. The activities inside them also require large quantities of water and produce significant amounts of waste. This presents us with an exciting opportunity as well as a challenge. We are strongly committed to developing a portfolio of high performance assets, and must therefore work with our stakeholders to find innovative solutions to reduce our water and energy consumption and improve our recycling rates.

This has been one of the main objectives since the launch of our sustainability strategy in 2014. Each of our asset classes have their own targets in these areas.

We have had mixed results across our portfolio in achieving those targets, partly because we operate in a variety of territories where the performance of contractors and facilities is not consistent across the board. This is especially true for waste contractors, among whom there is a great variation in sustainability performance and understanding.

Nonetheless, targets have been achieved in a variety of innovative ways, including by carrying out an LED lighting retrofit programme across our malls, which on its own is saving the business AED 3 million a year.

Since 2014 we have tracked environmental performance at our construction sites as well as in our existing assets and in our own offices. In 2015 we aligned all environmental targets so that each asset class has a baseline year of 2014 with an end date of 2018 – in line with our strategy.

During 2016 we launched our [Renewable Energy White Paper](#) (see case study), which commits us to

2 OF 5

2016 TARGETS ACHIEVED

using solar energy across our existing portfolio and new developments. We are one of the first businesses in the MENA region to make such a commitment, and have done so ahead of the UAE's announcement that it will require companies to set renewable energy targets in the future.

We have already installed solar panels in a number of our malls, and in 2017 we will work to install more across our portfolio - especially within our existing assets.

In order to ensure that we stay on track to achieve our long term environmental targets, during 2017 we will recalibrate our plans in this area to make sure that each asset class meets its 2018 targets.



TENANTS & OPERATORS

Some of our best and most valuable work on sustainability can be done with our tenants and hotel operators who are valuable allies in our mission to enhance people's lives through sustainable real estate. With their help and ideas we can double the effort and make a real difference when it comes to the way our properties are managed and operated.

To date the focus of our work in this area has been with mall tenants.

Much of the engagement with tenants has been through our voluntary Green Star Rating system, a score-based system introduced in 2012 that aims to improve the sustainability credentials of tenant fit-outs. In 2014 we appointed a Green Star Manager to promote and expand the system, and we required tenants to obtain a minimum of three stars out of a possible five. In 2015 we added details of the Green

Star Rating System to tenant induction packs to help them better understand its importance.

Given that our tenants need to work closely with their own suppliers and contractors to make sure they get satisfactory Green Star Ratings, in 2016 we began to work for the first time with tenants' contractors to make sure they understand the requirements of the system. We also launched our Green Star Tenant Awards, with the first of these handed out in Beirut.

There has been significant uptake of the Green Star Rating system, with some tenants even applying its fit-out guidelines to their other retail outlets outside of our malls.

In 2017, we will continue to talk to all tenants about the benefits of the system to ensure maximum coverage. We will also explore its expansion Company-wide.



CUSTOMERS & VISITORS

The guests who visit our hotels and shopping malls may not have a huge direct influence on our overall social and environmental impacts, but their behaviour nonetheless affects aspects of our operations such as waste generation and water and energy use.

The more we engage with customers and visitors on these issues, the better – not just for us, but for society as a whole. While we send them specific messages about their impact within our malls and hotels, we also have a fantastic opportunity to talk to them about how their own lifestyles can take sustainability issues into greater account. We are determined to make the best of that opportunity.

Regular customer engagement surveys in our malls and hotels have provided some insights into customer views and priorities on sustainability. But so far we have made limited use of the data we have collected.

In 2017 we will review our customer engagement survey questions and develop a specific engagement campaign targeted at the sustainability issues customers care about the most. This will be trialled in one mall and will seek to explain to them how they can adopt a more sustainable lifestyle.



We should always be exploring new ways to improve our sustainability performance, and that means studying best practice in other markets such as Europe and the US. There is so much to learn from others.

Technology is one of the keys to improving the performance of our assets. We need to make sure our buildings are smart so that they can automatically adjust to the type and level of occupancy. We must also integrate sustainability earlier in the design stage – for example by installing solar water heaters, which is one of the most efficient ways of heating water but requires significantly more space.

We've already started to test out a number of new technologies. At the Pullman Hotel Dubai, City Centre Deira for example, we piloted a food waste management system called Winnow – and the learnings have been shared with hotels across our portfolio. The renewable energy commitments we made in 2016 have led us to look into the installation of solar panels and to think more broadly about integrating other new technologies into our assets.

Technology is one thing, but we must also engage with our guests, tenants and operators, otherwise the innovations we adopt will not be as effective. We especially need to show our commitment on sustainability to customers – perhaps through a series of handout cards summarising our achievements – so that we can encourage them to support us in our efforts.

In 2016 we added sustainability topics to our monthly budget reviews with hotel operators, and that has already proved to be very fruitful, both for them and for us. It has shown that improving the sustainability performance of our assets can be a collaborative effort that results in a win-win situation for everybody."

**Mark Allchin, Director
Development Existing Projects, Hotels
Majid Al Futtaim - Properties**

**Khalifa Bin Braik
Head of Asset Management, Hotels
Majid Al Futtaim - Properties**

CASE STUDY: HARNESSING RENEWABLE ENERGY

We reached a significant landmark in 2016 with the launch of our **Renewable Energy White Paper**, which sets out plans for an investment in renewable energy of AED 152 million that will reduce our annual carbon footprint by 27,000 absolute tonnes of carbon and will deliver a return on investment in as little as nine years.

In line with this environmental commitment we will now aim to source a minimum of 7.5% of our energy consumption via solar panels at all new developments and a minimum of 5% in existing buildings by the end of 2017. We will also look into using thermal and ground source cooling technology whenever feasible.

In addition, assessments will be carried out into the feasibility of establishing off-site solar and wind power plants and large scale solar panel installations. We will also be establishing the feasibility of power purchasing agreements with partner businesses that support the growth of renewable energy across the region.

Work is already underway on delivering on our new target. Our City Centre Me'aisem mall in Dubai has car park shading structures featuring integrated solar panels that aim to generate 12% of the annual energy consumption of the entire building, and similar arrangements have been put in place at the My City Centre Al Barsha mall, also in Dubai. We are investigating the installation of solar facilities across a number of other assets and in 2016 obtained internal sign off for work at two further properties.

The white paper is the first in a series of thought leadership publications, of which there will be more in 2017. It also provides stakeholders with a useful understanding of our business and environmental case for investing in renewable energy.



The community lifestyle destination City Centre Me'aisem is built in line with our sustainability vision and features the UAE's first-ever solar panel lighting solution in its parking area. These features along with other sustainable design elements earned the mall the Green Commercial Building of the year award in 2016 which gave us great publicity. I am proud to be a part of Majid Al Futtaim because we recognise the importance of sustainability and the impact on people's lives."

**Maryam Ahli, Mall Manager
Shopping Malls
Majid Al Futtaim - Properties**



2016 RESOURCE EFFICIENCY INDICATORS[‡]



ENERGY FOOTPRINT

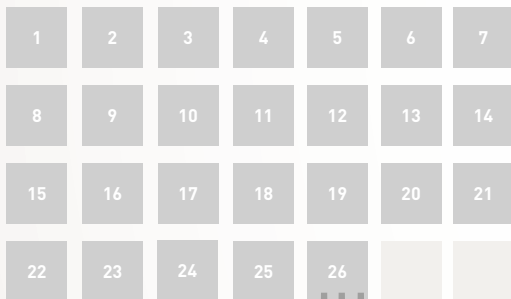
843,743

ABSOLUTE MEGAWATT HOURS

MALLS 85.2% | MATAJER MALLS 2.7% | HOTELS 8.5%
 SKI DUBAI 1.8% | COMMUNITIES 0.1%
 HEAD OFFICE 0.4% | OTHER OFFICES 1.2%

THIS IS THE EQUIVALENT ENERGY PRODUCED BY THE LARGEST POWER STATION IN BAHRAIN, AL DUR, RUNNING AT FULL CAPACITY, ALL DAY FOR

26 DAYS



CARBON FOOTPRINT

585,634

ABSOLUTE TONNES OF CO₂e

MALLS 84.0% | MATAJER MALLS 2.9% | HOTELS 9.2%
 SKI DUBAI 2.0% | COMMUNITIES 0.2%
 HEAD OFFICE 0.4% | OTHER OFFICES 1.3%

THIS MUCH CO₂e WOULD FILL A CUBE

680 METRES TALL

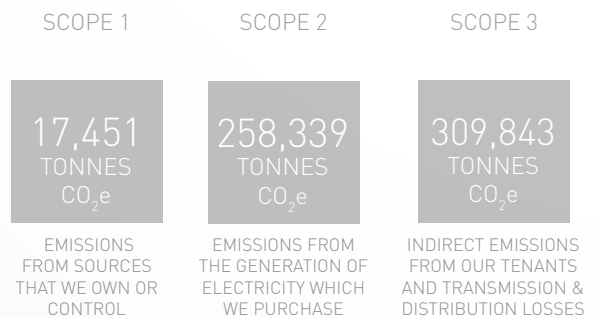


PERFORMANCE*



FOR FULL ENERGY TARGET ASSESSMENT SEE PAGE 25

GREENHOUSE GAS EMISSIONS





Environmental performance management provides strong foundations for the successful delivery of our sustainability programme. For information on our 2016 environmental performance, please see our pp36-38



WASTE FOOTPRINT

56,230

ABSOLUTE TONNES

MALLS 90.5% | MATAJER MALLS 5.6% | HOTELS 3.6%
COMMUNITIES 0.2%
HEAD OFFICE 0.1% | OTHER OFFICES 0.1%

THIS IS THE
SAME WEIGHT AS

5.6

FULLY LOADED STANDARD
EMIRATI CARGO SHIPS



WATER FOOTPRINT

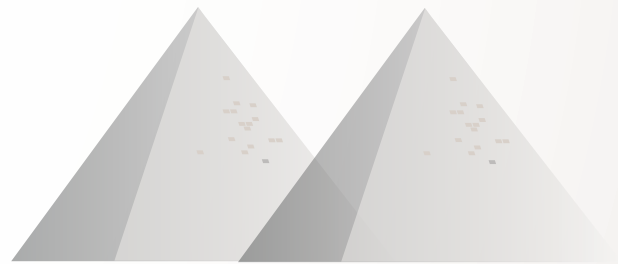
5,290,909

ABSOLUTE CUBIC METRES

MALLS 67.9% | MATAJER MALLS 0.8% | HOTELS 10.3%
SKI DUBAI 2.4% | COMMUNITIES 16.8%
HEAD OFFICE 0.1% | OTHER OFFICES 1.7%

THIS IS ENOUGH WATER TO FILL
THE LARGEST PYRAMID IN THE WORLD,
THE GREAT PYRAMID OF KHUFU

2 TIMES



PERFORMANCE*

MALLS

MATAJER

HOTELS

OFFICES



RECYCLING
RATE



RECYCLING
RATE



RECYCLING
RATE



RECYCLING
RATE

FOR FULL WASTE TARGET ASSESSMENT
SEE PAGE 25

PERFORMANCE*

MALLS

MATAJER

HOTELS

OFFICES

0%

NO CHANGE



ANNUAL
INCREASE



ANNUAL
REDUCTION



ANNUAL
INCREASE

FOR FULL WATER TARGET ASSESSMENT
SEE PAGE 25

* Majid Al Futtaim - Properties' operational portfolio (existing assets) includes all buildings that were operating and not under construction during 2016. This excludes Al Shindagha, which was completed part way through 2016 and the Mall of Egypt which was finished in early 2017

* rounded to the nearest percent

2016 TARGET PERFORMANCE

ASSESSMENT DEFINITIONS

Achieved <ul style="list-style-type: none"> Target met 	Partially Achieved <ul style="list-style-type: none"> Quantitative Targets – At least 50% of the agreed reduction/increase target met Qualitative Targets – At least 50% of the agreed measures of success for the target met 	Not Achieved <ul style="list-style-type: none"> Quantitative Targets – Less than 50% of the agreed reduction/increase target met Qualitative Targets – Less than 50% of the agreed measures of success for the target met
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PIONEERING STANDARDS	2016 Targets		Scope	Year-end assessment
	LABOUR CONDITIONS & THE SUPPLY CHAIN	Assess and improve the implementation of labour standards policy requirements	All activities	Partially Achieved
	LABOUR CONDITIONS & THE SUPPLY CHAIN	Continue to perform two labour accommodation audits per contractor covering the majority of the Majid Al Futtaim - Properties labour force working with that contractor	All activities	Partially Achieved
	LABOUR CONDITIONS & THE SUPPLY CHAIN	Continue to participate in a collaborative initiative to improve labour standards in the region	All activities	Achieved
	HEALTH & SAFETY	Project Management Business Unit Health & Safety manager to support the development of corporate Health & Safety standards based on OHSAS 18001 gap analysis findings	All activities	Achieved
	GREEN BUILDING STANDARDS	Green Buildings Benefits Working Group to publish thought leadership article on the benefits of Green Buildings and share both internally and externally	All activities	Partially Achieved
SUSTAINABLE PROCUREMENT	Conduct a risk review of major spend categories for Malls business unit and develop minimum sustainability procurement standards and requirements based on the results	Malls	Achieved	

PROSPEROUS COMMUNITIES	2016 Targets		Scope	Year-end assessment
	COMMUNITY ENGAGEMENT & WELL-BEING	Apply Community Engagement Charter & Guidelines to two operational assets and use the findings to strengthen the charter and guidelines	Malls	Partially Achieved
	LOCAL ECONOMIC DEVELOPMENT	Develop a standard approach to socio-economic assessment based on findings from Al Zahia	Communities	Achieved
	EMPLOYEES	Develop an internship programme with a focus on attracting local talent to the organisation	All activities	Achieved
	EMPLOYEES	Hold a minimum of 10 staff engagement events (staff sustainability breakfasts, TEAM sports events, team building)	All activities	Achieved
ENHANCEMENT OF THE PUBLIC REALM	Conduct research into international best practices (including Majid Al Futtaim - Properties' existing approach) around public realm/activated spaces schemes and initiatives to inform best practice approach	All activities	Achieved	

HIGH PERFORMANCE ASSETS		2016 Targets	Scope	Individual asset progress	Aggregated year-end assessment	
WATER	To create and manage resource efficient assets, communities and infrastructure	Achieve a 8.6% reduction in landlord shared services and common parts water intensity (litres/visits) in malls (2.23% annualised rate)	Malls	Not achieved	Partially Achieved	
		Achieve a 11% reduction in landlord shared services and common parts water intensity (litres/visits) across the Matajer malls portfolio (2.9% by 2016)	Matajer Malls	Not achieved		
		Achieve a 12% reduction in water consumption across hotels (litres/guest night) (3.1 % annualised rate)	Hotels	Partially Achieved		
		Achieve a 5% reduction in whole building water intensity (litres/staff) across the office portfolio* (1% annualised rate)	Offices	Not achieved		
ENERGY & CARBON		Achieve a 10.3% reduction in landlord shared services and common parts electricity intensity (kWh/m ² /year) in malls (2.67% annualised rate)	Malls	Achieved		
		Achieve a 10% reduction in landlord shared services and common parts energy intensity (kWh/m ² /year) across the Matajer malls portfolio (2.7% annualised rate)	Matajer Malls	Achieved		
		Achieve a 12% reduction in whole building energy intensity (kWh/guest-night) in hotels (equating to an annualised reduction rate of 3.1% each and every year)	Hotels	Achieved		
		Achieve a 5% reduction in whole building energy intensity (kWh/staff/year) across the office portfolio (1.4% annualised rate)	Offices	Achieved		
WASTE		Achieve a 30% recycling rate across for the malls portfolio (24% by 2016)	Malls	Achieved		
		Achieve a 20% recycling rate (tonnes) across all Matajer malls (10% by 2016)	Matajer Malls	Not achieved		
		Achieve a recycling rate of 45% for the hotels portfolio (42% by 2016)	Hotels	Not achieved		
		Achieve a 60% recycling rate across the office portfolio	Offices	Achieved		
DATA MANAGEMENT		Continue collecting waste data for estate management activities at Al Zahia	Communities	Achieved		
TENANTS & OPERATORS	All new tenants to achieve minimum 3 stars rating on the Green Star Rating system	All activities	Partially Achieved			
	Test the viability of integrating green clauses across all other asset classes and implement findings	Malls	Partially Achieved			
	Expand office tenant and hotel operator engagement programme	Hotels and Offices	Achieved			
CUSTOMERS & VISITORS	Use feedback collected through customer surveys to launch tailored sustainability communications campaigns in 2017	Hotels and Malls	Achieved			

*Excludes City Centre Offices

2017 TARGETS

2017 Targets		Scope	
PIONEERING STANDARDS	LABOUR CONDITIONS & THE SUPPLY CHAIN	Enhance internal documentation and existing procedures as per the findings of the Labour Standards Policy implementation review conducted in 2016	Corporate
	HEALTH & SAFETY	Introduce an OHSAS 18001 aligned Health and Safety Management System for Project Management Business Unit	Project Management
	SUSTAINABLE PROCUREMENT	Conduct a risk review of major spend/material categories for the Project Management Business Unit	Project Management
		Explore the feasibility of creating a list of preferred sustainable suppliers (of both services and products) for five selected shopping mall procurement categories	Malls
	GREEN BUILDING STANDARDS	Develop and launch Majid Al Futtaim - Properties bespoke Green Building Minimum Standards for development	All activities

2017 Targets		Scope	
PROSPEROUS COMMUNITIES	COMMUNITY ENGAGEMENT & WELL-BEING	Trial the application of the Community Engagement Charter and Guidelines on Ghaf Hills and use the findings to inform design	Communities
	LOCAL ECONOMIC DEVELOPMENT	Work with key stakeholders to identify ways to improve the measurement of Majid Al Futtaim's socio-economic impact. Publish findings and next steps in a white paper during 2017	Corporate
	EMPLOYEES	Conduct a health and well being assessment of Majid Al Futtaim Tower II as part of the planned refurbishment	Corporate
		Introduce annual sustainability champion awards	Corporate
	ENHANCEMENT OF THE PUBLIC REALM	Develop and publish Public Realm ambitions focused on enhancing best practice in the MENA region	Corporate

HIGH PERFORMANCE ASSETS

2017 Targets		Scope	
WATER	To create and manage resource efficient assets, communities and infrastructure	Achieve an 8.7% reduction in landlord shared services and common parts water intensity (litres/visits) in malls compared to a 2016 baseline (4.4% reduction by 2017)	Malls
		Achieve a 21% reduction in landlord shared services and common parts water intensity (litres/visits) across the Matajer malls portfolio compared to a 2016 baseline (9.7% reduction by 2017)	Matajer malls
		Achieve a 12% reduction in water consumption across hotels (litres/guest night) (3.1% annualised rate)	Hotels
		Achieve an 11% reduction in whole building water intensity (litres/staff) across the office portfolio* compared to a 2016 baseline (7.8% reduction by 2017)	Offices
		Collect water data for estate management activities at Al Zahia	Communities
ENERGY & CARBON		Achieve a 10.3% reduction in landlord shared services and common parts electricity intensity (kWh/m ² /year) in malls (2.67% annualised rate)	Malls
		Achieve a 10% reduction in landlord shared services and common parts energy intensity (kWh/m ² /year) across the Matajer malls portfolio (2.7% annualised rate)	Matajer Malls
		Achieve a 12% reduction in whole building energy intensity (kWh/guest-night) in hotels (equating to an annualised reduction rate of 3.1% each and every year)	Hotels
		Achieve a 5% reduction in whole building energy intensity (kWh/staff/year) across the office portfolio (1.4% annualised rate)	Offices
		Collect energy data for estate management activities at Al Zahia	Communities
WASTE		Achieve a 30% recycling rate across for the malls portfolio (27% by 2017)	Malls
		Achieve a 20% recycling rate (tonnes) across all Matajer malls (15% by 2017)	Matajer Malls
		Achieve a recycling rate of 45% for the hotels portfolio (44% by 2017)	Hotels
		Achieve a 60% recycling rate across the office portfolio (56% by 2017)	Offices
		Communities - collect waste data for estate management activities at Al Zahia	Communities
TENANTS & OPERATORS	Building on the success of Majid Al Futtaim - Properties, explore opportunities to expand the coverage of the Green Star Rating system across Majid Al Futtaim - Holding	Corporate	
CUSTOMERS & VISITORS	Review and update customer satisfaction survey questions and develop tailored sustainability communications campaigns based on feedback gathered and trial at one shopping mall in 2017	Malls	
RENEWABLE ENERGY	5% of energy consumption at existing assets to be generated from solar PV by the end of 2018	All activities	
	A minimum of 7.5% of energy consumption to be generated from solar PV for all new developments entering planning from October 2016	All activities	
	Explore the feasibility of solar thermal and ground source cooling technologies at all new developments entering planning from October 2016 and implement accordingly	All activities	
	Carry out feasibility assessments into off-site concentrated solar power, wind power plants and large scale solar PV power installations and associated Power Purchasing Agreement partnership opportunities by the end of 2018	All activities	

*Excludes City Centre Offices

HOW WE MANAGE SUSTAINABILITY

In 2014 we began to implement our new sustainability strategy, which was launched in 2013 after an in depth review of our sustainability work, including discussions with key stakeholders. The strategy, which aims to embed sustainability through the business, is driven by our Sustainability Steering Group and our Board. It will be delivered by developing and managing high performance assets that support prosperous communities. To do this, we will set pioneering standards across our business. A set of stretching 2018 goals help us to deliver continued results in these three areas (see p4).

EMBEDDING SUSTAINABILITY

To make the journey towards these goals more manageable, and to ensure that sustainability is fully integrated into our core business, we set annual sustainability targets that drive implementation of our strategy. Our progress against these targets is outlined throughout this report.

During 2016, all employees responsible for target delivery were involved from the start in setting their targets and the measures of success against which performance would be measured. They were also offered the opportunity to discuss resourcing issues and any other challenges associated with the successful delivery of targets.

In addition to our annual targets, we integrate sustainability across the business in a number of other ways: through the development of policies and procedures, through developing a range of staff sustainability training courses and by engaging with our tenants, operators and contractors. For full details of our sustainability strategy, please visit our website.

GOVERNANCE

Our robust governance structure is central to the successful delivery of our approach. At the highest level sustainability is considered at each monthly meeting of the Corporate Executive Committee (CEC), which reports into the Board and has responsibility for executive oversight and strategy. We also have a sustainability representative on the CEC. Our Sustainability Steering Group, which meets every three months in our UAE headquarters, and includes the CEO and other senior members of staff, reports into the CEC and is supported by national sustainability groups in Egypt, Oman, Bahrain and Lebanon as well as sustainability champions responsible for delivery on the ground. Steering Group meetings are also attended at minimum twice each year by our external sustainability advisors, JLL. The Head of Sustainability provides support and strategic oversight to all elements within this structure.

OUR SUSTAINABILITY GOVERNANCE STRUCTURE



ADVISOR'S STATEMENT

JLL has advised Majid Al Futtaim - Properties on its strategic sustainability approach since 2010. As part of Majid Al Futtaim - Properties' 2016 sustainability reporting, JLL has supported the company in the following three areas:

- Assessing performance against 2016 sustainability targets
- Validating target and Key Performance Indicator (KPI) data
- Aligning the company's sustainability reporting with international standards including Global Reporting Initiative (GRI), European Public Real Estate Association (EPRA), the United Nations Global Compact (UNGC) and the United Nations Sustainable Development Goals

This Advisor's Statement provides an external evaluation of Majid Al Futtaim - Properties' performance but does not constitute fully independent assurance or verification.

In 2016 all targets were either achieved or partially achieved. Nine of Majid Al Futtaim - Properties' 16 annual sustainability targets (56%) were achieved in 2016. 7 out of 16 targets were partially achieved (44%). 67% of targets were met in 2015.

We commend Majid Al Futtaim - Properties on achieving a number of milestones in 2016, including:

- Launching renewable energy commitments following the endorsement of renewable energy targets by the board.
- Achieving BREEAM Communities accreditation at its Al Zahia gated mixed-use community, the first certified communities' project in the Middle East.
- Achieving LEED Platinum accreditation at the Hilton Garden Inn Dubai, Mall of the Emirates and My City Centre Al Barsha developments.
- Undertaking executive leadership training for the CEOs of each Business Unit, along with Majid Al Futtaim's CEO and Chief Human Capital Officer.

However, there are also a number of areas in which Majid Al Futtaim - Properties must improve performance:

- Ensuring targets are kicked off early in the year and keeping up momentum in the delivery of targets year-round are two key elements to ensuring the maximum number of 2017 sustainability targets are

achieved. Quarterly updates to the Chief Executive in 2017 will help to flag challenges of this nature going forwards and ensure senior leaders have sufficient knowledge to prompt their sustainability champions to progress their targets.

- For the past six years, Majid Al Futtaim - Properties has been collecting an increasing amount of quantitative and qualitative environmental and social data. The business now has a real opportunity to utilise this wealth of data to inform decision-making and to further embed sustainability into Majid Al Futtaim - Properties' business operations.
- Majid Al Futtaim - Properties has the opportunity to scale up its impact by using its power to set stretching sustainability standards that must be met by its key stakeholders e.g. tenants, contractors and suppliers. The business has already built a strong foundation through existing policies and programmes such as the Labour Standards Policy and the tenant Green Star Rating System, but additional work is required to ensure the requirements stipulated in these policies are truly implemented.

With the 2018 long term goals fast approaching, it is critical for Majid Al Futtaim - Properties to maintain a strong commitment to its sustainability agenda in the year ahead. This means assigning dedicated sustainability resources to provide continued operational support across Majid Al Futtaim - Properties in light of Majid Al Futtaim - Holding growing sustainability ambitions, and that bespoke sustainability training continues to be held to ensure sustainability best practices are embedded into business processes.

In addition, consistent application of sustainability policies and procedures across all business units and enhanced internal and external communications will ensure that Majid Al Futtaim - Properties is recognised not just as a regional but increasingly as an international sustainability leader.



Elisabeth Filkin
Associate Director
Upstream Sustainability
Services
JLL

GLOBAL REPORTING INITIATIVE (GRI)

As part of our commitment to follow international best practice and report on our sustainability performance in a balanced and transparent manner, the following index provides a list of the 2016 GRI Standards referenced in this report.

PRINCIPLES FOR DEFINING REPORT CONTENT AND QUALITY

STAKEHOLDER INCLUSIVENESS

- This report is aimed at our key stakeholders identified as part of our 2013 materiality review. These include Majid Al Futtaim - Properties' employees, our sister companies, tenants, customers, suppliers, contractors, regional and global peers, communities, NGOs and charities and Governments.

SUSTAINABILITY CONTEXT

- Detail on our sustainability approach, vision and material impacts is provided in the 'Our Sustainability Strategy' section (p4), CEO Statement (p1) and Head of Sustainability Statement (p2) sections of this report.
- Our business activities, impacts and sustainability risks and opportunities can be found on pp4-5 of our 2013 Sustainability Report (available online).
www.majidalfuttaim.com/about-us/overview/sustainability/
- Our environmental achievements are detailed in our High Performance Assets section on p18. An environmental data pack reporting our performance in line with the EPRA (European Public Real Estate Association) Sustainability Best Practice Reporting Guidelines can be downloaded from our website.
www.majidalfuttaim.com/about-us/overview/sustainability/

MATERIALITY

- Our most recent full materiality review was conducted in 2013. This involved a series of materiality tests (based on GRI and AA1000 guidelines) including a review of our existing strategy, internal stakeholder engagement, external stakeholder engagement, a country risk review (including legislation), peer review and leadership and innovation benchmark. As a result we identified the following issues to be a high priority for our business: labour conditions in the supply chain, community well-being and engagement, health and safety, green building standards, water, tenants and operators, employees, energy and carbon, enhancement of the public realm, waste, customers and visitors and sustainable procurement [see p4].

COMPLETENESS & BOUNDARY SETTING

- The scope of our reporting covers all existing assets under our operational control. The environmental performance of some of our construction sites is included in the scope of this sustainability report. Any areas where we do not have complete data to report against are indicated within the report.
- Our reporting focuses on those issues that we consider most material to the running of our business. Additional information on our business and its financial performance

is provided in our Consolidated Financial Statements 2016 which are available on our website.

<http://majidalfuttaim.com/media/15473/majid-al-futtaim-holding-llc-consolidated-financial-statements-fy2016.pdf>

BALANCE & CLARITY

- We have a clear strategy which supports our mission of being a sustainability pioneer in the Middle East and North Africa by 2018. Our approach is structured around three focus areas. See p4 for full details.
- Our Sustainability Report is available both in hard copy and online. We also have a sustainability section on our website.
- Content is designed to be easily navigable to the reader and avoids complex technical jargon and excessive detail.
- In order to be transparent, we disclose both negative and positive aspects and results of our performance.

COMPARABILITY

- The historical performance data which is used in this report spans five years and covers the environmental, economic and social aspects of our sustainability strategy.
- We participate in the Global Real Estate Sustainability Benchmark (GRESB) through which we, and our stakeholders, are able to better understand our performance in comparison with that of our peers. We provide a separate report on environmental data in line with the EPRA Sustainability Best Practice Recommendations (sBPR). This can be downloaded from our website.
www.majidalfuttaim.com/about-us/overview/sustainability/
- All our new developments are committed to achieving Leadership in Energy & Environmental Design (LEED) Gold or equivalent.
- Our report is aligned with the 2016 GRI Standards outlined in our GRI Context Index, including the principles for defining report quality and content.

Due to improvements in data collection and verification processes, some re-statements of previous years' environmental data have been included in this report to take in to account these improvements. Full explanations of these adjustments are provided in data qualification notes in the EPRA sBPR tables provided on our website.

www.majidalfuttaim.com/about-us/overview/sustainability/

RELIABILITY & ACCURACY

- Validation of the majority of the information within our Sustainability Report is performed by our sustainability consultants, JLL. See the Advisor's Statement from JLL on p29 of this report for further details.
- Guidance was provided by JLL on preparing this report in line the GRI's principles for report quality and content, and the following disclosures set out in this index.
- Data assumptions and calculations are disclosed in data qualifying notes in the EPRA sBPR tables on our website.
www.majidalfuttaim.com/about-us/overview/sustainability/

TIMELINESS

- The information presented in this Sustainability Report was developed to reflect our performance from 1 January to 31 December 2016. Our Consolidated Financial Statements cover the same period. The sustainability reporting schedule is aligned with the annual financial reporting schedule.

GENERAL DISCLOSURES

In order to understand Majid Al Futtaim - Properties' sustainability performance in context, the index below provides direction to information on the company's operations and business context.

2016 GRI Standard	Disclosure	Response/Reference																																																
102-1	Name of the organisation	Majid Al Futtaim - Properties																																																
102-2	Activities, brands, products and services	About our company, inside cover page																																																
102-3	Location of headquarters	Majid Al Futtaim - Properties P.O. Box 60811 Majid Al Futtaim Tower 2 Dubai, United Arab Emirates																																																
102-4	Location of operations.	About our company, inside cover page See also our website: www.majidalfuttaim.com/our-businesses/properties																																																
102-5	Ownership and legal form	Majid Al Futtaim - Properties is a subsidiary of Majid Al Futtaim - Holding, owned by Mr Majid Al Futtaim, who founded the Company in 1992. For more information about the nature of ownership of Majid Al Futtaim - Properties assets, please see our Holding website: www.majidalfuttaim.com																																																
102-6	Markets served	About our company, inside cover page See also our website: www.majidalfuttaim.com/our-businesses/properties/																																																
102-7	Scale of the organisation	About our company, inside cover page See also our Consolidated Financial Statements for the year ending 31 December 2016: www.majidalfuttaim.com/media/15475/majid-al-futtaim-properties-llc-consolidated-financial-statements-fy2016.pdf																																																
102-8	Information on employees and other workers	<table border="1"> <thead> <tr> <th>Country</th> <th>TOTAL staff</th> <th>Male</th> <th>Female</th> <th>Local</th> <th>Non-local</th> </tr> </thead> <tbody> <tr> <td>Bahrain</td> <td>42</td> <td>29</td> <td>13</td> <td>34</td> <td>8</td> </tr> <tr> <td>Egypt</td> <td>165</td> <td>116</td> <td>49</td> <td>156</td> <td>9</td> </tr> <tr> <td>Lebanon</td> <td>91</td> <td>57</td> <td>34</td> <td>90</td> <td>1</td> </tr> <tr> <td>Oman</td> <td>110</td> <td>81</td> <td>29</td> <td>97</td> <td>13</td> </tr> <tr> <td>Saudi Arabia</td> <td>26</td> <td>24</td> <td>2</td> <td>10</td> <td>16</td> </tr> <tr> <td>UAE</td> <td>764</td> <td>446</td> <td>318</td> <td>38</td> <td>726</td> </tr> <tr> <td>TOTAL</td> <td>1198</td> <td>753</td> <td>445</td> <td>425</td> <td>773</td> </tr> </tbody> </table> <p>A significant proportion of our work at our construction sites and assets is delivered by contractors. For example, in 2016, 46.4 million hours were worked on our construction sites.</p>	Country	TOTAL staff	Male	Female	Local	Non-local	Bahrain	42	29	13	34	8	Egypt	165	116	49	156	9	Lebanon	91	57	34	90	1	Oman	110	81	29	97	13	Saudi Arabia	26	24	2	10	16	UAE	764	446	318	38	726	TOTAL	1198	753	445	425	773
Country	TOTAL staff	Male	Female	Local	Non-local																																													
Bahrain	42	29	13	34	8																																													
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Lebanon	91	57	34	90	1																																													
Oman	110	81	29	97	13																																													
Saudi Arabia	26	24	2	10	16																																													
UAE	764	446	318	38	726																																													
TOTAL	1198	753	445	425	773																																													
102-9	Supply chain	Majid Al Futtaim - Properties procures a wide variety of goods and services across its portfolio of properties and construction sites in the UAE, Bahrain, Oman, Lebanon and Egypt. This includes: <ul style="list-style-type: none"> • Facilities management/repairs and maintenance • Property management supply of goods/consumables • Housekeeping, cleaning and security • General consultancy • Construction contractors and materials • Marketing and advertising • Corporate publications/gifts • Malls promotions & media • IT maintenance and licenses • Training, seminars and conferences • Travel management 																																																
102-10	Significant changes to the organisation and its supply chain	About this report, inside cover page See also our Consolidated Financial Statements for the year ending 31 December 2016: http://majidalfuttaim.com/media/15475/majid-al-futtaim-properties-llc-consolidated-financial-statements-fy2016.pdf																																																
102-11	Precautionary Principle or approach	Majid Al Futtaim - Properties is not yet in a position in the Middle Eastern market to apply fully the precautionary principle to its business activities. However, our Pre-Acquisition Policy does seek to identify major environmental risks from the acquisition of new land or new buildings and our Sustainability Implementation Plans seek to improve substantively the environmental risk management and performance of our development pipeline.																																																

102-12	External initiatives	Our Net Positive Commitment, p3 Sustainable Development Goals, p5 Pioneering Standards, pp11-13
102-13	Membership of associations	Sustainable Development Goals, p5
Strategy		
G4 -1	Statement from senior decision maker	CEO Message, p1 Head of Sustainability Message, p2
Ethics and integrity		
106-16	Values, principles, standards, and norms of behaviour	Our vision and values are available on our website: http://www.majidalfuttaim.com/en/section/majid-al-futtaim-properties/about-us-1/vision-mission-and-values-1 We have a Code of Conduct that all employees are required to sign annually. This sets out clear guidance on expected standards of behaviour for all those working for the business. The Code of Conduct covers amongst other things equal opportunity, conflicts of interest, supplier relationships, bribery and corruption, payment practices and health and safety. We are signatories of the United Nations Global Compact and submit an annual Communication on Progress (COP) to demonstrate our adherence to the ten principles of the compact. Our most recent COP can be found here: https://www.unglobalcompact.org/what-is-gc/participants/19221-Majid-Al-Futtaim-
102-18	Governance structure	How we manage sustainability, p28 See also our website: http://majidalfuttaim.com/about-us/governance-and-leadership/corporate-governance/
Stakeholder engagement		
102-40	List of stakeholder groups	Majid Al Futtaim - Properties' employees, our sister companies, tenants, customers, suppliers, contractors, regional and global peers, communities, NGOs and charities and Governments.
102-42	Identifying and selecting stakeholders	Our key stakeholders were identified as part of our materiality review in 2010 and reviewed again in 2013. The stakeholders with whom we prioritise engagement continue to be: our employees both within Majid Al Futtaim - Properties and across our sister companies, tenants, customers, suppliers, regional and global peers, communities, NGOs and charities and Governments.
102-43	Approach to stakeholder engagement	As part of our 2013 sustainability strategy review we engaged extensively with employees across Majid Al Futtaim - Properties and the Majid Al Futtaim - Holding sister companies. Engagement took the form of one-to-one interviews. Details of our 2016 stakeholder engagement activities can be found in the following sections: Pioneering Standards, pp10-13 Prosperous Communities, pp14-17 High Performance Assets, pp18-21
102-44	Key topics and concerns raised	Pioneering Standards, pp10-13 Prosperous Communities, pp14-17 High Performance Assets, pp18-21
Reporting practice		
102-45	Entities included in the consolidated financial statements	About this report, inside cover page Consolidated Financial Statements for the year ending 31 December 2016: http://majidalfuttaim.com/media/15475/majid-al-futtaim-properties-llc-consolidated-financial-statements-fy2016.pdf
102-46	Defining report content and topic boundaries	About this report, inside cover page Our Sustainability Strategy, p4 Principles for Defining Report Content and Report Quality, p30

102-47	List of the material topics	Our Sustainability Strategy, p4
102-48	Restatements of information	About this report, inside cover page 2016 Performance Data Summary (EPRA Pack) available online Due to improvements in data collection and verification processes several data points have been updated since last year. Therefore some re-statements of previous year's environmental data have been included in this report to take in to account these improvements. Full explanations of these adjustments are provided in data qualification notes in the EPRA tables provided online.
102-49	Changes in reporting	None
102-50	Reporting period	About this report, inside cover page
102-51	Date of most recent report	2015 Sustainability Report, published in June 2016
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	sustainability@maf.ae
102-54	Claims of reporting in accordance with the GRI Standards	Global Reporting Initiative (GRI) Content Index, p30
102-55	GRI content index.	This index
102-56	External assurance	We do not currently have full external assurance for our sustainability reporting but you can find our Advisor's Statement provided by our sustainability consultants JLL on p29 of this report.

MATERIAL TOPICS

ENVIRONMENTAL TOPICS			
2016 GRI Standard	Disclosure	Response/Reference	
103	Management approach for: <ul style="list-style-type: none"> Energy Water GHG Emissions Effluents and Waste 	<p>Energy efficiency, GHG emissions, water and waste are the material environmental issues that were identified in the strategy review that Majid Al Futtaim - Properties conducted in 2013. Due to the nature of our business, environmental impacts are material across the design, construction and operation of our assets. Consequently we engage with our tenants and other stakeholders to ensure that we reduce our environmental impacts, including in areas where Majid Al Futtaim - Properties has no direct control.</p> <p>Majid Al Futtaim - Properties has in place policies, targets and KPIs to ensure we reduce our impacts. Our Sustainability Policy, Energy Management and Green Building policies can be downloaded from our website.</p> <p>Annual targets are set for each business unit. The complete list of targets can be found on p26. Our Sustainability Champions and target owners monitor our performance against these targets to ensure that we are on track with our objectives. Our performance against 2016 targets can be found p24.</p> <p>An internal audit is undertaken by JLL on a quarterly basis. The results are shared internally during each quarter. At year end the final audit is included in the annual report. Based on the outcomes of the audit, targets are then adjusted and amended to enhance Majid Al Futtaim - Properties' sustainability performance.</p>	
Energy			
2016 GRI Standard	Disclosure	Response/Reference	Omission
302-3	Energy intensity	EPRA Performance, pp36-38 See also the full EPRA sBPR tables on our website	
302-4	Reduction of energy consumption	EPRA Performance, pp36-38 See also the full EPRA sBPR tables on our website	

Energy			
2016 GRI Standard	Disclosure	Response/Reference	Omission
302-3	Energy intensity	EPRA Performance, pp36-38 See also the full EPRA sBPR tables on our website	
302-4	Reduction of energy consumption	EPRA Performance, pp36-38 See also the full EPRA sBPR tables on our website	
Water			
303-1	Water withdrawal by source	EPRA Performance, pp36-38 See also the full EPRA sBPR tables on our website	
Emissions			
305-1	Direct (Scope 1) GHG Emissions	EPRA Performance, pp36-38 See also the full EPRA sBPR tables on our website	
305-2	Energy indirect (Scope 2) GHG Emissions	EPRA Performance, pp36-38 See also the full EPRA sBPR tables on our website	
305-3	Other indirect (Scope 3) GHG emissions	EPRA Performance, pp36-38 See also the full EPRA sBPR tables on our website	
305-4	GHG emissions intensity	EPRA Performance, pp36-38 See also the full EPRA sBPR tables on our website	
Effluents and waste			
306-2	Waste by type and disposal method	EPRA Performance, pp36-38 See also the full EPRA sBPR tables on our website	We do not disaggregate hazardous and non-hazardous waste

SOCIAL TOPICS			
2016 GRI Standard	Disclosure	Response/Reference	
103	Management approach for: <ul style="list-style-type: none"> Occupational Health and Safety Supplier Assessment for Labour Practices 	<p>Best practice labour standards are one of the three pillars of our sustainability strategy, and are therefore highly material to Majid Al Futtaim - Properties. Labour practices affect our direct employees and our contractors' and sub-contractors' staff.</p> <p>Majid Al Futtaim - Properties has in place policies, targets and KPIs to ensure that we follow a best practice approach. Our Labour Standards Policy can be downloaded from our website.</p> <p>Targets ensure that health and safety audits and labour accommodation audits are undertaken regularly. The complete list of targets can be found on p26. Our Sustainability Champions and target owners monitor our performance against these targets to ensure that we are on track with our objectives. Our performance against 2016 targets can be found p24.</p> <p>An internal audit is undertaken by JLL on a quarterly basis. The results are shared internally during each quarter. At year end the final audit is included in the annual report. Based on the outcomes of the audit, targets are then adjusted and amended to enhance Majid Al Futtaim - Properties' sustainability performance.</p>	

Occupational Health and Safety			
2016 GRI Standard	Disclosure	Response/Reference	Omission
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	See Pioneering Standards, p10, for contractor fatalities and accident frequency rate.	Data for direct employees and workforce injuries by type (with regional/gender breakdown).
Supplier Assessment for Labour Practices			
414-1	New suppliers that were screened using social criteria	Social criteria covering health and safety and labour accommodation standards included in shopping mall contractor pre-qualification questionnaires. Our Labour Standards Policy sets out our expectations and standards for all Tier 1 suppliers and contractors. We ensure the standards are maintained through regular audits of health, safety and labour accommodations. For more information, download the policy on our website.	
Product and Service Labelling			
417-1	Requirements for product and service labelling	Pioneering Standards, pp10-13 EPRA Performance, pp36-38 See also the full EPRA sBPR tables on our website	

EPRA PERFORMANCE

RETAIL						
Impact area	EPRA Sustainability Performance Measures		Intensity indicator	2015	2016	% change
Energy	Energy-Int	Building shared services energy intensity [GRI-CRESS: CRE1]	kWh / m ² / year	1,116.5	1,028.5	-8%
Greenhouse gas emissions	GHG-Int	Greenhouse gas Scope 1 and 2 intensity from building energy [GRI-CRESS: CRE3]	kg CO ₂ e / m ² / year	646	537	-17%
		Proportion of energy and associated GHG estimated	%	0%	0%	0%
Water	Water-Int	Building shared services water intensity [GRI-CRESS: CRE2]	m ³ / person / year	15	14	-3%
		Proportion of water estimated	%	N/A	N/A	N/A
			Common Parts Area [m ²]*	353,154	373,992	
			Number of applicable properties	17 of 17	18 of 20	
HOTELS						
Impact area	EPRA Sustainability Performance Measures		Intensity indicator	2015	2016	% change
Energy	Energy-Int	Whole building energy intensity [GRI-CRESS: CRE1]	kWh / guest nights / year	45.4	44.5	-2%
Greenhouse gas emissions	GHG-Int	Greenhouse gas Scope 1 and 2 intensity from building energy [GRI-CRESS: CRE3]	kg CO ₂ e / guest nights / year	42	29	-30%
		Proportion of energy and associated GHG estimated	%	0%	0%	0%
Water	Water-Int	Building water intensity [GRI-CRESS: CRE2]	litres / guest nights / year	407	339	-17%
		Proportion of water estimated	%	0%	0%	0%
			Number of guest nights per year**	1,003,932	1,604,898	
			Number of applicable properties	10 of 11	12 of 12	
Office (excl. MAF Tower 2)						
Impact area	EPRA Sustainability Performance Measures		Intensity indicator	2015	2016	% change
Energy	Energy-Int	Whole building energy intensity [GRI-CRESS: CRE1]	kWh / staff / year	6,230	5,677	-9%
Greenhouse gas emissions	GHG-Int	Greenhouse gas Scope 1 and 2 intensity from building energy [GRI-CRESS: CRE3]	kg CO ₂ e / staff / year	4,171	3,652	-12%
		Proportion of energy and associated GHG estimated	%	0%	0%	0%
Water	Water-Int	Building water intensity [GRI-CRESS: CRE2]	m ³ / staff / year	45	50	5%
		Proportion of water estimated	%	0%	0%	0%
			Number of staff	1,892	1,849	
			Number of applicable properties	3 of 3	3 of 3	
Headquarters [MAF Tower 2]						
Impact area	EPRA Sustainability Performance Measures		Intensity indicator	2015	2016	% change
Energy	Energy-Int	Whole building energy intensity [GRI-CRESS: CRE1]	kWh / staff / year	6,645	7,472	12%
Greenhouse gas emissions	GHG-Int	Greenhouse gas Scope 1 and 2 intensity from building energy [GRI-CRESS: CRE3]	kg CO ₂ e / staff / year	4.4	4.8	8%
		Proportion of energy and associated GHG estimated	%	0%	0%	N/A
Water	Water-Int	Building water intensity [GRI-CRESS: CRE2]	m ³ / staff / year	11.2	13.7	23%
		Proportion of water estimated	%	0%	0%	N/A
			Number of staff	446	463	
			Number of applicable properties	1 of 1	1 of 1	

Data notes:

* The Common Parts Area figures reported are for those assets included in the intensity analysis only
 ** The number of guest night figures reported are for those assets included in the intensity analysis only



EPRA PERFORMANCE

Impact area	Measurement unit	EPRA Sustainability Best Practice Performance Measures			Absolute (Abs) measures (as the portfolio stood each year)		Like-for-like (LfL)			Absolute measures (as the portfolio stood each year)		Like-for-like			Absolute measures (as the portfolio stood each year)		Like-for-like		
					Total operational portfolio^		Total operational portfolio^			Retail		Retail			Leisure		Leisure		
					2015	2016	2015	2016	% change	2015	2016	2015	2016	% change	2015	2016	2015	2016	
ENERGY	MWh	Elec-Abs, Elec-LfL	Electricity	for landlord shared services	421,651	418,276	403,411	387,156	-4.0%	326,434	316,195	326,434	313,588	-3.9%	16,690	15,459	16,690	15,459	
				(sub)metered exclusively to tenants	365,933	371,547	365,933	361,560	-1.2%	349,243	356,088	349,243	346,101	-0.9%	16,690	15,459	16,690	15,459	
				Total landlord-obtained electricity	770,894	774,364	752,655	733,257	-2.6%	675,678	672,283	675,678	659,689	-2.4%	16,690	15,459	16,690	15,459	
		Fuels-Abs, Fuels-LfL	Fuels	for landlord shared services	67,864	69,379	67,864	69,379	2.2%	67,864	69,379	67,864	69,379	2.2%	0	0	0	0	
				Total landlord-obtained fuels	67,864	69,379	67,864	69,379	2.2%	67,864	69,379	67,864	69,379	2.2%	0	0	0	0	
		N° of applicable properties				Energy and associated GHG disclosure coverage	34 of 34	37 of 38	31 of 34	31 of 38		17 of 17	19 of 20	17 of 17	17 of 20		1 of 1	1 of 1	1 of 1
	%				Proportion of energy and associated GHG estimated	0%	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%
GREEN-HOUSE GAS EMISSIONS	tonnes CO ₂ e	GHG-Dir-Abs, GHG-Dir-LfL	Direct	Scope 1	17,070	17,451	17,070	17,451	2%	17,070	17,451	17,070	17,451	2%	0	0	0	0	
				Scope 2	263,346	258,339	249,153	236,361	-5.1%	210,775	201,343	210,775	199,935	-5.1%	0	0	0	0	
		GHG-Indir-Abs, GHG-Indir-LfL	Indirect	Scope 3	316,551	309,843	314,299	299,178	-4.8%	295,267	290,096	295,267	282,501	-4.3%	12,945	11,430	12,945	11,430	
				Total	Scopes 1 + 2 (only)	280,416	275,790	266,223	253,813	-4.7%	227,846	218,794	227,846	217,386	-5%	0	0	0	0
WATER	cubic metres (m ³)	Water-Abs, Water-LfL	Water	for landlord shared services*	3,534,663	4,228,257	3,180,868	3,147,790	-1.0%	2,622,116	2,637,473	2,622,622	1,162,609	776	-0.5%	64,788	62,312	64,788	62,312
				(sub)metered exclusively to tenants	1,021,044	1,062,653	1,021,044	1,040,735	1.9%	956,256	1,000,341	956,256	978,423	2.3%	64,788	62,312	64,788	62,312	
				Total landlord-obtained water	4,555,707	5,290,909	4,201,912	4,188,525	-0.3%	3,578,372	3,637,813	3,578,372	3,588,199	0.3%	129,576	124,624	129,576	124,624	
		N° of applicable properties				Water disclosure coverage	34 of 34	37 of 38	31 of 34	31 of 38		17 of 17	19 of 20	17 of 17	17 of 20		1 of 1	1 of 1	1 of 1
	%				Proportion of water estimated	0%	0%	0%	0%		0%	0%	0%	0%		0%	0%	0%	0%
WASTE (LANDLORD-HANDLED)	Tonnes	Waste-Abs	Waste	Waste by disposal route ^a	43,496	56,230	43,162	54,843	27%	41,855	54,008	41,855	53,188	27.1%	n/a	n/a	n/a	n/a	
				Amount recycled	9,352	18,532	9,330	18,419	97%	8,878	18,033	8,878	17,972	102%	n/a	n/a	n/a	n/a	
				Recycled	22%	33%	22%	34%		23%	35%	23%	36%	57.1%	n/a	n/a	n/a	n/a	
				Landfill	78%	67%	78%	66%		177%	165%	177%	164%	-7.4%	n/a	n/a	n/a	n/a	
	N° of applicable properties				Waste disclosure coverage	34 of 34	37 of 38	31 of 34	31 of 38		17 of 17	19 of 20	17 of 17	17 of 20		1 of 1	1 of 1	1 of 1	1 of 1
	%				Proportion of waste estimated	0%	4%	0%	0%		0%	4%	0%	1%		n/a	n/a	n/a	n/a

Emissions: Scope 1 emissions include all fuels combusted on site. The reported scope 2 emissions include emissions from the generation of electricity for Majid Al Futtaim - Properties' own use and shared services. Scope 3 emissions include emissions from the generation and transmission and distribution of electricity submetered to its tenants and from the transmission and distribution of electricity for Majid Al Futtaim - Properties' own use and shared services. Emissions factors from the IEA are used for 2016 calculations, and factors from DEFRA (UK) for the 2015 calculations.

Restatements: Some data in 2015 has been restated where known data gaps have been filled and small errors rectified. The majority of these changes do not result in any material differences. However changes to the following data points have resulted in material differences compared to the figures reported in the 2015 Sustainability Report:

- Offices - 2015 water consumption (due to rectified water usage data for MAFT1)
 - Malls - total landlord obtained electricity consumption for 2015 restated due to an increase of approximately 2% in the revised data across the portfolio.

Construction: The 2 developments included in Majid Al Futtaim - Properties' 2015 reported figures are Mall of Egypt and Me'aisssem City Centre Mall. In 2016, the 5 developments reported on are Al Maza City Centre, Mall of Egypt, Al Zahia, Aloft City Centre Hotel and the Mall of Oman.

	Absolute measures (as the portfolio stood each year)		Like-for-like			Absolute measures (as the portfolio stood each year)		Like-for-like			Absolute measures (as the portfolio stood each year)		Like-for-like			Absolute & like-for-like			Absolute		
	Hotels		Hotels			Office		Office			Residential		Residential			Headquarters			Construction		
% change	2015*	2016*	2015*	2016*	% change	2015	2016	2015	2016	% change	2015	2016	2015	2016	% change	2015	2016	% change	2015	2016	% change
-7.4%	62,886	71,420	45,536	44,154	-3.0%	11,790	10,495	11,790	10,495	-11.0%	890	1,248	n/a	n/a		2,961	3,459	16.8%	0.3	185	-
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		n/a	n/a	n/a	n/a	n/a	n/a
-7.4%	62,886	71,420	45,536	44,154	-3.0%	11,790	10,495	11,790	10,495	-11.0%	890	1,248	n/a	n/a		2,961	3,459	16.8%	0.3	185	-
0%	0	0	0	0	0%	0	0	0	0	0%	0	0	n/a	n/a		0	0	0%	50,844	45,790	-9.9%
0%	0	0	0	0	0%	0	0	0	0	0%	0	0	n/a	n/a		0	0	0%	50,844	45,790	-9.9%
	11 of 11	12 of 12	9 of 11	9 of 12		3 of 3	3 of 3	3 of 3	3 of 3		1 of 1	1 of 1	0 of 1	0 of 1		1 of 1	1 of 1		2 of 2	5 of 5	
	0%	0%	0%	0%		0%	0%	0%	0%		0%	0%	n/a	n/a		0%	0%		0%	0%	
-	0	0	0	0	-	0	0	0	0	-	0	0	n/a	n/a		0	0	-	0	0	-
-	42,099	47,216	30,484	29,674	-2.7%	7,893	6,752	7,893	6,752	-14.4%	596	803	n/a	n/a		1,982	2,225	12.3%	0	0	-
-11.7%	6,678	6,858	4,836	4,240	-12.3%	1,252	1,008	1,252	1,008	-19.5%	95	120	n/a	n/a		314	332	5.6%	12,790	11,653	-8.9%
-	42,099	47,216	30,484	29,674	-3%	7,893	6,752	7,893	6,752	-14%	596	803	n/a	n/a		1,982	2,225	12%	0	0	
-3.8%	516,103	543,370	408,513	383,940	-6.0%	85,451	91,763	85,451	91,763	7.4%	241,237	886,988	n/a	n/a		4,969	6,351	27.8%	175,593	101,021	-42.5%
-3.8%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		n/a	n/a	n/a	n/a	n/a	n/a
-3.8%	516,103	543,370	408,513	383,940	-6.0%	85,451	91,763	85,451	91,763	7.4%	241,237	886,988	n/a	n/a		4,969	6,351	27.8%	175,593	101,021	-42.5%
	11 of 11	12 of 12	9 of 11	9 of 12		3 of 3	3 of 3	3 of 3	3 of 3		1 of 1	1 of 1	0 of 1	0 of 1		1 of 1	1 of 1		2 of 2	5 of 5	
	0%	0%	0%	0%		0%	0%	0%	0%		0%	0%	n/a	n/a		0%	0%		0%	0%	
n/a	1,446	1,998	1,232	1,561	27%	44	58	44	58	31%	119	130	n/a	n/a		31	36	16%	185,549	146,406	-21%
-5%	409	424	413	392	-5%	18	31	18	31	69%	26	20	n/a	n/a		20	25	25%	26,179	12,658	-52%
	29%	21%	29%	22%		41%	53%	41%	53%		22%	15%	n/a	n/a		64%	69%		14%	9%	
	71%	79%	71%	78%		59%	47%	59%	47%		78%	85%	n/a	n/a		36%	31%		4%	91%	
	11 of 11	12 of 12	9 of 11	9 of 12		3 of 3	3 of 3	3 of 3	3 of 3		1 of 1	1 of 1	0 of 1	0 of 1		1 of 1	1 of 1		2 of 2	5 of 5	
	0%	0%	0%	0%		0%	0%	0%	0%		0%	0%	n/a	n/a		0%	0%		0%	0%	

Retail: Both the City Centre Me'aisem mall and My City Centre Al Barsha have been excluded from the like-for-like performance figures as they were under construction for at least part of the two year analysis period. The Retail category includes all Shopping Mall and Matajer Mall assets. Electricity generated from Al Barsha's onsite Photovoltaic systems has been included in the landlord shared services electricity consumption. The reported water consumption for the Malls portfolio includes Municipal Supply water and both Treated Sewage Effluent water and Rejected Reverse Osmosis water.

Leisure: The only asset reported under the Leisure category is Ski Dubai located in the Mall of the Emirates.

^ The figures reported for the Total Operational Portfolio do not include the impacts from Majid Al Futtaim - Properties' construction activities.

* Reported electricity consumption for the Hotels portfolio includes some non-electric energy (converted to kWh electricity equivalent) used to provide heating and cooling to the buildings.

▣ All of Majid Al Futtaim - Properties' reported construction waste figures include excavation waste as per the recommendations in the GRI G4 [G4-EN23] guidance.

From 2016 reported landlord water consumption includes Treated Sewage effluent and rejected Reverse Osmosis water used for irrigation and cooling

PROPERTIES

PO Box 60811
Majid Al Futtaim Tower 2
Deira
United Arab Emirates

T +971 4 294 2444
majidalfuttaim.com



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