TOWARDS A
SUSTAINABLE FUTURE

ALDAR

OVERVIEW   ECONOMY   COMMUNITY   PEOPLE   ENVIRONMENT   GOVERNANCE & RISK   DISCLOSURE   GRI

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WELCOME

We are proud to publish our second Sustainability Report, which provides a detailed insight into Aldar's 2019 journey across our four strategic pillars: Economy, Community, People and Environment.

The world is changing – and Aldar is too. In the last 12 months, we have launched a new Corporate Mission and Strategy, which together reinforce that customers are at the very heart of what we do. We have updated our Sustainability Framework accordingly in this report, we depict a business model that illustrates how Aldar is enabling long-term sustainable growth for all stakeholders.

We look forward to continuing to shape the nation's incredible story of regional growth and transformation as we strive to become a beacon for responsible corporate citizenship in the United Arab Emirates (UAE).

What's inside?

About this report

This report covers the period between January and December 2019. It spans the full Aldar Group, including Development Management projects, Asset Management[1] and our Adjacent Businesses of Provis, Khidmah and Aldar Education. Data coverage varies for different KPIs and the scope is explained within the report where the coverage is not 100%.

This report has been prepared in accordance with the GRI Standards: Core option. (see page 84) and is mapped to eight UN Sustainable Development Goals (SDGs).

Our Chief Financial and Sustainability Officer, Associate Director of Sustainability and CSR and the Aldar Sustainability Council have reviewed it. For detailed Environmental, Social and Governance (ESG) disclosures, see pages 78-89.

Our response to Covid-19

Whilst Covid-19 did not directly impact the UAE and Aldar until March 2020, due to the significance of the event we have included a feature on our rapid response and ongoing preparedness on pages 80-81, in line with our wider disclosures around risk and business continuity.

Coronavirus has had, and will continue to have, profound impacts on our people, our communities and how we do business. Therefore, as well as continuing to report regularly on this issue through 2020, we will formally update on Covid-19's impact on our sustainability agenda in our 2021 Sustainability Report.

We welcome all feedback on this report and our wider approach: **sustainability@aldar.com**

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[1] Environmental data cover 7 Development projects, 19 Hospitality and Leisure assets, 23 Commercial and Residential assets and nine Retail assets. They also include six Aldar schools. For a list of all projects and assets, (see page 82)
GRI – 102-54

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2019 HIGHLIGHTS

During the last 12 months, we have made significant progress across all four pillars of our sustainability strategy. On page 78 and throughout the report, you can see detailed progress against our Sustainability Key Performance Indicators (KPIs) – below are just some of our proudest achievements across our four strategic sustainability pillars in 2019.

ECONOMY

+11%
increase, Group revenue

33.3%
In-Country Value certified suppliers[3]

80%–100%
expected average return on investment from employee innovation ideas (BIG I), and **24%** from (Little I)[4]

92%
Weighted Schedule Performance Index[6]

Find out more about how we create stable, responsible and diversified growth on pages 14-27.

COMMUNITY

+AED54.3m
strategic community investment (direct + in-kind)

15%
of direct employees involved in volunteering

+100
community events

Special Olympics 2019
official partner

Find out more about how we support sustainable, healthy and inclusive communities on pages 28-32.

PEOPLE

20%
female members of the Executive Management Committee

Almost
doubled
training hours per employee since 2017

+8.9%
increase in employee satisfaction since 2016

40%
reduction in Serious Reportable Safety Incidents (compared to 2018)

Find out more about how we protect and empower our diverse workforce on pages 33-44.

ENVIRONMENT

79%
of developments 1 Pearl rated[2]

386,072
tonnes CO_2e Aldar Group carbon footprint

5.6%
reduction in like-for-like water use in 2019[5]

89%
recycling rate in Development Management[7]

Find out more about responsible environmental stewardship on pages 45-64.

[2] As the first regional initiative of its kind and scope, the Estidama building design methodology – and its Pearl Building Rating System - has become a best practice benchmark for the entire Middle East. Pearl 2 is the mid-level of a three Pearl scale. Refers to developments planned or under construction.
[3] Certified by In-Country Value (ICV) for local economic develop.
[4] 'Big I' innovations (Ibtikar ideas that push the company into adjacent markets or novel technologies, and can generate the profits needed to close the gap between revenue forecasts and growth goals). 'Little i' innovations (Ibtikar ideas that presents incremental innovations in products and services that are necessary for continuous improvement)
[5] Calculated by excluding assets that could not report 2018 water use.
[6] Aldar ensures timely delivery of its Development projects by monitoring the Weighted Schedule Performance Index (SPI). This measures how close our projects are to being completed and handed over to our customers compared to the original plan. To ensure the SPI provides the most reasonable indication to all Aldar Development Management projects, it is weighted based on project cost, thus ensuring data reflect the size of the projects and cashflow.
[7] Data not yet available for recycling rate across Asset Management

GRI – 201-1

Shaping a positive future

I am delighted to present Aldar's second sustainability report, which demonstrates strong progress against our priorities and charts an ambitious roadmap through a series of key commitments.

Sustainability represents the most important topic of our time and is crucial for ensuring that present day activities lead to shared value without compromising the ability of future generations to pursue their own development. In recognition of this fact, the United Arab Emirates has always been a strong sustainability advocate, led by the vision of the nation's founding father, the late Sheikh Zayed bin Sultan Al Nahyan, who developed many of the institutions that continue to govern our social, economic and environmental progress to this day.

The UAE has taken on the responsibility of advancing a sustainable development model focused on inclusion, fairness and strong governance, which is enshrined within a series of national strategies and goals including Vision 2021, Ghadan 21, the National Climate Change Plan and the UAE Green Agenda.

Closer to home, Abu Dhabi has taken a proactive approach to sustainability through the ambitious agendas set out within Economic Vision 2030, enacted through numerous supporting laws, regulations and initiatives. The Emirate also plays host to one of the world's largest and most influential sustainability forums, the Abu Dhabi Sustainability Week, where various actors come together on an annual basis to generate solutions to many of the world's most pressing challenges.

Guided by the example set by the Abu Dhabi Government and the UAE's leadership both past and present, Aldar has developed its own comprehensive approach to sustainability. This approach is designed to ensure both full alignment with, and our robust contribution to, the Emirate's vision of a sustainable real estate sector that promotes the wellbeing of residents and visitors alike.

Beyond Abu Dhabi and the UAE, Aldar's focus on sustainability is also a mean for our company to contribute to regional and international efforts in this regard. Such challenges as climate change and environmental preservation call for concerted action as part of a global community, which is why our sustainability strategy include a specific focus on eight of the Sustainable Development Goals, adopted by all member states of the United Nations in 2015.

Aldar has been a positive force in the urban landscape of Abu Dhabi for 16 years, and through our iconic communities and destinations, we have become one of the most respected real estate developers and managers in the region. Ever mindful of our environmental responsibilities, our extensive portfolio brings considerable socio-economic benefits to the UAE and we will continue to work closely with our partners to go even further.

The real estate market in Abu Dhabi rests on strong fundamentals, thanks in large part to the supportive policies of the Government. As Aldar helps to forge a sustainable future for Abu Dhabi and its people, we will continue to demonstrate strong leadership, remain transparent and uphold our values, backed by best-practice governance. These are very the cornerstones of our success, which are enacted every day by our dedicated family of employees.

On behalf of the Board and Executive Management Team, I want to extend my gratitude to Abu Dhabi's visionary leaders and their Government for championing sustainable cities of the future.

Finally, I must thank Aldar's people, partners and communities, each of whom plays a vital part in our ongoing story of responsible growth. We have come a long way and I am convinced that we will continue to create positive value for all of our stakeholders in the years ahead, as we strive to achieve our commitments. Together, these constitute our pathway to sustainable growth – and I am proud to say that we made great strides along it in 2019.

H.E Mohamed Khalifa Al Mubarak
Chairman

> **Guided by the example set by the Abu Dhabi Government and the UAE's leadership both past and present, Aldar has developed its own comprehensive approach to sustainability. This approach is designed to ensure both full alignment with, and our robust contribution to, the Emirate's vision of a sustainable real estate sector that promotes the wellbeing of residents and visitors alike.**

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Why sustainability is business-critical

The last year was one of renewal for Aldar in multiple ways. In addition to refocusing our strategic priorities on customer centricity, operational excellence and growth, we significantly elevated the profile of sustainability across the organisation by creating a new role in our Executive Management Team: a Chief Financial and Sustainability Officer. Overseeing a dedicated Sustainability Department, we see ESG challenges being addressed at the highest level, ensuring greater consistency in our decision-making and integration of sustainability into all of our Group functions. We have also attached sustainability KPIs to all Executive Committee members, including myself, thereby holding us all to account on this vital agenda.

A Digital Transformation Strategy launched in 2019 is enabling us to enhance operational efficiencies and deliver outstanding customer experiences, while ensuring the tightest privacy and security controls. A further development has been the addition of a Sustainable Procurement team to extend our ESG priorities to our supply chain and contractors. Achievements such as these are not about ticking boxes – they enhance our resilience to risk and build our reputation as a trusted corporate citizen. In other words, they are business-critical.

Responsible growth

Strategic milestones in 2019 further consolidated the Aldar narrative of community-oriented, environmentally sensitive urban transformation. They also reflect the long and holistic view that has served us well in contributing to the Emirate's growth since our formation in 2004. Our path of responsible, stable and diversified growth is clearly the right one: in 2019 alone, we achieved record development sales of AED 4 billion, up 53% year on year, while our Asset Management business saw net operating income rise by six percent. If we want to see what responsible, diversified and stable growth looks like in reality, we need look no further than Saadiyat Island. Its combination of innovative design embedded in a local partnership model have enabled Aldar to win a further AED 2 billion infrastructure mandate in 2019, with our Saadiyat Grove development alone injecting AED 8 billion into the local economy.

A people business

In line with the national strategy to enrich customer experience as a pillar of the UAE's continuing development, our Corporate Mission is to place customers first by embedding sustainability, quality, technology and innovation in everything we do. Overseeing this ambition is a new Head of Customer Centricity and a larger Customer Experience team. With a refreshed Customer Promise, we also strengthened how we capture customer feedback in 2019, adopting world-class Net Promoter and Customer Effort scoring.

Meeting the strategic goals laid out in Aldar's Strategy relies on each of us at Aldar to play our part. Our People, Culture and Performance roadmap now tethers individual job descriptions to our Corporate Strategy through KPIs and career mapping.

We have delivered more training hours than ever, while a new Diversity and Inclusion Board further scales our excellent progress across talent, culture, race and gender. Of course, we can only unlock full talent potential with a solid bedrock of safe, healthy workplaces. In 2019, lost time injuries were well below our baseline target, while Serious Reportable Safety Incidents dropped by 40%. We continue to remain vigilant and committed to our goal of zero harm to our people – including our contracted workforce

Supporting a greener UAE economy

Using resources efficiently and with their future availability at the forefront of our designs is helping Aldar respond to rising customer demands for sustainable buildings and contribute to Vision 2021. In this report, we disclose our Group carbon footprint for the first time, while also significantly increasing the scope of our water and waste data – all vital metrics for continual improvement.

Aldar has remained a resilient market leader in the face of challenging global headwinds and our strategic approach to ESG challenges has played a vital role in this regard. It allows us greater agility when faced with change, greater efficiency amid competition for scarce resources and greater transparency before sustainability-focused investors. These factors will remain critical in the year ahead and, as ever, we look forward to taking our ESG agenda to new heights.
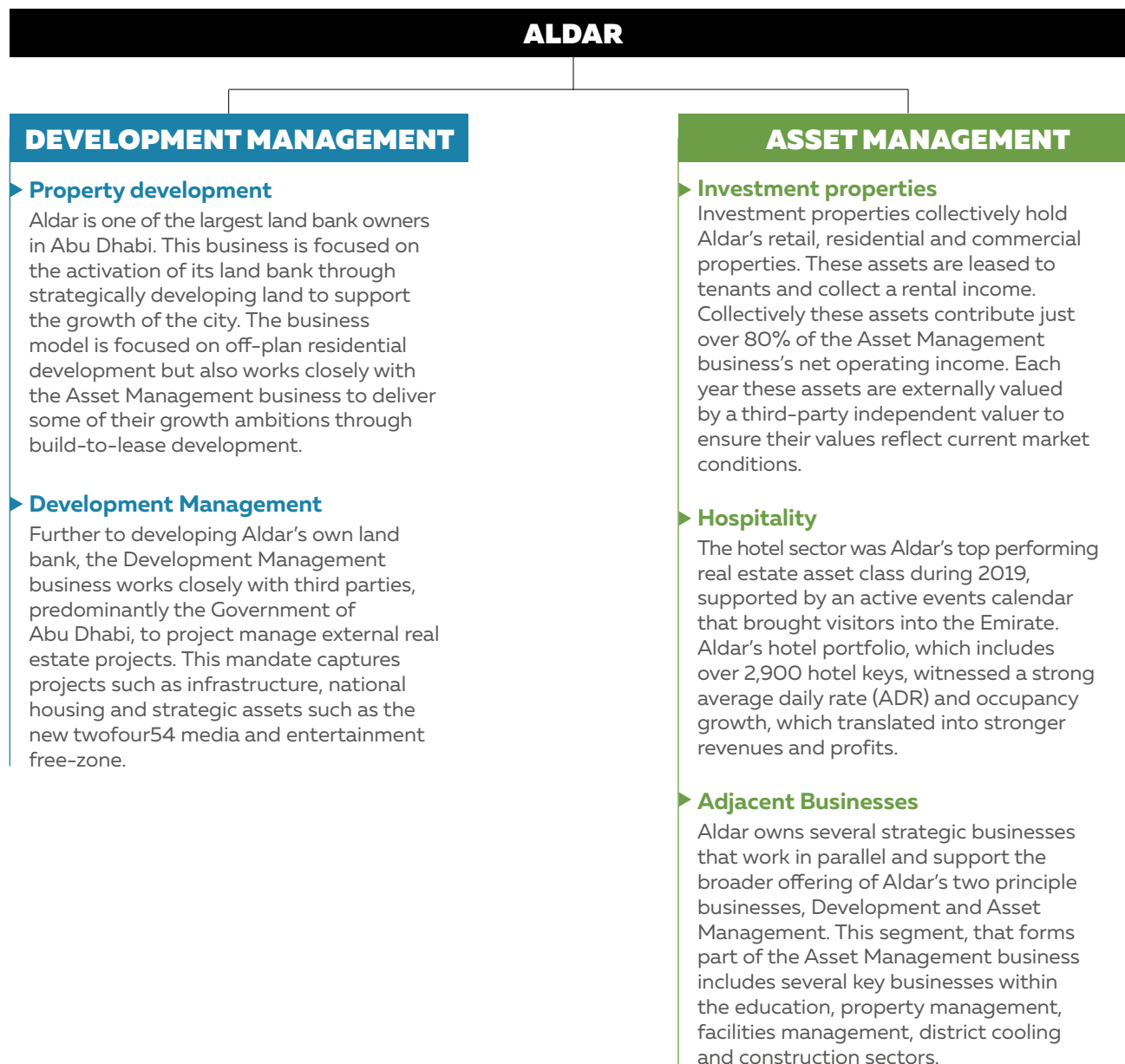
Talal Al Dhiyebi
Chief Executive Officer

> **Achievements such as these are not about ticking boxes – they enhance our resilience to risk and build our reputation as a trusted corporate citizen. In other words, they are business-critical.**

Aldar: a real estate leader

Aldar Properties PJSC is the leading real estate developer, manager and owner in Abu Dhabi. Through our iconic developments, we are one of the most well-known corporations in the UAE and the wider Middle East region. Since our formation in 2004, we have shaped the urbanisation of the UAE's capital city by delivering desirable destinations where communities can work, live and visit. Those destinations include Yas Island, Al Reem Island, Al Raha Beach and now Saadiyat Island.

In addition to our central corporate functions, the activities of the Group are split into two main divisions: Development Management and Asset Management.

ALDAR

DEVELOPMENT MANAGEMENT

▶ **Property development**

Aldar is one of the largest land bank owners in Abu Dhabi. This business is focused on the activation of its land bank through strategically developing land to support the growth of the city. The business model is focused on off-plan residential development but also works closely with the Asset Management business to deliver some of their growth ambitions through build-to-lease development.

▶ **Development Management**

Further to developing Aldar's own land bank, the Development Management business works closely with third parties, predominantly the Government of Abu Dhabi, to project manage external real estate projects. This mandate captures projects such as infrastructure, national housing and strategic assets such as the new twofour54 media and entertainment free-zone.

ASSET MANAGEMENT

▶ **Investment properties**

Investment properties collectively hold Aldar's retail, residential and commercial properties. These assets are leased to tenants and collect a rental income. Collectively these assets contribute just over 80% of the Asset Management business's net operating income. Each year these assets are externally valued by a third-party independent valuer to ensure their values reflect current market conditions.

▶ **Hospitality**

The hotel sector was Aldar's top performing real estate asset class during 2019, supported by an active events calendar that brought visitors into the Emirate. Aldar's hotel portfolio, which includes over 2,900 hotel keys, witnessed a strong average daily rate (ADR) and occupancy growth, which translated into stronger revenues and profits.

▶ **Adjacent Businesses**

Aldar owns several strategic businesses that work in parallel and support the broader offering of Aldar's two principle businesses, Development and Asset Management. This segment, that forms part of the Asset Management business includes several key businesses within the education, property management, facilities management, district cooling and construction sectors.

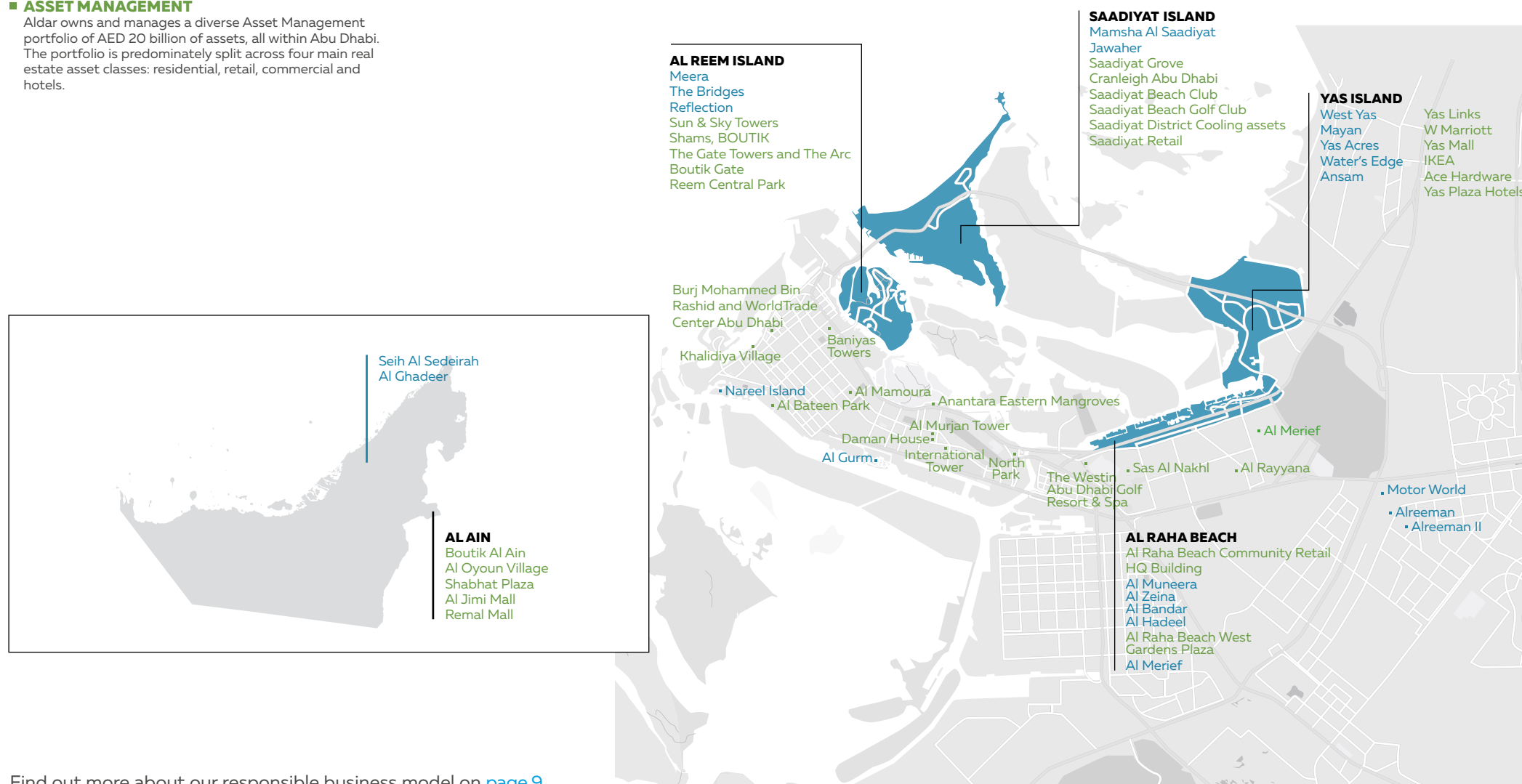OVERVIEW   ECONOMY   COMMUNITY   PEOPLE   ENVIRONMENT   GOVERNANCE & RISK   DISCLOSURE   GRI

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■ DEVELOPMENT MANAGEMENT

Aldar is the largest developer within Abu Dhabi and since inception, has completed approximately 26,000 residential units across the Emirate. As of 31 December 2019, a further 8,000 residential units were under development.

■ ASSET MANAGEMENT

Aldar owns and manages a diverse Asset Management portfolio of AED 20 billion of assets, all within Abu Dhabi. The portfolio is predominately split across four main real estate asset classes: residential, retail, commercial and hotels.

AL REEM ISLAND
Meera
The Bridges
Reflection
Sun & Sky Towers
Shams, BOUTIK
The Gate Towers and The Arc
Boutik Gate
Reem Central Park

SAADIYAT ISLAND
Mamsha Al Saadiyat
Jawaher
Saadiyat Grove
Cranleigh Abu Dhabi
Saadiyat Beach Club
Saadiyat Beach Golf Club
Saadiyat District Cooling assets
Saadiyat Retail

YAS ISLAND
West Yas
Mayan
Yas Acres
Water's Edge
Ansam

Yas Links
W Marriott
Yas Mall
IKEA
Ace Hardware
Yas Plaza Hotels

Burj Mohammed Bin Rashid and WorldTrade Center Abu Dhabi

Khalidiya Village

Baniyas Towers

Seih Al Sedeirah
Al Ghadeer

Nareel Island

Al Mamoura

Al Bateen Park

Anantara Eastern Mangroves

Al Murjan Tower

Daman House

International Tower

North Park

Al Gurm

The Westin Abu Dhabi Golf Resort & Spa

Sas Al Nakhl

Al Rayyana

Al Merief

Motor World

Alreeman

Alreeman II

AL AIN
Boutik Al Ain
Al Oyoun Village
Shabhat Plaza
Al Jimi Mall
Remal Mall

AL RAHA BEACH
Al Raha Beach Community Retail
HQ Building
Al Muneera
Al Zeina
Al Bandar
Al Hadeel
Al Raha Beach West
Gardens Plaza
Al Merief

Find out more about our responsible business model on page 9.

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Salwa Al Maflahi,
Associate Director, Sustainability and CSR

Greg Fewer
Chief Financial and Sustainability Officer

In conversation with our Chief Financial and Sustainability Officer

In 2019, Aldar's Chief Financial Officer of eight years, Greg Fewer, became Chief Financial and Sustainability Officer (CFSO). With accountability for our Sustainability Framework now at the highest level, Aldar has an unprecedented opportunity to make a strategic and meaningful impact across the ESG agenda. Our Associate Director of Sustainability and CSR, Salwa Al Maflahi, caught up with Greg on how he sees Aldar shaping a sustainable future for the UAE.

Salwa: 2019 was an important year at Aldar in terms of organisational change. How do you see the new Corporate Strategy marrying with your Sustainability Framework?

Greg: The more we thought as a Group about the principles of sustainability and how we apply them to our organisational structure, the clearer it became that central functions (finance, audit, corporate finance, legal, risk management, procurement etc.) and business units make decisions that have to balance the needs of today against the needs of tomorrow, all from a multi-stakeholder perspective. It is evident just how interconnected sustainability and 'commercial' issues are – whether it is enhancing Operational Efficiency through energy and water saving; building customer satisfaction with greener, healthier buildings; or boosting growth by managing our assets in ways that enable connection and inclusion – sustainability and commercial performance truly do go hand in hand.

In many organisations, the CFO is thus a natural advocate for sustainability. At Aldar, we went a step further and changed our Finance Department to Finance and Sustainability. It encompasses 'traditional' finance, but also risk management, strategy, innovation and investor relations. With a core team focused on sustainability now at the top of the organisation, we can cascade down policy and accountability throughout the company.

Salwa: How does our Sustainability Framework facilitate the communication of Aldar's sustainability story?

Greg: Aldar's Sustainability Framework is a visual representation of how we manage sustainability and deliver shared value.

The core foundation of our framework emphasizes on the interdependency between commercial and sustainability. With further focus on our sustainability purpose, we ensure a genuine approach by embedding sustainability within our operations and decision-making process. The Core Sustainability Pillars are a core part of our sustainability strategy, which is built around them and dictates our action plan. These Core Sustainability Pillars also allow us to communicate our sustainability performance, within this report or other media.

Above all, our key stakeholder groups, as well as the national and global goals, guide our approach to shared value delivery and remain key to our sustainability framework.

Salwa: Are you convinced we are prioritising the right ESG issues?

Greg: With the Board and Executive Team verifying Aldar's 'materiality' findings, we have a very clear picture of where we need to focus our efforts. The fact that stable, responsible and diversified growth emerged as the most critical issue reconfirms my previous point about sustainability and commercial goals being developed and delivered in tandem. As someone from a finance background, I look for credible methodologies and meaningful data sets – with our most robust matrix yet of focus topics, I am convinced that Aldar is following the right path and we are committed to delivering on our sustainability KPIs – reported on for the first time in this report.

Salwa: How do you see Aldar's Sustainability Framework contributing to local and global challenges?
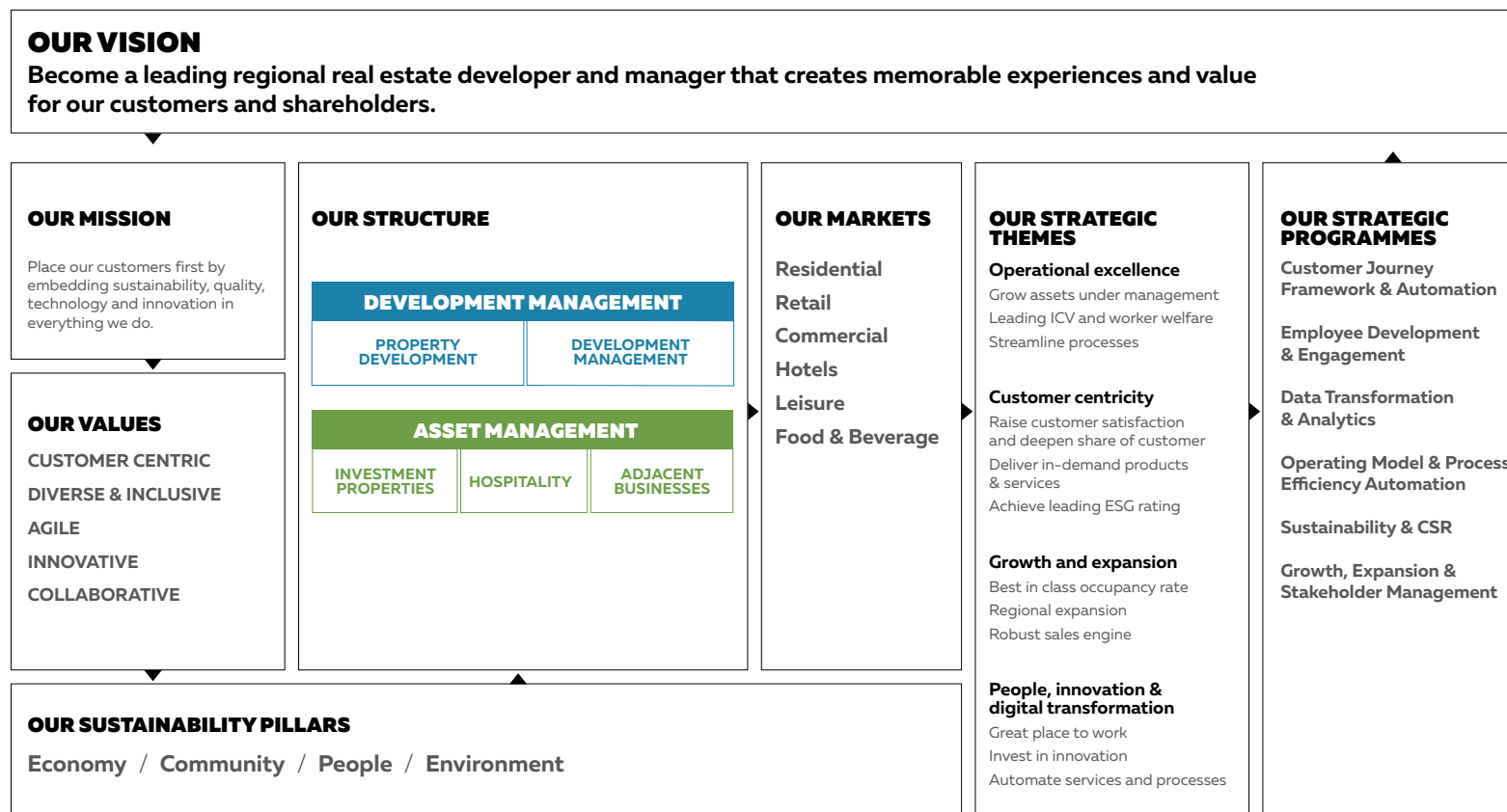
Greg: One of Aldar's unique advantages is its roots of trust in the region and we build on this trust each day. This may be in designing urban ecosystems that nourish the social fabric of society; it may be in managing assets to meet evolving customer needs and to save energy and water; or it may be in our community giving and environmental stewardship. Our Sustainability Framework is designed to align with UAE Vision 2021 and 2030 plans by supporting initiatives such as Ghadan 21, the national Climate Change Plan and the UAE Green Agenda. At the other end of the spectrum is a global Agenda for Sustainable Development that we are beginning to embrace through our alignment to eight SDGs. I look forward to seeing our international contribution unfold further through 2020.

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A mission-driven business model

With a new 2020-2024 Corporate Strategy, Aldar's business model is more agile than ever – positioning us to deliver long term value for a diverse range of stakeholders, with customers at the centre. Through this unique and mission-driven model, we seek to become an exemplar for responsible corporate citizenship in the UAE and beyond.

Our Corporate Strategy across Development and Asset Management is to pursue operational excellence, customer centricity and growth and expansion by investing in People, Innovation and Digital Transformation. Supporting the Strategy are five Values and a Sustainability Framework that help ensure we create a lasting positive legacy on the Economy, Community, People and the Environment.

The Aldar **Business Model**

OUR VISION

Become a leading regional real estate developer and manager that creates memorable experiences and value for our customers and shareholders.

OUR MISSION

Place our customers first by embedding sustainability, quality, technology and innovation in everything we do.

OUR VALUES

CUSTOMER CENTRIC
DIVERSE & INCLUSIVE
AGILE
INNOVATIVE
COLLABORATIVE

OUR STRUCTURE

DEVELOPMENT MANAGEMENT

PROPERTY DEVELOPMENT	**DEVELOPMENT MANAGEMENT**

ASSET MANAGEMENT

INVESTMENT PROPERTIES	**HOSPITALITY**	**ADJACENT BUSINESSES**

OUR MARKETS

Residential
Retail
Commercial
Hotels
Leisure
Food & Beverage

OUR STRATEGIC THEMES

Operational excellence
Grow assets under management
Leading ICV and worker welfare
Streamline processes

Customer centricity
Raise customer satisfaction and deepen share of customer
Deliver in-demand products & services
Achieve leading ESG rating

Growth and expansion
Best in class occupancy rate
Regional expansion
Robust sales engine

People, innovation & digital transformation
Great place to work
Invest in innovation
Automate services and processes

OUR STRATEGIC PROGRAMMES

Customer Journey Framework & Automation

Employee Development & Engagement

Data Transformation & Analytics

Operating Model & Process Efficiency Automation

Sustainability & CSR

Growth, Expansion & Stakeholder Management

OUR SUSTAINABILITY PILLARS

Economy / **Community** / **People** / **Environment**

Our material issues

Our Sustainability Framework and reporting are rooted in ESG issues that have been identified by stakeholders through a rigorous annual materiality process. It involves a four-phase process of issue identification, evaluation, prioritisation and verification and in 2019 our focus was on prioritisation and verification phases.

From a universe of issues identified through extensive research (and benchmarked against best practice), in 2019 senior executives from key departments prioritised issues in relation to their potential to affect Aldar, both from their own perspective and from the perspective of their key stakeholders. The results of these five workshops were then validated by Aldar's CEO, our Executive Management Committee and Sustainability Council. They are plotted on the matrix on the following page.

Conducting regular materiality reviews is vital to ensuring our focus is relevant and targeted. Aldar's Sustainability Department continually monitors current and emerging issues based on industry and sustainability intelligence, as well as GRI recommended disclosures. Over the next year, we will further engage external stakeholders as we review the topics that matter most. Find out more on .

Jassem Saleh Busaibe
Chief Investment Officer

The materiality assessment exercise was important to learn how the different stakeholders evaluate the relevant environmental, social and governance topics, and the findings presented in the matrix on the following page tell a positive narrative about how sustainability is increasingly becoming business-critical.

At the top of the materiality matrix is 'stable, responsible and diversified growth' which communicates big commitments within. Sure we aim to grow and diversify our revenue streams but we do it responsibly as we ensure ESG criteria is an essential part of our investment due diligence.

The other material topics falling under the most important part of the matrix also tell an important lesson that it is not all about generating financial value, but the social dimension should remain high on the agenda of each organization.

Our second sustainability report highlights positive results as well as short-term and mid-term commitments where we are responsible for taking bigger steps

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All issues in the matrix are considered important; this was a relative exercise to understand which of these important issues were the most critical. The issues were ranked as follows (those in italics represent amendments following Executive verification).

Most important topics

- Stable, Responsible and Diversified Growth
- Governance, Ethics and Transparency
- Health and Safety
- Developing and Recognising our People
- Human Rights

Very important topics

- Operational Excellence
- Operational Resilience
- Exceptional Experience and Loyalty / Customer Experience
- Employee Wellbeing and Decent Employment
- Innovation
- Local Economic Development
- Digital Transformation
- IT Infrastructure and Cyber Security
- Responsible Supply Chain
- Energy Management and Emissions

Important topics

- Community Wellbeing and Inclusion
- Community Engagement and Awareness
- Waste Management and Recycling
- Water Conservation
- Sustainable and Healthy Buildings
- Strategic Community Investment
- Diversity and Inclusion
- Biodiversity Protection

Materiality matrix — Importance to stakeholders (y-axis, 6 to 9) versus Importance to Aldar (x-axis, 6.5 to 9.5):

- 5. Operational Excellence
- 18. Human rights
- 6. Governance, Ethics & Transparency
- 16. Health and Safety
- 4. Exceptional Experience and Loyalty
- 17. Employee Wellbeing and Decent Employment
- 1. Stable, Responsible and Diversified Growth
- 2. Local Economic Development
- 7. Operational Resilience
- 15. Develop & Recognise Our People
- 12. Community Wellbeing & Inclusion
- 10. Innovation
- 22. Waste Management and Recycling
- 13. Communities Engagement and Awareness
- 21. Water Conservation
- 20. Energy Management and Emissions
- 11. Strategic Community Investment
- 3. Responsible Supply Chain
- 9. Digital Transformation
- 19. Sustainable and Healthy Buildings
- 8. IT Infrastructure & Cyber Security
- 14. Diversity and Inclusion
- 23. Biodiversity Protection

Our Sustainability Framework

In 2019, we re-mapped our Sustainability Framework to Aldar's new Mission and Corporate Strategy. Whilst the refreshed Framework continues to be structured around four sustainability pillars (Economy, Community, People and Environment), it is now framed within Aldar's Corporate Vision and mapped against eight SDGs.

By strategically addressing 23 material issues (see page 11) and engaging with stakeholders to build trusted partnerships (see page 69), the Framework directly supports Aldar's Mission. It will be reviewed regularly in accordance with ongoing stakeholder engagement, annual materiality reviews and analysis of best global practice and standards.

Accountability
Behind our Sustainability Framework is a clear structure of accountability. The last year marked a landmark for sustainability governance at Aldar. As well as bringing it under the oversight of our CFSO, we also added ESG metrics into performance systems of the Executive Management Team and we established a Sustainability Council. Together, these developments mean sustainability and financial performance are more interdependent than ever, with visibility both within and outside Aldar. Find out more about accountability for sustainability and our wider corporate governance on pages 66-68.

Sustainability **framework**

VISION ▶ Become a leading regional real estate developer and manager that creates memorable experiences and value for our customers and shareholders.

MISSION ▶ Place our customers first by embedding sustainability, quality, technology and innovation in everything we do.

SUSTAINABILITY PURPOSE

SHAPING A BETTER FUTURE
We aim to create a business culture where sustainability is at the heart of everything we do, and where the concept of sustainability informs the way we operate, collaborate, innovate and grow.

CORE SUSTAINABILITY PILLARS

Economy   **Community**   **People**   **Environment**

STAKEHOLDERS

Our People / **Shareholders and Investors** / **Local Communities** / **Partners** / **Rating Agencies and Media** / **Government and Regulators** / **Customers** / **Subsidiaries** / **Suppliers and Contractors** / **Banks and Lenders**

SUSTAINABILITY GOVERNANCE

Board of Directors / **Executive Management** / **Sustainability Department** / **Sustainability Council** / **Sustainability Champions**

GLOBAL GOALS (SDGS)

3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 11 SUSTAINABLE CITIES AND COMMUNITIES | 13 CLIMATE ACTION | 15 LIFE ON LAND

SHARED VALUE

VISION 2021   GHADAN 21 غـــدأ 21   **National Climate Change Plan of the United Arab Emirates 2017–2050**   **The UAE Green Agenda**

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The SDGs

In updating our Sustainability Framework in 2019, we conducted a mapping exercise against the SDGs, assessing each of the 17 Goals against our Corporate Strategy, the impact we can have on them and the impact they have on Aldar. As a result, we have selected eight Goals to focus on.

As well as being at the core of our Sustainability Strategy, the four Framework pillars of Economy, Community, People and Environment are the backbone of this report. The following chapters describe our strategic position for each pillar, alongside 2019 performance against our material issues. Finally, we outline our future commitments to continue to raise the bar, inspire others and become a sustainability leader.

	Impact we can have on the goal	Impact of the issue on our business	Aldar strategic priority
Health and wellbeing	■ ■ ■	■ ■ ■	✓ *pg. 29, 41, 48, 78-79
Quality education	■ ■ ■	■ ■ ■	✓ *pg. 16, 27, 31, 32, 35, 38
Gender equality	■ ■	■ ■	✓ *pg. 37
Decent work and economic growth	■ ■ ■	■ ■ ■	✓ *pg. 15, 25-27, 39-40
Infrastructure	■ ■ ■	■ ■ ■	✓ *pg. 15, 16, 27
Sustainable cities and communities	■ ■ ■	■ ■ ■	✓ *pg. 27, 30-32
Climate action	■ ■	■ ■	✓ *pg 46-48, 52-55
Life on land	■ ■	■ ■	✓ *pg. 63-64

Impact was assessed based on whether there was a clear and immediate impact on the business (or a direct and substantial impact on the goal), rated as High (three squares); or little direct business impact (or little contribution), rated as Low (one square)

*2019 report reference

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ECONOMY

Our guiding principle

Aldar endeavours to contribute to a thriving economy through stable, responsible and diversified growth. This is enabled by applying the highest standards of governance, ethics and accountability – and supported by optimised, innovative operations.

DIRECTION OF TRAVEL

- Diversify revenue while growing responsibly.
- Strive for unique customer experiences to drive loyalty.
- Foster a culture of innovation and ensure the diversity of innovation enabling tools.
- Continuously optimise operations towards excellence.
- Manage our supply chains responsibly and engage suppliers to deliver for mutual sustainability.
- Support local economic development and growth, including infrastructure development, job creation and Emiratisation.

+ 11%
increase in group revenue

33.3%
In-Country Value certified suppliers[8]

80%–100%
expected average return on investment from employee innovation ideas (BIG I), and **24%** from (Little i)[9]

92%
Weighted Schedule Performance Index[10]

OUR WIDER CONTRIBUTION

By helping to enable a thriving economy, Aldar is contributing to the SDGs.

These SDGs span our **material issues** of: Stable, Responsible and Diversified Growth; Local Economic Development; Responsible Supply Chain; Exceptional Experience and Loyalty; Operational Excellence; Governance, Ethics and Transparency; Operational Resilience; IT Infrastructure & Cyber Security; Digital Transformation; and Innovation.

Find out more about how we map our approach to the SDGs on

[8] Certified by In-Country Value (ICV) for local economic develop
[9] 'Big I' innovations (Ibtikar ideas that push the company into adjacent markets or novel technologies, and can generate the profits needed to close the gap between revenue forecasts and growth goals). 'Little i' innovations (Ibtikar ideas that presents incremental innovations in products and services that are necessary for continuous improvement)
[10] Aldar ensures timely delivery to its Development projects by monitoring the Weighted Schedule Performance Index (SPI). This measures how close our projects are to being completed and handed over to our customers compared to the original plan. To ensure the SPI provides the most reasonable indication to all Aldar Development Management projects, it is weighted based on project cost, thus ensuring data reflects the size of the projects and cashflow.

OVERVIEW   **ECONOMY**   COMMUNITY   PEOPLE   ENVIRONMENT   GOVERNANCE & RISK   DISCLOSURE   GRI

» Section overview / **Growing responsibly** / Unique customer experiences / Innovation / Operational excellence / Responsible supply chains / Local economic development

DEVELOPMENT MANAGEMENT

Growing responsibly

Stable, responsible and diversified growth has underpinned our pivotal role in Abu Dhabi's economy since 2004. This trajectory continues today through our portfolio of mature, income-generating assets, alongside well-planned developments that create surplus capital to drive further expansion. Across both Development and Asset Management, we continue to show that a responsible approach to commerce pays dividends in the long term – not only to shareholders – but to wider society.

Development growth 2019

In 2019, we reported record development sales of four billion Dirhams, a 53% increase on the previous year. A series of new launches, combined with strong progress across our development pipeline, illustrate the ongoing demand for 'total solution' communities that blend residential living with entertainment, commerce, shopping, schools, hotels and leisure. Saadiyat Island, Yas Island, Al Raha Beach and Al Reem Island are four iconic destinations that have paved the way and contributed to the Emirate's status as one of the most liveable cities in the world[11].

Creating a new 'culture of living'

Saadiyat Island is rapidly becoming a compelling example of how innovative, responsible investment can support broader economic development goals. In 2019, we invested a further 722 million Dirhams in 306 infrastructure-enabled land plots to add to our existing Beach Club, Golf Club, retail units, district cooling assets and Cranleigh Academy on the island.

Recognising our track record for socio-economic regeneration, the Abu Dhabi Government awarded us a further two billion Dirham infrastructure mandate to create a new 'culture of living' at Saadiyat Grove. In the heart of the city's Culture District, this mixed-use development is designed to appeal to residents, start-up businesses and tourists alike. Winning this investment was in part based on

our commitment to local jobs, training and supply chain opportunities – now enhanced further under the ICV partnership (see page 27). Indeed, we predict that Saadiyat Grove will pump a further eight billion Dirhams into the local economy.

Saadiyat Grove is set to transform the urban landscape of Abu Dhabi. The project is of strategic importance for the capital at both cultural and social levels. Saadiyat Grove embodies our leadership's future vision of how people can live, work and enjoy everyday life in the City, reflecting the diverse social and cultural fabric of the Emirate. It is also in line with Aldar's strategy which is focused on creating and delivering exceptional and memorable customer experiences, while building responsibly and ensuring the highest standards of sustainability possible

Find out more about responsible infrastructure developments on page 27.

Ramy Zaghloul
Sustainability Council Member and Executive Director, Development Management

Always looking to the future, the development business is very well placed to take advantage of new opportunities for growth in our home market of Abu Dhabi, as well as through partnerships in other promising markets.

David Duddly
Sustainability Council Member and Executive Director, Investments & Partnerships.

As the master developer, Aldar is responsible for the long-term vision and development of its land banks. Bringing in third-party developers to support this vision reduces our long-term destination development risk and widens the array of products for end-users and investors.

How are we doing?
KPIs/progress

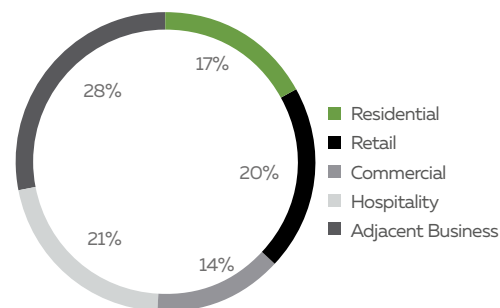| Focus area	KPI	Performance 2019
Stable, responsible, diversified growth	Group revenue change	+11%
	Gross profit change	+2%
	Off-plan development sales change	+54%

Commitments

- Assess ESG risks and their financial implications on the business.
- Integrate sustainability into investment criteria and due diligence.
- Report on the percentage of investment opportunities assessed based on sustainability criteria.

[11] Economist Intelligence Unit, 2020

OVERVIEW   **ECONOMY**   COMMUNITY   PEOPLE   ENVIRONMENT   GOVERNANCE & RISK   DISCLOSURE   GRI

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FY 2019 revenue split by sector

- 17% Residential
- 28%
- 20% Commercial
- 21% Hospitality
- 14%

Legend:
- Residential
- Retail
- Commercial
- Hospitality
- Adjacent Business

ASSET MANAGEMENT

Asset and Adjacent Business portfolios

Spanning Residential, Retail, Commercial and Adjacent Businesses (Hospitality, Education, Properties, Facilities Management and District Cooling), Aldar Asset Management achieved a robust six percent growth in net operating income in 2019, as shown in the chart above. We also added new assets as a result of joint ventures with Etihad Airways and the Tourism Development and Investment Company, as well as the Al Jimi Mall expansion. We attribute our stable growth to our unique platform, scale and diversification, as well as our agility in operational excellence (see page 23).

Diversified growth 2019

Hospitality and Leisure experienced a 31% increase in net operating profit due to the sustainable growth of Abu Dhabi's tourism market, as well as optimising hotel occupancy strategies within Aldar (see page 23).

Our **5,620 Residential units** comprised 5,620 apartments or properties to appeal to a broad customer range. We also added the acquisition of 789-unit Etihad Plaza in 2019.

Commercial assets occupied 318,074 square meters of office space, with a 92% occupancy rate in 2019. During a period of economic uncertainty in real estate, adding Etihad Airways Centre to our portfolio was testament to our strategy of combining high-quality assets with long-term tenant relationships.

Jahed Rahman
Sustainability Council Member and Executive Director, Investment Management

Our strategy is to strengthen the competitiveness of our assets through investing or unlocking pockets of value within them. This may involve introducing new services, businesses lines or other activities within the asset, or developing value-added amenities that increase the value of surrounding assets. It also includes exiting assets that have reached their full potential and reinvesting cashflow into assets with more attractive returns to grow our portfolio.

Our **Retail assets** across Abu Dhabi and Al Ain reflect a market penetration of more than 70%, with 40 million people visiting our malls in 2019. Find out more about how Aldar Retail contributed to local economic development on page 27.

Aldar's **Adjacent Businesses** also grew in 2019. Our real estate management business, Provis, now has 15,000 properties under management, while Aldar Education has tripled student numbers in the last two years to over 22,000, also winning International School of the Year (see page 29).

Al Ain's prime retail destination

In 2019, we completed a large expansion of Al Jimi Mall and the Retail Park. The 400 million Dirham renovation adds 30,000 square meters to our second largest retail asset and secures Al Jimi Mall's position as Al Ain's prime retail destination. With 100 additional brands and restaurants and a total of 200 stores, Al Jimi Mall counters online shopping trends to show 'real retail' is thriving in Abu Dhabi and helping to maintain vibrant communities and local economies.

OVERVIEW   **ECONOMY**   COMMUNITY   PEOPLE   ENVIRONMENT   GOVERNANCE & RISK   DISCLOSURE   GRI

» Section overview / Growing responsibly / **Unique customer experiences** / Innovation / Operational excellence / Responsible supply chains / Local economic development

Unique customer experiences

Our customer focus has always been one of our points of difference in the market, enabling us to forge lasting relationships that can bring positive impacts to communities for generations to come. Aldar customers are as wide-ranging. Understanding the lives and aspirations of those who engage with our assets is therefore fundamental to how we grow and improve as a business.

Who are Aldar's customers?

+1,355,000 hotel guests (2019)
+17,000 residential tenants (2019)
+10,000 property development investors (since inception)
+20,500 Aldar Academy students[13] (2019)
+40 million people visited our shopping malls (up from 37 million in 2018).

At the heart of our strategy

At Aldar, we ensure that the customer is central to everything we do. This means continuously enhancing customer service and delivering unique experience, with journeys tailored to satisfy Aldar customer needs. The last year saw customer centricity elevated strategically to the heart of our Company Mission and Strategy. In doing so, we aspire to be a leading example of service excellence in the region by putting customers first; ensuring consistent delivery of exceptional customer experience; creating customer intimacy; and being agile to adapt to the evolving needs of customers.

We have implemented a number of strategic initiatives to deliver on our aspiration, supported by the Digital Transformation Strategy, to drive customer satisfaction and retention. These included launching a new Customer Charter – a promise to our customers that we will always strive for service excellence (see opposite), supported by a five-module training programme to embed Aldar's values into customer-facing roles and responsibilities. Today, these programmes are being scaled up by our new Head of Corporate Customer Centricity.

OUR CUSTOMER PROMISE

We are committed to the highest standards of **SERVICE EXCELLENCE** by:

DELIVERING on our promises, taking **RESPONSIBILITY**, and being **ACCOUNTABLE** for our actions.

EARNING our customers' trust through our **INTEGRITY** and **RELIABILITY**,

COMMUNICATING regular and timely information, at the correct time, to the correct people.

OFFERING easily **ACCESSIBLE** services that ensure a **POSITIVE** and **MEMORABLE** experience,

Demonstrating **FLEXIBILITY** whenever possible to fulfill all of our customers' needs.

Rashed Al Omaira,
Sustainability Council Member and Executive Director, Commercial

Adding value to our clients has always been a priority. Being able to provide specialised offerings will make us more competitive, more responsive and better poised for future growth. We will be focusing on every touchpoint throughout the customer journey and integrating technology solutions to ensure a seamless customer experience in line with our commitment to exceptional customer service, efficiency and long-term asset value.

How are we doing?
KPIs/progress

| Focus area	KPI	Performance 2019
Exceptional experience and loyalty	Retail tenants engaged in sustainability[12]	360
	Average retail retention rate at Yas Mall, Al Jimi Mall and the Mall at World Trade Center Abu Dhabi	76%
	Customer satisfaction rate, parents survey, Aldar Academies	78%

Commitments

· Launch a Customer Loyalty programme to include all portfolios in terms of benefits, value propositions and points.

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[12] Defined by the number of entries to our Green Tenant Award
[13] Includes Charter/governmental Schools and ADNOC Schools managed by Aldar

OVERVIEW   ECONOMY   COMMUNITY   PEOPLE   ENVIRONMENT   GOVERNANCE & RISK   DISCLOSURE   GRI

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The voice of the customer

Across Aldar assets, we strive to offer the most intuitive and efficient Customer Experience by listening to and understanding customer needs. In understanding the voice of the customer, we can make informed decisions around what drives loyalty and create attractive value propositions. It also means we can implement the highest standards of customer service excellence and ultimately, create brand advocates who share positive experiences of Aldar with friends and family.

Responding efficiently to customer feedback is one of our highest priorities – at Yas Mall for instance, we responded to 100% of retail tenant concerns within our targeted timeframe of 48 hours. In turn, we achieved a tenant retention average across our three largest malls (Yas, Al Jimi and World Trade Center) of 76%. This is just one example of how service excellence leads to client retention in our Asset Management business.

To realise our customer experience vision, in 2019 we began the rollout of a real-time customer feedback programme. Now active across all customer 'touchpoints' and Aldar assets, 22,000+ customers have so far shared their experience with us, enabling us to understand our customers needs to better meet their expectations and improve our offer. This programme spans the entire customer journey with Aldar and incorporates global benchmarking metrics such as Customer Satisfaction, Customer effort CX and Net Promoter Scores (NPS), which will now be embedded within Group KPIs and cascaded to all employees.

How satisfied were Aldar customers in 2019?

Shopping mall visitors:

▶ **76%**
average retail retention rate at Yas Mall, Al Jimi Mall and the Mall at World Trade Center Abu Dhabi

School students:

▶ **78%**
customer satisfaction rate, parents survey, Aldar Academies

Rent-to-own on Yas Island

Recognising the challenge of affordable home ownership in Abu Dhabi, in 2019 we launched a rent-to-own scheme at West Yas Island, a development of 1,000 four and five-bedroom villas. Residential customers are now able to build up their home equity over a five-year period, while paying only 220,000 Dirhams in annual rent. Management fees are also set at 15,000 Dirhams per year for the duration of the rent-to-own period. By making home ownership more inclusive, we further broaden the spectrum of those able to access West Yas's two schools, three mosques, sports facilities, retail centres, a community centre and extensive landscaping and green spaces.
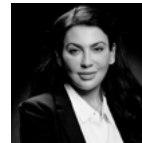
Sahar Cooper
Sustainability Council Member and CEO of Aldar Academies

We are not only shaping our next generation to excel as the next leaders globally, but also supporting the economic goals of Abu Dhabi's Vision 2030 Plan. To continue excelling into tomorrow, we've developed a future-focused curriculum that encourages students to consider their role in solving global issues.

ASSET MANAGEMENT

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» Section overview / Growing responsibly / Unique customer experiences / **Innovation** / Operational excellence / Responsible supply chains / Local economic development

Innovation

At Aldar, trying and testing new ideas

has been an integral part of our history and it remains so today. Our innovations in building design (see page 48–50), construction and management also support Vision 2021 and 2030 national plans.

Digital transformation

The last 12 months saw us scale up our technological innovation with the launch of an ambitious Digital Transformation Strategy. Designed to span Aldar's core priorities of customer centricity, operational excellence and growth and expansion, it has focused our efforts on disruptive technologies to position Aldar at the forefront of stable, responsible and diversified growth.

HP Aengaar
Sustainability Council Member and Chief Executive Officer, Provis

Aldar's adjacent properties and facilities management businesses, Provis and Khidmah, apply innovative solutions and cutting-edge technologies to add tangible value at every stage of the property lifecycle. Our aim is to become a one-stop-shop estate management offering.

Seamless customer experiences
Below are just some of the ways in which digital technologies made for a more seamless customer experience in 2019:

- We enhanced our social channels, with a unified messaging solution that integrates customer interactions. Chatbots, WhatsApp and live chat features were all expanded and improved, making it even easier for customers to receive a clear and direct response to their questions, wherever they are and at any time of day.

- We created an improved Call Centre solution, using digital services for enhanced Customer Management.

- Workflows for buyers, residents and contractors were automated.

Regardless of how sophisticated the technology, the Aldar Customer Privacy Policy sets out how we ensure the highest levels of privacy and data security (see page 77). Find out more about how technologies are supporting customers across Development and Asset Management on the following pages.

Optimising corporate functions
In 2019, digital technologies enabled us to automate procurement sourcing, enhance data visualisation and add self-service business analytic solutions – all of which have streamlined our corporate functions. We also piloted Robotic

Process Automation systems in our Accounts Payable and Treasury teams. The pilot proved to be a success with Artificial Intelligence software performing high-volume repetitive tasks, 24/7, at a much higher speed and accuracy level. For example, the time taken for the daily cash report was cut from an hour to four minutes, freeing up Finance colleagues to refocus on critical tasks such as customer servicing. The Finance Department has since established a Centre of Excellence for Robotics Process Automation in order to encourage other Corporate teams to identify areas in which robotics might streamline their own processes.

Across the Group, Aldar colleagues saw significant improvements to the employee app. ALDAR HOME2.0 now means more than 70% of human resources services are accessible by phone, including submitting leave applications, monthly pay slips, accommodation loan requests, Ibtikar applications, confidential feedback (including Whistleblowing) and news/events. We are continually adding more capabilities to ALDAR HOME and are currently looking at health and wellness features. These technologies increase employee engagement and reduce administration time allowing staff to spend more time on value adding work or getting home earlier. Find out more about how we support and engage our colleagues on page 36.

How are we doing?
KPIs/progress

Focus area	KPI	Performance 2019
Innovation	Employee innovation ideas submitted	192
	Ideas implemented	6%
	New partnerships related to disruptive technologies	6
Digital transformation	Number of transformational initiatives delivered to improve operational excellence	6
	Number of transformational initiatives delivered to enhance customer centricity	5

Commitments

- Implement engagement plan that will increase awareness, transparency and buy-in on all innovation matters.

- Equip staff with innovation tools to test business concepts, validate models, and demystify innovation.

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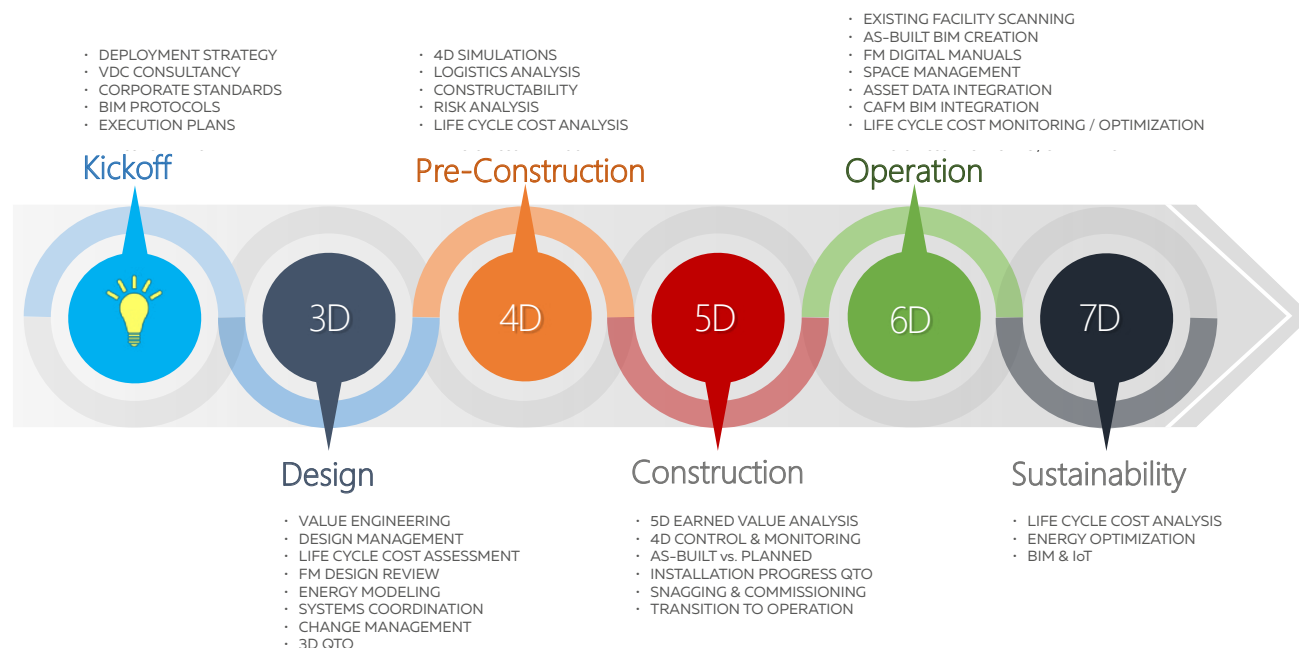
A culture of innovation

At Aldar, we recognise that the creative ideas that have transformed our business to date must be continually fed by a pipeline of new ideas. To propel homegrown employee innovation, each year we run the Ibtikar challenge. Any employee is welcome to submit an idea that tackles issues faced by Aldar and our stakeholders and participation counts towards employee performance reviews. Implementing ideas within our business is a significant step, requiring extensive research, development and investment. In 2019, we received 44 ideas, with eight selected for implementation.

The winning idea came from Yara Al Jundi. Her custom-made composting machine turns food waste from retail outlets into nutrient-rich soil that can be applied to the local landscape. Yara estimates that each machine could save 50,000 kilograms of CO_2 emissions per year, while also reducing landfill burden and associated refuse truck mileage. The prototype is currently being piloted in Yas Mall, with a view to rolling it out to more malls and wider assets.

▸ **80% to 100%**
expected average return on investment from 'Big I' innovations (Ibtikar ideas that push the company into adjacent markets or novel technologies, and can generate the profits needed to close the gap between revenue forecasts and growth goals).

▸ **24%**
expected average return on investment from 'Little i' innovations (Ibtikar ideas that presents incremental innovations in products and services that are necessary for continuous improvement)

In early 2019, we ran a **GIMI Organization Maturity Certification** assessment to understand our maturity level for having advanced capabilities to sustain growth through business innovation. The assessment identified our current position and the action plan ahead to improve our position from **Potential Enabler for Innovation** to **Potential Driver for Innovation** against the GIMI Index. We have also certified 25 of our innovation champions in GIMI level 1 and level 2 Associate and Master level.

Find out how innovation is improving the Customer Experience on .

Maan Al Awlaqi
Sustainability Council Member and Executive Director, Strategy and Transformation Office

For Aldar to remain agile, responsive and competitive, innovation must be a key pillar of our strategy. This does not only mean rolling out cutting-edge technologies; it also means creating a culture that empowers creative and inclusive decision-making.

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Technologically-enabled developments

In the last 12 months, we implemented Qualtrics software to enhance the customer experience in our Development business. We also designed an online portal to make transactions easier for our third-party developers and, alongside Abu Dhabi Digital Authority, we launched an initiative to digitise the home-buying experience. Now, engineering drawings, financing, completion statements and utilities set-up is a rapid, smooth and transparent process for all involved.

We have further developed our Building Information Modelling (BIM) capabilities by expanding to Virtual Design and Construction techniques to improve build efficiency. We are now extending BIM across the value chain to procurement and asset management. We also started work on our first 3D printed building project – the halfway house on Yas Acres golf course will be printed at an investment of three million Dirhams. We will report back on all of these innovations in 2021.

On our construction sites, we became the first property developer to adopt a UAE SmartPass in 2019, in collaboration with the Telecom Regulatory Authority. The digital card can instantly verify the identity of individuals entering construction sites via an electronic chip that securely stores the card holder's personal information. This will further support our Worker Wellbeing agenda .

Aldar's **VDC/BIM Vision**

Kickoff
- DEPLOYMENT STRATEGY
- VDC CONSULTANCY
- CORPORATE STANDARDS
- BIM PROTOCOLS
- EXECUTION PLANS

Pre-Construction
- 4D SIMULATIONS
- LOGISTICS ANALYSIS
- CONSTRUCTABILITY
- RISK ANALYSIS
- LIFE CYCLE COST ANALYSIS

Operation
- EXISTING FACILITY SCANNING
- AS-BUILT BIM CREATION
- FM DIGITAL MANUALS
- SPACE MANAGEMENT
- ASSET DATA INTEGRATION
- CAFM BIM INTEGRATION
- LIFE CYCLE COST MONITORING / OPTIMIZATION

3D   4D   5D   6D   7D

Design
- VALUE ENGINEERING
- DESIGN MANAGEMENT
- LIFE CYCLE COST ASSESSMENT
- FM DESIGN REVIEW
- ENERGY MODELING
- SYSTEMS COORDINATION
- CHANGE MANAGEMENT
- 3D QTO

Construction
- 5D EARNED VALUE ANALYSIS
- 4D CONTROL & MONITORING
- AS-BUILT vs. PLANNED
- INSTALLATION PROGRESS QTO
- SNAGGING & COMMISSIONING
- TRANSITION TO OPERATION

Sustainability
- LIFE CYCLE COST ANALYSIS
- ENERGY OPTIMIZATION
- BIM & IoT

DEVELOPMENT MANAGEMENT

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ASSET MANAGEMENT

Optimised Asset and Development Management

In 2019, our Commercial team in Development Management introduced a new online portal to serve property brokers more efficiently and transparently. The platform, which includes performance dashboards, automated invoicing, transparent processing, real time inventories, marketing collateral and news, promotions, launches and events, is already making it easier for brokers to sell properties on our behalf. Furthermore, it is estimated that more than 20,000 pages of paper invoicing have been avoided thanks to digitising broker services.

For Asset Management, digital transformation highlights included launching a specialised operating platform in our retail units and rolling out an online analytics solution across our hotel portfolio.

From seed to success: Manassah

The Manassah entrepreneurship competition offers budding start-ups a platform to pitch their ideas, with the chance of winning a year's rent-free commercial space from Aldar Asset Management. In line with its goal to empower young people to unlock their full career potential, Aldar's Youth Council supports the programme, alongside startAD, the UAE's accelerator to help seed-stage technology start-ups.

In 2019, we received 148 entries, with seven joining the shortlist. These ranged from artisan coffee houses and bakeries, to community education and sustainable fashion. All seven finalists have been working with our retail experts to identify a suitable space to develop their concepts, while also accessing six weeks' free business planning and legal advice from Aldar. The winning ideas will be revealed in the final quarter of 2020.

47million
social media impressions for Manassah campaign

Saoud Khoory
Sustainability Council Member and Executive Director, Retail Asset Management

It is really exciting to see homegrown concepts become part of our thriving retail portfolio, take their plans to the next level and identifying the best ways for them to grow. Initiatives such as Manassah enable entrepreneurs to test out their concepts and refine them before bringing them to the market and as such we are committed to support such programmes across our assets to help them succeed.

Find out more about the Aldar Youth Council on .

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Operational excellence

Behind our agility in the marketplace is a strategic commitment to operational excellence. This means not only ensuring efficiency in our operations and supply chains, but also embedding responsible ESG practices that make us leaner and reduce risk. In this way, we help to deliver our developments on time and within budget; we maximise and unlock the potential of our assets; and we drive value through responsible investments.

Maintaining our agility

During 2019, Aldar's CEO commissioned six programme groups to tackle critical challenges and, in turn, future-proof our business. One such programme was Operating Efficiency, now known as the Agility Committee. The Committee is chaired by the CFSO and is tasked with identifying inefficiencies across the Group and systematically implementing solutions. Thus far, the Committee has identified more than 51 initiatives and saved an estimated 12,000 hours of administrative time in targeting them. Overall, the Committee has achieved 76% of its goals.

Michael Wallace
Sustainability Council Member and Executive Director, Corporate Finance

Our strategy focused on maximising operational excellence and maintaining growth momentum has enabled us to deliver robust financial and operational performance in 2019. This dedication to excellence across our diverse businesses is reflected in another year of uninterrupted dividend growth.

Integrated sustainability

When ESG considerations are at the forefront of how we operate day-to-day, we protect our most important assets – our people and the natural resources we depend on. This in turn reduces our risk exposure and enhances our operating efficiencies. In the last 12 months, we have integrated and elevated sustainability across Aldar more than ever. With CFSO accountability, a new Sustainability Council spanning Aldar's businesses, Executive Management KPIs for sustainability and a new Sustainability Procurement function, we are demonstrating that commercial success and sustainability go hand-in-hand. Find out more on .

How are we doing?
KPIs/progress

Focus area	KPI	Performance 2019
Operational excellence	Average occupancy of assets	89%
	Weighted Schedule Performance Index	92%
	Administration time saved	12,000 hours

Commitments

- Implementation of improved asset management solution/platform across key assets within the portfolio to improve business intelligence, efficiency and decision making.
- Activate systematic predictive maintenance and digital inspection.
- Develop a new development project management digital platform at sub-contractor level.

OVERVIEW   **ECONOMY**   COMMUNITY   PEOPLE   ENVIRONMENT   GOVERNANCE & RISK   DISCLOSURE   GRI

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ASSET MANAGEMENT

Measures of success

One indicator of our operational excellence is the occupancy of our assets. From retailers tenanting our shopping malls, to tourists staying at our resorts and families occupying our apartments – in 2019, we saw an average occupancy rate of 89% across our assets. During a period of economic uncertainty (in comparison with a 2018 rate of 90%), we are proud of how Aldar has maintained its leverage within the market.

Meqdad Al Mubarak
Sustainability Council Member and Executive Director, Portfolio Management

Our high quality, optimally designed and operated commercial office portfolio continues to attract top-tier tenants in long-term partnerships. In 2019, we sustained an 89% occupancy rate.

Asset occupancy 2019, %

Category	Occupancy
Residential	88%
Commercial	92%
Retail	89%
Hospitality	75%

OVERVIEW   **ECONOMY**   COMMUNITY   PEOPLE   ENVIRONMENT   GOVERNANCE & RISK   DISCLOSURE   GRI

» Section overview / Growing responsibly / Unique customer experiences / Innovation / Operational excellence / **Responsible supply chains** / Local economic development
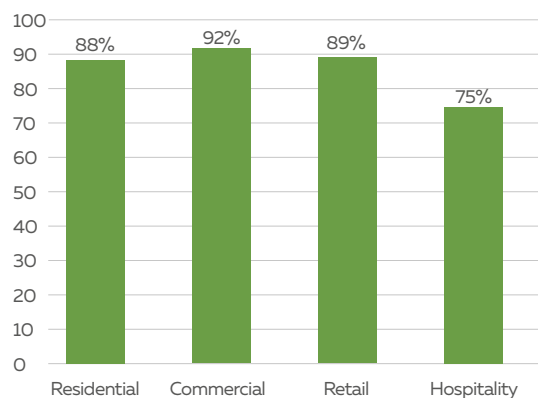
Responsible supply chains

Supporting our suppliers to adopt responsible practices is one way in which we scale our ESG impact through the local economy, while also helping Aldar achieve operational excellence and reduce risk exposure. From supplier pre-qualification, Aldar's Procurement Policy makes clear our expectations around ethical, transparent conduct. Suppliers are also expected to adhere to our environmental, safety and health requirements, via detailed questionnaires and interviews.

Currently, only six percent of our contracted suppliers formally integrate our sustainability requirements into their operations. This is because we are relatively early in our sustainable procurement journey (we only began auditing suppliers at the end of 2019, setting a target to audit all primary contractors against Worker Welfare Principles by 2021). Furthermore, our expectations of suppliers are rigorous – we require evidence of a sustainability policy, report, point of contact and ICV certification as a minimum. For development contractors, we also expect adherence to ten Worker Welfare principles (see page 39), as well as a list of sustainable materials, data on waste, water and energy following project approval.

Recognising that we need to accelerate our sustainability requirements into the supply chain, in 2019 we created a dedicated Sustainable Procurement function. We now have a resource to oversee risk management and alignment with best practice sustainability standards

in prequalification, tender and vendor assessment processes. Thus far, the team's focus has been on quantifiable environmental metrics, with labour issues being monitored and advised upon through the Worker Welfare programme. It has also established Principles of Sustainable Procurement as a lead-in to a formal Sustainable Procurement Strategy in the year ahead.

Principles of Sustainable Procurement

Our five Principles of Sustainable Procurement are based on a review of international best practice and Aldar's Sustainability Framework:

1. **TRANSPARENCY** Fairness, integrity, transparency ensuring all vendors are treated equally and that the process features clear evaluation criteria.
   Applying the principle: monitoring and reporting, vendor assessments and supplier benchmarking.

2. **SUPPLIER ENGAGEMENT** Establishing communication streams with suppliers to upskill the supply chain and create new opportunities to meet sustainable goals and objectives.
   Applying the principle: internal training and awareness, enhanced prequalification processes and improved supplier feedback.

3. **SUSTAINABLE SOURCING** Integration of social, environmental and ethical performance factors into the development process
   Applying the principle: lifecycle costing, sustainable materials, end of life planning and value engineering.

4. **DEMAND MANAGEMENT** Efficient operation of procurement through identifying resource management targets and KPIs
   Applying the principle: use of existing stock, assessing the need for purchase.

5. **FAIR AND EQUAL OPPORTUNITY** Promoting equality and fairness through the procurement process and ensuring equal opportunities for all when procuring goods, works or services.
   Applying the principle: local and small business purchasing.

Khaled Al Rajhi
Sustainability Council Member and Executive Director, Procurement

It is becoming increasingly important for corporations to have visibility of what is happening in their supply chains and the great strides made in 2019 to unify Aldar's sustainability and procurement functions will be transformational in how we manage risk. Our approach is not to punish suppliers for poor performance but to work together to find solutions – we can often learn a great deal from the companies we do business with.

How are we doing?
KPIs/progress

Focus area	KPI	Performance 2019
Responsible supply chains	Contracted suppliers integrating sustainability	6%

Commitments

- Report on the percentage of suppliers screened against sustainability/ESG criteria by 2021.
- Report on the percentage of items procured with sustainability ratings.

OVERVIEW   ECONOMY   COMMUNITY   PEOPLE   ENVIRONMENT   GOVERNANCE & RISK   DISCLOSURE   GRI

» Section overview / Growing responsibly / Unique customer experiences / Innovation / Operational excellence / **Responsible supply chains** / Local economic development

DEVELOPMENT MANAGEMENT

Engaging contractors

A significant proportion of our procurement spend goes to contractors that manage our individual development projects. Via these companies, we procure outsourced management, labour, materials and transportation services. By inserting sustainability clauses in our contracts, purchase orders and work orders we can better control and influence the ways in which ESG compliant policies, procedures and content are delivered for Aldar sponsored projects.

In our construction operations, supply chain pre-qualification involves further criteria applied from Aldar's Environment, Health, Safety, Management System (EHSMS) and Worker Welfare processes. It includes a questionnaire and interview on Occupational Safety and Health (OSH), as well as environmental issues. Questions cover management and supervision, training, equipment control and maintenance, personal protection equipment, and progressive OSH/EHS management. The requirements for all projects extend to the purchase and supply of raw materials, products and equipment.

As part of our procurement procedure, we communicate our Whistleblower Policy and hotline to our contractors (see page 72). For information on worker welfare and ICV, see page 39-40.

Monitoring and dialogue

We use a performance matrix to evaluate projects across their lifecycle. This enables our contractors and their partners to identify good practices and take corrective actions where necessary. We also identify protocols for grievances, disputes and claims, including the necessary authorities' involvement in these procedures. Experience tells us that it is important to maintain an open and interactive dialogue with our suppliers and we always welcome their ideas and suggestions. With a new Sustainable Procurement team, we will be better able to capture and these suggestions in order to continually improve performance.

Our first Supplier Forum

In 2019, we delivered our first Supplier Forum. The inaugural workshop was attended by 27 Aldar contractors, consultants and suppliers, with a focus on construction sector challenges and set against the UAE's vision for innovation, regulatory frameworks and high value-adding sectors.

Delegates debated issues ranging from contract terms and labour laws, to land access and health and safety. The workshop was received positively and many improvement recommendations were proposed, as well as commitments to measurable action plans. We have already delivered many of our own actions against workshop aims and we look forward to repeating the Supplier Forum annually to continue to engage with our partners and champion sectoral change for more sustainable construction practices.

GRI – 102-9, 102-10, 203-2, 308-2, 414-2

OVERVIEW   **ECONOMY**   COMMUNITY   PEOPLE   ENVIRONMENT   GOVERNANCE & RISK   DISCLOSURE   GRI

» Section overview / Growing responsibly / Unique customer experiences / Innovation / Operational excellence / Responsible supply chains / **Local economic development**

DEVELOPMENT MANAGEMENT

Local economic development

Globally, the building and construction sector is estimated to provide up to 10% of employment and up 15% of national GDPs on average[15]. At Aldar, we are proud of the contribution we have made to the economy of Abu Dhabi over 16 years.

With Sustainable infrastructure being one of six national priorities, in 2019, Aldar was selected to execute three social, economic and infrastructure projects for a number of government agencies in Abu Dhabi. The five billion-dirham investment included three major development projects: a 900-unit national housing development at Al Falah; a twofour54 media and entertainment free-zone; and key infrastructure works at Saadiyat Island.

Boosting jobs and supply chains

Supporting local economic development is a strategic priority both in our direct workforce and via our contractors and suppliers. In 2019, we joined up with ADNOC, Abu Dhabi Department of Economic Development and Abu Dhabi Ports to create the unified ICV formula that would stimulate local opportunities, as a member of the ICV Committee and ICV Council.

We are delivering on our commitments via our Worker Welfare programmes (see page 39) and, more recently, dedicated supplier programmes (see page 25).

ICV will create employment opportunities for UAE Nationals and private sector growth in addition to being a key part of our procurement sustainability strategy which addresses worker welfare, environmental and societal impacts.

Empowering local talent

Building on Aldar Youth Council's outreach to the community, in 2019 we signed a Memorandum of Understanding with UAE University to enhance public-private knowledge transfers that make it easier for young Emiratis to access jobs and training. With our own Youth Council members working closely with university counterparts, a number of initiatives were piloted to identify and develop future talent, while forging stronger links between academia and the private sector. We look forward to report back on the outcomes in Aldar's 2020 Sustainability Report.

Find out more about Emiratisation within our Diversity and Inclusion agenda on page 37.

An Emirati-friendly housing market

Abu Dhabi's property market has matured over the last decade, supported by the introduction of regulations aimed at protecting both landlords and tenants. Key to this has been the 2016 Abu Dhabi Real Estate Law, which aims to create a more transparent and professional property market. Over the past five years, Aldar has launched over 9,000 off-plan residential units across 19 developments catering to all segments of the market. We also offer rent-to-own schemes and mortgage assistance for lower-income customers.

How are we doing?
KPIs/progress

Focus area	KPI	Performance 2019
Local economic development	ICV certified suppliers	33.3%
	Government infrastructure awards	AED 5 billion
	Proportion of procurement contracts awarded to local suppliers[14]	98%

Commitments

· Support small and medium enterprises, the local economy and ICV.

[14] We define 'local' in this context as having a UAE trade licence
[15] UN Environment Programme
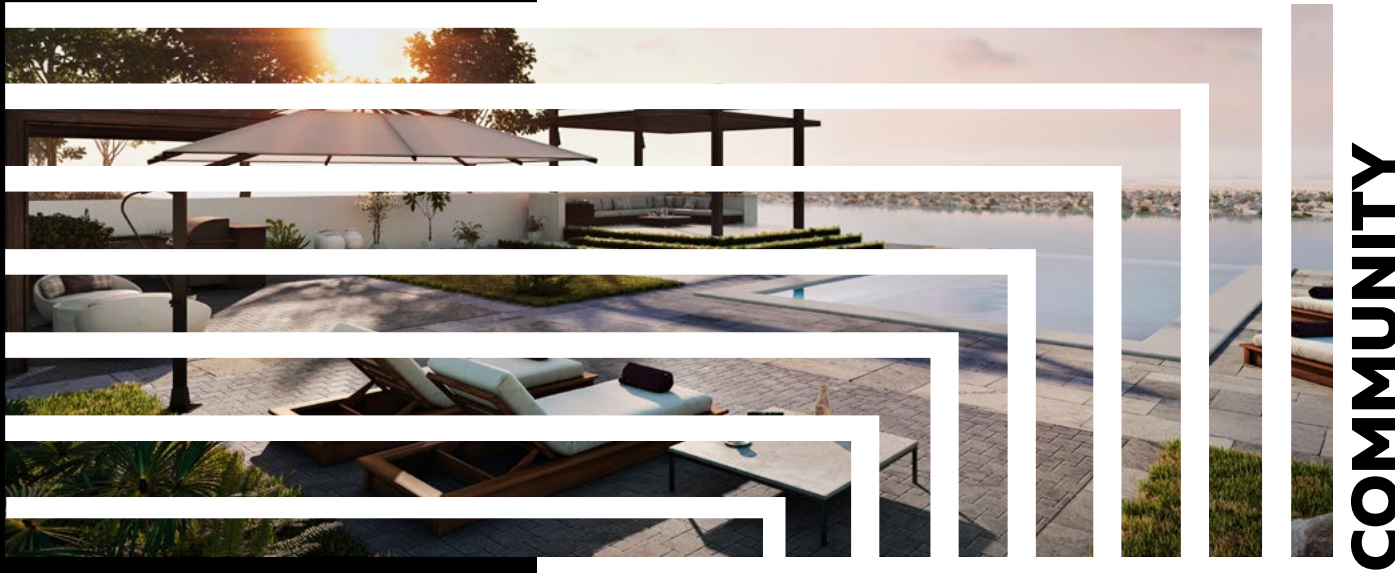
COMMUNITY

Our guiding principle

we believe Aldar is a member of a wider community and we put the priorities of these stakeholders at the heart of our decision making. Our heritage is rooted in trusted government and community partnerships that support sustainable, healthy and inclusive communities.

DIRECTION OF TRAVEL

· Develop and manage communities ensuring inclusiveness and prosperity.

· Engaging our neighbours towards delivering better sustainability results.

· Strategically invest in the community to deliver better impact.

+54.3m AED
strategic community
investment
(direct + in–kind)

15%
of employees
involved in
volunteering

+ 100
community events

Special Olympics 2019
official partner

OUR WIDER CONTRIBUTION

By investing in thriving, inclusive communities, Aldar is contributing to the SDGs

These SDGs span our **material issues** of: Strategic Community Investment; Community Wellbeing & Inclusion; and Communities Engagement and Awareness. Find out more about how we map our approach to the SDGs on page 13.

ASSET MANAGEMENT

Inclusive, thriving communities

By supporting the UAE's Vision 2021 and other federal and Emirate level plans, Aldar is making a marked contribution to the region's sustainable urban developments, social cohesion and knowledge-driven economies. As well as enabling empowerment through education, our assets promote healthy lifestyles and support People of Determination.

Together with the Government, Aldar Education

As the leading education group in Abu Dhabi, Aldar Education provides inclusive and innovative learning opportunities that inspire the next generation and empower wider communities. Its Academies have become a regional case study for their holistic approach, informing the UAE's Education 2020 Strategy. Together with the Government, Aldar Academies support national values of citizenship and responsibility; equality and justice; and science, technology and innovation.

▶ **International School of the Year,**

Cranleigh Abu Dhabi

We were particularly proud to see one of our Academies, Cranleigh Abu Dhabi, named International School of the Year in 2019 (Times Educational Supplement). Highlighted in the award was Cranleigh's ambitious arts and cross-curricular project 'Water in the Desert: A Zayed Legacy'. The project is the result of collaboration with two other educational bodies, the Ministry of Tolerance, NYU Abu Dhabi and the British Council and is designed to enable Year 2 and above students to explore themes of heritage, identity and sustainability. It also involved an eco-tourism proposal, radio adverts for water conservation, sustainable architecture design and 'cultural memory' documenting.

Resident feedback

Villa 348
"Very good arrangement".
– Ali Azhar

Villa 76
"Thanks for organizing a lovely afternoon for the kids".
– Ana

Villa 711
"Very nice, Like it".
– Al Yasmeena

Villa 175
"It is a great event, kids enjoyed it a lot. Fun activities and safety precautions were available".
– Loyal Youssef

Villa 262
"It was perfect".
– Ahmad

Villa 136
"This work or function is very good for kids".
– M. Awais

Villa 317
"Good initiative, more organize outside activity for kids".
– Ramdy

Fit for the Future

Aldar Provis's Lifestyle and Recreation Department is committed to providing wellness solutions that engage residents and keep them involved, entertained and fit. For each residential community, the Living by Provis Fitness Journey encompasses a four-pillar approach to wellness: mindset, movement, nutrition and recovery. In 2019 alone, 20 class options were offered, ranging from group exercise, to personal training and kids' camps.

▶ **15,000+**
people took part in fitness classes

As well as its fitness solutions, Provis also offers wider lifestyle opportunities. In 2019, 704 people from three communities participated in either children's ballet, 'Kindermusik', healing sound therapy and Bollywood dance or skating. In total, 33 community events designed to catalyse community cohesion welcomed more than 5,000 people.

Always looking ahead, Provis is set to launch Living by Provis, a 360-degree mobile app to connect community members with leading service providers as a curated offer for happier, healthier lifestyles.

Commitments
- Develop an Aldar Community Lifestyle Index for our residential communities.
- Develop social inclusion criteria and ensure they are mainstreamed into the design and operations of all assets.

Engaging our neighbours

Through well-designed developments and exceptional Asset Management, Aldar has become a trusted regional partner in creating unique living experiences where people feel connected and engaged. We deepen our community engagement through an 'open door' approach and CSR activities that promote inclusion, sustainable lifestyles and cultural heritage. During 2019, Aldar carried out more than 100 such activities.

More than
▸ **100 CSR activities**
in Aldar communities

Employee volunteering

Our employees represent the communities we serve. Their involvement in our CSR activities is thus critical to achieving a positive impact. Aldar's Group Volunteering Policy offers five days of annual paid volunteering leave for directly employed staff[17], an offer taken up by 15% of eligible staff in 2019. This tells us that we need to further raise awareness internally of opportunities available to support causes within our neighbourhoods and we will focus on this in 2020.

Up to
▸ **5 days'**
paid volunteer leave offered

Capturing the nation's heritage in urban art

As part of our ongoing efforts to enhance Abu Dhabi's urban landscape with public art, in 2019 we partnered with Abu Dhabi Art (part of the Department of Culture and Tourism) to commission a series of public artworks at our Reem Central Park development. Acclaimed local artists Mohammed Ahmed Ibrahim and the collective of Ramin Haerizadeh, Rokni Haerizadeh and Hesam created pieces inspired by the park's multicultural visitors, as well as pre-Islamic poetry, Arabic folklore and motifs found on items from the collections of the Louvre Abu Dhabi and the Etihad Museum. The new artworks now adorn 24 pillars surrounding the 2,400-square metre skate park, staircases, four playgrounds and four bollard walls.

How are we doing?
KPIs/progress

Focus area	KPI	Performance 2019
Community engagement and awareness	Community events	+100
	Employees engaged in volunteering[16]	15%

Commitments

· Launch initiatives and engagements to encourage customers to achieve environmental savings.

· Report on community participation rate in sustainability initiatives.

· Systematically develop and launch sustainable products and services and report progress.

[16] Directly-employed personnel only
[17] Non-consecutive days, or the equivalent of 40 hours per year. These must be taken at the discretion of the individual's line manager.

Community investment

As well as helping to create thriving, inclusive communities through sensitively-developed and managed assets, we also give directly to important causes that resonate with Aldar's Community Commitments, while contributing to the UAE's Vision 2021.

In 2019, we continued to support Sandooq Al Watan's social cohesion and entrepreneurship work and the Special Olympics World Games. In addition, individual Aldar assets made their own financial and in-kind donations for causes resonant with their local communities.

Number of beneficiaries by Aldar-funded programme

- ■ Mahibatna (14%)
- ■ UAE Coder (76%)
- ■ UAE innovator (0.3%)
- ■ Researcher platform (4%)
- ■ UAE Talent (1%)
- ■ Khalifa Innovation Center (0.4%)
- ■ Jusoor (4%)
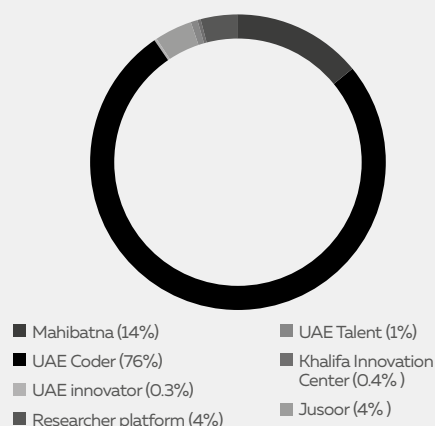
Social cohesion and entrepreneurship: Sandooq Al Watan

One of the world's largest social initiatives, Sandooq Al Watan (the UAE 'National Fund'), aims to champion social

entrepreneurship and cohesion, in line with the national vision for sustainable development. Aldar has been a major donor for two years, giving a further 36 million Dirhams in 2019 (taking our total investment to 120 million Dirhams). Aldar's investment has benefited 2,554 young people across three key focus areas that resonate with our own priorities around Emirati talent development and innovation.

1. *Identifying and nurturing gifted students*
The Emirati Coder Programme is a fun and interactive way of teaching basic computer coding to children aged seven to 14. Covering nine cities across the UAE, our sponsorship has enabled 1,950 students to graduate. Based on the success of the programme, Sandooq Al Watan aims to expand the initiative in 2020, with two advanced programmes for high performers and a university level course.

In addition to the Coder Programme, our funding also supports Mawhibatna, an initiative to nurture science, technology, engineering and maths skills such as problem solving, astronomy and engineering design. The 206 participants improved their scores from 21% to 66%, with 96% highly satisfied and would definitely recommend the programme to their peers.

2. *Promoting applied research and development*
Sandooq Al Watan's Researcher. ae platform is a one-stop shop for academia and industry. In 2019, they reached 105 beneficiaries, with 32 research grants benefiting 85 local

researchers in the fields of healthcare, water management, the 'fourth industrial revolution' and aerospace and defence. We have also supported the ReThinkBrine Challenge - providing a 2.5 million Dirham grant to the winner. This competition aims to develop technologies that produce commercially viable construction material from brine discharge – a topic of great interest to Aldar's Development specialists.

Our 2019 funding included 3.5 million Dirhams to fund research grants into water management, a material issue for Aldar and a key feature of the UAE's National Innovation Strategy.

3. *Promoting Innovation and Entrepreneurship*
Fostering Innovation and entrepreneurship is important. With our 2019 sponsorship, seven innovative start-ups were commercialised, all cofounded by Emirati entrepreneurs:

- Supported and funded 4 startups (Referbility, Chartyn, Baaqah, Ara Bee Education) through the Emirati Innovator Program with one of the incubators.
- Provided pre-seed funding to 3 startups (Mabany, School Voice, Yacob)

In 2020, we will continue funding to leading innovative start-ups in the UAE.

▸ **2 Patents**
generated from the ReThinkBrine challenge

How are we doing?
KPIs/progress

Focus area	KPI	Performance 2019
Impactful corporate citizenship	Strategic social investment	+AED 41m
	In-kind contributions	AED 13.3m
	Number of beneficiaries of Aldar-supported Sandooq Al Watan initiatives	2,554

Commitments

- Develop a social impact measurement framework to maximise social impact.

Inclusion and acceptance: Special Olympics 2019

In 2019, we became an Official Partner of the Special Olympic World Games – the largest sporting and humanitarian event in the world. As well as 7,500 athletes competing from 195 countries, the Games were supported by the world's largest volunteer workforce of more than 20,000 people, including 1,500 Emiratis. The event has been described as the largest public health movement for people with learning difficulties and the largest schools-based social inclusion programme in the world.

▸ # World's largest

volunteer workforce of 20,000

As a key sponsor, Aldar not only made a direct financial sponsorship of 3 million Dirhams, but we also provided value-in kind sponsorship worth 11 million Dirhams through the provision of several venues, hotels, convention facilities, retail space, advertising and community branding, and many more. Furthermore, by engaging our own teams as volunteers and disseminating the Olympics message of acceptance and inclusion to customers and partners, we helped leverage the impact of the Games as a humanitarian event.

With a particular focus on building public understanding around People of Determination, the Games supported the UAE Vision 2021 and echoed our own Community Commitments.

A lasting legacy

The Games' legacy programme has included the establishment of specialist schools for People of Determination managed by Aldar Education; Unified Champion Schools that connect public school pupils (with and without disabilities) through sports and other activities; and a Mothers of Determination Association to support the needs of families of children with intellectual disabilities.

At Aldar, we continue to provide office and retail space for legacy teams to continue their vital work. The space in our headquarters alone is worth the equivalent of 300,000 Dirhams per year. We also offer pro bono legal advice and have strengthened our own recruitment and development processes in line with the Olympics' ethos of acceptance and inclusion. The 2019 Special Olympic World Games continue to have a profound impact on our people, galvanising awareness and support for our wider acceptance and inclusion initiatives.

Wider community giving

In addition to our two strategic investments, Aldar and our Adjacent Businesses make pro bono contributions to a number of causes. Below are just a few examples from 2019.

- Aldar funded the rent for the Federal Youth Authority's Abu Dhabi Youth Hub, to the value of two million Dirhams per year. Here, young people gain free access to a space for connection, learning and innovation, with state-of-the-art equipment.

- In partnership with UAE Red Crescent and Zayed Higher Organisation for Humanitarian Care and Special Needs, we funded home modifications for 10 households that have a member with special needs.

- In the spirit of the UAE's Year of Tolerance, Aldar's Youth Council joined forces with UAE Red Crescent to deliver Eid gift boxes to 200 orphans and disadvantaged children.

- Also celebrating the Year of Tolerance, Provis convened communities and employees at its Golf Gardens site to plant Ghaf trees – the national tree of the UAE that can live for up to 120 years.

- Working with the Zayed Bin Sultan Al Nahyan Charitable and Humanitarian Foundation and other organisations, we established a training programme dedicated to those with special needs. As part of a wider Corporate Integration programme, our funding will train 16 people each year.

- Yas Island, Westin Gulf Resort and Courtyard supported Marriott's TakeCare Relief Fund and Road to Awareness campaign through employee giving.

- A multi-faith prayer room was added by Provis at the Sun and Sky Resort, the first of its kind in Abu Dhabi.

PEOPLE

Our guiding principle

we work to attract and retain the best talent through a culture of inclusion, growth and empowerment. We are dedicated to offering safe, healthy and fair working conditions for all employees and contract workers in line with the leading international practices.

DIRECTION OF TRAVEL

· Invest in developing our people.

· Ensure flexible workplace to work, to drive productivity, innovation and satisfaction.

· Ensure a diverse and inclusive workplace.

· Monitor and improve employee wellbeing.

· Always prioritise and improve the safety and healthy of work environment.

20%
female members of the Executive Management Committee

Almost
doubled
training hours per employee since 2017

40%
reduction in serious reportable safety incidents (compared to 2018)

+8.9%
employee satisfaction since 2016

OUR WIDER CONTRIBUTION

By supporting healthy workplaces and enabling our people to grow, Aldar is contributing to the SDGs

These SDG's span our **material issues** of: Diversity and Inclusion; Develop & Recognise our People; Employee Wellbeing and Decent Employment; Human Rights; and Health and Safety.

Find out more about how we map our approach to the SDGs on page 13

OVERVIEW   ECONOMY   COMMUNITY   **PEOPLE**   ENVIRONMENT   GOVERNANCE & RISK   DISCLOSURE   GRI

» Section overview / **Aldar's people** / Growing with Aldar / Diversity and inclusion / Worker welfare / Safe, healthy workplaces
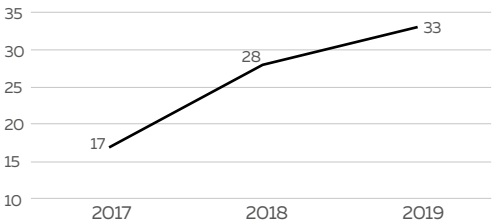
Aldar's people

In 2019, Aldar employed a core team of 389 across its corporate operations, development projects and assets , of whom 27% were UAE nationals. A further 10,919 people worked in our subsidiaries and Adjacent Businesses[18], 19% of whom were employed indirectly as contractors or consultants[19]. On average across our different businesses, the Aldar family was made up of more than 61 nationalities[20].

Aldar headcount 2017–2019 (directly employed staff)

Employee distribution

- Adjacent Businesses, directly employed staff: 8,982
- Corporate: 156
- Development Management: 151
- Asset Management: 82
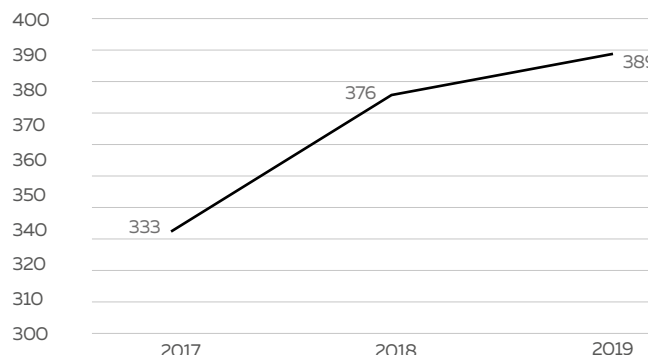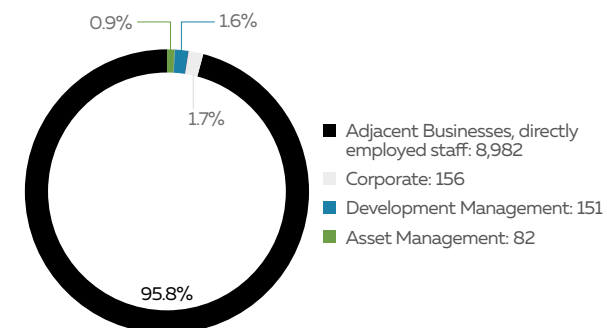
UAE nationals at managerial level, %
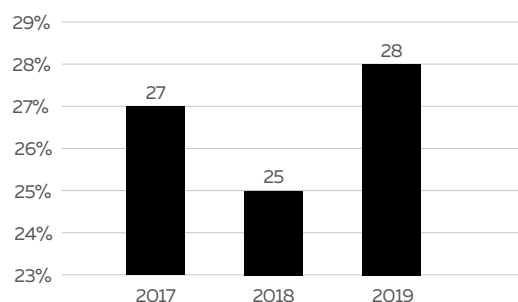
Data exclude Adjacent Businesses

Gender balance, %
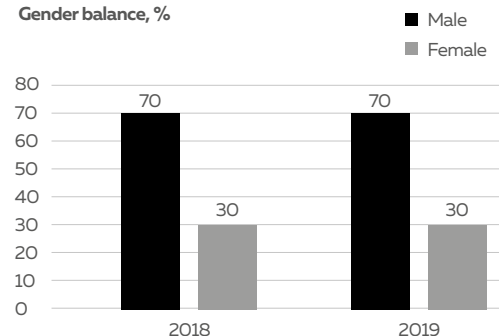
Data exclude Adjacent Businesses

Employee turnover, %
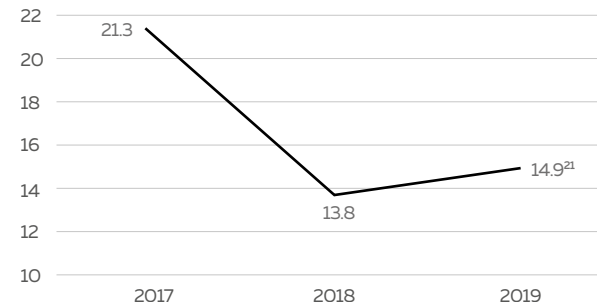
Data exclude Adjacent Businesses

For more People data, including historic trends, see page 82.

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[18] Adjacent Businesses: 3,338 in Khidmah/Provis; 3,129 in Hospitality and 2,515 in Aldar Education
[19] 165 in Corporate and Asset/Development Management; 313 in Hospitality; and 1,624 in Aldar Education.
[20] 61 nationalities represent an average between Asset and Development Management and Corporate: 41 nationalities; and Adjacent Businesses: 68 (47 in Khidmah/Provis, 82 in Hospitality and 75 in Aldar Education)
[21] The increase in turnover can be attributed to Aldar adopting a different employment model for certain job families such as Document Control and Finance Administrators. These are now hired through our subsidiaries thus no jobs have been lost but they no longer come under Aldar's direct employment.

GRI – 102-8, 103-2, 401-1

OVERVIEW   ECONOMY   COMMUNITY   **PEOPLE**   ENVIRONMENT   GOVERNANCE & RISK   DISCLOSURE   GRI

» Section overview / Aldar's people / **Growing with Aldar** / Diversity and inclusion / Worker welfare / Safe, healthy workplaces

Growing with Aldar

Our Talent and Culture Strategy was refined in 2019 to fully align to Aldar's new Corporate Strategy. It sets out how we will recruit high-calibre individuals including attracting Emirati talent and supporting UAE national objectives, while retaining existing talent through KPI-linked training and development aligned to rewards.

Continuous learning

The learning and development journey starts from day one at Aldar. As well as an overview of People Policies and services, new joiners undertake mandatory gender equality and role-specific training. Throughout their career, we offer varied opportunities to build 'soft' skills such creativity, innovation, agile thinking, communication and collaboration, supported by a comprehensive offer of 'hard' skills development such as technical and job-specific competencies. All training is linked to individual KPIs. In 2019, each employee undertook 15% more training hours on average compared to 2018 and over the last three years, we have seen training hours per employee almost double.

Average hours of training per employee

17	28	33
2017	2018	2019

Data exclude Adjacent Businesses

Bayan Al Hosani
Sustainability Council Member and Executive Director, People, Culture and Performance

By realigning our People Strategies with Aldar's 2024 goals and cascading KPIs from department to individual, employee career journeys now map directly to commercial success. This not only builds productivity, but it also reinforces individual buy-in to the Aldar strategy – making us all feel part of an Aldar family.

Talent analytics

At Aldar, our Talent Analytics system assesses a wide range of data points to create a holistic picture of how people learn and develop. Feeding into this system, balanced scorecards offer a fair and near real-time evaluation that can even calculate the return on investment from training. All employees with a performance review score of three and above (out of five) are eligible for discretionary bonuses, rewards or salary increases. At any time, employees can request a bespoke career development plan from their line manager, in coordination with the Learning and Development team.

▸**100%**
of employees received regular performance and career development reviews

How are we doing?
KPIs/progress

Focus area	KPI	Performance 2019
Developing and recognising our people	Average training hours per employee	33
	Employee satisfaction	76.2%
	Employee turnover	14.9%

Commitments

· Define sustainability key competencies for all employees.

A great place to work

Our vision is for Aldar to be regarded as a great place to work, both by our colleagues and by external stakeholders. Following robust results in the 2018 Great Place to Work® audit, we have focused on improving communication, engagement, development, retention, empowerment and recognition strategies within Aldar. To this end, in 2019 we set a mission to inspire a healthier and happier workforce by creating a unique employee experience for Aldar staff.

▸ **30**
annual leave days for employees with more than one year's service

▸ **Flexible**
working hours and
2 hours'
personal leave per month[22]

Employee satisfaction 2016–2019 (%)
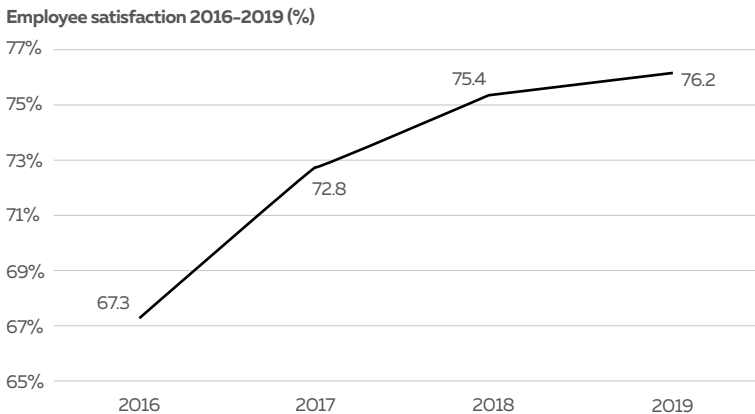
Data exclude Adjacent Businesses

Note: Split by gender, satisfaction rates were broadly equal in 2019, with an average of 71% satisfaction reported by men and 68% by female.

[22] This is in addition to annual leave to offer further flexibility for employees to manage ad hoc personal issues
GRI – 404-2

Driving forward this mission, we invested further in our workspaces so that they support cross-collaboration and wellbeing (see page 50). We also ran more employee town hall meetings and focus groups, while empowering staff via expansion of the ALDAR HOME app (see page 19). Problem-solving competitions such as Ibtikar continued to be popular as teams worked together in the knowledge they can genuinely make a positive change to our business and wider society (see page 20).

We are confident that we are steadily making Aldar a great place to work – in 2019, our People Survey revealed an average satisfaction score of 76.2%, up 0.8% on 2018 and an increase of 8.9% since 2016. People Survey outcomes are reflected in departmental KPIs to ensure we learn from what our colleagues tell us and continually improve.

Here for our colleagues in challenging times

We all face personal challenges throughout our careers. At Aldar, employees are encouraged to share their difficulties with their line manager who is empowered to put in place supportive workplace measures. These may include reducing workloads and/or working hours, flexible arrangements or even pro bono help with legal documentation if required. For concerns relating to misconduct in the workplace, our Whistleblower system is available as a confidential, 24/7 option to report any irregularities and/or violations against Company policies, specifically Aldar's Code of Business Conduct (see page 71).

Find out more about Aldar's health and wellbeing benefits on page 44.

Recognising talent

Appreciating the dedication and hard work of our staff is an important part of our People strategy, we make sure to celebrate colleagues who demonstrate Aldar Values, drive innovation and help others. Alongside the Ibtikar Innovation challenge, our Year of Services recognition programme celebrates five, ten, and fifteen-year anniversaries of service.

Commitments

· Develop and launch a Wellbeing Calendar based on financial, mental, physical, sustainability & CSR wellbeing parameters.

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OVERVIEW   ECONOMY   COMMUNITY   **PEOPLE**   ENVIRONMENT   GOVERNANCE & RISK   DISCLOSURE   GRI

» Section overview / Aldar's people / Growing with Aldar / **Diversity and inclusion** / Worker welfare / Safe, healthy workplaces

Diversity and inclusion

Our commercial success depends on a rich diversity of thought and a workforce that is representative of our customer base and wider society. Aldar's Code of Business Conduct and our People Policies make clear an unequivocal commitment to equal opportunities and we have been working closely with the Government on a number of initiatives that help make this a reality – for instance, increasing residency visa programmes for non–UAE nationals so they are vested in the country's long-term interests.

A governance milestone

In 2019, Aldar welcomed its first female Executive Management Committee member – Bayan Hassan Al Hosani. She brings 20 years' experience to the Committee and is also on the Board of Directors for Aldar Education. A further governance milestone for our inclusion agenda was the formation of a Diversity and Inclusion Board. An expansion of Aldar's Female Initiative Network, the Board's mandate is to build a culture that embraces differences, celebrates uniqueness and unleashes the potential of our diverse workforce – from female and youth, to People of Determination and minorities. The Board currently has five passionate members who work closely with Aldar's People and Performance Department, as well as external experts. Below are just some of the Board's achievements in its first 12 months:

- Maternity leave increased from 45 to 60 calendar days; paternity leave increased from three to five working days.
- Residence visas, medical examinations/insurance and UAE ID is now facilitated by Aldar for married female, also sponsoring their spouse and up to three children up to the age of 18. Aldar will also pay child airfare costs for eligible married female (grade 1–8).
- Diversity and inclusion requirements were embedded within the new employee probation evaluation sign-off. (excluding those employed in Adjacent Businesses).

■ Female on the Executive Management Committee %
■ Female on the Board of Directors, %

Aldar's Gender Pay Gap

In line with our commitment to transparency and reporting to the highest levels of international best practice disclosure, we share our Gender Pay Gap data. Different to equal pay, which Aldar practices as standard, the Gender Pay Gap is a measure of the difference between men's and female's average earnings across an organisation.

In 2019, we calculated our Gender Pay Gap ratio as 3:2 male to female. This means that for every three Dirhams earned by men at Aldar, female earn two. It is important to reemphasise that this does not reflect discrepancies in pay; it is an indication of the workforce gender balance. With fewer female in Aldar as a whole, including in high-paid senior management positions, pay ratios are currently skewed towards men. Rebalancing our gender distribution at Aldar is an issue we have been strategically focusing on. There is a time lag as it can take a number of years to bring more female into Aldar and develop them through to leadership roles – this is why governance bodies such as the Diversity and Inclusion Board and other initiatives are so critical.

How are we doing?
KPIs/progress

Focus area	KPI	Performance 2019
Diversity and inclusion	Female in the workforce	30%
	Female in senior leadership[23]	17%
	UAE nationals	27%
	People of Determination	3 (0.7% of directly employed staff)[24]

Commitments

- Develop and Implement an Emiratization Strategy aligned with the succession planning framework and Career Development Plans.
- Develop Diversity and Inclusion Strategy.
- Development of Employee Engagement Policy.
- Rollout a formal Culture programme.

[23] Calculated as the mean average of female on the Executive Management Committee and female on the Board of Directors
[24] Excludes Adjacent Businesses
GRI – 401-3

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Youth empowerment

Now in its third year, the Aldar Youth Council goes from strength to strength, empowering those under 32 both within and outside Aldar. In 2019, highlights included launching a new professional development training programme, signing an MoU with UEA University (see page 27), enabling young entrepreneurs to develop their businesses via the Manassah initiative (see page 22) and working with the Red Crescent to support vulnerable children (see page 32). The Council is governed by three Committees (Tender, Management and Investment) and it now includes a Strategic Transformation Programme to accelerate youth empowerment.

Unlocking talent among People of Determination

At Aldar, we have always been committed to providing jobs and skills training to enable People of Determination to reach their full potential. We have been gradually increasing the number of People of Determination employed (an increase of 33.3% in 2018–19) but we recognise we need to do more.

Our real estate management businesses, Khidmah and Provis, have been working together with the Future Rehabilitation Centre to provide vocational training and student work placements for People of Determination. As part of the MoU, they will offer on-the-job training, with expert mentor guidance so students are equipped with the right tools and skills to enter the job market.

Abdulla Al Wahedi
Sustainability Council Member and Chief Executive Officer, Khidmah

We believe that inclusion of all members of the society in the work environment is everyone's responsibility. Thus, we've signed an MoU to provide vocational training to People of Determination and enable them to benefit from our Work Placement Programme which aims to develop practical skills and prepare trainees for the job market.

Aldar Education have also been working with local partners to extend equal learning opportunities to young People of Determination. Alongside Atmah College, they are delivering vocational education and training placements to young adults to build work readiness skills and ultimately secure long-term, rewarding employment.

Emiratisation

As a private sector employer, we already exceed national requirements for local training, with a Staffing Policy that prioritises progression of UAE nationals up the organisation. Seeking to further support the UAE's national Advanced Skills Strategy for life-long learning, our updated Learning and Development Policy mandates exclusive UAE eligibility to Aldar-supported scholarships and study leave, as well as bespoke career development planning sessions. We also prioritise work placement and internship opportunities for UAE national undergraduate students.

UAE Nationals as a proportion of our direct workforce, 2017–2019 (%)

2017	2018	2019
27.3	28.2	27.3

Data excludes Adjacent Businesses

Find out more about Emiratisation as part of our Diversity and Inclusion agenda on page 37.

ASSET MANAGEMENT

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DEVELOPMENT MANAGEMENT

Worker welfare

Aldar fully endorses International Labour Organization (ILO) standards on labour and human rights, as ratified by the UAE. Whether it is working hours, overtime payments and access to a passport; or safe accommodation and transport, access to grievance mechanisms or paid annual leave – Aldar will always strive to exceed local laws and we support our contractors to do the same.

Upholding global standards

Our Worker Welfare Programme outlines how we will uphold the health, safety and dignity of all those working for Aldar, either directly or indirectly. We have developed 10 Principles of Worker Welfare based on ILO Fundamental Conventions and other recognised international frameworks, including the SDGs and the Dhaka Principles developed by Institute of Human Rights and Business. They also reflect Aldar's Code of Business Conduct and OSH management system (see page 41).

With a new Sustainable Procurement function introduced in 2019, we will be implementing these principles in all contracts and projects in phases, in collaboration with all concerned stakeholders. Find out more about Sustainable Procurement on page 25.

Principles of Worker Welfare

1 FAIR & EQUAL TREATMENT	2 NO FORCED OR CHILD LABOUR	3 EMPLOYER PAYS FOR RECRUITMENT
4 NO WITHOLDING PERSONAL DOCUMENTS	5 WAGES PAID DIRECTLY & ON TIME	6 SAFE & DECENT WORKING CONDITIONS
7 SAFE & HEALTHY LIVING CONDITIONS	8 RIGHT TO SPEAK UP	9 GUARANTEE OF LEGAL RIGHTS
10 FREEDOM OF MOVEMENT & WORK		

How are we doing?
KPIs/progress

Focus area	KPI	Performance 2019
Wellbeing and decent employment	Welfare audits completed	1[25]

Commitments

· Audit 100% of prime contractors against our Worker Welfare Policy by end of 2021.

· Report on the percentage of completion of the welfare inspection plan.

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DEVELOPMENT MANAGEMENT

Protecting construction workers

We continue to ensure the very highest standards are adhered to in our worker accommodation villages, in line with the Emirate's vision of sustainable communities for skilled workers. Since acquiring Al Saadiyat Village in 2018, Aldar has invested more than 12 million Dirhams to create a high standard of living for all 20,000 residents. Managed by Hirmas and Mayer, the ISO 9001 certified site offers a clinic, gardens, multi-cuisine catering, housekeeping/laundry services, recreation and sports facilities and high-quality internet services.

▸ **1st**
Worker Welfare Audit conducted

Find out more about equal opportunities on page 37-38.

Grievance mechanisms

Wherever they are working, all outsourced staff have access to our Whistleblowing procedures (see page 72) and in 2020, we are also launching NAVEX Global Hotline. Hosted by an independent third party, it will enable anyone to easily and confidentially report concerns, misconduct or feedback. The Contact Centre will be globally accessible 24/7/365, with telephone language interpretation available in more than 150 languages.

In November 2019, we conducted our first Worker Welfare Audit at Saadiyat Island Media Zone. Working with our construction site contractor, ACC, the audit was conducted against Aldar's 10 Worker Welfare principles. The findings are being used to further improve working practices for site teams. We will be extending audits to further sites in 2020.
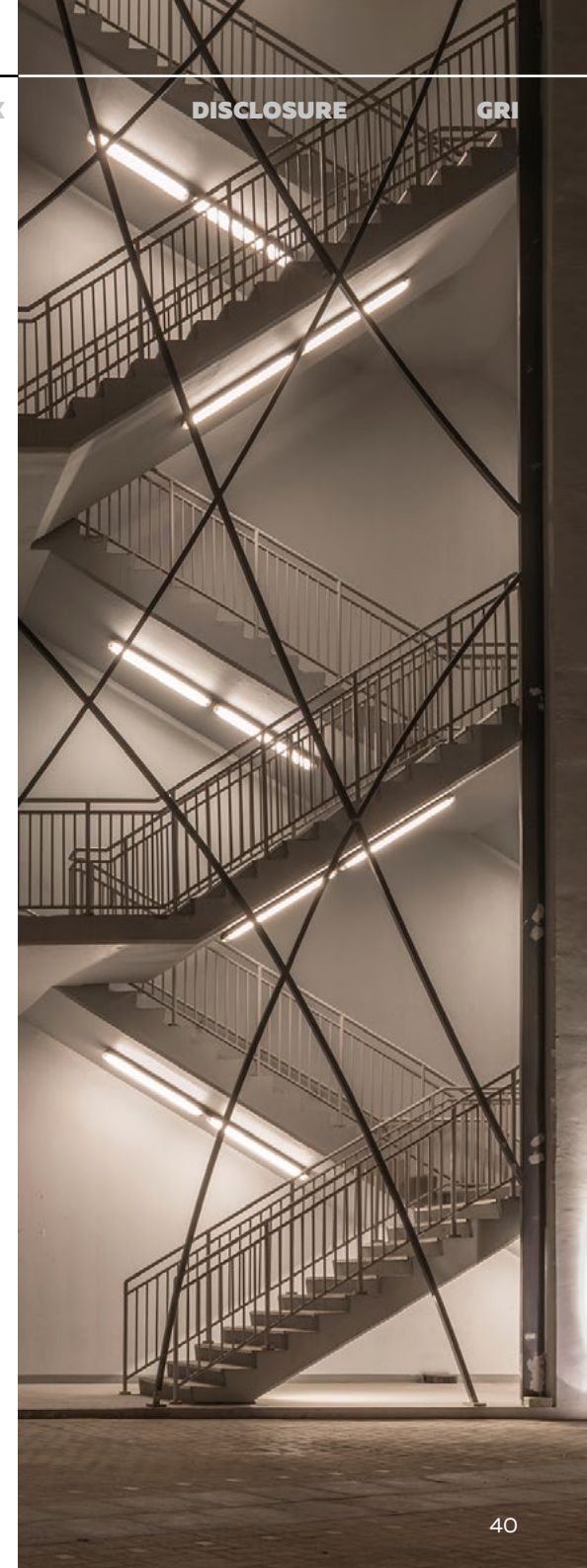
OVERVIEW　　　ECONOMY　　　COMMUNITY　　　**PEOPLE**　　　ENVIRONMENT　　　GOVERNANCE & RISK　　　DISCLOSURE　　　GRI

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Safe, healthy workplaces

Our OSH Policy and wider Environment, Health and Safety Management System (EHSMS) help us to systematically protect our people and support their wellbeing. Continually updated in line with international standards OHSAS 45001 (for occupational injuries and diseases); and ISO standards 9001, 19011 and 31000 (for quality, auditing and risk respectively), they cover Development and Asset Management operations, while also extending to principal contractors and outsourced staff.

Nader Al Awlaqi
Sustainability Council Member and Executive Director, QHSE

During the last 12 months, I saw the dedication of our teams across Development and Asset Management to create an 'all eyes' culture of awareness and vigilance, so colleagues feel empowered to keep one another safe and well.

How are we doing?
KPIs/progress

Focus area	KPI	Performance 2019
Health and safety	Lost Time Injury Frequency Rate (LTIFR) against 0.35 target	0.07
	Fatalities, including contract workers	3
	Compliance with OSHAD and ISO 45001	100%

Commitments

- Develop a Health and Safety management system for Asset Management.

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DEVELOPMENT MANAGEMENT

Safety on site

In 2019, we extended OSH objectives and targets to site-level development projects. We also introduced a monitoring system to further reduce hazards, with internal and third-party audits for compliance with OSHAD-SF and ISO standards. We continue to deliver regular OSH training, campaigns, alerts and management walks to maintain a safety awareness culture. For instance, our Safety in Heat Campaign was commended by the Abu Dhabi Municipality as an inspiring example for other businesses, while the Department of Urban Planning and Municipalities announced Aldar as a Strategy Partner for safety culture in construction during 2019.

▶ **+100**

management Safety Walks and 78 OSH and fire audits conducted

Performance data

During 2019, we achieved a 40% reduction in Serious Reportable Incidents compared to 2018. Our Lost Time Injury Frequency Rate (LTIFR) also remained well below our target of 0.35 – standing at a rate of 0.07 per million man-hours worked. While experiencing an increase in the rate of injuries in 2019, we also added six percent more man hours (68.6 million in 2019 versus 65.0 million in 2018). Regardless of expanding operations, we take any safety incident extremely seriously, as explained on the following page.

Safety performance, employees and contractors

	2017	2018	2019
LTIFR[26]	0.05	0.04	0.07
Fatality frequency rate		0.015	0.043
Total Recordable Injury Frequency Rate	0.10	0.09	0.13

■ LTIFR[26]
■ Fatality frequency rate
■ Total Recordable Injury Frequency Rate
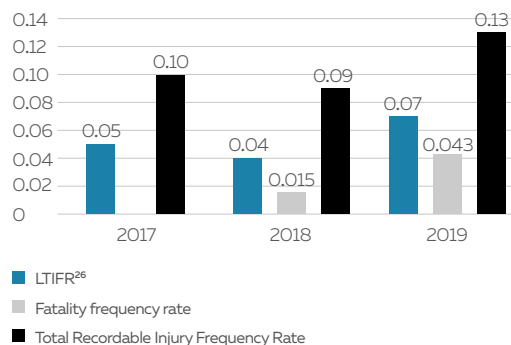
Note: Total worked man hours during 2019 was 68.6 million. In 2018, it was 65.0 million.

▶ **15 million 10 million**

Al Mamsha project; on the Yas Acres project working hours with zero lost time injuries on the
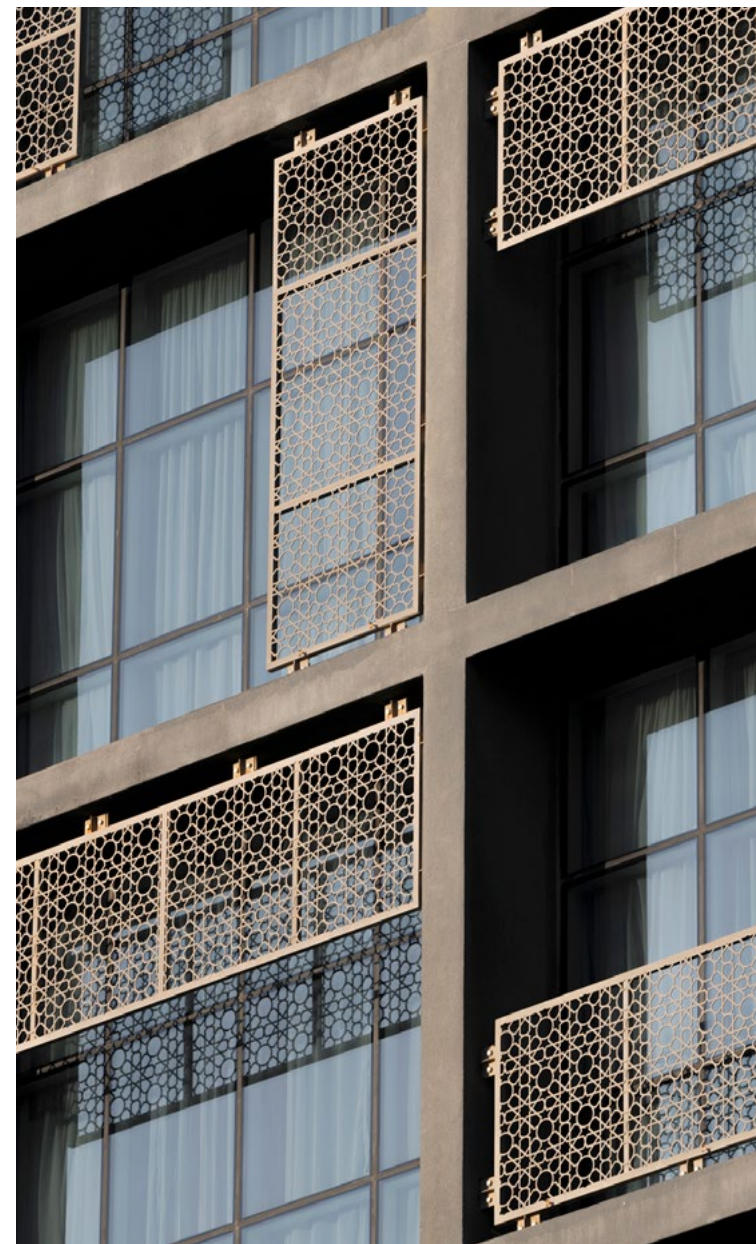
[26] LTIFR is defined as the number of Lost Time Injuries x 1,000,000.

GRI – 403-1, 403-2, 403-5, 403-6, 403-8, 403-9, 403-10

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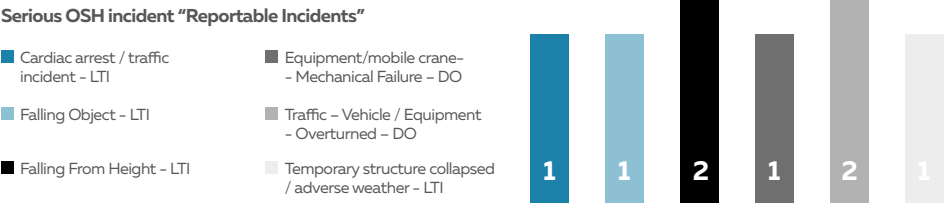
Serious reportable incidents

In analysing our Serious Reportable Incidents (see opposite), we see that vehicle traffic and falls from height remain areas of greatest concern. In 2019 we saw a slight increase in accidents relating to hands. We have since enhanced protocols and emphasised just how critical protective equipment is. Our Hand Safety Campaign will extend through 2020.

Fatalities

It is with great regret that we report three fatalities within our subcontracted workforce during 2019. The first occurred in August when a precast worker had a cardiac arrest; the second was in September when a worker fell from a mast climber (which was fully compliant with all safety standards); and the third was in October when a worker was trapped under a wall that collapsed in high winds.

All three deaths are personal tragedies and we send our deepest condolences to the loved ones of these individuals. We have worked with the contractors to rigorously investigate and report in line with Abu Dhabi OSH requirements. We have also conducted our own detailed investigations and a review of method statements, while increasing OSH alerts and delivering specific safety trainings and project-level awareness campaigns.

Serious OSH incident "Reportable Incidents"

■ Cardiac arrest / traffic incident – LTI
■ Falling Object – LTI
■ Falling From Height – LTI
■ Equipment/mobile crane– – Mechanical Failure – DO
■ Traffic – Vehicle / Equipment – Overturned – DO
■ Temporary structure collapsed / adverse weather – LTI

| 1 | 1 | 2 | 1 | 2 | 1 |

Strategic safety target	2019 progress
LTIFR below 0.35	0.07
Zero occupational illnesses/diseases	0
Reduce Dangerous Occurrences	40%
Zero OSH non–compliances	Achieved
10% of staff are first aiders/fire marshals	Ongoing

DEVELOPMENT MANAGEMENT

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ASSET MANAGEMENT

Managing incidents in our assets

Speak Up is our 24/7/365 call out service to deal with incident investigations. It offers those working within our assets and Adjacent Business a direct line (phone or email) to the Head of Audit for the relevant subsidiary. It is clearly advertised via posters on bulletin boards and a box is also placed in each staff camp to report concerns anonymously. Results from all Speak Up audits are collated on a central OSH system, which is monitored daily.

Occupational health

Among the many employee benefits at Aldar is our provision of health, critical illness and accident insurance. Health insurance extends to physiotherapy and psychological support services. In 2019, we also launched 'Happiness Initiatives'. So far, these have included monthly 'Feel Good' challenges that further incentivise uptake of our free physical fitness classes, Body Mass Index checks, wider health MOTs and mindfulness exercises.

Find out more about how Aldar's developments support healthy living on .

ENVIRONMENT

Our guiding principle

we practice proactive and responsible environmental stewardship throughout the lifecycle of our assets, including in the supply chain. Operating in a climate–sensitive region, carbon reduction is a key priority and we aspire to be carbon neutral over the longer term.

DIRECTION OF TRAVEL

- Ensure environmental stewardship through robust environmental management systems and practices.
- Develop sustainable and healthy buildings that delivers positive impact to communities and to the environment.
- Always aim to minimise our environmental footprint.
- Protect biodiversity and ecosystems.

79%
of developments are 1 Pearl rated[27]

386,072 tCO$_2$e
Aldar Group carbon footprint

5.6%
reduction in like–for–like water use in 2019[28]

89%
recycling rate in Development Management[29]

OUR WIDER CONTRIBUTION

By protecting and enhancing the environment, Aldar is contributing to the SDGs.

These SDGs span our material issues of Sustainable and Healthy Buildings; Energy Management and Emissions; Water Conservation; Waste Management and Recycling; and Biodiversity Protection

Find out more about how we map our approach to the SDGs on .

[27] As the first regional initiative of its kind and scope, the Estidama building design methodology – and its Pearl Building Rating System - has become a best-practice benchmark for the entire Middle East. Pearl 2 is the mid-level of a three Pearl scale. Refers to developments planned or under construction.
[28] Calculated by excluding assets that could not report 2018 water use
[29] Data not yet available for recycling rate across Asset Management

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DEVELOPMENT MANAGEMENT

Environmental stewardship

The UAE's Vision 2021 and its Green Economy for Sustainable Development Initiative seek to position the country as a global model for green growth. This aspiration is shared by Aldar in our pursuit of Responsible, Stable and Diversified growth. By designing and developing assets and communities with a long-term horizon – and managing them in eco-efficient ways – we protect the planet for future generations.

As well as the health, safety, quality, auditing and risk management standards covered on pages 41–42, our EHSMS incorporates ISO 14001 standards for environmental excellence. Each project is responsible implementing its own proactive and reactive monitoring system against EHSMS Group guidelines, which include environmental hazard identification and risk assessment; legal compliance; operational controls; emergency preparedness and response; incident reporting and investigation; and internal and external communications, including training.

Development projects must also meet the additional requirements of Abu Dhabi's Estidama building design methodology. This Urban Planning Council framework seeks to improve life quality by supporting urban developments that create positive environmental, economic, social and cultural impact.

Accountability

Ultimately, our CEO has accountability for Environment, Health and Safety (EHS) performance. Through a structured system of governance controls, each month individual development project teams report progress against their KPIs to the Director of Infrastructure and Government Relations who, in turn, updates Aldar's Executive Director of Project Management.

Chief Executive Officer

Chief Development Officer

Executive Director QHSE   **Executive Director Project Management**

Projects OHS/EHS
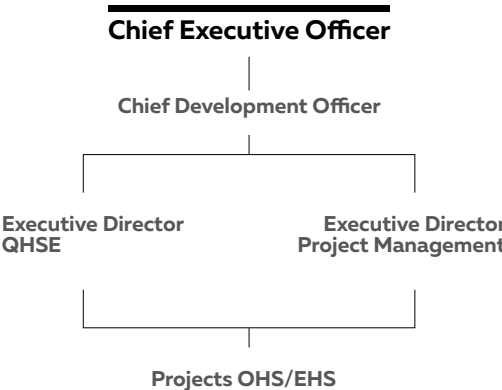
Overall, this system of accountability enables multiple points of intervention if projects are not performing against their KPIs – enabling Aldar to address environmental risks before they become issues. We are continuously evolving our EHSMS to reflect changing and emerging risks and going forward, we will broaden the scope of the EHSMS to capture water, waste and energy use in more detail.

How are we doing?
KPIs/progress

Focus area	KPI	Performance 2019
Environmental stewardship and management	Number of environmental non-compliances	0

Commitments

· Develop Environmental Management system for Asset and Development Management.

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ASSET MANAGEMENT

Devolved environmental management

We extend Aldar's environmental management principles, policies and processes to our assets and subsidiaries. However, since our assets and Adjacent Businesses are so diverse, our approach is to empower individual businesses to customise and expand systems that work at a site level.

For example, Khidmah is certified to ISO 50001 (energy management) and ISO 14001. As well as applying these standards to the community assets managed by Provis, Khidmah also applies them at its new Head Office, where it also operates a carbon emissions reduction programme for its managed fleet of vehicles under its outsourced service providers.

Like Khidmah, Aldar Education is deploying management systems that meet its own unique requirements. The business has embarked on an ambitious three-year roadmap to attain its own ISO14001 accreditation that aligns to the needs and processes of schools and nurseries. Currently, it is developing policies, processes, permits and reporting systems, as well as a training programme. We look forward to reporting back on progress in our 2020 report.

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DEVELOPMENT MANAGEMENT

Sustainable and healthy buildings

The world over, evidence is growing that sustainable buildings could be one of the most effective means of tackling global challenges such as climate change, community cohesion and economic growth[30]. Operating in the UAE, where high environmental building standards are mandatory by law, we often go further with our eco-efficiency and wellbeing innovations.

Ibrahim Al Maghribi
Sustainability Council Member and Executive Director, Project Management

From concept, design and construction, to ongoing asset management, Aldar's contribution to Abu Dhabi's urban landscape echoes the Emirate's philosophy of cultural and natural resource preservation. Many of our buildings now exceed the Estidama standards of resource efficiency and are proactively managed to enable comfortable, safe and productive lifestyles.

Designing-in sustainability

Our goal is to ensure our designs align with and strengthen the cultural identity and traditions of Abu Dhabi, while blending with our unique landscape. To this end, our design guidelines specify our commitment to:

- innovation in the selection and use of construction materials and products;

- adaptability to natural climatic and man-made stressors in buildings, cities and their communities;

- respecting the environmental character and climate of the region;

- coordinating with clients to establish net zero energy strategies, water and carbon reduction goals;

- enhancing social interaction and promoting physical and mental wellbeing through acoustics, thermal comfort, lighting and outdoor links; and

- applying Estidima standards as a minimum.

Estidama building design methodology

As the first regional initiative of its kind and scope, the Estidama building design methodology has become a best-practice benchmark for the entire Middle East. Its Pearl Building Rating System (PBRS) assesses seven categories of impact: development, natural systems, liveable communities, water, energy, materials and innovation. In Abu Dhabi, all buildings must achieve a minimum 1 Pearl rating and all government-funded buildings must achieve a minimum 2 Pearl rating, out of a total of three Pearls on the PBRS scale.

Aldar also targets all developments to achieve a 70% Estidama score, which delivers better efficiencies beyond 1 Pearl rating. Since 2010, 84% of Aldar developments have attained 1 Pearl and 16% 2 Pearl ratings. In 2019 alone, we achieved three 2-Pearl ratings on the following projects: Lea at Yas Island, Yas Media Zone and Yas Acres, with 1 Pearl achieved on a further 11 projects, including our staff accommodation on Yas Island.

How are we doing?
KPIs/progress

Focus area	KPI	Performance 2019
Sustainable and healthy buildings	Percentage of 1 Pearl-rated developments	79% (remaining 21% is 2 Pearl)

Commitments

- Apply new construction methods and material in our projects.

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DEVELOPMENT MANAGEMENT

Developments with Estidama Pearl ratings

Project Name	Pearl Rating
Yas Acres (rating obtain before 2019)	2
Yas Media Zone	2
Lea Yas Island	2
Al Falah Town Center (rating obtained before 2019)	1
Al Ghadeer Phase 2	1
Al Gurm Resort Phase-2	1
Al Reeman 1	1
Al Reeman 2	1
Mayan (rating obtained before 2019)	1
The Grove	1
Saadiyat Reserve	1
Shams development (rating obtained before 2019)	1
Reflection	1
Staff accommodation at Yas Island – Zone RA	1

To push ourselves even further to exceed Estidama standards, we have developed our own Bronze, Silver and Gold ratings:

- Aldar Bronze/Silver, the equivalent to 1 Pearl: minimum 12% overall energy reduction[31]; minimum 14% interior water use reduction[32]; and interior reductions of minimum 5% energy and 3% water (Estidama baseline).

- Aldar Gold/Platinum, the equivalent to 2 Pearl: minimum 22% energy reduction, 35% interior water usage reduction[33]; and interior reductions of minimum 15% energy and 15% water.

[31] Against ASHRAE 901-2007 baseline (American Society of Heating, Refrigerating and Air-Conditioning)
[32] Against Estidama baseline 1 Pearl
[33] Against Estidama baseline 2 Pearl

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DEVELOPMENT MANAGEMENT

Spaces for wellbeing

Numerous studies have shown a relationship between buildings and public health[34] and the 'green' building movement has become far more holistic in recent years, incorporating social criteria in addition to eco-efficiency. At Aldar, acoustic technologies and strategies are adopted in our building designs to reduce external noise stress such as that from roads or construction. Laminated glazing is one such technology that eliminates unwanted sounds. With regard to lighting, we make specific provisions for the highest possible levels of natural lighting, while minimising direct sunlight that created in internal heat gain.

Platinum for Provis and Khidmah's new HQ

In 2019, Provis and Khidmah's new headquarters in Abu Dhabi were awarded international Leadership in Energy and Environmental Design (LEED) Platinum Certification. Achieving the world's fourth highest LEED rating with 90 points, assessors commended the building's 35 percent natural lighting levels, which were achieved via multiple innovations, including modifying facades and creating skylight domes.

In designing our developments, we pay close attention to how buildings are oriented to promote natural ventilation and a sense of connection to the natural environment. On average, more than 21% of our developed land is dedicated to open spaces. These green areas, public parks and even street agriculture are carefully designed to take into account community needs and support mental wellbeing and community interaction. Trees and plants are integral to our open spaces in in 2019, we planted a further 9,308 trees across six development projects.

Trees planted on development projects, 2019

- West Yas: 6,000
- Bridges: 77
- Yas Acres: 800
- Mamsha: 1,040
- Jawaher: 526
- Central Park: 865

[34] UN Environment Programme
GRI –416-1

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ASSET MANAGEMENT

Healthy schools

Wellbeing and sustainability are key themes for Aldar Education. In 2019, schools and nurseries across the portfolio continued to make their learning environments even healthier and more sustainable for children. Many schools created eco-gardens – at Al Mamoura Academy for instance, the garden includes solar panels, a compost bin and a wind turbine, while the Pearl Academy has established a hydroponic garden that uses no soil and instead plants are grown in a solution of water and nutrients.
Al Forsan Nursery is adding more sustainable gardening areas, with plant-based produce offered in its dining room. These gardens not only provide vegetables for healthy lunches, but are also a source of learning about plant biology and hydrology.

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Environmental performance

In 2019, external experts conducted a rigorous process to gather a wide range of environmental data from across Aldar and our Adjacent Businesses. Unless otherwise stated, data in the following pages cover all seven active development projects (materially in construction) and all 51 assets across Retail, Residential, Commercial and Hospitality and Leisure portfolios. Going forward, we are committed to expand our environmental data coverage by including more of our Adjacent Businesses, including Aldar Education. Finally, going forward, we also aim to incorporate more fuel types beyond purchased electricity, cooling and diesel.

Among our Adjacent Businesses, Aldar Education reported environmental data for the first time. However, they have not been aggregated into the Group totals for 2019 due to the small number of schools and Academies able to capture data at this stage. We look forward to adding Aldar Education to our Group totals in 2020, alongside other Adjacent Businesses that are starting their own environmental reporting journeys. Finally, going forward, we also aim to incorporate more fuel types beyond purchased electricity, cooling and diesel.

Energy and emissions

The UN Environment Programme reports that the building and construction sectors account for 39% of global energy and process-related carbon dioxide equivalent (CO_2e) emissions[35]. Operating in the UAE, our electricity and gas needs are met by Abu Dhabi Power Corporation, which is committed to help the nation increase clean energy to 50% by 2050, while reducing the carbon footprint of power generation overall by 70%[36].

Group carbon and energy performance

In a significant step towards our commitment to carbon neutrality, in 2019 we expanded our carbon footprinting to cover seven of our active Development projects (in construction phase) and all Asset Management sites. The total of 386,072 tonnes CO_2e includes our primary energy sources of purchased electricity and cooling ('Scope 2' emissions) and generator diesel ('Scope 1' emissions)[37]. Compared to 2018, we achieved a 0.51% decrease in our carbon footprint (across sites we can track compared to 2018 data)[38].

▸ # 386,072 tCO_2e
Aldar Group carbon footprint, the equivalent to 54,012 tCO₂e per billion AED revenue[39]

How are we doing?
KPIs/progress

| Focus area	KPI	Performance 2019
Energy management and emissions	Total carbon footprint	386,072 (tco₂e)
	Carbon footprint intensity by Group revenue	54,012 (tco₂e /bn AED)

Commitments

- Develop a Group Carbon Neutral Action Plan.
- Fully transition to LED lighting in existing buildings.
- Develop a policy to mandate all new developments to have a solar component.
- Develop energy efficiency and waste management plans in Asset and Development Management.
- Achieve 20% reductions in asset portfolio energy intensity and associated greenhouse gas emissions intensity by 2025, against our 2019 baseline.
- In 2020, double financial savings to 4.5 million Dirhams in residential and commercial assets managed by Provis

[35] UN Environment Programme
[36] Abu Dhabi Government 2050 Strategy
[37] The emissions factor applied is 0.433 (MWh to tco₂e). Scope 1 and 2 emissions are defined using the global GHG Protocol.
[38] 0.55% decrease represents the 2018 total of 334,498tCO₂e divided by the total that incorporates assets that did not report in 2018: 332,650 tCO₂e.
[39] Based on 2019 revenue of AED7.1 billion

OVERVIEW   ECONOMY   COMMUNITY   PEOPLE   **ENVIRONMENT**   GOVERNANCE & RISK   DISCLOSURE   GRI

» Section overview / Environmental stewardship / Sustainable & healthy buildings / **Environmental performance & energy** / Water / Waste & recycling / Biodiversity

DEVELOPMENT MANAGEMENT

Our construction emissions in 2019

In Development Management, our diesel consumption was 3.64 million gallons and the associated carbon footprint was 44,425 tonnes CO_2e. Per project, in 2019 average CO_2e emissions were 6,346 tonnes. Initiatives are underway to minimise diesel generator usage and apply energy–saving innovations.
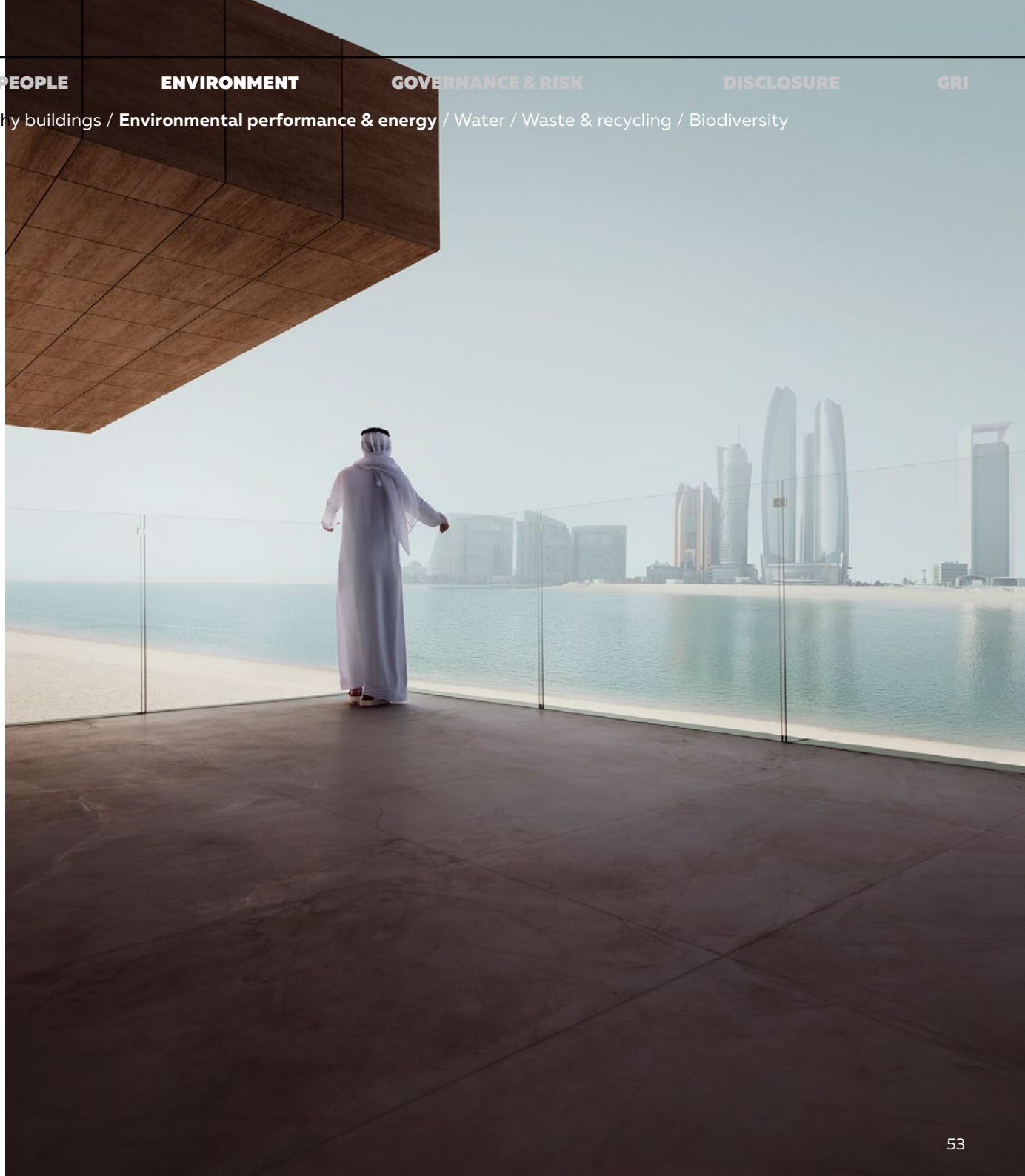
OVERVIEW   ECONOMY   COMMUNITY   PEOPLE   **ENVIRONMENT**   GOVERNANCE & RISK   DISCLOSURE   GRI

» Section overview / Environmental stewardship / Sustainable & healthy buildings / **Environmental performance & energy** / Water / Waste & recycling / Biodiversity

Energy and carbon performance of our assets

Across retail, hospitality and residential, commercial assets, Scope 2 carbon emissions totalled 341,647 tonnes CO_2e in 2019. Per asset, this equates to 6,699 tonnes CO_2e – compared to 8,432 tonnes per asset in 2018[40]. Of the total energy consumption, it is important to note that approximately 45% is used for cooling our buildings. With this new baseline that now incorporates all of Aldar's assets, we look forward to reporting progress year on year, as well as more accurately targeting areas on which to focus our eco-efficiency measures, with a focus on cooling energy.

Carbon footprint, Asset Management (tons CO_2)

■ Retail	32,837
■ Residential / Commercial	215,200
■ Hospitality	93,610
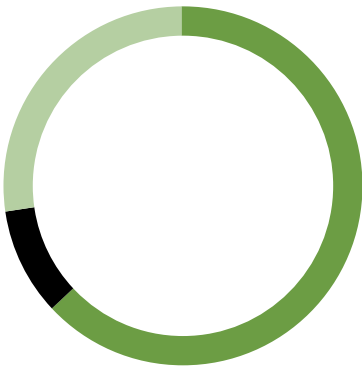
Aldar Education

In 2019, six Aldar Academies and Charter Schools reported energy consumption data for the first time, totalling 25,972 MWh which was responsible for 11,245 tonnes CO_2e. The chart below compares energy consumption per school or academy that reported data.

Electricity consumption as a proportion of all Aldar Academies, %

■ Al Ain Academy	8%
■ Al Bateen Academy	25%
■ Al Muna Academy	7%
■ Al Rayana Charter School	21%
■ The Pearl Academy	7%
■ West Yas Academy	32%

As one of our most prominent Adjacent Businesses, we look forward to including the full Aldar Education portfolio in our 2021 reporting – this also ties in with Aldar Education's goals to establish a business-wide EMS.

ASSET MANAGEMENT

[40] We have not made a total comparison year-on-year as only 34 assets could report for 2018.
GRI –302-1, 302-3, 302-4, 302-5, 305-1, 305-2, 305-4, 305-5

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OVERVIEW   ECONOMY   COMMUNITY   PEOPLE   **ENVIRONMENT**   GOVERNANCE & RISK   DISCLOSURE   GRI

» Section overview / Environmental stewardship / Sustainable & healthy buildings / **Environmental performance & energy** / Water / Waste & recycling / Biodiversity

A win-win for people and planet

Provis always strives to optimise resources on behalf of its residential customers. In 2019, a range of energy efficiency measures achieved savings of 8,332 tonnes CO_2e. When combined with water reductions (see page 59), customers saw their utility bills drop by 3.8 million Dirhams collectively. Below is a breakdown of savings for each of the 12 sites under management. For each project, the Technical Team selected the most appropriate conservation measures, many of which were simple and low-cost interventions.

For example, at Reem Island, Provis yielded savings of approximately 687,000 Dirhams for its customer, Gate and Arc Towers. Energy interventions included:

- rescheduling controls on 630 fan coil units, 65 air handling units and 88 parking extractor fans;
- installing door stoppers for building exit doors in order to prevent indoor air leakages; and
- monitoring and controlling differential chilled water temperature in conjunction with district cooling.

In 2020, Provis is aiming to double financial savings to 4.5 million Dirhams. Its proactive and innovative approach to resource optimisation is a clear example of a win-win for people and planet.

Powering down our shopping malls

In 2019, Aldar Retail saved seven percent of its total energy spend at Yas Mall, Remal Mall and Al Falah Plaza through implementing several energy conservation measures. Like Provis, many of these savings were attributed to relatively simple changes. At Yas Mall for instance, Facilities teams:

- reduced air conditioning cooling by one degree;
- removed 50% of external car park lighting (while maintaining safety);
- replaced all manual operated timers for external lighting with digital time switches; and
- turned off cove lights on lower ground levels.

▸ ## AED 665,456
savings in energy efficiency at Yas Mall, Remal Mall and Al Falah Plaza

These small changes have been welcomed by customers who increasingly expect to see environmental responsibility embedded into public spaces, without compromising their experience.

Sl. No	Name of Project	Electricity Savings (AED)
1	Gates and Arc	715,349.88
2	Sun and Sky	6,509.26
3	Al Zeina	369,749.23
4	Al Ghadeer	170,471.63
5	Al Bandar	105,704.39
6	Al Raha Gardens	8,385.4
7	Golf Gardens	35,756.92
8	Muneera	240,186.27
9	Al Gurm	350,259.64
	Total	**2,002,372.62**

ASSET MANAGEMENT

OVERVIEW　　ECONOMY　　COMMUNITY　　PEOPLE　　**ENVIRONMENT**　　GOVERNANCE & RISK　　DISCLOSURE　　GRI

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▶ 9.06m m³

total water consumption, the equivalent to 1.26m m³ per billion Dirhams Group revenue

Water conservation

Aldar operates in a region of water scarcity that also has among the highest levels of water consumption in the world[41]. Although 42% of the UAE's potable water needs are met from desalination, there remains a strong imperative to conserve and reuse water. These are emphasised in the national Water Security Strategy, which aims to reduce demand by 21% and increase recycling to 95% by 2036[42]. With our water supplied by Abu Dhabi Distribution Company, we welcomed the launch of its 2019 Recycled Water Policy to provide enabling measures to achieve the 95% national goal.

We measure and manage water consumption via monthly KPIs for all Development Management projects and sites. Across Asset Management, each site takes its own approach, deploying innovations appropriate to its infrastructure and customer base.

Water consumption

In 2019, total water consumption across Asset and Development Management was 9,064,967 million cubic meters (m³)[43]. Of this total, 96% was consumed in Asset Management – and 90% of this proportion was attributed to three golf courses alone, primarily for irrigation purposes[44]. We have long recognised the priority of innovating to reduce and reuse irrigation water – find out how we are making progress on . Overall, the water picture is a positive one as we see a 5.68% reduction in like for like water consumption across sites we can track between 2018 and 2019.

How are we doing?
KPIs/progress

Focus area	KPI	Performance 2019
Water conservation	Total water consumption	9.06m (m³)
	Water consumption intensity by Group revenue	1.26m (m³)

Commitments

· Increase the consumption of treated water, focusing on treating the grey water produced from our assets.

· Achieve a 10% reduction in asset portfolio water intensity by 2025 against our 2019 baseline.

[41] World Resources Institute; and Abu Dhabi Environment Agency
[42] Abu Dhabi Government
[43] Water consumption is defined by water supplied by Abu Dhabi Distribution Company or, on development projects, water supplied by tank and does not include site use of rainwater/ or recycled water.
[44] Our three golf assets alone consumed 5.7m m³ of water, of which only 115,000 m³ was used for non-irrigation purposes. Likewise, residential/commercial data is skewed by Al Raha Gardens, Golf Gardens, Gates & Arc and Eastern Mangrove assets that consume on average 10 times more than other properties due to their extensive landscaped areas.

GRI – 303-1, 303-2, 303-3, 303-4, 303-5

OVERVIEW   ECONOMY   COMMUNITY   PEOPLE   **ENVIRONMENT**   GOVERNANCE & RISK   DISCLOSURE   GRI

» Section overview / Environmental stewardship / Sustainable & healthy buildings / Environmental performance & energy / **Water** / Waste & recycling / Biodiversity

Water consumption in our 2019 development projects

Across all seven active development projects (materially in construction) in 2019, we consumed 445,481 m³ of water. Year on year, an average project consumed 49,498 m³ in 2019 versus 61,621 in 2018. Notwithstanding changes in project size, this 20% average reduction per project suggests that water efficiency measures and innovations on-site are having a positive impact.

Water consumption, Development Management (m³)
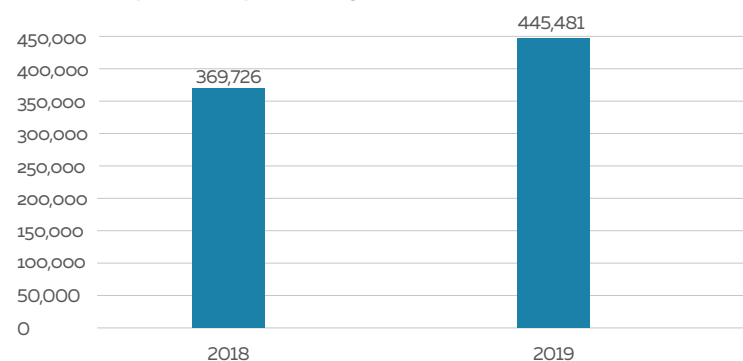
	2018	2019
	369,726	445,481

DEVELOPMENT MANAGEMENT

GRI – 303-1, 303-2, 303-3, 303-4, 303-5

OVERVIEW   ECONOMY   COMMUNITY   PEOPLE   **ENVIRONMENT**   GOVERNANCE & RISK   DISCLOSURE   GRI

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Water consumption in our assets

Our 2019 water consumption for all 51 assets was 8.73 million m³ of water, the equivalent to 171,082 per asset, compared to 251,989 per asset in 2018[45]. This 32% reduction in water consumption per asset suggests that innovations to reduce water use, primarily in irrigation, are having a positive impact. With a new baseline, we will be able to target very specifically where we need to focus our water conservation measures.

Water consumption, Asset Management (m³)

■ Retail	449,884
■ Residential and Commercial	1,970,947
■ Hospitality	6,304,339
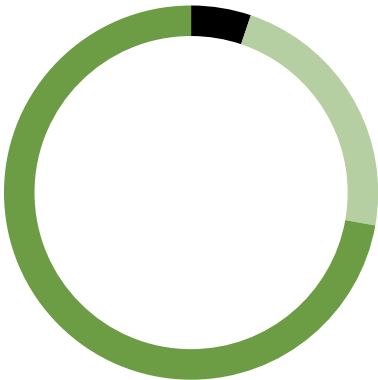
Innovation in irrigation

In our golfing assets, up to 99% of water consumption can be attributed to irrigating the landscape. We have been taking actions to reduce water use on our golf courses and Saadiyat Beach Golf Club is leading the way. Here, teams have deployed a range of innovations that have reduced irrigation water usage by an average of 46.8% between 2016 and 2019. Interventions have included:

- 'pogo stick' reading tools to assess moisture, temperature and salinity on greens;
- site-based weather stations to measure evapotranspiration to inform optimal irrigation times;
- optimised turf root depth for drought tolerance;
- wetting agents to enable the sand to hold more moisture and flush unwanted salts through the root zone;
- adjustable sprinkler heads and the removal of isolated sprinklers on golf course boundaries;
- power washers for machinery wash down areas; and
- overnight timings for all automatic irrigation watering.

Thanks to these measures, the Golf Club has not only realised substantial water reductions (and associated electrical pump and utility bill savings), but it has also reduced invasive non-native weeds and increased drought tolerant native grasses. Overall, the golf course condition is improved, creating a more enjoyable and visually appealing landscape for golfers.

Irrigation volume usage

- ■ 2016
- ■ 2017
- ■ 2018
- ■ 2019

ASSET MANAGEMENT
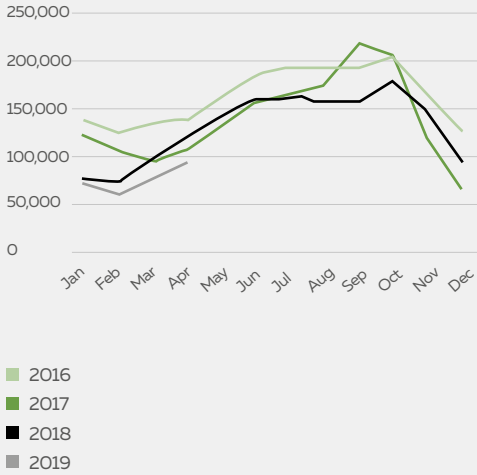
[45] 31 assets reported 2018 water data, with a total water consumption of 8.8 million m³.

GRI –303-1, 303-2, 303-3, 303-4, 303-5

OVERVIEW   ECONOMY   COMMUNITY   PEOPLE   **ENVIRONMENT**   GOVERNANCE & RISK   DISCLOSURE   GRI

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Conserving water in homes and offices

As well as making significant energy savings on behalf of its residential customers, Provis also reduced chilled water consumption by an average of 5.5% across its assets in 2019.

Sl. No	Name of Project	water savings (AED)	Chilled water savings	Irrigation Water Savings (AED)
1	Gates and Arc	206,349.85	985,760.31	
2	Sun and Sky	26,666.71	(331,091.13)	
3	Al Zeina	28,134.00	8,265.44	
4	Al Ghadeer	11,338.93		474,300.00
5	Al Bandar	13,233.37		
6	Al Raha Gardens	38,000.89		(9,093.78)
7	Golf Gardens	83,183.04		207,975.53
8	Muneera	7,047.38	99,194.34	
9	Al Gurm	39,848.00		
	Total	**453,802.17**	**762,128.96**	**673,181.75**

Aldar Education

In 2019, four schools (out of 20) reported water consumption, totalling 89,641 m³. We look forward to including the full Aldar Education portfolio in our 2020 reporting, in line with its EMS goals.

Water quality and recycling

We undertake regular water risk assessments and quality testing at our residential properties. We also conduct daily swimming pool water tests in our Hospitality business. All effluents are managed by the Abu Dhabi Sewerage Services Company (ADSSC), which holds triple ISO Certifications (ISO 9001, ISO 14001 and OHSAS 45001), as well as a Silver Award in the International Awards for Liveable Communities. Through its state-of-the-art wastewater treatment plant, ADSSC converts 98% of effluent into recycled water for irrigation use and biosolids.

ASSET MANAGEMENT

OVERVIEW   ECONOMY   COMMUNITY   PEOPLE   **ENVIRONMENT**   GOVERNANCE & RISK   DISCLOSURE   GRI

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DEVELOPMENT MANAGEMENT

Waste and recycling

Most of the waste generated within our assets are not considered direct environmental impact of Aldar's operations but rather falls within the environment footprint of our customers. However, our report still includes the total waste generated within our assets as we aim to contribute towards reducing our customers' footprint by collecting the waste and promoting its recycling.

In 2019, a total of 237,141 tonnes (t) of solid waste was generated within our assets and development projects, of which 63% was generated by our assets. We achieved an average recycling rate of 89% in Development projects.

▶ ## 237,141t
solid waste generated, the equivalent to 33,176t per billion Dirhams Group revenue

Reducing construction waste

As part of our Group EHSMS, the Aldar Waste Management Policy sets out our approach to prevent, reduce, reuse and recycle waste, both in the assets we manage and also in their construction. It therefore extends to our contractors and supply chain. All of our waste is managed by Tadweer, Abu Dhabi's Waste Management Centre and as part of this relationship, we must submit a Waste Reduction Action Plan, contracts with approved environmental service providers and a manifestation system. Also, as part of our commitment to Estidama, we must ensure that high levels of waste recycling.

Each development project has its own Waste Management Plan, assessed against a construction phase checklist to meet OSHAD-SF standards and in compliance with Abu Dhabi Law No.21, Federal Law No. 24 and the Abu Dhabi OSHAD Code of Practice 54 on waste management. We also abide by Estidama requirements for the minimum diversion rates set for construction and operation. For our seven active development projects (materially in construction) in 2019, we produced a total of 87,806 tonnes of waste, the equivalent to 12,543 tonnes per project on average. Given the lack of comparable data for 2018, we are unable to make year on year comparisons and we will use this as a baseline for future monitoring going forward.

▶ ## 93.4%
recycling rate achieved on the Mamsha project, against our 70% target

How are we doing?
KPIs/progress

Focus area	KPI	Performance 2019
Waste management and recycling	Total solid waste generation	237,141 (t)
	Solid waste generation intensity by Group revenue	33,176 (t)
	Recycling rate Development Management	89%
	Recycling rate Asset Management retail[46]	14%

Commitments

- Enhance waste segregation for new and existing buildings.
- Achieve an 80% average waste diversion from landfill for Development Management.

[46] This represents only three assets which, while recycling rates remain low, have improved since 2018: Yas Mall (2019: 29%; 2018: 24%), Al Jimi Mall (2019: 9%; 2018: 2%) and WTC (2019: 5%; 2018: 4%)
GRI – 301-1, 301-2, 306-2

OVERVIEW   ECONOMY   COMMUNITY   PEOPLE   **ENVIRONMENT**   GOVERNANCE & RISK   DISCLOSURE   GRI

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ASSET MANAGEMENT

Enabling tenants and customers to reduce, reuse and recycle

In Asset Management and our Adjacent Businesses, each site takes its own approach to raising awareness among tenants and end users around reducing and recycling waste. In 2019, total solid waste generated from 48 out of 51 assets totalled 149,335 tonnes. Per asset, this equates to 2,928 tonnes.

Solid waste generation, Asset Management (tons)

■ Retail	11,382
■ Residential and Commercial	133,315
■ Hospitality	4,638
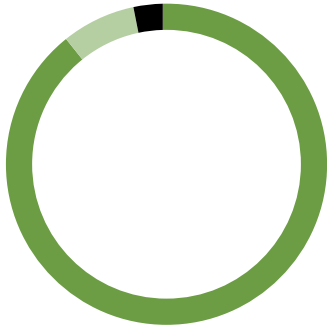
Recycling rates were only reported by three retail assets in 2019 averaging 14% (compared to an average of 10% for 2018 for the same assets[47]). Despite the challenges in drawing 2018–19 comparisons, the current data are extremely valuable in accurately targeting areas on which to focus our eco–efficiency measures. For example, as part of its ongoing campaigns to raise environmental awareness among tenants and the wider community, the Yas Mall Environment Team has been running Green Tenant Awards since 2017. The awards recognise tenants that are going the extra mile to reduce, reuse and recycle their waste – and they inspire other tenants and mall visitors to take action. In 2019, 360 tenants entered the awards, with three winners: Kidzania, Candylicious and Dickeys.

From plastic bottle to PE kit

Each year, 10 million water bottles are produced in the UAE, yet recycling rates remain very low. As part of Aldar Education's commitment to become more sustainable, more than three quarters of Academies have teamed up with D Grade's Simply Bottles initiative. The idea is to raise awareness for environmental sustainability and encourage behavioural change; reduce plastic pollution; help drive a circular economy; and support UAE Vision 2021 objective to divert 75% of all waste from landfill.

▸ **10,800**
plastic bottles collected in 2 months alone at Al Mamoura Academy

Across our schools, D Grade collection bags are available to collect plastic bottles and up-cycle them into clothing and accessories, including school uniforms and PE kits. By Participating in this initiative our school can help children to better understand the impact of plastic pollution and the benefits of recycling.

In addition to our Simply Bottles partnership, each school has its own resource–saving initiatives. Below are just a few examples:

· Al Yasmina Academy has created a 'Community of Practice' to drive recycling among pupils.

· Al Ain's Eco-Warrior Initiative seeks to rally the school community to reduce usage of paper and single-use plastics.

· Al Bateen Academy has embedded the topic of single–use plastic recycling within its Moral Education curriculum and discarded plastic is turned into art.

· Abdulla Bin Otaiba Charter school ran a 'Trashion Show' in 2019, showing how clothes can be given a new life.

· The Pearl Academy has introduced a Reduce Plastic Act to engage the whole school community.

· Al Budoor KG waste-free lunch days aim to avoid food waste in the dining hall.

[47] Yas Mall (2019: 29%; 2018: 24%), Al Jimi Mall (2019: 9%; 2018: 2%) and WTC (2019: 5%; 2018: 4%)
GRI – 301–1, 301–2, 306–2

OVERVIEW   ECONOMY   COMMUNITY   PEOPLE   **ENVIRONMENT**   GOVERNANCE & RISK   DISCLOSURE   GRI

» Section overview / Environmental stewardship / Sustainable & healthy buildings / Environmental performance & energy / Water / **Waste & recycling** / Biodiversity

ASSET MANAGEMENT

Towards plastic-free hotels

We are working closely with our hotel customers, including Marriott and Hilton, to find innovative ways to eliminate single-use plastics and to engage end users in supporting this goal. Below are just some of the measures implemented in 2019:

- replacing plastic room cards, wrist bands and pens with fabric/bamboo alternatives

- switching from plastic water bottles and cups to glass

- offering toiletries in refillable dispensers

- ensuring refuse and linen bags are paper

- replacing plastic coffee capsules with biodegradable alternatives

OVERVIEW   ECONOMY   COMMUNITY   PEOPLE   **ENVIRONMENT**   GOVERNANCE & RISK   DISCLOSURE   GRI

» Section overview / Environmental stewardship / Sustainable & healthy buildings / Environmental performance & energy / Water / Waste & recycling / **Biodiversity**

DEVELOPMENT MANAGEMENT

Biodiversity

When it comes to protecting the desert and marine ecosystems in and around our developments, we fully endorse the very high standards set by the Abu Dhabi Environment Agency (EAD). From project scoping to construction, rigorous environmental assessments include biodiversity criteria and once a site is under our management, we conduct regular monitoring, in partnership with expert organisations. We also raise awareness among our customers and engage communities in our various initiatives to conserve local flora and fauna.

▸ **9,308**
trees planted on our development projects

Our developments on Saadiyat Island, Yas Island, Al Reem Island and Al Raha Beach all fall within EAD Environmentally Protected Areas, defined as areas of high biodiversity value We therefore prioritise monitoring and protection programmes within our developments in these locations. For instance, our West Yas development, located within the Mangrove Protected Area, has been implementing a Mangrove Management Plan since 2017.

Species translocation and protection

Located in Seih Sdeirah, Al Ghadeer Phase 2 is a project to create 707 residential land plots. Our main contractor, Arcadis, has been working closely with the EAD and conservation experts to identify and translocate vulnerable species to an EAD Protected Area close by. Having successfully relocated seven species in 2018 (the Ethiopian Hedgehog, Arabian Toad-headed Agama, Crowned Leafnose Snake, Horned Viper and three types of Gecko), the last year has involved extensive post-translocation monitoring.

The teams have made a number of significant biodiversity observations at the relocation site. These include sightings of three Sand Gazelles (defined as Critically Endangered by the EAD and on the IUCN Vulnerable list due to historic hunting), the confirmed presence of Spiny-tailed Lizards (an IUCN Vulnerable species), a rare Pannicum turgidum grass and a bat roost.

The post-translocation report commends the effectiveness of Aldar's Construction Management Plan and Waste Management Plan in ensuring the site is clear of debris that may negatively impact native flora and fauna. It does however, recommend further contractor engagement around the Plans, particularly with regard to ensuring no vehicles cross the Protected Area boundary. It also recommends a specific Aldar/EAD strategy to ensure Spiny-tailed Lizards are protected throughout the development phase. We strongly welcome these recommendations and are working with Arcadis to re-emphasise waste and vehicle protocols and also with the EAD to roll out an action plan for Spiny-tailed Lizard conservation.

Commitments

· Develop conservation and monitoring strategies to protect natural habitats and biodiversity.

OVERVIEW   ECONOMY   COMMUNITY   PEOPLE   **ENVIRONMENT**   GOVERNANCE & RISK   DISCLOSURE   GRI

» Section overview / Environmental stewardship / Sustainable & healthy buildings / Environmental performance & energy / Water / Waste & recycling / **Biodiversity**

ASSET MANAGEMENT

Bird and gazelle monitoring, Saadiyat beach

Saadiyat Beach Golf Club is located on the protected Saadiyat Island, home to a range of bird and mammal species – some of which are endangered. Since 2017, expert ornithologists have been monitoring bird numbers around the Golf Club to ensure Aldar's presence has no detrimental impact to bird nesting or migrations. The programme is also helping us to identify where we might create nesting sites and create an even more attractive environment to our winged visitors. The Golf Club is now a Certified Audubon Cooperative Sanctuary, as designated by the Audubon Cooperative Sanctuary Programme for Golf Courses in 2019.

During 2019, ornithologists made regular detailed observations, with more frequent visits during the main migration seasons of September to October; and March to early May. Their data have been submitted to the UAE Bird Database, and are also available on our own 'hotspot' at eBird, the global bird database. In 2019 alone, 170 species were recorded, an increase of 16 compared to June 2018. This included the Socotra Cormorant (categorised as Globally Threatened by the International Union for the Conservation of Nature - IUCN) and a further seven species categorised as Near-Threatened.

▶ **170**
bird species recorded, an annual increase of

10%

Designated a **Certified Audubon Cooperative Sanctuary**

Another biodiversity initiative at Saadiyat Beach Golf Club in 2019 was our Sand Gazelle protection project., local wildlife organisations and the EAD had become concerned that the Gazelles were straying onto the busy Saadiyat Highway – posing significant risks to themselves and drivers. Joining forces with the EAD, we erected fencing close to our Golf Club to protect the animals from roadways without hindering their grazing regimes. Since installing these barriers, there have been no further road incidents involving gazelles.
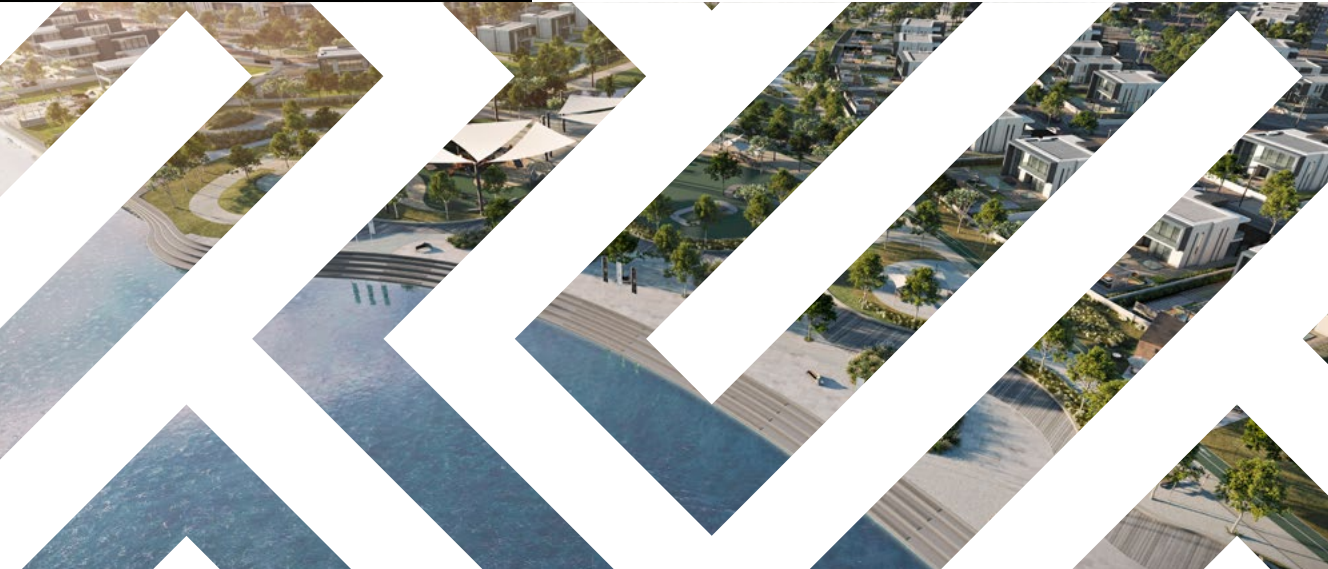
GOVERNANCE AND RISK MANAGEMENT

Transparent corporate governance and robust risk management are key to maintaining legal and regulatory compliance, investor protection, and thereby ensuring that we create shared value to all stakeholders. To accomplish this, it is crucial that sustainability risks are managed, and sustainability requirements are incorporated into decision-making at all organisational levels.

Aldar is committed to adhere to the decision of the Chairman of the Securities and Commodities Authority No. (7/RM) of 2016 on the standards of corporate discipline and governance of public joint stock companies. Diligence in risk management is fundamental to our license to operate and our Risk Management Framework is adapted to our business model, using the widely-accepted Treadway Commission's COSO enterprise risk management framework as its foundation.

DIRECTION OF TRAVEL

- Ensure more transparency year after year.
- Practice two-way engagements with stakeholders and ensure effectiveness.
- Always prioritise business ethics.
- Proactive risk management including ESG risks.

14%
Female on the Board of Directors

73%
employees completed the cyber security training

100%
Of employees trained in the Code of Business Conduct

ISO/IEC 27001
for information protection, IT systems

OVERVIEW   ECONOMY   COMMUNITY   PEOPLE   ENVIRONMENT   **GOVERNANCE & RISK**   DISCLOSURE   GRI

» Section overview / **Governance** / Stakeholder engagement / Business ethics / Risk management / Principle risks / Performance against KPIs / Social responsibility during Covid-19 / Data annex

Transparent governance

As explained in the Overview chapter, 2019 was a milestone year in terms of Sustainability Governance – elevating accountability to our CFSO and embedding ESG scoring into the KPIs of executive management. This section covers Aldar's wider corporate governance, reflecting our Corporate Governance Report for the year ended on December 31, 2019, published in Aldar's Annual Report.

Aldar follows the standards of corporate discipline and governance of public joint stock companies as stipulated in the decision of the Chairman of the Securities and Commodities Authority (SCA) No. 7/ RM of 2016. The first step in implementing an effective governance system was the preparation and development of the

governance framework and ensuring its effective implementation. In the context of constant monitoring efforts to measure the effectiveness of the application of the governance system, the Board of Directors periodically reviews the governance framework and amends its elements (where necessary) to ensure its consistency with the regulatory controls and changing business environment.

The Company annually issues a Corporate Governance Report, which reflects the Company's keenness on the optimal and proper application of governance rules, and clearly demonstrates joint efforts and synergy among the Company's Board of Directors, Executive Management and employees.

Brett Scrymgeour
Sustainability Council Member and Aldar General Counsel

Ensuring that Aldar is compliant across the full risk spectrum, including ESG risks, requires regular and systematic dialogue across the organisation. Aldar's new Sustainability Council enables this dialogue and adds a further layer of resilience to Aldar in the face of business continuity risk.
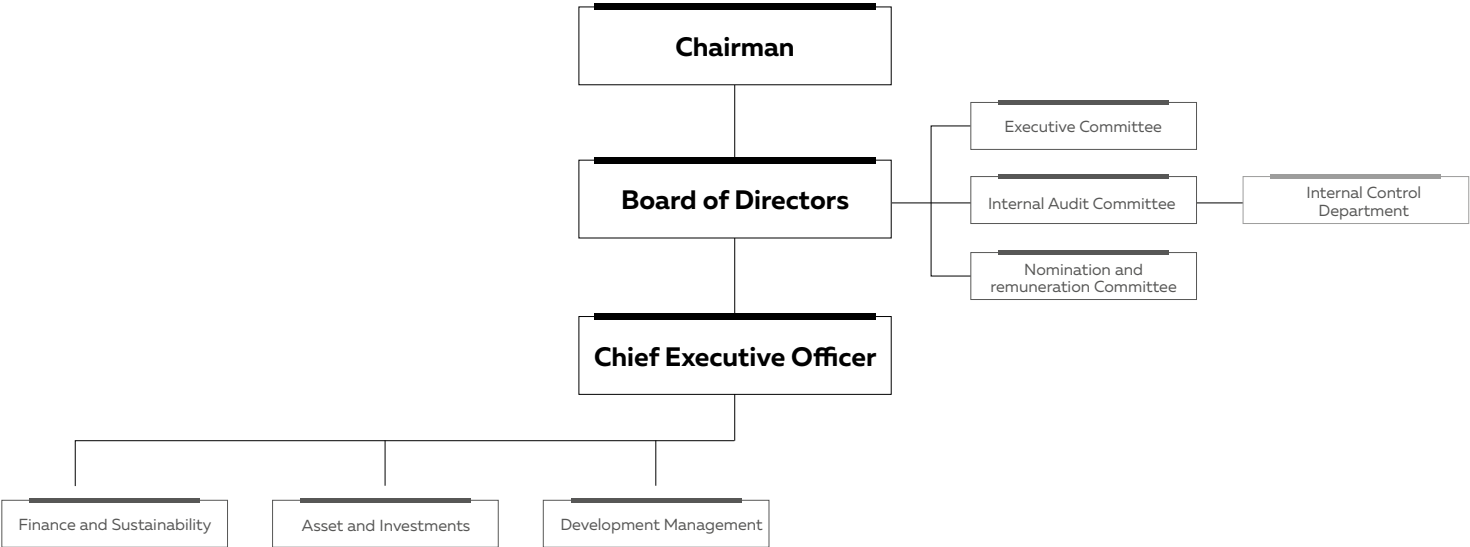
How are we doing?
KPIs/progress

Focus area	KPI	Performance 2019
Governance, ethics and transparency	Female on the Board of Directors	14%
	Employees formally certifying compliance with the Code of Business Conduct	100%
	Employees completing cyber security training	73%

Commitments

- Incorporate ESG risks into corporate risk management framework.
- Integrate sustainability criteria into management performance review, remunerations and incentives.
- Implement a centralised Sustainability Data Management System.

Chairman → Board of Directors → Chief Executive Officer

Board of Directors: Executive Committee; Internal Audit Committee → Internal Control Department; Nomination and remuneration Committee

Chief Executive Officer: Finance and Sustainability; Asset and Investments; Development Management

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Board of Directors

The Board of Directors is accountable to the shareholders for ensuring that the Company's objectives are in line with shareholders' expectations and aspirations. They are also responsible for ensuring the effectiveness of the Company's management in managing the Company's businesses, with the emphasis that the Company's objectives are consistent with the legislative requirements and codes of professional conduct defined by both the Securities and Commodities Authority and Abu Dhabi Securities Exchange.

As of December 31, 2019, Aldar had seven members on its Board of Directors, including one female Member[48]. Their backgrounds including their position, independence status, role, educational qualifications, experience, year of appointment, meetings and attendance are all fully detailed from pages 76 to 79 of Aldar's 2019 Annual Report published in May 2020 and available on our website. The independence of each Board Member is assessed annually by the Nominations and Remunerations Committee against detailed criteria.

Audit Committee

The Audit Committee contributes to the performance by the Board of Directors of the responsibilities imposed by the Company's governance with respect to risk management, Internal Control Systems, accounting policies, financial reporting and internal and external audits. The Audit Committee ensures that the main objectives of the Company are achieved effectively and efficiently, within a tight framework of internal controls, risk management and governance.

The Audit Committee consists of three non–executive independent members. The charter of the Audit Committee requires that all members of the Committee shall be familiar with financial aspects, and at least one of its members shall have experience in accounting and finance. On the other hand, the Chairman of the Committee shall hold periodic meetings with the Executive Management and the Head of Internal Audit department to ensure that the members of the Committee are informed of the main issues. The Committee shall also meet with the external auditor, without the presence of the Members of the Executive Management, as the Committee deems appropriate.

Executive Management

Aldar's new Sustainability Council reports progress to Aldar's Executive Management Committee, which comprises of the Chief Executive Officer and Executive Officers of its departments and divisions). Members are responsible for managing the day–to–day operations of the Company and key business issues, in line with the strategic plan framework of the Company. It should be noted that in the absence of the Chief Executive Officer for any reason, the Management Committee shall follow up all operations and activities of the Company, as this Committee holds its meetings weekly.

The Chief Executive Officer has the authority to act within the framework of the operational plan and the budget of operating income and expenses discussed and approved by the Board, according to the authorities granted thereto under the Delegation of Authority. The Chief Executive Officer may delegate some of his duties to the Executive Management Team, according to the current policies of the Board, the Delegation of Authority and legal requirements that determine the powers of such delegations.

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[48] As per the decision of the Chairman of the SCA No. 7/RM of 2016, we are committed to having at least 20% female representation at Aldar Board level

GRI – 102-18, 102-26, 102-28, 102-32, 102-33

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Sustainability governance

At Aldar, transparent governance and business integrity are fundamental to how we deliver on our strategic priorities.

Greg Fewer
CFSO

ESG criteria are now not only formally entrenched within my role but they are also within the performance scorecards of all senior executives – a development in 2019 which truly holds Aldar's leadership to account as we seek to become a role model for responsible corporate citizenship in the region.

Sustainability Council

Aldar's Sustainability Council was established in 2019 in order to accelerate the integration of ESG topics across Corporate, Development and Asset Management divisions. Chaired by Salwa Al Maflahi, Associate Director of Sustainability and CSR, the Council consists of 17 senior executives from each business function and reports directly to Aldar's Executive Management Committee. In 2019, the Committee met monthly to debate key topics including the Sustainability Framework, a Mandate and Charter for the Council and roles, responsibilities and governance. Also recorded in meeting minutes were updates on specific initiatives and CSR programmes.

Salwa Al Maflahi
Sustainability Council Chair and Associate Director, Sustainability & CSR

The formation of a Sustainability Council in 2019 was an important step in Aldar's sustainability journey. In representing 18 of Aldar's Executive Management teams (including our subsidiaries), we have a unique opportunity to embed sustainability across Aldar's diverse businesses. We also gain a more holistic understanding of how ESG issues impact commercial delivery and we build accountability against our sustainability commitments and KPIs.

Cascading sustainability

In order to cascade sustainability throughout our diverse businesses, the Sustainability Council has appointed champions from across Aldar. Sustainability is also formally part of the employee induction process and we deliver awareness events and workshops throughout the year to engage employees in what sustainability means at Aldar. In 2019, we reached 30% of employees with these sessions and we are confident that we will reach 100% in 2020.

▸ **30%**
of employees received sustainability awareness training

Find out more about how sustainability delivers operational excellence on

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Stakeholder engagement

Regular constructive dialogue with key stakeholder groups underpins our reputation as a trusted corporate citizen in the communities we work in. Whether it is customers or suppliers, non–governmental organisations or the media – two–way feedback mechanisms enable us to make decisions informed by those impacted by our presence – and those who influence our operations. These systematic stakeholder engagements play a vital role in shaping Aldar's strategic direction on the sustainability agenda, particularly with regard to defining and verifying our material issues.

Fahad Al Mahmood
Sustainability Council Chair and Executive Director, Stakeholder Management

Creating wider value for society requires us to identify and engage with those who are most impacted by, or influencers of, our presence. We maintain open lines of communication with relevant stakeholders at all phases of a project's lifecycle. As we evolve our materiality analyses, we will more systematically engage external stakeholders on priority sustainability topics.

	ENGAGEMENT APPROACH	2019 HIGHLIGHTS
CUSTOMERS	Customer portal and call centre; social media and WhatsApp groups; Connect Community portal; Surveys and events	• Expanded our Customer Experience function with a new Head of Customer Strategy and a new Customer Promise • Expanded app, chatbot and live chat services • Qualtrics technology introduced to analyse and report the voice of our customers • Automated workflows for customers, including buyers and residents.
OUR PEOPLE	Town hall meetings; surveys; focus groups, Ibtikar; Youth Council; Awards; Whistleblower system	• +16% increase in training hours per employee • People of Determination[49] youth training partnerships at Provis, Khidmah and Aldar Academies • People Survey average satisfaction score of 76.2%, up 0.8% on 2018 • Diversity and Inclusion Board established • Youth Council university partnerships
SHAREHOLDERS AND INVESTORS	Market disclosures; quarterly and yearly investor presentations; Annual General Meeting; Annual, Governance and Sustainability Reports; roadshows; one-one meetings	• Unanimous approval of three clauses relating to voluntary community contributions was made at our General Assembly meeting on 21 March 2019 • Unanimous approval to reduce the number of Company Directors from nine to seven (7) Members • 1,000+ investor meetings across equity and debt through comprehensive programme of shareholder engagement. Find out more in our Annual Report, page 105.
GOVERNMENT AUTHORITIES	Site tours; Annual General Meeting; representation on committees and boards of various authorities and industry bodies; Annual, Governance and Sustainability reports; conferences/forums; market disclosures	• Partnered with the Department of Urban Planning and Municipalities on the 'Buy A home' initiative • A partner in Ghadan 21 for small business growth • Awarded five billion Dirhams from the Government of Abu Dhabi for national housing and infrastructure • Worked with the Department of Culture and Tourism on public art installations at Reem Central Park • Ministry of Tolerance engagements via Aldar Education • A member of the ICV Council and ICV Committee
COMMUNITIES	CSR activities; procurement; civil society partnerships; community newsletters	• Donated AED 36 million to Sandooq Al Watan, the UAE's national fund • Progress towards a 2020 agreement with the Authority of Social Contribution (Ma'an) to develop social impact bond projects • More than 100 CSR activities • Cranleigh Abu Dhabi partnered with two other schools, the Ministry of Tolerance, NYU Abu Dhabi and the British Council on a cross-curricular programme • Yas Island hotels, Westin Golf Resort and Spa, World Trade Center and Courtyard all supported Marriott's TakeCare Relief Fund and Road to Awareness campaign • Commissioned four local artists at Reem Central Park
SUPPLIERS AND CONTRACTORS	Tender and pre-award interviews and questionnaires; daily, weekly and monthly onsite meetings; environmental, safety, health and sustainability training sessions	• Working with Ghadan 21 and ICV to deliver in-country value • Engaged contractors and suppliers on our Worker Welfare Policy and Principles • Launched ICV to promote local businesses and investments • 99% of suppliers held Abu Dhabi-based commercial licenses • Five Principles of Sustainable Procurement identified and implementation strategies established for each • Launched an annual Supplier Forum, with the inaugural workshop attended by 27 contractors, consultants and suppliers • Extended the Whistleblower system to contractors

[49] The UAE refers to the people with special needs or disabilities as People of Determination in recognition of their achievements in different fields: https://u.ae/en/information-and-services/social-affairs/special-needs

GRI – 102-21, 102-40, 102-42, 102-43

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	ENGAGEMENT APPROACH	2019 HIGHLIGHTS
PARTNER ORGANISATIONS	Regular meetings on local topics; Attendance at workshops and events	· NYU Abu Dhabi and the British Council worked with Aldar Education · Partnered with UAE university on a youth learning programme · Partnered with ADNOC, Abu Dhabi Department of Economic Development and Abu Dhabi ports to create the new unified ICV formula · Official Partner, Special Olympics World Games · Key sponsor, Sandooq Al Watan · Asset Management worked with eBird to track 170 bird species at Saadiyat Beach Golf Club · Aldar Retail has a three-year agreement with WWF, is a member of the Green business network within the Environment Agency of Abu Dhabi and supported Make a wish Foundation in its 2019 Christmas donation campaign
ALDAR SUBSIDIARIES	Committees meetings; working groups	· Our subsidiaries, Khidmah, Provis, Aldar Education and Pivot, alongside associates such as Abu Dhabi Finance PJSC and Iskandar Holdings Limited, conduct their own Board meetings with a total of 17 Aldar employees represented
RATING AGENCIES AND MEDIA	Rating agencies frequent ranking reviews; addressing enquiries on ESG; frequent spokesperson interviews; market disclosures; Sustainability, Annual and Governance reports	· 2019 Annual Report · Aldar press releases 2019 · Annual Sustainability Report · 2019 Corporate Governance Report · Moody's annual review of AIP
BANKS AND LENDERS	Market disclosures; Annual General Meeting; Annual, Governance and Sustainability Reports; one-one meetings	· Engaged with lenders to offer homebuyers low interest mortgages · Issued the first 10-year sukuk offering by an Abu Dhabi-based issuer. It was more than six times oversubscribed, with global investors accounting for 71% of the final allocation

Business ethics

At Aldar, our business operations adhere to strict codes of conduct, which are communicated to our staff and internal and external stakeholders. The Aldar Code of Business Conduct is intended to promote ethical conduct and compliance with laws and regulations, to provide guidance with respect to the handling of ethical issues, to implement mechanisms to report unethical conduct, to foster a culture of honesty and accountability, to deter wrongdoing and to ensure fair and accurate financial reporting.

Executive Management is charged by the Board of Directors with ensuring that the Code will govern, without exception, all business activities of Aldar. The Legal department ensures strict compliance, in coordination with the People and Performance Department and the Internal Control Department regarding staff training and communications. Training is part of the mandatory induction for everyone joining the Company and is reviewed by all employees on a yearly basis by signing an Interest Declaration Form, which confirms our employees' understanding of their responsibilities in relation to the Code.

Covering all Aldar operations and extending to all suppliers, contractors and consultants, key areas covered by the Code include:

- **Conflict of Interest**, defined as any activity, agreement, business investment, interest, role or other situation that could be construed as divergent to or in competition with Aldar's business or as an interference with such Employee's primary duty to serve Aldar at all times to the best of their ability. The Code provides clear examples of cases of conflict of interest.

- **Integrity and Insider Trading**, described as profiting from undisclosed information relating to Aldar or any other company.

- **Gifts**, described as the offering, giving, soliciting or receiving of any form of bribe or kickback or offering or giving anything of value to any person. The Code clearly defines what is considered as a gift.

- **Business Entertainment**, in the context of conducting business discussions or advancing business relationships.

- **Anti–Money Laundering**, in which Aldar states that it will not knowingly do business with existing or perspective customers whose money or activity is believed to be derived from or used to support criminal or terrorist activity.

- **Occupational Safety and Health**, to provide a safe and healthy work environment to each employee.

- **Reporting of Malpractices, Illegal or Unethical Behaviours**, describing the responsibility of employees to report incidents of misconducts.

- **Reporting of Shareholders and Media Relations**, committing to maintain excellent relationships with the public.

- **Electronic Media and Other Aldar Properties**, regarding the protection of information concerning Aldar.

- **Audit, Investigation and Disciplinary actions**, describing the duty of employees of Aldar with regard to all internal investigations.

- **Dealing with Government and Public Officials**, prohibiting any activity that seeks to bribe, corrupt or improperly influence a public official, either directly or indirectly.

- **The prohibition of collective bargaining agreements, child labour, and forced labour**, as per UAE law.

Any employee can access our Code of Conduct at any time so they can understand their rights and position with regard to any concerns. Employees can find guidance with People and Performance and Legal, and if employees suspect that anyone is violating the Code, they are told to contact Legal or People and Performance, which can be done anonymously through a dedicated email address.

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Whistleblower Policy

Launched in 2012 and managed by the Head of Internal Audit department, Aldar's Whistleblower Policy applies to any irregularity, or suspected irregularity, involving employees, officers and directors, as well as shareholders, consultants, contractors, suppliers and/ or any other parties with a business relationship with Aldar. This includes but is not limited to: incorrect financial reporting; unlawful activity; corruption involving illegal gratuities, bribery, kickbacks, bid rigging, etc.; conflict of interest in purchasing or sales; misuse of company information; fraudulent disbursements; activities that are not in line with Aldar policies and procedures, including Aldar's Code of Business Conduct; and activities which otherwise amount to serious improper conduct.

In 2016, the Policy was strengthened by appointing a completely independent, third party (based in Europe, where the strictest confidentiality laws apply) to automate the receipt and follow-up mechanism for anonymous complaints. Employees submit their concerns entirely anonymously via a secure web portal or confidential 24/7 hotline. These concerns are then securely sent on to Aldar's Internal Audit department for corresponding action.

To ensure the effective resolution of grievance cases and fair discussion, the relevant parties and departments are required to gather supporting data. All reported allegations are thoroughly investigated, either by the Internal Audit department in coordination with Legal, if needed, or through a qualified third party appointed by the Audit Committee. If anomalous activities have occurred, the Audit Committee and/ or the CEO receives a report and decides on appropriate disciplinary actions in consultation with the concerned Chief, Head of People and Performance and Head of Legal. The Audit Committee decides whether prosecution or referral to law enforcement is necessary.

Fraud Policy

Launched in 2012 and managed by the Head of Legal in coordination with the Internal Control department (ICD), Aldar's Fraud Policy sets a framework and internal controls to be followed for managing activities against fraud. Our Fraud Policy applies to any irregularity or suspected irregularity involving employees, executive management, directors, shareholders, consultants, contractors, suppliers and/ or any other party having any business relationship with Aldar.

Fraud is defined as the intentional act or omission designed to deceive others, resulting in the victim suffering a loss and/or the perpetrator achieving a gain. Examples of actions constituting fraud are available in the Aldar Fraud Policy. Investigation responsibilities and reporting procedures are described in detail in the Policy, as well as consequences based on the results of the fraud investigations.
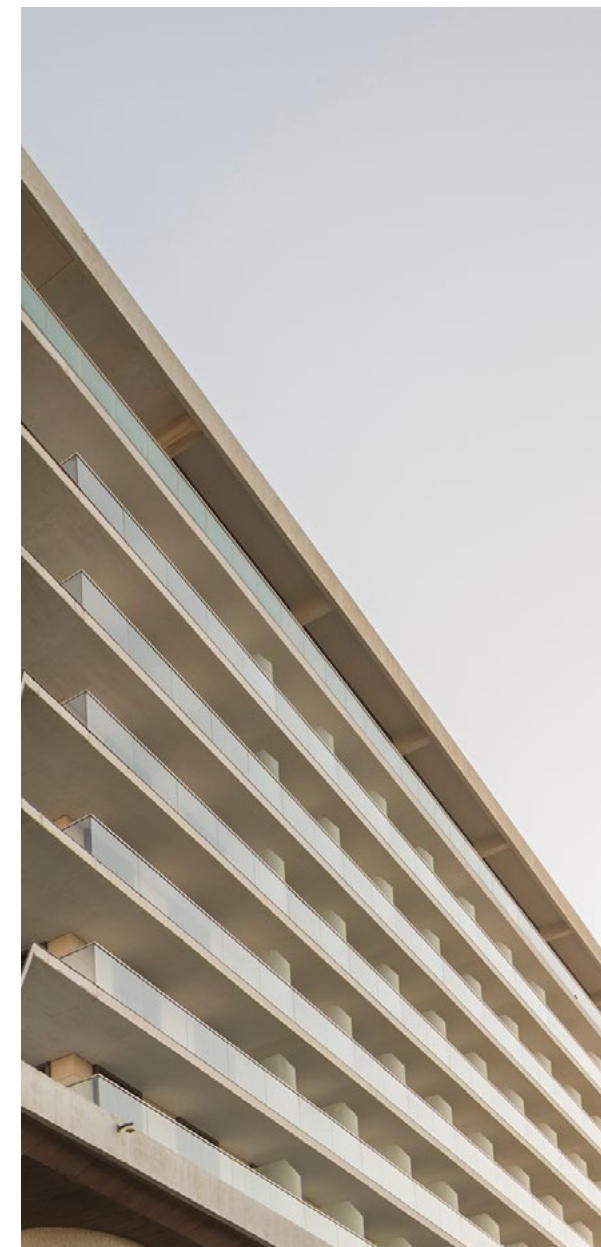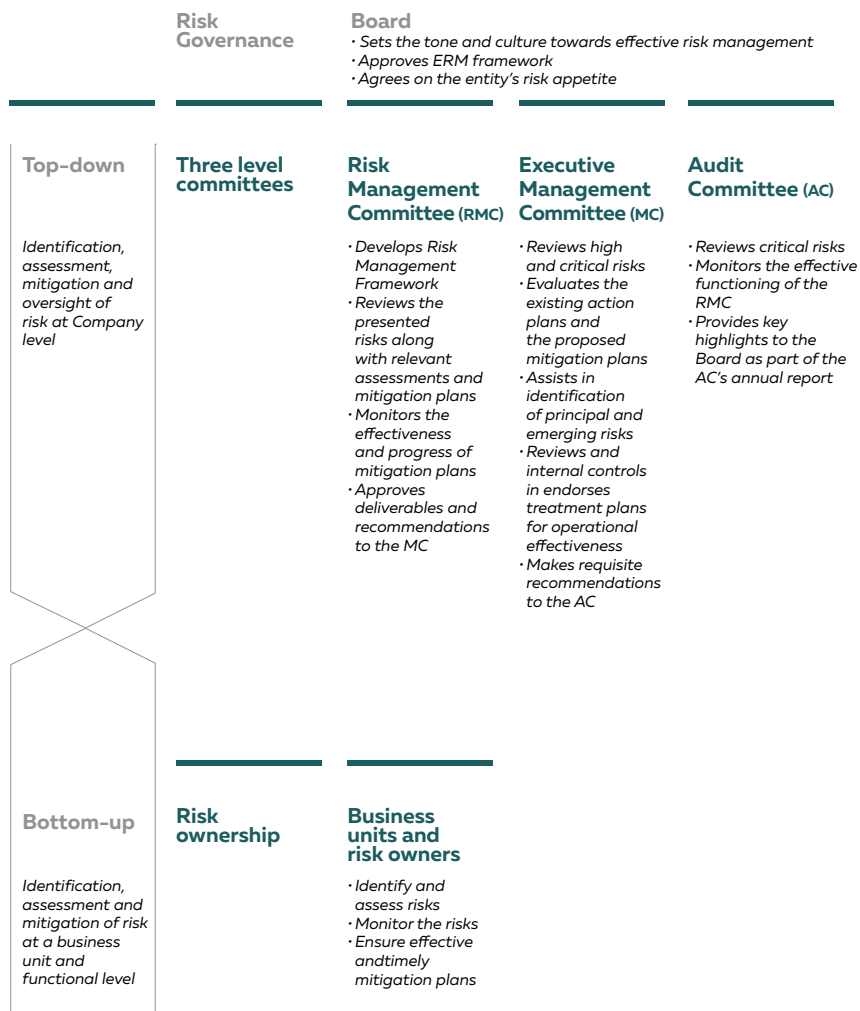
Risk management

Aldar has an established Enterprise Risk Management (ERM) function to ensure effective management of all risks that have the potential to hinder the Company from achieving its strategic objectives. A dedicated ERM team is responsible for helping the Company's business units to identify, assess and put in place control plans for existing and emerging risks. It regularly conducts comprehensive reviews of best practices and benchmarks against other companies in the market with robust ERM activities.

Primarily, a bottom-up approach is used for business unit-specific risks, while enterprise-wide risks rely on a top-down approach. Each risk is identified and assessed through an impact and likelihood matrix to prioritise its importance. The identified risks with their relevant mitigation plans are escalated to different hierarchical committees according to pre-defined criteria and mandates. The ERM team continuously monitors, liaises and follows up with risk owners for updates and progress on mitigation plans until the risk matches the agreed risk appetite.

Aldar has a Board-approved ERM Charter and Policy & Procedure documents in place, which are periodically reviewed and updated. The meetings of the various mandated committees are convened periodically, which has helped to improve the function across the Company. Aldar's Board and management firmly believe in continuous improvement and will persist to build on this solid foundation to strengthen risk management.

Risk management Framework

Risk Governance

Board
- Sets the tone and culture towards effective risk management
- Approves ERM framework
- Agrees on the entity's risk appetite

Top-down

Identification, assessment, mitigation and oversight of risk at Company level

Three level committees

Risk Management Committee (RMC)
- Develops Risk Management Framework
- Reviews the presented risks along with relevant assessments and mitigation plans
- Monitors the effectiveness and progress of mitigation plans
- Approves deliverables and recommendations to the MC

Executive Management Committee (MC)
- Reviews high and critical risks
- Evaluates the existing action plans and the proposed mitigation plans
- Assists in identification of principal and emerging risks
- Reviews and internal controls in endorses treatment plans for operational effectiveness
- Makes requisite recommendations to the AC

Audit Committee (AC)
- Reviews critical risks
- Monitors the effective functioning of the RMC
- Provides key highlights to the Board as part of the AC's annual report

Bottom-up

Identification, assessment and mitigation of risk at a business unit and functional level

Risk ownership

Business units and risk owners
- Identify and assess risks
- Monitor the risks
- Ensure effective andtimely mitigation plans

GRI – 102-15

Principal risks

Each year, Aldar conducts an assessment of principal risks (see page 58 of our Annual Report). In 2019, the five most significant risks were identified as market cyclicality, geographical concentration in the Emirate, cyber threats, talent retention and health and safety.

The Risk	Risk Analysis	Treatment Plan
Strategic: High-level risks that can have a direct impact on the Company's strategic objectives.		
1. MARKET CYCLICALITY	• Ability for Aldar to effectively respond to local and regional changing market conditions. **Consequences** • Potential negative impact on launching of new developments and performance of asset portfolio. • Potential negative impact on sales revenue, cash flows, asset valuations, debt/capital and credit rating.	The Board mitigates market risk through the review of the Group's strategy on a regular basis and discussions are held to ensure the strategy is still appropriate or if it needs updating. The Company is also actively implementing the risk treatment plan: **Developments Projects** • Ensure accurate and appropriate business plans are in place to anticipate customer preferences. • Launch projects in phases to reduce cash flow exposure. • Product diversification. • Enhanced market readiness to capitalise on any opportunity via infrastructure enabled lands. **Asset Portfolio** • Combined focus on tenant selection and improving their trading performance through proactive leasing and targeted marketing initiatives. • Full merchandising strategy in retail assets; zoning and category optimisation, sustainable pricing and innovative re-purposing. • Continued focus on corporate deals to provide long term revenue visibility and de-risk residential portfolio revenue streams. • Sustainability initiatives leading to cost saving through energy audit and energy saving initiatives. • Enhancing customer experience through cross-selling across asset classes and introduction of loyalty programmes.
2. GEOGRAPHICAL CONCENTRATION IN THE EMIRATE OF ABU DHABI	• Geographical concentration from only operating in Abu Dhabi. **Consequences** • Exposure to Abu Dhabi as a single market will potentially constrain Aldar's ability to grow and achieve its strategic objectives to deliver sustainable returns for shareholders.	The Company realises the inherent risk of geographical concentration of operations and is steadily mitigating it by: • Entering joint ventures within the wider UAE and in Gulf Cooperation Council markets. • Developing regional and international sales and marketing capability to expand the investor pool.

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The Risk	Risk Analysis	Treatment Plan
Operational: Risks related to performance, customers, and the effective and efficient use of resources.		
3. TALENT RETENTION	· Ability to attract and retain a talented pool of employees with the right skills and experience. **Consequences** · Potentially a negative impact on Company's ability to deliver the business plan.	The People and Performance strategy and treatment plan encompasses: · Long term incentive programme to assist retention of critical personnel. · Succession planning and career path programmes for high potential personnel. · Organisation-wide Employee Satisfaction Survey conducted annually to identify areas for improvements. · Exit interviews to identify critical areas of improvement for People and Performance policy and practices. · Proactively identifying employee's satisfaction parameter by conducting annual survey 'Great place to work' to identify potential gaps.
4. HEALTH AND SAFETY	· Serious OSH (Occupational Safety and Health) incident. **Consequences** · Potentially a negative impact on Company's vision and brand locally and internationally with consequential financial implication due to project delays, civil suit and fines.	The Company has a comprehensive and integrated health and safety strategy and implementation plan: · All PMCs, consultants and principal contractors must register with OSHAD (Abu Dhabi Occupational Safety and Health Centre), comply with Aldar OSH Policy and abide by their standards. · Produce monthly OSH statistics to monitor performance across the projects and the portfolio of assets, develop lesson learnt and analyse trends to ensure and promote safest practices. · Proactive integration between QHSE (Quality, Health, Safety & Environment) and project teams for an effective implementation of the OSH monitoring programme, i.e. internal and external OSH audit, committee meeting, OSH meeting and periodic inspections. · Raising staff awareness by conducting training and OSH campaigns, updating and communicating the Company's OSH/EHS (Environment, Health and Safety) Management System (EHSMS) and regulatory requirements. · Publishing OSH alerts to prevent incident.

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The Risk	Risk Analysis	Treatment Plan
Operational: Risks related to performance, customers, and the effective and efficient use of resources.		
5. INFORMATION SYSTEMS AND CYBER THREAT	· System vulnerabilities and control weaknesses are exploited by malicious actors over the internet. **Consequences:** · If digital assets are not adequately protected from cyber threats, this can lead to disruption of business operations, financial losses and loss of reputation.	The information Security & Compliance function continues to assess and strengthen the security and compliance readiness of its IT function. The unit undertakes but not limited to the tasks below: · DT achieved ISO 27001 certification in 2017. ISO 27001 surveillance audit is conducted by the Lead Auditors annually. · Security Baseline controls implemented and regularly reviewed to mitigate threats from known vulnerabilities. · Advanced Threat Protection deployed to detect and mitigate cyber threats based on artificial intelligence and machine learning. · DNS Security controls in place to proactively identify, block and mitigate targeted threats such as malware, ransomware, phishing and data exfiltration. · Security monitoring system, including Data Loss Prevention control, in place to correlate security events and trigger alerts. · Disaster recovery strategy and plan in place, reviewed and tested on regular basis. · Organisation-wide mandatory security awareness training programme in place. · Vulnerability management programme in place to identify and mitigate system weakness.

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Internal controls

Our internal control system contributes to reducing risks related to our operations, finances and compliance. The annual review and assessment of internal controls is managed by the Internal Audit department, which reports to the Audit Committee. Key elements of the internal control system include policies that regulate Aldar's activities and contribute to reducing ESG risks, such as the Social Responsibility Policy, the Code of Business Conduct, the Whistleblower and Fraud Policy; the External Auditor, the Internal Audit department and management are in charge of overseeing the effectiveness of the internal control system; and continuous market disclosure to analysts, investors and shareholders. Further details on our internal control system are provided on page 97 of the Annual Report.

Data security

Cyber-attacks are a further scenario that we rigorously prepare for on an ongoing basis. Aldar has defined a comprehensive information security policies framework to mitigate cyber threats. All policies and IT Risk Management Framework are aligned with CObIT, ISO27001 and NIST. Aldar's IT services have been awarded ISO/IEC 27001:2013 certification, which recognises the existence of systems and processes to protect all its corporate and client information assets. ISO 27001 surveillance audit is conducted by the Lead Auditors annually.

Aldar has implemented a robust security architecture and has deployed up-to-date security technologies to prevent cyber threats and detect security incidents. These include a vulnerability management programme, security enhancements as part of our risk assessments to, need-to-know and need-to-have principles for data access, Domain Name System security controls, an Advanced Threat Protection layer deployed on endpoints and perimeters, a Disaster Recovery Strategy and organisation-wide end-user security awareness training programme.

▸ **73%**
of employees and
75%
of external stakeholders completed cyber security awareness training

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Performance against KPIs

FOCUS AREA	KPI		PERFORMANCE
ECONOMY	**Stable, responsible, diversified growth**	Group revenue change	+11%
		Gross profit change	+2%
		Off-plan development sales change	+54%
	Exceptional experience and loyalty	Retail tenants engaged in sustainability[50]	360
		Average retail retention rate at Yas Mall, Al Jimi Mall and the Mall at World Trade Center Abu Dhabi	76%
		Customer satisfaction rate, parents survey, Aldar Academies	78%
	Innovation	Employee innovation ideas submitted	192
		Ideas implemented	6%
		New partnerships related to disruptive technologies	6
	Operational excellence	Average occupancy of assets	89%
		Weighted Schedule Performance Index	92%
		Administration time saved	12,000 hours
	Digital Transformation	Number of transformational initiatives delivered to improve operational excellence	6
		Number of transformational initiatives delivered to enhance customer centricity	5
	Responsible supply chains	Contracted suppliers integrating sustainability	6%
	Local economic development	ICV certified suppliers	33.3%
		Government infrastructure awards	AED 5 billion
		Proportion of procurement contracts awarded to local suppliers[51]	98%
COMMUNITY	**Community engagement and awareness**	Community events	+100
		Employees engaged in volunteering	15%
	Impactful corporate citizenship	Strategic social investment	+AED 41m
		In-kind contributions	AED13.3m
		Number of beneficiaries of Aldar-supported Sandooq Al Watan initiatives	2,554
PEOPLE	**Developing and recognising our people**	Average training hours per employee	33
		Employee satisfaction	76.2%
		Employee turnover	14.9%

[50] Defined by the number of entries to our Green Tenant Award
[51] We define local in this context as having a UAE trade licence

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FOCUS AREA		KPI	PERFORMANCE
PEOPLE	**Diversity and inclusion**	Female in the workforce	30%
		Female in senior leadership[52]	17%
		UAE nationals	27%
		People of Determination	3 (0.7% of directly employed staff)[53]
	Wellbeing and decent employment	Welfare audits completed[54]	1
	Health and safety	Lost Time Injury Frequency Rate (LTIFR) against 0.35 target	0.07
		Fatalities, including contract workers	3
		Compliance with OSHAD and ISO 45001	100%
ENVIRONMENT	**Environmental stewardship and management**	Number of environmental non-compliances	0
	Sustainable and healthy buildings	Percentage of 1 Pearl-rated developments	79% (remaining 21% is 2 Pearl)
	Energy management and emissions	Total carbon footprint	386,072 (tco$_2$e)
		Carbon footprint intensity by Group revenue	54,012 (tco$_2$e/bn AED)
		Proportion of emissions from Development Management	11%
		Proportion of emissions from Asset Management	89%
	Water conservation	Total water consumption	9.06m (m^3)
		Water consumption intensity by Group revenue	1.26m (m^3)
	Waste management and recycling	Total solid waste generation	237,141 (t)
		Solid waste generation intensity by Group revenue	33,176 (t)
		Recycling rate Development Management	89%
		Recycling rate Asset Management retail	14%
GOVERNANCE	**Governance, ethics and transparency**	Female on the Board of Directors	14%
		Employees formally certifying compliance with the Code of Business Conduct	100%
		Employees completing cyber security training	73%

[52] Calculated as the mean average of female on the Executive Management Committee and female on the Board of Directors
[53] Excludes Adjacent Businesses
[54] Implementation only began fully in the final quarter of 2019

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Social responsibility during Covid–19

When Covid–19 was confirmed as a global pandemic in March 2020, Aldar reacted immediately. A special business continuity taskforce was set up to ensure a consistent response across our diverse businesses. A hotline has been established to respond to employee and contractor concerns, specifically ensuring safe working and transportation conditions, as well as repatriation support for contract workers (working closely with the Indian Embassy). For direct employees, we have enabled working at home by supplying the right technologies (including Wi-Fi where required) to ensure people feel fully supported to continue their role.

▸ AED 190 million

committed in March 2020 to assist tenants, homebuyers, students and business partners weather the immediate pandemic crisis.

Keeping our people and communities safe

From 24 March, we implemented strict protocols based on 16 separate World Health Organisation, Abu Dhabi Municipality and UAE Federal guidelines. These included a work from home scheme, mandatory personal protective equipment usage where relevant, two-metre spacing, one-way stairway flows for operating buildings, hourly bathroom cleaning, capacity limits and automated (no-touch) water coolers. Ongoing, thermal cameras temperature checks monitor employee risk and we are currently working with contractors to ensure staff accommodation has adequate isolation measures and that hygiene protocols are strictly enforced with inspections.

Talal Al Dhiyebi
Chief Executive Officer

Abu Dhabi's leadership has been proactive and resolute in safeguarding the health of its residents and the economy. As an industry leader, Aldar will continue to play a transparent role towards a more sustainable future.

Leveraging digital transformation

Aldar was among the first private sector organisations in Abu Dhabi to implement a remote working policy. Employees have access to a dedicated web portal that addresses their concerns relating to the virus. They can also access a free mental wellbeing support line and can sign up to live sessions with health authority professionals.

▸ The first company

in Abu Dhabi's to host its Annual General Meeting as a video conference

Across our Asset Management and Adjacent Businesses, we also saw digital technologies being scaled up to support customers. In retail, Yas Mall launched a 'We Shop For You' service for all essential items available from Carrefour and pharmacies, with expansion to the entire Yas Mall retail offer in progress. Aldar Education has invested AED 10 million in a sophisticated distance learning blended model, extending support to other schools in Abu Dhabi also; while Retail has virtualised its property tours for interested buyers and tenants.

OVERVIEW   ECONOMY   COMMUNITY   PEOPLE   ENVIRONMENT   GOVERNANCE & RISK   **DISCLOSURE**   GRI

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Data annex

Social responsibility during Covid-19

Financial assistance to customers

Recognising that Covid-19 is adding pressure to family finances, across our residential portfolio we have introduced monthly payment plans to support and ease rental commitments until the end of 2020. We have also set aside AED 60million to offer prospective tenants at Yas Acres, the Bridges, Mamsha and Jawaher low interest (1.99%) fixed-rate mortgages for three or five years, with no application or valuation fees.

Across Education, we have allocated AED 50 million to enable school continuity. We have also reduced fees by 20%, introduced monthly payment options with zero interest for the 2020-21 academic year and refunded all catering and transport expenses for term 3 of the current academic year. An 'all in this together' fund has been set up to support families who are expected to be significantly impacted financially.

▸ **20%**
reduction in Term 3 Fees

With our retail sites closing in line with the law, we have stepped in to support business tenants with rent suspension and an AED 60 million package focused on smaller businesses and start-ups.

Wider support to society

We have made available over 2,000 rooms across our portfolio of hotels for individuals required to quarantine and more than 100 rooms for medical professional use. All non-essential hotel staff are working from home while those who remain on site continue to receive regular training and guidance on the precautionary measures they need to take while performing their duties.

▸ **AED1 million**
donated by Aldar Employees to public Together We Are Good programme to support the community and promote social responsibility.

Deepening our partnership with Sandooq Al Watan, we have given a further AED 5 million to distribute 10,000 laptops to school and university students in line with the Ministry of Education's distance learning programme. The initiative will ensure students are able to continue their education journey and acquire the knowledge and skills they need to be the next generation of leaders.

Finally, Aldar has allocated AED 20 million to various national initiatives including national sanitation efforts and waiving all administrative fees associated with transacting with Aldar. We remain committed to paying all stakeholders, including shareholders and contractors on time.

OVERVIEW   ECONOMY   COMMUNITY   PEOPLE   ENVIRONMENT   GOVERNANCE & RISK   **DISCLOSURE**   GRI

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Data annex

Data annex

Workforce data: Adjacent Businesses

Headcount	2017	2018	2019
Aldar Education			
Direct employees	975	1490	2515
Indirect employees	934	1234	1624
Number of nationalities (direct employees)	42	54	75
% Emiratisation (direct employees)	10.05%	6.71%	4.21%
% female (direct employees)	76.10%	78.26%	79.17%
Provis and Khidmah			
Direct employees	2,773	3,042	3,338
Indirect employees			
Number of nationalities (direct employees)	46	47	47
% Emiratisation (direct employees)	0.25%	0.16%	0.21%
% female (direct employees)	16.23%	16.90%	16.99%
Hospitality and Leisure			
Direct employees	2113	2430	3129
Indirect employees	234	323	313
Number of nationalities (direct employees)	85	74	82
% Emiratisation (direct employees)	0.14%	0.16%	0.29%

GRI Empowering Sustainable Decisions

Materiality
Disclosures
Aldar Properties PJSC

Sep 2020 Service

GRI Content Index

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102–40 to 102–49 align with appropriate sections in the body of the report.

The document has been prepared in accordance with GRI Standards: Core option. The GRI Standards is an internationally recognised sustainability reporting framework used widely for reporting on sustainability performance including economic, environmental and social impacts. The GRI Standards emphasise the importance of materiality in sustainability performance evaluation and reporting. An index of GRI disclosures is included below.

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GRI 101: Foundation 2016

GRI Standard	Disclosure	Reference
	Organizational Profile	
	102–1 Name of the organization	P91
	102–2 Activities, brands, products, and services	P6, P7, P9
	102–3 Location of headquarters	P91
	102–4 Location of operations	P7
	102–5 Ownership and legal form	AR P109
	102–6 Markets served	P7, P9
	102–7 Scale of the organization	P78–79, AR P3
	102–8 Information on employees and other workers	P34, P28
	102–9 Supply chain	P25–26
	102–10 Significant changes to the organization and its supply chain	P25–26, no significant changes
	102–11 Precautionary Principle or approach	P45, P46, P66
	102–12 External initiatives	P4, P12, P46,
	102–13 Membership of associations	Aldar participates in national and international industry associations which promote and advance sustainable principles. Aldar is a founding member of the Abu Dhabi Sustainability Group and since the formation of the Sandooq Al Watan National Fund in 2016, Aldar has been one of the initiative's largest individual donors (see P31)
GRI 102: General Disclosures 2016	**Strategy**	
	102–14 Statement from senior decision–maker	P4–5
	102–15 Key impacts, risks, and opportunities	P6–7, P8, P10–11, P73–76, AR P56–60
	Ethics and Integrity	
	102–16 Values, principles, standards, and norms of behavior	P9, P71–72
	102–17 Mechanisms for advice and concerns about ethics	P72
	Governance	
	102–18 Governance structure	P66–68, AR P82–103
	102–19 Delegating authority	P68, AR P106–107
	102–20 Executive–level responsibility for economic, environmental, and social topics	P68
	102–21 Consulting stakeholders on economic, environmental, and social topics	P10, P69–70
	102–22 Composition of the highest governance body and its committees	AR P82
	102–23 Chair of the highest governance body	AR P84–85
	102–24 Nominating and selecting the highest governance body	AR P82–103 (especially P99–100)
	102–25 Conflicts of interest	P71
	102–26 Role of highest governance body in setting purpose, values, and strategy	P10–11, P66–68, AR P84–85, P92–93
	102–27 Collective knowledge of highest governance body	AR P80–81, P87

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GRI Standard	Disclosure	Reference
	102-28 Evaluating the highest governance body's performance	P67
	102-29 Identifying and managing economic, environmental, and social impacts	P10-11, P68
	102-30 Effectiveness of risk management processes	AR P56-60
	102-31 Review of economic, environmental, and social topics	P8, P10-11
	102-32 Highest governance body's role in sustainability reporting	P8, P10-11, P66-68.
	102-33 Communicating critical concerns	P66-68, P71-72
	102-34 Nature and total number of critical concerns	Not yet disclosed
	102-35 Remuneration policies	AR P89-90. AR P92, AR P99-100
	102-36 Process for determining remuneration	AR P89-90. AR P92, AR P99-100
	102-37 Stakeholders' involvement in remuneration	AR P89-90. AR P92, AR P99-100
	102-38 Annual total compensation ratio	Not yet disclosed
	102-39 Percentage increase in annual total compensation ratio	Not yet disclosed
	Stakeholder Engagement	
	102-40 List of stakeholder groups	P69-70
	102-41 Collective bargaining agreements	P71
GRI 102: General Disclosures 2016	102-42 Identifying and selecting stakeholders	P69-70
	102-43 Approach to stakeholder engagement	P69-70
	102-44 Key topics and concerns raised	P10-11
	Reporting Practice	
	102-45 Entities included in the consolidated financial statements	AR P132-134
	102-46 Defining report content and topic Boundaries	P10-11, P91
	102-47 List of material topics	P10-11
	102-48 Restatements of information	No re-statements made in this report
	102-49 Changes in reporting	P10-11, P91
	102-50 Reporting period	P90
	102-51 Date of most recent report	2018
	102-52 Reporting cycle	Annual
	102-53 Contact point for questions regarding the report	P91
	102-54 Claims of reporting in accordance with the GRI Standards	P2
	102-55 GRI content index	P83-P89

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GRI Standard	Disclosure	Reference
GRI 103: Management Approach 2016	103–1 Explanation of the material topic and its Boundary	P90 (Boundaries), P10–11 (Material topics), P14 (Economy), P28 (Community), P33 (People), P45 (Environment), P65 (Governance & risk)
	103–2 The management approach and its components	P9 (Approach/ integration in business model), P12 (Approach/ sustainability framework), P14–15 (Economy), P28–29 (Community), P33–34 (People), P45–46 (Environment), P65–66 (Governance & risk), P91 (Reporting Principles)
	103–3 Evaluation of the management approach	P8–11
GRI 201: Economic Performance 2016	201–1 Direct economic value generated and distributed	P3, P14, AR 124–129
	201–2 Financial implications and other risks and opportunities due to climate change	Aldar is committed to: – Assess ESG risks and their financial implications on the business. – Integrate sustainability into investment criteria and due diligence.
	201–3 Defined benefit plan obligations and other retirement plans	AR P130, 134
	201–4 Financial assistance received from government	AR P143
GRI 202: Market Presence 2016	202–1 Ratios of standard entry level wage by gender compared to local minimum wage	There is no minimum salary stipulated in the UAE Labour Law
	202–2 Proportion of senior management hired from the local community	P38, P79
GRI 203: Indirect Economic Impacts 2016	203–1 Infrastructure investments and services supported	P5, P15, P27
	203–2 Significant indirect economic impacts	P15–22, P25–27
GRI 204: Procurement Practices 2016	204–1 Proportion of spending on local suppliers	P27, P78
GRI 205: Anti-corruption 2016	205–1 Operations assessed for risks related to corruption	Being checked
	205–2 Communication and training about anti-corruption policies and procedures	P65, P71-72
	205–3 Confirmed incidents of corruption and actions taken	No cases of corruption–related incidents were detected / observed in 2019
GRI 206: Anti-competitive Behavior 2016	206–1 Legal actions for anti–competitive behavior, anti–trust, and monopoly practices	None
GRI 301: Materials 2016	301–1 Materials used by weight or volume	Not yet disclosed; some discussion of materials P60–62
	301–2 Recycled input materials used	Not yet disclosed; some discussion of materials P60–62
	301–3 Reclaimed products and their packaging materials	Not yet disclosed
GRI 302: Energy 2016	302–1 Energy consumption within the organization	P52–55. Total 2019 Energy consumption (including cooling): 825,747 MWh
	302–2 Energy consumption outside of the organization	Not yet disclosed
	302–3 Energy intensity	P52–55. Total 2019 energy intensity: 116,000 MWh/billion AED
	302–4 Reduction of energy consumption	P52–55
	302–5 Reductions in energy requirements of products and services	P52–55

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GRI Standard	Disclosure	Reference
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	P56-59
	303-2 Management of water discharge-related impacts	P56-59. Local municipalities are in charge of water discharge for commercial and residential assets
	303-3 Water withdrawal	P56-59
	303-4 Water discharge	P56-59
	303-5 Water consumption	P56-59
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	P63-64
	304-2 Significant impacts of activities, products, and services on biodiversity	P63-64
	304-3 Habitats protected or restored	P63-64
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	P63-64. All development projects in Abu Dhabi require No Objection Certificates (NOCs) from the EAD. The EAD requests environmental studies to be undertaken for development project prior to starting construction. Terrestrial surveys are undertaken as part of these environmental studies to document the flora and fauna present within a proposed project area. These habitats are classified as per the IUCN list, and anything of significance that is present will require specific mitigation measures or, at times, relocation to ensure the protection of biodiversity in the Emirate. Potential projects in areas of high biodiversity value may not be receive NOCs from the EAD and will therefore be required to change location or halt the project. Aldar owns a large landbank and has a large number of development Projects undertaken. Therefore, although a comprehensive IUCN list is not presented within this Report, it is available for each individual development project as part of the environmental studies carried out for the EAD. This is mandatory for all Projects in Abu Dhabi.
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	P52-55
	305-2 Energy indirect (Scope 2) GHG emissions	P52-55
	305-3 Other indirect (Scope 3) GHG emissions	Not yet disclosed
	305-4 GHG emissions intensity	P52-55
	305-5 Reduction of GHG emissions	P52-55
	305-6 Emissions of ozone-depleting substances (ODS)	None
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Not yet disclosed
GRI 306: Effluents and Waste 2016	306-1 Water discharge by quality and destination	Local municipalities are in charge of water discharge for commercial and residential assets
	306-2 Waste by type and disposal method	P60-61
	306-3 Significant spills	No cases of significant spills were found in 2019
	306-4 Transport of hazardous waste	None
	306-5 Water bodies affected by water discharges and/or runoff	All water consumed by Aldar operations is received form desalinated water grid
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	Aldar did not receive any penalties for non-compliance with respect to environmental laws and regulations in 2019

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GRI Standard	Disclosure	Reference
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	P25
	308-2 Negative environmental impacts in the supply chain and actions taken	P25–26 (approach to supplier poor performance)
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	P34
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	P44 (benefits provided to full time employees)
	401-3 Parental leave	P37
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Per law
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	P41–44
	403-2 Hazard identification, risk assessment, and incident investigation	P41–44
	403-3 Occupational health services	P39–40, P44
	403-4 Worker participation, consultation, and communication on occupational health and safety	P40
	403-5 Worker training on occupational health and safety	P42–43
	403-6 Promotion of worker health	P39–40, P41–44
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	P39–40
	403-8 Workers covered by an occupational health and safety management system	P39–44
	403-9 Work-related injuries	P41–44
	403-10 Work-related ill health	P41–44
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	P35
	404-2 Programs for upgrading employee skills and transition assistance programs	P35–36
	404-3 Percentage of employees receiving regular performance and career development reviews	P35
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	P79, P82, AR P88
	405-2 Ratio of basic salary and remuneration of women to men	Aldar has a compensation structure which allows a specific minimum and maximum of pay for each grade, therefore the variance in pay. Additionally, the difference would also be affected by salary negotiation during recruitment phase, progression of staff within the company over a long period of time.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Aldar did not face any legal action or any recorded incident in relation to discrimination within the organisation in 2019
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	P71
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	P39, P71

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GRI Standard	Disclosure	Reference
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	P39, P71
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Not disclosed
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Not disclosed
GRI 412: Human Rights Assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	P39, Aldar HR policy
	412-2 Employee training on human rights policies or procedures	P39, Aldar HR policy
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Aldar HR policy, Aldar operates in the UAE and complies with the Rule of Law and Human Rights. Aldar has also committed to audit 100% of prime contractors against our Worker Welfare Policy by end of 2021 and to report on the percentage of completion
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	P28-32
	413-2 Operations with significant actual and potential negative impacts on local communities	P28-32
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	P25
	414-2 Negative social impacts in the supply chain and actions taken	P25-26, P39, No known incidents during 2019
GRI 415: Public Policy 2016	415-1 Political contributions	None
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	P48-51
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	No known incidents during 2019
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	P49
	417-2 Incidents of non-compliance concerning product and service information and labeling	No known incidents during 2019
	417-3 Incidents of non-compliance concerning marketing communications	No known incidents during 2019
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	No breaches identified in 2018. No complaints received regarding this matter in 2019
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	Aldar did not suffer any legal action or fine for non-compliance with social and economic laws or regulations in 2019

Principles for defining report content and quality

Stakeholder inclusiveness

This report draws upon the outcomes of regular, constructive dialogue with key stakeholder groups. This dialogue informed the selection of topics in our materiality exercise. More information on engagement with stakeholders is available on page 69–70.

Sustainability context

Sustainability is an intrinsic part of our business strategy and is designed to align with the national Vision 2021 and 2030 plans by supporting initiatives such as Ghadan 21, the national Climate Change Plan and the UAE Green Agenda. At a global level we have aligned our approach with eight of the Sustainable Development Goals that are most relevant for our business. For more information on the integration of our sustainability and business strategy, including how economic, enviornmetnal and social topics related to long-term strategy see pages 9 and 68.

Materiality

In line with GRI Standards we have undertaken a materiality assessment across our business to understand the key issues that are important to our stakeholders and which could impact business performance.

From a universe of issues identified through extensive research (and benchmarked against best practice), in 2019 senior executives from key departments prioritised issues in relation to their potential to affect Aldar, both from their own perspective and from the perspective of their key stakeholders. The results of these five workshops were then validated by Aldar's CEO, our Executive Management Committee and Sustainability Council.

For more information on materiality see pages 10–11.

Completeness and boundaries

This report includes technical data that we have collated across Aldar using relevant regulatory guidelines. Data for sustainability KPIs is gathered throughout the year and collated annually.

The boundaries of our reporting cover, unless otherwise stated, seven active development projects (materially in construction) and all 51 assets across Retail, Residential, Commercial and Hospitality and Leisure portfolios. Going forward, we are committed to expand our environmental data coverage by including more of our Adjacent Businesses, including Aldar Education.

This report covers Aldar's corporate sustainability activities during 2019 and, due to its materiality some activities in the early part of 2020 relating to Covid-19. All data relates to the calendar year 2019, unless stated otherwise. All issues assessed to be material in the materiality exercise have been reported.

Accuracy & reliability

Data assumptions are set out in footnotes and on relevant pages.

Balance & comparability

Previous years' trend data is presented alongside current year data for comparison where available.

Emphasis on reporting topics has been informed by the group-wide materiality exercise.

Our report is aligned with the GRI Standards outlined in our GRI Context Index, including the principles for defining report quality and content.

Clarity

Due consideration has been given to conciseness during the development of this report while seeking to ensure all material issues have been covered.
The report is designed to be easy to use and navigate with hyperlinked navigation and cross-references. The report can be downloaded at www.aldar.com.

Timeliness

The information presented in this Sustainability Report was developed to reflect our performance from 1 January to 31 December 2019 in line with our Annual Report and Consolidated Financial Statements covering the same period. Aldar is committed to report on its sustainability performance annually.

Join the conversation

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