

ESG REPORT

2023



Art of the Detail

Carving Sustainability Through Precision and Care

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The release of Sobha Group's third consecutive Environmental, Social, and Governance (ESG) Report highlights our ongoing commitment to transparency, accountability, and sustainable practices.

ABOUT THE REPORT

Welcome to Sobha's 2023 Sustainability Report, which presents an overview of our ESG performance, future outlook, and commitments to sustainability.

Our third ESG report represents a significant evolution from our inaugural edition, showcasing the growth and development of our sustainability initiatives. Fundamental changes include an expanded emissions boundary due to increased operations, a comprehensive estimation of our corporate value chain emissions, and the incorporation of data from all Sobha entities, which is essential for unified reporting.

We have also introduced recent achievements detailing our ESG journey and achievement of GRESB rating and disclosed our plan for setting ESG targets. Additionally, we have obtained assurance for our ESG report, ensuring transparency and credibility in our reporting process and keeping you, our stakeholders, well-informed. These advancements have enabled us to achieve remarkable milestones in 2023, reaffirming our commitment to excellence in governance, social, and the environment.

The ESG Report captures the essence of our sustainability journey, from environmental stewardship and social impact to governance excellence. Our ESG initiatives are integral to our mission of building sustainable communities and fostering long-term prosperity. Aligned with international best practices, our ESG Report has been crafted in accordance with the Global Reporting

Initiative (GRI) standards encompassing both general and topic-specific disclosures relevant to Sobha Group's operations and initiatives. By adhering to the GRI standards, we ensure the credibility and reliability of our reporting, enabling stakeholders to make informed decisions and assessments of our sustainability performance. Additionally, this report has been independently assured by a third party, further solidifying its integrity and accuracy.

The report encompasses Sobha's operations within the UAE and includes the Group companies as detailed on pages 20-23.

As we embark on this sustainability journey, it is important to acknowledge that the content of this report also includes forward-looking statements. These statements are based on our current expectations, projections, and assumptions regarding future events and trends that may affect our business, operations, and performance. While we strive to provide accurate and insightful information, it is essential to recognize that actual results may differ materially from those expressed or implied in these statements due to various factors beyond our control.

We remain committed to transparency and will continue to update our stakeholders on our progress towards achieving our sustainability goals. If you have any questions or feedback about this report or Sobha Group's sustainability efforts, please feel free to reach out to us at sds@sobharealty.com.



MESSAGE FROM THE CHAIRMAN

Dear Valued Partners,

It is with great pride that I present Sobha's Environmental, Social, and Governance (ESG) Report for 2023, marking our third consecutive year of sharing our progress and achievements in Sustainability.

This year, we are proud to have reached several significant milestones that underscore our commitment to creating a positive impact on our environment and the communities we serve.

One of our most notable accomplishments is achieving a GRESB rating, the highest among first-time applicants. This recognition is a testament to our dedication to sustainability and transparency in our construction operations. Additionally, we have operationalized an ESG committee to ensure that our sustainability initiatives are guided by robust governance and strategic oversight.

Our commitment to excellence and unity was further demonstrated when we secured a place in the Guinness Book of World Records. With the unwavering support of our 5,100 employees, we created the world's largest helmet mosaic of the UAE flag, a symbol of our collective spirit and dedication.

At Sobha, we recognize the enormous responsibility we have towards the

communities in which we operate. This year, our philanthropic contributions and community engagement initiatives have made a significant impact in the UAE, India, and Oman. We have also taken important steps towards enhancing diversity within our organization, with improved representation of women across all levels.

Welcoming almost 6,000 new members to the Sobha family this year has strengthened our workforce and reinforced our commitment to growth and development. We have also developed our second Task Force on Climate-related Financial Disclosures (TCFD) report and initiated detailed scope 3 emission estimations, setting a clear path for addressing climate risk, and enhancing our sustainability reporting.

Looking ahead, we have pledged to ensure that all our ongoing and upcoming projects are certified as green buildings, reflecting our commitment to sustainable development & environmental stewardship.

I am immensely proud of the progress we have made and the dedication shown by our team. Together, we will continue to strive for excellence in our ESG efforts, fostering a sustainable future for generations to come.

Thank you for your continued support.

PNC MENON
Founder and Chairman, Sobha Group

MESSAGE FROM THE CO-CHAIRMAN

Dear Valued Partners,

As we present Sobha's Environmental, Social, and Governance (ESG) Report for 2023, I am proud to highlight our unwavering commitment to sustainability, across environmental, social, and governance aspects.

This year's report, themed "Art of the Detail: Crafting Sustainability Through Precision and Care," reflects our dedication to embedding sustainability into every facet of our operations through detailed planning, precise execution and care of our people and the planet.

We are dedicated to setting a comprehensive sustainability strategy with specific goals and targets across all verticals. Climate action remains one of our key agenda items, integral to our mission of fostering a sustainable future.

In 2022, Sobha undertook a pledge to support the Ministry of Climate Change and Environment (MOCCA) in its net zero 2050 strategic initiative, and since then, we have undertaken several significant initiatives to make this ambitious goal a reality. We have made substantial progress in piloting the use of biodiesel and implementing sub-meters to monitor and optimize our energy consumption. Our commitment to green building practices is evident through our pursuit of green building certifications and ensuring that all our buildings undergo energy simulation to achieve efficiencies significantly above baseline standards.

Recognizing the importance of understanding and mitigating climate risks, we have conducted comprehensive climate physical risk assessments and developed our second Task Force on Climate-

related Financial Disclosures (TCFD) report. These efforts underscore our proactive approach to addressing climate-related challenges.

Solar energy is a key component of our strategy, and we are currently undertaking multiple feasibility studies for solar PV projects, with one already operational. These projects are critical to reduce our reliance on non-renewable energy sources and lowering our carbon footprint.

Understanding that our supply chain emissions represent a significant portion of our overall carbon footprint, we have initiated detailed scope 3 emission estimations. We are actively seeking sustainable alternatives for several materials and have started analyzing our suppliers' sustainability initiatives using a third-party sustainability supplier screening tool. This approach ensures that our commitment to sustainability extends throughout our entire value chain.


These initiatives reflect our deep understanding of the responsibility we have towards our planet and future generations. I am confident that with the continued dedication of our team and the support of our valued partners, we will make significant strides towards our net-zero goal and contribute to a more sustainable future.

Thank you for your continued support and commitment to our shared vision.

MR. RAVI MENON
Co Chairman, SOBHA Group



KEY ACHIEVEMENTS

 Climate Control Award 2023

 Sustainability Award 2023

 Global Sustainability Award 2023

 Emirates Labour Market Award 2023

 GCC Best Employer Brand Awards 2023

 Workforce of the Future Awards 2023

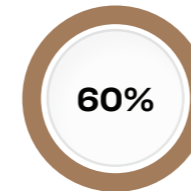
 GRESB Rating

AED 50 million
pledged for
"1 Billion Meals Endowment."

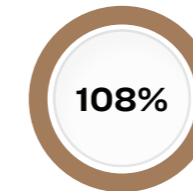
AED 440 million
pledged for
"Sabarmati River Front."

OMR 9.6 million
pledged for
"Oman SAS Initiative."

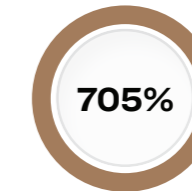
1,000 homes
pledged for
"Sobha Community Home Project"



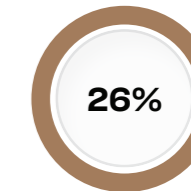
Increase in permanent employees



Increase in the Women's Workforce



Increase in number of Emiratis



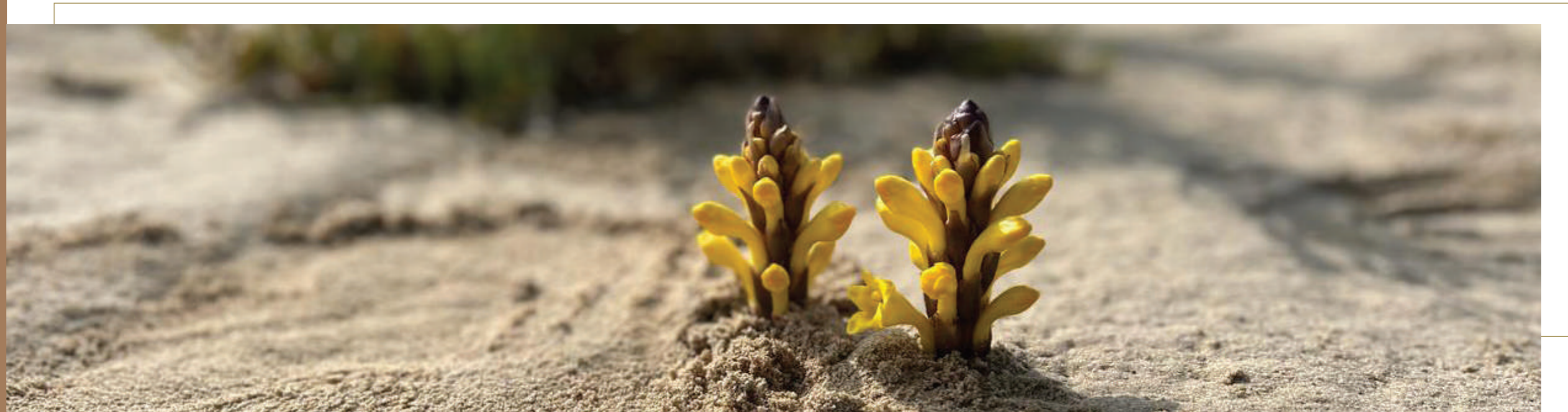
Representation of women at management level


 **70**
Nationalities working in Sobha

 **Guinness**
World Record on UAE Flag Day

 **ZERO**
fatalities

 **155**
Emiratis




 **376 KWP**
Capacity solar plant installed


 **3,117 tons**
Of waste recycled

 **1,000**
Mangroves planted

 **15**
Upcoming projects to be green building certified

 **4 EV**
Vehicles integrated into the fleet

 **5**
Solar projects planned - 2,908 KWP capacity

 **140 tCO₂e**
Emission reduced by waste recycling and energy efficiency measures



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 ISO 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

The Sobha Group is committed to work in a clean and sustainable way that is reflected in all aspects of our work. We take a fundamental approach to conserving 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.



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.



ABOUT SOBHA

Sobha is a leading real estate developer in the Middle East and India, known for quality, sustainability, innovation, and customer satisfaction.

ABOUT SOBHA

Sobha Realty is a prominent real estate developer with operations spanning across the Middle East and India. Established in 1976 by PNC Menon, Sobha Group has emerged as one of the leading developers in the region, renowned for its commitment to quality, sustainability, innovation, and customer satisfaction.



Sobha Group is renowned for its expertise in constructing luxury residential properties, and integrated townships known for their superior design, quality craftsmanship, sustainability features and attention to detail.

Over the years, Sobha Group has delivered numerous landmark projects that have redefined

urban landscapes and set new benchmarks for excellence in the real estate industry.

The company's projects are characterized by their architectural brilliance, sustainability features, and world-class amenities, catering to the evolving needs and preferences of modern homebuyers and businesses.

Sobha Group holds a deep-rooted belief in sustainability and its integral role in shaping the future of real estate development. By embracing sustainability as a core value, Sobha Group aims to set new benchmarks for responsible real estate development, contribute to the creation of healthier, more resilient communities, and leave a positive legacy for future generations. In 2023, Sobha Group further reinforced its commitment to sustainability by developing its ESG strategy - a comprehensive roadmap outlining Sobha Group's approach to integrating sustainability principles into its business operations, practices, and decision-making processes.

Sobha Group comprises ten entities, exemplifying comprehensive backward integration.



MESSAGE FROM THE MANAGING DIRECTOR



At Sobha, our commitment to sustainability is more than a mission, it's a practice that integrates every facet of our operations. As we embark on this exciting journey towards a sustainable future, I am proud to share our progress and the transformative steps we are taking to ensure that sustainability is not just a goal but a tangible reality.

Our approach to sustainability is grounded in practical actions that drive real-world impact. Moving beyond reporting, we focus on implementing initiatives that create measurable benefits for the environment and our people.

This involves capitalizing on Sobha's backward integrated model, which enables us to seamlessly weave sustainability, climate action, and quality into the fabric of our operations. Our theme, "Art of the Detail: Crafting Sustainability Through Precision and Care," encapsulates our dedication to careful planning and execution in every project we undertake.

The essence of Sobha is now synonymous with sustainability. Sobha has proudly achieved a GRESB rating, reflecting our commitment to excellence in sustainability. Our ESG strategy is being granularized, with clear roles and responsibilities defined to enhance accountability and effectiveness.

The ESG committee has been strengthened, multiple policies have been revised and updated to incorporate sustainability aspects. We have initiated green building certification for all new developments, ensuring that our projects meet

the highest environmental standards, and we are actively exploring sustainable construction materials for our upcoming projects. Our ongoing climate risk assessment and TCFD reporting provide a robust framework for managing and mitigating climate-related risks.

Maintaining zero fatalities and achieving outstanding safety performance are testaments to our commitment to the well-being of our workforce. Numerous community welfare projects are in progress, underscoring our strong dedication to societal upliftment.

Our collaborations and partnerships with government entities and other organizations are pivotal in driving collective action towards a sustainable future. Sobha is an active participant in sustainability advocacy across the region, prominently featuring in conferences and seminars. Our active participation in COP 28 highlights our commitment to contributing to global climate discussions and solutions.

As we continue to forge ahead, I am confident that Sobha will remain at the forefront of sustainable development. Our detailed approach, embodied in the "Art of the Detail," will ensure that we craft a future where sustainability is not only an aspiration but a reality realized through precision and care. Together, we will continue to build a legacy of sustainability that future generations can be proud of.

MR. FRANCIS ALFRED
Managing Director, SOBHA Group

SOBHA AN ECOSYSTEM OF SUSTAINABLE DEVELOPMENT

Sobha Group believes in innovation, integration, and efficiency drives sustainability and thus has established ten diverse companies that synergize seamlessly to deliver excellence in construction, and beyond.

Each of these companies plays a unique, and integral role within the Sobha ecosystem, contributing specialized expertise, resources, and capabilities to ensure the highest standards of quality, and performance across every project undertaken. Backward integration uniquely positions us to swiftly and effectively implement decarbonization measures in design, construction, and various other supply chain-related emissions.

SOBHA REALTY

Sobha Realty, a global luxury developer dedicated to crafting sustainable communities. Over the past forty years, it has reshaped the real estate landscape by integrating in-house expertise in conceptualization, design, and development.



PNC Architects (PNCA), an independent subsidiary with prestigious projects globally, including India, UAE, and the GCC region, PNCA offers a wide range of services including master planning, architectural design, landscape design, interior design, modular, and façade design, as well as comprehensive engineering services across residential, commercial, hospitality, and institutional sectors.



SOBHA COMMUNITY MANAGEMENT

Sobha Community Management redefines community living by leveraging Sobha Group's extensive experience to deliver tailored solutions for each property, be it a luxurious residential complex or a bustling commercial space.



LATINEM

Latinem Securities (LS) offers Quality Assured SIRA-certified security guards, recognizing the vital role of security services in the region. With extensive expertise in security management, LS has managed diverse projects including construction sites, staff accommodations, sales events, and community security. Additionally, LS provides risk consulting, investigations, systems integration, security software, and technology, along with skilled security professionals, delivering innovative, essential, and scalable security solutions.





SOBHA

CONSTRUCTIONS

Sobha Constructions (SCL), a rapidly expanding subsidiary specializing in sustainable living communities. As a multinational construction company, it caters to Sobha Realty, renowned for its impeccable design, service, and quality construction.



PNC Investment, the investment arm of Sobha Group, encompassing diverse portfolio across industries, and geographies. With a rich history and forward-thinking approach, it has established a strong position through investments in real estate, pioneering technology, and innovation. PNC Investment's diversified portfolio reflects its commitment to exploring opportunities that generate financial returns, and contribute positively to the global economy.



Sobha Furniture Industries LLC, produces customizable items such as kitchens, wardrobes, vanity units, and doors. It manages engineering, global supply chain, installation, and customer support for all furniture items across Sobha Group's projects in the UAE.



Stay by Latinem provides short-term vacation rental property management services for residential properties in Sobha Hartland. Leveraging in-house capabilities, it offers a comprehensive range of services including interiors, property maintenance, bill payments, rent collection, and property supervision. This leaner model of service delivery ensures excellent service while maximizing Return on Investments for property owners.



Sobha Facades, leads the façade industry, specializing in designing, engineering, and fabricating top-tier facade systems. It holds the prestigious ISO 18404:2015 certification for Lean Six Sigma, a global first among facade companies, and a GCC first among private enterprises. Sobha Facades prioritizes industry leadership through advanced technologies, machinery, and optimized processes, including lean management, digitization, and continuous innovation.



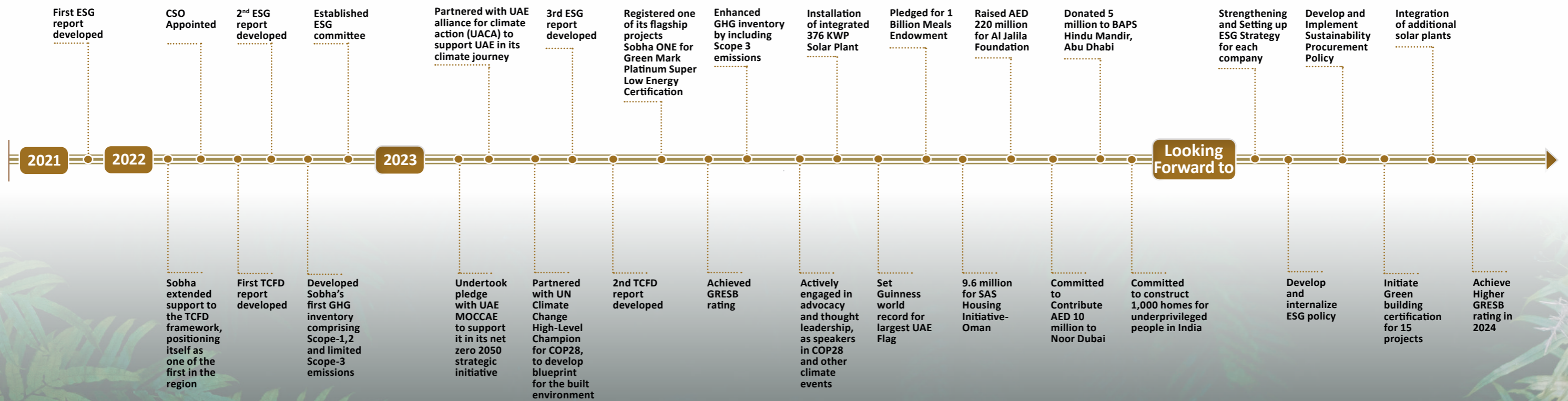
Latinem Facility Management (LFM) offers comprehensive Integrated Facility Management solutions to clients. It distinguishes itself through its extensive experience in real estate development, investment in personnel, technical expertise, relevant skills, specialized systems, and robust management support.

Through strategic integration and coordinated efforts, these companies collectively enhance Sobha Group's ability to provide end-to-end solutions in construction, real estate development, interiors, contracts, and other related sectors.

Whether it's architectural design, engineering, project management, or marketing, each company brings its unique strengths, fostering a culture of collaboration, innovation, and continuous improvement.



ESG JOURNEY



CONVERSATION WITH THE CSO



DR. P.R. JAGANNATHAN
CSO, SOBHA Group

What is your assessment of Sobha's ESG performance for 2023?

A: We are on a mission to position Sobha Realty as a sustainability leader in the real estate sector in the region and beyond. We have embarked on this journey and are making significant strides towards achieving this mission. While no organization can claim to be completely sustainable, what matters is having a clear strategy, setting achievable goals and objectives, and working diligently towards accomplishing them.

In 2023, we took several significant steps such as initiating Green Building certification of all new construction projects, detailed GHG estimation including scope 3 emissions to revise our baseline, embedding renewable energy, and assessing embodied carbon of completed assets. We recognized the enormity of challenges surrounding supply chain emissions and began engaging with suppliers to assess their sustainability performance and nudge them into adopting environment friendly practices. Our accomplishments further include achieving a GRESB rating, doubling our women headcount, and obtaining approvals for multiple solar PV projects.

What are some of the key climate action initiatives Sobha has undertaken?

Climate action is at the forefront of our ESG strategy. In 2022, we undertook a pledge with UAE ministry of climate change and environment (MOCCA) to support it in its net zero by 2050 strategic initiative. Since then, we have undertaken multiple feasibility studies for solar PV projects, with one already operational and others in pipeline to reduce our reliance on non-renewable energy sources. We have also piloted the use of biodiesel, electric vehicle integration and implementation of sub-metering to optimize our electrical energy consumption.

We are committed to green building certifications while ensuring through energy simulations that all our buildings exceed baseline efficiency standards. Additionally, we conducted comprehensive climate physical risk assessments and developed our second TCFD report.

Reducing embodied carbon of the construction material is certainly our focus area as we explore several options. I believe this is just the beginning and there would be many more targeted initiatives to decarbonize our operations.

How has Sobha engaged with its suppliers to enhance sustainability?

We recognize that our supply chain emissions are a significant part of our overall carbon footprint, and that sustainability nudging is a key component of supply chain engagement. In 2023, we initiated detailed scope-3 emission estimations and began analyzing our suppliers' sustainability initiatives using a third-party sustainability supplier screening tool. This has allowed us to identify and collaborate with suppliers to ensure that our entire value chain contributes to our ESG goals. We are also looking into alternative sustainable construction materials, some of the pilots are underway and I am sure we will be talking about these success stories in the next reporting cycle.

Q: Can you elaborate on Sobha's social initiatives?

Our social initiatives are a fundamental aspect of our sustainability strategy. In 2023, we achieved several milestones, including doubling our women headcount, reflecting our commitment to creating a more inclusive and diverse workplace. We also met our Emiratisation goals, showcasing our dedication to support local talents. Additionally, Sobha was certified as a Great Place to Work, an acknowledgment of our efforts to foster a positive and engaging work environment. We have prioritized the wellbeing of our technicians, implemented various community engagement initiatives, and continued our philanthropic activities across the UAE, India, and Oman.

Q: What challenges have you faced in implementing Sobha's sustainability initiatives, and how have you addressed them?

Implementing sustainability initiatives comes with its own set of challenges. Our complex setup with a backward integration model requires collaboration across multiple entities within Sobha, each with varied operational structures. Setting a baseline for our ESG metrics and ensuring a consistent drive among all entities to work on ESG matters has been a significant task. Regular interactions and effective communications have helped a lot in alleviating these challenges.

The presence of a strong sustainability team has helped drive several sustainability strategies across the group in a coordinated manner and these include Green Building certification, energy management, circularity initiatives, renewable energy, and several others. Supply chain sustainability is a complex topic and we approached it by genuine engagement and using those as an opportunity for raising awareness, and nudging the stakeholders into sustainable practices.

We have also invested in robust data collection and analysis tools, seeking external expertise, fostering open communication with our suppliers, and maintaining a flexible yet focused approach to our sustainability goals.

Our ESG committee plays a vital role in guiding these efforts and ensuring

that we stay on track. Moreover, we are continuously exploring innovative technologies and partnerships to enhance our sustainability performance.

Q: How do you plan to build on the successes of 2023 in the coming years?

Building on the successes of 2023, we plan to continue our efforts in recalibrating our net zero pathway, expanding our supplier engagement program, and furthering our climate action initiatives by increasing the number of green building certifications, enhancing our renewable energy projects, and strengthening our social sustainability programs. We would continue to explore alternative materials and technologies that would help us lower our emissions, while staying steadfast in our scope 1 and scope 2 emission reduction strategies already underway.

We will focus on continuous improvement through regular assessment and adjustment of our sustainability strategies to ensure we meet our long-term goals. Thought leadership and sustainability advocacy are key to our success and we would continue to steer this through active participation, collaboration, and partnerships.



RESPONSIBLE GOVERNANCE

*Building Trust through Transparency,
Accountability, and Ethics.*

RESPONSIBLE GOVERNANCE

Robust corporate governance is crucial for maintaining transparency, accountability, and high ethical standards.

It ensures efficient operations, compliance with legal and regulatory requirements, and fosters trust among stakeholders.

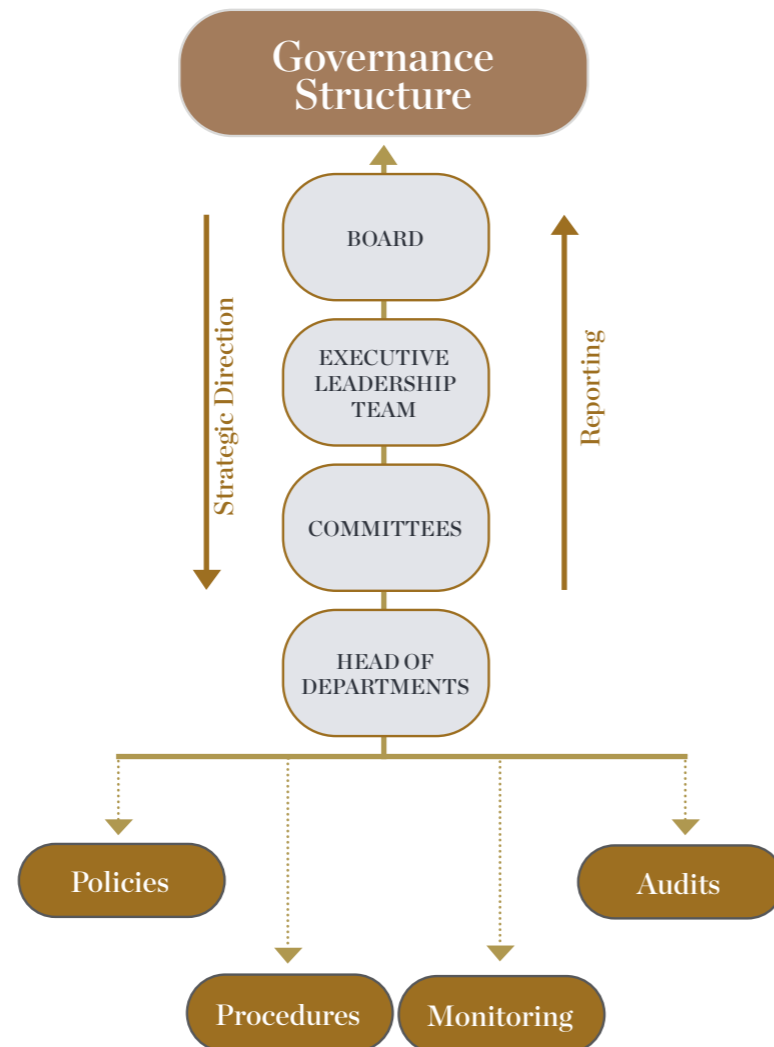
In 2023, Sobha strengthened its governance framework by formally establishing an Environmental, Social, and Governance (ESG) committee, empowered by the board of directors.

This committee comprises representatives from multiple departments and disciplines including strategy, development, operations, HR and others.

The committee and group companies meet periodically to oversee the implementation of our sustainability strategy, review progress, and ensure resource allocation to meet our objectives.

The ESG strategy, initiated in 2022, is being enhanced with specific operation-wise goals, and targets, featuring clear milestones set to be achieved by 2030.

A Prudent Corporate Structure to Ensure Highest levels of Governance Across the Business.



Our commitment to corporate governance extends beyond mere regulatory compliance. It is about building a sustainable, and ethical real estate business that thrives in harmony with nature, ensuring long-term prosperity for all stakeholders.

Aligning strategies with goals, exercising accountability, having a high level of ethics and integrity, defining roles and responsibilities, and managing risks effectively are part of our philosophy in this direction.

At Sobha Group, ethical governance is embedded within our corporate culture, reinforced by a robust framework of policies, procedures, and practices designed to uphold the highest standards of integrity, and compliance.

Our Code of Conduct serves as a guiding compass for all employees, outlining our core values, and principles and providing clear guidance on expected behaviors, and ethical standards.

By adhering to high standards of integrity, transparency, and accountability, we do not only fulfill our obligations to stakeholders but also contribute to building a more ethical, and sustainable business environment.

The Board of Directors play a pivotal role in guiding Sobha Group towards a successful, and sustainable future.

With their invaluable expertise, and visionary leadership, the board meets regularly to steer the company's strategic direction, monitor performance, and manage risks. They are supported by five specialized committees.

BOARD OF DIRECTORS

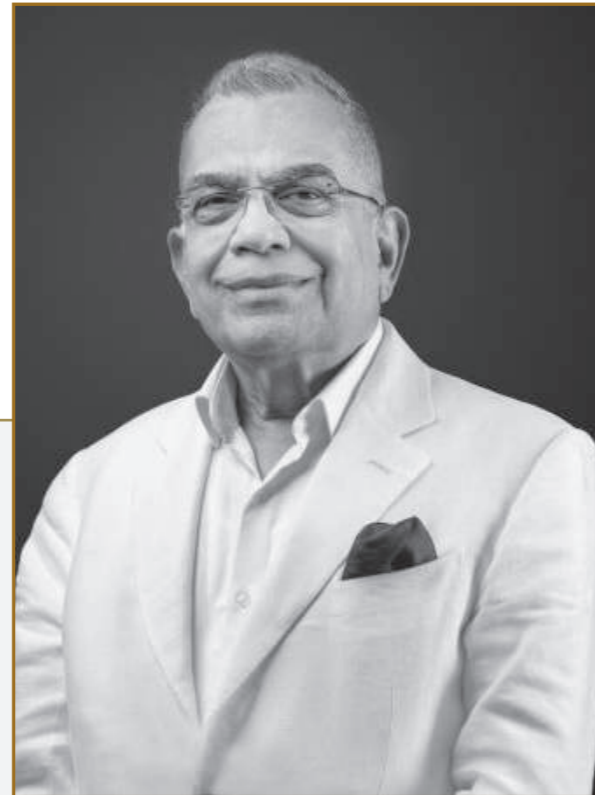
The Board of Directors at Sobha Group serves as the apex governing body, responsible for setting the strategic direction, overseeing corporate governance, and safeguarding the interests of stakeholders.

Led by a Chairman who provides strategic leadership and ensures effective governance practices, the Board operates with a commitment to integrity, transparency, and accountability.

Alongside the Chairman, Mr. Ravi Menon, the Co-Chairman, plays a pivotal role in shaping the company's vision and guiding its strategic direction. Mr. Francis Alfred, Managing Director and Board Member, chairs the ESG committee, prioritizing ESG at the board level.

The board members are recognized as thought leaders in ESG, bringing comprehensive expertise to the board.

Comprising experienced professionals with diverse backgrounds and expertise, the Board plays a pivotal role in shaping the vision and guiding the growth trajectory of the organization.



Mr. PNC Menon,

Founder and Chairman Emeritus of Sobha Group, is a visionary entrepreneur with over four decades of experience in real estate and construction. Known for his resilience and commitment to excellence, Mr. Menon has led Sobha Group to success across various sectors, including residential and commercial projects, while also focusing on philanthropy and community development.



Mr. Ravi Menon serves as the Co-Chairman of Sobha Group, bringing with him a wealth of experience and expertise in the real estate and construction industry. Known for his commitment to excellence and innovation, Ravi Menon is dedicated to upholding Sobha Group's reputation for delivering high-quality projects that exceed customer expectations.



Mr. Francis Alfred, Managing Director of Sobha Realty, drives the company's global expansion and oversees the strategic planning and execution of numerous real estate projects. His leadership is instrumental in the company's continued growth.



Mr. Jyoti Kumar Agarwal joined as Group Chief Financial Officer in April 2023. With over 22 years in senior management, he oversees corporate strategy, treasury, and other financial operations, significantly contributing to Sobha's growth.

THE BACKBONE OF GOVERNANCE

Sobha Group's Board Committees play a crucial role in ensuring effective governance, risk management, and operational oversight within the organization.

There are 5 distinct committees dedicated to ensuring efficient operations across various verticals.

While the Board maintains oversight and approval authority over significant matters such as Group strategy, the annual budget, major investments and disposals, and financial structure, it has delegated several responsibilities to its committees.



Risk Management Committee

Charged with identifying, assessing, and mitigating risks across Sobha Group's operations, this committee evaluates strategic, financial, operational, and compliance risks, and develops strategies to manage and mitigate potential threats to the organization.

Through its proactive stance, the committee bolsters the organization's resilience and fosters its enduring success by adeptly navigating risks inherent in its diverse business portfolio.



Investment Committee

Tasked with evaluating and deciding on the allocation of the group's capital across diverse investment opportunities, the Investment Committee meticulously analyzes the market trends, risk factors, and potential returns.

This pivotal role ensures the optimization of the group's investment portfolio, fostering prudent financial management and driving sustainable growth and profitability for the Group.



Nomination & Remuneration Committee

The Nomination and Remuneration Committee oversees the nomination of qualified individuals for board and executive positions while also reviewing and recommending suitable remuneration packages for key executives and directors.

This ensures alignment with industry standards and the company's performance metrics. The Committee's focus on attracting and retaining top talent fosters good corporate governance within the Group.



Audit Committee

Responsible for overseeing financial reporting, internal controls, risk management, and compliance with regulatory requirements. The Audit Committee ensures the integrity of financial statements and monitors the effectiveness of internal audit functions.

Furthermore, the Audit Committee plays a pivotal role in ensuring compliance with regulatory standards and fostering ethical conduct. By upholding transparency and accountability, the committee enhances investor confidence and contributes significantly to the sustained financial well-being of the Sobha Group.



ESG Committee

It is dedicated to overseeing the company's environmental, social, and governance practices, ensuring sustainable development and responsible corporate conduct.

The detailed description of the committee is included in the following section.

ESG GOVERNANCE



Sobha Group upholds a robust ESG governance framework, reflecting its commitment to sustainability, responsible business practices, and stakeholder value creation.

Sobha's ESG Committee plays a critical role in integrating environmental, social, and governance aspects into the core strategies of the company. Chaired by Mr. Francis Alfred, Managing Director and Board Member, the committee ensures that ESG considerations are a top priority on the board's agenda. Comprising representatives from various departments and group companies, the committee meets periodically

to oversee the implementation of Sobha's sustainability strategy, monitor progress, allocate resources effectively to achieve set objectives and disclosure of ESG performance transparently to internal and external stakeholders.

The ESG Committee has implemented a structured approach to ensure the integration of ESG considerations across its entities. The committee has designated a representative within each entity to oversee ESG matters and drive performance in alignment with specific goals and targets. Their responsibilities include monitoring environmental impact, promoting social responsibility, and upholding

governance standards. The designated representatives regularly report back to the ESG Committee, providing updates on the progress and performance of their entity in meeting the established ESG goals and targets.

Sobha Group's dedication to sustainability and corporate responsibility is reflected in its recent update to its ESG strategy. By revisiting and refining its ESG strategy, Sobha Group aims to strengthen its approach to addressing environmental challenges, promoting social well-being, and upholding governance standards across its operations.

This strategy is carefully designed to address critical areas under each pillar—Environmental, Social, and Governance—ensuring that Sobha's business practices not only support but also enhance the well-being of the environment, society, and corporate governance.



Environmental Pillar: Commitment to the Planet

Sobha Group's environmental strategy focuses on three key areas: climate action, circularity, and pollution prevention. The company is actively reducing its carbon footprint by steering green building certification in all its development projects, investing in energy-efficient technologies, and renewable energy sources. In promoting circularity, Sobha emphasizes the reuse and recycling of materials across all its projects, reducing waste and encouraging the use of sustainable materials. Pollution prevention measures are rigorously implemented to ensure that all operations minimize environmental impact, thereby safeguarding natural resources and promoting biodiversity.

Social Pillar: Enhancing Human Connections

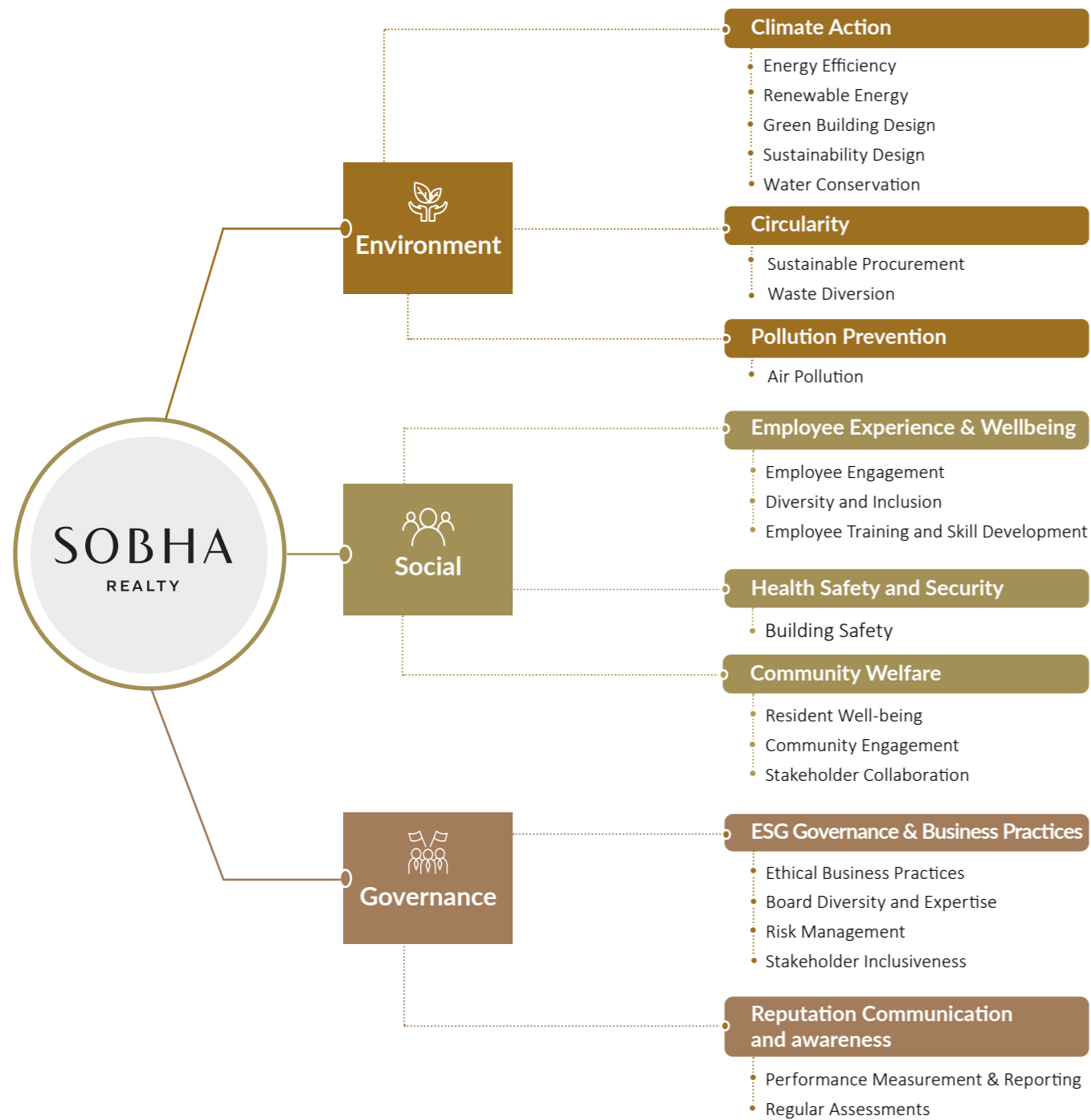
Under the social pillar, Sobha Group prioritizes the employee experience and well-being by fostering an inclusive workplace culture that supports career development and work-life balance. Health, safety, and security are paramount, with stringent policies and procedures in place to ensure a safe working environment for all employees. Additionally, Sobha is deeply committed to community welfare, actively engaging in initiatives that support local development, improve access to education, and bolster healthcare systems, thereby making a positive impact on the communities it serves.



Governance Pillar: Ethical and Transparent Practices

Sobha Group upholds the highest standards of corporate governance through robust ESG governance structures. These structures ensure that ESG principles are integrated into all business practices, enhancing transparency and accountability. The company also focuses on reputation management, maintaining open lines of communication and raising awareness about its ESG initiatives. This approach not only builds trust with stakeholders but also reinforces Sobha's commitment to ethical practices and long-term sustainability.





After a comprehensive evaluation of its ESG practices, Sobha Group not only achieved but excelled in the GRESB rating, scoring an impressive 72 out of 100.

This score positions Sobha above the global average for first time applicants, marking a remarkable achievement for a newcomer.

The GRESB rating is recognized as a rigorous measure of how deeply

ESG considerations are embedded within a company's management and operational practices.

Sobha Group's strong performance underscores its commitment to environmental stewardship, social responsibility, and governance excellence.

COMMITMENT TO INTEGRITY AND ETHICS

Sobha Group's Code of Conduct reflects its commitment to maintaining the highest standards of integrity, ethical behavior, legal compliance, corporate responsibility, and beyond. It is pivotal in ensuring that our actions resonate with our values, nurturing a culture marked by transparency, responsibility, and perpetual enhancement across all endeavors.

The Code provides comprehensive guidelines for employees, management, and stakeholders to ensure that all business activities are conducted with honesty, transparency, and respect for legal and regulatory frameworks.

The following policies and guidelines have been established and shared with employees to ensure everyone understands their role in operating ethically and responsibly:



Sobha Group's whistleblower policy is designed to provide a mechanism for employees and stakeholders to report concerns or suspicions regarding unethical behavior, violations of company policies, or illegal activities without fear of retaliation. The policy aims to foster a culture of transparency, accountability, and integrity within the organization. The policy establishes a confidential reporting channel, such as a dedicated

hotline or email address, through which individuals can report concerns anonymously if they prefer.

Employees who report concerns in good faith are protected from retaliation or adverse consequences. The policy ensures that individuals who come forward with information are treated fairly and without fear of reprisal.

STAKEHOLDER CONSULTATION AND MATERIALITY ASSESSMENT

At Sobha, stakeholder feedback is central to shaping our approach, particularly in defining our Environmental, Social, and Governance (ESG) priorities.

This feedback serves as the foundation for prioritizing the topics that shape our ESG strategy, and the disclosures we include in our ESG report. We engage with a broad range of stakeholders, both

internal, and external, on an ongoing basis to ensure that our ESG efforts are aligned with their expectations, and needs.

This continuous dialogue helps us to refine our strategies, and enhance transparency, ensuring that our actions and reports accurately reflect our commitment to sustainability, and responsible business practices.

By integrating stakeholder feedback into our ESG framework, we foster a more inclusive, and sustainable approach to business that not only meets, but anticipates the challenges and opportunities ahead.

Stakeholder Group	Engagement Mode
Internal Stakeholders	
Employees	Regular Meetings, Surveys, and Feedback Channels
Management Team	Strategic Meetings, and Internal Reports
Board of Directors	Board Meetings, Governance Reports
External Stakeholders	
Investors and Shareholders	Annual General Meetings, and Governance Reports
Customers and Homeowners	Customer Surveys, and Feedback Forms
Suppliers and Partners	Supplier Conferences, Webinars, and Collaboration Meetings
Ministries and Government entities	Collaboration, and partnerships
Regulatory Bodies	Regulatory Compliance Audits, and Reporting
Local Communities	Community Engagement Events, and Open Houses
Environmental Advocates	Sustainability Workshops, and Consultations
Government Authorities	Meetings, and Policy Compliance Reports

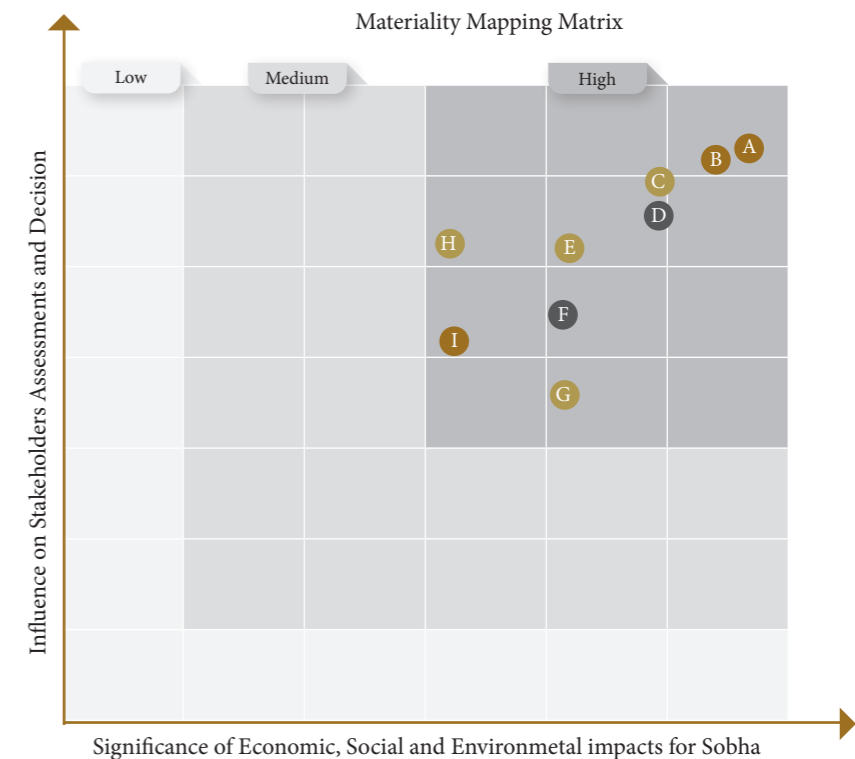
Materiality assessment is an integral part of our ESG reporting process at Sobha. In 2022, we conducted a comprehensive materiality assessment, consulting a wide range of stakeholders to determine the material topics that are most significant to our business and stakeholders. This process ensured that

our ESG focus areas are aligned with stakeholder expectations, and business relevance.

This year, we revisited our materiality assessment to account for shifts in the business environment, emerging mega trends, evolving regulatory

requirements, and updates in reporting standards. After a careful review of these factors, we concluded that the material topics identified in 2022 remain relevant, however “Community Welfare” was identified as an important pillar of our ESG strategy, and thus was included as a new material topic in 2023.

These topics are clearly illustrated in the graph presented alongside, demonstrating our commitment to transparency, and strategic focus in our ESG endeavors. Below, we have categorized these material topics under the respective ESG pillars:



Environmental:

- C Sustainable Design and Lifecycle Impact Reduction:** Ensuring that our projects are sustainable from inception through completion, and beyond.
- E Climate Action, Green House Gas (GHG) Management, and Energy Optimization:** Actively reducing greenhouse gas emissions, and optimizing energy use across our operations.
- G Material Use Reduction and Resource Conservation:** Focusing on reducing the use of materials, and conserving resources throughout our building processes.
- H Pollution Prevention:** Prioritizing pollution prevention by implementing robust strategies for the segregation, recycling, and proper disposal of construction waste, significantly reducing landfill usage, and environmental impact.

Social:


- A Health, Safety, and Security Practices:** Prioritizing the health, safety, and security of our employees, and clients in all our projects.
- B Employee Experience and Well-being:** Enhancing the workplace environment to improve employee satisfaction, and well-being.
- I Community Welfare:** Engaging in numerous initiatives focusing on health, education, and socio-economic development to enhance the quality of life for residents.

Governance:


- D ESG Governance and Business Practices:** Integrating ESG principles into our core business strategies, and practices.
- F Reputation, Communication & Awareness:** Maintaining transparent communication, and raising awareness about our ESG initiatives.

DRIVING SUSTAINABILITY THROUGH ESG GOALS AND OBJECTIVES


Following a thorough assessment of material topics, Sobha has developed comprehensive Environmental, Social, and Governance (ESG) goals, and targets for its entities operating in the UAE. These initiatives are integral to our commitment towards sustainability, efficiency, and responsible business practices.




Green Building Certifications:
Sobha aims to achieve recognized green building certifications such as LEED, and BCA to ensure the projects meet high standards of sustainability.




Energy Efficiency:
Implementing measures to enhance energy efficiency across our facilities, and operations, and promoting responsible energy use.




Solar PV Integration:
Increasing the adoption of solar photovoltaic systems to harness renewable energy, and contribute to our sustainability goals.



Electric Vehicle Induction into Fleet:
Introducing electric vehicles (EVs) to our fleet to reduce emissions, and promote cleaner transportation options.



Biofuel Usage:
Exploring biofuel options to diversify our energy sources, and reduce reliance on fossil fuels.



Water Use Reduction:
Implementing strategies to optimize water consumption, and promote water efficiency in our operations.



Employee Satisfaction Score:
Enhancing employee engagement, and satisfaction through targeted initiatives and feedback mechanisms to foster a positive workplace culture.



Training and Skill Development of Employees:
Investing in trainings and development programs to enhance skills and capabilities among our workforce.



Women Representation:
Promoting gender diversity, and inclusivity within our workforce, ensuring equal opportunities for career growth, and advancement.



Emiratization:
Supporting the recruitment, training, and development of UAE nationals to contribute to the nation's workforce and economy.



PoD Integration (Preservation of Diversity):
Integrating biodiversity preservation efforts into our operational practices to protect, and sustain natural ecosystems.



ESG Trainings:
Conducting training sessions, and workshops to educate employees and stakeholders on ESG principles and practices.



Safety Performance:
Maintaining rigorous safety standards across all operations to ensure the well-being of our employees, and stakeholders.

We have proposed quantitative targets for all the above objectives, which are currently under review and assessment by various stakeholders. We are committed to sharing specific goals for each of these objectives in the next reporting cycle.



ENVIRONMENT

Preserving Nature through Sustainable Practices, and Innovation.



OUR ENVIRONMENTAL COMMITMENT

At Sobha Group, our commitment to sustainability is woven into the very fabric of our operations. As we strive to build homes and communities that inspire, and endure, we recognize the vital importance of preserving our planet for future generations.

Our endeavors have been directed towards the following essential pillars of environmental stewardship. These key areas have been at the forefront of our strategic initiatives as we strive to manage environmental impact, and promote a sustainable future.

1 
Pioneering Climate Action

As stewards of the environment, we recognize the urgent need to address climate change by reducing our greenhouse gas (GHG) emissions. By tracking our carbon footprint, setting ambitious targets, and implementing emission-reduction measures across our operations, we are actively contributing to global efforts to combat climate change. Through collaboration, innovation, and a steadfast commitment to sustainability, we are forging a path towards a greener, more resilient future.

2 
Energy Optimization

Efficient energy usage lies at the heart of our sustainability initiatives. From incorporating innovative building designs to harnessing renewable energy sources, we are dedicated to minimizing our ecological footprint while maximizing operational efficiency. Through strategic investments, and continual improvement, we aim to lead by example in the transition towards a low-carbon future.

3 
Water Optimization

Water is a vital resource, and rational utilization of water is key to our environmental objectives. By implementing advanced conservation measures, and embracing technologies that optimize water usage, we strive to mitigate environmental impact.

4 
Circularity

In our pursuit of sustainability, waste is not merely a byproduct but a valuable resource waiting to be reclaimed. Through innovative waste reduction strategies, recycling initiatives, and responsible disposal practices, we endeavor to minimize waste generation, and promote a circular economy mindset. By reimagining waste as an opportunity for regeneration, we aim to create lasting value while minimizing environmental harm. Through active engagement with the supply chain, we ensure that this philosophy is effectively disseminated to the stakeholders.

PIONEERING CLIMATE ACTION

In a world increasingly challenged by climate change, Sobha Group stands firm in its commitment to low carbon transformation of its operations.

As a leading real estate developer, we recognize the urgent need for collective action to address the pressing threats posed by climate change. Driven by a sense of responsibility, and a commitment to sustainable development, Sobha has embarked on a comprehensive Climate Action Agenda aimed at reducing GHG emissions, enhancing energy efficiency, and promoting climate resilience across its operations.

Through a combination of innovative technologies, strategic partnerships, and stakeholder engagement, we are working to minimize our GHG intensity, and contribute to global efforts to mitigate climate change.



Net-zero Ambition

Sobha is dedicated to supporting the nation's net-zero ambition, and has pledged its commitment to the Ministry of Climate Change, and Environment (MOCCA) in its Net Zero 2050 strategic initiative.

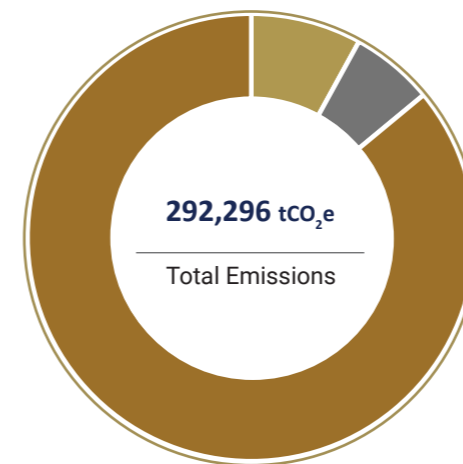
We are also an active member of the UAE Alliance for Climate Action (UACA), contributing to its blueprint for the built environment, which was released alongside COP28.

Estimating our Carbon Footprint

At Sobha, we understand the critical importance of measuring and understanding our carbon footprint as part of our broader commitment to environmental stewardship. By quantifying the greenhouse gas emissions associated with our operations, we gain valuable insights into our environmental impact, and identify opportunities for improvement.

Our approach to estimating our carbon footprint involves comprehensive data collection, and analysis across all aspects of our operations. We utilize internationally recognized methodologies, and emission factors to ensure accuracy, and consistency in our calculations. We undertook initial estimation of our carbon footprint in 2022 considered the baseline year, which included Scope 1, 2 and partial Scope 3 emissions.

In 2023, Sobha Group conducted a thorough evaluation of its GHG emissions across all three scopes to gain insights into its environmental impact and drive sustainability efforts. The total estimated GHG emissions for Sobha Group in 2023 were 292,296 tCO₂e. The scope wise breakdown is as follows:



Scope 1

emissions cover direct GHG emissions from sources that are owned or controlled by Sobha Group. These include emissions from combustion of fuels in company-owned vehicles, on-site electrical energy generators, and refrigerant leakage. In 2023, Scope 1 emissions amounted to 25,005 tCO₂e which is 8.6% of overall emissions.



Scope 2

emissions refer to indirect GHG emissions associated with the generation of purchased electricity by Sobha. For 2023, Sobha Group's Scope 2 emissions totaled 16,364 tCO₂e which amounts to 5.6% of overall emissions.

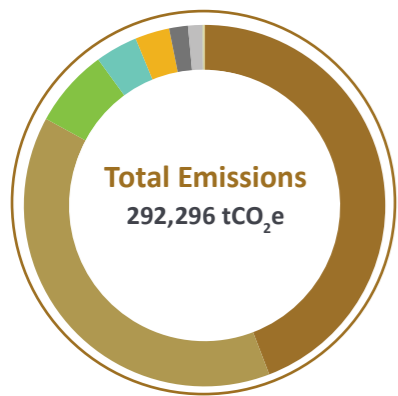


Scope 3

emissions comprise all other indirect GHG emissions generated throughout Sobha Group's value chain, including upstream and downstream activities such as raw material extraction, transportation, waste disposal, and employee commute. Scope 3 emissions for 2023 were substantial, reaching 250,927 tCO₂e and constitute 85.8% of total emissions.

As part of our ongoing efforts to manage and reduce our carbon footprint, we track and report our total greenhouse gas (GHG) emissions across all our group companies. The table below presents the total emissions for each entity within the Sobha Group.

Breakdown of Total GHG Emissions (tCO₂e) by Group Companies:



Sobha Constructions	130,926 tCO ₂ e
Sobha LLC	111,914 tCO ₂ e
Sobha Latinem	20,470 tCO ₂ e
Sobha Façade	11,009 tCO ₂ e
Sobha Pod	8,950 tCO ₂ e
Sobha PNC	4,756 tCO ₂ e
Sobha Furniture	3,707 tCO ₂ e
SCM	338 tCO ₂ e
Stay by Latinem	165 tCO ₂ e
Latinem Security	58 tCO ₂ e

Sobha Constructions is the highest contributor to the total emissions at 45%, accounting for 130,926 tCO₂e. This is reflective of the scale and scope of operations under this entity, wherein its responsible for significant procurements for the group and the corresponding supply chain related emissions.

Sobha LLC follows with 111,914 tCO₂e, indicative of the significant carbon footprint associated with construction activities as well as construction related supply chain emissions.

Other notable contributors include Sobha Latinem (20,470 tCO₂e) and Sobha Façade (11,009 tCO₂e).

Other entities like Stay by Latinem and Latinem Securities contribute minimally to the overall emissions, with 165 tCO₂e and 58 tCO₂e respectively.

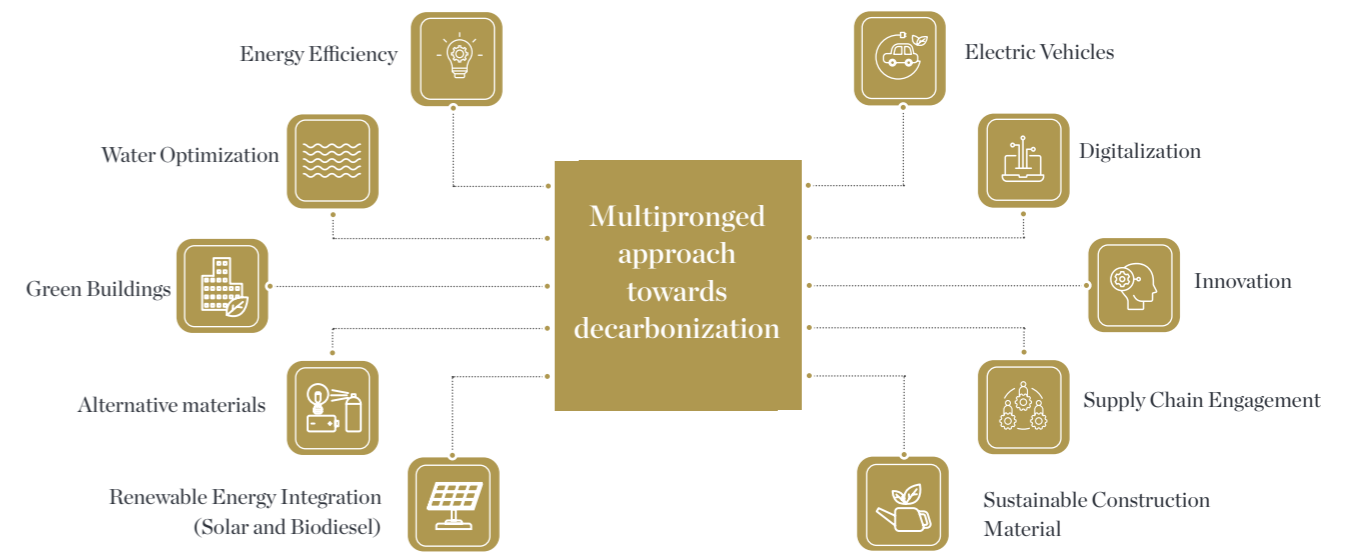
By understanding the distribution of our emissions across different operations, we can better tailor our strategies for reducing our overall carbon footprint. Through targeted initiatives and collaborative efforts within each group company, we strive to minimize our impact on the environment and promote a sustainable future for all.

Emission intensity of operational buildings

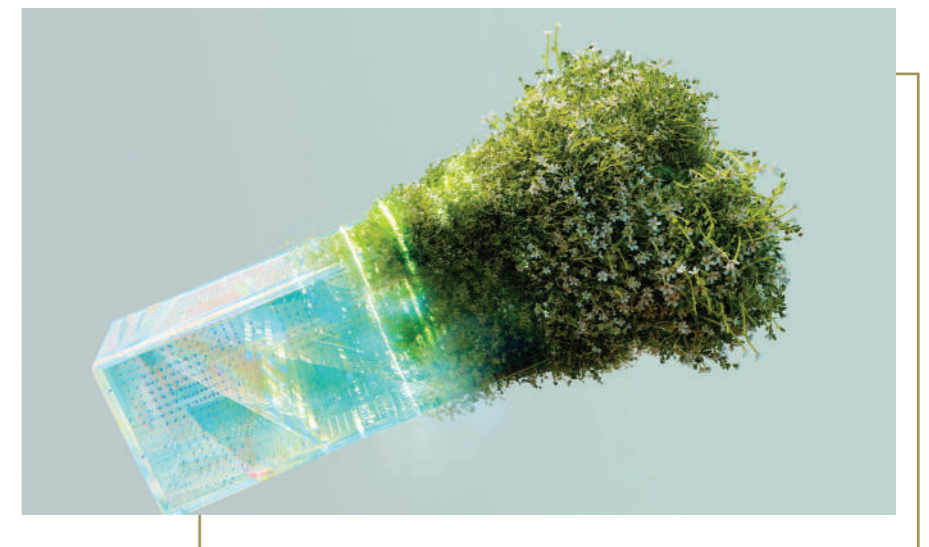
The average GHG emission intensity for buildings operated by Sobha Latinem is 0.05217 tCO₂e/SQM. This figure accounts for emissions from the total electricity and water consumption of the buildings. The buildings included in this calculation are Greens Phase 1, Greens Phase 2, Greens Phase 3, Creek Vista, OPA, Creek Vista Reserve, Waves, and Waves Grande.

Driving Decarbonization Across the Group

As part of our ongoing efforts to mitigate climate change, and reduce our carbon footprint, we are actively implementing a range of emission reduction strategies. From adopting energy-efficient technologies to promoting renewable energy sources, and implementing waste reduction initiatives, Sobha Group is driving towards carbon neutrality.



While having a strategic approach in establishing and working towards long-term targets, Sobha is equally cognizant of low-hanging fruits that bear immediate results. Accordingly, it had taken several steps in energy, water, and materials to reduce its operational emissions and drive circularity.





Solar PV Integration

Renewable energy sources play a crucial role in our quest for low carbon transformation. To this end, we are actively harnessing solar power by installing photovoltaic (PV) panels on rooftops and open spaces across our developments.

We are further exploring integrating renewable energy through solar PV for several projects, some of which are described below:



Opulence:

The Opulence solar project is expected to generate approx 66,000 kWh annually with a capacity of 36 kWp. This initiative will reduce more than approx 600 tons of CO₂ emissions throughout its operational life.



DIC (Dubai Industrial City):

The DIC solar project is set to produce approx 1,950,000 kWh of solar energy annually with a capacity of 1,200 kWp. It would achieve more than approx 20,000 tons of CO₂ emissions across its operational life.



Global HQ:

The Global HQ solar project will generate approx 1,949,000 kWh of clean energy annually with a capacity of 1,192 kWp. This project will contribute to sustainable operations, and emissions by upto approx 20,000 tons of CO₂ emissions.



Sobha One:

The Sobha One initiative will provide approx 269,000 kWh of solar power annually. This project aims to reduce approx 250 tons of CO₂ emissions during its operational life.



Sobha Constructions Car Park:

Sobha Constructions has installed a 376 kWp of solar pv on car park. This initiative will ensure a supply of renewable energy, and would reduce approx 6,500 tons of CO₂ emissions across its operational life.

Note: The operational lifespan of Solar PV systems is assumed to be approx 25 years.

Energy Efficient Operations

As part of our rigorous approach to energy efficiency, we undertake regular energy audits to identify opportunities for reducing energy consumption and enhancing operational efficiency. These audits provide critical insights that guide our implementation of targeted energy-saving measures. In 2023, we have implemented several key energy efficiency measures, including:



LED Lighting Upgrades:

Replacing conventional lighting systems with energy-efficient LED lights across several facilities, resulting in significant reductions in energy consumption, and maintenance costs.



HVAC System Optimization:

Enhancing the efficiency of our heating, ventilation, and air conditioning (HVAC) systems through advanced controls and regular maintenance, leading to improved indoor air quality, and lower energy usage.



Building Automation Systems:

Maintaining and upgrading building automation systems to optimize energy use by monitoring, and controlling lighting, heating, and cooling systems based on real-time occupancy, and usage patterns.



Insulation Improvements:

Enhancing building insulation to reduce heating, and cooling demands, thereby improving energy efficiency, and comfort for occupants.



Engagement Programs:

Conducting awareness campaigns and training sessions to promote energy-saving behaviors among residents, and employees, fostering a culture of sustainability throughout the organization.



Automated & Smart Lighting by Sobha Facades

The implementation of an Automated & Smart Lighting system represents a transformative step towards enhancing energy efficiency and sustainability at our premises.

Through advanced sensors and algorithms, the system dynamically adjusts lighting levels according to real-time requirements, thereby eliminating wastage and inefficiencies.

As a result of this innovative approach, we anticipate a significant reduction of up to 30% in the total lighting energy consumption of the premises.



These measures align with our broader environmental goals of reducing greenhouse gas emissions, and promoting sustainable development. By continuously investing in energy efficiency initiatives, Sobha Group is dedicated to building a greener, and more sustainable future for our communities, and stakeholders.

Reducing Embodied Carbon in Sobha's Built Environment

We understand that minimizing the embodied carbon within our built environment would be the key to reduce the scope 3 emissions.

Our strategy focuses on incorporating sustainable construction materials, and rigorously assessing and engaging with our suppliers to ensure they meet our high standards for sustainability.

We are integrating sustainable materials such as low-carbon concrete, recycled steel, and sustainably sourced timber in our construction projects. For one of our upcoming developments, we are exploring the

possibilities to utilize low-carbon concrete, which significantly reduces CO2 emissions compared to traditional concrete.

In addition, we are actively engaging with our suppliers through comprehensive assessments to ensure they adhere to sustainable practices. We prioritize suppliers who demonstrate a commitment to reducing their environmental impact, such as those who use renewable energy in their manufacturing processes or have robust waste reduction programs.

We are actively looking into developing partnership with steel suppliers that utilize electric arc furnaces powered by renewable energy that will allow us to significantly cut down the embodied carbon in our structural components. By adopting these practices, Sobha is reducing the embodied carbon of the projects, and also promoting a more sustainable supply chain.

This holistic approach ensures that our developments are not only environmentally responsible but also contribute to the global effort to combat climate change.



Managing Life Cycle Impact

Sobha is conducting a detailed life cycle assessment (LCA) of its new building, Sobha One Residence. This assessment looks at the environmental impact of the building from start to finish, including:

-  Product Stage
-  Transportation to Site
-  Site Operations
-  Use Phase
-  End-of-Life Stage

The LCA examines key parts of the building like its foundation, structure, internal features, and systems for cooling, heating, and plumbing.

This helps Sobha make better decisions to reduce the building's carbon footprint.

Sobha at COP28

Pioneering Sustainable Urban Development

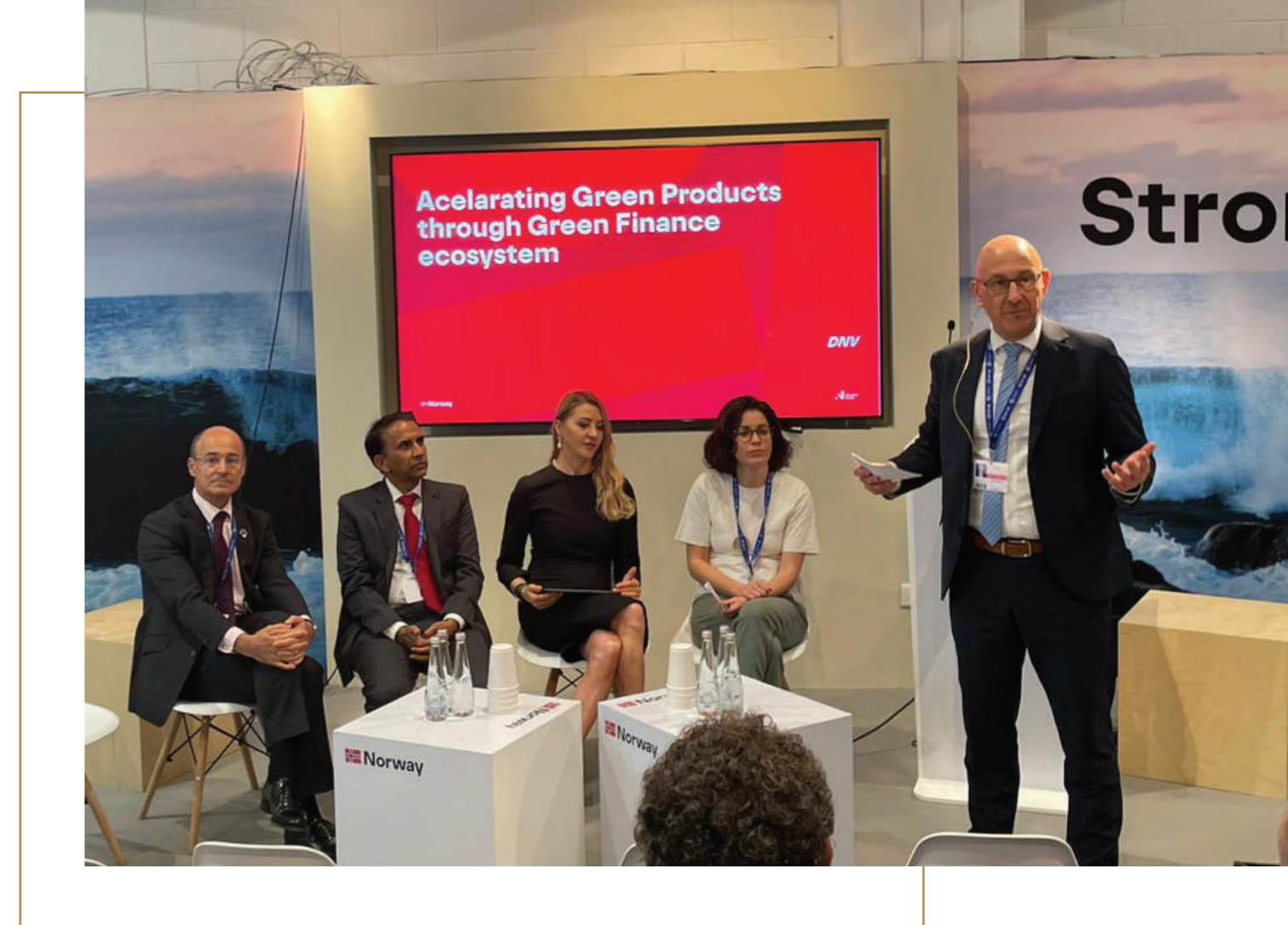
Sobha proudly participated in COP28, the United Nations Climate Change Conference, held in Dubai from November 30 to December 12, 2023. At this global platform, it showcased the innovative approaches towards combating climate change, and fostering sustainable urban development.



Abu Dhabi Sustainability Week (ADSW) and MASDAR Roundtable:

At the heart of the green zone, the Sobha Group was invited to the esteemed Abu Dhabi Sustainability Week (ADSW) and MASDAR roundtable. The theme, **“The Built Environment: Charting a Course to Net-Zero for Every City,”** provided a pertinent platform for Sobha Group to share insights on the intricate challenges and opportunities posed by climate change in urban development.

With a focus on designing, constructing, and operating buildings sustainably, Sobha contributed valuable perspectives towards shaping resilient and eco-friendly cities for the future.



Contributions at COP28 Side Events

In the dynamic atmosphere of the blue zone, Sobha participated in a compelling side event titled **“Accelerating Green Products through Green Finance Ecosystem”** at the Norway Pavilion. This event delved into the pivotal role of finance in driving the adoption of sustainable practices within the built environment. Dr. Jagannathan, the CSO of Sobha, highlighted innovative financial models, and strategies aimed at accelerating the transition towards greener products, and technologies, fostering a dialogue on sustainable finance’s critical importance in achieving climate goals.

Continuing its engagement in the blue zone, Sobha Group took part in another insightful side event titled **“Transforming Architecture and Engineering for a Sustainable Future”** at the Turkey Pavilion. This event explored the transformative potential of architecture and engineering in shaping a sustainable future. Sobha shared its expertise in integrating sustainable design principles, and cutting-edge technologies to create environmentally conscious infrastructure, and spaces, emphasizing the role of collaboration, and innovation in driving positive change.

”

Through its active participation in COP28, Sobha Group reaffirmed its steadfast commitment to advancing sustainability agendas, and driving meaningful action towards a greener, more resilient future. By sharing expertise, fostering collaborations, and advocating for sustainable practices, Sobha Group continues to be at the forefront of sustainable urban development, paving the way for a brighter tomorrow.

ENERGY CONSERVATION

At Sobha, energy efficiency is not just a goal; it's a fundamental aspect of our commitment to sustainability and responsible development.

We employ a multifaceted approach to enhance energy efficiency across all our operations, from design, and construction to the ongoing management of our properties.






To enhance energy efficiency in both the design and operation of buildings, Sobha integrates a range of advanced technologies, and sustainable practices.

The Sobha places a paramount emphasis on integrating energy-efficient features and utilizing sustainable materials in our building designs.













We have started exploring sustainable/low embodied carbon materials such as sustainable steel and low-carbon cement, which meet stringent environmental standards. In addition, we have also initiated discussions with global supply chain to explore alternative sustainable materials. We also prioritize the implementation of passive design strategies aimed at optimizing natural lighting and ventilation within our structures.

We invest in state-of-the-art technologies and systems to minimize energy consumption during the operational phase of our properties.

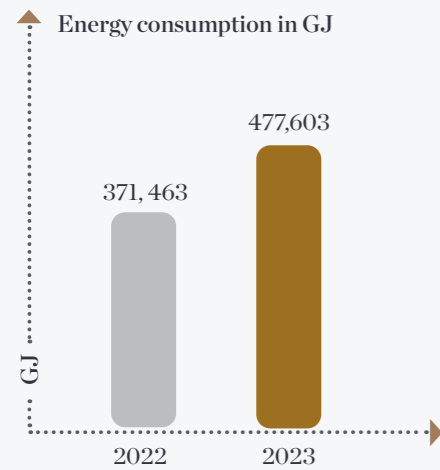
This includes the deployment of energy-efficient appliances, lighting fixtures, and HVAC (heating, ventilation, and air conditioning) systems, as well as the implementation of smart building management systems to monitor and control energy usage in real-time.

-  Green building certification.
-  Energy modelling.
-  Energy-efficient lighting.
-  High-performance insulation.
-  Double-glazed windows.
-  LED lighting.
-  Motion sensor lighting.
-  Green roofs.
-  High-efficiency HVAC systems.
-  Low-emissivity (Low-E) windows.
-  Building automation systems.
-  Energy recovery ventilation.
-  Reflective roofing materials.
-  Advanced metering infrastructure.
-  Efficient elevator systems.
-  Embodied carbon and LCA analysis



-  Energy Management System.
-  Regular energy audits.
-  Predictive maintenance.
-  Optimized HVAC scheduling.
-  Energy Star-rated appliances.
-  Smart thermostats.
-  Energy usage analytics.
-  AI/BOT.
-  Occupant energy usage awareness.
-  Building performance benchmarking.
-  Use of energy-efficient office equipment.
-  Regular system upgrades and updates





Energy consumption rose from 371,463 GJ in 2022 to 477,603 GJ in 2023, marking a 29% increase. This rise is mainly due to higher energy usage during construction activities and the addition of new operational buildings like Al Quoz and Technical Residences (TRs).



Diesel Fuel Consumption

Energy consumption at Sobha covers various activities and operations across our entities. A significant portion, totaling 315,338 GJ, comes from stationary energy use for essential equipment like man lifts, forklifts, plant machinery, and generators which are primarily powered by diesel fuel.



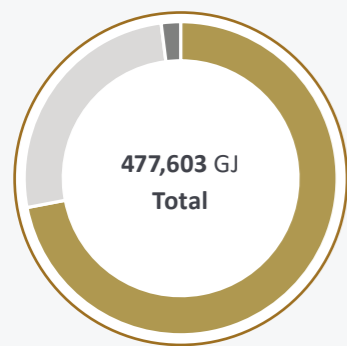
Electricity Consumption

Additionally, we consumed 145,995 GJ of electricity, spanning construction sites and offices alike.



Petrol Fuel Consumption

Mobile consumption, comprising energy utilized by owned vehicles, leased cars, pick-up trucks, and cleaning trucks, amounted to 16,270 GJ.



Diesel Fuel Consumption
66% 315,338 GJ

Electricity Consumption
31% 145,995 GJ

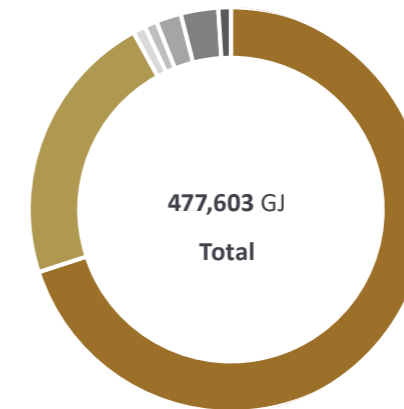
Petrol Fuel Consumption
3% 16,270 GJ

Energy use intensity

The average electricity use intensity (EUI) for buildings operated by Sobha Latinem is 129 KWh/SQM. The buildings included in this calculation are Greens Phase 1, Greens Phase 2, Greens Phase 3, Creek Vista, OPA, Creek Vista Reserve, Waves, and Waves Grande.

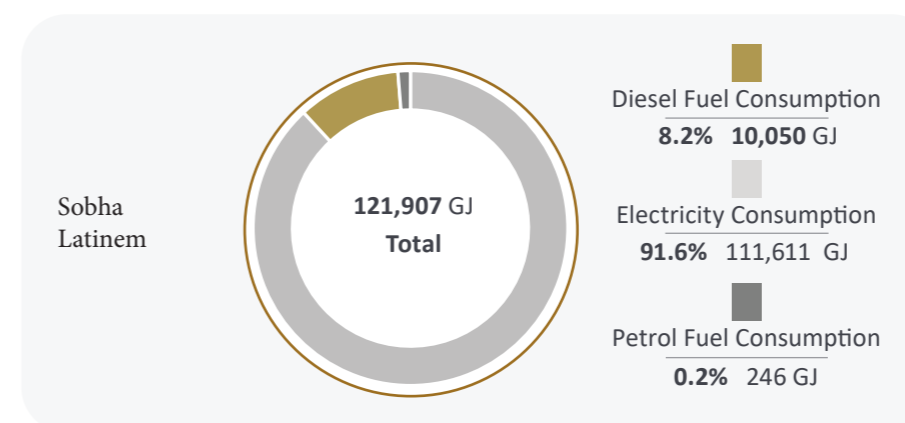
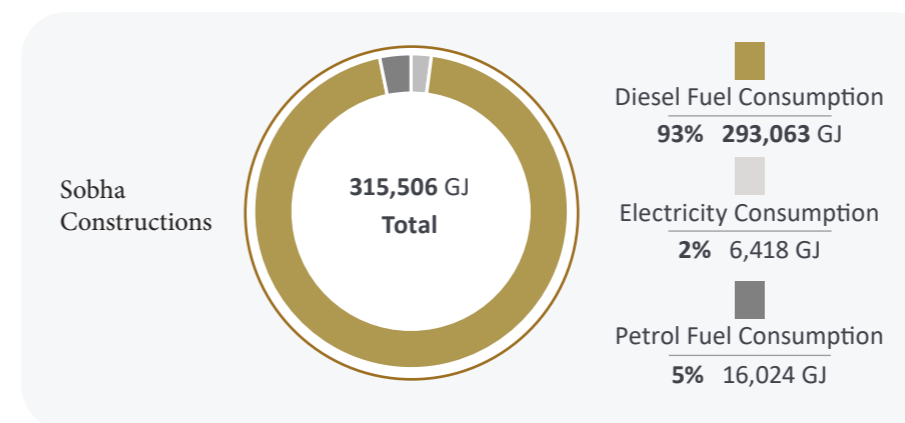
Sobha Construction consumed the highest quantity of energy primarily due to its stationary fuel use which is mostly diesel. Sobha Latinem followed with high electricity usage.

In contrast, Sobha PNC has the lowest consumption, while Sobha Pod and Sobha Furniture depend exclusively on electricity



Sobha Constructions	315,506 GJ	66%
Sobha Latinem	121,907 GJ	26%
Sobha LLC	9,560 GJ	2%
Sobha PNC	3,576 GJ	1%
Sobha Facades	10,517 GJ	2%
Sobha Pod	10,567 GJ	2%
Sobha Furnitures	5,971 GJ	1%

Breakdown of energy consumption for the two largest energy consuming entities is provided below:



“Energy efficiency at Sobha is not just a value; it’s a guiding principle that shapes our approach to sustainable development, and informs every decision we make towards low carbon transformation.”

WATER STEWARDSHIP

At Sobha, we recognize the critical importance of water stewardship in safeguarding our planet's most precious resource. In our ongoing commitment to sustainability, we are dedicated to responsible water management practices across all aspects of our operations.

Through innovative design, and construction practices, we strive to minimize water consumption in our projects. From the implementation of water-efficient fixtures, and fittings to the integration of smart irrigation systems in our landscapes, every effort is made to optimize water usage while maintaining environmental integrity.



Water efficient fixtures



Smart irrigation system

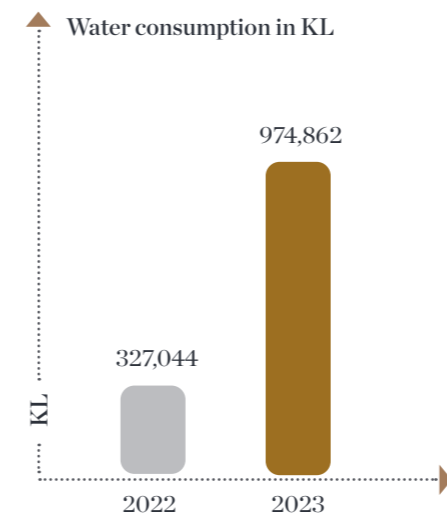
We understand that water stewardship extends beyond our operations, and into the communities in which we operate. As such, we actively engage with residents to promote water conservation awareness, and encourage responsible water usage practices.



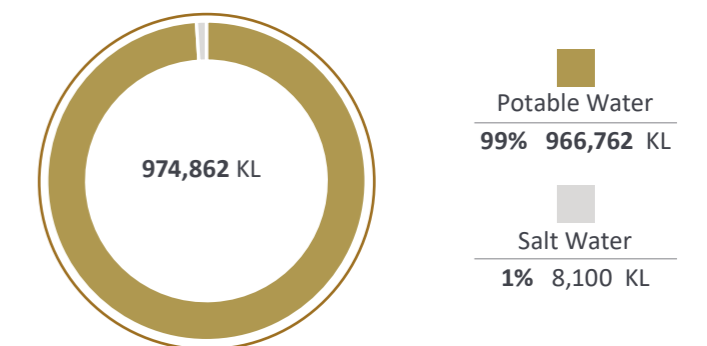
As part of our commitment to water management, we continually monitor and evaluate our water consumption to identify areas for improvement and drive positive change.

In 2023, Sobha's total water consumption amounted to 974,862 KL, marking a notable increase compared to the previous year. Water consumption in 2023 increased to approximately threefold the consumption in 2022. This rise is primarily attributed to the water usage in the Sobha communities that were delivered in 2023. These new operational buildings in Al Ruwaiya, Al Quoz, Waves, OPA, Master Community, and TR necessitated increased water usage for the residents.

*In 2023 we expanded our data monitoring and reporting boundary to include Sobha LLC, Sobha Furniture, Sobha PNC, and Sobha Pod.



Total water consumption in KL 2023

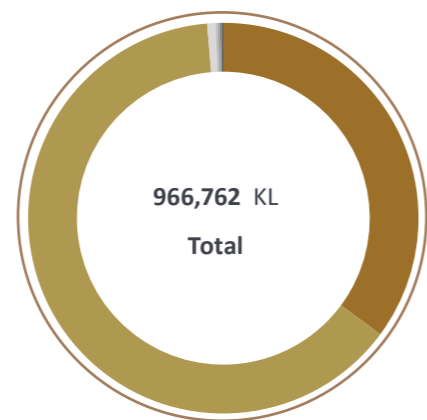




Sobha Latinem and Sobha Constructions are the largest consumers of Potable water, accounting for a significant portion of the group's total consumption.

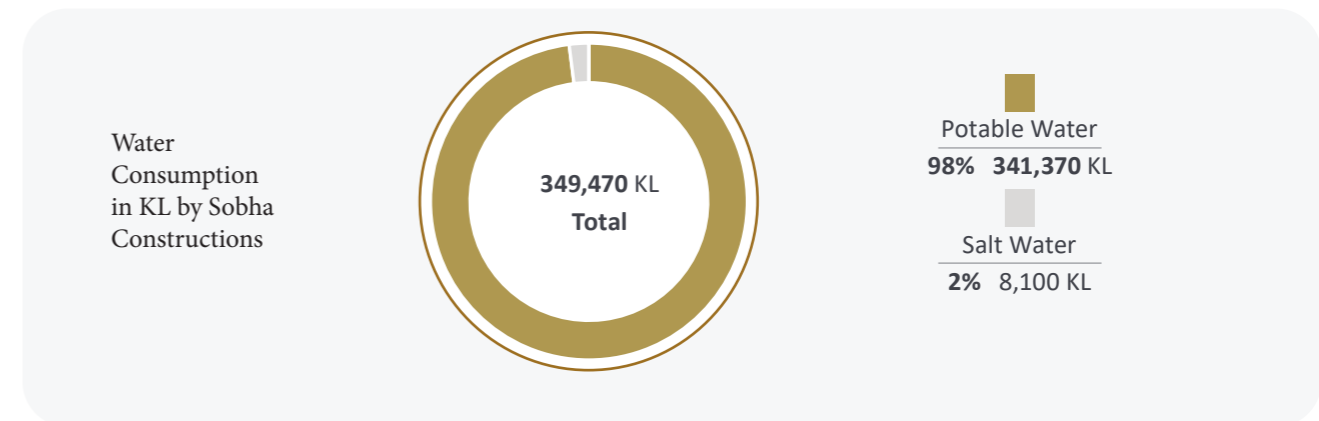
This is largely from the new staff accommodations in new sites; Al Quoze, Al Ruwayya and DIC under Latinem. In contrast, entities such as Sobha PNC, Sobha Facades, and Sobha Pod have relatively low water consumption, indicating smaller operational scales.

Breakdown of potable water consumption by Sobha Companies

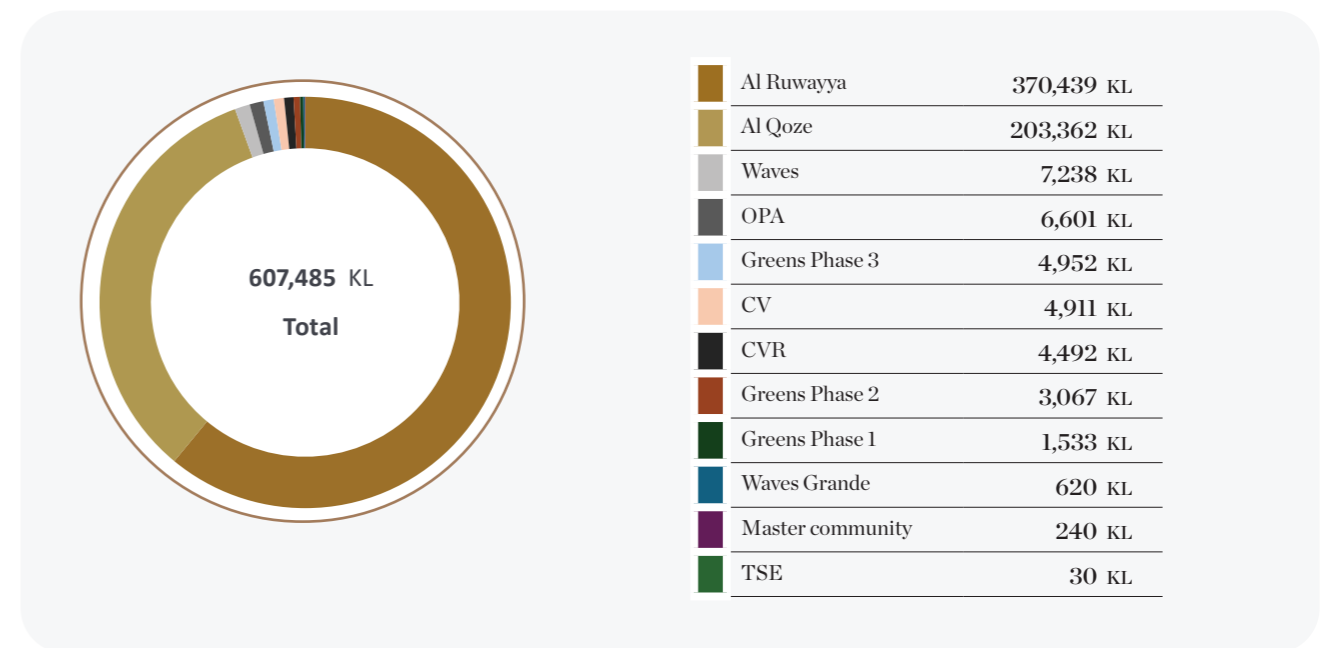


Sobha Constructions	35%
Sobha Latinem	64%
Sobha LLC	1%
Sobha PNC	0%
Sobha Facades	0%
Sobha Pod	0%
Sobha Furnitures	0%

Breakdown of water consumption from Sobha Constructions is provided below:



Breakdown of water consumption from Sobha Latinem is provided below:



Moving forward, we remain steadfast in our commitment to responsible water management practices, driven by a deep respect for the environment, and a desire to leave a positive legacy for future generations.

FOSTERING CIRCULARITY

By adopting circularity principles across our value chain, from design and construction to operations and maintenance, Sobha seeks to minimize waste generation, reduce resource consumption, and create value from materials that would otherwise be discarded.

Our operations, driven by multiple construction projects throughout the year, inevitably generate a substantial amount of waste. In 2023, Sobha has generated a total of 66,884 tons of waste across its operations, including construction waste, general waste, and other byproducts of our activities.

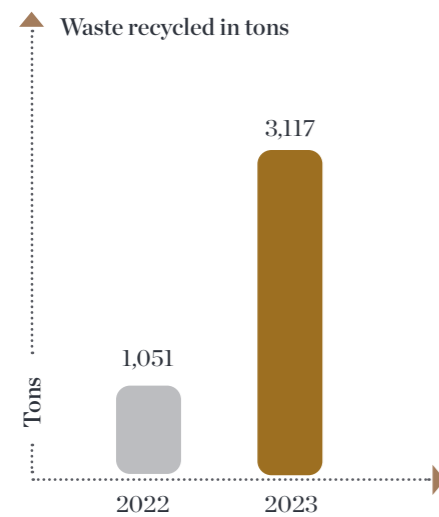
However, our commitment to sustainability, and responsible waste management is evident in our proactive efforts to recycle a significant portion of this waste.

In our relentless pursuit of resource efficiency, we have recycled a total of 3,117 tons of waste, with 55% being metallic scrap and 12.1% comprising construction waste.



General Recycle Waste	910	29.2%
Recycled Cardboard/Carton	7	0.2%
Recycled Paper	21	0.7%
Recycled Metallic Scrap	1,714	55.0%
Recycled PVC / Plastic Scrap	61	2.0%
Recycled Wood Waste	23	0.7%
Recycled Construction Waste	379	12.1%
Recycled E- Waste	2	0.1%

In 2023, Sobha achieved an impressive 197% increase in recycled waste, reflecting our unwavering commitment to sustainability and environmental stewardship.



In alignment with our commitment to fostering sustainability and embracing circularity principles, Sobha has undertaken several proactive initiatives aimed at minimizing waste generation, promoting resource efficiency, and driving positive environmental impact.



Construction Waste Recycling:

Sobha prioritizes the recycling of construction waste to minimize environmental impact, and promote resource conservation.

Through innovative practices, we recycle various materials such as AAC blocks, wood, and concrete waste, diverting them from landfills, and integrating them into new construction projects.

In addition, we are constantly exploring the possibilities of strengthening our recycling activities and engaging with specialist waste management firms to overcome the challenges.



Paper and Cardboard Recycling:

Recognizing the importance of waste reduction, and recycling, Sobha encourages staff to actively participate in reducing, reusing, and recycling paper and cardboard materials.

Site offices collect paper and cardboard waste for recycling, fostering a culture of sustainability, and responsible waste management among employees.



Chemicals Management:

To prevent wastage and minimize environmental harm, Sobha has implemented Chemical Use Management Policy which follows strict protocols for tracking chemical expiry dates. By monitoring usage, and expiration of chemicals, we ensure efficient utilization, and avoid unnecessary waste due to prolonged non-usage or expiration.



Hazardous Waste Segregation and Disposal:

At Sobha, we prioritize the safe handling and disposal of hazardous waste materials. Through rigorous segregation processes, and adherence to authority requirements, we ensure proper disposal of hazardous waste, mitigating environmental risks and promoting public health, and safety.



Participation in Clean UAE Drive:

As responsible corporate citizens, Sobha actively participated in the Clean UAE drive, wherein we collected nearly 1,900 kg of unwanted waste from designated natural locations in Dubai, contributing to the preservation of local ecosystems, and the reduction of litter pollution.



Conserving Biodiversity through Tree Replanting:

Infrastructure division of Sobha undertakes a proactive initiative to conserve biodiversity by replanting trees to alternative locations during development, and construction projects. This practice not only preserves existing trees but also ensures that local ecosystems, and wildlife habitats remain intact.



Digitalization

As part of group wise digitalization efforts, Sobha has successfully digitalized some of its processes which resulted in reducing its paper consumption while enhancing the process efficiency. It is expected to play a crucial role in achieving circularity.



OUR PEOPLE AND THEIR WELL-BEING

*Empower our people through skill
development, and a focus on their
health and well-being.*

At Sobha, we recognize that our people are the driving force behind our success and the cornerstone of our commitment to sustainability. We adopt a holistic approach, and undertake various initiatives to support, and empower our people.

From fostering a culture of inclusivity and diversity, training and skill development to prioritizing their health, safety, and well-being, we are dedicated to creating an environment where every employee thrives.



Promoting Inclusivity, Diversity, and Equality

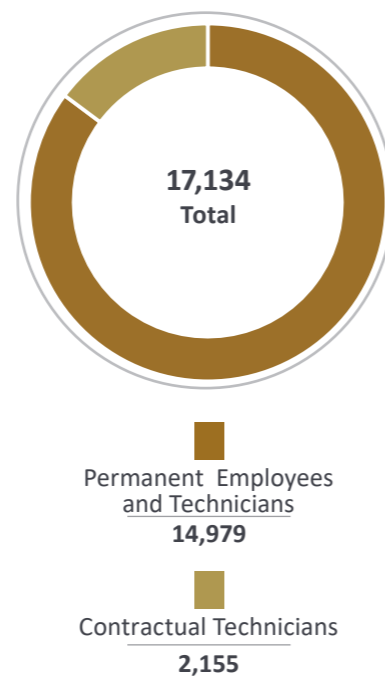
At Sobha, we celebrate diversity and as an equal opportunity employer, we believe that embracing a diverse workforce is essential to bringing a wide range of skills and perspectives necessary for achieving our business and sustainability objectives.

We actively work on enhancing various facets of diversity, including gender, localization, age, and nationalities among others. This diverse blend enriches our company culture and empowers us to meet our goals with creativity and innovation.

This further underscores Sobha's unfaltering commitment and conviction when it comes to employee's health and wellbeing.

Sobha supports a diverse community of 17,134 people, consisting of both permanent staff and contract partners to efficiently meet operational demands.

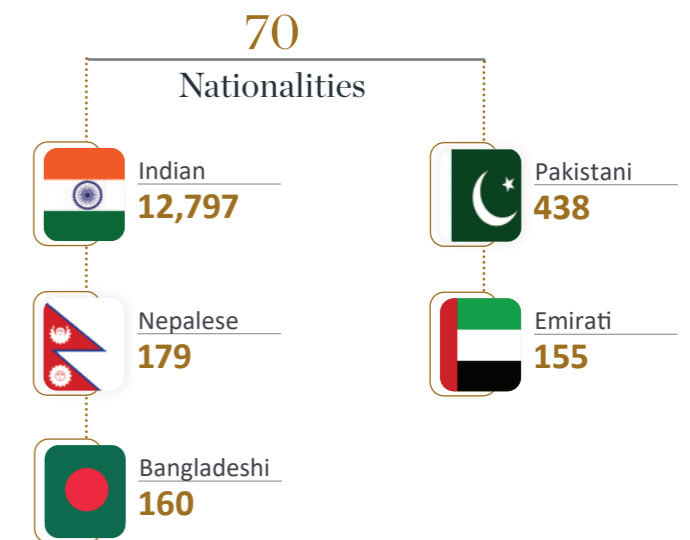
Out of 14,979 permanent employees and technicians, 29% are in administrative roles, and the rest are technicians.



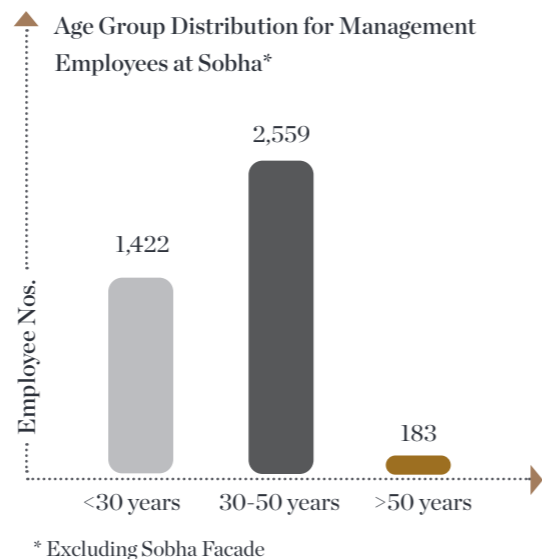
At Sobha, our team is a reflection of global diversity, comprising individuals from 70 different nationalities, each bringing unique perspectives, and expertise.

Our largest group includes 12,797 Indian team members, followed by 155 Emiratis, 438 Pakistanis, 179 Nepalese, and 160 Bangladeshis.

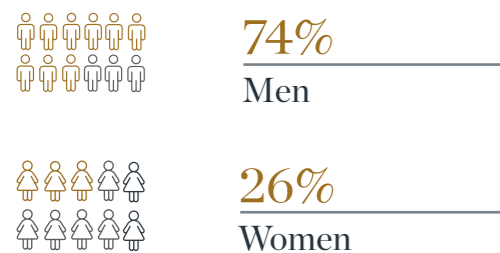
This variety of backgrounds enhances our ability to innovate and adapt, ensuring we meet the diverse needs of the markets we serve with creativity and efficiency.



The majority of employees at Sobha fall within the 30-50 years age range, accounting for 61% of the workforce. This prominence indicates the company's reliance on seasoned professionals, its commitment to fostering stability, and continuity, and the presence of a robust leadership pipeline.



Gender Distribution for Management Employees at Sobha*



Women's Day Celebration - Sobha organized Women's Day celebration on 8 March 2023 wherein hundreds of our women employees participated.

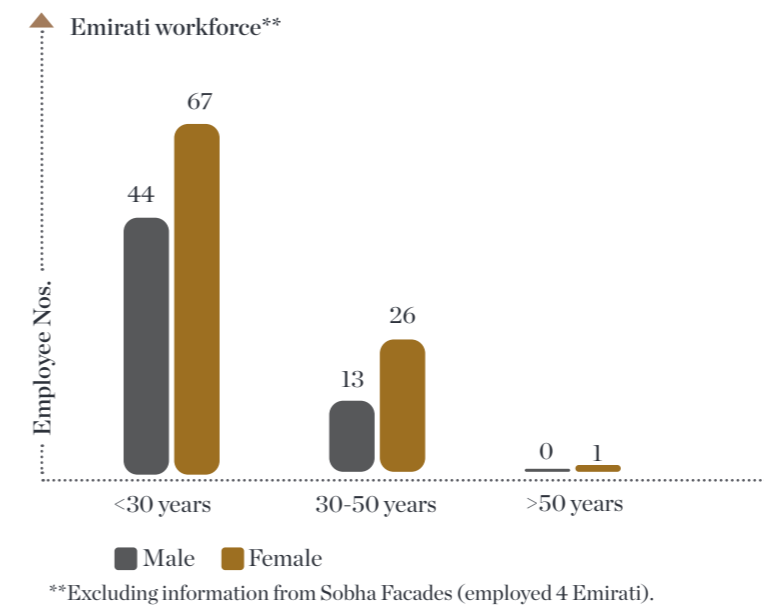
At Sobha, women's empowerment and gender diversity are key pillars of our ESG strategy. We are committed to fostering an inclusive workplace where women have equal opportunities to thrive. Reflecting this commitment, we have successfully doubled the number of women employed (excluding technicians) within our workforce compared to last year.

This significant improvement in the representation of women is a clear indicator of our progress towards a more balanced and diverse workplace, underscoring our dedication to empowerment and equality.

Fostering Emirati Talent

Sobha's Emiratization efforts represent a significant milestone in its commitment to supporting the UAE's vision of fostering local talent, and promoting economic growth.

In alignment with its objectives, during this year 134 Emiratis joined Sobha, emphasizing our proactive approach towards empowering UAE nationals by providing them with employment opportunities and pathway for career advancement. We currently employ 155 Emiratis surpassing the regulatory requirements laid down by the UAE government.



7times

Increase in the number of UAE nationals working with us

155***

UAE Nationals

3

Emirati hiring events conducted on campus

143

Employees attended the Cultural Sensitization Session

*** Including information from Sobha Facades.

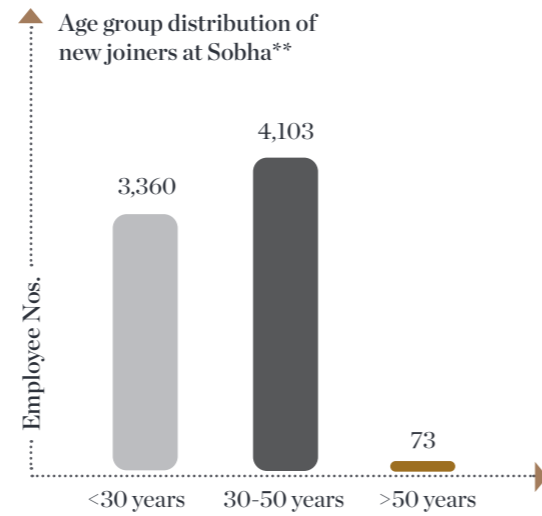
Furthermore, Sobha's Emiratization strategy highlights gender equality and inclusivity, as evidenced by significant representation female Emiratis among the newly hired employees.

In addition to hiring Emiratis, Sobha is dedicated to nurturing local talent, and supporting their professional growth. Through various trainings, and development initiatives, as well as opportunities for mentorship, and career progression, the company invests in building a skilled Emirati workforce that can contribute effectively to its operations, and the broader socio-economic landscape of the UAE.

RECRUITMENT AND TALENT DEVELOPMENT

By investing in the recruitment of skilled professionals, Sobha aims to strengthen its capacity to deliver high-quality projects and services to its clients and stakeholders.

In 2023, Sobha welcomed 7,611* new joiners (employees and technicians) into its family marking a significant influx of talent into the organization. Among these new recruits, the majority were technicians, reflecting the company's focus on bolstering its technical capabilities and operational efficiency.



Sobha Academy continues its commitment to employee development with a series of behavioral training sessions.

Over the course of 12 sessions tailored for staff and an additional sessions dedicated to technicians, participants have engaged in skill-based learning aimed at enhancing their professional capabilities.

328

Employees attended the training sessions with 2,122 Manhours spent on Training

350

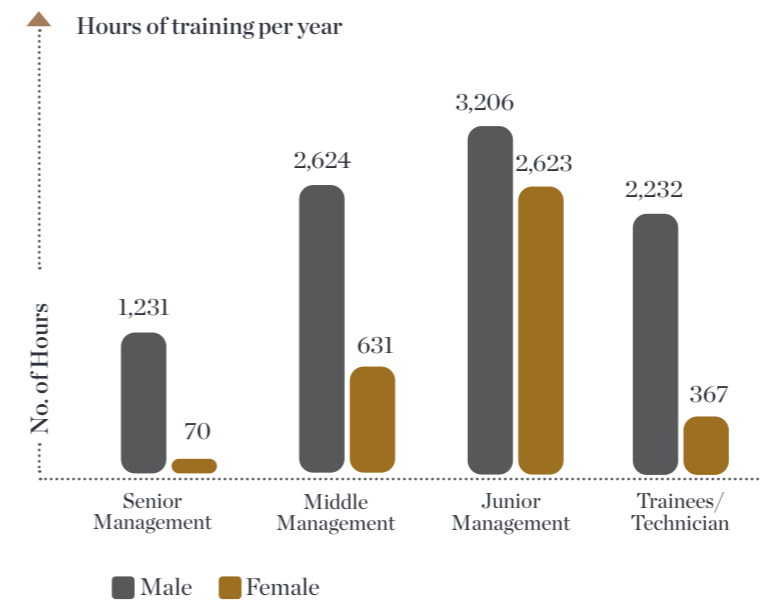
Technicians attended the training sessions with 1,400 Manhours spent on Trainings

Employee Training

Sobha places strong emphasis on employee development, and training, recognizing that investing in the growth, and skills enhancement of its people is integral to achieving organizational success.

In line with this commitment, it has implemented comprehensive training programs designed to equip employees with the knowledge, skills, and competencies needed to excel in their roles.

Notably, a significant focus has been placed on providing training opportunities to junior management personnel, with the majority benefiting from tailored development initiatives.



*This number excludes contractual technicians.
**Excluding information from Sobha Facades' Management Staff.

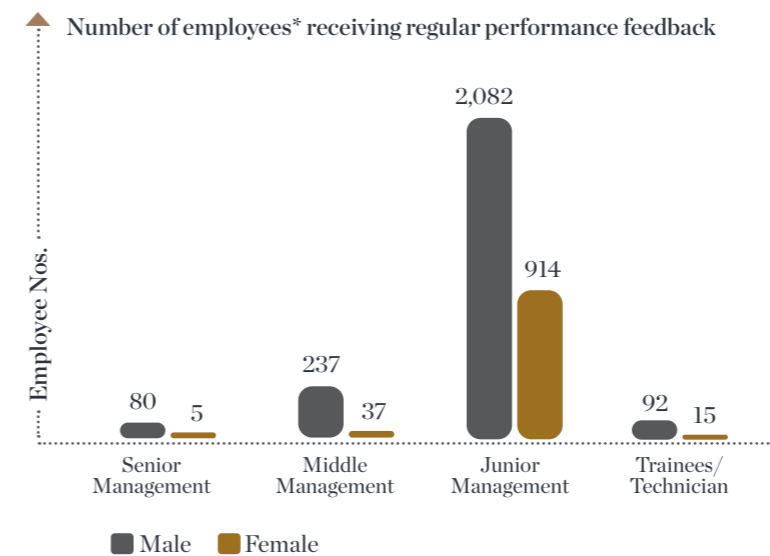
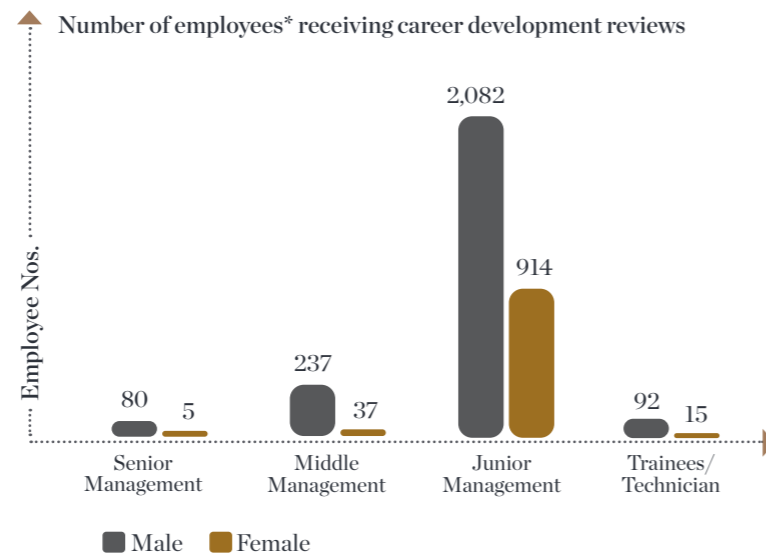
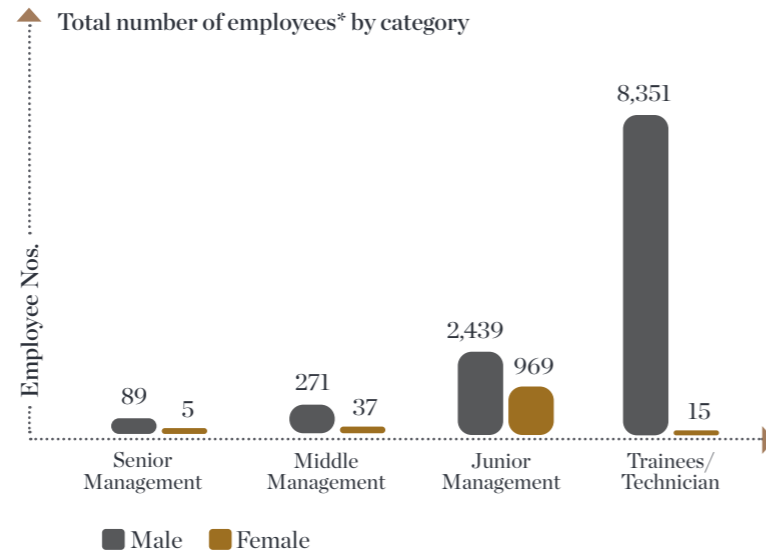
Career Progression

To ensure that employees are empowered to reach their full potential, the company conducts regular performance, and career development reviews.

These reviews serve as valuable opportunities for employees to receive constructive feedback on their performance, identify areas for growth, and set meaningful career goals.

Additionally, these reviews provide a platform for open communication between employees, and their managers, fostering a collaborative environment where feedback is exchanged transparently.

Employee Categories Distribution Analysis



Career Progression

The inaugural Employee Excellence Awards 2022 was a grand celebration held on 12 February 2023 at the Events Hall. Over the course of two hours, 57 employees, and six departments were recognized for their outstanding contributions across nine categories. The evening was filled with accolades for excellence, and magnificent performances, celebrating the dedication, and achievements of our exceptional team.

The Employee Excellence Awards are a reflection of our belief in the power of recognition to motivate, and uplift our people. Each award serves as a milestone, encouraging our employees to continue their journey towards personal, and professional growth.

The event underscores our dedication to supporting our team members, fostering a collaborative environment where everyone is encouraged to excel. The success of the evening also highlights the spirit of camaraderie, and mutual appreciation that defines Sobha Group. As we celebrate these achievements, we look forward to a future where our employees continue to set new standards of excellence, driving our organization to greater heights.

* Information from Sobha LLC, Sobha PNC, Sobha Furnitures and Sobha Constructions.

ENHANCING EMPLOYEE WELL-BEING

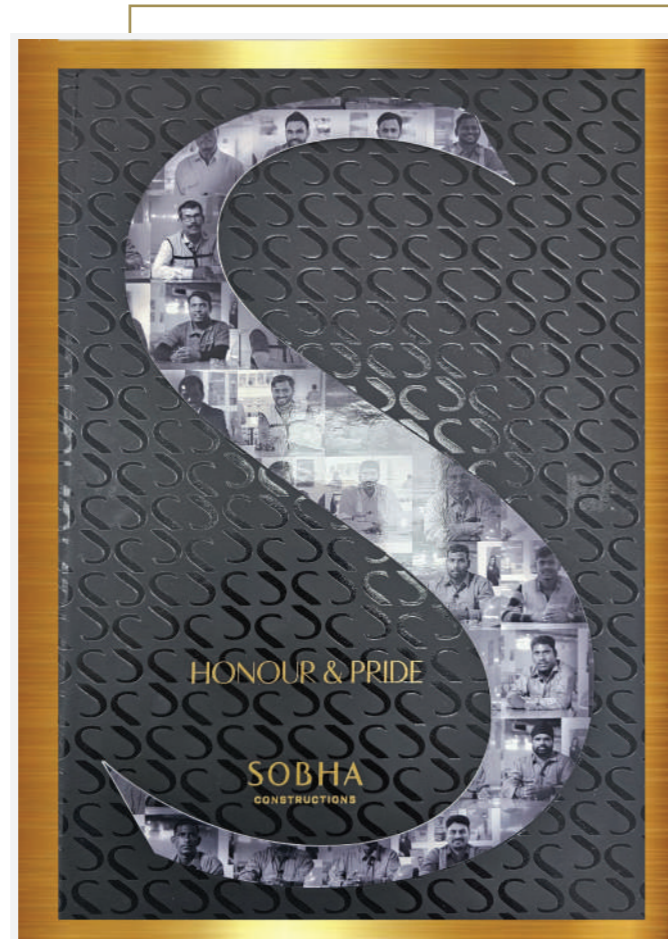
Sobha is committed to supporting the well-being of its people by offering a range of benefits. These benefits include financial protection to employees and their families, life insurance coverage, sporting, recreational and team building engagements.

Moreover, Sobha recognizes the importance of work-life balance, and family support, offering parental leave benefits to employees welcoming new additions to their families.

In terms of long-term financial planning, the company provides retirement provisions, helping employees build a secure future post-employment.

”

Recognizing the invaluable contributions of our technicians, Sobha proudly launched the “Honour & Pride” video testimonial series, a heartfelt tribute showcasing their dedication, and expertise. Additionally, Sobha introduced the inaugural “Honour & Pride” Book, a testament to their remarkable achievements.



Sobha prioritizes the health and wellness of its employees by offering healthcare benefits, ensuring access to quality medical services, and treatments. The company also provides disability and invalidity coverage, offering support to employees facing temporary or permanent disabilities, and ensuring financial stability during challenging times.



Particulars	Units	Permanent Employees*		
		Male	Female	Total
Employees that were Entitled to parental leave	Nos.	559	154	713
Employees that availed parental leave	Nos.	99	34	133
Employees that Returned to work after parental leave ended	Nos.	84	28	112
Number of employees due to return to work after parental leave	Nos.	40	11	51
Employed with organization for 12 months after parental leave	Nos.	25	4	29
Total number of employees returning from parental leave in the prior reporting period	Nos.	25	5	30
Returned to work rate	%	2.1	2.5	2.2
Retention rate	%	1.0	0.8	1.0

* Information from Sobha LLC, Sobha PNC, Sobha Furnitures and Sobha Constructions.

Enhancing Employee Well-being through Health and Sports Initiatives

At Sobha, we prioritize the health and well-being of our employees, understanding that a balanced lifestyle leads to greater personal, and professional success. To support this, we offer a variety of engaging health, and sports initiatives designed to promote physical activity, mental relaxation, and overall wellness. Here are some of the key opportunities available to our employees:



Cricket Day

Our Cricket Day events provide a fantastic opportunity for employees to engage in friendly competition, build team spirit, and enjoy the physical benefits of outdoor sports. These events foster camaraderie and offer a fun, and energetic break from the daily work routine.



Chair Yoga Class

Our Chair Yoga classes offer a more structured approach to incorporating yoga into the daily routine. These classes help improve posture, reduce tension, and promote mental clarity, all from the comfort of an office chair.

Desk Yoga Session

To help our employees manage stress, and maintain flexibility, we organize desk yoga sessions. These short, accessible sessions can be performed at the workstation, encouraging relaxation, and mindfulness throughout the workday.



Badminton Championship

The Badminton Championship is another exciting event that encourages our employees to stay active, and competitive. This championship not only promotes physical fitness, but also fosters teamwork, and healthy competition among colleagues.





Ayurveda Consultation

In collaboration with Ayurveda consultation providers, we offer personalized wellness advice based on ancient Ayurvedic principles. These consultations help employees achieve a balanced, and healthy lifestyle through natural, and time-tested methods.

Through these diverse health, and sports initiatives, Sobha is dedicated to ensuring our employees have the resources, and support they need to lead healthy, active, and fulfilling lives.

”

Well-being at work starts with engaged employees and robust healthcare support.



Employee Engagement Initiatives

Three workshops were conducted as part of the Sobha Values Rollout, with the participation of 40 employees, focusing on Value Activation and identifying corresponding behavioral attributes.

New Year Celebrations

Our New Year celebrations brought our team together, fostering a sense of community, and shared joy.

We also distributed New Year gifts to mark the community and shared joy show our appreciation for everyone's hard work.





Setting a New Guinness World Record

On UAE National Day, we proudly set a new Guinness World Record with 5,100 technicians forming the “Largest Helmet Mosaic formed by people (flag).” This remarkable achievement celebrated our unity, and dedication, showcasing our commitment to excellence.

Sobha recognizes the vital contributions of our technicians. In coordination with the Permanent Committee for Labor Affairs, Sobha organized Labor Day celebrations to honor, and appreciate the hard work, and dedication of our technicians.

These celebrations included a variety of recreational activities designed to promote team bonding, and relaxation. Through these initiatives, we aim to foster a supportive, and rewarding work environment for all.



Health and Wellness Initiatives

Sobha is dedicated to promoting health and wellness through multiple campaigns held throughout the year. As part of our Health & Wellness Initiative, we organized an Eye Test Campaign in March 2023, which saw an impressive participation rate of over 105 people.



Physical Fitness and Sports

Sobha has implemented various initiatives aimed at improving physical fitness, and team bonding, with a focus on sports and recreational activities.

Among these initiatives are the organization of football tournaments, the provision of indoor games facilities at technicians’ residences, and the establishment of a dedicated cricket practice area. These efforts are designed to promote a healthy, and active lifestyle while strengthening camaraderie among our employees.



SAFETY AT SOBHA

At Sobha, we are dedicated to maintaining the highest standards of Health, Safety, Security, and Environmental (HSSE) management.

We adhere to both local and international standards and legal requirements, ensuring that our activities at every stage are conducted with the utmost attention to safety, health, and environmental protection.

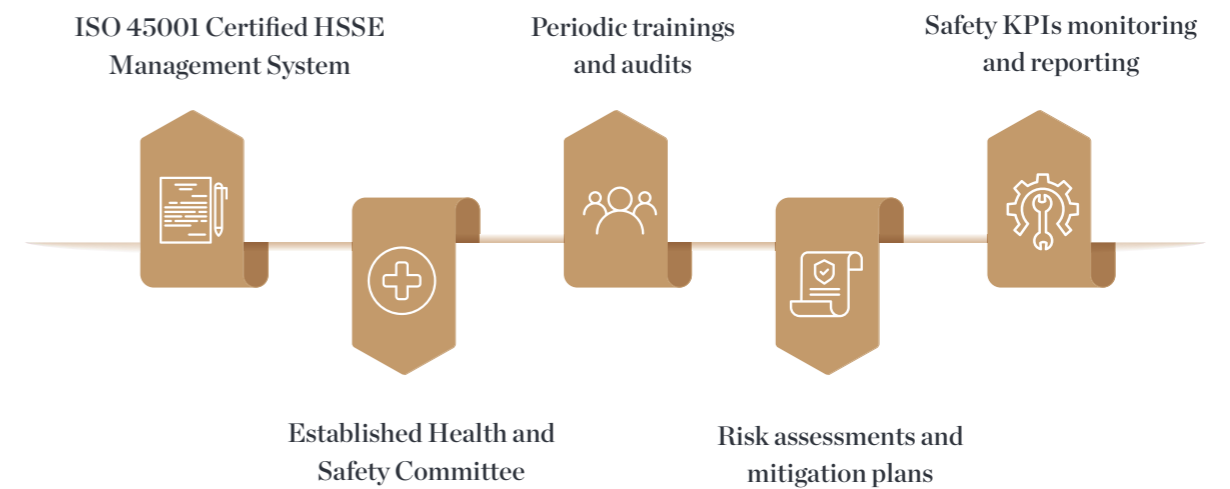
Our commitment extends to all stakeholders, including our employees, the contractors, and the communities in which we operate.



The HSSE management system covers all Sobha and subcontractor employees, technicians, construction and manufacturing activities, and control areas where Sobha operates.

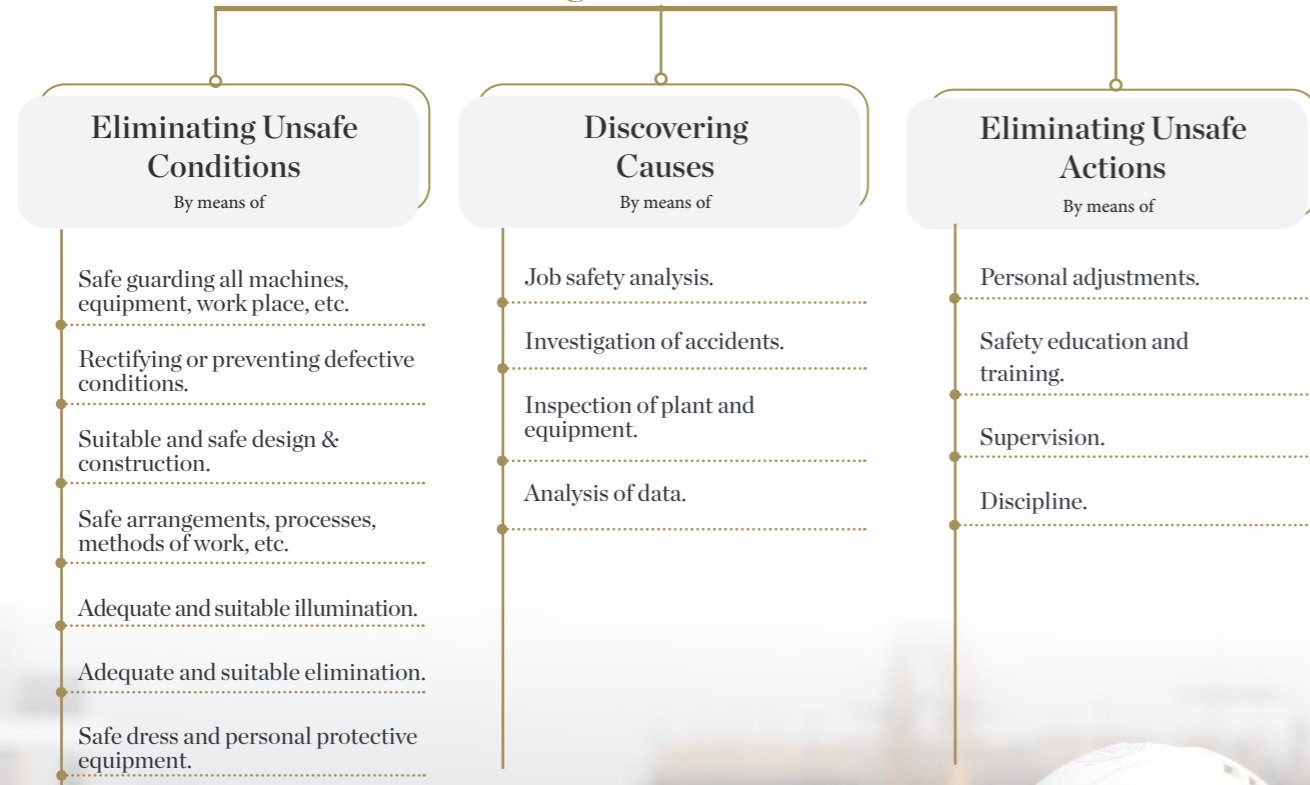
Our HSSE management system is certified to ISO 45001:2018 standards and complies with the Dubai Municipality Code of Construction Safety Practice (DM CoCSP) and Federal Decree - Law No. 33 (2021).

A dedicated Health and Safety Committee oversees all health and safety concerns, ensuring they are reviewed and mitigated with support from Sobha's Management. Regular internal audits and annual external audits ensure the system's effectiveness, providing practical insights into the on-site implementation of occupational health measures.



We ensure a safe working environment through comprehensive steps: implementing robust management control systems, eliminating unsafe conditions, discovering the causes of hazards, and eliminating unsafe actions through education and training.

Management Control



Comprehensive Risk Assessments and Emergency Preparedness

At Sobha, routine and non-routine risk assessments are regularly conducted using the Method Statement & Risk Assessment (MSRA) framework before the commencement of every activity.

This systematic approach ensures that potential hazards are identified and mitigated, with appropriate controls applied to minimize risks. The use of MSRA not only helps in foreseeing possible safety issues but also in implementing effective measures to prevent accidents and ensure a safe working environment for all employees.

In addition to these proactive measures, Sobha is committed to providing immediate and comprehensive emergency

response services. We offer 24/7 access to first aid facilities, ensuring that our employees can receive prompt medical attention whenever necessary.

Furthermore, we have established an emergency ambulance station within the Sobha Hartland premises. This strategic placement guarantees that in the event of major incidents, swift and efficient assistance is readily available.

These initiatives reflect our dedication to the health and safety of our workforce, strengthening our commitment to creating a secure and supportive workplace.

427

First Aid Cases (Nos)

168

Near Miss Case Reported (Nos)

227

Medical Treatment Cases (Nos)

37,006,015

Total Manhours Worked (Hrs)

ZERO

No. of Fatalities (2022)

ZERO

No. of Fatalities (2023)

0.054

Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)

2

High consequence work related injury or ill-health (excluding fatalities) (Hrs)

Fostering a Collaborative Safety Culture

Worker participation is integral to our approach, with active involvement in developing, implementing, and evaluating our health and safety management system. This participatory approach ensures that workers at all levels are engaged and contribute to the continuous improvement of our safety practices.

Our commitment to worker participation is demonstrated through several key initiatives:

Firstly, we conduct weekly safety meetings where workers are encouraged to voice their concerns, share observations, and suggest improvements.

These meetings provide a platform for open dialogue and ensure that safety is always a priority. Additionally, our workers play a crucial role in the preparation of Hazard Identification and Risk Assessment (HIRA).

By involving them in the identification of potential hazards and the assessment of associated risks, we leverage their firsthand knowledge and experience to enhance the effectiveness of our safety measures. Communication is also a critical aspect of our health and safety strategy.

We maintain clear and consistent risk assessment communications, ensuring that all workers are aware of the risks and the measures in place to mitigate them. This transparency fosters a culture of safety and encourages workers to remain vigilant and proactive in maintaining a safe working environment. Furthermore, we regularly conduct various Health, Safety, and Environment (HSE) campaigns aimed at raising awareness and educating our workforce on best practices.

These campaigns are designed to reinforce the importance of safety and to keep safety protocols fresh in the minds of all employees. We also have robust processes for investigating work-related incidents. Our HSSE (Health, Safety, Security, and Environment) and project teams work collaboratively to thoroughly investigate any incidents, identify underlying hazards, and assess risks.

This collaboration extends to determining root causes and implementing corrective actions to prevent recurrence. By systematically addressing the causes of incidents and making necessary adjustments, we ensure that similar issues do not arise in the future.



The HSSE Gallery :

We are planning to establish an HSSE Gallery, a testament to our unwavering commitment to employee well-being. The HSSE Gallery will provide a visual journey through various equipment and potential hazards, becoming an integral part of our induction training program.

This initiative will not only emphasize the importance of safety but also empower our team to make informed decisions, fostering a secure working environment. By highlighting real-world scenarios and potential risks, the gallery will play a crucial role in cultivating a strong safety culture within our organization.

Our goal is to ensure that every employee is thoroughly equipped with the knowledge and tools necessary to maintain a safe and healthy workplace, thereby reinforcing our dedication to excellence in safety standards.





BEYOND BUSINESS, SOBHA GROUP'S PHILANTHROPIC ENDEAVORS

Rooted in the belief that businesses bear a moral obligation to uplift the communities they serve, Sobha Group's philanthropic initiatives embody a spirit of compassion and empowerment.

With a strategic focus on education, healthcare, environmental conservation, and socio-economic development, the group channels its resources, and expertise to address pressing societal challenges, and foster sustainable progress. This section provides an overview of these initiatives, and their impact.



SOBHA COMMUNITY

With a strong commitment to strengthening the fabric of society, Sobha Group leverages its expertise in real estate to go beyond bricks and mortar, cultivating thriving communities.

Spearheading a transformative approach to community advancement, Sobha has implemented pioneering initiatives aimed at fostering sustainable development, and enriching the lives of people. With a strong commitment to strengthening the fabric of society, and by leveraging its expertise in real estate to go beyond bricks and mortar, and instead, cultivate thriving communities.

Through a blend of innovation, inclusivity, and a deep-rooted sense of responsibility, Sobha Group's community development endeavors not only redefine urban landscapes, but also set a new standard for holistic, and harmonious living experiences.

Contribution to 1 Billion Meals Program

In line with its dedication to social accountability, Sobha Group contributed AED 50 million to The Mohammed bin Rashid Al Maktoum Global Initiatives (MBRGI), the principal philanthropic entity under the auspices of HH Sheikh Mohammed bin Rashid Al Maktoum, for the One Billion Meals program in 2023.

This initiative aimed to offer food assistance to underprivileged individuals worldwide, particularly focusing on vulnerable groups such as children, refugees, displaced

persons, and those affected by crises and disasters. Sobha Group has extended its support to Noor Dubai through a generous contribution, exemplifying its commitment to philanthropy, and social responsibility.

With a donation of AED 2.5 million to Noor Dubai, Sobha Group has aligned itself with MBRGI, which oversees, and supports numerous humanitarian, and development projects.



Supporting Al Jalila Foundation's Mission for Cancer Patient Care

Sobha Group played a pivotal role in facilitating the Al Jalila Foundation's fundraising efforts, resulting in the establishment of the Hamdan Bin Rashid Cancer Charity Hospital with a total of AED 8 million raised.

This hospital is poised to provide vital support to over 30,000 cancer patients annually. Sobha Group acknowledges the crucial role of organizations like the Al Jalila Foundation in advancing the UAE as a center for medical breakthroughs, and the treatment of serious illnesses, notably cancer.

Rashid Centre for People of Determination

PNC Menon, the Founder and Chairman of Sobha Group, serves as a board member of the Rashid Centre for People of Determination, established in 1994. In alignment with the Group's community-focused mission, Sobha consistently extends significant support, and assistance to this center.

Recently, the Group demonstrated its commitment by constructing an advanced smart room specifically designed for the children at the center, incorporating cutting-edge technologies. This innovative space offers interactive games, activities, and tailored amenities to meet the needs of children of determination.

This initiative reflects Sobha Group's dedication to empowering individuals with disabilities, and promoting inclusivity within society.

The Giving Pledge

As a testament to his philanthropic values, Mr. PNC Menon has pledged 50 percent of his wealth to charitable causes. Alongside Mrs. Sobha Menon, he has joined the "Giving Pledge" initiative led by the Bill and Melinda Gates Foundation

and Mr. Warren Buffet. Through these endeavors, Mr. Menon's generous contributions have significantly impacted thousands of lives, offering individuals the opportunity for a new, and improved quality of life.



BAPS Hindu Mandir

Aligned with Sobha Group's CSR objectives, PNC Menon generously contributed AED 5 million to the BAPS Hindu Mandir. Sobha Group seeks to highlight its dedication to

strengthening the country's cultural diversity, peace, tolerance, and religious harmony through a myriad of initiatives.



Oman SAS Initiative

PNC Menon, the Founder and Chairman of Sobha Group, has pledged OMR 9.6 million over a decade towards constructing 300 homes for orphans and low-income families in Oman.

This commitment was formalized through a MoU signed with the Al Rahma Association of Motherhood, and Childhood in Muscat, Oman, signifying their devotion to aiding the disadvantaged segments of Omani society, aiming to enhance their living standards through both financial and non-financial assistance.



Sobha Foundation's Holistic CSR Initiatives in India

Under the auspices of the 'Sobha Foundation' in India, a dedicated team of CSR activation specialists oversees various CSR programs in India.

Mr. Menon, spearheading these efforts, has adopted, and championed the cause of two economically disadvantaged panchayats, Kizhakkenchery and Vadakkenchery, situated in the Palakkad district of Kerala. This initiative, named "Graamasobha," represents a unique, and comprehensive approach to community development.

Among its flagship projects are:



Sobha Hermitage, a distinguished facility catering to senior citizens and widows.



Sobha Health Care, a primary health center equipped with state-of-the-art medical amenities.



Sobha Academy, an educational institution offering top-tier education, nutrition, and attire to underprivileged children.



Sobha Vocational Training Centre, dedicated to empowering economically disadvantaged individuals with vocational skills.



Social rehabilitation programs targeting impoverished individuals.



Dowry-less social weddings - providing wedding ceremonies free of cost.



Furthermore, Mr. Menon extends his philanthropic reach by granting full tuition, and board scholarships to deserving students, enabling them to pursue higher education opportunities. These initiatives collectively embody Sobha Foundation's commitment to uplifting marginalized communities, and fostering holistic societal development.

SOBHA CARE'S EMPLOYEE WELFARE PROGRAMS

Sobha Care exemplifies Sobha Group's commitment to the well-being, and prosperity of its employees through comprehensive welfare programs.

73%
Eligible Technicians

93%
Applications submitted

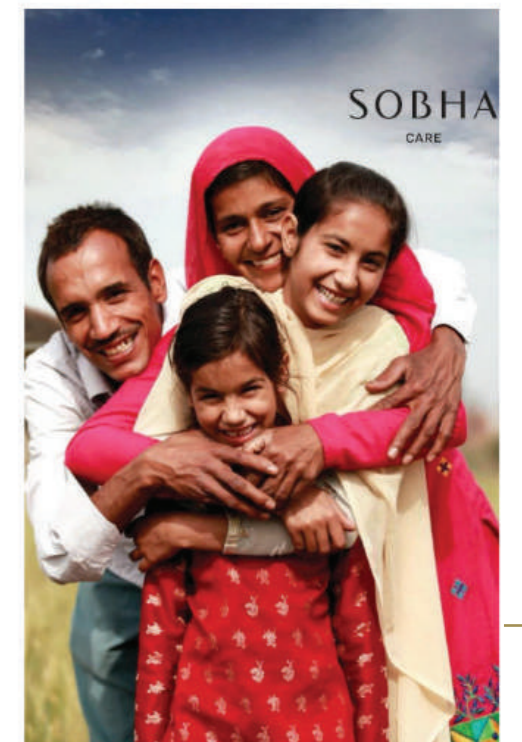
5,386
Technicians benefitted

AED 6.6 Million
Released till date

These initiatives are designed to support, and enhance the lives of Sobha's technicians, recognizing them as invaluable assets to the organization. Through access to quality healthcare services, financial support during challenging times, and avenues for personal, and professional growth, Sobha technicians are empowered to lead fulfilling lives both inside, and outside the workplace. The overarching goal of Sobha Care is to ensure that the technicians feel valued, supported, and motivated to contribute their best to the company's success.

Sobha Care includes a wide range of offerings, including healthcare benefits, financial assistance programs, professional development opportunities, and employee assistance programs.

Through a range of initiatives, Sobha Group ensures that technicians, alongside their spouses, and children, have access to quality education opportunities, comprehensive healthcare services, affordable housing options, and programs aimed at empowering women.

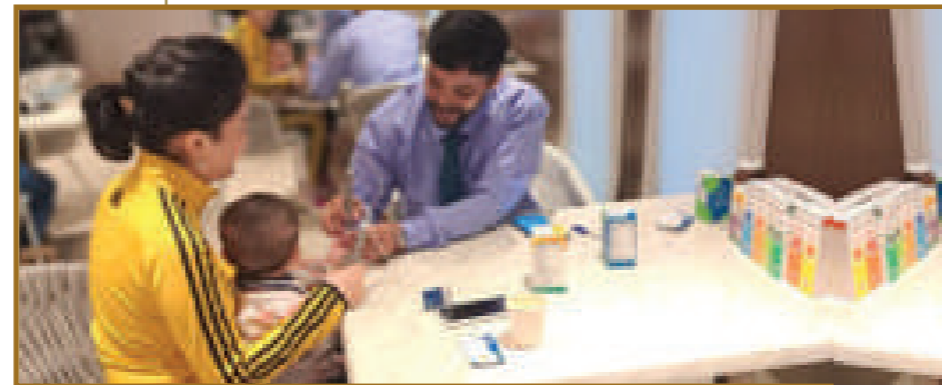


FOSTERING COMMUNITY, SOBHA GROUP'S RESIDENT-CENTRIC EVENTS



Sobha Group orchestrates several initiatives aimed at fostering a sense of community and belonging through various events to unite homeowners, and enthusiasts within its developments, creating vibrant, and inclusive neighborhoods.

From engaging social gatherings to enriching educational workshops, and recreational activities, these events serve as platforms for residents to connect, share experiences, and forge lasting friendships.

Whether it's a family-friendly carnival, a cultural celebration, or a fitness challenge, Sobha Group's diverse range of events caters to the varied interests, and preferences of its residents. By facilitating these gatherings, Sobha Group nurtures a strong sense of camaraderie, and cultivates a thriving community where residents can thrive, and flourish together.



ASSURANCE STATEMENT

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Limited Assurance Statement
 Relating to the Sustainability report of Sobha Group for the calendar year 2023.

Date issued: 02/09/2024

RA Global, as an independent third-party assurance provider, was engaged to perform assurance procedures to provide limited assurance on the Sobha Group's 2023 Sustainability Report in accordance with the criteria set out in Global Reporting Initiative ("GRI") Standards for the year ending December 31, 2023.

The assessment specifically focused on evaluating the accuracy and completeness of the Key Performance Indicators (KPI's) identified and mentioned in the Sustainability Report 2023, as detailed in the table below. This scrutiny was conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000. The objective was to ensure a robust and reliable evaluation of Sobha Group's sustainability disclosures, as referenced on the indicated page numbers of the Sobha Group's 2023 Sustainability Report.

S.No.	Key Performance Indicators (KPI's) Assured	Location in the 2023 Sustainability Report
1	Environmental KPIs	
1.1	GHG Emissions including Scope 1, Scope 2 and Scope 3	Pg 50-52
1.2	Energy Consumption including Electricity, Petrol and Diesel	Pg 62-63
1.3	Water Consumption	Pg 64-67
1.4	Waste Management	Pg 68-69
2	Social KPIs	
2.1	Health, Safety and Environment (HSE)	Pg 90-95
2.2	Human Resources (HR)	Pg 74-89
3	Governance KPI	
3.1	Materiality	Pg 42-43

This Limited Assurance Statement has been prepared for Sobha Group in line with our contractual agreements with Agile Advisors, the consultants commissioned by Sobha Group to develop the 2023 Sustainability Report.




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Management's responsibility for the 2023 Sustainability Report

Sobha Group's management is responsible for preparing the 2023 Sustainability Report in alignment with the criteria set forth by the GRI Standards. This responsibility includes the design, implementation, and maintenance of internal controls to ensure that the report is free of material misstatements, whether due to fraud or error.

Given the inherent characteristics of non-financial information, which often involve greater limitations than financial data, the 2023 Sustainability Report is subject to inherent uncertainties. These uncertainties stem from the methodologies used in data determination, calculation, sampling, or estimation. In compiling the report, management applies qualitative assessments regarding the relevance, materiality, and accuracy of the information, relying on various assumptions and judgments.

Responsibility of independent assurance practitioner

Our responsibility is to provide a limited assurance conclusion on the 2023 Sustainability Report, based on the procedures we performed and the evidence obtained. Our limited assurance engagement was conducted in accordance with the requirements of ISAE 3000. The procedures were guided by our professional judgment and included inquiries, observation of the processes, inspection of relevant documentation, evaluation of the adequacy of quantification methods and reporting policies, and verification or reconciliation with the underlying records.

During the verification process, certain issues were identified, prompting us to seek clarifications from Sobha Group's management regarding the accuracy of specific information in the Sustainability Report. In response to our findings, Sobha Group undertook a review and revision of the 2023 Sustainability Report. We confirm that the changes incorporated into the final version of the report have satisfactorily addressed all raised concerns.

Our limited assurance engagement focused solely on the sustainability performance disclosures within the scope of our work for the year ended December 31, 2023. We did not conduct any procedures related to disclosures from previous years, future projections or targets, or any other items included in the 2023 Sustainability Report. Consequently, we do not express any conclusion on those aspects.



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The procedures conducted during a review differ in nature and timing compared to, and are significantly less extensive than, an examination. The level of assurance achieved through a review is markedly lower than what would have been obtained through an examination. Nevertheless, we affirm that the evidence gathered during the review is sufficient and appropriate, providing a reasonable foundation for our conclusion.

We are obligated to maintain independence and fulfill our ethical responsibilities in alignment with pertinent ethical requirements associated with the engagement.

Conclusion
 Based on our work, the procedures performed, and the evidence obtained, nothing has come to our attention that causes us to believe that the key performance indicators (KPIs) reported by Sobha Group, as outlined in the table above, are materially misstated or inaccurate.

RA Global concludes that the data accuracy in Sobha Group's 2023 Sustainability Report is fairly stated, and the report provides a reasonable and balanced representation of Sobha Group's sustainability performance.



Attestation by RA Global

GRI CONTENT INDEX

For the Content Index - Advanced Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for all disclosures are included correctly and aligned with the appropriate sections in the body of the report. For the SDG Mapping Add-on, GRI Services reviewed that the GRI disclosures included in the content index are appropriately mapped against the SDGs.

Statement of use		Sobha has reported in accordance with the GRI Standards for the period Jan 2023 - Dec 2023.				
GRI 1 used		GRI 1: Foundation 2021				
GRI STANDARDS/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details	16,17, 20 - 23	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	2-2 Entities included in the organization's sustainability reporting	20 - 23				
	2-3 Reporting period, frequency and contact point	5				
	2-4 Restatements of information					
	2-5 External assurance	106-108				
	2-6 Activities, value chain and other business relationships	20 - 23				
	2-7 Employees	74				
	2-8 Workers who are not employees	74				
	2-9 Governance structure and composition	30 - 33				
	2-10 Nomination and selection of the highest governance body	-		Information unavailable/incomplete		
	2-11 Chair of the highest governance body	32				
	2-12 Role of the highest governance body in overseeing the management of impacts	7				
	2-13 Delegation of responsibility for managing impacts	34-35				

GRI STANDARDS/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 2: General Disclosures 2021	2-14 Role of the highest governance body in sustainability reporting	7				
	2-15 Conflicts of interest	-		Not applicable		
	2-16 Communication of critical concerns	-		Confidentiality constraints		
	2-17 Collective knowledge of the highest governance body	32 - 33				
	2-18 Evaluation of the performance of the highest governance body	-		Information unavailable/incomplete		
	2-19 Remuneration policies	-		Information unavailable/incomplete		
	2-20 Process to determine remuneration	-		Confidentiality constraints		
	2-21 Annual total compensation ratio	-		Confidentiality constraints		
	2-22 Statement on sustainable development strategy	6 - 9, 18 - 19, 26 -27				
	2-23 Policy commitments	36 -37, 40 -41				
	2-24 Embedding policy commitments	37 -37, 40 -41				
	2-25 Processes to remediate negative impacts	-		Information unavailable/incomplete		
	2-26 Mechanisms for seeking advice and raising concerns	-		Information unavailable/incomplete		
	2-27 Compliance with laws and regulations	-		Information unavailable/incomplete		
	2-28 Membership associations	51				
	2-29 Approach to stakeholder engagement	42				
	2-30 Collective bargaining agreements	-		Not applicable		

GRI STANDARDS/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	42 - 43	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	43				
Materials						
GRI 3: Material Topics 2021	3-3 Management of material topics	43				
GRI 301: Materials 2016	301-1 Materials used by weight or volume	56, 67				
	301-2 Recycled input materials used	-		Information unavailable/ incomplete		
	301-3 Reclaimed products and their packaging materials	-		Not applicable		
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	43				
GRI 302: Energy 2016	302-1 Energy consumption within the organization	62 -63				
	302-2 Energy consumption outside of the organization	-		Not applicable		
	302-3 Energy intensity	63				
	302-4 Reduction of energy consumption	55				
	302-5 Reductions in energy requirements of products and services	-		Not applicable		
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	43				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	50 - 51				
	305-2 Energy indirect (Scope 2) GHG emissions	50 - 51				
	305-3 Other indirect (Scope 3) GHG emissions	50 - 51				
	305-4 GHG emissions intensity	52				
	305-5 Reduction of GHG emissions	54				
	305-6 Emissions of ozone-depleting substances (ODS)	-		Not applicable		
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-		Information unavailable/ incomplete		
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	43				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	68 - 71				

GRI STANDARDS/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 306: Waste 2020	306-2 Management of significant waste- related impacts	68 -71				
	306-3 Waste generated	68 -66				
	306-4 Waste diverted from disposal	68 - 66				
	306-5 Waste directed to disposal	68				
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	43				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	76				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	82				
	401-3 Parental leave	83				
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	43				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	90 - 93				
	403-2 Hazard identification, risk assessment, and incident investigation	90 - 93				
	403-3 Occupational health services	91- 92				
	403-4 Worker participation, consultation, and communication on occupational health and safety	91- 92				
	403-5 Worker training on occupational health and safety	91- 92				
	403-6 Promotion of worker health	93				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	90-92				
	403-8 Workers covered by an occupational health and safety management system	90				
	403-9 Work-related injuries	93				
	403-10 Work-related ill health	93				
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	43				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	96-105				
	413-2 Operations with significant actual and potential negative impacts on local communities	-		Not applicable		

SOBHA

REALTY