

DAMAC



BUILDING A GREENER FUTURE

SUSTAINABILITY REPORT 2023

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Introduction

- 1.1. Chairman's Statement
- 1.2. Key Indicators

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CHAIRMAN'S STATEMENT

“As one of the largest and most recognised private investment and development companies in the region, we are proud to have contributed, in our own way, to the progress of the great city of Dubai. We look forward to further growth and expansion as we continue to serve our customers around the world.”



Hussain Sajwani,
Founder, DAMAC

DAMAC has been a defining force in luxury real estate across the Middle East and globally, for over four decades.

With a reputation built on delivering outstanding projects, we remain committed to strengthening our presence in Dubai and continuing our expansion across the UAE.

Today, owing to this country's forward-thinking leadership and the government's progressive policies, the United Arab Emirates (UAE) is set to embrace a future full of innovation and opportunity. In alignment with Dubai's 2040 Urban Master Plan, DAMAC uses this visionary framework to guide future development projects, ensuring that our growth and initiatives contribute to the country's long-term sustainability and innovation goals.

This inaugural report covers the primary business vertical: DAMAC real estate development.

This report marks the beginning of a new stage in the development of our Company, particularly in implementing sustainable development principles in business processes and strategic plans.

In 2023, DAMAC introduced a comprehensive suite of documents, including the Code of Conduct, Anti-bribery and Anti-money Laundering, Whistleblower, Environmental policies, and a comprehensive ESG Strategy.

Our Code of Conduct upholds ethical standards and mandates adherence from all employees. DAMAC's ESG strategy focuses on climate-friendly design, renewable energy, and employee well-being, aligning with Sustainable Development Goals and UN Global Compact principles. Also, we enforced anti-corruption measures, achieving zero violations in 2023.

At DAMAC, we believe that sustainable business practices are essential for our success and the well-being of the communities and environments in which we operate. We are dedicated to minimising our environmental impact through innovative building practices, energy efficiency, and resource conservation. Our projects are designed to meet the highest standards of environmental stewardship, ensuring that we contribute positively to the urban landscape while preserving natural ecosystems.

Our energy management approach includes cutting-edge technologies and sustainable practices, focusing on reducing carbon footprint and operational costs. We are committed to managing pollutant emissions, utilising sustainable materials, and enhancing biodiversity in all our developments.

DAMAC's environmental efforts include solar panels, smart irrigation systems, and recycling programmes to promote sustainability.

Our commitment to corporate social responsibility is reflected in our efforts to uplift the communities we serve. We invest in education, healthcare, and infrastructure development, fostering economic growth and improving quality of life. We are dedicated to community engagement through the Hussain Sajwani DAMAC Foundation (HSDF) focusing on community welfare and education for Arab youth. Through partnerships with organisations such as the Red Crescent and Dubai Cares, we drive meaningful initiatives that reflect our commitment to philanthropy and social impact.

Diversity and inclusivity are more than just values; they are integral to our success. At DAMAC, our diverse workforce of over 80 nationalities drives innovation and enriches our organisation. We strive to create a workplace where each individual feels valued and empowered to contribute their unique perspectives. Our diverse workforce drives innovation and creativity, enabling us to better serve our clients and communities. Additionally, we aim to create an environment where employees can personally and professionally thrive. We prioritise employee safety with robust measures and on-site medical services.

We extend our gratitude to all stakeholders, including Dubai and UAE Government and regulatory bodies, our clients, partners, employees and investors for their support and collaboration. Together, we continue to bring innovative projects to life and contribute positively to our communities.

As we move forward, we remain focused on advancing our ESG goals and driving sustainable growth. We are committed to transparency and accountability, continuously evaluating our progress and setting ambitious targets for the future.

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KEY INDICATORS



KEY FINANCIAL AND OPERATIONAL RESULTS

| | | | |
|---|---|---------------------------------------|--|
| AED 8.8 BN Revenue | AED 4.2 BN Net profit | AED 33.2 BN Total Assets | 47,000+ Completed units |
| 30,000+ In-progress, in-planning units | MN SQ FT 56 Saleable area in completed projects | 10% Debt to total assets | BB/BA2 Credit Rating: as of February 2024 |

KEY ESG RESULTS

| | | | |
|--|--|---|---|
| SCOPE 1 1.7 tCO₂e Carbon footprint | SCOPE 2 118.9 tCO₂e Carbon footprint | THOUSAND GALLONS 361.7 Water consumption | 2,540 Total number of employees |
| 32% Female employees | HOURS 13.2 Average hours of training per employee | 0.0661 LTIFR: Lost Time Injury Frequency Rate | ESG RATING 18.2 Out of 100 from Sustainalytics |



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About us

2.1. Company Profile

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2.2. Our Properties

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COMPANY PROFILE



DAMAC Real Estate Development Limited ("DAMAC", "The Company", "The Group") has been shaping the Middle East's luxury real estate market since 1982, delivering award-winning residential, commercial and leisure properties across the region.

DAMAC has become synonymous with iconic projects setting new standards for design, craftsmanship and inspired lifestyles. To date the company has delivered more than 47,000 homes and has over 30,000 in development.

During 2023, DAMAC's operational focus remained centred in the UAE, particularly in Dubai. However, DAMAC Real Estate Development Limited has successfully completed units in various regions, including Abu Dhabi, KSA, Qatar, Lebanon,

and Jordan. Looking ahead, DAMAC's strategic direction emphasises consolidating its presence mainly in Dubai, while also extending its footprint into Abu Dhabi and Ras Al Khaimah.

The Company is incorporated in the Dubai International Financial Centre (DIFC) as a company limited by shares with its registered office Unit 115, Level 1, Park Towers, Dubai International Financial Centre, PO Box 2195, Dubai, United Arab Emirates and its telephone number is +971 (4) 373 1000.



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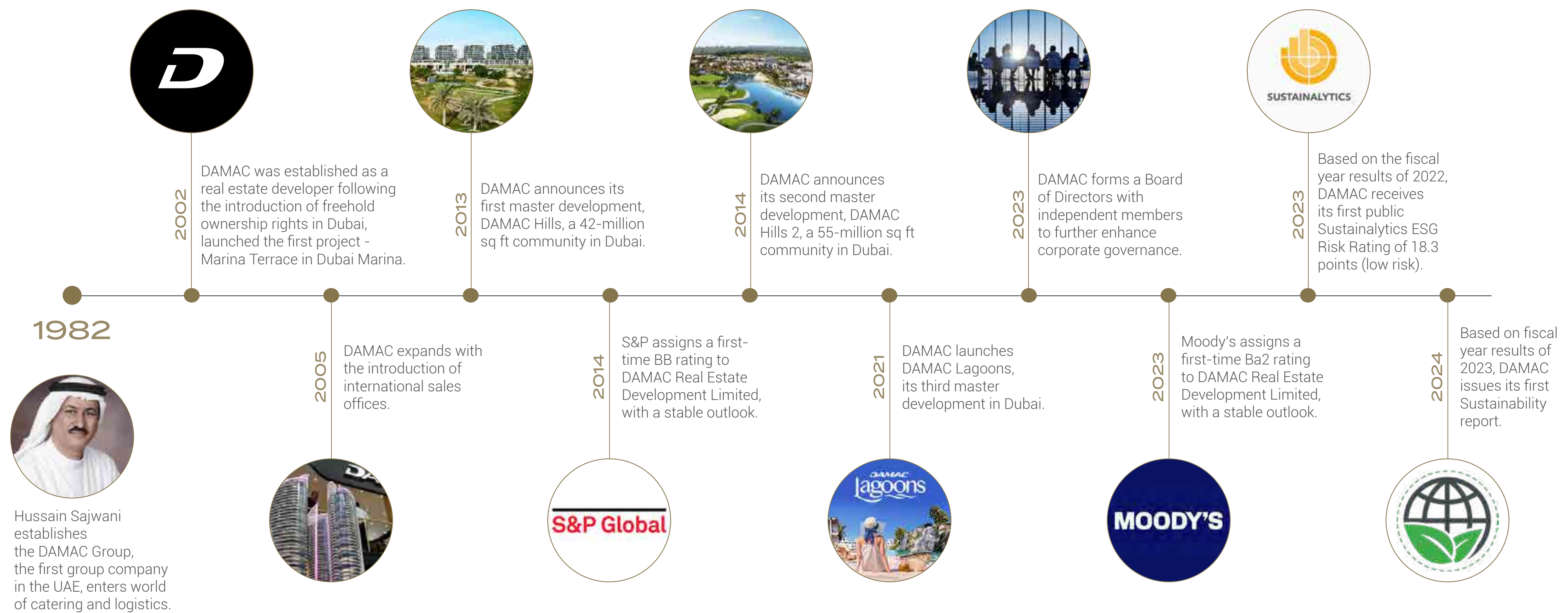
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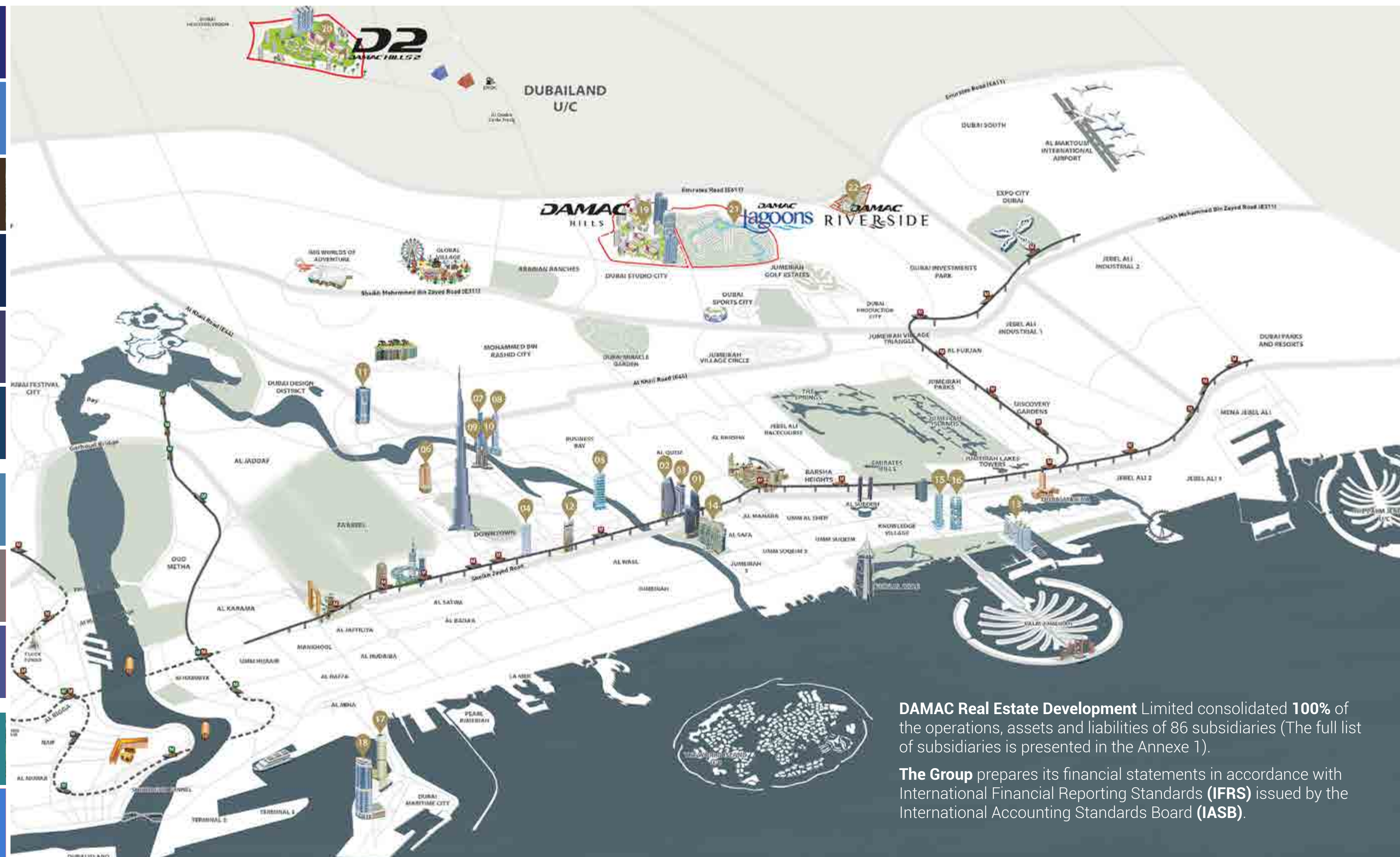


COMPANY PROFILE

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The Group prepares its financial statements in accordance with International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board (**IASB**).

COMPANY PROFILE

(CONTINUED)



OUR BUSINESS MODEL



BUY

Achieve competitive value on land purchases

We secure sustainable prime land in premium locations, always at attractive prices

WHO:
Focused business development team

HOW:
Market intelligence and a network of contacts



DESIGN

Optimise expected returns

Our customer-focused product design positioning enables premium pricing

WHO:
Returns-driven design team

HOW:
Continuous value engineering to manage cost and efficiency



SELL

Collect up to 40% of the sales value within the first 12 months

Using multi-faceted marketing to cover most construction costs and minimise risk

WHO:
Large, advanced global sales team

HOW:
Prominent brand; luxury brand associations that drive increased margins



BUILD

Excel through comprehensive in-house capability

This brings efficient execution and mitigates construction risk (due to less pre-launch uncertainty)

WHO:
In-house project management team

HOW:
Firm control of costs and contractors; proactive engagement in procurement; CRM

The Group's business model to date has been largely a phased strategy of "Buy", "Design", "Sell" and "Build" for its lifestyle communities and tower developments. Every phase of the development cycle is supported by attention to detail, value creation, proactive cash-flow management and customer care.

For its currently limited investment property business segment comprising of leasing of few residential units and holding such assets for capital appreciation purposes, the Group adopts a phased strategy of "Buy", "Design", "Build" and "Lease".

In response to customer demands and evolving market conditions, the Group's portfolio has a limited number of projects that incorporate an element of on-going add-on services or management fees into the model, which helps maximise its return on equity. These include, amongst others,

serviced apartments in its DAMAC Maison Mall Street, DAMAC Maison Canal Views, DAMAC Maison Distinction, DAMAC Maison Cour Jardin, DAMAC Towers by Paramount and Paramount Tower Hotel & Residences developments, and the on-going ownership of the Trump International Golf Club in its DAMAC Hills master community project.

Other than in the case of these projects, the Group anticipates that the majority of its developments will continue to follow its existing business model. This, however, is subject to changes in market demands and the Group's strategy to adapt to the changing preferences of its customers.

Each phase of the Group's business model relating to "Buy", "Design", "Sell" and "Build" and where applicable "Lease" is set out below in more detail.

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COMPANY PROFILE

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THE BUY PHASE

In this phase, the Group actively pursues the acquisition of land in prime locations, which typically commands a price premium of

15% to 25%.

Leveraging its industry experience, the Group is also well-positioned to purchase land from other master developers and private investors who do not wish to develop their holdings.

When selecting land, the development team considers various factors, including its location, whether it has scenic views, its proximity to amenities, availability of infrastructure and its potential for capital appreciation. As the Group does not purchase any non-zoned land, the development team also takes into account any specific usage requirement and limits on the gross floor area of a land plot during its decision-making process. In addition to the characteristics described above, the development team considers the Group's present land bank and finished inventory, results of feasibility studies, payment terms and the relevant Government-linked development guidelines (which determine the type of development the Group is able to build).

Although the specifics may vary from project to project, the steps involved in land procurement include:

- Identification of the land opportunities;
- Evaluation of the land opportunities;
- Validation of development and commercial prospects;
- Bidding process, if any;
- Negotiation and purchase of the land;
- Contract negotiation and affection plan;
- Execution of the requisite sale and purchase agreements; and
- Payment to the Government-linked master developer or other seller.



THE DESIGN PHASE

Once the Group has secured development rights and contracted to purchase land for a particular development, the design phase begins. The objective of the "Design" phase is to create a development design that increases value, represents the Group's brand and optimises the commercial viability of the development. Together with land in prime locations and successful marketing strategies, the design of iconic buildings is a key driver of the success of the Group's business. The Group believes that these factors allow it to price its developments at a premium.

This phase begins with an invitation to selected internationally renowned design consultants and architects to prepare a design for the development. Typically, this is organised as a competitive process to generate what the Group's project team considers to be the most appropriate design for the development, focusing on ease of construction, marketability, cost effectiveness, efficiency, flexibility and uniqueness. It is current market practice in Dubai for property developers to pay design consultants a fee for their preliminary designs regardless of whether they are ultimately selected. The Group has established a Design Committee, reporting to the senior management, which is responsible for evaluating and, ultimately, selecting the design from those submitted by the tendering design firms. The Design Committee oversees the design and layout of the Group's developments and may alter a selected design according to the demand for particular apartment sizes.

The key objective for the Group in the "Design" phase is to create a design that provides:

- Ease of implementation from concept to realisation;
- Compliance with the applicable development guidelines;
- Flexibility to allow adaptation to changes in market trends or customer preferences;
- Optimal efficiency of the building (including maximisation of the saleable area);
- Overall external aesthetics of the development (in line with other Group developments);
- Appropriate specifications within each unit (selecting high quality paint finishes, tiling, white ware, kitchen appliances, and bathroom fittings); and
- Cost effectiveness.

The design has to be approved by Real Estate Regulatory Agency (RERA) before the development can be launched.



COMPANY PROFILE

(CONTINUED)



THE SELL PHASE

Once the Group has paid in full for the land to be developed and provided for funding of 20% of the construction cost of a project to the full satisfaction of RERA, received all necessary design and planning approvals from the Government-linked master developers, local authorities and RERA and all relevant consents to commence off-plan sales, the “Sell” phase starts.

In this phase, the Group contracts to sell a certain portion of the units in the development to customers “off-plan” in managed stages following the launch of the new development to the public. The Group’s in-house marketing department handles most of the international and domestic launch logistics (including media relations, creation of brochures and other marketing materials and advertising). Typically, the Group does not release the entire inventory of available units at launch of a development. This is part of the Group’s inventory release management strategy, whereby the Group sells remaining units to the market in several phases, in response to and in anticipation of demand, which allows it to maximise pricing and, consequently, its profit margins.

The Group seeks to differentiate itself from its competitors by deploying innovative sales and marketing strategies during this phase. For example, the Group provides potential customers with “3D walkthroughs” and model apartments in order to give them tangible «living experiences» of the Group’s properties. From the first expression of interest from a potential customer, the Group implements its customer relationship management. The Group has many sales offices in Dubai to accommodate its direct sales staff and works with various domestic and international brokers and agents to sell its properties in Dubai. The Group also undertakes extensive and frequent road shows in various countries across the globe.

The Group's key objectives in the “Sell” phase are to achieve:

- Optimum price realisation and velocity of sales;
- Minimal defaults in advance and instalment payments;
- Customer satisfaction;
- Successfully timed launch and marketing promotions; and
- A healthy fund flow.



THE BUILD PHASE

The final phase of the Group’s business model is the “Build” phase. Construction is provided by external contractors in two phases: an initial contract for “enabling works” and a subsequent contract for “main works”.

The average time required for the construction phase is from 24 to 48 months for high-rise units (depending on the number of floors in the building) and from 18 to 30 months for villa units.



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COMPANY PROFILE

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INVESTMENT PROPERTIES

The **“Buy”**, **“Design”** and **“Build”** phases are generally applicable to the Group's investment property business as set out above for residential properties. In addition, the **“Lease”** phase is applicable to such business segment.

THE LEASE PHASE

As part of the development of its projects, certain parts of a development may be retained by the Group for investment. The Group will achieve returns on its investment properties by leasing retail, residential and commercial properties. This segment currently forms a small part of the Group's business with a few residential units. However, in the future the Group expects that this segment will form a greater part of the Group's overall business in line with the Group's overall strategy to increase recurring revenues and further diversify revenue streams. In the future, the Group plans to transfer certain investment assets to special purpose entities established for the purpose of holding and leasing such assets.



PARTICIPATION IN ASSOCIATIONS AND EXTERNAL INITIATIVES

The Company is a member of a number of industry bodies and initiatives focused on sustainable building practices.



US GREEN BUILDING COUNCIL

Since May 2022, DAMAC is an active member of the US Green Building Council, the foremost coalition of leaders working to transform the way buildings are designed, built and operated.



ALLIANCE FOR WATER STEWARDSHIP

Starting from January 2023, DAMAC is an engaged member¹ of the Alliance for Water Stewardship, a global membership collaboration comprising businesses, non-governmental organisations and the public sector which aims to contribute to the sustainability of local water resources, signifying our commitment to water-related sustainability efforts.

- 1 DAMAC Real Estate Development Ltd is a member the Alliance for Water Stewardship.
- 2 DAMAC Real Estate Development Limited (“DAMAC”) joins UN Global Compact Initiative.
- 3 DAMAC Real Estate Development Limited (“DAMAC”) joins Emirates Green Building Council.



UN GLOBAL COMPACT

In April 2023, DAMAC joined the United Nations Global Compact initiative² – a voluntary leadership platform for the development, implementation and disclosure of responsible business practices.



EMIRATES GREEN BUILDING COUNCIL

DAMAC is an active member of the Emirates Green Building Council³, further reinforcing our dedication to sustainability and sustainable building practices. Since April 2023, we have taken significant strides towards advancing our environmental goals through this strategic partnership.



COMPANY PROFILE

(CONTINUED)

RECOGNITION AND ACHIEVEMENTS

Based on the fiscal year results of 2022, **DAMAC** received its first Sustainalytics ESG Risk Rating of **18.3 points**. This rating, ranging from 0 (lowest risk) to 100 (highest risk), indicates a low overall ESG risk level for the company. The rating action date is **November 13, 2023**. Sustainalytics specifically highlighted the strong risk management in crucial areas such as product governance, bribery and corruption, and occupational health and safety. Furthermore, **DAMAC** achieved negligible risk (**0-10, the lowest level of risk**) in criteria including emissions, effluents and waste, product governance, bribery and corruption, community relations, and occupational health and safety.

After the reporting period, on May 23, 2024, Sustainalytics improved **DAMAC's ESG Risk Rating** from **18.3 to 18.2**. This improvement is attributed to an enhancement in the ESG Risk Management indicator, which increased from **43.4 to 43.9 points**, particularly in the category of Stakeholder Governance.



In February 2023, S&P Global Ratings Europe Limited (“S&P”) has revised the outlook of DAMAC Real Estate Development Limited from stable to positive and has affirmed its long-term issuer credit rating at ‘BB-’⁴.

In October 2023, Moody's Investors Service Middle East Limited (“Moody's”) assigns first time ‘Ba2’ rating to DAMAC Real Estate Development Limited; outlook stable⁵.

In February 2024, S&P has upgraded DAMAC Real Estate Development Limited's long-term issuer rating to ‘BB’ on improved leverage metrics, outlook ‘stable’. S&P has also upgraded its rating on the Company's senior unsecured sukuku to ‘BB’ from ‘BB-’⁶.

⁴ S&P Global, Dubai-Based DAMAC Real Estate Development Ltd. Outlook Revised To Positive On Strong Order Book; Affirmed At ‘BB-’,

⁵ Full rating report is available here

⁶ Full rating report is available here

2023 AWARDS:

- **Top-50 Gulf** Cooperation Council (GCC) Developers 2023 by **Construction Week**;
- **Leading Real Estate Developer of Luxury Properties** in UAE 2023 - **World Business Outlook Awards 2023**;
- Most **Innovative Luxury Residential** Property Developers – UAE by **Global Business Outlook Awards Ceremony 2023**;
- **Developer of the Year** Award at the 18th Global RLI (**Retail and Leisure International**) Awards;
- **Middle East Facility Management Association** (MEFMA) award for **Best Health, Safety and Environment Initiative in 2023**;
- **The Big Night Life** Award 2023: Malibu Sky Lounge & Bar, **Paramount Hotel Midtown** - Highly Recommended, Under **Best Rooftop Venue**;
- **Paramount Hotel Midtown** Wins Gold at **the Chef Excellence** Awards 2023;
- Best **Luxury High Rise Living** for **Cavalli Casa Tower** - 2023 **Luxury Lifestyle Awards**;
- WELL Health and Safety Certification received for 59 buildings across the UAE.

2024 AWARDS:

- **Chairman** recognised as Forbes Most **Impactful Real Estate Leaders 2024**;
- **Chairman** named **100 Most Influential Arabs 2024** by Arabian Business;
- **Chairman** named Executive of the Year at **Big Project ME Awards 2023**;
- **Chairman** conferred **Lifetime Achievement** Award at the **11th Gulf Business Awards**;
- **LOAMS** wins **NDTV Community Impact** Award;
- **DAMAC** awarded by **MEA Business Achievement** Awards 2024 in two categories: **Real Estate - ESG Excellence** and **Real Estate - Exceptional Product/Services**.

OUR PROPERTIES



As of Q2 2024, the Group had a track record of:



UNITS DELIVERED
47,600+

LOCATED IN DUBAI
44,742

LOCATED OUTSIDE DUBAI
2,858

EQUATING TO APPROXIMATELY
57 MILLION
square feet of saleable area

As of Q2 2024, the Group had approximately:



UNITS IN PROGRESS
36,000+

EQUATING TO OVER
80+ MILLION
square feet of saleable area, with scheduled completion dates ranging from Q4 2024 to Q4 2028.

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OUR PROPERTIES

(CONTINUED)

CERTAIN COMPLETED KEY PROJECTS INCLUDE:

TOWERS



AYKON CITY 1

Located in Business Bay in close proximity to Dubai Downtown district and overlooks the Dubai Canal. This **64-storey** tower features **studios, one- and two-bedroom apartments**, gymnasium, temperature-controlled swimming pool, gardens, kids club and covered parking.

The project was completed in 2023 with more than **1,200 units**, a total saleable area of approximately **829 thousand square feet** and a project value of approximately **AED 1,588 million (U.S.\$432 million)**.



AYKON CITY 2

A **60-storey** tower surrounded by the Burj area, Business Bay, and the Dubai International Financial District. On the other side of Sheikh Zayed Road lie Safa Park, leisure avenues of City Walk and Box Park. It features a selection of **studios, one-, two- and three-bedrooms**, as well as **duplex apartments**.

The project was completed in 2023 with around **1,000 units**, a total saleable area of approximately **740 thousand square feet** and a project value of approximately **AED 1,345 million (U.S.\$366 million)**.



ZADA TOWER

Apart from its prime location, Zada tower is a **26-storey** building that offers several amenities such as a swimming pool, a children's play area, a fitness center, and retail outlets. The tower offers views of the city skyline as well as the Dubai Canal.

The project was completed in 2023 with more than **700 units**, a total saleable area of approximately **336 thousand square feet** and a project value of approximately **AED 526 million (U.S.\$143 million)**.



DAMAC PARAMOUNT TOWER HOTEL AND RESIDENCES

Developed in collaboration with Paramount Hotels & Resorts. This project offers a selection of high-end hotel rooms on **floors 15 to 25 inspired by Paramount**, the Hollywood film and television studio and high-end residences on **floors 26 to 63 comprising studio, one-, two- and three-bedroom luxury branded apartments**.

The Towers offers exclusive access to a rooftop infinity pool with panoramic views of the Dubai skyline, on-site parking, numerous healthcare facilities, and high-end restaurants.

The project was completed in 2022 with more than **790 units**, a total saleable area of approximately **808 thousand square feet** and a project value of approximately **AED 1,448 million (U.S.\$394 million)**.



REVA RESIDENCES

A **30-storey** tower located in Business Bay offering a selection of **one- and two-bedroom apartments**.

It is a collection of high-end apartments on the top floors of the project with spectacular high-rise views and exceptional interiors.

It was completed in 2022 with more than **600 units**, a total saleable area of approximately **345 thousand square feet** and a project value of approximately **AED 584 million (U.S.\$159 million)**.



VERA RESIDENCES

Located in Business Bay in close to Dubai Downtown district and overlooks the Dubai Canal. This **30-storey** tower features studios, **one- and two-bedroom apartments**, gymnasium, temperature-controlled swimming pool, kids club and covered parking.

The project was completed in 2022 with more than **520 units**, a total saleable area of approximately **348 thousand square feet** and a project value of approximately **AED 537 million (U.S.\$146 million)**.

OUR PROPERTIES

(CONTINUED)

CERTAIN KEY PROJECTS IN PROGRESS INCLUDE:

COMMUNITIES



DAMAC LAGOONS

DAMAC Lagoons is the Group's third master community development project and builds on the success of DAMAC Hills and DAMAC Hills 2 projects. DAMAC Lagoons was launched on **21 November 2021**. DAMAC Lagoons is expected to be a **49 million square feet** high-end lifestyle community development adjacent to DAMAC Hills on Hessa Street, Dubai.

DAMAC Lagoons was designed to showcase high-end contemporary living inspired by water, with features that include a floating cinema, interactive exhibits, infinity pools, a water park, a wave simulator, snorkelling, kayaking, wall climbing, zip-lining, a skate park, a retail promenade and world-class dining options.

DAMAC Lagoons is scheduled to complete in multiple stages between **2024** and **2028**.

As at 31 December 2023, the Group had sold approximately **8,000** out of approximately **11,000 units**.



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OUR PROPERTIES

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CERTAIN KEY PROJECTS IN PROGRESS INCLUDE:

COMMUNITIES



DAMAC HILLS 2

DAMAC Hills 2 (previously known as Akoya Oxygen) is the Group's second master community development project and builds on the successful DAMAC Hills project. DAMAC Hills 2 is estimated to have over **17,000 units** with approximately **30 million square feet** of saleable area and estimated value of approximately **AED 23.5 billion (U.S.\$6.4 billion)** when fully developed.

DAMAC Hills 2 was launched in phases encompassing the development of small clusters. As of 31 December 2023, the Group had delivered over **10,600 units** in more than **25 clusters**. The clusters currently in progress and future project phases are scheduled to be completed in multiple stages between 2023 and 2028.



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OUR PROPERTIES

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CERTAIN KEY PROJECTS IN PROGRESS INCLUDE:

COMMUNITIES



DAMAC HILLS

DAMAC Hills (previously known as Akoya by DAMAC) was the Group's first master community development project. DAMAC Hills is a high-end lifestyle villa and apartment community development located within **30 minutes** of the centre of Dubai, off Umm Suqeim Road. This is a **42 million square feet** high-end lifestyle community development and is one of the most luxurious golf communities in Dubai, offering premium branded mansions, villas, townhouses and apartments. DAMAC Hills was designed as a gated, green community of single-family mansions and villas surrounding a golf course owned by the Group. Prominent features of its design include:

- The **18-hole PGA Championship Golf course** together with a driving range and a **12-hole golf academy** and the **Trump International Golf Club**, designed by Gil Hanse in collaboration with the Trump Organization. This has been operational since 2017.
- The majority of the residents of the development have access to views of the golf club greenery;
- Single-family mansions of two storeys facing the golf course;
- Townhouses;
- High-end high and mid-rise apartment tower with most of the units facing the golf course;
- International schools from pre-school to secondary school; and
- A range of restaurants, supermarkets and other shopping and entertainment outlets.

DAMAC Hills was designed to contain a total saleable area of approximately **20.0 million square feet** with an expected project value of approximately **AED 23.5 billion (U.S.\$6.4 billion)**. Due to DAMAC Hills offering luxury branded mansions, villas, townhouses and apartments which have a higher percentage of saleable area compared to built-up area DAMAC Hills achieves higher profit margins than traditional high-rise apartments. Additionally, DAMAC Hills can be constructed with greater flexibility to adapt to customer demand than traditional high-rise apartment buildings. DAMAC Hills was launched in phases encompassing the development of various small clusters. As of 31 December 2023, the Group had delivered over **7,700 units** over **35 clusters** in this development. The clusters currently in progress and future project phases are scheduled to complete in multiple stages between 2023 and 2028.



OUR PROPERTIES

(CONTINUED)

CERTAIN KEY PROJECTS IN PROGRESS INCLUDE:

TOWERS



CAVALLI CASA TOWER

Cavalli Casa Tower is being developed in collaboration with **Cavalli**, an Italian luxury brand. It is located in Al Sufouh overlooking the Palm Jumeirah Dubai, in close proximity to Dubai Marina. This **70-storey tower** features one-, two-, three-, four- and five-bedroom **Cavalli-branded** apartments, fully-equipped gym, spa and wellness areas, dining outlets, beach pool and covered parking.

The project is expected to be completed in **2025** with a total saleable area of **841 thousand square feet** and a project value of approximately **AED 2,745 million (U.S.\$747 million)**.



SAFA ONE DE GRISOGONO

DAMAC City (also known as Safa One de Grisogono) is a high-end two tower apartment project overlooking Safa Park in Dubai. This project is being designed in collaboration with **de Grisogono**, a Swiss luxury jewellery brand. This **45-storey** project will feature one-, two-, three-, four- and five-bedroom **de Grisogono branded** apartments, spas, fully equipped gym, exclusive club house, cafés and restaurants.

The project is expected to be completed in **2025** with a total saleable area of **741 thousand square feet** and a project value of approximately **AED 1,922 million (U.S.\$523 million)**.



SAFA TWO DE GRISOGONO

Aykon City 3 (also known as Safa Two de Grisogono) is a sequel of Safa One **de Grisogono** featuring high-end branded apartments developed in collaboration with de Grisogono. This **83-storey** project will feature **studio, one-, two-, three-, four- and five-bedroom de Grisogono branded** apartments, infinity pool, fog forest, observatory, spas, fully equipped gym and high-end restaurants.

The project is expected to be completed in **2026** with a total saleable area of **1,304 thousand square feet** and a project value of approximately **AED 3,344 million (U.S.\$910 million)**.



ELEGANCE TOWER

Elegance Tower by DAMAC was co-designed by the international fashion designer **Zuhair Murad**. This **25-storey project**, which is located in Downtown Dubai in close proximity to Burj Khalifa and Dubai Mall, features exclusive one- and two-bedroom apartments.

The project is expected to be completed in **2026** with a total saleable area of **284 thousand square feet** and a project value of approximately **AED 720 million (U.S.\$196 million)**.

OUR PROPERTIES

(CONTINUED)

CERTAIN KEY PROJECTS IN PROGRESS INCLUDE:

TOWERS



DAMAC BAY BY CAVALLI & DAMAC BAY BY CAVALLI 2

DAMAC Bay by Cavalli and DAMAC Bay by Cavalli 2 are being developed in collaboration with **Cavalli**, an Italian luxury brand. These multi tower, over **40-storey** luxury projects are located in Dubai Harbour, overlook water and Palm Jumeirah and feature exclusive **one-, two-, three-, four- and five-bedroom apartments**.
DAMAC Bay by Cavalli is expected to be completed in **2027** with a total saleable area of **999K square feet** and a project value of approximately **AED 4,043 million (U.S.\$1.1 billion)**. DAMAC Bay by Cavalli 2 is expected to be completed in **2028** with a total saleable area of **692 thousand square feet** and a project value of approximately **AED 2,940 million (U.S.\$800 million)**.



CANAL HEIGHTS & CANAL HEIGHTS 2

Canal Heights and Canal Heights 2 are being developed in collaboration with **de Grisogono**, a Swiss luxury jewellery brand. Canal Heights is a **38-storey** project and Canal Heights 2 is a **39-storey project**. Both projects are located on Dubai Water Canal and feature exclusive **studio and one-, two-, three- and four-bedroom apartments**.
The projects are expected to be completed in **2027**. Canal Heights has total saleable area of **300 thousand square feet** and a project value of approximately **AED 856 million (U.S.\$233 million)**. Canal Heights 2 has total saleable area of **381 thousand square feet** and a project value of approximately **AED 1,106 million (U.S.\$301 million)**.



CANAL CROWN

Canal Crown is being developed in collaboration with **de Grisogono**, a Swiss luxury jewellery brand. This **36- storey** project is located on Dubai Water Canal and features exclusive **studio and one-, two-, three- and four-bedroom apartments**.
The project is expected to be completed in **2027** with a total saleable area of **286 thousand square feet** and a project value of approximately **AED 816 million (U.S.\$222 million)**.



OUR PROPERTIES

(CONTINUED)



CO-BRANDING WITH PREMIUM BRANDS

DAMAC has been at the forefront of developing branded residences within the UAE's real estate market. Renowned for its luxury lifestyle and premium property developments, the emirate of Dubai provides an ideal platform for the creation of branded residences. DAMAC has forged exclusive partnerships with highly coveted luxury lifestyle brands, solidifying its reputation as a pioneer in this space.

Among DAMAC's notable developments in the branded residences sector are the Cavalli Tower, DAMAC Bay and DAMAC Bay 2, the world's only Cavalli-branded residences. Expanding on this successful partnership, DAMAC also offers Just Cavalli branded luxury villas within its DAMAC Hills Development.

Additionally, DAMAC has collaborated with luxury watch and jewellery brand de Grisogono for its Safa One and Safa Two branded residences project. Further enhancing its portfolio, DAMAC Hills and DAMAC Hills 2 features hotel properties in affiliation with the prestigious Radisson and Rotana brands as operators. Strengthening its presence in the branded hotel residences segment, its crown jewel in this segment is the five-star Paramount Hotel Dubai, which enjoyed such success that another Paramount Hotel was launched in Business Bay in 2022 – Paramount Hotel Midtown.

For DAMAC, collaboration with FENDI Casa, Versace Home, de Grisogono, Cavalli, Just Cavalli, Paramount Hotels & Resorts, and the Trump Organization presents an opportunity to enhance customer interest and drive sales volume and pricing for its units, especially amidst growing investor demand from emerging markets for co-branded products. These strategic co-branding arrangements serve as a key differentiator for DAMAC's products, bolstering the perception of the Group's brand within the competitive real estate landscape.



03

Our Strategy

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DAMAC'S STRATEGY

At DAMAC, our development strategy is guided by a steadfast commitment to excellence and customer-centricity, positioning us as a leader in the dynamic real estate market of the UAE. Our approach encompasses the following key pillars:

Market Leadership

We continuously strive to strengthen our position as a market leader by setting benchmarks for innovation, quality, and customer satisfaction. Also, our goal is to push the boundaries of excellence in every aspect of our operations.

Launch of New Projects

Proactively responding to market demands and trends, we consistently introduce fresh, visionary projects that cater to evolving consumer needs and preferences. By expanding our diverse portfolio and market presence, we ensure that we remain at the forefront of industry trends.

Customer-Centric Approach and Innovative Design

Central to our strategy is a focus on providing unparalleled experiences to our customers. Through a blend of customer-centricity and cutting-edge design solutions, we create environments that captivate and inspire. Collaboration with esteemed brands ensures exclusivity and uniqueness in every venture.

Strategic Land Acquisition

We strategically identify and acquire prime land parcels to lay the foundation for the development of high-quality, iconic projects. Our aim is to exceed market expectations, ensuring long-term value creation and sustainable growth for our stakeholders.

Healthy Cash Flow Generation

Adopting a prudent approach, we prioritise activities contributing to robust cash flow, fostering financial stability, and enabling us to seize opportunities for further expansion and investment aligned with our growth objectives.

Diversification

Demonstrating our commitment to diversification, we have successfully launched ventures such as Ventura Mall in Dubai Hills in 2023. Expanding revenue streams through leasing, facilities management, hospitality operations, and golf businesses, we plan to establish additional malls in DAMAC Lagoons and introduce a Grade A office in Dubai. This diversification enriches our portfolio, mitigates risks, and optimizes returns.

Integrated Sustainable Development

Sustainability is at the core of our development philosophy. We integrate eco-friendly and socially responsible components into all our projects, minimizing environmental impact while maximizing social and economic benefits. DAMAC Lagoons, our inaugural master community prequalified as a LEED Platinum⁷ development, exemplifies our commitment to sustainable growth and enduring value for all stakeholders.

⁷ LEED (Leadership in Energy and Environmental Design) is the world's most widely used green building rating system. LEED certification provides a framework for healthy, highly efficient, and cost-saving green buildings, which offer environmental, social and governance benefits. LEED certification is a globally recognised symbol of sustainability achievement, and it is backed by an entire industry of committed organisations and individuals paving the way for market transformation.

These pillars underscore our unwavering dedication to sustainable growth, excellence, and value creation, driving our mission to deliver exceptional experiences and outcomes for our customers and stakeholders across all endeavours.



OUR APPROACH TO SUSTAINABILITY



Sustainability is increasingly crucial in today's world, with stakeholders becoming more aware of the consequences of their decisions. Global mega trends such as urbanisation, demographic shifts, climate change, resource scarcity, technological advancements, and economic changes highlight the vital role of sustainability in driving the success of communities and society as a whole.

As a prominent developer in the UAE, DAMAC recognises its duty to the environment and the community. While we are at the initial stages of our sustainability journey, we are positioned to pioneer a strategy that benefits both future generations and present stakeholders.

DAMAC is committed to integrating sustainability into core values and embedding it into corporate culture and daily operations. We view this commitment as an opportunity to positively impact lives and future, a responsibility we take seriously. This report signifies the start of an open and transparent dialogue about our sustainability performance, objectives, and commitments. Each year, we establish new and enhanced sustainability targets. Our aim is to leverage sustainability to improve our business practices while reducing our environmental impacts and strengthening the communities we operate in.

On June 26, 2023, DAMAC adopted the **ESG Strategy⁸**, which encompasses several key pillars:



Environmental

focuses on incorporating climate considerations into property design and construction, implementing energy-efficient measures, promoting renewable energy use, and exploring carbon-neutral design principles for new developments.

⁸ DAMAC's ESG Strategy



Social

aims to foster employee well-being and safety, engage with local communities through partnerships and initiatives supporting education and health, promote diversity and inclusion in the workplace, and engage with stakeholders to understand their needs and concerns.



Governance

emphasises upholding a robust code of ethics, transparency, and integrity across business operations, fostering stakeholder inclusiveness in decision-making processes, ensuring diverse representation on the Board of Directors, identifying and managing ESG risks to protect the long-term value of the Group's assets.

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CONTRIBUTION TO UN SDGS



SDG 3: Good Health and Well-being

Our continuous focus on proactive safety measures and a culture of accountability has ensured a secure working environment, in particular:

- In July 2023, DAMAC received the WELL Health and Safety Rating Certification for **59 buildings** across the UAE.
- In 2023, DAMAC achieved **37.7million** safe man-hours, demonstrating our commitment to the highest HSE standards.
- DAMAC achieved impressively low Lost Time Injury Frequency Rate (LTIFR) of **0.0661**.
- In February 2024, DAMAC successfully secured **ISO 14001:2015** and **ISO 45001:2018** certifications. Additionally, LOAMS, the facility management company fully owned by DAMAC, has held **ISO 9001:2015** certification since July 2015 and secured **ISO 14001:2015** and **ISO 45001:2018** certifications in June 2023.

DAMAC has implemented a structured & presided Safety Inspection Scoring system and project ranking framework, presented to management for monthly reviews of HSE compliance across all projects. Also the DAMAC HSE team conducts regular internal audits for DAMAC projects, which are crucial for ensuring adherence to safety standards.



SDG 4: Quality Education

DAMAC is committed to developing its employees, offering extensive training programmes such as Corporate Induction, New Age Managers, Future Leaders, the Emiratisation Development Programme NaMa (**Nationals Acquisition and Management Acceleration Programme**), WISE (Women's Initiative for Success and Empowerment), Technology Learning Series, and Developing Soft and Behavioural Skills trainings, among others.

The workforce collectively averaged **13.2 hours** of training per employee in **2023**, with male employees attending **11.9 hours** and female employees attending over **15.6 hours** of training.



SDG 6: Clean Water and Sanitation

In our communities, the water used for irrigation is treated sewage water, sourced partially from Dubai Municipality and our own sewage treatment plant. We have implemented a **fully automated smart irrigation system** that precisely meets water requirements and alerts us to any leaks, thereby preventing water loss. Additionally, we have installed aerators to **reduce water flow** in all taps in DAMAC's common areas, and we use **pool covers** to **conserve water** by reducing evaporation and minimizing cleaning needs.

To maintain the quality of clean water and comply with Dubai Municipality regulations, we conduct domestic water tests at the required frequency. These tests ensure that the water quality meets all specified requirements, safeguarding the health and safety of our residents.

These measures have allowed DAMAC to achieve a **9% water savings** within completed projects common areas in 2023 compared to 2022.



SDG 7: Affordable and Clean Energy

We have implemented energy-saving initiatives by installing solar panels in our buildings and communities. These installations, which include energy-efficient equipment such as solar common area street lights, solar traffic-lights and solar water heaters, have significantly reduced energy consumption. In **2023** we saved **487 MWh** through the use of solar panels and **876 MWh** through the use of solar water heaters in common areas of completed projects. More information can be found in the Section 6. Environmental Protection.

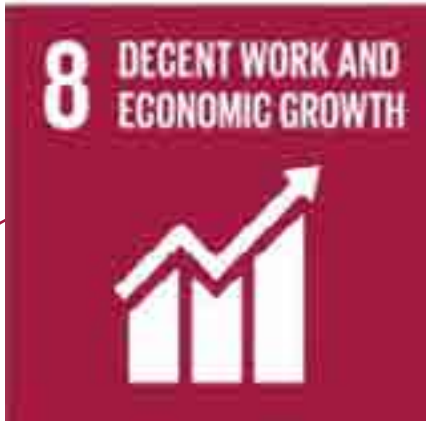
Above-mentioned measures have allowed DAMAC to achieve a **12% energy savings** within completed projects common areas in 2023 compared to 2022, in particular **26% savings** for cooling within common areas.

The results from our UAE Earth Hour 2023 initiative demonstrated significant energy savings in common areas. By turning off non-essential lighting for just one hour, we saved **8.8 MWh** of energy which is equivalent to **3.5 tonnes of CO2**. We are confident that implementing this practice regularly will lead to substantial long-term energy and cost savings.



CONTRIBUTION TO UN SDGS

(CONTINUED)



SDG 8:
Decent Work and Economic Growth

In 2023, DAMAC implemented a Performance Management System in Oracle Fusion to ensure all employees receive regular performance and career development reviews. All KPIs are tracked by responsible teams on a monthly basis.



SDG 11:
Sustainable Cities and Communities

In 2023, DAMAC Lagoons master community has been named the UAE's first pre-certified LEED Platinum community development under the Leadership in Energy and Environmental Design (LEED).

In 2023, DAMAC introduced 3D printing technology, revolutionizing construction by enabling the creation of complex building structures using **60% recycled materials** and materials that are four times stronger than concrete, with a **70% automated process**. This includes printing bathrooms, kitchens, and entire villa systems directly from digital models. This innovation significantly reduces waste and saves on labour costs. As a trial project, the DAMAC Hills 2 office was constructed using this technology. To date, DAMAC has invested **AED 23 million** in this sustainable innovation.

To date, DAMAC has invested over **AED 4 million in Hydropanel technology**, a renewable drinking water solution that converts humidity into drinking water. This innovative technology will be deployed at Lagoons villas, contributing to sustainable living and resource management.



SDG 13:
Climate Action

In 2023, DAMAC calculated Scope 1 and Scope 2 greenhouse gas emissions, initiating proactive measures to enhance climate resilience and reinforce accountability and transparency. Our commitment to mitigating climate impact is evident in our recent achievement of LEED Platinum pre-certification for the DAMAC **Lagoons community**, demonstrating our dedication to reducing environmental footprint across our operations.

In 2023, we integrated climate change considerations into our **ESG strategy** and environmental policy, affirming our long-term commitment to making sustainable practices a priority throughout our management, workforce and operations.



SDG 15:
Life on Land

The **trees** and **plants** within our communities are indigenous species, well-adapted to the local climate and requiring minimal water. Additionally, the DAMAC communities feature water ponds used for irrigation. These ponds not only support **water conservation** but also enhance local biodiversity by providing habitat and shelter for migratory birds. This initiative promotes the sustainability of our ecosystems and strengthens our commitment to preserving life on land.



04

Corporate Governance

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CORPORATE GOVERNANCE STRUCTURE

DAMAC recognises the importance of robust governance and is committed to adhering to the highest standards of corporate governance. Founded in its predecessor form in 1982 by Mr. Hussain Ali Habib Sajwani, who currently serves as the Chairman of the Board of Directors, the company benefits from Mr. Sajwani's extensive management experience of over 40 years and his wide-ranging connections in Dubai and the broader Middle East region.

All members of the Board of Directors are appointed for an indefinite period, unless otherwise specified in the decision concerning their appointment. Each member of the Board of Directors may be suspended or dismissed at any time by Nomination and Remuneration Committee.

The Group operates under a two-tier management structure. The higher tier includes the Board of Directors and two committees, while the lower tier consists of the Senior Management. The Chairman, as the majority shareholder of the Company, occupies the top tier in this structure.

During 2023, the Board of Directors, chaired by Mr. Sajwani, operated with an 80% rate of independence and consisted of 5 members. The board oversees two critical board-level committees: the Nomination and Remuneration Committee and the Audit and Risk Committee.



The Nomination and Remuneration Committee aids the Board in managing areas related to the composition and performance of the Board, as well as the induction of new directors. It also oversees committee appointments and senior management succession planning, assesses the balance of skills, knowledge, diversity, and experience within the Board, and provides guidance on retirements and appointments to ensure compliance with governance standards. This committee was composed of four independent non-executive directors: Sofyan Adnan Sami Khatib, Farooq Mahmood Mohd Mahmood Arjomand, Subramanian Suryanarayan and Christophe Jacques Marc Cuvillier.

The Audit and Risk Committee supports the Board in its oversight of financial and tax reporting, budget, risk management, internal and external audits, and controls, ensuring the integrity of the company's financial statements. This committee also reviews engagements with external auditors and evaluates the effectiveness of the internal audit functions and risk management frameworks. Crucially, it plays a pivotal role in overseeing the company's sustainability and ESG initiatives, reviewing significant ESG-related decisions, initiatives and developments, and approving the sustainability report, ESG strategy, as well as updated policies and processes. It was composed of three independent non-executive directors: Sofyan Adnan Sami Khatib, Farooq Mahmood Mohd Mahmood Arjomand and Subramanian Suryanarayan.

In 2023, the entire Board of Directors approved a range of DAMAC policies connected with ESG, including the Code of Conduct, ESG Strategy, Environmental Policy, Health & Safety Policy, Whistleblower Policy, Anti-Bribery Policy, and Supplier's Code of Conduct. These major policies are available on the DAMAC website under the investor relations section⁹. Following the reporting period the Board of Directors approved the publication of this inaugural DAMAC ESG report.

DAMAC does not maintain a separate ESG department. However, responsibility for ESG matters is integrated across various departments within the company,

including design, quality assurance, health & safety, corporate finance, corporate communications, people and performance, human resources, and facility management. Each of these departments has designated individuals who report to their respective Heads of Departments, all of whom are part of the Senior Management team. ESG coordination is managed by the investor relations team within the corporate finance department of the Company. This structure ensures that ESG responsibilities are distributed throughout the organisation, fostering widespread departmental involvement in ESG initiatives.

Changes in the management structure

DAMAC's Board of Directors was established on April 3, 2023, and subsequently expanded with the addition of Mr. Christophe Jacques Marc Cuvillier, who joined on July 17, 2023.

Following the reporting period, in January 2024, Chief Information Officer, Francis Arul, resigned, and Oliver Skagerlind was appointed as Chief Digital Information Officer in February 2024.

In March 14, 2024, Mr. Subramanian Suryanarayan resigned from his position.

In May 21, 2024, Mr. Christophe Jacques Marc Cuvillier was appointed as a new member of the Audit and Risk Committee.

⁹ ESG policies of DAMAC



CORPORATE GOVERNANCE STRUCTURE

(CONTINUED)

BOARD OF DIRECTORS

The expertise and experience of each member of the Board of Directors is set out below:



Mr. Hussain Ali Habib Sajwani
Founder and Chairman of the Board of Directors

Mr. Hussain Ali Habib Sajwani founded the Group in 1992 in its predecessor form and served as the Group's Chairman from its establishment in its current form in 2002 until the reorganisation. Mr. Hussain Ali Habib Sajwani received his Bachelor of Arts degree in Economics from the University of Washington in the United States. Mr. Hussain Ali Habib Sajwani started his career as a Contracts Manager in GASCO, a subsidiary of Abu Dhabi National Oil Company (ADNOC), before going on to establish his own catering business in 1982, which he still owns today. In the mid-90s, Mr. Sajwani privately built hotels to accommodate the influx of people coming to Dubai for business and trade. In 2002, he established DAMAC Properties which has grown to become one of the largest property development companies in the Middle East and further afield.



Mr. Christophe Jacques Marc Cuvillier
Non-Executive Director, Independent
(since July 2023)

Mr. Christophe Jacques Marc Cuvillier is a member of the EMEA Advisory Board of Salesforce, International Advisory Board of HEC Paris business school and the board of directors of Raise Finance. In addition, Mr. Christophe Jacques Marc Cuvillier chairs the board of directors of SMCP Group. Prior to joining the Group, Mr. Christophe Jacques Marc Cuvillier served as chief operating officer and later as chairman of the management board of Unibail-Rodamco-Westfield, chief operating officer, chairman and chief executive officer of FNAC and chairman and chief executive officer of Conforama. In addition, he held a number of senior management roles with the luxury products division of L'Oreal. Mr. Christophe Jacques Marc Cuvillier graduated with a Master's degree in Management from HEC Paris in 1984.



Mr. Sofyan Adnan Sami Khatib
Non-Executive Director, Independent
(since Board formation in April 2023)

Mr. Sofyan Adnan Sami Khatib also sits on the boards of a number of private and public companies in the MENA region, including Al Anwar Ceramics Tiles Company SAOG and Al Jazeera Services Co SAOG, and is also a chairman of SAK Investments Limited. In addition, Mr. Al Khatib held several managerial positions with catering companies in Saudi Arabia, where he was charged with the sales and marketing efforts, sales network expansion, achieving sales revenues targets and control of operations of regional projects. Mr. Sofyan Adnan Sami Khatib has over 40 years of experience in the catering and hospitality industry in the Middle East. He graduated with a Bachelor's degree in Business Administration from the University of Jordan in 1980.



Mr. Farooq Mahmood Mohd Mahmood Arjomand
Non-Executive Director, Independent
(since Board formation in April 2023)

Mr. Farooq Mahmood Mohd Mahmood Arjomand started his career as a banker with HSBC in 1985 and gained experience in private banking, corporate finance, trade services and investment banking. He is also a founder of the Arjomand group companies, which is engaged in real estate, manufacturing, trading, financial activities and aviation in the GCC, Asia, Europe and the U.S. Mr. Farooq Mahmood Mohd Arjomand also sits on the board of Al Ahlia Insurance Company BSC, Bahrain.

Mr. Farooq Mahmood Mohd Mahmood Arjomand received his Bachelor of Business Administration (B.B.A) in Business Management from Seattle Pacific University in the United States in 1984.



Mr. Subramanian Suryanarayan¹⁰
Non-Executive Director, Independent
(since Board formation in April 2023 till March 2024)

Mr. Subramanian Suryanarayan is a chartered accountant from India with more than 25 years of experience in banking and finance in India, Singapore and the UAE with leading international and regional banks. He served as Chief Financial Officer of Emirates NBD Group in Dubai from September 2010 to January 2020 and was a member of the IFRS Advisory Council, which supports the IASB and the Trustees to the IFRS Foundation. Mr. Subramanian Suryanarayan also held positions with the Ministry of Finance, the Accounting and Corporate Regulatory Authority in Singapore and has prior board experience with a number of listed and unlisted entities.

¹⁰ In March 14, 2024, Mr. Subramanian Suryanarayan resigned from his position.



CORPORATE GOVERNANCE STRUCTURE

(CONTINUED)

CORE BOARD SKILL MATRIX

| | Leadership | Strategic and Risk Management | Banking, Finance and Insurance | Real Estate | Industrial Production | Retail Trade | Fashion and Luxury Goods | Government Entities | Catering and Hospitality | Aviation |
|--------------------------------------|------------|-------------------------------|--------------------------------|-------------|-----------------------|--------------|--------------------------|---------------------|--------------------------|----------|
| Hussain Ali Habib Sajwani | • | • | | • | • | • | • | | • | |
| Christophe Jacques Marc Cuvillier | • | • | | • | | • | • | | | |
| Sofyan Adnan Sami Khatib | • | • | | | • | | | | • | |
| Farooq Mahmood Mohd Mahmood Arjomand | • | • | • | | | • | | | | • |
| Subramanian Suryanarayan | • | • | • | | | • | | • | • | |

NOMINATION AND SELECTION PROCESS

The nomination and selection process for the composition of the Board of Directors and its committees involves a thorough evaluation and selection mechanism. The Nomination and Remuneration Committee first evaluates the performance of current board members and committees to determine if they should be considered for re-election or if new members should be added.

The committee then receives recommendations for new board members from either management or current board members. It carefully reviews the CVs of potential candidates, assessing their skills, experience, and qualifications for the position. The review process includes criteria such as proven leadership, prior board experience, and familiarity with large, complex organisations.

Following this assessment, the Nomination and Remuneration Committee presents a list of candidates to the full Board of Directors for further discussion and review. The committee then conducts interviews and makes final decisions, which require the approval of all board members.



CORPORATE GOVERNANCE STRUCTURE

(CONTINUED)

SENIOR MANAGEMENT



Ms. Amira Sajwani
Managing Director for
Sales and Development

Ms. Sajwani is the Managing Director for Sales and Development at DAMAC. Ms. Sajwani's day-to-day responsibilities include overseeing sales, agent relations, customer relationship and project handovers. Ms. Sajwani oversees the development of the Company's properties to ensure product values are maximised. This involves various stages of the development process including design, construction, marketing and analytics. Additionally, she oversees the operations of the DAMAC's network of direct and independent sales agents both locally and internationally, as well as the development of agent programmes and initiatives, which strengthens partnerships, and empowers agents with the tools they need to sell more effectively. Ms. Sajwani is a graduate of University College London, where she majored in Project Management for Construction, and holds a Master's degree in Finance from the London School of Economics.



Mr. Ali Hussain Sajwani
Managing Director
for Operations and
Technology

Mr. Ali Hussain Sajwani serves as the Managing Director for Operations and Technology at DAMAC. His day-to-day responsibilities as an Executive Director include overseeing the key functions that are critical to the Company's growth, expansion, and long-term strategy. These include customer relationship management development, handovers and collections, marketing, communications and information technology. Mr. Ali Hussain Sajwani received his Bachelor of Arts degree in Economics from the Northeastern University in the United States.



Mr. Mohammed Tahaine
General Manager for
Real Estate Development
and Construction and
Technology

Mr. Mohammed Tahaine has almost 25 years' experience in the UAE, working in the construction industry at executive management level, specialising in commercial and project management. He received his Bachelor of Science in Civil Engineering, University of Jordan. An experienced leader with detailed knowledge and understanding of business opportunities evaluation, feasibility analysis, design development, commercial management (awarding contracts), construction management, cost control, contract administration, claims and quantity surveying management, leasing and facilities management of retail and residential properties, customer handover management and maintaining business relationships with international supply chain. Currently, Mr. Tahaine serves as General Manager of the Group and participates in the development and refinement of the organisation's overall vision and strategy and contributes to the overall process of corporate management.



Mr. Hitesh Dhoot
Chief Finance Officer

Mr. Dhoot graduated with a Bachelor of Commerce (Honours) in Accounting and Finance in 1997 from Jai Narain Vyas University, Jodhpur, Rajasthan, India. He qualified as a chartered accountant from the Institute of Chartered Accountants of India in 1999. He has over 24 years of experience in managing accounting and finance teams in various organisations in India and the UAE. Mr. Dhoot joined DAMAC in 2008. His experience with the Company includes the management of the accounts and finance team, cash and liquidity management, banking relationship management for DAMAC, overseeing strategic projects including various financing and debt related bilateral and capital market transactions, and managing investor relations. He is also responsible for driving companywide finance transformation project to make DAMAC ready for next leg of growth.



Mr. Mavelitharayil Philip John
Chief Human Capital
Officer

Mr. John joined the Company in 2003. With more than 30 years of experience, he is responsible for driving organisational success in talent acquisition and human resources, providing an employee-oriented, high performance driven work culture. He holds a Master's degree in Arts from Mahatma Gandhi University, India. The HR and Talent Acquisition team is responsible for global recruitment, induction programmes for all staff, visa processing, performance management and administration.



Mr. Joseph Berti
Senior Vice President
for Legal and Risk
Department

Mr. Berti has more than 25 years of experience spanned across various organisations. He is the Senior Vice President for Legal and Risk Department at DAMAC since November 2021. Previously he was the Chief Legal Officer of Emaar. From 2004 to 2020, Mr. Berti held various senior-level positions at Schlumberger, a Fortune Global 500 company, including Production Group General Counsel. During the period from 2002 to 2004, he worked as a Legal Counsel at Alshaya Group, one of the largest brand franchise companies globally. Mr. Berti graduated from the University of Paris: Panthéon-Sorbonne with a Master's degree in Business Law.



Mr. Francis Arul¹¹
Chief Information Officer

Mr. Arul has 27 years of experience in software development, quality assurance, software management, architecture and infrastructure. Prior to joining DAMAC, Mr. Arul served as digital transformation officer with Alshaya Group and worked for Louis Vuitton, SGCIB, ABN AMRO and General Motors. Mr. Arul holds an Executive MBA in Business Administration from ESSEC Business School and an EMBA in Executive Management from University of Mannheim.

¹¹ Following the reporting period, in January 2024, Chief Information Officer, Francis Arul, resigned.



CORPORATE GOVERNANCE STRUCTURE

(CONTINUED)

Prevention of conflict of interest

At DAMAC, we prioritise transparency, integrity, and accountability in all our business dealings. To ensure ethical conduct and minimize conflicts of interest, we have implemented robust processes and policies for both the Board of Directors and Senior Management.

All board members are required to disclose any other board and executive positions they hold elsewhere, promoting transparency and allowing stakeholders to assess potential conflicts of interest. Additionally, the Company's bylaws mandate the disclosure of contracts between board members and DAMAC. Any board decision approving contracts with related parties must exclude votes by the related party to prevent undue influence.

Moreover, DAMAC has established a comprehensive Conflicts of Interest Policy, integrated into our Code of Conduct. Employees are required to disclose conflicts of interest, including dealings involving family members, employment outside of DAMAC, board membership in competing businesses, ownership in competing businesses, or supplier relationships.

All dealings with related parties are conducted at arm's length to maintain fairness and transparency.

Our proactive approach to preventing and managing conflicts of interest underscores our commitment to integrity, accountability, and stakeholder trust.

Remuneration of directors and management

The aggregate amount of remuneration accrued in respect of the payments to the directors and key management personnel payable by the Company for the year 2023 was AED 419.8 million (U.S.\$114.2 million). Remuneration of directors and management for the 2023 year was comprised of compensation in all the capacities in which the directors and management serve or are employed by the Group, including amounts in respect of discretionary bonus, pension contributions and other similar benefits payable by DAMAC to the directors and management.

The remuneration of the key management personnel of the Group is set below in aggregate for each of categories specified in International Accounting Standard (IAS) 24: Related Party Disclosures.

| | 2023 | 2022 |
|--|----------|----------|
| | AED '000 | AED '000 |
| Salaries and other short-term benefits | 419,234 | 231,976 |
| Other long term benefits | 554 | 171 |
| | 419,788 | 232,147 |

Codes and policies on management within the Company

The process of developing policies, codes, and procedures within DAMAC is characterized by collaboration among various stakeholders and departments.

Initiating with a comprehensive assessment of regulatory requirements, industry best practices, and internal needs, the department drafts new policies or updates existing ones. These drafts undergo rigorous reviews and consultations with key stakeholders, including senior management, department heads, and legal advisors, to ensure alignment with organisational objectives and legal compliance.

Upon thorough review and refinement, the finalized policies/codes/procedures are approved either by the Board of Directors or Senior Management. They are then disseminated to all employees through internal channels, such as company-wide emails, 'DAMAC Central' and 'DAMAC People', our intranet portals, to ensure widespread awareness and understanding.

These policies/codes/procedures undergo regular monitoring and periodic review processes to maintain their effectiveness and relevance. Adjustments are made as necessary to adapt to evolving regulatory requirements and organisational needs.

Internal control and risk management

At DAMAC, we prioritise risk management to protect

our stakeholders' interests and ensure the long-term sustainability of our business.

While risks are managed by respective Heads of Departments in a decentralised structure, we recognise the importance of cohesive coordination and collaboration across all levels of the organisation. Each department within DAMAC holds specific responsibilities for identifying, assessing, and managing risks relevant to their areas of expertise. This decentralised approach fosters a sense of ownership and accountability, empowering employees to proactively address risks within their spheres of influence.

In addition to departmental responsibilities, we are in the process of institutionalizing a Centralized Compliance Risk Framework to enhance our risk management capabilities further. This framework encompasses a comprehensive range of compliance risks, including but not limited to Contract Lifecycle Management, Anti-Money Laundering (AML), Data Protection, and other regulatory compliance areas. By centralizing our approach to compliance risk management, we aim to streamline processes, improve efficiency, and ensure consistency in our compliance efforts across the organisation.

DAMAC's risk management process is characterized by a combination of decentralised responsibility and centralized oversight, supported by a robust framework of internal documents and procedures. By empowering employees to actively engage in risk management efforts and leveraging centralized resources to address compliance risks comprehensively, we strive to enhance our resilience, protect our reputation, and create sustainable value for our stakeholders.

Internal audit

The Internal Audit function at DAMAC operates with a focus on independence and accountability, reporting directly to the Executive Office. As of the end of 2023, our internal audit team consisted of 22 full-time audit professionals, each possessing expertise in various competencies such as finance, operations, projects, CRM, IT, cybersecurity, data, and artificial intelligence (AI).

On an annual basis, our team conducts between 60 to 80 audits covering various processes, business segments, and entities within the organisation. These audits span critical areas such as Finance, IT, Treasury, Taxation, Sales, CRM, Collection, Mortgage, and Handover. Following each audit, findings are discussed with Functional Heads, and

management responses are obtained. Additionally, a summary of the findings is shared with the Chairman's Office, Managing Director's Office, and General Manager's Office. The progress of agreed-upon action plans is tracked via an Audit Tracker on a periodic basis to ensure timely resolution of identified issues.

In our continuous pursuit of excellence, we have implemented advanced technologies such as AI to enable continuous control monitoring and enhance our overall audit coverage. Furthermore, we are in the process of expanding our audit capabilities through co-sourcing with reputable risk consulting firms, ensuring that we maintain a comprehensive approach to risk management and internal control assessment.

The outcomes of our audits encompass a wide range of

areas, including financial, operational, compliance, and process efficiencies. These outcomes are closely monitored by the Executive Office, contributing to the establishment of a robust governance framework within the organisation. Our key performance indicators (KPIs) focus on identifying high-risk findings, promoting audit automation and digitization, and identifying opportunities for long-term cost savings.

Collaboration is a cornerstone of our approach to internal audit, and we work closely with other assurance functions such as external auditors, compliance, legal, and other operational governance bodies to ensure alignment and synergy in our efforts.

Our internal audit function is supported by comprehensive documentation, including audit charters and methodologies. These documents outline the team structure, scope of work,

data accessibility, confidentiality requirements, and guidelines for documentation and work paper management.

The Audit and Risk Committee plays a pivotal role in overseeing our internal audit activities. It focuses primarily on the coverage of key risks, and compliance requirements, taking proactive actions as per its charter to uphold the highest standards of governance and risk management within the organisation.

In summary, our internal audit function at DAMAC is committed to upholding the principles of transparency, accountability, and excellence. Through diligent assessment, collaboration, and continuous improvement, we strive to mitigate risks, optimize efficiencies, and enhance stakeholder value across the organisation.



CORPORATE ETHICS AND COMPLIANCE SYSTEM

Despite being privately held, DAMAC believes that it is important to have a strong corporate governance structure and corporate ethics in place, underpinned by codes and policies appropriate for groups of its size with operations and sales offices around the world. For this purpose, the Group employs internal transparency, accountability and anti-corruption safeguards, among which are the Code of Conduct, which includes numerous policies inside, in particular Supplier Code of Conduct, Whistleblower Policy and Line.

The commitments made according to our ethical and responsible business conduct policies are thoroughly integrated into the Group's strategies, operational policies, and procedures. Operational policies are regularly updated to reflect these commitments, ensuring that they are embedded in our day-to-day activities. This integration ensures that ethical considerations are a fundamental part of our business model and decision-making processes.

The Group ensures that responsibility for compliance with policies on ethical and responsible business conduct is clearly assigned across various management levels and departments. Internal Audit as part of the audit plan reviews the adherence to these policies. Respective heads of departments (HODs) are responsible for ensuring the implementation of approved policies and procedures across the Group, to ensure transparency, accountability, clarity and risk ownership. Regular audits by Internal Audit are conducted to verify compliance, with any non-compliances being escalated to HODs and the Chairman's office.

Code of Conduct

On June 26, 2023, DAMAC's Board of Directors approved the Code of Conduct, which serves as the primary document governing ethical behaviour. It encompasses various policies and recommendations addressing several key topics, including:

- DAMAC values;
- How to raise concern inside the Company;
- Hotline Contact¹²;
- Integrity in Dealing with Our Agents and Others Acting on Our Behalf;
- Competition and Antitrust Law;
- Import, Export, Trade Controls and Sanctions;
- Anti-Money Laundering¹³;
- Anti-Bribery & Corruption ;
- Gifts and Hospitality;
- Fraud, Deception & Dishonesty;
- Conflicts of Interest and Personal Relationships in the Workplace;
- Equality, Inclusion, and Diversity¹⁴;
- Harassment, Bullying, Gossip , Rumour and Discrimination¹³;
- Human Rights Principles¹⁵;
- Use of Company Systems and Information;

- Social Media Guidelines;
- Use of Company Property and Resources;
- Financial Records, Controls, and Reporting;
- Confidential Information, Company Communications and Disclosures;
- Personal Information;
- Safety and Health¹⁶;
- Respecting the Environment¹⁷;
- Respecting Communities;
- Products and Service Quality;
- Supplier / Contractor Code of Conduct¹⁸.

This framework applies to employees, contractors, suppliers, vendors, and consultants working for or providing goods and services to DAMAC. We expect these parties to comply with the Code of Conduct when working for us. Additionally, to the extent permitted, the Code of Conduct also applies to our agents, dealers, and other third parties who work with us or represent us. All stakeholders and third parties to whom the Code of Conduct or a part of it applies, familiarize themselves with the relevant clauses of the Code of Conduct in order to comply with its requirements.

The Code of Conduct demonstrates our commitment to doing business ethically and transparently, principles that have been integral to our legacy for over 20 years. It establishes standards and expectations for business conduct across DAMAC, outlining Company policies and providing a framework and additional guidance on expected behaviours. During the employee induction process, each new hire is required to sign a document affirming their commitment to working in alignment with our Code of Conduct. Additionally, these principles are communicated through the personal example of leadership, as well as ongoing training and communication campaigns that aim to promote the Code of Conduct. Ensuring alignment with company values is of utmost importance to DAMAC as an employer.

There were no political contributions made during 2023 by DAMAC. Also, the Group has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) since the date of its incorporation which may have or have in such period had a significant effect on the financial position or profitability of the Company.

Measures to prevent corruption

The UAE maintains a zero-tolerance policy towards corruption, holding individuals accountable for any illicit activities, whether in the public or private sector. Articles 234-239 of the UAE Penal Code outline provisions for anti-bribery and corruption, which DAMAC strictly complies with in its daily operations. DAMAC adheres to the stipulations of relevant anti-corruption and anti-trust laws while conducting business.

In 2023, the Company developed a separate Anti-Bribery and Corruption Policy, which was approved by the Chairman and Board. The policy defines the principles that guide DAMAC in its activities, a list of prohibited actions, as well as a list of mandatory steps to be taken to prevent bribery and corruption. DAMAC neither offers nor accepts bribes or facilitation payments, nor does it endorse corrupt practices. The Group is dedicated to collaborating with counterparts and business partners whose reputations are untainted by corruption and bribery. To this end, DAMAC's Code of Conduct and Anti-Bribery and Corruption policy outline rules that all employees must adhere to regarding anti-corruption and anti-bribery measures. Our Anti-Bribery and Corruption policy is publicly available on our web-site.

DAMAC's Procedure on Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) requires obligatory compliance due diligence checks integrated into Salesforce immediately upon registering customers. These checks encompass watchlists for sanctions, terrorism, money laundering, corruption, and other pertinent areas, utilising Refinitiv data. Enhanced manual due diligence is conducted for high-risk customers, such as Politically Exposed Persons (PEPs), in compliance with UAE legal guidelines, which necessitate completed Know Your Customer (KYC) forms and Source of Wealth documentation.

DAMAC has never been sanctioned in relation to KYC procedures and illicit funds.

In 2023, there were no reported and confirmed cases of corruption violations by the Group.

Anti-competitive behaviour

The UAE Ministry of Economy aims to promote fair competition and prevent monopolies in the market, a principle DAMAC adheres to by complying with all competition laws. This commitment is clearly outlined in the Group's Code of Conduct.

DAMAC conducts its business in a manner that ensures transparent and equitable competition, avoiding any attempt to gain an unfair competitive advantage. Competition (antitrust) laws protect free enterprise by prohibiting practices that hinder trade or impede fair competition, such as price-fixing, market-sharing, bid-rigging conspiracies, or efforts to establish or maintain a monopoly. Engaging in anti-competitive practices is unacceptable and could harm DAMAC's business and reputation.

Recognising the risks of inadvertently breaching competition laws, DAMAC avoids discussing inappropriate or commercially sensitive topics with competitors. This includes refraining from conversations about pricing, marketing plans, business acquisitions, market share, expansion strategies, non-public market data, and tender strategies.

The Group was not involved in any legal actions related to anti-competitive behaviour, antitrust, or antimonopoly legislation in 2023.

Our hotline

On June 26, 2023, DAMAC implemented its Whistleblower policy, aimed at fortifying a culture of ethics and integrity across the organisation. As a result, we hold our employees to the highest ethical standards and expect the same from our business partners. In line with this commitment, we urge all employees, clients, suppliers, and contractors to assist us by promptly reporting any potential instances of non-compliance, fraudulent activities, or unethical practices via our dedicated public Whistleblower line at **codetofollow@damacgroup.com**. Each submission is objectively reviewed, and the identity of the reporting individual is treated with the utmost confidentiality.

After receiving an email to our Whistleblower line, it is forwarded to the respective department responsible for handling and addressing it with the utmost importance. We carefully track each case, and every compliant is communicated to the Chairman's office.

In 2023, we received a total of 6 cases, each of which was resolved within a timeline of 2 weeks after receipt.

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DAMAC's Supplier Code of Conduct



DATA SECURITY

Information security policies and management

DAMAC is committed to upholding the highest standards of cyber security and data protection. The primary goal of our Information Security Programme is to safeguard the confidentiality, integrity, and availability of our information systems. This is achieved through the implementation of comprehensive security policies, robust technological solutions, and continuous monitoring to mitigate risks and protect against data breaches, cyber-attacks, and other security threats. Our Information Security Programme adheres to the international cybersecurity standards such as ISO 27001 and NIST Cybersecurity Framework. This adherence demonstrates our commitment to maintaining robust security measures and complying with global standards.

Chief Digital and Information Officer (CDIO) is responsible for overseeing the Information Security Programme within DAMAC.

In 2023, we focused on enhancing our information security controls, aligning with international best practices, and ensuring the protection of our digital assets and customer data.

Information security policy

In January 2022, DAMAC established a comprehensive Information Security Policy to guide and support the management of information security within the Company. This policy is updated on an ongoing basis and covers various aspects of data protection controls. These include acceptable usage, access management, data protection, network security, backup and recovery, physical security, incident management, and more.

We have implemented cyber risk management process within our organisation to identify, assess, and mitigate risks associated with cyber threats. We typically address issues within the following categories:

- Data Breaches: Unauthorized access to and theft of sensitive consumer information, such as personal details, financial records, or property transaction history.
- Phishing and Social Engineering: Attempts to deceive consumers or employees into revealing sensitive information through fraudulent emails.
- Ransomware and Malware: Malicious software targeting to encrypt data or steal sensitive information for financial gain.
- Third-Party Risks: Vulnerabilities introduced through third-party service providers



- Insider Threats: Misuse of access privileges by employees, contractors intentionally or unintentionally compromising consumer information.
- Regulatory and Compliance Risks: Failure to comply with data protection laws and regulations (e.g., GDPR, CCPA) specific to real estate transactions, resulting in legal and financial penalties.
- Reputational Risk: Brand damage due to cyber-attack on DAMAC digital channels or fake digital presence created by cyber criminals.

We have established a dedicated communication channel for internal stakeholders to submit complaints and suggestions regarding cyber security. Notably, no security breaches or complaints concerning the loss of customer data were reported during the reporting period.

The Group monitors cybersecurity effectiveness through a range of metrics and indicators, including Key Performance Indicators (KPIs) for each function. This ensures that tools, technologies, and processes are operating optimally and addressing security concerns effectively. These KPIs typically include metrics such as compliance rates, incident response times, and vulnerability remediation rates. KPIs are measured monthly and reported to the management. The Internal Audit team also reviews these

KPIs to verify the accuracy of the data collection process. By leveraging these metrics, the Group effectively monitors performance, identifies areas for improvement, and ensures alignment with organisational objectives in privacy and information security.

2023 Initiatives and achievements

In 2023, we implemented several key initiatives to enhance our cyber security posture:

- Advanced Security Tools: Deployed Security Information and Event Management system, Anti-malware and Ransomware protection, Endpoint Detection & Response (EDR), Internet Proxy, Data Leakage Prevention (DLP), Cloud Security Protection, Web Application Firewalls (WAF), and Next-Generation firewalls.
- Security Operations Centre (SOC): Implemented 24/7 threat monitoring and incident response.
- Privileged Access Management (PAM): Improved control over administrative access to business applications.
- Cloud Security Solutions: Implemented solution to protect cloud workloads.
- Attack Surface Management: Implemented solution to

for continuous exposure management by simulating and analysing potential attack vectors.

These efforts resulted in a significant decrease in security incidents, enhanced detection and response capabilities, and an overall improved security posture.

Future plans

Looking forward, our key goals include achieving ISO 27001:2022 Information Security Management, enhancing SOC capabilities with advanced threat detection and response techniques, and improving incident response processes through automation.

DAMAC remains dedicated to maintaining the highest standards of cyber security. Our proactive measures, adherence to international standards, and commitment to continuous improvement ensure that we are well-equipped to protect our stakeholders and maintain operational integrity in an evolving digital landscape.



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Economic Impact

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OUR ECONOMIC RESULTS FOR 2023

1. Direct Economic Value Generated¹⁹ – AED 10,590 million in 2023 and AED 4,586 million in 2022:

- In 2023, the Group revenue nearly tripled to AED 8,843 million compared to AED 3,000 million a year ago. This surge was caused by progress in construction of projects launched starting from 2021, which have now reached a construction stage sufficient for revenue recognition under the Group's accounting policies.
- During the same period, other net operating income, which is fully comprised of income from cancellation of units, decreased by 46.1% to AED 669 million compared to AED 1,242 million a year ago. This is due to the peak of customer delinquencies caused by COVID pandemic being resolved in 2022 and starting from 2023, the repossession and subsequent sale of units of defaulted customers gradually returning to norm.
- Other net income of the Group (excluding dividend income and loss on repurchase of Sukuk certificates) nearly doubled in 2023 and reached AED 501 million, compared to AED 252 million in 2022. This growth was largely due to a reversal in provision after the Group won an arbitration award against a contractor.
- Finance income of the Group surged more than six-fold in 2023 to AED 576 million, compared to AED 92 million in 2022. This impressive dynamic is due to cash

and bank balances of the Group nearly doubling in 2023, as well as the overall interest rate cycle reaching peak levels in 2023.

- Group's gross margin reached 56.3% in 2023, a 19.2pp increase from 37.1% in 2022. This was achieved largely due to improved revenue recognition and focus of the Group on more profitable real estate market segments, such as villa/townhouse clusters in master communities and branded residential towers.

2. Economic Value Distributed²⁰ – AED 6,607 million in 2023 and AED 4,392 million in 2022:

- Adjusted operating expenses²¹ reached AED 5,155 million in 2023, which is a 73.3% increase compared to AED 2,975 million in 2022. Absolute majority of this increase was caused by the increase in cost of sales (AED 1,977 million), which followed improved revenue recognition in 2023.
- Staff costs were up by 56.0% in 2023, which is AED 1,105 million compared to AED 708 million in 2022. This increase was caused by both the higher corporate headcount and wages, as well as improved key management personnel remuneration.
- Payments to providers of capital decreased to AED 343 million, which is 50.6% lower than in 2022 (AED 695 million). This included a more than two-fold increase

in finance cost and bank charges, which constituted the entire AED 343 million in 2023, compared to AED 144 million in 2022. The balance AED 551 million in 2022 was represented by dividends distributed to shareholders, which were absent in 2023.

- In 2023 the Group did not pay any corporate income tax (CIT), after the corporate reorganisation in 2022, which resulted in sale of a number of international subsidiaries of the Group. This means that the Group was entirely UAE-based in its main economic operations in 2023, enjoying 0% CIT rate. In 2022, total corporate income tax paid was AED 2 million.
- Group's social contributions were mainly in the form of charity donations of AED 4 million, which is 65.7% down from AED 12 million in 2022.

3. Economic Value Retained:

- Economic Value Retained is the remaining value after subtracting the Economic Value Distributed from the Direct Economic Value Generated. In 2023 it reached AED 3,983 million, which is more than 20 times higher than in 2022 (AED 194 million).
- Compared to Economic Value Retained, net profit of the Group was AED 4,231 million in 2023, a three-fold increase from AED 1,404 million in 2022.
- Net profit margin in 2023 was relatively stable compared to 2022, 47.8% and 46.8% respectively.

The Group's strategic goal is to deliver attractive returns as a leading developer of high-end residential properties in Dubai. To achieve this strategic goal, the Group is focused on the following:

1. Executing its business model and delivering its existing pipeline of projects while securing land bank.
2. Maximising value by enhancing its product and services line and therefore strengthening and building on its brand.
3. Developing and expanding its investment property segment.

¹⁹ Direct Economic Value Generated is the sum of the Group revenue, other net operating income, other net income, and finance income of the Group.

²⁰ Economic Value Distributed is the sum of adjusted operating expenses, staff costs, payments to providers of capital, corporate income tax, and social contributions.

²¹ Adjusted operating expenses include cost of sales, selling and marketing expenses, repairs and maintenance expenses, legal and professional expenses, travel and communication expenses, insurance costs, rent and license fees, other expenses.

TAXATION MANAGEMENT



DAMAC's tax management strategy and policies emphasise absolute compliance with the relevant taxation laws and regulatory framework - optimizing tax positions ethically and transparently.

Senior management plays a pivotal role in the process of managing tax risks within the Group. The Board of Directors oversees the overall tax strategy and ensures it aligns with the Group's business objectives and ethical standards. They review and approve significant tax policies and risk management frameworks. Senior executives are directly involved in setting the strategic direction for tax management. They ensure that tax strategies support the Group's financial goals and comply with regulatory requirements.

In 2023, the tax strategy was updated to align with evolving regulations and streamline overall DAMAC's strategy. Key changes included revising VAT compliance procedures due to UAE VAT law updates, developing a comprehensive corporate tax strategy in response to the new UAE corporate tax regime, enhancing transfer pricing documentation to meet international standards, and investing in digital tax management solutions to automate processes. Approved by senior management after consultations with tax experts, these updates reflect our commitment to ethical tax practices and regulatory compliance.

Our goals and objectives in tax management:

1. Ensuring Compliance: To ensure that our operations are fully compliant with all relevant tax regulations, thereby avoiding legal penalties and reputational risks.
2. Strategic Planning: To integrate changes in tax laws into our strategic planning processes, optimizing our tax liabilities while ensuring compliance.
3. Risk Management: To identify and mitigate potential tax-related risks associated with regulatory changes.
4. Operational Efficiency: To streamline and enhance tax compliance processes through the use of technology and expert guidance.

Our commitments in tax management:

1. Proactive Monitoring: Continuously monitor and assess changes in tax laws and regulations to ensure timely compliance.
2. Transparent Communication: Maintain transparent communication with tax authorities and stakeholders regarding our tax compliance status and any significant changes in tax policies.

3. Continuous Improvement: Invest in ongoing training and development for our tax and finance teams to keep them well-informed and capable of managing complex tax issues.
4. Ethical Standards: Uphold the highest ethical standards in all tax practices, ensuring that our tax strategies are not only compliant but also aligned with our corporate values.

The Group ensures compliance with relevant tax regulations utilising a multifaceted strategy that encompasses identification, monitoring, and management of risks. To identify risks, a specialized tax team conducts regular assessments and scenario analyses, evaluating potential impacts on financial status and compliance. Furthermore, we maintain open communication channels with the UAE tax authorities and participate actively in industry forums which helps facilitate early awareness of regulatory changes and allows for proactive engagement.

Continuous monitoring through advanced software and internal audits ensures early detection of emerging risks. Advanced tax management software is leveraged to enable real-time tracking of regulatory changes and helps automate compliances processes, ensuring that tax strategies remain in alignment with the latest tax laws.

Managing these risks involves developing mitigation strategies like enhancing controls and compliance programmes. External consultants contribute significantly by providing specialized expertise and strategic advice on complex tax issues, guiding optimal tax planning aligned with regulatory standards. They also facilitate industry benchmarking, assisting the Group adopt the best practices and conducting training sessions to enhance internal capabilities.

Independent external audits further validate the effectiveness of the Group's tax risk management framework, offering unbiased assessments and actionable recommendations for continual improvement.

This comprehensive approach underscores the Group's commitment to not only complying with evolving tax regulations but also strategically leveraging them to support business objectives effectively.

The effectiveness of our tax strategy is evaluated on an ongoing basis using a blend of quantitative metrics and qualitative indicators. Quantitative measures include computation of compliance & error rates of tax filings, aiming for 100% accuracy and an error rate below 1%. We also track cost savings from strategic tax planning and aim to minimize issues or discrepancies identified during audits. Qualitatively, we gather feedback from various stakeholders to gauge transparency and

effectiveness, assess process efficiency including technology utilisation, and evaluate training programme effectiveness for their tax and finance teams.

The most recent assessment, conducted in Q4 2023, yielded positive results:

- **Compliance Rate of 99.8%, indicating strong adherence to tax laws and regulations**
- **Error Rate in tax filings and reports decreased by 10% compared to the previous year, demonstrating improvements in accuracy**

The Group's taxation approach is also closely related to our sustainability strategy, ensuring that our tax practices contribute to broader environmental, social, and governance (ESG) goals. Key aspects of this integration include:

1. Ethical Standards and Corporate Responsibility:
 - Transparent Reporting: Our commitment to transparency in tax reporting aligns with our governance objectives, promoting accountability and building trust with stakeholders.
 - Responsible Tax Practices: Avoiding aggressive tax planning and adhering to ethical standards reflects our dedication to corporate responsibility and sustainable business practices.
2. Economic Contribution:
 - Supporting Local Economies: By complying with local tax regulations and contributing fair taxes, we support the economic development of the communities where we operate. This aligns with our social sustainability goals of contributing positively to society.
 - Job Creation and Community Investment: Optimized tax strategies enable us to reinvest savings into local job creation, infrastructure projects, and community initiatives, furthering our social impact.
3. Environmental Initiatives:
 - Funding Sustainability Projects: Tax savings and incentives are used to fund environmental sustainability projects, such as renewable energy investments and green building initiatives, supporting our environmental objectives.
 - Compliance with Environmental Regulations: Ensuring tax compliance related to environmental regulations helps us avoid fines and align with our environmental commitments.



INFRASTRUCTURE INVESTMENTS

The Company is obligated to develop all infrastructure within its master plan communities due to the extensive greenfield land purchased, which entails starting from scratch in barren desert landscapes lacking roads, electricity, plumbing, and greenery. DAMAC has successfully completed infrastructure projects in the master plan communities of DAMAC Hills and DAMAC Hills 2. Infrastructure development in DAMAC Lagoons is currently ongoing and progressing according to planned project stages. Throughout 2023, we have diligently operated and maintained this infrastructure, encompassing security management, waste management, public areas, beaches, walkways, canals, bridges, roads, and utilities. Our expenditures for infrastructure creation and maintenance within our master plan communities in 2023 are as follows:

DAMAC Hills:
AED 119 million



DAMAC Hills 2:
AED 33 million



DAMAC Lagoons:
AED 262 million



For further details on infrastructure within our projects, please refer to the «About Company» section of this report.

DAMAC's future strategy regarding investments in infrastructure remains consistent: we will fully develop it upon launching any new master development community.

OUR SUPPLIERS AND PROCUREMENT



At DAMAC, our company values extend through every aspect of our supply chain, with the principles of our business ethics model embedded in our supplier contracts and tenders. While DAMAC has recently embarked on its ESG journey and started collaborating minimally with suppliers, in 2023 we implemented the Green procurement policy aimed at fundamentally transforming our purchasing approach to promote sustainability and environmental responsibility. Our standard purchase order includes a green policy statement, emphasising that suppliers and service providers must prioritise sustainable products and services, focus on waste reduction, and keep DAMAC informed of their sustainability progress. Our strategic focus is on enhancing collaboration with suppliers and elevating the importance of green criteria alongside other factors in our supplier selection process.

Our entire procurement process aligns with the principles of the Al Sa'fat – Dubai Green Building System. During our procurement process, we adhere to the following rules:

1. Supplier and Contractor Qualification and Evaluation: We carefully select suppliers and contractors who adhere to the sustainability commitments outlined in the Al Sa'fat – Dubai Green Building System.
2. Local Sourcing: Whenever feasible, we prioritise local suppliers and contractors to minimize carbon emissions associated with transportation.
3. Product Sustainability: We procure materials that meet Al Sa'fat's environmental requirements, ensuring they are non-hazardous, energy-efficient, and low-impact.

Additionally, in 2023, DAMAC introduced a Supplier Code of Conduct, affirming a steadfast commitment to integrity and expecting the highest level of ethical conduct from contractors, suppliers, employees, subsidiaries, affiliates, and

subcontractors. This document outlines the ethical, social, and environmental responsibilities that contractors and suppliers must uphold in their business interactions with DAMAC.

Furthermore, in 2023, the Conflict of Interest Policy was implemented to enhance and clarify the Company's principles in conducting business. Both the Supplier Code of Conduct and Conflict of Interest Policy were approved by the Board of Directors and Chairman in 2023 and are integral parts of DAMAC's Code of Conduct, a cornerstone document in our business ethics framework detailed in the Ethics and Compliance section of this report.

Procurement and supplier evaluation at DAMAC are overseen by department heads, who ensure strategic sourcing of goods and services at optimal prices while prioritising quality, warranties, and after-sales service. To maintain high standards, DAMAC benchmarks its procurement practices against industry best practices. Communication regarding complaints or issues primarily occurs via email. When necessary, direct contact with vendors through calls or meetings is pursued. Department representatives regularly meet with vendors to clarify technical requirements.

The Group actively seeks new suppliers through references, centralized procurement bodies, and trade exhibitions. Suppliers are selected based on operational history, client base, and site inspections.

DAMAC maintains both long-term and short-term relationships with suppliers in various jurisdictions, including the UAE, China, Europe, and other Middle Eastern countries. Key categories of goods, works, and services sourced include facilities management, marketing, fast-moving consumer goods, food, asset management, and event management.

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5. ECONOMIC IMPACT

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COMMITTED TO RESPONSIBLE MARKETING

DAMAC prioritises responsible marketing practices that align with our robust ESG framework. Our Company is committed to ethical, inclusive, and environmentally conscious marketing strategies anchored in strong governance principles.

Compliance and transparency

DAMAC adheres to all applicable legal and regulatory frameworks governing marketing activities in the markets it operates. This includes meticulous compliance with data privacy regulations and established advertising standards. This unwavering commitment promotes transparency and builds trust with our valued stakeholders.

Societal impact: cultivating diversity and inclusion

All our marketing materials celebrate diversity. We showcase individuals from various ethnicities in videos, brochures, and digital communications, reflecting the vibrant multicultural tapestry of our community. Our team itself embodies this diversity, with representation from over 80 nationalities, ensuring our communication is inclusive by design. We tailor messaging to resonate with diverse audiences across various languages and cultural contexts.

Environmental responsibility: sustainable marketing practices

Sustainability is a core principle that extends across our marketing practices. We prioritise the extended use of physical models, minimizing waste through strategic transportation and reuse. Energy-saving LED lights illuminate several of our out-of-home signages, reflecting our commitment to energy efficiency. We actively collaborate with suppliers to implement sustainable solutions throughout our marketing efforts.

Digital transformation: a focus on efficiency and sustainability

DAMAC is committed to minimising paper usage by actively digitising B2B and B2C communication materials. Our streamlined brochures are designed with fewer pages, directing potential buyers to detailed information on our website. This approach reduces both brochure production and our environmental footprint, promoting sustainable and efficient digital communication. We continuously innovate by developing engaging digital and interactive experiences, like those within the metaverse platforms. Thus allowing us to offer a variety of immersive experiences with minimal hardware requirements. Repurposing digital displays for new projects is another priority, further reducing waste and eliminating the need for fresh printed materials. This strategy not only aligns with our environmental goals but also elevates the customer experience through innovative and sustainable solutions.

DAMAC remains steadfast in its commitment to responsible marketing practices. We recognise the value this approach brings in fostering trust with stakeholders, strengthening our community, and minimizing our environmental footprint. Our efforts demonstrate our obligation to being a responsible and sustainable business.

COOPERATION WITH OUR CLIENTS

Business relationships

DAMAC employs a comprehensive approach to maintain positive business relationships with customers, ensuring personalized and effective engagement at every stage of the customer journey. Our customers are segmented into categories based on their investment amounts: Standard, Privilege, Elite Blue, Elite Silver, Elite Gold, and Elite Platinum. This strategic segmentation allows us to tailor our services to meet the specific needs of each segment. Elite customers receive personalized service from dedicated account directors whose primary operational goal is to establish and maintain robust connections, ensuring a seamless customer experience and a first-class service. Additionally, we further segment customers by nationality and language. Given the diverse and multicultural nature of DAMAC buyers, clients prefer to communicate with account directors in their native languages to ensure culturally and demographically relevant services. By gathering detailed information through this segmented approach, DAMAC continually refines its overall business strategy and Customer Relations Management (CRM). Leveraging its core competencies and capabilities, DAMAC delivers solutions that meet customer expectations and stay ahead of technological innovations.

Within DAMAC, customer segmentation is included in induction and refresher trainings for our sales and customer service teams, ensuring that our teams are well-equipped to provide the highest level of service. Active customers per segment are tracked and monitored using live dashboards, allowing us to respond promptly to any issues and opportunities. Despite the effectiveness of our current CRM system, we continuously strive to improve all aspects of our services.

New customers are informed about their segmentation and the expected service levels, ensuring clarity and setting the foundation for a positive relationship. Our proactive engagement approach ensures that we consistently exceed customer expectations through personalized service, leading to thriving customer relationships and fostering long-term, positive business relationships.

DAMAC also sets an approach to engage and enhance community connections in the organisation's master developments. The community management team is very active in organising weekly community events to foster a sense of togetherness and provide fun opportunities for residents. Regular collaborations are held with local non-profits, governmental entities, and other local businesses. Such initiatives ensure our customers and residents are engaged and happy, provide a sense of society, and help raise customer satisfaction. DAMAC has quarterly meetings with Owners Committee members, approved by RERA (Dubai Real Estate Regulatory Agency), who represent the owners within the buildings/clusters. During these meetings, we listen to their concerns and suggestions for improvements and ensure action is taken accordingly. Minutes of these meetings are officially recorded on the Mollak (E-system launched by RERA, which helps monitoring, regulating and governing online service and support system to parties dealing with jointly owned properties in Dubai).

Customer feedback and surveys play a pivotal role in DAMAC's strategy. DAMAC

employs a robust approach to measure and enhance customer satisfaction across all major interactions. We utilise customised satisfaction surveys tailored to the type of interaction and the specific team involved, which encompass inbound and outbound calls, customer walk-ins, emails, and more. These surveys are meticulously designed to encompass a wide range of criteria, including agent behaviour, friendliness, responsiveness, clarity of information, knowledge, wait times, and issue resolution.

We have established a structured approach to handle feedback and complaints from customers with the goal of addressing issues promptly and effectively. DAMAC adopts innovative solutions such as Generative AI (ChatGPT) for analysis of customer data, then segmentation per top burning topics, to gain deeper insights into customer behaviour changes and preferences.

To effectively monitor and analyse feedback, we leverage a real-time scoring system integrated into our Qualtrics dashboard, complemented by detailed Power BI reports. This setup allows us to promptly identify areas needing improvement through defined escalation metrics. For instance, in cases where satisfaction scores indicate lower levels, we initiate proactive measures such as generating dissatisfaction feedback (DSAT) calling lists. This data-driven approach guides DAMAC's decision-making process.

An independent audit team oversees all transactions and meticulously reviews any DSATs. They conduct thorough root cause analysis behind such lapses attributable to People, Process, and/or Technology. The emphasis is on pinpointing key areas for enhancement and formulating actionable recommendations to foster continuous improvement.

Our dedicated service recovery team plays a crucial role in promptly reaching out to clients to address complaints and resolve service failures. They ensure that issues are handled with urgency and efficiency, aiming to restore client satisfaction swiftly.

Additionally, our customer insights team plays a pivotal role by analysing customer sentiments and feedback. They provide valuable recommendations based on the voice of the customer, guiding operational improvements across agent training, processes, and communications.

Moreover, our dedicated social media team works closely with the operations teams to promptly address customer complaints received via social media and to gather valuable feedback.

By integrating these processes, we ensure that client feedback is not only heard but also acted upon swiftly, fostering a culture of continuous improvement and delivering enhanced customer experiences.

Loyalty programme: DAMAC offers promotions and discounts related to the communities' retailers (shops, restaurants) and hotels, which are communicated to our customers through the DAMAC Living Application.



06

Social Contribution

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OUR EMPLOYEES



Personnel management approach

DAMAC recognises that personnel management policies are vital in any organisation to ensure consistency, fairness, and legal compliance. They provide a structured framework for managing diverse workforces, addressing issues like recruitment, training, performance evaluation, and conflict resolution.

DAMAC has several policies for personnel management, including the following:

- 1. Discipline & Ethics policy: Outlines expected employee behaviour and professional conduct, emphasising punctuality, respect, appropriate dress, and confidentiality. It establishes clear standards for honesty and business ethics.
- 2. Occupational Health & Safety: DAMAC maintains top health and safety standards, with no work-related injuries reported in 2023.
- 3. Employment Relationship and Wages: DAMAC is committed to timely wage payments with no violations reported.

Additional HR policies cover onboarding, leave, bonus, employee grievances, visa and work permit policies.

After the reporting period, in 2024, the 'DAMAC People' platform was created. It is an internal website that offers employees access to the latest company news, initiatives, and events; benefits and perks; career opportunities; a training calendar with enrollment options; DAMAC internal policies; a list of new joiners; birthdays and work anniversaries; and more.

| Employee Value Proposition (EVP) | EVP Descriptors | | Initiatives |
|----------------------------------|---------------------------------------|---|-------------|
| We are GLOBAL | Global Footprint | Talent Mobility across DAMAC offices | |
| | DEI – Diversity, Equity and Inclusion | Employee Resource Group (ERG) that promotes women-related agendas in the workplace. Diversity Day celebration. Another dedicated ERG was created to empower all employees with a focus on 3 areas – Environment, Community, and Philanthropy. | |
| | Emiratisation | NaMa – Nationals Acquisition & Management Acceleration | |
| We offer CAREERS | Diverse Portfolio | Talent Acquisition Strategy with non-bias process and diverse hiring panels | |
| | Performance-Driven Culture | Performance Management System launched to enable employees and managers to carefully plan their career journeys at DAMAC and advance in their careers. | |
| We enable ASPIRATIONS | Learning and Development | The Big Shift, New Age Managers, Tech Series, Corporate Induction Programme, Future Sales Leaders Programme, Buddy Programme for New Joiners, HR Business Partners Check-Ins. | |
| | Innovation | Transformational Projects across departments for technology advancement. | |
| | Entrepreneurial Mind-set | Fast-paced, agile work environment that thrives on setting trends in the market. | |
| We CARE | Employee Wellbeing | Wellness Wednesday, various employee experience activities like Ditch the Lift, Desk Yoga, DAMAC Active, and Dubai Fitness Challenge. | |
| | CSR & Sustainability | Partner with DFWAC – Dubai Foundation for Women and Children, Celebration of Sustainability Week, Hussain Sajwani – DAMAC Foundation. | |
| | Employee Benefits | Comprehensive Insurance Benefits, Enabling Policies, Work-Life Balance. | |
| | Recognition | R&R Framework, Service Awards, Milestone Celebrations. | |



OUR EMPLOYEES

(CONTINUED)



Approach to recruitment and selection

DAMAC utilises Oracle Cloud Human Capital Management, a leading technology platform, for managing talent recruitment and onboarding. This platform centralizes all open positions and integrates artificial intelligence (AI) solutions within Oracle Recruiting. It enhances talent sourcing through candidate pools, recruitment campaigns, and candidate relationship management. AI-driven matching capabilities facilitate data-driven recruiting decisions, streamlining the process for both recruiters and candidates.

We identify talent through various channels, including our careers page, strong global partnerships, and executive searches by our internal talent acquisition team.

At DAMAC, our recruitment process ensures fairness and thorough evaluation by conducting multiple rounds of interviews and, when necessary, skills assessments. We assess candidates based on various criteria, including previous work experience, academic qualifications, technical and soft skills, and cultural fit with the organisation.

After the interview process concludes, all feedback is collected and reviewed digitally through our Oracle Recruiting Applicant Tracking System. This ensures a streamlined and efficient decision-making process, with the entire candidate engagement process managed digitally.

In 2023, DAMAC hired 1,497 employees, including 916 men and 581 women. This followed 2022, when 1,165 employees were hired, with 818 men and 347 women.

| 2023 | Male | Female | Total |
|--|------|--------|-------|
| Current Serving Employee (Hired in 2023) | 638 | 351 | 989 |
| Exit Employees (Hired in 2023) | 278 | 230 | 508 |
| Total Hired 2023 | 916 | 581 | 1,497 |
| % | 61% | 39% | 100% |
| | | | |
| Total Exit in 2023 | 586 | 342 | 928 |
| % | 63% | 37% | 100% |
| 2022 | Male | Female | Total |
| Current Serving Employee (Hired in 2022) | 405 | 140 | 545 |
| Exit Employees (Hired in 2022) | 413 | 207 | 620 |
| Total Hired 2022 | 818 | 347 | 1,165 |
| % | 70% | 30% | 100% |
| | | | |
| Total Exit in 2022 | 439 | 213 | 652 |
| % | 67% | 33% | 100% |

Number and structure of personnel

In 2023, DAMAC's total workforce reached 2,540 employees²², with women making up 32%. The number of DAMAC employees has been steadily increasing year by year, with a 25% rise in 2023 compared to 2022.

| Diversity at DAMAC | 2021 | | 2022 | | 2023 | |
|---------------------------------|-----------|------|-----------|------|-----------|------|
| | Headcount | % | Headcount | % | Headcount | % |
| South Asia | 771 | 49% | 1,024 | 50% | 1,255 | 49% |
| Middle East | 444 | 28% | 506 | 25% | 638 | 25% |
| South East Asia | 129 | 8% | 172 | 8% | 197 | 8% |
| Europe | 89 | 6% | 134 | 7% | 165 | 6% |
| Africa | 93 | 6% | 123 | 6% | 162 | 6% |
| Central and East Asia | 38 | 2% | 49 | 2% | 91 | 4% |
| America, Australia, New Zealand | 21 | 1% | 26 | 1% | 32 | 1% |
| Grand Total | 1,585 | 100% | 2,034 | 100% | 2,540 | 100% |
| Female | 454 | 29% | 589 | 29% | 816 | 32% |
| Male | 1,131 | 71% | 1,445 | 71% | 1,724 | 68% |
| Grand Total | 1,585 | 100% | 2,034 | 100% | 2,540 | 100% |
| 18-30yrs | 409 | 26% | 536 | 26% | 691 | 27% |
| 30-40yrs | 829 | 52% | 1,007 | 50% | 1,266 | 50% |
| 40-50yrs | 308 | 19% | 438 | 22% | 528 | 21% |
| 50&Above | 39 | 2% | 53 | 3% | 55 | 2% |
| Grand Total | 1,585 | 100% | 2,034 | 100% | 2,540 | 100% |

Interns are not counted in the total number of employees and are not classified as permanent staff. Typically, intern contracts are for a duration of six months, with the possibility of extension if agreed upon by both the intern and the Company.

The number of interns working at DAMAC by gender in 2021-2023 are indicated in the table below:

| Category | 2021 | 2022 | 2023 |
|----------------|----------|----------|----------|
| Female interns | 67 (47%) | 34 (45%) | 41 (60%) |
| Male interns | 75 (53%) | 42 (55%) | 27 (40%) |
| Total | 142 | 76 | 68 |

²² All figures are presented as of the end of the calendar year



OUR EMPLOYEES

(CONTINUED)

Parental leave

Parental leave benefits are applicable to both male and female employees during their employment with the Company. However, this leave is not applicable during the probation period.

Female employees are eligible for 60 days of maternity leave: 45 days at full pay and 15 days at half pay. They have the flexibility to use this leave at any time during their pregnancy or after the child is born.

Both male and female employees are eligible for five working days of paid parental leave to care for their newborn, effective from the child's date of birth until the child is six months old. Female employees can take parental leave in addition to maternity leave, provided it's used within the six-month eligibility period. Paternal leave cannot be carried over to the next calendar year or encashed, but it can be combined with Annual Leave or Maternity Leave as per eligibility. Parental leave days are considered part of the employee's continuous service.

The number of DAMAC female employees on maternity leave was 23 in 2022 and 34 in 2023.

The historical number of DAMAC employees on parental leave is shown in the table below:

| Year | Female | Male | Total |
|------|--------|------|-------|
| 2022 | 5 | 58 | 63 |
| 2023 | 6 | 81 | 87 |



Reward determination process

At DAMAC, we are dedicated to fostering a culture of fairness and transparency in our remuneration practices, extending this commitment to all employees, including members of our Board of Directors and Senior Management. In line with this commitment, we introduced a Performance Management System in 2023, accompanied by a comprehensive policy framework aimed at enhancing accountability and alignment with organisational objectives.

In 2023, we launched a comprehensive Performance Management System (PMS) to regularly assess employee performance and career development, ensuring alignment with international performance management standards. Central to our approach is the alignment of Key Performance Indicators (KPIs) with company-wide goals and objectives. Employees are encouraged to integrate their individual KPIs with broader organisational priorities, with regular half-yearly and annual evaluations conducted to assess both technical competencies and behavioural performance. This alignment ensures that employees' efforts are directed towards achieving strategic objectives, driving organisational success, and reinforcing a culture of performance excellence. A specific team within the Company is assigned to capture performance against KPIs. In 2023, 75% of the workforce received performance evaluations: 74% of entry-level and associate employees, 76% of middle-level managers, and 60% of senior leaders.

Our remuneration framework is designed to recognise and reward performance effectively. It comprises fixed and variable components, with monthly fixed compensation supplemented by a six-monthly variable payout based on performance indicators. The variable component provides employees with incentives to excel and contribute meaningfully to the organisation's success.

Furthermore, our remuneration policies undergo regular review and refinement to ensure alignment with best practices and corporate values. Joining bonuses are provided to new employees, subject to case-by-case approval.

The Nomination and Remuneration Committee is responsible for overseeing the compensation determination process and decision-making in this area. It reports directly to the Chairman, ensuring that compensation practices align with organisational objectives and values.

As we continue our journey towards organisational excellence, DAMAC remains steadfast in our commitment to fostering a rewarding and supportive workplace environment, where every employee is empowered to thrive and contribute to our collective success.

Retirement benefits

At DAMAC, we are committed to providing a supportive and transparent approach to retirement planning for all our employees. One of the fundamental components of our retirement benefits is the end-of-service benefit, commonly referred to as gratuity. This benefit is extended to all employees upon the completion of their service with the Company, in accordance with UAE labour law. The gratuity is calculated based on the employee's last salary and the length of their service, ensuring that our employees are rewarded for their dedication and contributions.

In addition to the gratuity, DAMAC offers specific retirement benefits tailored to UAE nationals. Recognising the importance of long-term financial security, we provide UAE nationals with access to pension plans. Under the pension scheme for UAE nationals, DAMAC contributes 12.5% of the employee's total salary. These pension plans are designed to offer additional financial support and stability in retirement, reflecting our commitment to the well-being of our Emirati employees.

The Company ensures high-quality medical care by providing comprehensive insurance coverage for all employees, including both medical and life insurance.

Our employee engagement

To foster a sense of unity and collaboration, we allocate a budget to recognise and celebrate employees while facilitating team-building activities. This initiative ensures a positive and supportive work environment. Our non-financial motivation efforts include:

- Seasonal Gatherings: Regular events to celebrate different times of the year and build team spirit.
- Employee Lunches and Dinners: Organising meals to promote informal interaction and strengthen relationships.
- Recognition of Professional Achievements: Acknowledging and celebrating the accomplishments of our employees.
- Celebration of Personal Milestones: Marking significant personal events such as marriages, births, and other notable dates.
- Quarterly Awards: Each department head selects employees quarterly for awards recognising their exceptional work, accompanied by motivational gifts.

Our focus on HR transformation is driven by the strategic integration of advanced technologies and best practices across various employee touchpoints. We are investing in an employee rewards and recognition to enhance engagement and acknowledging contributions. Additionally, we are committed to promoting wellness initiatives throughout the organisation to support employee well-being.

Looking ahead, we plan to integrate a more accurate AI system for talent acquisition to enhance our recruitment process. This system will leverage advanced algorithms to better match candidates with roles, streamline the hiring process, and improve overall efficiency.

DIVERSITY, INCLUSION AND HUMAN RIGHTS



Our approach to managing diversity and human rights

DAMAC is deeply committed to fostering a culture of diversity, inclusion, and equal opportunity across all levels of the organisation.

Policies and standards

On June 26, 2023, the Board of Directors of DAMAC approved a comprehensive Code of Conduct. This code encompasses policies covering equality, inclusion, and diversity, as well as addressing issues related to harassment, bullying, gossip, spreading rumours, discrimination, and human rights principles. This Code of Conduct serves as a cornerstone of our commitment to maintaining an inclusive and respectful workplace. We actively recognise diversity by creating a workplace that embraces each individual's strengths, skills, and attributes, thereby providing opportunities for all employees to achieve their full potential. Our policy on diversity, inclusion and equality²³ and Supplier Code of Conduct²⁴ ensures that no employee (both own employees and supplier's employees) is discriminated against based on nationality, ethnicity, race, religion, gender, or any other personal characteristic.

Our diversity and inclusion policies are effectively communicated to all employees through intranet DAMAC Central and during the onboarding process.

Compliant mechanisms and incidents of violation

DAMAC has established robust mechanisms for addressing concerns related to discrimination or human rights violations. Employees and stakeholders can report issues through whistleblower line email box established in 2023. This whistleblower line ensures prompt and effective resolution of any reported issues.

Notably, in 2023, we received zero complaints related to diversity, inclusion, and human rights.

Human rights principles

DAMAC is deeply committed to upholding and promoting human rights principles within our organisation and throughout our business operations. We unequivocally reject the use of child labour, modern slavery, servitude, or forced labour in any form. Our human rights policy is designed to ensure strict compliance with national laws governing wages and working conditions, with a primary focus on safeguarding the health, safety, and wellbeing of our employees. We strive to align our operations with the principles outlined by the United Nations Global Compact, where DAMAC Real Estate Development Limited is an active participant. By adhering to these standards, we demonstrate our unwavering commitment to respecting and promoting human rights within our sphere of influence.

Diversity of our personnel

DAMAC embraces diversity as a core value within the organisation. We take pride in our multicultural workforce, which comprises over 80 nationalities. We believe that diversity brings unique perspectives, experiences, and talents, fostering innovation and enriching our workplace. We are committed to creating an inclusive environment where all employees are treated with respect, dignity, and fairness.



²³ DAMAC's Diversity & Inclusion Policy

²⁴ DAMAC's Supplier Code of Conduct



EMPLOYEE TRAINING AND SKILLS ENHANCEMENT



Approach to employee training

We are convinced that investing in the professional development of our employees is crucial for sustaining a competitive advantage and ensuring the continued success of DAMAC. Our Company is deeply committed to fostering the growth and development of its employees, having enacted a Learning and Development (L&D) policy in March 2016. The policy outlines various programmes and strategies aimed at aligning L&D efforts with Company's business goals, stimulating innovation and creating a culture that encourages continuous learning. This commitment ensures that our workforce is well-equipped with the necessary skills and knowledge to tackle industry complexities and contribute to the overall success of the organisation.

The People and Performance department at DAMAC is responsible for conducting training for employee induction and orientation, behavioural and soft skills, as well as other training programmes for employees across all business verticals of the Group. Function trainings, on the other hand, are managed by the respective departments. This ensures a specialized focus on both core and functional skill development. Also, individuals transitioning from one function to another are required to complete the relevant functional training for their new role.

To ensure the effectiveness of L&D programmes, we employ a robust feedback and assessment mechanism. It comprises initial feedback surveys immediately following each training session («Happy Sheets»), which feature questions designed to elicit both subjective feedback and quantitative ratings on a scale of 1 to 5. Also, we conduct post-training assessments to evaluate the effectiveness

of the training programmes conducted. The trainers' performance is measured against a key performance indicator (KPI) of achieving an average feedback rating of 4.5 in 2023. All administrative tasks such as registrations, attendance tracking and feedback management are conducted through our group's online platform for employees – DAMAC Central.

Training programmes for employees

We offer several training programmes for employees, comprising both mandatory and voluntary training sessions, as summarized below:

- **Corporate Employee Induction:** This 1.5- day onboarding programme is mandatory for all new full-time hires. It covers DAMAC's history, business model, culture, ethics, and includes an immersive experience where new employees explore the Company's distinguished properties. The goal is to provide a thorough introduction to the Company and its values.
- **Quarterly Training Calendar:** This initiative focuses on developing critical soft and behavioural skills through a quarterly-released calendar of training sessions. These sessions are available in various formats, including in-person instructor-led trainings (ILT) and virtual ILT, to ensure accessibility and flexibility for all employees.
- **Developmental Journeys:** Focused on leadership development and competency enhancement, these programmes are tailored to specific audiences. Examples include Leadership Intervention Series – mandatory one-time collaboration for senior leaders from IT and Transformation departments, New Age Manager (NAM) – targeted to mid and senior level managers, The Big Shift (TBS) – skill building for first time managers,

Leading for Results (LFR), Women Initiative for Success and Empowerment (WISE), and Future Leaders – aimed at creating a pipeline of capable future sales leaders. Each programme targets role-based competencies and aims to develop both personal and people management skills.

- **Technology Learning Series:** This series empowers employees to integrate advanced artificial intelligence (AI) tools like ChatGPT and Midjourney into their workflow. It enhances their analytical abilities through training in Data Analytics and Power BI. The goal is to ensure that employees are well-versed in the latest technological tools.

We measure the success of learning programmes by tracking participant promotions or role changes following programme completion. For example, 35% of participants in the New Age Manager programme were promoted within a year, while The Big Shift programme saw 26% promotion rate during the same period.

Our L&D portfolio includes several key initiatives aimed at different levels of the workforce such as:

- **Nationals Acquisition & Management Acceleration (NAMA) Programme:** Tailored Programme specifically for the personal and professional growth of Emirati nationals. This bespoke journey empowers them with essential skills such as time management and problem solving. It ensures they undergo a structured training Programme wherein they are rotated between various departments. This approach gives them a holistic view of the corporate world. In 2023, a total of 79 UAE nationals were hired by the group.
- **Disprz:** A designated AI-powered mobile application designed to enhance personal and professional skills through expertly curated journeys and modules, and is available in multiple languages.

All training Programmes are conducted during official working hours, ensuring employees can participate actively without disrupting their work-life balance.

During 2023, a total of 2,470 employees, comprised of 1,679 male and 791 female employees completed an average of 13.2 hours of training per employee. Male and female employees completed an average of 11.9 and 15.6 hours of training respectively.

Collaboration with educational institutions

We also offer internship opportunities for students aimed at enhancing their practical skills and industry knowledge while fostering potential future employment opportunities within the Company. DAMAC is committed to providing real-world experience and professional development opportunities. A total of 68 students have interned for DAMAC during 2023, comprised of 41 female and 27 male interns. The following are some of the universities whose students have interned with DAMAC during 2023:

1. Manipal Academy of Higher Education, Dubai
2. University of Bolton, Ras Al Khaimah
3. Middlesex University, Dubai
4. Wollongong University, Dubai
5. Britts Imperial University College, Sharjah
6. Canadian University, Dubai
7. SP Jain University, Dubai
8. Heriot Watt University, Dubai
9. University of Birmingham, Dubai
10. BITS Pilani, Dubai



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6. SOCIAL CONTRIBUTION

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OCCUPATIONAL HEALTH AND SAFETY



Our approach to managing health and safety

As DAMAC, we are dedicated to cultivating a robust culture of health, safety, and well-being. This commitment is upheld through effective communication, set of internal controls, active consultation with stakeholders, and meaningful participation, all of which are aligned with the core values of our business. Supported by the unwavering commitment and visible leadership of our executives, we strive to ensure that the health, safety, and well-being of our workforce remain paramount in all aspects of our operations.

All DAMAC employees are covered by a health and safety management system that has undergone both internal and external audits or certification.

The DAMAC Integrated Management Systems Manual ensures compliance with ISO 14001:2015 and ISO 45001:2018 standards. We introduced an integrated project management system and a quantitative HSE inspection checklist for monthly compliance monitoring. An HSE scoring system prioritises safety improvements, and work stop notices are issued for non-compliant projects.

HSE committee meetings, involving top management, contractors, and stakeholders, are held monthly or quarterly, depending on the scope of works within the project. The members of the Committee review the discussions held in meetings, and decide on action plan for each topic discussed, which is mutually agreed by the committee members.

Each contractor and collective agreement covers key occupational health and safety provisions: safety training, personal protective equipment (PPE) provision, regular

health screenings, incident reporting and investigation procedures, workplace hazard control measures, and employee participation in the HSE committee.

During the reporting period, DAMAC implemented key occupational health and safety initiatives, including testing new safety technologies, streamlining emergency response processes, and developing specific safety protocols for high-risk tasks. Dedicated HSE staff and consultants oversee safety across all developments. Internal audit assess HSE system effectiveness, and comprehensive accident investigations lead to enhanced safety protocols. Management site walks and regular meetings ensure continuous oversight and improvements.

These initiatives underscore DAMAC's commitment to maintaining the highest Health & Safety standards across all projects.



Cooperation with contractors

DAMAC collaborates closely with suppliers and contractors to foster a culture of safety, share best practices, and develop joint strategies to prevent and mitigate health and safety risks. We developed a comprehensive Site Procedure Manual Document (SPM), which is integrated into the contract agreement with our contractors. All contractors are now legally required to implement the safe operating procedures outlined in the manual if they wish to work with DAMAC. The SPM outlines HSE requirements for contractors and suppliers, covering comprehensive guidelines aligned with local and international regulations. It includes DAMAC's HSE target and objectives, compliance requirements, project integration, risk management, pre-commencement procedures, operational guidelines, training needs, staff requirements, safe procedures, HSE forms, logistics, and environmental management.

Additionally, DAMAC has ensured alignment with the requirements of the following national & International organisations and standards:

- **Dubai Municipality Technical guidelines;**
- **Dubai Municipality Construction Code of Practice;**
- **UAE Fire and Life Safety Code of Practice 2020;**
- **ISO 14001:2015;**
- **ISO 45001:2018.**



Mechanism for raising concerns

HSE committee meetings provide a platform for direct worker engagement to address complaints and HSE concerns, involving stakeholders such as top management, contractors, suppliers, consultants, and workers' representatives. In 2023, we actively sought employee feedback and conducted review meetings to resolve identified issues, with detailed minutes and prompt follow-up actions. These efforts improved safety standards, boosted employee morale, and reinforced our health and safety commitment. Contractors initiated safety ceremonies, campaigns, and recognition programmes to promote a positive safety culture.

Complaints from customers via email and telephone are promptly addressed as a top priority. Issues like property damage or unsafe construction are immediately handled by the project or facility management team. Employees can report issues through a help desk ticketing system or a project hotline, ensuring confidentiality and protection from retaliation. Clear policies prohibit adverse actions against those who report safety concerns.

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OCCUPATIONAL HEALTH AND SAFETY

(CONTINUED)



Health and safety system assessment

DAMAC conducts annual HSE internal audits to ensure compliance with contractual, regulatory, and management requirements, including ISO 14001:2015 and ISO 45001:2018 standards. These audits focus on requirements, quality, training, and regulatory adherence, validating consistent implementation and maintenance to meet or exceed standards.

Throughout 2023, DAMAC achieved significant milestones in Health & Safety:

- Achieved **37.7 million safe man-hours**;
- Implemented a health and safety dashboard on Power BI for enhanced monitoring;
- Conducted safety ceremonies across various projects;
- Introduced a quantitative Health, Safety and Environment (HSE) inspection checklist;
- Facilitated HSE Committee meetings in the majority of projects;
- DAMAC achieved impressively low Lost Time Injury Frequency Rate (**LTIFR**)²⁵ of **0.0661**.

In February 2024, following the reporting period, DAMAC successfully attained ISO 14001:2015 and ISO 45001:2018 certifications.

²⁵ LTIFR measures the number of lost-time injuries per million hours worked during a single financial year. A lost-time injury is one that resulted in time lost from work of one day/shift or more. This includes injuries resulting in fatality or permanent disability

Hazard identification and risk assessment

DAMAC is committed to hazard identification and risk assessment through a structured approach. This includes Health, Safety, and Environmental (HSE) inspections, audits, site inspections, incident and accident investigations, SWOT analyses, and ongoing meetings and discussions with contractors and consultants. Additionally, we ensure comprehensive training to uphold and advance safety standards.

Before commencing any construction activities, including temporary or atypical work, DAMAC prepares, reviews, and approves a detailed risk assessment. This is crucial for effectively evaluating and managing risks on-site. We then implement and continuously monitor the proposed control measures to ensure the safe and efficient execution of all construction activities.

The qualifications of DAMAC's HSE team include relevant degrees, professional experience, certifications (e.g., NEBOSH, CSP), technical skills, regulatory knowledge, and strong communication abilities. These qualifications are crucial for effectively evaluating the identified risks on projects. This expertise ensures the implementation of effective safety practices and a robust internal control system for eliminating and minimizing workplace hazards.

The results of hazard identification and risk assessment guide the implementation of control measures, including targeted training, and drive continuous improvement in safety policies and procedures. We conduct regular monitoring and updates of risk assessments on a monthly basis. This includes site walks, job safety analyses, and reviews of risk assessments submitted by contractors to identify and eliminate hazards.



Measures taken to create safe working environment

DAMAC implements the following measures to protect employees from workplace hazards:

- Separate storage of chemical substances and their safe usage training;
- Heat stress safety campaigns during high temperatures, mid-work breaks, and drinking essentials distribution;
- Installation of noise monitoring devices, use of noise reduction equipment, and creation of noise barriers and enclosures.

Fire safety

DAMAC's fire safety system meets UAE fire and life safety codes, national standards, and international guidelines such as ISO, International Fire Codes (IFC), International Building Codes (IBC), International Fire Safety Standards (IFSS), and National Fire Protection Association (NFPA) standards. Internal audits, led by qualified and trained auditors, cover all fire safety aspects,

including detection systems and evacuation procedures. Audit findings are documented, and corrective actions are promptly implemented to ensure continuous improvement.

Prevention of injuries and occupational diseases

DAMAC enforces comprehensive safety measures to minimize risks and prevent hazards. We ensure ventilation, hydration, regular breaks, and heat stress monitoring for workers in high temperatures. Midday breaks are strictly enforced, and noise levels are controlled with mandatory hearing protection. Regular safety training and inspections are conducted, and employees are encouraged to report hazards.

All construction employees receive PPE, including helmets, vests, shoes, and goggles, with replacements as needed. Contractors supply PPE to their employees and provide training on safe handling.

Despite aiming for zero Lost Time Incidents (LTIs) in 2023, we concluded the year with 2 LTIs and 1 fatality within DAMAC's contractor network.

Work-related Injuries of DAMAC's employees and contractor network

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|--------------------------------------|------------|------------|-----------|-----------|-----------|
| Man-hours Worked | 45,345,716 | 14,724,857 | 8,453,694 | 8,725,036 | 5,688,570 |
| First Aid Injury/Illness (FAI) Cases | 579 | 279 | 292 | 241 | 215 |
| Lost Time Injury/Illness (LTI) Cases | 1 | 0 | 1 | 1 | 1 |
| Lost Time Injury/Illness (LTI) Cases | 2 | 0 | 0 | 0 | 0 |
| On-Job Fatalities | 1 | 0 | 0 | 0 | 0 |

In 2023, the rate of fatalities as a result of work-related injury among DAMAC's contractors was 0.0221, the rate of high-consequence work-related injuries (excluding fatalities) was 0.0441²⁶.

In 2023, the rate of fatalities as a result of work-related injury among DAMAC employees was 0, the rate of high-consequence work-related injuries (excluding fatalities) was also 0.

²⁶ Calculation approach is: rate of fatalities as a result of work-related injury = Number of fatalities as a result of work-related injury / Number of hours worked * 1,000,000; Rate of high-consequence work-related injuries (excluding fatalities) = Number of high-consequence work-related injuries (excluding fatalities) / Number of hours worked * 1,000,000.



OCCUPATIONAL HEALTH AND SAFETY

(CONTINUED)

Training and knowledge assessment in health and safety

DAMAC provides customised occupational health and safety training, covering hazard communication, emergency response, and PPE use. Training evolves based on incident insights, employee feedback, and new technologies. We collaborate with experts and use various formats, assessing effectiveness through feedback, assessments, and incident analysis for continuous improvement.

In 2023, DAMAC implemented key training initiatives:

- Comprehensive Safety Training Programme
- Safety Culture Promotion Campaign
- Safety Leadership Workshop

Additionally, DAMAC organised events and activities to discuss occupational health and safety:

- Management Safety Awareness Workshops: interactive sessions for senior management on safety protocols and emergency response.
- Project Safety Committee Meetings: monthly reviews of safety policies, risk assessments, and proposed improvements.
- Project Safety Campaigns: focused on safety awareness and achievements in areas like working at height, PPE usage, and heat stress.

Also, DAMAC conducts specialized training sessions and briefings on HSE for contractors and suppliers to ensure they understand and adhere to the company's HSE standards. These sessions cover DAMAC's HSE policies, hazard identification and risk assessment, safe work practices, site-specific safety requirements, and contractual obligations. These trainings are usually held at the start of engagements or projects, with periodic refresher sessions to reinforce key safety messages and address any new HSE concerns.

These efforts increased safety protocol awareness, enhanced employee engagement, facilitated hazard identification, and prompted corrective actions to improve workplace safety.

Promoting a healthy lifestyle

DAMAC facilitates employee access to medical services through comprehensive wellness and voluntary programmes:

- Wellness Programmes: health screenings, vaccinations, and workshops.



- Employee Assistance: confidential counselling for personal and health issues.
- Fitness Initiatives: access to gyms and fitness classes.
- Healthy Eating: cafeteria options and nutrition workshops.
- Stress Reduction: mental health support and stress management workshops.

DAMAC ensures employee participation through internal communication channels and active promotion by HR and People & Performance Management. Employees contribute to Programmes topics through surveys, focus groups, wellness committees, and direct suggestions.

Medical provision

DAMAC Group provides quality medical services through on-site clinics staffed by qualified healthcare professionals, offering immediate care, routine check-ups, and emergency response. Medical services for occupational diseases Include:

- Medical screening services
- First aid kits
- First aid rooms on-site with certified male nurses
- Medical insurance
- Emergency ambulance services
- Health education training

Specialized treatments are arranged with external clinics or hospitals if needed. Regular health examinations are conducted every two years, with more frequent checks for high-risk roles. Health records are managed by HR in compliance with privacy regulations. All employees, including full-time, part-time, and senior management, have access to these services, while independent contractors and temporary workers generally manage their own health insurance.



IMPACT ON LOCAL COMMUNITIES



Our corporate social responsibility

DAMAC has a robust framework for interacting with and managing local communities, emphasising sustainability and social responsibility. As a locally-founded company, DAMAC is committed to giving back to the community that has supported its growth and success.

DAMAC is dedicated to making a positive impact on the communities it serves through its Corporate Social Responsibility (CSR) initiatives. Our commitment to CSR is guided by a comprehensive measurement strategy that ensures the effectiveness and reach of our efforts and combines quantitative and qualitative methods.

The Hussain Sajwani – DAMAC Foundation (HSDF) was established under the leadership of DAMAC's Founder, Hussain Sajwani. It focusses on enhancing the welfare of the community and advancing education and learning for Arab youth as its foremost objectives. By investing in initiatives and collaborations that provide educational opportunities, vocational training, and humanitarian aid. The aim is to create a lasting positive impact and foster a more equitable and prosperous society.

Quantitatively, the Foundation tracks statistics on community engagement, including the number of individuals impacted by its educational and community empowerment programmes. Qualitatively, this is supplemented by case studies and stories that illustrate the impact on individuals and communities. The Foundation gathers in-depth insights through interviews, focus groups, and feedback from employees, customers, community members, and other stakeholders. By integrating these measurements, DAMAC ensures its CSR activities are both impactful and aligned with its commitment to fostering sustainable and inclusive growth. We transparently communicate our progress and continuously refine efforts to better serve communities.

Implementation of charitable initiatives

In 2023, HSDF continued to make significant contributions to education and community development. One of its cornerstone projects was a partnership with the Knowledge Fund Establishment to support the Dubai Schools Project. This initiative was launched in 2021 by Dubai's Crown Prince and Chairman of the Executive Council, H.H. Sheikh

Hamdan Bin Mohammed. As part of this effort, in 2022, DAMAC committed to allocate AED 20 million in scholarship funding for Emirati students' tuition fees over four years. In 2023, DAMAC distributed AED 5 million in line with this commitment. This investment aims to equip future Emirati generations with the skills and knowledge necessary to lead Dubai's knowledge-based economy. The primary goal of the Dubai Schools Project is to establish a collaborative framework between the government and the private sector to develop an innovative school model that offers high-quality education to Emirati students at an affordable cost, while deepening their Emirati, Arab and Muslim identity. The project successfully facilitated the enrolment of students in two newly established schools located in Mirdif and Al Barsha.

To advance the region's digital transformation efforts and hone talent in emerging technologies, HSDF collaborated with the Dubai Future Foundation and other international technology companies, including Udacity, Microsoft, Facebook, Oracle, and Careem, for the One Million Arab Coders Initiative. The Foundation provided sponsorship and support to train over one million Arab youth in coding and software development. The programme aimed to enhance employability and foster a knowledge-based economy in the Arab world.

DAMAC maintains ongoing partnerships with both global and local organisations, including the Red Crescent, Dubai Cares, and Dar Al Ber Society, to identify and develop initiatives that create meaningful impacts on underprivileged communities.

Future plans and goals

As part of the company's Corporate Social Responsibility (CSR) ambitions, the Foundation will continue to prioritise education and youth empowerment projects. It will also engage in a broad spectrum of charitable activities designed to benefit underserved, marginalised and vulnerable sectors of society. These activities will encompass support for charitable organisations, assistance to people of determination, humanitarian aid, community support causes, and women's empowerment.

After the reporting period, in 2024, Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum witnessed the signing of a pivotal cooperation agreement between Dubai Future Foundation (DFF) and the Hussain Sajwani – DAMAC Foundation (HSDF). The agreement includes a pledge of AED 100 million from HSDF to support innovation and technology in Dubai and across the UAE, with a particular focus on an accelerator programme for young entrepreneurs.



مؤسسة حسين سجاواني – داماك الخيرية
HUSSAIN SAJWANI - DAMAC FOUNDATION



مبادرة جدد حياتك من داماك
DAMAC FRESH SLATE INITIATIVE



برنامج داماك لدعم التعليم
DAMAC EDUCATIONAL SUPPORT PROGRAM



IMPACT ON LOCAL COMMUNITIES

(CONTINUED)

Impact on and engagement with local communities

DAMAC's Corporate Communications team and LOAMS, its facilities management arm, are primarily responsible for managing interactions with its own local communities DAMAC Hills and DAMAC Hills 2, as well as its portfolio of independent towers. These teams oversee the implementation of engagement initiatives, ensuring the Company's projects contribute positively to the communities it serves.

DAMAC organises and manages diverse community events that bring residents together to celebrate the richness of different cultures. We encourage resident involvement through various volunteer opportunities and participation in community decision-making. We offer a wide range of educational workshops, recreational activities, and interest-based clubs to cater to our community's diverse preferences. We collaborate with Real Estate Regulatory Agency, Dubai Police, Ambulance, Civil Defense, Dubai Schools, Dubai Cares, Dubai Autism Centre, amongst several others, on various initiatives, including health, sports, wellness, safety, and security.

DAMAC evaluates the quality of its community engagement and programmes using KPIs, regular monitoring, audits, and feedback mechanisms. For example, the Dubai Land Department has recognised LOAMS for its effective community management and engagement practices, highlighting DAMAC's commitment to maintaining high standards of community interaction. At the core of a thriving community are the connections and interactions between its residents. Our community engagement services are dedicated to nurturing these connections by fostering a sense of belonging, encouraging active participation, and creating an inviting environment where everyone feels valued and heard.

DAMAC has implemented multiple online and in-person channels to ensure transparent and responsive communication with local communities. Residents and homeowners can submit their concerns and feedback through dedicated email addresses, customer service hotlines, and online portals. DAMAC also maintains a physical presence at key locations within its communities to enable direct interaction with on-site staff for immediate assistance and support.

DAMAC held numerous meetings and consultations with

local communities to better understand their needs and incorporate their feedback into ongoing projects. These consultations were conducted through town hall meetings, focus group discussions, and surveys.

Sustainable practices within communities and projects

DAMAC has implemented several key initiatives, such as installing solar panels, LED lighting, electric vehicle chargers, and water-saving devices in its communities. These initiatives are demonstrating the company's commitment to environmental stewardship:



Energy efficiency: We've integrated smart energy management systems across all our properties to optimise lighting, heating, and cooling based on occupancy and natural light, reducing energy use, carbon footprint and costs. Efficient heating, ventilation and air-conditioning systems maintain corridor temperatures, and LED lighting in common areas lowers consumption. Additionally, sun covers, UV films on glazing, and innovative chiller systems reduce heat gain, glare, and utility costs. EV charging stations support electric vehicles.

Waste reduction and recycling programmes: Robust recycling programmes are in place in all our properties. We provide clearly labelled recycling bins and educate residents about the importance of separating recyclable materials. Our goal is to minimize the amount of waste sent to landfills and promote a circular economy.



Water usage: Our landscaping is maintained using smart irrigation systems that adjust watering schedules as needed, ensuring precise water use and leak prevention. We select drought-resistant trees and plants in our communities and projects. Water ponds support irrigation and local wildlife, enhancing biodiversity.



Community gardens: We believe in fostering a sense of community and connection to nature. Our community gardens provide residents with the opportunity to grow their own organic produce, learn about sustainable gardening practices, and enjoy the benefits of green space.

In response to residents' and homeowners' requests for improved green spaces, DAMAC has ongoing projects to enhance existing parks and create new recreational areas within its developments. Concerns about water usage have led to the implementation of advanced water-saving devices, significantly reducing overall consumption.



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6. SOCIAL CONTRIBUTION

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07

Environmental Protection



ENVIRONMENTAL MANAGEMENT

DAMAC is committed to integrating sustainability and environmental stewardship in its activities. This commitment is reflected in the initiatives and measures taken across all projects that are in progress and planning. DAMAC Real Estate Development Limited has developed a comprehensive Environmental Policy²⁷ to guide its commitment to environmental protection and sustainable construction.

DAMAC's design and project management team operates with the overall vision of delivering outstanding projects that are both community-focused and environmentally sustainable. All projects designs are guided by this vision and by our internally established environmental performance targets. In line with the UAE's sustainability goals and to support environmental stewardship through our developments, DAMAC ensures that all projects meet or exceed the Dubai Green Building requirements established by Al Sa'fat. Additionally, we aim to adhere to globally recognised standards such as USGBC LEED certification, using these as benchmarks to address geographically specific environmental requirements when necessary.

All of DAMAC's projects comply with Al Sa'fat standards as required by local authorities, and many are also designed to achieve various levels of LEED certification. Key individuals and departments within project teams, supported by expert sustainability consultants, are responsible for implementing and managing the environmental measures to achieve certification levels, ensuring a collaborative and holistic approach.

DAMAC remains committed to minimizing environmental impacts across all its projects.

Investments in environmental and construction innovation

Our investments in 2023 primarily focused on energy-efficient technologies and sustainable infrastructure enhancements. In total, during 2023 and up to the publication of this report DAMAC spent **AED 23 million** on sustainable construction innovation technologies. This includes investments in a 3D printing factory that utilises non-concrete products and automation for construction of villas, bathroom and kitchen pods, as well as battery solutions that eliminate the need for diesel consumption.

Future investments will continue to prioritise innovations that support our goals of carbon neutrality and resource efficiency, aligning with our commitment to responsible corporate citizenship and environmental leadership.

²⁷ DAMAC's Environmental Policy



ENERGY AND EMISSIONS

Energy usage

DAMAC is dedicated to advancing energy efficiency and minimizing environmental impact through a comprehensive approach to energy management.

Energy sources for both completed projects and projects in progress include electricity, diesel, and cooling.

**Total electricity consumption in 2023 amounted to:
207.8 MWH, in 2022 – 186.3 MWH**

**The consumption of cooling services in 2023 was
99.1 mn of TRh, in 2022 – 85.2 mn of TRh²⁸**

This increase in consumption was due to a significant number of new project launches in both 2022 and 2023, which led to the start of new construction in 2023 driven by strong market performance and requiring additional energy resources for DAMAC project management team on each project. Additionally, approximately 3,500 new units were delivered in 2023 to our customers. As a result, energy consumption in common areas rose, and the company needed additional resources to maintain appropriate living conditions in the new clusters of communities and towers.

This does not include the energy consumption by our contractors on projects, as per our agreement with them, which stipulates that they cover all energy resources needed for the construction process.

²⁸ TRh - ton of refrigeration hour

ENERGY AND EMISSIONS

SPECIFIC PROJECT INITIATIVES - PROJECTS IN PROGRESS

DAMAC employs several key energy conservation measures to achieve a

15%-25%

reduction in energy use for each project in progress, as per ASHRAE 90.1-2010 standards. These measures include:

Efficient building envelope

utilises advanced materials and construction techniques (such as optimal building orientation) to enhance thermal performance and reduce energy loss.



Renewable energy initiatives

include the installation of solar panels and EV chargers across all community development projects.



Energy-efficient lighting

both interior and exterior lighting systems are designed to minimize lighting loads and light pollution. Additionally, maximizing natural daylight in project designs reduces reliance on artificial lighting, further decreasing energy usage. Intelligent lighting control systems are utilised for both interior and exterior lights. Luminaries, power, and data outlets are provided based on practical usage by end-users, resulting in a reduction of source materials.



HVAC Systems

Air conditioning

utilises a district cooling system with fan coil units for apartments and common areas, blower units for technical areas, and air handling units for specialised rooms, units for technical areas, and air handling units for specialised rooms.



Ventilation

features fresh air handling units with heat recovery wheels, CO2 monitoring, and integrated Building Management Systems.



Exhaust systems

compliant with ASHRAE 62.1-2010, with energy recovery from exhaust air and dedicated systems for specific areas like central battery rooms and garbage rooms.



Parking fans

mechanical ventilation systems with variable speed fans and carbon monoxide CO sensors for efficient car parking ventilation.



Energy-Efficient Components

includes vertical Variable Frequency Drive (VFD) pumps, energy valves, and Pressure Independent Control Valves (PICVs) in the chilled water system. Low Volatile Organic Compounds (VOC) and Ozone Depletion Potential (ODP) adhesives, sealants, and glues are used, along with high-efficiency thermal and acoustic insulation to reduce energy losses and improve acoustic comfort. CO sensors for efficient car parking ventilation.



Plumbing systems:

employs energy-efficient VFD pumps, water-conserving fixtures, and a drip irrigation system with timer controls.



Energy Monitoring:

utilises sub-meters for each saleable space and major energy-consuming equipment to monitor energy use.



Additionally, DAMAC is monitoring key metrics like the Energy Usage Index (EUI) to guide design and optimize energy demands for projects in progress.

ENERGY AND EMISSIONS

(CONTINUED)

SPECIFIC PROJECT INITIATIVES - PROJECTS IN PROGRESS

SAFATWO

de GRISOGONO

One of our notable project, Safa Two, has been designed to demonstrate substantial reductions in energy consumption due to improved efficiency measures mentioned above.

The project initially achieved an energy use intensity of approximately

300 kWh/m²/year

which was subsequently reduced to

250 kWh/m²/year

by the end of 2023.



CANAL CROWN

de GRISOGONO

Another example is Canal Crown project, which achieved a

25.4%

reduction in energy use during 2023 with a total energy intensity of

165 kWh/m²/year

for the project.

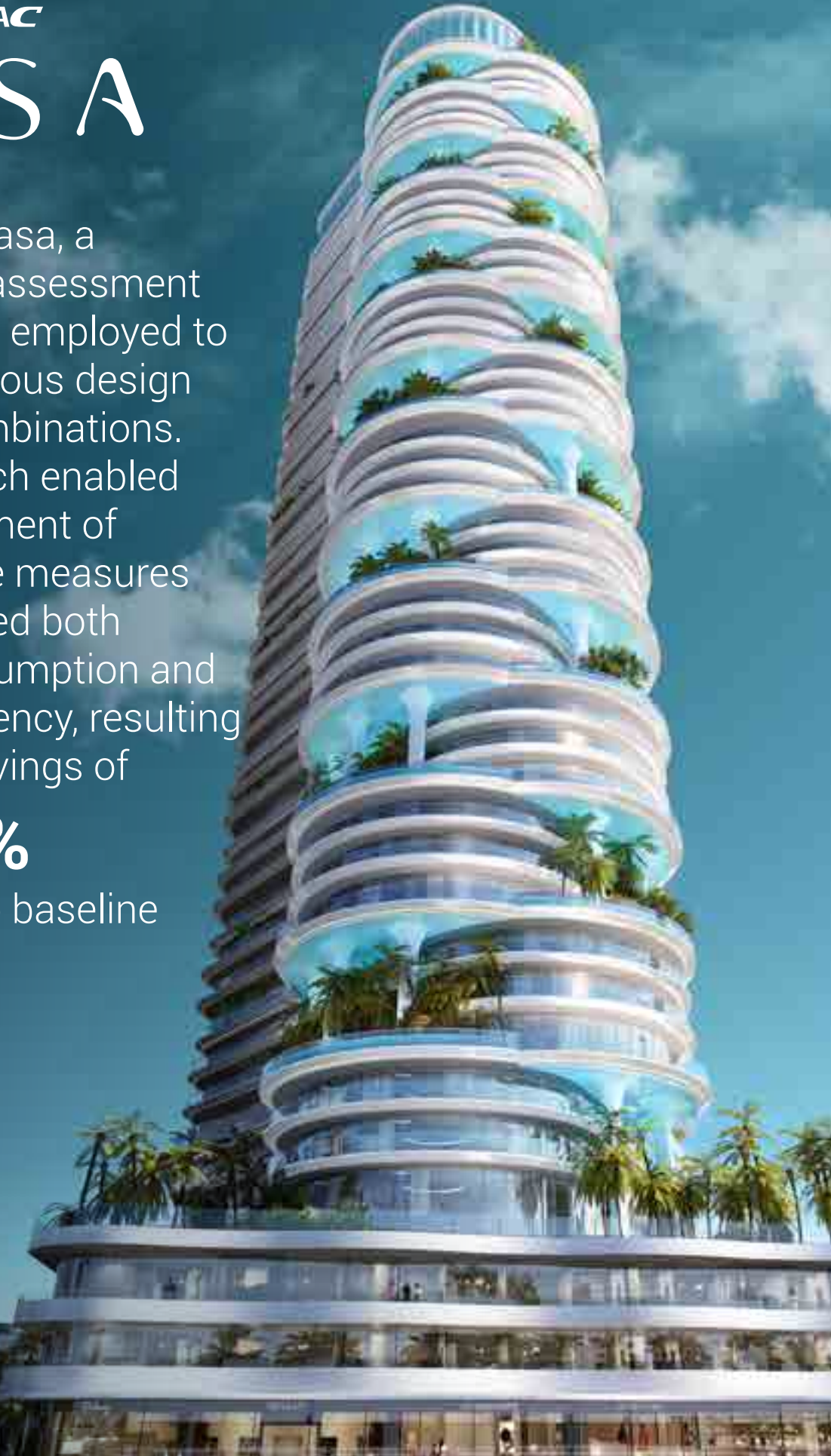


DAMAC CASA

In DAMAC Casa, a continuous assessment process was employed to evaluate various design strategy combinations. This approach enabled the development of performance measures that optimized both energy consumption and design efficiency, resulting in energy savings of

10-12%

compared to baseline values.



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ENERGY AND EMISSIONS

(CONTINUED)

SPECIFIC PROJECT INITIATIVES - COMPLETED PROJECTS

In 2023, DAMAC saved **487 MWh** through the use of solar panels installed on top of parking, equivalent to a reduction of

193 tonnes of CO₂.

In 2023, DAMAC saved **876 MWh** through the use of solar water heaters, equivalent to a reduction of

349 tonnes of CO₂.

These measures allowed DAMAC to achieve a **12%** of total electricity consumption savings in 2023 compared to 2022 for common areas in completed projects. Artificial Intelligence energy-saving solutions have been deployed across two completed projects: DAMAC Towers Paramount and Park Towers. These solutions have identified total energy savings of 8.2 MWh annually, resulting in a reduction of

3.3 tonnes of CO₂ emissions per year.

GREENHOUSE GAS EMISSIONS

DAMAC identifies climate change as a risk driver to our planet and population. We align ourselves with international strategic goals to build and operate in more sustainable ways. Thus, climate change mitigation is a mutual objective and was recognised as a part of the Company's strategic decision-making. As a large real estate developer, we recognise our contribution to climate change mitigation by adapting our operations and the assets we build. We are committed to leading the development industry toward a net-zero future meeting the expectations of the growing number of sustainability-conscious consumers. We are also committed to contributing to UAE's Long-Term Strategy Demonstrating Commitment to Net Zero by 2050 by developing decarbonisation activities aimed at steadily decreasing GHG emissions arising from both, direct and indirect operations. We believe that it is possible to reduce the impact of our developments on the environment as well as to make them prepared for the upcoming environmental challenges while delivering value for communities and customers.

DAMAC has established a GHG emission accounting process aligned with internationally renowned standards and guidelines. 2023 is the first year of the GHG accounting within direct and indirect operations and will serve as a base year for setting decarbonisation targets and an overview of emission reduction progress. The GHG accounting process in place will be held on a yearly basis to overview the trend of GHG emissions levels and provide a foundation for decarbonisation of the Company's operations.

| Indicator | GHG emission, tCO ₂ e | |
|---|----------------------------------|----------------|
| | 2022 | 2023 |
| Direct Scope 1 emission²⁹, including: | 1,436 | 1,689 |
| CO ₂ emissions | 1,383 | 1 631 |
| CH ₄ emissions | 12 | 13 |
| N ₂ O emissions | 41 | 45 |
| Indirect Scope 2 emission³⁰, including: | 120,369 | 118,862 |
| District Cooling consumption (market-based) | 45,201 | 36,186 |
| Electricity consumption (location-based) | 75,168 | 82,676 |

Direct GHG emissions (Scope 1) arise from fuel consumption of the vehicles under the Company's operational control and amount to **1.7 thousand of tCO₂e**. Indirect GHG emissions (Scope 2) are to a large extent generated by grid electricity consumption followed by district cooling consumption and amount to **118.9 thousand of tCO₂e**.

Looking ahead, the Company's decarbonisation strategy and particular GHG reduction activities shall provide a major contribution to the reduction of indirect emissions as they present the majority of GHG emissions. The focus on renewable energy sources and energy efficiency will enable co-benefits of a decrease in carbon intensity and reduction of operational costs.

DAMAC's decarbonisation strategy aims to minimize its carbon footprint across Scope 1 and Scope 2 emissions. For instance, the Company actively explores opportunities to harness renewable energy resources to reduce Scope 2 emissions. This approach aligns with the UAE's vision to achieve carbon neutrality by 2050.

²⁹ Assessment of Scope 1 emissions is held using the 2006 IPCC Guidelines for National Greenhouse Gas Inventories default emission factors and IPCC Assessment Report 6 Global Warming Potentials.

³⁰ Assessment of Scope 2 emissions is held using the energy mix emission factor provided by Dubai Electricity & Water Authority and district cooling emission factor provided by specific service providers.

POLLUTANT EMISSIONS

DAMAC is committed to control pollutant emissions in line with environmental specifications by Al Sa'fat and LEED.

DAMAC verifies that during construction activities there is no pollutant emissions, such as Persistent Organic Pollutants, Volatile Organic Compounds, Hazardous Air Pollutants, Particulate Matter, Ozone-Depleting Substances (ODS), including substances like chlorofluorocarbons (CFCs), halons, carbon tetrachloride, and methyl chloroform.

All refrigerants employed are CFC-free and ODP-free. Furthermore, there is no anticipated Sulfur Oxides and Nitrogen Oxides emissions at the project boundary level, emphasising DAMAC's commitment to clean and sustainable practices.

WATER RESOURCES

DAMAC's approach to water management includes the integration of water sub-meters with the Building Management System for real-time monitoring and data collection. This system enhances early detection capabilities, contributing to efficient water system operations.

The total water consumption:

2023

361.7 thousand gallons

2022

270.4 thousand gallons

The increase in water consumption was driven by the launch of numerous new projects in both 2022 and 2023, which led to the commencement of new construction activities in 2023. This surge was driven by robust market performance, which required additional water resources. Additionally, around 3,500 new units were delivered to our customers in 2023. Consequently, water consumption in common areas increased, and the Company required extra water to ensure suitable living conditions in the new clusters of communities and towers.

This figure does not include the water consumed by our contractors, as stipulated by our agreement, which specifies that they are responsible for covering all water resources needed for the construction process.

DAMAC has implemented a range of water management practices across its projects in progress, focusing on sustainability, efficiency, and conservation. Key measures included monitoring water use, improving fixture flow rates, and optimizing consumption and discharge processes, water-efficient landscaping and fittings, achieving up to a **20% reduction** in water use depending on the project. Landscaping with native or adaptable plants, combined with sub-metering for irrigation, domestic use, and alternative water sources, allows for precise monitoring and targeted reduction efforts.

DAMAC Lagoons has implemented comprehensive water conservation measures for both indoor and outdoor use. Low-flow and efficient water fixtures aim to achieve a 50% reduction in potable water consumption, while landscape water intensity has been reduced by 64% through the use of native and adaptive plant species.

The Canal Crown project demonstrates a 32% reduction from the baseline domestic water calculation, as per DEWA guidelines, and a 35% reduction in water consumption compared to the LEED baseline.

Efficient irrigation system

The irrigation system design for the projects incorporates a two-pipe system that separates grey and black water, with provisions for future connection to the treated sewage effluent water network. Landscape areas are zoned based on water demand and pressure requirements, with specialized pumps and an inline dripper system installed underground. This setup ensures optimal irrigation specifications for each type of landscape.

These measures, combined with the use of condensate drain from the HVAC system for irrigation, ensure effective water management in high-demand areas.

MATERIALS USE AND WASTE

MATERIAL USAGE

DAMAC prioritises sustainable materials management across its projects, emphasising the use of materials with environmental product declarations, recycled content, and regional sourcing to minimize emissions. We utilise recycled materials in various forms, including structured materials (steel, concrete, masonry units), insulation, gypsum wallboard, flooring, glass, wood products, plastic products, metal components, tile and stone, and interior finishes. Different projects incorporate varying levels of recycled materials, with a higher percentage of recycled materials used in projects targeting LEED certification. As a case in point, the DAMAC Lagoons community, which is pre-certified with LEED Platinum, includes at least **20%** recycled materials in its total value.

WASTE MANAGEMENT

Through stringent waste management plans, operational procedures, and innovative technologies, the Company strives to reduce waste generation and improve recycling efforts across all its projects.

DAMAC's operations involve two types of waste: construction waste and operational waste after construction is completed.

All construction-related waste is managed, recycled, and utilised by our contractors. However, waste generated by the project management team during the construction process, as well as waste produced by tenants in completed projects, including master communities and towers, is managed by DAMAC. Below, you will find data on the operational waste managed by DAMAC for completed projects. For this type of waste, DAMAC employs a sophisticated waste collection company that segregates municipal solid waste into multiple streams, including mixed dry recyclables and organic waste. Solid waste is sorted at the point of generation, facilitating the direct segregation of dry recyclables (such as paper, plastics, metals, and glass) and wet waste (including kitchen and cafeteria waste).

The Company sorts this waste, which is then collected by our vendors, who are responsible for its recycling and disposal. DAMAC collaborates with a range of vendors, including Averda, BEEAH Group,

Ardh Al Madina Waste Disposal Services, Green Arabia, and Imdaad.

| 2023 | | | |
|----------------|---------------------|---------------|-------------|
| Recycling (KG) | Hazardous waste(KG) | General Waste | |
| | | Skips | Cubic Meter |
| 379,768 | 103 | 83,883 | 255,207 |

| 2022 | | | |
|----------------|---------------------|---------------|-------------|
| Recycling (KG) | Hazardous waste(KG) | General Waste | |
| | | Skips | Cubic Meter |
| 333,490 | 91 | 68,062 | 188,593 |

Across all its projects, the Company has documented measures aimed at reducing the overall amount of waste produced. For example, contractors are required to achieve a 75% waste diversion rate from landfills or ensure that no more than 12.2 kilograms of waste is generated per square meter of the building's floor area. This approach ensures that materials are reused, salvaged, or recycled whenever possible. The main contractor is responsible for implementing processes to minimize waste from errors, poor planning, breakage, mishandling, contamination, or other factors. Additionally, contractors recycle wood, steel, and aluminum waste as a standard practice.



BIODIVERSITY

DAMAC is committed to biodiversity conservation and actively incorporates it into its project planning and execution. The Company aims to mitigate the impact of development on local ecosystems and enhance overall biodiversity. Our initiatives focus on implementing green infrastructure and biodiversity-friendly landscaping practices despite the challenges posed by urban development. Key achievements include:

- **Green Infrastructure Projects:** Ongoing incorporation of habitat restoration, biodiversity-friendly landscaping, and construction pollution prevention measures such as erosion control, reducing waterway sedimentation, and restoring eroded areas.
- **Biodiversity Assessments:** Regular evaluations to measure species diversity and habitat health.
- **Stakeholder Engagement:** Continuous collaborative efforts to foster environmental stewardship.

Through these sustained efforts, DAMAC is committed to enhancing biodiversity and minimizing the environmental impact of its projects.

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7. ENVIRONMENTAL PROTECTION

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08

Approach to
reporting

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APPROACH TO REPORTING

7.1. About this Report

The DAMAC's 2023 Sustainability Report was published on August 31, 2024. Its primary purpose is to provide stakeholders with comprehensive insights into the Company's sustainability initiatives, performance, and future commitments. The reporting period for this report spans from January 1, 2023, to December 31, 2023. As the Company's first Sustainability Report, it marks the beginning of the publication cycle, demonstrating DAMAC's commitment to regular and transparent sustainability reporting.

The financial reporting period for the Consolidated Financial Statements is the same as the sustainability reporting period, ensuring consistency and coherence between financial and sustainability disclosures. The financial statements are audited by independent, external auditors (Deloitte & Touche M.E.) to ensure accuracy and compliance with financial reporting standards. Senior executives of DAMAC, including the Chairman and CFO, are actively involved in the audit process to ensure thorough oversight and accountability. The Financial Statements are signed by the Chairman once they are finalized and prior to publication. The Audit and Risk Committee and Chairman personally approves the Sustainability Report.

The ESG report covers DAMAC Real Estate Development Limited and all its subsidiaries. Please refer to Annex 2 for a list of subsidiaries covered by this report, in addition to DAMAC Real Estate Development Limited.

This Sustainability Report of DAMAC is prepared in accordance with internationally recognised non-financial reporting standards. Specifically, the report aligns with the Global Reporting Initiative (GRI) Standards, which provide a robust framework for sustainability reporting. This report considers the following eight GRI principles:

- Accuracy – information is verified through supporting evidence and clear methods of data collection, processing, and analysis.
- Completeness – all topics and their disclosure levels are determined to give users a full and fair understanding of the DAMAC's activities.
- Balance – we ensured a fair balance between presenting negative and positive impacts of our activities.
- Sustainability Context – the Report includes the DAMAC's contribution to the Sustainable Development Goals (SDGs) and overall sustainability.
- Clarity – data is presented in an accessible and understandable format for all stakeholders.
- Timeliness – the Report covers 2023 activities and was published the following year to provide timely information. Where relevant, key developments from 2024 are also

included to ensure that users of the report are fully informed about our most recent progress.

- Comparability – standards, formats, and methods facilitate comparison with competitors and tracking over time.
- Reliability – information collection and disclosure are verifiable, with references to supporting sources.

The 2023 Sustainability Report provides detailed information on DAMAC environmental, social, and governance (ESG) initiatives, highlighting the Company's commitment to sustainable development. The report includes key performance indicators (KPIs), achievements, and future goals, emphasising our transparency and continuous improvement in sustainability practices.

7.2 Meeting Stakeholder Needs

DAMAC is committed to maintaining the highest standards of ethical and responsible business conduct. To ensure these standards are met, the Company has established various mechanisms for stakeholders to obtain advice and raise concerns. One of the key components is the Whistleblower Policy and Line, which allows stakeholders to report any unethical behaviour or concerns confidentially. This policy is part of the broader Code of Conduct, which was approved by DAMAC's Board of Directors on June 26, 2023.

The DAMAC's senior management addresses stakeholder issues, escalating unresolved cases to the Chairman. The Company proactively updates policies as needed to ensure responsible business conduct.

DAMAC employs a systematic approach to identify and engage with stakeholders. This process involves identifying relevant stakeholder groups and understanding their needs and concerns. The primary responsibility for managing and identifying stakeholder groups lies with the Heads of Departments. They work collaboratively to ensure that all stakeholders are identified and engaged effectively.

The purpose of stakeholder engagement is to build and maintain trust, and address stakeholder concerns proactively. This is achieved through various engagement activities and regular communication. DAMAC employs several methods to engage with stakeholders, including meetings, surveys, reports, and media communications. The frequency and regularity of these engagements vary by stakeholder group, ensuring that each group's specific needs are met effectively. The list of DAMAC stakeholders as of the end of 2023, as well as the methods and results of their involvement, is indicated in the table:

| Stakeholder group | Methods of engagement in 2023 | Frequency of engagement | Key topics |
|---------------------------------------|--|--|---|
| Clients | Personal meetings, emails and calls | The Customer Relations team works daily based on the needs and inquiries of clients | Purchase of property, maintenance of the units, product and service quality, product innovation |
| Company employees and their families | General meetings, surveys, emails, announcements, calls, team building parties | Daily | HR and business updates, career development, work-life balance |
| Contractors (suppliers) | Regular meetings, calls, emails | Once every few weeks | Compliance, health and safety, ethical sourcing , negotiations, requests for proposal |
| Board of Directors | Board meetings | Upon request but no less than 4 times per year (13 times in 2023) | Corporate strategy, governance, approval of financial statements, transactions and policies |
| Investors and lenders | Quarterly financial reports, online and personal meetings, conferences, calls, emails, press-releases | Upon request, announcements are made for all key dates, including the publication of financial statements, corporate presentations and issuance of new sukuk | Financial and business updates, debt position updates, sustainability |
| Business associations | Conferences, workshops | Annually | Industry standards, best practices |
| Government authorities | Compliance reports, Issuing of bank guarantees for project launches in favour of Real Estate Regulatory Agency (RERA), Project registers with RERA | As required, monthly | Regulatory compliance, public policy |
| Educational institutions | Partnerships, internships | Based on the necessity of hiring interns | Research collaboration, talent development |
| Media | Regular press releases, media interviews | Daily | Corporate news (project launches, investments, employee updates, learning and development, events/occasions), industry insights |
| Non-governmental organisations (NGOs) | Partnerships, meetings, project collaborations | Annually | Social responsibility, environmental impact |
| Vulnerable population groups | Community engagement programmes | Ongoing | Social support, inclusive growth |

Our stakeholders were consulted during the determining DAMAC's material topics, ensuring that the Company's sustainability efforts align with stakeholder expectations.

In 2023, DAMAC's Media Centre played a crucial role in stakeholder communication. It includes a video gallery, press releases, blogs, industry news, DAMAC in the news, and DAMAC magazine. These platforms provided stakeholders with timely updates and insights into the Company's activities and performance. Access to the Media Centre can be obtained through the Company's official website:

<https://www.damacproperties.com/en/>

Social media is another very important channel of communication with our stakeholders. Access to the social media can be obtained through the company's official social media channels - <https://www.instagram.com/damacofficial/> and <https://www.linkedin.com/company/damac-properties/>

APPROACH TO REPORTING

7.3. Our material Topics

DAMAC is committed to addressing any negative impacts our operations may cause.

To determine our material topics, we evaluate actual and potential impacts on the economy, environment, and people, including human rights. This involves stakeholder engagement and internal assessments to identify key issues. We prioritise impacts based on their significance, focusing on those with the greatest potential effect on our stakeholders and operations. This approach allows us to address the most critical issues and improve our sustainability practices.

The next step involves grouping impacts into topics and assessing their materiality based on the following factors:

- analysis of industry trends, including international industry initiatives and standards related to sustainable development;

- review of reporting practices by leading companies in the industry, both nationally and globally;
- review of media coverage concerning DAMAC's activities;
- analysis of internal management strategies and policies used by the Company;
- conducting surveys with internal and external stakeholders to identify the most significant impacts in environmental, social, and economy area.

The use of GRI Sector Standards in determining material topics is mandatory according to the latest GRI Standards 2021 edition. However, as of the preparation of this report, a specific GRI Sector Standard for the real estate and hospitality industry has not yet been published. It is important to note that an analysis of various industry studies and reporting practices in this sector confirms the relevance of the material topics selected by DAMAC.

Material topics and results of their assessment

Based on the conducted analysis, all topics have been prioritised. Topics that involve significant impacts of the Company on sustainable development and are deemed most important by stakeholders have been identified as material.

DAMAC's most material topics include focusing on strong economic results and evaluating indirect impacts on local economies and job creation. The Company emphasises responsible procurement, strict anti-corruption measures, and the safety and health of employees. Respect for human rights and engagement with local communities are also key priorities. Additionally, DAMAC is committed to managing and reducing emissions.

For material topics, the Company manages energy consumption and water resources sustainably, promotes anti-discrimination

and equal opportunities, invests in employee training, and integrates sustainable management practices. Protecting client privacy and ensuring consumer safety are also essential.

In line with our responsibility to all stakeholders for transparent business practices, we also disclose in the 2023 Sustainability Report of DAMAC additional topics and impacts that were deemed less material during the materiality assessment. Information on each topic can be found in the relevant sections of this Report. The results of the materiality assessment are presented below:



Our contacts

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Website:
www.damacproperties.com/

General contact: Investor Relations
investor.relations@damacgroup.com

 [DAMACPropertiesOfficial](#)

 [DAMACOfficial](#)

 [DAMACOfficial](#)

 [DAMAC Properties](#)

 [DAMACOfficial](#)

ANNEXE 1

The Company consolidated 100% of the operations, assets, and liabilities of the 86 subsidiaries listed below, all of which are based in the UAE:

| | | | |
|--|--|--|---|
| DAMAC Real Estate Development Limited | DAMAC Properties Services Co. Shj LLC | BB Plot 1 LLC | Pinnacle Real Estate Developments L.L.C |
| DAMAC Luxury Real Estate Properties Co LLC | Ocean Pearl Real Estate Comp LLC | BB Plot 2 LLC | One Quantem Real Estate Development L.L.C |
| DAMAC Heritage Properties Co LLC | Luxury Owner Association Management Services Co. L.L.C | DAMAC C S L Investment L.L.C | Galaxy Sky Real Estate Development L.L.C |
| Al Bawader Real Estate L.L.C | DAMAC Hotels & Resorts Management L.L.C | DAMAC J R ONE Investment L.L.C | Resta Real Estate Development L.L.C |
| Front Line Investment Management L.L.C | Paramount Holiday Homes L.L.C | DAMAC J R TWO Investment L.L.C | Vesta Real Estate Development L.L.C |
| Business Tower Investment L.L.C | Integrated Project Management L.L.C | DAMAC J W F Investment L.L.C | Aqua Viridis Investment L.L.C |
| DAMAC Properties Development Co (LLC) | DAMAC Business Real Estate Co. L.L.C | DAMAC MDN Investment L.L.C | DAMAC Orient Investment L.L.C |
| DAMAC Properties Co. (L.L.C) | DAMAC World Real Estate L.L.C | DAMAC MRY Investment L.L.C | Alpha Star Holding VII Limited |
| Marina Terrace Co. (L.L.C) | DAMAC Canal One Property Development L.L.C | DAMAC P S L Investment L.L.C | Modular Innovations L.L.C |
| DAMAC Gulf Properties (L.L.C) | DAMAC Canal Two Property Development L.L.C | Lona Investment L.L.C | DAMAC Luxury Star Investment L.L.C |
| Lake Terrace Co. L.L.C | JA Parks L.L.C | Pax Investment L.L.C | Capital Star Investment L.L.C |
| Royal Crown Properties L.L.C | DAMAC Asset Management L.L.C | DAMAC Enterprises & Management Co. (L.L.C) | DAMAC Collections L.L.C |
| DAMAC Star Properties (LLC) | DAMAC International Golf Club L.L.C | Promus Hotel LLC | DAMAC Lake View Company Limited |
| Island Oasis Properties | Quanta Real Estate L.L.C | DAMAC Al Marjan Real Estate L.L.C | DAMAC Park Towers Company Limited |
| DAMAC Crescent Properties | Avitus Investments L.L.C | Malibu Restaurant L.L.C | DAMAC Crown Properties Company Limited |
| DAMAC Development (LLC) | Proteus Hotel L.L.C | Alpha Star Holding VI Limited | Alpha Star Holding VIII Limited |
| The Waves FZ LLC | Dov Luxury Co L.L.C | Alera Real Estate L.L.C | Imperial Spectra Gas Services L.L.C |
| DAMAC Real Estate Developers FZ- LLC | Pathfinder Property Development L.L.C | Acreage Real Estate L.L.C | Adora Management Services L.L.C |
| DAMAC Properties FZ- LLC | Zenica Property Development L.L.C | Equinox Real Estate L.L.C | DAMAC Elite Investment Co. L.L.C |
| DAMAC Real Estate Services Co (L.L.C) | Remus Hotel L.L.C | Lennox Investment L.L.C | Amias Investment Co. L.L.C |
| Namaa Properties Development L.L.C | Trios Hotel Appartments L.L.C | Spectrum Investment L.L.C | DAMAC Mall L.L.C. |
| DAMAC Homes (L.L.C) | Prive Cafe L.L.C | DAMAC Hills 2 Hotel L.L.C | |



ANNEXE 2. GRI CONTENT INDEX

| | |
|---------------------|---|
| Reporting Statement | This Sustainability Report of DAMAC Real Estate Development Limited has been prepared in accordance with the GRI (Global Reporting Initiative) 2021 and covers the DAMAC Real Estate Development Limited's activities for the period from 01.01.2023 to 31.12.2023. |
| Applicable GRI 1 | GRI 1: Foundation 2021 |
| Required Sector GRI | The required GRI Sector Standards have not yet been published as of the date of this Sustainability Report for 2023 |

| Material Topic | # | Disclosure title | Report section title and comments | Report page |
|---------------------------------------|-----|--|---|-------------|
| General disclosures | | | | |
| GRI 2: General Disclosures 2021 | 2—1 | Organisational details | Company Profile | 7 |
| | 2—2 | Entities included in the organisation's sustainability reporting | Company Profile Annexe 1 All entities covered by this Sustainability Report are also covered by the Consolidated Financial Statements of DAMAC Real Estate Development Limited for 2023. | 7 63 |
| | 2—3 | Reporting period, frequency and contact point | About this Report Our Contacts | 60, 62 |
| | 2—4 | Restatements of information | This Sustainability Report for 2023 is the first Sustainability Report of the DAMAC Real Estate Development Limited, and therefore the issue of revising information from previous reporting periods is not relevant. | - |
| | 2—5 | External assurance | About this Report DAMAC does not currently have a policy of external assurance of its sustainability reports. | 60 |
| | 2—6 | Activities, value chain and other business relationships | Our Properties Our Suppliers and Procurement Cooperation with our Clients | 15, 39, 40 |
| | 2—7 | Employees | Our Employees The Company is making efforts to enable the collection of more detailed data in the future. | 42 |
| | 2—8 | Workers who are not employees | Our Employees Occupational Health and Safety | 42, 47 |



ANNEXE 2. GRI CONTENT INDEX (CONTINUED)

| Material Topic | # | Disclosure title | Report section title and comments | Report page |
|---------------------------------------|------|---|---|-------------|
| General disclosures | | | | |
| GRI 2: General Disclosures 2021 | 2–9 | Governance structure and composition | Corporate Governance Structure | 29 |
| | 2–10 | Nomination and selection of the highest governance body | Corporate Governance Structure: Nomination and selection process | 31 |
| | 2–11 | Chair of the highest governance body | Corporate Governance Structure | 29 |
| | 2–12 | Role of the highest governance body in overseeing the management of impacts | Corporate Governance Structure No specific procedures or policies have been set up to assess possible negative impacts on sustainable development by the Board of Directors. | 29 |
| | 2–13 | Delegation of responsibility for managing impacts | Corporate Governance Structure | 29 |
| | 2–14 | Role of the highest governance body in sustainability reporting | Corporate Governance Structure About this Report | 29, 60 |
| | 2–15 | Conflicts of interest | Corporate Governance Structure | 29 |
| | 2–16 | Communication of critical concerns | Corporate Governance Structure | 29 |
| | 2–17 | Collective knowledge of the highest governance body | Corporate Governance Structure No special events were held in 2023. | 29 |
| | 2–18 | Evaluation of the performance of the highest governance body | Corporate Governance Structure: Nomination and selection process | 31 |
| | 2–19 | Remuneration policies | Corporate Governance Structure: Remuneration of directors and management DAMAC does not have separate policies governing the remuneration of members of the top management body. | 33 |



ANNEXE 2. GRI CONTENT INDEX (CONTINUED)

| Material Topic | # | Disclosure title | Report section title and comments | Report page |
|------------------------------------|------|--|---|-------------|
| General disclosures | | | | |
| GRI 2: General Disclosures 2021 | 2–20 | Process to determine remuneration | Corporate Governance Structure: Remuneration of directors and management | 33 |
| | 2–21 | Annual total compensation ratio | Confidentiality constraint Information on the total annual compensation ratio is confidential and not publicly disclosed. | - |
| | 2–22 | Statement on sustainable development strategy | Chairman's Statement | 4 |
| | 2–23 | Policy commitments | Corporate Ethics and Compliance System Diversity, Inclusion and Human Rights More detailed information on policies and the extent of their application is described in the relevant sections of this Sustainability Report. | 34, 45 |
| | 2–24 | Embedding policy commitments | Corporate Ethics and Compliance System Diversity, Inclusion and Human Rightss The implementation of the obligations under the function-specific policies is described in the relevant sections of this Sustainability Report. | 34, 45 |
| | 2–25 | Processes to remediate negative impacts | Corporate Ethics and Compliance System: Our hotline Meeting Stakeholder Needs | 34, 60 |
| | 2–26 | Mechanisms for seeking advice and raising concerns | Corporate Ethics and Compliance System Meeting Stakeholder Needs | 34, 60 |
| | 2–27 | Compliance with laws and regulations | Corporate Ethics and Compliance System | 34 |
| | 2–28 | Membership associations | Company Profile: Participation in associations and external initiatives | 13 |
| | 2–29 | Approach to stakeholder engagement | Meeting Stakeholder Needs More detailed information on communication and stakeholder engagement on specific topics is described in the relevant sections of this Sustainability Report. | 60 |
| | 2–30 | Collective bargaining agreements | According to the current legislation in the UAE, collective bargaining agreements are prohibited. | - |



ANNEXE 2. GRI CONTENT INDEX (CONTINUED)

| Material Topic | # | Disclosure title | Report section title and comments | Report page |
|---------------------------------------|-------|--|--|-------------|
| Topic Disclosures | | | | |
| GRI 3: Material Topics 2021 | 3–1 | Process to determine material topics | Meeting Stakeholder Needs Our Material Topics | 60, 61 |
| | 3–2 | List of material topics | Our Material Topics | 61 |
| Economic Disclosures | | | | |
| Economic performance of the business | | | | |
| GRI 3: Material Topics 2021 | 3–3 | Management of material topics | Our Economic Results for 2023 | 37 |
| GRI 201: Economic Performance 2016 | 201–1 | Direct economic value generated and distributed | Our Economic Results for 2023 | 37 |
| | 201–2 | Financial implications and other risks and opportunities due to climate change | Energy and Emissions In 2023, DAMAC did not assess the risks associated with climate change and their impact on the Company's operations and financial results. | 54 |
| | 201–3 | Defined benefit plan obligations and other retirement plans | Our Employees: Retirement benefits | 44 |
| | 201–4 | Financial assistance received from government | Our Economic Results for 2023 DAMAC did not receive any financial assistance from the government in 2023. | 37 |



ANNEXE 2. GRI CONTENT INDEX (CONTINUED)

| Material Topic | # | Disclosure title | Report section title and comments | Report page |
|--|-------|--|--|-------------|
| Economic Disclosures | | | | |
| Market Presence | | | | |
| GRI 3: Material Topics 2021 | 3—3 | Management of material topics | Our Employees: Personnel management approach | 42 |
| GRI 202 Market Presence 2016 | 202—1 | Ratios of standard entry level wage by gender compared to local minimum wage | Confidentiality constraint The information is confidential and not publicly disclosed. | - |
| | 202—2 | Proportion of senior management hired from the local community | Corporate Governance Structure The proportion of senior management hired from the local community is 29%. | 29 |
| Indirect Economic Impacts | | | | |
| GRI 3: Material Topics 2021 | 3—3 | Management of material topics | Infrastructure Investments | 39 |
| GRI 203: Indirect Economic Impacts 2016 | 203—1 | Infrastructure investments and services supported | Infrastructure Investments | 39 |
| | 203—2 | Significant indirect economic impacts | Infrastructure Investments DAMAC does not have a mechanism for tracking the significant indirect economic impacts of its operations. | 39 |



ANNEXE 2. GRI CONTENT INDEX (CONTINUED)

| Material Topic | # | Disclosure title | Report section title and comments | Report page |
|---------------------------------------|-------|--|--|-------------|
| Economic Disclosures | | | | |
| Procurement Practices | | | | |
| GRI 3: Material Topics 2021 | 3—3 | Management of material topics | Our Suppliers and Procurement | 39 |
| GRI 204: Procurement Practices2016 | 204—1 | Proportion of spending on local supplier | Our Suppliers and Procurement Information unavailable The Company is making efforts to enable the collection of such information in the future. | 39 |
| Anti-corruption | | | | |
| GRI 3: Material Topics 2021 | 3—3 | Management of material topics | Corporate Ethics and Compliance System: Measures to prevent corruption | 34 |
| GRI 205 Anti-corruption 2016 | 205—1 | Operations assessed for risks related to corruption | Corporate Ethics and Compliance System: Measures to prevent corruption DAMAC does not have an established procedure or process for assessing corruption risks. | 34 |
| | 205—2 | Communication and training about anti-corruption policies and procedures | Corporate Ethics and Compliance System: Measures to prevent corruption All employees and external business partners are aware of and are required to comply with the DAMAC's anti-corruption policies and procedures. No training on these policies was conducted in 2023. | 34 |
| | 205—3 | Confirmed incidents of corruption and actions taken | Corporate Ethics and Compliance System: Measures to prevent corruption | 34 |



ANNEXE 2. GRI CONTENT INDEX (CONTINUED)

| Material Topic | # | Disclosure title | Report section title and comments | Report page |
|---|-------|--|--|-------------|
| Economic Disclosures | | | | |
| Anti-competitive Behaviour | | | | |
| GRI 3: Material Topics 2021 | 3—3 | Management of material topics | Corporate Ethics and Compliance System: Anti-competitive behaviour | 34 |
| GRI 206: Anti-competitive Behaviour 2016 | 204—1 | Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices | Corporate Ethics and Compliance System: Anti-competitive behaviour | 34 |
| Tax | | | | |
| GRI 3: Material Topics 2021 | 3—3 | Management of material topics | Taxation Management | 38 |
| GRI 205 Anti-corruption 2016 | 207—1 | Approach to tax | Taxation Management | 38 |
| | 207—2 | Tax governance, control, and risk management | Taxation Management Tax indicators are externally audited in the Consolidated financial statements of DAMAC Real Estate Development Limited for the year ended 31 December 2023. | 38 |
| | 207—3 | Stakeholder engagement and management of concerns related to tax | Meeting Stakeholder Needs | 60 |
| | 207—4 | Country-by-country reporting | DAMAC Real Estate Development Limited includes exclusively UAE-based legal entities (pages 20-22 of financial statements). The financial statements 2023: https://direct.euronext.com/api/PublicAnnouncements/RISDocument/ANN132224.pdf?id=bc4c206a-2d1d-4270-9dd6-1be3dfbbca50 | - |



ANNEXE 2. GRI CONTENT INDEX (CONTINUED)

| Material Topic | # | Disclosure title | Report section title and comments | Report page |
|--------------------------------------|-------|--|---|-------------|
| Disclosures for Environmental Impact | | | | |
| Materials | | | | |
| GRI 3: Material Topics 2021 | 3–3 | Management of material topics | Environmental Protection | 52 |
| GRI 301: Materials 2016 | 301–1 | Materials used by weight or volume | Materials Use and Waste Information unavailable The Company is making efforts to enable the collection of such information in the future. | 58 |
| | 301–2 | Recycled input materials used | Materials Use and Waste Information unavailable The Company is making efforts to enable the collection of such information in the future. | 58 |
| Energy | | | | |
| GRI 3: Material Topics 2021 | 3–3 | Management of material topics | Environmental Protection | 52 |
| GRI 302: Energy 2016 | 302–1 | Approach to tax | Energy and Emissions | 52 |
| | 302–3 | Tax governance, control, and risk management | Energy and Emissions | 56 |
| | 302–4 | Stakeholder engagement and management of concerns related to tax | Energy and Emissions | 56 |



ANNEXE 2. GRI CONTENT INDEX (CONTINUED)

| Material Topic | # | Disclosure title | Report section title and comments | Report page |
|--------------------------------------|-------|---|---|-------------|
| Disclosures for Environmental Impact | | | | |
| Water Resources and Effluents | | | | |
| GRI 3: Material Topics 2021 | 3—3 | Management of material topics | Environmental Protection | 52 |
| GRI 303: Water and Effluents 2018 | 303—1 | Interactions with water as a shared resource | Water Resources | 57 |
| | 303—2 | Management of water discharge-related impacts | Water Resources | 57 |
| | 303—3 | Water withdrawal | Water Resources Information unavailable The Company is making efforts to enable the collection of such information in the future. | 57 |
| | 303—4 | Water discharge | Water Resources Information unavailable The Company is making efforts to enable the collection of such information in the future. | 57 |
| | 303—5 | Water consumption | Water Resources | 57 |
| Emissions | | | | |
| GRI 3: Material Topics 2021 | 3—3 | Management of material topics | Environmental Protection | 52 |



ANNEXE 2. GRI CONTENT INDEX (CONTINUED)

| Material Topic | # | Disclosure title | Report section title and comments | Report page |
|--------------------------------------|-------|--|--|-------------|
| Disclosures for Environmental Impact | | | | |
| Emissions | | | | |
| GRI 305: Emissions 2016 | 305—1 | Direct (Scope 1) GHG emissions | Energy and Emissions | 56 |
| | 305—2 | Energy indirect (Scope 2) GHG emissions | Energy and Emissions | 56 |
| | 305—3 | Other indirect (Scope 3) GHG emissions | Energy and Emissions Information unavailable The Company is making efforts to enable the collection of such information in the future. | 56 |
| | 305—4 | GHG emissions intensity | Energy and Emissions Information unavailable The Company is making efforts to enable the collection of such information in the future. | 56 |
| | 305—5 | Reduction of GHG emissions | Energy and Emissions Information unavailable The Company is making efforts to enable the collection of such information in the future. | 56 |
| | 305—6 | Emissions of ozone-depleting substances (ODS) | Energy and Emissions | 56 |
| | 305—7 | Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions | Energy and Emissions | 56 |



ANNEXE 2. GRI CONTENT INDEX (CONTINUED)

| Material Topic | # | Disclosure title | Report section title and comments | Report page |
|--|-------|--|--|-------------|
| Disclosures for Environmental Impact | | | | |
| Waste | | | | |
| GRI 3: Material Topics 2021 | 3—3 | Management of material topics | Environmental Protection | 52 |
| GRI 306: Waste 2020 | 306—1 | Waste generation and significant waste-related impacts | Materials Use and Waste | 58 |
| | 306—4 | Waste diverted from disposal | Materials Use and Waste | 58 |
| | 306—5 | Waste directed to disposal | Materials Use and Waste | 58 |
| Supplier Environmental Assessment | | | | |
| GRI 3: Material Topics 2021 | 3—3 | Management of material topics | Our Suppliers and Procurement | 39 |
| GRI 308: Supplier Environmental Assessment 2016 | 308—1 | New suppliers that were screened using environmental criteria | Information unavailable The Company is making efforts to enable the collection of such information in the future. | - |
| | 308—2 | Negative environmental impacts in the supply chain and actions taken | Information unavailable Company is making efforts to enable the collection of such information in the future. | - |



ANNEXE 2. GRI CONTENT INDEX (CONTINUED)

| Material Topic | # | Disclosure title | Report section title and comments | Report page |
|--|-------|--|--|-------------|
| Social Disclosures | | | | |
| Employment | | | | |
| GRI 3: Material Topics 2021 | 3—3 | Management of material topics | Our Employees: Personnel management approach | 42 |
| GRI 401: Employment 2016 | 401—1 | New employee hires and employee turnover | Our Employees: Approach to recruitment and selection The Company is making efforts to enable the collection of more detailed data in the future. | 43 |
| | 401—2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | Our Employees The Company is making efforts to enable the collection of more detailed data in the future. | 42 |
| | 401—3 | Parental leave | Our Employees: Parental leave The Company is making efforts to enable the collection of more detailed data in the future. | 44 |
| Labour/Management Relations | | | | |
| GRI 3: Material Topics 2021 | 3—3 | Management of material topics | Corporate Governance Structure | 29 |
| GRI 402: Labour/Management Relations 2016 | 402—1 | Minimum notice periods regarding operational changes | Corporate Governance Structure Employees are notified of significant operational changes that may affect them at least 2 weeks in advance. | 29 |



ANNEXE 2. GRI CONTENT INDEX (CONTINUED)

| Material Topic | # | Disclosure title | Report section title and comments | Report page |
|---|-------|---|--|-------------|
| Social Disclosures | | | | |
| Occupational Health and Safety | | | | |
| GRI 3: Material Topics 2021 | 3–3 | Management of material topics | Occupational Health and Safety | 47 |
| GRI 403: Occupational Health and Safety 2018 | 403–1 | Occupational health and safety management system | Occupational Health and Safety | 47 |
| | 403–2 | Hazard identification, risk assessment, and incident investigation | Occupational Health and Safety: Hazard identification and risk assessment | 48 |
| | 403–3 | Occupational health services | Occupational Health and Safety | 47 |
| | 403–4 | Worker participation, consultation, and communication on occupational health and safety | Occupational Health and Safety | 47 |
| | 403–5 | Worker training on occupational health and safety | Occupational Health and Safety: Training and knowledge assessment in health and safety | 49 |
| | 403–6 | Promotion of worker health | Occupational Health and Safety: Promoting a healthy lifestyle, Medical provision | 49 |

ANNEXE 2. GRI CONTENT INDEX (CONTINUED)

| Material Topic | # | Disclosure title | Report section title and comments | Report page |
|---|--------|---|--|-------------|
| Social Disclosures | | | | |
| Occupational Health and Safety | | | | |
| GRI 403: Occupational Health and Safety 2018 | 403–7 | Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | Occupational Health and Safety: Cooperation with contractors | 47 |
| | 403–8 | Workers covered by an occupational health and safety management system | Occupational Health and Safety: Our approach to managing health and safety | 47 |
| | 403–9 | Work-related injuries | Occupational Health and Safety: Prevention of injuries and occupational diseases All groups of employees are accounted for in the accident records. | 48 |
| | 403–10 | Work-related ill health | Occupational Health and Safety | 47 |
| Training and Education | | | | |
| GRI 3: Material Topics 2021 | 3–3 | Management of material topics | Employee Training and Skills Enhancement: Approach to employee training | 46 |
| GRI 404: Training and Education 2016 | 404–1 | Average hours of training per year per employee | Employee Training and Skills Enhancement | 46 |
| | 404–2 | programmes for upgrading employee skills and transition assistance programmes | Employee Training and Skills Enhancement | 46 |
| | 404–3 | Percentage of employees receiving regular performance and career development reviews | Our Employees: Reward determination process | 44 |



ANNEXE 2. GRI CONTENT INDEX (CONTINUED)

| Material Topic | # | Disclosure title | Report section title and comments | Report page |
|--|-------|--|--|-------------|
| Social Disclosures | | | | |
| Diversity and Equal Opportunity | | | | |
| GRI 3: Material Topics 2021 | 3—3 | Management of material topics | Diversity, Inclusion and Human Rights | 45 |
| GRI 405: Diversity and Equal Opportunity 2016 | 405—1 | Diversity of governance bodies and employees | Corporate Governance Our employees | 28, 42 |
| | 405—2 | Ratio of basic salary and remuneration of women to men | Confidentiality constraint The information is confidential and not publicly disclosed. | - |
| Non-discrimination | | | | |
| GRI 3: Material Topics 2021 | 3—3 | Management of material topics | Diversity, Inclusion and Human Rights | 45 |
| GRI 406: Non-discrimination 2016 | 406—1 | Incidents of discrimination and corrective actions taken | Diversity, Inclusion and Human Rights | 45 |
| GRI 3: Material Topics 2021 | 3—3 | Management of material topics | Diversity, Inclusion and Human Rights | 45 |
| Child Labour | | | | |
| GRI 3: Material Topics 2021 | 3—3 | Management of material topics | Diversity, Inclusion and Human Rights: Human rights principles | 45 |
| GRI 408: Child Labour 2016 | 408—1 | Operations and suppliers at significant risk for incidents of child labour | Diversity, Inclusion and Human Rights: Human rights principles In 2023, none of DAMAC's operations, contractors, or suppliers were identified as having a significant risk of child labour. | 45 |



ANNEXE 2. GRI CONTENT INDEX (CONTINUED)

| Material Topic | # | Disclosure title | Report section title and comments | Report page |
|--|-------|--|---|-------------|
| Social Disclosures | | | | |
| Forced or Compulsory Labour | | | | |
| GRI 3: Material Topics 2021 | 3—3 | Management of material topics | Diversity, Inclusion and Human Rights: Human rights principles | 45 |
| GRI 409: Forced or Compulsory Labour 2016 | 409—1 | Operations and suppliers at significant risk for incidents of forced or compulsory labour | Diversity, Inclusion and Human Rights: Human rights principles In 2023, none of DAMAC's operations, contractors, or suppliers were identified as having a significant risk of forced labour. | 45 |
| Local communities | | | | |
| GRI 3: Material Topics 2021 | 3—3 | Management of material topics | Impact on Local Communities | 50 |
| GRI 413: Local Communities 2016 | 413—1 | Operations with local community engagement, impact assessments, and development programmes | Impact on Local Communities All DAMAC's operations implemented the local community engagement and development programmes in 2023. No assessment of the social impact of the DAMAC's activities on individual local communities was carried out in 2023. | 50 |
| | 413—2 | Operations with significant actual and potential negative impacts on local communities | Impact on Local Communities In 2023, none of DAMAC's operations, contractors, or suppliers were identified that would pose a significant actual or potential risk of negative impact on local communities. | 50 |



ANNEXE 2. GRI CONTENT INDEX (CONTINUED)

| Material Topic | # | Disclosure title | Report section title and comments | Report page |
|--|-------|---|---|-------------|
| Social Disclosures | | | | |
| Supplier Social Assessment | | | | |
| GRI 3: Material Topics 2021 | 3—3 | Management of material topics | Our Suppliers and Procurement | 39 |
| GRI 414: Supplier Social Assessment 2016 | 414—1 | New suppliers that were screened using social criteria | Information unavailable The Company is making efforts to enable the collection of such information in the future. | - |
| | 414—2 | Negative social impacts in the supply chain and actions taken | Information unavailable The Company is making efforts to enable the collection of such information in the future. | - |
| Public Policy | | | | |
| GRI 3: Material Topics 2021 | 3—3 | Management of material topics | Corporate Ethics and Compliance System | 34 |
| GRI 415: Public Policy 2016 | 415—1 | Political contributions | Corporate Ethics and Compliance System | 34 |
| Customer Health and Safety | | | | |
| GRI 3: Material Topics 2021 | 3—3 | Management of material topics | Cooperation with our Clients | 40 |
| GRI 416: Customer Health and Safety 2016 | 416—1 | Assessment of the health and safety impacts of product and service categories | Cooperation with our Clients A separate assessment of the impact of DAMAC's products and services on consumer health and safety was not carried out in 2023. | 40 |
| | 416—2 | Incidents of non-compliance concerning the health and safety impacts of products and services | Cooperation with our Clients In 2023, no cases of non-compliance of the DAMAC's products with mandatory or voluntary standards and requirements for the impact of products on consumer health and safety were identified and recorded. In 2023, the Company did not receive any complaints or suggestions regarding the negative impact of its products on consumer health and safety. In addition, in 2023, no fines were imposed on DAMAC for non-compliance with the provisions of the current legislation on product safety and quality. | 40 |



ANNEXE 2. GRI CONTENT INDEX (CONTINUED)

| Material Topic | # | Disclosure title | Report section title and comments | Report page |
|--|-------|--|--|-------------|
| Social Disclosures | | | | |
| Marketing and Labelling | | | | |
| GRI 3: Material Topics 2021 | 3—3 | Management of material topics | Committed to Responsible Marketing | 40 |
| GRI 417: Marketing and Labelling 2016 | 417—1 | Requirements for product and service information and labelling | Committed to Responsible Marketing DAMAC's products and services do not have specific requirements regarding product and service information and labelling. | 40 |
| | 417—2 | Incidents of non-compliance concerning product and service information and labelling | Committed to Responsible Marketing No cases of non-compliance with regulatory and voluntary (own) requirements and norms regarding product information and labelling were identified in 2023. | 40 |
| | 417—3 | Incidents of non-compliance concerning marketing communications | Committed to Responsible Marketing There were no cases of non-compliance with regulatory and voluntary (own) norms on marketing communications in 2023. | 40 |
| Customer Privacy | | | | |
| GRI 3: Material Topics 2021 | 3—3 | Management of material topics | Data Security | 35 |
| GRI 418: Customer Privacy 2016 | 418—1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | Data Security | 35 |

