



Aldar Properties PJSC

Sustainable Procurement Policy



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INTRODUCTION:

Aldar is committed to enhance the standard performance within procurement through integrating a sustainable procurement strategy. It is also Aldar's aim to create a formal mechanism for screening suppliers based on their social and environmental responsibility.

This document outlines the internal procurement policies by which Aldar Procurement division operates ensuring that sustainability is embedded across all functions and that all processes and procedures are implemented with environmental and social considerations.

The purpose of this policy is to support the Aldar's overarching sustainability strategy and ensure that the procurement of goods and services throughout the Group consider appropriate environmental, social and economic factors in their purchasing decisions.

This policy will be communicated throughout the firm and is available for public review. It will be reviewed on a regular basis to evaluate continued relevance, monitor compliance and drive continual improvement.

OBJECTIVES:

- Reduce the negative environmental impact of Aldar projects
- Deliver projects with an improved selection and utilization of products and services.
- Upskill supply chain by encouraging suppliers to adopt practices that minimize negative impacts on the environment.
- Form a 360-degree supplier feedback mechanism and work in partnership with suppliers to achieve common goals.
- Increase percentage of items procured with eco-labels.
- Restrict procurement of single use plastics.
- Promote sustainable awareness and assessment amongst suppliers and contractors.
- Include sustainable criteria when evaluating offers from potential suppliers.
- Comply with International Labour Organization (ILO) principles in respect to human rights and conditions of employment
- Support job creation and facilitate opportunities for small-and-medium-sized enterprises (SMEs) and social businesses

SUSTAINABLE PROCUREMENT PRINCIPLES AND PROGRAMS



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Aldar adheres to five principles listed in the table below. Each of these principles includes a number of programs that will run across Aldar’s new developments, existing assets as well as corporate procurement. The programs will require the development management, asset management, operations and procurement team’s effort to efficiently utilize information and data from new and existing developments and assets as outlined in the procedures document. The programs and corresponding strategies are listed below:

PRINCIPLE	PROGRAM	STRATEGY
Transparency	Monitoring and reporting	Suppliers will be required to report against a number of performance parameters as listed in the procedures document. The procurement team shall score suppliers based on the data received and use the information for prequalification.
	Vendor Assessment	Vendor Assessment will be based on prequalification documents which will continuously be monitored and updated by the procurement team.
	Supplier Benchmarking	Through data collected in the monitoring and reporting program, the procurement team can benchmark and set targets to be achieved by suppliers in future projects.
Supplier Engagement	Training Sessions	Internal and external training will be conducted to inform and upskill the supply chain. The aim is to ensure that all parties are informed about the policies and programs and implementation mechanism.
	Enhanced Prequalification Criteria	The prequalification requirements integrate sustainability criteria which will be utilized to score suppliers.
	Performance Based Contracts	Facility Management will be required to follow performance-based contracts within the 5-year roadmap, which will integrate sustainability KPIs based on the data and outcomes of the monitoring and reporting and benchmarking programs.
Sustainable Sourcing	Early Engagement	All new developments will have a specific sustainability strategy.



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	<p>Life-Cycle Costing (LCC)</p> <p>Sustainable Materials Management</p> <p>Planning for end of life</p> <p>Standardization</p> <p>Value Engineering</p>	<p>All new developments will be required to develop LCC within the project development. The outcomes of the exercise will be reviewed to ensure continuity from design to construction.</p> <p>A sustainable materials guidance document will be provided to all suppliers where the scope requires specification or procurement of goods.</p> <p>Disposal options should be identified in the purchase orders provided to the procurement department. The percentage of materials that shall be reused, recycled and landfilled to be tracked and recorded.</p> <p>Procurement of items with eco-labels and Environmental Product Declarations is encouraged. This shall be identified in the purchase orders provided to the procurement department. Percentage of items that have been procured with eco-labels and EPDs to be tracked and recorded.</p> <p>Value engineering options to be tracked throughout new development projects and data shall be reviewed throughout design to construction ensuring that the impact on sustainable performance is not compromised.</p>
<p>Demand Management</p>	<p>Use of Existing Stock</p> <p>Need for purchase</p>	<p>Existing inventory shall be updated and monitored ensuring a net decrease by cost to the original inventory.</p> <p>The justification for purchase will be included within all purchase orders provided to the procurement department.</p>
<p>Fair & Equal Opportunity</p>	<p>Local procurement</p> <p>SME Participation</p>	<p>This shall be implemented in accordance to the ICV procedure.</p> <p>This shall be implemented in accordance to the new registration process for SME's. Sustainability score will be implemented with more flexibility within the</p>



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	prequalification process and improvement plans will be encouraged.
Prequalification and Proposal Review Processes	A 360-degree supplier feedback mechanism will be implemented to capture supplier input aiming to continuously improve the process.

OWNERSHIP:

The Policy is owned by the Management Committee of Aldar.

At an operational level, this policy is implemented by the Aldar Procurement Department.

SCOPE:

This Policy applies to Aldar Properties and its subsidiaries.

We encourage our business partners to uphold the principles in this Policy and to adopt similar policies within their businesses.

DEFINITIONS:

- **Management Committee:** Aldar Management Committee meets weekly to discuss and approve major initiatives and projects across Aldar. The members include senior leadership of Aldar such as, Chief Executive Officer, Chief Financial and Sustainability Officer, Chief Investment Officer, General Council, and the Executive Director of People, Culture and Performance.