



SUSTAINABILITY REPORT 2022

TOGETHER FOR A BETTER FUTURE

EXECUTIVE SUMMARY

INTRODUCTION

KEY 2022 HIGHLIGHTS

OUR PURPOSE AND STRATEGY

OUR BUSINESS

OUR SUSTAINABILITY COMMITMENT

OUR NET ZERO JOURNEY

DRIVING SUSTAINABLE GROWTH

SUPPORTING PEOPLE AND COMMUNITIES

IMPROVING ENVIRONMENTAL PERFORMANCES

ENSURING STRONG GOVERNANCE

SHAPING A BETTER FUTURE

Our report shares the story of our commitment, approach and progress as we move forward together to create a better, more sustainable future for our Group, our stakeholders, the real estate sector as a whole and the wider world.

At Aldar, we work together with our stakeholders to enable people to live well, across Abu Dhabi and beyond. By living well, we mean living in a way that is beneficial and sustainable for both people and the planet. This is our great ambition, responsibility and opportunity – our purpose is to shape a better future.

As a leading integrated real estate developer, investor and manager in the Middle East region, we are uniquely positioned to live up to our purpose. We work together as one across the full asset lifecycle – from land acquisition to masterplanning, design, development and ongoing asset management – to build and manage inspiring places that enhance quality of life in harmony with the environment and the wider needs of society.



With President His Highness Sheikh Mohamed bin Zayed Al Nahyan declaring 2023 the “Year of Sustainability”, we have an opportunity to accelerate our momentum. We are focused on supporting the UAE Government on this critical initiative, guided by our leaders’ long-term vision, and inspired by their unwavering commitment to ensuring a prosperous future for generations to come.

Unlocking a better future demands innovation and the bar to be set ever higher. It also takes the transformative power of collaboration. Working as one, we are rising to this challenge and leading the way.

H.E Mohamed Khalifa Al Mubarak
Chairman of Aldar Properties



Looking forward, we continue to look for new ways to collaborate and innovate to enhance sustainability across everything we do, and we will maintain our focus to deliver an ever-greater positive impact. We are committed to enriching people’s lives, today and tomorrow.

Talal Al Dhiyebi
Group Chief Executive Officer of Aldar Properties



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ECONOMY

AED 7.6BN
Recirculated to the local economy

400+
Suppliers trained on sustainability

COMMUNITY

1ST
Sustainable-living focused community launched in Abu Dhabi

AED 42MN
Invested in impactful programmes

ENVIRONMENT

NET ZERO
Launched plan with 2030 and 2050 targets

AED 25MN
Additional amount invested in energy retrofit projects

PEOPLE 36%
Growth in total Group workforce

42%
Emiratisation rate in corporate workforce

GREEN BUILDINGS

100% ALL OUR NEWLY LAUNCHED DEVELOPMENTS ARE 2 PEARL ESTIDAMA AT MINIMUM



LEED (ID+C) CERTIFIED SPACES WITHIN OUR PORTFOLIO

- LEED PLATINUM
- Aldar Square office
 - Khidmah HQ
 - Aldar Education HQ

- LEED GOLD
- Aldar Projects Office
 - ADGM Towers



LEED (BD+C) CERTIFIED SPACES WITHIN OUR PORTFOLIO

- LEED GOLD
- ADGM Towers

AWARDS

Emirates Green Building Council

- Sustainability Training Initiative of the Year – Suppliers Sustainability Training
- Green Developer of the Year
- Retrofit Project of the Year – Aldar Square

The Big 5 Construction Impact Awards

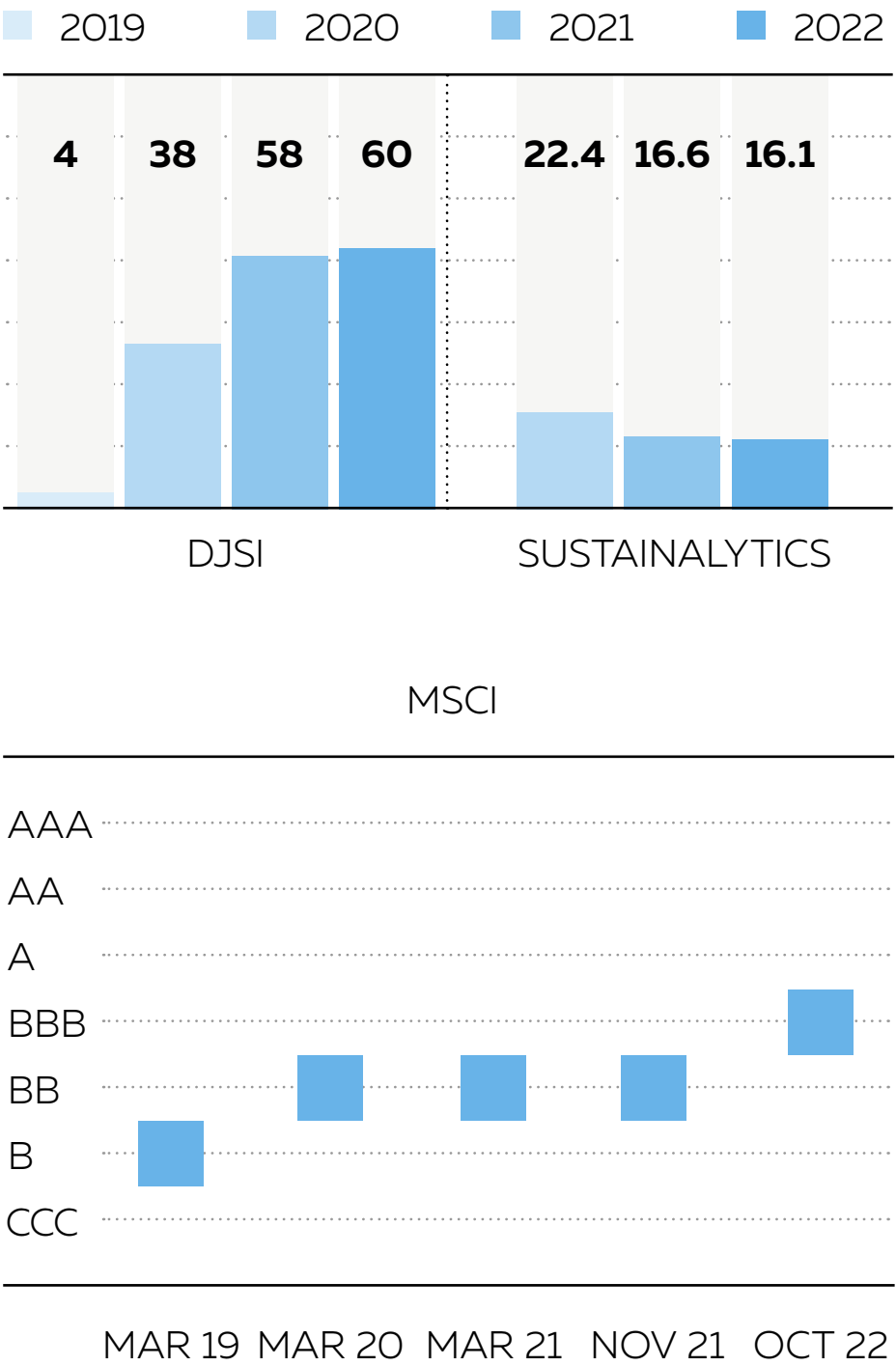
- Digitalisation Project of the Year
- Digital Transformation of the Year

SUSTAINABILITY RELATED MEMBERSHIPS

- Science Based Target initiative (SBTi) Expert Advisory Group for the buildings sector
- Emirates Green Building Council
- Green Business Network (Environment Agency – Abu Dhabi)
- Clean Energy Business Council (CEBC)
- United Nation Global Compact (UNGC)

ESG RATINGS

Reflecting our strong commitment and continued progress, we have improved our ratings across three global ESG indices. This includes a two-point increase on the Dow Jones Sustainability Index (DJSI), while the sector average slightly declined. MSCI upgraded Aldar from a BB rating to BBB, and Sustainalytics lowered the Company's risk from 16.6 to 16.1 in its ESG Risk Assessment Scale.





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OUR PURPOSE AND STRATEGY

As a leading real estate developer, investor and manager in our region, we are here to shape a better future and in so doing create long-term value for our stakeholders. We align our business and sustainability strategies to this end.



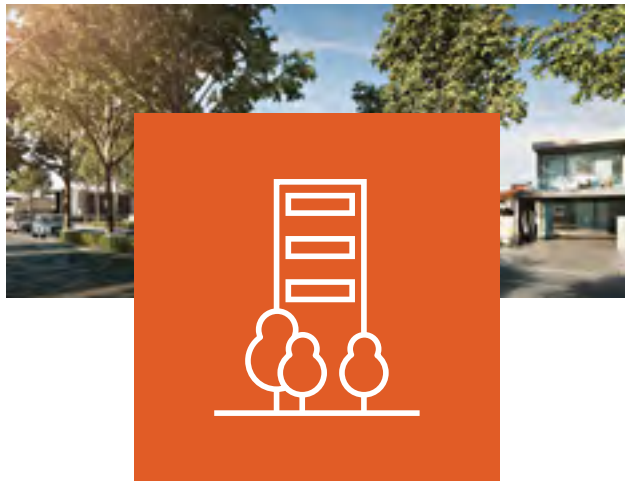
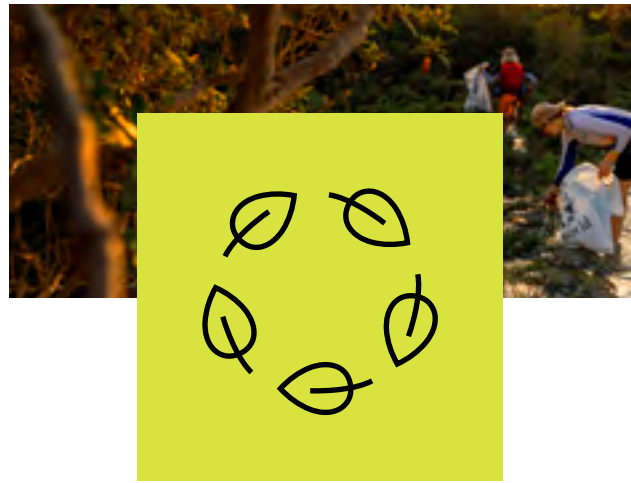
STRATEGIC AIMS

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.
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OUR 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.

SUSTAINABILITY PILLARS

			
ECONOMY	COMMUNITY	PEOPLE	ENVIRONMENT

SUPPORTED BY

Core Values	Close Partnerships	Strong Governance	Stretching Targets
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OUR BUSINESS

To take full advantage of our strengths as a fast-growing, diversified property development and investment company, we work together as one unified Group.

Within our Group, we have two core business segments: Aldar Development and Aldar Investment. Together, they ensure we excel across the full value chain.

ALDAR DEVELOPMENT

Aldar Development includes our homebuilding business responsible for developing our 69-million-square-metre land bank*; our fee-based project management business; and our international expansion platform (including in Egypt, through majority ownership of SODIC).

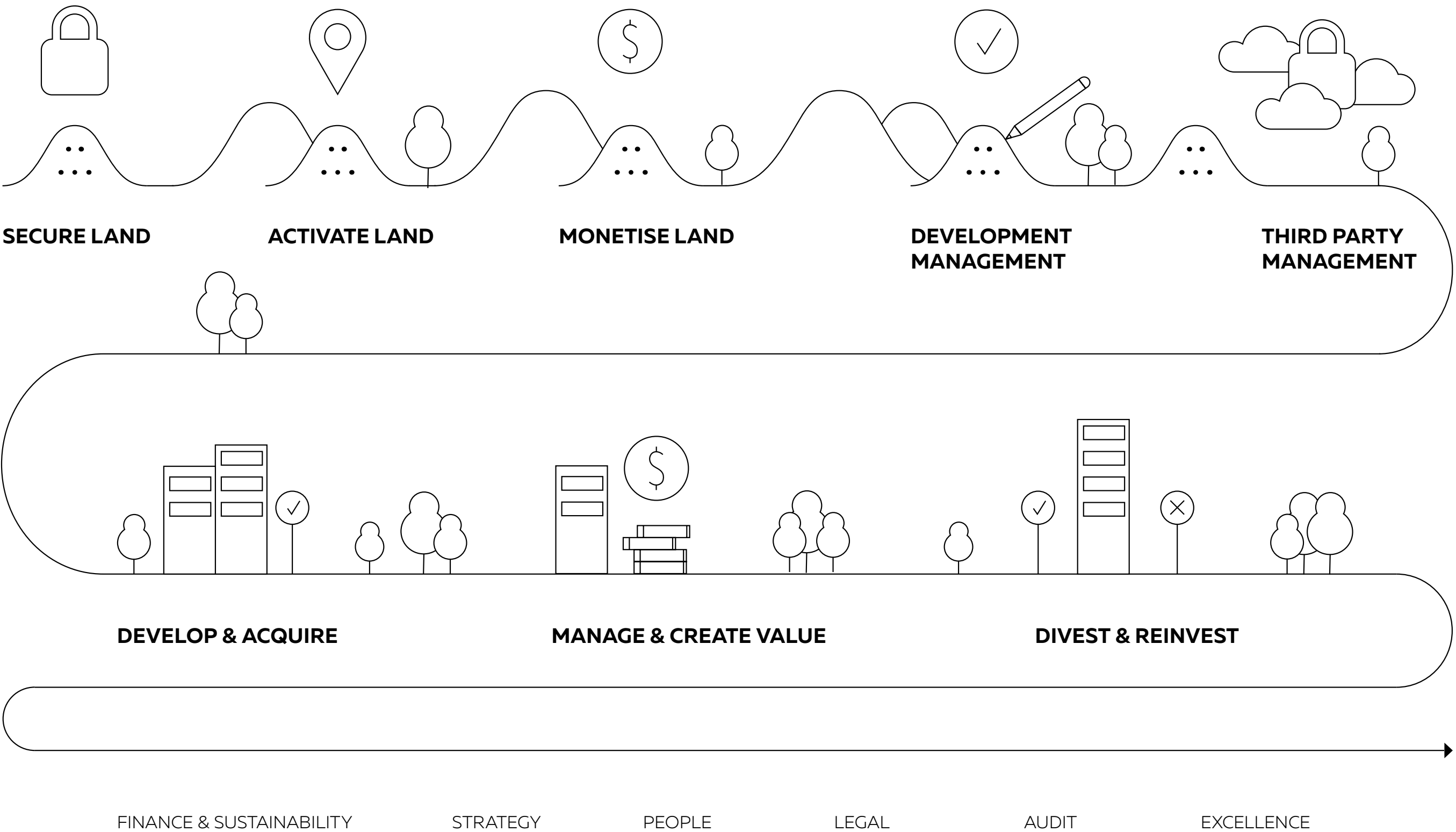
*UAE landbank as of 31 December 2022.

ALDAR INVESTMENT

Aldar Investment is our core asset management business, focused on maximising the value of our diverse portfolio, valued at over AED 32 billion. It includes our leading real estate investment platform and three additional business lines: Aldar Education, Principal Investments (Provis, Khidmah and C2i), and Aldar Hospitality.

EXCELLING ACROSS THE WHOLE VALUE CHAIN

CORE ACTIVITIES





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OUR SUSTAINABILITY COMMITMENT

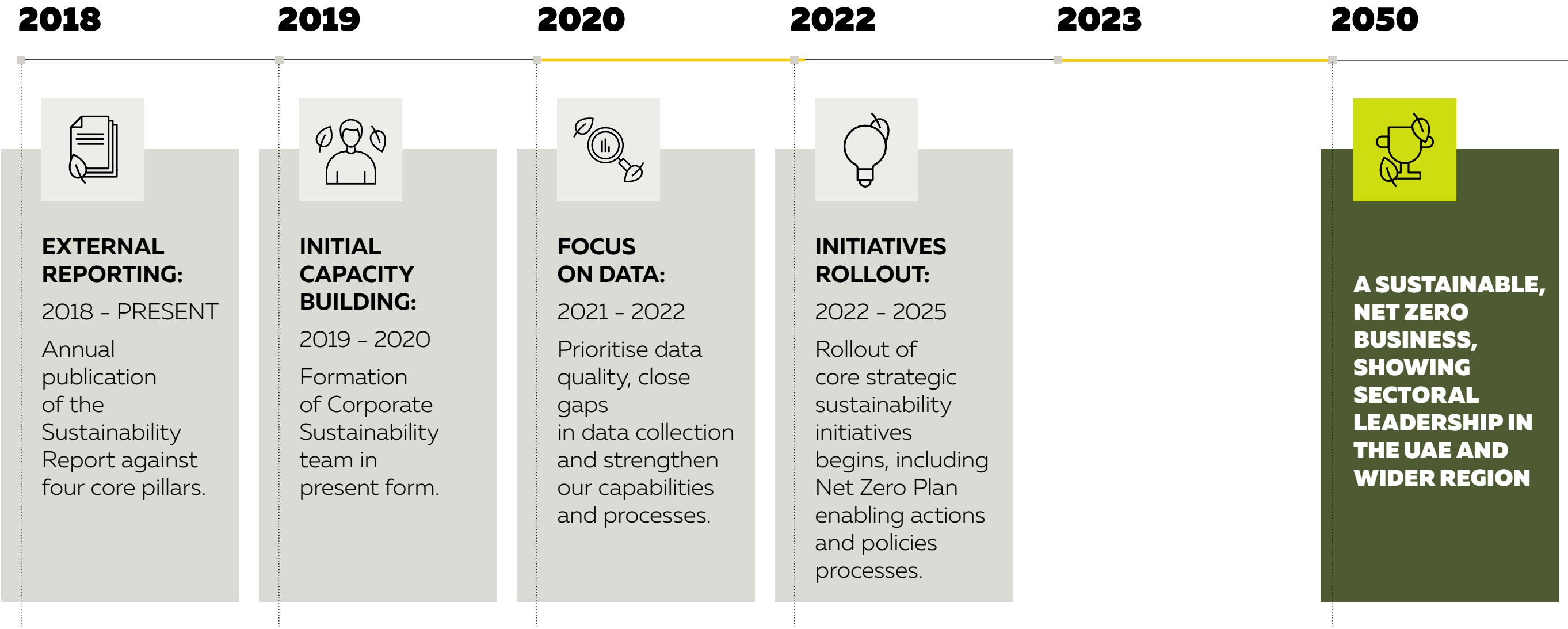
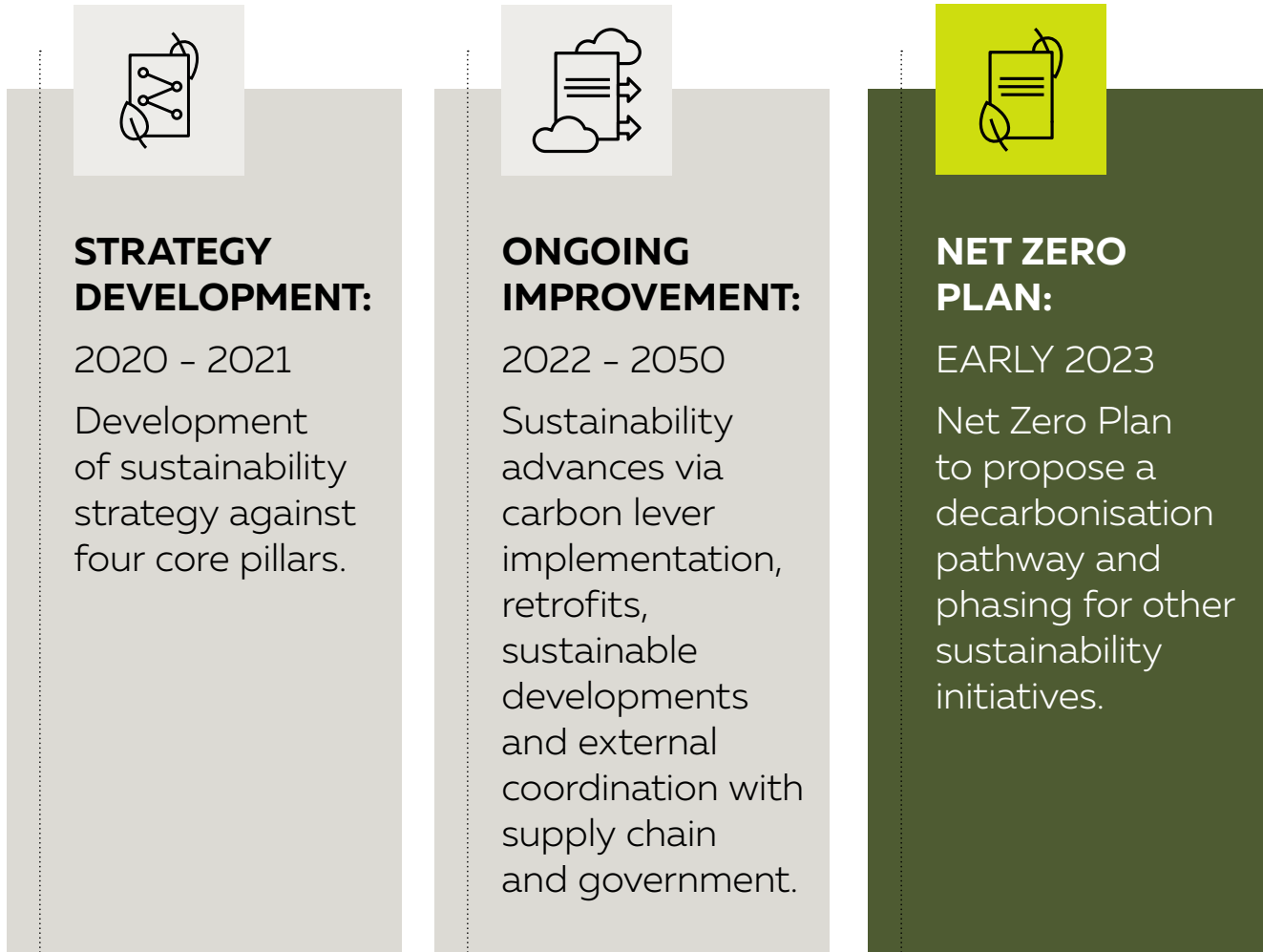
We are embedding sustainability all the way along the value chain.

Across the Group we are involved at every stage of the real estate value chain, and we aim to embed sustainability all the way along – from making it a core part of our masterplanning to pioneering green building design, supporting our supply chain in using more low-carbon materials, reducing the carbon footprint of our construction activity, supporting worker welfare, conducting sustainability assessments of new acquisitions, improving our assets, and enhancing communities.



Sustainability is at the heart of everything we do at Aldar because we are building communities for today and tomorrow.

Salwa al Maflahi
Director – Sustainability & CSR





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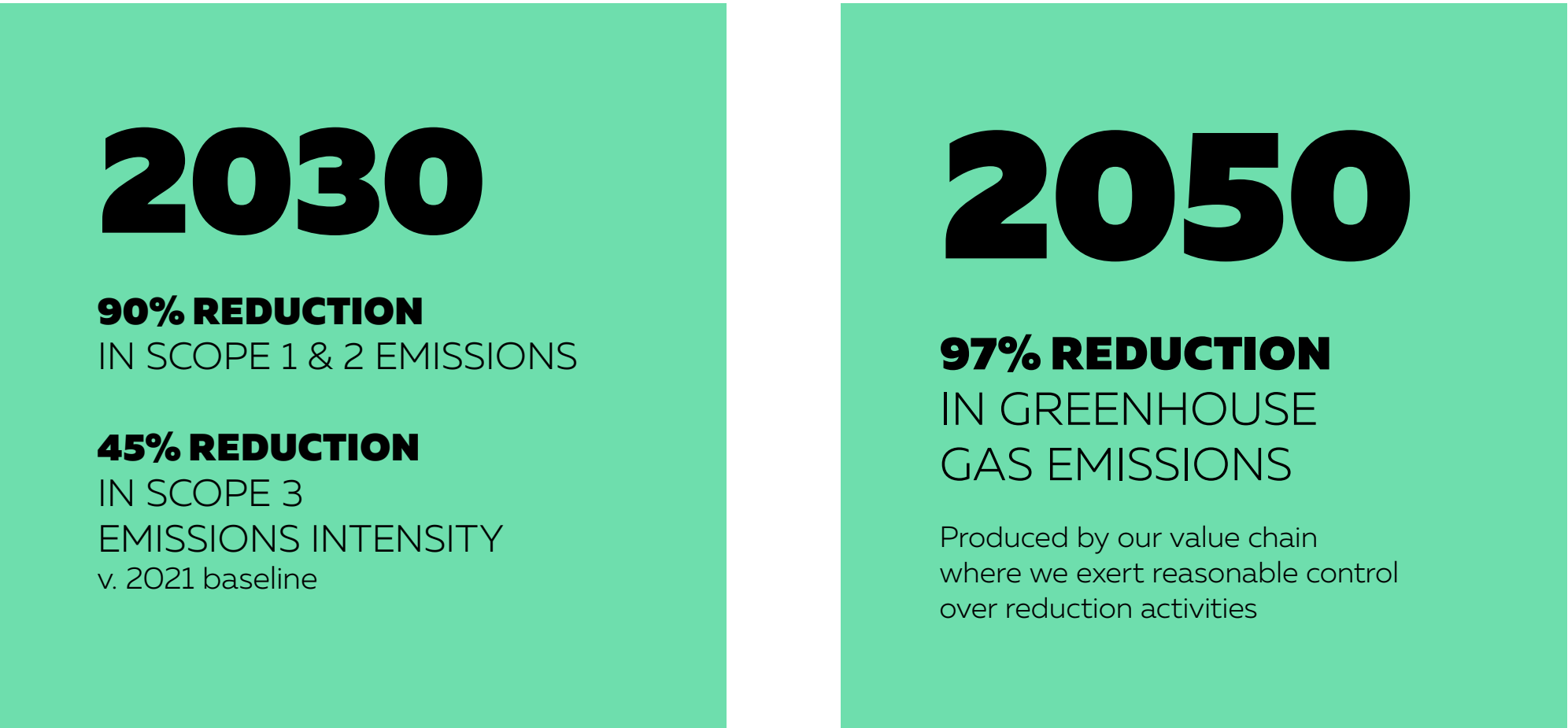


With the launch of our Net Zero Plan, we are supporting the UAE’s Net Zero ambition and taking a leadership position on climate action in the region’s real estate sector.

Faisal Falaknaz
Acting Group Chief Financial and Sustainability Officer

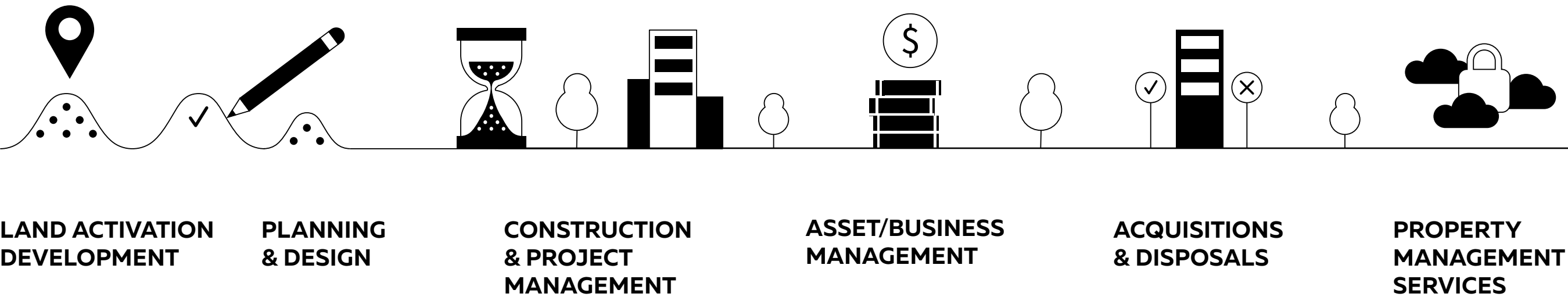
SETTING CLEAR TARGETS TO COMPEL ACTION

Our science-aligned targets set the pathway for Aldar to become a Net Zero business by 2050.



DECARBONISING ACROSS THE VALUE CHAIN

We are creating an integrated, lifecycle approach to reducing carbon across our core business activities all the way along the value chain.



OUR NET ZERO JOURNEY

OUR DECARBONISATION FOCUS AREAS

We are focusing on the areas where we have the biggest opportunities to reduce emissions:



01

LOW CARBON
DESIGN



02

LOW CARBON
SUPPLY CHAIN



03

GREEN CONSTRUCTION



04

CLEAN ENERGY



05

RESOURCE EFFICIENCY
& MANAGEMENT



06

TENANT
INITIATIVES



07

CIRCULAR
ECONOMY

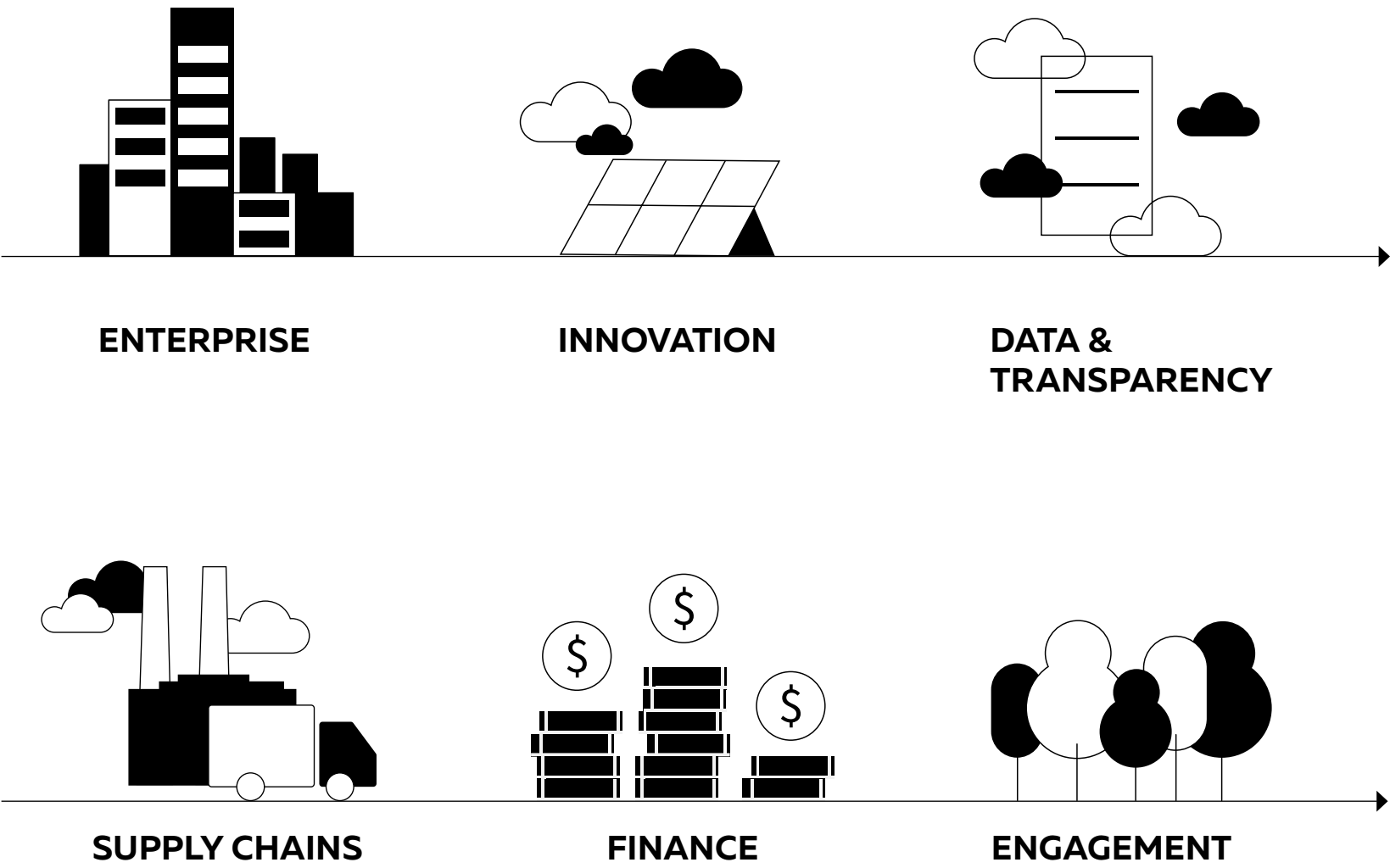


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SUSTAINABLE
ACQUISITIONS

KEY ENABLERS

To decarbonise at pace and scale across the whole business and value chain, we will make the most of key enablers:





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DRIVING SUSTAINABLE GROWTH

We work together across the full real estate value chain to masterplan, design, develop, operate and manage exceptional places and spaces for our customers and communities. In so doing, we help to fuel the economy sustainably and shape a better future.

Our developments provide a foundation for other sectors to flourish in critical areas such as residential, hospitality, retail, education, commercial and logistics. Through our investments, we reimagine places for greater sustainability, improving the welfare and experience of our customers and communities.

As we continue to grow our business responsibly, we are proud to play an ever-bigger part in planning and developing better places across Abu Dhabi and beyond and in boosting our national economy. To this end, we collaborate closely with the Government and other stakeholders. We also focus on other key enablers – from making the most of innovation to listening and responding to customers and embedding sustainability across our supply chain.

2022 SNAPSHOT

11.2BN
Group Revenue (+31% YoY)

3.1BN
Net Profit (+35% YoY)

7.6BN
Recirculated to the local economy

26
Start-up supported through pilot projects

400+
Suppliers trained on sustainability

90%
Customer satisfaction rate across the group

CONTINUING TO GROW SUSTAINABLY

As we continue to grow our business at pace, we are committed to doing this in an ever more sustainable way for the benefit of all our stakeholders.

In 2022, we:

- Started targeting a minimum of 2 Pearl in the Estidama Pearl Rating System across all our newly launched developments
- Awarded 100% of project contracts to ICV-certified suppliers
- Aldar Projects achieved an ICV score of 70%, the highest in the UAE market for the construction sector
- Finalised a responsible investment framework to guide our investment decision-making
- Mandated Environmental Product Declarations for key construction materials
- Launched Manassah Youth to develop the next generation of regional entrepreneurs

Find out more on pages 45 – 68 of our 2022 sustainability report.



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SUPPORTING PEOPLE AND COMMUNITIES

Our communities and people are our biggest asset and catalyst for the positive impact we aim to achieve. They are the ones who make the difference and we put their development and welfare – including health, safety, and wellbeing – at the heart of our operations.

We have robust policies and procedures to protect our workforce and create a working environment in which they can thrive.

We also put a big emphasis on supporting communities, taking a strategic approach, creating shared value with our partners, and investing in various programmes and initiatives to help them thrive and prosper.

2022 SNAPSHOT

36%

Growth in total Group workforce

42%

Emiratisation rate in corporate workforce

3%

Increase in number of women intop-management across the Group

13

People of Determination employed across the Group

42MN

Investment in impact programmes

INCREASING OUR POSITIVE IMPACT

We are proud of the increasing role we are playing to support people and communities – from looking after our growing workforce to helping more and more communities thrive.

In 2022, we:

- Launched The Sustainable City – Yas Island a development focused on healthy and sustainable lifestyles
- Introduced a new CSR strategy and framework with three focus areas:
 - **LIVE** – happy and healthy communities
 - **BELONG** – inclusive and accessible communities
 - **SUSTAIN** – innovative and resilient communities
- Achieved our annual target of 200 Emirati hires, Emiratis currently represent 42% of our corporate workforce
- Improved worker welfare, with 100% of general contractors demonstrating an improvement in employment practices related compliance since their initial onboarding.

Find out more on pages 69 – 104 of our 2022 sustainability report.



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IMPROVING ENVIRONMENTAL PERFORMANCE

We are committed to looking after the environment. As the launch of our benchmark Net Zero Plan demonstrates, we continue to raise the bar on this commitment and to look for new and better ways to live up to it.

There are green opportunities all the way along the real estate value chain, and we aim to identify and make the most of them – from developing more environmentally friendly building designs to mandating green building materials, from planning more sustainable communities to retrofitting existing assets for greater energy efficiencies.

By continually improving our designs and retrofitting our assets to be low carbon in operations, we are embedding sustainability into the fabric of our buildings and the places we make. We are also engaging with new technologies, embedding sustainable practices, and championing environmental education. Working together with our stakeholders, we want to have an increasingly positive environmental impact – cutting down on resource consumption, reducing carbon emissions and protecting biodiversity.

2022 SNAPSHOT

2030

Net Zero Scope 1 and 2 emissions
45% reduction in Scope 3
Emission Intensity by 2030

2050

Net Zero Scope 1, 2
and 3 emissions

67

Assets included in the
retrofit project

NEW

Low-carbon design
guidelines

2

Case studies to assess financial
implication of Net Zero

6,288

Native plants introduced across
3 new school developments

TAKING EVERY OPPORTUNITY TO IMPROVE

Through major initiatives and day-to-day actions, we seek to take every opportunity to improve our environmental performance across the Group and throughout the value chain.

In 2022, we:

- Since September 2022, all our new developments are designed based on low-carbon guidelines to ensure both embodied and operational lifecycle carbon emissions are reduced
- Finalised first phase of the energy retrofit project across 67 assets
- Made an additional investment of AED 25 million into energy retrofit projects across 13 of our residential communities
- Conducted case studies on 2 different developments to assess commercial aspect of achieving Net Zero
- Expanded our solar-hybrid system for powering our construction site offices, to two additional projects: Grove and Al Gurm phase 2

Find out more on pages 105 – 124 of our 2022 sustainability report.



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ENSURING STRONG GOVERNANCE

We ensure strong governance across the Group through robust principles, structures and processes, a comprehensive risk management framework and clear leadership from the top.

In line with both international best practice and our own deep commitment, we have prioritised embedding sustainability into our governance framework. This ensures clear accountability at all levels, and that sustainability is given an appropriately high weighting in our strategic decision making.

BOARD LEVEL - GOVERNANCE & OVERSIGHT

ALDAR BOARD OF DIRECTORS

MANAGEMENT LEVEL - STRATEGIC DIRECTION & MONITORING

MANAGEMENT COMMITTEE	GROUP SUSTAINABILITY FORUM	SUSTAINABILITY & CSR DEPT.
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BUSINESS LEVEL - OPERATIONAL LEADERSHIP

ALDAR DEVELOPMENT (INCLUDING PROJECTS)	ALDAR INVESTMENT				
	SUBSIDIARY LEVEL - FUNCTIONAL DEVELOPMENT OF STRATEGY				
	EDUCATION	PROVIS	KHIDMAH	C2i	HOSPITALITY
	SUSTAINABILITY CHAMPIONS				

Collaborate Report to

We continue to look for ways to build on our strong governance across the Group.

In 2022, we:

- Finalised Group ESG Risk Register and mitigation actions
- Reviewed and published 19 ESG-related policies on our website
- Developed a Group Sustainability Policy Manual and Group Delegation of Authority
- Established sustainability teams across several of our subsidiaries, with dedicated sustainability managers
- Developed sustainability implementation plans for our businesses and sub-segments
- Increased transparency and data coverage for all environmental and social KPIs

Find out more on pages 125 - 133 of our 2022 sustainability report.



JOIN US IN

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sustainability@aldar.com

www.aldar.com