

## **ESG Strategy - DAMAC (DAMAC Real Estate Development Limited)**

At DAMAC Real Estate Development Limited (DAMAC), our commitment to sustainability drives our Environmental, Social, and Governance (ESG) strategy. We recognize the importance of addressing key environmental, social, and governance issues to foster long-term value creation, responsible business practices, and positive impact on the communities and environment where we operate. Our ESG strategy encompasses five core pillars: Environment, Social, Governance, Integration and Implementation, and Continuous Improvement. It is developed in alignment with various local and global frameworks, including the Sustainable Development Goals, UNGC's principles for responsible business, TCFD recommendations, ILO's international labor standards, Paris climate agreement, and the Montreal pledge.

### **Environmental Strategy:**

Our focus on the environment aims to reduce our ecological footprint, optimize energy and water consumption, and contribute to circularity, climate action, and biodiversity conservation. We recognize that real estate development can significantly impact the environment, and we are committed to minimizing these impacts through strategic initiatives. Our environmental strategy includes:

- Conducting a comprehensive greenhouse gas (GHG) emissions inventory to identify key emission sources and set reduction targets.
- Implementing energy-efficient systems and exploring the incorporation of renewable energy generation to reduce reliance on fossil fuels.
- Incorporating climate considerations into the design and construction of our properties to enhance their resilience to climate change.
- Setting ambitious GHG reduction targets in alignment with international agreements, science-based targets, and the Paris Agreement.
- Implementing energy efficiency measures and promoting renewable energy use to reduce emissions.
- Encouraging sustainable transportation options for employees, customers, and supply chains to minimize our carbon footprint.
- Assessing and managing climate-related risks to our properties, including extreme weather events and sea-level rise.
- Exploring and adopting net-zero energy or carbon-neutral design principles for new developments.
- Ensuring the disclosure of climate-related information in accordance with relevant reporting frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD).

- Implementing pollution prevention measures to minimize air, water, and soil pollution throughout our operations.

## **Social Strategy:**

Our social pillar is dedicated to employee well-being, safety, community engagement, and diversity and inclusion. We believe that investing in our people and communities fosters long-term success and sustainable development. Our social strategy includes:

- Fostering employee well-being and safety through comprehensive amenities, health programs, and access to community services.
- Prioritizing building safety and implementing robust emergency response plans to ensure the preparedness and resilience of our properties.
- Providing employees with training and skill development opportunities to empower them and increase their job satisfaction.
- Actively engaging with local communities through partnerships, sponsorships, and initiatives that support education, health, and social well-being.
- Promoting diversity and inclusion to create an equitable workplace that values and embraces unique perspectives.
- Collaborating with stakeholders, including tenants, employees, investors, and local communities, to understand their needs and concerns.

## **Governance Strategy:**

Governance forms the foundation of our sustainability efforts, ensuring ethical business practices, diverse board representation, risk management, and transparent reporting. We believe that robust governance is essential for maintaining the trust of our stakeholders and achieving sustainable development. Our governance strategy includes:

- Upholding a strong code of ethics, transparency, and integrity throughout all business operations, including financial reporting and compliance.
- Striving for diverse representation on the board of directors, including individuals with ESG/sustainability knowledge and expertise.
- Identifying and managing ESG risks, such as fraud, corruption, and climate-related risks, to protect the long-term value of our assets.
- Establishing clear ESG metrics and reporting mechanisms to track progress, measure performance, and communicate outcomes to stakeholders.
- Fostering a culture of stakeholder inclusiveness by providing opportunities for engagement, feedback, and transparency in decision-making processes.

## **Integration and Implementation:**



We are dedicated to integrating sustainability principles into all aspects of our operations and decision-making processes. Our strategy is embedded in our corporate culture, influencing how we design, develop, and manage our properties, engage with stakeholders, and assess risks and opportunities. We ensure that sustainability considerations are an integral part of our business practices, enabling us to make responsible choices that align with our ESG goals.

**Continuous Improvement:**

Our commitment to sustainability is a journey of continuous improvement. We regularly review and enhance our ESG strategy, initiatives, and performance based on feedback from stakeholders, changing global and local contexts, and advancements in best practices. We remain agile in adapting our approach to address emerging challenges and leverage new opportunities to drive positive social, environmental, and governance outcomes.

At DAMAC, our goal is to create real estate assets with quality and sustainability as cornerstones, showcasing our leadership in sustainability and making a positive impact on the environment and society. Our ESG strategy drives our commitment to a sustainable future, and we continually strive to improve our practices and performance to create lasting value for all stakeholders.

Approved by Chairman and DAMAC Real Estate Development Limited Board on 26<sup>th</sup> of June 2023