

# MAJID AL FUTTAIM GREEN SUKUK CASE STUDY

THE COMING OF GREEN  
FINANCE

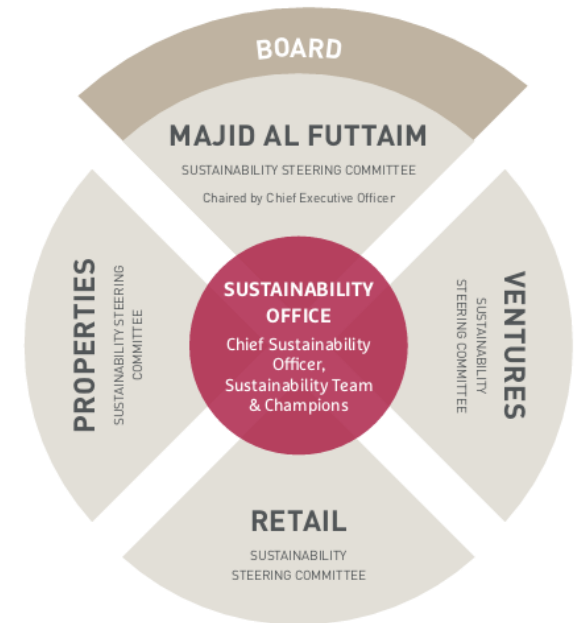
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# SUSTAINABILITY VISION AND STRATEGY

- ◆ Majid Al Futtaim first developed a sustainability strategy in 2011
- ◆ In 2017, MAF defined a comprehensive sustainability strategy for all of its operating companies
- ◆ Our sustainability strategy is supported by our sustainability policy, green building policy, energy management policy, labour standards policy and pre-acquisition policy
- ◆ Our leadership team is already establishing a Company- wide culture of accountability and transparency for sustainability and has further strengthened these elements to ensure we meet our commitments
- ◆ A MAF Sustainability Steering Committee, chaired by the Chief Executive Officer, will be responsible for the overarching strategy and for driving Company-wide performance

## OUR SUSTAINABILITY GOVERNANCE STRUCTURE



# INTEGRATION OF SUSTAINABILITY IN MAF'S OPERATIONS

MAF IS A LEADER IN SUSTAINABLE REAL ESTATE

“Dare Today, Change Tomorrow”



We dare to transform the lives of the communities we serve, to provide a healthy, fulfilling and sustainable way of life



We dare to rethink our use of resources to make a Net Positive Impact



We dare to empower our people to unlock their full potential

MAF has been recognized by external agencies

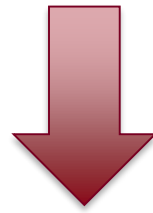


**Low Risk ESG Rating**

18.9 /100 Low

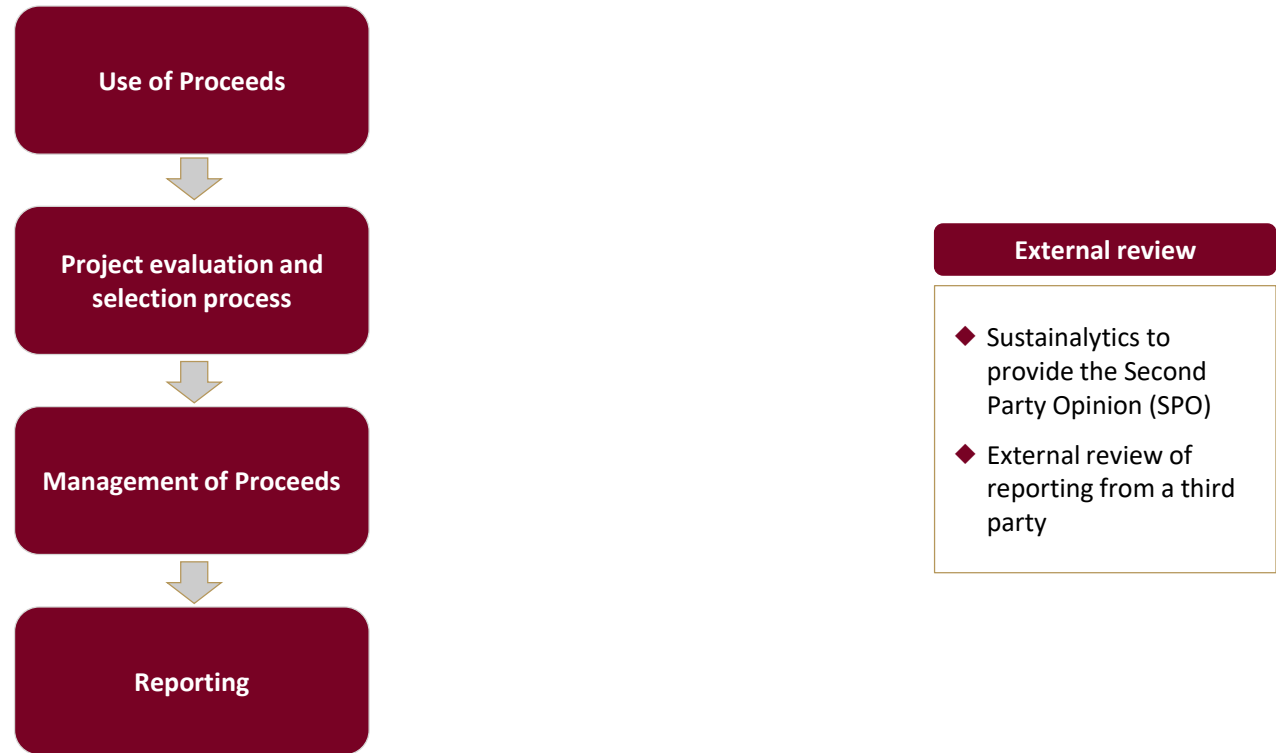


# WE CONTRIBUTE TOWARDS THE FOLLOWING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS



# OVERVIEW OF THE GREEN FINANCE FRAMEWORK

THE FRAMEWORK IS IN ALIGNMENT WITH THE ICMA GREEN BOND PRINCIPLES 2018



“Sustainalytics is of the opinion that the Majid Al Futtaim Green Bond Framework is **credible and impactful**, and aligns with the four core components of the Green Bond Principles 2018. “



# USE OF PROCEEDS

## ELIGIBLE GREEN PROJECTS

### 1. Green buildings

- Acquisition, construction or refurbishment of buildings which meet recognised standards, such as:
  - BREEAM (Very good and above)
  - LEED (Gold and above)



### 2. Renewable energy

- Generation or procurement of energy from the following renewable energy sources to power the company's operations
  - Solar
  - Wind



### 3. Sustainable water management

- Water recycling projects
- Investment in projects technology, product or system(s) which will lead to a reduction in water usage / demand of a minimum of 30%



### 4. Energy efficiency

- Investment in technology, product or system(s) which will result in at least a 20% improvement in energy efficiency



1. Use of Proceeds

2. Project evaluation and selection process

3. Management of proceeds

4. Reporting

# PROJECT SELECTION AND MANAGEMENT OF PROCEEDS

## Green assets selection process

Screening for eligible assets

Green Finance Committee, comprising of members of MAF's Sustainability Committee and a member of MAF Holding's Treasury team to remove the ineligible assets

Eligible assets

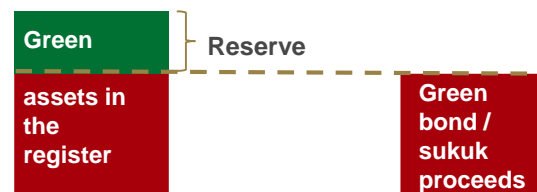
## Management of proceeds

### ◆ Green Finance Register

- It will contain relevant information on all green bond (s) or green sukuk (s) issued, including:
  - Issuance size
  - ISIN
  - Pricing date
  - Maturity date
- The register will be reviewed annually

### ◆ Proceeds earmarking

- The green bond or green sukuk proceeds will be earmarked towards the green eligible project portfolio using the green finance register



1. Use of Proceeds

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# REPORTING

## Allocation reporting

- The information will contain at least the following details:
  - A list of Eligible Projects
  - The total amount of proceeds allocated to each Eligible Project
  - The amount of proceeds allocated by Project Category
  - The balance of unallocated proceeds

## Impact reporting

| Project Category             | Impact Reporting Metrics  |
|------------------------------|---|
| Green buildings              | <ul style="list-style-type: none"> <li>▪ Level of certification by property</li> <li>▪ Energy efficiency gains in MWh or % vs. baseline</li> <li>▪ Estimated avoided GHG emissions (tCO2eq)</li> <li>▪ Annual energy savings (MWh pa)</li> <li>▪ Annual reduction in water consumption</li> </ul> |
| Renewable energy             | <ul style="list-style-type: none"> <li>▪ Renewable energy purchased (MWh)</li> <li>▪ Renewable energy capacity added/rehabilitated (MWh pa)</li> <li>▪ % of electricity consumption from renewable sources</li> <li>▪ Estimated avoided GHG emissions (tCO2eq)</li> </ul>                         |
| Sustainable water management | <ul style="list-style-type: none"> <li>▪ Amount of water recycled (litres)</li> <li>▪ Amount of water reused (litres)</li> <li>▪ Estimated GHG emissions reduced (tCO2eq)</li> </ul>  |
| Energy efficiency            | <ul style="list-style-type: none"> <li>▪ Expected energy saved (in MWh)</li> <li>▪ % annual energy efficiency gain relative to an established baseline</li> </ul>   |

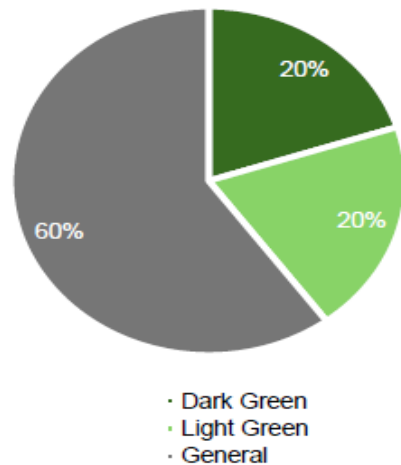




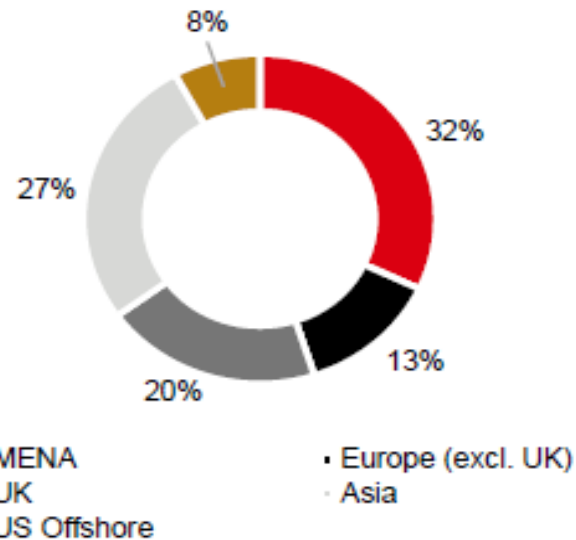
# TRANSACTION HIGHLIGHTS

Books closed in excess of USD 2.8bn from ~170 investors after peaking at USD 3.0bn, Price tightened by 25bps from IPTs, zero new issue premium

Breakdown by Green<sup>1</sup>



Breakdown by geography



Breakdown by investor

