

# OUR SUSTAINABILITY STRATEGY AND FRAMEWORK



42

This is a high-level summary on Aldar’s 2020 sustainability achievements and more details will be published in Aldar’s 2020 sustainability report, which will be launched in H1 2021.

## ALDAR’S APPROACH TO SUSTAINABILITY

2020 has been an exceptional year due to the Covid-19 pandemic. However, it was positive and progressive on Aldar’s sustainability front. After announcing the updated sustainability framework in the 2019 sustainability report, we embarked on developing a Group-wide sustainability strategy using the sustainability framework as the structure.

The sustainability strategy has been cascaded to all Aldar businesses and departments including Aldar’s subsidiaries.

2021 will focus on taking the sustainability strategy into implementation and to deliver on our sustainability targets announced in the previous sustainability report. This will include the development of asset management and development focused implementation plans and empowering their capabilities towards sustainability.

On top of the sustainability implementation is the development of Aldar’s Carbon Neutral Action Plan which is expected to be released by Q4 2021.



### ECONOMY:

Our economic sustainability and contributions are vital to everyone who depends on our Company, including our customers, communities, employees, supply chain, shareholders and investors. We strive to provide our shareholders with secure, growing distributions derived from sustainable business practices.



### COMMUNITY:

Healthy, dynamic communities are at the heart of our business. These multi-faceted environments – where citizens, residents and visitors live, learn, work and play – can be powerful catalysts of sustainable change, not just through the sustainability of the buildings themselves but also by encouraging sustainable lifestyles for everyone within them.



### PEOPLE:

Our people are the lifeblood of our business and sustainability journey, continuously raising the bar for what our Company should and can achieve, and then applying their combined creativity, determination and expertise to meet and exceed these goals.



### ENVIRONMENT:

We aim to reduce our environmental impact and improve the efficiency of our use of resources over time, in recognition that our stewardship of the environment is our greatest responsibility to future generations.

43

## KEY ACHIEVEMENTS

Despite the challenging year influenced by the pandemic and its impacts on different businesses and processes; we have significantly improved our ESG score on different regional and international ratings and Aldar was ranked on the top of all listed real estate companies in the UAE and the third among all listed companies in Abu Dhabi Securities Exchange, as of end of 2020<sup>1</sup>.

We have also improved our ESG score well above the industry average for both Dow Jones Sustainability Index and MSCI.

**We also made good progress in 2020 across the four sustainability pillars as explained below:**

### ECONOMY:

- We have emphasised our commitments to sustainability by developing and launching several sustainability policies including sustainability, environmental, CSR, human rights, health and safety, sustainable procurement and other policies. Read more about Aldar sustainability policies online.
- We have been advancing our sustainability governance to support a strong sustainability implementation across the businesses. Led by the Sustainability Council at Aldar, the sustainability governance will include hiring additional resources to lead the sustainability implementation at the Aldar Development and Aldar Investment in 2021.
- To further strengthen our support to local economic development, Aldar launched and rolled out our In-Country Value (ICV) Programme to deepen the local contractor and consultant base.
- Towards achieving responsible and diversified growth, Aldar took over the development management of several government capital projects worth AED 40 billion.
- We have also further strengthened our focus on Digital Transformation (DT) and Innovation through the launch of dedicated corporate DT and innovation strategies. Our Innovation strategy aims to accelerate Aldar innovation projects internally as well as supporting external innovation startup ecosystem.

### COMMUNITY:

- We remained focused on being customer centric which was proven essential for agility during 2020 and the uncertainties involved during that year. The launch of 'Darna' digital loyalty programme across Aldar's entire portfolio and the first of its kind for Abu Dhabi and Al Ain, reinforces Aldar's commitment to customer centricity approach and complements the innovation programme.
- Our Corporate Social Responsibility (CSR) impact has been growing year after year and we always see the opportunities in supporting our communities. We marked major milestones for CSR in 2020 and Covid-19 provided us with additional opportunities to create further impact for our communities. Our key CSR achievements included:
  - Pledged AED 30 million with our CSR partner, Sandooq Al Watan, to promote research, foster innovation, support and upskill UAE National Talent.
  - We empower People of Determination through three core strategic programmes:
    - Our strategic partnership with the Special Olympics UAE;
    - With the Social Impact Bond ATMAH Programme (in partnership with Aldar Academies, ZHO, DCD and Ma'an); and
    - By encouraging more recruitment of People of Determination across the Aldar Group.
- Aldar employees contributed AED 1 million to the 'Together We Are Good' programme launched by The Authority of Social Contribution – Ma'an.
- Aldar has also contributed AED 5 million to an initiative launched by Sandooq Al Watan to distribute 10,000 laptops to school and university students in line with the Ministry of Education's distance learning programme.

### PEOPLE:

- To deliver on our ambition to become an employer of choice that attracts and retains the best international, local and internal talent, create an inclusive, human centric and high-performance climate, and challenge status quo and drive growth and innovation; Aldar launched a holistic Diversity and Inclusion Strategy in Q3 2020.
- Aldar certified as a Great Place to Work.
- Beyond the strong commitment towards Worker Welfare Policy, in 2020 we started auditing our supply chain to ensure compliance with this policy. We identified our high-risk assets and development projects and conducted 11 audits against key Aldar Worker Welfare principles that overlapped with Covid-19 related measures, awareness and preparedness as advised by the governmental bodies in the UAE. We achieved an improvement in overall compliance on nine follow-up audits.
- Aldar developed and implemented a comprehensive Occupational Safety and Health Management System. Our Development's QHSE department has been awarded the ISO 9001:2015 for having established a unique Quality Management System.

### ENVIRONMENT:

- The Energy and Waste Management Committee was established at Group level in Q1 2020 to ensure alignment, synergy and efficiency in the energy and waste management efforts and practices across Aldar's businesses.
- The Energy Management Project, led by the Energy and Waste Management Committee, was launched in Q4 2020 to support the delivery of Aldar's 2025 emissions reductions targets announced on Aldar's 2019 sustainability report. The Energy Management Project covers about 87 assets and aims to engage major energy service companies over six-year contracts to achieve the retrofits and monitor and confirm the energy savings.



## Responding to Covid-19 Strategically, With Stakeholders' Interest at the Core

In 2020, Aldar has led a number of initiatives alongside various measures across its businesses that support the nationwide efforts to protect health and wellbeing and promote business continuity. The measures highlight Aldar's commitment to its employees, business partners, residents, parents and the wider community.

These initiatives are in addition to Aldar's AED 190 million programme aimed at supporting residential communities, schools, retail partners and home buyers.

- Aldar was among the first private sector organisations in Abu Dhabi to implement a remote working policy.
- Aldar Properties was the first company in Abu Dhabi to have its entire portfolio of hotels endorsed as compliant with the Department of Culture and Tourism's 'Go Safe' certification programme.
- Aldar has allocated AED 60 million to support residential buyers and tenants through market-beating home finance products, rent-to-own units, monthly rental payment plans and convenient rental payment options.
- Aldar Education has made an investment of AED 10 million toward technology and infrastructure to facilitate distance learning programmes and to cover for devices that were purchased and distributed to families who did not have the tools to deliver distance learning to their children.

- Aldar allocated AED 20 million to various other initiatives including national sanitisation efforts and waiving all administrative fees associated with transacting with the Company, including transfer fees and late payment fees applicable during 2020.
- Aldar was proud to play an active role as part of the public/private sector steering committee that oversaw the successful delivery of UFC Fight Island, which featured the creation of a world-class 'safe zone' for approximately 2,500 people over five weeks on Yas Island.
- The Company has launched a series of initiatives to support retail partners, reaching over AED 90 million with a particular focus on SMEs and start-ups which has helped businesses continue to operate through difficult circumstances.
- Aldar has also committed to paying AED 4 billion to its contractors, suppliers and consultants in 2020.
- Aldar has made available over 2,000 rooms across its portfolio of hotels for individuals required to remain under observation while undergoing quarantine protocols.
- Aldar has played a leading role in the Emirate-wide malls re-opening committee, taking guidance from the government and advising on the range of precautionary measures and safety precautions needed to ensure the health and safety of shoppers prior to any re-opening.

## KEY 2021 TARGETS

Sustainability in 2021 should deliver on the ambitions of the strategy and build on the great legacy Aldar achieved in 2020. This is further emphasised by Aldar's new operating model announced in 2021.

Our key sustainability commitments into 2021 include:

Pillar	Commitment
<b>ECONOMY</b>	<ul style="list-style-type: none"> <li>• Update the sustainability governance structure by creating a development and asset management focused sustainability councils which should enable both businesses to implement the sustainability strategy and discuss and action specific sustainability initiatives and targets as relevant to each business.</li> <li>• Enhance the sustainability reporting process and the quality of the data through the implementation of a Group-wide sustainability data management system.</li> <li>• Develop ESG risk registers and identify their financial implications on the businesses.</li> <li>• Enhance sustainability disclosure by expanding our disclosures to including the most relevant and common practices including Task Force on Climate-related Financial Disclosures (TCFD).</li> </ul>
<b>COMMUNITY</b>	<ul style="list-style-type: none"> <li>• Develop CSR Strategy and Review the CSR governance across the Group to ensure more impactful CSR practices.</li> <li>• Launch and implement new CSR programmes.</li> <li>• Develop Aldar's social impact measurement framework.</li> </ul>
<b>PEOPLE</b>	<ul style="list-style-type: none"> <li>• Deliver health and safety training to all employees.</li> </ul>
<b>ENVIRONMENT</b>	<ul style="list-style-type: none"> <li>• Deliver and announce Aldar's Carbon Neutral Action Plan.</li> <li>• The implementation of the second phase of the Energy Management Project – Investment Grade Audit.</li> <li>• Develop a waste management plan across our businesses to improve waste management and recycling, and pilot and implement innovative waste management solutions.</li> </ul>

