

Environmental, Social and Governance (ESG) Report

SOBHA
REALTY

Index

1	Content	9	Governance
2	About This Report		Board of Directors
3	Company Profile		Governance Framework
4	From Our Leadership		Sustainability Governance
5	Accelerating Value Creation		Business Ethics
6	Leadership Commitment To Sustainability		Safety
7	Environment	10	ESG Boundary and Reporting Criteria
	Our vision		
	Materiality report		
	Our Climate strategy		
	Sustainable Buildings		
	Goals		
	Energy and Emissions		
	Water and Waste		
8	Social	11	GRI Content Index
	Our sustainability pillars		
	Employees		
	Inclusion, Diversity & Equal Opportunity		
	Health & Safety		
	FairRemuneration		
	Contribution to Urban Development		
	Homes and Customers		
	Communities		

Content

The report covers the Financial Year of 2021 unless otherwise noted. The Sobha ESG Report 2021 was approved by the Board of Directors and signed on its behalf by the Chairman. The Environmental Social Governance (ESG) Report provides additional information on key ESG topics and forms part of the Sobha Group's overall corporate reporting framework, which includes the Annual Report among other disclosures.

Forward-looking statement

This report contains certain forward-looking statements with respect to the Group. Sobha cautions readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition, or performance measures could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'may', 'will', 'seek', 'continue', 'aim', 'anticipate', 'target', 'projected', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'achieve' or other words of similar meaning. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. The forward-looking statements speak only as at the date on which they are made. Forward-looking statements may be affected by changes in legislation; the development of standards and interpretations including evolving practices in ESG reporting with regard to the interpretation and application of accounting, industry and regulatory standards; the Group's ability along with government and other stakeholders to manage and mitigate the impacts of climate change effectively; and environmental, social and geopolitical risks. A number of these influences and factors are beyond the Group's control. These statements are based on the current beliefs and expectations of Sobha management and are subject to significant risks and uncertainties. Actual outcomes may differ materially from those expressed in the forward-looking statements. Factors that could impact Sobha future financial condition and performance are identified in the Sobha Annual Report 2022, which is available on www.sobharealty.com. Subject to our obligations under the applicable laws and regulations of any relevant jurisdiction, in relation to disclosure and ongoing information, we undertake no obligation to update or revise any forward-looking statements publicly, whether as a result of new information, future events or otherwise.

About this Report

Sobha’s 2021 ESG report aims to provide transparency into how we activate our purpose: to improve the lives of our customers and the wellbeing of our communities. The ESG report for 2021 is our first ESG report, and we have produced it in accordance with Global Reporting Initiative Standards’ core option, which includes general disclosures as well as topic-specific disclosures relevant to Sobha.

We recognise markets and stakeholders need clearly, as well as relevant and consistent information and we will continue to focus on enhancing disclosures, particularly on climate change, and across wider ESG factors, including the TCFD framework. In future, we intend to publish our TCFD Report to continue disclosing our progress in our climate journey. We also intend to benchmark our strategy against the United Nation’s Sustainable Development Goals., a voluntary initiative based on CEO’s commitments to implement relevant universal sustainability principles and take steps to support UN goals.

Sobha’s ESG reporting is based on the principle that it should adequately express its position and aspiration to its diverse stakeholder community. While at the broad level, it has adopted the Global Reporting Initiative (GRI) Standards: Core option as a basis for this disclosure, it has taken a step forward in its transparency by aligning our targets and initiatives with other cross cutting frameworks such as United Nations Sustainable Development Goals (UNSDGs). Our 2021 ESG Report details the impact and progress we made across our strategic focus areas outlined through conducting a Materiality Survey. The report explores our ESG goals, progress and performance across our portfolio during the period of January 1, 2021, to December 31, 2021, unless otherwise noted.

Sobha Realty is committed to accuracy and transparency in this report. The report is reviewed and overseen through governance committees, including the ESG Committee, Nomination and Remuneration Committee and the Board of Directors. Data in this report covers the period 2021, unless otherwise noted.

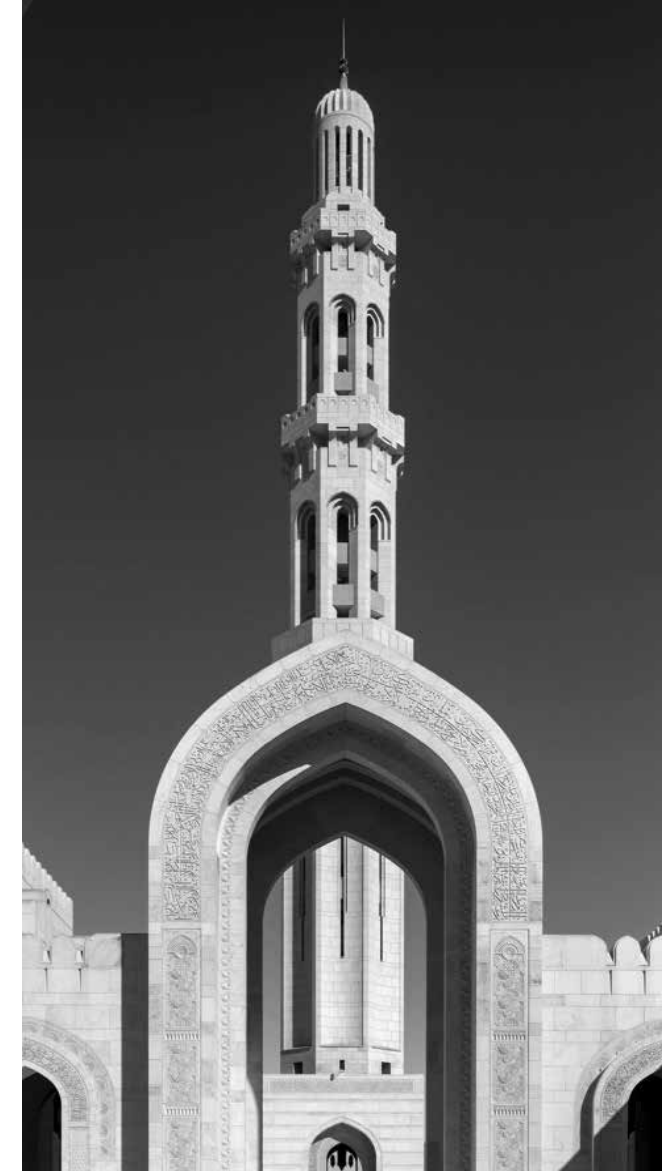
The goals discussed in this report are aspirational. While we are committed to achieving them, we cannot guarantee or promise that these goals will be met. Statistics and metrics in these disclosures include estimates and may be based on assumptions. Further, some of the figures in this report may be unaudited. This report uses certain terms, including “material” topics, to reflect the issues of greatest importance to Sobha and our stakeholders. Used in this context, these terms are distinct from and should not be confused with the terms “material” and “materiality” as defined by or construed in accordance with the securities laws or as used in the context of financial statements and reporting.

This report is for general informational purposes only and all information in this report is current as of the date of publication. We undertake no obligation to update the information in this report or otherwise notify you if any views, opinions, or facts stated in this report change or subsequently become inaccurate. This report is not comprehensive and contains only voluntary disclosures on important ESG topics.





50 *years of*
LEGACY



Sobha at a Glance / KPIs

Sobha is an international luxury developer committed to redefining the art of living through sustainable communities. Established in 1976 as an interior decoration firm in Oman by PNC Menon – a visionary entrepreneur, the company has grown its presence with developments and investments in the UAE, Oman, Bahrain, Brunei and India. Sobha has adopted a unique and a very forward-looking backward integration operating model that has not only had a profound sustainability impact but immensely benefitted its customers and its business. Over the last four decades, Sobha has also redefined the real estate value chain by leveraging its inherent in-house capabilities of conceptualisation, design and development. Sobha is currently developing Sobha Hartland, a luxurious freehold community spread across eight million square feet in the heart of Dubai, as part of the Mohammed Bin Rashid Al Maktoum City master development.

As a trusted and respected developer, owner and manager of real estate, we are fully conscious of our responsibility to protect the planet, its precious resources and people. Sobha strongly believes in value creation all across its stakeholder communities while pursuing its business objectives. Such a belief has been successfully transformed into true deliverables as a result of which it has earned the reputation of being a trustworthy and respectable entity in the real estate landscape. Although this is Sobha's first report in the ESG format, its sustainability credentials have all along been robust and consistent across its business groups. Those credentials have been represented as part of this report to resonate well with the stakeholder community's expectations and aspirations. We believe that such an approach being driven from the top management and disseminated all through its processes would deliver the intended benefits and help in achieving the triple bottom line of people, planet and profits.

Vision & Mission

Vision

Sobha Group aspires to become the most trusted and respected real estate organisation both regionally and globally.

Mission

By pioneering innovative global projects and transforming perceptions of quality, we work to challenge existing norms and standards to ultimately enrich communities and even society at large.



Philosophy

Excellence

Sobha Group's foundations have been built on excellence. From design to engineering, development and interiors, everything has to be of the highest possible standard at all times. These standards are embodied by everyone associated with Sobha Group. The eminence of our work can be revealed by our achievements in receiving the IOS International Standard Certificates, ISO 9001:2000, ISO 14001 (2004 series) and OHSAS 18001 (2007 series) certificates for adhering to Environmental, Health and Safety Standards. We have also won over 100 prestigious awards by reputable organisations, including Real Estate Developer of the Year.

Responsibility

Sobha Group is committed in working in a clean and sustainable way that is reflected in all aspects of our work. We take a fundamental approach to conserve natural resources, preventing environmental pollution and taking into account the needs of the surrounding community.

Customer Focus

Our aim is to satisfy and please our customers. We conduct our business in a clear and unambiguous manner. Therefore, when we embark on any project or activity, we aim to enhance the quality and lifestyle of our customers.



PNC MENON
Founder and Chairman
Sobha Realty

Message from our Chairman

Dear Stakeholders,

We are pleased to present our ESG report for the year 2021 which accentuates how sustainability in principle, and ESG practices in particular, are deeply rooted into our organizational ethos. Over the years of my interaction with diverse stakeholders I have noticed a significant shift in their priorities, which are currently strongly pivoted around sustainability and climate action. There is an overarching concern and uncertainty on how climate change is going to unfold in the coming years, and what actions are being implemented by the governments and businesses to protect the planet from the vagaries of climate change. Sobha being a responsible and trusted real estate developer, fully understands the challenges posed by climate change to our business, and our stakeholders have accordingly assigned the highest priority to embed ESG considerations into our decision-making processes. While sustainability has all along been ingrained into Sobha by design, we have transitioned to the next stage of articulating our long-term climate aspirations, besides highlighting our credentials through this formal ESG report.

Delivering high quality real estate assets with Sustainability at its core, forms the bedrock of our values to support the environment and society. We have always believed in the fact that sustainability in intent and action strengthens our assets' operational efficiency and resilience, that is synonymous with good asset management. Sobha understands the environmental and societal impact of the built environment, and accordingly we lay a great emphasis on governing our risks and opportunities while pursuing our investment decisions. These include ESG leadership, augmenting our risk management, control, and governance processes; having a steadfast commitment to our clients, tenants, and communities; investing in and supporting our employees; creating a culture that reinforces integrity, fairness, and responsibility; and advancing sustainability throughout our businesses.

Finally, I would like to extend my gratitude to the visionary leadership of the UAE that have remained the guiding light to overcome the challenges and move forward with renewed vigour, enthusiasm, and momentum. Sobha is totally committed to aligning itself with the UAE Net Zero 2050 strategic initiatives.

Thank you for your support and the faith that you have reposed in Sobha. We are proud of our collective achievements and the conviction with which we march forward. We are confident that with this unwavering commitment, we shall move forward stronger than ever and leave behind a sustainability legacy.

PNC Menon
Founder & Chairman



Mr. Francis Alfred
Managing Director
Sobha Realty

Message from our Managing Director

Sobha has always strived to enhance the value of the assets we create and manage, generating sustainable long-term value for a wider set of our stakeholders, including shareholders, residents, communities, and our team members at all levels of the organisation. As our latest environmental, social and governance report highlights, Sobha has positioned itself as a leader in the industry focusing on the long-term structural trends of sustainability, technology and people. It aims to deliver enduring benefits to both our clients and society.

In this era of great threat caused by global warming and climate change, global organisations, governments, corporations, and individuals are becoming more aware of their environmental responsibilities and the need for unified action. Sustainable development has shaped up to be a profound solution in the face of crisis. As the host of the UN Climate Change Conference COP28, it is very important for all the stakeholders to play a positive role and push for a more sustainable economic future. A key aspect to focus on during this fight for change is the Real Estate sector. Sustainable Real Estate development is being seen as the forerunner in the next step of investor evolution. It is currently being implemented in today's new building practices. Everyone in the housing market needs to consider this possibility if they wish to remain at the forefront of their industry.

I am proud to share Sobha's first ESG report that encapsulates the forward-looking vision and the achievements we have made while pursuing responsible growth. The report further articulates Sobha's long-term aspirations as it commences its decarbonization journey.

A truly backward integrated model

Sobha has adopted a unique and backward integrated operating model that has not only had a profound sustainability impact but immensely benefitted its customers and its business. The benefits spread across design, construction and operation of its assets as exemplified hereunder:



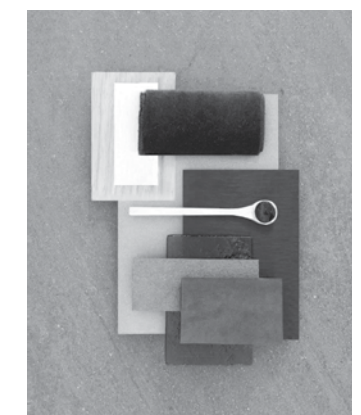
Quality control

A healthy obsession



Craftsmanship

The fine art of details



Sourcing

Only the best



Execution

Engineered to excel



Design

Planned for perfection

The Backward Integrated Model was developed on the following premises / philosophy

1. The processes should generate the Maximum Synergy within its operations.
2. Sustainability should fully be ingrained in the thought process behind backward integration so that it conserves precious resources for the future generations, and benefits the environment by reducing the energy, water and waste.
3. The need to protect the environment should be well resonated within A to Z of the ecosystem and should align well with the global climate action plans.
4. The philosophy that key stakeholders are the DNA of the business and need to be provided the best of the service in the most efficient manner possible so as to render a pleasant experience.
5. Time is the MOST precious resource that complements sustainability and should be optimised under ALL circumstances.
6. All redundancies should be totally eliminated to drive sustainability.
7. With the above philosophy, Sobha has consciously conceptualised and established an integration model comprising the following key pillars



ESG Impacts of the Backward Integrated Model

1. The Project conceptualization as well as design development takes cognizance of the actual market requirements that are efficiently and quickly disseminated through its ever vigilant and resourceful team members in this well conceptualized backward integrated model.
2. It is ensured that each development is strongly backed by market demands and expectations thereby sustainability is ingrained at ground zero. A strong inhouse capability has succeeded in bringing down not only the design times but the construction too, resulting in designing and handing over a high-quality product to the customers in the shortest of time, unseen elsewhere. This has greatly enhanced the societies, and customer's satisfaction.
3. Lessons learnt in the projects are quickly disseminated to the teams across thereby saving enormous reworks, wastage of precious time and resources which has positive impacts on the environment by reducing the materials being dumped in the landfill. On the same likes, innovations at site are quickly infused and implemented into the process for achieving quality, consistency and market reputation.
4. This structured form of integration allowed the verticals to focus 100% on their core activity as opposed to a porous approach that we often witness in the market. The drawings developed by the design team are of exceptionally high quality and "Fit for Construction" which allows the construction arm to save enormous time / efforts on drawing preparations that is the norm in the industry.
5. In-house Joinery / façade has enabled to strengthen the supply chain thereby assuring reliable supply of materials and assemblies with customised requirements. This has significantly helped the group in exercising excellent control on quality and delivery.
6. The presence of In-house FM that is fully supported and backed by design and contracting is a unique synergy not usually seen elsewhere. This aspect goes a long way in accentuating Sobha's commitment, thereby providing greater relief and satisfaction for clients.
7. Community: Natural extension of quality and service. Communities can be managed in line with Sobha's vision for sustainability and this philosophy is carried froward from cradle to cradle. Effective control of the operations and utilization of funds so as to ensure sustainability. Innovations can be fully controlled in house to drive profitability as well as satisfaction rather than giving it outside.

Sustainability impacts of Backward integrated model



With this unique blend of verticals, Sobha aims to derive the best of synergy and creates values across the stakeholder community.



JOHN MACOMBER
ALPANA THAPAR

Sobha Group Real Estate: Backward Integration for Quality

PNC Menon was known as “The Palace Maker” in Oman, Qatar, and Bahrain. From humble beginnings in Kerala, India, Menon had built a reputation for quality, detail, and trustworthiness that earned him major construction commissions in Gulf^a kingdoms, and opened a door to real estate development in Dubai, United Arab Emirates (UAE). This was quite an unusual path, to move from fittings and furnishings to development and construction. To continue to control quality and schedule, Menon’s Dubai firm, Sobha Middle East, self-performed a wide range of tasks ranging from excavation to structural work to air conditioning and, of course, interior finishes —as well as land acquisition, architecture, apartment sales, and project finance. This also was an atypical set of choices in the global real estate and construction industry —which was famous for its network of subcontractors and specialty trade firms. The backward integration strategy had real benefits in controlling schedule and quality, and the company invested aggressively in its entire labor and material supply chain. (The term “backward integration” in the value-added system meant in-house performance of a number of tasks that could also be done by outside vendors). At the same time, Sobha’s land bank in Dubai was finite. Raj Chinai (Harvard MPA 2004), confidant of PNC Menon and former Managing Director of Sobha Middle East, described Menon’s character, “As a 70-year-old entrepreneur, he exudes a certain gravitas that is common among business magnates of his generation. What is unusual, however, is the passion and charisma with which he leads Sobha, which is more akin to entrepreneurs half his age.” Menon and his team pondered what their mid-range strategy should be in light of these factors.

More than a thousand miles away, PNC Menon’s son, Ravi Menon, was revisiting a prime illustration of the in-house versus outsource decision. Ravi Menon was Chairman of Sobha Ltd (also known as Sobha India), a listed company in India. Sobha India had pioneered the backward integration strategy. Ravi Menon and J.C. Sharma, Vice Chairman and Managing Director, were deciding on the structural system for a ABCD complex of AAA apartments in ZZZ city [YY Sobha team: can you please suggest a project to use here?]. The decision would then lead to a bid or proposal for a land deal that would close in just a week’s time, and the method and the price were

^a Gulf (or Gulf Cooperation Council) countries are: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates

Professor John Macomber and Assistant Director Alpina Thapar (MENA Research Center) prepared this case. It was reviewed and approved before publication by a company designate. Funding for the development of this case was provided by Harvard Business School and not by the company. HBS cases are developed solely as the basis for class discussion. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.

Copyright © 2018 President and Fellows of Harvard College. To order copies or request permission to reproduce materials, call 1-800-545-7685, write Harvard Business School Publishing, Boston, MA 02163, or go to www.hbsp.harvard.edu. This publication may not be digitized, photocopied, or otherwise reproduced, posted, or transmitted, without the permission of Harvard Business School.

SOBHA

REALTY

Sobha Realty is an international luxury developer headquartered in Dubai, UAE and committed to redefining the art of living through sustainable communities.

Established in 1976 as an interior decoration firm in Oman by PNC Menon – a visionary entrepreneur, the company has grown its presence with developments and investments in the UAE, Oman, Bahrain, Brunei and India. Over the last four decades, Sobha Realty has also redefined the real estate value chain by leveraging its inherent in-house capabilities of conceptualisation, design and development. Sobha Realty is currently developing Sobha Hartland, a luxurious freehold community spread across eight million square feet in the heart of Dubai, as part of the Mohammed Bin Rashid Al Maktoum City master development.

PNC

architects

PNC Architects (PNCA) is an independent subsidiary of the Sobha Group. Founded in 2011, the studio operates from Dubai, UAE, with prestigious projects in various stages of completion spanning the globe, from India, UAE and throughout the GCC region. Our services range from master planning, architectural design, landscape, interior design, modular and façade design, as well as comprehensive engineering services in the residential, commercial, hospitality and institutional sectors.

PNC Architects have a team of highly experienced architects and engineers working from a state-of-the-art design studio which produces coordinated design drawings. Accuracy and precision, supported by a flair for design and a quest for innovative solutions, make our design team members leaders in their field of work. Our ability to devise exquisite proportions and exciting spatial solutions with an unwavering focus on quality and a keen eye for detail has led to our successful completion of numerous projects.



SOBHA

CONSTRUCTIONS

SCL Established in 2016, Sobha construction is a fast-growing subsidy of Sobha group delivering sustainable living communities. Sobha Construction is a multinational construction company catering to the premium real estate developer Sobha Realty. It is known for delivering impeccable design intent, service and quality construction.

As a Sobha brand, it has always strived for benchmark quality, customer centric approach, robust engineering, in-house research uncompromising business ethics, timeless values and transparency in all spheres of business conduct.

SOBHA

FACADES

Sobha Facades, a subsidiary of Sobha Realty, is a pioneer in the façade industry and is responsible for the design, engineering, and fabrication of the best-in- class facade systems

Sobha Facades is the only façade company in the world and the first private company in the GCC to be accredited with the prestigious ISO 18404:2015 certification on Lean Six Sigma, and it is also awarded with the ‘Digital Transformation of the Year-2022’ at the Construction Technology Festival.

The company operates with an aim to lead the industry by utilising advanced technologies, machines, and optimal processes such as lean management, digitisation, and continuous innovation.



LATINEM

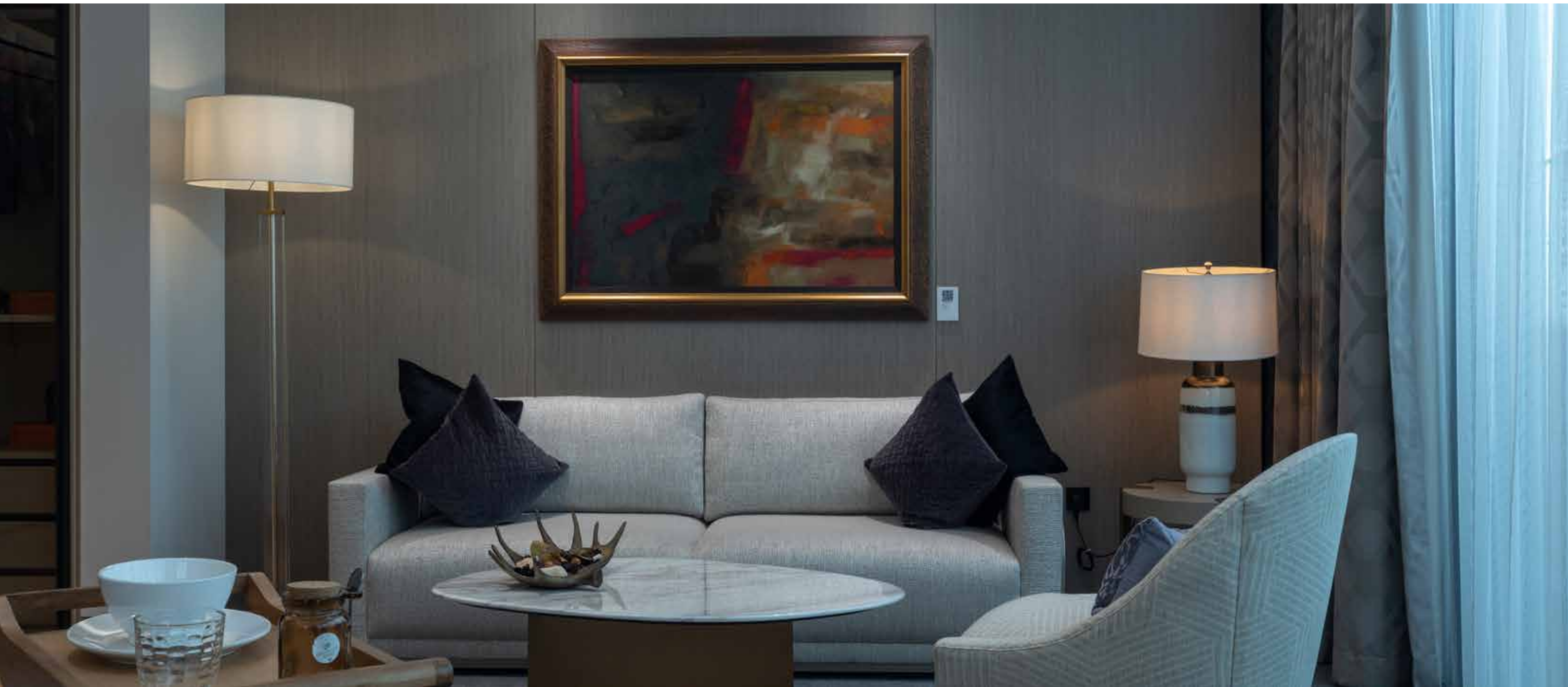
FACILITIES MANAGEMENT

Latinem Facility Management (LFM) is an integrated facilities management organization with a team built of experienced professionals from different FM and construction sectors to set and deliver very high standards of facilities management solutions to clients, enhancing their customer experience through value culture.

LFM offers a comprehensive Integrated facility Management Solution to the customers ensuring service delivery standards are in line with the International Standards and best practices. What sets us apart is our proven track record within real estate development, investment in people, technical capability, relevant skills set, use of dedicated systems and management supports. These factors will ensure Latinem to be the first choice for Facility Management Services in UAE. Working in partnership with Property Owners and Developers, LFM ensures high quality & high value service.



Stay by Latinem offers short term vacation rental property management services for residential properties in Sobha Hartland. From Interiors, property maintenance, bill payments to rent collection and property supervision by leveraging in-house capabilities and providing a leaner model of excellent service delivery, we do it all so that our proud property owners can enjoy higher Return on Investments (ROIs).





LATINEM SECURITIES is a Security Company, based in Dubai-United Arab Emirates, engaged in providing Quality Assured SIRA certificated Security Guards. LS understands the importance of Security Services to every establishment in the region. LS management has high end expertise in Security Service for the past 6 years in UAE and handled various construction projects, Staff Accommodation, Sales Events, owners associations and communities etc.. appropriately. It Offers, risk consulting and investigations, systems integration, security software and technology, and security professionals – that align to deliver innovative, essential and scalable solutions that span the entire operation. LS combines its offerings to provide a comprehensive customer experience that delivers real, sustained and measurable value.

SOBHA

FURNITURE

Sobha Furniture Industries LLC is one of the verticals that operates a highly efficient manufacturing facility to produce a range of configurable products like: Kitchens, Wardrobes, Vanity units, and Doors both in small and large quantities. Sobha Furniture Industries LLC's operation is based in KIZAD, a strategic location between Dubai and Abu Dhabi and undertakes the engineering, global supply chain, installation and customer support for all the furniture items provided in the Group's Projects in the U.A.E.



A Conversation with our Chief Sustainability Officer

What is the significance of this report?

Through this report, Sobha UAE which is considered an epitome of quality in the real estate space, is articulating its sustainability credentials that has served as a cornerstone of its working philosophy right from its inception. This report highlights Sobha's forward-looking strategies and its bold climate ambitions which narrates the height of possibilities when conviction and commitments are in place. The timing of the release of this report further makes it significant, given that UAE has announced its net zero by 2050 strategic initiative, a national drive to achieve net-zero emissions (by 2050) and Sobha through this report reinforces its commitment to align itself to national and global net zero aspirations.



Dr P.R.Jagannathan
Senior General Manager- Sustainability

We are undergoing a momentous transformation wherein sustainability reporting is no longer nice to have but a MUST to have for organizations to communicate with the wide array of stakeholders, both internal and external. Sobha is committed to aligning itself with local, regional and global aspirations on sustainability. They include UN Sustainable development Goals (UN SDG) and UAE strategic Net zero by 2050 strategic initiative. As a responsible real estate developer, it is resonating its climate action plans through this comprehensive non-financial disclosure.

What do you hope people will take away from this report?

The most important takeaway from this report is that climate action (both mitigation and adaptation) is no longer an option for businesses but a dire necessity which no sector can afford to ignore. I hope this message comes loud and clear especially to those in the real estate sector considering the fact that this sector is responsible for over a third of global emissions which is staggering. I reckon this report would serve as a morale booster to other businesses that are on the cusp of reporting journey.

I hope people realize the urgency of climate change and start taking decisive actions without any further delay. These actions can revolve around short-, medium- and long-term strategies to reduce their footprint and also show leadership in environment and social spaces.

Collaboration and partnerships are KEY components of sustainability and there is no competition to climate action. Organizations should therefore come forward to share their expertise and learn from other's experiences and this is the only way for long term impact.

What specific aspects do you want to highlight?

I want to highlight the fact that sustainability and climate action are to be interwoven into the organization's ethos for successful impacts. In its absence it would be fragmented, haphazard, and bereft of the synergy required for overall success. In this regard I would urge the organizations top management to lay enormous emphasis on sustainability from the point of view of integrating it across their business chain and to have a strong team to drive sustainability in the organization in coordination with multitude of sustainability champions across the departments. Communicating sustainability is another critical aspect to attract the attention of multitude of stakeholders.

ESG reporting is a journey and does not require perfection to begin. The overarching need is to understand one's domain and consciously start working towards a comprehensive plan in the short, medium and long term to mitigate its impact on the environment and to deliver long term value to its stakeholders. Articulating this in a genuine manner forms the bedrock of good quality reporting. It is important to understand that credible and verifiable data are essential, and I would encourage businesses to have a comprehensive data management plan in place on the basis of which they can strategize their actions forward.

Lastly ESG reporting should be followed by credible actions in order to establish and gain credibility. A strong reporting line-up but poor follow-up actions tantamount to greenwashing which the stakeholders do not appreciate.

Accelerating Value Creation

Creating sustainable growth while delivering on our purpose

Sustainability is a multi-disciplinary integrated approach that broadly underscores the need to plan the developments in such a manner that it addresses the needs of the current generation, without compromising the ability of the future generations to meet their needs. This has gained a huge significance largely fuelled by the climate change crisis that threatens the very existence of the planet. Anthropogenic (man-made) greenhouse gas emissions driven by unprecedented fuel consumption and unsustainable growth are largely blamed for the climate change that has resulted in global warming. This phenomenon is well reflected in erratic climate scenarios including flooding, hurricanes, droughts, forest fires, sea level rises, melting of glaciers etc not to mention the havoc it is wreaking on vulnerable communities, food security and health. Put in a nutshell, climate change has manifested into an existential risk that cannot be neglected by nations.

Nations have woken up to this grim reality and have come to a broad consensus through Paris climate agreement, to undertake phase wise carbon emission reductions and to reach net zero by 2050 so as to avoid the temperature rise beyond 2 deg C by 2100. Major businesses are following suit to decarbonize their sectors – be it power, transportation, industries, real estate or finance. A net zero journey has already begun and is gaining momentum globally.

Built environment occupies a unique position in that they are responsible for over a third of global emissions. We at Sobha are fully conscious of our responsibility in this sensitive sector and are committed to addressing it and leaving behind a sustainability legacy in the realm of the built environment. Sobha Realty has also redefined the real estate value chain through “Backward Integration”, which is a case study at Harvard Business School, by leveraging its inherent in-house capabilities of conceptualisation, design and development.

Sustainability is deeply ingrained into Sobha’s philosophy which is well reflected in its masterplans and developments contained within. The company strongly believes in taking a highly holistic and inclusive approach whereby key environmental and social metrics such as energy, water, waste, wellness, community development, climate resilience, open spaces and several others are adequately embraced right at conceptual phases and well governed. This vision and approach are articulated with full efficacy across its business verticals right from the leadership to its personnel on field.

Sobha is further committed to aligning itself with local, regional and global aspirations on sustainability. They include UN Sustainable development Goals (UN SDG), UAE strategic Net zero by 2050 strategic initiative and UAE Clean Energy strategy. As a responsible real estate developer, it is planning to articulate its climate action plans through a comprehensive non-financial disclosure.

Driven by our Purpose and Reaching our 2022 goals

Vision

Sobha Group aspires to become the most trusted and respected real estate organisation both regionally and globally.

Mission

By pioneering innovative global projects and transforming perceptions of quality, we work to challenge existing norms and standards to ultimately enrich communities and even society at large.

Sustainability Purpose

Change Sustainability Purpose to Sustainability Philosophy: To ensure that Sustainability is deeply embraced in our core business activity from Master planning to community management. To position climate action at the forefront of our organizational ethos.

Core Components: People, Environment and Society

Stakeholders: Our People, Partners, Investors, Rating agencies, Customers, clients, Banks & Investors, Authorities, Suppliers & contractors and others

Governance: Board of Directors, Executive Management, Sustainability Department, CSR Committee, ESG committee, and Sustainability leaders.

Goals

Principal Goals: Energy, Water, Waste, Health and Happiness
Internationally Aligned Goals:

UNSDG: 1,2,3,4,6,7,8,9,11,12,13.
TCFD: Task force on climate related financial disclosures.
SASB: Sustainability Accounting Standards Board

Alignment to Local Strategic Initiatives

UAE Vision 2021
UAE and the 2030 Agenda for Sustainable Development
National Climate Change Plan of the UAE, 2017-2050.
UAE Energy Strategy 2050
Dubai Carbon Abatement Strategy 2021
Dubai Integrated Energy Strategy 2030
National Energy Plan for 2050
UAE Net Zero Strategic Initiative 2050

We have structured our sustainability goals through a series of short-, medium- and long-term strategies that would eventually be a part of our sustainability roadmap to be developed by 2023. A climate action plan to align with the nation’s strategic initiative would be part of such a roadmap. Our goals are also aligned to Sustainable Development Goals as listed below:



Sobha’s philanthropic endeavours also expand to Kerala, India, where the group engages in various sectors to encourage sustainable progress.

- Sobha Hermitage
- The Sobha Young Mothers Rehabilitation Program
- The SOBHA Health Care Centre



We actively involve ourselves in several employee’s well-being activities and initiatives. These go a long way rendering a positive and forward-looking workplace as well as communities.



We create, practical and innovative learning opportunities for our people and our communities, including mandatory trainings.



We create, practical and innovative learning opportunities for our people and our communities, including mandatory trainings.



We recognize that sustained and inclusive economic growth can drive progress, create decent jobs for all and improve living standards. Protect labour rights and promote safe and secure working environments for all workers. across our operations and supply chain to ensure the health, safety, security, and dignity of all those working for the company.



We have relied on Innovation and Digitization to a large extent to drive the design, development and construction process efficiency. In addition, several innovations have been embraced across other verticals such as Latinem FM (chatbots), Sobha façade and others to drive efficiency, quality, and customer satisfaction.



We design, create, and manage communities that enrich the lives of residents and promote sustainable living. Assets in the portfolio are evaluated for green building compliances on an ongoing basis. Our buildings are located in cities that have set their emission reduction targets and commitments support their goals.



We consider it our commitment to reduce the waste and thereby the load on the already strained landfills. We address the issue at source by ensuring that we have an optimized process in place to drive efficiency and reduce the waste generation, which is accomplished with a well-managed waste segregation and recycling plan. We ensure that we responsibly dispose of toxic waste and pollutants.



We recognize climate change as a serious risk to humanity and is a business risk too. Taking concise climate action is no longer an option. Supporting this goal, we plan to roll out a comprehensive sustainability roadmap that has climate action as an integral part of it.

Leadership Commitment to Sustainability

Sustainability is deep rooted in the Sobha’s culture which it has articulated well across its operations. The leadership is fully committed to keeping sustainability and climate action at the forefront of all its business decisions. It has also aligned itself to supporting the nation’s net zero aspirations. The leadership is dedicated to developing a strategic sustainability roadmap for Sobha which would include a time bound climate action plan.

Our approach to materiality assessment

We recognise that our activities and how we carry them out have impacts that reach well beyond our financial performance. To remain successful in the long term, we need to engage in societal discourse and find ways to align our broader business performance and our both positive and negative societal impact with the expectations of our shareholders, stakeholders, and society. To achieve this, a thorough and deep understanding of the environmental, social and governance (ESG) topics that matter most to these groups is essential. Understanding their views on the social, economic, ecological and governance topics affecting Sobha will enable us to address their concerns better, exchange constructively on dilemmas and, in the end, better manage our business. Our high-level benchmarking exercise with peers identified 6 material issues usually considered for Realty firms. They revolved around opportunities in green buildings, corporate governance, corporate behaviour, Human capital development, health & safety and product safety & quality. Our materiality assessment helps us understand the issues that matter most to our internal and external stakeholders; how our economic, social and environmental impacts are perceived along our value chain; and how they translate today and in the future into associated risks and opportunities for our Company.

Engaging the value chain in our sustainability goals

We recognise that supply chain forms a very significant portion of not only decarbonizing the scope 3 emissions required to reach net zero but also from social factors needed to screen / select the vendors to ensure that we engage and work with vendors that reflect our own values in terms of driving diversity and inclusive communities. We plan to begin ESG screening engagement with vendors that form a big chunk of our procurement basket to understand their ESG credentials and the extent to which they factor those into their operations and further into their supply chains. We are also exploring the possibility to use a benchmark ranking / rating system for these suppliers. As responsible contractors, Sobha Construction has a deep interest in the condition of workers employed directly or indirectly by our business and ensure that all government policies in relation to workmen’s compensation policies are compulsorily adhered to.

Best practices and ESG commitments

Sobha group has deployed the best of innovations and sustainability practices all through its verticals so as to generate value and enhance stakeholder experiences. A broad list of initiatives is highlighted as under:

ESG Initiatives and best practices within PNCA Architectural and Design Department

<i>Initiatives</i>	<i>Aim of the ESG Initiative</i>
PPMOF (Prefabrication, Preassembly, Modularisation, and offsite Fabrication)	To extract information from building information models to pre-fabricated building components
District Cooling	Aggregate cooling needs of multiple buildings in a very efficient and sustainable manner.
Passive Design Strategies	Strategies to maintain thermal comfort inside a building without the use of electricity
Cloud based Common Data Environment / Digital Transformation	Digital Information exchange for reducing printing costs, quicker and efficient transmission of information
Solar Analysis	To conduct shadow studies, simulate solar radiance on building envelopes and analyse the effect of building location/shape on solar heat loads
Use of Single Stack system	Sustainable consumption of materials, efficient design, operations while achieving reduced shaft sizes and additional gross floor area.
Use of Building Information Modelling BIM	Resolve issues in virtual space, thereby ensuring constructability prior to actual execution.
Sustainability conscious material specification	Environmental conscious selection of materials to reduce embodied carbon.
Green Mobility. Electric vehicle charging stations.	Reduce GHG emissions and providing dedicated parking for electric vehicles.
Building services design Initiatives such as Building management Systems, heat recovery wheels, solar water heaters, innovations in control logics, etc	To improve energy efficiency and sustainability across the design, execution and operations.

ESG initiatives and best practices within Sobha Façade

<i>Initiatives</i>	<i>Aim of the ESG Initiative</i>
ISO 18404 Certification	To create a lean culture, streamline all processes in the organization, reduce wastages and enhance overall value to the customer
Usage of Pneumatics to increase energy efficiency	To reduce the electricity consumption by compressing the naturally available air to power few tools
Sustainable use of machines	To reduce the electricity consumption by allocating fixed machine for particular operations.
Training blue collar employees	To develop their well -rounded behaviour and skills using internal and external trainers and create an inclusive workplace
Digital Ecosystem for efficient processes	To transform and automate the processes using appropriate technology.
Source materials from local suppliers	To equally give benefit to local suppliers instead of importing raw materials
Specs in end products exceeding LEED standards	To provide products of the highest quality following all environmental norms that are relevant to this geographic location
Water treatment from RO plant	To reduce water wastage and reduce the usage of water for non-drinking activities.
Cold rooms instead of complete AC plant	To prevent heat related exhaustions for workers using economical solutions. Instead of completely air conditioning the plant, this solution is offered where minimal electricity is consumed
Minimize disposable plastic	To reduce the plastic wherever applicable
Re-use, Reduce, Recycle	To reduce the aluminium waste, reuse and recyle so as to promote a circular economy
Product Innovations	To develop products catering to the evolving customer needs

ESG Initiatives and best practices within Sobha Construction

<i>Initiatives</i>	<i>Aim of the ESG Initiative</i>
Habitat Protection / Restoration	To create a lean culture, streamline all processes in the organization, reduce wastages and enhance overall value of the customer
Waste Segregation / Minimization	Reducing the waste generation and adhering to an effective waste segregation and waste management plan.
Recycling	Recycling of metallic wastes comprising aluminium and steel
E-scooters, Food waste composter, Sustainability awareness APs	Driving Operational sustainability and climate action at the operational level to achieve practical and measurable impacts.
Customer driven capacity development programs	To provide a better level of service to the customers and enhance customer satisfaction.
Virtual Training through augmented reality for remote trouble shooting.	Training programs designed to boost efficiency and simplify the training for frontline workers in virtual environment
Helpdesk & Chatbot	To enhance customer experience and smooth communication from residents to facility managers

Stakeholder Engagement

We aspire to develop a harmonious relationship with our stakeholders that is borne out of mutual trust and respect.

We truly recognize the importance of stakeholder engagement and the fact that its strength lies in how we exchange information and initiate dialogues on topics that impact our business, employees, customers, investors, suppliers, trade groups, regulators, non-governmental organizations, public health and welfare, and the planet. We believe continuous engagement with our stakeholders is integral to improving our performance and achieving our mission.

Our Stakeholders

<i>Stakeholder</i>	<i>Engagement</i>
Customers / Residents	E-mail communications, SMS and Mobile Apps. Events, and Campaigns. Awards. CSR Activities.
Employees	Town hall meetings. Regular Events. Surveys. Excellence Awards. Appreciation letters / forms. Social media / online platform. Celebrations / Wishes / Greetings. Innovation and fitness challenges. Whistle blower policy.
Banks	Regular meeting on existing projects. Regular meetings on potential projects.
Suppliers & Vendors	Regular engagement with third-party suppliers (procurement of materials). Tender and pre-award interviews / questionnaires. Daily, weekly and monthly onsite meetings Virtual meetings. Environmental, safety, health and sustainability training sessions.
Government & Regulators	Site tours. Conferences and Forums..
Rating Agencies	Meetings as per the strategies and requirements



ENVIRONMENT



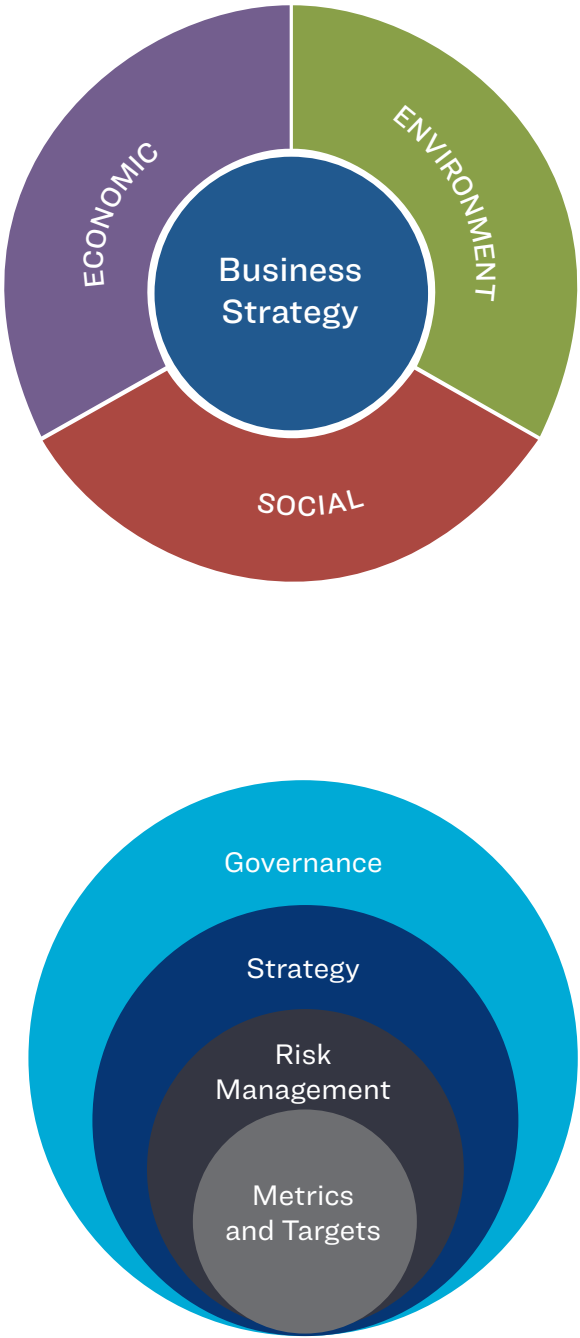
Vision

INTEGRATING SUSTAINABILITY INTO OUR STRATEGY



We recognize the need to have a strong understanding of the climate change and the risks that it poses to the planet. It is important to address and mitigate the risks through a strong risk management process and further set relevant metrics and targets to progress in those attempts. In this regard it is imperative that there is a good governance and a strategy to translate those risks to opportunities.

Integrating Sustainability Into Our Strategy



Sustainability In Everything We Do

 Sustainable Infrastructure	 Energy Efficiency & Management	 Renewable Energy	 Decarbonization
 Water Efficiency & Conservation	 Circularity Principles	 Diversity & Inclusion	 Health & Safety
 Innovation	 Capacity Building	 Climate Action	 Net Zero Goals

Materiality Report

Identifying and Acting on What Matters the Most

A disconnection between sustainability and risk management can lead to strategic and operational risks and missed opportunities for growth. We recognise that our activities and how we carry them out have impacts that reach well beyond our financial performance. To remain successful in the long term, we need to engage in societal discourse and find ways to align our broader business performance and our both positive and negative societal impacts with the expectations of our shareholders, stakeholders, and society.

To achieve this, a thorough and deep understanding of the environmental, social and governance (ESG) topics that matter most to these groups is essential. Understanding their views on the social, economic, ecological and governance topics affecting Sobha Group will enable us to address their concerns better, exchange constructively on dilemmas and, in the end, better manage our business. Our materiality assessment helps us understand the issues that matter most to our internal and external stakeholders; how our economic, social and environmental impacts are perceived along our value chain; and how they translate today and in the future into associated risks and opportunities for our Company.

Going forward, Sobha Realty’s stakeholder engagement and materiality assessment complement its overall Risk Management (RM) in identifying and evaluating ESG risks and opportunities. Sobha will continue to monitor and review the risks and mitigating controls in line with emerging global trends and evolving business landscape. It enables us to capture our impacts in a non-financial manner, helps us prioritise impacts on which to focus, and informs our strategic thinking. Going forward, we plan to raise further awareness throughout the organisation and among our stakeholders on Sobha’s objectives and progress. We would also reassess the materiality over time and effect changes if necessitated in our future reporting.

Survey Methodology

Our materiality assessment helps us understand the issues that matter most to our internal and external stakeholders; how our economic, social and environmental impacts are perceived along our value chain; and how they translate today and in the future into associated risks and opportunities for our Company.



The four steps of materiality assesment

- 1 Understand the context & Identify material topics
- 2 Engage, priorities & consolidate
- 3 Conbine & cluster results
- 4 Integrate, communicate & monitor

In determining these issues, we considered how important they were to stakeholders and how significant they were in terms of Sobha Realty’s economic, environmental, and social impacts. We conducted our first materiality survey in August 2022 to understand our business’s most significant and relevant issues. Material issues are defined as per guidelines and identified through a materiality assessment process to discover those of the highest importance to internal and external stakeholders. We also compared our approach with that of peers within the same industry as Sobha group

We then classified these issues (as ‘somewhat material; ‘material’; and ‘highly material’) to indicate their importance to Sobha’s internal and external stakeholders. Altogether, ~50 survey participants (internal & external) were invited to be canvassed for their knowledge of our business; the industry we participate in; and their understanding of the interplay between our sector and socio-environmental factors at large. The internal respondents included people from investor relations, central procurement, finance and human resource functions, as well as senior employees and management leaders within Sobha Realty and its subsidiaries. The external respondents included investors, vendors, partners and contractors, who engage with and are therefore somewhat familiar with Sobha.

With ~80% of the invited participants responding, the issues we have identified as material are shown in the materiality mapping graphics below. This matrix represents the positioning of the issues in terms of their importance to stakeholders, in line with feedback gathered.

The 17 essential Issues identified through this process are as follows:

Environment	
1	Climate Change Mitigation & Adaptation
3	Energy Management & Renewable Energy Usage
4	Water Management
5	Effluent/Wastewater Management
6	Waste Management
8	Environment Compliance
Social Capital	
10	Human Rights
Human Capital	
18	Labour Practice & Employment
19	Training and Skill Development
20	Employee Health & Safety
Business Model & Innovation	
23	Product Design & Lifecycle Management
25	Access to Capital (customers & business)
26	Supply Chain Management
27	Material Sourcing Efficiency
Leadership & Governance	
29	Business Ethics, Integrity, Transparency, Corruption
36	Reputation, Communications and Awareness
Economy	
40	Responsible Supply Chain

Issue ranking and coverage in our report

Internal and external stakeholders ranked 17 important issues (Highly Material) within the Six Clusters that Sobha Group is impacting on an economic, societal, and environmental basis. The survey results show the following issue clusters with respect to their importance.

Environment related Material Issues:		Read More
1	Climate Change Mitigation & Adaptation	To refer to the page nos
2	Air Pollution Control & Toxic Waste Management.	
3	Energy Management & Renewable Energy Usage	
4	Water Management	
5	Effluent/Wastewater Management	
6	Waste Management	
7	Biodiversity Management	Please Refer to the footnote below
8	Environment Compliance.	
9	Natural Resources Conservation (Soil, Air and Water).	
Social Capital related Material Issues:		
10	Human Rights	
11	Customer Privacy	
12	Data Security	
13	Occupier sustainability	
14	Product quality & safety	
15	Customer welfare	
16	Charitable giving	
17	Social development and community involvement.	

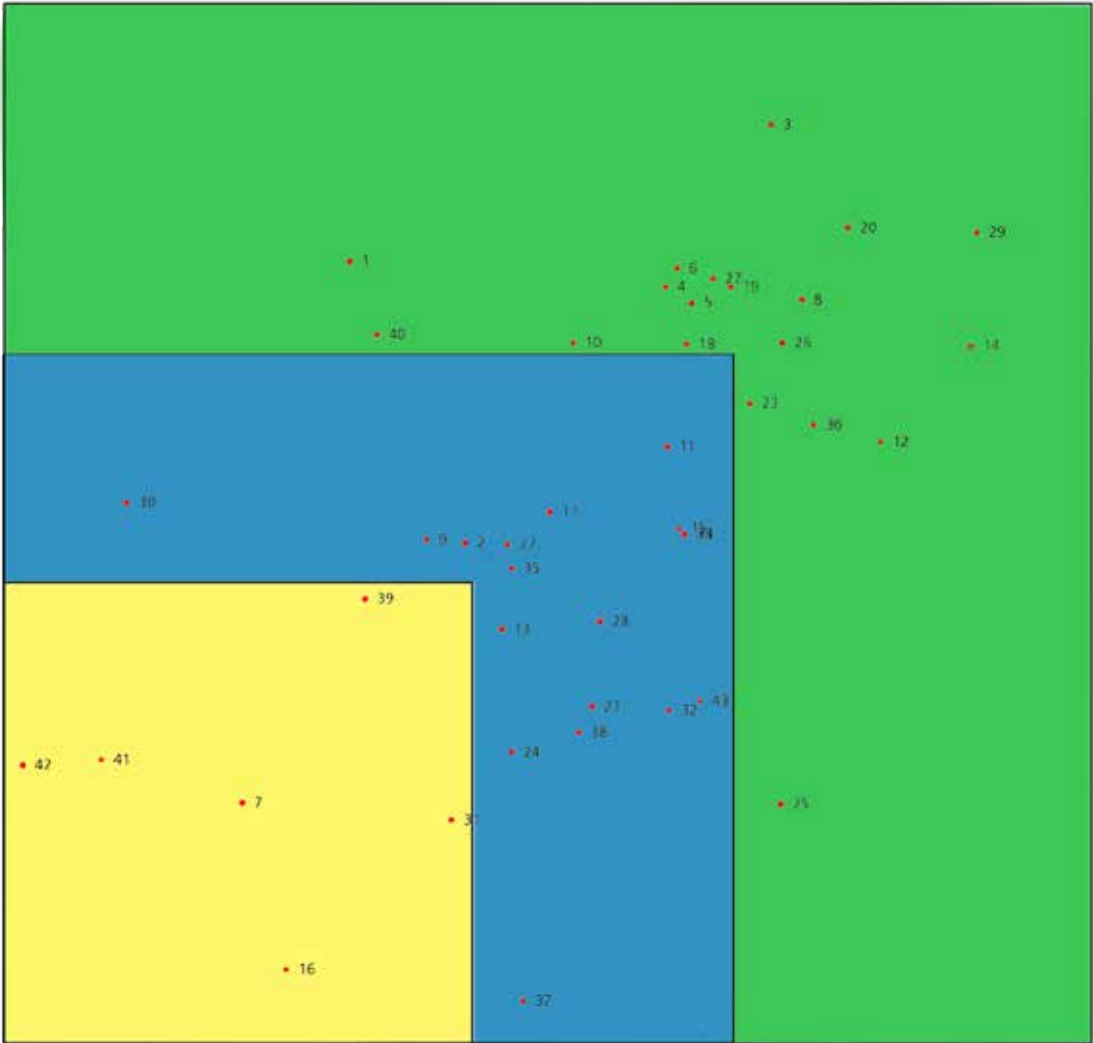
Issue ranking and coverage in our report

Human Capital related Material Issues:		Read More
18	Labour Practice & Employment	
19	Training and Skill Development	
20	Employee Health & Safety	
21	Staff Succession Planning	
22	Employee Engagement, Diversity & Inclusion.	
Business Model & Innovation related Material Issues:		
23	Product Design & Lifecycle Management	Please Refer to the footnote below
24	Business Model Resilience	Please Refer to the footnote below
25	Access to Capital (customers & business)	Please Refer to the footnote below
26	Supply Chain Management	
27	Material Sourcing Efficiency	Please Refer to the footnote below
28	Long Term Management of Assets	
29	Business Ethics, Integrity, Transparency, Corruption	
30	Renewable Energy Generation	
31	Competitive Behaviour	Please Refer to the footnote below
32	Management of the Legal & Regulatory Environment	
33	Risk Management	
34	Grievance Redressal of Stakeholders	
35	Responsible Investment	
36	Reputation, Communications and Awareness	

<i>Economy related Material Issues:</i>		<i>Read More</i>
37	Commodity Price volatility.	Please Refer to the footnote below
38	Local communities	Please Refer to the footnote below
39	Economic / Pandemic Crisis	Please Refer to the footnote below
40	Responsible Supply Chain	Please Refer to the footnote below
41	Employment Trends / Diversification	
42	Tax Governance.	
43	Systematic Risk Management	

Note: Specific reference has not been made to this topic in this report for FY2021. It is the endeavour of the company to address these topics in its future reports.

Materiality Map



- Highly Material
- Material
- Somewhat Material

Environmental Material Issues

Material Issues	Key Targets	2021/22 Progress
Climate Change Mitigation & Adaptation	Continuous	100%. All projects embed climate resilience and mitigation strategies right from conceptual stages through a purposeful charette.
Energy Management & Renewable Energy Usage	Continuous	Ongoing. 100% of new buildings are by default beyond code achieving high levels of energy optimization. Existing Assets are being subjected to energy monitoring and improvement programs.
Water Management	Continuous	Ongoing. Water management programs are being undertaken in All Sobha offices.
Effluent/Wastewater Management	Continuous	Ongoing in ALL verticals including all of but not limited to <ul style="list-style-type: none">Sobha LLCSobha ConstructionSobha Facade
Waste Management	Continuous	Ongoing in ALL verticals including all of but not limited to <ul style="list-style-type: none">Sobha LLCSobha ConstructionSobha Facade
Environment Compliance	Continuous	100% compliance in ALL developments

Our Climate Strategy

Why it matters?

As the impacts of climate change continue to be felt around the world, we are beginning to see significant changes in how many of our customers do business. These changes are driving a larger economic shift as the push towards decarbonisation accelerates. For many, it is no longer about whether this change will happen but how quickly it will transpire.

With a portfolio primarily concentrated in large, urban and dense suburban areas, we face several risks that can disrupt business continuity, including potential physical risks from extreme weather as well as business and market risks that may arise in the transition to a low carbon economy. We continually adapt our policies, objectives and processes to improve our physical properties and business resiliency.

Climate change has far-reaching implications for the real estate industry which gains more prominence when seen with the fact that it is responsible for over a third of global emissions. While the journey of navigating this complex situation is indeed complex, challenging, and uncertain, there is no reason to delay strong actions. Sobha had realized this since day 1 and had taken certain forward looking and bold actions on sustainability and climate actions that brought in benefits not only for the environment but the society as a whole. Sustainability and climate action has been ingrained in its business philosophy right from conception to operations thereby delivering high performance and high quality assets to its valued clients.

KEY climate resilient and sustainability driven strategies within Sobha Developments:

A thorough brainstorming in Master planning stage that duly considers orientation, shading analysis, sun path studies, locations of amenities, and several other environmental and social parameters. All these have long term impact on the communities, residents and environment.

Close review of the site layout to explore and take advantage of the energy and comfort performance potential to address the local climate. This includes optimizing building massing and street layout for solar, and daylight potential as much as it is technically feasible.

Landscaping has been meticulously designed to conserve water and energy, reduce waste and decrease runoff. This is based on its strong commitment to optimize water a precious resource, value soil, preserve existing plants and conserve material resources. All hard and soft landscaping are governed by these principles. Certain principles such as cutting and filling in the masterplan provide examples of this.

As a climate conscious developer, it realizes that the Urban Heat Island (UHI) exacerbated by global warming can increase the thermal load in cities and communities, which leads to more extreme climate events. To overcome and mitigate the impact of extreme climates and UHI, Sobha as a strategy laid enormous emphasis on nature-based solutions such as the Green Infrastructure with a conscious understanding that it provides environmental and community benefits. Special attention is paid to the interrelation of architectural and green structures in the formation of a favourable microclimate and psychological comfort in the urban environment

The Green cover provided in the masterplan is way ahead of the regulatory requirements thereby providing a good microclimate for the residents.

- As a policy, no palm trees are designed in the masterplan given its high-water consumption.
- All streets are shaded by trees and wider roads have additional rows of trees at the medians as well
 - Landscaping with a judicious mix of local and adaptive species, with neem trees comprising over 70%.
 - High efficiency drip irrigation with TSE water
 - Shaded asphalt roads to reduce heat Island.
 - As a value addition, the individual villas are designed to open to green space.

This is across all developments in the community.



Responsibility

Given the strong conviction and commitment of the chairman on sustainability, the responsibility originates from the Sobha’s Chairman and is disseminated across ALL business verticals and across all sections and departments. In other words, sustainability and community consciousness are ingrained in its ethos. This approach on sustainability gets translated to specific objectives, design strategies, initiatives and goals.

The Board directly supervises social and environmental matters, including climate change. The Board recognised that our organisation can, and should, make a real contribution to tackling climate change and help to accelerate the transition to a low-carbon economy. We recognize that climate risk is a business risk and hence its management is an important component of our risk management strategy and is undertaken by the risk committee in coordination with ESG committee. ERM framework is embedded into all our operational and strategic processes, and through this approach, the Company aims to effectively and successfully address key risks inherent in our business and activities.

Policies

Climate Change Resilience Policy

As the climate continues to change, we recognise the increased likelihood of acute weather events and other climate-related impacts on our business, operations and buildings. Our residents, employees and stakeholders rely on us to ensure business continuity and resilience in the face of climate-related impacts. We take a proactive approach to understanding and protecting our properties against potential risks related to climate change and business continuity. We carry insurance for all our properties—including those under development—against natural events such as floods, fire, earthquakes and other catastrophic weather events subject to deductibles and co-insurance.

On a broad scale, all of Sobha’s developments can be considered beyond code on ALL aspects of Health, Safety and Environment. On top of this, it has always led the industry through its focus on sustainability and community thanks to its leadership. It is its plan to put specific policies in place to formalize its sustainability visions and aspirations. Given that it has been showing climate leadership through its well-conceived plans and developments, it plans to give a formal structure to them through such policies.

As we continue to focus on climate change, we are eager to demonstrate increased rigour and oversight. We plan to develop a sustainability road map with climate action as an integral part of it. It is planning to carry out a comprehensive GHG emissions calculations comprising scope-1,2 and 3 to ascertain our emissions contributions. This would be followed through with time bound emission reduction targets. Please see our Energy and Emissions section for further details.

Business Continuity Policy

Sobha implemented a Business Continuity Policy that guides how we manage risks to our business operations. The policy provides an overview of the processes we use to ensure the timely restoration and continuation of Sobha’s business in the event of a disaster, system failure or other business interruption. The policy also guides our preparedness across each of our business units so that we may continue critical operations in the event of a disaster or system outage. We provide all employees with an overview of our Business Continuity Plans (BCP) as part of our new hire orientation process. We require each business unit to develop and maintain its own separate BCP. We review and update each BCP on an annual basis as and when changes occur in the business unit’s organisation or functionality.

Goals

Sobha’s goal is to create and develop its real estate assets with quality and sustainability as corner stones and in the process demonstrate its leadership in climate action by having a positive impact on environment and society. Delivery of high-quality assets with strong environmental and health credentials result in happy customers and healthy societies. These goals are translated to

1. Energy efficiency
2. Water efficiency
3. Circularity
4. Effective waste management
5. Effective facilities management
6. Community development
7. Capacity enhancement
8. Long term sustainability
9. Climate championship
10. Leaving behind a Sustainability Legacy



Strategy and Approach

Sobha understands that it requires strategic insights, strong conviction and unwavering commitment to translate its quality and sustainability aspirations into reality. It has accordingly developed its unique working model of backward integration that precisely helps it to design and deliver as per its intent. Please refer to the section that highlights the ESG impacts of Sobha’s Backward Integrated model as well as Harvard study report on the same subject.

We believe that aligning our strategies to KEY global frameworks would be a good way not only to continue our pursuit of climate excellence but to articulate our achievements and aspirations. We formally signed up to support the TCFD framework this year and by doing so we have committed to taking action against climate change and further to assess the impact of climate change on our business. This makes it the third UAE company in the real estate sector in voluntarily supporting the TCFD framework. It is also the 9th UAE based company in doing so.

We believe the TCFD recommendations provide an effective way to understand, prioritise and disclose climate-related risks and opportunities to our investors and other stakeholders. Having accomplished this, Sobha would plan for a TCFD Disclosure in future through a comprehensive risk management system. This would be part of our sustainability roadmap. Accordingly, we would undertake a study of climate-related risks and opportunities in our business to determine our exposure to potential financial implications from climate change in the near and long term to align with TCFD recommendations.

In our communities, we partner with cities and local governments, through organisations like Dubai Municipality, Dubai Land department, Real Estate Regulatory Authority (RERA), Ministry of Climate Change & Environment (MOCCA), Ministry of Energy & Infrastructure (MOEI), etc, to develop climate resilience plans and strategies for fighting climate change. We aim to make climate resilience a key driver in our overall business strategy in order to mitigate risks and identify long-term value opportunities.

Climate Risk Assessment

We recognise that to achieve our climate ambition, we need to further enhance our approach to managing climate risk. While we have not yet carried out the climate risk assessment, it is our plan to undertake it in future in line with our proposed sustainability road map / climate action plan.

We recognize that climate risk is a business risk and hence its management is an important component of our risk management strategy and is undertaken by the risk committee in coordination with ESG committee. ERM framework is embedded into all our operational and strategic processes, and that through this approach, the company aims to address key risks inherent effectively and successfully in our business and activities. We manage climate risks in line with our risk management framework and three lines of defence model. It is our plan to undertake stress testing and scenario analysis in future to assess how these risks will impact our customers, business and infrastructure. This approach gives the Board and senior management visibility and oversight of the climate risks that could have the greatest impact on Sobha and helps us identify opportunities to deliver sustainable growth in support of our climate ambition.

Key Physical And Transition Risks

While we are yet to actually undertake a climate risk analysis, we believe at a broad level, the following risks are likely to manifest.

	<i>Physical risks</i>	<i>Transitional risks</i>	<i>Transitional Opportunities</i>
Short term	<ul style="list-style-type: none">• Increase in flooding and storm.• Increased cost of flood prevention measures	<ul style="list-style-type: none">• Higher energy costs related to grid• Technological risks	<ul style="list-style-type: none">• Resources Efficiency. Lower operational costs due to reduced resources consumption and increased efficiency.• Higher customer demand and retention for sustainable buildings.
Medium-term	<ul style="list-style-type: none">• Flood risk in vulnerable areas.• Increase in extreme temperatures causing increase in cooling loads, higher levels of operations & maintenance.	<ul style="list-style-type: none">• Policy and regulatory risks such as carbon regulation, energy regulation.• Market risks such as changes in customer behaviour• Reputational risks	<ul style="list-style-type: none">• Higher reputation as a performing green asset.• Increased rents
Long term	<ul style="list-style-type: none">• Potential damages from flooding• Increase in extreme temperatures necessitating retrofits	<ul style="list-style-type: none">• Legal risks	<ul style="list-style-type: none">• Higher corporate wide valuations associated with climate leadership and ESG management.• Higher resilience.

Climate Response Program

We manage climate resilience through our Crisis Response Program, through which each property team must implement plans and procedures detailing how to prepare for and respond to crises such as fires, hurricanes, wildfires, tornadoes and floods. 100% of our stabilised assets have crisis response plans and hold crisis response meetings bi-annually.

Each plan is designed to protect our residents, employees and properties and to ensure we maintain open lines of communication with our stakeholder groups during a crisis situation. We require all property managers to meet at least twice annually with their on-site teams to review crisis-related plans and update as needed. We also evaluate resilience-related risks for all new acquisitions and development deals.

Sustainable Buildings

Why It Matters

As long-term owners of apartment communities, we recognize that sustainable buildings help increase efficiency and durability while reducing total ownership costs. We work to incorporate sustainable building designs into our existing portfolio as well as our development pipeline. We also look for ways to support and revitalise communities, particularly with respect to urban areas, as we plan with our new projects.

Over the next five years, technology innovation and sustainability will be key drivers in the UAE real estate market, helping developers plan, develop, and manage projects better. We are committed to continually improving our sustainable building strategy to maintain our position as an innovator in real estate. Our unique backward integrated model forms a perfect synergy for driving sustainability across the value chain and further boosting the capitals identified in the IR framework (financial, manufactured, intellectual, human, social and relationship, and natural capital.) All our buildings, both developed ones and those under development comply with sustainability guidelines and green building checklists surpassing the code requirements. For details on sustainability impacts of backward integration please refer to the introduction section of this report. For information on increasing energy efficiency and renewable energy, please see Energy and Emissions.

Responsibility

Sobha's Development arm Sobha Realty and PNCA Architects are responsible for conceptualizing, designing and incorporating sustainable building standards in our portfolio, which are developed in line with the latest local, regional and international frameworks. They review all applicable plans prior to the commencement of every construction project to ensure alignment with relevant targets. The FM arm of Sobha i.e., Latinem FM ensures that the sustainability in design is seamlessly translated into the operations phase as well through a comprehensive Operations & Maintenance program so as to achieve truly performing buildings. In addition, Sobha is in the midst of conceptualizing, customizing and developing its sustainability guidelines / checklists consistent with the international best practices that would blend itself with the unique requirements of this region.

Policies

Our group level Health, Safety & Environment (HSE) policy document provides an overarching statement of intent towards the developments pertaining to Health, Safety and Environment. A project specific HSE plan is also prepared to address aspects that are material to the project. Besides the above, Individual verticals including the development arm and PNCA Architectural & Engineering arm have factored sustainability considerations as part of their process which leads to rigorous sustainability related checks. All of these serve as the platform for integrating sustainable features into new developments and renovations. Our environmental policies for energy, water management and sustainable design enable us to minimise our environmental footprint, reduce exposure to higher utility rates and lower operational costs through durable and long-lasting products.

Sobha's commitment to sustainable building standards is reflected through the multiple forward looking sustainability interventions across our entire building stock. As an extension of this, Sobha's own integrated facility management team ensures that the sustainability features incorporated in the design and construction are seamlessly carried forward to the operations too. There is a significant difference between green buildings and performing buildings. Sobha recognizes that it is the performing green buildings that actually contribute to emission reductions and accordingly committed itself to addressing this challenge.




Strategy and Approach

As the market evolves, developers will have the responsibility not only to provide green spaces but also to provide sustainable building materials and furniture. Advanced technology has been strongly making its way into the real estate industry, and we believe that it can help elevate the possibilities when it comes to luxury and the ultimate home.

Sobha employs sustainable building standards for new construction and renovations of existing assets through its predetermined design standards, which are shared with its designers, architects, contractors and other partners right at the initial design phase of a new development. The goal of the standards is to provide a resource that enables our teams to create and build beautiful and resilient spaces which are functional, efficient and demonstrate their commitments to sustainability.


Moreover, sustainable building principles are incorporated into the new development processes. We have been constantly upgrading to the latest available software, such as BIM 360, for design and coordination purposes. Our villas at Garden Houses, for example, come with state-of-the-art home automation systems for lighting, curtains, and air conditioning. For our product offerings, innovative technologies are constantly explored, tried, and tested. To name a few, we provide wireless home automation, electric car charging stations, single-stack drainage systems, special leakage-proof plumbing fittings, and more.

Our Goals




Sustainable buildings

Incorporating sustainability all the way from conception to operation




Target date

Ongoing



Status

In progress



Progress

We have been able to incorporate several strategies in our projects, thanks to the unique backward integrated model and the robust sustainability oversight of the management. For details, please refer to the Initiatives of various verticals that play vital parts in the business chain.

Green Buildings Principles

Rehabilitating Trees To Protect Environments

In 2021, 135 trees we relocated at the Sobha Heartland project to protect the existing habitat.



Building Biodiverse and Technologically Smart Sustainable Environments

Although quality and luxury are the cornerstones of our brand philosophy, we are deeply passionate about ensuring our homes are sustainable. 30% of Sobha Hartland, which makes up 2.4 million square feet of our total land and encompasses a dedicated green cover with over 300 species of trees and plants. This results in a significant reduction in the carbon footprint of the development. Our vision is to ensure a sustainable lifestyle through low-energy usage, eco-friendly products, and fittings, to create a safe and clean environment for future generations. We implement innovative solutions in our projects to guarantee a true living experience for our residents.

Another example encompasses leveraging UAE’s abundant natural light with double-height windows. These windows allow more sunlight to come in, resulting in less consumption of electricity and making each room seem even larger. The clear skylight into the master bedroom ceiling in the villas also brings additional light into the internal space. We have also ensured that we use only the most energy-efficient and long-lasting light fixtures available in the market. The double-glazed thermal and acoustically insulated windows and Rockwool insulated walls act as climate control and result in over 60 per cent reduction in solar heat gain. Sobha Realty has a customised, safe and energy-efficient solar hot water system while recycling stations are situated in the community, and recycling bins are provided outside every home.



Energy and Emissions

Why It Matters

Residential and commercial real estate accounts for approximately 70% of electricity produced in the country and 70% of this is towards cooling energy. Building energy use and corresponding greenhouse gas (GHG) emissions represent our most significant environmental impact. Sobha is committed to making energy and GHG emissions reduction a central part of our long-term sustainability strategy.

Responsibility

SOBHA’S Energy and Sustainability Management Team includes 05 individuals who are dedicated to creating a holistic energy and sustainability strategy and executing energy conservation initiatives throughout our portfolio. The Energy and Sustainability Management Team is responsible for managing initiatives that cover five core categories:

- 1. Capital Investments
- 2. Utility Data Auditing and Analysis
- 3. Energy Benchmarking and Performance
- 4. Energy Procurement
- 5. Sustainability Operations Service
- 6. Sustainability in construction

The team is responsible for setting Energy and Emissions targets and seeking investment opportunities in capital projects—including new developments and renovations—that conserve energy, generate clean energy or meet building performance standards.

Policies and Guidelines

While Sobha has practiced sustainability as its core philosophy, it is in the process of providing a formal structure and significance to those through policies and guidelines. These would be used to align best practices and goals with strategic execution that reflects our commitment to protecting the environment and reducing our portfolio energy usage and emissions. The policies and guidelines that we have in place include the following:

- Undertaking capital investments that reduce our environmental impact and benefit some combination of people, planet and profit.
- Actively monitoring energy use and controlling expenses through a combination of benchmarking, auditing, measurement and verification, and variance resolution with on-site teams.
- Recycling and Integrated Waste Management.
- Circular economy
- Sustainable procurement
- Digitalization and Paperless initiative
- Energy monitoring and management

Our Goals

<i>Sustainable buildings</i>	<i>Target date</i>	<i>Status</i>	<i>Progress</i>
New Developments			
Establish a sustainability Framework / Guidelines in line with the best practices, from masterplans to operations	2023	In progress	A draft framework for Masterplan is under discussion. This would be followed by a framework for Building services (MEP) activities
Existing Assets Explore, review and undertake	2023	In progress	There are several initiatives that are under progress at the date of publication of this report. These would be captured in the next year's report.

<i>Sustainable buildings</i>	<i>Target date</i>	<i>Status</i>	<i>Progress</i>
Establish a climate action plan that would have emissions reduction strategy as part of it.	2023	In progress	Discussions have commenced with consultants.
Calculate Greenhouse gas emissions for Sobha	2023	Not commenced	NA
Energy Management certification for Sobha's FM arm	2023	In progress	Discussions are ongoing with the consultant. An Audit is planned in the near future.

Science-Based Targets

Sobha is fully conscious of the building sector’s contribution to the global emissions which is over a third of total global emissions. It also acknowledges the need for a conscious attempt towards net zero by this sector. Accordingly, it plans to establish a sustainability roadmap that has net zero as integral part of it. However, beyond the long-term strategic goal, it is also important to have specific time bound targets that would align to global net zero targets. Accordingly, it is exploring the possibility of setting a new Science-Based Target that is aligned with a scenario that keeps global warming well below 2°C. Although a definite time frame has not been set for this, we are eager to demonstrate an increased level of rigour and oversight and plan to reduce our emissions through a time bound emission reduction plan.

Strategy and Approach

Sobha’s Energy and Emissions program strategy is to actively manage its energy, environmental impact and regulatory compliance through optimised capital investments into programs, technologies and new developments, which drive value, effectively manage risks and engage our stakeholders as part of our broader ESG strategy and commitment.

We plan to meet our emissions reduction targets by prioritising energy efficiency and on-site renewable energy (where technically feasible) and supplementing with off-site renewable energy where available. We plan to leverage the unique opportunity we see around the building performance decarbonisation regulations in our markets to support our efforts, realising synergies between energy efficiency, cost savings, compliance, and carbon reductions.



PLAN

- Engage and consult stakeholders.
- Benchmark and baseline data on Energy, water and waste.
- Identify the emissions.
- Establish a sustainability roadmap.
- Factor Net Zero target / commitment.
- Set goals and priorities with a time bound strategy for the short term, medium term and long-term goals.
- Define teams.



DO

- Identify and address energy, water and waste reduction projects.
- Execute and Implement resources efficiency improvement projects based on the above.
- Explore operational improvements to drive efficiency and implement them.
- Install on-site renewables.



CHECK

- Perform real time monitoring.
- Benchmark results using established tools and protocols.
- Develop Measurement and verification (M&V) results.
- Validate the utility billings.
- Ensure continuance of the best practices in operations and maintenance.
- Review and document progress.



ACT

- Compare the results with the base case and quantify the savings.
- Ascertain the level of savings with the short- and long-term reduction targets.
- Acknowledge success.
- Understand variables and undertake course correction measures if required.
- Achieve certification and recognition where relevant.
- Solicit feedback.

A structured approach to energy and environmental management should include a framework like that of a Plan, Do, Check, and Act model. This type of approach is outlined in the International Organisation for Standardisation (ISO) certifications under frameworks such as ISO 14001 Environmental Management System (EMS) and ISO 50001 Energy Management System (EnMS). Sobha’s Facility Management Arm i.e., Latinem FM has already commenced its journey on ISO50001 and is planning to seek this much coveted certification. The team is getting ready for a proposed audit for ISO 50001 certification.

ALL relevant verticals of Sobha (Sobha Construction -Civil, Sobha Construction-MEP, Sobha Façade and Latinem FM have got formally certified in the following standards.

ISO 14001-2015	Environmental management system
ISO 18001-2018	Occupational health & Safety
ISO 9001-2015	Quality Management system

We value this systematic approach because it includes evidence-based decision-making, a culture of continual improvement, lends itself to transparency and maintains expectations with all levels of the organisation. The chart shown above is an example of our actions as they align with a best practice approach to energy and environmental management.

Sobha uses a cross-functional approach, integrating capital, operations and long-term planning to make investments that conserve energy, reduce emissions and engage our stakeholders at the same time.

Capital Investments

Our strong balance sheet and portfolio of more than 8 towers and 110 villa properties provide us with opportunities to invest in projects that improve the long-term sustainability of our assets. We do so by first understanding our footprint so that we can target and prioritise projects and efforts in ways that maximise the impact and keep us on track for our goals. We continually screen our portfolio for sustainability retrofits, including LED lighting, on-site renewable energy, efficient central system upgrades, cooling controls, ventilation sealing and improved insulation. In many cases, we use third-party audits to holistically survey building performance and if required benchmark them.

We prioritise projects based on impact, size, cost, financial return, local regulations, ease of execution and timing with capital planning. We implement the high-priority items each year as budgets allow. Sobha consistently evaluates on-site renewable energy viability and installs on-site clean and renewable energy wherever feasible. At the time of publication of this report, Sobha had already identified few renewable energy opportunities within its Hartland landbank. Together, reduction initiatives and renewable energy initiatives lower our carbon footprint and increase the resiliency of our new assets.

Utility Data Auditing and Analysis

The adage “one cannot manage what one cannot measure” is very characteristic of built environments. We believe energy effectiveness begins with quality utility data management. Sobha is using a new cloud-based platform for managing a portfolio of buildings. This enterprise software solution connects all our existing energy, safety, security and productivity systems and aggregates data (in a secure cloud environment) to allow actionable visibility into your assets, processes and people. We are currently working on an integrated energy dashboard that helps us to analyse the health of our energy consuming assets thereby paving the way for an effective energy management exercise. We would also be benchmarking our assets with reference to buildings as usual and monitor trends and performance. Data visibility and analytics help us quickly identify sources of unexpected utility variance and make operational changes as needed. This practice allows us to further understand areas of energy reduction opportunities and the energy intensity of our properties in comparison to peer properties.

Energy Benchmarking and Building Performance Standards

In 2021, we continued developing our market-specific roadmap using energy benchmarking as part of our initiative to prepare Sobha for the transition to a low-carbon economy. As part of this initiative, we monitor the performance of our assets in the light of medium term and long-term requirements of the jurisdiction as well as our overall objectives. The emirate of Dubai is taking a leadership role in energy efficiency and optimization through its demand side management and other policies. The city has further developed a robust building performance standard which includes stringent energy and water benchmarking requirements. We are taking advantage of opportunities posed by the upbeat and forward looking environment so as to play a significant part and staying up to date on new innovations and technologies needed to decarbonise the built environment.

Our efforts to date enabled us to develop a dynamic roadmap for compliance specific to each market. The roadmap includes building energy and water audits, emissions impact, capital and end-of-life planning, and assessment of the total cost of ownership.

Clean And Renewable Energy

In the road to net zero, clean energy is not an option. Sobha is continuously exploring the possibility of integrating solar PV into developments and master plan. Currently it is adding renewable energy into the domestic hot water system through solar heaters. Given that the current regulations do not permit ground level solar PVs, we are exploring roof top options within the limited space that is available, where it is physically possible and financially viable

Solar PV Installations

1. All the villa properties handed over have been fitted with solar water heaters thereby reducing dependence on electricity and reducing emissions while embracing renewable energy.
2. It is our plan to explore roof top solar within the Hartland complex for powering Sobha’s offices. This is currently under study.
3. There is also a proposal to use renewable energy for streetlights within the Hartland that are yet to be energized with utilities power.

Case Studies

Please include all the initiatives that Sobha verticals have undertaken to demonstrate the strength of these entities. I had shared for the following

- 1. Sustainability Initiatives in PNCA Architectural department
- 2. Sustainability Initiatives in PNCA MEP department
- 3. Sustainability Initiatives in Sobha Façade
- 4. Sustainability Initiatives in Latinem FM

Sustainability Initiatives in PNCA Architectural department

Initiative / Design Approach	AIM / Purpose	Sustainability Impact
Sobha’s USP “Backward Integration” fosters an Integrated Project Delivery (IPD) to design, build and operate facilities.	Accelerate project schedules, reduce cost, promote lean construction practices, empower teams with full access to design assistance capability, and espouse collaborative contracting methods.	Early involvement of sub-contractors allows design teams to access the specialist knowledge that resides in trade partners. IPD significantly accelerates schedules by yielding fabrication-level drawings much earlier in the project life cycle. IPD ameliorates assessment of risks, associated costs, and conformity to share the responsibility to lower the project cost across the board.
PPMOF (Prefabrication, Preassembly, Modularisation, and offsite Fabrication)	Extracts information from building information models to pre-fabricate building components	Improves project schedules, reduce cost, improve site safety, and produce greener construction practices by reducing material waste.
District Cooling	Aggregate cooling needs of multiple buildings	Avoids the capital costs of installing chillers and cooling towers freeing up valuable rooftop and building space. Operational costs associated with oversized individual chiller plants are avoided. Peak power demands on the grid are eluded.
Passive Design Strategies	Strategies to maintain thermal comfort inside a building without the use of electricity	Design of Dual aspect residential apartments for cross-ventilation, Solar water heaters, Louvers as shading screens, window to wall ratio, high performance glazing and insulation, buffer spaces, air and moisture tightness.

Initiative / Design Approach	AIM / Purpose	Sustainability Impact
Cloud based Common Data Environment / Digital Transformation	Digital Information exchange for reducing printing costs, quicker and efficient transmission of information	Reduction in the consumption of materials such as paper and emissions due to transportation associated with the distribution of traditional hard copies of construction documentation.
Solar Analysis	To conduct shadow studies, simulate solar radiance on building envelopes and analyse the effect of building location/shape on solar heat loads	Use of these insights to better orient buildings, design better shading devices, design and specify efficient building envelopes using both active and passive design strategies.
Use of Single Stack system	Increase gross floor area by decreasing shaft sizes.	Absence of a sub-system of secondary ventilation piping resulting in the curtailing of pipes and associated fittings.
Optioneering at the conceptual design stage	More effort to test design alternatives and less effort for documentation	Time saved for construction documentation allows for resources to test several design alternatives early on. Builds resilience into the design process by curtailing the associated documentation costs instigated by changes.
Use of Building Information Modelling (BIM) to resolve constructability prior to execution	Resolve issues in virtual space instead of on-site	Reducing rework and associated material costs.
Various optimisation exercises	Increase efficiency of systems	Optimising using BMS, BMU systems, traffic, structural design, vertical transportation, lighting and other possible systems.
Sustainability conscious material specification	Environmental conscious selection of materials	
Electric vehicle charging stations	Reduce GHG emissions, dedicated parking for electric vehicles	Adoption of electric and contributing our part to decarbonization of the transport sector.

Sustainability Initiatives in PNCA MEP Department



Building Management System

Sustainability Benefits: Centralized building management system to monitor and control the major MEP assets. This provides higher energy efficiency, lower operating and maintenance costs and greater occupant comfort.



Chiller Plant Manager

Sustainability Benefits: Advanced chiller plant manager to optimize chilled water plant performance through intelligent algorithms to enhance the overall plant efficiency.



Unique Algorithms to Achieve Treated Fresh Air Parameters for Fresh Air Handling Units

Sustainability Benefits: New logic has been implemented to achieve the required fresh air parameters. This helps to reduce equipment load as well as avoiding the chance of condensation issues inside the building due to high humid external condition.



Single Stack Drainage System

Sustainability Benefits: This is the simplest system, in which the waste matter from baths, sinks, etc as well as foul matter from the W.C. is discharged in one single pipe, called the soil and waste pipe (S.W.P.)



Centralized Liquified Petroleum Gas

Sustainability Benefits: Centralized building management system to monitor Centralized gas systems are a more convenient, safe and secure gas delivery method compared to conventionally used LPG cylinders and can be effectively used for residential, commercial and industrial consumers through a city gas network serving individual buildings.



Heat Recovery Wheels for FAHU

Sustainability Benefits: `Heat recovery ventilation (HRV) is an energy recovery ventilation system which works between two sources at different temperatures. Heat recovery is a method which is used to reduce the heating and cooling demands of buildings.



Irrigation Tank With Condensate Drainpipe Connection

Sustainability Benefits: Irrigation tank connected with CDP line which can provide sufficient amount of water for irrigation purposes.



Electrostatic Precipitator for Kitchen Exhaust Ducts

Sustainability Benefits: Electrostatic Precipitator connected to the kitchen extract duct which helps in removing harmful particulate matter from the kitchen exhaust.



Solar Controller

Sustainability Benefits: Solar water heaters are used to heat/warm water, by harnessing the heat solar energy (heat) of the sun. This also helps one contribute towards a greener earth by reducing their carbon footprint since solar energy is a renewable source of energy.



Solar Water Heater

Sustainability Benefits: Solar water heaters are used to heat/warm water, by harnessing the heat solar energy (heat) of the sun. This also helps one contribute towards a greener earth by reducing their carbon footprint since solar energy is a renewable source of energy.



Acoustically Treated Drainage Pipes

Sustainability Benefits: Acoustically treated drainage pipes help to block noise that transmits through the walls of the pipes. It also dampens the sound by increasing the sound absorption in the cavity.

Sustainability Initiatives in Sobha Facades



Usage of Pneumatics to increase energy efficiency

Sustainability Benefits:
To reduce the electricity consumption by compressing the naturally available air to power few tools.

This usage of natural air reduces the emission rate and electricity bill which otherwise is used to power the tools. The electricity bill is estimated to be reduced by 15%.



ISO 18404 Certification SIX SIGMA Certification

Sustainability Benefits:
To create a lean culture, streamline all processes in the organization, reduce wastages and enhance overall value of the customer.

- Lesser wastage
- Optimize factory space, higher utilization rates
- Reduced idle time, increasing productivity
- Optimized machine use, consumes lesser electricity
- Defined Lean factory layouts- higher accessibility & lesser motion time
- Well maintained stock levels
- Minimized defects / reducing rework / reducing material consumption
- Defined processes and production standards
- Right utilization of the skill from employees reducing over burden, enhancing morale.
- Capacity building / lean training



Digital Ecosystem for efficient processes

Sustainability Benefits:
To transform and automate the processes and come out of traditional way through technology

- Efficient work
- Lesser paper/material usage
- Capacity building through training
- Embracing change through disruptive technologies

Initiative	Sustainability Benefits
Materials Source materials from local suppliers To equally give benefit to local suppliers instead of importing raw materials. Specs in end products exceeding LEED standards To provide products of the highest quality following all environmental norms that are relevant to this geographic location	Aluminium profiles, Aluminium composite panel (ACP) sheets, glass processor (selected glass) other façade accessories and hardware equipment are sourced from local supplier <ul style="list-style-type: none">• Environment consciousness• Local Community building• Lesser transportation/freight• Builds trusts and integration with local ethos• Ahead/on-par of global standards• Marching along with the vision of Carbon net zero• Lesser electricity consumption in buildings• Higher durability of products• Increased safety & quality
Water treatment from RO plant To reduce water wastage and reduce the usage of water for non-drinking activities. An average RO purifier wastes 3 litres of water for every 1 litre of purified water. But this discarded water if channelised properly can be re-used for other forms	<ul style="list-style-type: none">• 1500 litres of water are conserved and re-used• Waste management• Safe disposal• Re-use/ re-purpose after proper treatment
Promoting Circular Economy by eliminating Waste To reduce the plastic wherever applicable	Cling tapes are used for packing instead of bubble wraps wherever applicable. Bubble wraps are comparatively thicker and takes more time to decompose. Single use PET bottles are taken away from office and guests/employees are served water in reusable jars. Water bottling process releases more toxic gases and improper disposable may be harmful to other species. Using glass jars reduced usage of 100 PET bottles per day Sustainability Impact: <ul style="list-style-type: none">• Reduce environmental impact of CO2 emissions• Reduced plastic consumption• Faster decomposing
Reuse, Reduce, Recycle To reduce the aluminium waste and divert/discard into useful end-product. It is estimated that recycling scrap aluminium needs ~5% of energy needed to produce new aluminium. <ol style="list-style-type: none">1. All the scrap material including the aluminium powder is properly collected, stored, and sold to the scrap business once a month, who recycles in turn.2. Used aluminium profiles & brackets are re-engineered to meet new demands instead of discarding them / ordering new material.3. All the profiles are optimised with minimal tolerances using a software before cutting them for better utilization and to reduce wastes.	Time saved for construction documentation allows for resources to test several design alternatives early on. Builds resilience into the design process by curtailing the associated documentation costs instigated by changes.

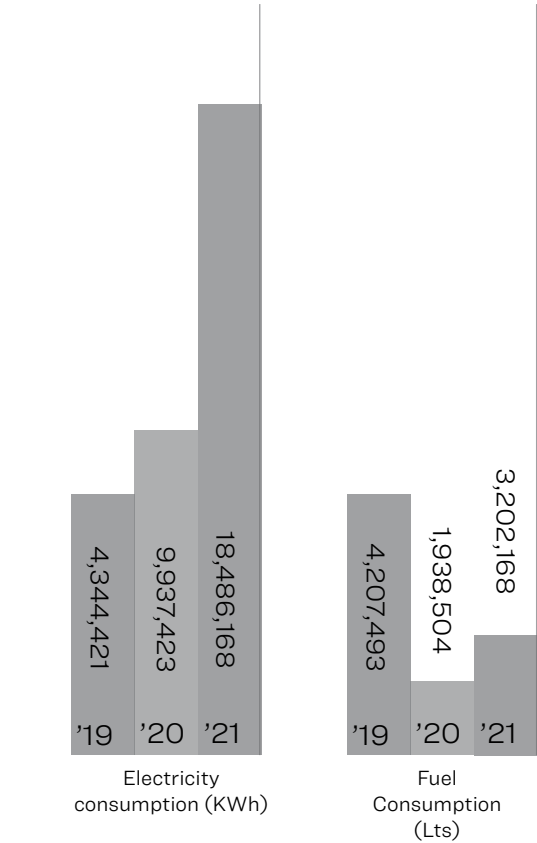
Sustainability Initiatives in Latinem FM



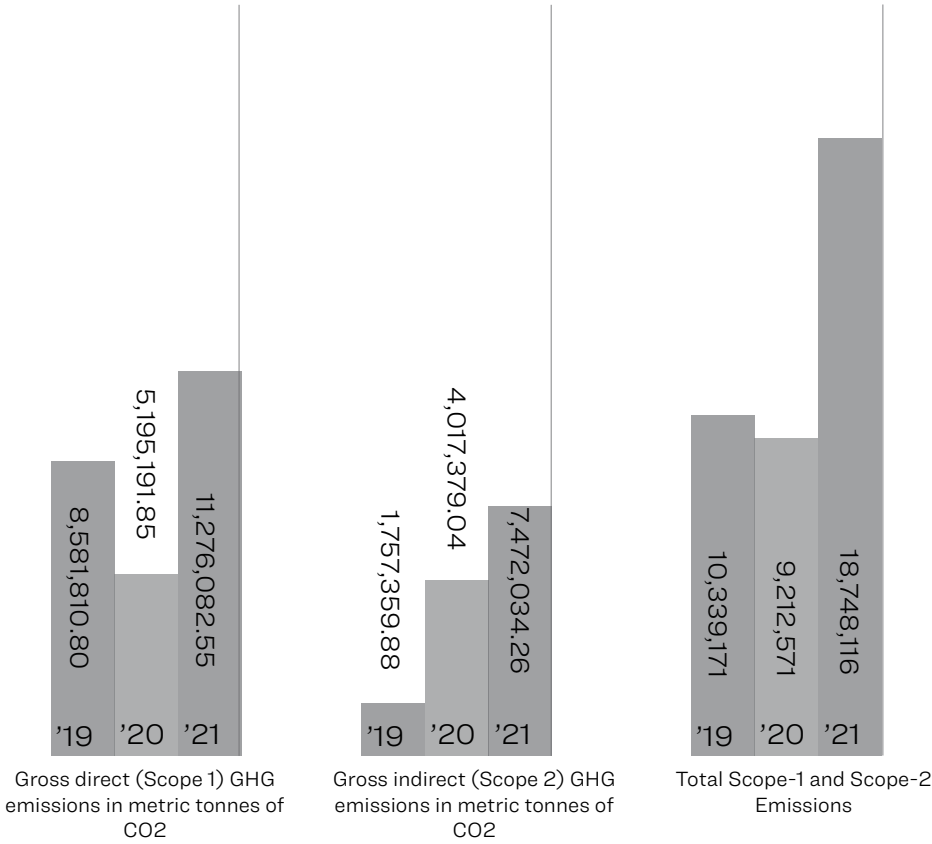
Energy management

Energy Management is a vital task of FM teams which aims to meet this growing responsibility as comprehensively as possible. It has used a cloud-based platform for managing a portfolio of buildings and further facilitating proper monitoring and managing of the energy streams. This enterprise software solution connects all our existing energy, safety, security and productivity systems and aggregates data (in a secure cloud environment) to allow actionable visibility into the assets, processes and people.

Key Metrics



Energy consumption from non-renewable sources



GRI Index Metrics

Notes

General

- 1. The Emission boundary comprises the following
 - a. Sobha Hartland projects under construction.
 - b. Energy consumed by the infrastructure division of the Hartland projects.
 - c. Sobha Hartland Master community common areas controlled and managed by Latinem FM
 - d. Sobha Façade unit based out of Sharjah
 - e. “S” tower project of Sobha
- 2. The emissions are based on the following assumptions:
 - Conversion factors for DEWA power: 0.4041 Kg CO2 per kwh
 - SEWA (Natural gas power): 0.407 Kg CO2 per kwh
 - Diesel: 2.68 Kg CO2 per litre

Year 2021

- 1. One of the assets in Hartland i.e., Sobha Greens Phase 3 began its operations in April and hence the electricity and water data for that building is based on its 9 months of operations.
- 2. Emissions include Scope-1 and Scope-2 only.
- 3. Sobha constructions data include only those at the construction site and does not include the data from the staff accommodations
- 4. For the Staff Accommodation Jebal Ali, the leased contract includes utility charges as well.
- 5. Staff Accommodation Al Quoz commenced only in 2022.

Year 2020

- 1. Hartland projects – Phase 1,2a,2b,3, and 4 were opened.

Year 2019

- 1. GPH2, GPH3, Master Community, Villa Community were Not yet opened.
- 2. Green Phase 1 building opened in Jan 2019

Waste And Water

Why It Matters

With our wide master community and portfolio of apartments, villas and retail spaces, our impacts on waste can be significant, and we believe it is critical to reduce waste production through reduction and recycling. Preserving water for the daily needs of our residents as well as for our greater communities is also critical. Our common areas, offices and construction sites use more than 15 million gallons of fresh water, 666 million gallons of purchased water in addition to 70 million gallons of TSE water, making water a priority in Sobha’s sustainability strategy.

Responsibility

Our Latinem FM Team manages water usage, the expenses and further explores the opportunities for conservation within the Master community and Sobha’s offices within the Hartland. Sobha construction looks into the resources at construction sites and manages them accordingly. The team is responsible for collaborating and implementing water-saving initiatives. Our trash and recycling program is also managed by Latinem FM across and construction across our portfolio. These individuals manage the daily operations, new initiatives and business relationships in coordination with the sustainability and ESG team to coordinate with waste haulers, vendors and property managers to ensure the optimisation of our program.

Policies

We thoughtfully control water usage and expense, and we continually evaluate opportunities for water and waste reduction. Water policies include water rate optimisation, sub-metering to track and reduce consumption and leak detection. Water rate optimisation ensures utility company bills accurately reflect rate schedules in order to keep costs down. Sub-metering affords residents transparency into their own water usage, which helps identify water conservation opportunities at the resident level. Leak detection is part of our smart home package to help us proactively avoid leaks in commonly identified opportunity areas.

Sobha does not currently have a formal policy governing waste operation, as the variety of operating conditions in our markets makes a comprehensive policy challenging to implement. We are exploring creating general policies around increasing diversion rates and maximising recycling efforts portfolio wide.





Strategy and Approach

Sobha incurs significant costs in annual water that includes potable water, purchased (tanker) water as well as TSE water and these are required across construction, and Sobha verticals such as Façade and FM. In addition to managing these, Sobha also works with residents and operating partners to reduce water use and waste throughout our portfolio using various strategies and initiatives. We incorporate various water efficiency reduction measures as part of our design and development which are further reviewed and controlled during the operations.

Our Goals



Water Initiative

By 2025, reduce water consumption by 10% of our current levels



Target date

Ongoing



Status

In progress



Progress

We have started addressing the low hanging fruits such as faucets which would be expanded to form a comprehensive water management program.

Programs and Initiatives – Water

We review and benchmark water metrics every month to identify opportunities for reduction and deploy on-site teams to investigate potential leaks. We are exploring various intervention at the short, medium and long term to achieve a high level of sustainability in Water.

We focus on targeting high-priority areas first to reach our 2025 goal for portfolio-wide water reduction of 10%.

Water-Efficient Upgrades

Water-efficiency upgrades are a large focus area for our water reduction efforts. We identify areas with water stress and install efficient water fixture replacements and leak detection sensors. For example, we have identified several faucets within the premises that could be fitted with ultra- low flow aerators than can reduce the flow by as much as 80%. These are currently under installation which would be monitored for understanding and recording the savings.

Landscaping and Smart Irrigation

Landscape irrigation is our second largest source of portfolio water use. We carefully consider the type of landscaping at our properties to minimise water use and ensure the adoption of native species to the landscape portfolio. While there are definite timer-based controls in place to control the timing, it is our plan to incorporate smartness into the irrigation system through sensors and controllers, to reduce the net irrigation water demand.



Programs and Initiatives – Waste

Reduction

We at Sobha aim to increase our waste-to-landfill diversion rate through our partnerships with haulers, third-party vendors and property management teams. Our waste program aims to increase recycling participation, engage residents and expand services such as on-site composting and cardboard baling. We believe programs such as these are effective tools for engaging residents, increasing the amount of recycling and the accuracy of compliance too. In the future, we plan to increase awareness on diversion rates and pilot incentive programs to improve.

Recycling

Recycling has evolved into an everyday priority at Sobha. We offer recycling programs at all of our offices and properties and are continuing to grow and develop more programs.

Offices

In every Sobha office, we incorporate building recycling programs—including providing necessary signage, employee training and awareness—to support waste reduction amongst staff. We encourage reusable products in our kitchen spaces as opposed to usage of single-use plastic and paper goods , to further reduce our waste footprint. Our in-office procedures and practices are shared with all staff to encourage recycling habits at all offices.

Residential Properties

Our recycling programs are customised to meet the evolving needs and requirements of the municipalities where our communities are located. Our recently handed over property is provided with the dual chute system for segregating the dry and wet waste which would facilitate recycling.



Key Metrics – Waste and Water

At Sobha, we routinely benchmark and audit water and sewer for usage and billing variances, which may indicate leaks. Additionally, our national waste haulers provide Sobha with reports on the current diversion rates for all properties serviced. We are working to implement a system to keep properties aware of this data and to encourage low performers to improve. We undertake an annual audit of our portfolio’s performance and provide feedback to our property teams on their performance.

Water

	2019	2020	2021
Water (IG)	4,965,653	7,131,615	15,242,158
Purchased Tanker Water			
Potable Water (IG)	Not Available	37,599,693	666,420,000
TSE Water (IG)	100,000	240,000*	70,226,777

*Only Master Community & Common Areas at Hartland are under the control and administered by Latinem FM

Notes:

- 1. For the year 2020, DEWA water details are for the last 3 months only. Earlier data are unavailable.
- 2. Potable water detail for the year 2019 is not available.

Waste

	2019	2020	2021
Total Combined Waste Handed over to waste management firms (CBM) – NON-RECYCLED	2586	1,036,981	1,004,704
Total Waste Being diverted for RECYCLED (TONS)	468.4	131.1	848.2

SOCIAL





Our Sustainability Pillars

To Sobha, sustainability means anticipating and responding to the evolving needs of our customers, communities, partners, and employees. Consequently, we create places that make a lasting positive contribution to our communities and our planet.

Growing Responsibly

We create innovative spaces of enduring value keeping environmental and social issues at the core of everything we do. At the heart of this is our vision to build judiciously and responsibly, ensuring that our growth has a positive economic and social impact on society. This means that at the heart of master planning, designing, and building realty assets, we aim to be responsible for ensuring the best possible outcome from the use of a given piece of land to residents, the economy and to urban growth. This also means we will design, develop, and manage places to tackle climate change, enhancing the environment's health by achieving net zero and going beyond.

We're always working to minimize our impact on the environment and do our part in tackling climate change while also reducing costs for our customers and us. By building well, we are also ensuring we are more resilient to challenges caused by climate change, such as shortages of resources and changing regulations.

A Values-Driven Approach

If we are to leave a healthy planet for future generations, we must be more sustainable in everything we do. To achieve this, our sustainability strategy's core value is working with customers and suppliers to develop leading realty solutions that add community impact using resources efficiently. It also means continuously developing ourselves and our colleagues. We collectively play our part in creating an attractive workplace and contributing to the Company's sustainability success. We care about our environment, our colleagues, our business partners, and the communities we operate in.

Our core values guiding sustainability

- We recognize human rights and treat people with dignity and respect.
- We recruit and manage employees fairly.
- We reduce the environmental impact of what we do.
- We address the concerns of those affected by our operations.
- We give back to the communities we operate in.
- We work with business partners who share our principles.

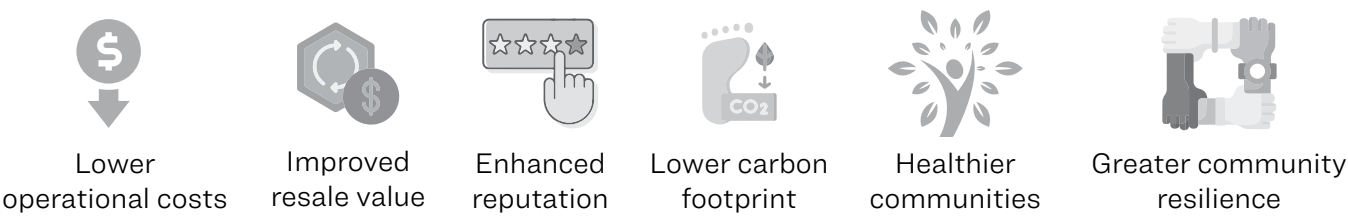
A Customer-Centric Posture

At Sobha, customer-centricity is about empowering our customers. It is about integrating the buyer into the development process to consider their preferences and needs. It is about reducing information asymmetries and operating more transparently. Ultimately, customer-centricity is helping Sobha prioritize the needs of end-users. As customers begin to expect more from the spaces they live in, there's an impetus for developers and agents to move away from viewing the property-buying process as a one-time transaction. We believe the relationship with buyers should be treated as an ongoing concern and maintained after the handover. At Sobha, we maintain a life-long relationship with our customers. This gives us the rites of passage to create outstanding value for our stakeholders.

Creating Value for Our Stakeholders

Residential developers need to differentiate themselves by offering an excellent customer experience that is driven by in-depth customer knowledge and enabled by data analytics. Developers can no longer compete essentially on just product delivery, price, or even sales and after-sales service. At Sobha, in addition to these sales drivers, we focus on customer experience, which will boost the value of our products and services and differentiate ourselves further from our competitors in a maturing market. Although customer experience is already the core differentiator in the market, at Sobha, we know that we must now go further and offer data-driven, highly customer-centric experiences. The entry of generation Z into the housing market as new tenants and homeowners is expected to add further pressure, given the difference between the expectations of these new digitally native customers and the less-than-digittaly advanced state of the housing industry.

How are we creating value for our stakeholders?



To stand out, we aim to provide personalized products and services for customers through a community-focused approach, which it expects to accrue further benefits and opportunities. Firstly, we look forward to a smoother sales experience which helps start long-term relationships with our customers. Secondly, we expect to foster better customer retention and cross-selling. Creating a cohesive community around shared interests and tastes can improve the retention of residential buyers and rental businesses. Lastly, we aim to engineer compounding value creation. Beyond creating niche product offerings, a community focussed approach can generate value from a development project at an earlier stage. Customers could turn into advocates for the development, which would help promote the developer and its services to a broader audience, extending its reach. Value can thus be built within the community before the development is completed, rapidly growing the sales volumes by increasing perceived and real value.

Decarbonizing Our Portfolio and Transitioning to Net Zero

At Sobha, we're committed to playing our part in tackling the climate crisis. As we advance, Sobha aspires to establish itself as a global sustainability leader in its sector and is in the process of setting ambitious carbon reduction targets, investing in renewable energy, and reducing energy use in its buildings. As part of this, we're making good progress in tandem with UAE's ambitious carbon reduction target and transitioning to net zero. The UAE Net Zero by 2050 strategic initiative is a national drive to achieve net-zero emissions by 2050, making the Emirates the first Middle East and North Africa (MENA) nation to do so. The UAE Net Zero 2050 strategic initiative aligns with the Paris Agreement, which calls on countries to prepare long-term strategies to reduce greenhouse gas (GHG) emissions and limit global temperature to 1.5 C compared to pre-industrial levels.

Sobha is determined to adopt the best practices, demonstrating leadership in sustainability and climate action. To know more about our various initiatives towards this overarching goal, read "Environment" section of this report that addresses the sustainability strategies and intended climate action plans.

Enhancing Nature and Green Spaces

In the nineteenth century, urbanists created large, landscaped parks in inner city spaces as "lungs for the city". These green pockets of land enhanced city life and dealt with improving urban environments. According to the UN, more than half of the world's population lives in cities and by the year 2050, it is expected that 6.5 billion people could live in cities (an additional two-thirds of the population today). As more people move into urban areas and environmental issues become more pressing, cities will have to rethink their systems and environmental impacts.

The sustainable development of cities and the development of urban spaces are of great importance, not only for the natural environment but also as an urgent need to improve the lifestyle of urban dwellers. The quality of life in cities is influenced positively by various significant roles that urban green spaces play. Green spaces in the city's context contribute to a more substantial extent to a sustainable city and the improvement of its environment. The importance of urban sustainability is articulated in the UN sustainability goal number 11: Sustainable cities and communities. A part of this goal stresses the "creating of green public spaces", which cannot be achieved without significantly transforming how we build and manage our urban spaces (UN, 2015).

At Sobha, we aspire each of our projects to imbibe an ideal balance of environmental and ecological concepts. To know more about our various initiatives towards this overarching goal, read this report's chapter on our environmental impacting initiatives.



Supporting Local Economic Growth

Dubai has been revealed as one of the fastest-growing cities in the world, claiming a population boom of over 500% in recent decades. Here’s how a small fishing village on the edge of the desert became the most populous city in the United Arab Emirates (UAE). As UAE’s economy continues to grow, at Sobha, we are aware of how important real estate is in further developing our communities’ local economies.

The four ways in which our real estate projects benefit overall economic development:



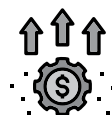
Creates Jobs
and New
Opportunities



Promote
Sustainable
Communities



Improve
City
Infrastructure



Exemplars
for Economic
Growth

In the longer-term investment environment, real estate in the UAE is receiving increasing attention as an asset class. For investors, UAE’s real estate offers the desired investment characteristics: a steady, long-term income, the potential for capital appreciation, and significant diversification benefits. Sobha intends to be an important choice within the mix for investors vying for the UAE markets.

Sustainable Supply Chains

We view suppliers as an extension of our business with a shared sustainability ethos integrated seamlessly. The application of ESG principles should certainly be across the ecosystem and we at Sobha plan to intensify our engagement to ensure that the companies we partner with – our supply chain broadly understand our approach to ESG issues and can work with us to meet our goals. As a real estate organization, we embrace resiliency and responsibility in our supply chain management to adapt to externalities such as geopolitical conflicts, changing weather patterns and new legislation in areas such as modern slavery; and to improve their impacts on the workforce, local communities, and the environment in the places where they develop, manage and invest.

By improving ESG performance throughout the supply chains, Sobha can enhance processes, save costs, uncover product innovation, achieve market differentiation, and significantly impact society. Sobha continually strives to apply a sustainability lens to the design, development, management and marketing of its buildings and services, construction methods, labour conditions, workforce health and safety practices, and environmental and community impacts of these processes.

Fostering a Culture of Innovation

With climate action evolving at a fast pace, stakeholders are calling for more ambitious ESG and sustainability targets. Sobha believes in the power of innovation and is investing significantly in catalysing innovations in its business and ecosystems. In particular, we are focusing on four areas:

1. Safety and hygiene. User expectations for building sustainability, health and wellness are creating massive space for innovative technologies and applications. For example, wearables and monitoring devices are helping ensure safety and social distancing at job sites and offices.
2. Integrating the digital and the physical. In the back office, technology is being used to automate real estate processes. At the front end, new innovations are helping to enhance the customer and user experience, help optimize the workspace and create new ways for workers and residents to interact virtually with the spaces they lease.
3. User experience. A highly innovative and client friendly experience centre provides a first-hand physical glimpse and understanding of Sobha’s advanced designs, materials, and finishes and further reflects the extent of details Sobha has factored in its projects from a client’s perspective.
4. Construction and architectural innovation. At Sobha, the drive for low carbon developments is serving as a catalyst for the development of new sustainable buildings. We use of Building Information Modelling (BIM) to resolve constructability prior to execution. We have the potential to leverage cloud-based technologies, remote collaboration solutions, and new off-site construction management techniques.



Employees

Employees are the heart of Sobha. Our employees enable us to advance sustainability among our customers and communities; they make us the one entity, people most value and trust. Sobha 's success is a direct result of its individual and collective contributions, strong relationships, innovative ideas, collaboration, commitment and diversity. Our Company and culture are grounded in our core values. These values drive us to connect people to the resources they need to lead healthy, fulfilling lives and pursue their career and financial goals. In 2021, we strengthened our commitments in the social space as we continued to confront ongoing challenges.

To keep their fingers on the pulse, residential real estate companies need to view themselves as service providers for customers in the context of taking care of occupiers' concerns. Since satisfied customers make for successful companies, a residential real estate company needs to have highly motivated and adequately qualified employees. Our employees are responsible for ensuring that the company is successful by focusing on the customer and providing an excellent level of service, day in and day out. Sobha can only fully use this potential by delivering attractive jobs and retaining talent within the company. This makes it even more critical for Sobha to position itself as an attractive and modern employer to make the pool of highly qualified applicants as large as possible.

The coronavirus pandemic has unleashed rapid change in society and the world of business. This has increased the importance of security and reliability in employees' eyes, along with a desire to work for a company that values sustainability. The sustainability debate has also made us all much more aware of the importance of people being treated equally, regardless of their socio-economic background, gender, faith or ethnicity. Diversity is one of the key issues people consider when choosing an employer. We want to be an employer that provides employees with ways to develop personally and professionally. We are committed to having a workforce reflecting our society's social, cultural and linguistic diversity. We want to be a place that fosters innovative ideas and approaches that benefit communities, which would allow us to live up to the expectations of our current workforce while also meeting the needs of the next generation.



Upholding Worker Welfare

As an employer, we foster a values-based corporate culture which is flexible enough to meet the varied needs of our workforce. It is important to us to have motivated employees with relevant qualifications who focus on the needs of their customers as part of their everyday work. Values such as appreciation, performance, responsibility and team spirit guide everything we do as a company and how we treat each other.

Sobha is committed to pursuing a healthy balance between internal employees and relying on external service providers. By taking this approach, we can offer our customers and occupiers high quality, efficiency and reliability. These tasks are managed and organised by our in-house facility management arm (Latinem FM) and Sobha Community Management which is our community managing arm.

Pro-active Employee Engagement

Workforce engagement is central to the strategic sustainability framework. We engage with our employees through internal communications. We frequently hold a Company-wide meeting to report on important Company developments, introduce initiatives to colleagues and field questions. These sessions are often opportunities for senior management to also discuss market conditions and key operational initiatives with our workforce and take questions from them. Our internal communications team sends out a company-wide email/newsletter with updates and details. Once a year, our people are brought together from across our business to attend our annual Company Conference. In 2021, the conference consisted of presentations by the Group Chairman, Chief Executive Officer, Chief Financial Officer, and other members of our senior management team, as well as interactive team building and social events.



Attractiveness as an Employer

We take a comprehensive approach to HR planning, in which targeted recruiting is complemented by ongoing training and education, talent promotion and fair remuneration and extensive social benefits to promote employee loyalty. We are also constantly on the lookout for ways in which we can shape the ongoing digitalisation of our structures and processes for the benefit of our staff. Sobha invested in this area in 2021 to provide its employees with responsibility, accountability and security.

The sustained stability of our Company throughout the pandemic has strengthened its position as an employer that you can rely on, even in uncertain times. We had more than 791 new hires in the 2021 fiscal year and avoided making any staff redundancies due to the pandemic. Furthermore, over 100% of our employees enjoy the privileges of direct employment contracts.

Employee engagement and awareness events during 2021

- Zero Discrimination Day
- World Civil Defence Day
- World Wildlife Day
- World Hearing Day
- International Women's Day
- World Kidney Day
- World Population Day
- World Day for International Justice
- International Chess Day
- World Nature Conservation Day
- International Tiger Day

Investing Wisely in Employees (Training)

Our employees are the backbone of our enterprise and deserve a world-class work environment, competitive pay and comprehensive benefits in exchange for their talents, skills and commitment. This relationship between what we offer employees, and their contributions is how we build and earn trust and grow as one. Keeping our employees’ development and overall wellbeing at the centre of our decisions and actions enables us to deliver sustainable, long-term value to all we serve.



Providing training and upskilling opportunities for our employees is key to ensuring that they stay with the Company over the long term while effectively contributing to its objectives. This approach also puts us in a better position to address skills shortages while giving our staff every chance to progress in their careers. Sobha sees training junior staff as an opportunity for growth, particularly in manual trades. Providing employees with the skills we need reduces our dependence on the broader labour market and keeps us competitive. In addition to launching workshops and training courses for managers and instructors, we have set up several relevant IT apps, including a knowledge database. These measures aim to ensure that trainees are provided with the best possible support during their time with the company. We continue to professionalise our approach to succession planning for management roles as part of our HR planning process. Sobha also uses structured annual appraisals to give its workforce additional development opportunities. These appraisals are held using a standardised questionnaire based on our mission statement.



Training courses and specialist seminars

- Communication and personal skills
- Subject-specific skills
- Methodological skills
- Green Belt
- Yellow Belt
- TQM champion
- Virtual trainings on critical FM topics.

Leadership Training

- Training courses on specific leadership issues
- Basic leadership training
- Coaching

Certified qualifications

- Certified construction managers
- Specialist Real Estate Managers for residential property ownership
- Certified Real Estate technicians
- Customer service representatives for residential real estate certification.
- ISO Certifications

Talent management

- Talent programs
- Potential analysis
- Individual development plans
- Fundamental skill Training
- On the job training.

Human capital development tools

(Annual appraisals, HR meetings/retreats, summer appraisals)

Training Data (2021) Sobha LLC and PNCA	
Average Manhours per employee	14.17
Average Cost per employee	743.32
Type / details of Training	
% Of employees receiving Reviews	100%
Total New Hire	791



Safety training on “be-aware and stay-alert communication” is in progress.



Training on keep-safe, and risk assessment communication is in progress



Weekly inspection and risk assessment communications.

Periodic Plant &Machinery and Welfare facilities inspections.

Frequent Transportation Inspections.

Latinem FM Virtual Training & Troubleshooting

At Sobha, we are uncompromising in our belief that, together, we can build better training, build better careers, and build better lives for customers and our teams. In 2021, the Company’s specialist Facilities Management Latinem FM collaborated with TeamViewer - a specialist in implementing enterprise augmented reality platforms designed to boost efficiency and simplify the training for frontline workers in a virtual environment. Together, we are preparing the next generation of skilled leaders. This included Digital training simulations and Augmented Reality to develop on-the-job skills quickly and efficiently, building better careers and lives for the essential skilled trades.

Immersive training assessment on the field through smart glasses will enhance the training experience. It will allow the workers to immerse themselves into the training flow through holograms guiding them through every step in the process. Through this approach, we pushed technological limits to find better ways to make learning easier and training more powerful and we strongly believe in its power to attract passionate people and invite spirited discourse.

Through Augmented Reality, we can raise employee engagement and safety awareness, alleviate training costs and lower the learning curves. Highlights are featured below.

Engagement

There is truth in the concept that people learn by doing. AR provides the opportunity for hands-on learning in a structured, interactive way. With wearable/handheld devices, trainees can practice job activities in real-time at their own pace and without pressure from customers, managers, and performance expectations.

Safety

Some job situations are inherently dangerous, and their training can be equally so. AR allows new employees to practice these tasks without the risk of injury or endangerment

Training Costs

While AR training equipment’s initial costs can be high, the equipment is reusable. AR headsets and apps can replace the need for costly seminars or class especially when it provides an exemplary real time experience.

Cognitive Barriers

Sometimes, job training can be challenging. Many job profiles have high learning curves, even with adequate training. This kind of hands-on learning allows trainees to know how things are supposed to work and how to handle them when they go awry. It assists in providing a comprehensive understanding of the subject.





Recently, Latinem was shortlisted for Innovation in Facilities Management 2022 for the category Education and Development Initiative of the Year - Immersive Training on Troubleshooting Experience.



Virtual Training

Case Study in Remote Troubleshooting

Thanks to the present digital world that we witness today, experts located anywhere can support in-house and field technicians at the site in real-time through video sessions for faster troubleshooting. This approach is facilitated by features helping the expert to identify the problem and describe the steps to be taken by the person on-site, even if hundreds of kilometres away. This innovative approach enhances customer experience through faster turnaround times (TAT) and lowers the Company's overall operating expenses.

3D object tracking, for instance, allows the expert technician to place arrows and other annotations on real-world objects that stick with them even as the person on the other end moves their smartphone camera. Augmented reality technology accelerates user collaboration and facilitates shorter communication chains, driving efficiency and innovation.

Purpose

- Precise object tracking, fueled by the latest Apple and Google technology.
- Fast connections, leveraging our global access network infrastructure.
- Highest security and privacy standards.
- Easy-to-use mobile and desktop applications.
- Customer support in over 32 languages.



Camera Shaft Inspection



Glass Cleaning Training



Road Sweeper Machine Training



E-Bikes Training

Inclusion, Diversity & Equal Opportunity

Sobha is committed to respecting diversity and putting it into practice. The Company believes that inclusion and diversity are essential to living our core values, serving our customers, and delivering financial performance, and is recognised as a leader in building an engaging workplace, a strong supplier base and vibrant communities.

We provide homes for tenants from every background one can imagine and employ people from over 62 different countries. We also believe that, in a complex world, diversity gives us a significant advantage over the competition. Treating every employee equally creates a working environment where people are respected, tolerated, and appreciated, regardless of age, ethnic origin, nationality, gender, sexual identity, physical or mental abilities, religion, worldview, social background, education, or disability.

We believe that increasing the number of women in the Company is particularly important, and women currently have a share of 38% of the workforce. When setting the plans , we were guided by the representation of women in the Group as a whole.

A vibrant, skilled workforce ensures that businesses can thrive and that individuals, their families, and broader communities can achieve financial independence and security. Sobha prioritises and supports the well-being of its employees, communities, and customers. When we take care of our employees, we know that they will, in turn, take care of our customers and support our efforts to keep our communities thriving.



>30
Nationalities work at
Sobha

Zero
Cases of
discrimination reported

Advancing Inclusion and Diversity begins with Our Employees

The Company is committed to reflecting the diversity of our customers and communities by developing a diverse, equitable and inclusive workforce. We strive to create a workplace culture where everyone feels welcome, valued, respected and understood. All employees and groups are invited to participate and contribute. We celebrate and embrace each employee’s individuality and our collective diversity by encouraging employees to bring their authentic selves and best thinking into the workplace. This inclusive and welcoming environment supports and embraces differences and offers respect to everyone in words and actions.

From investing in our employees to supporting our cause to giving back to the communities we serve; we are committed to working toward being a more diverse and inclusive company and to creating a world where equal access and the opportunity to thrive are available to all.

Making Progress on our Bold Goals

Our bold goals remain the guiding force behind meaningful change in our inclusion and diversity efforts. In 2021, we focused on helping employees feel a greater sense of belonging and on providing them with more forums to connect, share insights and feedback, and improve their awareness on unconscious bias and ways of mitigating them. This strategic approach included continuous listening and learning opportunities, updated resources, and improved recruiting practices. We also have put in mechanisms in place to measure our progress continuously.



Human Capital’s four Strategic Priorities

Sobha recognizes the fact that people, who develop intellectual property, are increasingly contributing more to a company’s worth than physical assets. There is an urgent need to achieve convergence between the development of our human capital and our corporate needs. We believe that our people are the strongest advocates and enablers of climate strategy, and thus a key force for change.

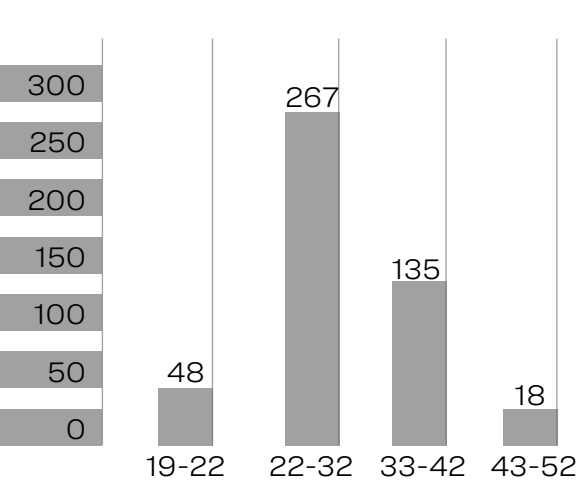
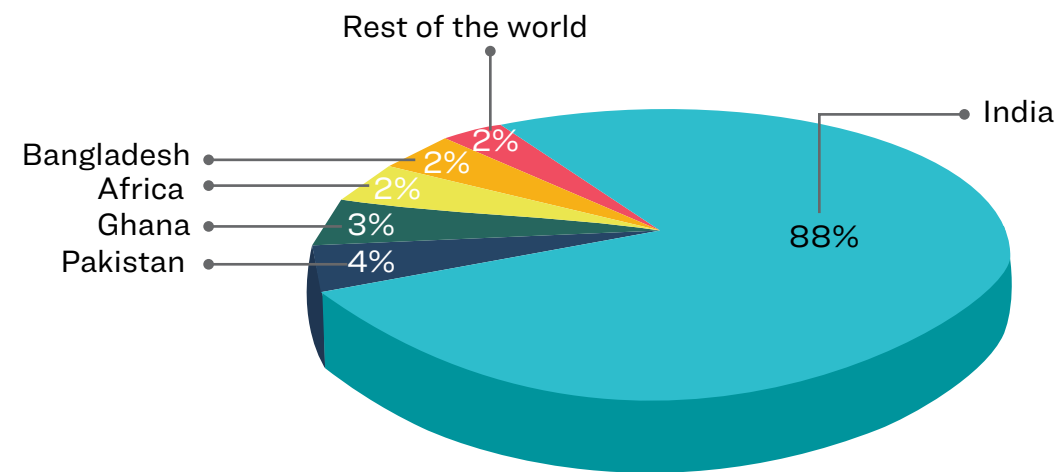


Employee Demographics

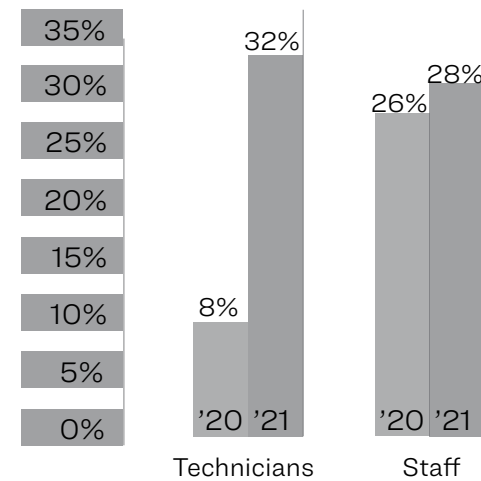
Talent diversity is of utmost importance at every level of our Company, from our Board of Directors to our executive team to our 702 full-time and 0 part-time employees as of Dec. 31, 2021. While this figure relates to Sobha LLC and PNCA, the trend however is relevant to other verticals as well. Publishing demographic diversity data is part of our commitment. We strive to grow leadership positions in the Exec/Senior Managers and First/Mid-level Managers categories for women.

Sobha Facade

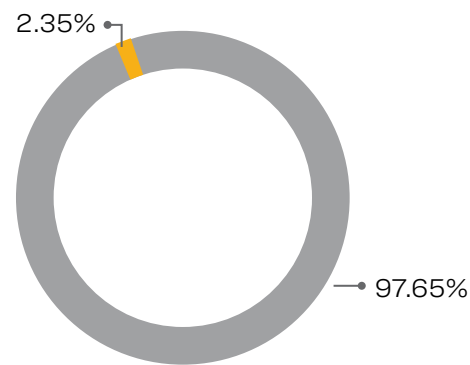
Nationality Break Up (2021)



Age Group Distribution



Staff & Technician Attrition (2021)



Gender Diversity (2021)

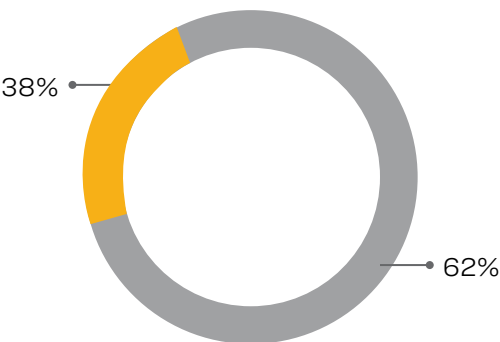


Sobha LLC and PNCA

117%
Attrition Rate
for 2021

791
Number of
New Hires

7%
Open positions filled
by Internal Hires



Gender Diversity (2021)



Female Staff by Seniority (2021)

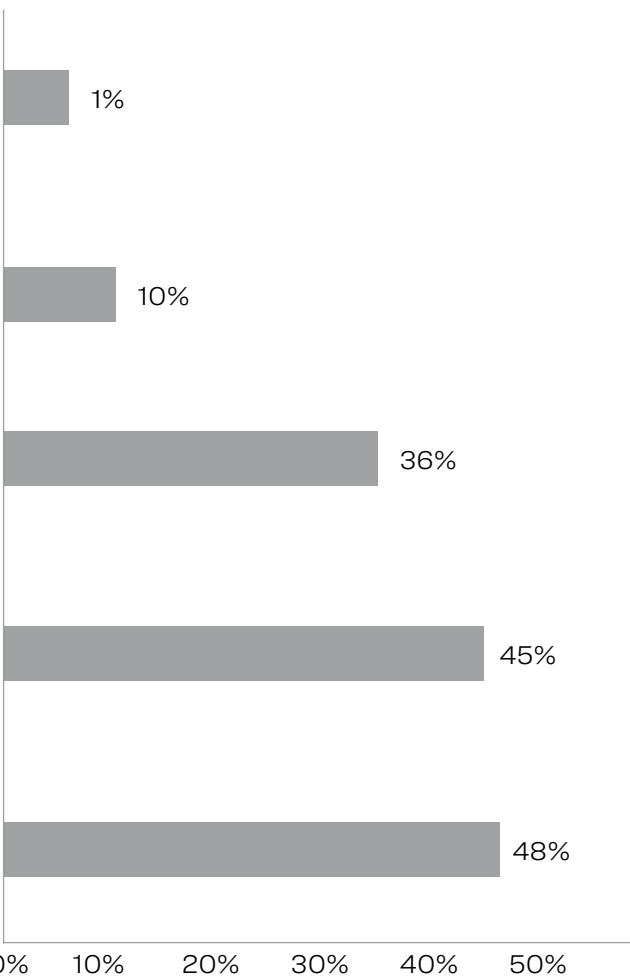
Females in top management positions, i.e. maximum two levels away from the CEO or comparable positions (as a % of total top management positions)

Share of women in STEM-related positions (as % of total STEM positions)

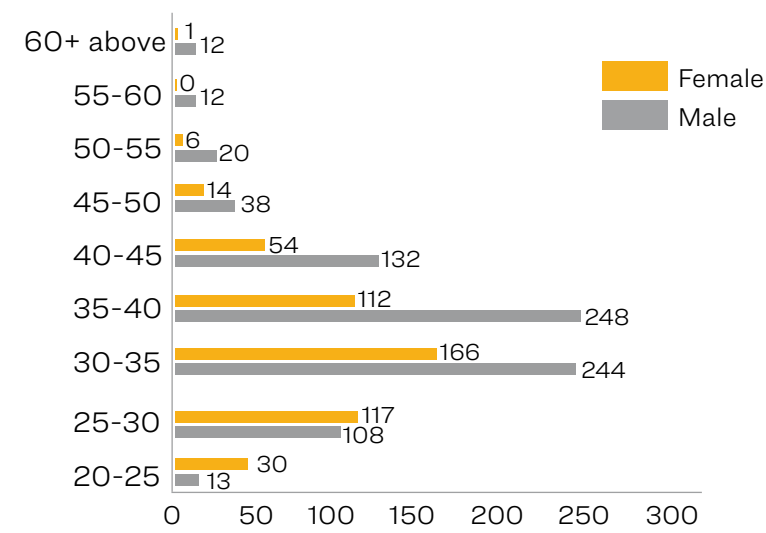
Females in all management positions, including junior, middle and senior management (as % of total management workforce)

Females in management positions in revenue-generating functions as a % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)

Females in junior management positions, i.e. first level of management (as % of total junior management positions)



Gender by Age Group (2021)



Sobha Constructions

6%

Attrition Rate
for 2021

3,332

Number of
New Hires

6,216

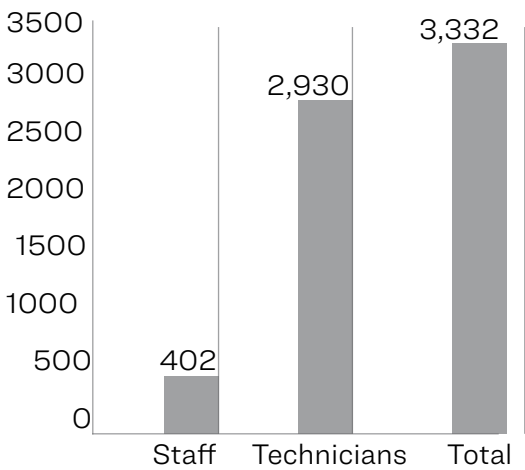
Total Number of
Employees (2021)

1.19%

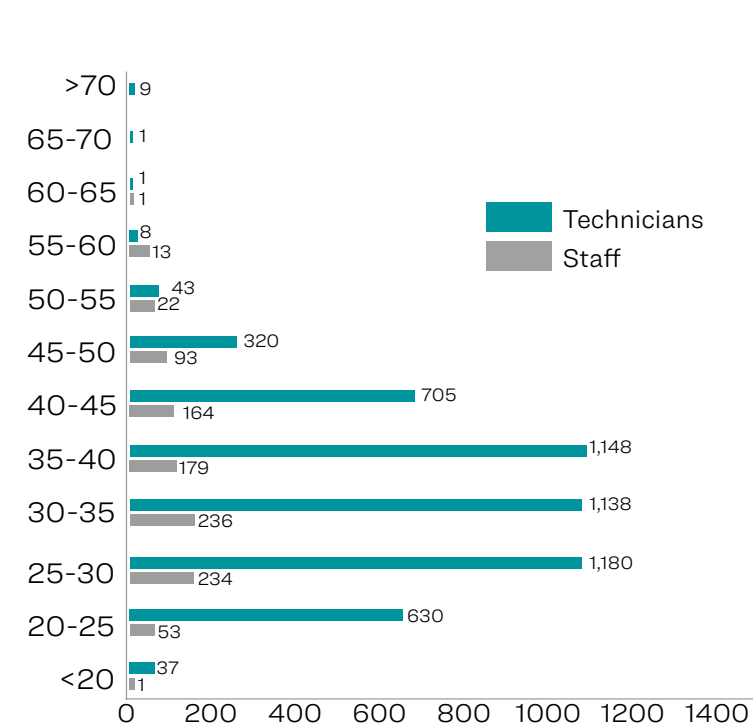
Share of Female
Employees

	Staff	Technicians
Average hours of training per year per full-time employee	15 Hours / Participant	For skilled trade -125 hours For high-skilled trade - 285 hours
The average amount spent per full-time employee on training and development	254 AED / participant / month	150 AED / participant / month
Programmes for upgrading employee skills	Green Belt Yellow Belt TQM Champion	Fundamental skill training and On-the-Job Training are given. In 2021, 6 trades were launched, and a total of 12 programmes for the year were conducted.

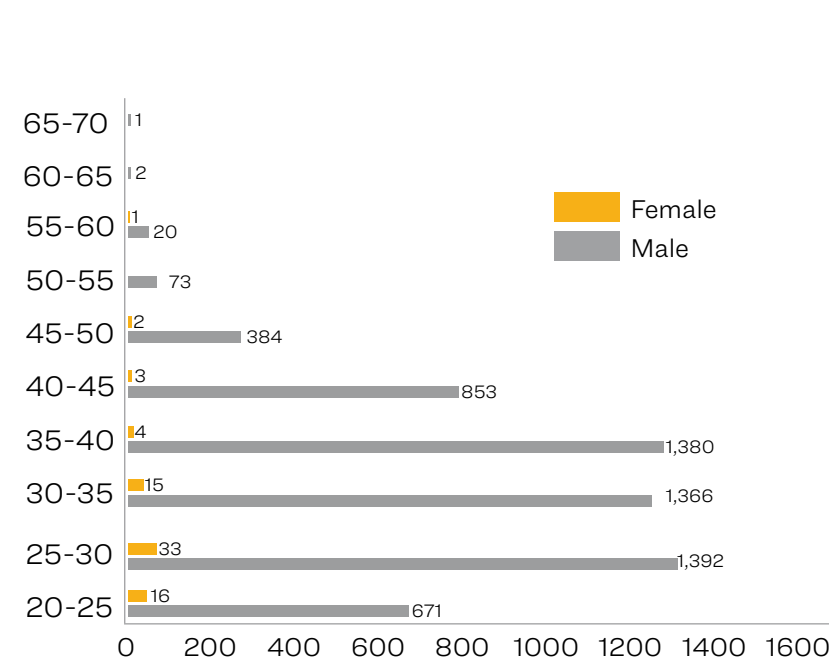
Hiring by Skill (2021)



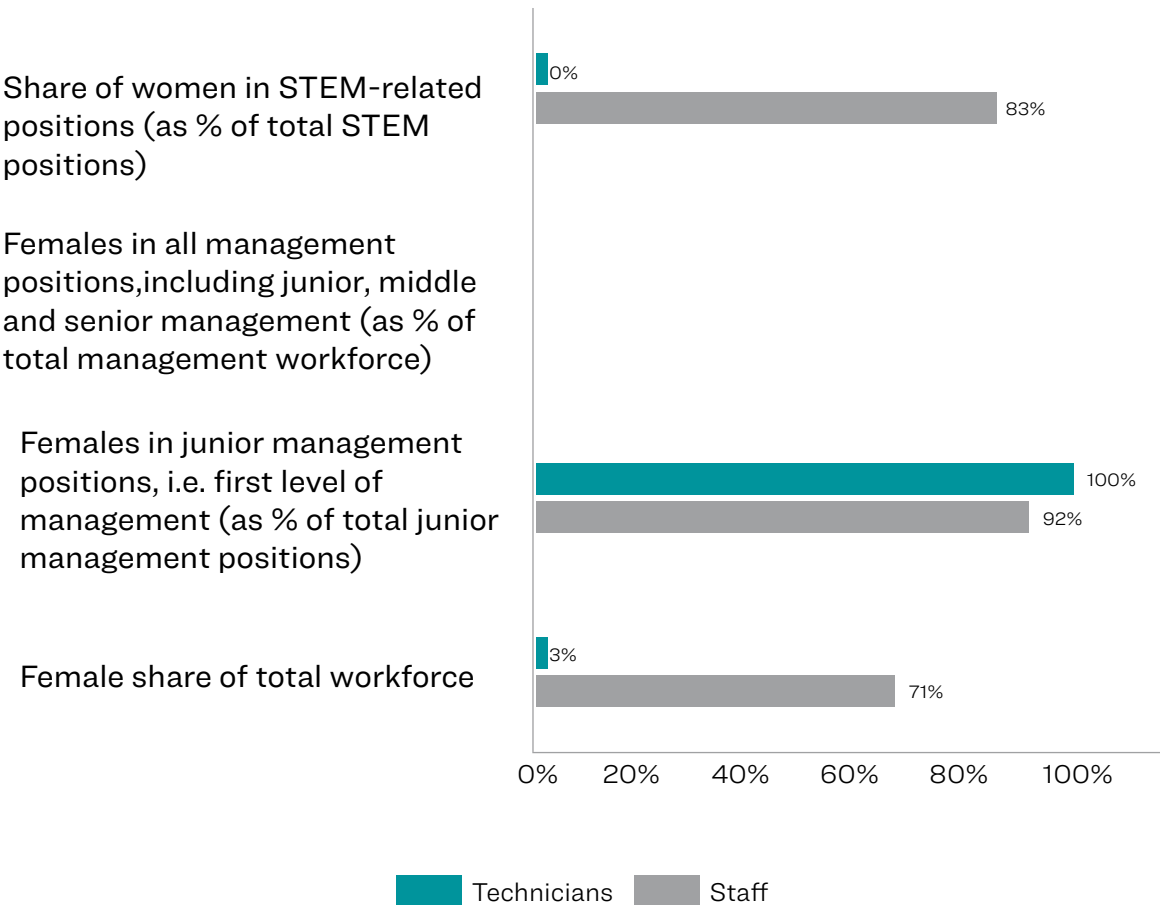
Skill by Age Group (2021)



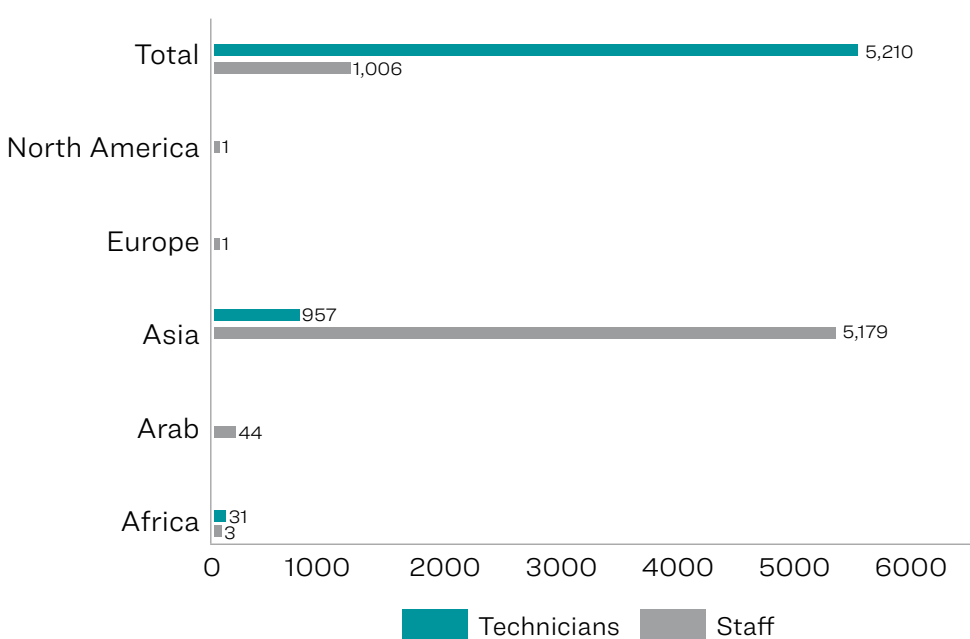
Gender by Age Group (2021)

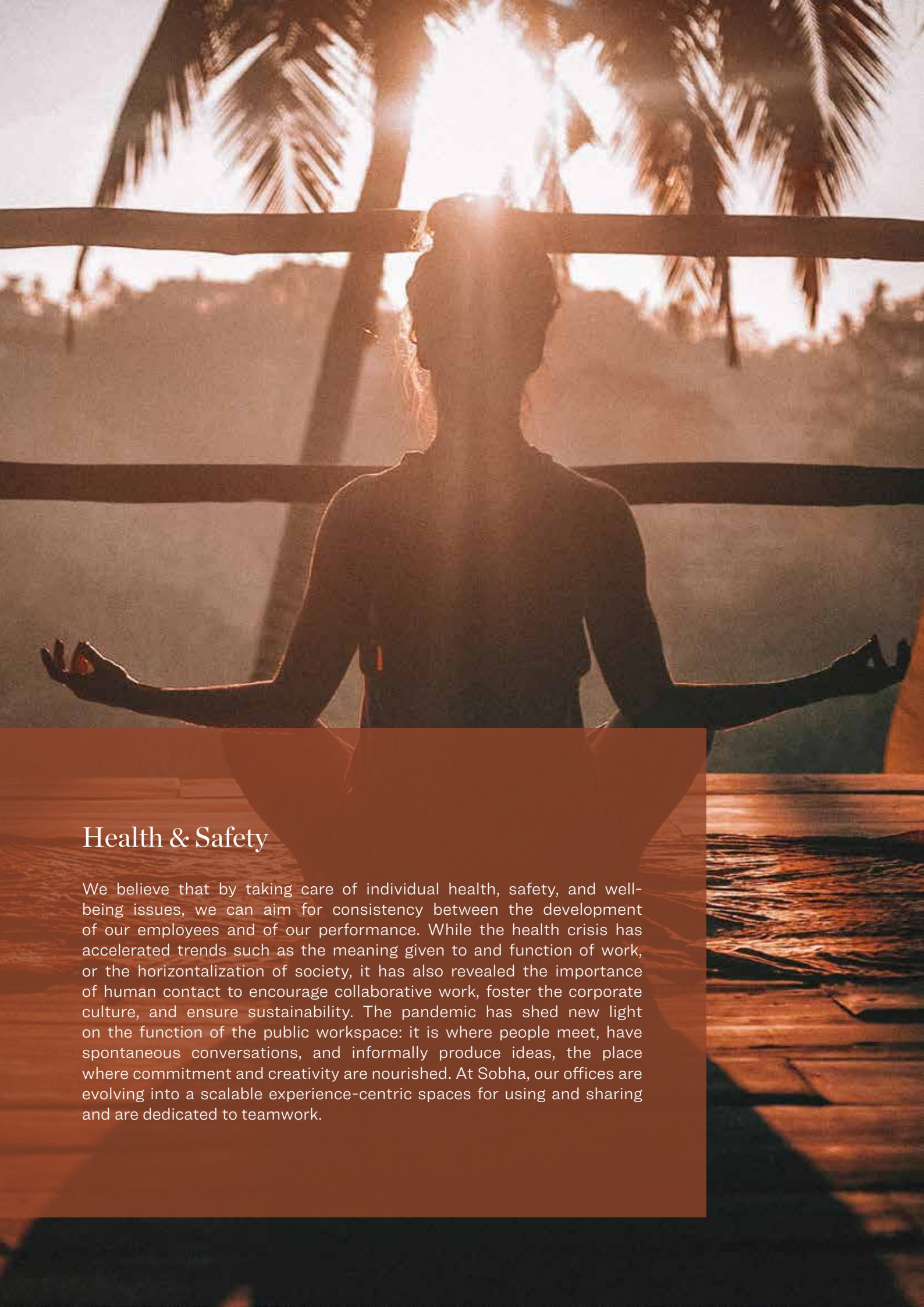


Female Employees by Seniority & Skill (2021)



Employee Ethnic Diversity by Skill (2021)





Health & Safety

We believe that by taking care of individual health, safety, and well-being issues, we can aim for consistency between the development of our employees and of our performance. While the health crisis has accelerated trends such as the meaning given to and function of work, or the horizontalization of society, it has also revealed the importance of human contact to encourage collaborative work, foster the corporate culture, and ensure sustainability. The pandemic has shed new light on the function of the public workspace: it is where people meet, have spontaneous conversations, and informally produce ideas, the place where commitment and creativity are nourished. At Sobha, our offices are evolving into a scalable experience-centric spaces for using and sharing and are dedicated to teamwork.

Creating safe & healthy workplaces

At Sobha, we systematically design working processes and structures conducive to good health as part of our corporate approach to health management. This includes a broad range of fitness and preventive health care programs. Sobha uses its professional health and safety management policy to minimize potential hazards and promote a working atmosphere to protect all employees from health risks in the workplace effectively. We also focus on the well-being of our older employees as the shortage of qualified staff means it is becoming increasingly important to ensure they remain productive.

We make continuous adjustments to our safety measures and communicated these to employees throughout the Company in 2021 to reflect changes in official COVID-19 safety requirements. These included several coronavirus testing facilities, vaccination, and booster shot drives to keep our employees as safe as possible. We also continued providing masks and disinfectant at all of our premises and ensured that access to buildings and workplaces was controlled. We also progressed in preventive health management through various awareness events.

Management Commitment to Health, Safety & Environment

Dubai Municipality code of construction safety policy (section 12) requires the Contractor to be responsible for the safety of personnel and the public during the contract period, and further draws their attention to the fact that compliance with safety requirements stated therein shall not relieve the Contractor of his responsibility or liability under the Contract. A step-by-step approach should be taken to identify the hazards, assess the risks, and eliminate or control them. Sobha Constructions LLC strictly follows the Legislations and guidelines as per the UAE Government’s directives, which is relevant to construction safety practices to implement the health & Safety procedure and practices within the projects. The Management is organising, coordinating, and overseeing activities to achieve clearly defined objectives following policies and procedures. In construction, the management’s commitment to keeping workers safe (demonstrated through both words and actions) is critical for establishing and maintaining a positive safety climate. Important guidelines which Sobha Construction (SCL) follows to improve Health & Safety Culture within the projects are as follows:

- Develop safety policies, procedures, and guidelines to ensure they are aligned with other organisational priorities.
- Provide Management’s visibility to workers and reflect good HSE practices.
- Allocate adequate resources to implement safety activities effectively.
- Actively participate in meetings where hazards are reviewed.
- Establish a formalised process for corrective action.

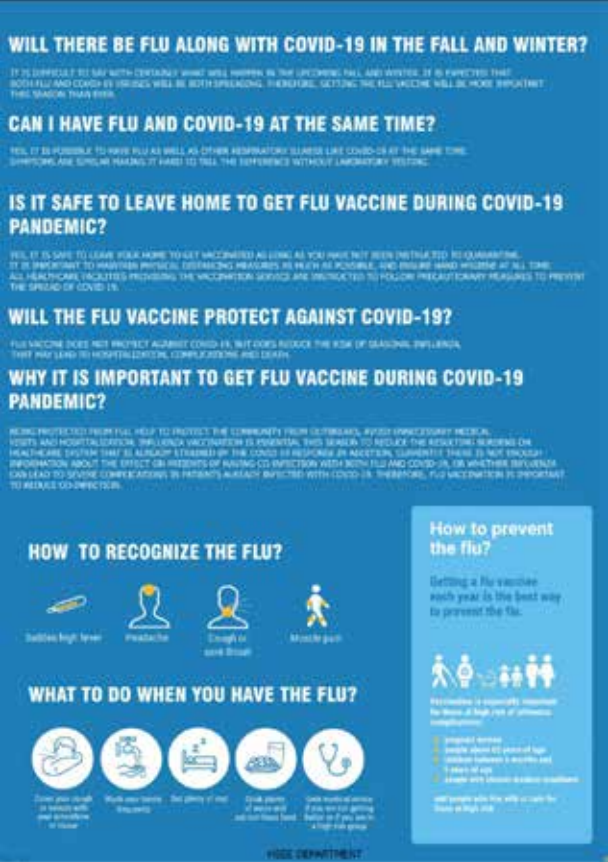
All the above methods are adopted in SOBHA CONSTRUCTIONS LLC in its projects to improve the Health & Safety Culture and to comply with the legal requirements. Below is the list of policies which are in place to ensure sound Health, Safety & Security within the organisation:

- Health, Safety & Security Policy
- PPE Policy
- Smoking policy
- Mobile Phone Policy
- Fines & Penalties Policy
- Safety Shoes Policy
- Key Control Policy
- Vehicle Cleanliness and Traffic Management Policy
- CAR Policy
- Workmen Compensation Policy

Health and Fitness Training for Security Staff



Doctor Consultations Drive



Flu and Covid Awareness Programme

Diabetes Awareness Programme





Fair Remuneration

Sobha treats all of its employees equally across the Group. Remuneration is a crucial factor in this context and impacts employee satisfaction. Since 2021, it has been a factor in the long-term remuneration of the Management Board and the first level of Management. Employees and managers have an opportunity to set targets in annual performance appraisals. These targets impact the performance-related variable remuneration component, particularly for employees in commercial roles.



Contribution to Urban Development

Neighbourhoods bring stakeholders with different interests together through varied ownership and tenant structures. To feel at home, many people want to be involved in decisions that will impact the environment around their homes. Participatory measures are, therefore, becoming increasingly important to strengthen acceptance of community development and the associated, often long-term, measures. Focusing on providing holistic solutions at a neighbourhood level makes it possible to align urban development specifically with social and ecological needs and to exploit synergies. Innovative solutions that enable buildings to be networked together are especially important if climate protection targets are to be achieved. Social cohesion can only be achieved by looking outside of one's front door and towards the neighbourhood. Sobha has mastered the craft of creating community friendly and lively masterplans and the developments within so as to support urban resilience.

Community Development and Contribution to Infrastructure

At Sobha, we offer people a home in its neighbourhoods. They must find a good neighbourhood where they feel comfortable, bringing different generations together. We are convinced that a liveable neighbourhood strengthens tenant loyalty and increases the value of residential properties. As a result, thinking and acting in terms of neighbourhoods is our main approach to finding solutions which will drive the economic, environmental, and social development of our urban housing portfolios. With this in mind, Sobha takes a holistic perspective on neighbourhoods and develops infrastructure tailored to suit the individual challenges of each neighbourhood. Through this approach it effectively combines master planning, structural design, climate protection and services to meet social needs.

In our view, developing these interconnected portfolios offers great potential for shaping construction and society and contributing to sustainable community development. Sobha’s neighbourhoods always align with clear climate protection and social compatibility. This adds joined-up approaches and new technology-based options to the range of measures available to shape our portfolio while creating places that fit the future from a social and environmental perspective. Synergy effects truly release their potential within the neighbourhood approach.

Inclusion and Social Cohesion

Through promotions and support measures, Sobha creates value for those who call our neighbourhood their home. These include people from a wide variety of cultural backgrounds. Sobha welcomed new tenants from >20 nations in 2021 comprising various age groups and social structures.



Case Study

One Park Avenue - A new Housing Project being delivered by Sobha



One park Avenue is the new-age luxury residences which offer the perfect balance between the indoors and outdoors. Surrounded by exquisite beauty, breath-taking views and stunning living spaces, where smart features intermingle with nature to assure sustainability of life, where ‘Greens’ outnumber the ‘Greys’, this architectural masterpiece offers a unique investment and living opportunity. This property is located in the renowned Sobha Hartland, the most desirable address in the heart of Dubai, with the ideal setting to embrace a perfect lifestyle. It has been delivered with sustainability as its core consideration and it embraces environmental and social considerations in a perfect blend.

Homes and Customers

Our business activities aim to provide people with their prized shelters – one of the most basic human needs. The needs and circumstances of our customers are just as diverse as our home buyers. One aspect that is of fundamental importance to us is being able to offer our customers the ability and the comfort to stay in their homes over a long term. One of the biggest challenges facing us in this action area is continuing to provide a wide range of housing at fair and transparent prices while achieving our objective of a climate-neutral property portfolio. Affordable housing remains a burning topic in public discourse. The housing situation in major metropolitan cities like Dubai is particularly critical which strengthens Sobha's commitment to providing adequate housing for all at fair prices.

Our homeowners and investors are at the centre of our business activities. Most importantly, our tenants feel at home in their apartments and neighbourhoods. Customer satisfaction is instrumental and is an important measure of Sobha's success. Our experience tells us that customer service availability, speed and transparency are pivotal in living up to expectations of the tenants and we want to excel by delivering an exceptionally high-quality service and care to the customers.



The S tower



Waves Grande



Waves



Crest



Communities

Sobha is proud to be an active member of the communities we serve. As such, we have a personal stake in helping our neighbours achieve their best lives. Our decisions and actions as a realty company can improve lives and make generational, transformative changes in our footprint's neighbourhoods, towns and cities. We see this as both a responsibility and a privilege.

Financial Donations & Contribution

Sobha makes philanthropic contributions to various worthy causes, including charitable donations and community investments. It also makes commercial initiatives or business-related activities in the community in partnership with charities and community organisations.

Al Jalila Foundation

During 2021, Sobha donated AED 150,000 towards the Cancer Centre – Al Jalila Foundation. In addition, the Company contributed AED 1.3 million for the overall social upliftment of its employees during 2021.

Other Group Initiatives: Shri Kurumba Educational and Charitable Trust

Mr. Menon's philanthropy has positively changed the lives of thousands, with half his wealth committed to charitable organisations.



Sobha Hermitage

A home for the elderly, Sobha Hermitage sprawls over 27 acres of green estates in the heart of Kerala. It is a place of warmth and affection, a true haven for the less fortunate. Further, our social rehabilitation scheme for young mothers ensures their safety and security with no costs incurred.



Sobha Rural Women Empowerment Programme

As a part of this program, Sobha covers the expenses of 50 widowed mothers of the Kizhakkenchery Panchayat, including their allowance, clothing, medical and other personal accessories. In addition, the educational expenses of their children are also taken care of to provide them with sufficient opportunities.



Sobha Vocational Training Centre

This program allows the less privileged to pursue a vocation of their choice with access to training centres for computers and music, paid apprenticeships, and employment opportunities.



Sobha Academy

With 900 students getting a quality education at no cost, Sobha Academy is truly helping India grow from its grassroots. It aims to educate the less fortunate and break the vicious cycle of poverty their families face. The rigorous selection process picks eligible candidates that come from less privileged backgrounds but have the potential to do more.



Employee Volunteering Engagement Programme



Sobha Facade

- **Women empowerment:** Women employee in-take has increased and in addition, we actively celebrate women’s day where women are recognized for being bold and choosing the road that is less tread.
- **Yoga Classes:** Practical workshop to all staff on yoga was conducted and DIY postures were taught.
- **Health Camp:** Dental, eye and blood tests are being organized on a regular basis for the staff to check health levels and ensure that they remain healthy.
- **Training:** Skill building sessions for bottom-line workers on Lean Six Sigma, safety standards and other best practices, including supply workers. This creates inclusivity
- **Clean-up Al Marmoom campaign:** Participated and won the competition in collecting highest bottle caps along with SCL in a campaign organised by Dubai Racing Club
- **Covid-19 –** Health screening & vaccination were made available for the staff.
- **Children’s day family gathering:** Painting competition was held for kids on children’s day to encourage wider participation and to inculcate a sense of social inclusiveness.



Sobha Community Management (SCM)

At Sobha Community Management, the vision of community life is translated to experience. To realise this vision, Sobha has established the Sobha Community Management (SCM) platform, which will be a dedicated customer-centric entity. SCM is incorporated as a Limited Liability Company, under Trade License #1085884 (Issue date: 2 August 2022).

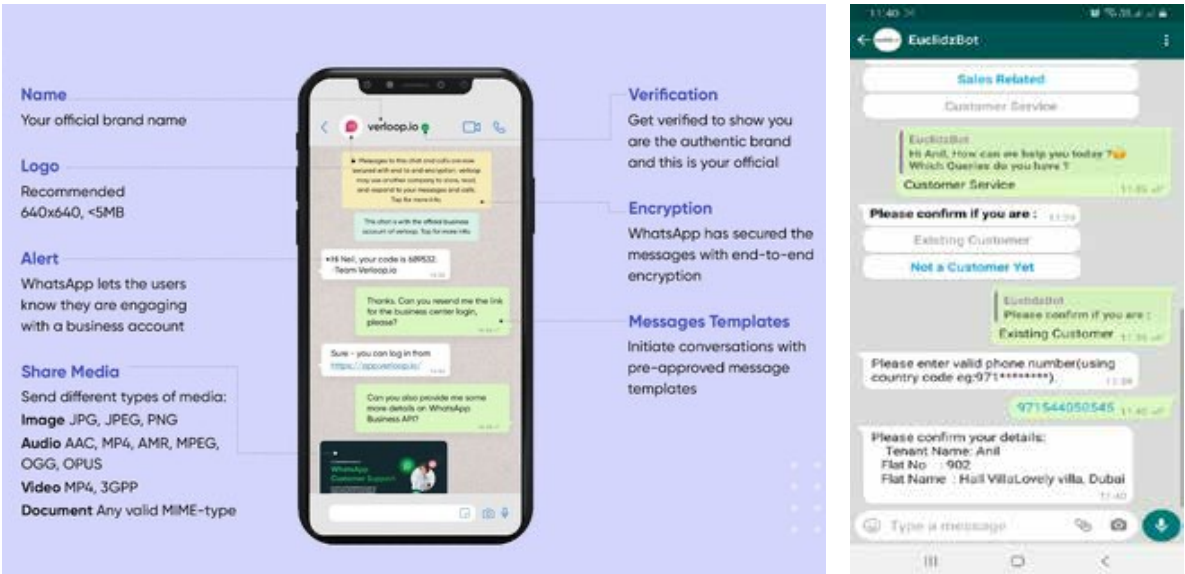
The Sobha group enjoys a sterling reputation with respect to quality, craftsmanship, and delivery. Upholding this legacy, SCM goes beyond property sales and aims to manage every aspect of a community while providing exemplary “Association Management Service” where the resident is considered the ultimate priority. SCM aims to craft a lifestyle where Community living, and a sense of belongingness prevails. This will reflect in the events and experiences that will be introduced, including celebrations, community awareness events, and safety campaigns, among others.

In 2022, SCM took over the Management of One Park Avenue Community – its first community. As such, SCM soon endeavours to take over other older communities currently managed by third-party companies and for all the upcoming projects.



Using technology to deliver Help Desk Services through Chatbot

At Sobha, we are using technology to enhance our customers’ experience, powered by Conversational Automation and Artificial Intelligence (AI) to reimagine the customer journey across acquisition, engagement, and retention. We have deployed FM bot to enable a full-time, multicultural, multi-ethnic, and multi-voice culture AI-Powered Chatbot that can speak to our customers and help them with all their queries and transactions. An FM bot is an Artificially Intelligent Human, supported by a unique and advanced Conversational AI Chatbot with voice recognition well beyond conventional chatbots. We can facilitate 24x7x365 energetic support and communications with our clients in their language of preference. With a unified approach and armed with a chatbot available across 14+ Social Channels and 50+ languages, we can digitally transform our service levels to our clients.



Latinem Customer Experience (Case Study)

Serving our customers – Our key Stakeholders

Some of the critical customer-driven capacity development programs included new services as part of our sustainability drive and customer experience:

- Customer experience: Welcome and Move in training
- Concierge services
- Home Inspection for units
- Upkeep of units till handover
- Backward integrated initiatives
- Latinem Home health check
- 24X7 Customer service team
- 24X7 Emergency cleaning team
- Driving toward the SPOC service delivery approach



Scope of Work / Main features:

- WhatsApp connected with LATINEM
- Integrated with CAFM for ticket generation
- Live Agent to interact with customers on-demand basis for feedback and complaints
- Advanced Conversational AI - NLP, NLU & ML
- Multilingual– English & Arabic, among others
- Helpdesk 24X7X365
- Call Analytics & IVR option

Benefits to the organisation

- Chatbot will provide immediate communication.
- Possible to communicate via relevant channels.
- Helps residents to search for information.
- Personalizing and Streamlining the Process
- Making FM Service More Responsive

GOVERNANCE

Corporate Governance

One of our most valuable assets at Sobha Realty is our reputation for integrity. We are judged by our conduct, and we must act in a manner that merits public trust and confidence. We believe that a strong governance program is the foundation for a sustainable and well governed company. Accordingly, we continuously evaluate our structures, processes, and controls to ensure they support and promote accountability, effectiveness, transparency, and ethical behaviour. Our strong corporate governance ensures that there is accountability and integrity within our management practices. Our Board of Directors is charged with governance and is responsible for overseeing the strategic direction of the company. The Board of Directors maintain the Executive committees to approve matters on an as-needed basis

Board of Directors

Our Board of Directors provides oversight of and guidance to, our executive management team in the development of corporate strategy risk management, corporate culture and other important aspects of our business, including ESG topics. In order to provide such oversight and guidance, we believe it is important that the Board include strong members representing a diverse range of backgrounds and experiences calibrated to the evolving needs of our business and stakeholders. Sobha's Board of Directors, which constitutes the company's highest decision-making body, places a great emphasis on a strong governance system to help achieve its long-term growth and objectives. The board is responsible for ensuring the effectiveness of the company's management in managing the company's businesses. Our directors' average tenure is X.X years. The Board is supported by Sobha's Executive Management Committees, which are responsible for managing day-to-day operations and key business issues in line with the strategic framework of the company. The Board is committed to continuously enhancing the value of the company, taking into account the interests of all stakeholders, including its employees, suppliers, customers and business partners, as well as the communities in which the company operates.

Board of Directors



Founder & Chairman

PNC Menon

Mr. PNC Menon is a Founder Chairman of Sobha Group. He began his career in the Middle East in 1976 and established himself as one of the largest turnkey interiors and contracting solutions providers in the GCC region.

By 1984, he had demonstrated his ability to consistently deliver world-class quality standards, which most international competitors were unable to match. Mr. Menon’s entrepreneurial journey of four decades has enabled Sobha Group to emerge as a multinational, real estate and construction group with significant interests and investments in India, UAE, Qatar, Bahrain, Brunei and Tanzania. Based in Dubai, he remains focused on further capitalizing on the company’s ambitious growth plans.



Managing Director

Francis Alfred

He is Managing Director and Chief Executive Officer at Sobha Realty, overseeing the expansion and diversification of the company’s real estate development business

Bringing over 22 years of experience to his role, Alfred is responsible for the overall management of Sobha Realty Dubai, and monitoring of master planning, project lifecycle, design and delivery of Sobha’s real estate projects under development. He holds a Bachelor of Civil Engineering degree with distinction from Annamalai University in Tamil Nadu, India



Group CFO

Mr. T. P. Sanjaya Sarathy

He is an Associate Chartered Accountant from the Institute of Chartered Accountants of India (ICAI). He has a total of 38 years of work experience.

Mr. Sarathy is currently Group CFO and has worked at strategic levels for various group entities for 30+ year and has proven his capability in the areas of business development, people management, financial strategy turnaround, special purpose fund raising, trade operations, business strategy, and organizational change management.



CFO

Mr. Sudhindra Kumar Nagaraj

He is an Associate Chartered Accountant from the Institute of Chartered Accountants of India (ICAI) and Chartered Public Accountant (CPA-Ireland). He has a total of 17 years of work experience.

He is Chief Financial Officer at Sobha Realty and overseas financial strategy development and execution to support the disruptive growth of the business and transform the company’s vision at organization level.

Promoting Long-Term Sustainable Success

Sobha Realty’s principal duty is to deliver lasting, sustainable success and generate value for shareholders and other investors, whilst being mindful of our impact on stakeholders and wider society. 2021 was another year of financial and operational outperformance. Once again, earnings grew strongly, supported by record levels of new contracted rent and development completions. Looking ahead, the combination of income from the development programme, and the benefits of active asset management of our existing portfolio, should enable us to drive sustainable growth.

Investing for the Long-Term

Much of the Board’s decision making is focused around ensuring that the Company is sustainable in the long term. Each year, the Board considers our plans, which assesses the opportunities and risks for the Company over the following five years and forms the basis of our overall strategy. Once a year, the Board takes time to consider the long-term strategy of the business, incorporating presentations and discussions on longer-term opportunities and threats to the business. Throughout the year, the Board has overall responsibility for the Company’s approach to risks and ensures they are effectively and consistently managed. It reviews the measures in place to mitigate the near and longer-term risks, including emerging risks, to the business. Real estate is inherently a long-term industry, and the Board therefore takes this into consideration in all of its decision making. The Board approved the current strategy, which included various positioning of the portfolio. The results have been felt over the past few years and are reflected in the strong financial and operational performance, high customer retention rates, low vacancy and strong employee engagement scores, which have all contributed to our business performance.

Board Committees Oversight

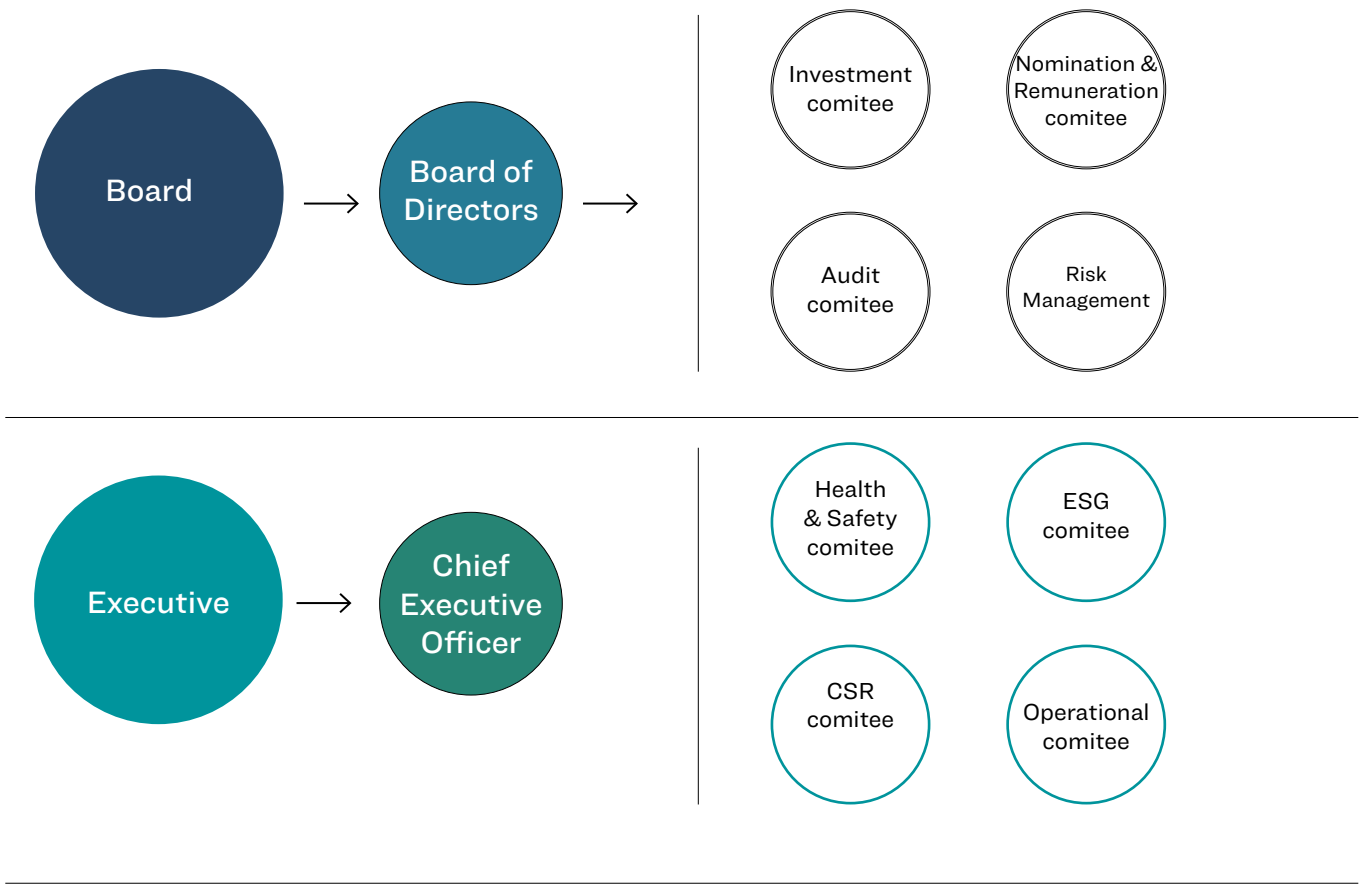
The Board retains responsibility for the approval of certain matters which include Group strategy; the annual budget; major investments and disposals; and the financial structure. The Board has delegated a number of its responsibilities to its committees as listed below

- 1. Nomination & Remuneration Committee
- 2. Audit Committee
- 3. Investment Committee
- 4. Risk Management Committee
- 5. ESG Committee
- 6. Operations Committee
- 7. Health & Safety Committee
- 8. CSR Committee

The division of responsibilities of the Chair, Chief Executive and Directors are clearly established in writing and approved by the Board. For further information on the responsibilities of each Board member, see the Governance Framework.

The day-to-day running of the Group is delegated by the Board to the Chief Executive Officer who is supported by the Executive Committee. The Executive Committee supports the Chief Executive Officer in the delivery of strategy and reviews operational and financial performance. The Committee carries out a pre-approval review of items requiring Board authorisation. It also acts as a primary approval channel for matters delegated by the Board at each of its meetings.

Governance Framework



Investment Committee

- The principal role of the committee is to oversee the Company’s evaluation of contemplated investment and portfolio companies on behalf of the Board and report the results of their activities to the Board.
- To review and discuss with management the diversity and risk of the Company’s investment portfolio, and, where appropriate, make recommendations respecting the sale or addition of portfolio investments.
- The committee shall meet at least four times a year and otherwise as required



Risk Management Committee

- The principal role of the committee is to advise the board on the company's overall risk appetite, tolerance and strategy, and the principal and emerging risks the company is willing to take in order to achieve its long-term strategic objectives
- Assist the Board in its oversight of risk, reviewing the Group's risk appetite and risk profile in relation to capital raising, liquidity management, investments / expansion, development activities, and regulatory compliance
- Establishment of a risk management framework to assess risk profile of Company and compliance of statutory requirements, and oversight of implementation and review of the effectiveness of the risk management framework and plans in identifying and managing risks,
- The committee shall meet at least four times a year and otherwise as required

Nomination & Remuneration Committee

- The principal role of the Committee is to make recommendations to the Board on all aspects of the remuneration policy for Sobha employees
- Design remuneration policies and practices to support strategy and promote long term sustainable success and employee well being
- Review the ongoing appropriateness and relevance of the remuneration policy
- The committee shall meet at least two times a year and otherwise as required

Audit Committee

- The principal role of the committee is to assist the Board in discharging its responsibilities for monitoring the integrity of the Company's financial statements and the effectiveness of the systems of internal controls
- To monitor the appointment / re-appointment / removal, effectiveness, performance and objectivity of the internal and external auditors
- Assess the effectiveness of the company's controls and review of comprehensive framework.
- The committee shall meet at least four times a year and otherwise as required

ESG Committee

- To assist the CEO in setting the Company's general strategy with respect to ESG matters, and to consider and recommend policies, practices, and disclosures that conform with the strategy.
- To oversee determine Environmental, Social, and Governance (ESG) disclosure and its reporting quality.
- Reviewing performance of the Company in the areas of ESG.
- To assist the CEO and Board as appropriate in overseeing internal and external communications regarding the Company's position or approach to ESG Matters.
- To consider and bring to the attention of the CEO, and Board as appropriate, current and emerging ESG Matters that may affect the business, operations, performance or public image of the Company, and to make recommendations on how the Company's policies, practices and disclosures can adjust to or address current
- To put systems in place, as deemed necessary and appropriate, to monitor ESG matters.
- To perform such other duties, tasks, and responsibilities relevant to the purpose of the ESG Committee as may from time to time be designated by the CEO.

Health & Safety Committee

- Developing and managing the implementation of health and safety policies and reviewing the outcomes of the health & safety working group as well as any other health & safety matters.
- Facilitating productive discussions among employees and management relative to safe workplace practices
- Reviewing and evaluating accident investigation reports.
- Reviewing, discussing and evaluating departmental health & safety plans and health & safety suggestions from employees.

Operations Committee

- Reviewing, overseeing and guiding the overall operations of a corporation or business.
- Developing insights into the business operations and suggest strategic directions for the company and business policy implementation.
- Advising the business on financial matters related to business goals and overall financial outlook.

CSR Committee

- Monitoring the CSR policy of the Company from time to time.
- Establishing the transparent controlling mechanism for the implementation of the CSR projects or programs or activities
- Reviewing performance of the Company in the areas of CSR.
- Submitting an annual report of CSR projects/activities to the board.
- Monitoring CSR Policy from time to time.

Sustainability Governance

In this first year of our ESG reporting, we have achieved some early milestones which support our sustainability ambitions. Many of these achievements are highlighted through the various sections of this report (please see indexes for easy references). Going forward, we are in the process of establishing our sustainability roadmap with climate action as an Integral part of It. As part of it, it is our plan to establish a time bound emission reduction strategy focussing on the scope 1 and scope 2 emissions. To achieve these, we recognise the need for having the appropriate sustainability governance structures in place.

Sustainability Governance Framework

The responsibility for Sobha’s sustainability performance rests with the CEO. The CEO is supported by the Chief Financial and Sustainability Officer which reports directly into the Executive Management Committee (EMC), a sub-committee of the Board. The ESG committee, is tasked with accelerating the integration of ESG topics across Sobha group. The EWSG committee consists of senior executives from across each business unit and all core group functions including Risk Management, Procurement and Human Resources. This ensures representation from key stakeholders who are responsible for implementing our corporate sustainability strategy. The committee is responsible for driving the sustainability agenda across all the different businesses within Sobha and supporting the Sustainability & CSR department in implementing the sustainability strategy and carrying out initiatives to increase awareness, improve collaboration and promote sustainability across the business.

ESG Committee

In FY2022, the Board established the Environmental, Social and Governance Committee with a charter to provide oversight and review of policies, programmes, practices, strategies, and approach to ESG topics. ESG updates are regularly given to the Sustainability/ESG Committee as well as the Board of Directors

Members of the Sustainability/ESG Committee

- Chief Sustainability Officer (chair)
- Managing Director
- Chief Financial Officer
- Vice President Development
- Chief Communications Officer
- Chief Risk Officer
- Chief Human Resources Officer
- Director of Investor Relations

Business Ethics

Doing the right thing is central to achieving our vision to be the developer people most value and trust. Our vision is a commitment that inspires our employees to create a great customer experience, an engaging workforce, and vibrant communities. It is the foundation of Sobha’s reputation as a respected corporate citizen and this commitment begins with each Sobha employee doing the right thing. As a leading high quality real estate developer, we consider it our prime responsibility to lead by example in upholding high standards of ethical business practice. Compliance with all applicable laws and regulations is a default matter and we have put together framework in place to navigate the legal frameworks and to ensure that our business ethics and reputation are not compromised.

Ethics Programme

Sobha Realty’s Ethics programme is comprehensive and is put in place to uphold the values and image. This section of policy applies to all employees and stakeholders of the company and its consolidated subsidiaries and to all members including company’s Board of Directors. Further, we expect our suppliers, vendors, contractors, and joint-venture partners to behave in accordance with this policy when working with us. The ethics policy addresses violation of laws, bribe, corruption, stealing, leaking confidential or proprietary information, activities in violating company policies etc.

Whistle-blower Protections

As employees and representatives of the organization, they must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations of the country they operate and live in. This policy is formulated to provide mechanism to employees to access the Whistle Blower mechanism in the Group companies and to disclose unethical and improper practices or any other alleged wrongful conduct and to prohibit managerial personnel from taking any adverse action against such employees (Whistle Blowers). No discrimination, harassment, victimization or any other unfair employment practice like retaliation, threat or intimidation of termination /suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like will be adopted against Whistle Blowers.

Employee Code of Conduct

Our Code of Business Conduct and Ethics is anchored by our Sobha guidelines and is a critical Board-approved tool for employees to adopt and implement our core values in our daily work. It outlines our responsibility to do the right thing, serve with honesty and integrity, and act in compliance with both the letter and the spirit of the law. Our Code of Conduct for employees is considered the most important document at the company. It is the foundation on which all the business practices at the company are constructed and, for that reason, it is considered a critical one for each employee to read and understand. Standards of Business Conduct and Ethics for Employees is a values-based document, rather than compliance based, which means it goes beyond a simple listing of right and wrong. Every employee and contractor is required to read, comply with, and annually acknowledge the Code.

Discrimination and Harassment

Discrimination, harassment, or intimidation are not tolerated for any reason. This includes discrimination on the basis of an individual’s race, colour, national origin or ancestry, citizenship status, creed, religion, sexual orientation, transgender status, marital status, an individual having been a victim of domestic violence, sexual assault or abuse, or any other status protected under applicable laws.

Human Rights

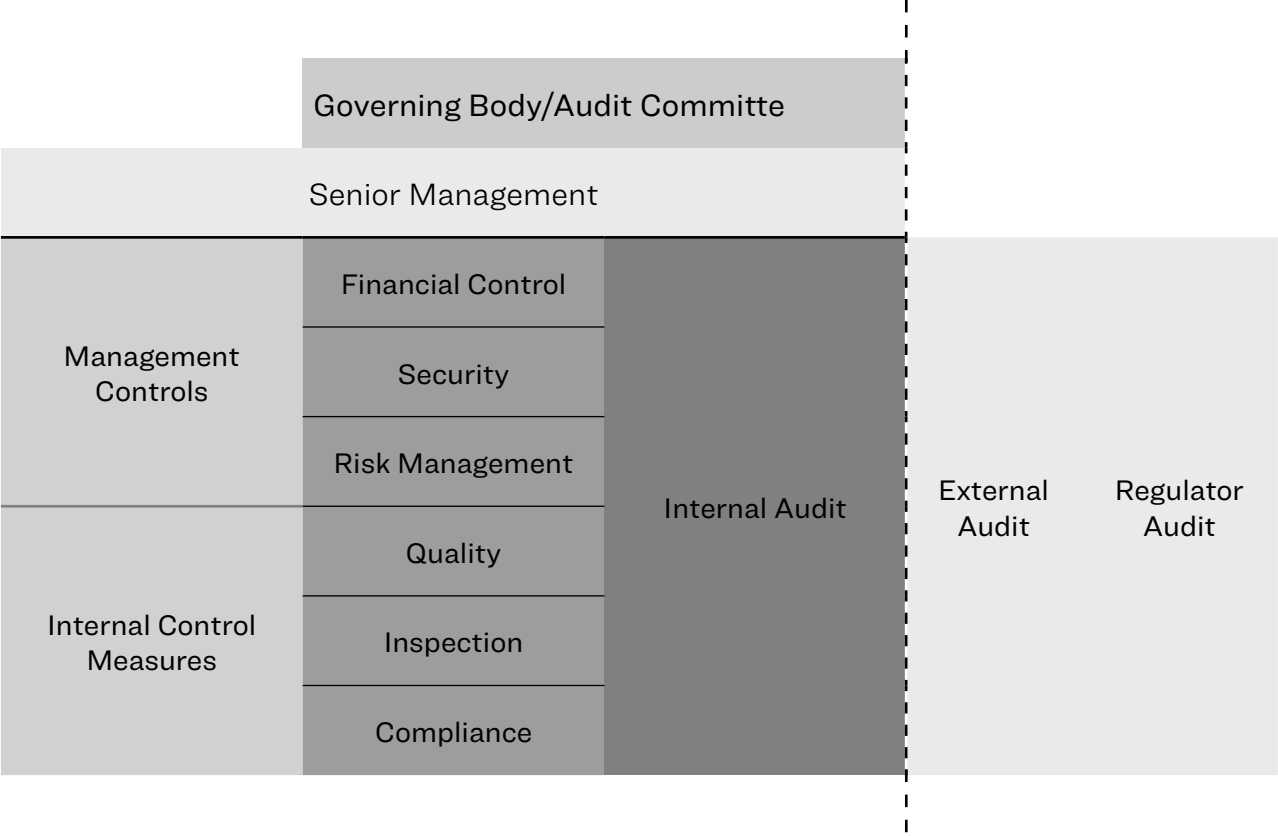
We strive to be an engaged, influential and active corporate citizen. We approach this by staying true to our values and by maintaining good governance standards and processes at the corporate, and asset level. Various firm-wide and regional policies are in place across the business to ensure compliance with laws and regulations and to ensure our values on ethical matters are understood by our employees. These include policies on anti-bribery and corruption, whistleblowing, health and safety, engagement of suppliers and employment policies and procedures, in relation to equal opportunities/diversity, recruitment, health and safety and employee behavior. We continue to review the current policies, procedures and training initiatives for our business to ensure that they fully reflect our commitment in relation to human rights and ethical practices. Within these policies, requirements exist regarding measures taken to avoid or mitigate risk, such as due diligence procedures, supplier education and policies, standard contract language and avoidance of high-risk regions.

Striving to be the Company that people most value and trust requires operating at the highest ethical standards and upholding the dignity of the individual through every interaction, including with our customers, employees, communities, and shareholders. We support fundamental principles of human rights as set forth in the United Nations Universal Declaration of Human Rights.

Customer Privacy and Information Security

Privacy continues to be a high priority for customers. Sobha understands this because we understand the value of the data we collect. We are determined to protect this data to maintain our customers’ confidence and their financial futures. This requires a partnership among the various teams at Sobha. Information Security, Data Privacy and Fraud Management are some key players in the protection of data. More important are the thousands of employees and contractors who work diligently to protect data every day, through their use of special tools when sharing data, restricting access to data, and identifying and reporting of potential phishing attacks targeted at stealing data. Protecting customer data is a team effort focused on mitigating the many evolving threats within the cyber landscape.

Enterprise Risk Management



Sobha’s Enterprise Risk Management (ERM) function addresses and manages all risks that could negatively impact the company’s ability to achieve its strategic objectives. A dedicated ERM team is responsible for helping the company’s business units to identify, assess and put in place control plans for existing and emerging risks. Sobha recognizes that climate risk is a business risk and accordingly factors climate risks in its ERM process.

Risk Identification: This is being administered through 5 levels of controls as depicted in the above ERM framework.

Risk Mitigation: Identified risk is escalated to different level of hierarchy based on the value and risk level. This is discussed and the way to mitigate is agreed upon. Risk mitigation process includes, Identify the risk, perform risk assessment, prioritize, track risks, implement & monitor progress.

Risk Controls: Overall controls are being done by different controls systems in place to ensure that the company achieves its goals without any delays and issues.

- 1. Financial Controls
- 2. Budgetary Controls
- 3. Health, Safety & Environment Controls
- 4. Legal & Compliance Controls
- 5. Process Controls
- 6. Quality Assurance & Controls
- 7. Corrective & Preventive Maintenance
- 8. Insurance
- 9. IT Controls

Safety

Our safety management processes could fail, leading to a loss of life, litigation, fines and serious reputational damage to the Company. This risk is heightened by the continued scale of the Group's development activity. The Group manages an active health and safety management system, with a particular focus on managing the quality of and compliance with good health and safety practice of all our suppliers.

A published health and safety policy is supported by site inspections of existing assets, as part of proactive management, and development project inspections in line with Sobha Realty's Health and Safety Construction Standards. Sobha Realty seeks to improve health and safety standards on our development sites and continues to work closely with our suppliers and health and safety consultants to increase understanding and implementation of Sobha Realty's requirements.

The Health and Safety Working Group is responsible for overseeing the implementation of, and compliance with, the Health and Safety Policy and Safety Management System. We undertake continuous monitoring of health and safety practices, including incidents, inspections and training tracked across the Group. Legal guidance and further support are provided through local health and safety consultants who provide regulatory assurance support to the Group alongside our internal expertise.

During 2021, the health and safety team have continued to prioritise the safety of the internal workforce whilst working away from the office and the management of available office space to the extent permitted by local regulations, in the context of the pandemic. Furthermore, the team has also worked with our contractors to ensure that work on our development sites was undertaken in a safe and compliant manner.



ESG Boundary and Reporting Criteria

This report includes quantitative and qualitative data that we have collated across Sobha group using established guidelines and practices. The findings are presented in the published Sobha ESG Report 2021. The boundaries of our reporting cover unless otherwise stated, Sobha’s operational scope, which comprises of 4 active development projects in Hartland, S tower project in sheikh zayed road, Infrastructure activities (materially in construction), scope of assets comprising Greens phase-1,2&3, Master community, Villa community and the sales village across Residential portfolios. Also included are the operational scope from Sobha Façade one of its verticals. The scope of each individual indicator varies depending on data availability and specific conditions if any are outlined in the foot notes in the main body of the report.

Sustainability Background

Sustainability has always remained a core component of our business ethos and it is important that we articulate our philosophy and approach in line with the local, regional, and global trends. Sobha is aligning itself with key initiatives of the region including UAE strategic initiative to reach net zero by 2050, Dubai’s demand side management programs and the UAE Green Agenda. We have also aligned ourselves with ten of the Sustainable Development Goals that are most relevant for our business. We have expressed our support to TCFD, a Framework to help public companies and other organizations disclose climate-related risks and opportunities.

Energy & Emissions

Energy Consumption

This indicator includes 4 development projects for this reporting period which includes The Creek vista reserve, The One park Avenue(OPA), Villa phase 3 (11 villas), The S tower and the Infrastructure works associated with the developments. We have included the master communities, villa communities, Sales offices (within hartland) and the residential communities of Greens Phases-1,2 & 3.) We have further included Sobha Façade, a key vertical of Sobha in our emissions calculations. This indicator excludes tenant assets which are under tenant control. We also excluded Sobha’s offices at Sobha Saphire where we were not able to obtain consistent information for the reporting period. The calculation of this indicator includes Scope 1 and 2 fuel consumption, consumption of electricity, and consumption of cooling energy .Where data was not available, we considered it as not applicable. All calculations were based on site-specific activity data collected by various teams of Sobha including its construction, infrastructure , Latinem FM and the Façade factory. We have made every effort to capture the activity data as accurately as possible and use them as consistently as feasible.

GHG Emissions

The scope and the boundary for the emissions are the same as for energy consumption. We report for Scope 1 and Scope 2 emissions on assets where Sobha has operational control. Scope 1 calculation includes direct emissions from fuel consumptions which is diesel . It does not include the emissions from refrigerant gasses as data was not available. Scope 2 calculation includes emissions from electricity and cooling consumption where available. We are yet to assess our scope 3 emissions and plan to do so in the future.

Energy & Emissions over time

The figures provided are not strictly like for like given the fact that the Hartland project is comprising several development projects and few projects transition to operating ones over a period of time. Hence at this point in time, while the figures indicate the absolute emissions arising from these developments and operating assets, they cannot be compared in a like-for-like manner

Water

Absolute water consumption

This indicator includes 4 development projects for this reporting period which includes The Creek vista reserve, The One park Avenue(OPA), Villa phase 3 (11 villas), The S tower and the Infrastructure works associated with the developments. We have included the master communities, villa communities, Sales offices (within Hartland) and the residential communities of Greens Phases-1,2 & 3.) We have further included Sobha Façade, a key vertical of Sobha in our emissions calculations. This indicator excludes tenant assets which are under tenant control. We also excluded Sobha’s offices at Sobha Saphire where we were not able to obtain consistent information for the reporting period. The scope includes water purchased from utilities, water purchased in tankers as well as the TSE water being used for irrigation purposes.

Water consumption over time

The figures provided are not strictly like for like given the fact that the Hartland project is comprising several development projects and few projects transition to operating ones over a period of time. Hence at this point in time, while the figures indicate the absolute emissions arising from these developments and operating assets, they cannot be compared in a like-for-like manner.

Waste

This indicator includes 4 development projects for this reporting period which includes The Creek vista reserve, The One park Avenue(OPA), Villa phase 3 (11 villas), The S tower and the Infrastructure works associated with the developments. We have included the master communities, villa communities, Sales offices (within Hartland) and the residential communities of Greens Phases-1,2 & 3.) We have further included Sobha Façade, a key vertical of Sobha in our emissions calculations. This indicator excludes tenant assets which are under tenant control. We also excluded Sobha’s offices at Sobha Saphire where we were not able to obtain consistent information for the reporting period.

Accuracy.

Assumptions and conditions surrounding the data are mentioned in the notes in the sections.

Balance and Comparability

The data has been chosen to reflect the needs of the times and they are also resonating with the materiality findings and the global trends. The data correspond to the years 2019,2020 and 2021.

Gri Content Index

Gri Standard	Description	Content Location And / Or Direct Answer
Gri 101: Foundation 2016		
General Disclosures		
Organizational Profile		
102-1	Name of the organization	Sobha
102-2	Activities, brands, products, and services	Real Estate Management & Development
102-3	Location of headquarters	Dubai
102-4	Location of operations	Dubai
102-5	Ownership and Legal form	Limited Liability Company
102-6	Markets served	UAE
102-7	Scale of the organization	Sobha at a glance
102-8	Information on employees and other workers	Refer to social section
102-9	Supply chain	Sobha's supply chain is predominantly focused on real estate development and operations of its properties. In addition to our backward integrated model adequately addressing our major requirements in design and construction, we also directly engage with several third-party suppliers for the procurement of materials and services.
102-10	Significant changes to the organization and its supply chain	We had no significant changes to our organisation or our supply chain in 2021
102-11	Precautionary Principle or approach	Sobha undertakes a thorough assessment of its projects to assess its impact on the environment as necessitated by the authorities.

Gri Standard	Description	Content Location And / Or Direct Answer
102-12	External initiatives	<ul style="list-style-type: none">• UN SDGS• UAE Net Zero by 2050 Strategic Initiative• Green Vision UAE 2021• Dubai Green building code• National Climate Change Plan of the United Arab Emirates 2017-2050• UAE Green Agenda
102-13	Membership of associations	TCFD
Strategy		
102-14	Statement from senior decision-maker	Chairman's Letter.
102-15	Key impacts, risks, and opportunities	Key Physical and Transition Risks
Ethics & Integrity		
102-16	Values, principles, standards, and norms of behaviour	Business Ethics
102-17	Mechanisms for advice and concerns about ethics	Business Ethics
Governance		
102-18	Governance structure	Corporate Governance Report
102-19	Delegating authority	Corporate Governance Report
102-20	Executive-level responsibility for economic, environmental, and social topics	Board Committees Oversight
102-32	Highest governance body's role in sustainability reporting	Sustainability Governance
102-40	List of stakeholder groups	Stakeholder Engagement
102-42	Identifying and selecting stakeholders	Stakeholder Engagement
102-43	Approach to stakeholder engagement	Stakeholder Engagement
102-44	Key topics and concerns raised	Materiality

<i>Gri Standard</i>	<i>Description</i>	<i>Content Location And / Or Direct Answer</i>
---------------------	--------------------	--

Reporting Practices

102-45	Entities included in the consolidated financial statements	<ul style="list-style-type: none"> PNC investments LLC – The Holding Company Sobha LLC -Subsidiary (The Developer) Sobha lifestyle city LLC- Subsidiary
102-46	Defining report content and topic Boundaries	ESG Boundary and Reporting Criteria.
102-47	List of material topics	Materiality and stakeholder engagement.
102-48	Restatements of Information	Not Applicable as this is the first report.
102-49	Changes in reporting	Not Applicable as this is the first report.
102-50	Reporting period	The data presented covers calendar year 2021 unless otherwise stated.
102-51	Date of most recent report	Not Applicable.
102-52	Reporting cycle	Annual

Material Topics – Topic Specific Disclosures

GR 103 Management Approach

103-1	Explanation of the material topic and its boundary	Our approach to materiality assessment. ESG Boundary and Reporting Criteria.
103-2	The management approach and its components	Strong leadership commitment to sustainability.
103-3	Evaluation of the management approach	Climate Risk Assessment.

Economic Performance

201-2	Financial implications and other risks and opportunities due to climate change	Climate Risk Assessment.
201-4	Financial assistance received from government	No financial assistance was received from the government.

<i>Gri Standard</i>	<i>Description</i>	<i>Content Location And / Or Direct Answer</i>
---------------------	--------------------	--

Anti-Corruption

205-3	Confirmed incidents of corruption and actions taken	No cases of corruption-related incidents were detected in 2021.
-------	---	---

GR 103 Management Approach

103-1	Explanation of the material topic and its Boundaries	<ul style="list-style-type: none"> Our approach to materiality assessment. ESG Boundary and Reporting Criteria.
103-2	The management approach and its components	Our Climate Strategy.
103-3	Evaluation of the management approach	Environment-Our Climate Strategy.

Energy

302-1	Energy consumption within the organization	Environment—Energy and Emissions.
-------	--	-----------------------------------

Water and Effluents

303-1	Interactions with water as a shared resource	Environment-Waste and Water.
303-5	Water consumption	Environment-Waste and Water.

Emissions

305-1	Direct (Scope 1) GHG emissions	Environment—Energy and Emissions;
305-2	Energy indirect (Scope 2) GHG emissions	Environment—Energy and Emissions;

Waste

306-1	Waste generation and significant waste-related impacts	Environment-Waste and Water.
306-2	Management of significant waste-related impacts	Environment-Waste and Water.
306-3	Waste generated	Environment-Waste and Water.

Environmental Compliance

307-1	Non-compliance with environmental laws and regulation	Sobha did not receive any penalties for noncompliance with respect to environmental laws and regulations in 2021.
-------	---	---

<i>Gri Standard</i>	<i>Description</i>	<i>Content Location And / Or Direct Answer</i>
GRI 103 Management Approach 2016		
103-1	Explanation of the material topic and its Boundaries	<ul style="list-style-type: none"> ESG Boundary and Reporting Criteria.
103-2	The management approach and its components	Our Sustainability Pillars in the Social Section of the report.
103-3	Evaluation of the management approach	Social Section of the report.
Employment		
401-1	New employee hires and employee turnover	Investing wisely in employees.
Occupational Health & Safety		
403-1	Occupational health and safety management system.	Upholding Worker Welfare, Health & Safety
403-2	Hazard identification, risk assessment, and incident investigation.	Upholding Worker Welfare, Health & Safety
403-3	Occupational health services.	Upholding Worker Welfare, Health & Safety
403-4	Worker participation, consultation, and communication on occupational health and safety.	Upholding Worker Welfare, Health & Safety
403-5	Worker training on occupational health and safety.	Investing Wisely in Employees (Training).
403-6	Promotion of worker health.	Upholding Worker Welfare, Health & Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.	Upholding Worker Welfare, Health & Safety
403-8	Workers covered by an occupational health and safety management system.	Upholding Worker Welfare, Health & Safety
403-9	Work-related injuries.	Upholding Worker Welfare, Health & Safety
403-10	Work-related ill health.	Upholding Worker Welfare, Health & Safety

<i>Gri Standard</i>	<i>Description</i>	<i>Content Location And / Or Direct Answer</i>
Training and Education		
Average hours of training per year per employee	Investing Wisely in Employees (Training).	No cases of corruption-related incidents were detected in 2021.
Programs for upgrading employee skills and transition assistance programs.	Investing Wisely in Employees (Training).	<ul style="list-style-type: none"> Our approach to materiality assessment. ESG Boundary and Reporting Criteria.
Percentage of employees receiving regular performance and career development reviews.	Investing Wisely in Employees (Training).	Our Climate Strategy.
103-3	Evaluation of the management approach	Environment-Our Climate Strategy.
Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees.	Inclusion, Diversity & Equal Opportunity.
Non-discrimination		
406-1	Incidents of discrimination and corrective actions taken.	Sobha did not face any legal action or any recorded incident in relation to discrimination within the organisation in 2021
Customer Health and Safety		
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	No incidents of non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of products and services.

