



219.93 .94

762.77

856.49

651.32

229.56

238.38

219.98

TCFD Synopsis



## TCFD Synopsis

Building on our commitment to sustainability and climate action, Sobha has developed its second TCFD (Task Force on Climate Related Financial Disclosure) report, incorporating a detailed climate risk assessment. This year, we leveraged various climate change scenarios (Shared Socioeconomic Pathways, or SSPs) to provide a more comprehensive and forward-looking perspective on potential challenges and opportunities arising out of climate change. This summary document provides a snapshot of the detailed second TCFD report.

## Governance and Strategy

We have strengthened our governance structure this year to reflect the current needs and have welcomed an independent director to the Board, bringing valuable external expertise. We have further established a dedicated Environmental, Social, and Governance (ESG) Committee signifying our commitment to responsible business practices. This committee will ensure regular reporting to the Board on ESG matters, monitor performance, and recommend strategies for continuous improvement. The Board takes periodic stock of these initiatives, demonstrating its commitment to overseeing Sobha Group's sustainability journey. Through ongoing collaboration across business units, we ensure that climate considerations are seamlessly integrated throughout our operations. The Chief Sustainability Officer (CSO) continues to lead climate-related initiatives.

## Ambition and Action

Sobha Group maintains its long-term vision of becoming a leading sustainable real estate developer. Our ambitious goals include reducing our scope 1 and 2 greenhouse gas emissions in an aggressive manner and further align with UAE's net zero by 2050 strategic initiative.



## Enhanced Risk Assessment

This year's report goes beyond identifying climate-related risks, such as sea level rise and extreme weather events, and transition risks, such as changing regulations. We delve deeper, utilizing SSPs to analyse the potential impacts of various climate change trajectories on our business.

## Strengthened Mitigation Strategies

Building upon our existing initiatives (e.g., renewable energy, energy-efficient buildings, and sustainable practices), we're exploring additional strategies informed by the detailed climate risk assessment. These include investments in climate-resilient infrastructure, adoption of innovative building materials, and further optimization of water usage.

## Transparency and Reporting

Sobha Group remains committed to annual reporting on climate-related metrics and targets. The detailed climate risk assessment presented in the TCFD report sets a strong foundation for future reporting, allowing us to track progress and adapt strategies as needed.

# Climate Action Initiatives

Sobha Group continues to implement several sustainability initiatives within its developments, including:



## Material Usage

We are transitioning towards prefabricated off-site construction (PODs) that utilize recyclable materials like aluminium and steel alongside sustainable options like gypsum boards and Rockwool, which are different from traditional construction methods. This reduces waste and promotes a more sustainable material lifecycle.



## Sustainable Materials

We continuously seek and integrate environmentally responsible materials into our construction processes with a view to reduce the embodied carbon.



## Supplier Engagement and Assessment

We have started engaging with suppliers and rating them on in-house ESG criteria to ensure that we work with suppliers that support the decarbonization of our Scope 3 emissions.



## Fossil Fuel Consumption Reduction

We have successfully replaced four diesel compressors with variable-speed versions that require minimal power (26 Amps) while idling. This simple switch has reduced utility bills by an impressive 75%. We are undertaking pilots to utilize biodiesel and replace diesel to reduce emissions. Additionally, we are in the process of procuring Electric Vehicles, which would further cut down transport related emissions.



## Electricity use reduction

We have achieved an ISO 50001 energy management system for our facilities maintenance, energy audits have been undertaken for multiple buildings, and Energy Efficiency Measures are underway. We have set specific EUI reduction targets for the buildings we own and operate.



## Smart Lighting

We are implementing automated and smart lighting systems throughout our factories, both indoors and outdoors. These systems adjust lighting based on ambient light levels, leading to a projected 30% reduction in total lighting electrical energy consumption.



## Wastewater Management

A closed-loop water system is in the process of being implemented to capture wastewater from handwashing basins and redirect it for irrigation, eliminating the need for additional water input for plant maintenance.



## Waste Reduction and Recycling

We have optimized production processes, replacing specific operations with punching machines instead of CNCs. This has resulted in a 50% reduction in electricity consumption for these tasks while eliminating the need for oil, lubricants, and additional machine consumables. Additionally, a paper and cardboard recycling program has been established at our site offices, promoting a culture of reduce, reuse, and recycle among our staff. Construction waste recycling, focusing on concrete waste, is also being actively explored.

These are just a few examples of Sobha Group's ongoing commitment to sustainability. We continuously strive to improve environmental performance and build a more resilient future for our developments and stakeholders.