

# **Beyond Building: Crafting Trust and Solutions: A Progress Update**

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# I. ABOUT THIS REPORT

Trojan Construction Group's (henceforth referred to as TCG or 'the Group') sustainability progress report highlights the approaches and performance on key material Environmental, Social, and Governance (ESG) topics.

The report covers the social and environmental impact of TCG's activities, including subsidiaries, TCG's governance in terms of business ethics, as well as strategic ESG initiatives designed to drive the next phase of the Group's sustainability journey.

The initiatives detailed in this report lay the groundwork for the publication, in 2024, of a sustainability report in accordance with the Global Reporting Initiative (GRI) standards, for the full year 2023.

## **Reporting Scope and Boundary**

The report covers TCG in addition to its four subsidiaries – Trojan General Contracting (TG), National Projects & Construction (NPC), Royal Advance Electromechanical Works (RA), and Hitech Concrete Products (HCP) - which together account for the majority of the Group's consolidated revenue.

TCG will review reporting practices annually to ensure that it provides comprehensive coverage of its ESG performance.

Quantitative data included in this report covers the 12-month period to 31 December 2022. However, during the course of 2023 TCG has advanced its sustainability journey and therefore has decided to highlight this evolution by also including qualitative data for the year 2023.

In addition, while the quantitative data is limited to TCG and four of its subsidiaries, qualitative data that highlights relevant activities by other subsidiaries has also been included.

To review the segregated and consolidated data for subsidiaries covered by this report, please refer to the *Key ESG Performance Indicators* section.

The information provided in this report has been reviewed by a reputable third-party ESG consultancy in addition to the main subsidiaries Chief Executive Officers (CEOs) and General Managers.

## **Forward-looking statements**

While every effort has been made to ensure the accuracy of all data in this report, it is important to note that forward-looking statements involve uncertainty given the many external factors that could impact on the environment in which the Group operates.

Therefore, TCG bears no obligation to publicly update or revise forward-looking statements included in this report unless required to do so by applicable laws and regulations.

## II. CEO MESSAGE

The dynamics of the construction landscape are shifting dramatically across the globe. At Trojan Construction Group, we see this fast-paced transformation as a challenge, but also as a welcome opportunity to build a company that can stand the test of time amidst rapid change.

Since our inception, we have not only left our mark on the UAE's skyline, but we have also embedded the ethos of responsibility in every project we have delivered. Underpinning all our efforts has been the adoption of the latest technology. We leave no stone unturned in our quest to embrace the most innovative methods.

We are an Abu Dhabi based Group, committed to the promotion and elevation of the local economy and giving back to the community. Our journey is indelibly intertwined with the country's history, empowering its development – while also exploring expansion into new territories and sectors.

At the core of our business philosophy is our ESG Statement - **Beyond Building: Crafting Trust and Solutions**. We take pride in creating projects that go beyond concrete and facades. We build sustainable structures that enrich lives and contribute to the United Arab Emirates (UAE)'s vision for a thriving future. This vision is cemented in our three strategic ESG pillars:

Pillar 1: Environmental Stewardship – We are dedicated to preserving our planet for future generations through sustainable practices that minimize our environmental footprint.

Pillar 2: Responsible Builder – We embody the role of a responsible builder by ensuring quality, safety, and integrity in all our endeavors.

Pillar 3: Community-centered – Our commitment extends beyond construction; we are deeply rooted in community engagement, aiming to uplift and support the socio-economic fabric of our society.

Trojan Construction Group seeks to advance Abu Dhabi's 2030 vision of social and economic development through projects that make a real difference to people's lives. With every project we undertake, we are steadfast in our belief that we can deliver, and even surpass, our client's expectations.

Thanks to our specialist companies, TCG can provide turnkey solutions that add value at every level – for our clients, our projects, our people, and the community.

As we look to the future, the Group is poised to not just participate in the industry's evolution, but to lead it, and leave a legacy of sustainable success. Together, we are crafting a future that resonates with our values and aspirations while creating a blueprint for a responsible and resilient business that others can follow.

Engr. Mohamed Mahmoud  
Chief Executive Officer

## **III. ABOUT TROJAN CONSTRUCTION GROUP**

TCG is one of the largest construction services providers in the Gulf Cooperation Council (GCC) region.

Headquartered in Abu Dhabi, the multi-disciplinary Group is comprised of eight specialist subsidiaries which together enable TCG to deliver high-quality turnkey construction projects for clients on time and on budget.

Since its launch in 2012, TCG has successfully completed many significant projects that have shaped the UAE's cosmopolitan skyline, forging a reputation for reliability and first-class service in the process.

TCG has grown across the Middle East, Africa, and Europe and today is one of the fastest-growing construction firms in the UAE, with a multi-national workforce comprising of over 28,000 personnel in addition to a fleet of plants and machinery worth almost AED 1 billion.

TCG is a wholly owned subsidiary of Alpha Dhabi Holding PJSC (ADH), a diversified investment company listed on the Abu Dhabi Securities Exchange (ADX: ALPHADHABI).

### *Mission*

Focusing on the needs of our nation, we invest in our team of experts to take on big development challenges and strive to see them through, thus creating projects that empower people's lives every day and make a difference in our community.

### *Vision*

To add value to our community through professional, highly effective and fast evolving business practices, as we expand and contribute to UAE's vision and sustainable growth in the field of construction.

### *Values*

#### **Our People**

We believe in our team members and that is why we inspire, encourage and rely on each other.

#### **Our Quality**

We deliver on our promises with uncompromising commitment and are professional about taking responsibility towards our company's performance, quality, health, and safety.

#### **Our Approach**

We are passionate about advancing and exploring new fields as we pursue opportunities for innovation, self-improvement, and development of our practices.

## **Our Philosophy**

We commit to our principles and are driven by the company's success, as we undertake every project with zeal and pride.

## **Our Country**

We are proud contributors to the UAE story as we pursue the vision of our leaders through building impactful projects in our society.

## **Our Subsidiaries at a Glance**

### **Trojan General Contracting (TGC)**

#### *Specializing in Mass Housing*

Since its launch in 2009, TGC has completed a diverse portfolio of major construction projects in all sectors of real estate and infrastructure. Today, the company employs a team of more than 17,000 workers and owns an array of plants and state-of-the-art equipment.

Clients recognize TGC's commitment to providing high quality services tailored to their needs - on schedule and within budget. TGC follows stringent procedures at every stage of every job to ensure it consistently delivers excellence while protecting the health and safety of its workers and preserving the environment.

The ability to deliver the highest quality comes from the recruitment of highly skilled and qualified professionals, the best management and working teams, and programs of exceptional standards.

### **National Projects & Construction (NPC) LLC**

#### *Specializing in Infrastructure*

Founded in 2003, NPC has operated as a managing contractor for a variety of projects ranging from commercial spaces to private villas. Today, National Projects & Construction is a main contractor with operations in the construction of buildings and infrastructure, as well as mechanical and electrical work.

### **Royal Advance Electromechanical Works (RA)**

#### *Specializing in Electromechanical Works*

Established in 2004, RA has grown into a leading specialized electro-mechanical contractor for various types of buildings and infrastructure works. The company strives to achieve the highest quality of service with the latest engineering technologies & designs following international standards with optimum methods of installation and operation of Mechanical, Electrical, and Plumbing (MEP) services for a wide variety of projects.

## **Hitech Concrete Products (HCP)**

### *Specializing in Concrete Products*

Established in 2006, HCP is one of the leaders in the field of precast concrete products, masonry blocks, and paving stones industry in the UAE. The company supplies high-quality and innovative, customizable precast concrete product solutions, and leading installation and construction services designed to meet the needs of the continuously evolving building and construction industry.

Hitech's in-house laboratory is fully equipped with the latest instruments to check and ensure product quality and follow local and international standards for design, production, delivery, health, safety, and the environment.

## **Reem Emirates Aluminum**

### *Specializing in Glass Façade and Metal Cladding*

Reem Emirates Aluminum designs and manufactures sustainable glass façade and metal cladding panels for use in major construction projects. Since its formation in 2006, the company has contributed substantially to the UAE's industrial sector through a commitment to quality products, services, and optimal productivity.

## **Al Maha Modular Industries**

### *Specializing in Steel Structure Fabrication*

Al Maha Modular Industries was established in 2009 and specializes in fast and accurate solutions for the design and supply of pre-engineered and hot-rolled steel for construction projects of all kinds. The company is renowned for its ability to manage complex construction projects. Our past experiences provide our clients with the best economical solutions for their projects.

## **Phoenix Timber Factory**

### *Specializing in Interior Design*

Founded in 2004, Phoenix Timber Factory provides creative and cost-effective interior fit out solutions including the manufacture of high-end kitchen cabinets, solid doors, flush doors, fire-rated doors, wardrobes, and other interior custom-made items like reception counters, wall panels, wooden floors, and contract furniture. The company employs approximately 250 workers at its Phoenix Factory which covers a built-up area of about 12,000 m<sup>2</sup>.

## **Reem Readymix**

### *Specializing in Concrete and Cement-based Plastering*

Established in 1995, Reem Readymix is a leading supplier of all types of ready-mix concrete and cement-based plastering materials and concrete-related services, from production to final product placement. Reem Readymix has six fully automated, state-of-the-art batching plants that produce 720 m<sup>2</sup> of concrete per hour, together with five ice-producing plants with a combined production capacity of 400 tonnes per day, and a fully integrated laboratory equipped with the latest technology and testing facilities.

## **IV. ESG AT TCG**

TCG has embarked on a rigorous strategic analysis to develop a deeper understanding of our ESG risks and opportunities.

This analysis has provided the basis for the development of a clear, focused strategy to manage those risks and opportunities and create stakeholder value.

Guided by this strategy, TCG believes it can amplify the positive impact of our operations on society and the environment while laying the foundations for a more sustainable and successful future for the Group.

### **Our ESG Priorities**

As part of this strategy, TCG has developed an ESG statement that we believe succinctly captures how we can most effectively leverage our expertise to maximize sustainability impact and create sustainable value.

### **Beyond Building: Crafting Trust and Solutions**

*"We take pride in creating projects that go beyond concrete and facades. We build sustainable structures that enrich lives and contribute to the UAE's vision for a thriving future."*

In addition, we have defined three pillars aligned with our corporate vision, mission, and values which address our material ESG topics and serve as the foundation upon which our ESG strategy is built. These are:

- Environmental Stewardship
- Responsible Builder
- Community-centered

Under these pillars, we have selected four ESG strategic objectives which guide TCG's actions and ensure alignment with our ESG priorities.

These are:

- Implement sustainable initiatives to support environmental preservation;
- Review and improve current practices and operations for safety and quality;
- Adopt and promote sustainable practices in construction and organizational processes; and
- Foster community engagement and awareness, ensuring fair practices and inclusivity.

Based on these three pillars and four objectives, TCG has defined a series of initiatives with accompanying Key Performance Indicators (KPIs).



## Stakeholder Engagement and Materiality Assessment

As part of the ESG strategy, TCG conducted a stakeholder engagement process to gauge the ESG topics that matter most to them.

Their feedback provided essential input into the materiality assessment process, helping us to identify and prioritize those ESG topics that are most relevant to the business.

These topics, in turn, provided the underlying basis for the development of the initiatives, objectives and KPIs that comprise the major components of the ESG strategy.

The list of key stakeholders and the methods used to engage with them are shown in the table below. As the Group continues on its sustainability journey, we will look to expand the engagement process to include a greater range of stakeholders and their interests.

The Group considers this update essential in its journey towards transparency on ESG reporting and wishes to highlight the following core material issues to the Group. The Group seeks to include insights into its management of other material issues in subsequent reporting periods, ultimately seeking to issue annual sustainability reports in accordance with the GRI Standards.

Table 1. TCG ESG Core Topics

No.	Materiality Assessment	Relevance
1	Health & Safety	Core (Quantitative & Qualitative)
2	Governance	Core (Quantitative & Qualitative)
3	Opportunities in Clean Technology	Additional (Qualitative)

## Materiality Assessment Process

### *Approach*

In addition to input gathered through the stakeholder engagement process, TCG conducted a materiality assessment with reference to a number of leading global sustainability standard setters.

Firstly, we referred to MSCI for a weighted list of material topics for the Group's closest industry classification.

MSCI provides ESG ratings for more than 8,500 publicly listed companies worldwide and is widely used by institutional investors and asset managers who use the ESG ratings as part of their due diligence process.

MSCI and S&P Dow Jones Indices' Global Industry Classification Standard (GICS) Methodology provides a hierarchical structure for classifying companies, allowing for more granular analysis of industries and sectors. TCG is classified as 'Construction & Engineering', per the GICS Methodology.

Key issues of material impact for each industry are identified from an in-depth assessment of an industry's dynamics, with emphasis on unique risks and opportunities created by ESG factors.

We then considered metrics by the Sustainability Accounting Standards Board (SASB) that are material to TCG's closest industry classification. TCG is classified as 'Engineering and Construction Services', according to the SASB industry classification standards.

SASB standards go beyond traditional financial metrics and incorporate sustainability factors that are material to a specific industry. By referencing the SASB, we have ensured comprehensive coverage of materiality management as part of the strategy and integration framework. For further alignment and refinement of the material topics, we referred to the strategic network that TCG is a participant / signatory of the United Nations Global Compact (UN Global Compact).

Lastly, internal stakeholders at the Board, Executive, and key department levels also provided valuable input into the materiality assessment process.

### *Outcome*

As a result of the materiality assessment, we identified and prioritized a list of three material ESG topics, as shown in the table below. These are the topics that TCG will focus on managing and which provide the basis for the sustainability strategy and underlying initiatives.

The materiality boundary is confined to four subsidiaries which together comprise a majority of TCG's revenue. Those subsidiaries are:

- Trojan General Contracting (TGC)
- National Projects & Construction (NPC)
- Royal Advance Electromechanical Works (RA)
- Hitech Concrete Products (HCP)

The major activities of these subsidiaries are referred to in the 'Subsidiaries at a Glance' section.

## V. ENVIRONMENTAL STEWARDSHIP

TCG endeavors to foster responsible environmental practices throughout its operations as well as its supply chain. The Group recognizes that managing environmental risks and opportunities not only serves to mitigate the impact of its operations on the environment but can also generate cost savings and create long-term sustainable value for stakeholders.

Our approach to environmental stewardship is outlined in our Environmental Policy which is aligned with all applicable rules and regulations as well as industry best practices. The Policy focuses on the following key environmental topics:

- Opportunities in Clean Technologies
- Resource Management and Conservation
- Pollution Prevention and Waste Management
- Climate Change and Greenhouse Gas (GHG) Emissions
- Biodiversity Protection and Conservation
- Minimizing Noise and Vibration
- Conservation of Protected Areas

Further, our efforts to promote environmentally responsible practices are supported by the following International Organization for Standardization (ISO) certifications:

- ISO 14001:2015 Environment Management System
- ISO 9001:2015 Quality Management System

The Group aims to implement an environmental management system that includes emergency preparedness measures aligned with ISO 14001:2015 while ensuring ongoing compliance with these standards at subsidiaries that already have certified environmental management systems.

Moving forward, TCG's recently developed ESG Strategy includes the following environmental initiatives:

- Conducting feasibility studies for renewable energy, electric vehicles, and sustainable construction material;
- Establishing green spaces in facilities and developing biodiversity protection plans;
- Implementing waste recycling programs and proper disposal of hazardous materials; and
- Conducting an assessment on the readiness for clean technology opportunities.

As part of the Group's commitment to continuous improvement, we aim to define targets for each of these initiatives. Subsequent sustainability progress reports will provide updates on these initiatives.

### **A Technology-driven company**

TCG has always embraced the latest technologies and innovative methods to drive operational performance and deliver excellence to clients. Technology and innovation support operational efficiencies which in turn help to mitigate environmental impact.

This starts at the planning/design phase of our projects through the extensive use of Building Information Modelling (BIM) which delivers efficiencies across the board, including during the construction phase as well as operations and maintenance post-handover.

Operational efficiencies are further enhanced by advanced technologies and processes such as data science, cloud servers, drones, and robots, among others. Technology supports the efficient use of resources, including energy, water, and materials, which generates positive environmental impacts, such as reduced GHG emissions as well as waste reduction.

TCG continuously evaluates opportunities to incorporate clean technologies and sustainable practices within the scope of its operations. The Group strives to implement energy efficiency measures and is evaluating the potential of renewable energy solutions as part of a shift towards a Net-Zero plan.

The following sections highlight how TCG deploys clean technologies to enhance its environmental management processes, wherever feasible. However, to offer one example that has resulted in cross-cutting benefits, TGC conducted a study in 2022 to determine estimated technology-driven cost savings for electricity, water, and sewerage connections across seven projects via the utilities Abu Dhabi Distribution Company (ADDC) and Abu Dhabi Sewerage Service Company (ADSSC). Cost savings of 50% for electricity, 50% for water, and 84% for sewerage were estimated with an overall reduction in fee of 54% as a result of the revised tariffs of the connections.

#### *Green Buildings*

TCG makes it a priority to build projects in the UAE that are mostly aligned with Abu Dhabi's Estidama building standard, which is integral to the Emirate's vision for a more sustainable city. TCG derives a significant portion of its revenue from developing or managing green-certified properties. In 2022, approximately 90% of TCG's total revenue was attributed to projects compliant with green building standards such as the Estidama standard in Abu Dhabi City (26 projects out of a total of 42).

Estidama's Pearl Rating System (PRS) prioritizes water conservation, energy efficiency, and sustainable material use. It also promotes efficient resource utilization, thereby optimizing the environmental footprint and lifecycle costs of buildings.

Adherence to Estidama guidelines means that many of the projects TCG is involved in emphasize the use of recycled materials as well as blended cement, which is an environmentally friendly alternative with a reduced carbon footprint compared to traditional cement. As per Estidama guidelines, TCG's projects often employ specialty cements and low-temperature asphalt, both of which reduce environmental impact and enhance the sustainability of construction projects. One of the Group's subsidiaries, Reem Readmix, is conducting R&D studies on the use of green concrete.

TCG's alignment with Estidama standards ensures that high-quality insulation materials, which enhance energy efficiency and reduce resource wastage, are consistently employed in its projects which also prioritize the use of low toxicity/VOC materials that significantly reduce indoor pollution and enhance the health and well-being of building occupants.

Adherence to Estidama guidelines also means that demand-side power management, which optimizes energy consumption, is integral to the projects that TCG undertakes.

#### *Research & Development in Clean Tech*

One of TCG's subsidiaries, Reem Readymix, has undertaken Research & Development (R&D) studies on the use of green concrete. Reem Readymix is in the business of supplying all types of readymix concrete and cement-based plastering materials to support construction projects in Abu Dhabi. This aligns with TCG's goal of meeting and exceeding the Estidama requirements.

TCG's R&D budget is strategically allocated to ensure that the Group is at the forefront of sustainable construction practices. The Group has built several projects that are specifically based on the use of green concrete. These projects are not only a testament to TCG's R&D commitment but also contribute towards achieving high Estidama Pearl Ratings.

Each of these projects serves as a platform for testing, refining, and implementing green concrete solutions, thereby significantly contributing to TCG's R&D endeavors in clean technologies.

Involvement in these projects reflect TCG's broader R&D expenditure, which is heavily skewed towards sustainable and eco-friendly construction methods.

The projects include:

- The Velodrome project (TG2130) - A design and build main works that incorporate cutting-edge green concrete technologies.
- The Luxury Residential Project at Saadiyat Island (TG-2103) - Showcasing the implementation of sustainable building practices in luxury developments.
- The Noya-Phase 4 & 5 - A partnership with Fibrex Construction Group, focusing on residential development with stringent sustainability criteria.

- The Housing Development Project at Al Samha (TG2121) - Demonstrating TCG's capability to scale green concrete use in large housing projects.
- The Baniyas North Development Phases 2 and 3 - Working with CSCEC Middle East L.L.C. and TCG's own teams on infrastructure and residential projects that meet high sustainability standards.

As part of our ESG strategy, TCG is currently evaluating the implementation of further programs to support clean technological advancements.

## **Resource Management and Conservation**

TCG strives to use natural resources, including energy and water, efficiently in its operations, supported by the adoption of clean technology and innovative practices. The Group is committed to integrating green building practices in areas within its operational control, such as offices and warehouses.

### *Energy Consumption*

The Group strives to implement energy efficiency measures throughout its business operations and practices. This includes the efficient operation of the company's fleet of plants, machinery, and vehicles which account for the bulk of our energy consumption. TCG's efforts in this area center around vehicle tracking and performance optimization through the installation of smart monitoring devices. These devices are designed to reduce idling hours, enhance asset efficiency, and provide critical data for operational improvements.

They share some common technological ground with smart meters, such as the capability for real-time data collection and reporting. They are specifically engineered for vehicle and asset tracking, and the resulting revenue streams from these initiatives are aligned with service provision in fleet management and operational efficiency consulting.

The revenue derived from TCG's vehicle tracking initiatives is substantial, given the significant savings and efficiency improvements reported. For instance, the company observed the following:

- Heavy machinery idling hours reduced from 5 to 2, with productivity increasing from 40% to 65%. This resulted in savings of around 767,047 gallons of diesel, which translates to cost savings of approximately AED 14 million.
- For pickups and buses, idling hours were reduced from 4 to 2, and productivity increased from 35% to 67%. This equates to a diesel savings of around 97,800 gallons, worth about AED 1.8 million.

These improvements not only contribute to cost savings but also enhance the longevity and maintenance cycles of the assets, further contributing to revenue indirectly through reduced expenses and extended asset life and reducing GHG emissions associated with this form of operations.

As mentioned, as part of our ESG strategy we are also conducting feasibility studies on the addition of electric vehicles to our fleet, which would further reduce related emissions. In addition, we are evaluating the potential to introduce more renewables and clean energy sources into our energy mix, for example, by deploying modular solar power plants at our campsites and on other remote work locations, while we are adopting additional energy-efficiency measures, such as the introduction of LED lighting to enhance the sustainability of our infrastructure.

### *Water Consumption*

TCG strives to reduce water consumption by conducting water audits and assessments and working with facility management service providers on the implementation of water-saving technologies.

Additionally, the Group seeks to define water consumption baselines, reduction targets, and timelines to achieve said targets.

One of the Group's most significant water conservation initiatives is the implementation of on-site wastewater treatment solutions. For example, the Group is building a Sewerage Treatment Plant (STP) at its Alfaya camp, home to 10,000 workers, that will produce 825,000 gallons (3,123 cubic meters) per day of treated water that will be recycled for use in cooling plants and washrooms. This plant will be operational by the end of December 2023.

Having an onsite STP not only recycles water but also results in very significant cost savings compared to the traditional approach, from AED 64,400 per day down to under AED 2,000 per day, equating to a cumulative cost saving of almost AED 15 million over a five-year period.

Hitech Concrete Products has also initiated a proposal for a wastewater treatment plant. Hitech was able to generate revenue of AED 460 million in 2022 and AED 265.7 million in the year to June 2023 from the operation of this plant.

As part of our ESG strategy, TCG is currently evaluating the implementation of further programs for resource management and conservation.

### **Pollution Prevention and Waste Management**

TCG undertakes responsible waste management practices to prevent pollution and limit and reduce waste generated from its construction activities. The Group disposes of waste, including solid waste and wastewater, responsibly and strictly in accordance with applicable laws and regulations. TCG also promotes efforts to shift towards a circular economy model of reduce, reuse, and recycle where feasible.

An example of TCG's innovative approach to waste management and commitment to reusing and recycling building materials can be found in the Riyadh City Project. The Group provides concrete waste to a partner supplier who crushes it and then returns the recycled product to TCG for reuse. This method not only underscores the Group's commitment to environmental responsibility but also offers



considerable cost savings of 22 AED per ton, which for the project target quantity of 150,000 tons results in total savings of AED 2.2 million.

Furthermore, the use of mobile crushers on-site provides an additional cost advantage by eliminating transportation charges, as well as transportation-related energy and emissions savings, while enabling 100% recycling of materials. With these units, TCG anticipates a minimum cost reduction of AED 2-2.5 per ton compared to government crusher plant prices, thereby avoiding transportation charges entirely.

By utilizing mobile crusher units, TCG saves an additional AED 32 per ton on materials. For the project target quantity of 150,000 tons, this equates to a total cost saving of 4.8 million AED. These cost savings translate into financial gains for the company, as reduced material costs can indirectly contribute to TCG's revenue stream.

Management of wastewater is also a major consideration for TCG across its projects. All Construction Environmental Management Plans (CEMPs) developed for projects include various methods to reduce water effluent. Measures deployed include the use of holding tanks with lined sides and floors to prevent contaminants leaking into the soil and groundwater, collection and treatment of sanitary wastewater generated from portable cabins and septic tanks, washing of concrete mixers and similar equipment, and use of environmentally friendly detergents.

As part of our ESG strategy, TCG is currently evaluating the implementation of further programs for waste recycling and proper disposal of hazardous materials.

### **Climate Change and Greenhouse Gas (GHG) Emissions**

TCG is in the process of conducting a comprehensive GHG inventory in accordance with the Greenhouse Gas Protocol Standard, covering Scope 1, 2 and 3 emissions, which is expected to be completed in 2024. Table 2 provides a summary overview of TCG's scope 1, 2, and 3 emissions in metric tonne of carbon dioxide equivalent (MT CO<sub>2</sub>e) based on 2022 data.

Table 2. TCG GHG emissions

<b>Reporting Year</b>	<b>Scope 1 GHG Emissions (MT CO<sub>2</sub>e)*</b>	<b>Scope 2 GHG Emissions (MT CO<sub>2</sub>e)**</b>	<b>Scope 3 GHG Emissions (MT CO<sub>2</sub>e)***</b>
2022	90,965.11	4,223.39	59,160.20

\*Scope 1 emissions: direct emissions from owned or controlled sources; such as company-owned vehicles and facilities.

\*\*Scope 2 emissions: indirect emissions from the generation of purchased energy. This includes emissions from the production of electricity, steam, heating, and cooling.

\*\*\*Scope 3 emissions: all indirect emissions (not included in Scope 2) that occur in the value chain of TCG, including both upstream and downstream emissions. This includes emissions related to the production of purchased goods and services, business travel, transportation and distribution, waste disposal, use of sold products, and end-of-life treatment of sold products, among other sources.



This process will establish the Group's baseline emissions and is the first step towards evaluating the potential to reduce GHG emissions from our operations and supply chain as part of a transition to Net-Zero.

Subsequently, TCG intends to use a digital climate management platform to account for, monitor, and manage its GHG emissions.

As part of our ESG strategy, TCG is currently evaluating the implementation of further programs to address climate change risks and reduce its GHG emissions.

## **VI. RESPONSIBLE BUILDER**

As a Group operating in the construction sector, TCG makes it a top priority to implement the highest standards of Health & Safety across its operations, thus ensuring a safe environment for all workers and visitors to the Group's building sites and facilities.

Our Health & Safety Policy, which also applies to all subsidiaries and contractors, guides the Group's Health & Safety strategy, procedures, and performance management.

The Policy is aligned with all applicable rules and regulations as well as industry best practices, as per the Abu Dhabi Occupational Safety and Health System (OSHAD) standard and ISO 45001:2018 OH&S management system.

In addition, the four subsidiaries covered by this report, which account for over 85% of TCG's operations in terms of manhours, are all ISO 45001 certified. TGC and NPC received certification in January 2022, Royal Advance in May 2022 and Hitech in September 2022.

Three of these companies - TGC (April 2022), NPC (August 2020), and Hitech (August 2021) are also certified with Abu Dhabi Occupational Safety and Health System (OSHAD). All certifications remain valid.

As part of the OH&S management system certification, an external implementation audit is completed annually by the certifying body for all certified entities, each of which has a dedicated Health & Safety Policy.

TCG additionally undertakes to internally audit its Health & Safety Policy at the holding level annually and report on the outcome to relevant stakeholders. The Group also endeavors to seek an annual external audit of relevant practices at the holding level to ensure that its commitments are in line with applicable industry standards.

### **HSE Management**

TCG's Health and Safety Policy includes a commitment to move towards the goal of integrating OHS performance into executive remuneration, thereby encouraging a culture of safety and responsibility throughout the Group.

In addition, per the Group's Executive Compensation Policy, TCG aims to integrate ESG factors including, but not limited to, environmental, and health and safety performance and targets achievement while assessing performance-based remuneration of the Managing Director (MD). This Policy also applies to executive management employees at each of TCG's subsidiaries including Chief Executive Officers (CEO), Chief Financial Officers (CFO), General Managers (GMs) and Directors.

TCG's centralized Health & Safety performance management system is organized as follows:

## *Governance*

TCG's MD, who is also a member of the ADH Board of Directors, approves the Health & Safety Policy.

The CEO is responsible for setting the Policy, monitoring its compliance and thus, for overall Health & Safety across the Group. The CEO is also accountable for the implementation of strategic initiatives and performance management.

Chief Operating Officers (COO) and / or General Managers of subsidiaries are responsible for the implementation of this Policy and continuous improvement within their operational areas.

At the operational level, Health, Safety & Environment (HSE) Managers are responsible for the implementation of initiatives in the strategy and management of related performance metrics.

## *Implementation*

HSE Managers oversee HSE-related governance and assurance across the TCG Group and ensure provision of HSE policies and procedures, emergency management, HSE-related business continuity, environment & occupational health, HSE compliance and HSE planning activities.

Each of TCG's major operating subsidiaries has a dedicated HSE management representative. HSE Managers work closely with subsidiary representatives to direct and manage the development, implementation and alignment of HSE strategies, policies, and procedures to safeguard the TCG value chain in alignment with senior management's strategic vision. HSE Managers promote sustainable principles and HSE culture to meet regulatory compliance and shareholder requirements.

## *HSE Performance Measurement*

TCG sets targets and KPIs to monitor and measure the Group's Health & Safety performance as part of its centralized health & safety performance management system. These metrics are essential for evaluating performance as well as to ensure continuous improvement.

The following table provides a breakdown of Lost Time Incident Rate (LTIR), Total Recordable Injury Rate (TRIR), and fatalities for the last three years for each of the four subsidiaries covered by this report. The statistics also include contractors working with or for the Group at its various locations.

Table 3. TCG incident metrics\*

<b>Reporting Year</b>	<b>LTIR (per million hours)</b>	<b>TRIR (per million hours)</b>	<b>Fatalities**</b>
<b>TGC</b>			
2022	0.04	0.00	0
2021	0.07	0.00	0
2020	0.06	0.00	1 (External)

Reporting Year	LTIR (per million hours)	TRIR (per million hours)	Fatalities**
<b>NPC</b>			
2022	0.18	0.00	0
2021	0.00	0.00	0
2020	0.00	0.15	1 (Contractor)
<b>RA</b>			
2022	0.17	0.00	0
2021	0.00	0.00	0
2020	0.00	0.00	0
<b>HCP</b>			
2022	0.08	0.00	0
2021	0.08	0.00	0
2020	0.00	0.00	0

\* Majority of operations (85%) are attributed to these four subsidiaries – total workforce of 26,255.

\*\* Fatality figures include Employees, Contractors, and External (non-company) fatalities.

In addition, TCG uses the following metrics to measure its Health & Safety performance:

**Lost Workday Cases:** (No. of cases)

A work-related injury or illness that results in an injured person temporarily unable to perform any regular job or restricted work activity on a subsequent scheduled workday or shift, supported by a medical report from an approved medical practitioner.

**Restricted Workday Cases:** (No. of cases)

A work-related injury or illness that results in limitations on work activity that prevents an individual from doing any task of his/her normal job or from doing all of the job for any part of the day.

**Medical Treatment Cases:** (No. of cases)

A work-related injury or illness that calls for medication, treatment, or medical checkup that is administered by a health-care professional and that goes beyond first aid case. Medical treatment does not result in lost time from work beyond the date of the injury.

**First Aid Cases:** (No. of cases)

Minor injury or illness that calls for first aid and does not call for follow-up treatment by health-care professional.

**Near Misses:** (No. of reports)

An unplanned event or series of events that occurred at the workplace which, although not resulting in any injury, illness, or equipment/property damage, had the potential to do so.

**Motor Vehicle Crash:** (No. of crashes)

An incident that has occurred as a result of entity activities that has resulted in damage to vehicles.

**Property Damage:** (No. of cases)

An incident that has occurred as a result of entity activities that has resulted in damage to property, buildings, vehicles, plant and equipment.

**Fire Incident:** (No. of incidents)

A fire that has occurred as a result of entity activities that has resulted in damage to property, buildings, vehicles, plants, and equipment.

**Environmental Incident:** (No. of incidents)

An incident that has resulted in a chemical or fuel (diesel) spill.

**Toolbox Talk:** (Hours)

Short, informal training sessions that are designed to create awareness for employees on various health and safety topics.

**External Training:** (Hours)

External third-party training and certifications depending on the entity and project needs.

**Internal Training:** (Hours)

In-house training depending on the entity and project needs.

**HSE Induction:** (Hours)

Health & Safety induction for new employees.

*Continual Improvement*

TCG sets targets to improve its Health & Safety performance which are also applicable to third party contractors.

The Group is committed to achieving the following key OH&S objectives across its operations where it monitors and reports health and safety metrics:

TGC's EHS objectives and targets set for 2023 are aligned with the EHS Vision and Mission signed by the Managing Director.

- Accident Frequency Rate (AFR) shall not exceed 0.2% (versus 0.25% in 2022), equivalent to one LTI per 5 million worked man-hours.
- All personnel to receive training of 3.2 hours training per month based on Project approved Training Matrix.

In 2022, TGC set the following objectives and targets specific to its Health & Safety performance:

- AFR shall not exceeds 0.25% (versus 0.3% in 2021), equivalent to one LTI each 4 million worked man-hours.
- Accident Severity Rate (ASR) shall not exceed 3.5% (versus 4% in 2021), equivalent to one Lost Time Day per 0.28 million worked man-hours.
- All personnel to receive training of 3 hours training per month based on Project approved Training Matrix.
- All issued observations and non-compliance shall be closed within 12 Days.

Similarly, NPC's EHS objectives and targets in 2023 are aligned with the EHS Vision and Mission signed by the Managing Director.

- AFR shall not exceed 0.2% (versus 0.3% in 2022), which means one LTI for each 5 million worked man-hours.
- All personnel to receive training of 3.2 hours training per month based on Project approved Training Matrix.

In 2022, TGC set the following objectives and targets specific to its Health & Safety performance:

- All personnel to receive training of 3 hours training per month based on Project approved Training Matrix.
- AFR shall not exceed 0.25% (versus 0.3% in previous year), equivalent to one LTI per 4 million worked man-hours.
- ASR shall not exceed 3.5% (versus 4% in 2021), equivalent to one Lost Time Day per 0.28 million worked man-hours.
- All issued observations and non-compliance shall be closed within 12 Days.

## **VII. COMMUNITY-CENTRED**

TCG is committed to upholding the highest standards of integrity and ethical business conduct, always acting in strict compliance with applicable rules and regulations.

TCG is a 100% owned subsidiary of Alpha Dhabi Holding (ADH) and the parent company's comprehensive suite of governance policies are also applicable to its subsidiaries. These include, but are not limited to, an Anti-bribery and Corruption Policy, a Code of Conduct and Business Ethics, a Whistleblower Policy, and a Group Supplier Code of Conduct.

The ADH Board of Directors approves all business ethics policies, which guide the group's processes and performance management. The CEO is responsible for setting these policies, monitoring their compliance, and thus has overall responsibility for business ethics practices across the group. The CEO is also accountable for the implementation of initiatives outlined in the strategy and the management of their performance.

### **Ethical Business Conduct**

Our Code of Conduct outlines the ethical principles, values, and standards expected of all employees, directors, and stakeholders associated with the Group. The Code promotes transparency, integrity, and responsible business practices while considering ESG factors.

### **Employee Training on Ethical Standards**

Our commitment to training and raising awareness on ethical standards and business conduct includes the following:

- Communication from Group Commercial Director:

The Group Commercial Director, recognizing the gravity of incidents of fraudulent behavior, has issued a directive to all employees within the commercial department. This communication underscores the illegality and unequivocal condemnation of fraudulent practices within the organization. Furthermore, it outlines immediate steps to address any such incidents and emphasizes the forthcoming adoption of a Code of Ethics suite of policies by the parent group, ADH. This suite of policies will be cascaded down to all subsidiaries, including TCG, thereby formalizing our commitment to ethical business conduct.

- Dissemination of Educational Material:

To raise awareness and educate employees on ethical standards, anti-corruption, and anti-bribery measures, the Group Commercial Director has shared informative documents with the commercial department. These materials include frequently asked questions (FAQs) on business ethics and a

capacity-building document on fraud. These resources provide clear definitions, examples, and guidelines pertaining to ethical behavior and fraudulent activities, empowering employees with the knowledge to identify and address unethical conduct effectively.

- **Key Training Elements:**
  - **Code of Business Ethics Awareness:** Employees are being equipped with an understanding of the principles guiding our organization's conduct, emphasizing honesty, integrity, and respect for others. The adoption of a Code of Ethics aims to prevent fraud and corruption by establishing transparent expectations for employee behavior.
  - **Anti-Corruption and Anti-Bribery Education:** Training initiatives highlight the importance of preventing, detecting, and reporting corruption and bribery. Employees receive guidance on identifying instances of bribery, such as offering, promising, or giving anything of value to influence the conduct of public or private officials, and are encouraged to report any suspicions immediately.

**Fraud Awareness and Reporting:** Educational resources elucidate the various forms of fraudulent behavior, including embezzlement, theft, bribery, and corruption. Employees are instructed on the importance of promptly reporting any suspected instances of fraud to the appropriate authorities within the organization, such as the Head of Department (HOD) Commercial or Human Resources (HR), facilitating swift remedial action.

### **Anti-bribery and Corruption Policy**

TCG aims to internally audit anti-bribery and anti-corruption practices annually and report on the outcome to relevant stakeholders. The Group endeavors to seek an annual external audit of its anti-bribery and anti-corruption practices to ensure that its commitments are in line with applicable industry standards.

Currently, operations/contracts are not periodically audited for compliance with the Group's Anti-bribery and Corruption Policy though these are conducted if specific issues arise. However, as mentioned in the Policy, the Group intends to move towards conducting compliance audits as part of its commitment to continuously improve governance practices.

### **Whistleblower Policy**

Under this Policy, whistleblowers can report anonymously, free from fear of retaliation and are legally protected within the laws of the host country of their operations.

TCG's HR department has created a 'speak up' channel which is currently undergoing testing ahead of its expected official launch. Access to this anonymous platform will be limited to HR personnel.

TCG's HR Policy also provides a grievance procedure that allows employees to formally raise complaints, initially with the HR Grievance committee and then



potentially to higher levels of management. The procedure aims to resolve grievances within specified timeframes and ensures that the process does not negatively impact an employee's status or rights under UAE Labor Law, except for terminated employees, who do not have this recourse.

### **Supplier Code of Conduct**

TCG encourages all suppliers and third-party vendors to abide by the Group's Supplier Code of Conduct and to integrate similar practices into their own operations. While the Group does not currently have procedures in place to enforce compliance with the Supplier Code of Conduct, we plan to introduce such measures as part of the Group's commitment to continuous improvement, as outlined in the Policy.

## VIII. CONCLUDING STATEMENT

As we conclude this ESG progress update, it is evident that TCG remains steadfast in our commitment to sustainable and responsible business practices. This report, encompassing various facets of our ESG endeavors, is a testament to our ongoing journey towards a more sustainable and inclusive future.

From the insights shared by our CEO to the in-depth exploration of our ESG initiatives, this report encapsulates our ESG commitments. Our efforts in environmental stewardship, being a responsible builder, and nurturing community-centered approaches are not just business strategies but are integral to our corporate ethos.

Our environmental initiatives, outlined in this report, demonstrate our dedication to reducing our carbon footprint, embracing sustainable practices, and contributing positively to the environment. We recognize that our role as a construction leader comes with the responsibility to protect and preserve our planet for future generations.

We further highlight our role as a responsible builder and our commitment to community-centric initiatives. Our approach is about creating a positive impact on the communities we serve. We are proud of our efforts to ensure safety, promote inclusivity, and foster community engagement.

Our ESG priorities and stakeholder engagement strategies reflect our transparent and accountable governance structure. Looking ahead, we are committed to continually improving our practices, setting new benchmarks in sustainability, and reporting our progress with honesty and integrity.

As we move forward, TCG will persist in integrating ESG principles into aspects of our operations. We understand that the path towards sustainability is an evolving one, and we are dedicated to adapting, learning, and growing in this journey. We are grateful for the support of our stakeholders, whose insights and feedback are invaluable in shaping our ESG trajectory.