

A large, stylized letter 'D' serves as a background for the title. It is filled with a dense pattern of various green leaves and foliage, creating a natural, organic texture. The 'D' is positioned centrally on the page.

# **GREEN BUILDING STRATEGY - DAMAC (DAMAC Real Estate Development Limited) R01**



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## Document Intent and Positioning

DAMAC's Green Building Strategy establishes a performance driven and regulation leading approach to sustainable development. The Strategy is intended to ensure that environmental considerations are embedded consistently and credibly across DAMAC's portfolio, supporting long term asset value, operational efficiency, regulatory compliance, and DAMAC's positioning as a responsible and forward looking for a developer.

### 1. Purpose

DAMAC Real Estate Development Limited (DAMAC) is committed to developing high-quality real estate assets that create long term value while minimising environmental impact and enhancing occupant wellbeing. This Green Building Strategy defines DAMAC's strategic approach to embedding sustainability principles into the planning, design, construction, and operation of its developments.

This Strategy supports DAMAC's Environmental, Social and Governance (ESG) Strategy and Environmental Policy, and positions green buildings as a key lever for climate action, operational efficiency, resilience, and market leadership.

This Strategy is aligned with DAMAC's ESG Strategy, which defines the Group-wide sustainability vision, governance framework, reporting alignment, and decarbonization ambition. The Green Building Strategy translates these overarching commitments into the context of asset design, construction, and lifecycle performance.

This Strategy defines DAMAC's high-level principles, commitments, and governance approach for green building. Detailed implementation requirements, including technical standards, methodologies, performance targets, and project-level tools, shall be defined and maintained through supporting documents such as technical guidelines, ESG targets frameworks, procurement procedures, and sustainability reporting processes. These supporting instruments will be periodically updated to reflect evolving regulations, technologies, and market practices, while this Strategy remains stable and long-term reference.

### 2. Scope

This Strategy applies to:

- ✓ All new design projects and developments undertaken by DAMAC, where technically and commercially feasible.
- ✓ Major refurbishments and redevelopments of existing assets.
- ✓ Relevant joint ventures, contractors, consultants, and suppliers engaged by DAMAC.
- ✓ Internal operational teams including LOAMS (Luxury Owner Association Management Services) to ensure the strategy spans the entire asset lifecycle.

This Strategy establishes mandatory minimum requirements as well as enhanced sustainability measures. Mandatory requirements apply across all applicable projects, while enhanced measures may be applied selectively based on asset type, feasibility, and value creation potential.



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The requirements of this Strategy shall be considered from the earliest stages of project planning and integrated throughout the asset lifecycle. For the construction phase of DAMAC developments, the environmental and sustainability requirements set out in this Strategy shall be implemented and enforced through different instruments (e.g. DAMAC's Site Manual and associated site-level procedures).

These documents shall define the mandatory environmental management, monitoring, reporting, and stakeholder compliance requirements applicable during construction and form an integral part of the delivery framework for this Strategy.

### **3. Strategic Objectives**

DAMAC's Green Building strategy is guided by the following objectives:

- Achieve baseline regulatory compliances specifically meeting Tarkhees mandates for Al Sa'fat Silver compliance on relevant projects—and ensure the successful coordination and acquisition of Green Building Permits
- Develop an annual LEED Certification Roadmap that defines certification pathways and specific percentage targets (e.g., Gold, Platinum) for new design projects, retrofitting of existing buildings, and LEED O+M
- Reduce environmental impacts associated with energy use, water consumption, carbon emissions, and material resources
- Support the UAE's Net Zero by 2050 ambition and DAMAC's long term decarbonization pathway Enhance asset value, operational efficiency, and climate resilience
- Promote healthy, comfortable, and high performing buildings for occupants and communities.
- Align developments with recognized international green building standards and best practices.

### **4. Alignment with Regulations and Certifications**

DAMAC's Green Building Strategy is designed to complement and exceed applicable local regulations and to align with recognized green building frameworks. In particular, DAMAC commits to:

- Full compliance with all applicable Dubai Municipality Green Building Regulations and the Al Sa'fat Dubai Green Building System.
- Alignment with UAE federal and emirate level sustainability and climate regulations.
- Active engagement with the Emirates Green Building Council (EGBC) to remain aligned with national best practices and sector developments.
- Benchmarking against leading international certification systems such as LEED and equivalent standards, where appropriate.

Where multiple standards apply, the most stringent requirement shall prevail, unless otherwise approved through a formal exemption process.

## 5. Core Principles

DAMAC's Green Building approach is underpinned by the following principles:

### 5.1 Regulatory Leadership

DAMAC will not only comply with applicable green building regulations, including Dubai Municipality Guidance on the Environmental Clearance (EC) Requirements for Development, Infrastructure and Industrial Projects, and Al Sa'fat, but will seek to exceed minimum requirements where technically and commercially feasible.

### 5.2 Lifecycle and Whole Life Performance

Sustainability considerations shall be integrated across the full building lifecycle, including planning, design, construction, commissioning, operation, refurbishment, and end of life.

### 5.3 Prescriptive and Performance Based Requirements

Green building requirements shall combine prescriptive minimum standards with performance-based targets to ensure consistency, clarity, and measurable outcomes.

### 5.4 Continuous Improvement

Green building requirements and targets shall be periodically reviewed to reflect evolving regulations, technologies, market expectations, and DAMAC's ESG ambitions. Green building requirements and targets shall be periodically reviewed to reflect evolving regulations, technologies, and best practices.

## 6. Green Building Commitments

### 6.1 Innovation and Continuous Advancement

It is the responsibility of Sustainability Team to collect and submit 4 to 5 green building technology or material ideas per month to the Technical Design team for evaluation. This innovation pipeline will specifically focus on energy efficiency, water reduction, circular materials, and innovative construction solutions.

DAMAC recognizes innovation as a critical enabler of green building performance and long-term competitiveness. To support the systematic identification and adoption of innovative solutions, DAMAC shall establish a dedicated Green Building Innovation Taskforce.

- The Innovation Taskforce shall include representatives from Conceptual Design, Technical Design, MEP, Project Execution, LOAMS, Sustainability, and other relevant functions.
- The Taskforce shall be responsible for identifying, evaluating, and recommending innovative products, materials, systems, and technologies that enhance environmental performance, operational efficiency, and user experience.
- The Taskforce shall actively engage with the global PropTech and ConTech ecosystem, including startups, technology providers, research institutions, and industry platforms.



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- Innovative solutions shall be assessed based on technical feasibility, lifecycle performance, scalability, risk profile, and cost benefit considerations.
- Where appropriate, DAMAC shall pilot selected innovations within live projects to validate performance and inform broader portfolio adoption.
- In support of market engagement and innovation leadership, DAMAC shall establish an annual Green Building Innovation Award to recognize outstanding startups, technologies, or materials. Award recipients may be granted the opportunity to pilot their solution within a DAMAC project, subject to due diligence and project suitability.

## **6.2 Green Building Certification and Compliance**

- All new developments shall comply with the Al Sa'fat Dubai Green Building System at a minimum of the level mandated by Dubai Municipality.
- Where strategically appropriate, DAMAC shall target enhanced Al Sa'fat ratings (e.g. Golden or Platinum) and/or internationally recognized certifications such as LEED.
- Certification requirements shall be defined at project inception and embedded into design briefs and consultant scopes.

## **6.3 Energy Efficiency and Carbon Reduction**

- All projects shall meet or exceed minimum energy performance requirements set by Al Sa'fat and applicable Dubai Building Codes.
- Energy modelling shall be undertaken at design stage for applicable projects to optimize building envelope, systems, and operational performance.
- DAMAC shall progressively integrate whole life carbon considerations, including embodied and operational carbon, to inform design and material selection decisions. Environmental Product Declarations (EPDs) shall be required for primary structural materials — including concrete, structural steel, and façade systems — on all projects with a construction value exceeding AED 50 million. Damac aims to formally adopt a whole-life carbon reporting methodology in the short term, with embodied carbon intensity ( $\text{kgCO}_2\text{e/m}^2$ ) reported annually as part of the Green Building Performance Scorecard.
- Energy modelling for all applicable projects shall include a rooftop solar PV feasibility assessment under the Shams Dubai programme. DAMAC shall establish a portfolio-level on-site renewable energy generation target, expressed as a percentage of total operational energy consumption across completed assets.
- DAMAC shall establish and maintain a comprehensive Scope 1, 2, and 3 carbon accounting frameworks to support the definition of science-aligned decarbonization targets and long-term emissions reduction pathways, in alignment with the ESG Strategy.

## **6.4 Water Efficiency and Management**

- All developments shall meet Al Sa'fat requirements for water efficient fixtures, irrigation, and water reuse where applicable.
- Landscape design shall prioritize native or adaptive plant species and efficient irrigation systems.



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## **6.5 Materials, Waste, and Circularity**

- Projects shall comply with Al Sa'fat requirements on sustainable materials, hazardous substances, and construction and demolition waste management. To achieve this, Technical Design team will continue to utilize CSI (Construction Specifications Institute) Specifications to identify and classify construction materials. All materials will follow these CSI-aligned guidelines to ensure consistency, compliance, and traceability across all projects.
- DAMAC shall promote the adoption of sustainable materials where lifecycle cost benefit analysis demonstrates favorable environmental and commercial outcomes.
- Minimum waste diversion targets shall be defined for all construction projects, aiming for a gradual increase in the percentage waste diversion rate. Targets shall be supported by waste management plans.
- Minimum waste diversion average targets shall be defined by the Sustainability function and embedded into project requirements through Technical Design specifications and procurement and contractual mechanisms applicable to contractors for all construction projects, aiming a gradual increase in the percentage waste diversion rate. Targets shall be supported by waste management plans.
- Offsite and modular construction methods shall be recognized as a preferred delivery approach to minimize construction waste, reduce site-based emissions, improve material yield, and enhance quality control. DAMAC's Technical Design team shall assess the feasibility and applicability of offsite manufacturing solutions, including bathroom pods, precast structural elements, MEP modular assemblies, and factory-produced wall panel systems, at project inception stage for all applicable development types. Where offsite methods are adopted, lifecycle carbon and waste performance shall be documented and reported as part of the project's green building compliance record.

## **6.6 Indoor Environmental Quality and Occupant Wellbeing**

- Buildings shall meet or exceed Al Sa'fat and Dubai Building Code requirements relating to indoor air quality, thermal comfort, acoustics, daylighting, and material emissions.
- Where appropriate, well-being focused principles from standards such as WELL may be incorporated.

## **6.7 Climate Resilience and Adaptation**

- Climate related risks shall be assessed during project planning and design, in alignment with DAMAC's ESG Strategy and climate risk commitments.
- Design measures to enhance resilience to heat, extreme weather, and long-term climate impacts shall be integrated where feasible.



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## 7. Performance Measurement, Reporting, and Disclosure

- DAMAC shall establish a Green Building Performance Scorecard, tracking a minimum set of quantified KPIs on an annual basis across the development portfolio. KPIs shall include, at minimum number and percentage of projects achieving Al Sa'fat certification at each rating level; portfolio energy intensity (kWh/m<sup>2</sup>/year) against a defined 2024 baseline; portfolio water intensity (litres/m<sup>2</sup>/year) against a defined 2024 baseline; construction waste diversion rate (%); embodied carbon intensity (kgCO<sub>2</sub>e/m<sup>2</sup>) for applicable new projects; and percentage of applicable projects with completed solar PV feasibility assessment.
- Green building performance data shall be reported internally to the Sustainability Committee on a biannual basis and incorporated into DAMAC's annual ESG disclosure. Reporting shall be aligned with recognized climate disclosure frameworks including TCFD (Task Force on Climate-related Financial Disclosures) and, where applicable, ISSB S2 (IFRS Sustainability Disclosure Standard on Climate-related Disclosures) and GRI Standards.
- Sustainability performance shall be monitored and managed throughout the operational phase of assets, with active involvement of LOAMS to ensure that design intent is translated into actual building performance over time.
- This Strategy's certified green building performance record shall be maintained and made available to support access to green finance instruments, including green bonds and sustainability-linked lending facilities, where DAMAC pursues such instruments. Technical Design team and Sustainability Committee shall coordinate with DAMAC's Finance function to ensure green building data meets the verification requirements of applicable green finance frameworks.
- To support MSCI disclosures, full LEED reports will be obtained from site teams. This formal MSCI certification reporting will be split into two distinct categories: (1) LEED Certifications and (2) DM and DDA Section Requirements (supported by the submitted DM/DDA compliance checklists).
- DAMAC shall implement structured data collection and management frameworks to ensure consistent capture, validation, and reporting of sustainability performance data across the portfolio.

## 8. Governance and Implementation

- Responsibility for implementing this Strategy lies with DAMAC's senior management, under the guidance of DAMAC Technical Design and supported by relevant Sustainability, Project and LOAMS teams.
- The Sustainability function is responsible for defining the strategic framework, performance requirements, and ESG alignment principles underpinning this Strategy. Technical Design and Project Management teams are responsible for integrating and implementing these requirements within project design and delivery processes. LOAMS and relevant operational teams like FM are responsible for ensuring that sustainability performance is maintained and optimized during the operational phase of assets. This structure ensures clear accountability while enabling collaborative delivery across functions.



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- The Sustainability team is entrusted to act as the primary advisor to Technical Design in guiding the creation of an annual LEED Certification Roadmap. This roadmap will define certification pathways and annual targets (e.g., Gold, Platinum) for both new design projects and the retrofitting of existing buildings. Furthermore, a formal collaboration with LOAMS will be established to specifically pursue LEED O+M (Operations & Maintenance) certifications for operational assets.
- DAMAC Technical Design shall lead the identification and introduction of sustainable materials and solutions where lifecycle cost and benefit analyses demonstrate favorable environmental and commercial outcomes across projects.
- Green building requirements shall be embedded into project briefs, design standards, procurement processes, and contractor appointment criteria. As part of this mandate, a central procurement platform is underway to host the full approved vendor list, and all suppliers will be required to register with the CRIF ESG platform through this central portal to maintain eligibility.
- Contractors demonstrating strong green building and environmental performance, based on past performance, compliance track record, and environmental management capability, shall be prioritized during tendering and supplier evaluation processes, subject to quality, safety, and commercial considerations.
- Any material deviation from mandatory green building requirements shall be subject to a formal Exemption Request process. An Exemption Request shall document: (i) the specific mandatory requirement from which deviation is sought; (ii) the technical, commercial, or regulatory grounds for the exemption; (iii) the scope and duration of the exemption; and (iv) any compensatory sustainability measures proposed. All Exemption Requests shall require written approval from DAMAC Technical Design and the Head of Sustainability and shall be reported to the Sustainability Committee at the next scheduled review. Exemptions shall be limited to circumstances where DAMAC does not hold design control (such as third-party joint ventures), heritage or conservation constraints, or where regulatory requirements formally override the Strategy's provisions. Commercial cost alone shall not constitute sufficient grounds for exemption from mandatory requirements.
- Performance against this Strategy shall be monitored and reported internally, contributing to DAMAC's ESG metrics and disclosures, including climate related reporting frameworks where applicable.

## **9. Training and Capacity Building**

DAMAC recognizes that effective implementation of this Strategy depends on informed and capable stakeholders. A structured training approach shall be applied as follows:

### **9.1 Internal Employees**

- Senior Management: Strategic briefings on green building commitments, regulatory obligations, and ESG alignment.
- Development and Project Teams: Practical training on Al Sa'fat requirements, green building integration, and performance targets at each project stage.
- Technical Design Teams: Advanced training in certification strategies, sustainable materials assessment, lifecycle cost analysis, and performance optimization.



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- Procurement Teams: Training in integrating green building and environmental performance criteria into supplier evaluation, tendering, and contract award processes.
- Facilities Management Teams: Training focused on operational performance, commissioning, monitoring, and continuous improvement of building systems.

## **9.2 Consultants and Designers**

- Mandatory project briefings on DAMAC's Green Building Strategy and applicable certification requirements.
- Periodic technical workshops addressing regulatory updates, energy modelling, water efficiency, and sustainable materials.

## **9.3 Contractors and Suppliers**

- For the construction phase, contractor training and engagement requirements relating to environmental management, waste management, material compliance, site practices, and green building delivery shall be implemented as appropriate. These trainings could be part of the mandatory pre-construction orientation, ongoing environmental training, and site-level engagement obligations applicable to contractors during project execution.
- Contractors must also attend regular refresher sessions to stay updated on regulatory changes, strategy and policy updates along with evolving project requirements. Sessions may manifest themselves as ongoing toolbox talks and site-based awareness sessions linked to project specific sustainability requirements.

## **9.4 External Stakeholders and Communities**

- Engagement with industry bodies, including the Emirates Green Building Council, to support knowledge exchange and continuous learning.
- Engagement with customers and communities to promote understanding of green building features, benefits, and sustainable living behaviours.
- Green building awareness materials and communications shall be shared with customers and residents through DAMAC Living and other community engagement initiatives, where appropriate.

Training effectiveness shall be periodically reviewed and updated to reflect evolving requirements and lessons learned.

## **10. Review and Continuous Improvement**

This Strategy shall be reviewed periodically to ensure continued relevance, effectiveness, and alignment with DAMAC's ESG Strategy, Environmental Policy, and evolving regulatory and market expectations.