

SOBHA
REALTY

Sobha's
TCFD
SYNOPSIS
2024

Synopsis: TCFD (IFRS S2)

Sobha Group, a leading real estate developer in the Middle East, reaffirms its commitment to climate leadership, transparency, and sustainable value creation with the release of its 2024 TCFD (Task Force on Climate-Related Financial Disclosures) report, fully aligned with IFRS S2.

The adoption of IFRS S2 reflects the global shift towards standardised, decision-useful climate disclosures, ensuring greater comparability and transparency for investors and stakeholders.

IFRS S2, developed by the International Sustainability Standards Board, builds on the TCFD framework, setting out clear requirements for disclosing climate-related risks and opportunities that could materially impact cash flows, access to finance, or the cost of capital over the short, medium, and long term.

This year's report marks a significant step forward, building on our foundations from previous years and demonstrating our proactive approach to climate risk management and opportunity realisation.

Governance

In 2024, Sobha further strengthened the integration of climate-related risks and opportunities into its governance structure. The Board and dedicated sustainability committees now provide enhanced oversight, ensuring that climate considerations are embedded into all strategic and operational decisions. Climate-related risks are regularly reviewed alongside other enterprise risks by the Risk Management Committee, ensuring a holistic and accountable approach to risk oversight and mitigation.



Strategy

Sobha's climate strategy is guided by robust scenario analysis, leveraging the latest IPCC and Shared Socio-Economic Pathways (SSPs) to assess both physical and transitional risks. Our updated decarbonization roadmap addresses short, medium, and long-term impacts, prioritizing investments in climate-resilient infrastructure, innovative building materials, and advanced water and energy management systems. These initiatives not only mitigate risk but also unlock new business opportunities and operational efficiencies, supporting the UAE's Net Zero by 2050 vision.



Risk Management

Our risk management framework is now fully integrated with enterprise risk management and ESG processes. Climate-related risks are systematically identified, assessed, and prioritized based on severity, likelihood, and financial impact.

This year, we enhanced our scenario analysis, stakeholder engagement, and data-driven risk assessments, ensuring a comprehensive and forward-looking approach. Continuous monitoring and regular reviews keep our strategies agile and effective in a dynamic climate and regulatory landscape.

Metrics and Targets

Sobha Group rigorously tracks and transparently discloses its climate-related metrics and targets. In 2024, we continued to make measurable progress toward our goals of reducing Scope 1 and 2 greenhouse gas emissions by 50% by 2030 and achieving carbon neutrality by 2050. Our annual emissions inventory is more comprehensive than ever, supporting data-driven decision-making and accountability across all business units.

Key Achievements and Initiatives in 2024



LED and Solar Lighting Upgrades

Completed group-wide transition to energy-efficient LED lighting and further explored solar-powered options, significantly reducing energy consumption and emissions.



Smart Controls and Automation

Deployed advanced building management systems (BMS) for real-time monitoring and optimization of energy and water use. Further initiatives include exploring innovative dashboards and Internet of Things (IoT) technologies to enhance operational efficiency.



Renewable Energy Integration

Expanded on-site solar installations and increased the share of renewable energy in our operations.



Innovation

Advanced the deployment of IoT systems to optimize diesel generator performance and implemented digitalization strategies to strengthen Health, Safety, and Environment (HSE) management.



Low-Carbon Mobility

Increased the adoption of hybrid vehicles and alternative fuels, including biodiesel, across our fleet.



Water Management Innovation

Implemented rainwater harvesting, greywater recycling, and smart irrigation systems in new and existing developments.



Project-Specific Excellence

Achieved substantial emissions prevention through hyper energy-efficient design in flagship projects such as Sobha One.



Stakeholder Engagement

Strengthened collaboration with industry, government, and academic partners to accelerate climate adaptation and mitigation solutions.



Continuous Monitoring

Enhanced use of digital tools and data analytics for ongoing risk assessment and performance measurement.



Employee Training

Rolled out climate risk and sustainability training programs across all levels of the organization.



Recognition and Certification

Expanded green building certifications and received industry recognition for sustainability leadership.



Methodology

The 2024 report is based on extensive research, benchmarking against industry peers, and engagement with internal and external stakeholders. This ensures that our climate disclosures are robust, relevant, and tailored to Sobha’s unique operating context.



Looking Ahead

Sobha Group’s proactive, integrated approach ensures we are well positioned to navigate the challenges and opportunities of a low-carbon, climate-resilient future. By embedding climate action into every aspect of our business—from governance and risk management to design, construction, and operations—we continue to deliver long-term value for our stakeholders and contribute to a more sustainable built environment in Dubai and the wider region.

A cornerstone of our climate strategy is the Sobha Group’s unique backwards-integrated operational model. Managing the entire real estate value chain in-house, from architectural design and procurement to the manufacturing of building components, construction, fit-outs, and property management, enables us to enforce stringent sustainability standards throughout every phase.

This end-to-end control accelerates the adoption of energy and water efficiency measures, promotes the use of low-impact, high-quality materials, and supports continuous innovation in sustainable construction technologies, including modular building and the integration of renewable energy.

By leveraging this vertically integrated approach, Sobha Group achieves greater resource efficiency, reduces environmental impact across projects, and drives meaningful progress toward a low-carbon, climate-resilient future. Our operational excellence and sustainability leadership position us to deliver lasting value to our stakeholders while advancing Dubai’s vision for a sustainable built environment.