



ESG Report

2023

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Masdar City: A “Greenprint” for Sustainable Urban Development



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Masdar City: One of the World's Most Sustainable Cities

About this Report

We are pleased to share Masdar City's second ESG report as a distinct entity. This report focuses on our ESG goals, actions, and performance. Through this report, we aim to demonstrate our commitment to transparency on material topics that are most relevant to our stakeholders.

Reporting Scope

We published our annual ESG performance through our consolidated Sustainability Report with Masdar until 2022. On December 8, 2022, it was announced that the Abu Dhabi National Energy Company PJSC (TAQA), Mubadala Investment Company (Mubadala), and Abu Dhabi National Oil Company (ADNOC) would form a clean energy company focused on renewable energy and green hydrogen under the Masdar brand.

Masdar City became distinct entities in December 2022. This was a logical step in the growth of our two companies, ensuring that both entities are best positioned to grow and maximize their contribution to the UAE and the world.

While the corporate structure of our company has changed, Masdar City's business strategy remains the same. Mubadala remains our shareholder, while Masdar will remain our sister company and one of our anchor tenants. Masdar will continue to focus on renewable energy, while Masdar City will focus on



sustainable development and innovation. In light of these developments, we embarked on publishing our ESG performance as Masdar City separately, starting with the 2022 report.

Through this report, we aim to showcase our commitment to our ambitions, actions, and impact, as well as highlight our accomplishments as a newly independent organization.

This report covers relevant quantitative and qualitative ESG data for all Masdar City activities and operations during the reporting cycle spanning from January 1st 2023 – December 31st 2023. It also includes information on our planned future activities and programs from 2024 onwards.

Reporting Frameworks

This report is in reference to the Global Reporting Initiative (GRI) Standards' 2021 disclosure requirements. Our detailed GRI Index can be found on page 94.

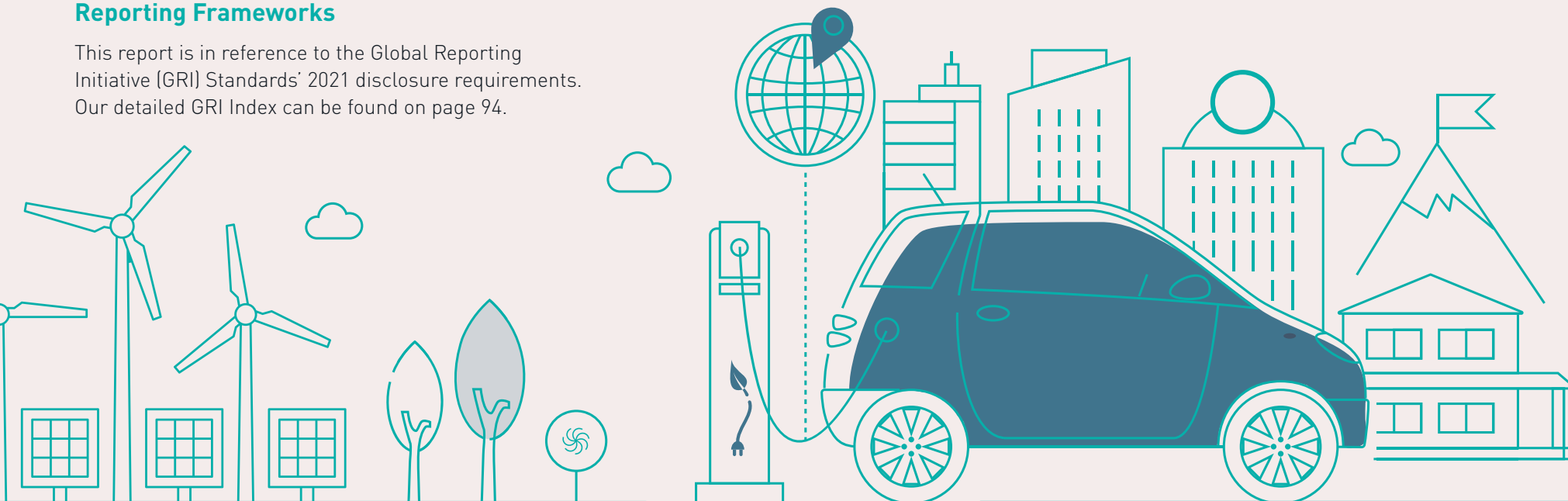
Forward-Looking Statements

In this report, we include forward-looking statements that outline our future. These statements are grounded in reasonable assumptions and past performance. However, it is important to note that these are contingent upon various factors, such as industrial development, geographical market conditions, government policies, laws, regulations, and other incidental factors. Due to the variable nature of these factors, the statements should be regarded as inherently speculative, and the underlying assumptions may undergo significant changes.

Contact details:

If you have feedback on this report, please contact us at ESG@MasdarCity.ae

To learn more, visit Masdar City's website: masdarcity.ae



Message from Our Chairman



As we reflect on our journey at Masdar City, a pioneering force in sustainable urban development, we celebrate not only our accomplishments but also the profound impact we continue to make on global sustainability efforts. Since our inception, we have remained steadfast in our commitment to advancing sustainable practices, long before it became a global imperative.

2023 was the most significant year in the sustainability journey of the UAE as COP 28 came to the UAE and Masdar City was at the spotlight. Since 2008 when Masdar City broke ground in Abu Dhabi and multiple firsts in sustainability have happened at Masdar City since then from the first utility scale solar farm to the first LEED Platinum building with Siemens HQ to IRENA, first intergovernmental agency to be headquartered in the GCC, to in 2023 the first commercial office designed to be net zero, NZ1.

Today, as the UAE is recognized globally as a leader in climate action, Masdar City stands at the forefront of this movement. Our commitment to sustainability is ingrained in everything we do. Each initiative within our city contributes to the UAE's visionary goal of achieving net-zero by 2050, a vision we are proud to champion.

This ESG report highlights how we are continuing to protect and enhance the natural environment while accelerating the UAE's ambitious goals.

Through strategic partnerships and cutting-edge technologies, we are not only reducing our carbon footprint but also setting new benchmarks in sustainable urban development.

Looking ahead, our focus remains unwavering. We are dedicated to pushing boundaries, driving innovation, and inspiring others to join us on this transformative journey.

As we continue to evolve, Masdar City will strengthen its position as a global leader in sustainable development and innovation hub, demonstrating how cities can thrive while minimizing environmental impact.

I wish to express my deep appreciation to our dedicated team, partners, stakeholders, and community members whose support drives our progress.

Together, we are forging a path towards a future where sustainability is not merely an objective, but an integral part of our collective ethos.

Thank you for joining us on this extraordinary path towards a sustainable future.

Abdulla Balalaa
Chairman

Message from Our Chief Executive Officer



It is with great pleasure that I present Masdar City's latest ESG report, marking another milestone in our journey towards sustainable urban development. Since our inception, Masdar City has grown exponentially, evolving into a global beacon for innovation and sustainability.

Our dedication to innovation is showcased in NZ1, our latest achievement and the first of many net-zero energy design office buildings. This accomplishment underscores our commitment to pushing the boundaries of sustainable architecture and design.

We are of course very proud of the UAE for hosting COP 28 and for the role that Masdar City has played in creating the sustainability roadmap of the UAE. This important event brought the world's focus to the UAE and to Masdar City.

Masdar City demonstrates that doing things sustainably is not just good for the planet but also good for the bottom line as our development properties continue to thrive with a remarkable 99 percent occupancy rate, reflecting growing demand for sustainable spaces in Abu Dhabi.

We are well underway in developing the Masdar City Square and The Link projects, both of which will set a new standard for sustainable urban development and enhance the vibrancy and livability of our city. These projects have received strong demand from local and international investors, who recognize the value of being part of a world-class innovation hub that fosters collaboration, creativity, and community. Both projects will incorporate cutting-edge technologies and design principles to optimize energy efficiency, water conservation, social and environmental quality.

As we move forward, we remain steadfast in our mission to drive positive change and inspire others to embrace sustainability. Your feedback and ideas are invaluable as we continue to shape a more sustainable future together. We are grateful for the support of our partners and thank you for being part of our journey. Together, let's celebrate our achievements and forge ahead towards a brighter, greener future.

Ahmed Baghoum
CEO

2023 Milestones and Key Highlights

Guided by our purpose, we are proud to highlight our accomplishments of 2023 on our ESG performance, specifically within our key focus areas, which include reducing our environmental and carbon footprint, championing climate action, supporting local communities, and upholding our commitment to corporate governance, among others.

At the forefront of sustainable urban development and climate action



57 percent

waste reduction through recycling



30.6 percent

energy use intensity (EUI) reduction against ASHRAE baseline



18.3 percent

savings in water consumption across our building portfolio against Estidama PBRS baseline



The equivalent of

27 percent

of our energy consumption has been produced in renewable energy and returned to the grid



92.4 tCO₂e

of emissions avoided from recycling equivalent to taking 22 gasoline-powered passenger vehicles off the road for one year



16,962,860 kWh

energy savings against ASHRAE baseline = avoiding 3,392.6 tCO₂e, equivalent to taking 807 gasoline-powered passenger vehicles off the road for one year



42,901 m³

water savings across our building portfolio against Estidama PBRS baseline equivalent to filling 17.2 Olympic swimming pools



2,349.4 tCO₂e

offset from power generated from renewable sources equivalent to taking 559 gasoline-powered vehicles off the road for one year

Creating Economic Value Through Sustainable Investments



In 2023, Masdar Green REIT Portfolio value increased by

50.3% reaching
USD 761 million



Masdar Green REIT becomes first fund in the ADGM to receive new

ADGM Green Fund Designation



Masdar City completes

LEED O+M Platinum or Gold

rating for all Masdar Green REIT assets

A Global Model for Sustainable Urban Development



17

assets with green building certifications



2

net-zero energy buildings completed



3

net-zero energy buildings under construction



55,650 m²

of community parks

A Great Place to Live, Work and Learn



9.14 years

average staff turnover



99 percent

spending on local suppliers



35 percent

of new hires were women in 2023



Zero Fatalities

across all of Masdar City's activities in 2023



Managed a total of

247

official delegations in 2023



882

customers engaged with an average customer return rate of 85 percent in 2023



Continued social programs such as

Innovate, The Festival, and free guided tours

for students and establishments

Masdar City: **One of the World's Most Sustainable Cities**

Masdar City is a vibrant community where residents, academics, and business professionals live, learn, and work while enjoying an environment that pushes the boundaries of sustainable design, construction, and operation. Located five minutes from Zayed International Airport and 20 minutes from Abu Dhabi's downtown area.

Masdar City offers a gateway to international business and development opportunities, and its accessibility will be further enhanced with the introduction of transport and metro networks in the near future.

Masdar City is enabling innovation in sustainability and clean technologies by integrating education, research and development, investment, and business opportunities into the city's purpose.





The Future Standard of Living

While construction began in 2008, Masdar City now contains one of the largest clusters of LEED Platinum buildings in the world:

- ♦ The city is built with traditional Arabic architecture combined with modern technology and design.
- ♦ Buildings are designed to high sustainability standards and certified by the Department of Municipalities and Transport's (DMT) Estidama, and/or the U.S. Green Building Council's LEED green building rating system.
- ♦ The community also features amenities such as recreational facilities, and two parks and green spaces, covering a total area of over 55,650 square meters.



A Hub for Innovation, Research and Development

Masdar City continuously fosters innovation that drives climate action. The city is a hub for leading innovative research and development initiatives, enabling real-world solutions in energy and water efficiency, mobility, and artificial intelligence, among others. This is demonstrated by the International Renewable Energy Agency (IRENA)'s establishment of its headquarters in the heart of Masdar City, and other key tenants including government and private entities as seen below.

وكالة الإمارات للفضاء
UAE SPACE AGENCY



الاتحاد
ETIHAD

وزارة الخارجية
والتعاون الدولي
MINISTRY OF FOREIGN AFFAIRS
& INTERNATIONAL COOPERATION

PERMANENT MISSION OF THE
UNITED ARAB EMIRATES
INTERNATIONAL RENEWABLE
ENERGY AGENCY (IRENA)



لبعثة الدائمة
الإمارات العربية المتحدة
الوكالة الدولية للطاقة
المتجددة (أيرينا)

مؤسسة الإمارات للطاقة النووية
Emirates Nuclear Energy Corporation



جامعة خليفة
Khalifa University

جمارك أبوظبي
ABU DHABI CUSTOMS

IRENA
International Renewable Energy Agency

مجلس أبحاث
التكنولوجيا المتطورة
ADVANCED TECHNOLOGY
RESEARCH COUNCIL

ADQ
القيضة

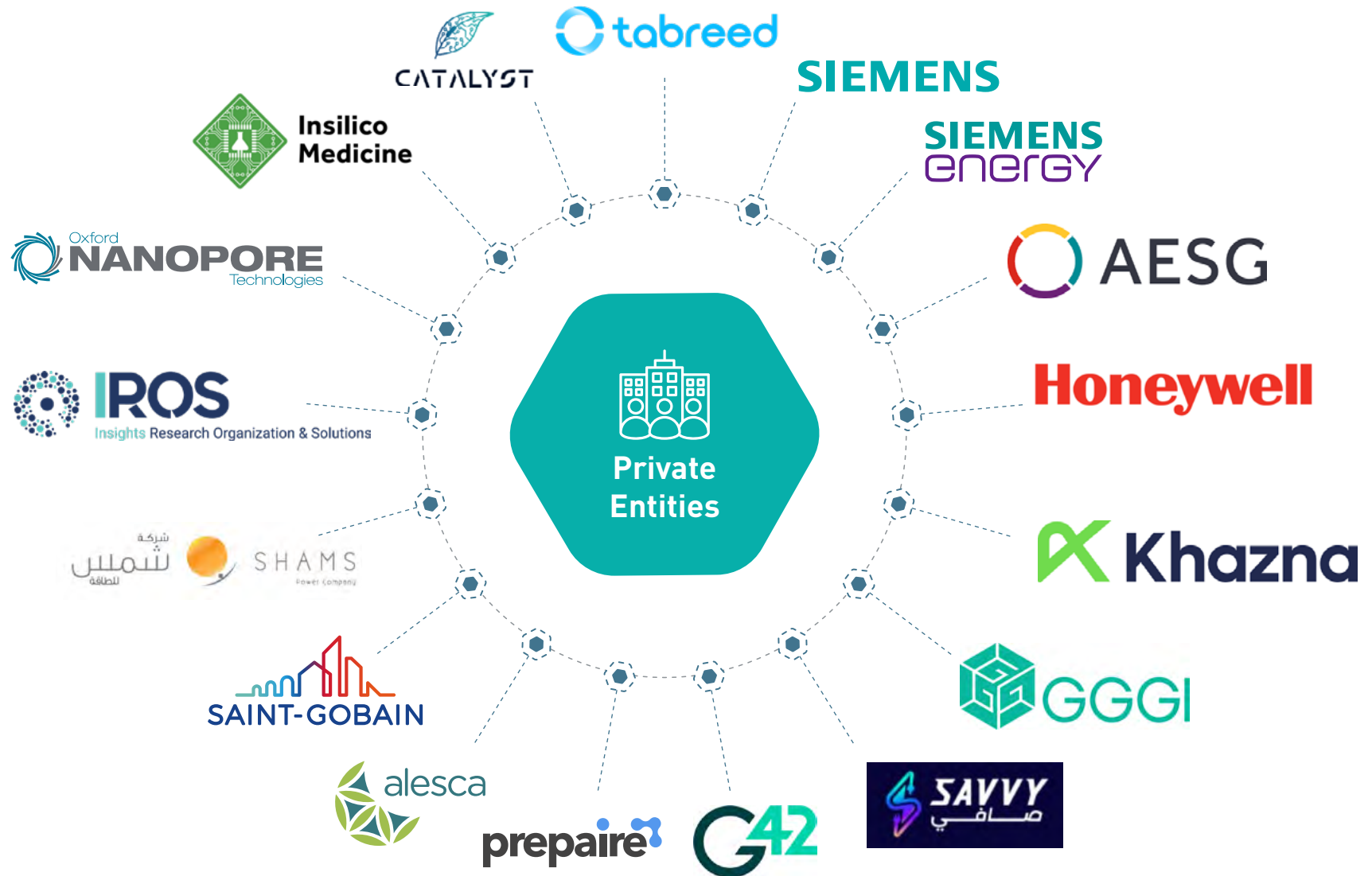
مجلس أبوظبي
للجودة والمطابقة
Abu Dhabi Quality &
Conformity Council

ABU DHABI PUBLIC
HEALTH CENTRE | مركز أبوظبي
للصحة العامة



MOHAMED BIN ZAYED
UNIVERSITY OF
ARTIFICIAL INTELLIGENCE





Our technology pilots include sustainable power solutions, expansion of green spaces, improvements to the environmental performance of buildings, mobility programs and the promotion of sustainable urban agriculture.

A Low-Carbon Business Oasis

Masdar City Free Zone, a powerful business enabler, is home to more than 1,064 businesses of all sizes who are ushering us into the future.

Providing low carbon infrastructure to

1,064
companies

Key tenants include:

- ◆ Abu Dhabi Public Health Center
- ◆ Abu Dhabi Quality and Conformity Council
- ◆ Advanced Technology Research Council
- ◆ AESG
- ◆ Emirates Nuclear Energy Corporation
- ◆ General Administration of Customs in Abu Dhabi
- ◆ Global Green Growth Institute
- ◆ Honeywell
- ◆ Khalifa University
- ◆ Khazna Data Centers Limited
- ◆ Masdar
- ◆ Mohamed bin Zayed University of Artificial Intelligence
- ◆ National Central Cooling Company PJSC — Tabreed
- ◆ Saint-Gobain
- ◆ Savvy Charging
- ◆ Siemens Energy LLC
- ◆ Siemens Industrial LLC
- ◆ Technology & Innovation Institute
- ◆ UAE Space Agency
- ◆ Unikie

The Masdar City Free Zone status provides tenants with advantages and benefits, including:



Enhanced ESG performance
due to our sustainable office spaces,
low-carbon transportation, etc.



100 Percent
foreign ownership



Highly cost-effective
licensing and office space



100 Percent
exemption from corporate and
personal income taxes



R&D
ecosystem



0 Percent
import tariffs



Launching point
into local, regional, and
international markets



A multi-sector **knowledge** and
talent innovation ecosystem



Freedom Of Repatriation
of both capital and profits



Quick and easy set-up, with
Masdar City Free Zone Office
for registration, government relations
and visa processing



A photograph of a modern, multi-story building with a white facade and large windows. A prominent feature is a large, cantilevered concrete overhang that extends over a courtyard area. The building's facade is accented with vertical panels in a mustard yellow color. Some windows have blue-tinted glass, and one section features a red, perforated metal screen. In the foreground, two palm trees stand in a paved courtyard. The sky is a clear, bright blue.

Section 2

Sustainability as a Foundation at Masdar City

A photograph of a modern, multi-story building with a white facade and large windows. The building is partially obscured by palm trees in the foreground. The sky is clear and blue.

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Our Approach to ESG



Message from the Executive Director, Sustainable Development

Masdar City stands at the forefront of sustainable urban development, driven by our unwavering commitment to innovation and environmental stewardship. We are eager to showcase Masdar City's role as a global leader in sustainable development, supporting the UAE's goal of achieving net-zero emissions by 2050 and contributing to international climate change solutions.

Through strategic partnerships and cutting-edge R&D clusters including energy, AI, life sciences, mobility, space-tech, and agri-tech, Masdar City continues to drive innovation in sustainable urban planning and development. This year's ESG report reflects our ongoing commitment to enhancing the

natural environment while advancing our vision for a sustainable future. I invite you to explore the transformative initiatives detailed within this report, which highlight our impact within the UAE and beyond.

Masdar City remains steadfast in our mission to establish ourselves as a beacon of sustainable development and innovation on the global stage. I extend my sincere appreciation to our dedicated team, partners, stakeholders, and community members whose collective efforts propel us forward in our sustainability journey.

Mohamed Al Breiki

Executive Director, Sustainable Development

Our Approach to ESG



Message from the Associate Director, Sustainability and CSR

The journey with Masdar City's architectural design team began in a landscape dotted with temporary site offices. Since then, our steadfast commitment to sustainability has transformed Masdar City into a beacon of environmental innovation and progress.

We established Abu Dhabi's first LEED Platinum building, setting a precedent for sustainable architecture locally and globally. Our approach integrates environmental stewardship with commercial viability, ensuring that green design isn't just an afterthought but a core element from inception. By harnessing the expertise of a diverse team and embracing innovative, passive design strategies tailored to our local climate, we've proven that sustainable development is both achievable and economically sound.

Our endeavors have yielded significant results. Masdar City now proudly hosts one of the world's largest clusters of LEED Platinum-certified buildings with more than 175,000 sqm complete.

Building on this success, thirteen additional LEED Platinum buildings with more than 80,000 sqm are currently under construction, with two slated to achieve net-zero energy status.

This trajectory underscores Masdar City's unwavering commitment to progress, demonstrating our resolve to surmount challenges and drive sustainable solutions forward. This report encapsulates our tangible strides towards a net-zero future, underpinned by data-driven insights, ambitious goals, and collaborative efforts across our ecosystem.

At Masdar City, ESG isn't just a concept we discuss, it's a daily practice ingrained in our operations and culture. I encourage you to delve into this report, celebrating our achievements, contemplating the obstacles ahead, and envisioning your role in shaping a more sustainable future. Together, let's continue to innovate, collaborate, and lead the way towards a thriving, sustainable tomorrow.

Chris Wan

Associate Director, Sustainability and CSR

Aligning with **UAE's net-zero by 2050 Strategy**

Achieving net-zero is the very reason Masdar City was born. Since its inception, the city has been focused on achieving this goal, and further supporting the UAE's commitment to addressing climate change.

UAE's net-zero by 2050 Strategy is an ambitious undertaking by the UAE government and the seven emirates that showcases the country's commitment to reducing carbon emissions by 2050. This is an initiative that unveiled UAE's investment plans in clean and renewable energy generation over the next three decades. The UAE's vision acts as a guide for the development of action plans, policies, and strategies for climate action. It relies on measuring and monitoring greenhouse gas emissions in each of the seven emirates.

Masdar City is instrumental in supporting the UAE's ambition to achieving net-zero. Throughout this report we aim to demonstrate our contributions to the achievement of this goal by disclosing our climate action ambitions and performance. In addition to supporting national targets, Masdar City is creating a community of residents and businesses all committed to living sustainably.





Together with Masdar, we play a crucial role as hosts to the annual Abu Dhabi Sustainability Week (ADSW) event. ADSW gathers stakeholders from all around the world and provides them with a platform to come together to create meaningful conversations, forge partnerships, and pledge investments towards UAE's commitment to achieving net-zero by 2050.




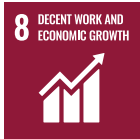





Aligning with the United Nations' Sustainable Development Goals

The United Nations' Sustainable Development Goals (UN SDGs) are a set of goals that aim to address global challenges and serve as a roadmap to achieve a more sustainable future by 2030. The UAE's National Agenda is aligned with this framework and takes into account economic, social, and environmental factors that impact the country's development.

Masdar City supports the UAE's commitment to the agenda and we have mapped our ESG initiatives against the SDGs.

				
Target	Goal 1 – End poverty in all its forms everywhere	Goal 2 – End hunger, achieve food security and improved nutrition, and promote sustainable agriculture	Goal 3 – Ensure healthy lives and promote well-being for all at all ages	Goal 4 – Ensure inclusive and quality education for all and promote lifelong learning
Masdar City Initiatives	<ul style="list-style-type: none"> Consistent creation of jobs during construction and long-term uses Providing access to untapped community resources that benefit the community Providing support for start-ups 	<ul style="list-style-type: none"> Masdar City hosts agritech startups with greenhouses and farming area One of the beta-site's primary goals is to promote national food security solutions 	<ul style="list-style-type: none"> 100 percent of employees and contractors are covered by an externally certified health and safety management system City planning based on promoting walkability Integration of sports facilities and active lifestyle 	<ul style="list-style-type: none"> Partnerships with local schools and universities to provide mentoring, training, and job opportunities Annual employee training, internal and external learning courses, coaching, and mentoring Emiratization and Human Capital unit is responsible for training and learning programs available to all

				
Target	Goal 5 – Achieve gender equality and empower all women and girls	Goal 6 – Ensure access to water and sanitation for all	Goal 7 – Ensure access to affordable, reliable, sustainable, and modern energy for all	Goal 8 – Promote inclusive and sustainable economic growth, employment, and decent work for all
Masdar City Initiatives	<ul style="list-style-type: none"> Multiple targets for women in management and the workforce 35% of new hires are women Women entrepreneurship package to promote women-owned businesses in Masdar City Free Zone 	<ul style="list-style-type: none"> Vigorous environmental requirements set for water resource management, which has been applied to all buildings in Masdar City since inception 	<ul style="list-style-type: none"> In 2023, 12,185,777 MWh of renewable energy was generated Electric vehicle chargers in multiple locations provide free charging Research and development into geothermal energy Developing partnerships to promote the use of clean hydrogen In 2023, ADNOC Opens the Region's First Green Hydrogen Refueling Pilot Station in Masdar City 	<ul style="list-style-type: none"> Consistent creation of jobs during construction and operations Educational engagement with local schools and universities The Catalyst, our climate tech venture capital fund Green financing in real estate sector
				
Target	Goal 9 – Build resilient infrastructure, promote sustainable industrialization and foster innovation	Goal 10 – Reduce inequality within and among countries		Goal 11 – Make cities inclusive, safe, resilient and sustainable
Masdar City Initiatives	<ul style="list-style-type: none"> Masdar City is a research and development hub Masdar City is exploring the use of geothermal energy Masdar City is home to developing hydrogen technology 	<ul style="list-style-type: none"> Masdar City has a Social Activities and Inclusion Committee (SAIC) that oversees social activities and procedures, and ensures all decisions are made in accordance with the existing SAIC charter The procurement process prioritizes working with vendors that reflect our values and offers the opportunity to support diverse businesses and create more inclusive communities that we invest in Free zone status allows for 100 percent foreign ownership Robust ethics and compliance standards in place 		<ul style="list-style-type: none"> Masdar City is a mixed use low carbon urban development Three net-zero energy buildings are currently under construction in Masdar City Safe and sustainable mobility provided across Masdar City Promotion of walkability



Target

Goal 12 – Ensure sustainable consumption and production patterns

Masdar City Initiatives

- ♦ Circular economy principles are embedded in all procurement guidelines and standards
- ♦ Recycling of operational waste
- ♦ Material recycling facilities in place to recycle construction waste



Goal 13 – Take urgent action to combat climate change and its impacts

- ♦ By 2050, we will achieve net-zero in Scope 1, 2, and 3 emissions



Goal 14 – Conserve and sustainably use the oceans, seas, and marine resources

- ♦ In 2024, we plan to conduct a mangrove planting initiative in Abu Dhabi. We envision that this initiative will support the livelihoods of the communities in these coastal areas, and simultaneously promote biodiversity and act as a carbon sink in the future to help capture Greenhouse Gas (GHG) emissions from the atmosphere



Goal 15 – Sustainably manage forests, combat desertification, halt, and reverse land degradation and halt biodiversity loss

- ♦ Timber sourced from Forest Stewardship Council (FSC) certified forests
- ♦ Focus on the use of native plants
- ♦ Reuse of existing plants to prevent disposal



Target

Goal 16 – Promote just, peaceful, and inclusive societies

Masdar City Initiatives

- ♦ Ensure that all our suppliers and contractors practice ethical and legal standards to effectively eliminate all forms of violence, exploitation, corruption, and bribery in our supply chain



Goal 17 – Revitalize the global partnership for sustainable development

- ♦ Constantly seeking like-minded organizations to partner with to further the sustainability agenda
- ♦ Welcome delegations, including heads of state, ambassadors, diplomats, business delegations, and private sector academia to showcase and promote Masdar City's pioneering efforts in sustainability and sustainable urban living
- ♦ Partnerships created through The Catalyst



Our ESG Strategy

ESG is an integral part of our operations and activities and is intrinsically linked to our vision and journey. We have developed an ESG policy that focuses on our material topics and our approach towards governing them. The policy outlines our goals, objectives, and plans, and is instrumental in achieving our corporate strategy.

The ESG policy informs our building designs, construction, and operations.

We have set targets for energy use, water use, and waste diversion from landfill that are above industry standards, which guide us on our decarbonization journey. Our urban planning principles work in harmony with the direction of the sun and wind, enhancing outdoor comfort and promoting walkability and social interaction. We use green construction materials that reduce environmental impacts and improve the health and well-being of building occupants.

Reporting our environmental, social, and governance (ESG) performance to our stakeholders is a top priority in our sustainability agenda. It is also paramount

that the information we disclose in our report is accurate and relevant. We source our ESG data from different departments across our organization and report it to executive management and the board. We ensure that the information we gather is standardized and aligned with the Global Reporting Initiative (GRI) framework.

We have dedicated leaders within our organization for our reporting segments that ensure material ESG information is considered and captured throughout our operations. We work with our leaders and departments to measure and improve our ESG performance by ensuring that our systems, policies, and guidelines are in place. All relevant personnel closely monitor our data collection, the efficiency of our action plans, and our mechanisms for identifying ESG risks. Should there be opportunities for improvement, we work with our teams and discuss any potential improvements to implement. This enables us to continuously improve and enhance our operations and address ESG performance challenges as they arise.



Our ESG Goals

We have set clear and ambitious goals and targets to achieve our sustainability objectives, reflecting Masdar City's commitment to having a positive impact on our stakeholders.



Environment



By 2025, we aim to improve our asset portfolio Energy Use Intensity (EUI) measured against ASHRAE baseline to

45 percent
reduction



Achieve

net-zero

by 2050 in our Scope 1, 2, and 3 Emissions



Embodied carbon target for all concrete structure building projects to be below

550 kgCO₂e/m²



80 percent

operational waste diversion from landfill for all waste streams by 2030



Social



Free

guided tours
provided to showcase
sustainability



Partnerships

with schools and
government entities



**Sustainable
Procurement
Guidelines
(SPG)**

was developed and
implemented in 2023



ZERO

workplace fatalities
and injuries on all
sites



Governance



100 percent

trained on ESG
practices



40 percent

Emiratization across
the workforce



Strong

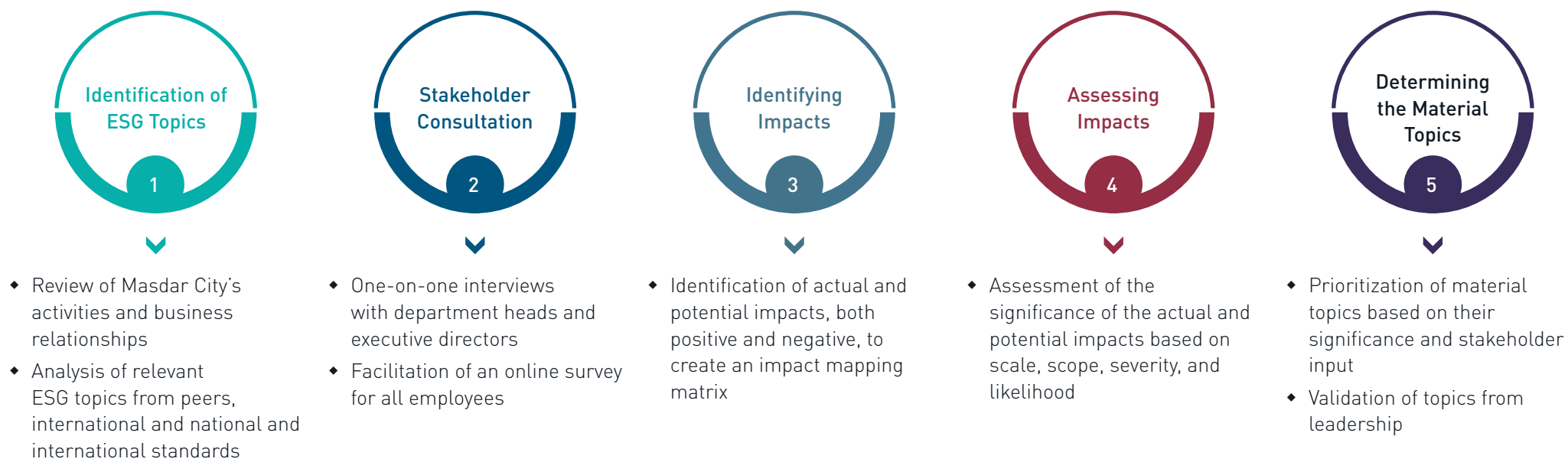
established system in
place to receive and
handle grievances

Managing Our ESG Performance

Identifying Our Material Topics

During 2022, we conducted our first materiality assessment as a distinct entity. For this exercise, we followed the process to determine material topics as outlined in the GRI standards, which is to identify and report on the topics most relevant to our organization and where we can create the largest impact on the environment, society, and economy.




Based on this assessment, we prioritized the impacts of our 16 material topics for Masdar City. The results of this assessment will form the basis of our ESG Policy and will act as a foundation of our ESG reporting journey in the coming years.





Material Topics		Topic Highlights	Chapter	Page
Environmental				
	Climate Action	<ul style="list-style-type: none"> Our high-level commitments and milestones to achieve net-zero Our planned asset- and portfolio-level decarbonization strategies 	Our Decarbonization Efforts	Page 40
	GHG Emissions (including embodied carbon)	<ul style="list-style-type: none"> Emissions performance, including our Scope 1, 2, and 3 emissions and emissions intensity Our carbon portfolio and baseline Initiatives towards reducing carbon emissions in our real estate assets and operations 	Tackling our Carbon Footprint	Page 41
	Green Building Materials, Installations & Certifications	<ul style="list-style-type: none"> How we contribute to the goals of the real estate sector to meet the objectives of the Paris Agreement and net-zero carbon Highlights of our building assets and projects that directly aim to green building standards and net-zero strategies 	Our Green Portfolio	Page 43
	Energy Management	<ul style="list-style-type: none"> Energy performance, including electricity consumption and our associated reduction targets Energy intensity levels in our facilities Initiatives in our transition to renewable energy 	Managing our Energy Performance	Page 47
	Water Management	<ul style="list-style-type: none"> Management of our water resources and reduction of our environmental impact Water performance, including water consumption and water management 	Securing our Stewardship on Water Management	Page 50
	Waste and Hazardous Materials Management	<ul style="list-style-type: none"> Waste performance, including waste generation and waste diversion Our waste impacts and corresponding actions to reduce waste to landfills in our operations Circular economy principles and their applicability to Masdar City's activities 	Addressing Waste Management	Page 52



Material Topics		Topic Highlights	Chapter	Page
Social				
	Employment	<ul style="list-style-type: none"> ♦ Our employment performance, including our workforce, new hires, and turnover rates ♦ Programs to retain, attract, and enable our employees 	Attracting and Retaining Our People	Page 58
	Occupational Health and Safety	<ul style="list-style-type: none"> ♦ Health and safety performance, including our OHS Management Plan ♦ Initiatives to advance occupational health and safety across our operations 	Fostering a Safe and Healthy Working Environment	Page 62
	Training and Education	<ul style="list-style-type: none"> ♦ Our training and education performance in our workforce ♦ Training programs offered in Masdar City to enhance employee knowledge and capacity 	Enabling Our People	Page 65
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	Customer Relationship and Management	<ul style="list-style-type: none"> ♦ Our customer satisfaction rate ♦ Strategies to facilitate productive and positive experiences for our customers ♦ Strategies to ensure customer satisfaction with our products and services 	Delivering Exceptional Customer Experience	Page 70
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	Economic Performance	<ul style="list-style-type: none"> Our contribution to UAE's economy and the real estate market Actions to support the development Masdar City's real estate portfolio and local economic activities 		
	Digital Transformation and Innovation	<ul style="list-style-type: none"> How we strengthen our position in the region as a hub for innovation and digital transformation Our technological solutions and updates of our IT systems infrastructure 	Innovating Today for a Sustainable Tomorrow	Page 90

Our Stakeholder Engagement

We recognize the importance of engaging in an active dialogue with our internal and external stakeholders. Through stakeholder engagement exercises, we are able to capture their concerns, requirements, and expectations. We have categorized our stakeholders into various groups and have gathered their feedback and key discussion points that were raised.

Stakeholder Group	Key Issues and Discussion Points	Engagement Channels and Programs
Business Partners		
	<ul style="list-style-type: none"> ♦ Expanding our portfolio ♦ Increased investment in green initiatives/buildings 	<ul style="list-style-type: none"> ♦ Virtual and in-person meetings ♦ News coverage, press, and media ♦ Exhibitions and events ♦ Corporate delegations
Civil Society Organizations		
	<ul style="list-style-type: none"> ♦ Alignment with public policies and regulations ♦ Stakeholder satisfaction 	<ul style="list-style-type: none"> ♦ Organization representatives ♦ Social media ♦ Corporate website
Consumers		
	<ul style="list-style-type: none"> ♦ Promoting a positive user experience ♦ Enhancing accessibility 	<ul style="list-style-type: none"> ♦ Dedicated site-level community management and tenant engagement professionals ♦ Events

Stakeholder Group	Key Issues and Discussion Points		Engagement Channels and Programs	
Customers				
	<ul style="list-style-type: none">♦ Communicating available business packages♦ Ensuring customer satisfaction♦ Enhancing accessibility		<ul style="list-style-type: none">♦ Customer satisfaction surveys♦ Social media	<ul style="list-style-type: none">♦ Corporate website♦ Townhall events♦ Masdar City mobile app
Employees and other Workers				
	<ul style="list-style-type: none">♦ Creating a safe space to disclose unethical behavior♦ Providing relevant training, human capital, and health and safety measures and preparedness♦ Initiatives to promote diversity and inclusion		<ul style="list-style-type: none">♦ Employee engagement survey♦ Training and workshops	<ul style="list-style-type: none">♦ Townhall events♦ Online portals♦ Code of Conduct
Government				
	<ul style="list-style-type: none">♦ Alignment with national policies and regulations, alignment with UAE's Energy Strategy and net-zero Strategy		<ul style="list-style-type: none">♦ Through government officials, government liaisons, heads of state, ambassadors, and diplomats	<ul style="list-style-type: none">♦ National media and regulators♦ Virtual and In-person meetings
Local Community				
	<ul style="list-style-type: none">♦ CSR initiatives to enhance the community♦ Ensuring the local community is not negatively impacted and mitigating potential risks♦ Job creation opportunities		<ul style="list-style-type: none">♦ The Festival at Masdar City	<ul style="list-style-type: none">♦ Social media

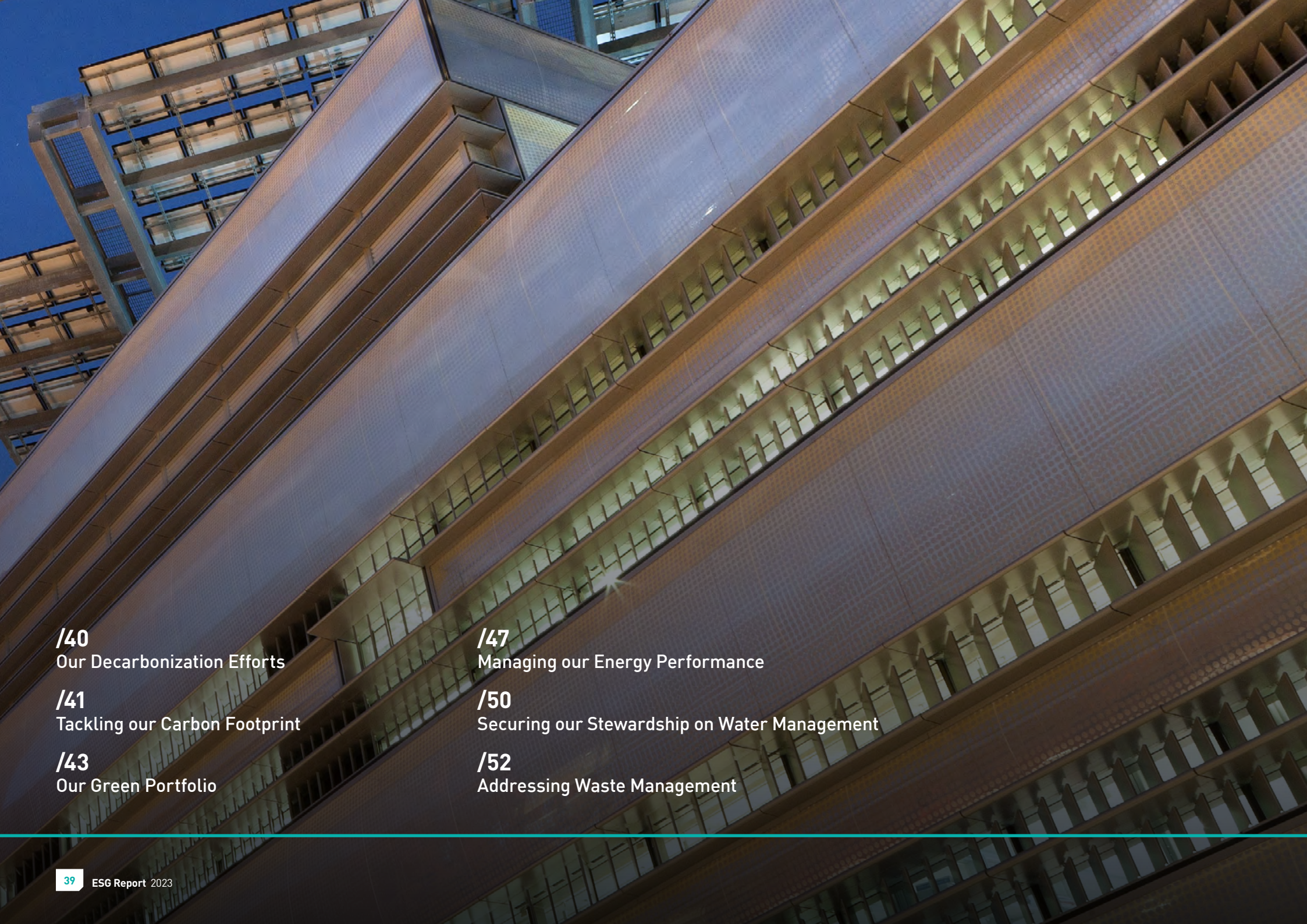
Stakeholder Group	Key Issues and Discussion Points		Engagement Channels and Programs	
Non-Governmental Organizations				
	<ul style="list-style-type: none">◆ Partnership opportunities◆ Conducting studies and assurance (e.g., environmental, and social impact assessments (ESIA))		<ul style="list-style-type: none">◆ Conferences, events, and exhibitions	<ul style="list-style-type: none">◆ Newsletters, press releases and media
Shareholders and Other Investors				
	<ul style="list-style-type: none">◆ Sustainable initiatives and opportunities for green investment◆ Alignment with ESG policies and strategy		<ul style="list-style-type: none">◆ Virtual and in-person meetings◆ Conferences◆ ESG Report	<ul style="list-style-type: none">◆ Press releases◆ E-mail communications◆ Social media
Suppliers				
	<ul style="list-style-type: none">◆ Communicate ESG policies to ensure alignment◆ Enforcing Supplier Code of Conduct		<ul style="list-style-type: none">◆ Newsletters, physical visits and meetings, events	
Vulnerable Groups				
	<ul style="list-style-type: none">◆ CSR initiatives◆ Work packages		<ul style="list-style-type: none">◆ Community outreach programs	<ul style="list-style-type: none">◆ Corporate website◆ ESG report





Section 4

Protecting Our Environment



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Our Decarbonization Efforts

By 2025, we will:

- ◆ Complete the construction of three net-zero energy buildings
- ◆ Increase the area of community parks to over 230,000m²

In 2024, we will complete our net-zero pathway, which will set out the milestones for operations and key metrics on our journey to achieving net-zero by 2050. Currently, we are working to define our net-zero milestones that will cover our Scope 1, 2, and 3 emissions. Our baseline carbon footprint is derived from 2023 data. (For more details: See Tackling Our Carbon Footprint).

To achieve our targets, we intend to implement a variety of asset- and portfolio-level decarbonization initiatives such as:

- ◆ Carbon measurement and verification
- ◆ Operational efficiency
- ◆ Tenant engagement and management
- ◆ On-site renewable energy facilities
- ◆ Acquisitions, new developments, and major renovations to include embodied carbon data
- ◆ Use of on-site renewable energy

For our new buildings, we aim to define net-zero carbon from the International Living Future Institute (ILFI) Zero Carbon (ZC) Certification, a worldwide zero carbon standard for buildings with high energy efficiency standards designed and operated to fully account for their carbon emissions impacts. The ILFI ZC standard requires that embodied carbon emissions of primary materials of new buildings must be tracked and reduced by a minimum of 10 percent compared to a baseline building of equivalent size, function, and energy performance. We will be using this framework to conduct initial net-zero and zero-carbon analyses across our portfolio.

By 2050, we will:

- ◆ Achieve net-zero carbon emissions in all our operations
- ◆ Disclose and offset 100 percent of the upfront embodied carbon emissions impacts associated with project materials and construction



Tackling Our Carbon Footprint

In 2023, we achieved:

- ◆ 2180.6 tCO₂e of avoided emissions via exported electricity generated from renewable sources, equivalent to 519 gasoline-powered vehicles off the road for 1 year

On December 8, 2022, it was announced that the Abu Dhabi National Energy Company PJSC (TAQA), Mubadala Investment Company (Mubadala), and Abu Dhabi National Oil Company (ADNOC) would form a clean energy company focused on renewable energy and green hydrogen under the Masdar brand.

Masdar City and Masdar became distinct entities in December 2022. It was a logical step in the growth of our two companies, ensuring that both entities are best positioned to grow and maximize their contribution to the UAE and the world.

While the corporate structure of our company has changed, Masdar City's business strategy remains the same. Mubadala remains our shareholder, while Masdar will remain our sister company and one of our anchor tenants. Masdar will continue to focus on renewable energy while Masdar City focuses on sustainable development and innovation.

2023, was the first financial year for Masdar City, hence the reason behind selecting it as a base year for the GHG Inventory (current reporting year). This first year will be used as the base year for setting GHG targets in the future.

As one of the world's first low-carbon cities, we have always taken steps to monitor and manage our carbon footprint in order to realize our goals to achieve net-zero by 2050. Hence, an understanding of our carbon footprint has been crucial for us to drive our progress and help achieve this goal.

As part of our actions to understand our impact, we have calculated our greenhouse gas (GHG) emissions in accordance with the GHG Protocol and ISO 14064-1 2018.

Our 2023 GHG inventory (Base line year) includes direct and indirect emissions from both landlord and leased spaces in our buildings and our vehicle fleet. This includes emissions from electricity, water and chilled water consumption, fuel consumption, fugitive Emissions purchased goods and services, employee commuting and business trips, and sold products.

UAE and EPA emissions factors were then applied to convert consumption into carbon emissions equivalent (CO₂e).

Emissions of Masdar City

Source	2023
Scope 1 Emissions (tCO₂e)	
Emissions from Stationary Combustion Sources	313.51
Emissions from Mobile Combustion	61.39
Emissions from Fugitive Sources (Refrigeration and Air Conditioning Equipment)	213.97
Emissions from Fugitive Sources (Fire Suppression)	0.01
Total Scope 1 Emissions (tCO₂e) (Infrastructure + Buildings)	588.87
Scope 2 Emissions (tCO₂e)	
Emissions from Purchased Electricity	1,324.80
Emissions from Purchased Cooling	151.62
Total Scope 2 Emissions (tCO₂e) (Infrastructure + Buildings)	1,476.41
Total Scope 1 and 2 Emissions	2,065.28
Scope 3 Emissions (tCO₂e)	
Purchased Goods and Services	8,293.57
Capital Goods	524.06
Fuel and Energy Related Activities	86.16
Upstream Transport	0.00
Waste Generated in Operations	295.69
Business Travel	8.68
Employee Commuting	284.38
Upstream Leased Assets	408.15
Downstream Transport	0.00
Processing of Sold Products	0.00
Use of Sold Products	38,651.58
End of Life of Sold Products	0.00
Downstream Leased Assets	6,936.03
Franchises	0.00
Investments	0.00
Total Scope 3 Emissions (tCO₂e) (Infrastructure + Buildings)	55,488.30

Note 1: The GHG inventory include 17 buildings and 2 parks and the infrastructure owned by Masdar City

Note 2: GHG emissions are calculated using and EWEC emissions factor for electricity and Water in Abu Dhabi and the US Environment Protection Agency (EPA) Emission Factors for Greenhouse Gas Inventories

Note 3: Only includes buildings, parks and infrastructure under Masdar City Ownership.

We have also measured the embodied carbon of our self-developed projects beginning with the construction of the Mohamed bin Zayed University of Artificial Intelligence. This information was generated from the best data and emission factors available. Due to the nature of the acquisition and construction of certain buildings, not all of the buildings in Masdar City have been accounted for. Up to 2023, our embodied carbon figures are broken down in the table below:

Building	Gross Floor Area (m ²)	Embodied Carbon (kgCO ₂ e)	Embodied Carbon Intensity (kgCO ₂ e/m ²)	Note
Incubator Building	9,709	10,485,720	1,080	Steel structural system and raised podium structure
Siemens Building	22,800	11,511,600	505	Surface parking
International Renewable Energy Agency (IRENA)	32,064	21,184,000	661	Surface parking
UAE Space Agency	4,864	2,594,652	533	The UAE Space Agency was an already developed building that was relocated from Milan Expo 2015
ADQCC HQ and Central Residences	38,852	27,771,415	715	Including the parking structure
Eco Residences 2	57,513	41,110,301	715	Including the parking structure
TII Building	5,547	2,363,760	426	Surface parking
BeamTrail	4,154	2,208,327	532	

As we decarbonize our assets and value chain, the data and methodology that drive our climate actions will evolve and improve each year. In 2023 we have computed our Scope 1, 2, and 3 emissions and have reported on our relevant emissions as defined by the GHG protocol. As techniques to calculate emissions improve, we will apply these practices to account for previous years' calculations to further gain understanding of our emissions across all our assets. Going forward, we will focus on increasing the accuracy and granularity of our data, and we will continue reporting and updating our emissions boundaries as our business grows on our path to net-zero emissions.

Our Green Portfolio

Our Portfolio Covers:

- ◆ 17 Assets with Green Building Certifications
- ◆ 2 net-zero Energy Buildings completed
- ◆ 3 net-zero Energy Buildings under construction
 - ◆ Net Zero Energy Mosque-ILFI Zero Energy Certification
 - ◆ Within the Masdar City Square Project – Masdar City Square HQ Office Building - ILFI Zero Energy Certification
 - ◆ Within the Link project - Co-Lab Building - ILFI Zero Energy Certification
- ◆ 55,650 m2 of community parks

Masdar City is home to one of the largest clusters of LEED Platinum buildings in the world. Our buildings act as a real-time laboratory to monitor and study how cities use, conserve, and share resources.

We recognize that to meet the objectives of the Paris Agreement by 2050, it is essential to decarbonize the building sector. To contribute to this endeavor, we have established minimum environmental requirements and set standards for energy, water, waste, carbon emissions, and green building rating systems for each property development. These requirements are already complied with from the planning and design phases of the project.

Combining passive and intelligent design, the buildings' energy and water demands are designed to be at least 40 percent lower than baselines set by LEED and Estidama Pearl Building Rating System (PBRS). Furthermore, our buildings must meet a minimum Estidama PBRS certification of 3 pearls. Construction adopts green materials including low-carbon cement and 90 percent recycled aluminum and other locally sourced and verified materials.



Our Alignment with Green Building Certification Systems



Estidama is a sustainable building design methodology that can be used to develop and govern towns and cities. It is a certification system designed by Abu Dhabi Urban Planning Council (UPC) and is a vital component of the “Abu Dhabi Vision 2030” to build the emirate in accordance with cutting-edge green standards. It seeks to establish a framework for monitoring sustainability performance in planning and building phases.

Within Estidama, Pearl Building Rating System (PBRS) is a green building rating system that is utilized to evaluate sustainable building development practices in Abu Dhabi and covers all aspects of sustainability which are, energy use, water use, materials use, indoor and outdoor environment, and innovation strategies. Five certification levels could be pursued to obtain the Estidama certification.



LEED, or Leadership in Energy and Environmental Design, is one of the most commonly used environmental classification system in the world. The system evaluates and rates the overall environmental impact of buildings.

To achieve LEED certification, a project earns points by adhering to prerequisites and credits that address carbon, energy, water, waste, transportation, materials, health, and indoor environmental quality. Projects go through a verification and review process by GBCI and are awarded points that correspond to a level of LEED certification: Certified (40-49 points), Silver (50-59 points), Gold (60-79 points) and Platinum (80+ points).



The ILFI Zero Energy Standard, a third-party certification program for buildings that have achieved net-zero energy. The standard is designed to help buildings reduce their environmental impact and contribute to a more sustainable future.

Achieving ILFI Zero Energy certification means 100 percent of the building’s energy needs on a net annual basis must be supplied by on-site energy. No combustion on site is allowed.



The WELL Building Standard is a performance-based system for measuring, certifying, and monitoring features of the built environment that impact human health and wellbeing, through seven core areas: air, water, nourishment, light, fitness, comfort, and mind.

WELL Certification helps organizations monitor ongoing building performance and collect employee feedback, enabling them to take a data-driven approach to their health and well-being efforts. Spaces can become WELL certified by achieving a defined score in each of the above mentioned seven ‘Core Concept’ categories. WELL certification includes the submission of project documentation and onsite audit, which can result in the award of a Silver, Gold or Platinum standard.

LEED Zero

The LEED Zero is a certification program from the U.S. Green Building Council (USGBC) that recognizes buildings that have achieved net-zero carbon emissions. It is a voluntary program, but it is becoming increasingly important as businesses and organizations look for ways to reduce their environmental impact.

Achieving a LEED Zero Certification means your building’s annual carbon balance is zero. A zero balance means that you have offset all emissions, measured in carbon dioxide equivalent (CO₂e), resulting from your building’s operations.

Key Highlights

MASDAR CITY SQUARE (MC²)

Masdar City's renewable energy hub has launched a new project that directly contributes to the UAE's net-zero by 2050 target. Masdar City Square aims to host businesses that will operate in harmony with the environment. Work began in early 2022 and is scheduled for completion in 2024. The development will include seven single- and multi-tenant office buildings and a parking facility. Six of the buildings will have the highest green construction specifications while the Masdar City Square HQ building will be Abu Dhabi's first net-zero energy office building, which means that the property will use no more energy than it produces through energy efficiency-focused design and systems and renewable energy processes.



The Link

The Link will be constructed to LEED Platinum, WELL Gold, 4 Pearl PBRs Estidama, and ParkSmart Silver standards. One of the buildings, the Co-Lab Building, will be net-zero energy, with planned annual energy reduction of up to 117 percent. It will use energy-efficient structures as well as sustainability features including high-efficiency heating, ventilation and cooling, energy monitoring, and A star-rated appliances. It will be powered by renewable energy. In addition to the net-zero energy co-lab building that will house both office and residential space, The Link will feature four other low-carbon buildings that will include event space, outdoor plazas, shaded courtyards, recreational and fitness facilities, and retail.



NZ1, A Net-Zero Energy Office Space

NZ1 is designed for net-zero commercial operation, generating 100% of its energy needs on-site, the building is defined by sustainability and innovative technologies with a modern office space design. NZ1 is on track to be awarded with Estidama PBRS - 04 Pearls, LEED v4.0 – Platinum, WELL V2.0 – Gold certifications, And LEED Zero Energy.



Net Zero Energy Mosque

Inspired by the traditions of the past and by the UAE's Net Zero 2050 vision, the Masdar City Mosque provides the community a spiritual, cultural, and environmental journey. Centered around the sahn, the shaded riwaq provides access to the prayer hall which can accommodate 1300 worshippers with an area of 2,350m². The mosque will be net zero energy producing as much energy as it consumes, beside this, it is on track to be LEED BD+C V4 Platinum, Estidama 4 Pearl and, Net Zero Energy with International Living Future Institute (ILFI).



Sustainability Program for New Construction and Reconstruction

Starting in 2014, we set the following minimum environmental requirements applied to all buildings, including:

- ♦ 40 percent reduction in energy demand (baseline ASHRAE 90.1:2007)
- ♦ 40 percent reduction in potable water (methodology Estidama PBRS Water Calculator)
- ♦ Limiting irrigation water usage to 2.0 liters /m²/day (methodology Estidama PBRS)
- ♦ 70 percent of demolition and construction waste is recycled or salvaged (methodology Estidama PBRS)
- ♦ 60 percent of operation waste is diverted from landfills and incineration (50 percent for Multi-Residential Buildings) (methodology Estidama PBRS)
- ♦ Target 650 KgCO₂e/m² embodied carbon for steel structure buildings and 550 KgCO₂e/m² for concrete structure buildings

These established environmental requirements are tracked by our design consultants and contractors and audited by the Abu Dhabi Department of Municipal Affairs and Transport (DMT) before Estidama Pearl Building Rating certification.

Managing Our Energy Performance

During 2023, we achieved:

- ◆ 16,962,860 kWh energy savings (against ASHRAE baseline) = avoiding 3,392.6 tCO₂e, equivalent to taking 807 gasoline-powered vehicles off the road
- ◆ 12,185,777 kWh of renewable energy, out of which 10,903,000 kWh was exported to the grid whilst the remainder powering Masdar City assets
- ◆ 30.6% percent energy use intensity (EUI) reduction (against ASHRAE baseline)

Our Goals:

- ◆ By 2025, we aim to improve our asset portfolio EUI measured against ASHRAE baseline, from 38.4 percent reduction to above 45 percent reduction
- ◆ By 2025, we will further improve energy-saving efforts and continue exploring renewable energy options

Managing our energy is one of our top priorities, which we are working towards by:

- ◆ Continuously working on reducing our energy use which is a significant aspect of our operations
- ◆ Constantly aiming to improve our energy management performance by transitioning to cleaner energy sources and reducing our impact
- ◆ Aligning our energy management policies, programs, and initiatives with local, national, and international goals and ambitions, such as the UAE Energy Strategy 2050 and UAE's net-zero Strategy 2050

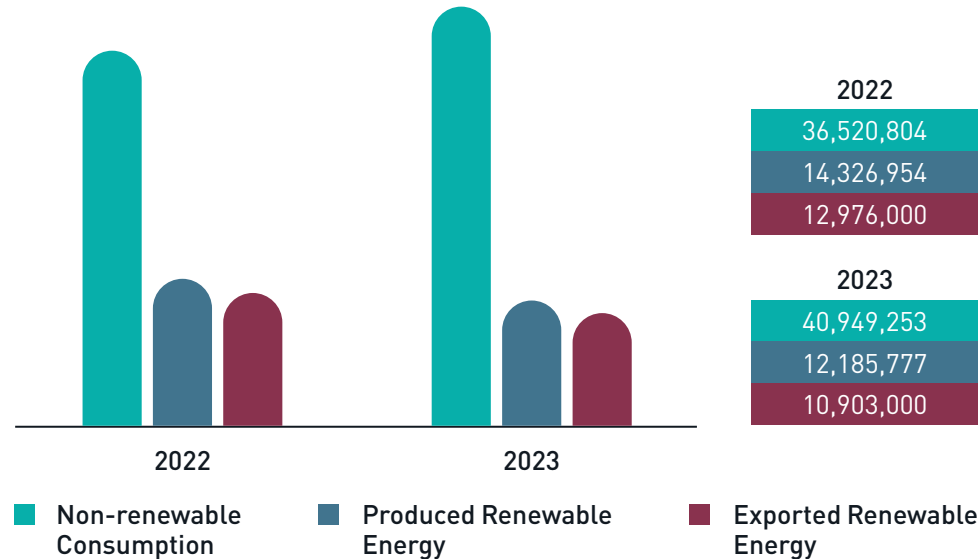
To help provide better context on our energy efficiency, we look at our energy use intensity metric, which is defined as the ratio of the total electricity consumption from our buildings divided by total building area. The total building area, reported in square meters

(based on gross floor area as defined by Abu Dhabi City Municipality), covers the floor area of the seventeen (17) buildings across eleven (11) plots, namely:

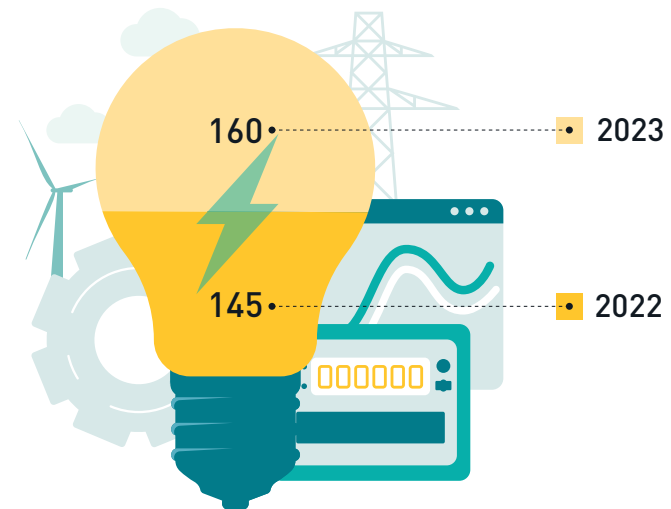
- ◆ Incubator Building
- ◆ Siemens Building
- ◆ International Renewable Energy Agency (IRENA)
- ◆ Tabreed Building
- ◆ Eco Residences
- ◆ UAE Space Agency
- ◆ ADQCC HQ and Central Residences
- ◆ Eco Residences 2
- ◆ TII Building
- ◆ Active
- ◆ BeamTrail



Total Energy Consumption and Generation, kWh



Energy Use Intensity from Electricity and Cooling (kWh/m²/year)



The energy intensity of the Eco-Villa has not been measured because it was built as a pilot project and has since been re-purposed for research and development use.

In 2023, we generated 12,185,777 kWh of renewable energy, out of which 10,903,000 kWh was exported to the grid whilst the remainder powering Masdar City assets

The sources of our renewable energy electricity include:

- ♦ The 10 MW photovoltaic (PV) farm
- ♦ The 1000 m² PV panels located in the IRENA Headquarters
- ♦ Central Park Phase 1
- ♦ Central Park Phase 2

Note 1: Non-renewable sources derived from total energy and cooling purchased

Note 2: The energy consumption only included buildings and infrastructure owned and operated by Masdar City, which includes buildings that are leased fully and operated by Masdar City.

Note 3: The computation for total energy consumption includes 17 buildings (16 buildings in 2022) and infrastructure



There was a slight increase in energy consumption by 12 percent in 2023 compared to the previous year, mainly attributed to the increase in the number of people returning to the office after the COVID-19 pandemic.

Beside this Central Residence-C (B04) and BeamTrail - Innovation Hub (M10) started operation in 2023.

We also saw a decrease in produced energy renewable energy by 11.3 percent in 2023 compared to the previous year. Hence, energy reductions from energy initiatives were not realized this year. However, we are looking at enhancing and subsequently implementing our energy mix into our operations to increase energy efficiency and improve our energy performance, including our energy intensity ratio.

Key Highlights

Emerge signs agreement on Masdar City solar plant for Khazna Data Centers

Khazna Data Centers, the Middle East, and North Africa region's largest network of hyperscale data centers, and the Masdar-EDF joint venture Emerge have collaborated to build a ground-mounted solar photovoltaic (PV) plant to power Khazna's new Masdar City data center. The plant, which has been given an Abu Dhabi Department of Energy license for solar photovoltaic (PV) self-regulating generation, will supply power to the Khazna Abu Dhabi 6 (AUH 6) facility which is currently under construction in Masdar City. It will have an installed capacity of 7 megawatts peak (MWp). As the demand for data and the increased reliance on data and the rise of IoT, data centers have had to rapidly expand their infrastructure, which makes them among the world's largest energy consumers. By producing and managing a consistent source of renewable energy, Emerge will allow Khazna to focus on providing high-quality data center services to its customers in Masdar City and beyond.

The following buildings use solar energy for hot water production:

- ◆ Incubator Building
- ◆ Siemens Building
- ◆ IRENA HQ (G-13)
- ◆ Tabreed Building
- ◆ Eco Residences 1
- ◆ UAE Space Agency
- ◆ ADQCC and Central Residences
- ◆ Eco Residences 2
- ◆ TII Building



Securing Our Stewardship on Water Management

During 2023, we achieved:

- ◆ 18.3 percent savings in Potable Water consumption across our building portfolio (against Estidama PBRs baseline)
- ◆ 42,901 m³ Potable Water savings across our building portfolio (against Estidama PBRs baseline)
- ◆ 471.9 tCO₂e avoided = equivalent to filling 17.2 Olympic swimming pools



Our Commitments:

- ◆ By 2025, we will achieve 15 percent reduction in our asset portfolio water use intensity against our 2019 performance
- ◆ Further advancement of process automation which will assist in the accelerated identification of leaks, which in turn, prevents wastage and promotes the rational use of water
- ◆ Strengthen the daily inspection, maintenance, and management of water-consuming equipment, and deal with the problems of leaking and dripping promptly


As we are located in a region with limited water resources, the impacts of climate change are expected to make the region drier and hotter. This is compounded by the increasing urban population that significantly puts a strain on the water supply. Hence, responsibly managing our water resources is of prime importance. With this, we are committed to proper water resource management to meet our water needs by implementing several initiatives and reducing our environmental impacts. This includes optimizing water efficiency in our operations, thus minimizing consumption and wastewater across our projects through sophisticated water treatment processes to ensure limited discharge into the natural environment.

Our water supply is supplied from water utilities. Hence, we interact with water mainly through water consumption from our units. To keep a close eye on water consumption and prevent further depletion of water resources from our water consumption, we use environmental management processes and our recent advancements in its automation have allowed us to facilitate and streamline the identification of leaks and prevent wastage. In 2024, we aim to conduct a water resources assessment to determine our water-related impacts, including the impacts of our consumption on areas with water stress, and better understand how we manage our water resources.

Potable Water Consumption

 Infrastructure and Parks		 Buildings		 Total Water Consumption from all areas	
2022	2023	2022	2023	2022	2023
18,707 m ³	15,962 m ³	167,105 m ³	191,710 m ³	185,812 m ³	207,672 m ³


TSE Water Consumption

 Infrastructure and Parks
2023
894,433 m ³


Note: Only includes buildings, parks and infrastructure under Masdar City Ownership.

In 2023, our potable water footprint totaled 207,672 cubic meters, 11.7 percent greater than in 2022. This was primarily due to an increase in water consumption linked to increased occupancy during the year and the start of operations in the Central Residence-C (B04) and BeamTrail - Innovation Hub (M10). In addition to this, In 2023, we started phasing out the use of bottled water in our offices. This was replaced with filtered water, glass jugs, flasks, and cups. As a result, this had the effect of increasing purchased water consumption from drinking and washing.


We are constantly working on reducing water consumption within our facilities and demonstrating strong practices for others in the industry and beyond. These initiatives include:




Collection of condensate water from air conditioning systems for landscape irrigation use




Recycling of gray water for irrigation use




Installation of water-efficient equipment/appliances such as low flow sanitary fixtures




Use Native Plants and minimize the number of non-native plants




Use organic compost and Sweet Sand




Use Liquid Nano Clay to improve soil and saves water and fertilizer




Use Surface inline drip system



Use Subsurface irrigation system



Use Root irrigation system



Using TSE water in park irrigation


To help provide better context on our water efficiency, we look at our water use intensity metric, which is defined as the ratio of the total water consumption from our buildings divided by total building area. The total building area, reported in square meters (based on gross floor area as defined by Abu Dhabi City Municipality), covers the floor area of the seventeen buildings across ten plots, namely:

- ♦ Incubator
- ♦ Siemens Energy
- ♦ International Renewable Energy Agency
- ♦ Tabreed (National Cooling Company)

- ♦ Eco Residences
- ♦ UAE Space Agency
- ♦ ADQCC HQ and Central Residences
- ♦ Eco Residences 2
- ♦ TII Building
- ♦ Active at Masdar City
- ♦ BeamTrail

The water use intensity of the Eco-villa has not been considered because it was built as a pilot project that has since been re-purposed for research and development use. We have set minimum environmental requirements based on Estidama PBRs for water resource management, which are applied to all buildings in Masdar City since 2014. The minimum requirements:

- ♦ 40 percent reduction in potable water
- ♦ Limiting irrigation water usage to 2.0 liters /m²/day



Buildings' Water Use Intensity (WUI)	
2022	2023
712 ltr/m²/yr	802 ltr/m²/yr

Note: Only includes buildings under Masdar City operations.

In 2023, our water use intensity (WUI) for buildings was 802 ltr/m2/yr. This was 12.6 percent greater than in 2022. We also aim to measure our total water consumption from all areas with water stress in 2024, including any changes in water storage based on the results of our water resource assessment.

For the future ahead, we are expecting that the advances in process automation and our strengthened daily inspections, maintenance, and management of water consuming equipment would promote rational use of water and help conserve water resources.

Addressing Waste Management

In 2023:

- ◆ 57 percent waste reduction through recycling vs business as usual
- ◆ 92.4 tCO₂e of emissions avoided from recycling equivalent to taking 22 gasoline-powered vehicles off the road for 1 year
- ◆ 90 percent of construction waste diverted from landfill

Our Long-Term Commitments:

- ◆ Embed circular economy principles into the procurement process, integrating the principles into requests for proposals, tenders, and contracts
- ◆ 80 percent diversion from landfill by 2030 for all waste streams

With the goal of becoming a zero-waste city, we make concerted efforts to reduce the amount of waste we generate, minimize our negative environmental impacts from carbon emissions, pollution, and potential human health risks to conserve resources, improve public health, and achieve an overall more sustainable city to live in.

Our upstream waste constitutes waste from construction, extension, and reconstruction activities of our buildings, while waste disposed by our tenants and from our daily operations such as food waste, glass, metals and e-waste, plastic and paper waste constitute our downstream waste. To manage our impacts from our upstream waste, we are systematically implementing waste reduction activities that adopt innovative design and construction methods to reduce on-site waste, such as:

- ◆ Employment of prefabrication
- ◆ Employment of modular design

For example, the Eco Residences and Eco Residences 2 incorporate prefabricated modular bathrooms. Moreover, the Central Park utilizes prefabricated pathways, seating, and low retaining walls. The park's play equipment, signs, benches, and fences are also prefabricated.

Meanwhile, we increase our waste diverted from landfill by increasing on-site recycling rates. We also implement composting programs to ensure a closed loop and promote circularity. Across these operations, a facilities management team compiles waste data across our operations and site to ensure our effective waste management.

Key Highlights

Waste Management Facility

We have opened an integrated environmentally friendly waste management facility on the project site to help us meet our ambitious waste diversion goal. While managing and collecting waste generated by our construction activities, administrative offices, and residential facilities, the facility adheres to our waste management hierarchy to which all our contractors must collaborate with. Our waste management facility ensures the appropriate application of our waste management hierarchy.

Central Composting Facility

The Central Composting Facility is located in our Central Park and was fully integrated into our operations in 2020. It aims to process up to 270 kg of food waste per day, using a state-of-the-art closed-loop system to convert food waste into compost, which is then used to fertilize plants in Masdar City. The facility is managed by Masdar City Facilities Management (MCF).

Design and Construction Methods to Reduce Waste

We have implemented minimum environmental requirements for all our buildings, including:



70 percent

of demolition and construction waste is recycled or salvaged



60 percent

of operation waste is diverted from landfills and incineration (50 percent for multi-residential buildings)

Waste Generation

Reporting requirements	Unit	2022	2023
Total weight of waste generated, and a breakdown of this total by composition of the waste	Ton	1,158	975
Total weight of non-hazardous waste	Ton	1,158	974.5
General (non-recyclable)		398	417.1
Paper and cardboard		33	58.4
Glass		9	1.6
Metal		57	2.7
Food, wood, and garden waste		652	474
Other (plastic and hard plastics)		9	20.7
Total weight of hazardous waste	Ton	0	0.44
Other (batteries, bulbs and florescent and CRT tube)		0	0.44

Waste Diversion

Reporting requirements	Unit	2022	2023
Total weight of waste diverted from disposal, and a breakdown of this total by the composition of the waste	Ton	760	558
Total weight of non-hazardous waste (100 percent through recycling)	Ton	760	557.5
Total weight of hazardous waste	Ton	0	0.4

Waste Disposal

Reporting requirements	Unit	2022	2023
Total weight of waste directed to disposal, and a breakdown of this total by composition of the waste	Ton	398	417.1
Non-hazardous waste (100 percent through landfilling)	Ton	398	417.1

Throughout 2023, our operations generated 975 tons of waste associated with our operations, an 15.8 percent reduction from 2022.

We are currently working on enhancing our waste performance in our facilities by implementing circular economy principles within our operations. We will continue to work with our employees, tenants, and customers to help achieve our waste management targets.

By 2030, we are aiming for 80 percent waste diversion in all our waste streams.



A wide-angle photograph of a bustling outdoor festival at dusk. In the background, the Burj Khalifa stands tall, its spires illuminated. To its right, the UAE flag flies on a tall pole. The foreground is filled with palm trees, string lights, and festival stalls. A large, modern, white, curved structure is visible on the left. The sky is a mix of orange and blue.

Section 5

Strengthening Our Social Impact



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Sourcing Sustainable Practices

Attracting and Retaining Our People

Our Commitments:

- ◆ Provide equal employment opportunities
- ◆ Expand our human capital development programs
- ◆ Expand the avenues in which we attract and retain new employees
- ◆ Expand the mental health and well-being of our employees

Our employees, residents, workers, and visitors are the heart of Masdar City. As our business continues to expand, we aim to attract the best talent in the region, providing competitive compensation and benefits, identifying initiatives for employee retention, and promoting professional development for our people and new joiners. We are focused on improving work-life balance and the continuous enhancement of employee wellness benefits, as well as providing appropriate learning and development courses.



Total Employees

2022	2023
56	105

Breakdown of all Employees by Gender



Total Workforce (Males)

2022	2023
71 percent	69.5 percent



Total Workforce (Females)

2022	2023
29 percent	30.5 percent

Breakdown of Middle Management by Gender



Males

2022	2023
67 percent	67.5 percent



Females

2022	2023
33 percent	32.5 percent

Breakdown of Senior Management by Gender



Males

2022	2023
89 percent	90 percent



Females

2022	2023
11 percent	10 percent

In 2023, UAE Nationals accounted for **32.4 percent of total employees**



We have 21 workers who are not employees and whose work is monitored by Masdar City.

We engage and create partnerships with the local high schools and colleges to build awareness and create diverse pipelines through training, mentorship, and job readiness, in which we also provide them attractive and competitive benefits. In 2023, we employed 43 new hires which equates to a 104% percent increase from 2022. Among our new hires over the last two years, 35 percent are women.

	2022	2023
Total number of new employee hires during the reporting period	9	43
Gender		
Male	5	28
Female	4	15
Age group		
Under 30	1	7
30 to 50	6	34
Over 50	2	2
Region		
UAE	9	6
Other	0	37

We support the empowerment of the female talent in our organization by providing them with equal career opportunities and supporting them in reaching their full potential. Moving forward, we will continue our path to increase female representation in our workforce and continue to support them through different development and support programs.

Our Human Resources Policy

Our human resources (HR) policy governs our performance when managing Masdar City's human capital strategy. The policy provides a detailed approach to ensure that we observe impartiality and consistency across the organization. The policy was developed in compliance with the UAE Labor Laws and is reviewed every first quarter of the year.

Our HR policy and non-discrimination policies are in place to ensure that our employees are treated fairly and provided with equal career opportunities in the organization.

Understanding and Rewarding our Employees

Masdar City assigns human capital as one of its critical pillars. To better understand the needs of our employees, we participate in an enterprise-wide engagement survey and send interim surveys on specific topics when required. Each business area has dedicated leaders responsible for assisting with the facilitation, review, and implementation of feedback on employee engagement surveys.

It is in our philosophy to reward our employees. The reward and remuneration packages that we provide are directly linked to the employee's performance outcomes. We also ensure that our remuneration remains competitive in the market. In addition to the guaranteed monthly salary, we also extend a comprehensive compensation and benefits package offering that includes housing loans, personal loans, car loans, and education assistance for children. Other additional benefits such as retirement, medical, and health benefits are also included.

9.14 years average staff turnover

Masdar City also has a 'KAFU' program whereby any employee can nominate another employee(s) for consideration to receive a gift in recognition of upholding the values of Masdar City.

Our employee focused approach has enabled us to have a high retention rate and a 9.14 years average staff turnover. Going forward, we aim to maintain and further improve our employees' experience.

Breakdown of employees by turnover	2022	2023
Turnover rate (percent)	3.6 percent	34 percent
Total number of employees leaving employment during the reporting period	2	35
Gender		
Male	0	25
Female	2	10
Age Group		
Under 30	-	10
30 to 50	1	22
Over 50	1	3



Parental Leave

Part of retaining our people is ensuring the most favorable conditions based on their individual circumstances. We offer paid time-off and other parental support and benefits to our employees to care for and bond with their new child and allow them to adjust and enjoy the newest addition to their families.

Breakdown of our employees by parental leave	2022	2023
Total number of employees entitled to parental leave		
Male	36	59
Female	13	20
Total number of employees that took parental leave		
Male	1	2
Female	1	2
Number of employees that returned to work after parental leave ended		
Male	1	2
Female	1	2
Return to work and retention rate of employees who took parental leave		
Male	100 percent	100 percent
Female	100 percent	100 percent

Our Transition from ADFEC to Masdar City

Upon the split of Masdar City from Abu Dhabi Future Energy Company [ADFEC] in 2022, Masdar City underwent significant changes in terms of organizational and governance structures. This brought about the challenge of ensuring a seamless transition for our employees to the new organization, as well as our human capital activities, including employment and training. We were able to complete all our planned recruitment activities for the year and the year-end performance evaluation cycle, including the promotion and rewards programs. This demonstrates our adaptability to a changing environment and challenging scenarios while maintaining our commitment to support our employees.



Fostering a Safe and Healthy Working Environment

Highlights:

- ♦ Masdar City and all its departments take the necessary measures to continually improve the Operational safety and health (OSH) of processes, products, and services and maintain the highest levels of OSH performance
- ♦ Pursued re-accreditation to ISO 14001, ISO 45001, and ISO 9001 for Masdar City
- ♦ Conducted inspections and audits to Masdar City departments and construction contractors and several mock drills

The safety and well-being of our employees are of the utmost priority at Masdar City. We strive to create a healthy and safe working environment for all our people. We are advancing our occupational health and safety programs through multiple enablement and capacity-building initiatives. Our Quality, Health Safety and Environment (QHSE) Division oversees occupational health and safety across our operations to ensure the safe delivery of our projects and safe operation of our completed assets. With the nature of our business and operations, adapting to changes, such as new projects and changes in the scope of work, is critical for our business. We ensure that our health and safety management system is resilient and adaptable to these changes to ensure that all health and safety risks associated are managed and all our workers are protected from harm or danger.

Our Occupational Health and Safety Management System

Our health and safety management system follows a risk-based approach, which allows us to have a better understanding of the risks in our organization and helps us to plan and identify appropriate measures to address these risks. This also allows us to ensure our compliance with applicable legal and regulatory requirements. We have established an Occupational Safety & Health (OSH) Management Plan which provides details on how we manage worker requirements, risk management activities, and worker's welfare and amenities.

Our health and safety management system, including our associated policies and procedures, complies with Abu Dhabi Federal Law, Abu Dhabi Occupational Safety and Health System Framework of Abu Dhabi Public Health Center (ADPHC), Abu Dhabi's sector regulatory requirements (SRAs), and international standards such as ISO 14001:2015, ISO 45001:2018 and ISO 9001:2015 requirements.

Number of employees and other workers covered
by an externally certified system

2022

21,463

2023

29,077

100 percent

of employees and contractors are covered by an
externally certified management system

Hazard Identification, Risk Assessment, and Incident Investigation

For both routine and non-routine activities, we employ a variety of tools and methods to analyze and control work-related hazards and risks, identify competencies for our safety leaders, and provide unbiased matrix and risk assessments. Our risk assessment process follows the hierarchy of controls – elimination, substitution, engineering controls, administrative controls, and personal protective equipment (PPE) to eliminate or minimize risks to an acceptable level (As Low as Reasonably Practical - ALARP). The outcomes of this process are subject to an annual compliance audit as well as frequent inspections to ensure that all controls are implemented effectively, and continual improvement opportunities are identified.

Employees across functions are selected based on competency to conduct risk assessments.

All incidents will have a root cause analysis and subsequent action plans implemented, which will be used to feed improvements back into our H&S Management System procedures. We disseminate H&S alerts and bulletins to all parties, to educate the organization and project teams on the key findings and outcomes of any incident.

Empowering Our Employees

We have established procedures to encourage our workers to report unsafe acts and conditions in their workplaces to the supervisors and OSH representatives through whichever medium of communication is best for them. They may be done verbally, or through SMS, e-mail, or complaint boxes. They are also empowered with the authority to suspend work where they believe there is a significant risk to their life or the business. In the incident where the danger is also acknowledged by OSH employees, a stop-work notice is issued. The notice can only be removed after necessary correction actions have been verified. To encourage reporting further, we have established a monthly OHS award and incentives scheme for teams with the best OHS reporting.

Our workers are also part of the health and safety committee which meets every quarter to review health and safety related issues and concerns. We believe that

this will aid in promoting cooperation between management and workers, and will generate opportunities for open discussion and provide a real-time understanding of issues. The committee is chaired by a member of the senior management or a person with the delegated authority. All the important discussions and agreements made in the committee meetings are recorded and made available to all relevant stakeholders.

Fostering Learning for Our Workers

We conduct regular training and development programs to establish a culture of health and safety, across the organization and equip employees with the knowledge to develop risk-free behaviors. Within Masdar City, it is mandatory for all our employees, visitors, or anyone who may require access to the work site to undergo health and safety training.

All Masdar City employees receive Quality, Health, Safety, and Environment (QHSE) and use of PPEs training. Elective trainings are also provided for interested employees such as First Aider and Fire Warden training, given through approved training centers in Abu Dhabi. Training requirements are also embedded in our scope of work (SOW) and project requirements in compliance with OSH Construction Management Plan (CMP).



Listed below are several of the trainings that are provided on different health and safety topics for construction project employees:



Our 2023 Health and Safety Performance



Protecting Our Workers' Health

We mandate all our employees and contractors to undergo annual non-occupational medical and health services to obtain health insurance. They are also entitled to obtain any non-occupational medical and health services through their health insurance.

Clinics and first aid facilities are readily available in all project sites, ensuring that all our employees and contractors have immediate access to these facilities. They are encouraged to consult with the medical professionals and first aiders available on-site for work and non-work-related medical inquiries. Whenever urgent and more extensive medical care is required, we provide an ambulance or transportation to the nearest hospital free of charge.

UAE Labor Law and ADPHC have established OSH requirements and guidelines for all projects and construction activities. To ensure our compliance, we provide welfare facilities such as restrooms, drinking water, and ergonomic workstations, amongst others.

Enabling Our People

Our Commitments:

- ◆ Further develop our training program to deliver bespoke and advanced sustainability training across our business, supporting ESG integration in investment decision-making
- ◆ Expanding wellness and engagement training for our employees
- ◆ Continuous development of a Training Calendar for our employees

As part of our commitment to our people and the values we uphold in Masdar City, we encourage a culture of continuous learning to improve their knowledge, competency, and performance, by providing them with an environment conducive to learning and one that supports them in obtaining the relevant knowledge, skillsets, and abilities in line with leading practices. This culture of continuous learning also supports Masdar City's vision as the regional hub for research, development, and innovation.

We believe that the professional development of our people is a shared responsibility. The Emiratization and Human Capital department assumes the responsibility of ensuring that we provide sufficient training and learning programs to our people, to support them in their personal and professional development. Our learning and training programs are provided through various channels, via internal and external resources, coaching, and mentorship.

In the future years, we are committed to further developing our training program to deliver more bespoke and advanced sustainability training across our business, supporting ESG integration in investment and decision-making.

Spotlight on Our Training Programs

We continuously invest in enriching learning experiences for our workforce and constantly strive to help them discover the best opportunities for learning and career growth. For different levels of the organization, we provide targeted development programs that best provide employees with the required skills. These programs are designed to help our employees, managers, and senior leaders develop the skills and knowledge they need to be successful in their roles.

Average hours of training per year per employee

2022

2023

Breakdown by Gender

Male	7	15.7
------	---	------

Female	5	20.5
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Breakdown by Position

Senior Management	5	16.5
-------------------	---	------

Middle Management	7	20.1
-------------------	---	------

Staff	9	14.9
-------	---	------

Annual Performance Reviews

It is our objective for all our employees across all business units of Masdar City to go through regular performance and career development reviews on an annual basis. Our performance reviews involve the creation of a development plan which translates into training needs relevant to each employee that serves as an input into our training calendar. The appraisal of our employees' performance also allows us to make career and reward decisions at the year-end.

100
percent

of our employees go through our annual performance management process



Creating Value for the Local Community

Our Commitments:

- ♦ Hosting The Festival at Masdar City as an ongoing, year-long event with different editions
- ♦ Growing our social media followers by 134% in 2023-2024 to engage stakeholders and share regular updates of Masdar City's initiatives for community engagement
- ♦ Actively contributing to important events which provide knowledge transfer to other businesses and real estate developers
- ♦ Providing networking events for small businesses and start-ups
- ♦ Introducing health and well-being activities
 - ♦ Hosting Ma'an Community Run
 - ♦ Celebrating International Yoga Day, offering free classes and a sunset session at Central Park.
 - ♦ Hosting Survivor Weekly Workouts with Masdar
 - ♦ Celebrating Autism Awareness Day
 - ♦ Celebrating Online session for Physical Wellness

Positive social impact is at the core of everything we aim to accomplish at Masdar City. We recognize the importance of strengthening and empowering our residents as it is an integral part of our sustainability ambition and purpose as an organization. As a model for future cities, we always welcome and encourage key stakeholders, including official and corporate delegations. Through this, we can share our visions and progress and serve as an inspiration to other cities in the world.

Our marketing and communications department oversees the implementation of our local community engagements and initiatives. Their responsibilities include:

- ♦ Developing and implementing a comprehensive stakeholder engagement strategy to build and maintain positive relationships with various stakeholders
- ♦ Identifying and mapping key stakeholders, including government entities, local communities, businesses, educational institutes, NGOs, and other relevant organizations
- ♦ Conducting regular outreach activities and meetings with stakeholders to keep them informed about Masdar City's projects, initiatives, and developments
- ♦ Planning and coordinating guided tours of Masdar City for various groups, including government officials, diplomats, industry professionals, students, and the general public, to showcase the city's sustainability features and initiatives
- ♦ Providing informative presentations and engaging materials to tour groups and delegations, highlighting the city's achievements, sustainable practices, and future development plans
- ♦ Organizing and coordinating events, workshops, and forums to facilitate meaningful interactions between Masdar City and its stakeholders
- ♦ Supporting the sustainability and corporate social responsibility (CSR) department by engaging, and communicating initiatives to stakeholders

Environmental and Social Impact Assessment (ESIA)

We are committed to creating a positive social impact within the communities in that we operate in. We strive to empower and enable future generations, our current economy, and our local communities, by providing exciting new opportunities where people are able to expand their knowledge base and become a part of our sustainability movement, while enjoying all the benefits that Masdar City has to offer. We regularly provide job creation opportunities during the construction of innovative projects and buildings, while also providing access to untapped community resources.

All our development projects undergo environmental and social impact assessments (ESIA) to help us in determining the necessary local community development initiatives.

These assessments aim to establish baseline data of the local community while capitalizing on current resources and identifying risks. Through this assessment, together with our collaboration with local stakeholders and citizens, we determine what the community needs and how to address and mitigate any potential risks or conflicts. For our communities, local stakeholders considered include government entities, businesses, educational institutes, NGOs, and the public.

We ensure that our policies and investments address all the concerns of the communities and society, through a decision-making approach that involves transparent engagement, active consultation, and collaborative dialogue with our stakeholders, management, and shareholders.

To maintain efficient oversight on the progression of initiatives while also ensuring that the objectives and goals are achieved for the community projects we undertake, we continuously monitor the project's progression against original plans by implementing a regular check-up process. This is done via comprehensive performance evaluations, data collection of engagement numbers, and communications impact (such as social media or the news), and regular feedback mechanisms from stakeholders, allowing us to make informed adjustments and improvements for future projects.

It is paramount in our framework that we inform the public of the outcomes of our assessments and community projects, including our accomplishments, progress, and advancements. Along with regular community updates, we communicate such matters through town hall events, and other meetings and engagements. In 2023, we initiated several stakeholder meetings, as outlined below.



55

**stakeholder
meetings**



247

**meetings with business
delegations, government,
and the private sector**



38

**meetings with various
education institutions**

Our Social Programs for the Local Community

We recognize the importance of giving back to our communities, as well as the value they provide for our organization. Our Corporate Social Responsibility (CSR) initiatives are aimed at enhancing the overall growth and prosperity of the local communities and the nation. With this, we aim to revitalize the local area and support its communities by making a significant social impact through our key focus areas of employment creation and health and well-being improvements.

In 2023, we have launched the following programs designed for our local community:

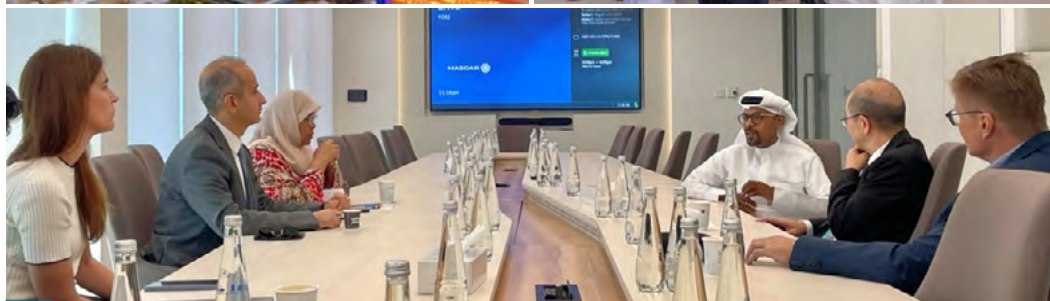
- ◆ Innovate, an initiative by Masdar City, that offers startups a platform for networking, marketing, or raising capital. Allowing startups to seek investment and develop their businesses.
- ◆ The Festival, an ongoing year-long event that had halted due to COVID, will now be relaunching. The Festival allows the local community to experience all of what Masdar City has to offer and gives them a chance to enjoy our low-carbon facilities.
- ◆ The ADSW Edition of the Festival, aimed at promoting sustainability, featured workshops, live entertainment, arts and crafts, and various F&B options. It occurred on January 20-22, 2023, The festival took place at the Podium the Podium, drawing a crowd exceeding 8,000 attendees.
- ◆ Ramadan Edition of the Festival aimed to celebrate the spirit of Ramadan with live entertainment, traditional F&B kiosks and other cuisines, traditional Arabic family games, henna, and kids workshops. It occurred on March 31, April 1-2, and 7-9, The festival took place at the Podium, drawing a crowd exceeding 1300 attendees.
- ◆ The COP28 Edition of the Festival aimed to raise awareness about sustainability through workshops, live entertainment, arts and crafts, and with a wide array of F&B options. It occurred on December 1-3, 8-10. The festival took place at The Podium and Central Park. Drawing a crowd exceeding 8,250 attendees.
- ◆ The Winter Edition of the Festival aimed to celebrate the winter festival with two workshops, live entertainment, and decoration such as the Christmas Tree. It occurred on December 1-3, 8-10, The festival took place at Central Park. Drawing a crowd exceeding 1000 attendees.
- ◆ The ADSW Edition Innovate for Climate Tech aimed at showcasing groundbreaking sustainable technologies related to clean energy, agri-tech, and artificial intelligence from regional and international startups. Since its launch in 2021, Innovate has helped dozens of companies kick off major projects that are disrupting the tech space, making key contributions to our region's tech ecosystem, and playing a vital role in helping achieve net zero.

- ♦ The COP 28 Edition for Innovate for Climate Tech aimed to strengthen Global South climate tech ecosystems, scale climate tech solutions globally, democratize access to knowledge and capacity building, while spurring further climate tech innovation. COP28 facilitated the global coalition “Innovate for Climate Tech” between Masdar City, Tencent and the Catalyst.
- ♦ Free guided tours to students and other establishments, to share knowledge and inspire attendees on sustainable living and practices

In 2024, we plan to conduct a mangrove planting initiative in Abu Dhabi. We envision that this initiative will support the livelihoods of the communities in these coastal areas, and simultaneously promote biodiversity and act as a carbon sink in the future to help capture GHG CO₂ from the atmosphere.

Delegations Welcomed in Masdar City

We are committed to welcoming key stakeholders to Masdar City, including official and corporate delegations, to showcase Masdar City’s ambition. We have welcomed important global leaders such as heads of state, ambassadors, diplomats, business delegations, and private sector academia, among others.



Summary of Delegations:

Managed 247 official delegations and protocol support.

247

Heads of State

- ♦ Hon. Siaosi Sovaleni, Prime Minister of Tonga
- ♦ H.E. Surangel S. Whippis Jr., President of Palau
- ♦ H.R.H. Prince Jaime de Bourbon de Parme, Netherlands Climate Envoy
- ♦ H.E. Andrzej Duda, President of Poland
- ♦ H.E. Klaus Iohannis, President of Romania
- ♦ Former President Grimmson and family members
- ♦ Lord Browne of Madingley, UK
- ♦ H.E. Anwar Ibrahim, Prime Minister of Malaysia
- ♦ H.H. Hamdan bin Mohamed bin Zayed Al Nahyan - Smart Autonomous Vehicle Industries (SAVI) Cluster launch
- ♦ H.E. Alexander De Croo - Prime Minister of Belgium and delegation

10

Ministerial / Diplomatic Visits

40

Future Program: Hosting UAE BioTech Symposium

The UAE BioTech Symposium aims to bring together the key players and stakeholders of the biotechnology sector in the UAE and beyond. The symposium aims to showcase the latest advances and opportunities in biotechnology research and innovation, foster cross-sectoral collaboration and partnership, and facilitate access to the UAE’s world-class infrastructure and resources for biotechnology development.

The symposium, as a series of events, will feature expert speakers, panel discussions, case studies, networking sessions, and site visits to leading laboratories and research hospitals in Abu Dhabi and Dubai. The symposium event series will be organized by the UAE BioTech Symposium, in partnership with the AmCham Abu Dhabi BioTech Committee and Masdar City.

Future Program: Masdar City-A game changer

A networking event for the ecosystem partners to facilitate B2B and strengthen the collaboration between all the stakeholders. The event is scheduled for the third week of February, to be held in Masdar City.

The audience includes Government entities, Academia, Real estate and management consultants, Business community, Financial Institute and Specialized platforms.

Delivering Exceptional Customer Experience

We aim to facilitate productive and positive experiences for all our buildings' customers, by uniting stakeholders to build and manage places with purpose. Maintaining open and collaborative communication with our building customers is key to understanding and meeting their needs.

A critical element of our strategy is to determine initiatives and actions to ensure our customers are satisfied with our products and services. We have identified the following strategies to do so:

- ♦ Growing the number of on-site team members dedicated to community management and tenant experience
- ♦ A dedicated account management portfolio to handle each customer case by case and ensure any inquiries are attended to

Masdar City has implemented a Facilities Management Helpdesk and Customer Service Centre for its customers and tenants. This also includes a hotline to deal with electricity- and water-related emergencies.

As part of our commitment to provide our customers in the free zone with the best packages available, we have introduced the Artificial Intelligence and SAVI licensing packages. We have also restructured the existing packages to enhance the selection process for the customers to help in deciding the right package for their business needs. We have taken this a step further by introducing the Biobank + Life Sciences licensing package to drive innovation in clinical research, supporting health startups, and addressing vital health need.

Key Highlights

Masdar City, UAE Space Agency announce Exclusive Business Package for Start-Ups and SMEs

In September 2022, in collaboration with the UAE Space Agency, we launched the Masdar City Space Economic Zone Program. It is a business incubation and acceleration package for space sector start-ups and small and medium-sized enterprises (SMEs) to join the first space-tech hub in the UAE.

The program is dedicated to:

- ♦ Increasing the competitiveness of UAE's private sector
- ♦ Strengthening national capabilities
- ♦ Encouraging the development of the national space industry
- ♦ Contributing to the UAE's economic growth as a space-tech hub
- ♦ Assisting in the establishment and rapid growth of homegrown start-ups

The specialized zone provides an integrated business ecosystem with top-notch infrastructure, office space, and an enabling environment to support the SMEs and start-ups headquartered there.

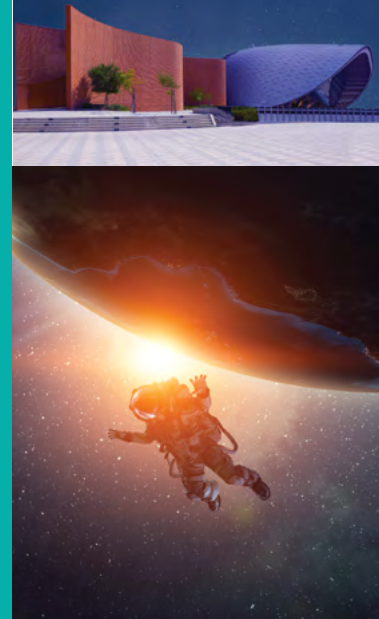
With the Masdar City Free Zone and the UAE Space Agency now providing specialized business licenses for space-related companies in the launch sector, satellite communication, logistics, data analysis, science, technology, engineering, and more, new businesses joining the Space Economic Zone can now benefit from business registration and licensing services.

وكالة الإمارات للفضاء | MASDAR CITY

MASDAR CITY SPACE ZONE

Join the UAE's first hub for spacetech startups and entrepreneurs

masdarcity.ae



Artificial Intelligence – Activities and Package

We have introduced a new licensing package for start-ups and businesses focused on artificial intelligence. The program is designed to accelerate AI innovation within the UAE and Masdar City’s tech ecosystem.

SAVI - Activities and Package

Smart and Autonomous Vehicle Industry (SAVI) cluster is a hub for smart mobility in the MENA region, positioning Abu Dhabi as a global leader.

We are working together with ADIO-SAVI to introduce the new industry cluster with special business package and related business activities – In Masdar City -the SAVI cluster houses academia, test zones, R&D labs, testing and certification facilities, large-scale workshops, hangars and manufacturing facilities, connected through Abu Dhabi’s global logistics network.

Biobank + Life Sciences – Activities

This is only additional business license activities on the Health Care and Biobank industry cluster to compliment our R & D cluster. To drive innovation in clinical research , supporting health startups, and addressing vital health need.



Women Entrepreneurship Program to Empower Women into the Sustainability World

Launched in August 2021, Masdar City Free Zone introduced a new business package exclusively for all women entrepreneurs, to further support the growth of women-led companies in the UAE.



Women Entrepreneurship Program	2022	2023	Total
Number of companies	12	15	32

Note: From January 2020 through December 2022, seventeen (17) companies have been registered in the Women Entrepreneurship Program.

Masdar City's Free Zone

Masdar City is a free zone and investment zone that provides a unique location for multinationals, SMEs, and start-ups to prosper in a collaborative environment that connects business, research, innovation, and knowledge.

Our key features:

- ♦ **Land:** Developers can buy or lease land to develop projects designed to enhance mixed-use community living, incorporating apartments, office buildings, schools, retail outlets, light industrial facilities, research and development initiatives, and hotels.
- ♦ **Built to suit:** Larger corporations can partner with Masdar City to create bespoke commercial, retail, residential, recreational, educational, and corporate spaces. The Masdar City team works with companies to design and deliver a completed project tailored to the client's business requirements, technical specifications, and financial expectations.
- ♦ **Office space:** Masdar City has sustainable office space that caters to all sizes of businesses, from start-ups to SMEs and multinationals. Options include flexi desks in a shared workspace, serviced and executive offices, and larger core and shell units that provide the opportunity to create a unique office environment. All office buildings in Masdar City are conveniently located to ensure easy access for both staff and visitors.
- ♦ **Retail space:** Retailers can lease space to house food and beverage and service outlets throughout Masdar City.

Masdar City's Free Zone Status allows for several advantages and benefits, including:



0 percent import tariffs



R&D ecosystem



100 percent foreign ownership



Freedom of repatriation
of both capital and profits



Critical mass of **sector knowledge and talent innovation ecosystem**



100 percent exemption from
corporate and personal income taxes



Launching point into local,
regional, and international
markets



Highly **cost-effective** licensing
and office space



Enhanced ESG performance
due to our sustainable office spaces,
low-carbon transportation, etc.



Quick and easy set-up, with a
Masdar City Free Zone for
registration, government relations,
and visa processing

The free zone one-stop-shop offers quick and easy access to a range of vital business services, including:



Registration, licensing, and leasing



Visa services, including medical checks



Dependents' sponsorship



Health Insurance Coverage processing



Emirates ID card processing



Customs administration



Document authentication



PO Box set-up



Facilities and property management



Meeting room and conference facilities

Growth of the Free Zone:

Year	2020	2021	2022	2023
Total Registered Companies at Year End	905	1,070	1,116	1,065
New Registration	275	255	207	182

To understand our customers' needs and expectations, we ensure that we engage with them in an efficient manner. Examples of our current initiatives include:

- ♦ Customer relations
- ♦ Employing dedicated site-level community management and tenant engagement professionals
- ♦ Signing of agreements with corporate service providers (CSP)

Reporting Requirements	Unit	2022	2023
Customer return rate	Percent	85	87
Number of customer complaints raised	Number	27	112
Number of customer complaints resolved	Number	15	104
Number of customers engaged across all portfolios	Number	909	882

Sourcing Sustainable Practices

Our Commitments:

- ◆ Promote the use of sustainable products and services
- ◆ Develop our Sustainable Procurement Guidelines to enforce sustainable sourcing requirements by 2024

Masdar City aims to promote a way of life centered around the incorporation of sustainability within all aspects. We therefore encourage our partners and suppliers to adopt the best sustainable practices as well as work with vendors and suppliers to operate and improve buildings.

We recognize that social factors are important to consider during the selection process of vendors for the management of our real estate investments. Our procurement process prioritizes working with vendors that reflect our values and are offering the opportunity to support diverse businesses and create more inclusive communities where we invest.

During 2023, 99 percent of our products and services were procured from local suppliers. Our main business partners comprise of suppliers and contractors who collaborate with our business directly and indirectly to deliver a product or service. Examples include vendors, manufacturers, contractors, sub-contractors, and other service providers across several services including civil, infrastructure, mechanical, electrical, plumbing, extra low voltage systems, building envelope, facade, fit-out, landscaping, swimming pools, kitchen and laundry, and vertical transportation systems.

Our Sustainable Procurement Guidelines

In 2023, we introduced our Sustainable Procurement Guidelines, which aim to extend our ethical and sustainability principles throughout our entire supply chain. The guidelines cover nine key topics, including legal compliance and respect for the internationally recognized standards:



Human Rights and Labor



Information Security



Business Continuity



Fair Business and Ethics



Quality and Safety



Health and Safety



Environment



Planning



Establishing a Management System

Highlights: Embedding ESG in Our Supply Chain

We are committed to working with our business partners to help us achieve our ESG commitments and objectives. We have established all the required sustainability criteria, including quality, health and safety, and environmental requirements, and have integrated them into our procurement decisions. To avoid delays, we created framework agreements (FWAs) to ensure business continuity and avoid disruption in case of missing requirements.

Our suppliers are required to be 100 percent compliant with the aforementioned criteria before they deliver their products and services to Masdar City.

We regularly review our current policies, procedures, and training initiatives across the business to ensure that they fully reflect our commitment to human rights and ethical practices, including child labor and forced/compulsory labor. Within these policies, requirements are outlined regarding the measures that were taken to mitigate risks, such as due diligence procedures, supplier education and policies, standard contract language, and avoidance of high-risk regions.





Section 3

Our Stewardship on Good Governance



/78
Our Leadership

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Safeguarding Integrity and Ethical Business Conduct

/87
Fostering Sustainable Finance and Economic Growth

/90
Innovating Today for a Sustainable Tomorrow

Our Leadership

Our board of directors and executive team have decades of experience in the region and overseas. The board oversees operations, monitors corporate performance, and ensures that our legal, ethics, and compliance programs are effective and consistent. Masdar City is under the ownership of Mubadala Investment Company, which manages the long-term investments that deliver strong financial returns and

genuine social benefits for Abu Dhabi. Mubadala Investment Company is mandated to nominate individuals for Masdar City's board among its own employees, and other suitably qualified persons. Sectoral experience is considered when selecting the highest governance body.

Board of Directors



Abdulla Balalaa

Chairman



Abdulaziz Huwail

Board member



Muhannad Al Qudah

Board member



Des Woodward

Board member



Chantal El Khoury

Board member

Executive Management



Mohamed Al Breiki

Executive Director, Sustainable Development



Ahmed Baghoum

Chief Executive Officer



Mahmoud Al Hosani

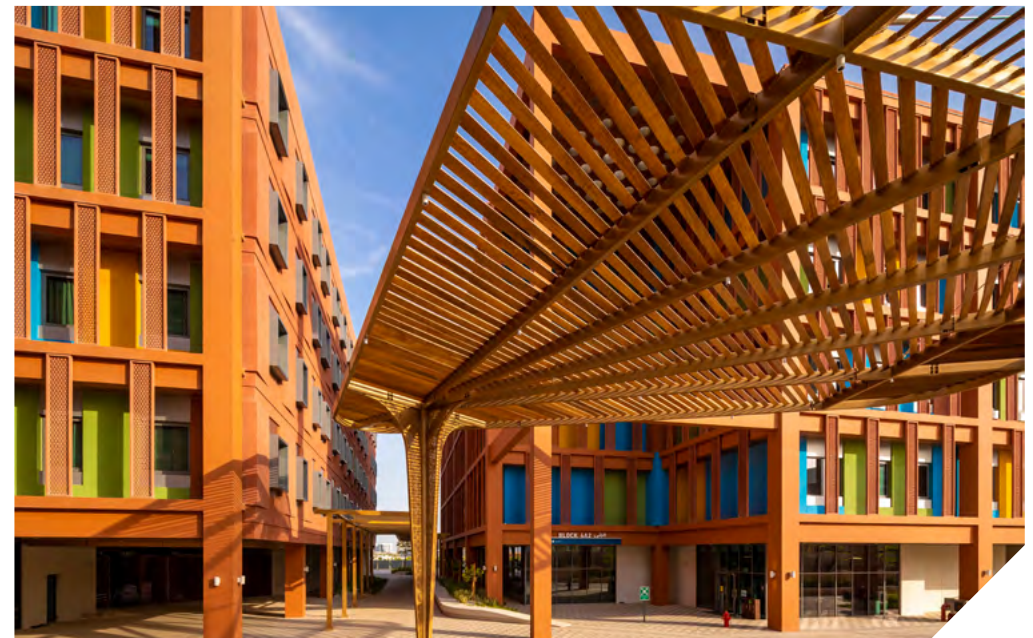
Executive Director, Finance and Support Services

Board Structure and Composition

Our board of directors has five members, three of which are executive members. None are independent. The board meets on a quarterly basis. We also have four committees that also meet regularly: The Tender Committee, the Social Activities and Inclusion Committee, the Audit, Risk, and Compliance Committee, and the Compensation and Benefits Committee.

Board Skills

Collectively, our board, brings a balance of relevant skills, professional experience, and diversity of backgrounds to effectively oversee Masdar City's business risks and strategies. All of our five board members have significant expertise such as real estate development, urban design, finance and construction.



Board Responsibilities

The Masdar City board is jointly accountable for all board decisions.

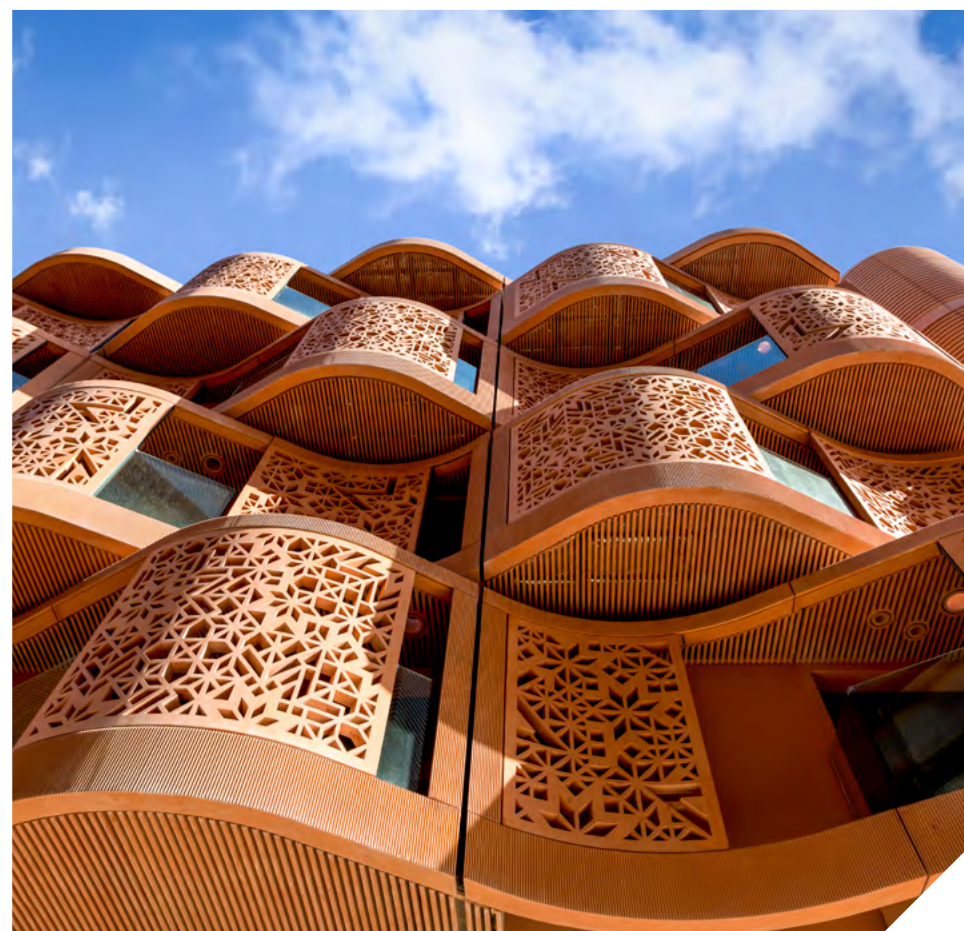
Each director's responsibilities include, but is not limited to, the following:

- ◆ Providing leadership and ensuring compliance with applicable law and the company's corporate governance standards
- ◆ Allocating sufficient time to their duties, including time to attend meetings of the Board, time to prepare for meetings and time to stay adequately informed of the updates relating to the Company
- ◆ Acting with integrity and exercising duty of care and confidentiality
- ◆ Acting in good faith and with due care and diligence, in the best interest of the Company and avoiding conflicts in the role of being a director from any personal interests
- ◆ Objectively analyzing matters and encouraging constructive debate on the board and ensuring all relevant issues are given due consideration before a decision is made
- ◆ Overseeing the implementation of necessary procedures to ensure that the Company is operating efficiently, effectively, and legally toward achieving its goals
- ◆ Understanding the roles and responsibilities of the board and ensure that the board performs the roles, responsibilities, and duties to the best of its ability
- ◆ Complying with the Mubadala Group Code of Ethics

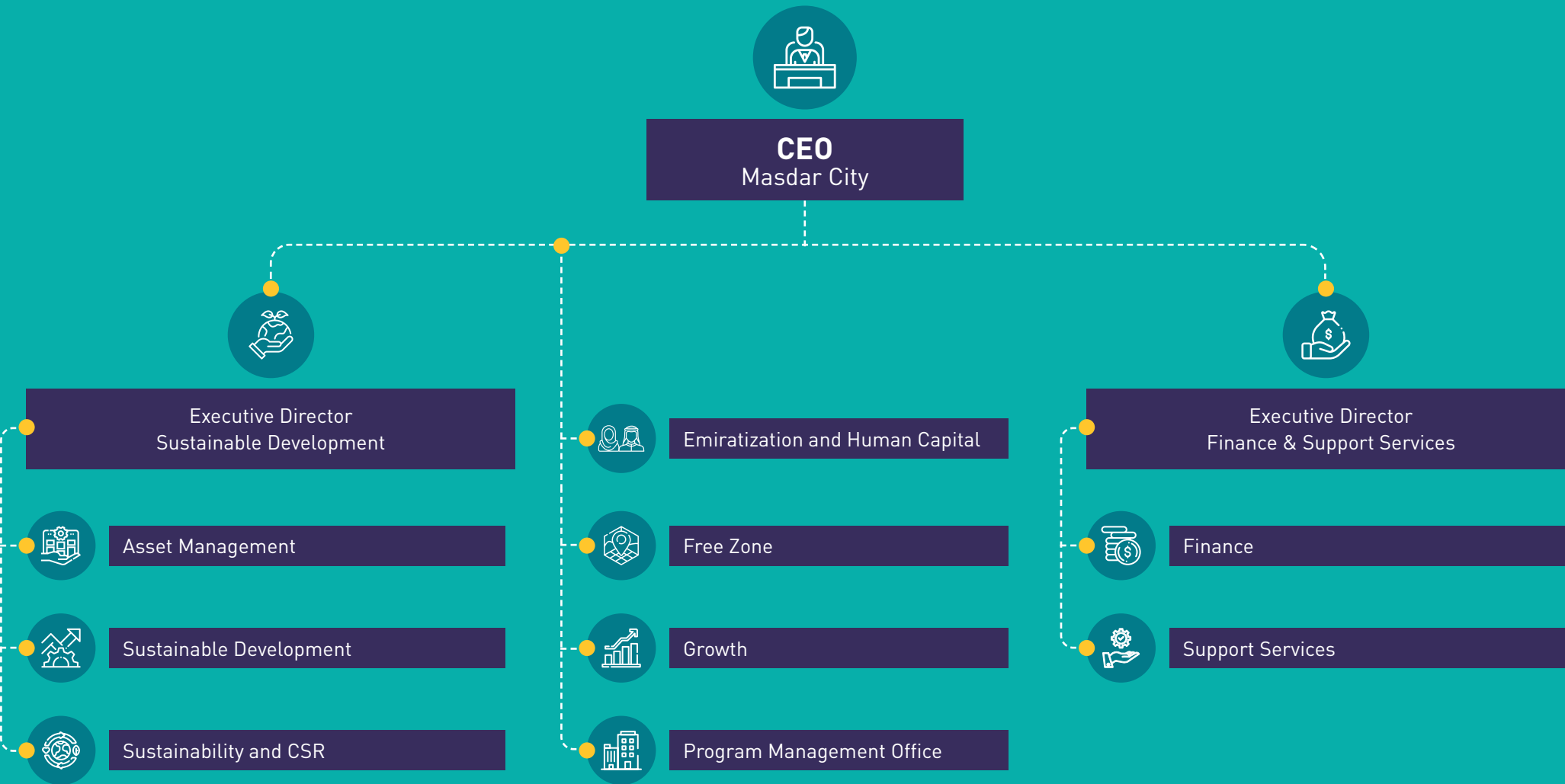
To strengthen our board's capacity to manage our ESG impacts and oversight of our policies, they receive training and regarding the operations of the company, our policies (including the Code of Conduct), priorities, and ESG initiatives and risks.

Board Evaluation

Evaluation of the performance of the highest governance body is a self-appraisal process that the Mubadala Investment Company shareholder uses to assess the performance of the board of directors and its board committees and committee members.



Our Organizational Structure



Committees

1 Tender Committee (TC)

The Masdar City Tender Committee has been established as an advisory committee to assist Masdar City management in maintaining, monitoring, and controlling Masdar City's procurement process.

The main objectives of the TC are as follows:

- ♦ To maintain integrity, establish and exercise control over the procurement process and ensure that contractual risks are managed
- ♦ To ensure that the policies and procedures, and committees when it stands alone are followed and that best practices are observed, as follows:
 - ♦ As far as practicably possible, only appropriate pre-qualified vendors are to be invited to submit competitive quotations / tenders
 - ♦ All quotations / tenders are to be received and dealt with objectively and impartially
 - ♦ All quotations / tenders are to be subject to comprehensive and fair technical and commercial evaluation
 - ♦ All purchase orders / contracts are to be placed in accordance with the PPM and on the basis of best available terms after considering technical requirements, price, schedule, and other factors
 - ♦ Competitive bidding is to be used in all cases where it is feasible
 - ♦ The most possible competitive pricing is to be achieved with no sacrifice of technical requirements
 - ♦ Best value for money spent is to be achieved; and
 - ♦ Changes to awarded commitments are to be monitored and controlled
- ♦ To encourage the development and use of innovative best practices pertaining to contracting and procurement

- ♦ To assist and advise Masdar City's management on decisions and recommendations with respect to issues defined in this document
- ♦ To review and support or reject TC submissions, submitted by the Head of the Procurement and Contracts Department on behalf of the relevant division

2 Audit, Risk and Compliance Committee

The purpose of the committee is to provide a structured, systematic oversight of the company's governance, risk management and internal control practices. The committee, board of directors and management in fulfilling their oversight, governance and risk management responsibilities relating to:

- ♦ The company's accounting policies, financial statements, and financial reporting process;
- ♦ The annual external audit and the external auditors, including their qualification and independence;
- ♦ The governance structure, internal control framework, including but not limited to all operational and financial reporting controls;
- ♦ The risk management framework, process and controls;
- ♦ The oversight of the internal audit activity;
- ♦ Treasury and finance matters;
- ♦ Ethical conduct and culture of the company;
- ♦ Compliance with the Mubadala's Code of Ethics and group ethics & compliance;
- ♦ The government audit; and
- ♦ Compliance with applicable laws and regulations, Mubadala's Code of Ethics, contractual arrangements and agreements, and the company's policies and procedures as established by management and the board of directors

3 Compensation and Benefits Committee

The Masdar City Compensation and Benefits Committee has been established to endorse policies and make decisions in areas such as promotions, compensation and benefits, and other associated matters prior to the submission to shareholder.

4 Social Activities and Inclusion Committee

The purpose of the Committee is (a) the running of social activities, sporting activities, events and benefits for the social enjoyment, entertainment, amusement, and association of company employees and families; and (b) to promote and implement the company's inclusion program.

The aim is to facilitate and increase inclusive and respectful employee interaction and engagement in both the workplace and a social environment, in order to increase communication and harmony among employees, promote cultural exchange and promote participation in various activities.

Masdar City's inclusion program (the "Inclusion Program") is a platform dedicated to the theme of: "Ethics, Diversity & Inclusion- Creating a Sustainable Culture of Respect to Achieve Higher Performance."

The mandate of the Committee as part of this Inclusion Program is to:

- ◆ Promote awareness of ethical and inclusive behavior within the Company
- ◆ Establish a platform for better transparency within the Company
- ◆ Celebrate the vast number of different cultures and perspectives of the Company's Employees

Our ESG Governance

ESG responsibility and oversight has already been established within our governance framework. To ensure alignment with our corporate strategy, our overall ESG performance oversight is assigned at board level. The board is involved in making recommendations as well as guiding our ESG targets, objectives, and progress. The executive director of sustainable development is responsible for reviewing and approving our annual ESG report. Our associate director of sustainability and corporate social responsibility (CSR) leads Masdar City's ESG team and sets the direction of the ESG strategy and its associated goals, initiatives, and key decisions across our focus areas.

We continuously measure and monitor our ESG performance to ensure that we are on track with the commitments we have set out to achieve, our overall ambition and that we meet our material KPIs. The KPIs set are based on standard reporting frameworks including GRI and Global Real Estate Sustainability Benchmark (GRESB) and are assigned to the relevant business units for measurement and monitoring. The results and progress of our ESG performance are reported to executive management and board, serving as a valuable input in developing future targets and initiatives to further improve our ESG performance.



Safeguarding Integrity and Ethical Business Conduct

Our robust governance framework ensures that we follow the highest professional integrity and ethical business conduct in our business operations. We ensure that our values are reinforced in our people through training and communication. We are committed to meeting all applicable legal and regulatory compliance requirements of where we operate. We have established policies to demonstrate and ensure commitment to our business ethics. These include:



Code of Ethics



Conflicts of Interest



Anti-Bribery and Corruption



Business Partners Due Diligence



Personal Trading



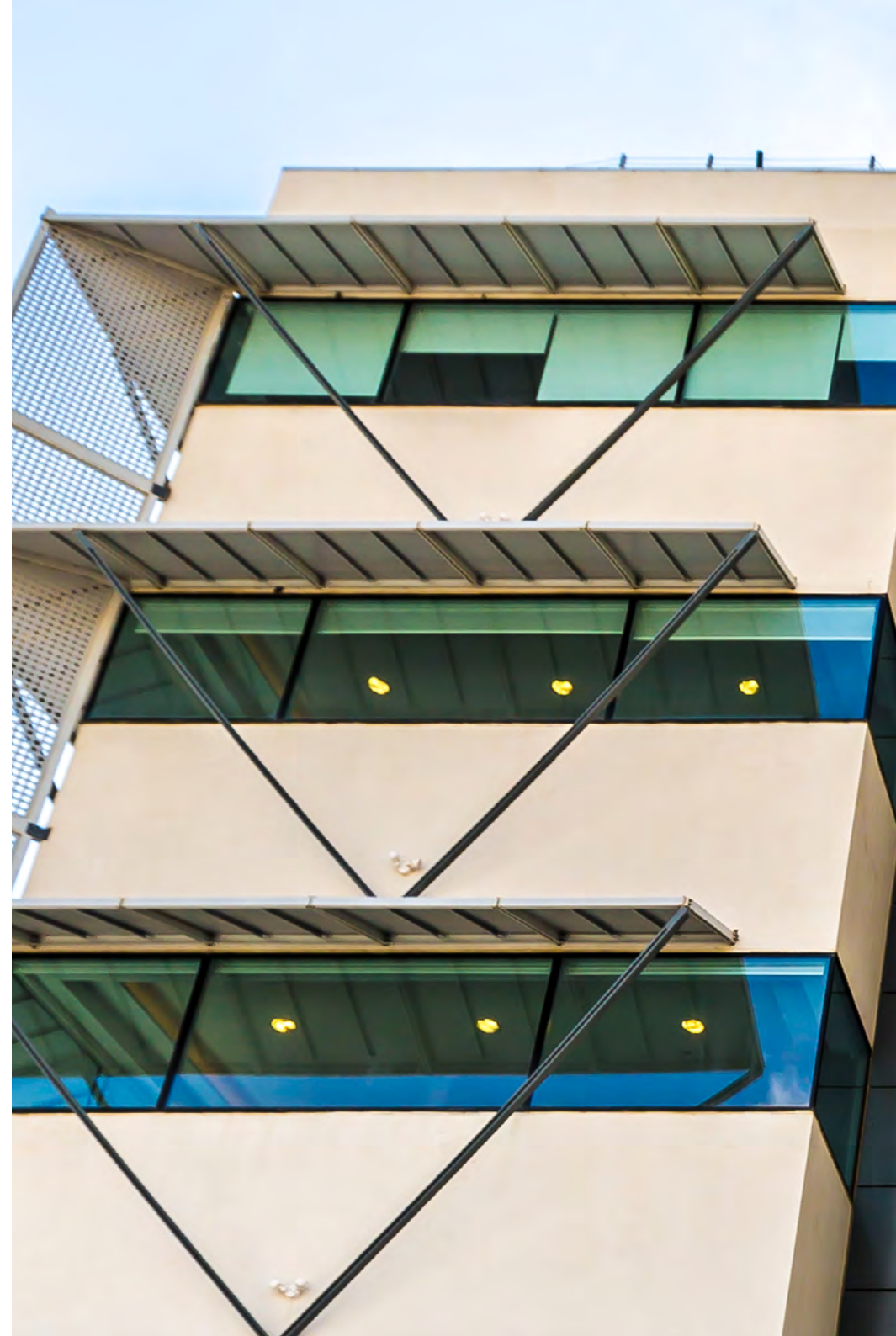
International Trade Control



Data Privacy



Business Partner Code of Conduct



Code of Ethics At A Glance:

- ◆ We are committed to a culture of ethics and compliance by which we conduct our global business with integrity and in accordance with applicable laws, rules, and regulations
- ◆ We encourage you to speak up when you see or suspect violations of the law, rules, regulations, policies, or this Code of Ethics
- ◆ We treat everyone with respect and do not tolerate unfair treatment, harassment, discrimination, abuse, or retaliation within the workplace
- ◆ We protect sensitive, confidential, and material confidential information and personal data
- ◆ We carefully select our customers, partners and suppliers and require that they conduct their business activities professionally, ethically, and in

compliance with applicable laws, rules and regulations

- ◆ We offer and accept gifts and hospitality that are reasonable and appropriate, follow global anti-bribery and corruption laws, and avoid the appearance of any conflict of interest that might violate applicable laws or harm relationships or reputations
- ◆ We are mindful in forming strategic partnerships with governments and of the special risks and responsibilities those relationships carry
- ◆ We protect our assets and reputation by observing internal controls and recognized financial and accounting practices
- ◆ We follow international commercial laws and standards, including intellectual property protections, prohibitions on insider trading and anti-competitive conduct, and provisions governing imports, exports, and international trade

Our Code of Conduct and Code of Ethics

The Code of Conduct and Code of Ethics cover all necessary policies and procedures, highlighting our commitment to compliance and ethical conduct in all aspects of our operations. It sets out our minimum standards of conduct that are expected from all our stakeholders. With our robust governance structure, the board has oversight on our operations, monitors overall corporate performance, and ensures that the effectiveness and consistency of our legal, ethics and compliance programs are consistently upheld. It also provides rules and standards that establish guidelines for our employees on appropriate behavior in the conduct of their businesses and in accordance with our core values as an organization.

Given we are part of the Mubadala Investment Company, our critical concerns are communicated to the highest governing body in line with Mubadala Investment Company's policies.

Our Code of Conduct and Code of Ethics are integrated with Mubadala Investment Company's Code of Conduct and Code of Ethics. Mubadala Investment Company has become one of only four global companies to receive the International Organization for Standardization in effective Compliance Management. This is testament to our robust governance structures and frameworks.

We require all our employees to complete a code of conduct and code of ethics training on an annual basis, which covers anti-corruption, anti-bribery, conflicts of interest, and non-retaliation. We reinforce the Code to our employees through several communication channels such as training and newsletters. They may also access it on [Mubadala's Investment](#) Company's website.

To further showcase the high standards that are set by Mubadala Investment Company, Mubadala has been re-certified with ISO 37001:2016 in effective Anti-Bribery Management. Mubadala's proactive Ethics and Compliance program is a central component of how it does business, setting the foundation and expectations for individual and team behavior across the organization. During 2023, we had zero instances of fines or non-compliances with laws and regulations.

Our Grievance Mechanisms

We encourage our stakeholders to report any matters related to a breach of the company's ethics and integrity principles. If they have any inquiries, need to seek advice, or report ethics concerns or unethical behavior, we ensure easy access through several reporting channels. These channels include email, telephone, and a digital platform, all of which are available 24/7. Employees are also given the option to report any concerns anonymously.

Our Whistleblowing Policy is in place to ensure that we protect our people and empower them to raise concerns from retaliation, discrimination, or harassment. Any suspected violations of ethics and integrity are taken very seriously, and we ensure that we respond to these concerns in an urgent manner. If proven to be true, disciplinary actions and remedial actions are developed to ensure that there will be no increasing trends of similar cases in the future, and that any wrongdoings are appropriately addressed.

Our Ethics and Compliance team leads the conduct of investigations of reported concerns and dictate the action(s) required.



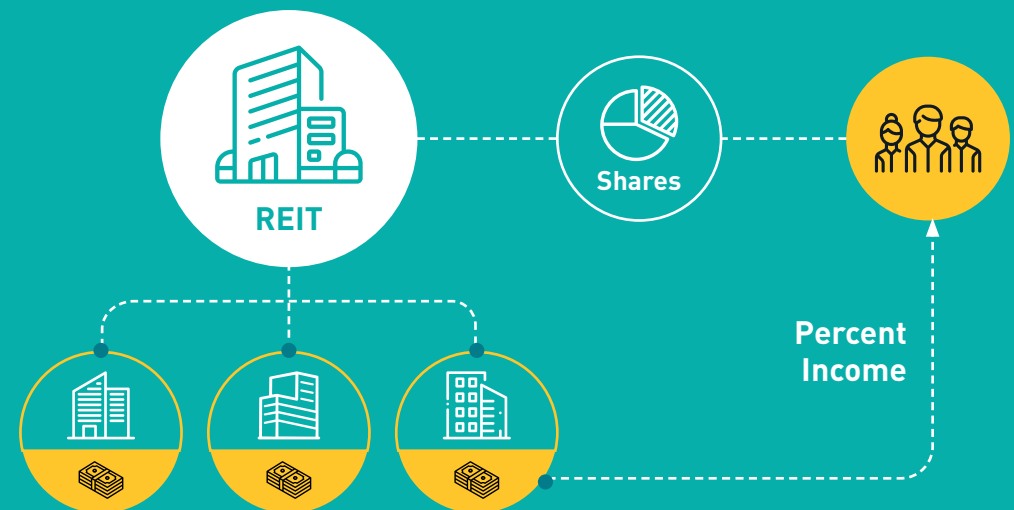
Fostering Sustainable Finance and Economic Growth

We are positioned to actively contribute to the economic growth of the nation and the advancement of UAE's real estate market through our operations. Aside from generating economic value, we also contribute to job creation, boosting tourism, and enhancing local community activities. We continuously aim to support the development of Masdar City's real estate portfolio by seeking capital and providing investors with an opportunity to invest in sustainable buildings.

Masdar Green Real Estate Investment Trust (REIT)

What is a REIT?

A Real Estate Investment Trust (REIT) is a fund that owns and operates incoming-producing properties and distributes to the unitholders at least 80 percent of its audited annual net income. Investors can buy shares in a REIT and in return, they receive a share of the rental income that the REIT earns from the properties that it owns. In addition, investors have the opportunity to benefit from capital appreciation on the properties in the fund:



In January 2020, we announced the launch of the Masdar Green REIT (MGR) during Abu Dhabi Sustainability Week (ADSW). The Masdar Green REIT was established in Abu Dhabi Global Market (ADGM) as a Qualified Investor Fund (QIF) and is managed by Masdar Capital Management Limited, which is regulated by the Financial Services Regulatory Authority. Masdar Green REIT aims to offer an attractive opportunity for investors through private placement to invest in a unique portfolio of stable, income-producing, sustainable real estate assets. It has a mandate to invest in sustainable real estate assets developed within Masdar City and the UAE.



The strategic objectives of the REIT are:

- ◆ To create, and offer to market, the best sustainable REIT in the region
- ◆ Create value for all MGR shareholders
- ◆ Focus on transparency, corporate governance, performance to all current and future MGR shareholders
- ◆ To safeguard the quality, sustainability, and brand of Masdar City
- ◆ To support the development of Masdar City through capital recycling



The Masdar Green REIT will also provide an investment vehicle through which third-party sustainable developers can monetize their assets, attracting both real estate developers and investors to Masdar City. By contributing additional funding to support the future expansion of Masdar City, including new buildings, the REIT will help bring more sustainable real estate assets into the market.

We have partnered with the following financial organizations to support the implementation of this program:

- ◆ Abu Dhabi Global Market (ADGM) / Financial Services Regulatory Authority (FSRA)
- ◆ Emirates NBD Asset Management
- ◆ First Abu Dhabi Bank (FAB)

Key Highlights

Masdar Green REIT becomes first fund in the ADGM to receive new ADGM Green Fund Designation

In 2023, Masdar Green REIT received the ADGM Green Fund Designation from the Abu Dhabi Global Market (ADGM) Financial Services Regulatory Authority (FSRA) under its new sustainable Finance Regulatory Framework, further affirming its leadership in advancing green real estate investment.

Masdar City completes LEED rating for all Masdar Green REIT assets

Masdar City has secured the prestigious LEED Gold O+M (operations and maintenance) rating for the corporate headquarters building of IRENA, Masdar City and Tabreed, meaning that each building owned by Masdar Green REIT is now rated LEED Platinum or Gold.

2023 financial performance of Masdar Green REIT

- Portfolio value increased by 50.3% from USD 506m in 2022 to USD 761m in 2023
- 261m new shares were issued to MCS in January 2023 for phase III assets acquired for “in-kind” transfer of shares
- NAV increased by 81.4% from USD 321.5m (USD 1.03 per share) in 2022 to USD 583.2m (USD 1.03 per share) in 2023

Innovating Today for a Sustainable Tomorrow

Masdar City is devoted to innovation and digital transformation, we aim to strengthen our position as center for the development of clean tech, AI, and autonomous transport startups. To remain ahead of digitalization in the sector, we have launched several projects to update our IT architecture with the latest systems. Masdar City's R&D work serves all the organization's business units. It offers technological solutions designed to improve their performance and prepare for the organization's future.

Key Highlights

ICT net-zero Campus

Net-zero campuses reduce the cost of energy consumed and improve efficiency of space utilization by cutting down on the footprint required to deliver the ICT services.

- ♦ **ICT Smart Campus** - To minimize the ratio of the total amount of energy used by a computer data center facility to the energy delivered to computing equipment, advanced materials, enhanced AI powered tools and intelligent lossless data center networks.
- ♦ **ICT Energy Use** - Implementing strategies to reduce power and cooling load of ICT equipment and moving towards increased use of PoE devices will contribute to the overall reduction of energy consumption and will allow better awareness and management of this segment of energy demand.

Masdar City Command and Control Center

Masdar City is in the process of rolling out real-time energy, water, and waste monitoring in all its buildings. Data will be fed into a new Command and Control Center, which will give us a single viewpoint into all our building and transportation operations, offer deeper insight into building performance, and help us maximize and demonstrate our sustainability and efficiency.

Smart City solutions from autonomous vehicles, smart offices, and visitor experience center

Masdar City has pioneered two generations of electric autonomous vehicles for use on the podium, which is car-free. The Personal Rapid Transit (PRT) system, and the NAVYA system, which operates on top of the podium interacting with pedestrians, bicycles, and golf carts as it transports passengers to various points in the city's center. Collectively, the systems have transported more than 2.5 million people. Work is underway on our third-generation autonomous electric transportation system.

ADNOC Opens the Region's First High-Speed Green Hydrogen Refueling Pilot Station in Masdar City

The "H2GO" station is the region's first high-speed green hydrogen refueling station. It creates green hydrogen from water using an electrolyser powered by clean grid electricity, supporting the UAE's National Hydrogen Strategy and decarbonization of transport.

Masdar City to host 1,700 sq. m. site for agritech startups with greenhouses and farming areas

DANA Venture Builder launched its Beta Site in Masdar City, Abu Dhabi, piloting solutions from 7 startups, spanning water solutions, regenerative agriculture products, agroforestry among other solutions. The inaugural season in the net house yielded 300 kg of produce, complemented by 1000 SQM dedicated to plants and agroforestry.

Ten startups graduated from DANA's 2022 cohort, with five successfully attaining investment and GTM KPIs, while eight new startups joined the program. DANA's active participation at events like ADSW, Agritech World Summit, AIM Congress, and COP28 underscored its dedication to desert technologies and women's empowerment, while positioning the MENA region as an agritech and desert tech hub.

Thanks to its strategic partnerships with Silal, Agthia, and Masdar, DANA played a pivotal role in advancing food security policies in the MENA region. Through practical solutions and inclusive growth efforts, DANA continues to drive impactful change, directly impacting over 50 female individuals and reaching over 10,000 women in the industry with its content and methodology.

ADNOC and Tabreed Commence Operations at Region's First Geothermal Cooling Plant "G2COOL" in Masdar City

G2COOL is the first district cooling project in the gulf region to harness geothermal energy. This plant produces naturally occurring hot water found underground through two geothermal wells. The hot water is fed into absorption cooling technology to

produce the chilled water needed by Tabreed for its district cooling activities. The chilled water derived from this source of clean energy accounts for 10% of Masdar City's cooling needs.

This landmark plant will further decarbonize the way buildings are cooled in Masdar City while diversifying the UAE's energy mix in support of the UAE National Energy Strategy 2050.

Innovation at Masdar City: The Catalyst

The Catalyst is Masdar City's venture arm, investing in start-ups focusing on clean tech and offering business support including office and manufacturing space, mentoring, marketing, and more. The Catalyst's portfolio companies are creating real-world solutions to climate change. Examples include Circa Biotech, which is turning organic waste into animal feed, and Seramics Materials, which is turning industrial waste into high-quality ceramic tiles.

Seawater Energy and Agriculture System (SEAS) / Food and Biofuel

The Seawater Energy and Agriculture System (SEAS), managed by Khalifa University and hosted at Masdar City, is a research facility designed to use organic materials, including algae, that do not require fresh water to create sustainable aviation fuel. Fuel produced through the project has been used on Etihad flights. Honeywell, Boeing, General Electric, and Etihad have all collaborated on the project.

Masdar City Eco-Villa Prototype

In 2017, Masdar City completed the Eco-Villa, the first net-zero energy building in the UAE, as a demonstration project. The 400-square meter Eco-Villa is the first to achieve a 4-Pearl rating under the Estidama Pearl Rating System. It was designed to use 72 percent less energy and 35 percent less water than a conventional villa of a comparable size in Abu Dhabi. Rooftop solar panels produce as much energy as the villa uses over a year.

Personal Rapid Transit (PRT) System

Carrying its first passenger in 2010, the PRT system was Masdar City's first in a series of transportation pilots. The driverless vehicles are controlled by an advanced navigation system. They use magnets embedded in the corridor to know their position and employ onboard sensors to detect any obstacles in their path. A wireless connection keeps them linked to the central computer, which guides them on their journey and ensures smooth operation among all vehicles.

Beam-down and Sterling Energy Storage with KU

This one-of-a-kind 100 kW beam-down solar concentrator facility, managed by Khalifa University and hosted by Masdar City, provides local and international research institutes and solar and energy storage companies the opportunity to research, test, and validate new solar energy components and systems. While most concentrated solar power systems focus sunlight on a substance that is elevated into the air, this innovative system beams sunlight onto the ground, creating the potential for more efficient and cost-effective energy generation — particularly in hot, sunny climates such as the UAE's.

Graphene with Zero Carbon

A Masdar City-based start-up, Zero Carbon, has developed a unique system to tackle the issue of methane emitted from landfills. They are capturing landfill gas before it is emitted into the atmosphere and repurposing it in graphene and hydrogen manufacturing facilities. Both materials are used to enhance the performance and sustainability of many common materials, including textiles, paint, and concrete, which in turn helps the construction industry build more sustainably.

Forty Guard

Forty Guard, part of Masdar City's Innovate program, is building a cloud-based Artificial Intelligence tool to provide cities with access to enriched temperature insights by leveraging untapped existing data sources. They can accurately predict temperatures by understanding heat patterns and helping decision-makers identify mitigation strategies and create construction materials that help reduce outdoor surface heat — which is a vital component of Masdar City's master plan.

Masdar City and Alesca Join Forces to Launch Vertical Smart Farm Project

Masdar City has teamed up with Alesca Technologies, an agricultural technology company that develops comprehensive and localized farming solutions, to launch Masdar City's first indoor vertical farm.

This indoor vertical farm is using automated equipment and AI to grow a variety of leafy greens and herbs. This initiative uses 90-95% less water than conventional farms and aims to address food security challenges while reducing carbon emissions related to the supply chain.

Alesca Technologies is part of Masdar City's growing agri-tech cluster, which also includes a number of other start-ups: The DANA beta site is growing organic produce, Circa Biotech is using black soldier flies to turn food waste into organic animal feed and other products, and HydroArtPod is bringing organic vertical farming into homes.



Section 6

Appendix



Appendix 1:

GRI Content Index

Masdar City has reported the information cited in this GRI content index for the period of January 1 to December 31, 2023, with reference to the GRI Standards.

GRI 1 used GRI 1: Foundation 2021

GRI Standard	Disclosure	Page Number(s) and/or Direct Answer	Omission
General Disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational details	6, 12	
	2-2 Entities included in the organization's sustainability reporting	7	
	2-3 Reporting period, frequency and contact point	7	
	2-4 Restatements of information	No restatements made in this report	
	2-5 External assurance	No external assurance conducted	
	2-6 Activities, value chain and other business relationships	13	
	2-7 Employees	58	
	2-8 Workers who are not employees	59	
	2-9 Governance structure and composition	78	
	2-10 Nomination and selection of the highest governance body	59	
	2-11 Chair of the highest governance body	78	
	2-12 Role of the highest governance body in overseeing the management of impacts	83	
	2-13 Delegation of responsibility for managing impacts	83	
	2-14 Role of the highest governance body in sustainability reporting	83	
	2-15 Conflicts of interest	86	
	2-16 Communication of critical concerns	48	

GRI Standard	Disclosure	Page Number(s) and/or Direct Answer	Omission
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	80	
	2-18 Evaluation of the performance of the highest governance body	5, and Mubadala Investment company discloses this data in a separate report	
	2-19 Remuneration policies	Remuneration policies do not cover the board	
	2-20 Process to determine remuneration	Remuneration policies do not cover the board	
	2-21 Annual total compensation ratio	Confidentiality constraints: We do not publicly disclose this data	
	2-22 Statement on sustainable development strategy	20, 22	
	2-23 Policy commitments	84	
	2-24 Embedding policy commitments	86	
	2-25 Processes to remediate negative impacts	86	
	2-26 Mechanisms for seeking advice and raising concerns	86	
	2-27 Compliance with laws and regulations	86	
	2-28 Membership associations	We were not a part of any membership during the reporting year	
	2-29 Approach to stakeholder engagement	34	
	2-30 Collective bargaining agreements	Zero employees are covered under collective bargaining agreements	
Material Topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	30	
	3-2 List of material topics	31	
Economic Performance			
GRI 201: Economic Performance 2016	3-3 Management of material topic		

GRI Standard	Disclosure	Page Number(s) and/or Direct Answer	Omission
GRI 201: Economic Performance 2016	201-2 Financial implications and other risk opportunities due to climate change	We will be disclosing this upon the development of our net zero strategy in 2023	
	201-4 Financial assistance received from government	We do not receive financial assistance from the government	
Investments in Sustainable Infrastructure (non-GRI material topic)			
	3-3 Management of material topic	90, 91	
	Non-GRI Highlights of REIT	87, 88, 89	
Energy Management			
GRI 201: Economic Performance 2016	3-3 Management of material topic	47, 48, 49	
	302-1 Energy consumption within the organization	48, 49	
	302-3 Energy intensity	48	
Water Management			
GRI 303: Water and Effluents 2018	3-3 Management of material topic	50, 51	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	50	
	303-5 Water consumption	51	
GHG Emissions (including embodied carbon)			
GRI 305-1: Emissions 2016	3-3 Management of material topic	41	
	305-1 Direct (Scope 1) GHG emissions	41	
	305-2 Energy indirect (Scope 2) GHG Emissions	41	
GRI 305-1: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	40	
	305-4 GHG emissions intensity	40	

GRI Standard	Disclosure	Page Number(s) and/or Direct Answer	Omission
Waste and Hazardous Materials Management			
GRI 306: Waste 2020	3-3	Management of material topic	52, 53, 54
	306-1	Waste generation and significant waste-related impacts	52
	306-2	Management of significant waste-related impacts	52
GRI 306: Waste 2020	306-3	Waste generated	54
	306-4	Waste diverted from disposal	54
	306-5	Waste directed to disposal	54
Employment			
GRI 401: Employment 2016	3-3	Management of material topic	59, 60, 61
	401-1	New employee hires and employee turnover	59
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	60
	401-3	Parental leave	61
Occupational Health and Safety			
GRI 403: Occupational Health and Safety 2018	3-3	Management of material topic	62, 63, 64, 65
	403-1	Occupational health and safety management system	62
	403-2	Hazard identification, risk assessment, and incident investigation	63
	403-3	Occupational health services	65
	403-4	Worker participation, consultation, and communication on occupational health and safety	63, 64
	403-5	Worker training on occupational health and safety	63, 64
	403-6	Promotion of worker health	65

GRI Standard	Disclosure	Page Number(s) and/or Direct Answer	Omission
GRI 403: Occupational Health and Safety 2018	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	63	
	403-8 Workers covered by an occupational health and safety management system	62	
	403-9 Work-related injuries	64	
	403-10 Work-related ill health	64	
Training and Education			
GRI 404: Training and Education 2016	3-3 Management of material topic	66	
	404-1 Average hours of training per year per employee	66	
	404-2 Programs for upgrading employee skills and transition assistance programs	66	
	404-3 Percentage of employees receiving regular performance and career development reviews	66	
Sustainable Supply Chain Practices			
GRI 204: Procurement Practices 2016	3-3 Management of material topic	74	
	204-1 Proportion of spending on local suppliers	74	
GRI 408: Child Labor 2016	3-3 Management of material topic	75	
	408-1 Operations and suppliers at significant risk for incidents of child labor	75	
GRI 409: Forced or Compulsory Labor 2016	3-3 Management of material topic	75	
	409-1 Operations and suppliers at significant risk for incidents of forced and compulsory labor	75	
Local Community Impact and Investment			

GRI Standard	Disclosure	Page Number(s) and/or Direct Answer	Omission
GRI 413: Local Communities 2016	3-3	Management of material topic	
	413-1	Operations with local community engagement, impact assessments, and development programs	67, 68, 69
Customer Relationship Management			
GRI 418: Customer Privacy 2016	3-3	Management of material topic	73
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	73
Green Building Materials, Installations & Certifications (non-GRI material topic)			
	3-3	Management of material topic	11, 43
	Non-GRI	Number of assets with green building certification	11, 43
Climate Action (non-GRI material topic)			
	3-3	Management of material topic	11, 40
	Non-GRI	Our net-zero efforts and climate action efforts	11, 40
Digital Transformation and Innovation (non-GRI material topic)			
	3-3	Management of material topic	90, 91
	Non-GRI	Digitalization efforts	90, 91

