

A large, stylized letter 'D' is positioned in the background, filled with a pattern of various green leaves and foliage. The leaves are in different shades of green and have various shapes, creating a dense, naturalistic texture.

GREEN PROCUREMENT STRATEGY - DAMAC (DAMAC Real Estate Development Limited) R01.1

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1. Purpose of the Strategy

DAMAC is committed to integrating sustainability into every stage of its procurement processes. This Green Procurement Strategy aims to ensure that all materials, products, and services used on DAMAC's projects and those that support DAMAC's operations reinforce environmental protection, efficient resource use, climate action, and responsible social practices. To achieve this, DAMAC aims at selecting and evaluating suppliers not only on price and quality, but also on their environmental performance, respect for human rights, ESG governance, and alignment with DAMAC's sustainability standards

2. Scope of Application

This document applies to all procurement activities across all projects and operations performed by DAMAC Real Estate Development Limited and its subsidiaries (hereinafter referred to as "**DAMAC**"). It covers all contractors, subcontractors, suppliers, and service providers involved in sourcing, manufacturing, transporting, or delivering goods and services to DAMAC Real Estate Development Limited and its subsidiaries.

DAMAC shall guard the principles highlighted in this document specifically in decisions and practices regarding:

- ✓ All materials and equipment procured for construction, operations, and maintenance.
- ✓ All suppliers and subcontractors, regardless of contract.
- ✓ All phases such as prequalification, tendering, contracting, delivery and performance evaluation. This includes general procurement categories such as IT equipment, office supplies, hospitality items, and corporate services, which must meet the same sustainability requirements as project related materials.

3. Principles

3.1 DAMAC prioritizes suppliers who demonstrate strong environmental responsibility

DAMAC's procurement decisions begin with environmental performance. DAMAC encourages suppliers to show clear evidence that they prevent pollution, minimize environmental impacts, and comply with regulations and DAMAC's site-level environmental controls.

DAMAC aims to give preference to suppliers who:

- Hold and demonstrate valid environmental certifications (e.g., ISO 14001, LEED, BREEAM, EMS).
- Maintain effective systems for pollution control and environmental risk prevention.
- Demonstrate proven initiatives that reduce emissions, waste, water use, or energy consumption.
- Submit GRI-aligned environmental performance data when requested.

This Strategy is aligned with best international practices, including ISO 20400 Sustainable Procurement, and supports the UAE Net Zero by 2050 Strategic Initiative.

3.2 DAMAC encourages the use of sustainable and low-impact materials and expects suppliers to propose environmentally preferable alternatives where available

Materials used in DAMAC projects must be safe, responsibly produced, and environmentally preferable.



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Suppliers are expected to propose greener alternatives and ensure material traceability.

Acceptable sustainable materials include:

- Recycled-content products and materials
- FSC-certified or sustainably sourced wood
- Low-VOC paints, adhesives, sealants, and coatings
- Non-toxic, durable, and energy-efficient building materials
- Packaging solutions that minimize plastic and reduce waste

For general procurement, DAMAC aims to give preference to products with recycled content, eco-labelled office supplies, and IT equipment certified for energy efficiency and responsible material sourcing.

3.3 DAMAC promotes the selection of products, systems, and services that reduce energy and resource consumption

Procurement decisions favor equipment and systems that support energy efficiency, water conservation, and reduced fuel use.

DAMAC incentivizes products that:

- Operate with lower electricity, fuel, or gas consumption.
- Incorporate renewable energy technologies (e.g., solar lighting, hybrid generators).
- Improve water efficiency and minimize unnecessary water use.
- Include smart monitoring tools to measure energy, water, emissions, and waste.
- Demonstrate a measurable reduction in operational carbon footprint.

3.4 DAMAC encourages suppliers to have strong waste and hazardous materials management practices

Waste prevention and safe handling of hazardous materials are mandatory for all suppliers. Suppliers should demonstrate their capacity to prevent environmental contamination and support DAMAC's waste reduction objectives.

Suppliers are expected to demonstrate:

- Clear waste segregation and recycling systems.
- Procedures for minimizing packaging and construction waste.
- Safe handling, transportation, and disposal of hazardous materials.
- Proper storage of chemicals, fuels, and oils with secondary containment.
- Documentation of all waste volumes, recycling rates, and disposal routes.

3.5 DAMAC supports climate action and expects suppliers to measure and reduce carbon emissions

Climate performance is part of DAMAC's procurement criteria. Suppliers are expected to develop a clear understanding of their carbon footprint and work toward reducing their emissions.

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Suppliers are expected to:

- Measure Scope 1 and 2 emissions, and Scope 3 when relevant.
- Set annual reduction targets.
- Implement GHG reduction measures (e.g., efficient logistics, renewable energy use).
- Provide accurate GHG emissions data required by DAMAC.

3.6 DAMAC integrated social and governance criteria into supplier selection

Sustainability in procurement goes beyond environmental issues. Therefore, DAMAC requires suppliers to demonstrate high standards in labour rights, worker welfare, governance, and ethical business.

Through surveys and rating systems, DAMAC is keen to evaluate suppliers on, at minimum:

- Compliance with labour laws, fair wages, and worker welfare practices.
- Diversity, equality, and inclusion (DEI) initiatives.
- Occupational health and safety performance.
- Compliance with anti-corruption regulations and ethics policies.
- Data protection and cybersecurity standards.

General procurement suppliers are expected to demonstrate supply chain transparency and traceability, especially for electronics, textiles, and frequently sourced consumables.

3.7 DAMAC may use digital platforms and ESG evaluation tools to assess supplier performance

Where such platforms are implemented, suppliers may be requested to participate and maintain accurate, up-to-date information.

To maintain consistency, transparency, and efficiency, DAMAC may use digital solutions to track, score, and evaluate suppliers' ESG performance.

These platforms may include ESG scoring software for supplier assessments, online procurement portals requiring evidence uploads, project management tools integrating environmental KPIs, and automated systems to track sustainability-related documents and performance data

If requested by the authorized department / people in DAMAC, suppliers may be requested to participate in these platforms and maintain accurate, up-to-date profiles.

4. Procurement Guidelines

4.1 DAMAC aims to evaluate suppliers during prequalification to verify sustainability capability

Before being approved, DAMAC may ask suppliers to undergo an ESG and environmental screening process.

Prequalification may require:

- Completion of DAMAC's ESG questionnaire with evidence

- Compliance with DAMAC's **Supplier Code of Conduct**¹
- Proof of certifications (e.g., ISO 14001, ISO 45001, ISO 9001)
- Environmental, social and governance performance data and supporting documents
- Demonstration of ability to comply with **DAMAC's Site Procedure Manual** Section 3.9 Environmental Requirements.
- Risk assessment based on ESG indicators

4.2 DAMAC's tender evaluations may integrate sustainability performance as a formal scoring factor

In DAMAC's procurement process, financial considerations are balanced with environmental, safety, and social criteria, ensuring suppliers contribute meaningfully to our ESG objectives. Tender assessments shall consider:

- Life-cycle environmental impacts of proposed materials
- Supplier's track record in environmental and safety performance
- Carbon footprint and energy efficiency of equipment offered
- Waste management proposals and recycling capacity
- Performance on social and governance indicators
- ESG scores from DAMAC's digital platforms where relevant
- Compliance with legal, ethical, and governance requirements

4.3 Contracting includes clearly defined sustainability performance expectations for suppliers

Once selected, suppliers could be asked to sign contracts that reflect their ESG responsibilities that will incorporate, at minimum, the following requirements:

- Mandatory adherence to DAMAC's Green Procurement Strategy and Supplier Code of Conduct Compliance with the Site Environmental Management requirements.
- Environmental, social and governance KPIs and reporting milestones.
- Requirement for waste, water, and emissions data submission.
- Agreements on corrective actions and potential penalties for non-compliance.

4.4 DAMAC aims to continuously monitor supplier ESG performance throughout the contract duration

Supplier compliance will be monitored through inspections, audits, data reviews, and performance evaluations that can be performed in person or through a digital tool approved and communicated by DAMAC.

Monitoring measures could include:

- Regular submission of ESG data as required and requested by DAMAC
- On-site inspections for key performance indicators (e.g. waste, EHS etc.)

¹https://assets.ctfassets.net/zoq5l15g49wj/68GijNtuhdbVFVDzZJ7UT/a69e5964c684416b67b4e5827d8e73a8/COMPANY_Supplier_Contractor_Code_of_Conduct.pdf

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- Verification of training records, permits, and material certifications
- Continuous review of ESG performance through DAMAC's chosen digital tools
- Corrective action plans developed by DAMAC where performance falls short
- Follow-up on the corrective action plans

5. Non-Compliance and Corrective Actions

DAMAC encourages full adherence to this Strategy. Suppliers who fail to comply may face corrective measures, which could include:

- Corrective action requests with timelines
- Suspension from current work
- Removal from DAMAC's approved supplier list
- Restriction from future tenders
- Contract termination in severe or repeated cases

6. Governance and Accountability

The Procurement Departments are responsible for the implementation and enforcement of this Green Procurement Strategy across all DAMAC projects and operations.

The Sustainability function shall support Procurement by defining sustainability criteria, providing technical guidance, developing ESG assessment tools, and monitoring performance against sustainability objectives.

Business units, project teams, and contract owners are responsible for ensuring that suppliers and contractors comply with this strategy throughout the procurement and contract lifecycle.

This Strategy has been approved by Chairman and DAMAC Real Estate Development Limited Board in June 2026.