



ESG SUSTAINABILITY REPORT 2022

«Steady Rising»



الأندلس العقارية
Alandalus Property

Table of Contents

• Opening Statements	07
Chairman Letter	
Summary	
• Certifications and Accreditations	11
• Sustainability Strategy	15
• Business and investments	17
• Members of Board of Directors	21
• Organizational Structure	23
• Corporate Communication	25
Human Capital	
Saudization and Employment	
• Sustainability in Alanadalus Property	29
Materiality assessment at Alandalus	
Commitment to Accountability and Transparency	
Valuing Our People	
Engaging Our Stakeholders	
Social Responsibility	
Our Customers	
• Reducing Our Environmental Impact	41
Energy, Water and Waste Management	
Carbon Footprint Management	
• Framework of Governance and Risks	51
Governance Management	
Risk Management	



Opening Statements

- **Chairman Letter**
- **Summary**



**Mr. Abdulsalam bin
Abdulrahman AL Aqeel**

Chairman of Board
of Directors

Chairman Letter

Dear our valued shareholders and partners,

The vision of Alandalus Property is to be the most prominent real estate developer specializing in creating landmark developments and destinations for retail and other businesses that ultimately enhance engagement levels with people across the Kingdom of Saudi Arabia. With pleasure, we present our first ESG report, which is aligned to the GRI Standards. This report represents accurate and transparent information on our performance. Therefore, our commitment to setting new standards in sustainable development is delivered remarkably by our dedicated staff, and we hope it will be taken as an example worldwide. This achievement will help position Alandalus on the national sustainability map and will help contribute to aligning with the Kingdom's Vision 2030.

What the Alandalus team has achieved made us incredibly proud. We are dedicated to using our real estate insight and inventive spirit to address important issues facing the community and the environment while generating value for our stakeholders, our company, and the Public. We are also aware that we need to further develop our ESG progress in the years to come.

Alandalus Property is already promoting economic growth and contemporary development, creating local employment and training opportunities. We are accelerating the change to more sustainable consumption and developing patterns.

This report will continue to create accessibility to all stakeholders, the internal and external achievements, the policies and the future targets related to the governance, environmental issues and social responsibility, and how we are already making a positive impact on local community.



Summary

The Chairman and members of the Board of Directors of Alandalus Property Company are pleased to present to our first annual ESG Report for the fiscal year ending on December 31,2022. The report has been prepared in accordance with the recommendation of the Sustainability Reporting Guide issued by the Capital Market Authority, aligning with the Global Reporting Initiative (GRI) Standards. The report provides information on the Company's activities, Materiality Matrix, Sustainability performance, achievements and future plans during the fiscal year ending on December 31,2022.

CERTIFICATES AND ACCREDITATIONS

CITYSCAPE INTERNATIONAL

Alandalus Mall received the Best Commercial and Retail Project in the Kingdom

2009



Alandalus Mall received the Best Commercial and Retail Project in the Kingdom

CITYSCAPE INTERNATIONAL

2010



RECON | MIDDLE EAST SHOPPING CENTERS COUNCIL

Hayat Mall Food Court area was ranked as the best design and development in MENA.

2017



2018



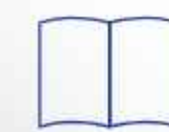
Alandalus Mall received a certificate of accomplishment for redesigning and revamping the food court.

RECON | MIDDLE EAST SHOPPING CENTERS COUNCIL

FORBES MIDDLE EAST

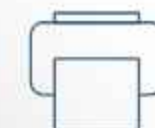
Alandalus Property Estate Developer Award crowned the Best Real for the retail sector.

2019



CORPORATE GOVERNANCE | ALFAISAL UNIVERSITY

2019



Alandalus Property was ranked among the top 20 listed companies in implementing corporate governance principles.

RECON MIDDLE EAST SHOPPING CENTERS COUNCIL

Centers Council Hayat Mall received Performance Improvement Excellence Award for Digital Transformation Initiative.

2019



2020



Alandalus Property was ranked among the top 30 listed companies implementing the principles of corporate governance

CORPORATE GOVERNANCE | AL- FAISAL UNIVERSITY

INNOVATION AWARD BY STEVIE AWARDS | MENA

Andalus Mall crowned with the Innovation Award for Entertainment Events in of Live Shows and Events category presented by Stevie Awards in MENA

2020



MECSC | COUNCIL OF SHOPPING CENTERS IN MENA

Alandalus Mall received the Excellence Award for operations

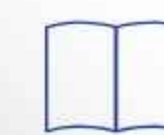
2021



Alandalus Property was ranked among the most powerful real estate companies for the year 2021 out of 50 real estate companies according to Forbes MENA

FORBES | MENA

2021



2021



Alandalus Mall sets the highest record for greeting cards in Guinness.

GUINNESS | GUINNESS BOOK OF RECORDS

SUSTAINABILITY STRATEGY

Sustainability has become an integral part of Alandalus' business practices and operations which aligns with the drawn-up vision of Prince Mohammed bin Salman bin Abdulaziz b Al Saud, the Crown Prince of the Kingdom of Saudi Arabia in vision 2030

Our Sustainability Strategy establishes how we will guarantee sustainable operations and practices across the business, communities, and environments surrounding our operations. Alandalus will work to utilize our strengths to enhance our foundation.

On behalf of our shareholders, we commit to work collaboratively across all aspects and act on opportunities to reduce environmental impacts, enhance social impact and support local communities.



OUR MISSION

To become the most admired and awarded developer of preferred destination spaces by leading a sustainable transformation from transactional to engagement focused destinations in the Kingdom of Saudi Arabia.



OUR VISION

To develop and operate unique and compelling destinations differentiated by engaging guests, customers and communities through experiences that foster loyalty, frequency of visits and lifetime value which ultimately drive and sustain unparalleled growth by continuous stewardship.



PRIMARY GOALS

- 01 Create a Hospitable Environment for the Local Community
- 02 Mitigate Our Impact on the Environment
- 03 Ensure the Well-being of our Employees
- 04 Promote Saudization, Equality, Diversity, and Inclusion
- 05 Assure Our Resilience by Continuous Compliance

KEY OBJECTIVES

Establishing, owning and managing malls, commercial and residential centers and complexes.

1. Establishing, owning and managing malls, commercial and residential centers and complexes.
2. General contracting for residential and commercial buildings, educational, recreational and health facilities, roads, dams, water and sanitation projects, and electrical and mechanical works
3. Maintenance and operation of real estate facilities and commercial buildings
4. Owning, developing and investing lands and real estate properties for the Company within the limits of its objectives.
5. Establishing, owning, investing, maintaining and operating medical, hotel, tourist and recreational centers and complexes.
6. Importing materials, devices, furniture, tools and equipment for use in its projects.
7. Investing the Company's funds in stocks and other securities subject to the legal and regulatory controls. The Company exercises its activities after obtaining the necessary licenses from the competent authorities, if

BUSINESS AND INVESTMENTS

01

RETAIL PROPERTIES

The Company is a co-owner of three: commercial centers with different ownership percentages: such as shopping centers and strip malls.

MALLS

The Company is a co-owner of three: commercial centers with different ownership percentages:

- Alandalus Mall, Jeddah, wholly owned by AlAhli REIT Fund (1), in which the Company owns 68.73%.
- "Hayat Mall", Riyadh, in which the Company owns 25%.
- "Dareen Mall", Dammam, in which the Company owns 50%.

STRIP MALLS

In addition to the aforementioned malls, the company has developed four strip malls with ownership varying between 70% and 100% of these projects which are located on leased lands (Yarmouk Center, Tilal Center, Al-Sahafa Center, Al Marwa Center)



02

HOSPITALITY

Alandalus Mall Hotel, located in Jeddah, wholly owned by AlAhli REIT Fund (1), of which the company owns 68.73%. Alandalus Property Company has constructed and developed a hotel tower adjacent to Alandalus Mall, with a total area of 28,225 m2. The hotel was opened and became operational in the second quarter of 2017. Alandalus Mall Hotel consists of 164 suites in addition to leisure facilities, meeting rooms, international restaurants and a health club.



03

OFFICES

Salama Office Tower, wholly owned by AlAhli REIT Fund (1), of which the Company owns 68.73%

Qbic Plaza Office Complex, wholly owned by AlAhli REIT Fund (1), of which the Company owns 68.73%



At Alandalus Property, we are committed to ongoing improvement and transparency in our sustainability efforts. We will actively monitor and measure our progress towards achieving our sustainability targets and share our achievements and challenges with our stakeholders. Together, we can create a sustainable future that benefits us all.

This guide us to:



Identifying, measuring and evaluating our environmental, social and governance impact.



Developed a sustainability plan that outlines the steps we will take to achieve our objectives. As a result, we developed our sustainability policies and procedures, as well as our resource allocation and timeline.



Engage our employees, customers, suppliers, and the broader community in our sustainability effort.



Monitoring and measuring our progress towards achieving our sustainability goals and targets and adjust our plans as necessary.



Members of Board of Directors



**Mr. Abdulsalam bin
Abdulrahman Al-Aqeel**

Chairman of the Board of Directors
Member of the Executive Committee
Member of the Nomination and
Remuneration Committee



**Dr. Sulaiman bin
Ali Al-Hudhaif**

Chairman of the Nomination and
Remuneration Committee Member of the
Board of Directors



**Mr. Emad bin Hamoud
Al-Otaibi**

(Representative of GOSI) Member of the Board
of Directors



**Eng. Saleh bin
Muhammad AlHabib**

Deputy Chairman of the Board Of
Directors Chairman of the Executive
Committee Member of the Nomination
and Remuneration Committee



**Mr. Ahmed bin Abdulrahman Al-Mousa
Member of the Board of Directors**

Chairman of the Board of Directors Member of
the Executive Committee Member of the
Nomination and Remuneration Committee



**Mr. Abdullah bin
Abdul-Aziz Al Mishaal**

Member of the Board of Directors



**Dr. Abdulrahman bin
Mohammed Al-Barrak**

Chairman of the Audit Committee Member of
the Board of Directors



**Mr. Mohammed bin
Abdul Mohsen Al-Zakari**

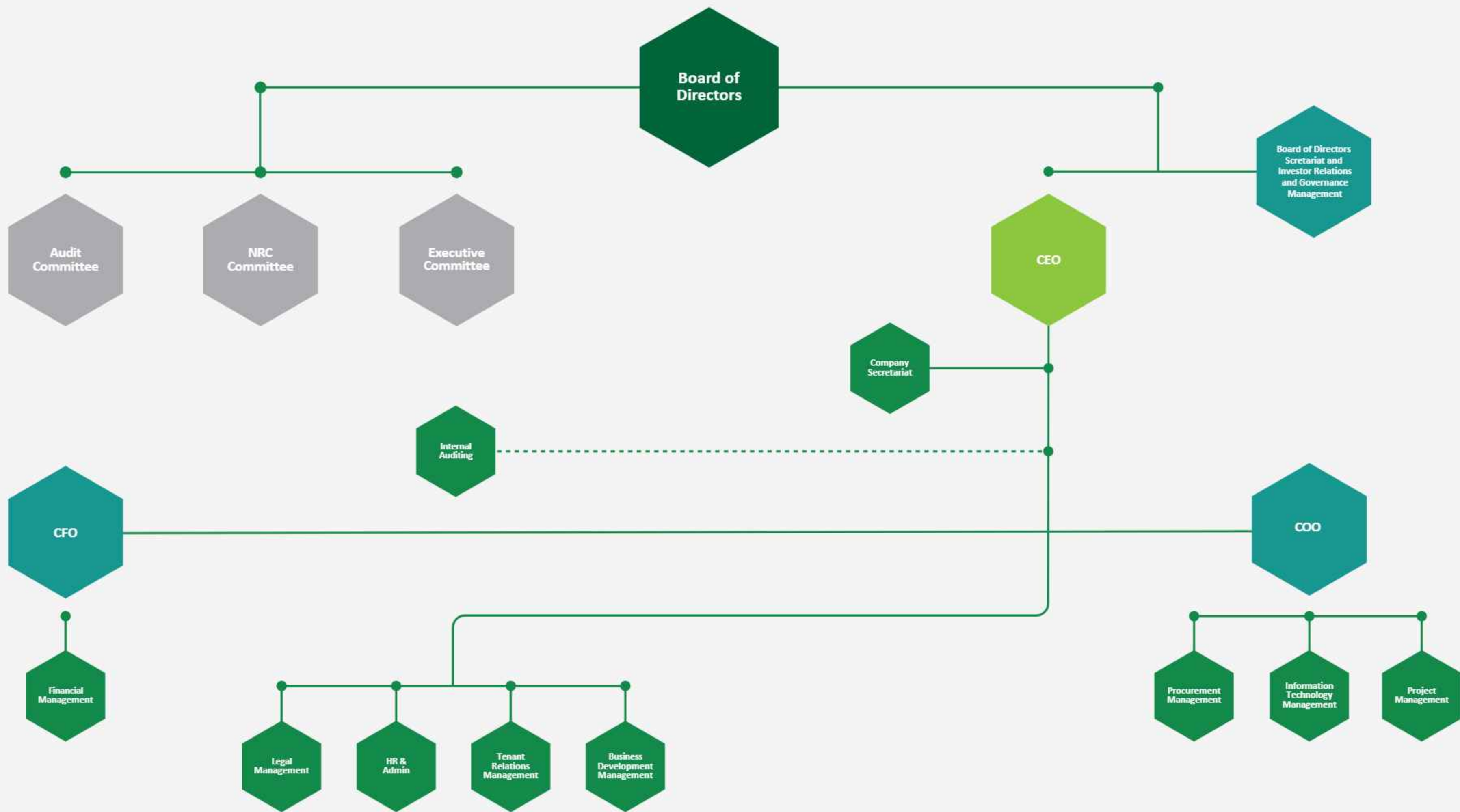
Member of the Board of Directors Member of
the Executive Committee



**Mr. Hathal bin
Saad Al-Otaibi**

Member of the Board of Directors Chief Executive
Officer. Resigned as CEO and member of the Board of
Directors in: 2022/08/31

ORGANIZATIONAL STRUCTURE





CORPORATE COMMUNICATION

- Human capital
- Saudization and Employment

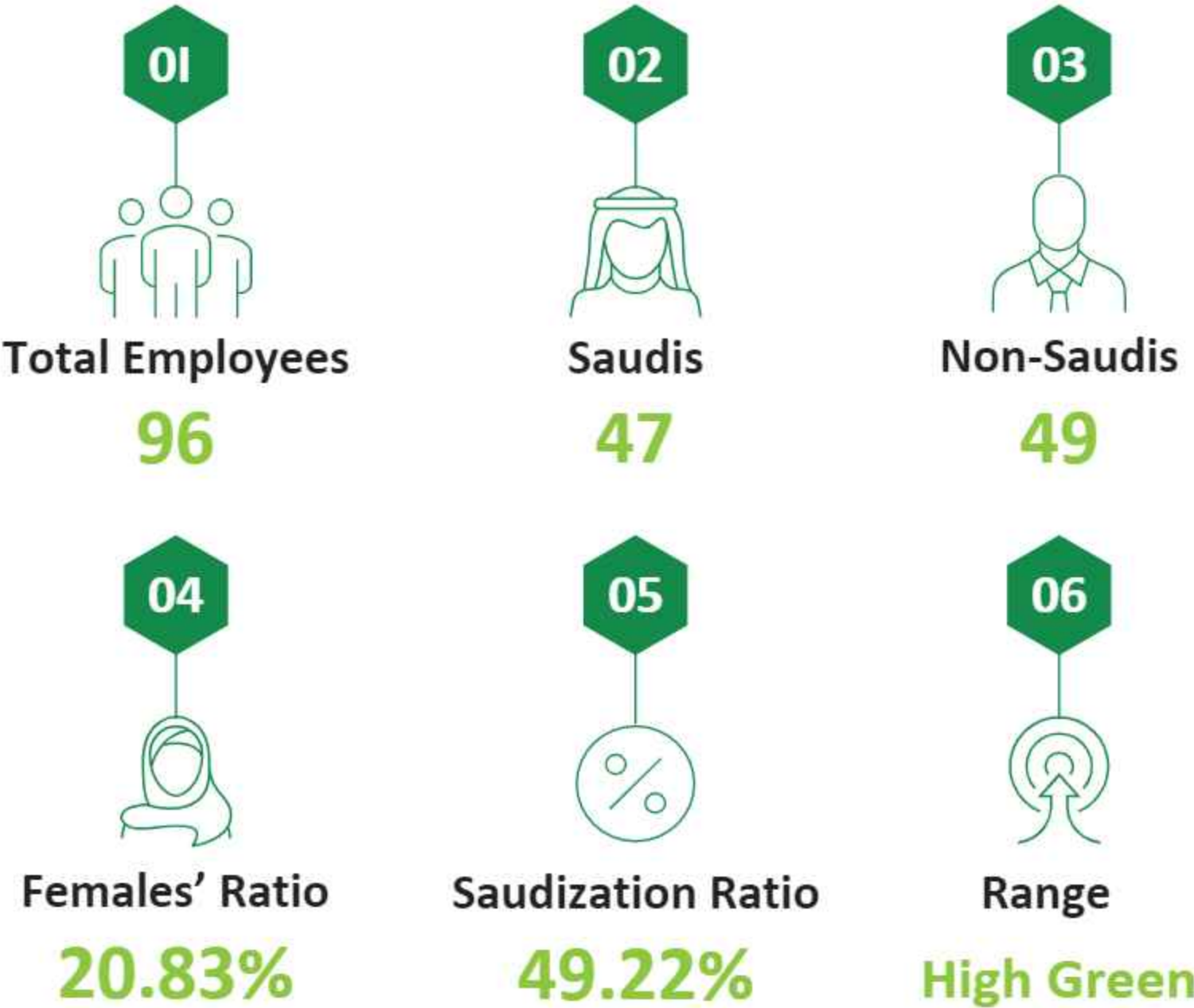
HUMAN CAPITAL

Alandalus Company believes in the importance of the staff and their central role in its development and takes into account the importance of human resources and the need to support them. The human cadre is considered the most important element of the production process in the organization. Thus, the Company is keen on attracting distinguished talents and providing them with an appropriate atmosphere in an effort to boost performance level and enhance the production effort to the highest levels of efficiency, quality, and effectiveness. The Company puts training and development at the top of its priorities where employees are trained according to a plan that considers the needs of both the Company and the employee, and the appropriateness of the training provider. The Company's programs and courses cover all job levels, monitored and coordinated by the Human Resources Department, in terms of the duration and conditions of the programs and courses based on the needs of employees and their different fields, including in-house training, which is carried out by professionals from the company or outside along with International Training (outside the Kingdom): This is conducted by specialized centers and institutes, after selecting courses and programs that meet the needs of employees, and help them perform their work professionally.

As part of the Company's commitment to its employees, being the primary development tool and the cornerstone on which the improvement and enhancement of work at various levels are based, the Company held its annual ceremony this year with the presence of all employees. Moreover, the Company paid great attention to the health of its employees, and it contracted with major insurance companies in the Kingdom to provide superior healthcare for employees and their families.

SAUDIZATION AND EMPLOYMENT

Alandalus Company managed to reach the platinum (excellent) level of Saudization as Saudis occupy the highest managerial positions in the Company. The jobs localization strategy remains at the forefront of the Company's interests to form a national human base responsible for continued enhancement in accordance with the developments of the era. Localization of jobs in the Company is not only an option to meet the requirements of the Ministry of Labor, but a national duty with positive implications on the Saudi economy, by investing in qualified national cadres which correspond to the requirements of the labor market. The following is a statement of the number of employees in the Company and the Saudization ratio as of December 2022





SUSTAINABILITY IN ALANDALUS PROPERTY

- **Materiality Assessment at Alandalus**
- **Commitment to Accountability and Transparency**
- **Valuing Our People**
- **Engaging Our Stakeholders**
- **Social Responsibility**
- **Our Customers**

Materiality at Alandalus Property

Sustainability has become an integral part of Alandalus' business practices and operations, which aligns with the drawnup vision of His Royal Highness, the Crown Prince of the Kingdom of Saudi Arabia in the Saudi Vision 2030. At Alandalus, we recognize the need and demand for more sustainable practices globally in the real estate industry. Moreover, since our main activity is concentrated in retail properties (including commercial and community shopping centers) and hospitality, we recognize our significant environmental and social impact. Hence, Alandalus has made substantial progress toward establishing a firm ESG policy for sustainable development and inclusive growth in the past few years. Embarking on a future with higher ESG progress can help Alandalus Property Company attract more customers, retain loyal employees, and lead to its unparalleled growth.

A materiality assessment holds significant value when establishing an ESG policy. It is the first step to identifying and understanding the relative importance of specific ESG and sustainability issues relevant to the organization. At Alandalus, we wanted to embark on our ESG journey the right way. We conducted our materiality assessment through two lenses: potential impact on our organization and stakeholder importance. Here are the results:

MATERIALITY ASSESSMENT

A Supplier Environmental & Management	H Customer Satisfaction	P Governance
B GHG Emissions	I Non-Discrimination	Q Economic Performance
C Energy Consumption	J Empowering Women	R Socio-Economic Compliance
D Fuel Consumption	K Risk Management	S Anti-Corruption
E Water Consumption	L Local Community	T Data Privacy
F Waste Disposal	M Diversity & Equal Opportunity	U Public Policy
G Products & Services	N Human Rights Assessment	V Market Presence
	O Travelling & Education	X Diversity & Equal Opportunity
		Y Customer Privacy
		Z Occupational Health & Safety



COMMITMENT TO ACCOUNTABILITY AND TRANSPARENCY

We at Alandalus believe that the first step towards recognizing our ESG potential is establishing a strong commitment to accountability and transparency across the organization. We also recognize that sustainable growth depends on strictly prohibiting bribery and corruption in daily corporate operations. Therefore, we put measures in place to prevent such abuses because it has a zero-tolerance policy for corrupt practices. Alandalus is devoted to upholding strict legal, professional, and ethical standards in all corporate operations while upholding openness and responsibility. The company has established this through its strict policies on conflict of interest, risk management, internal processes, code of ethics, and professional conduct.

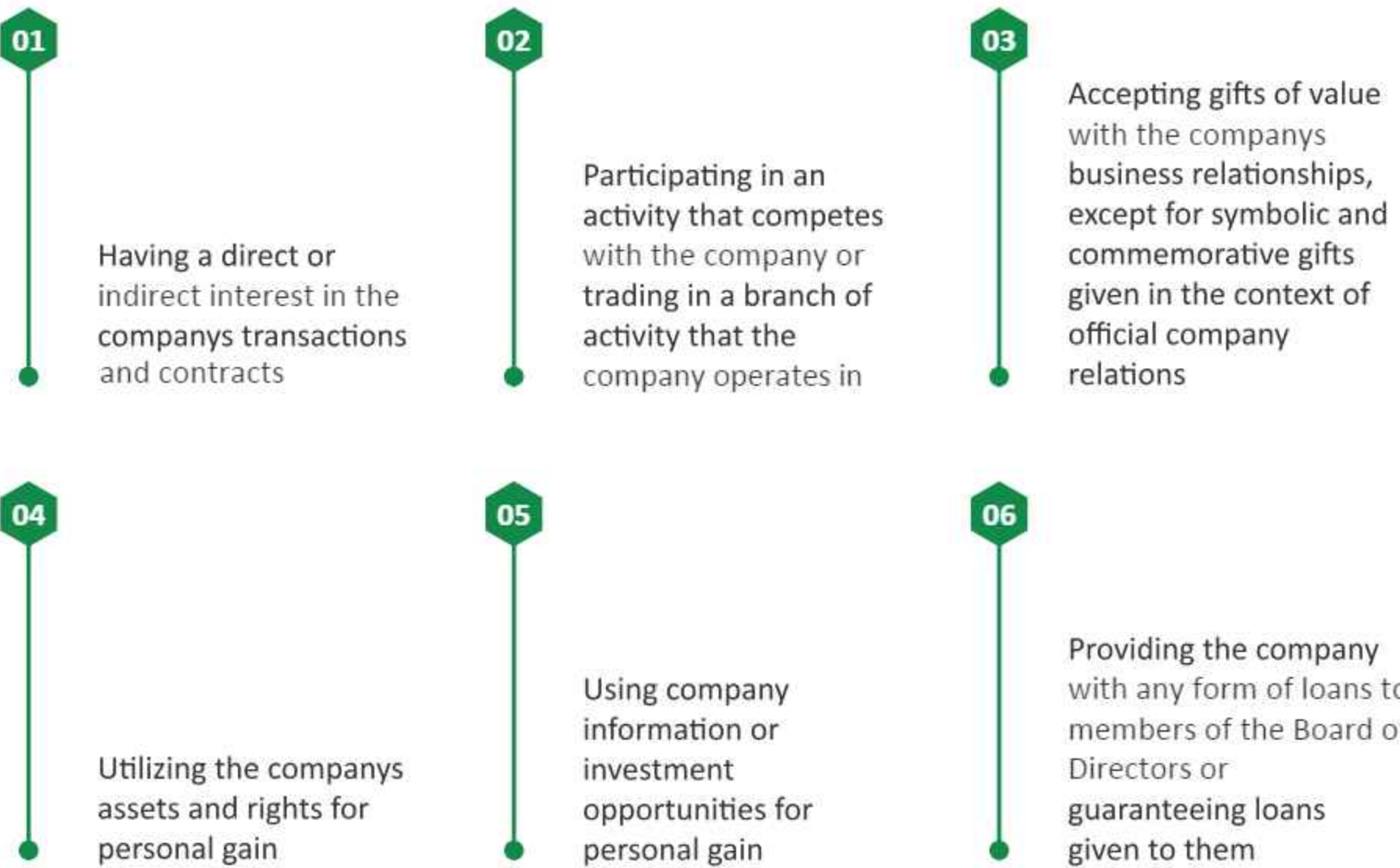
CODE OF CONDUCT AND CONFLICT OF INTEREST

Business ethics at Alandalus has been an important part of our management’s visions, which is portrayed in the development of our Code of Conduct. This committed Alandalus and all relevant stakeholders to ensure our operations and business is conducted in an ethical and responsible manner. Our code of conduct involves our internal and external stakeholders to ensure that all our upstream and downstream business is handled in a compliant manner.

Adopted by Alandalus Property in August 2019, the Conflict-of-Interest Policy was created in accordance to the recommendation of its Audit Committee and by the approval of the Board of Directors. It has been prepared in accordance with the relevant provisions of the Companies Law and the Financial Market Law and their executive regulations.

The policy aims to regulate and handle conflicts of interest that may arise or occur and impact the performance of the Board of Directors, the Executive Management, and/or other employees when they interact with the company or other stakeholders. This ensures that the company’s interests are prioritized over the interests of others. Hence, the policy applies to all employees regardless of hierarchy and covers all business transactions, including contracts and works conducted on the company’s behalf that require a licensing regulation.

THE POLICY INCLUDES THE FOLLOWING EXAMPLES OF CONFLICT OF INTEREST:



The policy also highlights the Disclosure Procedures in the possibility of a Conflict of Interest. It also includes regulations on managing Company Competition and abstention from Voting in Cases of Conflicting Interests for Board of Directors. The policy also outlines the consequences of violating the policy and highlights that the company has the right to seek compensation from the violator for any damage that may result because of violating the policy.

VALUING OUR PEOPLE

At Alandalus, our people are pivotal to building our successful organization. Hence, we want to provide them with the best benefits of our industry to make them feel recognized and valued. Therefore, we have adopted several policies and programs for our employees and their dependents' well-being and welfare. These benefits begin with monthly allowances that are competitive to market standards and provide each employee with social Insurance as per their salary. As a commitment to education, employees' children also receive a Tuition Fee allowance for their schooling.

Along with these competitive compensation packages, we award our wellperforming employee's certificates and bonuses for their loyalty and perseverance, such as Excellence Awards, Moral Appreciation certificates, and abundant Financial Remunerations, which can value up to a maximum of three basic salaries. Moreover, we also give special leaves to our employees around the year, including a Pilgrimage Leave, Iddah Vacation for Muslim females, and maternity leave for all female employees.

PROVIDING EQUAL OPPORTUNITY

Alandalus managed to reach the platinum (excellent) level of Saudization as Saudis hold the highest managerial positions in the Company. The localization strategy remains at the forefront of the Company's interests in order to form a national human base that will undertake the responsibility for continued enhancement in line up to date with market development. Localization of jobs in the Company is not only an option to meet the requirements of the Ministry of Labor, but is deemed as national duty that has positive implications on the Saudi economy, by investing in qualified national staff in line with the requirements of the labor market. As of December 31st, 2021, our total number of employees is 86 and our Saudization ratio is at 52.5%, reinforcing our belief in equal opportunity within our company.

Our progress is significantly accelerated by inclusive representation in leadership. Our next generation of leaders at Alandalus are being developed internally by leaders from various backgrounds. We're dedicated to expanding the proportion of managers from underrepresented populations because we believe having diverse experiences, identities, and ways of thinking will make our teams more effective and creative.

PREPARING FOR THE FUTURE

At Alandalus, we are a young organization with 100% of our employees aged between 30 and 50 years. This ensures we are progressive and prepared to meet the needs of the next generation of customers. In our company, we believe that the professional development of our employees is beneficial not only to the employees as individuals but also to the entire community and our organization. Hence, at Alandalus, we aim to provide our employees with professional learning and advancement opportunities such as E-Learning Solutions, Outside Kingdom Training Trips, and Administrative and Specialized Training. We ensure that our employees are trained and updated with the latest technologies in our industry, especially in HR, IT, and data privacy. In 2022, all employees were trained using revisions and updates on implementing commitments, policies, and code of conduct. Further, this year, four employees were trained on IT and Data Privacy Policies, while one was trained on anti-corruption policies training for the region.

As mentioned earlier, we believe in equal opportunity for all our employees and ensure that the ratio of senior, mid, and junior-level employee training is 1:1:1 to maintain equality throughout the organization. Further, an equal number of males and females were engaged in training hours across the company.

100% of our
employees aged
between 30 and
50 years



ENGAGING OUR STAKEHOLDERS

OUR SOCIAL RESPONSIBILITY

At Alandalus Property Company, we recognize the social responsibility we have towards all our stakeholders. Since its inception, the Company has been committed to a strong social responsibility strategy to support several social programs. Through our commercial centers, in cooperation with government agencies, awareness and charitable societies, we have sponsored many programs aimed at community service. It is a responsibility and commitment that the Company is pleased to undertake and fulfill in confirmation of its mission towards society.

GIVING BACK

At Alandalus, we firmly believe that we can be the agents of change in our society by creating a positive impact on society through our products and services – and we begin with our local communities. We actively engage in community development and have arranged several recreational events for all. Through this, we add to the economic development, tourism attraction, and social development of the cities we impact within the Kingdom. As a proof of our gratitude to these communities, Alandalus has also participated in several thanksgiving drives and movements that are aimed at uplifting communities, improving their quality of life through educational programs, access to better healthcare, and state-of-the-art leisure activities for quality family time at our centers.

HERE ARE SOME OF OUR NOTEWORTHY EVENTS IN 2022: ALANDALUS MALL:



Khairuk Project in cooperation with Human Resources & Social Development



World Intellectual Property Day in cooperation with Saudi Authority for Intellectual Property



Iftaar Initiative for 350 people, in cooperation with the Municipality of Jeddah



Dawirha Campaign – the National Platform for Donations



Souq Al-Dar event in cooperation with the Social Development Bank



World Rabies Day in cooperation with the Ministry of Health



An educational campaign on genetic diseases with King Abdulaziz University



World Diabetes Day – a joint effort with Ministry of Health



Vaccination drives for seasonal flu - a joint effort with Ministry of Health

HAYAT MALL:



International First Aid Day in cooperation with King Saud University.



Organizing an International Breast Cancer Awareness Day with Al-Mareefa University



Breast Cancer Awareness Campaign with King Saud University.



International Antibiotic Awareness Week with the Riyadh Health Cluster



Access to medical services in cooperation with Prince Sultan City Services



Seasonal flu vaccination drive in collaboration with the Saudi Society for Health Administration



Awareness campaign on the importance of breastfeeding in cooperation with King Saud University



World Diabetes Day – joint effort with King Saud University



No Tobacco International Day in collaboration with King Fahd Medical City



Diabetes International Day with King Fahad Medical City



The Pharmacy Club campaign for education and awareness with King Saud University

SOCIAL RESPONSIBILITY

Alandalus Property Company is committed to its social responsibility strategy by supporting social programs. Hence, the Company's commercial centers, in cooperation with government agencies, awareness and charitable associations, sponsor many programs aimed at serving the community. This is a responsibility and commitment that the Company is pleased to undertake and fulfill in confirmation of its mission towards the society.

In 2022, Alandalus Property, through its commercial centers, hosted many different social and humanitarian activities, confirming its role in the society, the most prominent of which were:

- World Breast Cancer Day in cooperation with the Knowledge University.
- World First Aid Day in cooperation with King Saud University.
- World Diabetes Day in cooperation with King Fahad Medical City.
- Providing medical services in cooperation with Prince Sultan bin Abdulaziz Humanitarian City.
- World No Tobacco Day in cooperation with King Fahad Medical City.
- World Intellectual Property Day in cooperation with the Saudi Intellectual Property Authority.
- Whole two years Campaign to raise awareness of the importance of breastfeeding for infain cooperation with King Saud University.
- World Antibiotic Awareness Week in cooperation with the Riyadh Health Cluster 4C
- World Rabies Day in cooperation with the Ministry of Health.
- Awareness campaign on genetic diseases in cooperation with King Abdulaziz University.
- Seasonal flu vaccination project in cooperation with the Ministry of Health.
- "Khayrak" Project in cooperation with the Ministry of Human Resources and Social Development.
- Pharmacy Club event for education and awareness in cooperation with King Saud University.



OUR CUSTOMERS

60%
Alandalus Mall

- 60% of the respondents said they would recommend Alandalus Mall to their friends.

More than 75% of the respondents are happy with the efficiency of lighting at the mall, especially in the sidewalks and food court areas.

- At Alandalus, we value our customers and want to ensure the best possible experience for them at any of our real estate projects. We are always committed to improving our customer experience based on the needs and expectations of customers.
- At our company, we keep up with our evolving customer base by taking regular customer feedback through surveys, focus groups, or social media to gain insights into their preferences of our products and services. This helps us to identify areas for improvement and make changes accordingly. In 2022, we conducted a customer satisfaction survey, targeted at visitors and employees of the Alandalus Mall of all backgrounds, including citizens and residents between the ages of 10 and 45. A group of 25 people conducted the survey and we received positive feedback and reactions on our services by our customers.
- The respondents were generally happy with the customer service at the mall, but also requested for the complaints reception or Call Center to be activated.
- Respondents enjoy activities at the mall, but would like the mall to use more creative ideas in order to create sustainable activities to motivate more people to visit and spend more time at the mall.
- Majority of respondents also shared that they would appreciate more promotional campaigns and additional international brands to attract more visitors.
- Respondents shared feedback regarding improving the cleanliness of the mall's toilets and sanitation facilities, while using visual display screens through Wave Media and interactive mall maps to make time spent at the mall more enjoyable for all.
- We also customize the customer experience using data to personalize interactions with your customers and adopt extraordinary customer service through well-trained and prepared customer service representatives. For our businesses, we also provide an added ease of business by streamlining our services and providing online options.



Reducing Our Environmental Impact

- Energy, Water and Waste Management
- Carbon Footprint Management

ENERGY, WATER AND WASTE MANAGEMENT

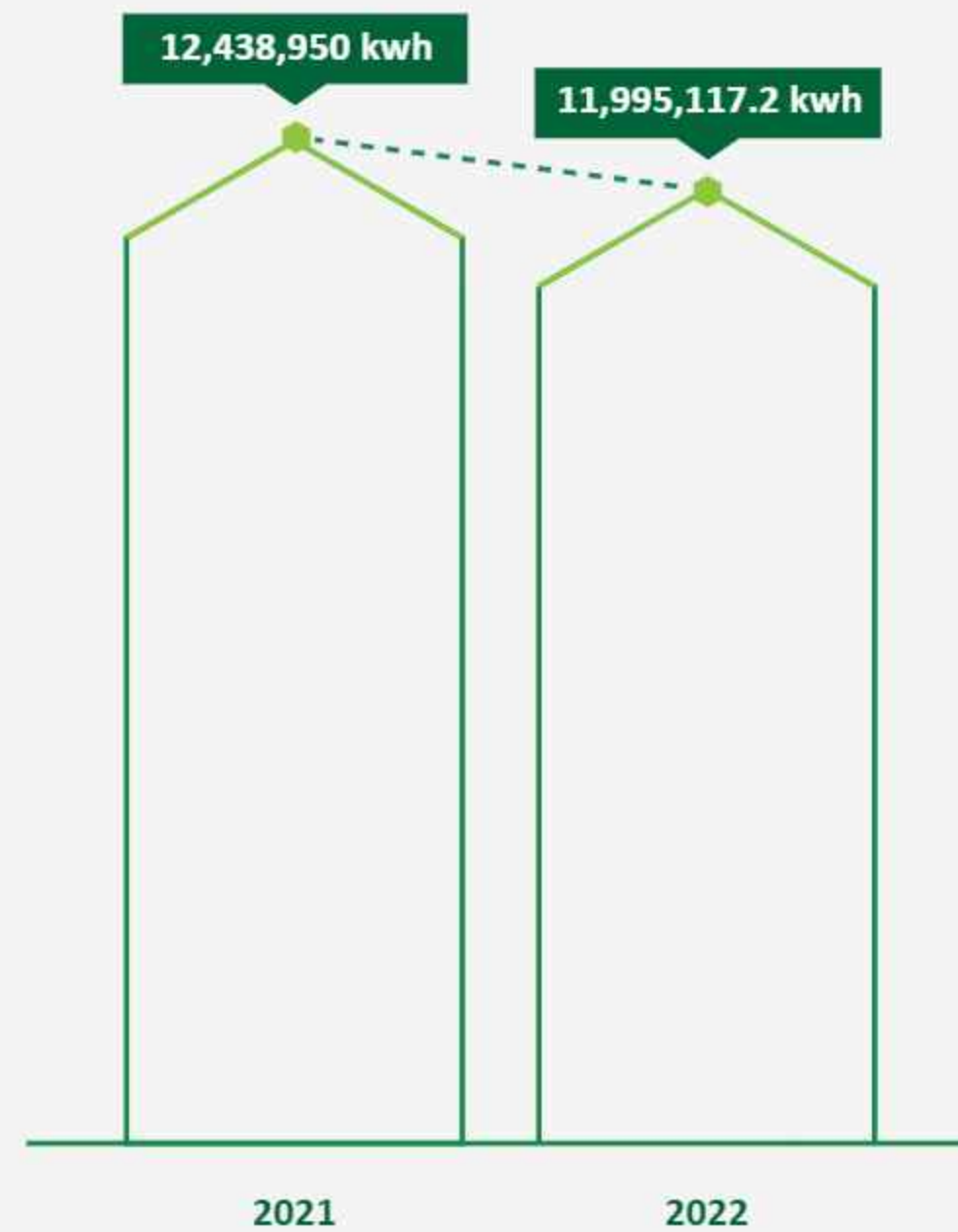
At Alandalus, we recognize that the environment is a crucial component of human well-being and economic prosperity, and its protection is crucial for the long-term sustainability of our people and ecosystems.

PRACTICING SUSTAINABILITY AT OUR PROPERTIES

A. PRIORITIZING ENERGY EFFICIENCY

We recognize that our biggest environmental impact is through our energy consumption on our properties. Hence, we are always working on improving our energy efficiency and have slowly been reducing our consumption by each month, and annually, as shown in the graphs below:

Alandalus mall



THIS DECREASE IN CONSUMPTION WAS ACHIEVED THROUGH MULTIPLE ENERGY EFFICIENCY

REPLACEMENT OF SKY LIGHT IN CORRIDORS

The newly replaced Sky Light in the corridors of Hayat and Alandalus Malls has helped significantly by reducing electricity consumption due to the use of sunlight in all corridors, instead of conventional lights. The ETFE of the replacements also provide more proofing from sun heat This decreases the burden on the air conditioning systems of the mall, further reducing our electricity consumption. It also adds a unique and more open ambience to the property.



INSTALLATION OF LED LIGHTS AT HAYAT AND ALANDALUS MALLS:

By installing LED lights in all exterior and interior lighting equipment, this project aims to save electricity by 10% annually, simply by swapping conventional lights with LED lights.



B. MANAGING WATER CONSUMPTION

Installation of Sensor tap-based Water Mixers

In our commitment to the conservation of water, we have installed sensor tap-based water mixers in our shopping malls. This prevents the unnecessary consumption of water by customers and only allows the necessary amount of water to be used. These have been installed in all the washbasins of our malls. Sensor-based water taps have been proven to reduce up to 60% of water consumption.

C. RECYCLING WASTE

At Alandalus properties, we are actively collecting all the waste boxes for the purpose of recycling them at the appropriate facilities to reduce the amount of waste that ends up in a landfill or incinerator.

REPLACEMENT OF PACU AT HAYAT MALL AND ALANDALUS MALL

By replacing PACU technologies in the malls, the properties have made significant savings of up to 10% while improving cooling across the facilities. The entire project of two phases at the malls was completed in 2022 and are now operational. For this, the properties have received several awards on the excellence of design and improvement, as mentioned in the earlier section.

RENOVATION OF INTERIOR FLOORING

he entire flooring of Hayat Mall has been renovated using porcelain tiles to match the requirements of the Leadership in Energy and Environmental Design (LEED) certification. Porcelain is a sustainable and energy-efficient material used in building design.



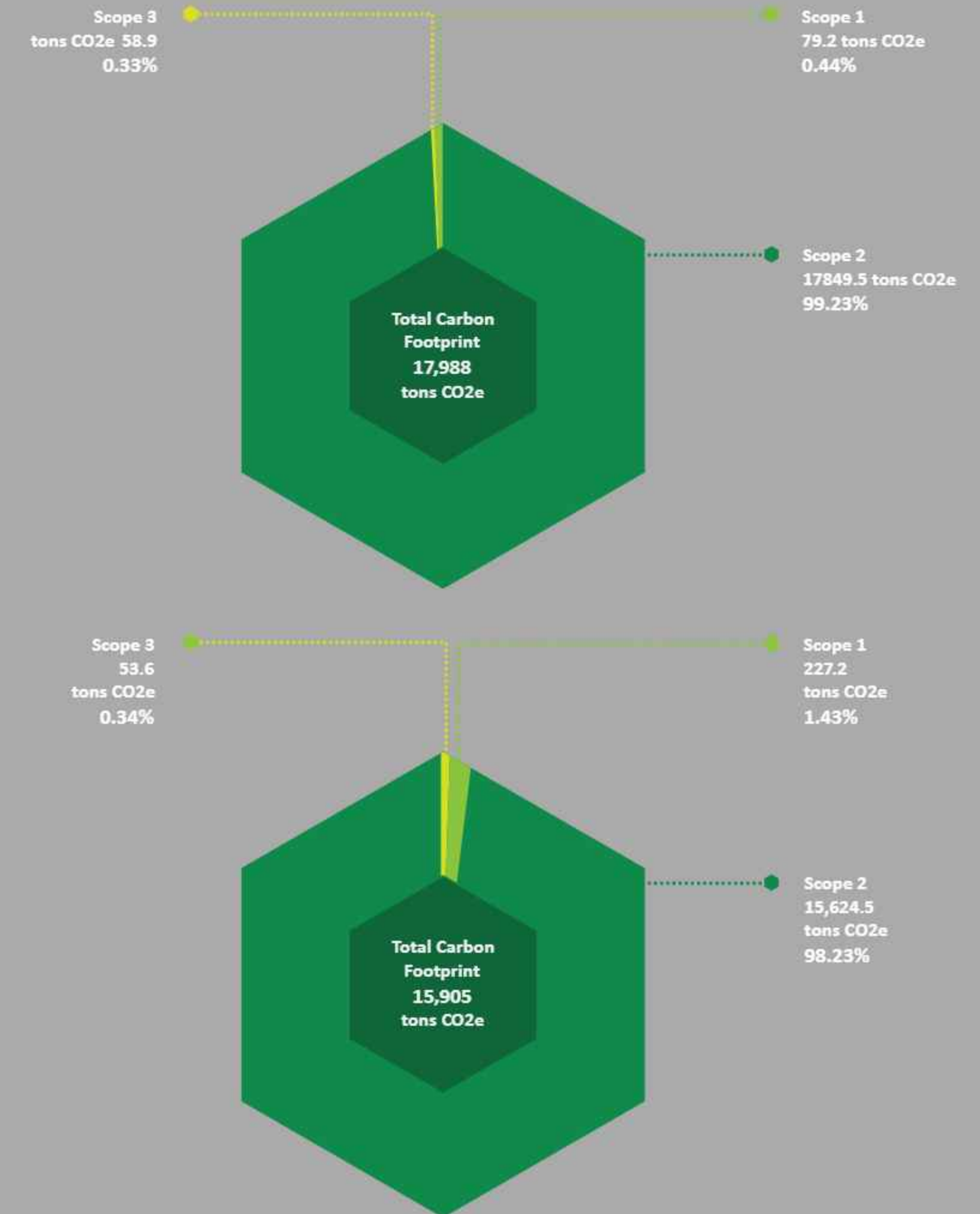
MANAGING OUR CARBON FOOTPRINT

We can only manage what we measure. Hence, we, at Alandalus, believe in measuring all our Scope 1, Scope 2, and Scope 3 emissions to understand the complete impact of our carbon footprint. We have started calculating and monitoring our Carbon Footprint in 2021, as we have made an initial assessment to create a baseline of the carbon emissions to acknowledge the major contributing parameters to our emissions.

A study was performed that analyses and examines the carbon emissions and the high-level measures to achieve carbon emissions reductions. The GHG Protocol and DEFRA Emission Factors were the standards used to calculate the amount of carbon emitted in the three scopes as accurate as possible using the available national emission factors, and international standard factors.

The results of the study highlighted the high contribution of electric consumption which classifies under Scope (2) Indirect Emissions, on our carbon emissions, hence have validates any mitigation measures to reduce our consumption and increasing our energy efficiency.

After implementing the energy efficiency practices, we have performed the study again for the year of 2022. And the results have shown a decrease in our Scope (2) emissions which are mainly produced by the electric consumption. In the figure below you will see the Total Carbon Footprint generated classified into the three Scopes compared between 2021 and 2022



This reduction in our carbon emissions helped us envision the possibilities to reduce our environmental impact and ensuring a development of a sustainability strategy to align with national agendas.



FRAMEWORK OF GOVERNANCE AND RISKS

- Governance Management
- Risks Management

GOVERNANCE MANAGEMENT

- The Company has always been committed to implementing the best corporate governance practices. In fact, it was ranked among the top 30 companies for applying corporate governance principles, according to the results of a study announced during the Corporate Governance Conference organized by the Corporate Governance Center of Al-Faisal University on December 2021, 22. The classification was based on independent and reliable criteria used to assess the quality of corporate governance.
- In accordance with the requirements of Paragraph (1) of Article Ninety of the Corporate Governance Regulations issued by the Board of the Capital Market Authority on 13/2/2017, as amended, the following table sets out the provisions of the said Governance Regulations that were implemented.

RISKS MANAGEMENT

Driven by the Company's awareness of the importance of effective management of risks it faces, which contributes to protecting the Company's assets, ensuring its sustainability, achieving its strategic objectives and avoiding any potential losses, the Company considered a proactive approach to identifying, assessing, evaluating, addressing and prioritizing risks. Accordingly, the Company has adopted a clear policy and practical method, based on identifying, analyzing, evaluating and addressing risks of which the company is exposed, determining the acceptable levels of risks related to all its activities, appointing the members responsible for risk management with a statement of assigned tasks and responsibilities and overseeing of which.

IN PARTICULAR, THIS POLICY IS DESIGNED TO:

- Promote a culture of risk at the Company-wide through the principles of risk management in its operations, systems and employees
- Align the key features of risk management with the Company's vision, mission and objectives
- Align the Company's acceptable levels of the risks with its strategy
- Enhance the Company's risk management capabilities and effectiveness
- Optimize capital utilization and cost performance
- Boost a proactive risk management
- Facilitate the process of decision-making regarding risks
- Enhance risk governance, prepare a clear structure of risk management, determine related tasks and responsibilities
- Protect the Company's assets, ensuring its sustainability and achieving its objectives and expectations
- Solidify credibility of wide-base Stakeholders

RISK MANAGEMENT METHODOLOGY CONSISTS OF THE FOLLOWING STAGES:

Classifying, identifying, analyzing, assessing, addressing, monitoring and reporting risks in a way which allows the Company to make decisions and respond in a timely manner to risks as they arise.