



ESG DATA PACK 2023:

SUPPLEMENT TO FISCAL **YEAR 2023** **SUSTAINABILITY REPORT**

ESG Appendix: Supplement to Fiscal Year 2023 Sustainability Report

This ESG Appendix provides additional insights on key environmental, social, and governance (ESG) performance indicators that supplement those featured in Aldar's Fiscal Year 2023 Sustainability Report. While the report remains comprehensive, this appendix includes further KPIs that offer a deeper understanding of our sustainability practices and progress.

The KPIs in this appendix reflect our continued commitment to transparency and our efforts to keep stakeholders informed of the full scope of our ESG performance. These additional metrics cover critical areas such as energy efficiency, waste management, employee well-being, and governance, offering a broader view of Aldar's sustainability initiatives beyond the main report.

By providing these insights, we aim to further demonstrate Aldar's dedication to driving positive environmental and social impact, while maintaining the highest standards of governance. Together, our sustainability report and this appendix reaffirm our commitment to responsible growth and long-term value creation for our stakeholders.



ESG KPI'S	ALDAR'S RESPONSE
Scope of 2023 sustainability reporting	Aldar's 2023 ESG report covers operations responsible for generating more than 91% of the group's revenues, highlighting the scope and impact of our sustainability efforts across key business areas.
Energy targets	Aldar's energy management project, being implemented in six phases, targets a 20% reduction in electricity. For Phases 1, 2, and 3, the baseline year is 2019, while for Phases 4, 5, and 6, the baseline year is either 2022 or 2023. This phased approach ensures continuous improvement in resource efficiency across Aldar's operations.
On-site energy generation	Aldar is actively committed to integrating on-site renewable energy across all new construction and major renovation projects. Presently, we are spearheading four key initiatives—three schools and one commercial tower—designed to include solar panels with a target of covering up to 15% of their energy needs. Additionally, we are upgrading 45 existing properties with rooftop solar PV systems, aiming to have these systems fully operational by year-end.
Energy audits	Aldar has conducted 66 ASHRAE Level II/III Energy audits over the last two years, followed by retrofit projects for these assets. Aldar recognizes the importance of proactively identifying and managing environmental and social risks associated with its standing investments.
GHG risk management	<p>Aldar has appointed a Chief Financial and Sustainability Officer (CFSO) responsible for managing climate-related transition risks, a role that is central to our strategic commitment to sustainability and climate resilience.</p> <p>Climate strategy: The CFSO is tasked with developing and overseeing the implementation of Aldar's climate strategy, ensuring alignment with both business objectives and broader sustainability goals.</p> <p>Reporting: The CFSO ensures accurate and transparent reporting on climate-related risks, opportunities, and performance, enhancing accountability and communication with stakeholders.</p> <p>Stakeholder engagement: The CFSO actively engages with key stakeholders, including investors, regulators, and customers, to address and communicate climate-related issues, fostering collaborative progress toward Aldar's climate goals.</p>

ESG KPI'S	ALDAR'S RESPONSE
GHG reduction programmes	<p>Aldar has taken significant steps to reduce its environmental impact through the following key initiatives:</p> <p>Low-carbon design: Aldar incorporates low-carbon design principles into all new construction projects, focusing on minimizing energy consumption and emissions throughout the building's lifecycle.</p> <p>Green concrete: The exclusive use of green concrete in construction has resulted in a 17% reduction in embodied carbon compared to traditional concrete, significantly lowering the carbon footprint of construction activities.</p> <p>Wastewater recycling: Aldar operates several wastewater recycling plants, contributing to water conservation efforts and reducing its overall environmental impact.</p> <p>Smart meters (Pilot): A pilot program involving smart meters has been launched to enable real-time energy monitoring, offering insights for potential energy efficiency improvements.</p> <p>Use of VRF HVAC systems: Aldar employs Variable Refrigerant Flow (VRF) HVAC systems, which optimize energy use and improve climate control efficiency.</p> <p>District cooling: Where available, Aldar utilizes district cooling systems, which provide more efficient and sustainable cooling solutions.</p> <p>High-performance glass: The use of high-performance glass in building facades helps reduce heat transfer, improving energy efficiency and reducing cooling demand.</p> <p>LED lighting: Aldar incorporates LED lighting across its projects, further enhancing energy efficiency and reducing electricity consumption.</p> <p>In 2024, Aldar's retrofit projects and other sustainability initiatives achieved a 20% reduction in energy consumption and a 10% reduction in water consumption compared to the baseline year of 2019.</p>

ESG KPI'S	ALDAR'S RESPONSE
<div>Climate transition risks and opportunities</div>	<div>Technological risks:</div> <ul style="list-style-type: none"> - Rapid advancements in sustainable building materials and technologies could render existing properties obsolete. - Disruptive innovations in renewable energy generation or energy storage could impact the competitiveness of current property offerings. - Cybersecurity threats may target smart building systems or tenant data, posing operational risks. <div>Market and reputational risks:</div> <ul style="list-style-type: none"> - Decreased demand for properties with high energy consumption or significant carbon footprints. - Increased competition from developers with stronger sustainability credentials. - Negative perception or brand damage resulting from perceived inaction on climate change. - Challenges in attracting and retaining tenants or investors concerned about environmental impact. <div>Financial risks:</div> <ul style="list-style-type: none"> - Higher insurance premiums or difficulty obtaining coverage for properties exposed to climate risks. - Potential for legal challenges due to environmental damage or failure to disclose climate-related risks. <div>Market opportunities:</div> <ul style="list-style-type: none"> - Growing demand for green buildings and sustainable communities in the UAE. - Potential for premium pricing and increased occupancy rates for properties with strong sustainability features. - New revenue streams from energy efficiency upgrades, renewable energy installations, and green certifications. - Expansion into new markets or segments focused on sustainable real estate development. <div>Innovation opportunities:</div> <ul style="list-style-type: none"> - Development of innovative building designs and technologies that minimize environmental impact. - Collaboration with research institutions and industry leaders to drive sustainability in the built environment. - Adoption of smart building technologies to optimize energy use and enhance tenant experiences. <div>Cost reduction opportunities:</div> <ul style="list-style-type: none"> - Reduced energy consumption and operational costs through improved building efficiency. - Lower maintenance costs and extended asset lifespans through the use of sustainable materials and technologies. - Potential for tax incentives or subsidies for investments in renewable energy or energy efficiency projects. <div>Reputational benefits:</div> <ul style="list-style-type: none"> - Enhanced brand image and reputation as a leader in sustainable real estate development. - Increased investor confidence and improved access to green financing options. - Attraction and retention of top talent due to a strong commitment to environmental responsibility. - Strengthened relationships with tenants and communities through sustainable initiatives.

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<p>Climate physical risks</p>	<p>In addition to transition risks, Aldar recognizes the potential impacts of physical climate change risks on its operations and assets. These risks arise from the direct physical effects of climate change, such as:</p> <p>Extreme weather events:</p> <ul style="list-style-type: none"> - Increased frequency and severity of heatwaves, droughts, floods, and storms. - Potential damage to properties, infrastructure, and supply chains. - Disruption of operations and increased maintenance costs. <p>Sea level rise and coastal erosion:</p> <ul style="list-style-type: none"> - Impacts on coastal properties and infrastructure. - Increased risk of flooding and saltwater intrusion. - Potential need for relocation or adaptation measures. <p>Water scarcity and resource depletion:</p> <ul style="list-style-type: none"> - Reduced water availability for landscaping, construction, and operations. - Increased competition for water resources and potential regulatory restrictions. - Impacts on property values and attractiveness. <p>Biodiversity loss and ecosystem degradation:</p> <ul style="list-style-type: none"> - Impacts on natural habitats and ecosystems surrounding properties. - Loss of biodiversity and potential regulatory restrictions on development. - Negative impacts on reputation and brand image.

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Enterprise risk management	<p>Aldar assesses the complex relationships between environmental factors under its Enterprise Risk Management (ERM) framework, allowing for the identification of key dependencies, impacts, risks, and opportunities. This approach ensures a comprehensive understanding of environmental dynamics, supporting informed decision-making.</p> <p>Dependencies: Water resources, energy sources, local ecosystems, and biodiversity.</p> <p>Impacts: Greenhouse gas emissions, water consumption, waste generation, and potential effects on biodiversity.</p> <p>Risks: Climate change impacts (e.g., extreme weather events, water scarcity), resource depletion, and regulatory changes.</p> <p>Opportunities: Energy efficiency improvements, renewable energy adoption, waste reduction and recycling programs, and enhanced reputation for sustainability leadership.</p> <p>By analyzing these factors, Aldar can identify synergies and trade-offs, ultimately supporting more effective and sustainable decision-making across its operations.</p>
Smart metering	<p>Aldar is piloting smart meter technology in one community, with plans for portfolio-wide expansion. Existing projects could lead to up to a 5% reduction in energy consumption (Scope 2) compared to 2024.</p>
Investments in retrofit projects	<p>Aldar has invested approximately AED 150 million in various retrofit projects from 2022 to the present, demonstrating a strong commitment to enhancing sustainability and energy efficiency across its assets.</p>
Waste targets	<p>Aldar is targeting an annual 2% reduction in waste generation and a 5% reduction in waste diversion from landfill, further reinforcing our commitment to sustainable waste management practices.</p>

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Solid waste management	<p>Aldar has implemented a comprehensive approach to sustainability across its operations. This includes setting ambitious targets for waste reduction and diversion, integrating renewable energy into new projects, and prioritizing water and energy efficiency. The company's commitment to green building standards, such as achieving Estidama Pearl 3 and LEED certifications, underscores its dedication to environmental stewardship. Aldar's proactive management of climate-related risks, led by the Chief Sustainability Officer, further strengthens its resilience and competitiveness in an evolving market shaped by sustainability priorities.</p> <p>Through initiatives like Ecoloop, Aldar is driving innovation in waste management, aiming to divert all Municipal Solid Waste (MSW) from its assets and implement resource optimization strategies, positioning the company as a leader in sustainable real estate development.</p>		
Certified wood	<p>To ensure adherence to sustainable sourcing practices for wood products in new building projects aiming for the highest sustainability certification (Pearl 3), at least half of the timber used, measured by cost, must originate from sustainably managed forests. This commitment is demonstrated through compliance with established sustainable forestry certifications, such as FSC, PEFC, CSA, SFI, and MTCS.</p>		
Raw material consumption	<p>Aldar provides the following annual data on raw material consumption, expressed in tonnes:</p> <table><tr><td>2023: Concrete: 1,485,678 tonnes Steel: 66,088 tonnes Asphalt: 247,317 tonnes Aggregates: 980,273 tonnes Mortar: 20,219 tonnes HDPE pipes: 3,540 tonnes uPVC pipes: 18,748 tonnes</td><td>2022: Concrete: 1676550 m3 Steel: 24585 tonnes Asphalt: 28975 tonnes Mortar: 1398 tonnes HDPE Pipes: 174 tonnes uPVC: 286 tonnes Timber: 207 tonnes Other (agg): 22572 tonnes</td></tr></table>	2023: Concrete: 1,485,678 tonnes Steel: 66,088 tonnes Asphalt: 247,317 tonnes Aggregates: 980,273 tonnes Mortar: 20,219 tonnes HDPE pipes: 3,540 tonnes uPVC pipes: 18,748 tonnes	2022: Concrete: 1676550 m3 Steel: 24585 tonnes Asphalt: 28975 tonnes Mortar: 1398 tonnes HDPE Pipes: 174 tonnes uPVC: 286 tonnes Timber: 207 tonnes Other (agg): 22572 tonnes
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Promoting innovative building materials	<p>Aldar is actively collaborating with New York University Abu Dhabi (NYUAD) on research and development projects centered on innovative building materials. Although Aldar does not directly fund these initiatives, we play a vital role by offering technical expertise and providing project sites as testing grounds for piloting new materials.</p> <p>Specific R&D projects with NYUAD:</p> <ul style="list-style-type: none">- Concrete from brine: This project focuses on using brine, a byproduct of desalination, in concrete production to promote sustainability in building materials.- Tiles made from LC3 for coral reefs: These tiles, made from Limestone Calcined Clay Cement (LC3), are designed to be used in sea walls to support coral reef growth, aiding marine biodiversity and enhancing coastal protection.		
Green buildings	<p>Since 2023, all projects under design have been targeting a 30% reduction in Energy Use Intensity (EUI) compared to the ASHRAE 2007 Baseline.</p>		
Urban site investment	<p>Aldar strategically invests in supporting SMEs, micro-enterprises and starts up through its fully owned subsidiary C2i. The business model of C2i is based on shared economy, which acts as incubator that provide co-working solutions, providing brand curation, incubation, and pioneering concepts for sustainable growth and long-term success. e.g Cloud Spaces, Ether, Yas Food Hall. More details here: https://c2i.ae/#about. Aldar also has other tenants who provide such services to SMEs and micro businesses, i.e. tenants that act as incubators other than C2i.</p> <p>Aldar is committed to minimizing environmental impact from land development by integrating sustainability principles into its greenfield development strategy. Aldar commits to developing only properties that achieve green building certification. All greenfield projects are required to meet a minimum of Estidama Pearl 2 and/or LEED certification, with sustainability targets embedded from the design stage through to construction and operation.</p>		

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Green property investment	<p>Aldar is committed to exceeding national green building standards for all new developments and refurbishments. Our design guidelines mandate Estidama Pearl 3 certification for all projects, going beyond the minimum 1 Pearl rating required in Abu Dhabi. To date, Aldar has certified two communities under LEED, with two more in the pipeline. Additionally, we are in the process of certifying over 20 buildings currently in the design stage for LEED BD+C certification, further demonstrating our leadership in sustainable development. Furthermore, all commercial buildings currently in the design phase are targeting LEED Gold certification, ensuring that we consistently meet and exceed global benchmarks for green building performance.</p> <p>Aldar is targeting a 30% improvement in Energy Use Intensity (EUI) from the ASHRAE 2007 standard, which significantly exceeds Abu Dhabi's standard of a 12% improvement. Several projects have already surpassed this target, achieving reductions of over 40% from the baseline.. By the end of 2024, Aldar will have approximately 25 assets certified for LEED Operations & Maintenance (O&M). In addition, we aim for a 40% reduction in Water Use Intensity (WUI), further enhancing water conservation across our projects, compared to the local benchmark.</p> <p>Aldar has made significant progress in green property investments through the design, certification, and ongoing enhancement of its asset portfolio. Key highlights include:</p> <ul style="list-style-type: none"> - 100% of new assets designed and built after 2011 are Estidama Pearl 1 - 17 assets corresponding to 1.1m2 were LEED O+M certified (Gold or Platinum) - Aldar is aiming to certify additional 500,000 m2 of existing assets portfolio with LEED O+M Gold by 2025
Water scarcity risk assessments	<p>Aldar is committed to addressing water scarcity by integrating water-related risks into our regular risk assessments and business strategy. This includes incorporating these risks into our overall risk register, with the Chief Financial and Sustainability Officer (CFSO) assigned to manage and oversee the process.</p> <p>Low-flow fixtures have been implemented across both design and construction projects in line with Estidama guidelines, and they have also been a key feature in our retrofit projects to enhance water efficiency.</p> <p>Moreover, we have successfully completed a pilot project on smart meters and plan to scale this initiative across our entire portfolio in the coming years, improving resource monitoring and efficiency at a larger scale.</p>
Water targets	Aldar's water management, being implemented in six phases, targets a 20% reduction in water consumption (based on the IPMVP methodology). For Phases 1, 2, and 3, the baseline year is 2019, while for Phases 4, 5, and 6, the baseline year is either 2022 or 2023. This phased approach ensures continuous improvement in resource efficiency across Aldar's operations.
Water stress risks	Aldar acknowledges that all its operations within the UAE are located in regions classified as water-stressed, according to global definitions and categorizations. While no further specific assessments have been conducted to confirm this at a more granular level, Aldar is fully aware of the challenges posed by operating in a water-scarce environment. To address these challenges, Aldar works closely with the Environment Agency Abu Dhabi (EAD) and aligns with key national strategies, such as the unified water management strategy, UAE Water Security Strategy 2036, and the Integrated Water Resources Management Plan.
Water related incidents	Aldar is committed to complying with all applicable water quality and quantity permits, standards, and regulations. In 2023, the company recorded zero incidents of non-compliance across its existing assets and construction sites.
Environmental fines	Aldar incurred zero environmental fines and penalties during the 2023 financial year, reflecting strong compliance with environmental regulations.
Anti-discrimination	Aldar maintains a strict zero-tolerance policy toward discriminatory behavior and harassment.
Equal opportunity	In 2023, 39% of the total workforce are women. Women hold 25% of all middle and top management positions, 19% of top management positions, 41% of positions in revenue-generating functions, and 27% of STEM-related roles.
Human rights assessment	<p>Aldar has consistently ensured that all Tier-1 contractors meet worker welfare criteria:</p> <p>2021: 100% of Tier-1 contractors were screened for worker welfare criteria.</p> <p>2022: 100% of Tier-1 contractors were screened for worker welfare criteria.</p> <p>2023: 100% of Tier-1 contractors and sub-contractors were audited against worker welfare criteria.</p> <p>Tier 1 contractor – General or Main Contractor on projects with whom Aldar has a contract and deploy blue-collar workers at our projects/premises.</p>

ESG KPI'S	ALDAR'S RESPONSE
Investments in training	<p>In 2023, Aldar committed 5mil AED to employee development.</p> <div><div>For the Management employee category:<ul style="list-style-type: none">- Average Training Time: 1,775 hours/year- Percentage of Employees Covered: 100%</div><div>For the Staff employee category:<ul style="list-style-type: none">- Average Training Time: 10,371 hours/year- Percentage of Employees Covered: 100%</div></div>
Performance appraisal	<p>Aldar has implemented a quarterly agile-type, cross-divisional performance rating system under the Project Boutique. Additionally, all C-Suite, N-1, and N-2 employees participate in an annual 360-degree feedback program linked to the annual bonus.</p>
Employee engagement	<p>Our engagement survey's participation rate target is set at 60% for 2024, aiming to foster strong employee involvement and gather valuable feedback for continuous improvement.</p>
Mental health	<p>Aldar is committed to promoting mental health and well-being among its employees. To support this initiative, the company has launched the Aldar PRO-FIT program, an annual fitness, wellness, and mental health program that runs for 60 days. The program includes various sports activities, such as paddle, cricket, and football tournaments, along with the Biggest Achiever Challenge in partnership with Vogue Fitness to help employees achieve their fitness goals.</p> <p>In addition, Aldar has partnered with Pure Health to offer mental health consultations through the Pura App, providing all employees confidential access to psychologists and psychiatrists when needed. This mental health service will be launched in honor of International Mental Health Day.</p>
People of determination	<p>In 2023, 0.72% of Aldar's global staff were individuals with a disability</p>
Tenants' engagement program	<p>Aldar has implemented a tenant engagement program to foster strong relationships with tenants and enhance communication across its properties. The program focuses on gathering feedback, addressing concerns, and creating a collaborative environment that supports tenant satisfaction and retention. Through regular interactions, surveys, and tenant meetings, Aldar aims to understand tenant needs, improve services, and ensure that its properties remain well-maintained and aligned with tenant expectations.</p> <p>Aldar is dedicated to enhancing environmental performance not only within its own operations but also across its tenants. The company is incorporating green lease clauses into both new and renewed commercial lease agreements, promoting tenant collaboration on energy efficiency, water conservation, and waste management. These clauses include conditions for data sharing, joint sustainability goals, and alignment with Aldar's retrofit and decarbonization strategies. Aldar had integrated environmental clauses into 73 retail leases and 112 commercial leases. Additionally, Aldar engages tenants and property managers through workshops and energy audits to suggest improvements for environmental sustainability.</p>

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Tenants' satisfaction	<p>Aldar regularly assesses tenant satisfaction through the CSAT Index to ensure high-quality service delivery and maintain strong tenant relationships. The following data reflects the average CSAT scores out of 100 for the past three years:</p> <p>2021: 86 2022: 86 2023: 88</p>
Social integration in new buildings and reconstruction	<p>At Aldar, we place significant emphasis on social integration in the design of our communities and buildings. Our approach includes incorporating elements that promote accessibility, well-being, and active living for all residents. For example, we ensure the provision of green spaces within walking distance, promoting social interaction and fostering a strong sense of community. Additionally, we design bicycle tracks, shaded walkways, and public amenities to encourage physical activity and create comfortable environments that enhance well-being.</p> <p>Since 2024, all of our developments have achieved a minimum of a 2-star Fitwel rating, which focuses on enhancing community health and well-being. Fitwel-certified projects emphasize social equity, improved physical activity, and access to healthy food, ensuring spaces are inclusive and beneficial for all.</p> <p>Moreover, several of our projects have also achieved LEED certifications for Communities and Cities at Gold or Platinum levels, recognizing our commitment to social sustainability. These certifications emphasize the creation of vibrant, inclusive communities through well-designed public spaces, access to essential services, and promotion of healthy lifestyles. For instance, Athlon and Haven, two of our flagship developments in Dubai, are LEED Platinum and LEED Gold certified, respectively, for LEED for Cities and Communities. Both developments are also Fitwel certified at 2 and 3 Stars, respectively.</p> <p>Our designs are always people-centered, ensuring that our developments not only address environmental sustainability but also enrich the social fabric of the communities we create.</p>
Safety targets for employees and contractors	<p>Aldar has set a target to maintain the Lost Time Injury (LTI) Frequency Rate at 0.35 or below. Furthermore, each project under Aldar's guidance establishes individual OSH (Occupational Safety and Health) objectives and targets, which are periodically reviewed to ensure timely achievement of goals and to uphold high OSH standards across all operations.</p>
Health and safety certification	<p>Aldar Projects has ISO 45001 accreditation, furthermore, Aldar was recognized and appreciated by the authority "Abu Dhabi Municipality" (ADM) for the Outstanding and Consistent Commitment in in enhancing the Safety and Health across the construction sector in March 2024 and recognized as strategy partner with Abu Dhabi Municipality during the previous years.</p> <p>As of 2024, Aldar has achieved ISO 45001 certification for 75% of its managed assets, encompassing over 30 projects.</p>
Health and safety monitoring	<p>Aldar projects prioritize the health and safety of all employees and contractors. To ensure compliance with the Aldar OSH management system, active consultation, participation, and engagement in safety matters are conducted periodically. As per the approved project-specific OSH Plan, each project has an established health and safety committee that meets quarterly to discuss OSH issues with employee representatives, focusing on continual improvements.</p> <p>The health and safety committee includes representatives from various organizational levels, such as the project consultant, project management consultant, contractor, and employee representatives, ensuring that feedback, suggestions, and grievances are effectively addressed and actioned as necessary.</p>

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Lost time incident frequency rate and total recordable injury rate	<p>Aldar is committed to maintaining the highest standards of workplace safety, with a strong focus on minimizing incidents and ensuring the well-being of our workforce.</p> <p>The following data outlines our Lost Time Incident Frequency Rate (LTIFR) and Total Recordable Incident Rate (TRIR) for the years 2020 through 2024, reflecting our ongoing efforts to improve safety performance and reduce workplace injuries.</p> <p>Lost Time Incident Frequency Rate (LTIFR) per million hours worked: 2020: 0.03 2021: 0 2022: 0.03 2023: 0.03</p> <p>Total Recordable Incident Rate (TRIR) per million hours worked (Sum of fatalities, Permanent Total Disabilities, Permanent Partial Disabilities, Lost Workday Cases, Restricted Work Cases, and Medical Treatment Cases): 2020: 0.02 2021: 0.03 2022: 0.04 2023: 0.06</p>

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Supplier ESG program	<p>Aldar's purchasing practices towards suppliers are regularly evaluated to ensure alignment with the supplier code of conduct and ESG requirements. These practices are updated based on suppliers' sustainability performance and evolving market trends, in line with Aldar's sustainability objectives. This proactive approach ensures compliance while reinforcing Aldar's commitment to ethical business practices.</p> <p>Supplier exclusion for non-compliance: Aldar is in the process of establishing a minimum score and threshold for suppliers participating in the sustainability technical evaluation. This work is currently in progress to ensure that suppliers meet the necessary sustainability standards.</p> <p>Preference for suppliers with better ESG performance: Aldar is developing a supplier incentive program that will reward suppliers who demonstrate improved ESG performance with a bonus score in future technical evaluations. This program is expected to be implemented soon, encouraging suppliers to enhance their sustainability efforts.</p> <p>ESG training for suppliers and stakeholders: Aldar conducts regular training for its suppliers and internal stakeholders on their roles in the supplier ESG program. This ensures that the team is well-informed and equipped to support ESG objectives throughout the supply chain. Additionally, Aldar holds supplier awareness initiatives, including sustainability-focused awareness sessions, onboarding and induction for new contractors, and a decarbonization upskilling program for suppliers.</p> <p>Anti-Corruption Policy for Suppliers: Aldar’s Group Anti- Bribery and Corruption Policy scope includes that it expects its BPs to have anti-corruption controls embedded into their business practices. Please refer to the Group Anti-Bribery and Corruption Policy for further details.</p>
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Supplier assessment and development	Aldar monitors the following KPIs for supplier assessment:					
	Construction contracts: For tenders above AED 5mn, 100% of competitive tenders completed the sustainability evaluation in Q1, Q2, and Q3 of 2024.	Non-construction contracts: For tenders above AED 500k, 89% completed the sustainability evaluation in Q1 2024, with 100% completion in both Q2 and Q3 of 2024.	Supplier assessment at the tender/bidding stage: In Q2 2024, 100% of suppliers were assessed based on their sustainability submissions in response to the RFP.	Corrective actions: For low-performing suppliers (those receiving a score of 0), dedicated training sessions are provided. In Q1 2024, 58 suppliers attended refresher training.	Supplier training: Two annual trainings are held for all registered suppliers, with one session dedicated to high-risk suppliers. For awarded contractors, training programs are provided. The first session in 2024 had 61 attendees, with the second session planned for November 2024.	On-site assessments: Awarded contractors in construction projects are assessed on their sustainability performance. 100% of contractors submit green site practices data monthly, and the average score for green site practices across projects is 60%.
	This approach helps ensure continuous improvement in supplier sustainability performance and aligns with Aldar’s broader sustainability objectives.					

Supplier capacity building	<p>Aldar has undertaken significant efforts in supplier capacity building programs:</p> <p>Bi-annual training: The first session had 61 attendees, with the second session planned for the end of 2024. Aldar Real Estate Decarbonization Upskilling Program: The first physical session had approximately 30 attendees, and the second online session had 80 attendees. Sustainability induction training: Conducted for 100% of new projects involving project managers, consultants, and contractors.</p> <p>Sustainability-focused sessions for contractors: Session 1 (Solar Hybrid systems): 73 attendees Session 2 (Single-use plastics/sustainable drinking water sources): 51 attendees Session 3 (Wastewater recycling systems and nature-based solutions): 45 attendees</p> <p>Significant Supplier Engagement: By August 15th, 60% (6 out of 10) of the highest-spend contractors signed the pledge and joined the upskilling program. An additional 20 main contractors were invited to join, with 6 joining so far, representing 30%.</p> <p>Reporting Options: As of October 1st, participation among the top 10 high-spend contractors increased from 60% to 70%. A total of 60% of the 30 main contractors have joined the pledge.</p>
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ESG KPI'S	ALDAR'S RESPONSE
Freedom of association	Aldar places a strong emphasis on maintaining a direct relationship with its employees, ensuring open communication and engagement across all levels of the organization. Aldar respects the principles of freedom of association and focuses on fostering a collaborative work environment through direct interaction with employees, promoting dialogue, addressing concerns, and supporting employee well-being within the company framework.
Lobbying practices	Aldar does not engage in any lobbying practices, both in the UAE and for its UK operations, maintaining a focus on regulatory compliance and business integrity within the respective legal frameworks.
Board diversity	Aldar is committed to facilitating a Board of Directors that is diverse in gender, age, cultural nationality and educational background, professional experience, skills, knowledge, length of service, and the legitimate interests of the Company's principal shareholders. This commitment ensures a broad range of perspectives and expertise, supporting effective governance and decision-making.
CEO compensation – success metrics	<p>Aldar's Chief Executive Officer's variable compensation is tied to specific pre-defined metrics. Financial KPIs include the below, among others:</p> <ol style="list-style-type: none"> 1. Group ROE 2. Group Operating Cashflow 3. Group Net Profit 4. Group Net Profit Margin 5. Group Incremental Adjusted EBITDA
Oversight for ethics issues	Aldar has assigned an Audit, Risk, and Compliance Committee to oversee business ethics and corruption issues, ensuring strong accountability and strategic alignment with the company's corporate governance practices. This oversight reinforces Aldar's commitment to maintaining ethical standards across its operations.
Regular audits of ethical standards	Aldar's Internal Audit team conducts audits focused on corporate governance, anti-corruption, and business ethics across all operations at least once every three years. This is done in accordance with the audit plan, which is updated annually and approved by the Group Audit Committee, ensuring continuous oversight and alignment with best practices.
Rotation of auditors	Aldar recognizes the importance of maintaining auditor independence and objectivity. To ensure this, the company has implemented a robust external auditor rotation policy. The policy mandates the rotation of the lead audit partner every 3 years and the rotation of the entire audit firm every 6 years, in compliance with UAE Securities and Commodities Authority (SCA) regulations. These regulations are designed to prevent conflicts of interest and ensure the integrity of financial reporting. The selection of new auditors is conducted through a rigorous and transparent process involving the Audit Committee, considering factors such as expertise, experience, and independence.
Provisions for fines and settlements related to ESG issues	Aldar recognizes the potential financial implications of non-compliance with ESG regulations and standards. As part of its prudent financial management practices, the company will establish provisions for potential fines and penalties related to ESG matters in its audited financial statements, when required. This approach ensures readiness for any financial liabilities that may arise from non-compliance, reinforcing Aldar's commitment to adhering to ESG standards.

ESG KPI'S	ALDAR'S RESPONSE
Pay Linked to Sustainability	Aldar's commitment to mitigating ESG risks extends to its incentive schemes, which are integrated with climate-related targets and health and safety objectives across the organization. This includes senior executives such as CEOs and CFOs of all business units, who have climate-related and health and safety objectives directly linked to their remuneration. The incentivized Key Performance Indicators (KPIs) encompass various aspects of climate action, including but not limited to carbon emissions reduction, energy intensity, water efficiency targets, and health and safety metrics such as Lost Time Injury Frequency Rate (LTIFR).
Employee Training on Ethical Standards	The training will cover key topics outlined in Aldar's Employee Code of Business Conduct, ensuring that participants understand the principles and expectations that guide ethical behaviour across the organisation. Upon completion, each employee will be required to formally acknowledge both their participation in the training and their adherence to the Code.



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