

**Aldar**

2021 Sustainability Report  
Executive Summary

# COMMITTING TO A SUSTAINABLE FUTURE

## ABOUT OUR REPORT

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### MAKING PROGRESS

**Our 2021 Sustainability Report focuses on sharing our commitment to a sustainable future and the progress we are making in creating it.**

**In 2021, we concentrated on laying the foundations for a sustainable future by introducing a new Group operating model, updating our sustainability strategy, and enhancing our governance, targets and reporting.**

Our vision is to become a market leader in sustainable real estate – to build and manage inspiring places that enhance quality of life in harmony with the environment and the wider needs of society. Sustainability is at the heart of our business and in 2021 we made critical progress in building the foundations to underpin our journey.

#### Creating value

Achieving sustainable growth is one of our core strategic objectives. It is not just an expectation of our stakeholders, but a key driver of our Group that will set us apart and enable us to deliver greater shared value and prosperity

#### Measuring progress

We measure our progress against four core sustainability pillars – Economy, Community, People and Environment – and share our results openly in our reporting.

#### Building the foundations

To empower everyone in Aldar to achieve our ambitions, we have transformed our structure – introducing a new Group operating model that embeds sustainability across all our businesses. It clarifies reporting lines and defines consistent responsibilities across all levels and businesses to improve accountability.

In addition, we have been working on updating our sustainability strategy – bolstering our carbon neutrality pledge with a further commitment to Net Zero emissions and working on an Action Plan to achieve this. We aim to be at the forefront of the UAE’s commitment to reach Net Zero by 2050.

We have also put in place stronger governance, targets and reporting mechanisms to help us deliver material progress against our mission and meet our ambitious plans for the future.



H.E Mohamed Khalifa Al Mubarak, **Chairman of Aldar Properties**

**“OUR CORE FOCUS ON SUSTAINABILITY ALIGNS CLOSELY WITH THE UAE’S DEEP COMMITMENT!”**

## VIEWS FROM OUR LEADERSHIP

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Talal Al Dhiyebi,  
**Group Chief Executive Officer of Aldar Properties**

**“THROUGH 2021, WE MADE STRONG PROGRESS IN OUR SUSTAINABILITY PERFORMANCE.”**

**As sustainability increased in prominence globally in 2021, at Aldar, we took further key steps to embed it throughout our operations. This longstanding focus for us gained greater momentum through the year, as we laid the foundations to go further, faster in redefining sustainable real estate in the Middle East.**

We place sustainability at the heart of our business not just because we are responsible corporate citizens who take a long-term view but also in keeping with investors who are increasingly favouring companies that have a proven track record of sustainable practice. Through our alignment with the UAE's 2050 Net Zero strategic initiative, we are playing a decisive and leading role in the drive towards truly sustainable real estate in our region.

As we emerge from the global pandemic, we have a renewed sense of purpose and concern for the world we live in. We are more focused than ever on creating communities that reach new heights in sustainable real estate. This is not just because it is the right thing to do, but because we firmly believe in the growing appeal of such assets to our customers.



Greg Fewer  
**Group Chief Financial and Sustainability Officer**

**“WE ARE COMMITTED TO NET ZERO AND WE ARE MAKING PROGRESS ON OUR ACTION PLAN, WHICH WE WILL PUBLISH LATER IN 2022.”**

**We are in the early years of our sustainability journey and are trying hard to keep moving forward so we can take the lead in our sector. This year, we have focused on improving the robustness of our approach and this is reflected in the assessments of two major ESG rating agencies.**

I am proud to say that on both indices, we made significant improvements in our ratings this year. These included embedding environmental impacts into management reporting and decision-making processes, and launching new social impact initiatives. Combined, these gains helped us score 58 on the Dow Jones Sustainability Index in 2021, a 53% year-on-year improvement from the 38 points we scored in 2020. Our strong showing last year also propelled us to the top 13% of the 237 global real estate companies surveyed by the Dow Jones Sustainability Index, up from being in the top 31% in 2020.

At the same time, we scored 16.6 on Sustainalytics' ESG risk assessment scale. A rating between 10 to 20 is classified as "Low Risk" and Aldar was ranked 9th out of 107 real estate companies analysed by Sustainalytics.

## OUR PURPOSE AND STRATEGY

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**At Aldar, we are here to shape a better future, and sustainability goes right to the heart of this purpose – it runs through our corporate culture and business strategy.**

We are the largest real estate business in Abu Dhabi, and one of the region's most recognised and trusted master developers. Our strategy for value creation focuses on four themes: operational excellence; customer centricity; growth and expansion; and people, innovation and digital transformation.

Our purpose is to shape a better future. To this end, we integrate sustainability into our corporate culture and business strategy.

This approach encourages responsible business practices, which in turn increases the positive impact on our communities and drives change across our value chain, wider society and the economy.

We focus on generating long-term stakeholder and shareholder value. To deliver on this commitment, we will continue to strengthen

our ESG performance; we want to demonstrate leadership and implement best practice throughout our organisation. This is not only the right thing to do – it also makes good commercial sense. Sustainability will define coming business cycles. We see major opportunities to expand the value creation potential of building and managing assets in a way that is fit for the future.

Our dedicated Sustainability and CSR team oversees our sustainability framework, strategy and policies and prioritises high-level strategic initiatives such as the development of our Net Zero Action Plan. Our sustainability strategy is aligned with the United Nations Sustainable Development Goals and the Abu Dhabi Economic Vision 2030. Our commitment, the foundation we have created for delivering on it, and the tools we are developing to help us succeed all align strongly with national and international priorities. Together, we will shape a better future.

**Guided by our purpose and strategy, we see major opportunities to create more value by investing in and developing real estate assets across the region that are fit for the future.**

### BUSINESS STRATEGY

#### 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

#### Strategic themes

OPERATIONAL EXCELLENCE

CUSTOMER CENTRICITY

GROWTH AND EXPANSION

PEOPLE, INNOVATION, AND DIGITAL TRANSFORMATION

### SUSTAINABILITY FRAMEWORK

#### Alignment with strategic objectives

- Embed environment and quality in every area of our business
- Promote social and environmental sustainability
- Invest in expansion
- Develop our people
- Exceptional customer experiences
- Build our portfolio
- Embed innovation
- Engage our stakeholders
- Deploy disruptive technology

#### Sustainability pillars



Economy



Community



People



Environment

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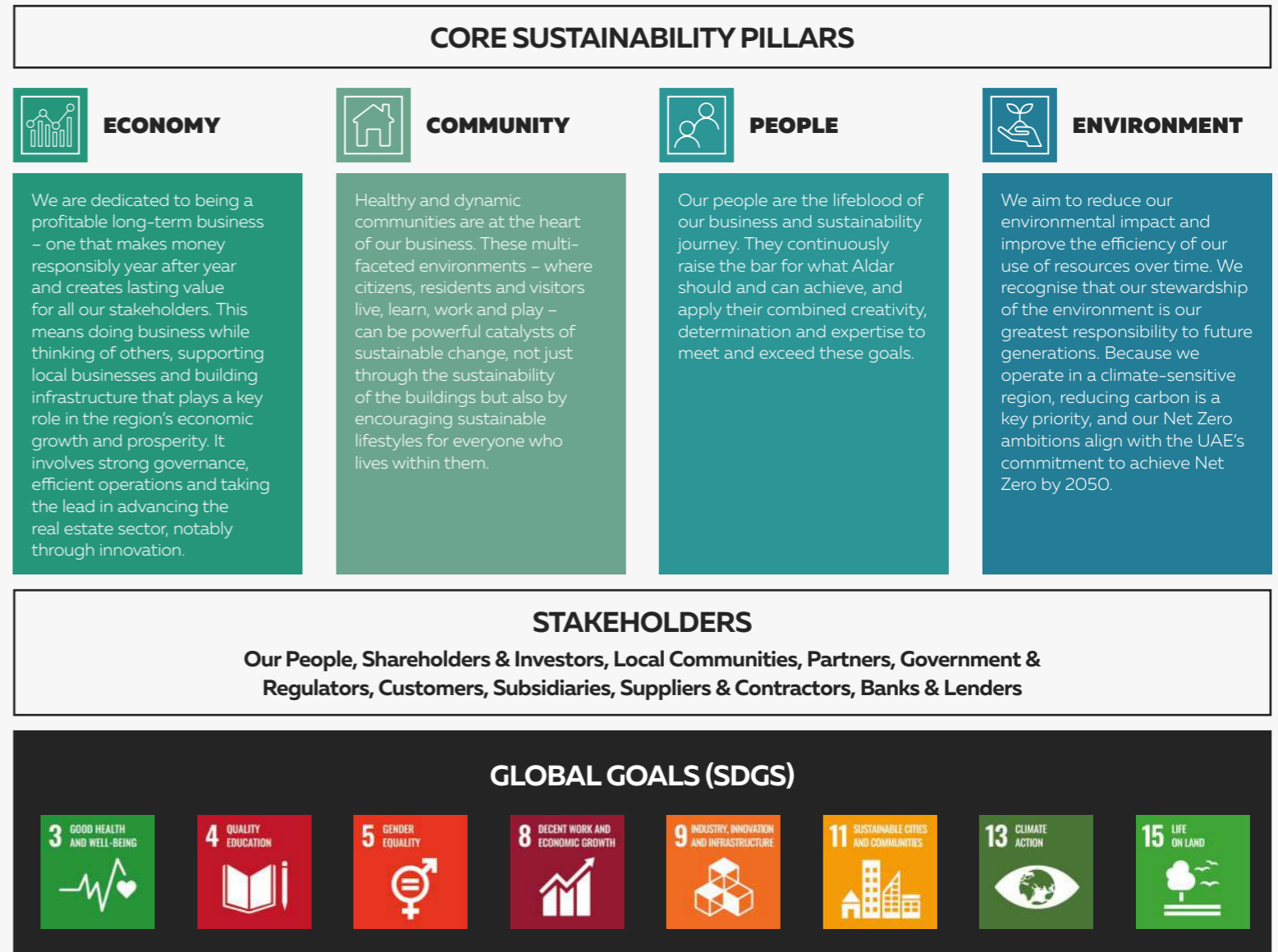
**We are organised across the Group to shape a better future, and our sustainability framework is a key part of this structure.**

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.



“Throughout our subsidiaries, business units and departments, we now have clearer sustainability governance structures and deeper pools of knowledge. As well as having sustainability targets, there is a defined structure of accountability, to ensure every Aldar team incorporates sustainability into everything they do. The work we have done over the last 12 months has put in place the essential foundations for us to build towards our Net Zero ambition.”

**Salwa Al Maflahi**  
**Director Sustainability & CSR**



## OUR ONGOING SUSTAINABILITY JOURNEY

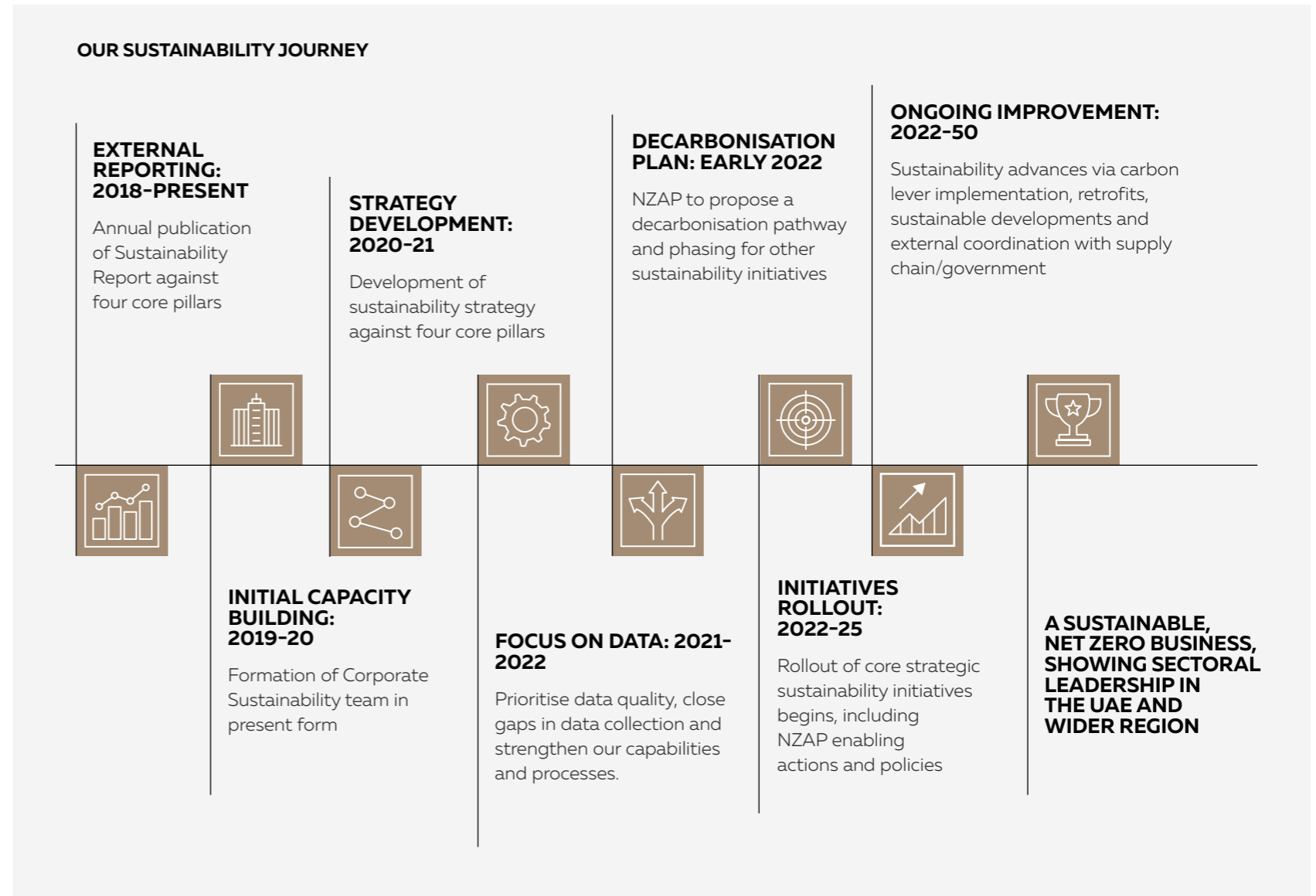
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### We are on a long-term sustainability journey here at Aldar, as we all work together to shape a better future.

Throughout 2021, we focused on building sustainability teams and implementing clearer governance structures across Aldar's businesses, departments, and subsidiaries.

Our detailed implementation plans for Aldar Development and Aldar Investment embed decarbonisation and empower each business segment to deliver impactful sustainability initiatives.

Our Sustainability Framework has a clear structure of accountability that is overseen by our Chief Financial and Sustainability Officer (CFSO) and Sustainability Council. In 2021, we established individual councils within Aldar Development and Aldar Investment. These councils implement strategy, monitor targets, and strengthen governance to put our sustainability framework into practice across each business segment. The councils also develop additional sustainability action plans at the subsidiary level.



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### FOCUSING ON DATA QUALITY

**Through 2021, we prioritised data quality, to close gaps we had identified in our data collection and strengthen our capabilities and processes.**



Hired sustainability managers across Aldar and embedded sustainability performance KPIs.



Unified and streamlined the fragmented data across our diverse Group.



Launched our Sustainability Data Management System.



Trained 500+ users, including suppliers and contractors.



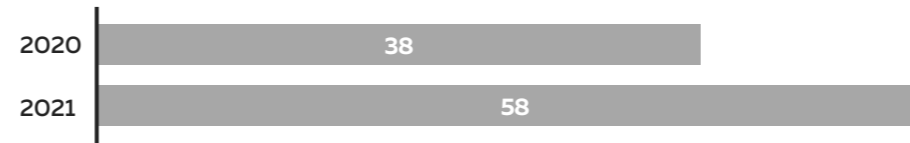
Moving forward, we will create working committees across the business to streamline data collection systems, methodologies, and embed outcomes into the workstreams of every department.



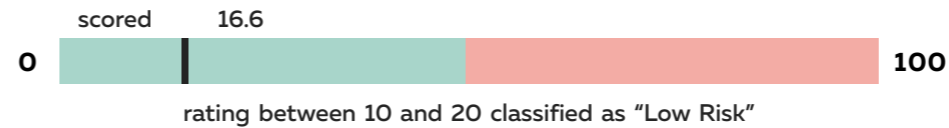
### GOOD GOVERNANCE, ACCOUNTABILITY AND TRANSPARENCY

**Reflecting our stronger governance and publishing of 17 ESG-related policies, we improved our ESG ratings.**

#### Dow Jones Sustainability Index score



#### Sustainalytics ESG risk assessment



**We ranked 9th globally among 107 real estate companies.**



### COMMITTING TO NET ZERO

**We took a key step forward on our sustainability journey by committing to Net Zero and working on our Action Plan to achieve it in line with climate science.**

We are going beyond our carbon neutrality pledge to align with the UAE's Net Zero by 2050 commitment. We are currently finalising the data baseline and are on track to launch our Net Zero Action Plan.

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# OUR PROGRESS

## MAKING PROGRESS ACROSS OUR SUSTAINABILITY PILLARS<sup>A</sup>

We made progress across all four of our sustainability pillars. Key highlights include:

ECONOMY	COMMUNITY	PEOPLE	ENVIRONMENT
<b>89%</b> Customer satisfaction score, up from 82% in 2020	<b>AED 25m</b> Aldar investment on 2021 CSR initiatives	<b>35%</b> UAE Nationals in our corporate workforce up from 29% in 2020	<b>2021 Baseline</b> Setting the environmental footprint baseline for our decarbonisation journey
<b>AED 8.8bn</b> Amount recirculated to the local economy through the National ICV Programme	<b>26</b> Community Living Index components analysed across all our communities	<b>42%</b> Women in our workforce, up from 31% in 2020	<b>-20% Energy Consumption</b> Target for the energy management retrofit project launched

<sup>A</sup>These figures have been prepared in line with reporting criteria that may include clearly defined use of estimates, extrapolation or partial coverage based on current data availability. Please see the 'Reporting criteria' section within the 'Disclosure' chapter of Aldar's Sustainability Report 2021 for further details.

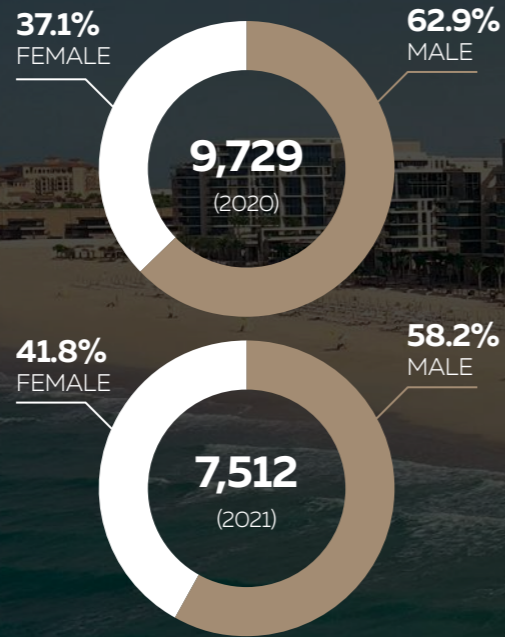


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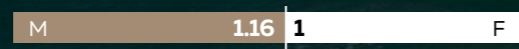
### PEOPLE

#### TOTAL HEADCOUNT



#### GENDER PAY RATIO

##### Senior Management



##### Middle Management

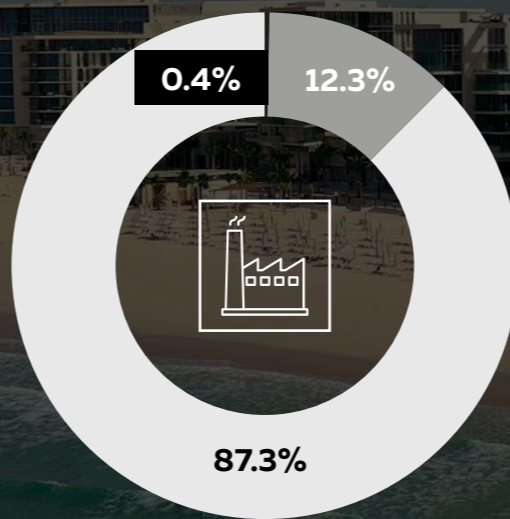


##### Non-Management

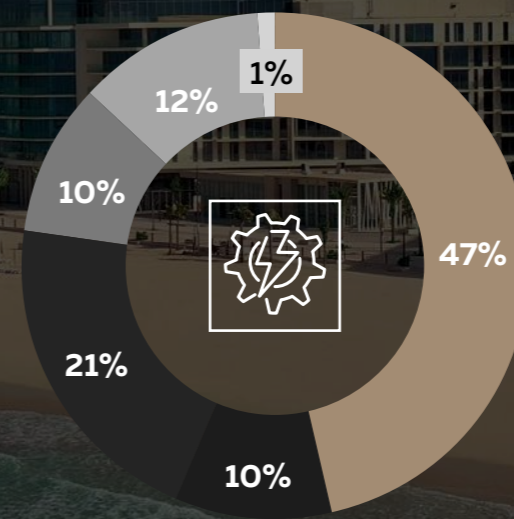


### ENVIRONMENT

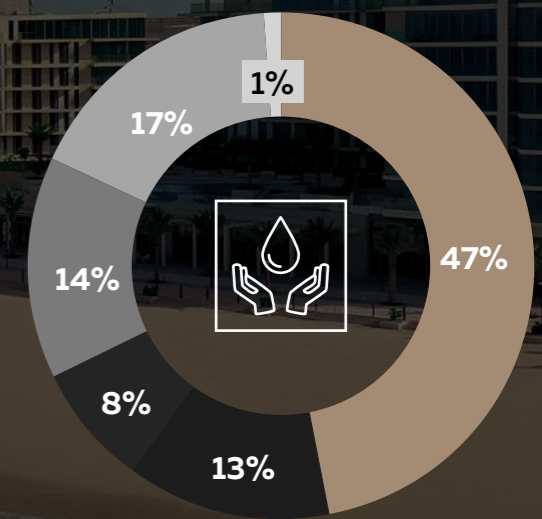
**1,932,952 tCO<sub>2</sub>e**  
(Scope 1,2,3) GHG emissions in 2021  
for our decarbonisation journey



**631,540 MWh**  
energy consumption from the audited portfolio in 2021



**4,342,542 m<sup>3</sup>**  
water consumption from the audited portfolio in 2021



- Direct (Scope 1) GHG emissions
- Energy indirect (Scope 2)
- Other indirect (Scope 3)

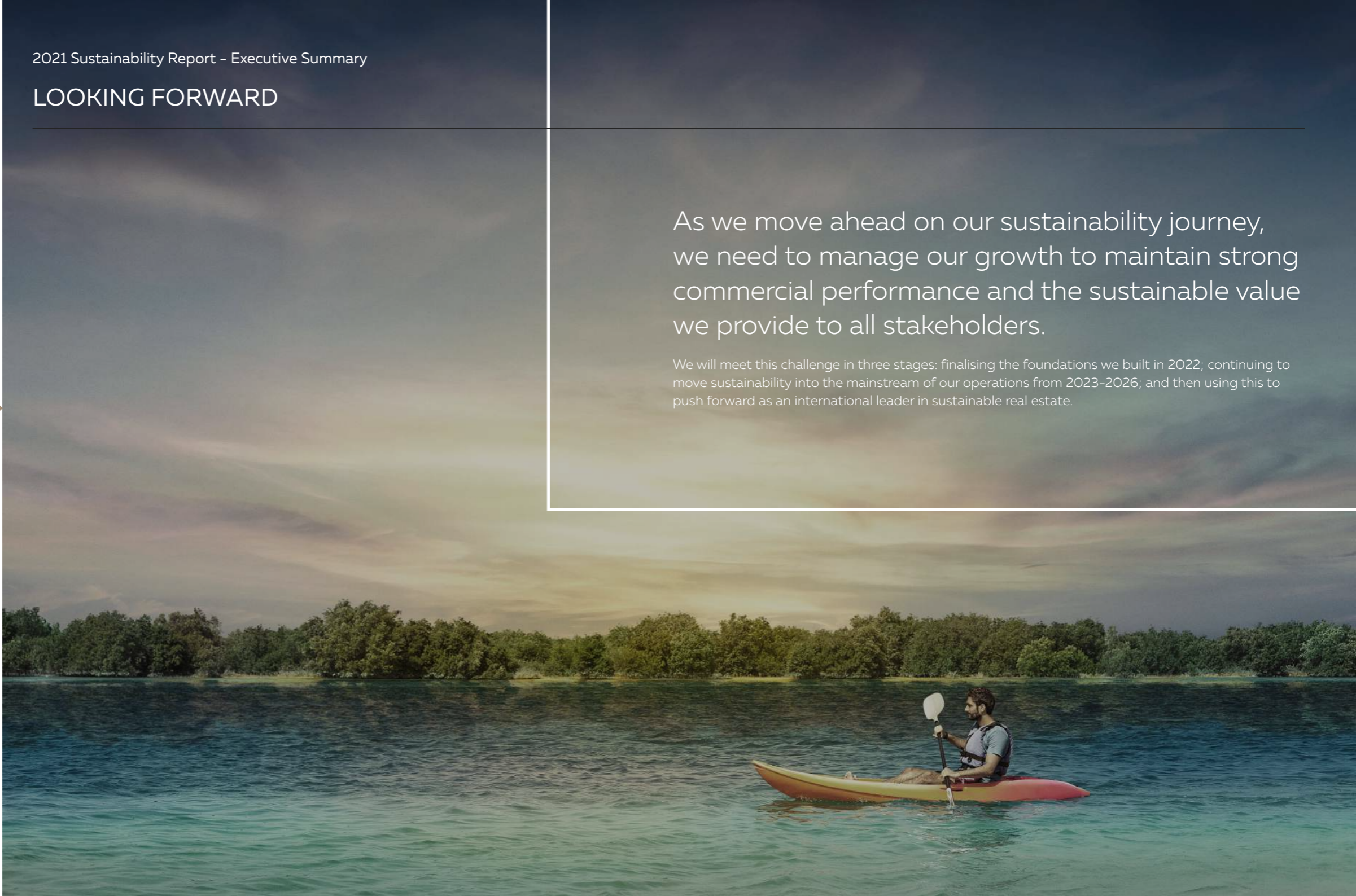
- Residential and Small Retail
- Hotels & Hospitality
- Commercial
- Retail
- Education
- Khidmah
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As we move ahead on our sustainability journey, we need to manage our growth to maintain strong commercial performance and the sustainable value we provide to all stakeholders.

We will meet this challenge in three stages: finalising the foundations we built in 2022; continuing to move sustainability into the mainstream of our operations from 2023-2026; and then using this to push forward as an international leader in sustainable real estate.



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SHORT TERM – 2022	MEDIUM TERM – 2023–2026	LONG TERM – 2026+
<p><b>BUILDING FOUNDATIONS UNDER OUR NEW OPERATING MODEL</b></p> <p><b>Goals:</b></p> <ol style="list-style-type: none"> <li>1. Finalise a full carbon, water, and waste data baseline (including scope 3 tenants’ emissions) to establish current performance as a starting point for Net Zero measurement:                             <ul style="list-style-type: none"> <li>- Use baseline to develop data-informed plans for improvement (e.g. areas of high carbon impact in the supply chain, using this analysis to inform government engagement)</li> <li>- Close current data gaps for greater completeness of value chain coverage, refine estimation methodology</li> </ul> </li> <li>2. Plan Net Zero pilot projects across business segments to complete our understanding of core technical and commercial considerations for Net Zero-aligned growth</li> <li>3. Begin delivery of quick-win sustainability initiatives                             <ul style="list-style-type: none"> <li>- moving keystone initiatives from design to implementation e.g., predictive maintenance, on-site greywater treatment &amp; reuse</li> </ul> </li> <li>4. Commence a sustainability capacity-building programme with Aldar leadership</li> <li>5. Design and begin delivery of government and supply chain engagement programmes for sustainability</li> </ol>	<p><b>MAKING SUSTAINABILITY MAINSTREAM</b></p> <p><b>Goals:</b></p> <ol style="list-style-type: none"> <li>1. Launching the most challenging sustainability initiatives:                             <ul style="list-style-type: none"> <li>- Net Zero-aligned design guide</li> <li>- Net Zero development pilots</li> <li>- Procurement of low-carbon providers</li> <li>- Marketing and sales strategy for sustainable buildings</li> </ul> </li> <li>2. Recognising the need to align with expectations of global leaders in real estate on ESG performance and disclosures:                             <ul style="list-style-type: none"> <li>- Independent validation of our emissions reduction targets by the Science Based Targets initiative (SBTi)</li> <li>- Communicate progress in implementing a coherent and phased programme of sustainability initiatives</li> <li>- Taking a leading role in external engagement groups within the sector, with government, and with customers</li> </ul> </li> <li>3. Deliver specific enabling actions to change behaviour and drive transformation at scale, such as:                             <ul style="list-style-type: none"> <li>- Targeted capacity building to fill technical competency gaps around sustainability</li> <li>- Use of sustainability management information in strategic decision making</li> </ul> </li> </ol>	<p><b>DRIVING FORWARD AS A MARKET LEADER IN SUSTAINABLE REAL ESTATE</b></p> <p><b>Goals:</b></p> <ol style="list-style-type: none"> <li>1. Stretching performance measures, e.g. on:                             <ul style="list-style-type: none"> <li>- Embodied carbon</li> <li>- Materials</li> <li>- Social value creation and quantification</li> <li>- Internet of Things (IoT) monitoring (enhancing placemaking through intelligent places fostering meaningful human outcomes, supported by our Digital Twin initiatives)</li> </ul> </li> <li>2. Achieving performance against credible Net Zero interim targets as a sector leader, tying to UAE national targets</li> <li>3. Pivoting towards new market demands (demand for sustainable real estate)</li> </ol>



**JOIN THE CONVERSATION**

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