SOBHA
REALTY

ESG
REPORT 2025

Art of the Detail

Carving Sustainability Through Precision and Care

A history in creating

Timeless Facades Through Craftsmanship

Sobha Group's fifth consecutive Environmental, Social and Governance (ESG) Report reflects our continued commitment to responsible growth, transparency, and long-term value creation through sustainable business practices.

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MESSAGE FROM FOUNDER OF SOBHA GROUP

Dear Valued Partners,

The real estate industry is entering a new era, influenced by changing customer expectations, rapid technological advancements, and an increasing focus on sustainability. At Sobha, we view this as an opportunity to redefine the future of real estate through innovation, quality, and responsible growth.

Our strategy is centerd on creating long-term value by expanding into new markets, strengthening our global presence, and delivering developments that combine exceptional design, quality, and sustainability.

> As we grow, we remain committed to the core values that have defined Sobha: integrity & fairness, customer focus, ownership & collaboration, a passion for excellence, and innovation and sustainability.

I believe that the communities of tomorrow should be more than just places to live. They should be resilient, sustainable, and designed to enrich the lives of their residents.

This vision guides our investments, our development approach, and the way we create value for our customers, investors, employees, and society.

The progress we made this year reinforces our confidence in the future and strengthens our ambition to become one of the world's most respected real estate companies.

By embracing innovation, responsible business practices, and a long-term perspective, we will continue to build communities that stand the test of time and create a lasting legacy for generations to come.

PNC MENON
Founder and Chairman, Sobha Group

RAVI MENON
Chairman of Sobha Group

MESSAGE FROM THE CHAIRMAN

As we present Sobha's 2025 ESG Report, we look back on a year in which sustainability became even more integrated into the way we grow and manage our business. As Sobha expands into new markets and establishes new entities, our focus remains on building a business that delivers long-term value for our stakeholders while operating responsibly.

> During the year, we introduced our Green Finance Framework, successfully issued our inaugural USD 750 million Green Sukuk, and completed our first Double Materiality Assessment. Together with a GRESB score of 97 and a 4-Star GRESB Rating, these milestones have strengthened the way we manage sustainability, support informed decision-making, and align our business with global ESG expectations.

Growth is about more than expanding our business. Through Sobha Care, the Women Empowerment program, EduCare, Newborn Care, and other employee welfare initiatives, we continue to invest in our people and their families.

These programs help improve quality of life, create opportunities, and ensure that our progress is shared with the communities that support our business.

As we look ahead, we will continue to strengthen governance, enhance transparency, and build sustainability into the way we plan, invest, and operate.

By working closely with our stakeholders and maintaining high standards of accountability, we are creating a business that is well prepared for the future while delivering lasting economic, environmental, and social value.

ABOUT THE REPORT

Sobha's 2025 ESG Report offers a detailed overview of our ESG performance and future outlook across our operations in the UAE. As our fifth consecutive ESG report, it marks a significant evolution from our previous editions, highlighting the progress and development of our sustainability initiatives, enhanced disclosures, entity-level breakdown of performance, and public commitment to achieving quantitative ESG targets.

> We have maintained assurance for our ESG report, continuing to ensure transparency and credibility in our reporting process and keeping you, our stakeholders, well-informed.

We have also expanded our coverage to new entities formed under Sobha Group within UAE and also covered Al Siniyah Island operations. This year, we have further refined our GHG estimation methodology, incorporating updated emission factors and expanding our quantity-based calculation to include additional construction material categories beyond those covered in 2024. This advancement allows us to more accurately measure and address embodied emissions, further strengthening GHG intensity as a key decision-making criterion when selecting construction materials.

These advancements have enabled us to achieve remarkable milestones in 2025, reaffirming our commitment to ESG excellence.

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 ensuring alignment with the GRI Standards, the UN Sustainable Development Goals (SDGs), integrating SASB metrics, and upholding the principles of the United Nations Global Compact (UNGC), we ensure the credibility, transparency, and reliability of our reporting.

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.

Due to the nature of ESG disclosures, some of the statistics and metrics disclosed in this report may include estimates and may have underlying assumptions.

Disclaimer: This report is for general informational purposes only and all information in this report is current as of the date of publication. We undertake no obligation to update the information in this report or otherwise notify you if any views, opinions, or facts stated in this report change or subsequently become inaccurate.

This report is not comprehensive and contains only voluntary disclosures on important ESG topics as required by the ESG reporting frameworks we have adhered to. We disclaim any and all liability for any claims, losses, or damages whatsoever arising from any financial decisions or investment choices made by any person or entity based on the information, data, or estimates provided in this report. Any reliance you place on such information is strictly at your own risk.

We remain committed to transparency and will continue to update our stakeholders on our progress toward 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.

ALIGNMENT WITH GLOBAL AND LOCAL ESG FRAMEWORKS

At Sobha, we are committed to transparency and accountability in our sustainability practices. Our 2025 ESG Report is aligned with both global and local ESG frameworks to ensure that we meet the highest standards of environmental, social, and governance (ESG) performance.

By following internationally recognized guidelines and frameworks, as well as the UAE's national sustainability goals, we are driving positive change while remaining compliant with the latest regulations and best practices.

Local ESG Frameworks

UAE Green Economy for Sustainable Development Initiative

We are fully aligned with the UAE's Green Economy initiative, which promotes sustainable economic growth through energy-efficient technologies and resource conservation.

Dubai Carbon Abatement Strategy

In line with the Dubai Carbon Abatement Strategy, Sobha is focusing on reducing carbon emissions across our projects through the adoption of green technologies, including solar energy systems, district cooling solutions, and electrification of construction sites and expanding the use of low-carbon equipment across our supply chain.

UAE Net Zero 2050 Strategic Initiative

Sobha is actively working toward the UAE's Net Zero 2050 target, aligning our operations and business strategies to contribute to the national goal of achieving net zero emissions by 2050.

GLOBAL ESG FRAMEWORKS

Global Reporting Initiative (GRI) Standards

Our report adheres to GRI Standards, which provide a comprehensive framework for reporting on the governance, environmental, and social impacts of our operations.

UN Sustainable Development Goals (SDGs)

We are committed to contributing to global sustainability goals through our projects and operational practices.

UN Global Compact (UNGC)

Sobha is committed to the principles of the UN Global Compact, aligning with its core values on human rights, labor standards, environmental protection, and anti-corruption practices.

Greenhouse Gas (GHG) Protocol

Sobha aligns with the GHG Protocol for measuring and managing greenhouse gas emissions, ensuring that we account for Scope 1, Scope 2, and Scope 3 emissions.

International Financial Reporting Standards (TCFD/IFRS)

We follow the IFRS S2 (developed by ISSB) recommendations, disclosing the financial impacts of climate-related risks and opportunities, including our governance approach, strategy, risk management, and performance metrics aligned with climate action goals.

Sustainability Accounting Standards Board (SASB)

Sobha's reporting is aligned with the SASB Real Estate Standard, focusing on the sustainability impacts of property development, management, and operations, considering both direct and indirect ESG impacts.

SOBHA ESG
HIGHLIGHTS 2025

Business growth, social impact, and environmental performance at a glance

USD 750 million
Green Sukuk issued

Green Finance
Framework launched

Green Mark Platinum
Certification achieved

4
Projects received Preliminary Green Building Certification

527,899 m²
Built-up area assessed through Life Cycle Assessment

6
New entities established

4-Star
GRESB rating achieved

97
GRESB score achieved

60%
Increase in total workforce

58,707
Total workforce

10,346
Management employees

90
Nationalities represented across the workforce

23,894
Children supported through educational assistance

30,104
Spouses empowered through the Women Empowerment Program

1,962
Children supported through Newborn Care Initiative

132
Families supported through the Marriage Blessing Program

Zero
HSSE fines or penalties

One
Family supported through Sobha Housing Scheme

56,093
Lives positively impacted by Sobha Care

58 thousand KL
Recycled water consumed

31%
Increase in recycled water consumption

68,355 KL
Saline water used in construction

254%
Increase in saline water consumption

29 million liters
Blended diesel consumed

9,801 tCO_2e
Emissions avoided through reduction initiatives

6,867 tonnes
Waste diverted from landfill

877 tonnes
Food waste composted

5,900 KL
Water reused in modular operations

27,995 $kgCO_2e$
Sequestered through the plantation of 2,075 trees

364 MWh
Renewable energy consumed

ABOUT SOBHA

ABOUT SOBHA

Sobha Realty is a leading real estate developer with operations across the Middle East, India, USA, and Australia. Established in 1976 by PNC Menon, the company has built a strong reputation for its commitment to integrity, quality, sustainability, innovation, and customer satisfaction.

> Renowned for its expertise in luxury residential developments and integrated townships, Sobha Realty is distinguished by its superior design, craftsmanship, and focus on sustainable living.

1976
Year of Establishment

AED **30** billion
Record Sales

In 2025, Sobha Realty marked a defining year of accelerated growth and global expansion. The company achieved record-breaking year-end sales of AED 30 billion, representing a 30% year-on-year increase and underscoring strong market demand and investor confidence in Sobha's high-quality developments.

This growth was complemented by significant development milestones, including the launch of four major masterplans, Sobha Solis, Downtown UAQ, Sobha Central, and Sobha SkyParks.

These additions expanded Sobha Realty's UAE portfolio to 14 developments, comprising 12 in Dubai and two in Umm Al Quwain, further strengthening its regional leadership in premium real estate.

In line with its long-term vision, Sobha Realty also extended its footprint beyond the Gulf region, announcing strategic expansion into the United States and Australia.

This included the establishment of regional offices and land acquisitions in Texas, as well as Queensland and Sydney, marking a pivotal step in Sobha's evolution into a global real estate developer.

Building on its legacy of innovation and sustainability, Sobha continues to integrate environmental considerations across its developments, focusing on resource efficiency, low-carbon design, sustainable construction practices and enhanced community living standards.

SOBHA
REALTY

Sobha Realty is defined by an uncompromising command over quality. For over five decades, Sobha has delivered real estate through discipline, precision, and ownership of every outcome.

A legacy of perfection.

REDEFINING REAL ESTATE THROUGH INTEGRATED AND SUSTAINABLE DEVELOPMENT

Sobha Realty continues to leverage backward integration as a core strategic advantage, enabling complete control over quality, efficiency, and sustainability across its value chain. By integrating key functions, including design, engineering, construction, cooling energy supply, project management, facilities management, and material sourcing, the company operates through a seamless and self-reliant model.

> This approach enhances cost efficiency, accelerates project delivery, and ensures stringent quality control aligned with global sustainability standards.

Backward integration makes Sobha highly resilient enabling it to optimize resource use, reduce reliance on external suppliers, and embed innovation across every stage of development. This integrated model supports the delivery of world-class, future-ready projects while reinforcing Sobha Realty's commitment to environmental stewardship and long-term value creation.

This report covers the operations of the following Sobha Group companies

Sobha Realty

Sobha Realty is a global luxury developer conceptualizing and delivering world-class luxury communities for the Group.

PNC Investment

PNC Investment, the investment arm of Sobha Group, encompasses a diverse portfolio across industries and geographies. PNC Investment's diversified portfolio reflects its commitment to exploring opportunities that generate financial returns and contribute positively to the global economy.

PNC Architects (PNCA)

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 Modular

Sobha Modular specializes in off-site, industrialized construction using modern modular manufacturing techniques. Sobha Modular produces factory-built facades and modular pods that are installed on-site to enhance construction speed, quality, and sustainability. The division currently operates two specializes, state-of-the-art facilities focused on facade systems and prefabricated pods.

Sobha Facades

A division of Sobha Modular and part of Sobha Realty, specialises in the design, engineering, and fabrication of high-performance façade systems, including unitized curtain walls, window walls, composite panels, and a wide range of door and glazing systems.

Established in 2018, it operates a state-of-the-art manufacturing facility with advanced automation, global system collaborations, and Lean Six Sigma excellence, supporting Sobha's landmark projects while expanding its offerings for international markets.

Sobha Pods

Operates the largest-of-its-kind luxury bathroom pod manufacturing facility, specialising in pre-engineered, high-quality modular bathroom units.

Launched in 2023, the state-of-the-art factory leverages advanced automation and Modern Methods of Construction to enable parallel manufacturing, faster project delivery, and consistent quality. Backed by a multidisciplinary workforce and Sobha's hallmark craftsmanship, Sobha Pods is setting new benchmarks in modular construction on a global scale.

Sobha Constructions (SCL)

SCL specializes in sustainable living communities. As a multinational construction company, it caters to Sobha Realty, renowned for its impeccable design, service, and quality construction. SCL is also committed to reducing operational emissions through the adoption of biofuels, solar energy, green mobility, and circular waste recycling practices, while upholding high standards of innovation, efficiency, and sustainability.

Latinem Securities (LS)

Latinem Securities offers Quality Assured SIRA-certified security guards, with extensive expertise in security management. 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 Furniture

Sobha Furniture produces customisable 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.

Latinem Facility Management (LFM)

LFM specializes in end-to-end integrated facility management services, offering both soft services like housekeeping and security, and hard services including MEP (Mechanical, Electrical, Plumbing) maintenance and preventive upkeep. The company focuses on delivering technology-driven operational solutions tailored for real estate developments, ensuring asset optimization and enhanced resident experiences.

Latinem Landscaping LLC

Latinem Landscaping LLC specializes in delivering comprehensive landscaping solutions across Sobha developments, including landscape design, irrigation systems, soft landscaping, and long-term maintenance. The company plays a vital role in enhancing environmental sustainability and aesthetic value through the use of native and adaptive plant species, water-efficient irrigation systems, and biodiversity-focused landscape development such as pollinator gardens and green corridors.

Its operations are supported by in-house nursery facilities (Latinem Gardens LLC), enabling better control over plant quality, species selection, and acclimatization. Latinem is aligned with ESG principles through water conservation initiatives, soil health management, and continuous monitoring of plant performance, survival rates, and overall ecosystem enhancement.

Sobha Community Management (SCM)

SCM 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.

Stay by Latinem

Stay by Latinem provides short-term vacation rental property management services for residential properties in Sobha Hartland.

Sobha Energy Solutions (SES)

Sobha Energy Solutions is a Central Cooling Service Provider for Sobha Developments. The plant utilizes DEWA supplied electricity and recycled water from Dubai Municipality to generate chilled water, which is then distributed to individual buildings within Sobha Developments for cooling purposes.

Sobha Concrete Industries LLC

Sobha Concrete Industries is a key manufacturing arm within Sobha Group, producing high-quality ready-mix concrete and precast elements for large-scale infrastructure and building projects. Operating from advanced, fully automated batching and precast facilities, the company ensures consistency in quality, durability, and performance. It plays a critical role in Sobha's backward integration model by supplying a wide range of ready-mix concrete across various grades and applications.

The operations are aligned with sustainability objectives through the adoption of low-carbon concrete mixes, use of supplementary cementitious materials (GGBS, fly ash), water recycling systems, and energy-efficient production processes, contributing to reduced environmental impact and enhanced resource efficiency.

Sobha Project Management Consultancy (PMC)

Sobha Project Management Consultancy (PMC) is the central project management and supervision arm for Sobha Realty's infrastructure, landscaping, and 132 kV substation projects. PMC is responsible for overseeing planning, design coordination, procurement support, construction supervision, testing & commissioning, and handover of infrastructure and utility works, ensuring full compliance with project specifications, authority requirements, and international standards.

The organization plays a critical role in managing complex utility infrastructure, including high-voltage substations, through effective coordination with stakeholders, consultants, contractors, and regulatory authorities to ensure safe, reliable, and timely delivery. PMC also drives ESG implementation across projects through digital transformation initiatives such as EDMS (paper-lite workflows), performance monitoring dashboards, and integrated management systems aligned with ISO 9001, ISO 14001, and ISO 45001 frameworks.

PMC ensures that sustainability, quality, safety, and operational efficiency are embedded throughout the entire project lifecycle, from concept design to final handover.

SCL Infrastructure Division

Sobha Constructions LLC – Infrastructure Division (SCL Infra)

Sobha Constructions LLC – Infrastructure Division (SCL Infra) is the execution arm responsible for delivering large-scale infrastructure works, including roads, utilities, substations, and associated civil works across Sobha developments. The division is equipped with advanced construction capabilities, mechanized operations, and strong technical expertise to ensure timely and high-quality project delivery.

SCL Infra is aligned with ESG objectives through the adoption of low-carbon materials, reuse of excavated materials, water-efficient construction practices, and implementation of digital construction methodologies. The division emphasizes safety, environmental protection, and operational excellence, supported by robust QHSE systems, regulatory compliance, and continuous improvement initiatives.

Sobha Crusher LLC

Sobha Crusher LLC is a strategic upstream entity within Sobha Group's backward integration framework, responsible for the extraction and processing of high-quality aggregates. Located in the Hatta/Fujairah region of the UAE, the company operates high-capacity crushing and screening plants that convert raw mountain rock into graded aggregates and manufactured sand for use in concrete and infrastructure works.

The operations are focused on ensuring full control over material quality, supply chain reliability, and cost efficiency. Sobha Crusher integrates sustainable mining practices, including optimized resource utilization, dust and noise control measures, and progressive environmental management practices aligned with regulatory and ESG requirements.

Sobha Smart Metering (SSM)

SSM is the specialized utility management arm of Sobha Group, dedicated to delivering advanced automated metering and digital billing solutions.

By integrating cutting-edge IoT technology with the One Sobha ecosystem, the company ensures transparent, real-time monitoring of energy and water consumption, driving both operational efficiency and resident-led sustainability across Sobha's premium global developments.

Sobha Advanced Industries (SAI)

Sobha Advanced Industries is the MEP (Mechanical, Electrical, and Plumbing) modular manufacturing arm of Sobha Realty. It focuses on offsite manufacturing, creating bespoke, high-quality MEP modular products to enhance construction efficiency and sustainability across Sobha's extensive real estate portfolio.

SAI operates the following three factories located in Ras Al Khaimah

Marble	Rebar Micro Facility	SAIL Factory

VISION

Sobha Group aspires to become the most trusted and respected real estate organization 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 society at large.

PHILOSOPHY

Excellence

Sobha Group's foundations have been built on excellence. From design to engineering, development, and interiors, everything has to be of the highest possible standard at all times. These standards are embodied by everyone associated with Sobha Group. The eminence of our work can be revealed by our achievements in receiving the ISO International Standard Certificates.

ISO 9001, ISO 14001 and 45001 certificates for adhering to Environmental, Health and Safety Standards. We have also won over 100 prestigious awards by reputable organizations, including Real Estate Developer of the Year. We are also on the verge of several transformative steps that would redefine the way we engage with the built environment.

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. We aim to ensure transparency, maintain open communication, and deliver results that align with our clients' expectations and values.

FRANCIS ALFRED
Managing Director, Sobha Group

MESSAGE FROM MANAGING DIRECTOR

Sustainability is central to how we design, build, and operate our developments. It drives innovation, enhances operational excellence, and enables us to create resilient, future-ready communities while reducing our environmental footprint.

> In 2025, we continued to embed sustainability across every stage of the development lifecycle. We achieved Green Mark Platinum Certification, secured Preliminary Green Building Certification for four projects, and completed Life Cycle Assessments across more than 527,899 m^2 of built-up area.

These milestones strengthen our ability to make informed decisions, improve building performance, and deliver developments that are built for the future.

Our environmental initiatives also delivered tangible outcomes. We consumed 364 MWh of renewable energy, expanded the use of recycled and saline water, and avoided 9.8 thousand tonnes of CO_2e through the use of 29 million liters of blended diesel and other emission reduction initiatives.

We also diverted 7 thousand tonnes of waste from landfill and increased the use of low-carbon construction materials, reinforcing our commitment to resource efficiency, circularity, and climate action.

Looking ahead, we will continue to raise the standard for sustainable construction by embracing innovation, improving operational efficiency, and reducing our environmental footprint. Our focus will remain on practical solutions that enhance performance, conserve resources, and support responsible growth across our operation.

Every step we take brings us closer to our Net Zero ambitions and contributes to a built environment that is more resilient, efficient, and prepared for the future.

ESG JOURNEY

2021

- Developed the first ESG report.
- Produced the first GHG inventory, including scope 1, 2 and a limited category of Scope 3

2022

- CSO (Chief Sustainability Officer) appointed.
- Developed the second ESG report.
- Adopted the TCFD framework or aligned with the TCFD framework
- Developed the first TCFD report.
- Produced 2nd GHG inventory covering Scope 1, Scope 2, and expansion of Scope 3 emissions categories.

2023

- Established ESG committee.
- Partnered with the UAE Alliance for Climate Action (UACA) to support the UAE in its climate journey.
- Undertook a pledge with UAE MOCCAE to support its net zero 2050 strategic initiative.
- Developed the third ESG and 2nd TCFD report and climate risk assessment.
  Initiated the development of GHG and ESG Strategy.
- Achieved 1 - Star GRESB rating.
  Developed the 3rd GHG Inventory Scope 1, 2 and Scope 3 emissions of expanded boundaries.
- Partnered with the UN Climate Change High-Level Champions for COP28 to develop a blueprint for the built environment.
- Registered one of its flagship projects, Sobha One, for Green Mark Platinum Super Low Energy Certification.
- Planted 1,000 mangroves, contributing to biodiversity enhancement and carbon sequestration.
- Installed an integrated 376 kWp solar PV system at project offices.
  Actively engaged in advocacy and thought leadership at COP28 and other climate events.
- Supported key initiatives with AED 220 million for Al Jalila Foundation, AED 5 million to BAPS Mandir, AED 10 million to Noor Dubai, and a pledge to the 1 Billion Meals Endowment.
- Set a Guinness World Record for the largest UAE flag.

2024

- Initiated Green Building Certification for 15 projects.
- Invested AED 9.6 million in SAS Housing and committed 1,000 homes for underprivileged families in India.
- Achieved 3 - Star GRESB rating in 2024 with a score of 91.
- Strengthened the ESG strategy and set goals and targets for group companies and corporate departments.
- Invested heavily in the 70/70 program for automation of the construction process to reduce environmental impact.
- Installed a 9 MWp solar PV plant (under development) and achieved 329 KWp of operational solar PV capacity.
- Established Sobha Energy Solutions to provide efficient cooling energy solutions and reduce overall emissions.
- Generated 31,386 kWh of solar energy to power tower cranes via battery storage.
  Planted 1,000 mangroves and 500 Ghaf trees.
- Pledged AED 400 million under the Mothers' Endowment campaign to develop and construct a university campus building in Dubai.
- Used 1.5 million liters of biodiesel blend B5 to reduce emissions.
- Achieved the Guinness World Record for the world's tallest mosaic formed by people.
- Established a LEED Platinum-rated Furniture Factory in Dubai.

2025

- Achieved a GRESB score of 97/100 with a 4-Star Rating.
- Launched the Green Financing Framework to support sustainable investments.
- Received the Green Mark Platinum Super Low Energy certification for Sobha One.
- Received preliminary Green Building certificates for four ongoing projects.
- Established the following entities:
  - Sobha Concrete Industries LLC
  - Sobha Project Management Consultancy (PMC)
  - Sobha Constructions LLC – Infrastructure Division (SCL Infra)
  - Sobha Crusher LLC
  - Sobha Smart Metering.
  - Sobha Advanced Industries (SAI)
- Continued the use of B5 and B10 blended diesel, consuming 27 million liters and avoiding 6,355 tCO_2e of emissions.
- Used 20,000 m3 of Vertua® green concrete in cast-in projects, avoiding 1,800 tonnes of CO_2e emissions.
- Issued USD 750 million Green Sukuk

CONVERSATION WITH CHIEF SUSTAINABILITY OFFICER

Q1. The built environment is at the center of the global sustainability agenda. How is Sobha responding to this changing landscape?

The real estate sector is undergoing a fundamental transformation. Today, success is no longer defined solely by the quality of the assets we develop, but by the long-term environmental and social value they create. Investors are increasingly evaluating climate resilience, customers are seeking healthier and more efficient spaces, while regulators and financial institutions are raising expectations around transparency and responsible business practices.
At Sobha, we view this evolution as an opportunity rather than a challenge.
Sustainability is no longer a standalone function within our organization. It has become an integral component of business strategy, influencing investment decisions, project planning, operational excellence, innovation and long-term value creation. Our objective is not simply to comply with evolving expectations, but to position sustainability as a source of competitive advantage and business resilience.

This philosophy was reinforced during 2025 through several strategic milestones, including the launch of our Green Finance Framework, the successful issuance of our inaugural USD 750 million Green Sukuk, and the achievement of a 4-Star GRESB Rating with an outstanding score of 97. These achievements demonstrate that our sustainability journey is creating value not only for the environment and society, but also for investors, customers and the broader business.

Q2. Decarbonising the built environment remains one of the industry's greatest challenges. What distinguishes Sobha's approach to climate action?

One of the most important lessons we have learned is that meaningful climate action begins with better information.

Before organizations can reduce emissions, they must understand where emissions originate, how they evolve across the value chain, and where interventions will have the greatest impact. During 2025, we significantly strengthened our greenhouse gas accounting methodology by transitioning from a predominantly spend-based approach toward a more quantitative methodology for key Scope 3 categories. This enhancement has substantially improved the accuracy of our emissions inventory while providing greater visibility into embodied carbon associated with construction materials. However, measurement alone does not deliver decarbonization.

Our focus is now firmly on implementation. Across our operations, we continue expanding renewable energy, increasing energy efficiency, adopting lower-carbon construction materials, transitioning toward cleaner fuels, improving fleet efficiency, enhancing circularity and reducing dependence on potable water. Collectively, these initiatives avoided approximately 9.5 thousand tonnes of carbon dioxide equivalent emissions during the reporting year. More importantly, they establish the operational capabilities required to support our long-term Net Zero 2050 ambition.

For us, decarbonization is not a single project. It is a continuous process of redesigning how we plan, procure, construct and operate every asset we develop.

Q3. Innovation has always been synonymous with the Sobha brand. How does sustainability influence innovation across your developments?

Innovation creates its greatest value when it is embedded at the earliest stages of decision-making. The environmental performance of a building is largely determined before construction even begins. Choices relating to design, engineering, materials and construction methodologies have implications that extend across the entire lifecycle of an asset.

Recognizing this, we integrate sustainability into every stage of project development. Energy modeling, life cycle assessment, responsible material selection and internationally recognized green building certification have become fundamental components of our development process rather than supplementary activities.

During the year, we achieved Green Mark Platinum Certification, secured preliminary green building certification for four projects and completed Life Cycle Assessments covering more than 527,000 square metres of built-up area. Beyond these achievements, our emphasis remains on continuously exploring emerging technologies, low-carbon materials and digital solutions that improve environmental performance without compromising the quality and craftsmanship that define Sobha developments.
Ultimately, innovation is not measured by the technologies we adopt, but by the lasting value they create for our customers and communities.

Q4. Sustainability is often associated with environmental performance. How does Sobha ensure that people remain at the center of its ESG strategy?

People have always been the foundation of Sobha's success. While environmental stewardship remains central to our strategy, we believe truly sustainable organizations create opportunities for people to thrive. This includes investing in employee development, fostering safe and inclusive workplaces, strengthening wellbeing and extending positive impact beyond our own operations.

Today, our workforce comprises more than 58,700 professionals representing 90 nationalities, reflecting the diversity that strengthens our organization and enriches our culture. Through structured learning programs, wellbeing initiatives and Sobha Care, we continue supporting not only our employees but also their families and surrounding communities. During the year, our community programs positively impacted more than 56,000 lives through initiatives spanning education, healthcare and social wellbeing.

For Sobha, sustainable development is ultimately measured not only by the buildings we create, but by the lives we improve.

Q5. What do you believe will be the defining sustainability challenge for the built environment over the coming decade?

The next decade will require organizations to move beyond ambition and demonstrate measurable transformation. Stakeholders are no longer evaluating companies solely on the commitments they make, but on the outcomes they achieve. The built environment will play a pivotal role in this transition, particularly in addressing embodied carbon, improving operational efficiency, strengthening climate resilience and embracing circularity across the value chain.
At Sobha, we believe this transition must be driven by innovation, collaboration and accountability. Sustainability cannot be delivered by a single function or through isolated initiatives. It must influence every business decision, from design and procurement to construction, operations and investment planning.
Our focus is therefore on embedding sustainability deeper into the organization while continuing to accelerate decarbonization, strengthen climate resilience, expand circular economy practices and work closely with customers, suppliers and industry partners to transform the built environment.

The buildings we create today will shape communities for decades to come. Our responsibility is to ensure they contribute positively to both people and the planet while delivering enduring value for generations.

Ramnath Vaidyanathan
Chief Sustainability Officer

RESPONSIBLE GOVERNANCE

LEADING WITH INTEGRITY

GOVERNANCE APPROACH

Sobha Group is committed to upholding the highest standards of corporate governance, guided by principles of integrity, transparency, accountability, and ethical business conduct.

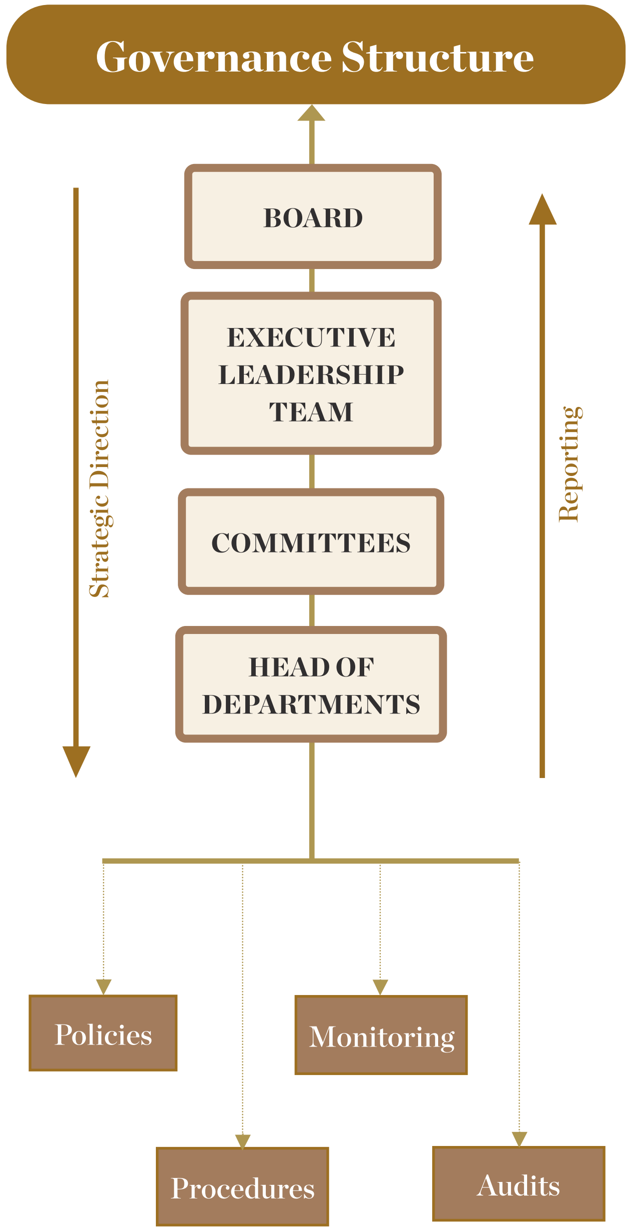
> The Group's governance framework ensures effective oversight, robust risk management, and responsible decision-making, aligning business objectives with stakeholders' interests.

The Group integrates governance best practices across all operations, supported by clearly defined policies, codes, and procedures. This approach strengthens compliance with applicable laws and regulations while fostering a culture of ethical conduct and long-term value creation.

GOVERNANCE STRUCTURE

Sobha Group has established a well-defined governance structure that enables effective supervision and strategic direction. The framework is designed to ensure a clear separation of responsibilities between oversight and management, promoting balanced decision-making.

At the core of this structure is the Board of Directors, supported by senior management and specialized committees. Each level of governance operates within clearly defined roles and responsibilities, ensuring accountability, transparency, and operational efficiency across the organization.



BOARD OF DIRECTORS

The Board of Directors serves as the highest governing body of Sobha Group, responsible for setting the strategic direction and overseeing the organization's overall performance.

The Board ensures that the Group operates in alignment with its vision, values, and long-term objectives, while safeguarding the interests of all stakeholders. Comprising three members, the Board brings diverse expertise across real estate, finance, and sustainability, enabling well-rounded, informed decision-making.

The Board is led by Chairman Mr Ravi Menon, a seasoned leader with extensive experience in real estate and construction, who plays a pivotal role in shaping Sobha's strategic vision and long-term growth. It plays an instrumental role in defining the Group's purpose, values, and overall strategy, ensuring alignment with Sobha's commitment to responsible and sustainable business practices.

The Board is strongly committed to upholding the principles of integrity, transparency, and accountability.

In addition to its strategic oversight, the Board actively reviews and approves ESG goals, targets, and disclosures, including the annual ESG report.

It also ensures that risks are effectively identified, assessed, and managed through a structured framework, with particular focus on sustainability and regulatory compliance.

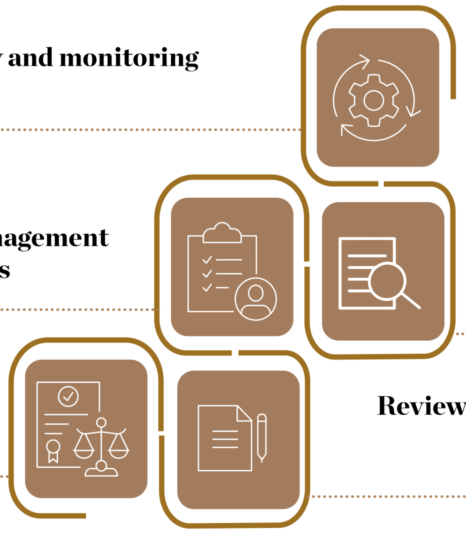
To further strengthen governance practices, the Board has established clear mechanisms to manage potential conflicts of interest, ensuring objectivity and fairness in decision-making.

Key responsibilities of the Board include:

Defining corporate strategy and monitoring its implementation

Ensuring effective risk management and robust internal controls

Upholding ethical standards and fostering a culture of integrity



Overseeing financial performance and ensuring transparent disclosures

Reviewing and approving ESG strategy, targets, and reporting

BOARD COMMITTEES

To strengthen governance and enable focused oversight, the Board has established specializedcommittees that operate under clearly defined charters. These committees play a critical role in supporting the Board by providing strategic guidance and ensuring effective management of key areas, including investments, financial performance, risk, and sustainability. The Board has constituted five key committees that collectively oversee Group strategy, budgeting, investments, financial structure, and long-term value creation.

Investment Committee

The Investment Committee is responsible for evaluating and approving capital allocation decisions across various investment opportunities. It assesses market dynamics, risk exposures, and expected returns to ensure that investments are aligned with the Group's strategic objectives and deliver sustainable value.

Audit Committee

The Audit Committee oversees the integrity of financial reporting, the effectiveness of internal controls, and the audit process. It ensures compliance with applicable regulations and enhances transparency, accountability, and stakeholder confidence in the Group's financial disclosures.

Risk Management Committee

The Risk Management Committee is tasked with identifying, assessing, and mitigating risks across all areas of the Group's operations. It drives the implementation of a robust risk management framework that addresses strategic, financial, operational, and compliance risks, ensuring business resilience and continuity.

Nomination and Remuneration Committee

This Committee oversees Board and senior management appointments, succession planning, and remuneration policies. It ensures that compensation structures are fair, performance-driven, and aligned with industry benchmarks and the organization's long-term interests.

ESG Committee

The ESG Committee provides strategic oversight on environmental, social, and governance priorities. It drives the Group's sustainability agenda, including climate action initiatives, and ensures that ESG considerations are integrated into business strategy and decision-making. The Committee also monitors ESG performance and supports responsible and ethical business practices across the Group.

Note: The Investment, Audit, Risk Management, and Nomination & Remuneration Committees operate under PNCI (the main holding company), while the ESG Committee has been established at the Group level to steer sustainability and climate-related initiatives.

BACKWARD INTEGRATION MODEL – STRENGTHENING GOVERNANCE AND OPERATIONAL EXCELLENCE

Sobha has adopted a backward integration model, a cornerstone of its business strategy, which not only enhances operational efficiency but also reinforces robust governance practices across the organization. This model entails controlling key stages of the value chain, from procurement of raw materials to construction and delivery, enabling Sobha to ensure quality, transparency, and accountability at every step.

Key Governance Aspects of the Backward Integration Model:

Governance Focus	Description
Quality Assurance	By sourcing critical materials and manufacturing in-house, Sobha maintains stringent quality standards, reduces dependence on external suppliers, and ensures compliance with safety and environmental norms.
Transparency in Operations	Direct control over production and supply chains allows for clear tracking of materials, financial flows, and operational processes, supporting accurate reporting and ethical business practices.
Risk Management	Vertical integration minimizes supply chain disruptions, mitigates procurement risks, and enables proactive management of operational challenges, contributing to business continuity.
Sustainability Integration	In-house production enables the adoption of eco-friendly materials, energy-efficient processes, and waste-reduction initiatives, aligning with Sobha's ESG and Net Zero 2050 commitments.
Accountability and Compliance	Consolidated operations allow for consistent monitoring, adherence to regulatory standards, and enforcement of corporate governance policies across all business units.

ESG GOVERNANCE

Sobha Group has instituted a comprehensive ESG governance framework to embed sustainability principles into its corporate strategy and operational practices. Anchored in its ESG Policy, the framework enables the effective management of environmental, social, and governance risks and opportunities, while supporting long-term value creation.

The Group's ESG strategy is guided by three core pillars - Environmental Stewardship, Social Responsibility, and Strong Governance, which shape its approach to addressing material topics, setting measurable targets, and delivering impactful outcomes. A key commitment under the environmental pillar is Sobha's ambition to achieve Net Zero emissions by 2050, reflecting its proactive approach to climate action and decarbonization.

Pillar	Focus Areas	Key Priorities
Environmental Stewardship	Resource efficiency, emissions management, waste management, climate action	Reducing carbon footprint, improving energy and water efficiency, promoting sustainable construction practices, enhancing waste recycling and circularity, and progressing toward Net Zero emissions by 2050
Social Responsibility	Employee well-being, health & safety, community engagement, diversity & inclusion	Ensuring workforce safety, enabling employee development, supporting communities, and fostering an inclusive and equitable workplace.
Strong Governance	Ethics, compliance, risk management, transparency	Upholding ethical conduct, strengthening internal controls, ensuring regulatory compliance, enhancing transparency and accountability

A key focus under the environmental pillar is Sobha's commitment to achieving Net Zero emissions by 2050, reflecting its forward-looking approach to climate action. A structured decarbonization pathway, resource-efficiency initiatives, and the integration of sustainable construction practices, including energy-efficient designs, responsible material use, and waste minimization, support this.

> Oversight of ESG matters rests with the Board of Directors, which is responsible for reviewing and approving ESG strategies, targets, and disclosures. The Board ensures that climate-related risks and opportunities, including the Net Zero roadmap, are integrated into the Group's overall business strategy and risk management processes.

At the operational level, the ESG Committee plays a central role in driving the implementation of the sustainability agenda. The Committee monitors performance against defined ESG targets, including emissions reduction goals aligned with the Net Zero 2050 commitment, and ensures accountability across business functions. It also enables cross-functional collaboration to advance sustainable design innovation, enhance social impact initiatives, and strengthen governance practices.

The ESG governance framework is further reinforced through robust policies, internal controls, and data-driven reporting systems. These mechanisms support effective tracking of key ESG metrics, including energy, water, emissions, and waste, while enabling continuous improvement. A strong emphasis is placed on climate risk assessment, regulatory compliance, responsible sourcing, and stakeholder engagement.

Sobha's commitment to transparency is demonstrated through its evolving ESG disclosures, including annual ESG reports, greenhouse gas assessments, and climate-related reporting aligned with global frameworks. These disclosures provide stakeholders with clear insights into the Group's performance, progress, and long-term sustainability roadmap.

OUR ESG PERFORMANCE

Sobha Group's ESG governance framework is reinforced by strong external validation, reflecting its consistent progress and commitment to sustainability excellence. Over the past three years, the Group has demonstrated significant improvement in its ESG performance, driven by a structured and organization-wide approach to integrating sustainability into core business practices.

In the 2025 GRESB Real Estate Assessment, Sobha Realty achieved a 4-Star rating with an overall score of 97, marking a substantial increase from previous years. This steady progression highlights the effectiveness of its governance systems, strategic focus, and continuous improvement in ESG integration across operations.

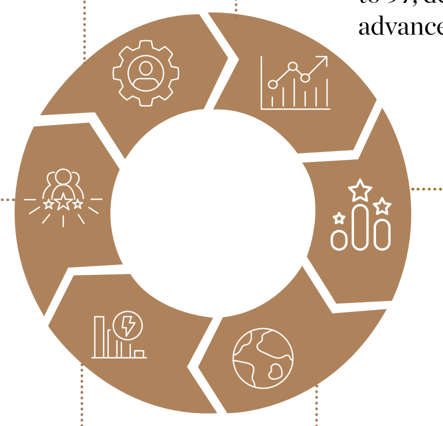
Key performance highlights include:

Development performance

Delivered near-perfect results, demonstrating effective integration of sustainability into design and construction

ESG Performance

Improved from 72 to 91 and further to 97, demonstrating sustained advancement in ESG performance



Management excellence

Achieved a perfect score in management, highlighting robust governance, leadership, and risk oversight

Top regional ranking

Secured the #1 position among high-rise residential developers across Asia within its peer group

Above-average performance

Surpassed the global average score, reflecting strong alignment with international best practices

Global standing

Achieved 2nd place when benchmarked against leading international developers across major global markets

DRIVING INTEGRITY AND ETHICAL PRACTICES

Sobha Group's Code of Conduct forms the foundation of its governance framework, reflecting a strong commitment to integrity, ethical behavior, and full compliance with applicable laws and regulations. The Code guides employees, management, and stakeholders in conducting business with honesty, fairness, and professionalism, while fostering a culture of transparency, accountability, and continuous improvement.

The Code is supported by a comprehensive set of policies and guidelines that clearly define expected behaviors and responsibilities across the organization. These frameworks ensure that all employees understand their role in upholding ethical standards and contributing to a respectful and responsible workplace.

Key areas covered under Sobha's ethical framework include

Business Conduct and Ethical Standards

Promoting integrity, fairness, and responsible decision-making in all business dealings.

Anti-Bribery and Gift Policies

Enforcing a zero-tolerance approach to bribery, corruption, and improper inducements, while regulating the acceptance and offering of gifts and hospitality.

Conflict of Interest Management

Ensuring that personal interests do not interfere with professional responsibilities, supported by clear disclosure mechanisms.

Whistleblower Mechanism

Providing a secure and confidential platform for reporting unethical practices or misconduct, without fear of retaliation.

Prevention of Harassment and Respectful Workplace Practices

Promoting a safe, inclusive, and harassment-free work environment where all employees are treated with dignity and respect.

Equal Opportunity Employment

Upholding fairness and non-discrimination in hiring, development, and workplace practices.

Confidentiality and Data Protection:

Safeguarding sensitive business information and protecting employee and stakeholder data.

Employee Conduct and Well-being

Addressing areas such as alcohol and substance use to maintain a safe and productive work environment.

Grievance Redressal:

Establishing structured mechanisms to address employee concerns in a fair and timely manner.

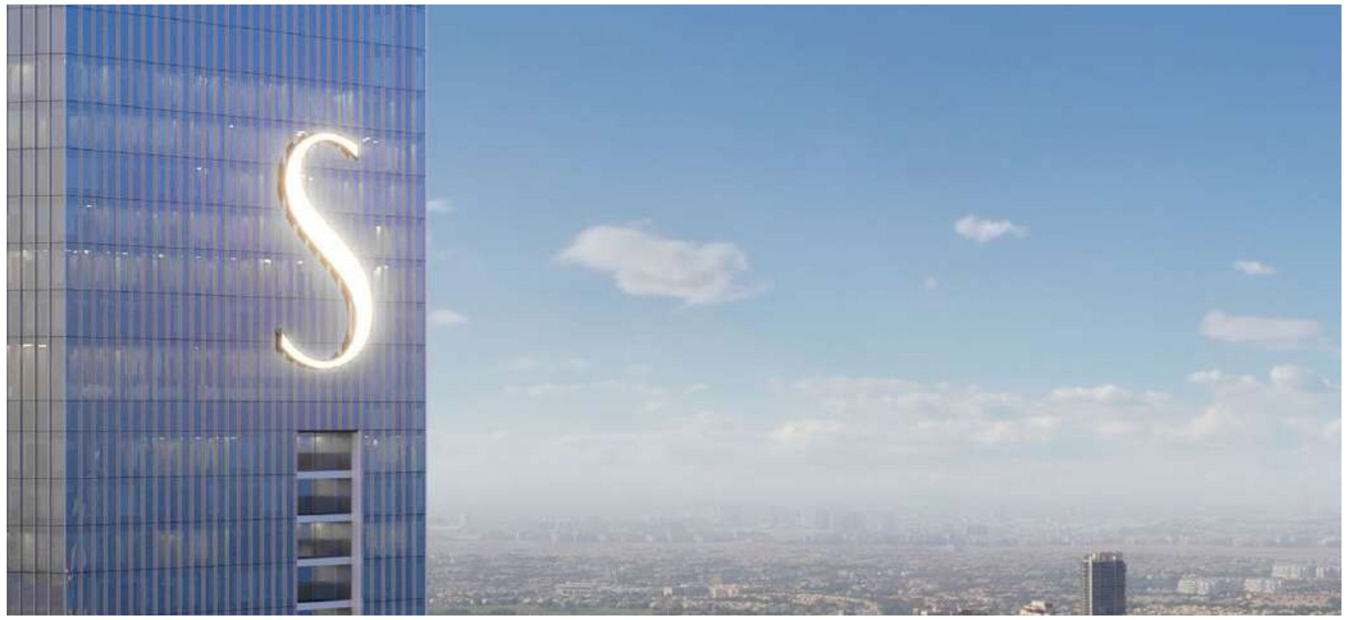
Disciplinary Framework

Defining clear procedures to address misconduct and violations, ensuring consistency, accountability, and corrective action where required.

> These policies collectively promote ethical conduct, reinforce fairness, and strengthen a culture of mutual respect across the organization. They also ensure that employees are protected, supported, and empowered to raise concerns, contributing to a transparent and accountable workplace.

To ensure effective implementation, Sobha regularly communicates these policies and conducts awareness initiatives across all levels of the organization. The Group's commitment to ethical conduct is further reinforced through strong internal controls and monitoring mechanisms.

By embedding these principles into its governance framework, Sobha continues to build trust with stakeholders and uphold its reputation as a responsible, values-driven organization committed to sustainable and ethical business practices.



STAKEHOLDER GRIEVANCE AND RESOLUTION MECHANISM

Sobha Group has established a structured, transparent grievance-resolution mechanism to ensure that all stakeholders can raise concerns in a secure, fair, and timely manner.

This framework promotes trust, accountability, and ethical conduct, while safeguarding the rights and well-being of individuals associated with the organization.

The mechanism is accessible to a wide range of stakeholders, including employees, consultants, subcontractors, suppliers, service providers, and other contractual partners.

It operates on the principles of confidentiality, impartiality, non-retaliation, and compliance with applicable regulations and industry standards.

Key features of the framework include

Comprehensive coverage
Addresses a wide range of concerns such as workplace issues, wage and contract-related matters, procurement grievances, and ethical or legal misconduct

Accessible reporting channels
Includes dedicated HR support systems, vendor-specific escalation routes, and secure options for anonymous reporting

Defined resolution timelines
All grievances are acknowledged promptly and are typically resolved within a stipulated timeframe, with extensions allowed where necessary for thorough investigation

Structured escalation mechanism

Level 1
Human Resources review and initial resolution

Level 2
Escalation to senior functional leadership

Level 3
Review by legal and compliance authorities

Level 4
External mediation or advisory support, if required

Oversight of the process is managed by a dedicated Grievance Committee comprising senior representatives from HR, legal, and compliance functions. The Committee ensures that all complaints are investigated and resolved in a fair, consistent, and confidential manner.

SETTING OUR SUSTAINABILITY PRIORITIES

UNDERSTANDING WHAT MATTERS MOST

We believe responsible growth is rooted in a clear understanding of the environmental, social, and governance (ESG) issues that are most relevant to our business and stakeholders. As part of strengthening our ESG framework and enhancing transparency in our 2025 reporting cycle, we undertook a comprehensive Double Materiality Assessment.

> This assessment enables Sobha to identify and prioritize sustainability topics that are most significant from both a business performance and societal and environmental impact perspective. It ensures that our ESG strategy focuses on areas where we can create long-term value while proactively managing risks and opportunities.

The outcomes of this process support informed decision-making, strengthen stakeholder confidence, and align our sustainability priorities with evolving regulatory expectations, industry best practices, and global sustainability frameworks. Topics identified through this assessment represent issues that have the potential to influence our operational performance, financial resilience, and long-term value creation.

OUR DOUBLE MATERIALITY PERSPECTIVE

Sobha Realty adopts a double materiality approach, a globally recognized methodology increasingly embedded within leading ESG reporting frameworks.

This approach evaluates sustainability topics through two interconnected perspectives:

Environmental & Social Impact ← Sobha Realty → Financial & Business Impact

BUSINESS RISK AND OPPORTUNITY PERSPECTIVE

The first dimension assesses how environmental, social, and governance factors may influence Sobha's financial performance, operational efficiency, and long-term competitiveness.

Factors such as climate-related risks, regulatory changes, resource availability, supply chain disruptions, and evolving customer expectations can directly impact cost structures, asset value, and market positioning.

SOCIETAL AND ENVIRONMENTAL IMPACT PERSPECTIVE

The second dimension evaluates the impact of Sobha's operations on the environment and society across the value chain. This includes considerations such as environmental footprint, resource consumption, community impact, employee well-being, and responsible development practices.

By assessing both perspectives simultaneously, Sobha ensures that its ESG priorities reflect not only business-critical risks and opportunities but also its broader responsibility toward sustainable development.

OUR MATERIALITY METHODOLOGY

The Double Materiality Assessment was conducted through a structured and systematic process, aligned with internationally recognized frameworks such as GRI Standards, IFRS, SASB, GRESB, CDP, and the UN Sustainable Development Goals (SDGs).

Topic Identification

An extensive list of potential ESG topics was developed through

- Review of global sustainability standards and frameworks
- Peer benchmarking across leading regional and international real estate companies
- Analysis of industry trends, regulatory requirements, and emerging ESG risks

This process ensured that the identified topics reflect both global best practices and sector-specific priorities.

Stakeholder Mapping

Sobha recognizes that sustainability priorities are shaped by the expectations of stakeholders across its ecosystem. A stakeholder mapping exercise was conducted to identify groups that influence or are impacted by our operations.

Stakeholders were assessed based on

- Level of influence on business decisions
- Degree of impact from Sobha's operations
- Nature of engagement and relationship

Key stakeholder groups included

- Customers and residents
- Employees and leadership
- Suppliers, contractors, and partners
- Government and regulatory authorities
- Investors and financial institutions
- Local communities
- Media
- Board of Directors
- Management Team
- Partners and NGOs

Each group provides unique insights that contribute to a holistic understanding of ESG priorities.

Stakeholder Engagement

Following stakeholder identification, Sobha conducted a comprehensive consultation process to gather feedback on ESG topics.

Engagement was carried out through

- Structured online surveys
- Topic-wise importance rating (scale-based assessment)
- Internal discussions and management inputs

Both internal and external stakeholders participated in the process, ensuring a balanced representation of perspectives.

Participants evaluated topics based on

- Their significance to Sobha's business
- Their potential environmental and social impact

This approach enabled Sobha to integrate quantitative scoring with qualitative insights, resulting in a robust and data-driven prioritization of ESG topics.

Beyond the assessment process, Sobha continues to actively engage with stakeholders through ongoing initiatives such as

- Collaboration with suppliers to strengthen responsible sourcing practices
- Engagement with customers to enhance sustainable design and living experiences
- Continuous dialogue with regulators to ensure compliance and alignment with policy frameworks
- Community development initiatives that contribute to inclusive growth
- Employee engagement and capacity-building programs to embed sustainability across operations

Stakeholder Engagement Summary

Stakeholder Category	Methods of Engagement	Value Created / Outcomes
Employees	Internal surveys, training programs, engagement platforms	Strengthened workplace culture, improved safety, enhanced ESG awareness
Suppliers & Contractors	Supplier assessments, audits, engagements	Improved supply chain transparency and responsible sourcing
Government & Regulatory Authorities	Compliance reporting, consultations	Strong regulatory alignment and proactive risk management
Financial Institutions	ESG disclosures, reporting	Enhanced transparency and improved access to capital
Communities	Outreach programs, partnerships	Positive socio-economic impact and community development
Partners	Forums, Webinars, and collaboration meetings	Knowledge sharing, strengthened collaboration, and co-creation of innovative and sustainable solutions
NGOs	Collaborations	Community impact enhancement, effective implementation of social initiatives, and strengthened sustainability partnerships
Board of Directors	Board meetings and governance reports	Strategic oversight, strengthened governance, and alignment of ESG priorities with long-term business objectives
Management Team	Strategic meetings and internal reports	Informed decision-making, improved operational performance, and alignment of ESG priorities with business strategy
Customers & Residents	Surveys, feedback platforms	Improved customer experience, enhanced safety and quality standards

Frequency of Stakeholder Engagement

Stakeholder Category	Frequency of Engagement
Employees	Continuous (pulse surveys quarterly; annual engagement survey)
Suppliers & Contractors	Upon onboarding; annually via assessments; ongoing for strategic partners
Government & Regulatory Authorities	As required by law; quarterly for ongoing matters
Financial Institutions	Annually (ESG disclosures); quarterly (financial reporting)
Communities	Per project basis; ongoing for long-term community programs
Partners	Quarterly forums; webinars; collaboration meetings
NGOs	Per project basis; as needed for specific initiatives
Board of Directors	Quarterly Board meetings; annual ESG review
Management Team	Monthly strategic meetings; quarterly ESG reviews
Customers & Residents	Continuous via feedback platforms; post-occupancy surveys

All employee and customer surveys are voluntary. Regulatory and compliance-related engagements are mandatory as required by law.

EVALUATING AND PRIORTIZING ESG TOPICS

Following stakeholder consultation, ESG topics were analyzed and ranked using a combination of quantitative scoring and qualitative evaluation.

Each topic was assessed based on:

- Environmental and social impact
- Financial and operational relevance
- Regulatory and reputational risk
- Alignment with Sobha's strategic priorities
- Stakeholder importance

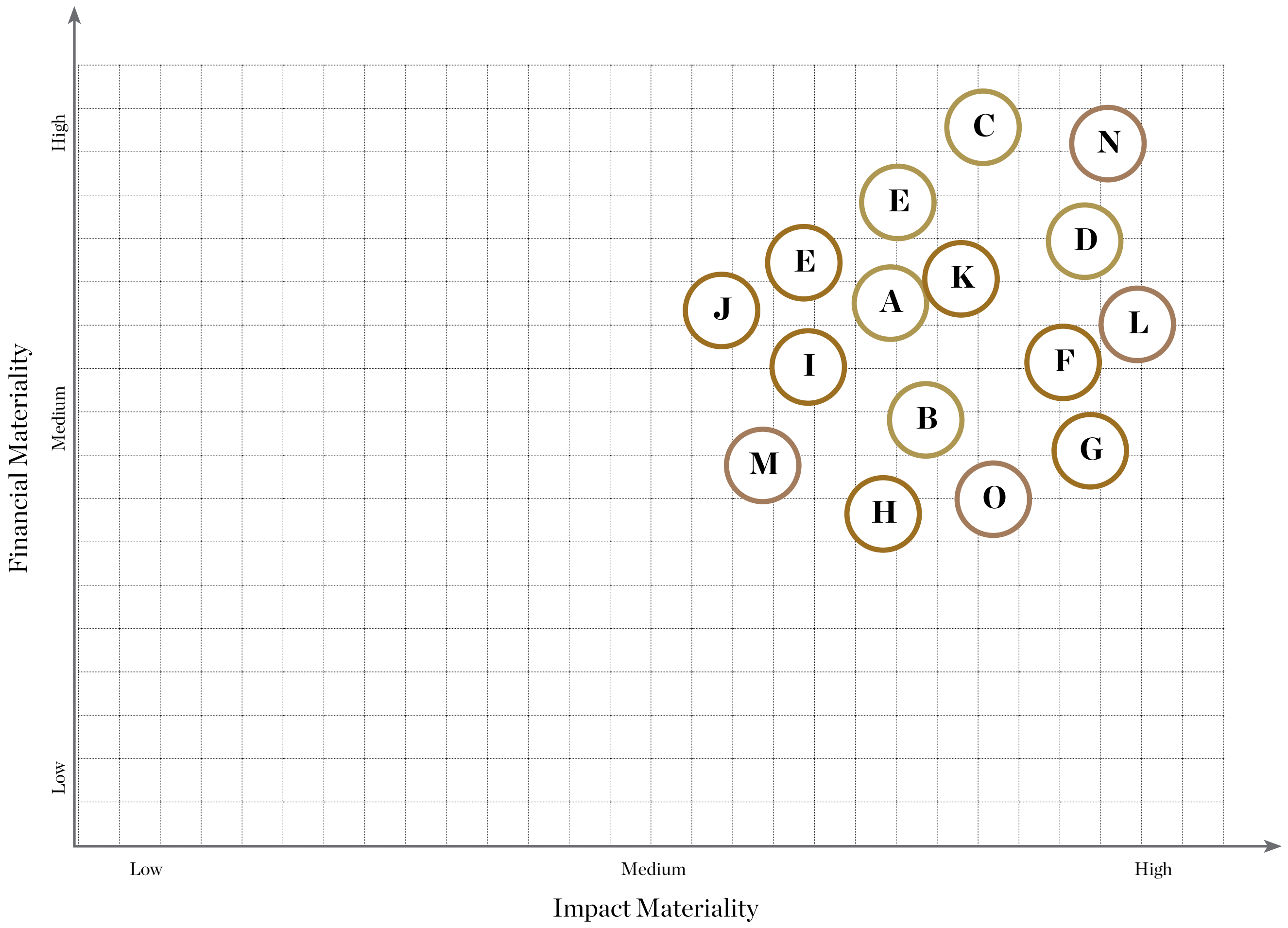
The results were plotted on a Double Materiality Matrix, where:

- The X axis represents Impact Materiality
- The Y axis represents Financial Materiality

This analysis enabled clear identification of high-priority ESG topics, which were subsequently reviewed and validated by senior management.

Key Sustainability Focus Areas

The assessment identified a set of priority ESG topics that will guide Sobha's sustainability strategy and disclosures.



Our ESG Priorities

Environmental Priorities

A : Energy Management

B : Climate Change

C : Waste & Circularity

D : Water Management

E: Sustainable Buildings

Social Priorities

F : Occupational Health & Safety

G : Diversity, Equity, and Inclusion

H : Data Privacy & Cybersecurity

I : Customer Safety & Centricity

J : Community Welfare

K : Human Rights

Governance Priorities

L : Regulatory Environment & Compliance

M : Reputation, Communication & Awareness

N : Innovation & Technology

O : Governance & Business Practices*

Changes in Material Topics from 2024 to 2025

Following changes to Sobha's material topics have occurred since the previous reporting period:*

Topic	2024 Status	2025 Status	Reason for Change
Climate Change	Climate Action, GHG Management & Energy Optimization	Refined	Separated to strengthen climate focus.
Energy Management	Climate Action, GHG Management & Energy Optimization	Refined	Enhanced focus on energy performance.
Water Management	Not separately identified	Newly Material	Elevated as a standalone topic.
Sustainable Buildings	Sustainable Design & Lifecycle Impact Reduction	Renamed	Better reflects sustainable construction.
Waste & Circularity	Pollution Prevention	Expanded	Incorporates circular economy principles.
Sustainable Materials	Material Use Reduction & Resource Conservation	Refined	Greater focus on sustainable sourcing.
Customer Privacy & Cybersecurity	Data Security & Integrity	Expanded	Addresses evolving digital risks.
Customer Centricity & Safety	Not separately identified	Newly Material	Increased focus on customer experience.
Community Welfare	Community Welfare	Retained	Continued stakeholder priority.
Human Rights	Not separately identified	Newly Material	Strengthened human rights focus.
Occupational Health & Safety	Health, Safety & Security Practices	Refined	Aligned with global OHS practices.
Diversity & Equal Opportunity	Employee Experience & Well-being	Expanded	Greater emphasis on diversity and inclusion.
Governance & Business Practices	ESG Governance & Business Practices	Refined	Simplified governance terminology.
Innovation & Technology	Innovation	Expanded	Reflects digital transformation.
Reputation, Communication & Awareness	Reputation, Communication & Awareness	Retained	No change.
Regulatory & Environmental Compliance	Not separately identified	Newly Material	Addresses evolving regulatory requirements.

Boundary of Material Topics

The following table shows where each material topic has an impact within Sobha's value chain. This boundary analysis ensures transparency about the scope of our ESG responsibilities.

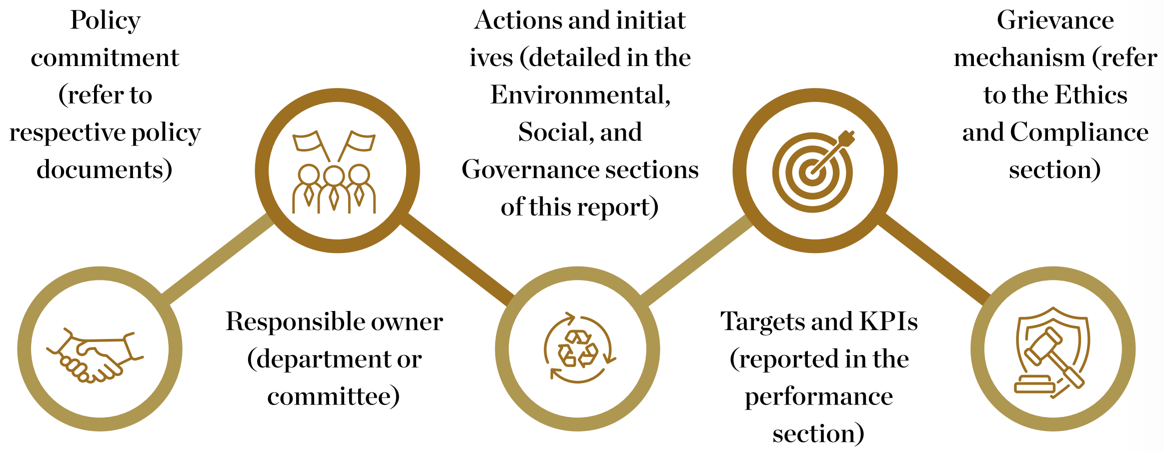
Material Topic	Within Sobha (Own Operations)	Upstream (Suppliers, Contractors)	Downstream (Customers, Residents)	Local Communities
Environmental				
Climate Change	✓	✓ (Purchased goods & services)	✓ (Building use & operational emissions)	✓
Energy Management	✓	–	✓ (Operational energy performance)	–
Water Management	✓	✓	–	✓
Waste & Circularity	✓	✓	–	–
Sustainable Buildings	✓	✓	✓	–
Social				
Occupational Health & Safety	✓	✓	–	–
Diversity & Equal Opportunity	✓	–	–	–
Human Rights	✓	✓	–	–
Community Welfare	–	–	–	✓
Customer Privacy & Cybersecurity	✓	–	✓	–
Customer Centricity & Safety	✓	–	✓	–
Governance				
Governance & Business Practices	✓	✓	–	–
Innovation & Technology	✓	–	✓	–
Regulatory & Environmental Compliance	✓	✓	–	–
Reputation, Communication & Awareness	✓	–	✓	✓

✓ Topic is relevant within this boundary

– Topic is not relevant or impact is minimal within this boundary

Management of Material Topics

For each material topic identified in this assessment, Sobha Group has established a management approach that includes:



Detailed management approach for each material topic is provided in the relevant sections of this report as follows:

Material Topic	Where to Find in This Report
Climate Change	Environment → Climate Action
Energy Management	Environment → Energy Management
Water Management	Environment → Responsible Water Management
Waste & Circularity	Environment → Fostering Circularity
Sustainable Buildings	Environment → Future Ready Developments
Occupational Health & Safety	Social → Safety, Health, and Risk Management
Diversity & Equal Opportunity	Social → Human Capital Excellence
Human Rights	Social → Human Rights and Responsible Employment
Community Welfare	Social → Driving Social Impact
Customer Privacy & Cybersecurity	Governance → Securing Digital Trust
Customer Centricity & Safety	Social → Customer Centricity & Safety
Governance & Business Practices	Governance → Leading with Integrity
Innovation & Technology	Governance → Innovation and Technology for Sustainable Construction
Regulatory & Environmental Compliance	Governance → Environmental Compliance
Reputation, Communication & Awareness	Governance → Setting Our Sustainability Priorities

Peer Benchmarking and Industry Alignment

To enhance the robustness of the assessment, Sobha complemented stakeholder inputs with peer benchmarking across leading global and regional real estate developers.

A total of 20+ peer companies were reviewed to:

- Identify commonly disclosed ESG topics
- Understand industry best practices
- Align with global reporting expectations

The benchmarking exercise confirmed strong alignment between Sobha's identified topics and industry priorities, while also helping identify emerging focus areas such as innovation, data security, and sustainability integration across operations.

From Materiality to Action

The outcomes of the Double Materiality Assessment form the foundation of Sobha's ESG strategy and long-term planning.

These insights are being used to:

- Define strategic ESG priorities
- Establish measurable targets and KPIs
- Strengthen risk management frameworks
- Guide sustainability initiatives and investments
- Enhance transparency in ESG disclosures

By focusing on the topics that matter most, Sobha aims to drive sustainable value creation, improve resilience, and contribute positively to environmental and social progress.

Continuous Review and Improvement

Sobha recognizes that sustainability priorities continue to evolve in response to changing stakeholder expectations, regulatory developments, and market dynamics.

We remain committed to:

- Periodically updating our materiality assessment
- Expanding stakeholder engagement
- Enhancing data-driven decision-making
- Strengthening alignment with global ESG frameworks

Through this continuous improvement approach, Sobha aims to ensure that its ESG strategy remains relevant, forward-looking, and impactful.

SUSTAINABLE PROCUREMENT AND SUPPLY CHAIN

At Sobha Realty, procurement is not just a business function—it is a strategic lever to drive sustainability, strengthen local economies, and build a resilient value chain. The Company has developed a robust and responsible supply chain ecosystem that aligns with its broader ESG commitments while ensuring operational excellence.

With a strong network of 4,358 suppliers, Sobha Realty collaborates with partners who play a critical role in delivering quality developments. A significant emphasis is placed on local sourcing, reflecting the Company's commitment to regional economic development and supply chain efficiency.

82% of its suppliers are local (3,575 suppliers), accounting for AED 6 billion out of the total AED 7 billion procurement spend.

> This strong local engagement not only reduces logistical and environmental impacts but also fosters long-term partnerships and community growth.

Sustainability and ethical conduct are embedded from the very beginning of the supplier lifecycle. Sobha Realty has implemented a Supplier Code of Conduct, which outlines expectations on ethical business practices, compliance, labor standards, and environmental responsibility.

This Code is an integral part of the vendor onboarding process, ensuring that suppliers are aligned with the Company's values from day one.

Notably, 100% of registered suppliers have acknowledged and committed to this Code, reinforcing a culture of accountability and transparency across the supply chain.

As part of its journey toward a more responsible supply chain, Sobha Realty has initiated supplier due diligence processes focusing on social aspects. During the reporting period, 25 suppliers were screened for social criteria, enabling the identification of potential risks related to labor practices and worker welfare.

While this marks an important step, the Company recognizes the opportunity to expand the scope of screening and further strengthen its oversight mechanisms.

In parallel, Sobha Realty is working toward integrating environmental and social risk considerations more systematically into procurement decisions. Through ongoing engagement with suppliers, the Company encourages the adoption of sustainable practices and seeks to minimize adverse impacts across the value chain.

These efforts are supported by evolving frameworks aimed at improving risk identification, mitigation, and continuous monitoring. Recognizing that strong supplier relationships are built on trust and transparency, Sobha Realty has established a structured grievance redressal mechanism.

Each Strategic Operating Unit (SOU) is supported by a dedicated Vendor Relationship Management representative, serving as the single point of contact for suppliers. Grievances can be raised through mail and call support, with contact details clearly communicated in all purchase orders.

The Vendor Relationship Team within the Finance and Accounts function ensures timely escalation, resolution, and closure of concerns—particularly those related to payments—thereby fostering a fair and responsive procurement environment.

Looking ahead, Sobha Realty aims to deepen its sustainable procurement practices by expanding ESG screening across its supplier base, integrating environmental performance criteria into supplier evaluations, and enhancing supplier awareness and capacity-building initiatives.

Through these efforts, the Company continues to strengthen its supply chain as a key enabler of long-term sustainable growth.

SECURING DIGITAL TRUST

As Sobha Realty continues to advance its digital transformation journey, safeguarding information assets and maintaining stakeholder trust remain strategic priorities. The Company has established a robust cybersecurity and information security framework that protects business-critical systems, customer information, and digital infrastructure against evolving cyber threats.

> Through strong governance, internationally recognized standards, continuous technology enhancements, and employee awareness, Sobha strengthens its cyber resilience while enabling secure business operations.

CYBERSECURITY GOVERNANCE

Cybersecurity is managed through a dedicated function led by the Group Chief Information Officer (CIO) and supported by a specialized cybersecurity team headed by the AVP – Cybersecurity. The function is responsible for developing security policies, monitoring cyber risks, strengthening technical controls, and driving continuous improvements across the organization's digital ecosystem.

During the reporting period, Sobha successfully completed the implementation of its three-year cybersecurity roadmap, significantly strengthening its security posture through enhanced governance, infrastructure modernization, cloud security, and employee awareness initiatives.

STRENGTHENING INFORMATION SECURITY

Information security practices are aligned with internationally recognized standards and industry best practices to ensure the confidentiality, integrity, and availability of information assets.

A significant milestone achieved during the reporting period was the successful implementation of the ISO 27001 Information Security Management System (ISMS) across the organization.

The certification demonstrates Sobha's commitment to adopting globally recognized information security controls and continuously improving its information security management practices through regular monitoring and independent assessments.

> *The Company has also completed the migration of the majority of its critical business applications and workloads to secure cloud environments, including Microsoft Azure and Amazon Web Services (AWS), while transitioning enterprise operations to SAP cloud-based ERP.*

These initiatives have enhanced system resilience, strengthened security controls, and reduced risks associated with legacy infrastructure.

PROACTIVE CYBER RISK MANAGEMENT

Sobha adopts a proactive approach to identifying, monitoring, and responding to cybersecurity risks through continuous surveillance and preventive controls.

Key cybersecurity capabilities include:

- 24×7 Security Operations Center (SOC) for continuous monitoring and threat detection across the Group's digital infrastructure.
- Strategic partnership with Secureworks to strengthen real-time threat intelligence, incident detection, and response capabilities.
- Enterprise-wide backup and recovery strategy based on the 3-2-1 backup principle, ensuring business continuity and protection against data loss.
- Deployment of Application Whitelisting and Cloud Access Security Broker (CASB) solutions to strengthen application security and monitor cloud-based activities.
- Modernized network infrastructure through the replacement of legacy firewalls and end-of-life technology.

Building a Cyber-Aware Culture

Recognizing that employees are the first line of defense against cyber threats, Sobha continues to strengthen organizational awareness through regular cybersecurity education and simulated threat exercises.

Cybersecurity awareness programs are delivered throughout the year using the KnowBe4 platform, providing employees with continuous training on cyber hygiene, phishing awareness, password security, and responsible use of digital systems. Quarterly phishing simulation campaigns further reinforce secure behaviors by testing employee preparedness and improving threat recognition capabilities across the organization.

Data Privacy and Incident Response

Protecting customer, employee, and business information remains central to Sobha's digital governance framework. The Company has established comprehensive processes for incident management, data protection, and business continuity to minimize the impact of potential cybersecurity events.

A formal Incident Response Plan (IRP) enables rapid detection, investigation, containment, and recovery from cybersecurity incidents. This is supported by an enhanced Disaster Recovery (DR) framework comprising multi-cloud resilience, geographically distributed backups, and failover capabilities to maintain critical business operations during disruptive events.

No major cybersecurity incidents,

Including ransomware attacks, were recorded.

No substantiated complaints

Relating to customer privacy breaches, data loss, or unauthorized disclosure of personal information were received.

ENVIRONMENTAL COMPLIANCE

Sobha is committed to conducting its operations in compliance with applicable environmental laws, regulations, and permit requirements. Environmental compliance is integrated into project planning and execution to minimize environmental impacts, manage operational risks, and support responsible development across its construction activities.

> The Company aligns its environmental management practices with applicable UAE federal legislation, local regulatory requirements, and project-specific environmental approvals.

ENVIRONMENTAL MANAGEMENT SYSTEM

Environmental compliance is supported through Sobha's Environmental Management System (EMS), which is implemented in line with international best practices to enable the systematic identification, assessment, control, and monitoring of environmental aspects and risks associated with project activities. Project-specific environmental management plans, operational procedures, and site inspections further support the effective implementation of environmental requirements across construction sites.

The EMS is certified to ISO 14001, demonstrating alignment with internationally recognized environmental management standards. To maintain its effectiveness, the system is periodically audited through both internal and external audits, ensuring continued compliance, identifying opportunities for improvement, and verifying the effective implementation of environmental controls across operations.

To ensure transparency and regulatory compliance, environmental records, including monitoring data, laboratory test results, permits, approvals, site inspection logs, and other supporting documentation, are maintained and made available for regulatory verification.

MONITORING AND REGULATORY COMPLIANCE

Environmental performance is monitored through Environmental Performance Reports (EPRs), which evaluate compliance with project-specific Environmental Clearance (EC) conditions, the requirements of the Dubai Environment and Climate Change Authority (DECCA), applicable Dubai Municipality regulations, and relevant UAE federal environmental legislation.

Monitoring programs cover key environmental aspects, including ambient air quality, noise emissions, wastewater management, and waste handling, enabling the timely identification and management of environmental risks while ensuring continued regulatory compliance.

During the reporting period, all project activities were implemented in accordance with the approved Environmental Clearance conditions and applicable environmental regulations. Environmental monitoring confirmed that ambient air quality, noise levels, wastewater management practices, and waste handling activities remained within the prescribed regulatory limits throughout the construction period, with no exceedances recorded.

INNOVATION AND TECHNOLOGY FOR SUSTAINABLE CONSTRUCTION

Innovation and technology play a strategic role in enhancing construction efficiency, improving resource utilization, and supporting Sobha's decarbonization and operational sustainability objectives.

By integrating advanced construction methodologies, automation, digitalization, and low-carbon energy technologies, Sobha continues to optimize project delivery while improving resource efficiency, reducing carbon intensity, and advancing sustainable construction practices.

CONSTRUCTION AUTOMATION

Sobha continues to advance its Mission 70/70 initiative, which aims to shift a significant proportion of conventional on-site construction activities to factory-controlled environments while increasing automation across manufacturing processes. By adopting Design for Manufacturing and Assembly (DfMA) principles, construction components are standardized for off-site production, improving build quality, reducing material waste, enhancing worker safety, and optimizing resource efficiency throughout the construction lifecycle.

To support this transformation, Sobha invests in research and development, specialized automation technologies, robotic solutions, automated guided vehicles (AGVs), and lean construction techniques that enhance process efficiency, minimize material losses, improve productivity, and optimize resource utilization across projects.

Hyper Energy Storage

Sobha has integrated Hyper Energy Storage Systems into its construction operations to provide temporary energy storage solutions for project sites.

These mobile battery-based systems supply electricity for site offices, lighting, machinery, and equipment, reducing dependence on diesel generators while improving energy efficiency, lowering fuel consumption, and supporting the transition toward more sustainable construction operations.

Digital Fuel Monitoring for Diesel Generators

Sobha has implemented an IoT-enabled digital fuel monitoring and energy management system for diesel generators (DGs) to strengthen energy performance across construction sites. The system provides real-time visibility into generator performance, fuel consumption, and power demand through digital dashboards, enabling data-driven energy optimization, predictive operational control, and enhanced fuel management. By improving generator efficiency and minimizing unnecessary fuel consumption, the initiative reduces Scope 1 GHG emissions, lowers carbon intensity, and supports Sobha's broader decarbonization objectives.

HUMAN CAPITAL EXCELLENCE

HUMAN CAPITAL EXCELLENCE

Sobha Group recognizes its workforce as a key driver of operational excellence and long-term value creation. With a strong focus on attracting, developing, and retaining talent, the Group is committed to fostering a safe, inclusive, and performance-driven work environment. Its people strategy aligns with business objectives, empowering employees across all functions to contribute effectively to the organization's growth and sustainability ambitions.

> The Group emphasizes workforce diversity, employee well-being, skill development, and fair employment practices while maintaining high standards of governance and compliance across all its human resource processes.

WORKFORCE COMPOSITION

Sobha Group maintains a large and diverse workforce supporting its integrated operations. The workforce is primarily composed of technical personnel responsible for execution and delivery, alongside administrative and management staff who support planning, governance, and operational oversight.

The majority of Sobha Group's workforce consists of permanent employees, ensuring stability, continuity, and long-term engagement.

The Group also engages a limited number of contract employees to meet specific operational requirements.

The workforce includes both local and non-local hires, reflecting the Group's ability to attract talent across geographies and support its diverse operational needs.

Employee Breakdown by Role

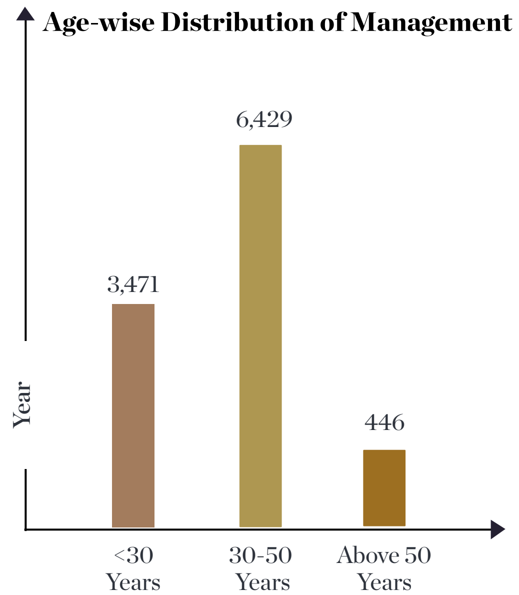
58,707 employees
Total Workforce

48,361 employees
Technicians

10,346 employees
Management & Administrative Staff

Workforce Demographics

Sobha Group's workforce spans multiple age groups, reflecting a balance between experienced professionals and younger talent entering the workforce. Age diversity contributes to a dynamic work environment that combines innovation with experience.

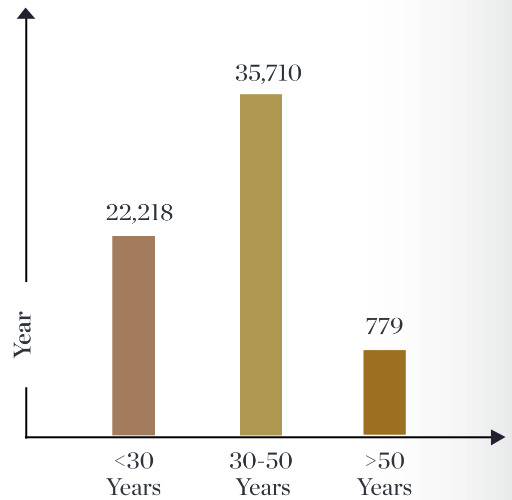


Age-wise Distribution of Employees (2025)

The workforce is predominantly in the 30–50-year age group, indicating a mature, experienced employee base, while also maintaining a strong pipeline of younger talent.

The technician workforce is predominantly in the 30–50-year age group, forming the backbone of the Group's execution capabilities. This experienced segment is supported by a significant proportion of employees under 30, ensuring a steady pipeline of skilled talent entering operational roles.

A relatively small share of technicians falls into the above-50 years category, contributing valuable hands-on experience and technical expertise.

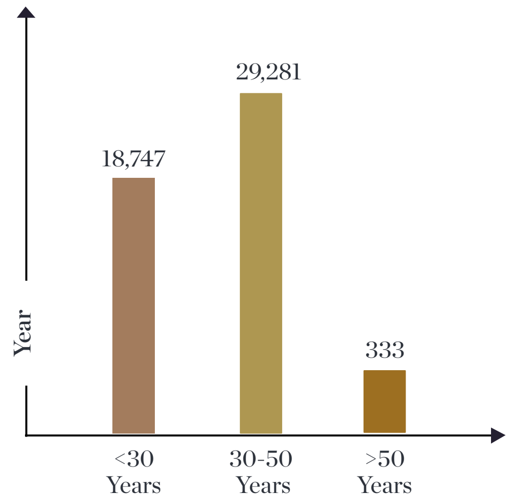


Age-wise Distribution of Technicians (2025)

Similarly, the management workforce demonstrates a well-distributed age profile. The majority of employees are in the 30–50-year-old bracket, representing the core leadership and decision-making base of the organization.

This is complemented by the strong presence of younger professionals under 30, reflecting the Group's focus on nurturing future leaders. Employees aged 50 and above form a smaller yet critical segment, offering strategic guidance, industry knowledge, and continuity in governance.

Overall, the age distribution across both categories highlights Sobha Group's ability to maintain a dynamic workforce that integrates experience with innovation, supporting both current operations and long-term growth.



WORKFORCE DISTRIBUTION ACROSS BUSINESS ENTITIES

Sobha's vertically integrated business model is powered by a highly skilled workforce deployed across its construction, manufacturing, design, facilities management, and support businesses. As of 2025, the Group employed 58,707 people across 15 business entities, reflecting the scale, diversity, and operational breadth of its business.

Sobha Constructions LLC is the Group's largest employer, with 50,034 employees, representing approximately 85% of the total workforce. The remaining workforce is distributed across specialized businesses, including Sobha LLC (1,855 employees), Sobha Modular Industries LLC (1,545 employees), Sobha Facades Industries LLC (1,343 employees), Sobha Furniture Industries LLC (887 employees), Latinem Facilities Management (848 employees), PNC Architects (827 employees), and Latinem Securities (627 employees).

Additional entities, including Latinem Landscaping LLC, Sobha Advanced Industries LLC, Sobha Concrete Industries LLC, Sobha Advanced Prefab Steel Solutions, Sobha Energy Solutions, Sobha Community Management LLC, and Stay by Latinem, contribute specialized expertise across the Group's value chain.

This workforce distribution reflects Sobha's unique vertically integrated operating model, which enables the Group to maintain greater control over quality, drive operational efficiency, foster innovation, and deliver projects to the highest standards.

Entities	No. of Employees
Sobha Constructions Llc	50,034
Sobha LLC	1,855
Sobha Modular Industries LLC	1,545
Sobha Facades Ind LLC	1,343
Sobha Furniture Industries LLC	887
Latinem Facilities Management	848
PNC Architects	827
Latinem Securities	627
Latinem Landscaping L.LC	214
Sobha Advanced Industries LLC	190
Sobha Concrete Industries LLC	180
Sobha Advanced Prefab Steel Solutions	78
Sobha Energy Solutions	45
Sobha Community Management LLC	23

INTERNATIONAL BACKGROUND AND RACIAL DIVERSITY

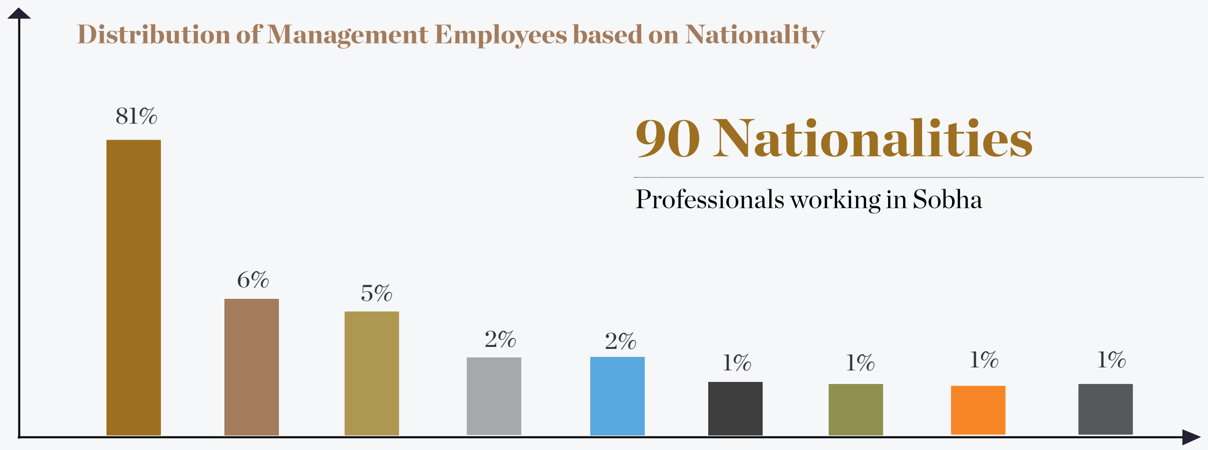
Sobha's success is driven by a diverse and multicultural workforce that brings together professionals from around the world. As of 2025, the Group employs individuals representing 90 nationalities, fostering an inclusive workplace where diverse perspectives, experiences, and cultural backgrounds contribute to innovation, collaboration, and operational excellence.

The Group's management workforce reflects this international diversity. Indian nationals constitute 81% of management employees, followed by Emirati (5%), Pakistani (2%), and Turkish (2%) professionals. The remaining management workforce comprises employees from the Philippines, Egypt, Azerbaijan, Turkmenistan, and 82 other nationalities, collectively accounting for approximately 10% of management employees.

This broad representation highlights Sobha's commitment to creating equitable opportunities and attracting talent based on merit, irrespective of nationality or ethnicity.

By embracing cultural diversity across its leadership and workforce, Sobha strengthens cross-cultural collaboration, enhances decision-making through varied perspectives, and cultivates an inclusive environment where every employee is valued and empowered to contribute to the Group's long-term success. This commitment to diversity reinforces Sobha's people-first culture and supports its ambition to build a resilient, innovative, and globally competitive organization.

Distribution of Management Employees based on Nationality



90 Nationalities

Professionals working in Sobha

8,412 Indian

562 Emirati

216 Pakistani

176 Turkish

118 Filipino

98 Egyptian

68 Azerbaijani

53 Turkmen

643 Other

NATIONAL TALENT DEVELOPMENT

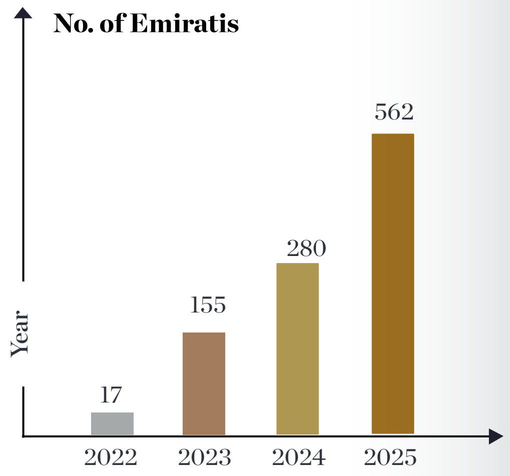
Sobha Group remains committed to supporting the UAE's Emiratisation agenda by actively enhancing the participation of Emirati nationals within its workforce.

The Group continues to invest in attracting, developing, and retaining local talent, contributing to national priorities focused on employment generation and capacity building.

In 2025, the total number of Emirati employees increased significantly by approximately 2 times compared to the previous year. This substantial increase demonstrates the Group's focused efforts to strengthen national workforce representation and create meaningful career opportunities for Emirati professionals.

Through its continued focus on Emiratisation, Sobha Group aims to strengthen its contribution to the UAE's socio-economic development while building a capable and future-ready national workforce.

Emirati Workforce over the years



Gender Diversity and Inclusion

Sobha Group is committed to promoting diversity and inclusion within its workforce. While the nature of operations, particularly in technical and construction-related roles, has traditionally resulted in a higher proportion of male employees, the Group continues to take steps to improve gender diversity across functions.

Women are represented across administrative, management, and select operational roles, contributing to decision-making, business support functions, and leadership pipelines. The Group is focused on creating an enabling work environment that supports equal opportunities, encourages female participation, and promotes inclusive workplace practices.

Efforts to strengthen gender diversity include fostering an inclusive culture, providing equal employment opportunities, and supporting women's career growth within the organization.

Non-Discrimination and Equal Opportunity

Sobha Group is committed to fostering a respectful and inclusive workplace, supported by a zero-tolerance approach to discrimination. During the year, a total of 82 incidents of discrimination were reported, all of which were formally reviewed by the organization.

Appropriate remediation plans were implemented in each case, with outcomes monitored through routine internal management review processes to ensure effectiveness and accountability. These measures reinforce the Group's commitment to maintaining a fair, safe, and inclusive work environment for all employees.

Female Employee Breakdown by Management Level (excluding technicians)

Employee category		Gender	UoM	<30 years	30-50 years	>50 years	Total
Permanent Employees (On Payroll - Staff)	Local Hire	Male	No.s	204	62	0	10,340
		Female	No.s	207	87	3	
	Non-Local Hire	Male	No.s	2,390	5,642	432	
		Female	No.s	664	638	11	
Contract Employees (Out-sourced)	Local Hire	Male	No.s	1	0	0	6
		Female	No.s	0	0	0	
	Non-Local Hire	Male	No.s	4	0	0	
		Female	No.s	1	0	0	
Total Workforce				**3,471**	**6,429**	**446**	**10,346**

Gender Pay Equity

Sobha Group is committed to fostering an equitable and inclusive workplace by ensuring fair and transparent remuneration practices across all employee categories.

The Group regularly reviews its compensation structures to promote gender pay equity and align with its broader ESG objectives.

The analysis of remuneration across various employee levels indicates a progressive movement toward balanced pay structures. At the junior management level, the Group demonstrates a relatively balanced distribution of remuneration, reflecting a strong foundation for gender parity.

At the trainee level, remuneration trends indicate equitable, competitive compensation practices that support inclusive hiring and early career development. Across all levels, the remuneration-to-basic-salary ratio underscores the Group's structured compensation approach, where pay is aligned with roles, responsibilities, and experience.

The data also reflects the Group's ongoing efforts to strengthen diversity across its workforce, particularly by enhancing female participation and representation.

Sobha Group continues to invest in building a robust talent pipeline, focusing on leadership development, inclusive hiring, and career progression opportunities for women. These efforts aim further to strengthen gender balance across all levels of the organization.

Ratio of Basic salary of remuneration of women to men

Employee category	Ratio of Remuneration paid to Female	Ratio of Basic Salary paid to Female
Senior Management	6%	6%
Middle Management	20%	20%
Junior Management	49%	49%
Trainees	160%	160%

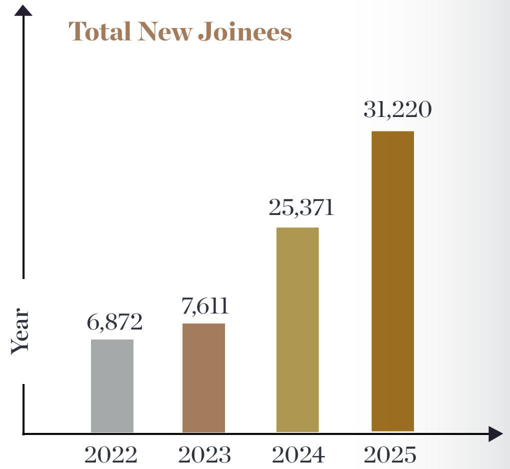
Workforce Expansion and Turnover

Sobha Group continues to strengthen its workforce in alignment with its ESG objectives, focusing on building a skilled, diverse, and inclusive talent pool. In 2025, the Group onboarded 31,220 new permanent employees, a 21% increase from last year. This growth demonstrates Sobha Group's ongoing commitment to expanding operational capacity while fostering inclusive employment opportunities.

Recruitment efforts in 2025 emphasized both local and non-local talent, with a conscious focus on enhancing female participation. The Group maintained a balanced approach to staffing across technical and managerial functions, ensuring that operational needs are met while supporting career development and gender diversity.

This strategic hiring approach reinforces Sobha Group's commitment to building a resilient and capable workforce that reflects its ESG values.

New Joinees over the years (employees and Technicians)



Total New Joinees (2025)

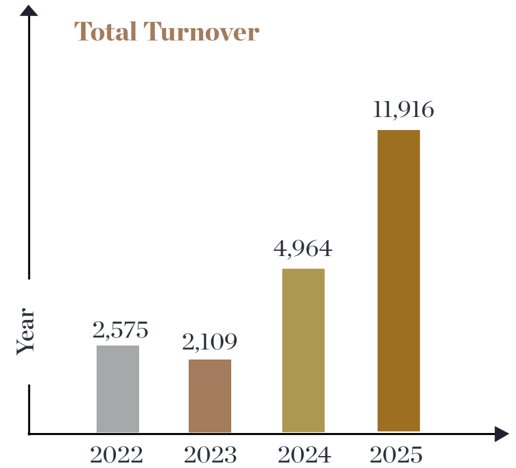
Employee category		Gender	UoM	<30 years	30-50 years	>50 years	Total
Permanent Employees (On Payroll - Staff)	Local Hire	Male	No.s	169	40	0	**31,220**
		Female	No.s	158	63	1.00	
	Non-Local Hire	Male	No.s	13,432	16,083	235	
		Female	No.s	606	429	4	

Workforce turnover in 2025, including retirements, internal transfers, and other departures, was primarily observed among technical staff, while management-level turnover remained relatively stable. Specifically, 8,914 technicians and 3,002 management personnel transitioned out during the year.

Minimum notice periods are defined in line with regulatory requirements and employee contracts, ensuring transparency and consistency in workforce transitions.

These movements reflect natural career progression and workforce adjustments, emphasizing Sobha Group's proactive talent management, balancing recruitment, development, and retention to maintain operational stability and support the Group's ESG objectives.

Employee Turnover by year (employees and Technicians)



By strategically expanding its workforce and managing turnover effectively, Sobha Group promotes inclusive employment opportunities, enhances gender diversity, supports local talent development, and sustains a skilled, engaged, and stable workforce, all of which contributes to long-term sustainable growth.

WORKFORCE BENEFITS AND WELFARE

In line with its commitment to employee well-being and social responsibility, Sobha Group provides a comprehensive range of benefits to its full-time employees. These benefits are designed to support employees' financial security, health, and overall quality of life, reinforcing the Group's focus on creating a supportive and inclusive workplace.

Employees are provided with life insurance coverage, ensuring financial protection for themselves and their families. In addition, the Group offers comprehensive healthcare benefits, enabling access to quality medical services and promoting overall employee well-being. Employees are also covered under disability and invalidity insurance, providing support in the event of unforeseen circumstances that may impact their ability to work.

PARENTAL LEAVE

Further strengthening its commitment to employee welfare, Sobha Group offers parental leave benefits to support employees during significant life events, such as childbirth and adoption. These provisions enable employees to balance their professional and personal responsibilities, contributing to a more inclusive and family-friendly work environment.

Sr. No.	Particulars	Units	Male	Female	Total
1	Employees who were entitled to parental leave	Nos.	5,248	549	5,797
2	Employees who availed parental leave	Nos.	399	42	441
3	Employees who returned to work after parental leave ended	Nos.	399	42	441
4	Employees who remained employed for 12 months after parental leave	Nos.	20	0	20
5	Retention rate after parental leave (%)	%	5.01%	0%	4.54%

HUMAN RIGHTS, FREEDOM OF ASSOCIATION, AND LABOR STANDARDS

Sobha Group is committed to upholding internationally recognized human rights principles across its operations and supply chain. The Group's approach is guided by the Universal Declaration of Human Rights, the International Labour Organization (ILO) Core Conventions, and the principles of the United Nations Global Compact (UNGC) , to which Sobha Group is a signatory.

The Group maintains a zero-tolerance policy against any form of human rights abuse, including discrimination, harassment, forced labor, and child labor. These commitments are embedded in the Group's policies, employee codes of conduct, and supplier engagement frameworks, ensuring consistent application across all business operations.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Sobha Group respects the right of all employees to freely form, join, or not join trade unions, worker associations, or other representative bodies of their choice. The Group recognizes the importance of constructive dialogue between management and employees as a foundation for a healthy, collaborative, and productive work environment.

Employees are provided with avenues to voice their concerns, raise grievances, and participate in workplace decisions through established mechanisms, including open-door policies, employee engagement forums, and formal grievance redressal processes. The Group ensures that all employees can exercise their rights to freedom of association without fear of intimidation, retaliation, or discrimination.

PREVENTION OF CHILD LABOR

Sobha Group strictly prohibits the employment of individuals below the minimum legal working age as defined by applicable national laws and ILO conventions. The Group maintains robust age verification processes for all new hires, including document verification and adherence to local labor law requirements.

The Group extends this commitment to its supply chain and contractor network, requiring all vendors, subcontractors, and business partners to comply with applicable child labor laws and Sobha's supplier code of conduct. Regular assessments and audits are conducted to verify compliance and mitigate risks.

In 2025, no incidents of child labor were identified or reported across Sobha Group's direct operations or supply chain.

GRIEVANCE MECHANISM AND REMEDIATION

Employees, contractors, and supply chain workers can report concerns related to human rights, labor practices, or any violations of the Group's policies through multiple confidential channels, including direct reporting to supervisors, the Human Resources department, or the Group's whistleblower mechanism.

All reported concerns are investigated promptly, and appropriate corrective and remedial actions are implemented. The Group is committed to ensuring that no individual faces retaliation for raising concerns in good faith.

PREVENTION OF FORCED AND COMPULSORY LABOR

Sobha Group is committed to ensuring that all work performed within its operations is voluntary and freely chosen. The Group prohibits all forms of forced, bonded, indentured, or compulsory labor, including human trafficking and any form of work that is exacted under threat or coercion.

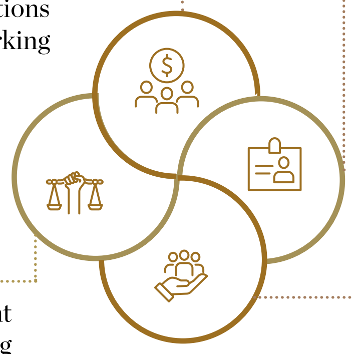
Key practices include

Employment contracts

are provided in clear, understandable language, outlining terms and conditions of employment, including wages, working hours, and termination rights.

Safe and ethical recruitment practices,

including prohibition of recruitment fees charged to employees, ensuring that all hiring processes are transparent and voluntary.



No retention of employee passports or personal identification documents is

permitted, ensuring employees retain full control over their freedom of movement.

Timely and full payment of wages

in accordance with legal requirements and contractual obligations, with no unauthorized deductions.

> These principles are enforced across Sobha Group's direct operations and are communicated to contractors, subcontractors, and business partners through supplier codes of conduct and contractual agreements. In 2025, no incidents of forced or compulsory labor were identified or reported across Sobha Group's operations or supply chain.

EMPLOYEE ENGAGEMENT, DEVELOPMENT AND PERFORMANCE

Sobha Group adopts a structured approach to employee development through training, performance management, and career progression frameworks.

TRAINING AND DEVELOPMENT

Sobha Group places a strong emphasis on training and development as part of its ESG commitment to human capital and workforce excellence.

The Group follows a structured approach to upskill employees across all levels and functions, focusing on leadership, technical expertise, interpersonal effectiveness, and organizational culture.

By offering a diverse range of training programs, Sobha Group ensures employees are equipped with the skills, knowledge, and mindset needed to drive performance, collaboration, and long-term value creation.

67.14%
% of employees who received professional training in 2025

43.32%
% of employees who received ESG-specific training in 2025

The training programs are broadly categorized into eight key areas

Leadership & Management Development

Programs that build leadership capabilities, managerial effectiveness, and strategic thinking for current and future leaders.

Onboarding & Graduate Programs

Initiatives to support new joiners and graduate employees in transitioning smoothly into the Group's work environment.

Communication & Interpersonal Skills

Training that enhances communication, presentation, and negotiation skills, including handling difficult conversations and professional etiquette.

Personal Effectiveness & Productivity

Trainings focused on time management, stress management, growth mindset, and problem-solving skills.

Technical & Role-Specific Skills

Programs to enhance functional expertise, digital tools, and business acumen.

Team Building & Collaboration

Programs aimed at improving team dynamics, collaboration, and collective problem-solving.

Sobha Values & Organizational Culture

Trainings that reinforce the Group's values, ethics, and culture across all levels.

Talent Acquisition & Recruitment

Programs for strengthening hiring practices, recruitment strategy, and coaching for talent management.

Hours of training per year

Sr. No.	Parameter	Unit	Total hours
1	Senior Management	hours	1410
2	Middle Management	hours	4385
3	Junior Management	hours	19377
4	Trainees/Technician	hours	2123

Note: For enhanced GRI alignment, consider disaggregating training hours by gender within each employee category in future reporting cycles.

CAREER GROWTH AND PERFORMANCE REVIEW

Employee growth and professional development are integral to the Group's ESG commitments, particularly under the "Social" dimension of sustainability.

The Group follows a structured framework to ensure that every employee receives regular performance evaluations and career development reviews, fostering a culture of continuous learning, accountability, and growth.

Performance reviews are conducted systematically across all levels and functions, providing employees with clear feedback on their achievements, strengths, and areas for improvement.

These evaluations are designed to align individual goals with organizational objectives, ensuring that employees understand how their contributions impact the Group's long-term success and ESG initiatives.

The process emphasizes meritocracy, fairness, and transparency, creating an environment where performance is recognized and rewarded appropriately.

In addition to performance evaluations, Sobha Group conducts career development reviews that focus on employees' professional aspirations and growth trajectories.

These reviews enable employees to identify potential career pathways within the Group, explore opportunities to enhance their skills, and participate in targeted training programs.

This approach ensures that employees are not only performing effectively in their current roles but are also prepared to take on higher responsibilities, contributing to succession planning and internal talent mobility.

Percentage of employees receiving regular performance feedback

Sr. No.	Categories	Total Number of Employees by Category		Employees receiving regular performance feedback		Percentage of employees receiving regular performance feedback	
		Male	Female	Male	Female	Male	Female
1	Senior Management	142	6.00	81.00	6.00	57%	100%
2	Middle Management	546	57.00	475.00	47.00	87%	82%
3	Junior Management	5071	890.00	4075.00	725.00	80%	81%

Percentage of employees receiving career development reviews

Sr. No.	Categories	Number of Employees receiving career development reviews		Percentage of Employees receiving career development reviews	
		Male	Female	Male	Female
1	Senior Management	81.00	6.00	57.04%	100%
2	Middle Management	475.00	47.00	87.00%	82.46%
3	Junior Management	4075.00	725.00	80.36%	81.46%

The Group leverages a combination of digital tools and managerial guidance to track performance and development outcomes, ensuring a consistent, measurable, and actionable review process.

Regular engagement through coaching sessions, mentoring, and structured feedback loops strengthens employee motivation and retention, while supporting a high-performance culture.

Through this approach, Sobha Group demonstrates its commitment to investing in human capital, fostering a skilled, engaged workforce capable of driving sustainable growth.

By ensuring that employees receive ongoing performance feedback and career development support, the Group not only enhances organizational efficiency but also promotes employee satisfaction, professional growth, and long-term value creation.

WORKFORCE WELL-BEING AND ENGAGEMENT

Sobha Group adopts a holistic approach to employee well-being, integrating physical health, mental wellness, social engagement, and community involvement into its workplace culture. Through a wide range of structured initiatives under employee engagement and wellness programs, the Group fosters a supportive environment that enhances employee morale, productivity, and overall quality of life. These initiatives are designed not only to promote healthy lifestyles but also to strengthen employees' sense of belonging and purpose.

HEALTH AND WELLNESS INITIATIVES

The Group actively promotes preventive healthcare and overall well-being through targeted programs and awareness sessions. Initiatives such as vision screening programs, InBody health assessments, and multi-specialist wellness consultations provide employees with access to essential health services.

Wellness-focused campaigns, including gut health challenges, nutrition webinars, heart health awareness sessions, and mental health awareness programs, encourage employees to adopt healthier lifestyles and prioritize their physical and emotional well-being.

Additionally, activities like desk yoga sessions bring wellness directly into the workplace, making it accessible and practical for employees in their daily routines.

SOBHA EMPLOYEE WELLNESS ACTIVITIES (SEWA)

387 participants
Vision Screening Program

472 participants
InBody Health Assessment

160 participants
Gut Health Step-Up Challenge

170 participants
Nutrition and Gut Health Webinar

80 participants
Mental Health Awareness Webinar

65 participants
Heart Health Awareness Webinar

104 participants
Desk Yoga Session (World Yoga Day)

170+ participants
Wellness Circle (Hartland locations)

80 participants (across locations)
Ayurvedic Consultation Sessions

EMPLOYEE ENGAGEMENT AND CULTURAL INITIATIVES

The Group continues to celebrate diversity and recognize employee contributions through inclusive engagement programs. International Women's Day celebrations drew 320 employees, while Emirati Women's Day initiatives engaged over 500 attendees, with 120 employees recognized for their contributions.

Cultural activities, such as the Pookalam competition, brought together 200 participants across 20 teams, alongside various entertainment activities held across locations.

These initiatives foster a vibrant workplace culture and strengthen employee connections. Festive celebrations, including Iftaar for Emirati employees, Onam, Christmas, and Diwali, further strengthen cultural appreciation and inclusivity within the organization.

At Sobha Group, technical engagement activities are designed to foster learning, well-being, and employee development.

Miracle Mind sessions provide interactive experiences to enhance creativity, problem-solving, and cognitive skills.

In addition, financial well-being sessions equip employees with practical tools and strategies to manage personal finances effectively, promoting long-term financial security and confidence.

SPORTS AND FITNESS ENGAGEMENT

To encourage an active lifestyle and team spirit, Sobha Group organized several large-scale sports initiatives. The Indoor Cricket Tournament (Realty Cup 2025) engaged around 400 employees, while the badminton tournament recorded over 270 participants across multiple categories.

The Corporate Bowling Tournament witnessed strong enthusiasm, with 555 employees participating across 111 teams, reflecting an impressive level of engagement. These initiatives promote physical fitness while strengthening teamwork and cross-functional collaboration.

EMPLOYEE RECOGNITION

Sobha Group's internal rewards initiatives recognize and celebrate employee contributions, fostering motivation and a culture of excellence.

Programs such as the Appreciation Raffle Draw, SCL Excellence Awards, and Quarterly Awards provide multiple avenues to acknowledge outstanding performance, dedication, and innovation across the organization, reinforcing engagement and a sense of belonging among employees.

SHAHEEN - EMIRATI TALENT DEVELOPMENT INITIATIVE

The Shaheen Program at Sobha Group successfully upskilled the existing Emirati talent pool, aligning with the UAE's national development goals and empowering participants with enhanced skills and professional growth.

The program recently concluded with the graduation of eight participants, marking a significant step in nurturing local talent and contributing to the country's workforce development objectives.

COMMUNITY AND SOCIAL RESPONSIBILITY INITIATIVES

Employee well-being at Sobha Group extends beyond the workplace through meaningful community engagement initiatives. Programs such as Sadaqah collection drives in collaboration with charitable organizations and blood donation campaigns encourage employees to contribute to society and participate in acts of giving. These initiatives reinforce a sense of purpose and align employee engagement with the Group's broader social responsibility goals.

Sobha Sadaqah Collection 2025, conducted in collaboration with Dar Al Ber Society, is a goodwill initiative aligned with the spirit of Ramadan, allowing employees to contribute to society at their own will as an act of giving.

CULTURE OF FEEDBACK

Sobha Group fosters a culture of continuous feedback by enabling employees to share their insights conveniently and securely. Staff received unique survey links in their Outlook inboxes to ensure confidential participation, while technicians were provided with QR codes for easy, mobile-friendly access. These initiatives promote open communication and support continuous organizational improvement.

The Group also regularly conducts employee satisfaction surveys to strengthen engagement and workplace experience. These surveys provide valuable insights into employee sentiment, workplace effectiveness, and areas for improvement, enabling the organization to take informed actions that enhance employee satisfaction and overall performance.

100%
Internal Employee Pulse Survey coverage

46%
Response rate

60%
Independent third-party survey coverage

84%
Response rate

SAFETY, HEALTH AND RISK MANAGEMENT

Sobha Group is committed to ensuring the highest standards of health, safety, and environmental protection across all its operations. Recognizing the inherent risks associated with construction and manufacturing activities, the Group adopts a proactive and systematic approach to managing occupational health and safety risks.

This commitment extends beyond compliance, with Sobha striving to exceed both local regulatory requirements and international best practices. The Group aligns its HSE framework with applicable UAE regulations and globally recognized standards, while also contributing to United Nations Sustainable Development Goal 3: Good Health and Well-being, ensuring safe and healthy working environments for all stakeholders.

> Sobha's HSE responsibility covers employees, subcontractors, technicians, and communities across all operational areas, reinforcing its commitment to safeguarding lives and promoting well-being throughout its value chain.

HSE GOVERNANCE AND MANAGEMENT SYSTEMS

Sobha has established a robust HSE management system that governs all construction, manufacturing, and operational activities under its control. The system is certified to ISO 45001:2018, ensuring adherence to globally recognized occupational health and safety standards.

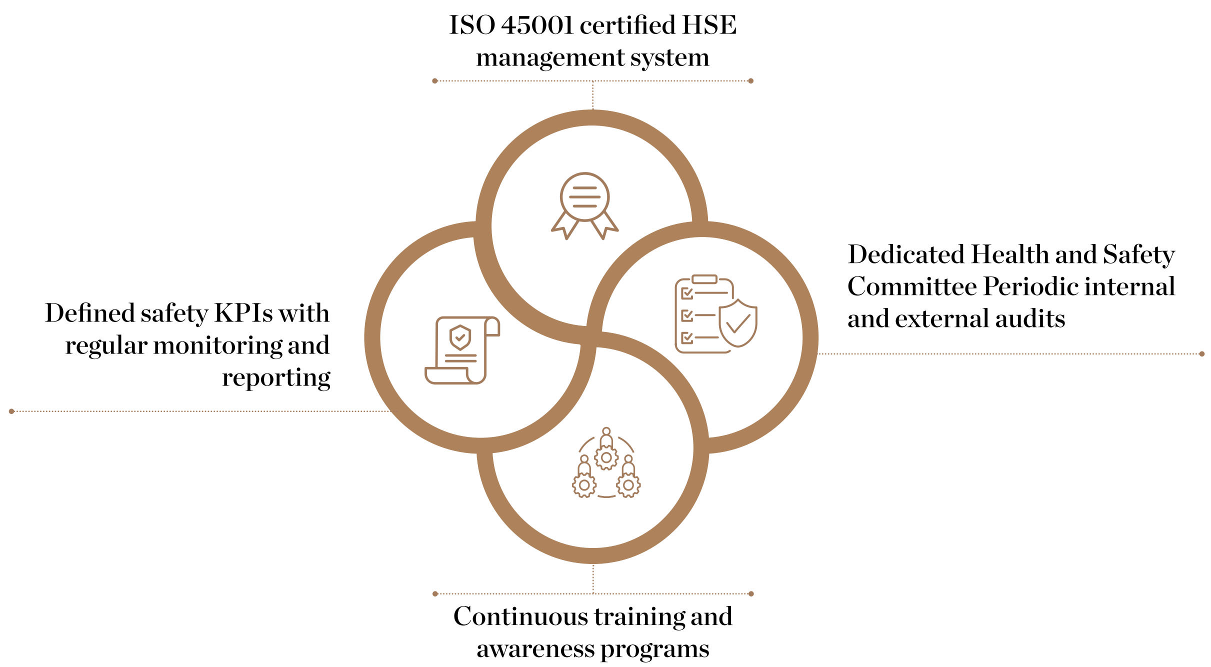
The framework is aligned with key regulatory requirements, including:

- Dubai Municipality Code of Construction Safety Practice (DM CoCSP)
- UAE Federal Decree-Law No. 33 of 2021
- UAE Federal Occupational Safety and Health regulations

Oversight of HSE performance is provided by a dedicated Health and Safety Committee, comprising senior leadership and functional representatives. The Committee is responsible for reviewing safety performance, addressing risks, and ensuring alignment with regulatory and organizational requirements.

The effectiveness of the HSE system is regularly evaluated through internal audits and annual external assessments, ensuring continuous improvement and accountability.

Key Elements of Sobha's HSE Framework



RISK ASSESSMENT AND CONTROL MECHANISMS

Workplace risks are identified and assessed before activities begin to enable appropriate controls to be put in place. Method Statements and Risk Assessments (MSRA) are prepared for both routine and non-routine tasks, with input from HSE professionals, engineers, and site teams. This collaborative process helps identify potential hazards and determine suitable measures to eliminate, reduce, or control associated risks.

In 2025, Sobha further strengthened its preventive risk management approach through the implementation of 10 high-level control measures, including elimination, substitution, and engineering controls, with more than 60% deployed across multiple sites. These measures reflect the Group's focus on addressing risks at source rather than relying solely on corrective actions.

Risk assessment outcomes are continuously monitored at site level and reviewed at the corporate level to identify trends, implement corrective actions, and strengthen preventive controls. This ensures that risk management remains dynamic and responsive to evolving operational conditions.

Incident Management and Emergency Preparedness

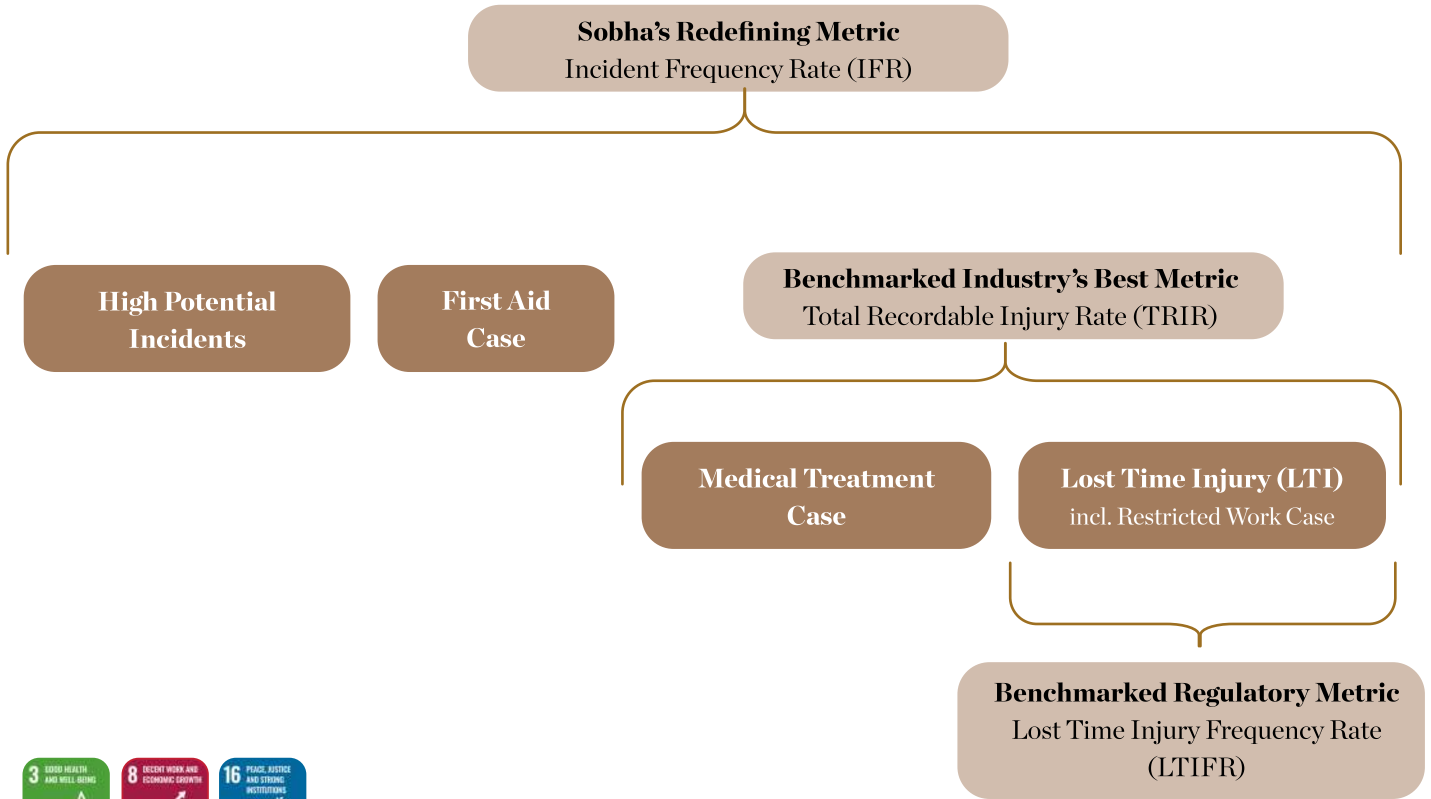
Prompt reporting and investigation of incidents and unsafe conditions support Sobha's approach to workplace safety. Technicians receive training on safety observations and incident reporting and follow defined escalation procedures. QR code-based reporting systems have also been introduced across project sites, allowing employees to report hazards in real time and enabling HSE teams to respond more quickly.

This is reflected in the Group's improved performance on leading safety indicators in 2025:

- Observations Frequency Rate (OFR) reached 3,267.9, exceeding the target of 3,000
- Near Miss Frequency Rate (NMFR) improved to 38.33 against a target of 30

All incidents are subject to detailed investigation by HSE and project teams to determine root causes and implement corrective and preventive actions, ensuring that lessons learned are systematically integrated into operations. Notably, there were zero repeat incidents during the year, demonstrating the effectiveness of corrective action mechanisms.

Emergency response arrangements are maintained across project locations, including 24/7 access to first-aid facilities, on-site emergency response capabilities, and dedicated ambulance services at key locations such as Sobha Hartland. These arrangements support timely medical intervention and help limit the potential consequences of workplace emergencies.



EMPLOYEE PARTICIPATION AND SAFETY CULTURE

Sobha places strong emphasis on building a collaborative and inclusive safety culture. Employees and technicians are actively involved in the development, implementation, and continuous improvement of HSE practices.
Regular safety meetings provide a platform for workers to raise concerns, share feedback, and contribute to hazard identification and risk assessment processes. This participatory approach ensures that safety measures are practical, effective, and grounded in on-site realities.

In 2025, project team participation in safety reporting reached 39%, exceeding the target of 35%, reflecting strong engagement across all workforce categories.

This has been further supported by awareness initiatives, with monthly HSE campaigns conducted across all sites achieving full compliance and over 90% participation.
To reinforce positive behaviors, Sobha has implemented reward and recognition programs, with 6% of employees and technicians recognized for their contributions to safety, exceeding the defined target.

The Group is also advancing data-driven safety improvement initiatives, leveraging analytics to identify trends and strengthen decision-making, supporting continuous enhancement of the HSSE system.

Training Statistics -2025

Training Classification	UOM	Total	Overall Training Manhours
On Job Training (Risk Assessment, Communication, Toolbox Talks)	Nos	715,526	2,067,861
	Attendees	12,692,219	
	Hours	2,030,755	
Training Hours on Occupational Safety (Weekly Sessions, External, Corporate)	Nos	1,510	
	Attendees	18,553	
	Hours	37,106	

Occupational Health and Well-being

Sobha extends its commitment to employee well-being beyond occupational safety by providing access to non-occupational healthcare services.

Regular medical camps and health check-ups are organized to support early detection and management of health conditions. These include:

- General health screenings and blood tests
- Screening for conditions such as diabetes and vertigo
- Eye and dental check-ups

These initiatives promote preventive healthcare and contribute to the overall well-being of the workforce.

In parallel, improvements in health-related safety indicators highlight the effectiveness of these efforts. In 2025

- Medical Treatment Case Frequency Rate (MTCFR) reduced to **1.31** against a target of 3
- First Aid Case Frequency Rate (FACFR) reduced to **4.19** against a target of 6.5

Mobile Safety Training Unit (MSTU) - Setting a New Benchmark for Safety Training in the GCC

Sobha's Mobile Safety Training Unit (MSTU) is a pioneering initiative that brings immersive safety training directly to project sites, strengthening workforce capability while ensuring consistent safety standards across operations.

- 30-person training capacity with a modern learning setup
- Fully integrated audio-visual environment for interactive, hands-on training
- Mobile, on-site facility enabling training delivery across multiple project locations

By eliminating the need for employees to travel to fixed training centers, the MSTU enables rapid deployment, supports large-scale workforce and stakeholder training, and delivers a standardized, high-impact learning experience across all project locations.

Inclusive and Safe Working Environment

Sobha is committed to ensuring a safe and inclusive working environment for all employees. Measures are implemented to protect vulnerable groups and ensure that work conditions are suitable for all individuals.

Employees with specific needs are provided with appropriate support, including training in native languages to overcome communication barriers and enhance understanding of safety procedures.

The Group is also exploring innovative solutions, including AI-enabled tools, to improve accessibility and strengthen safety communication across its diverse workforce.

In addition, Sobha maintained zero fines and penalties related to HSE non-compliance during the reporting year, demonstrating strong adherence to regulatory requirements and reinforcing its commitment to maintaining safe, compliant, and inclusive workplaces.

SAFETY PERFORMANCE EXCELLENCE

Sobha Group's Safety Index framework is built around two key dimensions

Proactive Safety Indicators – Driving Prevention and Engagement

Proactive indicators measure the effectiveness of preventive measures implemented to identify hazards, improve safety awareness, and encourage workforce participation before incidents occur.

Indicator	2025 Target	Actual Performance	Status / Key Outcome
Observations Frequency Rate (OFR)	3,000	3,267.9	**Achieved** – Target exceeded through increased safety observations and site inspections
Near Miss Frequency Rate (NMFR)	30% participation	38.33%	**Achieved** – Improved workforce participation in proactive hazard reporting
Project Team Participation	35%	39%	**Achieved** – Increased engagement of project teams in identifying safety risks
High-Level Safety Controls Implemented	Minimum 1 control per quarter	10 controls implemented	**Achieved** – More than 60% horizontal deployment of applicable controls
HSE Awareness Campaigns	Monthly campaigns with 90% participation	100% compliance	**Achieved** – Strengthened safety awareness across projects
Rewards & Recognition	5% staff and 5% technicians	6%	**Achieved** – Encouraged positive safety behaviors through recognition programs
Data-Driven HSSE Improvement Projects	Annual improvement targets	10 HSSE-led projects and 4 execution team projects	**Ongoing** – Enhanced safety decision-making through data analytics

Reactive Safety Indicators – Monitoring Outcomes and Improvement

Reactive indicators assess safety performance outcomes, including injury rates, incident trends, and effectiveness of corrective and preventive actions.

Indicator	2025 Target	Actual Performance	Status / Key Outcome
Lost Time Injury Frequency Rate (LTIFR)	0	0.021	**Deviation** – Three LTIs recorded across the Group; corrective measures implemented
Incident Frequency Rate (IFR)	≤2	0.97	**Achieved** – Improved project and material safety performance
Repetition of Similar Incidents	≤2	0	**Achieved** – Lessons learned effectively incorporated to prevent recurrence
Medical Treatment Case Frequency Rate (MTCFR)	3	1.31	**Achieved** – Improved emergency response and onsite safety practices
First Aid Case Frequency Rate (FACFR)	6.5	4.19	**Achieved** – Reduction supported by proactive reporting and preventive initiatives
Fines & Penalties	0	0	**Achieved** – Maintained compliance with regulatory and corporate HSSE requirements

The broader safety performance data provides additional context to the Group's performance in 2025.

Safety Metric	2024	2025
First Aid Cases (Nos.)	314	581
Medical Treatment Cases (Nos.)	141	184
Lost Time Injury Frequency Rate (LTIFR) (per million man-hours worked)	0.067	0.021
Near Miss Cases Reported (Nos.)	720	5,372
Total Man-hours Worked (Hrs.)	59,094,320	140,451,549
High-Consequence Work-Related Injury or Ill-health (excluding fatalities) (Nos.)	4	3
Number of Lost Days	17	38

The increase in reported safety cases in 2025 should be viewed alongside the 60% increase in workforce during the year and the significant increase in man-hours worked, from 59.1 million in 2024 to 140.5 million in 2025.

Accordingly, changes in absolute case numbers do not, on their own, indicate a deterioration in safety performance. This is particularly evident in the Lost Time Injury Frequency Rate (LTIFR), which improved from 0.067 to 0.021, while high-consequence work-related injuries declined from four to three cases. The substantial increase in near-miss reporting also reflects stronger workforce participation in proactive hazard identification and reporting.

The integration of proactive safety initiatives with outcome-based monitoring has strengthened Sobha Group's approach to risk prevention and workplace safety.

> Increased workforce participation, broader hazard reporting, implementation of high-level controls, and data-led interventions continue to support improvements in safety performance across projects.

DRIVING SOCIAL IMPACT

Sobha Group, under the visionary leadership of Mr. PNC Menon, has long been committed to creating lasting social value through meaningful investments in people and communities.

> Guided by a philosophy of giving back, Sobha has implemented a wide range of philanthropic initiatives spanning education, healthcare, affordable housing, women's empowerment, and environmental sustainability.

These programs have positively impacted thousands of lives across the UAE, Oman, and India. This section highlights the Group's key community initiatives, including the Sobha Care program, which supports the families of our technicians, along with other efforts that reflect our enduring commitment to inclusive and sustainable development.

SOBHA CARE

Supporting Technician Well-being and Family Resilience

Sobha Care is a flagship social support initiative that reflects Sobha Group's commitment to enhancing the well-being of its technician community and their families.

The program is designed to provide targeted financial and social support across key life stages, focusing on education, women's empowerment, child well-being, and long-term family stability. Through these initiatives, Sobha Care contributes to inclusive growth while strengthening the social and economic resilience of its workforce.

In 2025, Sobha Care initiatives reached 56,093 technicians and their family members, delivering meaningful, measurable social impact.

Sobha Women Empowerment, Financial Support for Spouses

At Sobha, we are committed to uplifting women and acknowledging their vital role in family well-being. The Sobha Women Empowerment Program provides a monthly financial allowance of INR 2,000 to the spouses of our technicians, helping families achieve greater economic stability.

This support empowers women to manage personal expenses, contribute to household needs, and foster overall family resilience.

Impact in 2025

30,104

Spouses benefited from the program, strengthening financial independence and enhancing the well-being of households across our technician community.

Sobha Educare – Supporting Technicians' Children

Sobha is committed to nurturing the next generation by providing educational support to the children of our technicians. Through Sobha Educare, each child receives INR 10,000 in financial assistance per year (up to two children per technician), ensuring access to quality education and reducing the financial burden on families.

Impact in 2025

23,894

Beneficiaries received educational support, empowering children to continue their schooling uninterrupted and pursue a brighter future.

Sobha Newborn Care – Financial Support for Newborns

Welcoming a new life is a joyous milestone, and Sobha supports our technicians during this special time. Through Sobha Newborn Care, each child receives a financial benefit of INR 100,000 (up to two children per technician) to help cover childbirth and early childcare expenses. This initiative ensures families can provide a healthy start for their newborns without financial stress.

Impact in 2025

1,962

Beneficiaries received support, enabling a secure and nurturing beginning for newborns in Sobha families.

Sobha Housing Scheme – Rewarding Loyalty

Sobha honours the dedication of our long-serving employees through the Sobha Housing Scheme. Technicians who have completed 10 or more years with the company are eligible for a financial reward of INR 500,000 to support housing-related expenses. This initiative reflects our commitment to helping employees build a secure and stable future for themselves and their families.

Impact in 2025

1

Beneficiary received support under this program, reinforcing long-term financial stability for loyal employees.

Sobha Marriage Blessings – Supporting Technicians' Children

Sobha helps ease the financial challenges of weddings through the Sobha Marriage Blessings program. Each eligible child receives a one-time financial benefit of INR 200,000 (up to two children per technician), enabling families to celebrate marriages with dignity and joy without financial strain.

Impact in 2025

132

Families benefited from this support, ensuring memorable and stress-free weddings for technicians' children.

CUSTOMER SAFETY AND CENTRICITY

Creating safe, vibrant, and connected living environments is central to Sobha Realty's customer experience. Beyond delivering high-quality developments, the Company is committed to fostering healthy, inclusive, and resilient residential environments that enhance residents' quality of life.

Through Sobha Community Management (SCM), the Company delivers structured programs focused on resident engagement, health and well-being, safety awareness, responsive communication, and public space enhancement, ensuring customers continue to thrive long after project completion.

Achieved
WELL Health Safety Rating

300+
Residents participated in environmental awareness activities

RESIDENT ENGAGEMENT AND WELL-BEING

Sobha Community Management serves as the dedicated platform for strengthening resident relationships and promoting well-being across Sobha developments.

Supported by annual engagement plans and dedicated budgets, SCM delivers year-round initiatives that encourage social interaction, healthy lifestyles, environmental stewardship, and community participation.

During the reporting period, several resident engagement programs were organized to promote participation, well-being, and environmental awareness.

Initiative	Objective	2025 Highlights
Hartland EcoFest	Promote environmental awareness through sustainability-themed workshops and activities.	More than 300 residents participated in environmental awareness activities and interactive sessions.
Mindful May	Support mental health and emotional well-being through mindfulness and wellness sessions.	Strong resident participation with positive feedback and requests for additional programs.
Weight Loss Challenge	Encourage healthy lifestyles through a two-month community fitness program.	More than 65 residents participated across SCM-managed communities.
World Environment Day Competition	Encourage environmental awareness through creative art and craft activities.	Conducted across all SCM-managed communities.
Earth Hour Campaign	Promote responsible energy consumption and environmental stewardship.	Residents were encouraged to switch off non-essential electrical appliances for one hour.

Promoting Healthy and Safe Living

Resident safety extends beyond the built environment to include health promotion and awareness initiatives. Throughout the year, Sobha organized campaigns that encouraged responsible behaviors and healthier lifestyles.

As part of its commitment to creating healthy living environments, Sobha Community Management achieved the WELL Health-Safety Rating, demonstrating alignment with internationally recognized best practices for health, safety, cleaning protocols, emergency preparedness, stakeholder engagement, and operational resilience across managed residential developments.

In addition, a Safe Driving Campaign was conducted across all managed developments to promote responsible road behavior, raise awareness of distracted driving, and reinforce road safety within residential neighborhoods.

Building Resilient Neighborhoods

Building resilient residential neighborhoods remains an integral part of Sobha's customer management approach. Preparedness measures, health and safety protocols, emergency response planning, and resident awareness programs strengthen the ability of residents and property management teams to respond effectively during emergencies.

Through continuous engagement, proactive communication, and structured customer support, Sobha safeguards resident well-being while ensuring the continuity of essential services.

Customer Communication and Support

Sobha maintains transparent and accessible communication channels to ensure residents remain informed and connected. Regular updates, awareness campaigns, event notifications, and service communications facilitate timely information sharing while encouraging active resident participation.

To further enhance customer convenience and service delivery, Sobha offers the ONE Sobha App - a single digital platform that enables residents to manage their properties, access resident services, submit service requests, and obtain required approvals seamlessly. The platform enhances responsiveness, simplifies day-to-day interactions, and strengthens the overall customer experience.

Resident feedback and service requests received through digital platforms and customer interactions are continuously monitored and used to improve services, strengthen engagement, and enhance customer satisfaction.

Enhancing Shared Spaces

Sobha continuously invests in maintaining attractive, safe, and functional shared spaces that encourage social interaction and enhance residents' quality of life. Through regular maintenance, landscaping initiatives, recreational activities, and sustainability-focused events, Sobha creates vibrant neighborhoods where residents can connect, engage, and thrive.

HUMAN RIGHTS AND RESPONSIBLE EMPLOYMENT

Creating a workplace where people are treated with dignity, fairness, and respect is central to Sobha's approach to responsible business. Human rights considerations are integrated across employment practices, workplace management, contractor engagement, and supply chain relationships to promote safe working conditions, equal opportunities, and ethical labour practices throughout its operations and value chain.

This approach is supported by a comprehensive Human Rights Policy, Code of Conduct, Equal Opportunity Policy, Anti-Harassment Policy, Whistleblowing Policy, and other governance frameworks that guide responsible business practices.

> Sobha aligns its human rights approach with applicable labor laws and internationally recognized principles, integrating these considerations into employee management, contractor engagement, procurement practices, and operational processes.

> *Respecting human rights is fundamental to building a workplace founded on dignity, fairness, and opportunity for all.*

HUMAN RIGHTS GOVERNANCE

The Board and senior leadership oversee ethical business conduct, while Human Resources and relevant business functions are responsible for implementing human rights commitments across operations.

Sobha's Human Rights Policy outlines its approach to respecting the rights of employees, contractors, suppliers, customers, and communities associated with its activities.

Human rights considerations are embedded across the employee lifecycle, including recruitment, onboarding, career development, workplace conduct, and separation, as well as within supplier and contractor relationships. Periodic policy reviews, employee awareness initiatives, internal controls, and grievance mechanisms support continuous improvement in human rights governance and accountability.

FAIR EMPLOYMENT AND ETHICAL LABOR PRACTICES

Sobha promotes a workplace where diversity, inclusion, and equal opportunity are embedded across employment practices. Recruitment, training, promotion, compensation, performance evaluation, and career development decisions are based on merit, qualifications, competence, and business requirements, without discrimination based on gender, nationality, ethnicity, religion, age, disability, marital status, or any other protected characteristic.

Responsible labor practices remain central to Sobha's people management approach. Child labor, forced labor, bonded labor, human trafficking, and any form of exploitation are strictly prohibited across operations. Employment practices comply with applicable labor legislation relating to wages, working hours, leave entitlements, employee benefits, and contractual rights. Recruitment and verification procedures ensure that employees meet legal age requirements and are engaged voluntarily under transparent terms and conditions.

Sobha also respects employees' rights to freedom of association and collective representation in accordance with applicable laws and regulations.

5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH | 10 REDUCED INEQUALITIES | 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Safe, Respectful and Inclusive Workplace

Sobha is committed to maintaining a workplace founded on dignity, respect, and inclusion. Discrimination, harassment, bullying, intimidation, retaliation, workplace violence, and other forms of inappropriate behavior are not tolerated.

The Anti-Harassment Policy and Code of Conduct establish clear expectations for employee behavior and provide mechanisms to prevent, identify, and address workplace misconduct. Employees are encouraged to uphold professionalism, collaboration, and mutual respect, contributing to a positive work environment that supports well-being and psychological safety.

Human Rights Across the Value Chain

Sobha recognizes that respect for human rights extends beyond its workforce to include contractors, suppliers, subcontractors, and other business partners. Expectations relating to ethical conduct, responsible labor practices, workplace safety, and legal compliance are communicated throughout the supply chain.

Suppliers and contractors are expected to uphold standards aligned with Sobha's values, including the prohibition of child labor, forced labor, discrimination, harassment, and unethical employment practices. These expectations support responsible procurement and strengthen social performance across the value chain.

Grievance and Remediation

Sobha provides accessible and confidential channels through which employees and other stakeholders can raise concerns related to workplace practices, discrimination, harassment, unethical conduct, human rights issues, or policy violations. Grievance and whistleblowing mechanisms are designed to encourage reporting, protect individuals from retaliation, and ensure concerns are addressed fairly and confidentially. Where issues are identified, appropriate corrective actions are implemented, with outcomes monitored to support improvements in workplace practices and organizational culture.

Sobha continues to enhance its human rights performance through policy communication, employee awareness initiatives, leadership engagement, and periodic review of management systems. By embedding human rights principles into business decisions, workforce practices, and stakeholder relationships, Sobha aims to create lasting social value while maintaining a safe, inclusive, and respectful workplace for all.

OUR ENVIRONMENT

CLIMATE ACTION

BUILDING A LOW-CARBON FUTURE

Climate change is reshaping the future of the built environment. As urbanization continues to grow and expectations around environmental performance continue to evolve, the real estate sector has an increasingly important role in delivering developments that are resilient, resource-efficient and capable of supporting the transition to a low-carbon economy. Climate Action is identified as a material topic through Sobha's Double Materiality Assessment, recognizing its significance from both impact and financial materiality perspectives.

> At Sobha, climate action is embedded within our business strategy and integrated across the entire development lifecycle.

Our vertically integrated business model provides a unique advantage, enabling us to influence sustainability outcomes from design and engineering through manufacturing, procurement, construction and project delivery. This integrated approach enables us to address both operational emissions and embodied carbon while driving efficiency, innovation and long-term value.

Our climate strategy extends beyond reducing energy consumption. It also focuses on responsible material selection, efficient resource utilization, climate-conscious design, technological innovation and close collaboration across the value chain. These principles guide our efforts to improve environmental performance while enhancing the resilience and quality of our developments.

During 2025, we continued to strengthen our climate program by enhancing greenhouse gas management, advancing low-carbon construction practices, increasing the adoption of sustainable materials and implementing initiatives that contribute to measurable emissions reductions. These efforts support the UAE Net Zero by 2050 Strategic Initiative and reinforce our commitment to responsible growth and sustainable urban development.

> *As climate-related risks and opportunities continue to evolve, Sobha remains committed to embedding climate considerations into strategic decision-making, enabling the delivery of developments that are not only environmentally responsible but also resilient, future-ready and designed to create lasting value for customers, investors and communities.*

CLIMATE STRATEGY

Climate action at Sobha is guided by the principle that effective decarbonization requires a holistic approach spanning the entire development lifecycle. As a vertically integrated real estate and construction company, we recognize that greenhouse gas emissions are influenced not only by operational energy use but also by decisions regarding design, material selection, procurement, manufacturing, and construction methodologies.

Our climate strategy therefore extends beyond improving operational efficiency to addressing embodied carbon, advancing resource efficiency and strengthening climate resilience across our operations and value chain. By integrating sustainability into business planning and project delivery, we continue to create developments that are designed to deliver long-term environmental, social and economic value.

Our strategy is implemented through five interconnected priorities:

Decarbonizing Operations:
We continue to reduce emissions from our operations by improving operational efficiency, integrating cleaner technologies and supporting the transition toward lower-carbon construction practices. Detailed information on energy efficiency, renewable energy deployment and cleaner fuel initiatives is presented in the Energy Management chapter.

Reducing Embodied Carbon:
Embodied carbon associated with construction materials represents the largest contributor to our greenhouse gas footprint. We are therefore strengthening sustainable procurement practices and increasing the adoption of lower-carbon materials to reduce emissions across our developments while maintaining the quality and durability synonymous with the Sobha brand.

Driving Circular Resource Use:
Improving resource productivity is integral to our climate strategy. Through responsible material management, waste diversion, water conservation and industrialized construction practices, we seek to minimize resource consumption while reducing indirect greenhouse gas emissions across our operations. These initiatives are discussed further in the respective Environment chapters.

Innovation for Low-Carbon Development:
Innovation enables us to continuously improve environmental performance across the development lifecycle. We continue to evaluate and adopt technologies, construction methodologies and engineering solutions that enhance operational efficiency, optimize material use and support the transition toward lower-carbon developments.

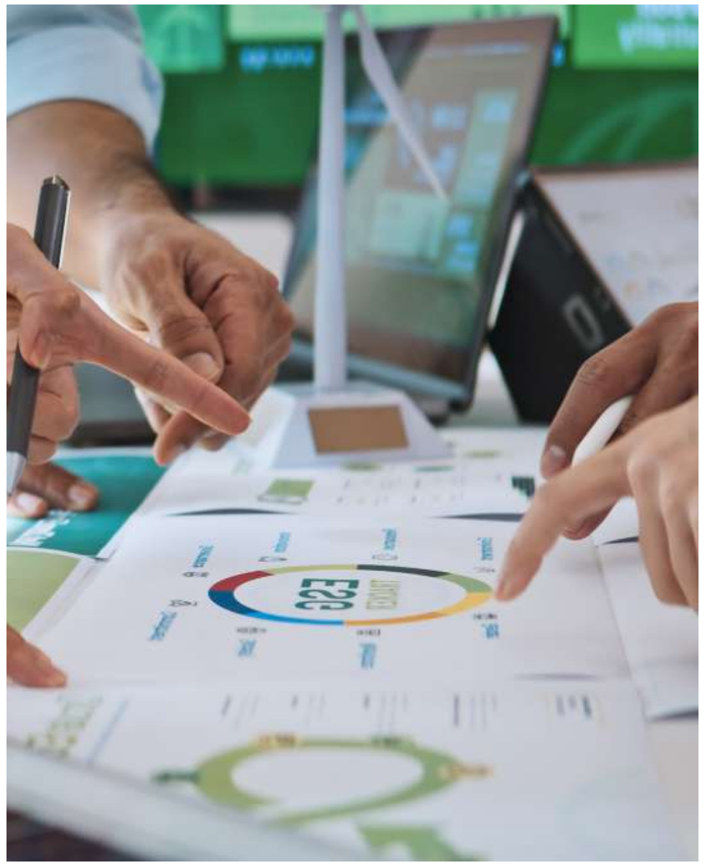
Building Climate Resilience:
As climate-related risks continue to evolve, we remain focused on strengthening the resilience of our operations and developments. By embedding climate considerations into planning, design and decision-making, we aim to create assets that are better positioned to respond to changing environmental conditions while supporting long-term business resilience.

MEASURING OUR CARBON FOOTPRINT

Understanding our greenhouse gas emissions is fundamental to managing climate-related impacts and identifying opportunities for improvement. Sobha's greenhouse gas inventory provides a comprehensive assessment of emissions generated across our construction activities, manufacturing operations, offices and supporting business functions, enabling informed decision-making and targeted decarbonization efforts.

Our inventory is prepared in accordance with internationally recognized greenhouse gas accounting principles and includes:

Emission Category	Description
Scope 1	Direct emissions from fuel combustion in construction equipment, generators, logistics operations and company-owned vehicles.
Scope 2	Indirect emissions associated with purchased electricity consumed across our operations.
Scope 3	Other indirect emissions occurring across the value chain, including purchased construction materials and other upstream activities.



During 2025, we continued to strengthen the quality and completeness of our greenhouse gas inventory through enhancements to our carbon accounting processes, providing a more robust basis for performance monitoring and future emissions reduction initiatives.

GREENHOUSE GAS PERFORMANCE

Emissions Overview

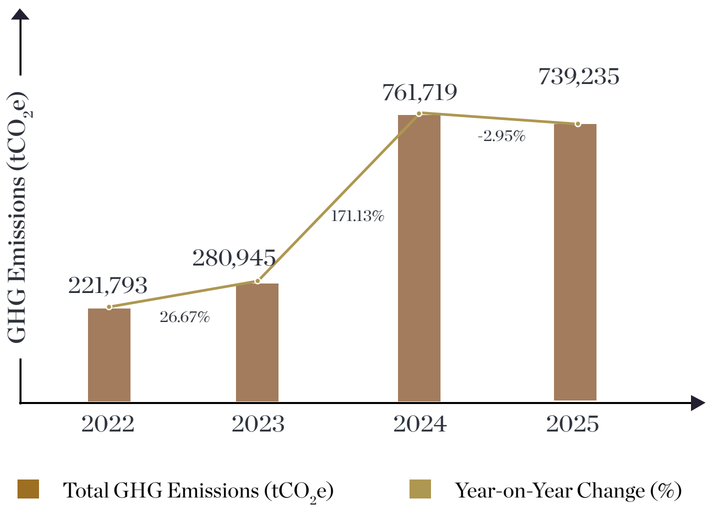
During FY2025, Sobha reported total greenhouse gas emissions of 739,235 tCO_2e. While the year-on-year trend reflects changes in reported emissions, these results should be interpreted in the context of both business expansion and improvements in the underlying emissions accounting methodology. The transition to quantity-based accounting for key construction materials has significantly improved the completeness of Scope 3 reporting and provides a more representative picture of emissions associated with the Company's construction activities.

In addition to methodological enhancements, emissions were influenced by several business developments during the reporting year, including:

- Expansion of construction activities across multiple projects.
- Establishment of new operating entities, including Sobha Advanced Manufacturing, Project Management Consultancy, Sobha Concrete Industries and Sobha Energy Solutions.
- Expansion of manufacturing capabilities through new facilities under Sobha Modular and Furniture operations.

These developments increased operational activity while simultaneously expanding the organizational reporting boundary, resulting in a broader and more comprehensive emissions inventory.

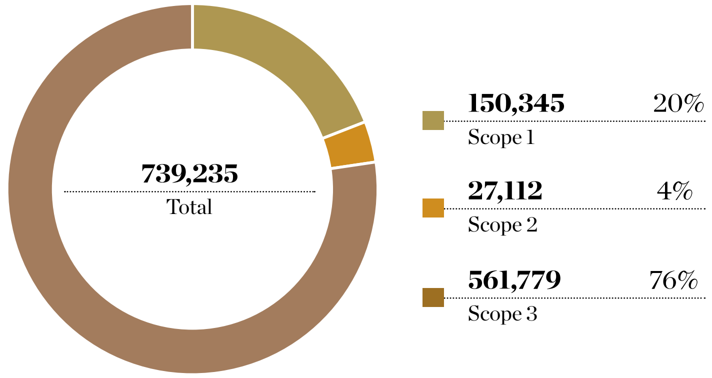
Greenhouse Gas Emissions Trend



The reduction in reported emissions over the reporting period reflects the combined impact of lower purchased and capital goods-related emissions, together with enhancements to the Company's emissions accounting methodology. Importantly, the revised methodology provides a stronger basis for identifying emission hotspots and evaluating future decarbonization opportunities, particularly within purchased goods and construction materials.

Scope-level Greenhouse Gas Performance

Understanding the contribution of each emissions category enables Sobha to prioritize mitigation efforts where the greatest climate impact can be achieved. During FY2025, Scope 3 emissions continued to represent the largest proportion of the Company's carbon footprint, highlighting the significance of embodied carbon within construction materials and the importance of supplier engagement, sustainable procurement and low-carbon product innovation.



Greenhouse Gas Performance by Business Entity

Sobha's vertically integrated business model enables comprehensive monitoring of greenhouse gas emissions across construction, manufacturing, project management and supporting business functions. Entity-level emissions assessment provides valuable insights into operational emission hotspots and helps prioritize decarbonization initiatives where the greatest climate impact can be achieved.

The analysis demonstrates that emissions are concentrated within construction activities, reflecting the material-intensive nature of real estate development. Manufacturing entities also contribute through energy consumption and purchased materials, while corporate and service entities have comparatively smaller carbon footprints.

Entity-level Greenhouse Gas Emissions (FY2025)

Entity	Scope 1	Scope 2	Scope 3	Total Emissions (tCO_2e)	Contribution
Sobha Construction	141,726	22,815	438,395	602,936	81.56%
Sobha Modular	4,128	2,606	94,252	100,985	13.66%
Sobha LLC	986	555	12,079	13,620	1.84%
Sobha Furniture	158	1,137	11,463	12,758	1.73%
PNCA	2,096	-	2,828	4,925	0.67%
Sobha Advanced Industries	1,180	-	1,192	2,372	0.32%
Sobha Energy	13	-	743	756	0.10%
Latinem FM	-	-	415	415	0.06%
Latinem Landscape	-	-	170	170	0.02%
Latinem Securities	-	-	95	95	0.01%
Stay By Latinem	-	-	63	63	0.01%
Project Mgmt Consultancy (PMC)	57	-	15	72	0.01%
Sobha Concrete Industries	-	-	69	69	0.01%
Total	**150,345**	**27,112**	**561,779**	**739,235**	**100.00%**

Understanding Our Emissions Profile

The analysis highlights that Sobha Construction accounts for more than four-fifths of the Group's greenhouse gas emissions. This reflects the scale of construction activities, extensive use of concrete and steel, operation of heavy machinery, logistics requirements and procurement of construction materials. Consequently, construction operations remain the primary focus of Sobha's decarbonization strategy.

Sobha Modular represents the second-largest contributor, driven by manufacturing processes and the embodied carbon associated with purchased materials. Continued investments in industrialized construction, energy-efficient manufacturing and renewable energy will play an important role in reducing emissions within this segment.

Other operating entities contribute comparatively smaller shares of the Group's emissions. While individually limited, collectively these entities present opportunities to improve energy efficiency, transition toward cleaner energy sources, and embed low-carbon practices across the broader organization.

> *This entity-level understanding enables Sobha to allocate resources more effectively, prioritize climate investments and establish targeted emission reduction initiatives across the business.*

DELIVERING CLIMATE ACTION

Translating Strategy into Measurable Outcomes

Climate action at Sobha is driven by a portfolio of initiatives that collectively reduce greenhouse gas emissions, improve resource efficiency and strengthen the resilience of our operations. Rather than relying on a single intervention, our approach combines operational improvements, cleaner technologies, sustainable materials and circular resource management to address emissions across the value chain.

Many of these initiatives, including renewable energy deployment, energy efficiency improvements, cleaner fuels, water conservation and waste management, are discussed in greater detail within the respective chapters of this report. Together, they contributed to progress toward our decarbonization objectives during FY2025.

Emission Reduction Performance

During FY2025, Sobha's climate initiatives collectively avoided approximately 9,801 tCO_2e of greenhouse gas emissions, demonstrating that operational growth and climate action can progress simultaneously through innovation, operational excellence and responsible resource management.

Initiative	Emissions Avoided (tCO_2e)
Biodiesel adoption	6,355
Low-carbon concrete (Vertua Cement)	1,852
Food waste composting	606
Recycling and waste diversion	315
Recycled and reused water	175
Renewable energy	118
Site electrification	46
Hybrid and electric vehicles	307
Carbon sequestration	28
Total Emissions Avoided	**9,801**

Climate Performance Dashboard

Indicator	FY2025
Total GHG Emissions	739,235 tCO_2e
Scope 3 Contribution	76%
Emissions Avoided	9,801 tCO_2e
Green Mark Platinum Super Low Energy Projects	1
Green Building Certified Projects	4
Life Cycle Assessments Completed	527,899 m^2
Vertua Low-Carbon Concrete Used	19,873 m^3
Renewable Electricity	364 MWh

CLIMATE LEADERSHIP IN ACTION

Sobha One: Setting a Benchmark for Low-Carbon Development

Sobha One demonstrates how sustainability can be integrated throughout the development lifecycle, from concept and design to construction and long-term operational performance. During FY2025, the development became the first project outside Singapore to achieve the Green Mark Platinum Super Low Energy (SLE) certification from the Singapore Building and Construction Authority, recognizing its exceptional energy performance and commitment to reducing operational carbon emissions.

Designed to achieve approximately 60% energy savings compared with the Green Mark 2005 baseline, Sobha One incorporates energy-efficient building systems, high-performance engineering solutions and sustainable design principles that reduce operational energy demand while enhancing occupant comfort and long-term asset performance.

The development has also been awarded the Whole Life Carbon Badge, reflecting Sobha's commitment to reducing both embodied and operational carbon throughout the building lifecycle. By integrating climate considerations from material selection through to building operations, the project exemplifies our approach to creating resilient, future-ready developments that deliver long-term environmental and commercial value.

REDUCING EMBODIED CARBON

Decarbonizing Construction Materials

For the built environment, a significant proportion of greenhouse gas emissions arise before a building becomes operational. These embodied emissions, generated through the extraction, manufacture, transportation and installation of construction materials, represent one of the most significant climate challenges facing the real estate sector.

Recognizing this, Sobha continues to integrate embodied carbon considerations into material selection and procurement decisions. By collaborating with suppliers, evaluating lower-carbon alternatives and adopting innovative construction materials, Sobha is working to reduce the carbon intensity of our developments while maintaining the quality, durability and performance that define the Sobha brand.

Why Embodied Carbon Matters

As operational energy efficiency continues to improve across the built environment, embodied carbon is expected to account for an increasingly larger proportion of a building's lifetime emissions. Addressing these emissions today enables greater long-term climate benefits while supporting industry-wide efforts to transition toward lower-carbon construction.

Sobha will continue to evaluate opportunities to increase the adoption of sustainable materials, strengthen supplier collaboration and integrate life cycle thinking into project delivery, contributing to more climate-resilient developments across its portfolio.

Advancing Low-Carbon Concrete

Concrete remains one of the most widely used construction materials and a major contributor to embodied carbon.

During FY2025, Sobha expanded the use of Vertua low-carbon concrete, which incorporates innovative cement technologies to reduce greenhouse gas emissions compared with conventional concrete.

Approximately 19,873 m^3 of Vertua concrete was utilized across selected developments during the reporting period, contributing to an estimated avoidance of 1,852 tCO_2e while maintaining structural integrity and construction quality.

> *The increased adoption of lower-carbon materials reflects Sobha's broader commitment to integrating sustainability into procurement and construction practices, enabling measurable reductions in embodied carbon without compromising engineering excellence.*

INDUSTRIALIZING CONSTRUCTION FOR A LOW-CARBON FUTURE

Driving Efficiency Through Innovation

Innovation in construction methodology is a key enabler of climate action. Sobha's vertically integrated operating model allows the business to improve productivity, optimize material utilization and reduce waste through standardization, automation and off-site manufacturing.

Central to this approach is the 70:70 Strategy, which aims to manufacture up to 70% of construction components through automated production systems while achieving approximately 70% standardization across key building elements. This strategy enhances construction efficiency, improves quality and contributes to lower environmental impacts by reducing material wastage, minimizing rework and optimizing resource consumption.

Industrialized construction also supports improved planning, shorter construction timelines and more efficient logistics, all of which contribute indirectly to reducing greenhouse gas emissions throughout the project lifecycle.

Beyond operational improvements, the strategy strengthens Sobha's long-term ability to scale sustainable construction practices while maintaining consistency, quality and environmental performance across its developments.

Creating Long-Term Climate Value

The transition to a lower-carbon built environment requires more than incremental operational improvements. It demands innovation in how buildings are designed, manufactured and delivered.

> By combining lower-carbon materials with industrialized construction methodologies, Sobha is building a stronger foundation for long-term decarbonization while enhancing operational efficiency, reducing resource intensity and supporting resilient urban development.

DELIVERING LONG-TERM CLIMATE VALUE

Climate action is not a standalone initiative but an integral part of how Sobha designs, builds and delivers developments. By embedding climate considerations across planning, engineering, procurement and construction, we are strengthening business resilience while creating assets that are designed to perform in a low-carbon future.

As we continue to evolve our sustainability journey, our focus remains on improving carbon performance, advancing low-carbon construction practices and fostering innovation across the value chain. Through disciplined execution, responsible resource management and continuous improvement, Sobha is contributing to the transition toward a more sustainable built environment while creating enduring value for customers, investors and communities.

CLIMATE-RELATED RISKS & OPPORTUNITIES

Climate change is reshaping the operating environment for the built environment, influencing how assets are designed, constructed, financed and operated. For Sobha Group, these considerations are increasingly relevant as we expand our operations, establish new business entities, diversify our portfolio and enter new markets.

Our vertically integrated business model means that climate-related risks and opportunities can influence multiple stages of the value chain, from land acquisition, design and material selection to manufacturing, construction, operations, supply chain management and investment decisions. At the same time, the transition toward a low-carbon economy presents opportunities to accelerate innovation, improve resource productivity, develop more resilient assets and access sustainable sources of capital.

> *Recognizing these dynamics, we continue to strengthen the integration of climate-related considerations into governance, enterprise risk management, strategic planning and business decision-making.*

This enables us to evaluate potential exposures, strengthen business resilience and identify opportunities that can support sustainable growth and long-term value creation.

Climate Governance

Effective governance provides the foundation for managing climate-related risks and opportunities. Oversight of climate-related matters is provided by the Board, while executive management is responsible for translating strategic priorities into business and operational actions.

Climate-related responsibilities extend across sustainability, risk management, finance, engineering, design, construction, procurement and operations, reflecting the cross-functional nature of climate change and its potential implications across our business.

During 2025, we continued to strengthen internal accountability, climate-related data management and the integration of climate considerations into strategic planning, capital allocation and enterprise risk management. This governance structure supports more informed decision-making and enables emerging climate-related matters to be considered within existing business processes.

Climate Strategy

Our climate strategy is anchored in the ESG Strategy (2024), which provides the framework for integrating sustainability into governance, risk management, business planning, and long-term value creation. Climate-related goals and targets have been established at both Group and entity levels, strengthening accountability and supporting our decarbonization ambitions.

Our Double Materiality Assessment further reinforced the strategic importance of climate-related matters to our business and stakeholders, informing the integration of climate risks and opportunities into enterprise risk management and decision-making.

Across our vertically integrated value chain, climate considerations are progressively embedded into design, procurement, construction and operations, with a focus on operational and embodied carbon, resource efficiency, responsible material use and climate resilience. This approach enables us to align climate mitigation and adaptation with operational excellence, resilient assets and sustainable growth.

Assessing Climate-related Risks

Understanding the potential implications of climate change is essential to strengthening the long-term resilience of our business. During 2025, Sobha Group initiated an updated climate risk assessment to evaluate how climate-related factors could affect our expanding operations, assets and investments.

The assessment considers two principal categories of climate-related risk:

Physical risks
arising from the physical effects of climate change, including increasing temperatures, prolonged heat stress, water scarcity, flooding, sea-level rise and changing precipitation patterns. Depending on their nature and severity, these risks may affect construction schedules, workforce wellbeing, infrastructure resilience, resource availability and operational performance.

Transition risks
arise from the shift toward a lower-carbon economy, including evolving climate regulations, potential carbon pricing mechanisms, technological change, changing customer expectations, supply chain impacts, sustainable finance requirements and increasing stakeholder expectations for climate performance and transparency.

> **Risks are being considered across short-, medium- and long-term time horizons, supporting the identification of appropriate mitigation, adaptation and resilience measures.**

Climate Risk Landscape

Risk Category	Illustrative Risk Drivers	Potential Business Implications
Physical - Acute	Flooding, extreme rainfall and other severe weather events	Construction disruption, asset damage, supply chain interruptions and increased recovery costs
Physical - Chronic	Rising temperatures, heat stress, water scarcity and sea-level rise	Workforce productivity, cooling demand, resource availability, asset performance and resilience requirements
Transition - Policy & Regulatory	Climate regulation, building standards and potential carbon pricing	Compliance requirements, construction costs and changes in design or material specifications
Transition - Technology	Emergence of lower-carbon technologies and construction methods	Additional investment requirements alongside opportunities for efficiency and innovation
Transition - Market	Changing customer, investor and tenant expectations	Demand for efficient, resilient and certified developments
Transition - Supply Chain	Availability and cost of carbon-intensive materials and technologies	Procurement costs, material availability and project delivery
Transition - Reputation	Increasing expectations for credible climate performance and disclosure	Stakeholder confidence, market positioning and access to capital
Renewable Electricity	Renewable Electricity	364 MWh

The table provides an overview of the climate-related risk areas being assessed and should not be interpreted as a determination of financial materiality. Detailed assessment outcomes will be presented through Sobha Group's standalone Climate Report.

Understanding Potential Financial Implications

Climate-related risks can translate into financial impacts through multiple pathways. To strengthen our understanding of these relationships, Sobha Group is undertaking a climate-related financial analysis as part of its broader climate assessment.

The analysis considers how physical and transition risks could influence areas such as:

- Operating expenditure and business continuity
- Supply chain resilience
- Capital expenditure and asset resilience requirements
- Insurance costs and availability
- Construction and procurement costs
- Financing and access to capital
- Asset values and long-term asset performance
- Long-term enterprise value

In parallel, the assessment considers climate-related opportunities that may improve financial and operational performance through resource efficiency, innovation, sustainable development and access to green finance.

These insights are intended to strengthen the integration of financially relevant climate considerations into enterprise risk management, investment planning and capital allocation, while supporting more informed strategic decision-making.

Climate-related Opportunities

The transition toward a lower-carbon and more climate-resilient built environment also presents significant opportunities for Sobha. Our vertically integrated business model provides the ability to influence sustainability outcomes across design, manufacturing, procurement, construction and operations.

Key areas of opportunity include:

Opportunity Area	Strategic Relevance
Sustainable Developments	Developing green building certified, resource-efficient and resilient assets that respond to evolving customer and investor expectations
Low-carbon Design & Materials	Reducing operational and embodied carbon through efficient design, material optimization and lower-carbon construction materials
Renewable Energy & Clean Technologies	Increasing the adoption of renewable energy and emerging technologies that support operational decarbonization
Resource Efficiency & Circularity	Improving material, energy and water productivity while reducing waste and lifecycle environmental impacts
Construction Innovation	Leveraging industrialization, automation and digital technologies to improve productivity and environmental performance
Sustainable Finance	Accessing green and sustainability-linked capital to support eligible investments and sustainable growth
Value Chain Collaboration	Working with suppliers and industry partners to accelerate innovation and strengthen climate performance across the construction ecosystem

Together, these opportunities can support operational efficiency, asset resilience, stakeholder confidence and long-term financial performance while strengthening Sobha's contribution to a lower-carbon built environment.

Strengthening Climate Resilience

Climate resilience requires the ability to anticipate changing conditions, understand potential vulnerabilities and incorporate those insights into business and investment decisions.

Our approach combines governance, risk assessment, climate-related data and resilient design to strengthen preparedness across the organization. Climate considerations are progressively being incorporated into project planning, design, procurement, construction, operations and investment decisions, enabling climate risks to be considered alongside other strategic and operational factors.

The climate risk assessment and related financial analysis initiated during 2025 will further strengthen our understanding of potential exposures and inform the development of appropriate adaptation, mitigation and resilience measures across the Group.

Advancing Climate Transparency

During 2025, Sobha continued to advance its climate governance and initiated an updated assessment of climate-related risks, opportunities and potential financial implications. This work represents an important step toward developing a more integrated understanding of how climate change could influence our business, assets and long-term strategy.

Detailed disclosures covering climate governance, strategy, scenario analysis, climate-related risks and opportunities, potential financial impacts, resilience, metrics and targets are presented in Sobha Group's TCFD Report (IFRS S2) 2025.

ENERGY MANAGEMENT

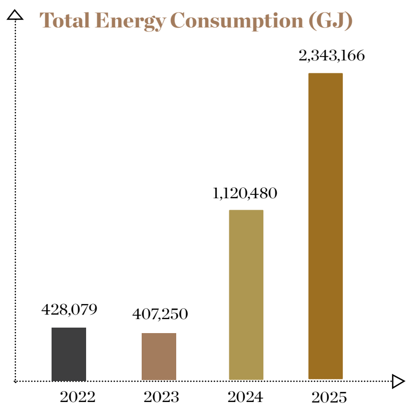
As a vertically integrated real estate and construction company, Sobha operates in an energy-intensive industry where large-scale development activities, facility management, manufacturing operations, technician residences, logistics and support services require substantial energy inputs.

In 2025, Sobha recorded a total operational energy consumption of 2,343,166 GJ, reflecting continued business expansion, increased construction activity, and operational growth across multiple business entities.

Energy demand across the organization is primarily driven by construction operations, technician residences, manufacturing facilities, logistics activities, and infrastructure support services. Sobha remains committed to improving energy efficiency, enhancing operational performance, and integrating cleaner energy solutions across its operations.

ANNUAL ENERGY CONSUMPTION TREND

Energy consumption has increased over recent years in line with Sobha's expanding project portfolio, increased construction activity, growth in manufacturing operations, and higher occupancy across technician accommodations and operational facilities.

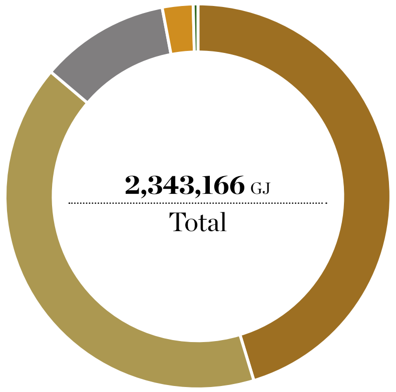


The increase in energy consumption during 2025 was primarily driven by

- Expansion of active construction projects
- Higher electricity demand across technician residences
- Growth in manufacturing and operational activities
- Continued business expansion across multiple operating entities.
- Higher utilization of construction equipment and temporary site infrastructure

Energy Mix

The Group's energy consumption during 2025 comprised:



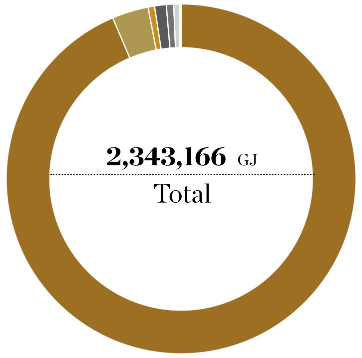
- **1,065,525** 46.0% Diesel
- **961,039** 41.4% Biodiesel (B5 & B10)
- **254,638** 10.9% Grid Electricity
- **60,655** 2.6% Petrol
- **1,310** 0.1% Renewable Electricity

Fuel consumption accounted for approximately 90% of the Group's total energy demand, reflecting the energy-intensive nature of construction operations. Electricity represented approximately 10%, supporting manufacturing facilities, offices, warehouses, technician accommodations, and operational infrastructure.

Entity-level Energy Consumption

The energy consumption profile across Sobha's entities reflects the operational intensity of each business division. Sobha Construction remains the highest energy consumer due to extensive construction activities, heavy equipment operation, technician residences, and temporary infrastructure requirements.

Sobha Modular also represented a significant consumer due to manufacturing processes requiring both fuel and electricity, while the remaining entities accounted for relatively smaller shares aligned with the scale of their operations.



- **2,195,409** 93.7% Sobha Construction
- **78,783** 3.4% Sobha Modular
- **14,063** 0.6% Sobha LLC
- **25,234** 1.1% PNCA
- **15,847** 0.7% Sobha Advanced Manufacturing
- **12,853** 0.5% Sobha Furniture
- **801** <0.1% Project Management Consultancy
- **175** <0.1% Sobha Energy

Note: Total energy consumption includes fuel and electricity consumption across operational entities.

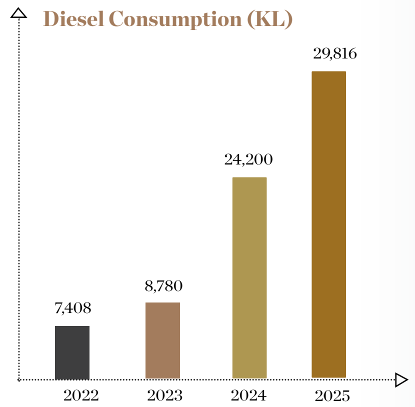
Latinem FM manages the facilities of offices and Sobha Construction technician residences. The energy consumption of Sobha Construction technician residences is 192,297 GJ.

FUEL CONSUMPTION BREAKDOWN

Diesel Consumption

Diesel remains the dominant fuel across Sobha's operations, particularly in construction, where it powers heavy equipment, tower cranes, generators, hoists, temporary facilities, and other operational machinery at project sites.

In 2025, Sobha recorded total diesel consumption of 29.8 million liters, equivalent to 1,065,525 GJ of energy consumption.



The increase in diesel usage reflects the continued expansion of construction activities and the operational requirements of active project sites across the UAE.

Breakdown of Diesel Consumption into Entities

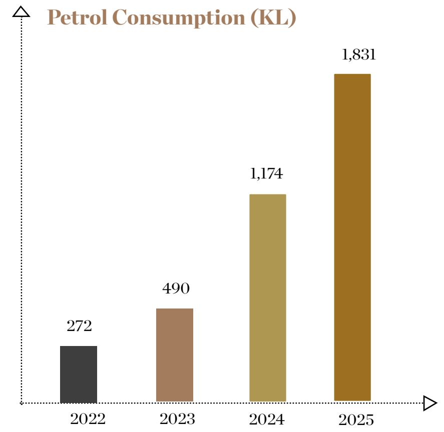
Entity	Diesel Consumption (KL)	Energy (GJ)	% Share
Sobha Construction	26,952	963,173	**94.0%**
Sobha Modular	1,442	51,551	**4.8%**
PNCA	702	25,098	**2.4%**
Sobha Advanced Manufacturing	443	6,869	**1.5%**
Sobha LLC	246	8,805	**0.8%**
Sobha Furniture	26	939	**0.1%**
Sobha Energy	3	18	**<0.1%**

Sobha Construction accounts for the overwhelming majority of diesel consumption due to continuous construction activities, operation of technician residences, and temporary power generation requirements.

Petrol Consumption

Petrol consumption primarily supports employee transportation, supervision vehicles, logistics activities, and operational mobility across construction sites and offices.

In 2025, total petrol consumption reached 1.8 million liters, corresponding to 60,655 GJ of energy use.



Breakdown of Petrol Consumption into Entities

Entity	Petrol Consumption (KL)	Energy (GJ)	% Share
Sobha Construction	1,679	55,608	**91.7%**
Sobha Modular	83	2,759	**4.5%**
Sobha Furniture	37	1,236	**2.0%**
Project Management Consultancy (PMC)	24	801	**1.3%**
PNCA	4	136	**0.2%**
Sobha Energy	2	63	**0.1%**
Sobha LLC	2	50	**0.1%**

Construction operations continue to account for the majority of petrol usage due to workforce transportation and operational movement across project locations.

BIODIESEL USAGE

As part of its cleaner fuel transition strategy, Sobha continued to expand the use of biodiesel blends across its construction operations during 2025. Building on the use of 1.5 million liters of B5 blended diesel in 2024, the Group significantly increased the adoption of biodiesel in 2025 to support its decarbonization objectives and reduce reliance on conventional fossil fuels.

During 2025, Sobha utilized:

2.94 million liters
of B5 biodiesel

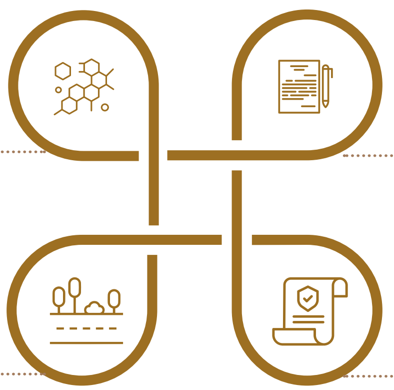
24.01 million liters
of B10 biodiesel

The substantial increase in biodiesel consumption reflects Sobha's commitment to integrating lower-carbon fuel alternatives into its construction operations while maintaining operational efficiency and reliability. The transition from 1.5 million liters of B5 in 2024 to a combined 26.95 million liters of biodiesel blends (B5 and B10) in 2025 marks a significant milestone in the Group's fuel transition journey.

The adoption of biodiesel contributes to:

Reducing reliance on conventional fossil fuels

Improving the sustainability of fuel use across project sites



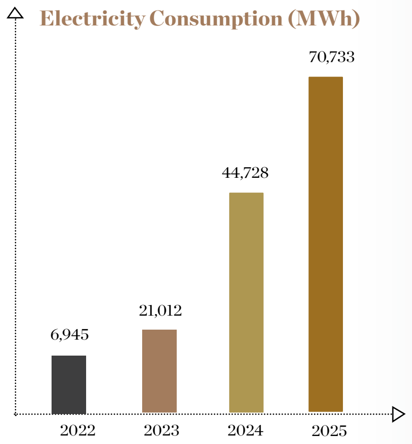
Lowering greenhouse gas emissions associated with construction activities

Supporting Sobha's broader decarbonization and climate commitments

ELECTRICITY CONSUMPTION

Electricity consumption across Sobha's operations includes demand from technician residences, offices, factories, warehouses, manufacturing facilities, and construction sites.

> In 2025, total electricity consumption reached 70,733 MWh, equivalent to 254,638 GJ



The increase in electricity demand reflects:

- Higher occupancy within technicians residences
- Expansion of manufacturing operations
- Increased operational activity across facilities
- Greater transition toward grid-powered operations

Breakdown of Electricity Consumption into Entities

Entity	Electricity Consumption (MWh)	Energy (GJ)	% Share
Sobha Construction	59,522	214,278	**84.2%**
Sobha Modular	6,798	24,473	**9.6%**
Sobha Furniture	2,966	10,678	**4.2%**
Sobha LLC	1,447	5,208	**2.0%**

Electricity demand within technician residences and camps of Sobha Construction continues to represent the largest share of grid electricity consumption, 53,416 MWh, primarily driven by HVAC systems, lighting, domestic utilities, and operational infrastructure. In addition, Sobha Construction consumed a further 6,106 MWh of electricity to support its project offices, temporary site facilities, and on-site construction operations.

Manufacturing entities such as Sobha Modular and Sobha Furniture also consume substantial electricity to support machinery, assembly lines, and automated production systems.

Technicians Residence	Area (m^2)	2024 EUI (kWh/m^2)	2025 EUI (kWh/m^2)	YoY Change
TR Al Quoz	7,680	857	**865**	+1%
TR Al Ruwaiya	10,051	535	**791**	+48%
TR DIC 5	18,719	401	**530**	+32%
TR Jebel Ali Blue Bay	916	2,952	**4,400**	+49%
TR DIC 2	26,037	82	**407**	+397%

Sobha Construction's Technician Residence	Electricity Consumption (MWh)
TR (Al Quoz)	6,646
TR (Al Ruwaiya)	7,946
TR (DIC 5)	9,920
TR (DIC 2)	10,601
TR (DIC 3)	1,810
Jebel Ali 1 Blue Bay	4,030
Jebel Ali 3 Al Qabdha	2,611
Jebel Ali 4 DEYAAR	6,125
Sonapur 2 Infinity	998
Sonapur 3 Al Khattal	219
Sonapur 5 Al Naboodah	600
Al Rahba	913
Amlak	997

RENEWABLE ENERGY

Sobha continues to integrate renewable energy into its operations as part of its long-term decarbonization strategy. During 2025, Sobha consumed 363,876.80 kWh of renewable electricity. While renewable electricity currently represents a modest proportion of the overall energy mix, it contributes to reducing dependence on conventional grid electricity and supports Sobha's broader transition toward cleaner energy sources.

ENERGY CONSUMPTION FROM LEASED ASSETS

In addition to energy consumed across owned and operational assets, Sobha also monitors energy use associated with leased assets to provide a more comprehensive understanding of its operational footprint.

> During 2025, leased assets consumed a total of 17,175 GJ, comprising 17,026 GJ from fuel consumption and 149 GJ from electricity.

Leased asset energy consumption was primarily associated with Sobha Modular, Sobha Advanced Manufacturing, and Sobha Furniture, supporting manufacturing operations and operational equipment.

Energy Source	Quantity	Energy (GJ)
Petrol	23 KL	768
Diesel	455 KL	16,257
Electricity	41 MWh	149
Total	–	**17,175**

Accordingly, the combined energy consumption across operational and leased assets during 2025 amounted to 2,360,341 GJ*.

**Note: The total energy consumption of 2,360,341 GJ includes energy consumed across both owned and leased assets, comprising grid electricity, renewable electricity, diesel, petrol, and biodiesel.*

ENERGY EFFICIENCY AND REDUCTION INITIATIVES

Sobha continued to implement a wide range of energy efficiency and renewable energy initiatives during 2025 to improve operational performance, reduce energy consumption, and support its transition toward lower-carbon construction practices. The Group's initiatives focused on energy-efficient infrastructure, digital energy management, renewable energy integration, cleaner fuels, and equipment optimization across construction sites, manufacturing facilities, and project offices.

Key initiatives implemented during the year included:

Energy-Efficient Infrastructure

Sobha continued to enhance the energy performance of its facilities through the deployment of energy-efficient equipment and lighting systems.

Upgrading air-conditioning systems to Variable Refrigerant Flow (VRF) technology across project offices, delivering an estimated 25% reduction in energy consumption.

Replacing split air-conditioning units with energy-efficient systems at offices, resulting in an estimated 15% reduction in electricity consumption.

Installing ceiling fans integrated with inverter technology to reduce electricity demand and improve cooling efficiency.

Achieving 100% LED lighting across applicable facilities, replacing conventional lighting with high-efficiency alternatives.

Smart Energy Management and Digitalization

To strengthen energy monitoring and operational control, Sobha expanded the deployment of digital technologies across its operations.

Installation of more than 50 smart energy meters and 10 smart water meters to improve real-time monitoring of resource consumption.

Deployment of lighting timers and occupancy sensors to optimize lighting operation and minimize unnecessary electricity use.

Installation of motion detectors for lighting control across operational facilities.

Continued expansion of digital energy monitoring systems to support data-driven energy management and operational optimization.

Renewable Energy Integration

Sobha continued to increase the use of renewable energy solutions across its operations through solar power installations.

Installation of solar-powered tower lights across construction storage yards and project sites.

Deployment of solar street lighting and solar-powered parking lights, with additional installations planned during 2026.

Continued use of renewable electricity from the 376 kWp Solar PV carport system.

Expansion of solar-powered Hyper Battery Storage units, providing 65,300 kWh, which is reducing reliance on diesel-powered generators.

Equipment and Operational Optimization

Deploying hybrid vehicles to improve fuel efficiency and reduce emissions.

Using power monitoring units to optimize equipment performance.

Promoting the use of high energy star-rated air-conditioning systems across facilities.

Priortizing the procurement and use of high energy star-rated construction equipment wherever operationally feasible.

Downsizing the generator capacity from 2 × 500 kVA to 2 × 250 kVA, improving fuel efficiency to 3.29 kW/L and reducing the operating cost per unit from 1.68 to 0.91 through right-sizing of backup power systems.

DRIVING CONTINUOUS IMPROVEMENT

Sobha's energy efficiency program combines engineering innovation, digital technologies, renewable energy, and cleaner fuels to improve operational efficiency while reducing environmental impacts.

As the Group continues to expand, these initiatives will support lower energy intensity, reduced greenhouse gas emissions, and enhanced operational resilience, reinforcing Sobha's commitment to sustainable development and responsible construction.

RESPONSIBLE WATER MANAGEMENT

Water is a material resource for the Sobha Group due to its extensive use across construction, manufacturing, and workforce accommodation facilities.

> The Group adopts an integrated water stewardship approach focused on reducing freshwater dependency, improving efficiency, and promoting circular water use.

5,900 KL
Water Reused

58,372 KL
Recycled Water Consumed

68,355 KL
Saline Water Consumed

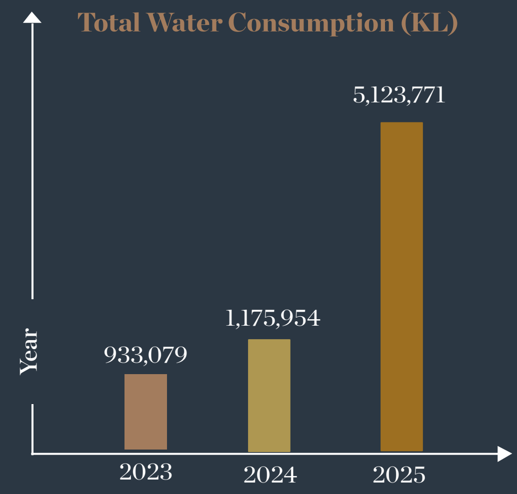
> *Design interventions such as low-flow fixtures and aerators, combined with recycling systems and process optimization, enable Sobha to enhance water productivity across its value chain.*

The backward-integrated business model further supports effective implementation by enabling control across all stages of operations. (GRI 303-1)

WATER CONSUMPTION

Sobha's water consumption reflects the scale and growth of its operations over the years. Total water consumption increased from 933,079 KL in 2023 to 1,175,954 KL in 2024 and further to 5,123,771 KL in 2025, in line with the expansion of construction activities, manufacturing output, and residential facilities.

This upward trend underscores the importance of continuous efficiency improvements and resource optimization measures implemented across the Group. (GRI 303-5)



WATER SOURCE MANAGEMENT

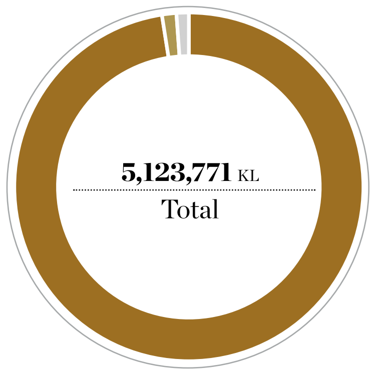
The Group adopts a responsible approach to water sourcing by monitoring consumption across different sources, promoting the use of recycled and alternative water, and progressively reducing freshwater dependency through efficiency and reuse initiatives.

Water Source-wise Breakdown (2025)

In 2025, Sobha Group consumed a total of 5,123,771 KL of water across its operations. Freshwater represented the largest source at 4,997,044 KL (97.5%), while 68,355 KL (1.3%) was sourced from saline water and 58,372 KL (1.1%) from recycled water.

Although freshwater continues to constitute the majority of consumption, the increasing adoption of water recycling practices demonstrates the Group's commitment to transitioning to more sustainable, circular water-use systems.

Water Consumption (KL)



4,997,044	97.5%	Fresh Water
68,355	1.3%	Saline Water
58,372	1.1%	Recycled Water

WATER CONSUMPTION ACROSS BUSINESS ENTITIES

Water consumption varies across Sobha's business verticals depending on operational requirements. Monitoring entity-level consumption enables the Group to identify high-impact areas and implement targeted efficiency measures.

A significant portion of water consumption is attributed to workforce accommodation facilities, particularly Technical Residences and camps, which together account for the largest share of total usage.

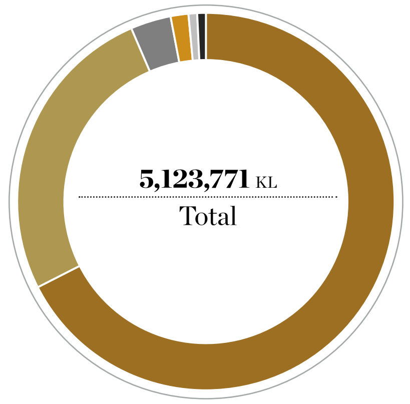
This reflects Sobha's responsibility toward maintaining adequate living standards and hygiene for its workforce.

At the same time, it highlights the need for targeted water efficiency measures in these high-consumption areas.

> *Other business units, including construction, modular manufacturing, and furniture production, contribute comparatively smaller shares, supported by ongoing efforts to optimize water use within operational processes.*

Water Consumption by Business Entities (2025)

Water Consumption (KL)

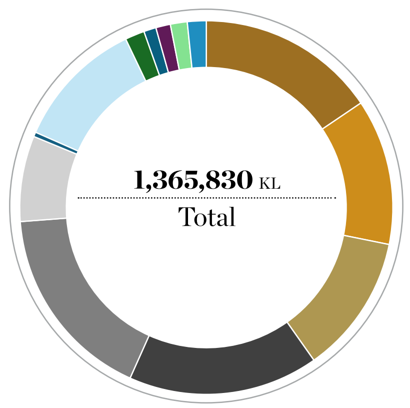


3,542,191	Sobha Construction
1,365,830	Sobha Construction – Technical Residences (TRs)
181,772	Sobha Modular
10,096	Sobha LLC
8,957	Sobha Advanced Manufacturing
8,615	Sobha PNC
6,311	Sobha Furniture

The high consumption within Technical Residences is further detailed below, reflecting the scale of water use across individual facilities and camps. (GRI 303-5)

Water Consumption in Technical Residences and Camps (2025)

Water Consumption (KL)



212,297	TR (Al Quoz)
172,451	TR (Al Ruwaiya)
164,561	TR (DIC 5)
225,098	TR (DIC 2)
233,582	TR (DIC 3)
101,287	Jebel Ali 1 Blue Bay
5,360	Jebel Ali 3 Al Qabdha
154,111	Jebel Ali 4 DEYAAR
23,030	Sonapur 2 Infinity
14,552	Sonapur 3 Al Khattal
17,300	Sonapur 5 Al Naboodah
19,929	Al Rahba
22,270	Amlak

WATER EFFICIENCY AND RESOURCE OPTIMIZATION

Sobha Group adopts a comprehensive approach to water management by integrating efficiency, recycling, and resource optimization practices across its operations. Through a combination of design-led interventions, process improvements, and its backward-integrated business model, the Group continues to reduce water consumption, minimize waste, and enhance overall resource efficiency. (GRI 303-1, 303-3)

Water Efficiency in Design and Operations

Sobha embeds water efficiency measures at both the design and operational stages to reduce overall water demand:

Low-Flow Fixtures:

Across project management offices, including HL2, low-flow water fixtures have been installed to optimize water usage without compromising functionality. These fixtures regulate flow rates, significantly reducing water consumption in daily operations.

Aerators:

Aerators have been installed across plumbing fixtures at Sobha PNCA and on faucets in all Sobha offices. These maintain adequate pressure while reducing water flow, resulting in a 5% reduction in water consumption.

Water Audits:

Comprehensive water audits were conducted across Sobha Hartland 1 buildings, including CVR, CV, OPA, Greens Phases 1, 2 & 3, Waves, and Waves Grande. These audits help identify areas of excessive consumption and opportunities for targeted efficiency improvements.

Water Recycling and Reuse

Water recycling and reuse form a key pillar of Sobha's water management strategy:

Manufacturing Reuse:

At Sobha Modular, water used in tile and marble manufacturing is treated and reused, resulting in approximately 1,400 KL of water being recycled in 2025.

RO Systems:

Rejected water is processed through centralized reverse osmosis (RO) systems and reused within operations, contributing to further savings of approximately 4,500 KL during the year.

HVAC Condensation:

Condensate from HVAC systems is collected and redirected to irrigation tanks, significantly reducing freshwater use for landscaping.

Driving Resource Efficiency Through Integration

Sobha's backward-integrated business model enhances its ability to implement water-efficiency initiatives across the value chain. By maintaining control over key processes from design and procurement to manufacturing and construction, the Group ensures consistent adoption of water-saving technologies and practices.

This integrated approach enables Sobha to combine efficient fixtures, process optimization, water audits, and water reuse systems, thereby enhancing water productivity, reducing its environmental footprint, and supporting long-term sustainability goals. (GRI 303-1, 303-3)

FOSTERING CIRCULARITY

By prioritizing waste reduction, reuse, recycling, and recovery, we continue to divert waste from landfill, conserve valuable resources, and support the transition to a circular economy.

Sobha integrates waste management practices across the project lifecycle, from design and procurement to construction and operations, ensuring efficient resource use and reduced environmental impact.

6,867 tonnes
Waste diverted from landfill

877 tonnes
Food waste composted

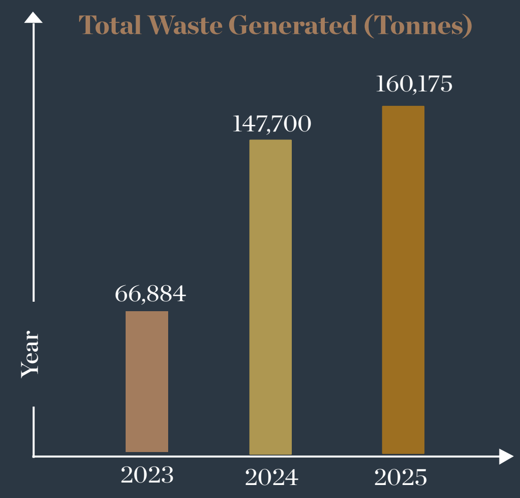
Its backward-integrated business model further enables better control over material use,

waste generation, and recycling practices, supporting a transition toward circular-economy principles.

WASTE FOOTPRINT

Sobha's total waste generation reflects the scale of its operations and construction activities.

As construction activities expanded in 2025, waste generation increased accordingly. The Group continues to implement measures to improve material efficiency, reduce avoidable waste, and maximize recycling to support a more circular approach to resource management.

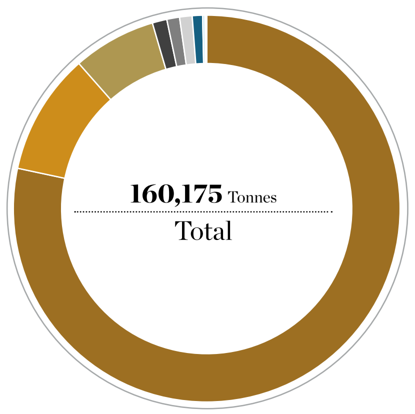


WASTE COMPOSITION

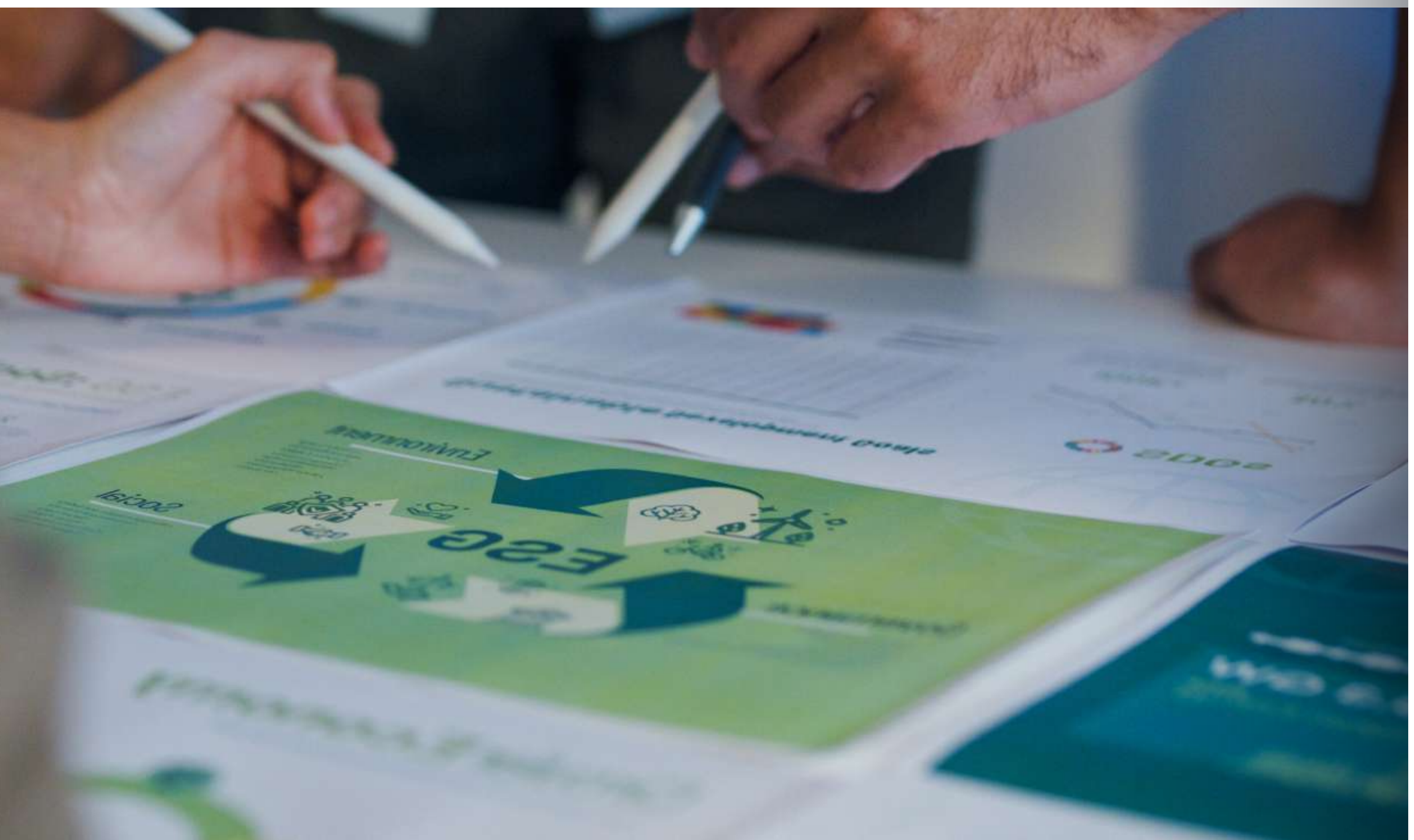
Understanding the composition of waste generated enables Sobha to identify key waste streams and implement targeted management strategies. Construction waste constitutes the largest share, reflecting the Group's core business activities. Mixed and general waste also contribute significantly, particularly from operational sites and workforce accommodations.

Breakdown of Waste Generated (2025)

Waste Generated (Tonnes)



- **125,492** tonne — Construction Waste
- **16,273** tonnes — Mixed Waste
- **11,152** tonnes — General Waste
- **1,956** tonnes — Wood Waste
- **1,705** tonnes — Special Waste (Gypsum, Polyethylene & Tiles)
- **1,680** tonnes — Metal Scrap
- **1,381** tonnes — Food Waste
- **305** tonnes — Chemical Waste
- **115** tonnes — Paper/Cardboard
- **98** tonnes — Plastic/PVC/PPE
- **19** tonnes — E-waste
- **1** tonne — Glass

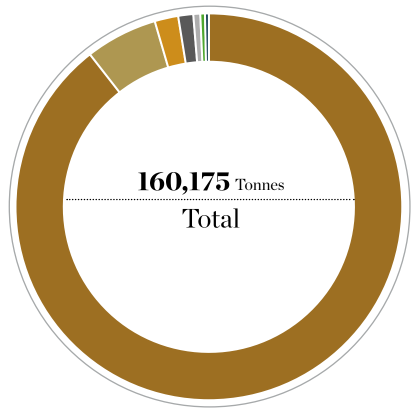


WASTE GENERATION BY BUSINESS ENTITIES

Waste generation varies across Sobha's business units depending on operational scale and activity type. Sobha Construction accounts for the majority of waste generated, followed by Technical Residences, highlighting key focus areas for waste reduction and recycling initiatives.

Entity-level Waste Generation (2025)

Waste Generated (Tonnes)



- **143,284** — Sobha Constructions
- **9,659** — Sobha Constructions TRs
- **3,160** — Sobha Modular
- **2,009** — Sobha Furniture
- **926** — Sobha LLC
- **630** — Sobha Advanced Industries
- **509** — Sobha PNC

Waste Management and Disposal

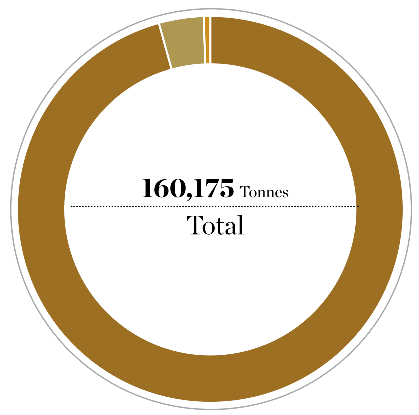
Sobha prioritizes waste diversion from landfill through recycling and recovery practices.

A significant proportion of waste generated is recycled, reflecting the Group's commitment to circular resource use.

With 95.7% of waste recycled, Sobha demonstrates strong performance in diverting waste from landfill and promoting sustainable waste management practices.

Waste Management Strategy

Waste (Tonnes)



- **153,309** 95.7% — Landfilled
- **5,990** 3.7% — Recycled
- **877** 0.5% — Combustion

FUTURE-READY
DEVELOPMENTS

Sustainability is embedded throughout Sobhas development lifecycle, from planning and design to construction and material selection. The Company adopts a holistic approach to developing high-performance buildings that minimize environmental impacts, optimize resource efficiency, and enhance occupant wellbeing.

> Byintegratinginternationallyrecognized green building standards, lifecycle thinking, and responsible material selection into project development, Sobha continues to advance its commitment to delivering resilient, low-carbon, and future-ready communities

GREEN BUILDING DESIGN AND CERTIFICATIONS

Sobha integrates sustainability considerations from the earliest stages of project planning and design to enhance environmental performance throughout the building lifecycle. New developments are designed in accordance with internationally recognized green building standards, incorporating strategies to improve energy efficiency, water conservation, indoor environmental quality, and responsible material selection.

The Company is committed to pursuing LEED and BCA certification for applicable developments. Projects are also designed in alignment with regional sustainability frameworks, including Al Safaat and the Dubai Green Building Regulations (DGBC), reinforcing Sobha's commitment to responsible urban development.

During 2025, Sobha had 22 active development projects, of which four projects received Green Building pre-certification, while Sobha One achieved the prestigious BCA Super Low Energy (SLE) certification. The remaining projects are progressing toward obtaining their respective green building certifications.

Sustainability Certification

Waves Opulence
LEED v4.1 (pre-certified)

Riverside Crescent
LEED v4.1(pre-certified)

DIC Furniture Factory
LEED v4.1(pre-certified)

Sobha Reserve Clubhouse
LEED v4.1(pre-certified)

Sobha One
BCA Green Mark Platinum Super Low Energy (certified)

Embodied Carbon Assessment and Lifecycle Analysis

Recognizing that embodied carbon represents a significant share of a building's whole-life greenhouse gas emissions, Sobha has established a structured approach to quantify and manage carbon impacts across its developments through Life Cycle Assessment (LCA). The assessments are conducted in accordance with internationally recognized LCA methodologies and evaluate emissions across the complete building lifecycle, including material production (A1–A3), transportation (A4), construction (A5), operational use (B1–B7), and end-of-life stages (C1–C4).

Integrating Carbon Assessment into Project Development

Embodied carbon assessments are incorporated during both the design and construction phases to support informed decision-making and continuous improvement.

Design Phase

Project-specific LCAs are undertaken for selected developments to:

- Quantify embodied carbon associated with major construction materials.
- Evaluate lower-carbon design alternatives and material choices.
- Support sustainable design decisions and green building certification requirements.
- Improve resource efficiency during project planning.

Construction Phase

Sobha also monitors embodied carbon associated with key construction materials used across its developments to:

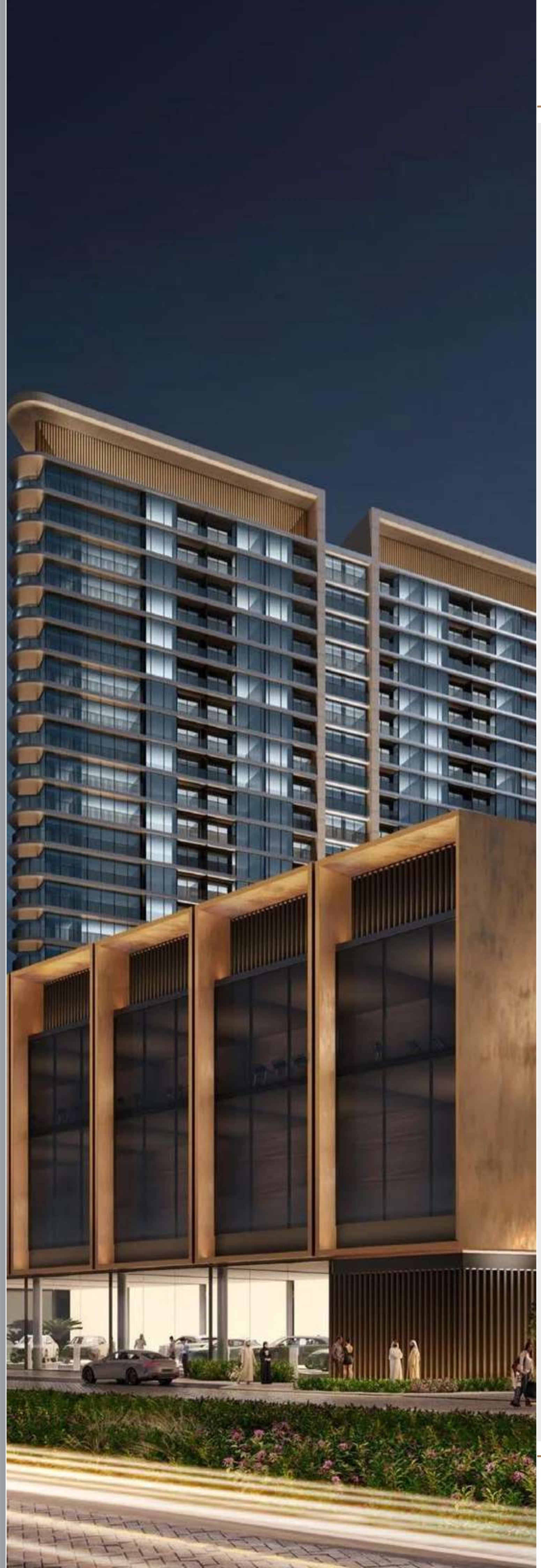
- Identify major sources of embodied carbon emissions.
- Support responsible procurement and material optimization.
- Improve understanding of Scope 3 emissions from purchased materials.
- Inform future decarbonization strategies and climate disclosures.

During 2024 and 2025, lifecycle carbon assessments were completed for six development projects, covering approximately 527,899 m^2 of built-up area. The assessments estimated total lifecycle emissions of approximately 14.19 million tCO_2e, with construction materials (A1–A3) and operational energy consumption (B6) identified as the largest contributors. The average lifecycle carbon intensity across the assessed portfolio was approximately 25,318 kg CO_2e/m^2.

The findings enable Sobha to identify carbon reduction opportunities, optimize building design, improve material selection, and establish a data-driven foundation for reducing embodied carbon across future developments.

Future Focus

Sobha intends to progressively expand embodied carbon assessments across its development portfolio, establish internal carbon benchmarks, strengthen low-carbon procurement practices, optimize building designs, and monitor reductions in embodied carbon intensity over time as part of its broader climate and Scope 3 emissions strategy.



Sobha One Sets a New Benchmark for Sustainable Buildings

Sobha One has become the first development in the Middle East to achieve the prestigious Green Mark Platinum Super Low Energy (SLE) certification awarded by the Singapore Building and Construction Authority (BCA).

The project has also received the Whole Life Carbon Badge, recognizing its low-carbon design and lifecycle approach.

- Designed to deliver over 60% energy savings compared with 2005 baseline building performance standards.
- Evaluated against Green Mark's five sustainability pillars: Resilience, Whole Life Carbon, Health & Wellbeing, Intelligence, and Maintainability.
- Incorporates advanced digital technologies, including digital twins, Common Data Environment (CDE) platforms, CAFM systems, and predictive maintenance, to optimize long-term building performance and resource efficiency.

Sustainable Materials

Sobha promotes responsible material selection by integrating environmental and health considerations into its procurement and construction practices. The Company prioritizes materials that provide greater transparency on their environmental performance and potential impacts on occupant health, supporting healthier buildings while reducing lifecycle environmental impacts.

To strengthen sustainable procurement, Sobha maintains dedicated inventories of certified construction materials, including:

Health Product Declaration (HPD) Certified Materials

Materials with independently verified Health Product Declarations that disclose material composition and associated health impacts, supporting healthier indoor environments and transparent material selection.

Environmental Product Declaration (EPD) Certified Materials

Products with third-party verified Environmental Product Declarations that provide science-based information on lifecycle environmental impacts, enabling informed procurement decisions and supporting lower-carbon construction.

The adoption of HPD and EPD certified materials complements Sobha's green building and embodied carbon initiatives by promoting transparency, supporting sustainable design objectives, and enhancing the environmental performance of its developments.

GRESB 2025: Sobha Realty Recognized Among Global ESG Leaders

97/100 GRESB Score | 4-Star Rating | #1 Regional Ranking | #2 Global Ranking

Sobha Realty achieved a 97/100 score and 4-Star Rating in the 2025 GRESB Real Estate Assessment, marking a strong three-year progression from 72 in 2023 to 91 in 2024 and 97 in 2025.

The company ranked #1 among its regional peer group of high-rise residential developers across Asia and #2 among leading residential developers globally. Its performance included a perfect Management score of 30/30 and a Development score of 68/70, significantly exceeding the global average score of 88.

The achievement reflects Sobha Realty's continued advancement in ESG leadership, supported by its ESG reporting, GHG assessments and climate-related disclosures, and aligns with the UAE's sustainability ambitions, including Net Zero by 2050 and the UAE Circular Economy Policy.

Sobha Realty AWARDS

Sustainable Project of the Year for Sobha One Project at Pillars of Reals Estate Awards 2025

Sustainable Project of the Year for Sobha One Project at MEP Middle East Awards 2025

Highly Commended Sustainable Project of the Year for Sobha One Project at CIBSE MENA Building Services Awards 2025

Most Admired Real Estate Brand at UAE Realty Awards 2025

Iconic Developer of the Year at Gulf Business Real Estate Awards

Preliminary EDGE Certificate for Waves Opulence Project

Assurance STATEMENT

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 January 2025 to December 2025
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not Applicable

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	16-25, 180	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	8-9, 18-25, 78-79				
	2-3 Reporting period, frequency and contact point	8–9, 176				
	2-4 Restatements of information	8-9, 126-127				
	2-5 External assurance	174-175				
	2-6 Activities, value chain and other business relationships	16-25, 60-63				
	2-7 Employees	74-85				
	2-8 Workers who are not employees	-	GRI 2-8	Not applicable	All workers (technicians) are Sobha's employees	
	2-9 Governance structure and composition	36-41				
	2-10 Nomination and selection of the highest governance body	38-41				
	2-11 Chair of the highest governance body	38-39				
	2-12 Role of the highest governance body in overseeing the management of impacts	38-43				
	2-13 Delegation of responsibility for managing impacts	36-43				

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	38-39, 40-43				
	2-15 Conflicts of interest	44–45				
	2-16 Communication of critical concerns	46–47, 118–119				
	2-17 Collective knowledge of the highest governance body	38–39				
	2-18 Evaluation of the performance of the highest governance body	36-39				
	2-19 Remuneration policies	38-41				
	2-20 Process to determine remuneration	38-41				
	2-21 Annual total compensation ratio	39, 82-83				
	2-22 Statement on sustainable development strategy	4-7, 28-29,32-33				
	2-23 Policy commitments	44-45, 86-89, 116-119				
	2-24 Embedding policy commitments	44-45, 60-63, 116-119				
	2-25 Processes to remediate negative impacts	46-47, 118-119				
	2-26 Mechanisms for seeking advice and raising concerns	44-47, 118-119				
	2-27 Compliance with laws and regulations	68-69, 102-105				
	2-28 Membership associations	30-31				
	2-29 Approach to stakeholder engagement	50-53				
	2-30 Collective bargaining agreements	86-89				

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	48-53	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	54-61				
	3-3 Management of material topics	54-61				
Procurement practices						
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	62-63				
Materials						
GRI 301: Materials 2016	301-1 Materials used by weight or volume	132 -135, 168 - 171				
Energy						
GRI 302: Energy 2016	302-1 Energy consumption within the organization	142-151				
	302-2 Energy consumption outside of the organization	152-153				
	302-3 Energy intensity	150-151, 154-155				
	302-4 Reduction of energy consumption	154-155				
	302-5 Reductions in energy requirements of products and services	132-133, 168-169				
Water and effluents						
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	156-161				
	303-2 Management of water discharge-related impacts	Sobha monitors wastewater and discharges it to the municipal sewerage system.		Information unavailable/ incomplete	Sobha monitors wastewater and discharges it to the municipal sewerage system.	
	303-3 Water withdrawal	158-161				
	303-4 Water discharge	Sobha monitors wastewater and discharges it to the municipal sewerage system.			Sobha monitors wastewater and discharges it to the municipal sewerage system.	
	303-5 Water consumption	156-161				
Emissions						
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	126-131				
	305-2 Energy indirect (Scope 2) GHG emissions	126-131				
	305-3 Other indirect (Scope 3) GHG emissions	126-131				
	305-4 GHG emissions intensity	168				

GRI STANDARDS/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	130-135				
	305-6 Emissions of ozone-depleting substances (ODS)	126-131		Information unavailable/ incomplete	R-410A refrigerant is used in air-conditioning and other applicable equipment across Sobha's operations and development projects. R-410A is a hydrofluorocarbon refrigerant with an ozone-depletion potential of zero and is therefore not classified as an ozone-depleting substance. Accordingly, emissions of ozone-depleting substances associated with R-410A are reported as zero. However, because R-410A has global-warming potential, any leakage or replenishment should be quantified and reported as Scope 1 fugitive greenhouse-gas emissions under GRI 305-1	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-		Information unavailable/ incomplete	Air emissions are monitored separately for each development project as part of the Environmental Impact Assessment (EIA) process. The monitoring results are documented in project-specific EIA reports and submitted to the relevant government authorities every six months, in accordance with applicable regulatory requirements.	
Waste						
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	162-165				
	306-2 Management of significant waste-related impacts	162-165				
	306-3 Waste generated	164-165				
	306-4 Waste diverted from disposal	164-165				
	306-5 Waste directed to disposal	164-165				
Supplier environmental assessment						
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	62-63				
	308-2 Negative environmental impacts in the supply chain and actions taken	62-63				
Employment						
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	84-85				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	86-87				
	401-3 Parental leave	86-87				

GRI STANDARDS/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Material topics						
Occupational health and safety						
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	98-99				
	403-2 Hazard identification, risk assessment, and incident investigation	100-101				
	403-3 Occupational health services	100-103				
	403-4 Worker participation, consultation, and communication on occupational health and safety	102-103				
	403-5 Worker training on occupational health and safety	102-103				
	403-6 Promotion of worker health	102-103				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	98-103				
	403-8 Workers covered by an occupational health and safety management system	98-103				
	403-9 Work-related injuries	104-107				
	403-10 Work-related ill health	104-107				
Diversity and equal opportunity						
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	38-41, 76-38				
	405-2 Ratio of basic salary and remuneration of women to men	82-83				
Customer health and safety						
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	112-115, 166-169				
Customer privacy						
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	66-67				

Additional Material Topics

TOPIC	Location
Sustainable Building	166-171, 132-133
Regulatory Environment & Compliance	68-69, 98-107
Customer Safety & Centricity	112-115
Reputation, Communication & Awareness	50-53, 114-115, 172-173
Innovation & Technology	70-71, 64-67, 134-135

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