



'21

Mabanee Sustainability Report

“**ESG:** Positioning
Towards Sustainable
Growth”


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KEY SUSTAINABILITY HIGHLIGHTS


• Increase in recycled materials:

 **25%**


• Water cost savings as a result of Reverse Osmosis (RO):

 **164,239**
KD


• Internships:

 **33**


• Women in the workforce:

 **20%**
increase


• Kuwaitization rate in the workforce:

 **25%**


• Kuwaitization rate in management positions:

 **70.5%**


• Training:

 **3,301**
training hours


• Decrease in the emissions resulting from Mabanee's owned cars:

 **88%**


• Decrease in the emissions resulting from Mabanee's air travel trips:

 **62%**

• Procurement expenditure went to local suppliers:

 **90%**

• Invested into community initiatives and events:

 **193,014**
KD

Selected Direct Economic Impacts Areas by Mabanee

Economic Impact Area	Amount (KWD)
Contribution to the Kuwait Fund for the Advancement of Science (KFAS)	208,670
Contribution to the National Labour Support Tax (NLST)	629,752
Contribution to Zakat	251,901
Compensation and remuneration	4,918,596
Employee health insurance	91,555
Training to employees	25,816
Procurement expenditure to local suppliers	35,132,621

- Certifications and Standards**
- Facilities Management Standard (ISO 41001:2018)
 - ISO certification for Occupational Health & Safety Management Systems (ISO 45001:2018)

ABOUT THIS REPORT

Scope of the Report

As we position Mabanee towards sustainable growth, we consider ESG in our operations, and we bear in mind that ESG considerations are fundamental to our business success and sustainability. We are certain that doing well in our business and doing good for society is possible, and our multifaceted business model reflects this deeply held belief of ours. In line with our ESG-oriented business model, and our commitment to communicate our sustainability and non-financial disclosures to our stakeholders, we present here Mabanee's 5th Annual Sustainability Report for the reporting period from January 1st to December 31st 2021. This report covers our operations and performance in Kuwait and has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. This means that this report reflects at least all the GRI standards marked as core throughout the report. See appendix A for a list of the GRI standards.

Support

The development of Mabanee Sustainability Report 2021 was supported by RSM Albazie Consulting W.L.L.

Communication and Feedback

Please contact us with any comments or feedback on the report, or for further information regarding Mabanee's ESG performance:

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MESSAGE FROM THE CHAIRMAN

Dear esteemed stakeholders,
With much pride and honor, I hereby present to you Mabanee's 5th sustainability report, showcasing a year of exponential growth in terms of Environment, Social and Governance (ESG) performance. Under the theme **ESG: Positioning Towards Sustainable Growth**, this year's report comprehensively communicates our team's shared passion for pioneering in ESG initiatives.

As the world experienced an avalanche of unforeseen circumstances related to COVID-19 and climate change during the past 2 years, we are proud to have withstood these challenges and that Mabanee was able to remain steadfast against all odds. Such circumstances have heightened our understanding of the importance of placing ESG as central in our organizational planning, and disclosing our non-financial performance to our valued stakeholders.

In line with our values of transparency and trust, our team has put together this report to keep you informed on our company's ESG performance in accordance with the Global Reporting Initiative (GRI) framework, the UN Sustainable Development Goals (SDGs), the Kuwait Vision 2035 (New Kuwait), the Kuwait Boursa sustainability disclosures and a range of other ESG-related metrics.

Our yearly practices towards sustainability reporting reflect our commitment to Kuwait's sustainable development practices, therefore Mabanee continues to assess measure and report on its Greenhouse Gas (GHG) emissions, since Kuwait is a signatory to the Paris Climate Agreement.

Lastly, on behalf of the Board of Directors and our employees, I would like to take this opportunity to express my utmost appreciation to H.H. the Amir Sheikh Nawaf Al-Ahmad Al-Jaber Al-Sabah, and H.H. the Crown Prince Sheikh Mishal Al-Ahmad Al-Jaber Al-Sabah, may God Almighty protect them both. I would also like to thank our valuable stakeholders, including our tenants, visitors, employees, management, community, suppliers, and partners, for being key players in our company's success.



MOHAMMAD ABDULAZIZ ALSHAYA
CHAIRMAN

MESSAGE FROM THE CEO

Dear valued stakeholders,
It is my pleasure to introduce Mabanee's sustainability report for the year 2021. Knowing that we are inseparable from our community and understanding our responsibility to future generations has led us to bind our ambitions with the ESG aspects and commit to this year's theme: **ESG: Positioning Towards Sustainable Growth**. This year's report has comprehensively communicated our strong dedication towards positioning our strategy according to ESG criteria and following world-class standards. It also displays key figures and achievements in terms of each of the ESG aspects.

Our ESG positioning for 2021 was initiated by forming the ESG Committee at a governance level, and it will be the main driving force towards our further ESG enhancement. We further seek to unlock our ESG potential through more governance aspects, including empowering women through their involvement in higher management positions and decision-making.

Knowing that the strength of an organization is measured in values that cannot always be quantified, we have leveraged our social performance this year through human capital development and impactful social initiatives. In this regard, we provided training courses for almost half of our workforce. In terms of localization, we have managed to extensively increase our Kuwaitization rate in managerial positions to reach 70.5%. Additionally, we supported community health through various major initiatives, including on COVID-19 vaccination, and raising cancer awareness in cooperation with the Cancer Awareness Nation (CAN).

Being a real estate company that operates in construction projects, safety forms an integral part of our everyday concerns. Accordingly, we have underpinned our health and safety procedures through establishing a Health and Safety Committee for the year 2021.

Taking into account the global environmental situation and Kuwait's environmental vulnerabilities, we seek to continue measuring our GHG emissions and taking part in our country's climate change mitigation and adaptation efforts. Accordingly, our air travel dropped by 62% during 2021. We also managed to divert 7% of our waste from landfill, and 25% more waste was recycled this year as compared to 2020. Regarding water treatment, our Reverse Osmosis (RO) cost savings amounted to KD 164,239.

We are working on obtaining several certifications related to green building standards. With these standards, we expect to improve our operations through measurement and tracking, which will in turn lead to cost savings, and improved operational efficiency.

Lastly, on behalf of Mabanee, I would like to express my sincere appreciation of all stakeholders involved in the development of our sustainability report. We hope that you find the report beneficial and transparent, and we look forward to any inquiries or feedback.



WALEED KHALED ALSHARIAN
CHIEF EXECUTIVE OFFICER



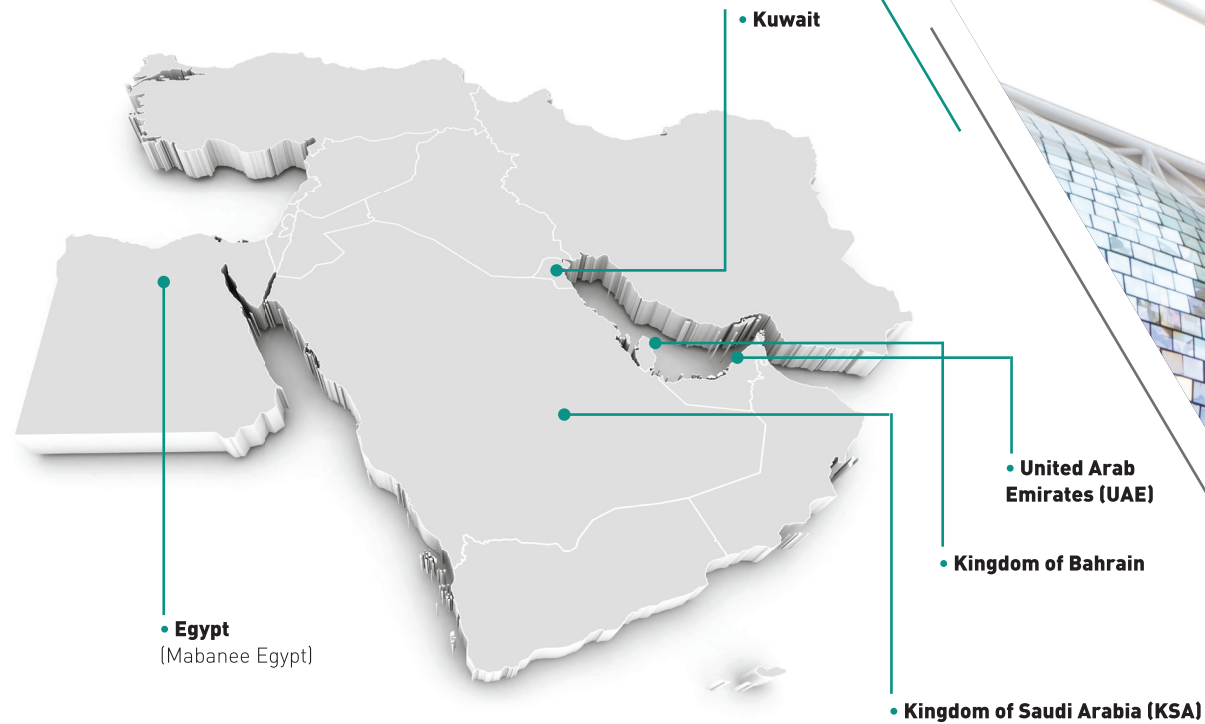
MABANEE AT A GLANCE

Established in 1964, Mabanee is a leading real estate developer and partner in the Middle East and North Africa (MENA) region. Our team at Mabanee works steadfastly round the clock to deliver state-of-the-art, innovative projects that create value for our shareholders and the communities in which we operate and serve. Since 1999, Mabanee has been listed on the Kuwait Stock Exchange (KSE)—as part of the Premier Market Index, as well as more recently, the MSCI Kuwait Index. Currently, Mabanee has a market capitalization of KD 928,919,544. It operates in key sectors within the real estate domain, which include:

- Developing mixed-use destinations
- Operating and managing shopping malls
- Designing and managing projects

Mabanee operates in a number of countries across the MENA region, including Kuwait, Kingdom of Saudi Arabia (KSA), Bahrain, and the United Arab Emirates (UAE).

Guiding our operations and performance is our strategy (vision, mission, and values), which is shown as follows.



Mabanee Countries of Operation

• Kuwait

Across these locations, Mabanee operates through both the main operations in Kuwait, as well as subsidiaries in the region.

• Kingdom of Saudi Arabia (KSA)

The KSA subsidiary is Shomoul Holding Company, in which Mabanee’s ownership is 60%, along with the Saudi-based Al Fozan Group and Alshaya Group.

• Bahrain

As for the Bahrain subsidiary, Sorouh Management Company W.L.L., Mabanee owns 35% of the subsidiary, in partnership with KFDC Finsher and United Retail Company.

• United Arab Emirates (UAE)

Mabanee’s subsidiary in the UAE is Shurooq Investment. Mabanee owns 65% of this subsidiary.

Though widely known for The Avenues mega project in Kuwait, Mabanee has developed and is planning numerous other regional urban and governmental projects. In Kuwait, Mabanee has developed the Waldorf Astoria Hotel, which is planned for completion by Q2 of 2022. Mabanee is further developing the Jaber Al Ahmad Residential City (J3 Investment Project), as a public-private partnership project awarded since 2020. The contract for this project has been signed, and the residential design development is in its final stages, and the mall design development is ongoing.

In Bahrain, Mabanee is developing The Avenues - Bahrain Phase II, for which the design is completed, and the tender process for construction is ongoing.

As for KSA, there are two developments: The Avenues - Riyadh and The Avenues - Khobar. For the former, the design build contract has been signed, and design development is ongoing. Regarding The Avenues - Khobar, the excavation contract has been signed, and design development is ongoing.

All of our projects are in line with our deep-rooted Mission, Vision and Values, which are given below:

MISSION

“As a trusted real estate investor, developer, and project manager, we collaborate with partners to create world-class real estate projects that excite customers and are innovative and recognized for their design, quality, and return on investment.”

VISION

“To be a leading developer and partner in innovative real estate projects, creating value for our stakeholders and the communities we serve.”

VALUES



INSIGHTFUL

Our decision-making combines local knowledge of our customers and our markets with world-class design approaches.



TRUSTED EMPLOYER

We are committed to excellence, reward outstanding performance, and provide our employees with the learning and development they need to excel and become world-class operators.



CUSTOMER & COMMUNITY-FOCUSED

At every step, we place the needs of our partners, shareholders, and customers first. We prioritize the needs of the communities we serve and the environments in which they live.



BOLD

We are innovative and flexible, continuously stretching ourselves to deliver complex and challenging projects with a high level of quality and best-in-class value.



RESPONSIBLE BUSINESS

We work as one team with integrity and humility, applying good governance to everything we do to earn the trust and respect of our stakeholders.





NOTABLE ACHIEVEMENTS OF THE YEAR



Mabanee was ranked the 1st Kuwaiti and 16th out of 50 Real Estate Developers in the Middle East and North Africa (MENA) region for 2021 by Forbes.



Mabanee obtained the first of its kind ISO certification for facilities management systems (ISO 41001:2018), the first company in the Middle East to obtain this certification, and it was awarded by one of the world's leading certification bodies, DNV GL.



Mabanee obtained a certificate for occupational health and safety management systems (ISO 45001:2018).



The Avenues - Kuwait received the "Pest Management Quality Certificate" from Boecker Company, for its efforts in following international standards in maintaining a pest-free environment.



1. ESG AT MABANEE

Since Mabanee’s establishment in 1964, we have been keen to develop quality real estate projects, taking in consideration various financial and non-financial impacts (ie. social impact) and embedding best practices throughout each project’s entire life cycle. In this regard, we started preparing our Corporate Social Responsibility (CSR) reports in 2013. Then, in light of the emergence of the trend of Environmental, Social, and Governance (ESG), our focus expanded well beyond Society, adding to it Environment and Governance considerations as well.

A journey of ESG requires solid engagement with all our concerned stakeholders, which are parties that have a “stake” of impact as a result of Mabanee’s activities, or vice versa—those who impact Mabanee. This includes both our internal stakeholders within our boundary of operations, and external stakeholders outside of our direct boundary. We delve further into the details of our stakeholder engagement approach within this section.

1.1 INTRODUCTION

In line with our stakeholder engagement priority, every year, it is Mabanee’s practice to conduct materiality assessments with our stakeholders, which are engagements with our internal and external stakeholders. The purpose of these materiality engagements is to define and analyze a list of material topics—ie. significant topics for the stakeholders. The results are plotted into a materiality matrix to balance the perspectives of both internal and external stakeholders, and according to the results—the foundational areas of our Sustainability Report 2021 are developed. Among other outcomes, this mainly ensures that we are reporting on the issues that concern and impact our stakeholders the most.

At Mabanee, we firmly understand the importance of aligning our directions with international and national sustainability and ESG frameworks. We support the achievement of the UN Sustainable Development Goals (SDGs), the Kuwait Vision 2035 (New Kuwait), Kuwait Boursa sustainability ESG metrics, and other areas related to ESG. This alignment is displayed in the various tables shown in this section linking our material topics with our 3 selected frameworks.

Furthermore, valuation of our both tangible and intangible impacts is integral to our ESG reporting approach, and such value is measured through calculating our Sustainable Return on Investment (SROI) in relation to several areas. The SROI approach serves as a quantitative tool for Mabanee to identify how effectively we have incorporated our capital, resources, and activities in the creation of sustainable value outcomes, putting sustainability impact into the language of “return on investment”, which is the language of investors and lenders. The result of SROI calculation will allow for an open dialogue with stakeholders, to assess the degree to which activities are meeting their needs and expectations.

For this year, 2021, we conducted a total of 4 SROI calculations, covering the topics of Waste Management, Water Consumption, and Greenhouse Gas (GHG) emissions. Each SROI is presented with its topic, its SROI level category, SROI interpretation, and the sustainability value outcomes of Mabanee’s relevant activities. To determine the SROI level category, the following scale is referenced in the table below, in line with our previous year’s approach.

Figure: SROI Level Scale

Scale	SROI Level
0-99	Medium
100-299	High
300+	Very high

1.2 ESG MATERIALITY ASSESSMENT

To make sure that relevant and pertinent information is communicated to stakeholders, we have conducted an ESG Materiality Assessment in accordance with the Global Reporting Initiative (GRI) reporting framework, while taking in consideration internal stakeholder input, current emerging trends and external stakeholder concerns, regarding the most important environmental, social and governance (ESG) topics. Materiality assessment is the formal exercise that included engaging stakeholders (external and internal) to find out how important specific environmental, social and governance (ESG) topics are to them. Those insights can then be used to guide strategy and communication, among other outcomes. We identified

those material topics based on our meetings with Mabanee’s key internal stakeholders and based on Mabanee’s performance related to sustainability in the year 2021. For the methodology of the assessment, we have adopted two surveys for the internal and external stakeholders to rate the importance and the impact on Mabanee’s business units in the dimensions related to workplace, marketplace, community and environment.

We identified the external stakeholders and categorized them into :Tenants (small, medium and large companies), suppliers/vendors, NGO’s, governmental entities , investors and others. Additionally, the internal stakeholders and key employees in Mabanee participated in rating and identifying the material topics.

Figure: Materiality Topics

#	MATERIAL TOPIC	Materiality Levels (Impact/Importance)
1	ESG Governance and Leadership	High
2	Green Projects	Medium
3	Energy Reduction	High
4	Water Management	High
5	Waste and Recycling	High
6	Sustainable Supply Chain	Medium
7	Talent Attraction and Retention	Medium
8	Training and Development	High
9	Workplace Diversity	Medium
10	Stakeholders’ Experience	High
11	Social Responsibility and Awareness	High
12	Investor Relations	High
13	Business Ethics and Compliance	High
14	Risk Management	High
15	Corporate Culture and Reputation	High
16	Safety and Security	High

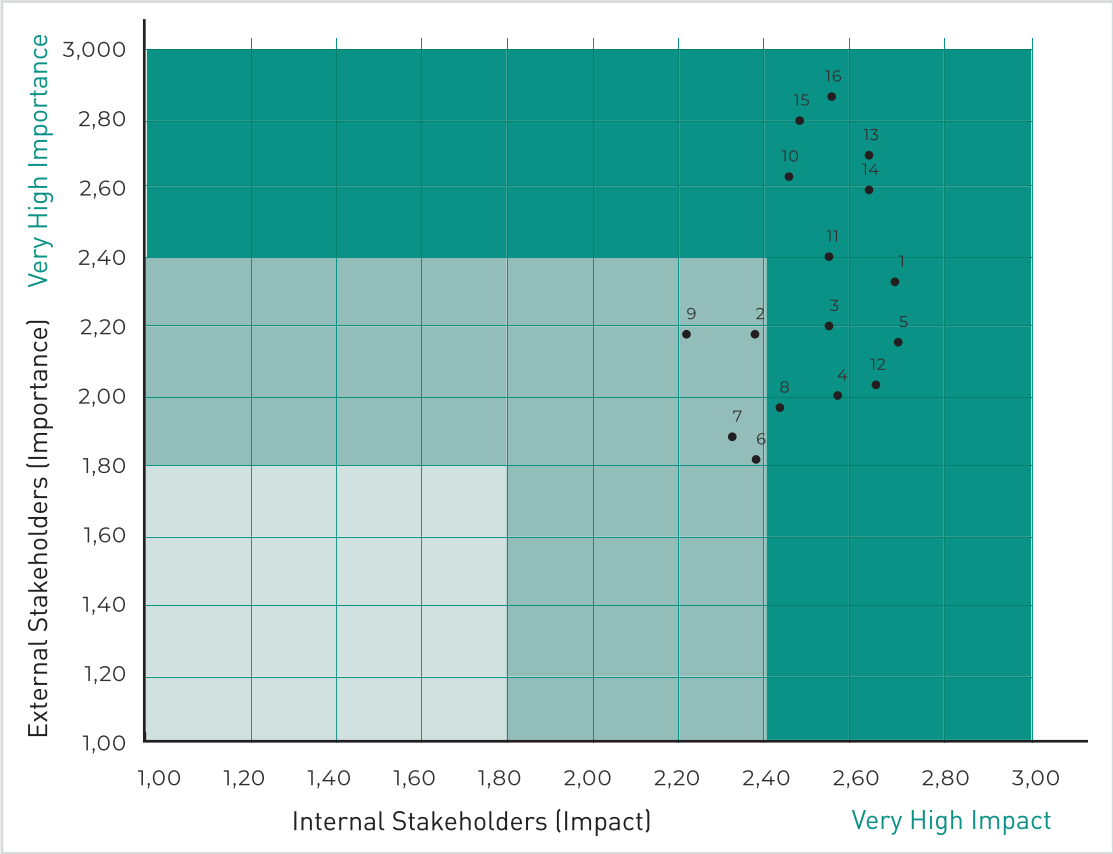
Based on this, a comprehensive analysis was then prepared that eventually resulted in plotting the ESG materiality matrix to reflect the material levels of each topic. The materiality matrix is color coded to allocate the topics from Low, Medium, and High materiality levels—resulting in an actual allocation of our material topics between Medium and High levels. In general, most of our material topics lie in the upper-right quartile of the materiality matrix, which means that none of them is of low importance and low impact. Looking at the highest and lowest results from specifically external stakeholders, Safety and Security is at the top of external stakeholders’ priorities, whereas Sustainable Supply Chain related aspects are at the bottom of their priorities. On the other hand, looking at internal stakeholders’ inputs regarding impact, Waste and Recycling is the most impactful topic, while Workplace Diversity is deemed to be the least impactful to internal stakeholders compared to the rest of the topics (though still impactful nonetheless).

Overall, the most impactful and important topics—ie. those rated highly by both internal and external stakeholders with a resulting High materiality level—are: Training and Development, Water Management, Investor Relations, Waste and Recycling, Energy Reduction, ESG Governance and Leadership, Social Responsibility and Awareness, Risk Management, Stakeholders’ Experience, Corporate Culture and Reputation, Safety and Security.

Comparatively, a few other material topics are of less importance and impact compared to those—being classified as Medium materiality. These are: Workplace Diversity, Green Projects, Talent Attraction and Retention, and Sustainable Supply Chain.

The full resulting Materiality Matrix is displayed as follows.

Figure: **Materiality Matrix**



UN Sustainable Development Goals

Placing sustainability at the forefront of our operations means that we ought to align with the “blueprint to achieve a better and more sustainable future for all”, the UN Sustainable Development Goals (SDGs). The SDGs provide an imperative universal call for action with their 17 Goals to Transform Our World. In light of this, we have aligned our 16 material topics with these Goals to highlight the contribution of our performance to this international framework. We believe that doing so in terms of this contribution would enable us to deliver excellence, improve lives, and protect the environment. As a result of our alignment, we have found that each of our material topics align to at least 1 of the SDGs, with the topic of Social Responsibility and Awareness reflecting alignment to highest number of Goals compared to other topics. The full alignment is found in appendix C.

Kuwait Vision 2035 (New Kuwait)

As a leading real estate company, Mabanee offers notable contribution to the achievement of the New

Kuwait Vision 2035, which sets the nation’s long-term development priorities, and aspires to transform the country into a financial and trade hub that is attractive to investors. Accordingly, we have aligned our material topics with the New Kuwait Vision 2035 as shown in appendix D.

Boursa Kuwait

Boursa Kuwait has itself aligned its long-term business directions with Kuwait’s 2035 Vision, as a means of reaffirming its commitment to contributing to the Kuwait Vision 2035 (New Kuwait). Boursa Kuwait has a significant role in promoting and advancing corporate sustainability practices in capital markets and encouraging sustainable investment practices, especially to those who are listed. With this in mind, in 2017, Boursa Kuwait developed a voluntary “Sustainability Disclosure Guide” for Boursa Kuwait listed issuers, with the aim to support listed issuers reporting on their ESG performance and addressing their stakeholders’ concerns and expectations. See appendix B for more on the Boursa Kuwait Sustainability Disclosures.

This Guide proposes an initial set of 26 sustainability indicators that are in line with the State of Kuwait’s sustainable development ambitions as set out by the Kuwait Vision 2035. This Guide is further aligned with the recommendations of the Sustainable Stock Exchanges Initiative (SSEI) and the World Federation of Exchanges (WFE).

As Mabanee is one of the real estate companies listed under the Premier Market at Boursa Kuwait, we have aligned our material topics with the voluntary sustainability indicators (ESG metrics) provided in Boursa Kuwait’s disclosure guide, as displayed in appendix E.

1.3 STAKEHOLDER ENGAGEMENT

Our knowledge about the views and priorities of our business and those of our key stakeholders is maintained through the meetings and ongoing discussions we have with our range of internal and external stakeholders, including our employees, tenants, investors, communities, partners, and others, throughout the life cycle of our activities. The table below describes our mechanism and frequency of engagement for each stakeholder group in reflection of stakeholders’ respective priorities.

Figure: Mabanee’s Stakeholder Engagement Approach

Stakeholder Group	Classification	Approach to Stakeholder Engagement	Stakeholders’ Priorities	Frequency of Engagement
 Governmental Entities	External	<ul style="list-style-type: none">• Meetings• Annual reports• Official letters• Emails• Engage through local and national trade associations	<ul style="list-style-type: none">• Business Ethics• Compliance with laws and regulations• Transparency of information	Quarterly
 Shareholders	External	<ul style="list-style-type: none">• Meetings• Phone calls• Annual General Assembly• Reports and disclosures• Official letters• Emails	<ul style="list-style-type: none">• ESG governance and leadership• Corporate culture and reputation• Energy reduction• Sustainable resource management (ie. water, energy, and waste)• Proper risk management	Quarterly
 Investors	External	<ul style="list-style-type: none">• Meetings• Phone calls• Emails• Annual reports• Formal and informal reviews of projects, programs and relationships• Investor conferences• Property tours• Investor relations outreach	<ul style="list-style-type: none">• Investor relations• Green projects• ESG performance and related disclosure• Transparency of financial and non-financial performance• Sustainable resource management (ie. water, energy, and waste)• Proper risk Management Quarterly, and throughout the year	Quarterly, and throughout the year
 Non-Governmental Organizations (NGOs)	External	<ul style="list-style-type: none">• Meetings• Phone calls• Emails• Joint events• Engage in dialogue with local groups on community activities• Feedback on projects• Volunteer activities	<ul style="list-style-type: none">• Positive stakeholders’ experience• Cooperation and collaboration to achieve common goals	Quarterly, and depending on the initiative

Stakeholder Group	Classification	Approach to Stakeholder Engagement	Stakeholders’ Priorities	Frequency of Engagement
 Suppliers	External	<ul style="list-style-type: none">• On-site meetings• Phone calls• Emails• Contracts• Feedback from key suppliers and contractors• Procurement of materials and services	<ul style="list-style-type: none">• Sustainable supply chain• Ethical standards adherence	Daily, and depending on the procurement need and contract
 Tenants	External	<ul style="list-style-type: none">• Daily tours• Phone calls• Emails• Contracts• Invoices	<ul style="list-style-type: none">• Safety and security• Provision of adequate services and facilities• Communication channels	Daily
 Visitors	External	<ul style="list-style-type: none">• Press releases• Website• Social media Platforms• Helpdesk• Community events• Public hearing	<ul style="list-style-type: none">• Social responsibility and awareness• Provision of proper services and facilities• Positive stakeholder experience• Communication channels	Daily
 Employees	External	<ul style="list-style-type: none">• Emails• Meetings• Phone calls• Social media platforms• Intranet• Employee events• Code of conduct• Training• Annual assessment and evaluations• Employee surveys• Knowledge-sharing through collaboration tools• Contracts• Career opportunities and advancement	<ul style="list-style-type: none">• Workplace diversity• Training and development• Talent attraction and retention• Fair and positive work environment	Daily

1.4 ENVIRONMENT, SOCIAL, AND GOVERNANCE (ESG) COMMITTEE

Acceleration of Mabanee’s ESG approach has been further increased by the formation of our Environmental, Social, and Governance (ESG) Committee, which is a cross-functional management committee of Mabanee. The ESG Committee sets a general strategy relating to ESG matters and guarantees oversight of proper ESG integration within policies and initiatives, stakeholder communications, Company developments and overall understanding. Since its formation in July 2021, the Committee has met 4 times to date to discuss emerging ESG topics ranging from the Company’s ESG performance, related initiatives, ESG strategy, ESG ratings, and the Annual Sustainability Reports.

The Committee’s main mandates are summarized as follows:

- Developing, implementing, and monitoring initiatives and policies based on the ESG strategy
- Overseeing communications with employees, investors, and stakeholders with respect to ESG matters
- Monitoring and assessing developments relating to the Company
- Improving the Company’s overall understanding of ESG matters

Our ESG Committee currently comprises 7 members, and may include further department champions. Other department members are also invited to meetings according to the topics discussed.

The ESG Committee members are as follows:

- Mr. Tareq Aladsani – Head of the Committee
- Mr. Ali Alsayegh – Member
- Mr. Mohammed Alhaddad – Member
- Ms. Manal Alfouderi – Member
- Ms. Nora Zehery – Member
- Ms. Ghaya Alhunaidi – Member
- Ms. Reem Alhajri – Rapporteur of the Committee

As part of our efforts to spread awareness about ESG and inclusivity for both employees and leaders, an ESG awareness session and training was conducted for Mabanee’s employees, with the presence of the Chief Executive Officer (CEO) and the Executive Management (EM). The session touched upon different areas around ESG subjects, including the importance of ESG factors as non-financial metrics and emerging ESG trends in our real estate sector.



2. GOVERNANCE (G)

Mabaneer's strong corporate governance has formed the building block for its success throughout the years. Our Board of Directors' responsibilities of company oversight maintain perfect alignment with our strategy, vision, mission, values and ultimate goals of being a leading developer and partner in innovative real estate projects, creating value for our stakeholders and the communities we serve. Furthermore, having solid governance is key to delivering operations in line with our ESG targets. In the following sections, we provide details on our governance structure, Board of Directors, business ethics and compliance, risk management, and marketplace and corporate behavior.

2.1 CORPORATE GOVERNANCE

2.1.a Board of Directors

The Board of Directors of Mabanee is keen to develop the Company’s business operations and achieve continuous returns for shareholders. This is accomplished through the Board of Directors (BoD) and Executive Management (EM), specifically through instilling institutional values and governance standards. These include, in particular, the standards set by the Kuwait Capital Markets Authority (CMA) aimed at protecting shareholder rights. Mabanee further ensures the implementation of the rules of governance in all its professional and ethical dealings; the Board similarly seeks to promote a compliance culture by developing internal policies, procedures, and regulations based on the principles of sound governance and compliance regulations during their daily business activities within the Company. These measures aim to enhance the confidence of our shareholders, stakeholders, and all related parties. The governance framework is subject to review by Mabanee’s BoD. The BoD determines the strategies and executive policies of the BoD and EM to ensure maintaining a robust governance standard.

Mabanee’s BoD consists of 7 members elected during the General Assembly held on 3rd February 2020. The majority of the BoD members are non-executive members, with one independent BoD member. The members of the BoD possess notable experience in the fields of finance, economics, governance, risk management, and strategic planning. The Board’s structure has thus preserved its supervisory role and contributes effectively by fulfilling its responsibilities to the fullest. The following provides more details about our BoD members:

Name	Board Member Designation (Executive/ Non-Executive/ Independent)	Qualifications and Experience	Date of Election
Mr. Mohammad Abdulaziz Alshaya	Non-Executive	<ul style="list-style-type: none">Member of the Advisory Board of the Dubai International Chamber.Executive Chairman of the Alshaya Group.Chairman of the Board of Managers of Shomoul Holding Company.Chairman of the Board of Directors of Shomoul Holding Company.Chairman of the Board of Directors of Mabanee Bahrain Company.Member of the Wharton School of the University of Pennsylvania.Member of the Board of Directors of the General Authority for Competition since 2018.Member of the Board of Trustees of the Arab Thought Foundation.Member of the Board of Red Sea Foundation.Member of the Turkish Foreign Direct Investment Council.Member of the International Advisory Board of Cleveland Clinic Abu Dhabi.Member of Kuwait University Council.Member of the Supreme Council for Planning and Development.Master’s degree in Business Administration from the Wharton School of Business, University of the University of Pennsylvania, USA, and a Bachelor’s degree in Marketing from Kuwait University.	3rd December 2005
Mr. Mohammad Abdullateef Alshaya	Non-Executive	<ul style="list-style-type: none">CEO of Alshaya Property Development Company since 1993.Executive Director of the Oriental Hotels Company K.P.S.C.Member of the Board of Directors of Alshaya Real Estate Company (Bahrain).Member of the Board of Directors of Alshaya Group Companies.Managing Director General of Fifth Ring Company S.P.C.Managing Director of the Second Mabanee Company S.P.C.Managing Director General of Mabanee Egypt Real Estate Development Company, Egypt.Managing Director General of Al Rai Real Estate Company S.P.C.Bachelor’s degree in Civil Engineering from the University of Petroleum and Minerals, Dhahran, Kingdom of Saudi Arabia	3rd December 2005

Mr. Abdullah Abdullateef Alshaya	Non-Executive	<ul style="list-style-type: none">Chairman of Alshaya Group of Companies.Chairman of Kuwait Automotive Imports Co. W.L.L (Alshaya & Alsager).Member of the Board of Kuwait Chamber of Commerce and Industry.Chairman of the Board of Directors of the Oriental Hotels Company K.P.S.C.Bachelor’s degree in Economics from Kuwait University.	3rd December 2005
Mr. Ayman Abdullateef Alshaya	Non-Executive	<ul style="list-style-type: none">Chairman of the Board of Directors of the National Insurance Company.CEO of Alshaya Trading Company.Chairman of the Board of Directors of Alshaya Enterprises.Board Member of Mohammed Hammoud Alshaya LLC.Board Member of the Financial Center Company.Board Member of Injazat Real Estate Development Company.Managing Director of the Second Mabanee Company S.P.CManaging Director of Al Rai Real Estate Company S.P.CBoard Member of Shomoul Holding Company (Kingdom of Saudi Arabia).Bachelor’s degree in Mechanical Engineering from Kuwait University.	28th March 2010
Azzam Abdulaziz Al Fulaij	Independent	<ul style="list-style-type: none">General Manager of Abdulaziz Ibrahim Al Fulaij General Trading and Contracting Corp.Board Member of Kuwaiti Trader Company.Board Member of Buildings and Construction Company.Owner of a number of establishments (Sanat Alfeen General Trading Corporation, Glass Dome Corporation for Decoration Materials and Contracting and Azzam Abdulaziz Al Fulaij Real Estate Corporation).Bachelor’s degree in Business Administration from Grand View College, USA.	3rd December 2005
Mr. Mohammad Rashed Al Mutairi	Non-Executive	<ul style="list-style-type: none">Member of the Board of Directors of Livestock Transport and Trading Company.Secretary of the Board of Directors of National Industries Group Holding Company.Master’s degree in Business Administration from Cairo University, Arab Republic of Egypt, and a Bachelor’s degree in Commerce from Ain Shams University, Arab Republic of Egypt.	3rd December 2005
Mr. Waleed Khaled Alsharian	Executive	<ul style="list-style-type: none">Chairman of the Board of Directors of Kuwait Public Transport Company.Chairman and CEO of Al Rai Logistica Company.Chairman of the Board of Directors of Avenues Holding Company.Chief Executive Officer, Shomoul Holding Company.Managing Director of J3 Lands and Real Estate Development and Management Company.Managing Director of J3 Import and Export Company.General Manager of Mabanee Bahrain Company.Member of Kuwait Society of Engineers.Bachelor’s degree in Industrial Engineering from the University of North Carolina, USA.	3rd February 2020

The Company’s Articles of Association specify the number of members of the BoD, with no less than five members. There is no stipulation limiting the maximum number of years a member may remain on the BoD. Furthermore, the BoD must include at least one independent member. Currently, our BoD independence percentage is 14.3%.

Mabanee Board Independence

• 14.3%

Regarding board diversity, our BoD members currently consists of male members only. However, we firmly believe that a diverse Board would enhance our Company's performance; thus, we are planning to include females in the future in Mabanee's Board.

Duties and Responsibilities of the Chairman of the BoD

The Chairman of the BoD has non-executive powers through which he plays a pivotal role in encouraging an open environment based on effective dialogue and discussions of the obstacles and issues raised—in addition to ensuring the independence of the Board and its ability to take decisions that guarantee the general interest of the Company. His duties and responsibilities include (but are not limited to) the following:

- Ensuring that the Board discusses all essential issues in an effective and timely manner
- Representing the Company, in accordance with the provisions of the Company's articles of association
- Encouraging all members of the Board to participate fully and effectively in the conduct of the affairs of the Board to ensure that the Board does what is in the interest of the Company
- Ensuring actual communication with shareholders and communicating their opinions to the Board of Directors
- Creating a culture that encourages constructive criticism on issues around which there is a difference in viewpoints among the members of the Board

The BoD meets at least six times per year, and has two committees—being the Audit and Risk Committee, and the Nominations and Remuneration Committee. The Board ensures that the formation of these committees is done according to regulations that include defining the task of the committee, its tenure, and the authorizations granted to it during this period. The BoD is also responsible for filling the vacant seats during the time periods separating the annual shareholder meetings. The committees must present periodic reports of their activities, and the Board must monitor the committees to ensure that they are performing their tasks.

The Audit and Risk Committee:

Mabanee's Risk Department reports directly to the Board, as well as the Audit and Risk Committee. The Board Audit and Risk Committee bears full responsibility for designing risk and strategy tendencies, ensuring that the Risk Department works within the limits of policies and procedures, ensuring periodic monitoring of risks, and the application of mechanisms for evaluating performance adjusted according to risks (ie. balance between risks and returns).

The Audit and Risk Committee is composed of three members, who are:

- Mr. Ayman Abdullateef Alshaya: Chairman of the Audit and Risk Committee.
- Mr. Azzam Abdulaziz AL-Fulaij: Member of the Audit and Risk Committee.
- Mr. Mohammed Rashid Al-Mutairi: Member of the Audit and Risk Committee

The Audit and Risk Committee's responsibilities include: discussing the quarterly and annual financial statements, approving the internal audit report for all the Company's departments, discussing and approving the Audit and Risk Committee's report, appointing external auditors, determining their fees, and submitting recommendations regarding this to the BoD.

Other roles and responsibilities of the Committee include: presenting the internal audit plan and the Company's internal audit reports, presenting the Company's risk management framework, examining the current audit and advisory firms' performance and selecting the most compatible for internal audit and risk management work, discussing the periodic reports of risks for assessment on a quarterly basis, discussing the examining and evaluating report of the internal control systems and submitting a

recommendation to the Board, and preparing the Committee's Annual Report and presenting it to the BoD.

The Nominations and Remuneration Committee:

The BoD is responsible for the nomination of members through the Nomination and Remuneration Committee. If the position of a member of the BoD becomes vacant, he shall be succeeded by the person who obtained the most votes from among the shareholders who did not win membership of the BoD (the reserve members), and if an impediment arises the following shall succeed him, and the new member shall complete the term of his predecessor only. If the vacant positions amount to a quarter of the original positions, the BoD must invite the Ordinary General Assembly to meet within 2 months from the date of the last position becoming vacant, and to elect someone to fill the vacant positions.

The Nominations and Remuneration Committee was formed on 28th April 2019, and the members were chosen according to the experience and competence required to facilitate the work of the Committee. The Committee is composed of four members, including one independent member.

The Committee member names and positions are as follows:

- Mr. Mohammad Abdulaziz Alshaya: Chairman of the Nomination and Remuneration Committee.
- Mr. Mohammad Abdul Lateef Alshaya: Member of the Nomination and Remuneration Committee.
- Mr. Abdullah Abdullateef Alshaya: Member of the Nomination and Remuneration Committee.
- Mr. Azzam Abdulaziz AL Fulaij: Member of the Nomination and Remuneration Committee.

Some of the Committee's responsibilities include: establishing a clear Remuneration Policy for members of the BoD and EM; accepting the nomination and re-nomination of BoD and EM members; determining the different reward categories that would be granted to employees, such as the fixed bonus segment, and the bonus segment associated with key performance indicators (KPIs); determining the essential skill requirements for BoD membership; and reviewing those needs on an annual basis.

Other responsibilities of the Committee include the following: obtain requests for those wishing to occupy executive positions as needed, as well as studying and reviewing those requests, define mechanisms to evaluate the BoD's performance as a whole as well as the performance of each member of the BoD and the EM, prepare job descriptions for Executive members, non-Executive members as well as independent members, ensure that independent members are in fact independent, and prepare a detailed Annual Report on all remunerations granted to members of the BoD and EM, whether they are sums, benefits or advantages, in any nature or capacity, provided that this report is presented to the BoD and then the Company's General Assembly for approval.

BoD Formation Criteria

Mabanee takes into account working on the inclusion of qualified and experienced members in the BoD as well as in its committees in order to serve the interests of the company, its shareholders and stakeholders. The Nominations and Remuneration Committee assists in selecting/appointing members of the Board and its committees by recommending nomination and re-nomination for membership of the BoD in accordance with the criteria required for membership contained in the relevant instructions issued by the Capital Markets Authority, and these criteria aim to find a BoD capable of outstanding performance in all respects.

The General Assembly elects the members of the BoD through secret voting, and the term of membership in the Board is 3 years, subject to renewal.

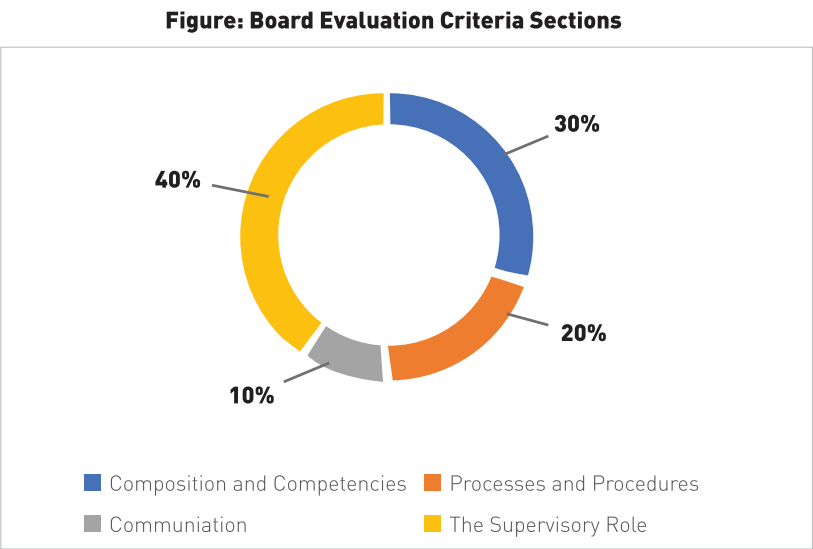
Board Evaluation

Mabanee’s BoD members are evaluated in a frequent and methodological manner, which ensures that our governance standards at the highest levels are met and are up to par. This is carried out by our Nominations and Remuneration Committee, as it conducts an annual evaluation of the performance of the BoD in general. This is conducted as a self-assessment at the end of each year.

This evaluation is divided into four criteria sections, as follows:

- Composition and Competencies: This criteria section deals with the structure of the BoD and its affiliated committees, as well as an assessment of the mix of skills and experience available in the Board and its committees.
- Processes and Procedures: This criteria section enables the BoD to evaluate the effectiveness of actions taken within the framework of governance. This includes evaluating the structure of BoD meetings and the nature of the discussions that are taking place.
- Communication: Given the volume of information available to the BoD, the information provided to the Board must be sufficiently focused and accurate to enable it to perform its oversight role. This criteria section deals with the assessment of the quality of information provided to the BoD.
- The Supervisory Role: Given that the BoD is competent to carry out its duties towards related parties, the BoD is responsible for the appropriate supervision of the operations of the Company. This criteria section deals with evaluating the extent of the BoD's success in carrying out its oversight functions.

Each of the four criteria sections, shown below, are weighted differently throughout the evaluation conducted by the Board Nominations and Remunerations Committee.



BoD and EM Remuneration

Mabanee is committed to the highest standards of good governance, transparency, honesty, integrity and accountability—all of which are reflected fully in our remuneration practices and governed by our Remuneration Policy. Mabanee’s Remuneration Policy defines the bases related to the remuneration of the BoD and the EM in order to align them with the Company’s objectives and performance. The Policy reflects the Company’s objectives and takes into account the soundness of its operations and financial position. The Policy is part of the Company’s overall corporate governance framework. The Nomination and Remuneration Committee is responsible for implementing this Policy, and accordingly reviews it annually.

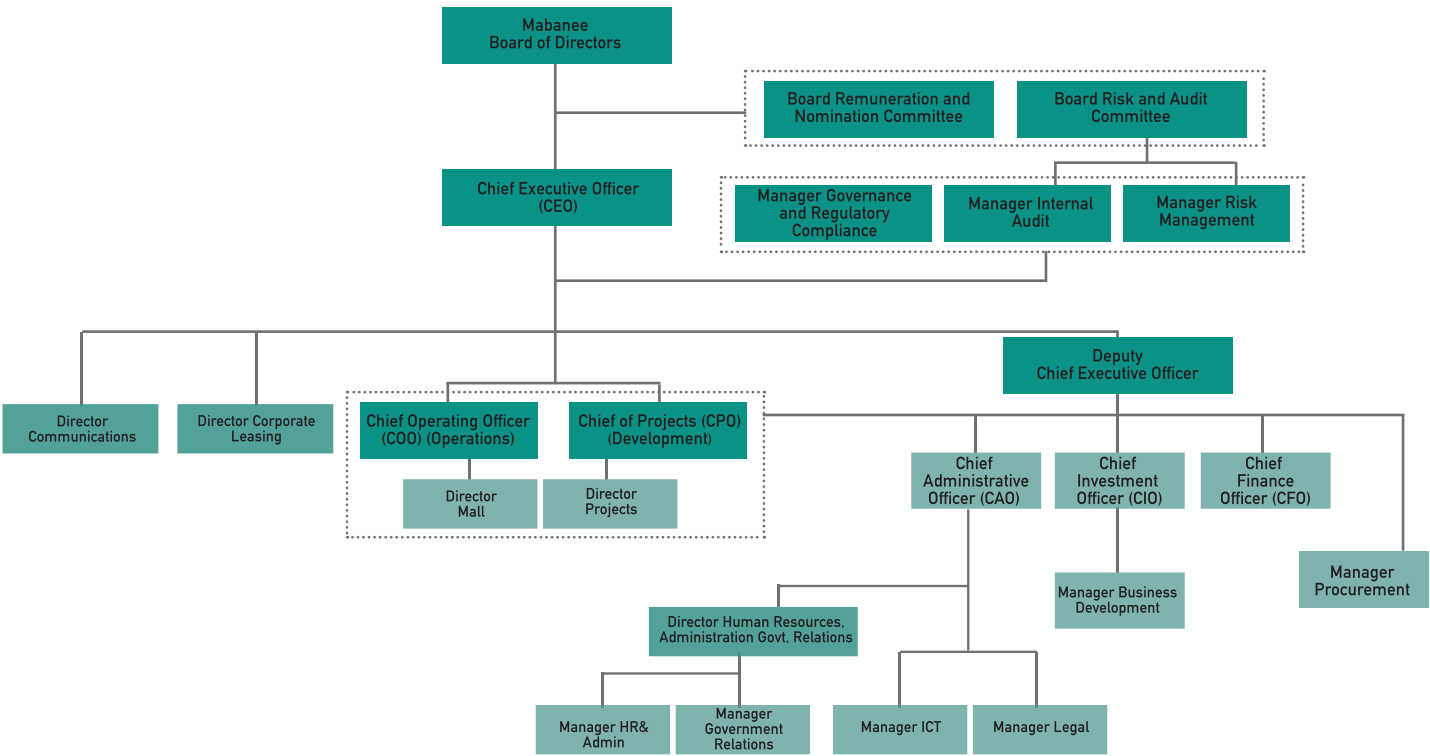
All Board remuneration is approved by the shareholders at the Annual General Meetings (AGMs), demonstrating say-on-pay. It is also important to note that Mabanee does not have a CEO Equity

Policy; however, we are in the process of creating one in 2022.

More details about our BoD members and Board committees, can be found in our Annual Reports.

2.1.b Organizational Structure and Management of Mabanee

The success and sustainability of any company is a factor of how well its internal operations are clearly defined and structured. As a Company aiming for excellence, we have formed our organizational structure in line with our ambitions of ensuring compliance and compatibility with ESG criteria, as well as in consideration of other corporative goals and objectives. A summary of our organizational structure is shown below, including all BoD committees, managers, directors and executive staff hierarchical positions, and linkages. As can be seen in our organizational structure, the BoD oversees all of Mabanee’s operations, assuring that operations are to the highest standards and running in line with Mabanee’s overall strategic directions.



Executive Management (EM)

The governance level after the BoD and committees is the Executive Management (EM). EM members are overseen by the BoD, who appoint and dismisses Executive Directors and ensure the efficiency of their performance. Both BoD and EM focus on developing a culture of governance and commitment across the Company as a whole, and perform analysis to determine potential risks. In total, Mabanee has five executive managers, listed as follows. Note that in terms of gender aspects, currently all the executive managers are male.

- Mr. Waleed Khaled Alsharian: Chief Executive Officer
- Mr. Tareq Abdulwahab AlAdsani: Deputy Chief Executive Officer
- Mr. Saud Abdulmohsin Al Zabin: Chief Administrative Officer
- Mr. Zahid Ismail Kasamani: Chief Financial Officer
- Mr. Waleed Khaled Al Fahad: Chief Operating Officer

2.1.c Business Ethics and Compliance

Business Ethics

Establishing a culture that abides by a code of conduct and the highest ethical standards leads to various positive outcomes, including, among others, positive stakeholder perceptions, enhanced internal governance, alignment with best practice, solid compliance, a positive work environment, and investor confidence in a company’s integrity and financial soundness. A strong commitment and adherence to a company’s bylaws and regulations by all employees, including top management, aids in meeting the interests of all the parties of relevance, particularly shareholders, without conflict of interest and with a significant extent of transparency.

At Mabanee, we are proud to adhere to these aforementioned views and practices regarding the crucial importance of ethics. Guiding our business ethics is our Code of Conduct (COC), to which all Mabanee’s employees and management adhere with the highest professional and ethical standards, regardless of location and circumstances.

We are complying with the Labor Standards with respect to our operations’ jurisdictions reflect a fair and positive work environment. In terms of its communication, our Labor Standards are communicated to employees in both Arabic and English as most of Mabanee’s employees are bilingual. We further train our employees on ethical matters, through courses such as Mabanee Responsible Leader.

We exhibit integrity and compliance within our financial statements, as evidenced by our auditing practices. Notably, we commit to a regular rotation of audit partners, so that the impartiality and independence of the auditors is ensured for the task of preparing and auditing the financial statements.

Currently we have additional policies in their final stages awaiting approval by the BoD. These include: The Bribery and Anti-Corruption Policy, and the Anti-Money Laundering (AML) Policy and Implementation Strategy.

Overall, we can say that we are free from any controversies related to corporate behavior, and bribery.

Conflict of Interest

Mabanee and its BoD are focused on the interests of the shareholders and avoid actual or apparent conflicts of interest in personal and professional relationships. Every BoD member bears responsibility towards the Company and related parties. There are processes in place for Mabanee’s highest governance bodies to ensure that any conflicts of interest are avoided and managed. In line with this, Mabanee has developed and applied the Conflict of Interest Policy, and accordingly reviews transactions with related parties in a manner that is suitable to the nature of the Company’s operations and developments within the market’s regulations. These policies and procedures aim to achieve justice and transparency, prevent conflict of interest and abuse of internal information, as well as ensure BoD members’ independence.

The Conflict of Interest Policy further states that the interest of any employee, BoD member, or family member in any contract or transaction with Mabanee must be declared. Furthermore, related parties must not be involved in decision-making or voting on any decision related to this interest.

Overall, Mabanee is free from any controversies related to conflict of interest, related parties, and related party transactions.

Whistleblowing Policy

At Mabanee, we are committed to robust transparency and compliance standards and practices. As a mechanism of ensuring this, our Company adheres to our Whistleblowing Policy, that defines

the regulatory procedures for reporting any misconduct or suspicious act occurring in our premises. Consequently, corrective measures are taken in a timely manner. Such policy allows all employees, including top management and board members to express any concerns or misconduct that they encounter anonymously while assuring their protection. The policy is applied across all of Mabanee’s projects and covers all employees, management, as well as volunteers.

As defined by the Whistleblowing Policy, acts of misconduct addressed include: money laundering, corruption, manipulating votes, fraud, theft, data theft, misleading information, inappropriate behavior by employees (including violence and harassment), any illegal acts related to safety and security, as well as to the environment. Following the issuance of a misconduct report, a formal investigation takes place, and based on the level of misconduct, responsive procedures and disciplinary actions range from forced dismissal, reducing their hierarchical position etc.

2.1.d Risk Management

At Mabanee, we seek to systematically identify risks, which may include those that could cause business failure, reputational damage, financial loss, reduced productivity, injury, etc., in order to actively mitigate or reduce the impact. We define risk management as the culture, capabilities, and practices integrated with strategy-setting, and its application for managing risk in creating, preserving, and realizing value.

Our Risk Management Framework positions risk in the context of an organization’s performance. The risks faced by the Company are identified and categorized, their probability and potential impact is assessed, the controls in place are analyzed, and uncontrolled risks are managed. The risks faced by Mabanee are periodically monitored and reported.

In terms of risk governance, our Audit and Risk Committee oversees the implementation of the risk management strategy. The strategy identifies key business risks to help us achieve our strategic objectives to maintain risks within an acceptable level that is within our risk appetite. The strategy states that risks shall be identified, categorized, and assessed according to their probability and potential impact. Analysis takes place for the risks under our control, whereas uncontrolled risks are managed. Risk monitoring takes place on a quarterly basis.

Our Investment Department is responsible for risks associated with new investments and projects. In this matter, the Investment Department prepares a financial model for all investments and new projects that is based on forecasting scenarios and is reviewed upon changes in market conditions and prior to any project kick-off.

In terms of liquidity risk, the Finance Department develops a periodic cash flow projection report that considers various scenarios based on market conditions and progress of collections.

We further perform an in-depth due diligence for new business partners to monitor and assess any potential risks that may arise, including:

- Reviewing legal documentation, including Articles of Association, licenses, authorized signatory document, etc. of potential business partners
- Conducting background / reference checks, which includes assessing their nature, industry, performance, and financial health
- Ensuring that the counterparty activities are suitable and in line with Mabanee’s business values and practices
- Checking whether legal cases have been filed against the company

2.2 MARKETPLACE AND CORPORATE BEHAVIOR





2.2.a Mabanee Projects

Mabanee is a trusted real-estate investor, developer and project manager. We collaborate with partners to create world-class real-estate projects, which excite customers and are recognized for their innovation, design, quality and return on investment. In partnership with prestigious companies in the Gulf, we are currently implementing several projects in Kuwait, Kindgom of Saudi Arabia(KSA), Bahrain, and the United Arab Emirates (UAE). The massive success of The Avenues – Kuwait, along with a clear business vision, was the driving force behind the initiation of similar projects across the region, such projects are due to be fully inaugurated within the next three years. Moreover, other real estate projects in the GCC and MENA region are currently under negotiation. Overall, 2021 was a positive year for Mabanee, with the resumption of various projects that had been previously delayed due to the COVID-19 crisis.

Accordingly, a brief summary of our current and ongoing projects is provided below.

The Avenues – Kuwait

The Avenues is the largest and most-visited retail, entertainment, and lifestyle destination in Kuwait and the region. His Highness the late Emir of Kuwait, Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah, officially inaugurated The Avenues in 2007 with the 1st Avenue. As the legacy continued, 2nd Avenue then opened in 2008, followed by the other districts, namely, Prestige, Grand Avenue, SoKu, The Mall, and The Souk, all of which officially launched in 2012. As for the new expansion in 2018, The Avenues then added 5 districts: The Arcades, Grand Plaza, Electra, The Forum, and The Gardens. A world-class architectural masterpiece, The Avenues is the hub for international and local brands, ranging from retail stores and high-end fashion brands to exquisite cuisines and unique entertainment experiences. The Avenues covers a gross land area of 360,000 square meters with over 1,100 stores and a spacious multi-level parking lot with a capacity for 13,000 cars. Additionally, The Avenues contains two hotels: Hilton Garden Inn – Kuwait and Waldorf Astoria.



- Gross land area:
 **360,000sqm**
- Number of stores:
 **+1,100 stores**
- Parking lot capacity of:
 **13,000 cars**
- Official inauguration year:
 **2007**



Hilton Garden Inn – Kuwait

Hilton Garden Inn - Kuwait is now the brand’s largest hotel in the Europe, Middle East, and Africa (EMEA) region. It is directly connected to The Avenues – Kuwait through the Forum district, featuring 390 keys, including family rooms and suites. The hotel additionally offers a wide array of services and facilities, including the “Together & Co” restaurant, The Shop, The Juice Bar, Starbucks, outdoor swimming pools, and a jacuzzi for guests to enjoy, as well as meeting spaces accommodating up to 240 people.



- Number of guestrooms:
 **390 keys**
- Meeting spaces capacity:
 **240 people**

Waldorf Astoria – Kuwait

This is a five-star luxury hotel located in The Avenues. The hotel comprises 200 guestrooms and will feature a large ballroom, multiple world-class dining experiences, including Roka Restaurant (Zuma Group), an outdoor pool, and a state-of-the-art spa. Currently under construction, the hotel is expected to be completed by the end of Q2 of 2022.



- Number of guestrooms:
 **200 rooms**

Aventura – Kuwait

Aventura (J3 Jaber Al Ahmad Investment Opportunity from The Public Authority for Housing Welfare) is currently under development and Mabanee is the lead developer of the consortium involved, which includes National Industries Group and Privatization Holding Company. The driving vision behind the design of Aventura was to create a neighborhood character and identity that evokes a sense of home that is inclusive of diverse lifestyles and instills a sense of community and communal living. Covering a retail gross leasable area of 108,233 GLA, the project will become a contemporary icon and landmark for Jaber Al-Ahmad City. The comprehensive development will include a modern, architectural design in a community feel, with several components, including 276 residential units, facilities and services to accommodate its residents and visitors, a neighborhood park and a retail component consisting of international retail and food and beverage (F&B) brands. 70% of J3. Residential is expected to open by Q3 of 2024, the remaining facilities and Mall to open by Q3 of 2025.

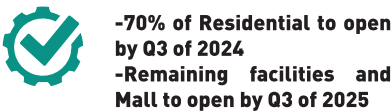
- Retail gross leasable area:



- Number of residential units:



- Expected year of opening:



The Avenues – Bahrain

The Avenues – Bahrain, located at the heart of Manama, was inaugurated in 2017. The design is inspired by The Avenues – Kuwait, one of the region’s largest and most-visited retail destinations and extends over a gross leasable area of 40,000 sqm. The Avenues – Bahrain is set to become one of the best destinations for residents, tourists and business travelers in the Gulf region. The project consists of several stores, restaurants, and walkways, with a seafront stretching along 600 meters. The Avenues – Bahrain encompasses entertainment areas, such as cinemas and children’s play areas.

Phase II of The Avenues – Bahrain will add a leasable area of approximately 40,000 square meters, and will include 189 stores and restaurants, two entertainment zones, a supermarket, and a basement car park with 1,295 parking spaces.

The combined gross leasable area of both phases will be approximately 79,600 square meters. The new phase will include new beautifully designed districts, which promise to provide visitors with a modern and exciting shopping experience, namely The Forum, Grand Plaza, Electra, The Souk, as well as an expansion of Grand Avenue, which is currently very popular and a favorite of local and international visitors. Each district will have its unique character expressed through its architectural style inspired by modern design concepts. The extension plan will also include two pedestrian bridges: the first linking The Avenues – Bahrain to Bahrain Bay, and the other linking it to the Bahrain World Trade Center and Moda Mall. The project will expand the public promenade by an additional 600 meters west along the waters of Bahrain Bay, becoming the largest entertainment center facing the sea with a total length of approximately 1.3 km. Phase II is projected to be completed by Q4 2023.

- Gross land area:



- Official inauguration year:



- Parking lot capacity of:



- Phase II projected completion:



Hilton Garden Inn Bahrain Bay

Hilton Garden Inn Bahrain Bay, operated by Hilton Worldwide, was completed on July 7, 2021, and opened on July 15, 2021. The hotel enjoys direct access to The Avenues – Bahrain, and will include 192 guestrooms.

- Completion year:



- Number of guestrooms:



The Avenues – Sharjah

The project is a strategic partnership with Mabanee and Shurooq, the Sharjah Investment and Development Authority in the UAE. Replicating the success of The Avenues in Kuwait, The Avenues – Sharjah will offer residents and visitors a similar experience over a land area of 59,600 square meters and will enjoy a strategic location on Sheikh Mohammed Bin Zayed Road, a major hub in the city. The project will entail the development of approximately 59,000 square meters as a projected gross leasable area. The project is currently on hold after the detailed design completion.

- Land area:



- Projected gross leasable area:



The Avenues – Khobar




Inspired by modern architectural design concepts, The Avenues – Khobar in Saudi Arabia is located at the northwestern corner of the intersection of King Saudi Road with Prince Sultan Road. Currently, The Avenues – Khobar is in the design phase and extending across a gross leasable area of 168,988 square meters. The project will encompass commercial and entertainment areas, residential apartments, hotels, exhibition halls, ballrooms, offices, and medical facilities. The project is expected to be completed end of 2025.

- Gross land area:
 **168,988 sqm**
- Expected completion year:
 **end of 2025**



The Avenues – Riyadh

The Avenues – Riyadh in Saudi Arabia, is located at a prime position overlooking the intersection of King Salman Road and King Fahad Causeway and extends across a leasable area of 400,000 square meters. The project is expected to become one of the largest commercial malls in the Middle East and will include hotels, residential apartments, medical facilities, offices, and a parking lot for 15,000 vehicles, making it an ideal destination for shopping, entertainment, and accommodation in the Kingdom of Saudi Arabia. Additionally, it will contribute to strengthening the service and retail sectors and creating more than 20,000 job opportunities for Saudi nationals. The Avenues Riyadh is planning to be Energy and Environmental Design (LEED) certified by the American Green Building Council.

- Leasable area:
 **400,000 sqm**
- Jobs expected to be created
 **20,000 jobs**
- Parking lot capacity:
 **15,000 vehicles**



Mabanees development baseline growth is strong. Our long-term investment philosophy incorporates three critical plans: product and investment diversification, funding, and corporate transformation. We have developed a corporate investment strategy for 2028 based on global investment standards to manage our risks and growth. The strategy includes adopting a diversification plan to diversify investment and development types by 2028. Our 2028 vision is centered on delivering excellence to shareholders and investors through our expansion program, strong brand equity, establishing a holding company with recognized financial performance and diversified investments, excellence in operations through specialized subsidiaries, and providing value-added services.

2.2.b Investor Relations


The year 2021 showed a positive leap for our Investor Relations (IR), given that several projects resumed post - COVID-19 delays. Such a leap was largely due to our IR efforts in maintaining continuous and consistent communication with our stakeholders, including institutional investors and security analysts. Thanks to our IR Department we were able to produce and deliver effective financial communications to existing and potential investors, ESG rating agencies, employees and management regarding our compliance with the Capital Markets Authority (CMA), Boursa Kuwait regulatory requirements and ESG-related criteria.

Mabanees IR Department has long been central to our ESG communication, and to addressing stakeholders' ESG-related concerns. Recently, as part of positioning Mabanees IR operations, we have incorporated an ESG discussion in our quarterly earnings call.

At Mabanees, we are keen to maintain our investors' rights through our Shareholder's Protection Policy, as summarized below:

- The Policy aims to ensure that the Company is committed to respecting and protecting shareholders' rights in accordance with the relevant laws, instructions, and regulations.
- Mabanees BoD is committed to setting standards for protecting the rights of all shareholders and updating such standards when needed to reflect changes in the provisions of the law, regulations and instructions issued by the relevant regulatory authorities.
- The Policy covers: general rights for shareholders, shareholders' rights at general assembly meetings, and shareholder data protection.
- The Policy contains details about controlling shareholders. A controlling shareholder is any person who exercises or controls on their own or together with any person with whom they are acting in concert, 30% or more of the votes able to be cast on all or substantially all matters at general meetings.
- The Policy states voting rights limitations, which are based on the number of shares held.
- The Policy outlines limits on the right of shareholders to convene a special or emergency general meeting, or request resolution at the Annual General Meeting (AGM) based on the number or percentage of shares held. Specifically, it shows 5% share ownership is required to request a resolution at the AGM, while 15% is required to call a special or emergency meeting.

A main right of our shareholders is attendance in the Annual General Assembly (AGM) meetings. In 2021, the AGM was conducted with restricted health procedures in our main offices in The Avenues, with 75% attendance.

- AGM Meeting Attendance Rate
 **75%**

- Mabanees Shareholder Ownership Percentages:
Alshaya United Co.: **34.17% ownership**
- National Industries Group holding (Ikraus Petroleum Industries, Al Durra National Real Estate, Noor Financial Investment Co., National Industries Company): **17.81%**

Figure: Share Requirements per Shareholder Right

	Call Special Meeting	Request a resolution at AGM
Percentage of shares required %	15%	5%

Governmental Services in Avenues
Governmental Services
Public Authority for Housing Welfare
Ministry of Social Affairs and Labour (MoSAL)
Ministry of Justice (MoJ), including machines
General Department of Traffic - Ministry of Interior (MOI) driving license kiosk
Kuwait Red Crescent Society (KRCS), including stand and donation machine
Consumer Protection Center
Consumer Protection Department
Ministry for Electricity and Water (MEW), including booth
Public Authority for Manpower
Municipality services
Kuwait Fire Service Directorate / Kuwait Fire Force
Public Authority for Industry, including machine and officers (in process)
Emergency Clinic - Ministry of Health (MoH)
Police - Ministry of Interior (MoI)
Environmental Police – Environment Public Authority (EPA)

2.2.b Customers’ Experience

Fostering customer satisfaction is the cornerstone of our ESG positioning towards sustainable growth. Our customer segments consist of our tenants, those who rent our commercial spaces, as well as visitors who come to our facilities. At Mabanee, we continuously search for innovative ways to keep direct communication with customers as well as enhance existing services.




















New tenants begin their journey with us once they receive approval from our Leasing Department and Leasing Committee. We maintain communication, engagement and support with our tenants, from the start to the end of their tenancy with us.

We offer different services to our customers to ensure their optimal satisfaction and experience. Currently our communication methods with visitors include information desks at our various locations, and interaction by phone, social media platforms, and face to face. As a next step to enhancing customer experience, we are considering implementing “Satisfaction Survey Systems” available through tablets at the information desks.

Because we aim to enhance our visitors’ experience, we have mechanisms in place to record and take actions to address any of their complaints. Across 2021, we have received around 10 to 15 complaints per month, which is an estimated average of 150 complaints annualized. Each of these complaints was transferred to the relevant department within Mabanee. If the complaint is related to an issue that is under the remit of our Visitor Relations Department, such as a complaint related to visitor services, our Guest Service staff will take necessary action to rectify it on the spot or by contacting the concerned individual(s). Part of ensuring our visitors’ experience is our tailored accommodations to special needs individuals, including a special lane for entrances, Signcom tablet for hearing impaired visitors, provision of scooters and wheelchairs, as well as special-needs parking spots.

To sum up the various services that we provide our visitors in an effort to enhance their experiences, the following selected services are listed.

Visitor Services

- 
 - Printing and photocopying service
- 
 - Accessories washing service
- 
 - First aid clinics
- 
 - EZ charger (mobile charging stations)
- 
 - EV charging stations
- 
 - Scooter services
- 
 - Valet services
- 
 - Sign language service
- 
 - Wheelchair services
- 
 - Parking pre-booking service
- 
 - Bank ATMs
- 
 - Free Wi-Fi
- 
 - Car washing service
- 
 - Lost and found
- 
 - Security
- 
 - Test drive service
- 
 - Information desks
- 
 - Lost child room
- 
 - Kids carts
- 
 - Breastfeeding rooms
- 
 - Designated smoking zones
- 
 - Kids trains
- 
 - Baby changing rooms
- 
 - Prayer rooms

2.2.c Procurement Practices

Responsible procurement is integral to our ESG positioning approach. We believe that ESG should ideally be integrated at all levels of our supply chain, through maintaining integrity, transparency, human rights, and environmental responsibility across our various procurement processes. Accordingly, we consistently assess and maintain contact with distributors and contractors to guarantee meeting the highest procurement standards.

Highlighting our efforts to fulfill such ambitious standards are the various procurement practices that we conducted in 2021, which are listed as follows:

- Training procurement employees to obtain the Global Corporate Ethical Procurement and Supply Chain Certification.
- Continuing to follow the regulations by the Public Authority for Manpower.
- Not dealing with vendors with proof of human rights abuse or forced compulsory labor issues and reporting to vendor top management in case of uncertainties.
- Not dealing with vendors with proof of negative environmental impact in the supply chain and reporting to the Environment Public Authority (EPA).
- Requiring, as part of our practice, all suppliers to have anti-corruption policies and programs to verify compliance and providing training on this matter.
- Preferring to deal with ISO certified suppliers .
- Preferring to deal with suppliers who do not have a history of unethical practices, such as life-threatening working conditions, use of internationally banned materials, high carbon footprint, etc.

Our ongoing impact extends to supporting the local economy through local procurement. This year, 90% of our procurement expenditures went to the local market, while only 10% went to the foreign market. This is derived specifically from a contribution of KD 35,132,621 to local suppliers, compared to expenditure of KD 3,966,416 in foreign procurement.

Allocation of Procurement Expenditure



• Local procurement:

90%

• Foreign procurement:

10%

We also engage with suppliers regarding ESG-related risks, and make sure to perform a supplier screening, evaluation, and risk assessment prior to selection. The selection process involves the below listed procedures:

- Relevant legal documents are obtained from the potential suppliers, and background checks and past credentials of the suppliers are assessed.
- Evaluation criteria is used such as pricing and quality, product availability, performance capability, customer service, etc.
- The public/private (listed/non-listed) status, ownership and management of the supplier are assessed with regard to governance risk.
- The supplier's reputation in the local and/or international market, and their ethical and environmental standards are assessed regarding Environmental and Social Risks.
- At least three quotations are obtained during the selection process.



3. SOCIAL (S)

“The most valuable asset of a 20th century company was its production equipment. The most valuable asset of a 21st century institution, whether business or non-business, will be its knowledge workers and their productivity.”

Our company is built upon our social assets, from community members to employees, and in recognition and appreciation of their vital role in driving our success, we position the social aspect of ESG as part of our strategic goals through leading community initiatives and taking the right actions that keep our employees engaged, motivated, satisfied and productive.

We know that investing in our people will form the cornerstone of the success of our business. That is why we have committed ourselves to continuously care for our employees, through addressing their utmost concerns, attracting and nurturing talent, bolstering diversity and inclusion, and creating a safe workplace where employees feel comfortable, satisfied and willing to put their dedication and best efforts.

In line with this year’s theme, ESG positioning towards sustainable growth, we present in this chapter the recent developments by Mabaneer with regards to considering ESG in human capital investment and social impact.

3.1 HUMAN CAPITAL

3.1.a Talent Attraction

Hiring new talent and younger generations empowers companies in terms of creativity and innovation. We are proud to have an outstanding company track record regarding talent attraction. We seek to maintain such record by continuing to provide internships for university students and attending job fairs. The year 2021 witnessed almost a sixfold increase in the number of students offered internships compared to 2020—going from five interns in 2020, to a total of 33 students in 2021 enrolled in our four internship programs. During the internship program, they worked at Mabanee for a certain period of time, and were exposed to business case studies and projects, allowing them to gain experience relevant to their fields of study.

Internships



To ensure continuous improvement in talent attraction and retention, Mabanee places particular emphasis on strategic talent pipeline development through our annual manpower plan, which is created through close coordination among all department managers. The manpower plan forecasts hiring needs and new pools of talent among other crucial factors. More details on employee numbers are given in the table below. Although we had a significant increase in our interns, our overall number of employees slightly decreased. Specifically, the decrease of overall workforce, including both interns and full-time employees, was 6.8% from 2020 to 2021.

Figure: Total Number of Employees by Year and Employment Type

		Year	
		2021	2020
Employment type	Part time	0	0
	Full time	255	305
	Internship	33	5
	Total	288	310

Employee Retention

In terms of employee retention, the year 2021 was an exceptional case. Since many international employees had to return to their home countries, we were forced to adapt to a new situation, and have undergone a major company restructuring, which led to a turnover rate of 26% as displayed below. Compared to the previous year, the turnover rate had increased going from 6% in 2019 to 10.57% in 2020 to 26% in 2021. Though turnover shows 73 employees left, there were 23 new employees hired in 2021, which is also displayed.

Figure: Total Number of Employees by Year and Employment Type

Year	2021
Number of new hires employees	23
Number of turnover employees	73
Turnover rate	%26

In terms of employee compensation and remuneration, we recorded a total of KD 4,918,596 invested. This includes basic salary, deductions, social security charge, leave charge, etc., as well as amounts paid to staff and BoD as additional incentives.

In addition to the compensation and remuneration, we provide our employees with employee health insurance, and employee retirement and indemnity—all of which are within their rights and in compliance with the labor laws and regulations.

Managing Performance and Succession Planning

A high-performance culture at Mabanee is sustained through our yearly performance appraisals that monitor progress, recognize employee achievements, and support the continuous improvement of Mabanee’s employees. In addition to this, we provide regular career development reviews.

We have a comprehensive succession planning approach where each successor is chosen according to his/her evaluated competencies, KPI achievements and predetermined target results. Recommendations are also provided by successors and top management that support the succession planning process.

3.1.b Workplace Diversity

Nurturing Diversity

A diverse workplace is always more resilient, strong, vibrant and prosperous. For this reason, we ensure a workplace atmosphere where differences are embraced rather than rejected. Since our customer segments belong to different backgrounds and nationalities, diversity is always encouraged at Mabanee, be it in terms of gender, age, nationality, or ability, among others.

Our code of conduct safeguards our workplace diversity through promoting a culture of mutual respect for different opinions and encouraging the attraction of competent individuals with various professional skills while ensuring fairness and equal opportunities among individuals and leaving no space for discrimination or biases. As stated in our Code of Conduct, “The Company believes that respect is the natural right of all individuals, and that the Company’s employees are the source of value. Employees represent assets of creativity, determination and dedication that are vital to achieve progress of the Company. They shall be encouraged and appreciated for their diverse opinions, abilities and talents.”

If incidents of discrimination, bullying or harassment take place, employees are urged to raise their concerns and questions to Mabanee’s management, who will in turn perform an unbiased formal investigation to determine the right action to take. As a mitigation endeavor, we provide ethical advice through training courses, such as in our “Mabanee Responsible Leader” course.

Overall, we can say that Mabanee is free from any controversies related to human capital management and development.

Gender Diversity

Gender diversity is well promoted at Mabanee through articulating our policies with a gender focus. For example, our Corporate Social Responsibility (CSR) promotes programs that ensure gender equality in the work environment. We provide a work environment where women and men are treated equally through our equal pay policy. Our ambition of supporting women goes well beyond hiring them, additionally building their skills and supporting their career development in order to raise the numbers of women in managerial and science, technology, engineering, and mathematics (STEM) related positions. The following tables show a gender-based segregation of employee numbers. Note that the analysis has been reported out of Mabanee’s total 255 full-time employees as of 2021.

Looking at 2021 gender diversity, the current allocation is between 80% male and 20% female.

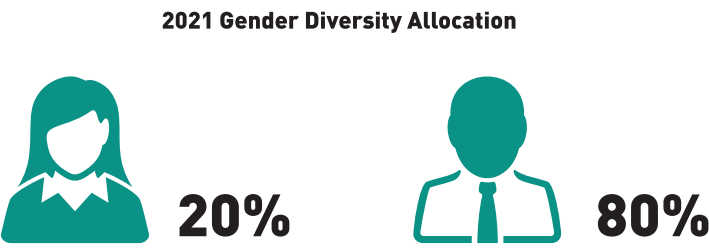


Figure: Gender Diversity per Year and Gender

		Year				Percent Change
		2021	2021	2020	2020	
		Numbers	Percentages	Numbers	Percentages	
Gender type	Men	205	80%	240	79%	%15 ↘
	Women	50	20%	65	21%	%23 ↘
	Total	255	-	305	-	%16 ↘

Looking at the STEM implications, we had identified 59 positions in Mabaneer that are related to science, technology, engineering, and mathematics. Out these positions, we report that 83% are staffed by male employees, while 17% are staffed by female employees. This is relatively reflective of our overall workforce gender allocations. More details are shown below.

Figure: Number of Employees in STEM Positions per Gender

		Year	Percentage of STEM Positions 2021
		2021 Numbers	
Gender type	Men	49	83%
	Women	10	17%
	Total STEM positions	59	100%
	Total Non-STEM positions	196	-
	Total Full-Time Employees	255	-

Finally, it is important to report on the women in managerial positions in Mabaneer, as this ensures that gender representation is displayed across levels of authority. Currently, the percentage of women in managerial positions is 17.6%, while that of men is 82.4%. Further details given below show the breakdown per gender, and we further note that this relatively reflects our overall workforce gender allocation.



Figure: Gender Diversity in Managerial Positions

		Year	
		Numbers 2021	Percentages 2021
Manager and above	Men	14	82.4%
	Women	3	17.6%
	Total	17	%100

Age Diversity

Young talent will aid in creating a young-spirited culture, bringing more innovation and success to our Company. For this reason, qualified and motivated young talent is fostered in Mabaneer, through hiring and empowering fresh graduates. For example, out of 23 new hires in 2021, there were 9 fresh graduate hires. However, when compared to the previous year, this shows an 18% decrease from 11 fresh graduates in 2020 to nine fresh graduates in 2021.



As can be seen in the table below, more than three-quarters of our employees are below 50 years of age. This highlights our efforts in keeping a balance between hiring young talent and senior experts at Mabaneer. When compared to the previous year, we see to an overall decrease in the workforce from 305 to 255 employees; however, this decrease came only from the Under 30 and 30-50 age groups (with the largest decrease in the latter). Meanwhile, the Over 50 age group has seen an increase in the number of employees.

Figure: Number of Employees Per Age Group

		Year		Difference
		2021	2020	
Age Group	Under 30	46	55	9 ↘
	30-50	159	207	48 ↘
	Over 50	50	43	7 ↗
	Total	255	305	50 ↘

Kuwaitization

Mabaneer remains committed to local employment with a Kuwaitization rate of 25%, which is above the Public Authority for Manpower’s required rate of 20%, as shown in the following table. As of 2021, we have 64 Kuwaiti national employees. Compared to the previous year, while there was an overall 16% decrease in the workforce, there was only a 4% decrease in the number of Kuwaiti nationals in the workforce. In terms of the Kuwaitization rate itself, there was an increase from the previous year, growing from 22% in 2020 to 25% in 2021.



Figure: Number of Employees per Nationality per Year

Nationality		Numbers 2021	Percentages 2021	Numbers 2020	Percentages 2020
	Kuwaiti	64	25%	67	22%
	Non-Kuwaiti	191	75%	238	78%
	Total	255	-	305	-

Additionally, managerial positions are filled by a majority of Kuwaiti nationals, with a staggering percentage of 70.5%.



Special Needs

Since our establishment, we have aimed to provide an atmosphere that suits employees of different physical abilities. Currently we have one employee with special needs at Mabanee, to whom we provide with all needed support, accommodations, and required infrastructure requirements.



Maintaining Human Rights and Equality

Promoting diversity means that equality must be ensured throughout our operations as well. One evident means of ensuring equality among employees is the fact that they are all offered with employment contracts that exhibit and ensure equal benefits.

Moreover, our code of conduct covers all employees regardless of their locations by strictly stating that “The Company believes that respect and appreciation of dignity, rights, and aspirations of all employees are key fundamentals at work. This policy covers all employees of the Company and all those who work in subsidiaries of the Company in various locations throughout the world. All suppliers and contractors working with the Company are required to comply with this Code.”

3.1.c Training and Development

We firmly believe that investing in employee skills and knowledge is a key factor for our growth and prosperity. We aim for continuous improvement and capacity building for our employees through the various training courses that support their ongoing learning experience. Such courses form a fertile ground for cultivating employees’ knowledge, dedication and effectiveness, as well as improving their well-being.

During 2021 we provided total training hours of 3,301 to various employees across our departments. Our training hours this year witnessed a big increase from the previous year’s training hours of 920 hours. Furthermore, the number of training courses increased from 11 training courses in 2020 to 17 training courses in 2021, which is a 35% increase. Some courses were provided online due to hindrances linked to the COVID-19 situation, while others were face-to-face. Across the trainings provided, Mabanee invested a total of KD 25,816 into training employees.

Training Highlights



Our courses covered topics ranging from ESG to IT, management, HR, and Finance. In partnership with the American University of Kuwait (AUK), we offered the course “Mabanee Responsible Leader,” which is a leadership development training course provided to new joiners as part of their induction and orientation. The table below provides more details on each of our training courses.

List of Employee Training

Training course	Hours	of participants #	Training Hours	Department
Anti-Money Laundering course	32	1	32	Governance and Compliance
Chief Financial Officer	54	1	54	Finance
Big 5 2021	16	4	64	Different departments
Craft of Magazine Writing	24	1	24	Communication
Ethical Procurement and Supply 2021	6	4	24	Procurement
Finance Matters	15	2	30	Finance
HR Strategy in Transforming Organisations	32	1	32	Human Resources
Integrating ESG/Sustainability into IR	4	1	4	Executive
Internal Auditor course	18	15	270	Facilities, and Tenant Relations
International Advanced Certificate in Regulatory Compliance	14	1	14	Governance and Compliance
Mabanee Responsible Leader	22	12	264	Different departments
Oracle	35	11	385	Human Resources
Yardi	30.4	61	1,854	Facilities, Tenant Relations, and Finance
PMP-RMP course	24	4	96	Projects and Facilities
Professional in Human Resources International Certification	72	1	72	Human Resources
GCE Strategic Procurement Master course	40	2	80	Procurement
Webinar on setting the 2021 Audit Committee	1	2	2	Executive
Total			3,301	

3.1.d Employee Engagement

Another important factor for employee satisfaction is their engagement and their knowledge of how important their opinions are to Mabanee’s management. We constantly seek to maintain a work environment where employee’s contributions are encouraged and recognized. Our policies and code of conduct further affirm this value through providing several channels for feedback and complaints, and through promoting programs for lifelong learning and skill development. Employees are also allowed to seek advice of the Audit Committee in case of any emerging problems as well as provide feedback on the code of conduct itself. Methods of receiving employee feedback include complaint and suggestion boxes, which are available at Mabane’s offices and headquarters. There are also various forms for reporting, suggestions and queries available via the Company’s internal intranet website. In addition, employees

can e-mail certain personnel, such as Head of Compliance, Risk or Legal, with suggestions, inquiries and information.

Our employees’ opinions matter to us not only in terms of maintaining our company image, but also for monitoring and improving our internal procedures and performance. Thus, we monitor employee engagement through conducting employee satisfaction surveys on an annual basis. Such surveys form the basis for enhancing employee engagement levels within Mabanee. In 2021 we received zero complaints from employees.

• Number of employee complaints:



We consider it to be crucial to keep our employees continuously informed on all company updates and operational changes. In relation to this, we comply with minimum notice periods prior to changes according to the requirements of each individual case.

We constantly seek to offer our employees an excellent work environment through our bonuses, awards and comfortable working atmosphere. Our employee benefits include a yearly bonus, Alshaya Privilege Cards, and employee discounts. Additionally, we held several employee events during 2021, as listed below.

Figure: Mabanee's Employee Events in 2021

• January 14 th "Grab & Go" Event (Toby's & Khaneen)	• Mid-April Gergeaan
• February (All) National Day Portal Contest (Weekly draws of 20/40 KWD).	• September 26 th The Avenues Insider launch treat
• March 8 th International Women's Day (Sunflower Seeds)	• June 20 th Father's Day (BBW 3in1 Board of Directors Gel)
• March 21 st Mother's Day (Tulip Flowers)	• November 11 th World Kindness Day (Chocolate Bar cookies)

3.2 SOCIAL CONTRIBUTION AND IMPACT

3.2.a Social Responsibility and Awareness

Having long recognized the value of social responsibility reflected through our company value of "Customer and Community Focused," we remain steadfast in responding to community needs. We understand that our investments do not exist in isolation from society, and that connecting with our local communities delivers better outcomes for us all. With this in mind, our community support for 2021 has taken many forms, ranging from health, education, environment, career development, arts, and culture to supporting children with disabilities.

Our goal of leaving a positive legacy is embedded in our company Corporate Social Responsibility (CSR) Policy, adopted in line with the Corporate Governance Rules issued by the Capital Markets Authority. Under the Marketing and Public Relations Department mandates, the Policy guides our CSR operations and tackles the main areas of education, poverty and sustainability issues.

As part of our CSR activities, our efforts in supporting community health were manifested through major events including The Avenues campaign to encourage vaccination against COVID-19, and an awareness campaign aimed at promoting the early screening of common cancer types present in the Kuwaiti society, which was organized by medical students from Kuwait University. This was along with the Avenues Breast Cancer Awareness Campaign to encourage women to undergo examinations for the prevention and early detection of breast cancer in cooperation with the Cancer Awareness Nation (CAN).

We further extended cultural support through an exhibition featuring paintings by numerous artists on the anniversary of the Iraqi invasion of Kuwait. As well as through the "Made in Kuwait" exhibition, where young artists displayed their art and paintings, educational support was also provided through several campaigns, the largest of which was the "Donate to Educate" Charity Campaign to collect donations for a charitable educational project for less advantaged children.

Overall, Mabanee contributed a total of KD 193,014 in community initiatives and events across 2021. This contribution was in support of 37 initiatives and events.

Community Initiatives and Events – Summary



Community Initiatives, Campaigns and Events	Related Partnering Organization
Installing 2 screens to display the campaign's goals of Al-Salam Association for Humanitarian and Charitable Activities, specifically the Nawwaf Alkhair Trucks Campaign	Al-Salam Association for Humanitarian and Charitable Activities
Social media post for International Women's Day	The Avenues - Mabanee
Installing a screen to display the association campaign's goals of Takhayyal 3 Campaign, by the Al-Najat Charity Society	Al-Najat Charity Society
Displaying the 10 winners' pictures for the Kuwait Award for Excellence and Youth Creativity on The Avenues screens	Minister of Youth Affairs Office
Social media post for World Autism Awareness Day	The Avenues - Mabanee
Supporting Kuwait Airways' Vaccine Awareness Campaign with displays on The Avenues digital screens	Kuwait Airways
Ramadan 2021 – Supporting the United Nations High Commissioner for Refugees' collaboration with the Tanmeia Foundation to support the Rohingya refugees in Bangladesh and to donate	United Nations High Commissioner for Refugees – Kuwait
Running The Avenues employees' vaccination campaign in The Avenues	The Avenues - Mabanee
Installing two donation machines for Palestine Relief campaign	22 Kuwait Red Crescent Society (KRSC)
Running The Avenues campaign to encourage vaccination against COVID-19	The Avenues - Mabanee
Supporting "World Refugee Day" - to celebrate refugees and highlight their plight in fleeing conflict and persecution worldwide	United Nations High Commissioner for Refugees – Kuwait
Supporting the "World Day Against Trafficking in Persons" campaign and raising awareness of the issue	IOM UN Migration Agency in Kuwait
Supporting a mural dedicated to the 1,303 Kuwaiti martyrs, marking the anniversary of the Iraqi invasion of Kuwait	Martyr's Bureau

Community Initiatives, Campaigns and Events	Related Partnering Organization
Supporting an exhibition featuring paintings by numerous artists on the anniversary of the Iraqi invasion of Kuwait	Union of Kuwait Artists
Supporting an event to educate youth to join the ranks of the Kuwaiti army	Ministry of Defense
Supporting World Patient Safety Day	Ministry of Health
Supporting an event to encourage the students on the occasion of "Back to School"	Ministry of Education
Supporting an event to prepare children for schools through several activities	Tamkeen Kuwaiti Family Society
Supporting the Public Authority of Sports' awareness campaign for schools by displaying it on the screens	Public Authority of Sport
Supporting the Ministry of Health's awareness campaign for schools by displaying it on the screens	Ministry of Health
Supporting the Ministry of Interior's awareness campaign for schools by displaying it on the screens	Ministry of Interior
Supporting the "Donate to Educate" Charity Campaign to collect donations for a charitable educational project for the less fortunate families' children	The Avenues and Red Crescent
Supporting the "Made in Kuwait" exhibition to support young artists to display their art and paintings.	Kuwait Caricature Association
Supporting the World Osteoporosis Day 2021 exhibition to raise awareness of the disease and how to treat and prevent it	Kuwait Osteoporosis Society
Supporting a Breast Cancer Awareness Art Display	Teeplus
Running The Avenues Breast Cancer Awareness Campaign to encourage women to undergo examinations for the prevention and early detection of breast cancer in cooperation with the Cancer Awareness Nation (CAN).	The Avenues and Cancer Awareness Nation (CAN)
Celebrating the United Nations Day where UN agencies were shedding light on innovative youth initiatives in preserving the unique biodiversity and beautiful environment in Kuwait	United Nations High Commissioner for Refugees – Kuwait
Supporting an awareness campaign aimed at promoting awareness of early screening for some types of common cancers in Kuwaiti society. This campaign was organized by medical students from Kuwait University	Faculty of Medicine, Kuwait University- KuMSA Hospital
Supporting a breast cancer awareness booth	Kuwait Red Crescent Society (KRCS)
Contributing to the announcement of the 4th virtual career and study opportunities exhibition at the Public Authority for Applied Education and Training to educate graduate students and expected graduates with the requirements of the labor market from job opportunities available in the public and private sectors	The Public Authority for Applied Education and Training
Supporting an awareness campaign to raise environmental awareness in Kuwait	Environment Public Authority (EPA)
Supporting the International Day of Persons with Disabilities, The Avenues organized an "I'm Gifted" exhibition, where a group of people with disabilities presented their incredible artwork and handicraft	The Avenues and the Public Authority of The Disabled
Supporting an exhibition that reflects the history of the State of Kuwait with the Emirates as part of the Embassy of the United Arab Emirates (UAE)'s celebration of the 50th National Day of the UAE	The Embassy of the United Arab Emirates (UAE)
On the occasion of the International Competition Day, supporting an awareness booth to deliver the Competition Protection Authority's message while educating the public Companies about the new Competition Law No. 72 of 2020	Competition Protection Agency





3.2.b Social Engagement Tools

Staying up to date with local and global events is crucial to our resilience. That is why we keep track of community progress and communicate with the public through several platforms. These platforms include those listed as follows:

Figure: Mabanee's Selected Social Engagement Tools



- Mabanee Instagram
- The Avenues Instagram
- Mabanee Bahrain Instagram



- Mabanee LinkedIn



- Mabanee website
- The Avenues website
- The Avenues Insider (online blog)



- The Avenues app



- The Avenues call center
- Mabanee call center

Specifically looking at The Avenues Insider, we have transformed the printed The Avenues magazine into an online magazine/blog that utilizes digital tools, supports tenants and encourages people to read online, which is a more sustainable and creative way to reach our wider audience.

We consider the continuous rise in the numbers of followers on our social media accounts to be a significant indicator of the quality of our community communication. This year our total followers on all social media accounts has exceeded 1 million, whereas our Avenues App users have totaled 47,272 users.

Our social media accounts have thrived this year, with a number of campaigns including:

- Breast Cancer Awareness Campaign: A campaign to raise the public's awareness of breast cancer and to help people recognize the early signs and symptoms of cancer, thus enabling them to seek treatment at an early stage.
- The Avenues Live Campaign: An engaging social media campaign which was held in the Avenues and broadcasted through social media channels.
- "Donate to Educate": Our main goal is to make education within the reach of everyone in Kuwait by encouraging people to donate either online or through an in-mall booth.
- The Avenues Sky: A winter event which was held in the outdoor area of The Avenues with participation of the interested tenants, and this was communicated through social media.
- The Avenues Shopping Marathon: In parallel with the Black Friday event, a social media campaign was launched in cooperation with the tenants to announce the yearly offers and promotions.
- The Avenues Insider: A blog which serves to support tenants, show a newer side to The Avenues, and as a tool to get closer to visitors.

3.3 HEALTH, SAFETY AND SECURITY

As the world has started to recover from the COVID-19 crisis, we have anticipated change in our operations and have evolved our health, safety and wellbeing targets accordingly. 2021 was a year of exponential change in terms of ESG, especially with regards to the social factor which includes health, safety and wellbeing. As a real estate company operating in construction projects, safety forms an integral part of our everyday concerns. In the following section we will go through the various procedures taken to ensure the least harm possible for employees, whether in construction sites or at any other company premises.

3.3.a Adapting to a Post - COVID-19 World

Mabanee approached 2021 knowing that just as the world has permanently changed post COVID-19, so too should our operations adapt. Indeed, we ensured a smooth transition back to work through supporting government vaccination guidelines and encouraging our employees to register for COVID-19 vaccination. We also abided by all necessary safety measures related to providing a safe and healthy workplace that prevents virus transmission cases and established a work-from-home policy to ensure business continuity for non-vaccinated employees.

3.3.b Occupational Health and Safety

Occupational health and safety is a predominantly important aspect for an organization as large as Mabanee. Our code of conduct emphasizes this by stating that Mabanee “guarantees to provide a safe working environment for their employees and society free from any causes of accidents, injuries, diseases, and factors that may lead to damage to human beings in terms of health or public safety.”

Recently, in July 2021, we underpinned our health and safety procedures with the establishment of a Health and Safety Committee for the year 2022. The Health and Safety Committee is headed by the Chief Operating Officer (COO) and consists of a Safety Engineer and a Health and Safety Specialist. The main role of the Committee is to assess health and safety throughout Mabanee’s operations and identify potential risks. We are also in the process of developing a health and safety strategy which will be addressed in January 2022 during the first meeting of the Health and Safety committee.

Furthermore, as part of the department’s mandate, a well-structured Health and Safety Policy was established, fully implemented and circulated across the Company’s departments. The Health and Safety Policy was embedded into our Company’s strategy, indicating that Mabanee considers the overall health and safety of all relevant parties and stakeholders as one of its main priorities.

Moreover, our Health and Safety Department performs annual fire drill evacuation tests that ensure the preparedness of employees and customers in case of fire incidents. Such drills also aid the Health and Safety Department in foreseeing and identifying any gaps in the fire drill in order to avoid them during actual fire incidents. However, drills were suspended during 2021 due to the COVID-19 pandemic, in compliance with the regulations provided by the Ministry of Health and the Ministry of Interior.

Another recent milestone was achieved through attaining an ISO 45001:2018 certification for our Health and Safety Department. Aiming for more certifications, our Health and Safety Department is working on several indicators that are considered as certification requirements, namely: incident reporting and investigation, near misses, non-conformities raised, emergency preparedness and response, number of storages inspected, health and safety training conducted.



In addition, in the context of encouraging the receipt of the COVID-19 vaccine, and based on social responsibility, The Avenues administration installed a field center to vaccinate all employees in The Avenues. This campaign was in support of the Ministry of Health’s efforts to enhance community immunity in confronting the Corona pandemic. The main aim was to maintain the health and safety of The Avenues’ employees and to provide a safe and sound work environment for all. The Ministry of Health (MoH) also supplied 9,500 doses of vaccine to The Avenues and provided a large number of trained medical personnel to give the vaccine, answer inquiries and offer medical follow-up after obtaining the vaccination.

3.3.c Security Management

Another crucial aspect we place particular emphasis on is security management, as it is necessary for keeping our valued stakeholders comfortable and at ease within our premises. In this regard, we are well equipped in case of emergencies, through our trained security management and health and safety teams as well as through having 12 clear pathways for evacuation areas in The Avenues.

Our security procedures are further reinforced through our cooperation with several governmental entities. For example, The Avenues is monitored and protected by the Ministry of Interior. We also coordinate with the Ministry of Defense through our evacuation plan and communicate with the Ministry of Health in case of any health situation. Additionally, the Citizen Service Center and the Ministry of Justice are present in The Avenues.

At The Avenues there are five police points, and smoking is prohibited except in certain smoking cabinets. In case of violations, the environmental police will take the right action. The Avenue is also well-equipped in cases of health emergencies through its two First Aid Clinics, and the control room communicates with an ambulance whenever necessary.

New Technology and Systems for Security Management Applied in 2021

- Milestone Systems VMS,
- Automatic Number-Plate Recognition (ANPR) plate number capturing
- NEC Corporation Neoface Watch Video Analytics

Health and Safety Incidents

During 2021, zero occupational injuries were recorded. As of June 2021, all health and safety incidents at The Avenues premises have started to be monitored and registered through the Yardi system. The majority of the incidents recorded were considered as minor incidents.

Occupational Injuries





4. ENVIRONMENT (E)

Since 2021 represents the year in which we position for sustainable growth and escalate our ESG performance by taking it a step further by all means, including “E” Environment, we are proud to have adopted new strategies, targets and certifications, all in alignment with global best environmental practices in our field. We aim to continue this advancement and aspire for further enhancement in this area to maintain our value as a “Responsible Business.”

At Mabanee, we are fully aware of the global environmental situation, and the influence of the real estate sector on it; thus, we seek to be one of the global investment companies that offer solutions to environmental problems rather than fuel them. Our benchmarking efforts, ongoing assessment of property performance, and implementation of energy and water efficiency and waste reduction strategies all contribute to our environmental goals of reducing energy and water consumption, landfill waste, and greenhouse gas (GHG) emissions. They further contribute to our goals of improving air quality and cost reduction targets.

4.1 ENVIRONMENTAL MEASURES AND IMPACT

4.1.a Energy Consumption

Being a real-estate investor with large energy intensive projects makes it crucial to have energy reduction in construction operations and buildings as one of our ongoing commitments. This year we have reached a ground-breaking achievement through obtaining the Facilities Management Standard (ISO 41001:2018). Our efforts toward achieving such commitments and meeting global green building standards have been extended further with our seeking to obtain the LEED certification and the “Environmental Management System” certification of ISO 14001.

Kuwait ranks 5th in the world in terms of per capita electricity consumption, while the residential sector accounts for 64% of the country’s total electricity consumption, mostly due to air conditioning demand in order to adapt to high temperatures. Such large figures drive our ambition to be part of global climate change commitments and contribute to global GHG reductions and carbon neutrality, through our energy reduction initiatives in Kuwait and the region.

Accordingly, we started on a new initiative regarding energy savings in water consumption through the Reverse Osmosis (RO) System Plan and started to track our carbon footprint resulting from waste, energy and water consumption through Energy Star Software. In addition, we enhanced our Building Management System (BMS).

New KPIs have been set to monitor our energy efficiency including measuring:

- Total annual energy costs (in KD)
- Total site energy consumption
- Site behavioral changes in demand
- Carbon emissions savings (in MT CO2)
- Energy efficiency (KWh/TRH)
- Water management efficiency (Ukg/TRH)
- Reverse Osmosis water utilization (For HVAC Make Up Water Only)

Mabaneer embraces digitization and automation efforts and initiatives, including various systems, software, and applications used throughout activities, and daily workflow. This comes with several outcomes, including resource efficiencies and environmental outcomes from the savings. In 2021, Mabaneer invested a total of KD 388,129 into digitization and automation technologies.


One of our ongoing initiatives is the Light-Emitting Diode (LED) conversion initiative (2017-2023), which involves installing LED lighting systems and British Thermal Units (BTU) meters. We are proud to have reached 85% of this target.

In the year under review, we have consumed a total amount of 280,763,600 kWh of grid electricity, at an intensity of an average of 23,397 kWh per occupant, The number of occupants in the Avenues as a total of 12,000 in 2021, This does not include the number of visitors the Avenues welcomes daily. In terms of expense, this amounted to KD 2,820,455 in grid electricity consumption for the year 2021. When comparing this to the previous year’s figures, we have seen a 12% increase in grid electricity consumption, The increase occurred due to two apparent reasons: the COVID-19 Pandemic, which impacted the number of visitors from 2020 to 2021, and an increase in the occupancy in The Avenues.

Figure: Electricity Consumption and Intensity

Type	Amount 2021	Amount 2020	Percent Change
Grid electricity per year (kWh)	280,763,600	250,832,680	12%

• Achievement



85%

of our LED (2017 – 2023) conversion target

• Facilities Management Standard

(ISO 41001:2018)

achievement

• Environmental Management System certification of

ISO 14001

• Building Management System

(BMS)

achievement

4.1.b Greenhouse Gas (GHG) Emissions

Having ESG as the basis of our strategy drives us to periodically measure our emissions in order to mitigate them. That’s why, for four years now, we have been communicating our GHG emissions with absolute transparency and accuracy to keep our stakeholders informed about our environmental performance and to help us identify where we emit the highest amount of GHG and ultimately take the right actions towards emission reduction. We show below our major calculations and analysis in this matter.

Scope I Emissions

Scope I emissions are an important indicator of the direct GHG emissions, which are direct emissions from sources that are owned and controlled by the reporting organization. For us, these are resulting from internal operations within Mabaneer, which mainly arise from fuel combustion by standby generators and from fuel used by cars owned by Mabaneer.

During 2021, there was an overall decrease of 61% of total Scope I GHG emissions, going from 137 MTCO2e in 2020 to 53.1 MTCO2e in 2021. This decrease is a very positive achievement for us.

However, looking at the breakdown of the Scope I emissions, we have recorded 40.5 MTCO2e from our generators, and 12.6 MTCO2e from our owned cars. When compared to the previous year, we see that our generators’ emissions have increased by 17%, while emissions from our owned cars have decreased by 88%. Therefore, our overall decrease in Scope I emissions was mainly attributable to decrease in owned cars’ emissions.

The tables below display further details related to key Scope I figures, broken down per year and per source.

Figure: Scope I Emissions per Source, per Year

Scope I Area	2021 CO2 Emissions (MT CO2e)	2020 CO2 Emissions (MT CO2e)	Percent Change (%)
Generators	40.5	35	17%
Owned cars	12.6	102	-88%
Total Scope I	53.1	137	-61%

Such major decrease in Scope I emissions accounts for a very high Sustainable Return on Investment (SROI) level as well, showing that KD 3.85 sustainability value has been created for every KD 1 invested—being marked as “Very High” level of impact, deriving from GHG savings.

Figure: SROI of Decrease in Scope I Emissions

SROI Topic	Impact Level	Interpretation	Value Outcomes
Decrease in Scope I (owned car fuel)	Very High	KD 3.85 sustainability value created for every 1 KD invested.	*GHG Savings

Scope II Emissions

As for our indirect Scope II emissions, these are indirect emissions from sources that include purchasing grid electricity. In 2021, we have consumed 280,763,600 kWh in grid electricity, which emitted a total of 178,935 MTCO2e of GHG emissions. Compared to the previous year, there is a 12% increase in Scope II emissions. Furthermore, when assessed in intensity of average Scope II emissions per occupant, which resulted of 14.9 (MTCO2e /occupant) for total of 12,000 occupants. More information on Scope II emissions is given in the following table.

Figure: Scope II Emissions per Year

Scope II	2021 CO2 Emissions (MT CO2e)	2020 CO2 Emissions (MT CO2e)	Percent Change (%)
Scope II – (MTCO2e)	178,935	159,860	12%

Scope III Emissions

The last part of GHG emissions is Scope III, which are emissions from sources that are not owned or controlled by the reporting organizations. For the reporting year, our indirect emissions were mainly from business air travel and rented cars. Emissions in both of these categories decreased dramatically during 2021, seeing a decrease of 47% from 45 MT CO2e in 2020 to 24 MT CO2e in 2021. However, looking at the breakdown per Scope III source, we see that there was a 13% increase of emissions from rented cars, and a 62% decrease in emissions from air travel. Therefore, the overall decrease in Scope III emissions was attributable to the decrease in air travel trips.

Further details of Scope III with their breakdown per source and year are depicted in the following table.

Figure: Scope III Emissions per Year and Source

Source of Scope III GHG Emissions	2021 CO2 Emissions (MT CO2e)	2020 CO2 Emissions (MT CO2e)	Percent Change (%)
Rented cars	9	8	13%
Air travel	14	37	-62%
Total	24	45	-47%

Emissions from air travel decreased significantly, accounting for “Very High” Sustainable Return on Investment (SROI) level, showing around KD 5.15 sustainability value created for every KD 1 invested. This has resulted from the associated GHG emissions savings of Scope III from air travel.

Figure: SROI of Scope III Reduction (Air Travel)

SROI Topic	Impact Level	Interpretation	Value Outcomes
Decrease in Scope III (air travel)	Very High	KD 5.15 sustainability value created for every KD 1 invested.	*GHG Savings

Total Scope Emissions

Having calculated and reported on our GHG emissions in terms of Scope I, II, and III, the final step is to look at the total aggregate results. Accordingly, in 2021, we recorded a total of 179,012 GHG emissions emitted. This is a 12% increase from the previous year. Looking at the breakdown per scope, we see that this change is attribute to a decrease in Scope I, increase in Scope II, and a decrease in Scope III. Therefore, while the majority of emission types have decreased, there was a large increase in Scope II in terms of absolute value, leading to an overall increase in our 2021 GHG emissions.

Figure: Total GHG Emissions per Year per Scope

GHG Emissions Scope	2021 CO2 Emissions (MT CO2e)	2020 CO2 Emissions (MT CO2e)	Percent Change (%)
Scope I	53	137	-61%
Scope II	178,935	159,860	12%
Scope III	24	45	-47%
Total	179,012	160,042	12%

4.1.c Waste Management and Recycling

Our waste management operations represent our biggest opportunity to contribute to a circular economy and reduce emissions resulting from solid waste disposal as they form 64% of total methane emissions in Kuwait . Thus, as part of our ESG-oriented strategy and positioning, we are committed to disposing our waste responsibly in line with our efforts to maintain natural resources, reduce landfill waste, and ultimately reduce GHG emissions.

At Mabanee our recycling process includes both construction and operational waste, as we recycle scrap material (metal, aluminum, tin), oil, cartons, and wooden pallets. With our waste collection process, we aim to meet global standards. In this regard, we have attained the Quality Management Standard (ISO 9001:2015) for waste and energy and we are in the process of obtaining the Environmental Management System Standard (ISO 14001:2018).

Accordingly, in 2021, Mabanee invested a total of KD 46,762 in waste recycling, reuse, and reduction.

Investment into Waste Recycling, Reuse, and Reduction

 **46,762 KD**

Knowing that Kuwait has one of the highest per capita rates of municipal solid waste (MSW) generation in the world (1.32kg/capita/day), we aspire to be leading changemakers in this area. Thus, much of our waste is recycled. In 2021, we managed to divert 7% of our waste produced from landfill. The 7% has been calculated from the total waste segregated out of the total waste produced, as shown as follows:

Waste Segregation



Meanwhile 25% more waste was recycled this year as compared to 2020. Such increase in waste recycled is largely due to the increase in oil produced from restaurants post their closure during COVID-19. This data is illustrated as follows, showing the average amount of waste produced per month, as well as certain highlights of our waste management practices, including waste diversion and waste recycling percentages.

Average Waste Production per Month in kg



Highlights of Waste Management



Additionally, we analyze our waste management practices in terms of the GHG emissions, in continuation of last year’s practices. Accordingly, the following records our kg amount of waste recycling. In total, we have recycled 1,282,540 kg of waste in terms of oil drums, wooden pallets, and cartons. This has incurred a total of 799 MT CO2e in GHG emissions savings in 2021. When compared to the previous year’s saving of 641 MT CO2e, there was a positive change with a 25% increase. More details are displayed as follows with the breakdown per recycling type and per year.

Figure: Waste Recycling GHG Emissions Savings per Year and per Type

Waste Type Recycled	Amount (kg)	2021: GHG Emissions Saved (MT CO2e)	2020: GHG Emissions Saved (MT CO2e)	Change (%) (2020 - 2021)
Oil drums	198,000	151	4	3357%
Wooden pallets	177,310	31	19	60%
Cartons	907,230	617	617	0%
Total	1,282,540	799	641	25%

Notably, our GHG emissions savings from our waste management practices—specifically those related to cartons, drum oils, and wooden pallets—have led to a “Very High” Sustainable Return on Investment (SROI) level of 3.73 sustainability value created for every KD 1 invested.

SROI Topic	Impact Level	Interpretation	Value Outcomes
Waste management (cartons, drum oils, wooden pallets)	Very High	KD 3.73 sustainability value created for every KD	*GHG Savings

Since 2017 the Company started using Oracle Property Management and Oracle Leasing to handle all transactions related to property management and leasing of The Avenues.

Towards the end of 2020, the decision was taken to move to a more industry-focused, advanced, and cloud-based solution which will provide more flexibility to the business especially while expanding in the region and adding more properties to the portfolio.

Based on the different studies conducted on different related technologies/software solutions available in the market in addition to the solution used in The Avenues – Bahrain, the decision was taken to implement YARDI for managing all The Avenues – Kuwait-related transactions and the implementation started by end of 4th quarter 2020.

YARDI went live in 2nd quarter 2021 and currently it is being fully utilized by top management, and the following departments: Leasing, Facility Management, Finance, Procurement, Commercialization, Visitor Relations, Tenant Relations.

YARDI has many web-based and smart phone applications which made it easier and less time consuming for users to do their daily work. In addition, the system has built-in BI tools, providing the top management with daily insights of how the business is performing from anywhere in the world and at any time of the day.

It is worth noting that this system made us take the slogan “going green/ECO friendly” as a primary goal of using it as we have reduced the amount of paper used.

4.1.d Water Consumption and Management

Located in one of the world’s most water-stressed countries, with the lowest per capita renewable internal freshwater availability of any country, places high importance for water-efficient operations at Mabanee. Through our leading water treatment technologies, we strengthen our commitment towards sustainable resource management and operations. In our efforts to maximize water reuse and utilization, we have invested KD 2,073 on our water treatment plant. Additionally, our Reverse Osmosis (RO) cost savings amount to KD 164,239.

Consequently, water treatment led to a high impact level in terms of SROI of 1.55 KD sustainability value created for every KD 1 invested, displayed as follows. The outcomes have arisen from both GHG emissions savings as well as cost savings.

SROI of Water Treatment

SROI Topic	Impact Level	Interpretation	Value Outcomes
Water treatment	High	KD 1.55 sustainability value created for every KD 1 invested.	*GHG Savings *Water savings *Cost savings

In terms of Mabanee’s consumption of water, for 2021, the total consumption was 287,484,866 imperial gallons (IG), at an intensity of 23957 IG per occupant. In terms of cost, this was a total of KD 1,074,338 paid by Mabanee for water consumption in 2021. Compared to the previous year, the consumption increased by 24%. Further details are provided as follows.

Water Consumption per Year



4.1.e Green Projects – Advancing Through Standardization

According to the Global Alliance for Buildings and Construction (GlobalABC) the building and construction sector accounted for 38% of total global energy-related CO2 emissions. For the state of Kuwait alone, the building and construction sector accounts for 3% of total GHG emissions. Such data highlights the strategic standpoint for the construction sector in addressing climate change challenges, boosting resilience in cities, and improving living conditions.

As an ESG-positioned company, we look to upgrade our responsible operations through seeking standardization. Such standardization ought to motivate us in improving our operations through measurement and tracking, which will in turn lead to cost savings, and an improved operational efficiency. Certainly, standardization would reap benefits for our tenants and visitors, as well through providing better quality services and a sustainable building atmosphere. All of this shall give back to our Company greatly through attracting investors, visitors and tenants.

We focus on certain green building aspects, specifically at The Avenues – Riyadh and The Avenues – Khobar. These aspects include the provision of solar panels on rooftops in line with the Saudi Vision 2030, as well as the use of a grey water treatment facility that collects and treats grey water for recycled use.

In addition, there are green building and sustainable design aspects throughout our Jaber Al Ahmad Residential City – J3 Investment Project. The project has comprehensively addressed its environmental and social impacts by conducting an Environmental and Social Impact Assessment (ESIA), and is well equipped for mitigation measures through its comprehensive mitigation and management plan. The project adheres to a sustainable urban design by having a well-equipped children’s park with sports and fitness equipment, bicycle and walking tracks, and connectivity between different neighborhood features.

Furthermore, in our efforts to comply with local regulations and codes, we design our projects in close coordination with local consultants. We coordinate further when needed with international consultants, to support design creativity and international standardization. We also recognize the risks associated with climate change and consider them in our ESG approach through our LEED initiatives. Accordingly, the below figure represents our focus areas for sustainable design and standardization.

Sustainable Design and Standardization Features

General

- 1. Constructing Electrical Vehicle (EV) parking stations in our future projects.
- 2. Metering of all Mechanical, Electrical, and Plumbing (MEP) systems to manage efficiency and use during operations.
- 3. Resource and waste management.

Energy Efficiency

- 1. Providing areas that could integrate provisions for solar panels.
- 2. Providing skylights in public areas to reduce the consumption of artificial lighting during the day.
- 3. Considering in the design accommodating thermal building envelope elements to reduce the indoor air conditioning.
- 4. Using a thermal energy storage system to offset the peak load.
- 5. Using active energy conservation techniques (air-to-air energy recovery, and economizer mode operation) and passive energy conservation measures (selection of Building envelope materials).
- 6. Implementing 2-way valves and VAVs and providing variable speed drive motors for fans and pump motors.
- 7. Allocating a reverse osmosis plant and feed water concrete tank, and using the treated underground water for AC make-up, fire, and irrigation purposes.
- 8. Adopting energy-efficient design approaches such the use of LED in lighting, solar energy, and other renewable energy sources.

Health & Safety

- 1. Consulting designers to provide stairs and design activities around such vertical access to promote and encourage customers’ physical activity over the usage of elevators / escalators.
- 2. Allocating designated smoking rooms at key areas and prohibiting users from smoking indoors and areas around the development, with no smoking signage in all public spaces.
- 3. Designing outdoor areas with adequate trees and water features to encourage users to connect with nature.

Special Needs Access

- 1. Designing all public areas in compliance with accessibility for special needs.

Tenant Material Loading and Unloading Accessibility

- 1. Considering sufficient loading and unloading bays at key locations to align with the waste management strategy. The J3 project employs such a strategy, where the bays are located with entry and exit routes planned that do not disrupt the traffic outside and the parking areas inside.

Advancing Through Standardization

We aim to measure, evaluate, and assess future LEED parameters from a business perspective, as well as to enable our tenants to comply and follow environmental standards according to LEED. Below are the certifications we are currently seeking in two of our projects.

1. Towers in The Avenues – Riyadh:

- LEED certification
- WELLS certificate

2. J3 Investment:

- LEED O+M Silver certification

In terms of improving our building standards, we installed air quality sensors connected to a ventilation system at The Avenues. The sensors register indoor CO2 levels and keep them within certain limits. We also have four locations for electric car charging stations with 16 spots.



We installed air quality sensors connected to a ventilation system at The Avenues. The sensors register indoor CO2 levels and keep them within certain limits.

Moreover, in our efforts to attain the LEED® O+M 4.1V certification we are working on several aspects, including facility management and renovation as shown in the following.

LEED O+M 4.1V Aspects

Energy efficiency

- Energy Efficiency Best Management Practices
- Minimum Energy Performance
- Building-Level Energy Metering
- Fundamental Refrigerant Management
- Existing Building Commissioning – Analysis Water efficiency
- Indoor Water Use Reduction
- Building-Level Water Metering
- Outdoor Water Use Reduction
- Indoor Water Use Reduction
- Cooling Tower Water Use
- Water Metering

Materials and resources

- Ongoing Purchasing and Waste Policy
- Facility Maintenance and Renovations Policy
- Purchasing – Ongoing
- Purchasing – Lamps
- Purchasing – Facility Maintenance and Renovation
- Solid Waste Management – Ongoing
- Solid Waste Management – Facility Maintenance and Renovation

EIA and ESIA

As future prospects, our Environmental and Social Impact Assessments (ESIAs) or Environmental Impact Assessments (EIAs) are planned to be integrated into all our upcoming projects in compliance with the standards and environmental regulations of the state of Kuwait. This includes environmental management and mitigation plans during both construction and operations. Whenever necessary we liaise with environmental consultants to provide environmental supervision during construction, thus ensuring a proper implementation of our mitigation measures.

Greenfield Developments

As part of Kuwait's 2035 Vision, there are upcoming opportunities as greenfield developments that we will continue to explore as potential investment opportunities.

Biodiversity

We believe that a balance between what is ecologically valuable and what is economically sensible can be achieved. Hence, we have made efforts to conserve biodiversity and protect flora and fauna with our plan to implement green rooftops in both The Avenues – Riyadh and The Avenues – Khobar. Green areas can provide replacement habitats for flora and fauna and green roofs have been shown to increase biodiversity.



LEED O+M Silver Certification Study

We conducted an internal study with our EPC Contractor for J3 Investment Opportunity. The study came as a proactive measure for easing the operation's team efforts over obtaining the LEED O+M Silver Certification.

Accordingly, we have incorporated features in our design that support the LEED O+M Silver Certification.

We also coordinated intensively with various stakeholders in order to upgrade the design and layout of the The Avenues to ensure it serves both the Company and the end user.

Coordination took place among internal departments (the Leasing, Operations, and Projects Departments), and international design experts who were also consulted as peer reviewers for design optimization.

These workshops also addressed the topic of maximizing customer experience in our facilities and key social concerns such as allowing for special needs access, retail and shopping experience, lifestyle, health and leisure for all stakeholders.



5. ESG ANNEX

- 5.1 Appendix A: GRI Standards Index
- 5.2 Appendix B: Bursa Kuwait Sustainability Disclosures
- 5.3 Appendix C: Alignment of Materiality Topics with the UN Sustainable Development Goals (SDGs)
- 5.4 Appendix D: Alignment of Material Topics with Kuwait Vision 2035 (New Kuwait)
- 5.5 Appendix E: Alignment of Material Topics with Bursa Kuwait ESG Metrics

5.1 Appendix A: GRI Standards Index

GRI Standard Disclosure Number	Individual Disclosure Items	Information	Page No.
General Disclosures:			
102-1	Name of the organization	Mabanee Company (K.P.S.C)	
102-2	Activities, brands, products, and services		11-12, 38
102-3	Location of headquarters	Burj ALShaya, ALsoor St, Mirqab, Kuwait ALRai, Sheikh Zayed ALnehayan Road, Kuwait	
102-4	Location of operation		12
102-5	Ownership and legal form	Alshaya United co-(Direct & Indirect): 34.17% National Industries Group Holding (Ikarus Petroleum Industries,AlDurra National Real Estate, Noor Financial Investment CO., National Alshaya United co-(Direct & Indirect): 34.17% National Industries Group Holding (Ikarus Petroleum Industries,AlDurra National Real Estate, Noor Financial Investment CO., National Industries Company)- Indirect: 17.81%	
102-6	Markets served		12
102-7	Scale of the organization	Mabanee annual report which you find it in: https://www.mabanee.com/home/investor-relations/annual-reports	
102-8	Information on employees and other workers		50
102-9	Supply chain		50
102-10	Significant changes to the organization and its supply chain	No significant changes in 2021 to the organization and its supply chain	
102-11	Precautionary principles or approach		36
102-12	External initiatives	Kuwait National Development Plan (Kuwait Vision 2035) United Nations Sustainable Development Goals (SDGs)	
102-13	Membership of associations		
Strategy			
102-14	Statement from senior decision-maker		8-9
102-15	Key impacts, risks and opportunities		37
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behavior		15,36

GRI Standard Disclosure Number	Individual Disclosure Items	Information	Page No.
Governance			
102-18	Governance structure		35
102-20	Executive-level responsibility for economic, environmental, and social topics		26
102-21	Consulting stakeholders on economic, environmental, and social topics		22, 26
102-22	Composition of the highest governance body and its committees		30-33
102-23	Chair of the highest governance body		30
102-24	Nominating and selecting the highest governance body		30
102-26	Role of highest governance body in setting purpose, values, and strategy		32
102-27	Collective knowledge of highest governance body		30-31
102-29	Identifying and managing economic, environmental, and social impacts		26
102-30	Effectiveness of risk management processes		37
102-33	Communicating critical concerns		26,30
102-35	Remuneration policies		34
102-38	Annual total compensation ratio		5
Stakeholder Engagement			
102-40	List of stakeholder groups		24
102-41	Collective bargaining agreements	not applicable to Mabanee	
102-42	Identifying and selecting stakeholders		22, 24
102-43	Approach to stakeholder engagement		24-25
102-44	Key topics and concerns raised		21
Reporting Practice			
102-45	Entities included in the consolidated financial statements	Mabanee annual report which you find in: https://www.mabanee.com/home/investor-relations/annual-reports	
102-46	Defining report content and topic boundaries		7
102-47	List of material topics		21
102-48	Restatements of information		7

GRI Standard Disclosure Number	Individual Disclosure Items	Information	Page No.
102-49	Changes in reporting		69
102-50	Reporting period	1 January 2021 - 31 December 2021	
102-51	Date of most recent report	Previous report was in 2020, most recent report is for the year 2021	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report		7
102-54	Claims of reporting in accordance with the GRI Standards		7
102-55	GRI content index		78
Management Approach – Material Topics			
103	ESG Governance and Leadership		26, 29
103	Green Projects		72
103	Energy Reduction		66
103	Water Management		71
103	Waste and Recycling		69
103	Sustainable Supply Chain		45
103	Talent Attraction and Retention		50
103	Training and Development		54
103	Workplace Diversity		51
103	Stakeholders’ Experience		44
103	Social Responsibility and Awareness		56
103	Investor Relations		43
103	Business Ethics and Compliance		36
103	Risk Management		37
103	Corporate Culture and Reputation		38,36
103	Safety and Security		63

GRI Standard Disclosure Number	Individual Disclosure Items	Information	Page No.
Topic Specific Standards			
GRI 200: Economic			
201: Economic Performance			
201-1	Direct economic value generated and distributed		5
201-2	Financial implications and other risks and opportunities due to climate change	No identified financial implications and other risks and opportunities due to climate change	
201-4	Financial assistance received from Government	No financial assistance received from government	
202: Market Presence			
202-2	Proportion of senior management hired from the local community		54
203: Indirect Economic Impacts			
203-1	Infrastructure investments and services supported		40
203-2	Significant indirect economic impacts		
204: Procurement Practices			
204-1	Proportion of spending on local suppliers		46
205: Anti-corruption			
205-2	Communication and training about anti-corruption policies and procedures		55
205-3	Confirmed incidents of corruption and actions taken	0 incidents of corruption in 2021	
206: Anti-competitive Behavior			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		
207: Tax			
207-2	Tax governance, control, and risk management	Not applicable to Mabanee	
GRI 300-Environmental			
302: Energy			
302-1	Energy consumption within the organization		66-68
302-3	Energy intensity		67
303: Water and Effluents			
303-5	Water consumption		71
305: Emissions			

GRI Standard Disclosure Number	Individual Disclosure Items	Information	Page No.
305-1	Direct (Scope 1) GHG emissions		67
305-2	Energy indirect (Scope 2) GHG emissions		68
305-3	Other indirect (Scope 3) GHG emissions		69
305-5	Reduction of GHG emissions		69
306: Waste			
306-1	Waste generation and significant waste-related impacts		69-70
307: Environmental Compliance			
307-1	Non-compliance with environmental laws and regulations	No instances of non-compliance with environmental laws and regulations during the reporting period	
GRI 400: Social			
401: Employment			
401-1	New employee hires and employee turnover		50
403: Occupational Health and Safety			
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities		63
404: Training and Education			
404-1	Average hours of training per year per employee		55
404-2	Programs for upgrading employee skills and transition assistance programs		55
405: Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees		51
406: Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	none	
407: Freedom of Association and Collective Bargaining			
407-1	Operations and suppliers in which the right to freedom of association and bargaining may be at risk	none	
408 Child Labor			
408-1	Operations and suppliers at significant risk for incidents of child labor	none	
209: Forced or Compulsory Labor			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	none	

GRI Standard Disclosure Number	Individual Disclosure Items	Information	Page No.
410: Security Practices			
410-1	Security personnel trained in human rights policies or procedures		
411: Rights of Indigenous People			
411-1	Incidents of violations involving rights of indigenous peoples	none	
412: Human Rights Assessment			
412-1	Operations that have been subject to human rights reviews or impact assessments	none	
413: Local Communities			
413-1	Operations with local community engagement, impact assessments, and development programs		57
413-2	Operations with significant actual and potential negative impacts on local communities	none	
414: Supplier Social Assessment			
414-2	Negative social impacts in the supply chain and actions taken	none	
415: Public Policy			
415-1	Political contributions	none	
416 Customer Health and Safety			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	none	
417: Marketing and Labeling			
417-2	Incidents of non-compliance concerning product and service information and labeling	none	
417-3	Incidents of non-compliance concerning marketing communications	none	
418: Customer Privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	none	
419: Socioeconomic Compliance			
419-1	Non-compliance with laws and regulations in the social and economic area	none	

5.2 Appendix B: Boursa Kuwait Sustainability Disclosures

Metric	Description	
Environmental		
GHG Emissions	E1.1) Total amount, in CO2 equivalents, for Scope 1 (if applicable)	53 MT CO2e
	E1.2) Total amount, in CO2 equivalents, for Scope 2 (if applicable)	178,935 MT CO2e
	E1.3) Total amount, in CO2 equivalents, for Scope 3 (if applicable)	24 MT CO2e
Emissions Intensity	E2.1) Total GHG emissions per output scaling factor	179,012 MT CO2e
Energy Usage	E3.1) Total amount of energy directly consumed	Electricity Consumption (kwh) 280,763,600
	E3.2) Total amount of energy indirectly consumed	page 68
Energy Intensity	Total direct energy usage per output scaling factor	Electricity Intensity/ Occupant(kwh) 23397
Energy Mix	Percentage: Energy usage by generation type	Fuel consumption in Ltr : 5200 Phase 4 MEW panel breakdown 10,225 Top up of fuel 800 Phase 1 MEW shutdown
Water Usage	E6.1) Total amount of water consumed	605,936,451 imperial gallons (ig)
	E6.2) Total amount of water reclaimed	Treated water 20725000 ig RO Water 82119618 ig
Environmental Operations	E7.1) Does your company follow a formal Environmental Policy? Yes, No	Mabanee follows Kuwait Environment Public Authority policies
	E7.2) Does your company follow specific waste, water, energy, and/or recycling polices? Yes/No	
	E7.3) Does your company use a recognized energy management system? Yes/No	yes
Environmental Oversight	Does your Board/Management Team oversee and/or manage climate-related risks? Yes/No	Yes, Mabanee has ESG management committee
Environmental Oversight	Does your Board/Management Team oversee and/or manage other sustainability issues? Yes/No	Yes, Mabanee has formed ESG management committee
Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development?	

Social		
Gender Pay Ratio	Ratio: Median male compensation to median female compensation	no significant difference between male and female compensation
Metric	Description	
Employee Turnover	S3.1) Percentage: Year-over-year change for full-time employees	-16.3%
	S3.2) Percentage: Year-over-year change for part-time employees	-
	S3.3) Percentage: Year-over-year change for contractors and/or consultants	-
Gender Diversity	S4.1) Percentage: Total enterprise headcount held by men and women	80% men and 20% women
	S4.2) Percentage: Entry- and mid-level positions held by men and women	-
	S4.3) Percentage: Senior- and executive-level positions held by men and women	82.4% men, 17.6%, women
Temporary Worker Ratio	S5.1) Percentage: Total enterprise headcount held by part-time employees	-
	S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants	-
Non-Discrimination	Does your company follow a sexual harassment and/or non-discrimination policy? Yes/No	yes
Injury Rate	Percentage: Frequency of injury events relative to total workforce time	0
Global Health & Safety	Does your company follow an occupational health and/ or global health & safety policy? Yes/No	yes
Child & Forced Labor	S9.1) Does your company follow a child and/or forced labor policy? Yes/No	no
	S9.2) If yes, does your child and/or forced labor policy also cover suppliers and vendors? Yes/No	
Human Rights	S10.1) Does your company follow a human rights policy? Yes/ No	
	S10.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No	
Nationalization	S11.1) Percentage of national employees	25%
	S11.2) Direct and indirect local job creation	

Governance		
Board Diversity	G1.1) Percentage: Total board seats occupied by men and women	no women representation currently in the board
	G1.2) Percentage: Committee chairs occupied by men and women	-
Board Independence	G2.1) Does your company prohibit its CEO from serving as board chair? Yes/No	yes
	G2.2) Percentage: Total board seats occupied by independents	14.3%
Incentivized Pay	Are executives formally incentivized to perform on sustainability? Yes/No	no
Collective Bargaining	Percentage: Total enterprise headcount covered by collective bargaining agreement(s)	-
Supplier Code of Conduct	G5.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/ No	yes
	G5.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?	
Ethics & Anti-Corruption	G6.1) Does your company follow an Ethics and/or Anti-Corruption policy? Yes/No	yes
	G6.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?	
Data Privacy	G7.1) Does your company follow a Data Privacy policy? Yes/No	yes
	G7.2) Has your company taken steps to comply with GDPR rules? Yes/No	
Sustainability Reporting	G8.1) Does your company publish a sustainability report? Yes/ No	yes
	G8.2) Is sustainability data included in your regulatory filings? Yes/No	
Disclosure Practices	G9.1) Does your company provide sustainability data to sustainability reporting frameworks? Yes/No	yes
	G9.2) Does your company focus on specific UN Sustainable Development Goals (SDGs)? Yes/No	yes
	G9.3) Does your company set targets and report progress on the UN SDGs? Yes/No	
External Assurance (Recommended)	Are your sustainability disclosures assured or validated by a third party? Yes/No	

5.3 Appendix C: Alignment of Materiality Topics with the UN Sustainable Development Goals (SDGs)

#	Material Topic	UNSDGs
1	ESG Governance and Leadership	 
2	Green Projects	  
3	Energy Reduction	  
4	Water Management	  
5	Waste and Recycling	  
6	Sustainable Supply Chain	 
7	Talent Attraction and Retention	
8	Training and Development	
9	Workplace Diversity	 
10	Stakeholders' Experience	
11	Social Responsibility and Awareness	     
12	Investor Relations	
13	Business Ethics and Compliance	 
14	Risk Management	 
15	Corporate Culture and Reputation	  
16	Safety and Security	 

5.4 Appendix D: Alignment of Material Topics with Kuwait Vision 2035 (New Kuwait)

#	Material Topic	UNSDGs
1	ESG Governance and Leadership	 
2	Green Projects	 
3	Energy Reduction	 
4	Water Management	 
5	Waste and Recycling	 
6	Sustainable Supply Chain	 
7	Talent Attraction and Retention	 
8	Training and Development	 
9	Workplace Diversity	 
10	Stakeholders' Experience	 
11	Social Responsibility and Awareness	
12	Investor Relations	 
13	Business Ethics and Compliance	 
14	Risk Management	  
15	Corporate Culture and Reputation	 
16	Safety and Security	 

5.5 Appendix E: Alignment of Material Topics with Boursa Kuwait ESG Metrics

#	Material Topic	Boursa Kuwait ESG Metrics
1	ESG Governance and Leadership	<ul style="list-style-type: none">• Board Diversity• Board Independence
2	Green Projects	<ul style="list-style-type: none">• Sustainability Report
3	Energy Reduction	<ul style="list-style-type: none">• Sustainability Report• Energy Usage• GHG Emissions
4	Water Management	<ul style="list-style-type: none">• Sustainability Report• Water Usage
5	Waste and Recycling	<ul style="list-style-type: none">• Sustainability Report
6	Sustainable Supply Chain	<ul style="list-style-type: none">• Sustainability Report• Supplier Code of Conduct
7	Talent Attraction and Retention	<ul style="list-style-type: none">• Sustainability Report
8	Training and Development	<ul style="list-style-type: none">• Sustainability Report
9	Workplace Diversity	<ul style="list-style-type: none">• Nationalization, Employee Turnover, Injury Rate, Gender Diversity, Human Rights, Ethics & Anti-Corruption
10	Stakeholders' Experience	<ul style="list-style-type: none">• Sustainability Report• Ethics & Anti-Corruption
11	Social Responsibility and Awareness	<ul style="list-style-type: none">• Global Health & Safety• Human Rights
12	Investor Relations	<ul style="list-style-type: none">• Sustainability Reporting
13	Business Ethics and Compliance	<ul style="list-style-type: none">• Sustainability Report• Human Rights• Ethics & Anti-Corruption
14	Risk Management	<ul style="list-style-type: none">• Sustainability Report
15	Corporate Culture and Reputation	<ul style="list-style-type: none">• Sustainability Report
16	Safety and Security	<ul style="list-style-type: none">• Sustainability Report• Data Privacy• Global Health & Safety

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