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Mabaneer Sustainability Report



“Sustainability and Resilience”

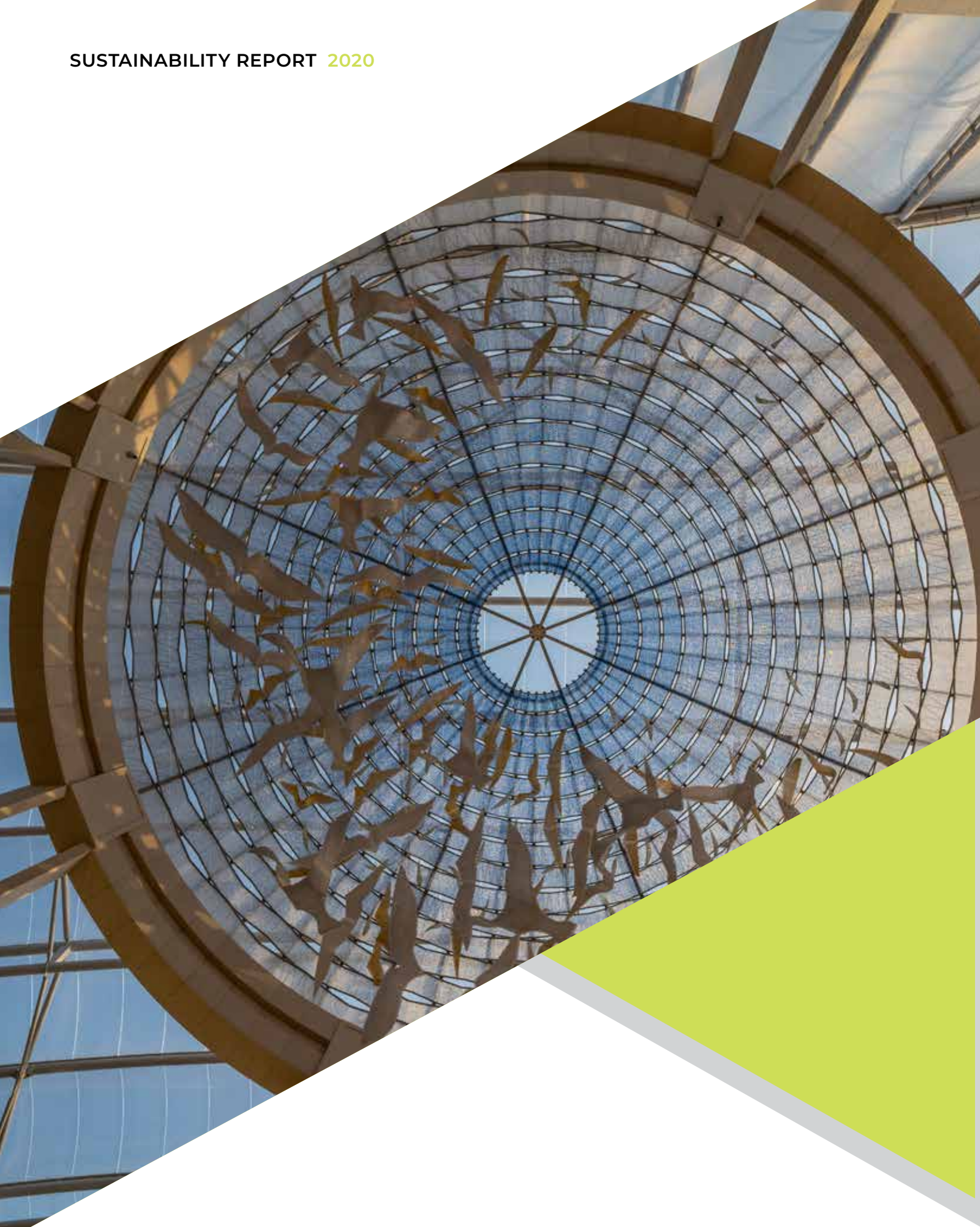
Sustainability Report 2020

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**1. INTRODUCTION AND
BUSINESS OVERVIEW**



ABOUT THIS REPORT

Scope of the Report (102-46, 102-48 , 102-52)

This is Mabanee's fourth annual sustainability report, published for the year 2020. It covers key non-financial aspects of Mabanee's performance, and summarizes the materially relevant environmental, social, and governance (ESG) issues. In particular, it reflects the ways in which we are fulfilling our long-term commitments towards sustainability. This practice primarily enables us to communicate our sustainability / ESG performance to our stakeholders, and to further enhance our dialogue with them. The scope includes an integration of various disclosures derived from the Global Reporting Initiative (GRI) and certain metrics from ESG indices.

Reporting Period (102-50)

The performance data and information provided in the report covers the reporting period from January 1st - December 31st, 2020.

Support

The development of Mabanee Sustainability Report 2020 was supported by RSM Albazie Consulting W.L.L.

Report Preparation Criteria (102-54)

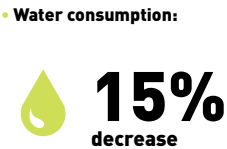
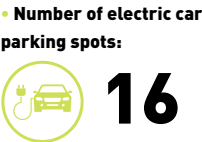
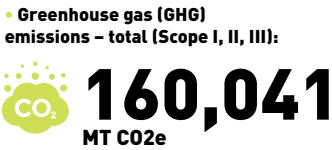
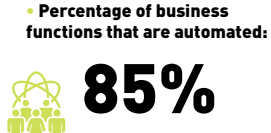
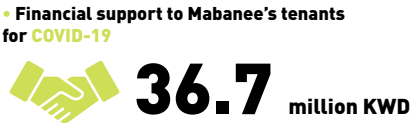
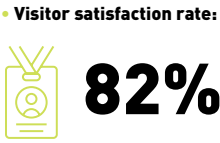
This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. This means that this report reflects at least all the GRI standards marked as core throughout the report.

Communication and Feedback (102-53)

Please contact us with your comments and any feedback on the report, or for further information:

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SUSTAINABILITY HIGHLIGHTS 2020



MESSAGE FROM THE CHAIRMAN

(102-14, 102-16)

Dear Stakeholders of Mabanee,

May the peace and blessings of God be upon you all.

This year, I would like to welcome you to Mabanee's 2020 Sustainability Report titled, "Sustainability and Resilience." On behalf of my fellow Members of the Board of Directors, we would like to present this report to our valued internal and external stakeholders. Here, you will find information on our non-financial performance in relation to sustainability and environmental, social, and governance (ESG) aspects.

We are proud to continue our commitment to sustainability reporting year on year, and in line with global best practices in this field. To highlight our impacts, we have developed this report in alignment with the Global Reporting Initiative (GRI) framework, the UN Sustainable Development Goals (SDGs), the Kuwait National Development Plan (KNDP), the Kuwait Boursa sustainability disclosures and a range of other ESG metrics.

Moreover, our sustainability approach is strongly aligned with Mabanee's overall strategy. Sustainability supports Mabanee's vision by creating real value for our stakeholders and communities. At the same time, sustainability drives us in realizing our mission of being a trusted, collaborative, and innovative real estate investor, developer, and project manager. The report emphasizes that our sustainability approach is in harmony with our company values, especially through being a responsible business that focuses on its stakeholders including customers, employees, and the community.

I would like to take this opportunity to express my deepest gratitude and appreciation, on behalf of the Board of Directors and our employees, 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 like to sincerely thank our valuable stakeholders for including our tenants, visitors, employees, management, community, suppliers, and partners.



MOHAMMAD ABDULAZIZ ALSHAYA
CHAIRMAN

MESSAGE FROM THE CEO

(102-14, 102-16)

Dear Valued Stakeholders,

Welcome to Mabanee's 2020 Sustainability Report.

This year has truly been an unprecedented one due to the COVID-19 global pandemic, where we realized that our sustainability approach was key in helping us remain resilient in the face of challenges, hence our theme for the year: "Sustainability and Resilience."

Throughout our Sustainability Report, we have measured, assessed, and reported our performance across a range of sustainability and ESG metrics. Accordingly, our report is arranged accordingly in the following areas: sustainability approach, governance, marketplace, workplace, community, and environment.

Firstly, in regard to our sustainability approach, we focused on the materiality assessment, in which we prioritized a number of material topics that are significant to stakeholders in order to subsequently reflect them throughout the report. Furthermore, our approach included alignment to both national and international sustainability frameworks, as well as insight into our sustainable return on investment (SROI) analyses.

Examining our governance, we reported on our Board of Directors, organizational structure, and risk management, including crisis management and business continuity, as well as ethics and compliance.

We elaborated on Mabanee's sustainable business and resilience within our operations, projects, customer experience, security management, health and wellbeing, technology and innovation, and our responsible procurement. Highlights in this area include 97% of our procurement expenditures going to local suppliers, full disclosure of our visitor satisfaction rate, and the provision of rent discounts and waivers during the pandemic, especially during the lockdown period, to all our tenants - valued at approximately 36.7 million KWD.

Our sustainability report focused on our workplace matters as well, where selected results include: a 3.2% change increase in the number of female employees, a 22% change increase in the number of Kuwaiti employees, a 38% change increase in new employee hires, and the provision of 920 hours of training to employees.

Looking at our community support, we conducted a total 12 CSR events, and have continued to engage with the community through our social media platforms.

Finally, our environmental performance was analyzed across several areas, specifically reporting on our waste, water, electricity, and greenhouse gas (GHG) emissions across scopes I, II, and III. Our solid waste recycling has been specifically focused on cartons, oil drums, and wooden pallets, recording more than '600 MTCO2e' impact.

In closing, on behalf of Mabanee, I would like to extend to my gratitude to all stakeholders involved in the development of our sustainability report. We hope that you find the report informative and transparent, and we look forward to any inquiries or feedback.



WALEED KHALED ALSHARIAN
CHIEF EXECUTIVE OFFICER



MABANEE AT A GLANCE (102-2, 102-4, 102-6)



COMPANY PROFILE AND HISTORY

Mabanee is a leading real estate developer and partner. We deliver exciting, 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 (Boursa Kuwait)—is part of included on the Premier Market Index, as well as more recently, the MSCI Kuwait Index.

Mabanee Operates in Key Sectors:

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

Mabanee has developed a number of urban and governmental projects, and is widely renown for The Avenues. The Avenues is currently the largest shopping and leisure destination in Kuwait, with more than 1,100+ stores and a gross land area of 360,000 square meters.

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

VISION, MISSION, AND VALUES (102-16)

VALUES



INSIGHTFUL

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



BOLD

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



TRUSTED EMPLOYER

We are committed to excellence, reward outstanding performance and provide our employees with the learning and development they need in order 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 also prioritize the needs of the communities we serve and the environments in which we live.



RESPONSIBLE BUSINESS

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



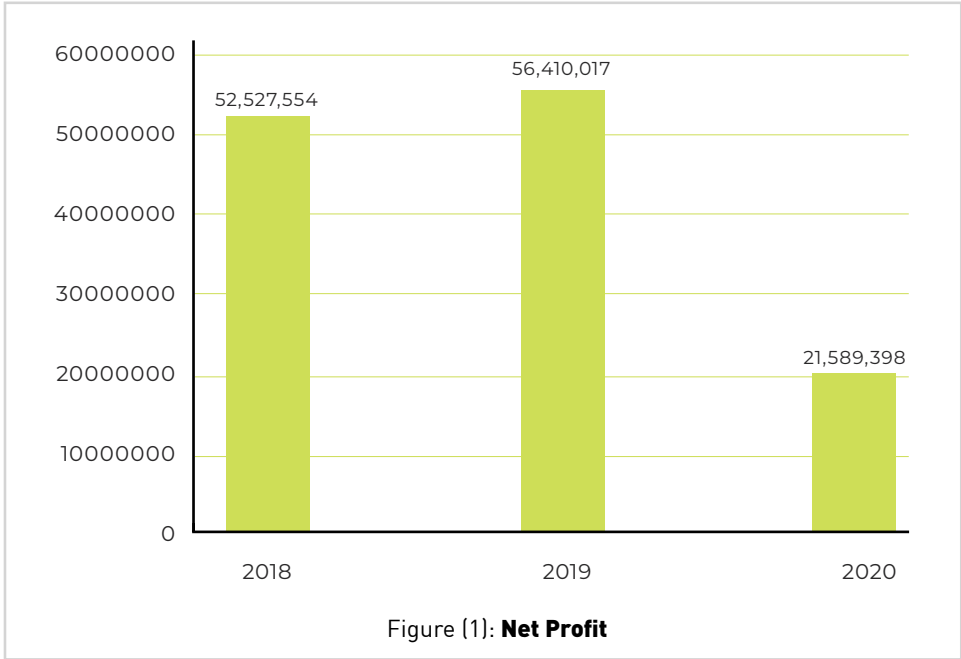
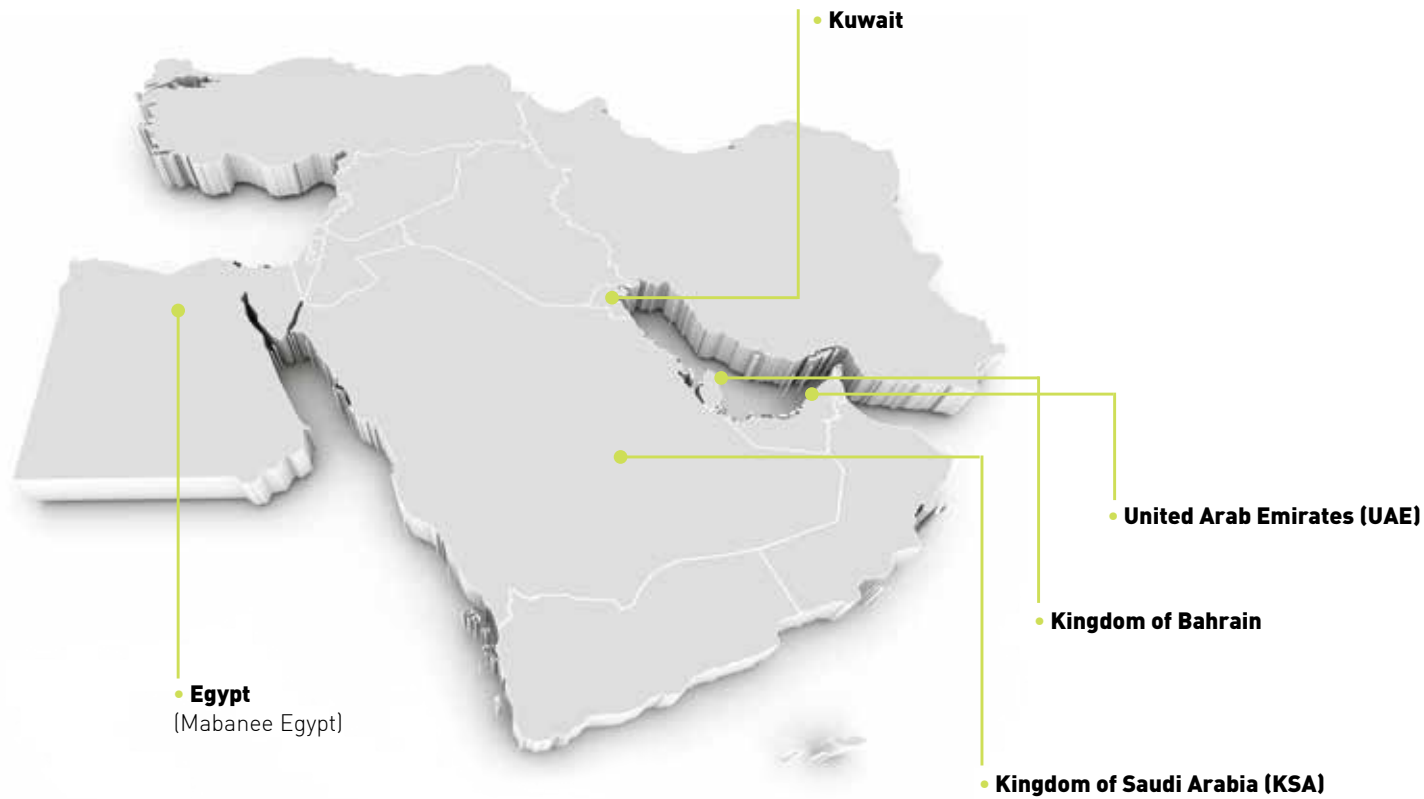
MISSION

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 recognized for their innovation, 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



The financial performance indicators shown in Table (1) benefit, including, but not limited to, all the related parties, shareholders, customers, society, the state, suppliers, and employees.

Mabanee Subsidiary and Joint Ventures / Strategic Partnerships

- Subsidiary
 - **Mabanee Egypt**
- Joint Ventures / Strategic Partnerships
 - **Shomoul Holding Company**
 - Between Mabanee, Al Fozan Group, and Alshaya Group
 - **Sorouh Management Company**
 - Between Mabanee, private investors from the Bahrain's real estate sector, and Alshaya Group
 - **Shurooq Co.**
 - Between Mabanee, and the Sharjah Investment and Development Authority in the UAE

Financial Performance (201-1, 102-3, 102-4, 102-6)

#COVID19Resilience

This year is an exceptional year due to the global COVID-19 pandemic, and its significant implications for the overall economy and everyday life. This affected Mabanee's operations, and subsequently its performance, as earnings were decreased due to the closure of Mabanee's main asset (The Avenues-Kuwait) for three months. Accordingly, our net profit with comparison is disclosed in Figure (1) as follows.

Table (1): Mabanee's Direct Economic Impact

Area of Direct Economic Impact	Amount (KWD)
Shareholder Cash Dividends	6,630,563
Contribution to The Kuwait Foundation for the Advancement of Sciences (KFAS)	208,670
Contribution to National Labor Support Tax (NLST)	582,025
Contribution to Zakat	232,810
Employee Compensations and Remuneration	4,003,835
Tenant Discounts	36,792,779
Investment and Operational Revenue	71,542,120

Our Operations (102-3, 102-4, 102-6)

Headquartered in Kuwait, Mabanee additionally has operations in four other countries: One subsidiary and three joint ventures / strategic partnerships.



AWARDS OF
2020



International Finance Awards

- 1. Winner of "Most Innovative Real Estate Developer"
Mabaneer – Kuwait
- 2. Winner of "Best Commercial Project"
The Avenues Kuwait



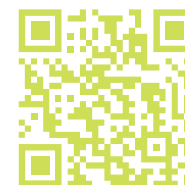
World Branding Awards

- 1. Winner of "Brand of the Year"
Mabaneer (Real Estate)
- 2. Winner of "Brand of The Year"
The Avenues (Shopping Center/Mall)



MEPR 2020 Awards

- 1. Winner of "Best Campaign - Kuwait" for the 'We Miss You' campaign
- 2. Winner of "Best Retail Campaign" for the 'We Miss You' campaign



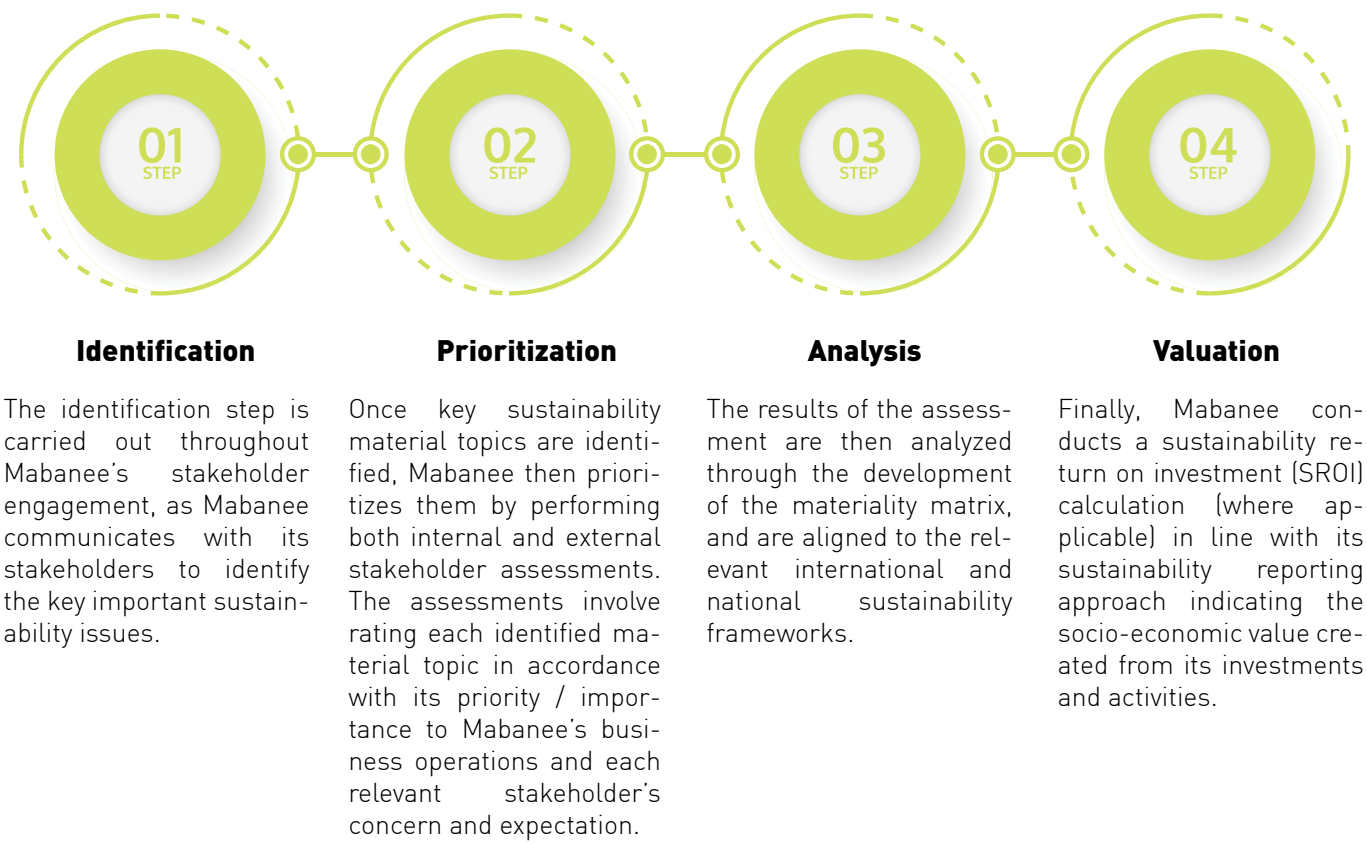


2. OUR SUSTAINABILITY APPROACH

Mabaneer's approach to sustainability / ESG reporting is developed in accordance with a number of national and international frameworks and drivers in this area. In line with our best practices, the materiality assessment is conducted in order to form the foundations of our report and approach. Specifically, the Global Reporting Initiative (GRI) standards framework places materiality at the forefront of the reporting process. Therefore, Mabaneer's sustainability approach in reporting is developed strategically to determine the most key material sustainability / ESG issues for each year. Such holistic approach is followed to ensure that the identified key material issues are transparently communicated with all Mabaneer's stakeholders and that the social, environmental, economic impacts are addressed. The adoption of such dynamic and strategic approach increases accountability between Mabaneer's stakeholders and the community, year by year. Further details on Mabaneer's approach, for the reporting year 2020, are presented in the following sections.

Mabanee’s sustainability approach is defined by four steps, which are: (1) identification, (2) prioritization, (3) analysis and (4) valuation, as displayed in further detail below:

Sustainability Approach Steps



STAKEHOLDER ENGAGEMENT

(102-21, 102-40,102-42,102-43)

#COVID19Resilience

Mabanee defined its methodology and approach to continue engaging with its stakeholders, as we believe this to be essential in defining the foundation of Mabanee’s sustainability / ESG performance in 2020.

In line with this approach, Mabanee considers stakeholder engagement as a central and fundamental element in its approach to sustainability. This includes external communication from Mabanee to stakeholders, as well as inward inputs that Mabanee integrates from its stakeholders. An effective stakeholder engagement enables Mabanee to foster business relationships and allows an open ongoing dialogue for better addressing stakeholders’ needs and concerns, especially in these times of the COVID-19 crisis.

Having transparent communication and engagement with stakeholders supports the mitigation of potential risks which may arise in the business operations or partnerships.

The stakeholders of Mabanee include anyone who has a vested interest in Mabanee or on whom the Company would have any effect, through its operations. Mabanee’s stakeholder groups include the following:

- Governmental Entities
 - Investors
 - Suppliers
 - Visitors
- Shareholders
 - Non-Governmental organizations (NGOs)
 - Tenants
 - Employees

The figure below illustrates the approach that Mabanee applies towards its stakeholder engagement in terms of the method used and frequency of communicating with said stakeholders.

STAKEHOLDERS	METHOD OF ENGAGEMENT					FREQUENCY				
Governmental Entities										
	Meetings	Annual Reports	Official Letters	Emails		Quarterly				
Shareholders										
	Meetings	Phone Calls	Emails	Annual Reports	Official Letters		Quarterly			
Investors										
	Meetings	Phone Calls	Emails	Annual Reports			Quarterly			
NGOs										
	Meetings	Phone Calls	Emails	Joint Events			Quarterly			
Suppliers										
	Meetings	Phone Calls	Emails	Contracts			Daily / Weekly			
Tenants										
	Daily tours	Phone Calls	Emails	Contracts	Invoices		Daily			
Visitors										
	Press Releases	Website	Social Media Platforms	Helpdesk	Community Events		Daily			
Employees										
	Emails	Meetings	Phone Calls	Social Media Platforms	Intranet	Employee Events	Code of Conduct	Training	Evaluations	

MATERIALITY ASSESSMENT

(102-21, 102-44, 102-47, 102-49, 103-1)

We have conducted a materiality assessment to identify the most significant material topics (related to sustainability/ESG) to Mabanee and its stakeholders, which is a critical step in sustainability reporting and in compliance with the Global Reporting Initiative (GRI) reporting framework. Moreover, it is a tool to help direct our sustainability strategy and focus areas. The materiality assessment process embedded stakeholders' engagement, and surveys have been conducted with Mabanee's external and internal stakeholders. The surveys helped us assess and rate the most material topics that would be reflected in this report. Materiality assessment is an important tool to meet the expectations of our stakeholders, and to outline our sustainability strategic directions.

The following process was used to assess our most material topics in 2020:

- 1. Examination of the issues and practices that were undertaken by Mabanee in 2020 concerning to sustainability topics on the management level.
- 2. Identification and prioritization of key material topics to be rated by both the internal and external stakeholders.
- 3. Creation of materiality topic surveys to Mabanee's key internal and external stakeholders to assess the importance of those material topics to the stakeholders and their impact on the business.
- 4. Analysis of the survey results and consolidation of both internal and external stakeholders' feedback and ratings to develop the most important material topics out of the 16 identified.
- 5. Plotting of the results in materiality matrix for our management approach to share with the stakeholders.

Overall, Mabanee has identified 16 sustainability material topics, which are deemed to be material to the business and stakeholders. As a result of the findings of our materiality this year, we have seen an increased importance placed on technology and innovation, responsible procurement, workplace management, and Kuwaitization, as well as business ethics and compliance. Meanwhile, the following material topics remained of high importance to our stakeholders: health and safety, security management, crisis management and business continuity, solid governance, career development, diversity and inclusion, and visitors' and tenants' experience. The combined results are displayed in the matrix in Figure (2.1) and its corresponding materiality levels in Figure (2.2).

Figure (2.1): Materiality Matrix - 2020

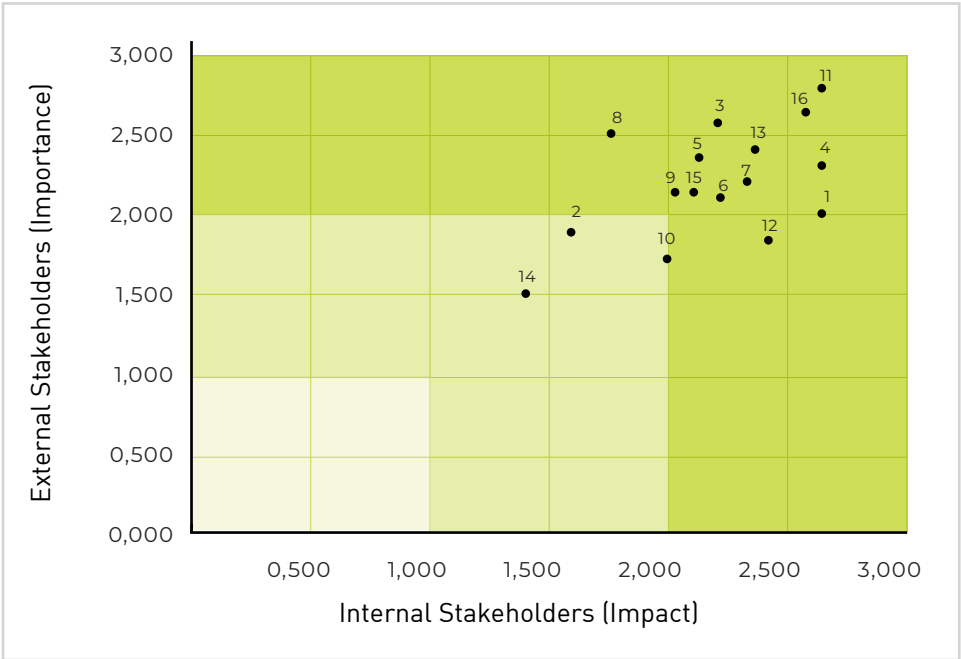


Figure (2.2): Materiality Results - 2020

#	MATERIAL TOPIC	Materiality Levels (Impact/Importance)
1	Health and Safety	High
2	Social Responsibility and Awareness	Medium
3	Crisis Management and Business Continuity	High
4	Security Management	High
5	Solid Governance	High
6	Workplace Management	High
7	Career Development	High
8	Responsible Procurement	High
9	Diversity and Inclusion	High
10	Energy Consumption and Emissions	Medium
11	Visitors' and Tenants' Experience	High
12	Technology and Innovation	High
13	Evolving Marketplace and Market Presence	High
14	Resource Management	Medium
15	Kuwaitization	High
16	Business Ethics and Compliance	High

ALIGNMENT WITH NATIONAL AND INTERNATIONAL GOALS (102-12, 102-16)


































Mabanees’s approach is aligned with national and global sustainability / ESG frameworks and drivers, and this alignment is demonstrated throughout the report. This is especially shown by the alignment of the UN Sustainable Development Goals (SDGs) and the Kuwait National Development Plan (KNDP) to the material topics prioritized, which are subsequently reported throughout the sustainability report. Further emphasis on the national and international alignments are displayed in the divider pages of each chapter.



































UN Sustainable Development Goals

From the beginning of our sustainability journey, we have linked and aligned our material topics to UN Sustainable Development Goals (SDGs), which give the blueprint for achieving a better and more sustainable future for all. We have therefore ensured that our material topics, the report itself, and our overall performance have a connection to the SDGs. The table below shows the alignment of 2020 sustainability material topics with the SDGs.

Kuwait National Development Plan

Mabanees is taking an active role in the New Kuwait Vision 2035, which intends to transform Kuwait into a financial, cultural, and institutional leader in the region by 2035. The table below shows the alignment of 2020 sustainability material topics with the Kuwait National Development Plan (KNDP) pillars.

Material Topic	UNSDGs	KNDP
Health and Safety	 	 
Social Responsibility and Awareness	     	
Crisis Management and Business Continuity	 	 
Security Management	 	
Solid Governance	 	 
Workplace Management		 
Capacity Building	 	 
Responsible Procurement	 	 

Material Topic	UNSDGs	KNDP
Diversity and Inclusion	 	 
Energy Consumption and Emissions	  	 
Visitors' and Tenants' Experience		 
Technology and Innovation	  	 
Evolving Marketplace and Market Presence		 
Resource Management	   	 
Kuwaitization	 	 
Business Ethics and Compliance	 	 

SUSTAINABLE RETURN ON INVESTMENT (SROI) (102-15 ,102-29 ,102-44)

Mabanees’s sustainability reporting approach evaluates the sustainability impact we have on stakeholders and the community. Mabanees identifies the intangible value created from its activities and operations through calculating the Sustainable Return on Investment (SROI), in relation to several sustainability / ESG areas.

The SROI approach serves as a quantitative tool for Mabanees to identify how effectively it has incorporated its capital, resources, and activities in the creation of socio-economic value outcomes. It further helps in enhancing Mabanees’s investments performance and provides a robust rigorous approach to manage activities with a maximized value. For this year, 2020, a total of nine SROI calculations were conducted, covering sustainability topics (where applicable) as below.

- Female Employment
 - Kuwaitization
 - Local Procurement
 - Employee Training
 - Employee Engagement
- Special Needs Employment
 - Waste Management
 - Employee Health Insurance
 - Water Consumption

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

Each of the aforementioned SROI topics are distributed within the report in accordance with the relevant sections. Throughout the report, each SROI is presented with its topic, its SROI level category, SROI interpretation, and the socio-economic value outcomes of Mabanees’s relevant activities. To determine the SROI level category, the following scale is referenced in the table.



3. OUR GOVERNANCE EXCELLENCE

Reporting on governance is integral to sustainability / ESG approaches, considering that governance (G) aspects form a large part of the disclosures often reported in reference to ESG. Mabanee’s solid governance aspects were crucial in helping overcome the **COVID-19** crisis and ensured business continuity and resilience—furthering supporting our theme “Sustainability and Resilience.” The continuous development of Mabanee’s governance system and mechanisms is carried out to establish sound and effective institutional values. This is carried out through a set of policies, regulations, bylaws and standards adopted by Mabanee.



New Kuwait Vision 2035

Global Positioning



Sustainable Diversified Economy



Effective Civil Services and Public



UN Sustainable Development Goals

Decent Work and Economic Growth



Industry, Innovation and Infrastructure



Peace and Justice Strong Institution

Related Material Topics:

- Solid Governance
- Crisis Management and Business Continuity
- Business Ethics and Compliance



BOARD OF DIRECTORS

(102-18 ,102-22 ,102-23 ,102-24,102-20, 102-26, 102-27)

The Board of Directors (BOD) is the highest governance function in Mabanee. Therefore, disclosures related to the BOD are essential for attaining a comprehensive understanding of our governance (G) aspects, and by extension, our ESG performance. At Mabanee, the BOD plays a fundamental role in following up the implementation of the company’s strategy and business plan, providing overarching oversight of our strategic directions, and is responsible of the effective leadership of the company. Mabanee relies on having robust governance to maintain effective decision-making, regulatory compliance, as well as ensuring accountability and transparency to build stakeholder trust. The BOD conducts a periodic follow-up of the company’s work and projects in the field of corporate governance.

According to our policy, the Board meets numerous times per year. The following in the table below is the member composition of Mabanee’s BOD, noting the name, position, and designation. Note that the Board independence percentage recorded at 14.3%, Disclosure of Board independence is a part of Mabanee’s compliance, while further recognizing the benefits of a mix of independence statuses among the Board.

Board of Directors

Board Member	Classification
Mr. Mohammad Abdulaziz Alshaya (Chairman of the Board)	Non-Executive
Mr. Mohammad Abdullateef Alshaya (Vice Chairman)	Non-Executive
Mr. Abdullah Abdullateef Alshaya (Board Member)	Non-Executive
Mr. Ayman Abdullateef Alshaya (Board Member)	Non-Executive
Mr. Azzam Abdulaziz Al Fulaij (Board Member)	Independent
Mr. Mohammad Rashed Al Mutairi (Board Member)	Non-Executive
Mr. Waleed Khaled Alsharian (Board Member)	Executive

Board Committees

Mabanee has two Board committees, namely the Internal Audit and Risk Committee, and the Nominations and Remunerations Committee. Each committee must present periodic reports of its activities, and the BOD must monitor the committees to ensure that they are performing their tasks. The Board and its committee members are nominated every three years. More information about the Board committees is presented in the table as follows.

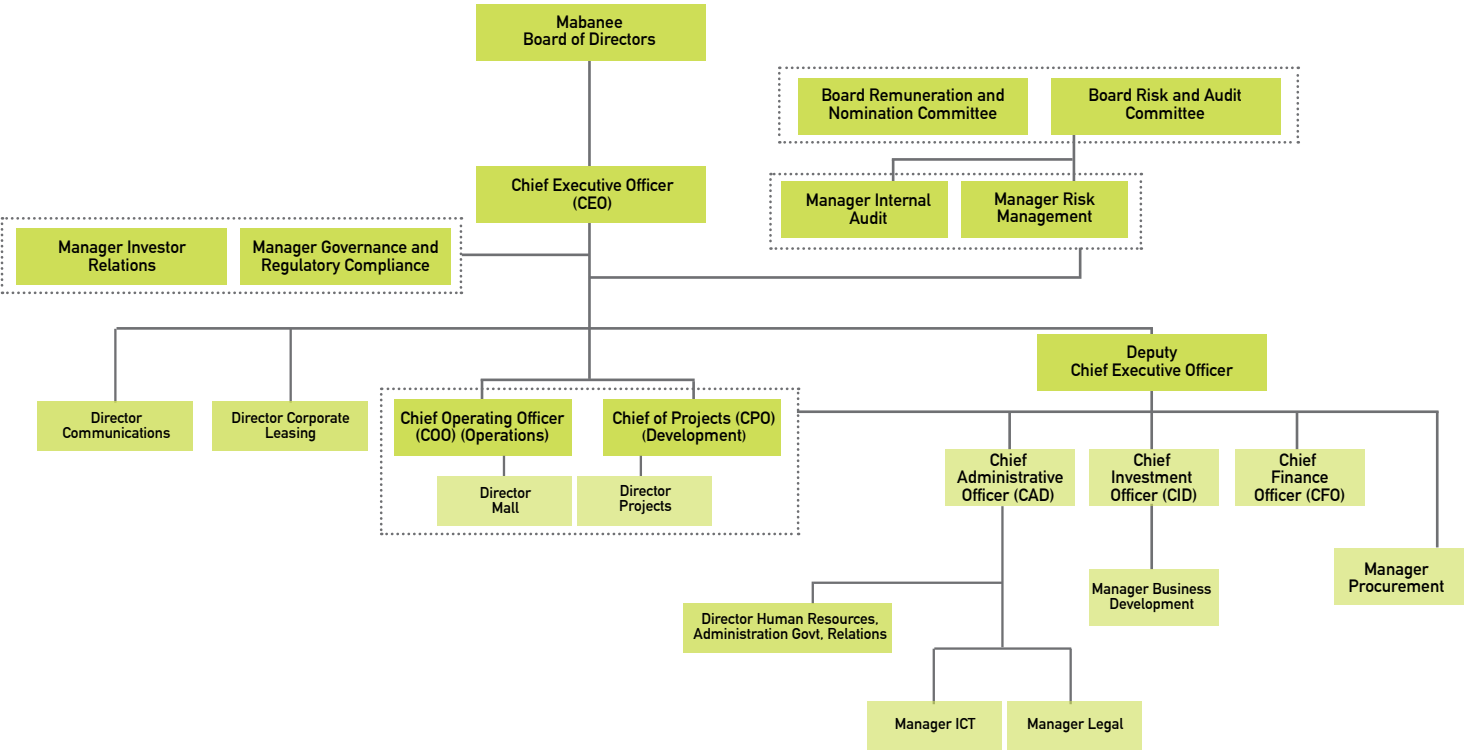


Board Committee	Description	Members	Meetings attendance (%) rate
Internal Audit and Risk Committee	<ul style="list-style-type: none">• Discussing the quarterly and annual financial statements.• Approving the internal audit report for all the company's departments.• Discussing and approving the audit and risk committee's report.• Appointing external auditors, determining their fees, and submitting recommendations regarding this to the Board of Directors.• Presenting the internal audit plan and the company's internal audit reports.• Presenting the company's risk management framework.• Examining the current consulting firms' performance and selecting the most suitable 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.• Preparing the Committee's Annual Report and presenting it to the Board of Directors.	<ul style="list-style-type: none">• Mr. Ayman Abdullateef Alshaya• Mr. Azzam Abdulaziz Al Fulaij• Mr. Mohammed Rashed Al Mutari	100%
Nominations and Remunerations Committee	<ul style="list-style-type: none">• Approval of the Board of Directors 'evaluation during 2019.• Evaluating the Executive Management during 2019, determining their remuneration, and raising recommendations for remuneration for all company employees.• Raising the recommendation to the Board of Directors to remunerate the Members.• Appointing an Executive Head of Operations for the company.• Review the duties and responsibilities of the Chairman of the Board of Directors and its Members.	<ul style="list-style-type: none">• Mr. Mohammad Abdulaziz Alshaya• Mr. Mohammed Abdullateef Alshaya• Mr. Abdullah Abdullateef Alshaya• Mr. Azzam Abdulaziz Al Fulaij	100%

ORGANIZATIONAL STRUCTURE

(102-18, 102-7)

An effective corporate governance structure ensures that the company is well managed and has a clear understanding and better implementation plan for its strategy. Furthermore, it provides a strong level of accountability and clear communication throughout the company to attain efficiency in corporate operations. Because the organizational structure is a visual representation of how Mabanee’s governance is hierarchized, it is key for stakeholders to understand our governance aspects, and by extension our ESG elements. Accordingly, the organizational chart of Mabanee’s governance structure is shown below.



RISK MANAGEMENT

(102-30, 207-2 ,102-11,102-15, 102-29)

Applying a strong risk management approach is important for demonstrating sustainable practices in the company. Our risk management not only covers financial elements, but also non-financial aspects that are linked to overall business practices, sustainability. Having a robust risk management further contributes to ensuring that our business continues on a sustainable path. Accordingly, Mabanee has a structured and comprehensive risk management framework approved by the BOD and followed by the Board’s Internal Audit and Risk Committee (BARC), which is the highest governance body in managing risk.

Enterprise Risk Management (ERM)

Our Enterprise Risk Management (ERM) is the main framework which we refer to in our risk management approach. ERM forms the culture, capabilities, and practices embedded with strategy-setting and its application for managing risk in creating, preserving, and realizing value. The ERM framework positions risk in the context of an organization’s performance, rather than as the subject of an isolated exercise. Mabanee is further applying risk management standards issued by the UK-based Institute of Risk Management (IRM).

The risks faced by Mabanee are identified, categorized, and assessed in accordance with their probability and potential impact. The risk controls in place are analyzed, and efforts are made to ensure that any uncontrolled risks are mitigated. The risks faced by the company are continuously monitored and periodically reported. Mabanee’s risk controls are stated in the risk register of each department, while Mabanee applies periodic risk monitoring every quarter.

Risk Registers

Mabanee assesses risks based on the following categories with different sub-categories, each of which are classified according to low, moderate, or high risk. The risk categories with the associated sub-sections assessed are listed below.

Operational Risk	Governance Risk	Market Risk
<ul style="list-style-type: none">• Leasing• Information• Contractual Risk• Tenant Selection• Tenants’ Performance• Customer Experience• Health and Safety• Maintenance• Information Flow• Security• Communication• Investment• Commercialization Risk• Outsourcing Risk• Legal• Insurance	<ul style="list-style-type: none">• Succession Planning• Process• Knowledge Capital• Internal and External Fraud• Related Party• Authority / Limits• Procurement Risk• Setting Risk Appetite Statements	<ul style="list-style-type: none">• Tenant Relations• Customer Experience• Customer Positioning• Stakeholder Relations
Strategic Risk	Investment Risk	Liquidity Risk
<ul style="list-style-type: none">• Zoning Risk• Occupancy• Pricing Risk• Selection of Tenants / Positioning• Tenant Satisfaction• Cost of Operations• Communication• Commercialization Risk• Business Planning• Catastrophic Loss• Change Readiness• Information Risk• Setting the Right Strategy	<ul style="list-style-type: none">• Investment• Project Delivery Method (Design-Build)	<ul style="list-style-type: none">• Financing• Capital Management• Currency

Compliance Risk	Technology Risk	Credit Risk
<ul style="list-style-type: none">• Emerging Regulatory Risk• External Reporting• Regulatory Compliance	<ul style="list-style-type: none">• Access Risk• Availability Risk• Integrity Risk• Cyber Risk• IT Operations Risk• Virus Risk	<ul style="list-style-type: none">• Revenue Recognition and Collection• Default

Risk Associated with New Investments and Projects

With regard to risk associated with new investments and projects, the Investment Department prepared a financial model for all investments and new projects considering a number of scenarios. The financial model is reviewed on changes in market conditions and before starting a project. Furthermore, regarding liquidity risk, the Finance Department develops a cash flow projection report on a periodic basis, considering various scenarios based on market conditions and progress of collections.

Furthermore, in-depth due diligence is performed for all new business partners. The due diligence elements examined are listed below:

- Legal documentation (i.e. Article of Association, Licenses, authorized signatory documents, etc.) of potential business partners are reviewed.
- Background/reference checks are conducted, and the nature, industry, performance, and financial health of the business are assessed.
- It is ensured that the counterparty activities are suitable and in line with Mabanee’s business values and practices.
- It is checked if legal cases have been filed against the company.

Mabanee has a Leasing Department, where the Leasing Committee provides the approval for new tenants.

CRISIS MANAGEMENT AND BUSINESS CONTINUITY

#COVID19Resilience

Crisis management and business continuity are core elements to integrate into a business, especially to help ensure that it is sustainable and exhibiting proper ESG performance. By managing our risks and potential crises, we ensure that our business continues to operate for future generations. In 2020, the main risk / crisis considered in this domain was COVID-19, which was classified as a type of risk that must be managed and mitigated. As a result of the COVID-19 spread, the Kuwait government pursued preventive measures to manage such a crisis. In this regard, the Council of Ministers decided to close malls and shopping centers, which was in effect for several months, in addition to the prohibition of gathering in public areas. It was crucial to react as fast as possible to mitigate the impacts and other risks, as well as to get ready for the further implications and consequences of the pandemic and its potential consequences. In this regard, to ensure Mabanee’s business continuity, it was clear that having a crisis management strategy and emergency plan was essential. Therefore, Mabanee developed clear plans and guidelines, which helped implement quick actions during the COVID-19 crisis.

#COVID19Resilience

Risk Plans Related to COVID-19

Mabanee responded to COVID-19, from a risk perspective, through the following three risk plans. These plans outlined Mabanee’s actions in case of full lockdown, partial lockdown, and general preventive measures.

- 1- Preventive Risk Plan: To reduce the operating expenses (OPEX), capital expenditures (CAPEX) and utilities costs for the purpose of covering such risk without affecting operations.
- 2- Partial Lockdown Risk Plan: During the partial shutdown, where The Avenues would be partially opened for visitors with the restruction of some activities, it has been decided to apply the partial shutdown plan by the reduction of some service contracts’ activities and suspension of others and this will result in cost reduction.
- 3- Full Lockdown Risk Plan: During the full lockdown, where The Avenues would be fully closed and the risk becomes real, it is a must to apply the plan of cost reduction for the purpose of covering the risk impact.

#COVID19Resilience

Internal Guidelines Related to COVID-19

Guidelines were created covering the COVID-19 aspects for Mabanee’s staff, ensuring that the COVID-19 risk was further mitigated internally among the workforce. The guidelines mainly addressed remote working, and safety measures for working in Mabanee premises. These guidelines are listed below:

- Guidelines for Safe Return to Work
- Work from Home Guidelines, including:
 - Work from Home Definition
 - Work from Home Daily Task Report Template
- Attendance Machine Etiquette
- Holding Physical Meetings Guidelines

BUSINESS ETHICS AND COMPLIANCE

(419-1, 102-25, 102-35, 102-17, 205-3)

The integration of ethical standards and compliance elements into our business practices is essential to exhibiting proper governance, and ESG performance by extension. In line with this, Mabanee ensures adherence to business ethics and regulatory compliance, especially through policy making and implementation; Mabanee’s policies mainly apply to Mabanee’s internal stakeholders, the BOD, and the Executive Management. It is important for all of these stakeholders to carefully understand the requirements of these policies, capital market instructions, and other applicable laws and regulatory requirements. Moreover, our policies are being reviewed periodically once needed, or if there are any changes to our organization structure. Moreover, the Internal Audit Department reviews the policies on an annual basis, and submits a report to the BARC.

Code of Conduct

Mabanee is committed to implementing a Code of Conduct in all fields of its work. All Mabanee employees should adhere to the Code in adherence to the highest professional and ethical standards, regardless of location and circumstances. Establishing the culture of the Code of Conduct and the Ethical Standards in Mabanee promotes the confidence of investors in our integrity and financial soundness. It further reflects commitment by all our employees (including Board members, Executive Management, and other employees) to our policies and bylaws. Moreover, the legal and control requirements resulted in achieving interests of all the parties of relevance, particularly shareholders, without conflict of interest and with a significant extent of transparency. To ensure a dynamic and updated policy, Mabanee’s Code of Conduct is being reviewed every quarter.

Regulatory Compliance

Mabanee is compliant with all laws and regulations of the Capital Market Authority (CMA) and the Kuwait Labor Law. Mabanee’s Corporate Governance and Compliance Department, in coordination with the BOD, Executive Management and all company departments (core and support), to make the necessary internal and external disclosures in a timely manner. Additionally, the Corporate Governance and Compliance Department submits the required disclosures to the CMA and Boursa Kuwait in accordance with the corporate governance

Corporate Social Responsibility (CSR) Policy

Mabanee is committed to aligning its goals and objectives with its role and responsibilities towards the environment, society, and governance. Accordingly, Mabanee has established a corporate social responsibility (CSR) policy. Its purpose is to guide Mabanee in managing its social responsibility and community engagement, in order to achieve sustainable development for our society and employees.

Other Policies

Additional selected policies in Mabanee are provided below.

Policy	Brief
Whistleblower Policy	This policy specifies the procedures and guiding principles for reporting any suspicious or violating behavior that takes place within Mabanee, so that the necessary corrective actions are taken in a timely manner.
Conflict of Interest Policy	This policy aims to ensure the application of appropriate procedures to discover cases of conflict of fundamental interests and deal with them effectively. The policy also ensures that the BOD deals with existing, potential and expected cases of conflict of interest, and that all decisions are taken in the interests of Mabanee.
Shareholders' Protection Policy	This policy aims to ensure Mabanee’s commitment to respect and protect the rights of shareholders, in accordance with the relevant laws, instructions and regulations.
Disclosure Policy	This policy is in line with the instructions of the Capital Markets Authority (CMA) and other relevant regulatory authorities regarding disclosure and transparency. It is focused on providing accurate, comprehensive, detailed, and up-to-date data and information on shareholders and other stakeholders.
Dealing with Related Parties’ Policy	This policy aims to ensure that a mechanism is in place to review all the dealings that take place with the relevant parties, and to ensure that the situations that may lead to an actual or potential conflict of interest are identified and dealt with in a timely manner.
Remuneration Policy	This policy defines the principles related to the remuneration of the BOD and the Executive Management, as well as its alignment with the goals and performance of Mabanee. The policy reflects the objectives of the company and considers the soundness of its operational processes and its financial position. It is considered part of the general framework of the corporate governance of Mabanee.





4. OUR SUSTAINABLE BUSINESS AND RESILIENCE

In line with our theme, “Sustainability and Resilience,” Mabanee has successfully been able to reap the benefits of our sustainable approach to ensure continuous operations, especially in facing **COVID-19** challenges. Ensuring that our business remains sustainable and resilient, we consider both financial and non-financial aspects, including areas of sustainability / ESG. Specific areas of business reported here include our market presence, projects, customer experience, security management, health and wellbeing, technology and innovation, and responsible procurement. Mabanee implements various mechanisms aimed at maintaining customer experience and satisfaction, as well as ensuring sustainable and resilient business practices. Throughout our business activities, the health, safety and wellbeing of our stakeholders remain our priority.

New Kuwait Vision 2035



High Quality Healthcare



Sustainable Diversified Economy



Global Positioning



Sustainable Living Environment



Good Health and Well-Being



Decent Work and Economic Growth



Industry, Innovation and Infrastructure



Sustainable Cities and Communities

Related Material Topics:

Evolving Marketplace and Market presence
Visitors and Tenants Experience
Health and Safety
Security Management
Technology & Innovation
Responsible Procurement



EVOLVING MARKETPLACE AND MARKET PRESENCE

#COVID19Resilience

Reporting on our economic aspects, including marketplace activities and customer impact, is essential in our sustainability / ESG approach. The marketplace worldwide is rapidly changing, especially as it had undergone a tough period in the year 2020 due to the **COVID-19** outbreak. As for organizations worldwide, this created significant disruption for our businesses. Namely, commercial and investment real-estate faced the biggest hit in this pandemic due to the lockdown. In Kuwait, the government took swift action in the form of a set of restrictions to control the spread of the virus, including closing all shopping malls for a period of time.

The Avenues-Kuwait, Mabanee’s major asset and main source of income, was shut down from mid-March until end of June, following the government instructions. Some stores remained closed even by the end of 2020, including entertainment and cinema venues. Provided blow are details on the periods of full closure partial opening, as well as full operations. These closures had financial consequences for various parties, and Mabanee accordingly played its role in easing these financial pressures. In this regard, Mabanee provided discounts to tenants prior to the lockdown and closures, when all tenants received rent waivers until the reopening.

Level of Operations throughout 2020

- Full Closure: March 15 - June 29
- Partial Opening: June 30 – August 30
- Full Operations: August 30 – Present

#COVID19Resilience

Mabanee has proved its business resilience by responding quickly to the market changes, since all of our business units worked together in enabling actions towards mitigating the **COVID-19** impact. Some of the precautions taken towards preventing and mitigating the impact of **COVID-19** include:

- Holding virtual meetings
- Wearing masks continuously
- Ensuring social distancing
- Not handling paper documents, and switching to digital documentation and correspondence

Brand Reputation and Image

Brand reputation and image are important indicators for us in order to assess how our stakeholders perceive and value us. In this regard, Mabanee ensures consistent brand reputation and image, especially through the following:

1. Creating and developing brand style and usage guidelines to ensure all messaging and brand assets use is consistent (i.e. social media platforms and for all in-mall banners, hoardings, and stickers)
2. Auditing and updating the existing branded materials to ensure that they match the new brand guideline
3. Keeping a consistent tone and voice when communicating via in-mall messaging, website, or social media
4. Providing branded items to the employee (e.g. shirts, mugs and caps), which especially helps to create internal brand loyalty.



MSCI EM Index Inclusion and Investor Relations (102-6)

Mabanee is included in the Morgan Stanley Capital International (MSCI) Emerging Market (EM) index in Bursa Kuwait, which had been recently upgraded to EM. This has a positive effect on the overall trading activity of Mabanee’s shares in the market, including higher valuation and exposure to a larger pool of potential investors. This upgrade is expected to positively affect the flow of foreign capital in Bursa Kuwait, and by extension, Mabanee. In line with this, our investor relations function has a vital role in managing relations between Mabanee and its investors. Mabanee’s investor relations role combines finance, communication, and marketing to effectively control the flow of information between Mabanee (as a publicly listed company), its investors, and stakeholders.

ESG plays a great role in the MSCI EM Index inclusion and relations with investors. Notably, the investor pool exposed from the MSCI EM Index contains many investors who prioritize ESG elements in making their investment decisions. These ESG prioritizations can range from added value for investors to specific ESG requirements to be included in the investor’s portfolio. Considering this, Mabanee realizes that it is even more important now to be conscious about its performance, and accordingly assess and report its ESG performance, being helpful to communicate it with our investors through our investor relations function.

MABANEE'S PROJECTS

(102-2, 102-4, 102-6, 203-1)

#COVID19Resilience

Mabaneer reports on a number of its current and planned projects, noting that COVID-19 resilience impacts and sustainability / ESG considerations are embedded into our project management activities. Further details of the same are presented throughout this section.

Mabaneer Projects in Kuwait and the Region

Mabaneer is developing several projects in Kuwait, the Kingdom of Saudi Arabia (KSA), Kingdom of Bahrain, and the United Arab Emirates (UAE) via strategic partners in each region. Selected projects are displayed below.

Mabaneer Projects

- The Avenues – Kuwait
- Hilton Garden Inn – Kuwait
- Waldorf Astoria – Kuwait
- The Avenues – Kingdom of Bahrain
- Hilton Garden Inn Bahrain Bay - Kingdom of Bahrain
- The Avenues – Sharjah, United Arab Emirates
- The Avenues – Riyadh, Kingdom of Saudi Arabia



The Avenues – Kuwait



Hilton Garden Inn Bahrain Bay



Hilton Garden Inn - Kuwait

New Planned Projects

Listed below are a few selected projects:

1. Aventura, Kuwait

Aventura is a public-private partnership (PPP) awarded project, and a self-sustainable community currently under development. Upon completion, the new city will be home to around 65,000 people. The development will overlook the western Kuwait Bay with three distinct neighborhoods. Aventura will also encompass several facilities and services to accommodate its residents and visitors, including parks, schools, places of worship, local shops, and a retail gross leasable area of 104,000 sqm.

2. The Avenues - Khobar, KSA

The Avenues - Khobar is located at the northwestern corner of the intersection of King Saudi Road with Prince Sultan Road. Currently in the design phase and extending across a gross leasable area of 166,000 sqm, the project will encompass commercial and entertainment areas, residential apartments, hotels, offices, and medical facilities.

3. The Avenues - Bahrain, Phase II

The Avenues - Bahrain, located at the heart of Manama, was inaugurated in 2017, and is inspired by The Avenues – Kuwait. Phase II, which forms an extension of the west part of The Avenues – Bahrain, is currently under construction and will contain an additional 40,000 sqm of leasable area, by adding the following districts: The Forum, Grand Plaza, Electra, the Souk, as well as an expansion of the Grand Avenue.



Aventura, Kuwait



The Avenues - Khobar, KSA



The Avenues - Bahrain, Phase II

Environmental, Social, Governance (ESG) Criteria Considered Prior to Project Selection

Mabanee considers ESG aspects prior to selecting any new project in order to study the feasibility and sustainability of each project. The ESG criteria include the following:

- Environmental Factor (E): The decision is made on how the project’s design construction and operation will affect the environment. Environmental assessment reports are essential to highlight environmental risks.
- Social Factor (S): The project’s impact on the community and social life is considered.
- Governance Factor (G): The influence of the project on stakeholders and shareholders is studied.

All three are important factors that help drive the design and the nature of the project, such as energy preservation, waste management, solar systems, and type of materials used. Furthermore, we cater to social needs by creating projects that go beyond the basic function to create destinations and gathering points.

Project Impacts During COVID-19

#COVID19Resilience

Since COVID-19 is a worldwide pandemic, various major effects and delays occurred in our projects, including:

- Factories closing around the world
- Labor quarantine
- Material delivery delays
- The travel ban has affected major reviews, hindered consultants’ business travel, and limited bringing in workers from outside.

However, despite its limited resources, Mabanee was in full operation, and worked to finalize paperwork and shop drawings’ reviews. These actions helped in expediting work on-site when the country slowly opened up.

MAINTAINING CUSTOMERS’ EXPERIENCE (102-6.416)

#COVID19Resilience

Mabanee believes that maintaining customer experience ensures that our business practices remain sustainable and resilient in the face of crisis, especially as our focus on sustainability / ESG aspects plays a role in enhancing our customers’ experience. Our efforts to maintain tenant and visitor satisfaction is linked to the new changes brought by COVID-19, especially as we integrated the various government and health protocols and guidelines into our operations and activities. By integrating these elements, Mabanee ensures good quality and experience for stakeholders involved, while aiming for lean and efficient operations. An important element in the experience was health and safety, which had been tackled by using the highest standards of sanitization, social distancing, mask-wearing, etc.

Mabanee ensured effective communication with its visitors and tenants about the changes made to keep them safe during the pandemic through emails and multiple social media platforms. Additionally, Mabanee measures customer satisfaction through mall traffic measurement and customer satisfaction surveys.

Visitors’ Experience

In Mabanee, we diligently work on increasing our engagement with customers, responding to visitors’ needs, and executing their ideas; additionally, we always aim to enhance our services and customized solutions in line with modern trends. During the pandemic, we focused on communicating with our visitors through social media platforms, throughout our engagement, we emphasize the fact that customer safety is our priority, as well as highlighting our efforts to ensure a safe come-back to The Avenues. Based on The Avenues visitors study carried out by a third party, The Avenues received high levels of visitor satisfaction, recording a 82% satisfaction rate. The specific attributes covered include the following:

- Profile (demographics)
- Behavior (awareness, purpose, reasons)
- Intentions (factors, visiting frequency)
- Satisfaction
- Accessibility

Mabanee had implemented digital solutions and new services in The Avenues in order to enhance its visitors’ experience. These included:



- Mobile App: Assists consumers in navigating stores and provides informations on new offers and promotions in The Avenues.



- Digital Map: Helps visitors find their desired store location with step-by-step in-mall navigation.



- Getpass parking, pre-booking, and electric vehicle charging stations to provide a better shopping experience to visitors, including eight electric car charging stations at four parking locations in The Avenues.

We receive visitors’ comments, complaints and/or suggestions at the Information desks, by phone, through social media platforms, and face-to-face interactions. We receive between 15 and 20 complaints per month, and transfer each complaint to the relevant department. If the complaint is related to an issue that is within the scope of the Visitors Relations Department (such as services), our Guest Service staff would take necessary actions to rectify the situation or the complaint is then transferred to the relevant department.

Services Provided to Visitors by The Avenues

- General Services:

- First aid Clinics (two clinics)
- Security
- Mashoura United Co. for printing services - Citizen Service
- Optic Wash- Accessories washing service
- Bank ATM Machines
- Lost and Found
- Information Desks
- Kuwait Red Crescent Society (KRCS) Donation Machine

- Transportation-Related Services:

- Scooters
- Wheelchairs (for special needs)
- Valtech - Valet parking (Note that this is on hold, due to government restrictions related to COVID-19)
- GetPass Application (Parking pre-booking service)
- ParknWash - Car washing service
- Mercedes Car Parking spots for test driving
- Kiddie Kruzzler – carts for kids (Note that this is on hold, due to government restrictions related to COVID-19)
- Electric Vehicles (EV) charging stations

- Technology-Related Services:

- Free Wi-Fi
- EZ Charger - mobile charging stations
- Signcom Tablets

- Designated Rooms Services:

- Breastfeeding rooms
- Baby changing rooms
- Designated smoking zones
- Prayer rooms

- Governmental Services:

- Ministry of Social Affairs
- Ministry of Justice Machines
- Ministry of Interior (MOI) driving license kiosk (Central Department of Traffic)
- Consumer Protection Center
- Ministry Booth for the Ministry of Electricity and Water (MEW)
- Kuwait Fire Force
- Emergency Clinic - Ministry of Health (MOH)
- Police - Ministry of Interior (MOI)
- Environment Police
- Public Authority for Housing Welfare (PAHW)
- Citizen Service

Tenants' Experience

#COVID19Resilience

Tenants are central to our business. This year, during the COVID-19 pandemic, we encouraged impactful engagement with our tenants. The engagement was especially regarding tenants' business performance and commitments to ensure that Mabanee's related teams and management adequately analyzed and addressed the support from Mabanee to help tenants maximize their resilience against the 2020 challenges of the COVID-19 pandemic. Mabanee continues to support its tenants, by using a range of suitable tools to meet their needs.

Accordingly, the main ways that Mabanee supported tenants during the COVID-19 crisis include rent waivers and discounts. This support and measures had tangible impacts on our tenants' employee retention, and business continuity, as well as general economic support. Following the ESG aspects, Mabanee's operations went beyond usual boundaries in providing support to its tenants, which subsequently had an impact on tenants through a range of ESG outcomes. These are further explained as follows.



Case Study:

Rent Waivers and Discounts to Tenants

Overview:

#COVID19Resilience

During the COVID-19 crisis and the lockdown, Mabanee offered rent waivers to its tenants, and all tenants received discounts from mid-March until the end of June, allocated as per 100% for the food and beverage (F&B) industry, and 25% for the retail industry. For the following period, all rent was waived until the reopening in early July, totaling a three-month period of waived revenues. In the months of July and August, Mabanee provided a 50% rent waiver across the board. Additionally, during the full lockdown, tenants were given access to their stores to facilitate the online shopping process.

Objective:

The objective of Mabanee's provision of rent discounts and waivers was the contribution to tenants' business continuity and sustainability. Mainly, the aim was to alleviate the financial pressures on tenants in light of the various financial and non-financial consequences faced by COVID-19.

Outcomes:

Discounts and waivers were provided to all tenants. This impact was not only on those stores and tenants' satisfaction, but also had a positive impact on the tenants' employees, which ranged from 20,000 to 25,000 employees. In total, the estimated financial amount forfeit by Mabanee due to the discounts and waivers is about 36.7 million KWD.



SECURITY MANAGEMENT (410)

Mabaneer recognizes that proper security management is important to ensure that our business operates sustainably into the future, and continues to perform in line with sustainability / ESG aspects. Specifically, we ensure our stakeholders' security is in line with our solid internal governance practices.

Mabaneer has a solid Security Department, trusted by customers and tenants. Our stakeholders feel safe within our facilities due to the efforts of our security management, and the increasing footfall even after the lockdown indicates this. Protecting The Avenues from any accidents during the closing period and during the partial and complete curfew periods was a main priority for our security management.

To ensure this security, The Avenues is monitored 24/7, including all mall premises (all areas, car parking, roof, basement, and exterior). The premises are monitored by the latest security systems, including latest camera technology and thermal cameras. The numbers of CCTV cameras used and security scanning doors are displayed below.



Security During COVID-19

#COVID19Resilience

Mabaneer's Security Department continued its operations during the COVID-19 crisis period, including before, during, and after The Avenues closure. The security management activities specifically included:

- Installing thermal cameras at all main entrances.
- Allocating security guards in all entrances of The Avenues with temperature thermometers.
- Forbidding entry of visitors or employees to The Avenues if they have symptoms of COVID-19, including high temperature.
- Isolating any person who has symptoms of COVID-19, and communicating with the responsible authorities.
- Implementing wearing masks upon entering The Avenues.
- Ensuring the presence of the Security Department and officials from government agencies in the mall in order to ensure precautionary measures to protect against COVID-19 are implemented.

Collaboration with Governmental Entities

Mabaneer cooperates with a number of government agencies, especially in order to ensure elevated levels of security. This includes cooperating with:

- The Security Department and the Ministry of Interior (MOI) permanently, to monitor and protect The Avenues.
- The Ministry of Defense (MOD) over evacuation.
- The Ministry of Health (MOH) to communicate with them in case of any health incident.
- The Citizen Service Center and the Ministry of Justice (MOJ) to help visitors and provide their services.

Evacuations

We have 12 evacuation areas in The Avenues in case of any emergencies require prompt relocation of stakeholders. These evacuation areas can be reached following the sign boards that are distributed throughout The Avenues. The security management team and the health and safety team are trained in partial and total evacuation scenarios, which are conducted in cooperation with the MOD.

STAKEHOLDERS' HEALTH AND WELL-BEING (416-1)

#COVID19Resilience

Stakeholder health and well-being was our main priority in 2020. Generally, this priority is aligned with sustainability / ESG as it is a reflection of our internal governance, and a way to ensure that we are taking care of our stakeholders who impact us in various ways. Since the COVID-19 outbreak, Mabaneer has made the utmost effort to eliminate and mitigate the crisis implications, maintain customers' health and safety, and apply precautionary measures and requirements. The Avenues visitors' well-being is our responsibility; therefore, we made sure to follow the government safety instructions.

For the re-opening phase after closing The Avenues for three months, Mabaneer created a clear reopening strategy to proactively protect public health and speed up the pace of economic and community recovery while restoring quality of life. This is based on four guiding principles:

Guiding Principles

1. Safety First

To reopen society safely and securely with a proactive program that safeguards the health of our vulnerable residents, continues physical distancing, and provides clear safeguard rules for businesses deemed safe to reopen.

2. Science Driven

Our strategy relies on a scientifically validated set of public health interventions.

3. Prepared

To work closely with health systems.

4. Dynamic

The level of guidance will gradually become less restrictive over time, as our confidence in the ability to monitor and contain the disease increases.

Procedures for the Safety of our Visitors

Mabanee implemented a range of safety procedures to be followed across the different stakeholders in The Avenues, especially targeting health and safety for our valued visitors. These include:

- All The Avenues’ districts and zones are disinfected daily.
- Face masks are mandatory, visitors without face masks will be denied entry. Face masks should be worn during the entire period of the visit.
- Hand disinfectants are available at all The Avenues’ entrances.
- Social distancing of two meters apart is mandatory.
- Inspection units are located prior to the entry of The Avenues, visitors with temperatures of 37.5°C and above will be denied entry.
- The number of entrances is reduced.
- Elevators are restricted to four people at the same time, with floor markings indicating where they should stand.
- Shopping trollies are forbidden inside The Avenues; they can be used inside supermarket premises and car parking lots.
- Smoking rooms are closed.
- Valet Parking is temporarily closed.

Safety Procedures by Investors

- Units are disinfected daily, beginning before reopening.
- Visitors are encouraged to pay with bank cards instead of cash.
- All employees must wear face masks and gloves; non-compliance will result in denied entry.
- Hand disinfectants are provided inside the stores and visitors are encouraged to use them.
- Units should adhere to a specified number of visitors.
- All F&B units must use disposable utensils for the safety of the visitors.
- Floor social distancing markers are installed parallel to each shop front.

Safety Procedures in Public Areas

- Floor stickers are installed to remind visitors of safe distancing.
- Sterilization is carried out every day by cleaning unit.
- Sanitizer locations are marked for ease of use, as well as having signs reminding visitors to use them.
- All benches in public areas are removed.
- All food court seating areas are reduced.
- Banners are used to spread awareness throughout Grand Avenue.
- All screens throughout the mall show the safety measures taken by The Avenues.
- Visitors are obliged to wear face masks during their entire visit.
- Precautionary signs are seen throughout The Avenues.

Safety Procedures by Contractors

- Employees are to permanently wear masks and gloves.
- Social distancing and personal hygiene are a must and to ensure the protection for all the involved workforce.
- Sanitizing devices and thermal screening are to be provided at site entrances.
- People with temperatures more than 37.5°C degrees are not allowed to enter.
- The working zone is to be regular sanitized before and after work.
- Employees are not allowed to use visitors’ lifts.

- All employees are checked to ensure they are free of COVID-19 on a daily basis.
- All work devices and trolleys are sanitized before and after use.
- Sufficient hand sanitization devices must be made available within the working zone.
- Relevant authorities’ measures concerning the workforce are to be complied with.
- The Contractor is to coordinate with the Facilities Management Department to get the Registration Certificate.
- There must be prior coordination with the Facilities Management Department to get the required work permits.

Tenants’ Health and Safety Training

Mabanee provides health and safety training to the tenants, which is one of the many ways that Mabanee prioritizes and ensures health and safety for all stakeholders involved, while engaging and empowering tenants with the necessary knowledge-sharing. The aim of the training is to ensure tenants have the required knowledge on how to act in the event of a fire emergency, which includes learning how to operate a fire extinguisher, and knowing their workplace environment and designated fire Assembly points. Additionally, the training covered procedures for reporting fire and other emergency processes within The Avenues premises.

Procedures are as follows:

- Training Plans: Prepare a training schedule for tenants and send through the Tenant Relations team.
- Training Attendance: Each tenant must sign the attendance sheet for the records.
- Course Evaluation Form: Tenants must complete this, indicating their feedback regarding training materials.
- Orientation Training: For new staff joining Mabanee.
- Training Reports: Prepare reports including photo evidence.
- Training Records and Review Records

TECHNOLOGY AND INNOVATION

Adopting technology and innovation in a company directs it towards sustainable growth and helps with dealing with modern challenges. Our embrace of technology and innovation comes with a range of sustainability / ESG outcomes, including enhancement of internal governance aspects, environmental outcomes due to efficient, social engagement, and overall ensuring the sustainable evolution of business practices in accordance with modern trends. The conversion of physical work into a digital form has created a great move in the business functionality, especially during the COVID-19 crisis. Working digitally did not create significant negative effects or delays to the work process, instead it greatly facilitated and enhanced our activities, ensuring resilience.

Accordingly, 85% of our business functions are automated and papers are printed only when hard proof is required, the automation of many processes is reducing the time and resources required for Mabanee’s operation. Furthermore, virtual technology is reducing the amount of hardware, which reduces the maintenance cost and power consumption.

The Information and Communication Technology (ICT) Department at Mabanee provided support and required services for employees to work remotely during the lockdown period. It also made sure all technologies were up to date and provided all required tools for online meetings and electronic communications to reduce physical contact by the use of collaboration tools, i.e. MS Teams and Zoom.

Data Security (418-1)

#COVID19Resilience

Mabanee ensures no data breaches incidents, which is achieved through corrective, detective, and preventative measures. This process is achieved by setting up all of our online servers outside the local server farm with access only through a special web access firewall (WAF), with penetration testing done on monthly basis; we also have our IPS, which reports any intrusion attempts. Currently, we are preparing information security sessions for our staff, which are supposed to start in 2021 due to COVID-19 restrictions; in 2020, no data was lost. The ICT Department acts as the first line of defense by having three firewalls for all external requests. As for internal users, Mabanee possesses one of the best end-point security protection systems in the market.

Digital Channels / Programs

Mabanee’s digital channels and programs are displayed in Table (4.1) for internal use, and Table (4.2) for external use by customers.

Table (4.1): Internal Digital Channels / Programs

Name / Type	Description / Purpose of use	Outcomes
Intranet	Informational portal for employees / Company portal to electronically share important information and notifications with the employees	<ul style="list-style-type: none">EfficiencyResource savingsEmployee engagement
ESS	Employee Self Service / Provide automated HR services with Workflow	<ul style="list-style-type: none">Paperless, positive environmental impactTime saving
HelpDesk	IT HelpDesk / automation of call registration and archiving	<ul style="list-style-type: none">Boost performanceBetter utilization of the company's resourcesBetter response to user complaints
ERP	Oracle ERP to automate and manage all company business functionalities	<ul style="list-style-type: none">Business automationTime managementResource savings
Security	Created a module for the Security team to automate all the paperwork.	<ul style="list-style-type: none">Business automationTime managementResource savings

Table (4.2): Customer-Related Digital Platforms / Programs/ Apps

Name / type	Description / Purpose of use	Outcomes
Website	Company website which has all company-related information for current and prospective investors/ customers to know about the company	<ul style="list-style-type: none">EfficiencyResource saving
Yardi - Commercial Café	Provide online/electronic services for our tenants and vendors	<ul style="list-style-type: none">EfficiencyResource saving
The Avenues App	Marketing tool for The Avenues	<ul style="list-style-type: none">EfficiencyResource saving

The Avenues Footfall Tracking System

ShoperTrak is the solution that has been implemented by Mabanee to count the number of The Avenues’ visitors and monitor the footfall. Features and benefits of the system include:

- Giving an accurate estimate of footfall.
- Managing traffic.
- Using the data to find out where the areas of low footfall are located.
- Helping to know where to direct the traffic.

Environmental, Social, Governance (ESG) Factors Considered While Developing New Digital Technologies

- Environmental: We always upgrade the infrastructure with new technology which require less power consumption.
- Social: We provide solutions that help and encourage employees communication, we also offer online services which facilitate for customers and vendors to process transactions in a more electronic and simplified manner.
- Governance: We keep updating our policies and procedures in addition to having three different audit agencies performing audit checks on the information technology (IT) performance.

RESPONSIBLE PROCUREMENT (102-9, 102-10, 204-1, 308-1, 414-2) #COVID19Resilience

Mabanee recognizes that procurement activities have a range of sustainability / ESG impacts, including social impacts such as the localization of procurement, as well as governance aspects in relation to the procurement-related policies and decision-making. Procurement activities were further impacted by COVID-19, which are described further on.

Therefore, Mabanee is committed to the localization of its supply chain and ensures that procurement activities provide a direct impact on local economies. Similarly, Mabanee acknowledges human rights in its procurement process and avoids human trafficking. Mabanee’s procurement purchases environmentally friendly materials and works with small and medium-sized enterprises (SMEs) while ensuring high quality standards.

A pre-qualification process is applied prior to dealing with new suppliers, which is as follows:

- All relevant legal documents are obtained from the potential suppliers.
- Background checks and past credentials of the suppliers are assessed.
- Evaluation criteria are used such as pricing and quality, product availability, performance capability, customer service, etc.
- The public or private (Listed/Non-listed) status, ownership, and management of the supplier are assessed in regard to governance risk.
- Mabanee prefers to deal with ISO certified suppliers. This ensures it is dealing 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. 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 received during the selection process.

#COVID19Resilience

The new local suppliers must be registered with the Kuwait Chamber of Commerce and Industry, as well as the Public Authority for Manpower to ensure that they are following the relevant laws to protect all the rights in the supply chain.

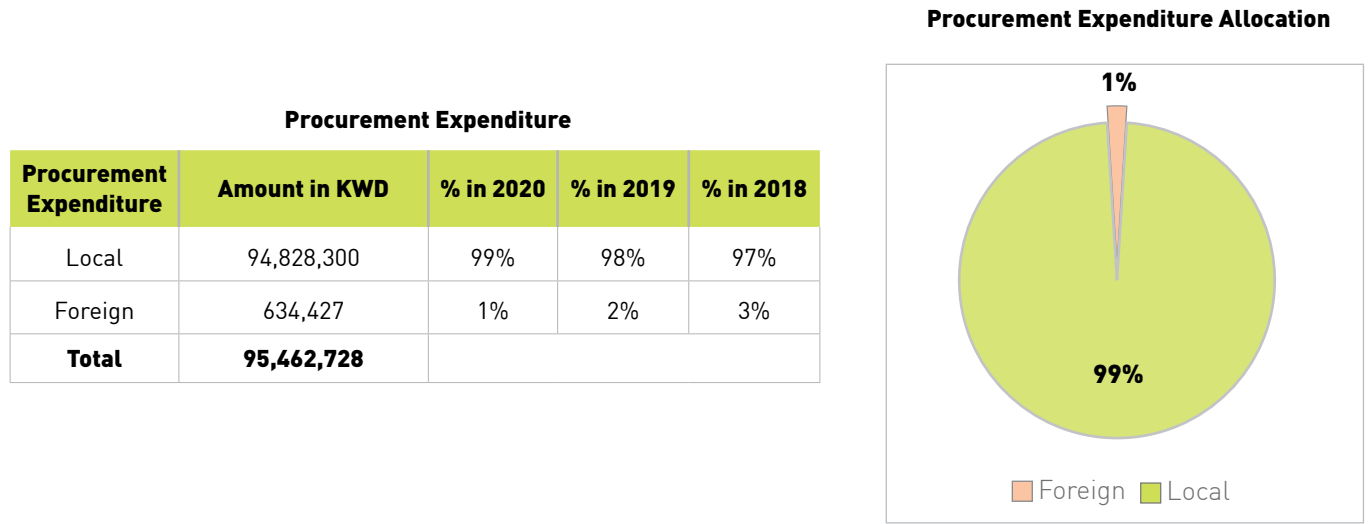
Existing suppliers are assessed by Mabanee based on their past performance (previous contracts), and the performance of existing suppliers is monitored and evaluated.

COVID-19 Implications on the Supply Chain (102-10)

The COVID-19 crisis impacted Mabanee’s supply chain due to the restrictions applied in the country such as the implementation of the curfew and closing the airports, which resulted in slower delivery and a shortage of stock in the market. The Procurement Department in Mabanee aims to order ahead to mitigate delays. We communicated remotely with our suppliers remotely and reduced direct contact with our contractors during this period.

Localization in Mabanee’s Procurement (204-1)

As of 2020, the number of local suppliers is around 500, while the number of foreign suppliers is around five suppliers. In terms of expenditure, Mabanee has provided higher expenditure to local Kuwait suppliers in proportion to foreign suppliers, as shown below.



SROI Topic	SROI Level	Interpretation	Value Outcomes
Local procurement	High	1.07 KWD sustainability value created from every 1 KWD invested.	*Financial value *Financial comfort value

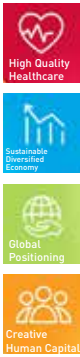




5. OUR WORKFORCE ASSETS

One of Mabanee’s sustainability pillars is the “Workplace,” as Mabanee’s employees are fundamental in establishing an inclusive and sustainable workplace environment. Assessing and reporting on employee matters are cornerstones of our sustainability / ESG approach. Empowering employees not only contributes to successful business operations and sustainable growth, but enables a business to be more resilient in times of crisis and sustaining performance. Consequently, Mabanee is committed to its workforce development, retention, conservation of rights and more importantly its safety. This chapter outlines Mabanee’s approach in supporting the wellbeing of its employees during the **COVID-19** crisis, including several topics related to career development, diversity and inclusion, as well as employee engagement.

New Kuwait Vision 2035



- High Quality Healthcare
- Sustainable Diversified Economy
- Global Positioning
- Creative Human Capital

UN Sustainable Development Goals



- No Poverty
- Good Health and Well-Being
- Quality Education
- Gender Equality
- Decent Work and Economic Growth
- Reduced Inequalities
- Sustainable Cities and Communities

Related Material Topics:

- Workplace Management
- Career Development
- Diversity and Inclusion
- Kuwaitization
- Health and Safety



DIVERSITY AND INCLUSION

(102-8, 405-1)

The work environment at Mabaneer ensures that all its employees are treated equally, and not discriminated against in any way because of their gender, age, race, religious beliefs, or any other demographic backgrounds. This matter is essential since Mabaneer has projects in several countries with a diverse mix of cultures within their customer segments. Therefore, it is imperative for Mabaneer to reflect such diversity within its workforce. Ensuring diversity and inclusion is a major element in the overall sustainability of the workplace, leading to further social and governance outcomes as part of ESG.

For this reporting year, Mabaneer documented diversity in gender, special needs, and age, all with the aim of ensuring that all employees feel equally valued and their full potential is leveraged.

It is worth mentioning that, looking at special needs, the number of special needs employees at Mabaneer account for two employees as of 2020.

SROI Topic	SROI Level	Interpretation	Value Outcomes
Special needs employees	High	2.10 KWD sustainability value created from every 1 KWD invested.	*Compensation value *Employment value *Health value

Gender Diversity

The table below illustrates Mabaneer's workforce segmented as per gender type, indicating that there is a 3.17% increase in the number of women employees compared to 2019. Furthermore, the gender distribution percentages for 2020 is 78.7% men to 21.3% women. Additionally, it is worth mentioning that 31% of women occupy managerial positions at Mabaneer, working in various divisions such as compliance, communications, and investor relations.

Workforce per Gender

		Year		Change%
		2020	2019	
Gender type	Men	240	251	↘ 4.37 %
	Women	65	63	↗ 3.17 %
	Total	305	314	↘ 2.87 %

Gender Distribution Summary



SROI Topic	SROI Level	Interpretation	Value Outcomes
Female employment	High	1.79 KWD sustainability value created from every 1 KWD invested	*Compensation value *Employment value *Female employment value

Age Diversity

Another demographic element assessed in Mabaneer's workforce, besides gender, is age diversity. We recognize that being diverse in our age groups contributes to improving productivity and performance of the different generations within our workforce. Accordingly, The table illustrates Mabaneer's employees per age group, indicating that there is a 27.9% increase in the number of employments in the age group under 30.

Workforce per Age Group

		Year		Change%
		2020	2019	
Age Group	Under 30	55	43	↗ 27.9 %
	30-50	207	225	↘ 8.0 %
	Over 50	43	46	↘ 6.5 %
	Total	305	314	↘ 2.87 %

KUWAITIZATION

(102-8, 202-2)

#COVID19Resilience

One of the ways that Mabaneer contributes to the Kuwait National Development Plan (KNDP) goals is the empowerment of Kuwaiti nationals. We recognize the importance of supporting local employment as part of the government's plan to increase the employment of Kuwaiti nationals in the private sector. One of the main key achievements for Mabaneer in 2020 is the increase of the Kuwaitization rate by 21.82%, reaching a Kuwaitization rate of 21.97%. Such performance indicates the commitment Mabaneer has towards its community and locals, especially in times of crisis. It is worth mentioning that the number of non-Kuwaiti employees decreased by 8.1% due to the COVID-19 crisis, which forced some Mabaneer members to return back to their home countries and be with their families.

Additionally, for the year 2020 the Kuwaitization percentage in Executive Management accounted for 67%.

• Kuwaitization:



Workforce per Nationality

		Year		Change%
		2020	2019	
Nationality	Kuwaiti	67	55	21.82 %
	Non-Kuwaiti	238	259	- 8.11 %
	Total	305	314	- 2.87%

SROI Topic	SROI Level	Interpretation	Value Outcomes
Kuwaitization	High	1.53 KWD sustainability value created from every 1 KWD invested	*Compensation value *Employment value

TALENT MANAGEMENT

(102-8, 102-38, 401-1)

#COVID19Resilience

Mabanees talent management does not only focus on attracting a high caliber of diverse and skilled individuals, but also on developing and sustaining employee talent. Mabanees values its employees' success, as they are the assets of a sustainable business operation. Accordingly, Mabanees ensures having an inclusive work environment that is built on accountability and equal opportunity. This focus on talent management plays a great role in sustaining our workplace, and allows us to exhibit the various social and governance outcomes included in ESG.

Even during the COVID-19 crisis, great efforts were made to ensure that Mabanees employees were not negatively impacted, and their rights were conserved. This includes compensation, work-life balance, and wellbeing.

In this section more details on Mabanees workforce management are provided in terms of employee hires, retention, succession and employee benefits.

Employee Hires and Turnover

Mabanees tracks and reports the number of employees per new hires and turnover to determine the retention rate of its employees. As of 2020, Mabanees full-time employees accounted for 305 employees, from which 29 were new hires. The turnover rate for 2020 was 10.57%, which is 0.76% higher compared to 2019.

The slight increase of the turnover rate is mainly the result of the COVID-19 crisis, which forced (by choice) certain employees to make the decision to leave Kuwait in order to be with their families during the pandemic. As a result, the turnover rate accounts for only 0.76% change, which compares favorably against other entities (locally and internationally) and their large-scale turnover and economic difficulties.

In order to compensate for such turnover, and as part of Mabanees approach towards employee retention, the number of employee new hires increased by 38.1% compared to last years performance.

New Hires and Turnover

	Year		Change%
	2020	2019	
Number of employee new hires	29	21	38.1%
Turnover rate	10.57%	6%	0.76 %



#COVID19Resilience

Attracting youth talent and developing their early career years is a vital element in Mabanees talent management schemes. In 2020, Mabanees recruited 11 fresh graduates and five students joined Mabanees internship program. Both interns and fresh graduates are offered a wide range of work experience across the different divisions.

Mabanees offers three internship programs, in which students work with Mabanees for a certain period of time. The program offers students exposure to business case studies and projects, which enables them to gain experience relevant to their field of studies. As a result of the COVID-19 crisis, the number of interns decreased by 50% compared to last year, since most undergraduate students who study abroad could not be present in Kuwait due to the lockdown and closing of all airports.

Employee Benefits

Mabanees provides a range of benefits to its employees, which comprise access to health and life insurance, annual leave, and parental leave. Additionally, employees have the opportunity of obtaining employee loans.

Furthermore, Mabanees provides comprehensive rewards packages as means of performance recognition, which include yearly bonuses, Alshaya Privilege Club card and special employee discounts at The Avenues.

SROI Topic	SROI Level	Interpretation	Value Outcomes
Employee health insurance	Very High	20.68 KWD sustainability value created from every 1 KWD invested	*Health impact value

Succession and Employee Performance

As means of retaining leaders with high potential, Mabanees conducts performance assessments to evaluate successors' competencies in line with its succession plan. The evaluation is conducted based on the achievement of certain KPIs and predetermined targets. The results of the assessment, along with supporting recommendations are then communicated to top management to further take the required actions necessary for talent development.

In addition, Mabanees employees undergo a yearly performance evaluation to determine their appraisals. Such consistent process is essential for determining each employees career development plan and ensures long-term leadership succession.

CAREER DEVELOPMENT

(102-8, 205-2 ,404-1 ,404-2 ,404-3 ,412-2) #COVID19Resilience

Capacity building and career development are essential and integral to Mabanee’s sustainable work environment. Mabanee reflects the importance of capacity building throughout the learning and training programs it provides to all employee levels. Such investment helps Mabanee’s employees to further develop both in their existing roles and future career paths, creating a dynamic and resilient workforce that caters to the changing needs of Mabanee’s customers. We recognize that capacity building is essential to develop our workforce into a sustainable one, leading to other social and governance aspects from ESG.

Mabanee provided a wide variety of training courses that cover different learning and development topics. This includes the “Mabanee Responsible Leader” training course, which covers topics concerning ethical and lawful behavior and organizational integrity. Additionally, as a result of the COVID-19 crisis, Mabanee was able to provide e-learning courses and online sessions for employees. An example of this was the “Introduction to Investments” course, which was presented by Mabanee’s Chief Investment Officer.

All of the training courses conducted in 2020, from which the total training hours provided were 920 hours, across 11 training courses for 102 employees, noting that there may be overlaps in the participants across courses.

Employee Training 2020

Training course	Hours per Course	# of participants	Total Hours
Governance, Risk and Compliance	30	1	30
Integrated System Europe	16	4	64
Annual International Financial Reporting Standards (IFRS) Update Seminar	9	6	54
Financial Data Analysis for Leaders	18	1	18
Introduction to Investment	4	61	244
ISO 9001:2015 Internal Auditor Training	16	4	64
ISO 9001-2015- Foundation Training	8	7	56
ISO 9001-2015-lead Auditor	48	1	48
Network Security (NX) Deployment	8	1	8
Mabanee Responsible Leader	22	15	330
IR Society course	3.5	1	3.5
Total	-	102	920

SR0I Topic	SR0I Level	Interpretation	Value Outcomes
Employee training	Very High	4.77 KWD sustainability value created from every 1 KWD invested	*Training value *Employee support value

EMPLOYEE ENGAGEMENT

(102-8) #COVID19Resilience

Mabanee’s work environment encourages open dialogue and communication among its employees, as this ensures satisfaction and well-being, which, in turn, affect employee productivity and business operations. Making sure that our employees are positively engaged contributes to the overall sustainability of our workplace, in line with ESG aspects as well.

Facing a pandemic has proven how important it is to effectively engage with employees and have a collaboration-oriented working environment. As means of ensuring employee safety and well-being, Mabanee has developed safety guidelines in order to raise awareness among employees to return back to Mabanee premises once the lockdown ended. Additionally, a new Intranet portal was launched this year to ensure that all Mabanee’s employees are effectively engaged during the lockdown and while working remotely.

The new Intranet portal serves as a systematic tool which contains features that encourage employee engagement. The main goal of the portal is “Staff Awareness,” having a unified engagement, and being up to date with Mabanee’s events, activities and announcements. Such announcements include, for example, COVID-19 regulations and updates, parties that offer employee discounts, condolences, congratulations, and much more.

Another engagement method that Mabanee applies with its employees is through workplace related policies and compliance.

Workplace-related Policies

- Code of Conduct
- Attendance and Absence Policy
- Dress Code Policy
- Insurance Policy
- Training and Business Trip Policy
- Mall Management Policy
- COVID-19 Policies

As a means of encouraging direct feedback and open communication, Mabanee conducts an employee satisfaction survey on a yearly basis, which captures and tracks all the views and determines the level of satisfaction. In 2020, the survey results reached an employee engagement score of 45-50%, from which zero (0) complaints were filed from Mabanee’s employees. Furthermore, as means of encouraging employee engagement at Mabanee, a number of events were conducted throughout 2020.

• Number of employee complaints:



SR0I Topic	SR0I Level	Interpretation	Value Outcomes
Employee Engagement	Very High	7.94 KWD sustainability value created from every 1 KWD invested.	*Employee satisfaction value

Employee Engagement Events

Event	Month	Description
Mabanee Open Day	January 2020	Gathering of employees for a whole open day, where employees take part in activities, games, leisure time, and employee interaction
Staff National Day	February 2020	Celebration of Kuwait's National Day
Breast Cancer Awareness	October 2020	Raising cancer awareness among staff, providing giveaways for female staff and uploading a self-care guide on the Intranet portal
Movember Awareness	November 2020	Raising awareness of prostate cancer among staff, providing giveaways for male staff and uploading a self-care guide on the Intranet portal



OCCUPATIONAL HEALTH AND SAFETY

(102-8, 403-2, 403-3, 416-2)

#COVID19Resilience

Mabanee has always placed its stakeholders' health and safety at the forefront of its operations, especially in terms of addressing occupational safety. Having a healthy and safe workforce is key to making sure that we have a sustainable workforce, which links to our overall ESG performance. Furthermore, ensuring occupational safety is a vital element in making sure that we remain resilient against challenges, especially in a health crisis like **COVID-19**.

During the **COVID-19** crisis, Mabanee continued to monitor and ensure the safety and support of employees, both during and after lockdown. Several standards and procedures were developed that addressed **COVID-19**, where all staff was requested to adhere to a rigorous compliance program that ensures the wellbeing and safety of all Mabanee employees. The standards of operating procedures covered both the pre- and post-lockdown phases; details of each of the standards are provided in the following.

A. Working from Home Standard Operating Procedure

All managers were requested to adopt flexible working arrangements to achieve the Kuwait government's "Return to Work" plan, effectively utilize manpower and facilitate remote working. All employees were requested to cooperate with their managers and follow HR instructions in terms of abiding to Mabanee's working hours, utilizing virtual means of communication (i.e. emails, phones, Zoom, Microsoft Teams) and immediately informing HR and their direct supervisor in the case of suspected symptoms / infection of **COVID-19**.

B. Back to Work Plan

Managers are requested to decide the working hours for each employee, segmented to different shifts as per the Staff Schedule Plan - those who work at Burj Alshaya will adhere to their rules instead. All employees are required to sanitize their hands and wear masks before entering the workspace and while they are at their workstation. All employees' temperature will be measured prior to entering the Mabanee premises (ideal temperature should not exceed 37 Celsius). Social distancing is required, with no physical contact, and staff who are pregnant or have a low immune system are requested to inform HR immediately. In cases where an employee tests positive or has been in contact with an infected person, the employee must self-isolate as per government rules and regulations until cleared, and Mabanee will cover the expense of the Polymerase Chain Reaction (PCR) test.

C. Holding Physical Meetings Standards Operating Procedure

#COVID19Resilience

Whenever possible, physical meetings are to be substituted with virtual ones. In cases where a physical meeting may be required, it should be held in a well-ventilated room with appropriate social distancing in place - while limiting the number of attendees. Those who have any **COVID-19** symptoms or feel unwell cannot attend. Masks are to be worn during the meeting with a one-meter distance between seatings. Details of each attendee is to be documented, such as their mobile number, email and address.

In addition to the aforementioned standards, several educational and awareness videos were launched by Mabanee's Communications Department, which covered the **COVID-19** work regulations and guidelines. Hand sanitizers and masks were distributed across Mabanee's premises with daily disinfection procedures for the offices conducted.

It is worth mentioning that Mabanee's top management responsibilities include, among others, ensuring that all employee health and safety concerns are addressed, and that relevant safety procedures and policies are well established and implemented. Mabanee's top management proactively:

- Establishes a structure in which the Occupational Health and Safety (OH&S) objectives are set.
- Ensures that Mabanee is fully committed and complies with all legal and applicable safety requirements.
- Ensures that Mabanee is fully committed to eliminating hazards and reducing risks associated with OH&S.
- Ensures that Mabanee is fully committed to the continual improvement of its OH&S Management System and to improving its overall OH&S performance.
- Ensures that all Mabanee employees shall be aware of the OH&S policy and have access to it through Mabanee's Portal.

Last but not least, the Health and Safety Committee conducts a monthly meeting to discuss all occupational health and safety issues and concerns, with the aim of safeguarding all of Mabanee's stakeholders and ensuring compliance with regulations. The meeting discussions are based on the ISO agenda, and cover the following points:

- Follow-up on the action points from the previous meeting and sharing of learning points.
- Follow-up on training status and inspections status.
- Analysis of reported incidents and accidents.
- Identification of risks and opportunities of improvement.
- Any other relevant issues that concern the safety of Mabanee's stakeholders.



6. OUR SUPPORT TO COMMUNITY

One of Mabanees sustainability pillars is the “Community.” Throughout 2020 and the past years, Mabanees corporate social responsibility (CSR) activities have shown positive impacts on the community in which it serves. Engaging with the community has always been a priority to Mabanees, especially as social (S) aspects are strongly aligned to various areas of ESG. Even in times of the COVID-19 pandemic, Mabanees remained committed to this engagement, further reflecting our resilience. Consistent community support and awareness were the main drivers of Mabanees 2020 CSR activities.

New Kuwait Vision 2035



High Quality Healthcare



Global Positioning

UN Sustainable Development Goals



No Poverty



Zero Hunger



Good Health and Well-Being



Quality Education



Decent Work and Economic Growth



Sustainable Cities and Communities



Peace and Justice Strong Institutions

Related Material Topics:

Social Responsibility and Awareness



SOCIAL RESPONSIBILITY AND AWARENESS

(203-2, 413-1)

#COVID19Resilience

Mabaneer has always been committed to its community, as one of Mabaneer's values is "Customer and Community Focused." Such commitment and prioritization towards social responsibility increases the community's engagement and helps in addressing the community's needs accordingly. Among other outcomes, this focus, in turn, creates a positive impact on Mabaneer's business success, its resilience in times of crisis, and its ESG performance overall.

During 2020, Mabaneer's commitment towards the community was reflected differently, due to the COVID-19 crisis. One of the main implications of the crisis on Mabaneer's CSR activities was putting certain physical CSR activities on hold since business operations were forced to close (such as The Avenues), as a result of the virus outbreak and the full lockdown in Kuwait. However, engagement with the community was still conducted virtually, and outside the lockdown periods.

Although the COVID-19 crisis created significant complications and uncertainty, Mabaneer took immediate actions to confront the pandemic by putting the health, safety, and wellbeing of its stakeholders at the forefront of its priorities, including spreading COVID-19 related awareness to the community. All of this was accomplished by Mabaneer's effective social communication and awareness campaigns.

SOCIAL ENGAGEMENT TOOLS

#COVID19Resilience

Social engagement tools are important in helping us engage with the community, ensuring sustainable activities in reflection of our ESG performance. In response to the COVID-19 crisis, Mabaneer was and still is connected to the community through effective engagement tools, all of which ensured that the community and stakeholders remained supported and aware of all the measures taken to prevent the spread of the infection and of any changes that occurred to the mall.

As a means of engaging and showing support to the community during lockdown, Mabaneer used its social media platforms to raise the community's awareness and promote preventive actions about the virus, with all being done virtually. The COVID-19 awareness campaigns' posts and ads included awareness messages about the virus's symptoms and side effects, preventive actions (including practicing good hygiene and physical social distancing), and adherence to Kuwait's governmental guidelines on health and sanitization.

Additionally, Mabaneer developed a campaign named "We Miss You," aimed at showing emotional support to its customers and visitors, and maintaining engagement with them during the lockdown. Another campaign was developed during lockdown, which was named "The Avenues Fawazeer", this campaign was a social media contest aimed at entertaining Mabaneer's social media followers during the lockdown.

On June 30, 2020, The Avenues re-opened partially for the first time after being closed for four months as a result of the crisis. In response to the re-opening of The Avenues, Mabaneer used a range of communication channels to ensure the safety of The Avenues' visitors, customers, and all its concerned stakeholders. Such communication channels ranged from social media posts to in-mall banners and stickers—all of which emphasized following and abiding by safety precautions and instructions. This included wearing masks, keeping physical distance, prohibiting social gatherings or area crowding, ensuring consistent hand sanitization, and communication of the COVID-19 infection symptoms.

#COVID19Resilience

Furthermore, a new hashtag was created during the pandemic, which has been used on all of The Avenues' social media posts. The hashtag was: "#returning_safely," focusing on health and safety measures to be followed while in the physical premises.

Moreover, The Avenues produced a video where the content emphasized the sanitization and cleaning process applied at The Avenues as well as the safety instructions that visitors should follow.

The health and safety of the community will always remain a high priority for Mabaneer. This priority will remain embedded not only at The Avenues premises, but throughout all its social media platforms and channels, including Instagram, Facebook, and Twitter.

A list of all available communication channels that Mabaneer utilizes.

Mabaneer Communication Channels



Facebook



Instagram



Twitter



Snapchat



LinkedIn



YouTube



Website



Mobile App



Call Center

It is worth mentioning that the number of social media followers across channels increased in 2020, as indicated in the below. Such increase is evidence of the effectiveness and commitment of Mabaneer's communication and engagement with the community and stakeholders, especially in times of crisis. The results show a 6.2% increase in the number of followers in total across the three analyzed social media platforms.

Mabaneer Social Media Followers per Year

Platform	2019	2020
Instagram	578,000	620k+
Facebook	212,300	223k+
Twitter	120,100	124k+
Total	910,400	967k+
%-Change	+6.2% increase	

Case Study:

The Avenues “We Miss You” Campaign

Overview:

This campaign involved shooting an emotional video of The Avenues’ districts and areas after its closure during the pandemic, showing the districts left empty of visitors and noise. The video communicated how much The Avenues misses its visitors, and that it was looking forward to seeing them again. It highlighted that, because visitors’ health and safety is our priority, we would be doing our best to keep them safe during this tough time.

Objective:

The objective of the campaign was to achieve a viral and organic impact that would touch The Avenues visitors and Kuwait’s community overall.

Outcomes:

The video achieved a high number of views, reach, and impressions when compared to previous years. Furthermore, the video was shortlisted for two awards:

1- Public Relations Consultants Association (PRCA) Awards
Best Use of Content Marketing in a Campaign

2- Middle East Public Relations Association (MEPRA) Awards
Best Campaign in Kuwait (WON)
Best Use of Video
Best Use of Limited Budget
Best Retail Campaign (WON)

EXTERNAL PARTNERSHIPS AND INITIATIVES

Mabanees’ CSR approach includes the creation of a sustainable relationship with its external partnerships. Mabanees works with various entities and organizations that aim towards impacting the community, either through joint initiatives or other community engagement activities. This approach to partnerships and its linkage with our social engagement is a factor of our overall sustainability / ESG performance.

#COVID19Resilience

Moreover, one of the COVID-19 implications for Mabanees’ CSR was putting several activities that require physical presence on hold, due to the risks of physical contact. However, prior to the pandemic breakout (before March), Mabanees conducted a number of CSR activities with its external partner organizations. In the table is shown Mabanees’ CSR events conducted in 2020, categorized into prior COVID-19 (total of 10 events) and post COVID-19 (total of two events). The figure indicates the events’ category, description, partner organization, and duration.

List of the CSR events - 2020

Date / Duratron	Event Name	Description	Partner Organization	Community Category
Feb 2020 3 days	• Markets Exhibition	Showcasing hobbies, experiences and projects by creative people who enjoy learning and sharing what they create.	Kuwait Investment Company (KIC)	Community
Jan 2020 3 days	• Book Fair	Several publications of the National Council for Arts and Literature were presented by Kuwaiti authors with the aim of supporting local authors and encouraging reading and purchasing of books.	National Council for Culture, Arts and Letters (NCCAL)	Community
Jan 2020 3 days	• E-petrol app launch	An event was held to assist the Kuwait National Petroleum Company promote its new application.	Kuwait National Petroleum Company (KNPC)	Community
Jan 2020 5 days	• Information Desk	An event to promote services provided by government agencies.	Public Authority For Housing Welfare	Governmental
Jan 2020 1 day	• Ukrainian Arts Night	A vibrant collection of dresses and jewellery was displayed by Ukrainian designers, aiming to promote Ukraine as a leader in creative and unique fashion ideas.	Ukraine Embassy	Cultural
Feb 2020 2 day	• Coronavirus campaign:	An event was created to spread awareness about the Coronavirus.	Ministry of Health (MoH)	Health
Feb 2020 2 day	• Palliative care:	An awareness event about palliative care for cancer patients was carried out by the Kuwait Medical Association regarding the existence and work of the Palliative Care Society.	Palliative Care Center	Health
Feb 2020 10 days	• Ivory Exhibition:	The United Nations exhibition for companies and individuals was organized for a group of designers, and some elements related to the home, personal designs, offices, and a series of workshops on interior design were presented.	Kuwait International Design Week (KIDW)	Community
Feb 2020 1 day	• Celebrating National Day:	An event was held to celebrate the National Day of the State of Kuwait.	Farwaneyah Governorate	Community
Feb 2020 4 days	• Sadu exhibition:	An exhibition was created to explore the contemporary approach to traditional Sadu weaving and the history and stories of Sadu. This interactive exhibition aims to enrich the general public’s knowledge of Sadu weaving as it hosts practical sculptures, installations and activities that create new interpretations of the tradition of sadu weaving.	Sadu Community	Cultural
Oct 2020 1 month	• Breast Cancer Awareness Campaign:	A campaign was created to highlight awareness on Breast Cancer where The Avenues was decorated in pink and artwork was displayed on all screens.	The Avenues	Health /Awareness
Nov 2020 1 month	• Movember Awareness Campaign	A campaign was created to highlight awareness on MovemberThe Avenues was decorated in blue and displayed campaign artworks on all screens.	The Avenues	Health /Awareness



7. OUR ENVIRONMENTAL IMPACT

Mabanee’s approach towards its environmental impact focused on four main areas related to its business operations, which are: energy consumption, greenhouse gas (GHG) emissions, waste management, and water consumption. Since 2017, Mabanee has tracked its performance across these environmental areas while incorporating holistic methods of improvement. This commitment to environmental (E) assessment and reporting covers various areas of ESG, which, in turn, reflects our sustainability / ESG performance overall. For this year, a new focus area developed includes the environmental considerations within Mabanee’s projects, especially in terms of green building and renewable energy. Further details on Mabanee’s conscious and efficient operations, as well as 2020’s environmental impacts, are presented in the following sections.

New Kuwait Vision 2035



Sustainable Living Environment



Global Positioning

UN Sustainable Development Goals



Clean Water and Sanitation



Affordable and Clean Energy



Sustainable Cities and Communities



Responsible Consumption and Production



Climate Action



Life Below Water



Life on Land

Related Material Topics:



Energy Consumption and Emissions
Resource Management

ENERGY CONSUMPTION

(302-1, 302-3, 302-4)

#COVID19Resilience

One of the environmental areas that Mabanee focuses on is energy consumption management, especially in terms of “Electrical Energy Savings.” Energy consumption is an element of our environmental performance, which in turn feeds into our sustainability / ESG performance overall. As a result of the COVID-19 crisis, Mabanee’s energy reduction initiatives remained through the usage of Light-Emitting Diode (LED) lighting systems and British Thermal Units (BTU) meters. Moreover, as of 2020, The Avenues now has 16 dedicated parking spots for electric cars, with available chargers, to encourage using electric cars to reduce emissions and pollution. This reflects that Mabanee’s energy consumption management is not only conducted within its operations, but through one of its main stakeholders: The Avenues visitors.

Moreover, within our own operations, a total of 1,254,163 KWD was spent in 2020 towards electricity consumption, in which the total grid electricity consumption for The Avenues was recorded at 250,832,680 kWh. The table shows both the total amount and the intensity amount per employee.



Parking Spots for Electric Cars

16 (parking spots)

Electricity consumption	
Month	Electricity consumption (kWh)
Total amount	250,832,680
Intensity amount / employee	822,402

GHG EMISSIONS

(305-1, 305-2, 305-3, 305-4, 305-5, 305-7)

#COVID19Resilience

In order for Mabanee to analyze and compare its environmental impact on climate change, Mabanee has been committed to calculating and reporting its greenhouse gas (GHG) emissions for the past three years. GHG emissions assessment and reporting is key to our understanding of our environmental impact, being essential to forming an overall view of our ESG performance. The disclosed emissions relate to Mabanee’s operations and activities, covering Scope I, Scope II and Scope III emissions; an update on Mabanee’s GHG emissions for the year 2020 is given with further details in the following sections. We consider that 2020 has been an exceptional year due to COVID-19 and related closures, therefore, it is expected that closures would lead to environmental performance that is reduced compared to normal business as usual. This should be considered in future reporting when comparing to the 2020 performance.

Scope I Emissions

The direct energy consumption of Mabanee results from two main sources of fuel combustion, which are: a) Mabanee’s owned vehicles and b) standby generators. Accordingly, Figure (7.1.a) illustrates Scope I emissions from our generators, noting that we paid a total of 2,410 KWD in generator diesel fuel. Meanwhile, Figure (7.1.b) presents the Scope I emissions from owned cars, noting that we paid around 7,380 KWD in fuel consumption of owned cars. The total scope I emissions from both generators and owned cars is presented in Figure (7.1.c), showing both total scope I and intensity per employee.

Figure (7.1.a): Scope I – Generators

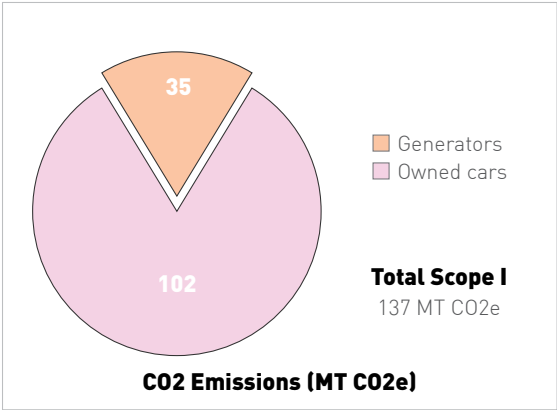
# of Generators in each location	Total Yearly expenditure for generators (KWD)	Total Yearly diesel volume consumption for generators (Liters)	C02 Emissions (MT C02e)	N0x Emissions (MT N0x)	S0x Emissions (MT S0x)
38	2,410	13,850	35	0.0004	15

Figure (7.1.b): Scope I – Owned Cars

Total # of Cars	Total annual petrol consumption volume (liters)	C02 Emissions (MT C02e)	N0x Emissions (MT N0x)	S0x Emissions (MT S0x)
18	43,525	102	0.001	3

Figure (7.1.c): Scope I – Owned Cars and Generators

Scope I Area	C02 Emissions (MT C02e)	N0x Emissions (MT N0x)	S0x Emissions (MT S0x)
Generators	35	0.0004	15
Owned cars	102	0.001	3
Total Scope I	137	0.001	17
Intensity: Scope I emissions / employee	0.4	0.000004	0.1



Scope II Emissions

The indirect energy consumption of Mabanee arises from the purchased electricity (grid electricity) used for powering its premises. Figure (7.2) illustrates Scope II emissions for the year 2020, derived from the kWh of grid electricity consumed, and expressed in both total scope II emissions and scope emissions intensity per employee.

Figure (7.2): Scope II GHG Emissions

Type	Grid Electricity per Year (kWh)	C02 Emissions (MT C02e)	N0x Emissions (MT N0x)	S0x Emissions (MT S0x)
Amount	250,832,680	159,860	1.5	4,063
Intensity amount / employee	822,402	524	0.005	13

Scope III Emissions

Mabanees’ Scope III emissions are as a result of other indirect emissions, for sources that are owned or controlled by third parties. For 2020, Mabanees measured these indirect emissions through its business air travel emissions and rented vehicles’ fuel consumption.

Figure (7.3.a) illustrates Scope III emissions for rented cars only, derived from the expenditure and petrol consumption for the seven rented cars. Meanwhile, Figure (7.3.b) displays the Scope III emissions for business air travel only, derived from 40 business air travel trips. Additionally, this can be illustrated as CO2e emissions allocated per destination region, presented in Figure (7.3.c). Note that these 40 air travel trips pertain to only January and February 2020, as no other air travel trips were taken throughout the year. Figure (7.3.d) presents the total Scope III GHG emissions considering both rented cars and business air travel.

Figure (7.3.a): Scope III GHG Emissions – Rented Cars only

Total # of cars	Type of Petrol	Annual expenditure - all rented cars (KWD)	Total annual petrol consumption volume (Liters)	CO2 Emissions (MT CO2e)	NOx Emissions (MT NOx)	SOx Emissions (MT SOx)
7	Premium	1,890	3,360	8	0.0001	0.2

Figure (7.3.b): Scope III GHG Emissions – Air Travel (Business Trips)

Number of Air Travel trips	CO2 Emissions (MT CO2e)	NOx Emissions (MT NOx)	SOx Emissions (MT SOx)
40	37	0.0003	1

Figure (7.3.c): Scope III GHG Emissions (CO2e) – Air Travel per Region

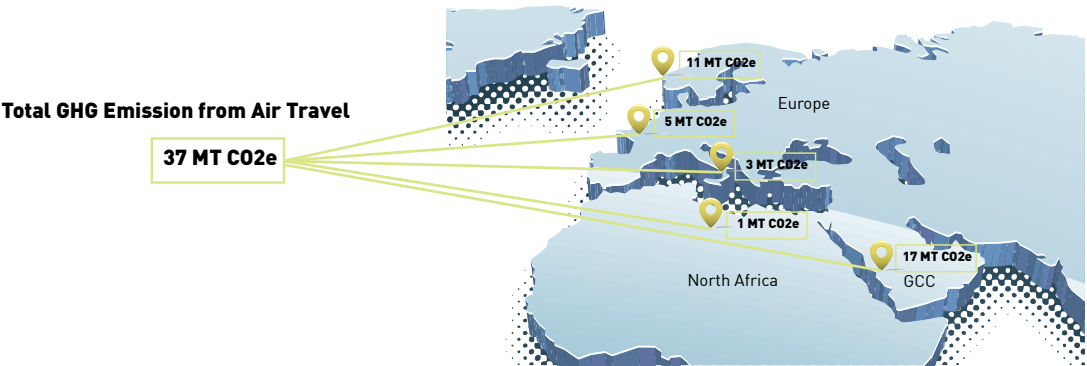
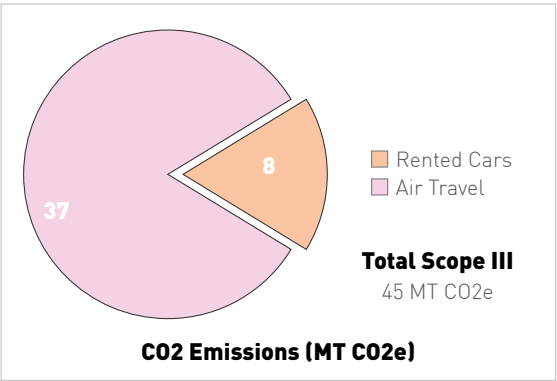


Figure (7.3.d): Total Scope III Emissions: Air Travel and Rented Cars

Source of Scope III GHG Emissions	CO2 Emissions (MT CO2e)	NOx Emissions (MT NOx)	SOx Emissions (MT SOx)
Rented Cars	8	0.0001	0.2
Air Travel	37	0.0003	1
Total	45	0.004	1



Total GHG Emissions

Finally, GHG emissions can be analyzed overall across the three scopes (scopes I, II, and III). The total amount and breakdown per scope is presented in Table (7.4) as follows.

Table (7.4): Total GHG Emissions (I, II, and III)

GHG Emissions Scope	CO2 Emissions (MT CO2e)	NOx Emissions (MT NOx)	SOx Emissions (MT SOx)
Scope I	137	0.001	17
Scope II	159,860	1.5	4,063
Scope III	45	0.0004	1
Total	160,041	1.5	4,082

WASTE MANAGEMENT (301-1,301-2 , 306-1)

Over the years, Mabanees has always been proactive in minimizing its operations’ impact on resources and landfills, especially through its waste management reduction activities. Waste management is another important part of our environmental performance, by extension being a factor in our ESG performance overall. Mabanees continues its waste management efforts through the recycling of three main waste types, namely: cartons, oil drums and wooden pallets. In addition to the aforementioned, Mabanees recycles metal and batteries. The waste management cycle that Mabanees applies is displayed as follows.

Scope III Emissions

- 1st All business units send their waste to a waste collection room.
- 2nd Waste is then segregated as per waste type (i.e. wood, oil drums, etc.) (first round of segregation).
- 3rd Each segregated waste type is then sent to the central garbage unit.
- 4th Segregated waste goes under a second round of segregation and is classified either as “Recyclable” or “Unrecyclable”.
- 5th Recyclable waste will be sent to related third-party factories.
- 6th Unrecyclable waste will be sent to landfill.

In 2020, Mabanees managed to recycle 907,230 kg of cartons, 1,511 gallons of oil drums, and 5,545 pieces of wooden pallets.



Additionally, The table illustrates the amount of GHG emissions as a result of Mabanee’s solid waste recycling initiatives. Specifically, the solid waste recycled translated to 659 MTCO2e of GHG emissions impact in 2020, reduced by 29% compared to 2019.

GHG Emissions Impact of Solid Waste Recycling

Waste type recycled	2020: GHG Emissions impact (MT C02e)	2019: GHG Emissions impact (MT C02e)	%-Change (2019 - 2020)
Oil drums	4	140	-97%
Wooden pallets	19	23	-17%
Cartons	617	769	-20%
Total:	659	932	-29%

SROI Topic	SROI Level	Interpretation	Value Outcomes
Waste management	Medium	0.26 KWD sustainability value created from every 1 KWD invested.	*GHG Emissions savings value

In 2020, Mabanee continued to move forward with its waste management processes, as it signed a contract with an additional third-party recycling factory. Furthermore, not only does Mabanee aim to reduce waste generation within its internal operations but throughout The Avenues premises. An example of such action is Mabanee replacing all plastic mats in The Avenues' prayer rooms with paper ones, as well as increasing the number of distributed waste bins by 21% compared to 2019, amounting to 523 waste bins in 2020.

WATER CONSUMPTION (303-5)

Managing water consumption is one of the sustainability areas that Mabanee targets in relation to its environmental impact, and because it is an element of its ESG impact overall. Not only does Mabanee save water through its waste recycling efforts, but through its water reduction initiatives such as the water saving project, namely the sewage treatment plant. In 2020, Mabanee invested a total of 9,070 KD towards its sewage treatment plant, specifically for the Reversed Osmosis (RO). Furthermore, a total of 479,851.25 KWD was paid towards water consumption in 2020. The table illustrates the total amount of water consumed, expressed in both imperial gallons (IG) and intensity per employee, and showing a decrease of 15% compared to 2019. Water consumption efficiency remains an area in which Mabanee will continue to review opportunities to improve, in line with its sustainability journey.

Water Consumption

Amount 2019 (IG)	Amount 2020 (IG)	Change-%	Water Consumption Reduction (IG)	Water Consumption 2020 Intensity IG/employee)	Greenhouse gas (GHG) emissions saved (MT C02e)
276,692,288	233,925,625	-15%	42,766,663	140,219	98

SROI Topic	SROI Level	Interpretation	Value Outcomes
Water consumption	Medium	0.17 KWD sustainability value created from every 1 KWD invested.	*Cost saving value *GHG emissions value

ENVIRONMENTAL CONSIDERATIONS IN MABANEE’S PROJECTS

Not only is Mabanee’s environmental impact seen through its efficient operations, but Mabanee embeds certain environmental KPIs related to reducing resources and efficient consumption within its strategy and proposed tenders. This further supports Mabanee’s work towards positive ESG, specifically environmental, impacts. Notably, in 2020, a total of 625,669 KWD was invested in environmental projects classified under efficiency.

Mabanee’s construction and urban development projects are designed with a focus of assuring the implementation of sustainability aspects and considerations within the delivered projects. The design considerations mainly target areas related to energy efficiency, water management, customers, and tenants’ accessibility.

For instance, in terms of customer accessibility, one of the main design features that Mabanee considers regarding this area is developing facilities that contain special needs accessibility features. Additionally, Mabanee’s designs offer tenants ease of access with dedicated gateways and paths for loading and unloading of materials.

Regarding water management, the design plans consider the application of utilizing controlled water systems. Energy efficiency is implemented through optimized sensor lighting systems and renewable energy, namely solar panels.

An example of how renewable energy is an essential aspect in some of Mabanee’s design considerations is The Avenues in Sharjah, as the design is planned to be a LEED-certified building. Additionally, solar panels have been considered in the early design stages of The Avenues-Sharjah, noting that there are ongoing plans to add solar panels in The Avenues-Kuwait as an initiative to replace current energy sources with renewable and efficient ones.

It should be noted that, concerning the building designs and executions in Kuwait, Mabanee adheres to the regulations and standards of the Kuwait Environment Public Authority (KEPA). For instance, the Aventura project falls under category (A) based on Code No.2 of 2015 and Code No.2 of 2017. On the other hand, Mabanee follows international standards for its overseas projects, in respect to the country in which the project is to being developed in.

As a means of enhancing and ensuring a complete overview of the design perspective, Mabanee’s Projects Department communicates with other relevant and concerned departments (e.g. Operations, Leasing) to allow feedback on different design aspects and factors, which would then be taken into account. Such process is conducted at the early stages of the design phase.

Case Study:

LEED Consideration in The Avenues - Sharjah

Overview:

LEED is an internationally recognized green building certification that has been developed by the United States Green Building Council (USGBC). The LEED certification system rewards projects for the use of natural resources, adapting regenerative and restorative strategies, minimizing negative environmental and health consequences of the construction industry and providing a high indoor environmental quality for occupants.

The LEED rating system consists of several mandatory pre-requisites and optional credits that are categorized under the following categories;

- Integrative Design
- Location and Transportation (LT)
- Sustainable Sites (SS)
- Water Efficiency (WE)
- Energy and Atmosphere (EA)
- Materials and Resources (MR)
- Indoor Environmental Quality (EQ)
- Innovation in Operations & Regional Priority (IN)

The project design must meet all pre-requisite requirements and pursue compliance with optional credits to achieve the associated credit points. LEED has four levels of certification, depending on the point threshold achieved by the project:

- Certified: 40-49 points
- Silver: 50-59 points
- Gold: 60-79 points
- Platinum: 80 points and above

Objective:

The objective was the appointment of an environmental consultant to conduct a LEED (Leadership in Energy and Environmental Design) certification assessment for the upcoming The Avenues - Sharjah. The assessment incorporates design analysis to evaluate the number pre-requisites and credits that are already achieved by the current project design. In addition to the analysis, the assessment further considered cost and design implications.

Outcomes:

Based on detailed design assessment, the project could comfortably achieve a LEED v4 – Core & Shell - Certified rating with minimal design and cost impact. To achieve the desired LEED certified rating, the project must comply with 12 mandatory prerequisites and achieve an additional 40 optional credit points; the current project design already achieved 25 credit points, the additional 15 points can be achieved on the project with minimal cost impact.



8. ESG ANNEX

- GRI Standards Index
- Bursa Kuwait Sustainability Disclosures
- Abbreviations

GRI Standards Index

GRI Standard Disclosure Number	Individual Disclosure Items	Information	Page No.
General Disclosures:			
102-1	Name of organization	Mabanee Company (K.P.S.C)	
102-2	Activities, brands, products, and services		13,16,41-46
102-3	Location of headquarter	Burj ALShaya, ALsoor St, Mirqab, Kuwait ALrai, Sheikh Zayed ALnehayan Road, Kuwait	
102-4	Location of operation		16
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 Industries Company)-Indirect: 17.81%	
102-6	Markets served		16, 40-41
102-7	Scale of the organization	2020 annual report which you find it in the following link: https://www.mabanee.com/home/ investor-relations/annual-reports	
102-8	Information on employees and other workers		57-65
102-9	Supply chain		53-54
102-10	Significant changes to the organization and its supply chain	No significant changes to the organization and its supply chain	
102-11	Precautionary Principles or approach		32-35
102-12	External initiatives	Kuwait National Development Plan (KNDP) United Nations Sustainable Development Goals (UNSDGs)	
102-13	Membership of associations		26
Strategy			
102-14	Statement from senior decision-makers		10-11
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behavior		10-11, 14-15
102-17	Mechanisms for advice and concerns about ethics		35-36
Governance			
102-18	Governance structure		30,32

GRI Standard Disclosure Number	Individual Disclosure Items	Information	Page No.
102-19	Delegating authority		31,36
102-20	Executive-level responsibility for economic, environmental, and social topics	Communications department	36
102-22	Composition of the highest governance body and its committees		30-31
102-23	Chair of the highest governance body		30
102-26	Role of highest governance body in setting purpose, values, and strategy		30-31
102-27	Collective knowledge of the highest governance body	2020 annual report which you can find it in the following link: https://www.mabanee.com/home/ investor-relations/annual-reports	
102-28	Evaluating the highest governance body's performance		31
102-30	Effectiveness of risk management processes		32-35
Stakeholder Engagement			
102-40	List of stakeholder groups		23
102-41	Collective bargaining agreements	The are no collective bargaining agreements in Mabanee	
102-42	Identifying and selecting stakeholders		22-25
102-43	Approach to stakeholder engagement		23
102-44	Key topics and concerns raised		24-25
Reporting Practice			
102-45	Entities included in the consolidated financial statements	There is no consulates	
102-46	Defining report content and topic boundaries		7
102-47	List of material topics		25
102-48	Restatements of information		7
102-49	Changes in reporting	Updated information - no changing in reporting	
102-50	Reporting period	1 January 2020 - 31 December 2020	

GRI Standard Disclosure Number	Individual Disclosure Items	Information	Page No.
102-51	Date of most recent report	Sustainability report 2019	
102-52	Reporting cycle	Annual	
102-53	Contact point for questions regarding the report	PO Box 95, Safat 13001, Kuwait	
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with GRI standards	
102-55	GRI content index	Provided here	
102-56	External assurance	No external assurance	
Management Approach – Material Topics			
103	Management Approach: Health and safety		49-51, 64-65
103	Management Approach: Social responsibility and awareness		67-71
103	Management Approach: Crisis management and business continuity		34-35
103	Management Approach: Security management		48-49
103	Management Approach: Solid governance		29-36
103	Management Approach: Workplace management		57-65
103	Management Approach: Career development		62
103	Management Approach: Responsible procurement		53-54
103	Management Approach: Diversity and inclusion		58-59
103	Management Approach: Energy consumption and emissions		76-77
103	Management Approach: Visitors' and tenants' experience		44-47
103	Management Approach: Technology and innovation		51-53
103	Management Approach: Evolving marketplace and market presence		40-41

GRI Standard Disclosure Number	Individual Disclosure Items	Information	Page No.
103	Management Approach: Resource management		79-81
103	Management Approach: Kuwaitization		59
103	Management Approach: Business ethics and compliance		35-36
Topic Specific Standards			
GRI 200: Economic			
201-1	Direct economic value generated and distributed		17
202-2	Proportion of senior management hired from the local community		59
203-1	Infrastructure investments and services supported		42-43
203-2	Significant indirect economic impacts		27
204-1	Proportion of spending on local suppliers		54
205-1	Operations assessed for risks related to corruption	No significant risk related to corruption Has been identified	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		36
207-2	Tax governance, control, and risk management		33-34
GRI 300-Environmental			
301-1	Materials used by weight or volume		79-80
302-1	Energy consumption within the organization		76-77
302-3	Energy intensity		76
303-1	Water withdrawal by source		80-81
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		78
305-1	Direct (Scope 1) GHG emissions		77
305-2	Energy indirect (Scope 2) GHG emissions		77

GRI Standard Disclosure Number	Individual Disclosure Items	Information	Page No.
305-3	Other indirect (Scope 3) GHG emissions		78
306-2	Management of significant waste-related impacts		79-80
307-1	Non-compliance with environmental laws and regulations	No instances of non-compliance with environmental laws and regulations during the reporting period	
308-2	Negative environmental impacts in the supply chain and actions taken	No Negative environmental impacts in the supply chain and actions taken	
GRI 400: Social			
401-1	New employee hires and employee turnover		60
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities		48, 64-65
404-1	Average hours of training per year per employee		62
404-2	Programs for upgrading employee skills and transition assistance programs		62
405-1	Diversity of governance bodies and employees		58-59
406-1	Incidents of discrimination and corrective actions taken	None	-
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	None	-
408-1	Operations and suppliers at significant risk for incidents of child labor	No risk	-
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	No risk	-
411-1	Incidents of violations involving rights of indigenous peoples	No violotions	-
413-1	Operations with local community engagement, impact assessments, and development programs		67-71
414-2	Negative social impacts in the supply chain and actions taken	No negative impacts	-
415-1	Political contributions	No political contibutions	-
416-1	Assessment of the health and safety impacts of product and service categories		49-51
417-1	Requirements for product and service information and labeling	No requirments	-
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	No breaches of customer privacy and losses of customer data	52

Boursa Kuwait Sustainability Disclosures

Sustainability Dimensions	Sustainability Topics	Sustainability Indicators	Page No.
Economy	<ul style="list-style-type: none">Market efficiencyEconomic contributionLocal economyWorkforce	1. Annual report	https://www.mabanee.com/home/investor-relations/annual-reports
		2. Sustainability report	
		3. Local procurement spending (%)	54
		4. Full time employees	58-59
		5. Employee wages and benefits (KWD)	17, 61
Environment	<ul style="list-style-type: none">Environmental managementEnergy managementAtmospheric emissionsWater managementWaste management	6. Environmental policy	81-82
		7. Energy use	76
		8. Carbon emission	76-79
		9. Water use	80-81
		10. Waste generated	79-80
		11. Waste recycled (%)	80
Social	<ul style="list-style-type: none">KuwaitizationEmploymentHealth and SafetyDiversity and inclusionTraining and developmentHuman rightsBusiness integrityCommunity initiatives	12. Kuwaitization (%)	59
		13. Youth employment (%)	59
		14. Injury rate	64
		15. Women in the workforce (%)	58
		16. Training hours per employee	62
		17. Employee turnover (%)	60
		18. Human rights policy	Not available - Mabanee has Corporate Social Responsibility Policy that acknowledges human rights
		19. Code of ethics	36
		20. Community investment	17, 27
		21. Board independence (%)	30
Governance	<ul style="list-style-type: none">Board of directorsAudit and internal controlsShareholder rightsExecutive remuneration	22. Risk management committee at the Board level	31
		23. Non-audit fees (%)	Check annual report
		24. Voting results	not disclosed
		25. Links between executive pay and performance	not disclosed
		26. Compliance with the CMA's Corporate Governance regulatory requirements	36

Abbreviations

Full Term	Abbreviation
UN Sustainable Development Goals	UNSDGs
Global Reporting Initiative	GRI
Kuwait National Development Plan	KNDP
Light-Emitting Diode	LED
British Thermal Units	BTU
Metric tonnes	MT
Nitrogen oxide	NOx
Sulfur oxide	SOx
Greenhouse gas	GHG
Environmental, social, and governance	ESG
Joint venture	JV
Board of Directors	BOD
Corporate Social Responsibility	CSR
Ministry of Health	MOH
Occupational Health & Safety	O&HS
Kingdom of Saudi Arabia	KSA
United Arab Emirates	UAE
Kuwait Red Crescent Society	KRCS
Ministry of Electricity and Water	MEW
Ministry of Interior	MOI
Ministry of Defense	MOD
Ministry of Justice	MOJ
Public Authority for Housing and Welfare	PAHW
Food and Beverage	F&B
Information Technology	IT
Information and Communication Technology	ICT
Small and Medium-sized Enterprises	SMEs

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