بـسكـاس

أم القرى | للتنمية والإعمار

MASAR مســـار

TRUE PROGRESS EXTENDS BEYOND FINANCIAL SUCCESS

2024 Environmental, Social and Governance Report
Umm Al Qura for Development & Construction Company

Our approach remains steadfast in striving for comprehensive, integrated, and balanced development

The Custodian of the Two Holy Mosques,

King Salman bin Abdulaziz Al Saud

May Allah protect him

Success stories always begin with a vision, and the most successful visions are those built upon inherent strengths

His Royal Highness

Prince Mohammed bin Salman bin Abdulaziz Al Saud
Crown Prince and Prime Minister
May Allah protect him

As part of our ongoing commitment to excellence and sustainability, we are issuing our second ESG report, outlining our progress and achievements relative to our sustainability strategy and responsible initiatives.

These efforts reinforce the positive impact of our business on the economy, society, and environment

Abdullah bin Saleh Kamel
Chairman of the Board

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INTRODUCTION

ABOUT THIS REPORT

We are pleased to share Umm Al Qura's second ESG report. At UAQ, transparency is integral to how we operate

It serves as a testament to Umm Al Qura for Development & Construction's (UAQ) dedication to transparent, responsible, and impactful business practices. Our 2024 ESG Report reflects the continued progress we have made on our environmental, social and governance commitments, accomplishments, and milestones, focusing on our most material ESG topics relevant to our business and stakeholders.

Through this report, we aim to showcase our approach to embedding sustainability across all our operations and highlight our commitment to our sustainability ambitions.

This report covers the period from January 1 to December 31, 2024, and is prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021. Our detailed GRI index can be found in the Appendix Section. This report also reflects our alignment with the United Nations Sustainable Development Goals (UN SDGs) and the objectives of Saudi Vision 2030.

It illustrates our ongoing efforts to embed sustainability into the core of our strategy, governance, and daily operations. By detailing our environmental, social, and governance initiatives, we provide our stakeholders with a comprehensive overview of our contributions and progress.

Our commitment extends beyond compliance, striving to create positive and measurable impacts for our environment, our people, and the communities we serve. We remain focused on advancing our ESG performance through continuous engagement with our stakeholders, regular assessment of material topics, and the integration of international best practices.

أُمّ القُرى

UMM ALQURA
للتنميـــــة والاعمـــــار
Development & Construction Co.

OWNER,
DEVELOPER,
OPERATOR OF

بسَكَار
MASAR مسَـــار

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MESSAGE FROM OUR CEO

As we advance the development of MASAR Destination, UAQ continues to strive to be a model for responsible and sustainable urban development in Makkah. Sustainability informs the design, construction, and operation of the project. The objective is to create a destination that serves both residents and visitors, while maintaining environmental and social resources for future generations.

Our 2024 ESG Report represents an important step in turning that ambition into measurable action. It reflects our dedication to transparency and presents our environmental, social, and governance performance. Throughout 2024, we made meaningful progress in improving resource efficiency, strengthening workplace safety, and reinforcing governance systems that ensure accountability and integrity across our operations.

Preparing for the destination's initial operational phase, we will continue integrating sustainability into every decision we make. Whether it touches on mobility, digital infrastructure, community and guest experience, or environmental performance. We believe responsibility is not only to deliver an extraordinary urban destination, but to do so in a way that respects Makkah's unique context and contributes to the broader goals of Saudi Vision 2030. These actions reflect our belief that sustainability is not a separate initiative, but an essential foundation of UAQ's success.

I extend my appreciation to all our employees, partners, and stakeholders who are helping advance this shared vision. Their commitment and collaboration are vital as we work to ensure that MASAR sets a new benchmark for sustainable development in the Kingdom.

Yasser bin Abdulaziz AbuAteek
Chief Executive Officer

Sustainability is not a separate initiative for UAQ; it is the essential foundation of our success and the guiding principle behind MASAR Destination's development in Makkah

2024 MILESTONES

Key sustainability initiatives in 2024

Governance

Strengthening reporting mechanisms for corruption, fraud, legal violations, and cybersecurity.

Implementing awareness campaigns to reinforce governance standards among employees.

Engaging stakeholders in decision-making to ensure integration and sustainability.

Conducting periodic reviews of strategic, operational, and financial risk management.

Developing an independent policy for human rights protection.

Community

Enhancing health and safety standards to ensure a safe work environment.

Offering fitness and nutrition programs to support employee wellbeing.

Promoting flexible work arrangements to achieve a better work-life balance.

Providing continuous training and investment in skill and talent development.

Organizing annual events to foster team spirit beyond the workplace.

Issuing monthly newsletters to engage employees and strengthen internal communication.

Conducting regular performance evaluations and development programs to ensure sustainable career growth.

Organizing community engagement activities through social media platforms to enhance social responsibility.

Environmental

Designing a digitally advanced and sustainable project built to last for over a century.

Introducing shuttle transportation systems to reduce congestion and emissions.

Implementing advanced automated waste collection and processing technologies.

Monitoring and transparently disclosing greenhouse gas and carbon emissions to achieve environmental accountability.

Reducing landfill waste through efficient reuse and recycling.

Managing liquid waste sustainably to protect natural resources.

Applying cutting-edge sustainability principles and actively contributing to their advancement.

Improving energy efficiency and reducing consumption to promote operational sustainability.

Implementing centralized cooling systems to reduce energy consumption and enhance thermal efficiency.

Advancing the "Destination Development" concept by establishing a fully integrated and sustainable tourism ecosystem.

Incorporating rainwater harvesting systems in building construction for environmental applications.

2024 Key Highlights

Governance

Zero cases of corruption, fraud or non-compliance with relevant laws, regulations and governance policies in 2023 and 2024

Zero incidents of whistleblowing or cybersecurity breaches in 2023 and 2024

Regularly reviewed **Risk Management Framework** addressing strategic enterprise, operational, financial and compliance risks

Social

Zero fatalities in 2023 and 2024

100% of our employees receive regular performance and career development reviews

Safety training provided to **31,391 workers**

1,886 hours of training provided for fulltime employees in 2024 vs **1,434** in 2023 and **720 hours** in 2022

33 million safe man-hours by 2024

Environment

100% of rock materials extracted from the construction site are reused in construction activities

11,421 m³ total water consumption

12.2 tonnes of waste diverted from landfills

Smart Waste Tracking system

Treated Sewage Effluents

72% of hazardous waste diverted from disposal

100% LED site lighting

Bus Rapid Transit

Solar Lighting

District **cooling**

Scope 1, 2 and 3 emissions inventory

UMM AL QURA'S ROLE IN SHAPING MAKKAH'S FUTURE

Umm Al Qura for Development and Construction (UAQ) is the master developer behind transformative projects that are shaping the future of Makkah and contributing to the Kingdom's ambitious Vision 2030. With a mandate to create strategic destinations that foster economic growth, cultural vitality, and sustainable urban development, UAQ plays a central role in redefining how cities are built, experienced, and sustained.

UAQ's work is driven by a vision to integrate tradition with modernity, ensuring that each development not only delivers world-class infrastructure but also honors the cultural and spiritual heritage of Makkah. Anchored in sustainability, resilience, and long-term value creation, the company is committed to balancing economic performance with environmental stewardship and social responsibility.

By aligning its developments with the priorities of Saudi Vision 2030, UAQ aims to create lasting impact, empowered communities, supporting local businesses, and advancing the Kingdom's position as a global leader in sustainable urban innovation.

Driving Progress: UAQ Journey so far

Since its founding, UAQ has led destination development by driving real estate growth and transformation, particularly through strategic initiatives with a core mandate to develop the strategic MASAR destination.

2012 - 2015

◆ UAQ is established to lead the development of King Abdulaziz Road, today known as MASAR Destination.

◆ Start of acquisition of properties making the MASAR area and reimbursement of prior property owners.

◆ Completion of most demolition works in the project area

◆ Infrastructure works contract signed

2019 - 2020

◆ Two investment funds created with Alinma Investment to fund the construction of two development packages

◆ Official announcement of MASAR Destination; master-planning and infrastructure surveying began.

2021

◆ Conducted the first ESG materiality assessment.

◆ Developed the ESG framework based on three strategic pillars and the most material topics for UAQ.

◆ High Order to issue master title deeds to UAQ for the entire project area.

UAQ's Vision, Mission and Values

Vision
Making state-of-the art urban destinations that serve places and communities creating unparalleled experiences.

Mission
Contribute to elevating the quality of life in the Kingdom of Saudi Arabia by making urban destinations according to the highest international standards.

Values
Making it a point of honor to create projects that convey our values of flexibility, integrity, forward thinking, excellence.

2022
- Over SAR 23 billion is invested in infrastructure.
- Completion of metro infrastructure & tunnels; high percentages for road intersections, walkways, parking lots.
- Attracted around SAR 35 billion in diversified investments from UAQ and institutional investors.

2023
- Total investment into MASAR development exceeded SAR 40 billion.
- Developed the ESG reporting framework.
- Formalized our ESG governance and organizational structure.

2024
- Published the first ESG Report covering period 1 January to 31 Dec 2023.
- Developed an ESG roadmap to advance UAQ ESG journey.
- Formalized our ESG Policy and Commitments.
- Launched a dedicated webpage for sustainability on our website.
- Capital Market Authority approval for the Initial Public Offering (IPO) on Saudi Exchange (Main Market).
- > 99% completion of infrastructure works.

UAQ: Leading the way in destination development through the MASAR Destination

At UAQ, MASAR Destination represents our dedication to transforming Makkah into a world-class destination that seamlessly blends spiritual heritage with contemporary urban planning. The destination is built in line with international best practices in sustainability, accessibility, mobility, and cultural preservation, to meet the requirements and needs of residents, and visitors.

In alignment with Saudi Vision 2030, particularly the Pilgrim Experience and Quality of Life initiatives, MASAR is crafted to not only expand capacity and infrastructure but also to ensure that development enriches the sanctity and distinctive cultural essence of the Holy City.

Key sustainability features of MASAR

Design and Environment

The MASAR urban framework emphasizes green spaces, pedestrian-friendly zones, sustainable transportation, energy and water efficiency, pollution control, and waste management.

Preservation of Heritage and Spiritual Identity

MASAR preserves the spiritual, cultural, and aesthetic integrity of Makkah. Development respects the Holy City's identity and ensures that visitors' experience remains centered on ease and religion.

Stakeholders & Partnerships

UAQ has engaged institutional investors, private sector developers, and hospitality operators, aligning with both local and international standards. The governance, investment, and operational partnerships are structured to ensure accountability and high-quality delivery.

More details on how the MASAR Destination is driving the economic growth of Makkah could be found in Section 3 - Investing in our people and communities.

UAQ'S EVOLVING ESG JOURNEY: INTEGRATING SUSTAINABILITY INTO EVERY STEP

ESG principles are integrated in every aspect of our operations

UAQ's sustainability journey has been thoughtfully structured to integrate ESG principles into every facet of our operations, beginning with a materiality assessment in 2021 that identified key environmental, social, and governance issues relevant to our stakeholders and long-term growth. This foundation led to the establishment of our ESG Framework, anchored in the pillars of Impact, Involvement, and Integrity, guiding decision-making across all projects.

In 2024, we published our inaugural ESG Report, aligning our disclosures with international standards and formalized our ESG Policy to embed sustainability into governance and operations. As we move into 2025, we will be refreshing our materiality assessment to align our ESG priorities with evolving stakeholder expectations and the expanding scope of the MASAR Destination, while also exploring participation in the Global Real Estate Sustainability Benchmark (GRESB) to validate our progress against global peers.

OUR ESG APPROACH

Our ESG Mission

Create communities that embody the principles of sustainable development and responsible real estate, and commit to continually improve our environment, social, and corporate governance performance by aligning with leading practices, and adopting the latest innovations in pursuit of ESG excellence.

Our ESG Vision

Involve our people and communities to drive positive environmental, social, and economic impact to inspire society.

Our ESG Framework

UAQ's ESG framework centers around three pillars: environmental, social, and governance. Each pillar outlines enablers that act as the tactical drivers for achieving UAQ's ESG targets and objectives. The framework also sets procedures for supporting UAQ's activities, reporting performance, and governing material ESG issues throughout the organization.

Our framework is built on three main pillars and key enablers

Impact

- ◆ Waste Management
- ◆ Energy & water efficiency
- ◆ GHG emissions management
- ◆ Health & Safety management

Involvement

- ◆ Employee wellbeing
- ◆ Community engagement
- ◆ Human capital development
- ◆ Organizational culture

Integrity

- ◆ ESG intelligence tool
- ◆ ESG internal monitoring system
- ◆ ESG external reporting framework

Our ESG Policy and commitments

In 2024, we launched our ESG Policy to guide our sustainability efforts and outline our key commitments for making a positive environmental impact, drive social involvement, and governance integrity.

THE ENVIRONMENTAL PILLAR is rooted in sustainable urban planning and regulatory compliance from site selection and impact assessment to resource efficiency and conservation covering waste, water and energy management as well as greenhouse gases (GHG) emissions. We are also committed to ensuring a safe and healthy working environment to all our employees, contractors, occupants and surrounding communities.

THE SOCIAL PILLAR centers on empowering people and ensuring their wellbeing through building a safe and secure working environment, where employees are provided with the opportunities to thrive. We are also focused on fostering vibrant communities through community engagement practices, and by contributing to the socio-economic development of surrounding communities.

OUR GOVERNANCE MODEL ensures ESG integration in decision-making at all organizational levels, and compliance with all relevant laws and regulations. Finally, UAQ is committed to transparency through external reporting and engagement with its stakeholders and improve visibility to local, regional, and international investors.

Our policy is translated into actions through our implementation strategies:

Monitoring and review of ESG performance data.

Capacity building through internal and external training and awareness campaigns and communications.

Collaboration and partnerships with relevant stakeholders to ensure transparency and maximize benefits.

Materiality assessment to identify material ESG impacts, risks and opportunities.

Continuous review of ESG practices and strategies to remain updated on evolving ESG agenda.

ALIGNING WITH NATIONAL AND INTERNATIONAL GOALS

We are committed to support the Saudi Vision 2030

Throughout this report, we aim to demonstrate our alignment with the Saudi Vision 2030 and the United Nations Sustainable Development Goals (UNSDGs). This alignment ensures that our projects contribute to national transformation objectives while addressing global sustainability challenges.

Alignment with the Saudi Vision 2030

Saudi Vision 2030 is anchored on three pillars: a vibrant society, a thriving economy, and an ambitious nation. We are dedicated to support the objectives of the Kingdom's Vision. Through our flagship project, MASAR Destination, we actively contribute to achieving the key pillars of Vision 2030, while looking to increasingly adopt responsible and sustainable development practices.

Economic Impact & Tourism Development

UAQ contributes to the Kingdom's GDP by developing large-scale infrastructure and mixed-use facilities that serve residents and millions of visitors annually. MASAR Destination is positioned to strengthen the tourism and pilgrimage economy, supporting Vision 2030's goal of attracting 30 million Umrah visitors annually.policies based on the recommendation of the Risk Management Committee.

Social Development & Human Capital

We enhance the pilgrim and visitor experience through improved services, cultural preservation, improved healthcare and hospitality excellence. UAQ also empowers women through equal employment opportunities and fosters a culture of equity and transparency.

Urban Development & Quality of Life

MASAR is designed as a smart, pedestrian-oriented urban hub with green spaces, vibrant public areas, and a vehicle-free boulevard. Integrated mobility solutions, including Bus Rapid Transit, improve access to the Holy Mosque while reducing congestion, air pollution, and noise. These efforts align with the Quality of Life Program and the Pilgrim Experience Program under Vision 2030.

Environmental Stewardship

Sustainability is embedded in our operations through LEED for Cities standards, district cooling systems, automated waste collection, water recycling, and energy-efficient technologies to reduce emissions.

The deployment of all the hardware and software needed by a smart city that aims to deliver operational efficiency to the Destination users.

Alignment with the UNSDGs

The United Nations Sustainable Development Goals (UN SDGs) were introduced at the September 2015 UN Sustainable Development Summit and have since been adopted by the Kingdom, with the Ministry of Economy and Planning supporting their strategic implementation.

SDG 3 Good Health and Wellbeing

◆ Enhanced visitor experience via a unique blend of cultural, leisure, social, and retail offerings, creating a holistic destination for residents and visitors alike.

◆ A robust Occupational Health and Safety Management System ensuring healthy lives and promoting the wellbeing for all employees and contractors.

◆ Access to non-occupational medical and healthcare services.

◆ Wellness programs and zero workplace fatalities in 2024.

SDG 4 Quality Education

◆ An established Career Development Programs built on working closely with employees to create individual career development plans.

◆ Specialized training and development opportunities for all employees based on their needs.

SDG 5 Gender Equality

◆ A Human Rights Policy including provisions for non-discrimination and ensuring that all employees are treated with dignity and respect.

◆ Zero-tolerance policy on discrimination.

◆ Parity in pay and remuneration irrespective of gender and nationality.

Goal 6 Clean Water and Sanitation

◆ Smart irrigation systems.
◆ Water recycling systems.

SDG 7 Affordable and Clean Energy

◆ Increasing the share of renewable and low-emission energy sources.

◆ Deployment of energy-efficient technologies across all operations.

SDG 8 Decent Work and Economic Growth

◆ Over 1886 hours of employee training in 2024, supporting career development.

◆ A premier hub for urban development and economic growth attracting investment and top talent.

SDG 9 Industry, Innovation, and Infrastructure

◆ Smart infrastructure and sustainable mobility solutions.

◆ A holistic ecosystem that prioritizes green spaces, improved mobility, and reduced congestion.

◆ Bus Rapid Transit (BRT) system.

SDG 10 Reduced Inequalities

◆ A safe and inclusive workplace where all employees are treated equally.

◆ Responsible procurement principles ensuring reduced risks associated with the supply chain and procuring goods and services in a manner that minimizes negative impacts on the environment, society, and the economy.

SDG 11 Sustainable Cities and Communities

◆ Green, pedestrian-friendly urban design.

◆ Robust infrastructure including spacious commercial areas, wide roads, a main pedestrian promenade, pedestrian tunnels, open spaces, and landscaped gardens.

SDG 12 Responsible Consumption and Production

◆ Established due diligence process for regular assessments of potential business partners.

◆ Reducing waste at its source, segregating materials for reuse and recycling, and deploying digital tools to improve tracking and accountability.

SDG 13 Climate Action

◆ Energy efficiency and district cooling to lower emissions.

◆ Prioritizing sustainable practices across energy, water and waste management to minimize carbon footprint.

SDG 16 Peace, Justice, and Strong Institutions

◆ A governance framework ensuring transparency, institutional accountability, and compliance with laws and regulations while adhering to internal policies and leading practices.

◆ A robust risk management framework covering critical ESG-related risks.

PRIORITY ESG TOPICS

we prioritize key issues to drive effective progress

In 2021, we conducted a materiality assessment aligned with GRI standards to identify the most relevant ESG topics for our business and stakeholders. This process involved analyzing ESG trends, peer practices, regulatory standards, and engaging both internal and external stakeholders. We initially identified 34 material topics, which guided the development of our ESG framework and our ongoing initiatives and plans. Throughout this process, 17 material topics out of 34 were determined to be the most material to UAQ. These topics form the basis of our ESG Policy and represent a key component of our current and future ESG reporting initiatives.

For more details about our materiality assessment please visit our 2023 ESG report. As we move forward, acknowledging the evolving sustainability reporting requirements, we will be updating our materiality assessment in our next report.
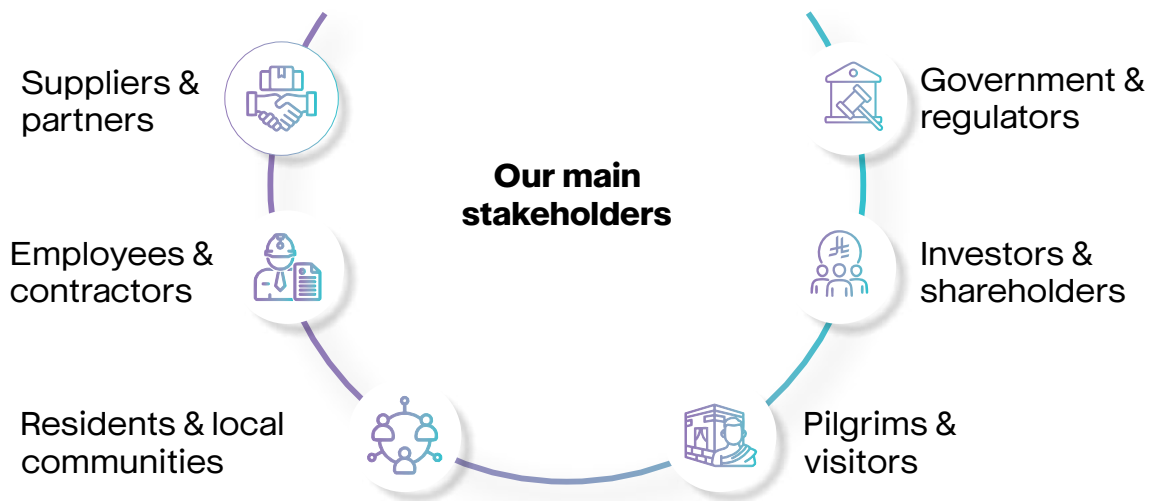
Material Topics	SDG Alignment	Material Topics	SDG Alignment
Environment			
Waste	11 SUSTAINABLE CITIES AND COMMUNITIES / 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Energy and Water Efficiency in Project Planning and Design	6 CLEAN WATER AND SANITATION / 7 AFFORDABLE AND CLEAN ENERGY / 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Water Management	6 CLEAN WATER AND SANITATION		
GHG Emissions	7 AFFORDABLE AND CLEAN ENERGY / 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE / 11 SUSTAINABLE CITIES AND COMMUNITIES	Environmental Compliance	6 CLEAN WATER AND SANITATION / 7 AFFORDABLE AND CLEAN ENERGY / 13 CLIMATE ACTION
Social			
Health and Safety	3 GOOD HEALTH AND WELL-BEING / 6 CLEAN WATER AND SANITATION	Employee Wellbeing	3 GOOD HEALTH AND WELL-BEING
Dignity and Equality	5 GENDER EQUALITY / 10 REDUCED INEQUALITIES	Privacy and Data Security	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Discrimination and Harassment	5 GENDER EQUALITY / 10 REDUCED INEQUALITIES	Labor Management	8 DECENT WORK AND ECONOMIC GROWTH / 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Local Communities	12 RESPONSIBLE CONSUMPTION AND PRODUCTION / 13 CLIMATE ACTION	Human Rights Review	8 DECENT WORK AND ECONOMIC GROWTH
Human Capital Development	4 QUALITY EDUCATION / 5 GENDER EQUALITY / 13 CLIMATE ACTION		
Governance			
Business Ethics	10 REDUCED INEQUALITIES / 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Governance Board	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Risk and Opportunity Oversight	16 PEACE, JUSTICE AND STRONG INSTITUTIONS		

ENGAGING OUR STAKEHOLDERS

UAQ's success is founded on sustaining transparent communication with all stakeholders to accomplish project objectives and ensure stakeholder satisfaction

Our stakeholders include diverse groups that could be impacted by our business activities, policies or actions or who could have the ability to influence our operations. We trust that long-lasting relationships with our stakeholders should be based on proactive consultation, transparency and trust. Therefore, we have conducted a stakeholder mapping analysis with a detailed action plan to engage and address the needs of each key stakeholder group.

Our main stakeholders

- Suppliers & partners
- Employees & contractors
- Residents & local communities
- Government & regulators
- Investors & shareholders
- Pilgrims & visitors

We ensure all concerns are heard and addressed at the highest level. In addition, we foster cooperation and trust by sponsoring initiatives, joint projects, and memorandums of understanding, and organizing regular meetings to maintain ongoing dialogue and provide timely updates.

02

ENVIRONMENTAL SUSTAINABILITY

As we embrace the world at MASAR, we remain dedicated to safeguarding our natural resources and reducing our environmental impact. Our initiatives concentrate on enhancing energy efficiency and optimization, improving water and waste management, and incorporating responsible practices throughout our operations. In doing so, we strive to achieve a balance between sustainable growth and the conservation of Makkah's environment for future generations.

SUSTAINABILITY IN THE BUILT ENVIRONMENT

We perceive the built environment not merely as a collection of buildings, but as a dynamic system that must coexist harmoniously with its surroundings.

Guided by our ESG policy, we embed sustainability into every phase of project development: from site selection and design to construction and long-term operations, ensuring that our buildings and infrastructure enhance the resilience, health, and prosperity of the communities we serve.

In 2024, we developed our ESG Procedures Manual, setting the foundation for our ESG practices into our operations and ensuring that we make a positive impact on the environment and society while maintaining the highest standards of governance.

Designing with purpose

MASAR's iconic vision and planning principles are founded on creating building designs that are creative, mature, applicable, safe, sustainable, and responsible, all of world-class quality

Our methodology begins at the planning phase with sustainable site selection criteria that emphasize connectivity, responsible land use, and ecological stewardship. Projects are situated within already developed areas and linked to multi-modal transit networks. MASAR Development is envisioned to become a self-sustained life-style destination, integrating infrastructure, buildings, and open spaces.

Prior to the design and development of our projects, we conducted an environmental impact assessments (EIA) in accordance with Saudi Environmental Law and regulations imposed by the Ministry of Environment, Water, and Agriculture (MEWA), to assess the impact of the development projects on the environment and the surrounding communities. These assessments ensured informed decision-making during the detailed design stages of the project to support the protection of the environment of MASAR and provided mitigation measures to minimize the adverse impacts during construction and development activities.

Our projects integrate active design features with inclusive design while ensuring natural ventilation, pedestrian oriented designs, interconnected open spaces, enhanced sustainable cooling systems, thermal comfort, and large open and green spaces.

Bus Rapid Transit (BRT)

The BRT is part of MASAR's broader mobility design, which also includes metro, underpasses for main roads, a pedestrian promenade and the main 40m width roads north and south.

The BRT system supports MASAR's ambition to create "safe mobility"

The electric BRT system aims to separate pedestrian and vehicle flows and reduce emissions, including CO_2, NOx, and particulate matter. It will operate as a fully electric system, with two main stations and eleven smaller stops located within the MASAR Destination area.

The main BRT stations are strategically located within MASAR to allow a connection between the BRT and public city transportation, serviced by public parking, and in near proximity to AlHaram for the ease of the visitors' movement to and from AlHaram.
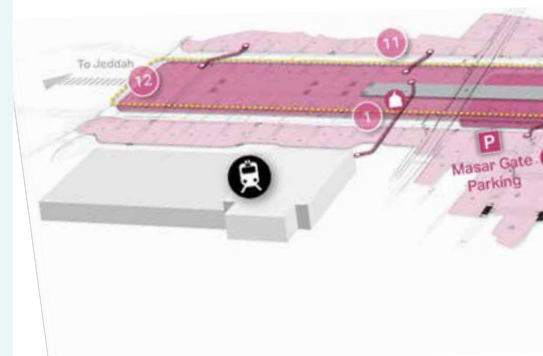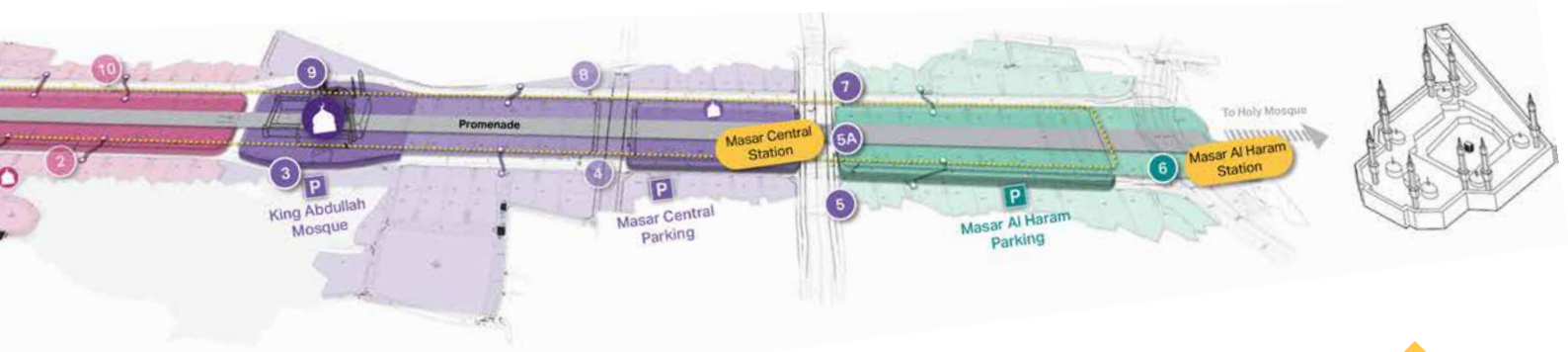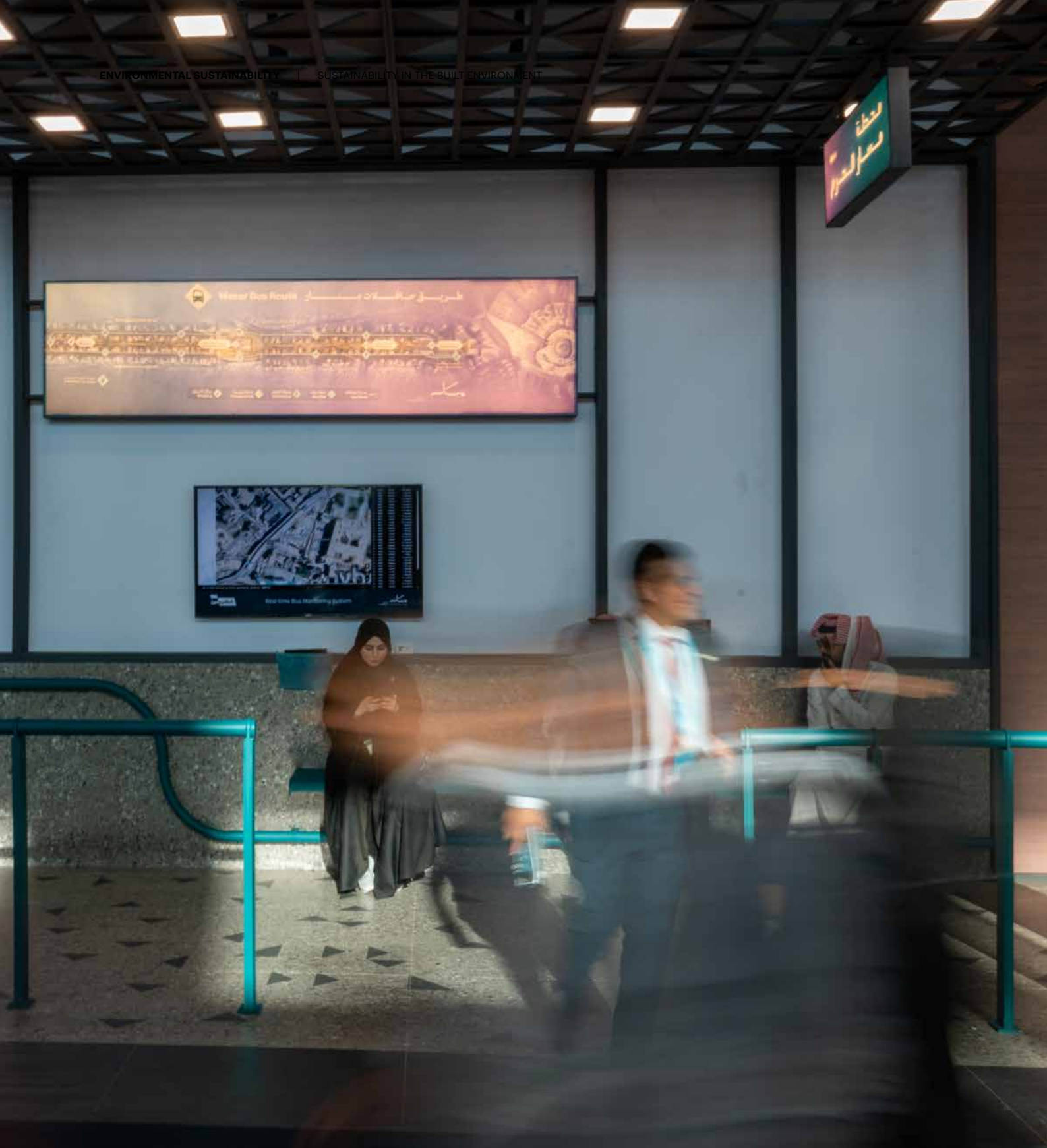
Building to higher standards

We align our development strategy with globally recognized frameworks such as LEED for Cities and the Saudi Green Building Code, as well as international standards including ISO 14001 and the International Building Code (IBC), developed by the International Code Council (ICC).

We are committed to achieving these certifications as part of our ongoing efforts to enhance sustainability and environmental responsibility. These commitments are bolstered by our ESG development strategy, which incorporates considerations ranging from biodiversity, embodied carbon, and renewable energy to indoor environmental quality and disaster resilience.

MASAR is aligned with LEED for Cities by:

Prioritizing ecosystem assessment of the potential impacts of MASAR Development on the entire surrounding ecosystem

Enhancing water efficiency through an integrated water management system balancing between water demand and supply, and focused on water recycling and storm water management

Preventing construction activity pollution through the implementation of the Construction Environmental Management Plan (CEMP), developed as part of the EIA

Maximizing energy efficiency through the implementation of energy efficiency initiatives including smart equipment controls that minimize energy wastage & the provision of district cooling services for the entire development

Elevating green and open spaces

Protecting natural resources and supporting restoration

Prioritizing waste hierarchy in terms of waste minimization, segregation, re-use, recycling, recovery and finally disposal

Responsible materials & construction

Sustainable materials are the cornerstone of our projects. Our ESG procedures emphasize the requirement for the disclosure of environmental and health attributes when available through Environmental Product Declarations and Health Product Declarations, when selecting building materials for development projects, ensuring transparency throughout the supply chain. We prioritize materials that are locally sourced or recovered material, recyclable, rapidly renewable, or certified by reputable third parties, while adhering to a strict "red list" of prohibited substances. This approach not only minimizes embodied carbon but also protects human health and improves indoor quality, while conserving resources and reducing waste.

Efficiency in energy and water

Energy and water efficiency are fundamental aspects of our design philosophy. At the MASAR Project, we incorporated sustainable design principles from the initial stages, optimizing building orientation, utilizing high-performance materials, integrating renewable energy solutions, reusing greywater and treated sewage effluent irrigation in addition to reducing energy consumption through adopting district cooling systems.

We strive to implement water efficiency measures across all new facilities, and enhance awareness of sustainable design standards among our teams.

To ensure our efficiency initiatives are successfully carried out and integrated into UAQ's operations, staff was trained through multiple sustainability-focused workshops. While challenges remain, including the integration of advanced technologies with legacy infrastructure and navigating water scarcity constraints, we continue to apply adaptive design solutions that balance ambition with practicality.

Through a comprehensive and integrated approach encompassing passive design, high-efficiency systems, renewable energy integration, and smart management technologies, the project achieves substantial energy savings compared to a conventional baseline

This strategy not only enhances thermal comfort and operational efficiency but also supports KSA's Vision 2030 goals, contributing to national energy conservation, emissions reduction, and sustainable urban development.

ENERGY MANAGEMENT

UAQ is conscious of the environmental footprint associated with its energy consumption, particularly in large-scale developments like MASAR

To address these challenges, UAQ has adopted a comprehensive energy management approach that spans the entire lifecycle of project development from conceptual planning to operational performance. This strategy is rooted in collaboration with key stakeholders, including the Saudi Electricity Company (SEC) and the National Water Company (NWC), and is aligned with Saudi Arabia's Energy Code and global standards such as LEED for Cities.

UAQ's energy policy is guided by four core commitments:

Increasing the share of renewable and low-emission energy sources, whenever it is possible
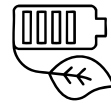
Continuous reduction of energy consumption per unit of output

Full compliance with national and international energy regulations

Deployment of energy-efficient technologies across all operations

100% of site lights use LED technology

Our energy performance

In 2024, UAQ consumed 118,201 liters of gasoline, primarily used by the company's vehicle fleet to support transportation needs, field activities, and overall operational mobility. The organization also used 150,422 liters of diesel, mainly to power on-site generators at MASAR and ensure a reliable, uninterrupted electricity supply in areas not fully served by the grid. In addition, UAQ recorded 1,453,003 kWh of electricity consumption across its facilities and operational sites, supporting core business functions, administrative activities, and essential supporting systems. Collectively, these energy sources amounted to a total consumption of 14,951 GJ in 2024, representing UAQ's consolidated energy footprint for the year.

Monitoring this data provides a clear and comprehensive understanding of UAQ's energy profile and serves as the foundation for calculating greenhouse gas emissions (see Section: Our Carbon Footprint). Establishing this baseline allows UAQ to track year-over-year performance, identify efficiency opportunities, and evaluate the impact of future energy-saving initiatives. This dataset also highlights UAQ's key energy streams, enabling improved planning, resource optimization, and long-term sustainability target setting.

Energy Source	Consumption	Operational Role
Gasoline	118,201 L	Fleet mobility and field operations
Diesel	150,422 L	On-site generation at MASAR
Electricity	1,453,003 kWh	Facilities and daily operations
Total Energy Use	14,951 GJ	Combined operational demand

We remain focused on driving energy efficiency

Building on its momentum from 2024, UAQ has set ambitious targets for 2025 and beyond:
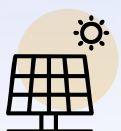
Explore ways to increase share of renewable energy

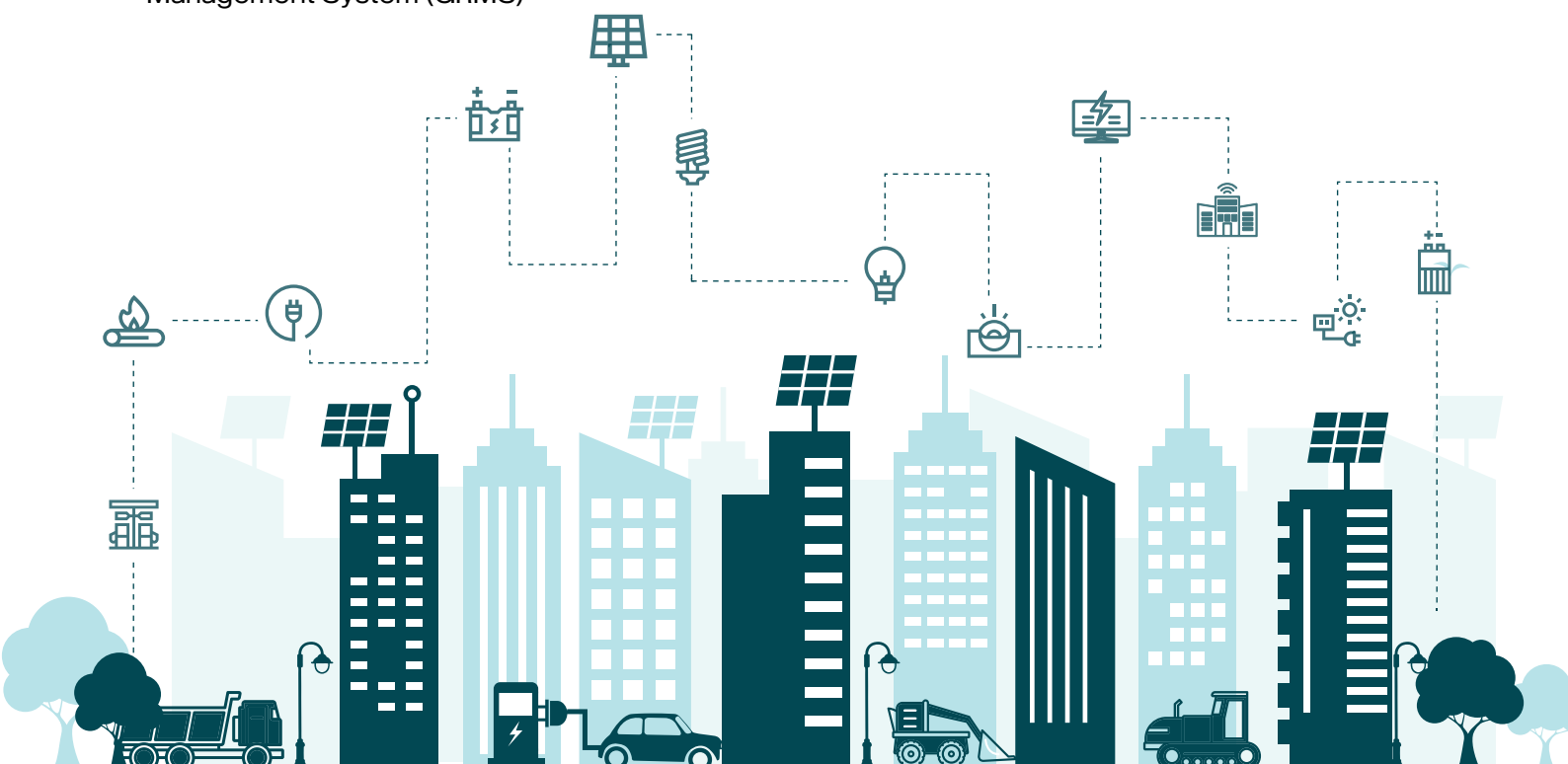Launch a contractor training program focused on energy-efficient equipment operation

Optimize energy performance

Introduce BRT electric utility carts for internal site transportation. To be fully implemented in 2025

Improving energy efficiency and guest experience through the Guest Room Management System (GRMS)

Optimizing energy performance

UAQ's energy performance in 2024 was marked by several notable achievements:

Solar Lighting Pilot Expansion

Increased deployment of solar-powered lighting towers, and replacing diesel generators in pedestrian zones and storage yards. This led to annual diesel savings and a reduction in GHG emissions.

Smart Meter Installation

Smart energy meters were installed across the projects, enabling real-time monitoring and improved control over energy consumption.

Diesel Reduction Program

Introduced strict idling control policies and fuel-efficient operation training for heavy machinery operators, contributing to lower fuel use and emissions.

LED Lighting Upgrade

100% of site lights are high-efficiency LEDs, significantly reducing electricity demand.

Energy Data Dashboard Launch

A centralized digital dashboard was launched for monthly reporting on energy use and GHG emissions, enhancing transparency and enabling data-driven decisions.

This is complemented with other measures integrated into the destination, merging efficiency, customer experience, and functionality:

- District cooling.
- GRMS (Guest Room Management System).
- BMS (Building Management System).
- Carpark light motion sensors.
- Car charging stations.
- Cameras powered by solar power.

Carpark Motion Sensor Lighting

Carpark motion sensor lights are designed to increase energy efficiency and safety by automatically turning on when motion is detected. Our carparks are equipped with state-of-the-art infrared technologies and a high-volume professional lens to sense movement providing an on-demand mode that only turns on when motion is detected that turn to full brightness when activated. This system ensures lights remain off when not needed, reducing electricity consumption and associated costs.

Key benefits include:

◆ Energy efficiency and savings: Lights operate on demand, with adjustable switch-off delays and brightness thresholds to prevent unnecessary use.

◆ Safety and security: Immediate illumination deters intruders and improves visibility for users.

◆ Compliance: The solution meets European standards for safety and electromagnetic compatibility.

Transition to Solar Lighting at MASAR

Switching to solar lighting is more than a technical upgrade, it is proof that sustainability can make our worksites safer, cleaner, and more cost-effective. It is a slight change with a significant impact, and one we are proud to lead in Makkah

In 2024, UAQ advanced its sustainability agenda by emphasizing the importance of the following targets:

Phase out diesel consumption for lighting in MASAR destination.

Improve on-site working conditions by eliminating noise and air pollution from diesel generators.

The following technologies have been adopted in line with UAQ's energy performance optimization plans:

01.
Solar Lighting Towers

Deploying solar-powered Light Towers to replace diesel-powered lighting towers, which were strategically deployed across pedestrian pathways, storage areas, and perimeter zones. The solar lighting system utilizes dust-resistant solar panels and high-efficiency LED floodlights to enhance illumination and operational flexibility. This results in significant fuel savings, reduced emissions, and improved site conditions for workers.

02.
Solar-Powered Surveillance Cameras

Installing 42 solar-powered cameras, which offer easy installation and energy independence and provid 24/7 operation in non-electrified areas. This leads to energy savings, lower electricity bills, while enhancing security and environmental sustainability.

03.
Solar-Powered Lights

Solar-powered lights will be installed on the hoarding in 2025. The solar panels offer easy installation and reliable performance in harsh weather, enhancing safety and visibility in public spaces. They provide efficient, long-term illumination with fast charging and automatic operation.

OUR CARBON FOOTPRINT

UAQ recognizes that meaningful climate action begins with a clear understanding of our emissions profile

Mapping our carbon footprint allows us to see where our impact is most significant and where targeted interventions can drive real change.

Our GHG Emissions Data

In line with our commitments to transparency and environmental performance, UAQ established a comprehensive GHG emissions inventory in 2024, setting this year as our baseline for tracking emissions. By compiling detailed data on our energy use and emissions sources, we are now able to monitor reductions more precisely and demonstrate measurable improvements in our sustainability efforts.

UAQ applies the operational control approach to define its organizational boundary for GHG emissions. This methodology ensures that our footprint accurately represents the areas where we can drive meaningful change.

Our approach is guided by the GHG Protocol Corporate Accounting and Reporting Standard, which provides a globally recognized framework for measuring and managing emissions. Through this standard we aim to ensure that our reporting is consistent, comparable, and aligned with best practices for the real estate and construction sector.

Our GHG inventory covers Scope 1, Scope 2, and applicable Scope 3 emissions, calculated using relevant emission factors and global warming potentials (GWP) sourced from the IPCC, DEFRA, IEA and supplier-specific intensity factors (SEC grid intensity factor for Scope 2).

Scope 1 - Direct emissions

- Stationary Combustion: Emissions from diesel combustion in on-site generators used to maintain power supply at project sites.
- Mobile Combustion: Emissions from petrol consumed in company-owned vehicles for transportation and operational mobility.
- Fugitive Emissions: Emissions from leakage of CO_2 from fire extinguishers.

Scope 2 - Indirect Emissions from Purchased Energy

- Electricity Consumption: Emissions associated with electricity purchased from the grid. It is calculated using the grid intensity factor provided by the electricity provider and reported under the location-based method.

Scope 3 - Other Indirect Emissions

UAQ's Scope 3 inventory focuses on categories identified as most relevant and material for its operational context, in accordance with the GHG Protocol:

- ◆ **Category 1** – Purchased Goods and Services: Captures emissions from materials and services procured for UAQ operations and project delivery.

- ◆ **Category 2** – Capital Goods: Represents emissions from major equipment and structural components purchased in 2024.

- ◆ **Category 3** – Fuel and Energy-Related Activities: Accounts for upstream emissions from the extraction, refining, and transportation of fuels and electricity consumed by UAQ and its contractors. These emissions are outside UAQ's direct combustion and purchased electricity use already reported under Scope 1 and Scope 2.

- ◆ **Category 5** – Waste Generated in Operations: Includes emissions from disposal and treatment of waste.

- ◆ **Category 6** – Business Travel: Covers emissions from employee travel and hotel stays for business purposes.

- ◆ **Category 7** – Employee Commuting: Reflects emissions from daily commuting of UAQ staff.

- ◆ **Category 11** – Use of Sold Products: Reflects emissions from the operational use of products sold in 2024. These emissions are estimated from the direct energy consumption projected for the use phase of the sold products. It is currently reported as zero because the products sold in 2024 (empty plots) do not have direct use-phase emissions, but is included in our inventory for monitoring/tracking future emissions performance.

- ◆ **Category 13** – Downstream Leased Assets: Reflects emissions from the use of buildings leased in 2024. It is currently reported as zero because leased assets are not yet operational but is included in our inventory for monitoring/tracking emissions performance from future use.

Categories not included in this inventory were reviewed and found to be outside UAQ's operational scope, immaterial to our overall footprint or already covered under other categories. Our Scope 3 approach focuses on the most significant sources of emissions, while maintaining readiness to incorporate additional categories as our operations evolve in the future.

Scope	Category	Category tCO$_2$e	Scope tCO$_2$e
Scope 1	Stationary Combustion*	408	683
	Mobile Combustion*	275	
	Fugitive Emissions (from fire extinguishers)	0.00063	
Scope 2	Electricity Usage (location-based)	799	799
Scope 3	Category 1 - Purchased Goods and Services	12,146	35,166
	Category 2 - Capital Goods	1,275	
	Category 3 - Fuel- and Energy-Related Activities	21,459	
	Category 5 - Waste Generated in Operations	56	
	Category 6 - Business Travel	84	
	Category 7 - Employee Commuting	146	
	Category 11 - Use of Sold Products	0	
	Category 13 – Downstream Leased Assets	0	
TOTAL			36,648

* Scope 1 emissions from diesel combustion in generators and petrol combustion in vehicles include CO_2, CH_4, and N_2O, calculated using 100-yr global warming potentials from IPCC Sixth Assessment Report (AR6).

UAQ GHG Emissions 2024 (tCO$_2$e)

Scope 1
683 (1.9%)

Scope 2
799 (2.2%)

Scope 3
35,166 (95.9%)

Total Emissions
36,648

In 2024, Scope 3 emissions accounted for approximately 96% of UAQ's total GHG footprint, reflecting the nature of UAQ's operations as a real estate and construction company, where a significant portion of emissions occurs across the value chain.

Reducing Emissions Through Targeted Initiatives

UAQ aims to embed sustainability into every stage of project development, from design to operations, with a clear focus on reducing emissions and improving energy performance. Our initiatives in 2024 help us in translating ambition into action:

01.
Reducing Diesel-Related Emissions

UAQ is implementing measures to minimize emissions from diesel combustion, such as promoting equipment electrification and improving fuel management practices. These actions aim to lower combustion-related emissions from generators and heavy machinery.

02.
Enhancing Energy Efficiency

Energy optimization strategies, including the use of high-efficiency lighting and advanced control systems, are being adopted to reduce electricity demand. These efforts target emissions associated with purchased energy.

03.
Increasing Renewable Energy Integration

UAQ is expanding the share of renewable energy, aiming to reduce dependence on fossil fuels and limit carbon intensity over time.

04.
Promoting Responsible Material Choices

UAQ is prioritizing sourcing materials with lower embodied carbon and encouraging sustainable procurement practices (supported by EPDs), which aim to influence Scope 3 emissions across the value chain.

Together, these initiatives contribute to UAQ's broader sustainability strategy and reinforce alignment with national and international frameworks, including Saudi Vision 2030, LEED for Cities, and ISO 50001 energy management standards.

Embodied Carbon

UAQ is dedicated to minimizing embodied carbon by enhancing transparency and accountability in the selection of materials. To accomplish this, UAQ encourages the use of Environmental Product Declarations (EPDs) for essential construction materials, ensuring that choices are informed by verified life-cycle when the information is available. This approach facilitates the selection of materials with reduced life-cycle emissions and promotes the use of low-carbon, locally sourced, and responsibly certified products in projects.

WASTE MANAGEMENT

We recognize that effective waste management is fundamental to protecting the environment, conserving resources, and creating lasting economic and environmental value across our projects. As the developer of MASAR, we have adopted a sustainable, regulation-aligned, and performance-driven approach that embeds waste considerations into every stage of design, construction, and operations.

Our approach to waste management

Our strategy focuses on reducing waste at its source, segregating materials for reuse and recycling, and deploying digital tools to improve tracking and accountability.

In 2024, UAQ's waste management framework centered on six key pillars:

Waste minimization at source through optimized design and efficient material use.

Segregation at source with strict site-wide protocols for recyclable, organic, hazardous, and general waste.

Recycling and reuse programs that divert construction and demolition materials from landfills.

Deploying smart waste tracking systems for greater transparency and real-time performance monitoring.

Contractor compliance oversight to ensure alignment with national standards and NCEC Regulations .

Worker awareness and training to instill sustainable practices and make them an integral part of the on-site culture.

Our framework is supported by improving materials selection and product design by prioritizing longevity, durability, repairability, modularity, disassembly, and recyclability. It aims to reduce the reliance on raw and finite materials by sourcing secondary or renewable materials. Additionally, it emphasizes the importance of substituting hazardous inputs with non-hazardous alternatives to promote safety and sustainability.

All activities comply with national laws such as the Waste Management Law (2021) and General Environmental Law (Royal Decree No. M/165, 1442H), as well as municipality-level requirements and industry-specific guidelines.

In 2024, 100% of rock materials extracted from the construction site are reused in construction activities
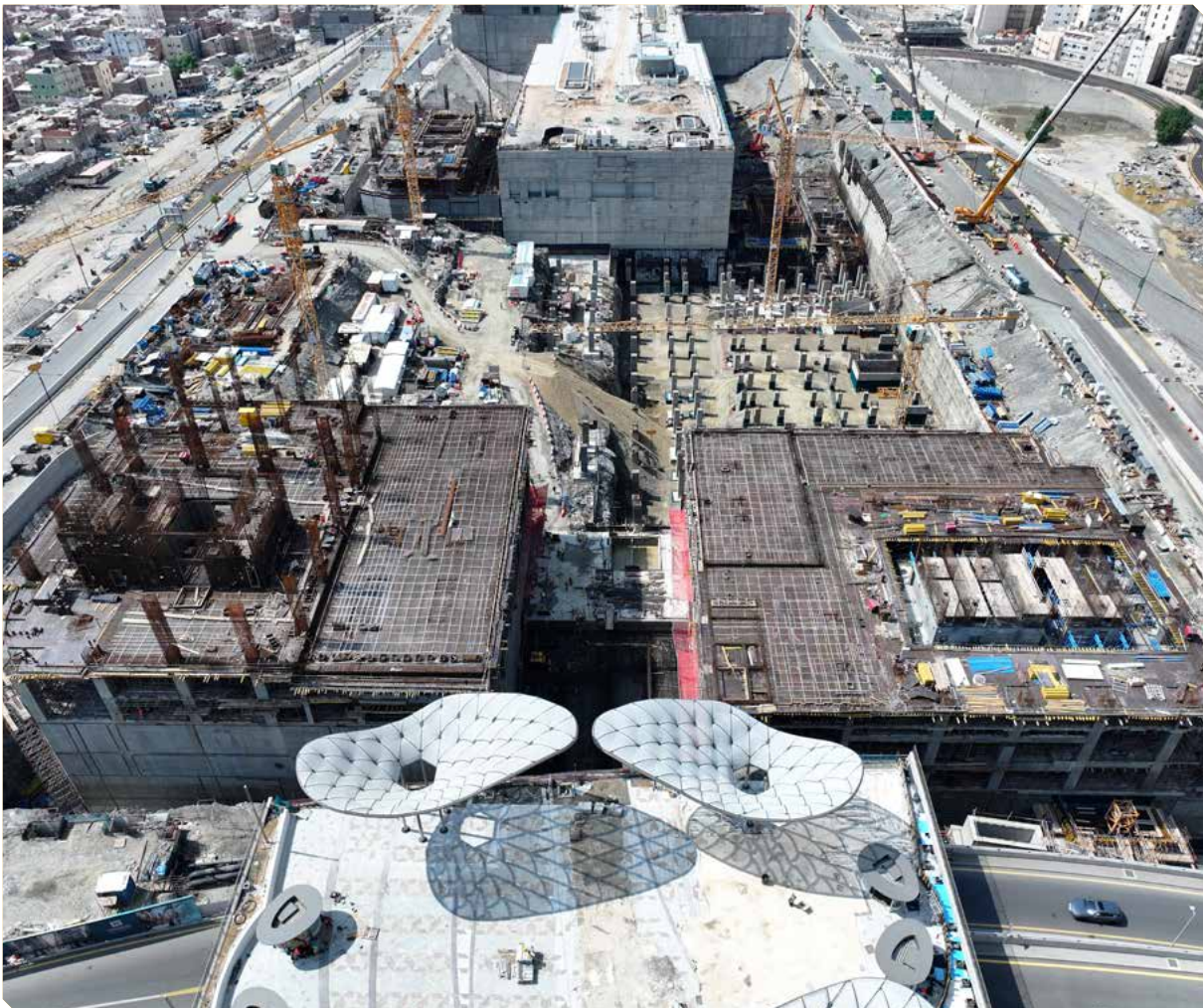
Our waste segregation plan

In 2018, we introduced a waste segregation and disposal plan designed to promote and enhance the separation and removal of construction solid waste from work areas. The plan aims to enhance material recovery efficiency and ensure that various waste streams are directed to their appropriate destinations. It includes multiple waste containers for wood, plastics, and scrap metal placed at various locations throughout the project, with timely removal to a designated area on-site. The contractor is responsible for transporting the collected waste using dump trucks to their final destinations. The waste segregation plan outlines the roles and responsibilities of all parties involved to guarantee effective implementation. Additionally, the contractor keeps a daily record of the waste and recyclables managed on-site and provides a monthly monitoring report detailing the total tonnage of waste collected and recycled, categorized by type and disposal method.

Advancing waste management

In alignment with Vision 2030 and our internal ESG objectives, we established ambitious targets, including increasing our landfill diversion rate, the implementation of site-wide segregation protocols, and planning for the adoption of digital waste tracking across active project zones during the operational phase.

We are continuously improving our waste management plan through the implementation of multiple actions, including:

- ◆ Establishment of dedicated waste segregation zones throughout the project.
- ◆ Launch of a concrete and excavation waste reuse program, reducing the need for virgin materials.
- ◆ A comprehensive worker awareness and training campaign to enhance site-level compliance.
- ◆ Introduction of new KPIs, integrating waste management more deeply into UAQ's business units and ESG governance.

Building on this progress, UAQ has pledged to further expand and refine its waste initiatives moving forward:

- ◆ Expand smart tracking to enhance data visibility and oversight across all construction zones
- ◆ Launch material recovery facilities (MRFs) and organic composting to improve recycling performance
- ◆ Strengthening contractor compliance through KPI-linked audits
- ◆ Scale awareness campaigns to encompass not only workers but also surrounding communities.

Our waste performance data

In 2024, UAQ made significant strides in transforming construction and operational waste from a challenge into a strategic opportunity

174.1 tonnes of total waste generated versus **169.2** tonnes of total waste generated in 2023.

12.2 tonnes of waste diverted from landfills as compared to **10.5** in 2023.

This increase is due to our large progress in the construction phase, and nearing its end.

72% of hazardous waste diverted from disposal.

Our waste performance for the year is characterized as much by tangible outcomes as by the innovation and learning that propel our progress.

UAQ's 2024 performance reflects the success of its waste management efforts from its primary sources, encompassing construction activities, food, and other products and demonstrates UAQ's ability to adapt to increasing resource outflow.

This year, we experienced a rise in waste generation from 169.2 tonnes in 2023 to 174.1 tonnes due to expansion of development projects. In 2023, waste generation was limited to excavation and foundation activities. While in 2024, the commencement of paving, landscaping, and irrigation led to increased waste production.

Consistently, we adjusted our waste management strategy, where the percentage of waste diverted from landfills increased from 10.5 tonnes in 2023 to 12.2 tonnes, showcasing the effectiveness of segregation, recycling, and reuse. Contractor compliance improved to 92%, illustrating how clear expectations and accountability translate into tangible results.

These efforts produced positive ripple effects. We reduced material costs through the on-site reuse of excavated and demolition waste while supporting local recycling businesses and jobs. Diverted waste alleviated pressure on landfills, protected soils, and groundwater, and redirected valuable materials back into construction cycles. Consequently, our enhanced training and safer practices promoted worker wellbeing and fostered a healthier workplace culture.

Our key drivers

Our operational success is grounded in robust governance. Our Internal Waste Management Policy codifies segregation, prohibits illegal dumping, and mandates monthly contractor reporting. These internal directives remain fully aligned with national and environmental legislation and contribute to UAQ's broader ESG scorecards and sustainability frameworks.

Looking ahead to 2025, we are setting ambitious targets: increasing landfill diversion, launching material recovery facilities, composting programs, and enabling KPI-linked contractor audits.

WATER AND EFFLUENT MANAGEMENT

We adopt a proactive and responsible approach to managing water resources and effluent throughout our operations. The company's strategy emphasizes minimizing consumption, maximizing reuse, and ensuring strict adherence to national and regional regulations. In a water-scarce region like Makkah, water stewardship is regarded not only as a regulatory requirement but also as a moral obligation, shaped by ongoing dialogue with regulators, municipalities, and local communities.

UAQ's practices align with the Ministry of Environment, Water and Agriculture (MEWA), the National Center for Environmental Compliance (NCEC), Saudi Geological Survey (SGS), and the Royal Commission for Makkah City and Holy Sites, all of which stress efficient water use and stringent effluent standards. Regular consultations with these bodies ensure that UAQ's policies and monitoring systems remain effective, while feedback from contractors, employees, and municipal partners helps refine on-the-ground practices such as effluent reuse, smart metering, and greywater management.

11,421 m³ total water consumption

10,543 m³ total water discharged

Smart meters installed in high-consumption zones

Water stewardship

UAQ made significant strides in water and effluent management by merging operational discipline with external collaboration:

◆ Increased contractor awareness campaigns and feedback loops with site managers.

◆ Smart meters installed in high-consumption zones; delays in the remaining areas were addressed through contractor re-engagement and temporary flowmeters.

Managing our impacts

We adopt a comprehensive methodology to identify and assess all water-related impacts. This approach begins with a preliminary environmental risk assessment for the projects and sites where we operate, with a focus on surrounding water sources and areas that could be affected by activities.

To mitigate any potential negative impacts such as unapproved water sourcing or greywater mismanagement at labor camps, we have implemented key procedures including:

- ◆ Centralizing of water sourcing through UAQ-controlled storage

- ◆ Consistent monitoring and repair of plumbing systems for leak detection

- ◆ Monitoring surface water discharges from the site on a monthly basis

- ◆ Analysis of water samples to ensure compliance with National Center for Environmental Compliance (NCEC) requirements before discharge
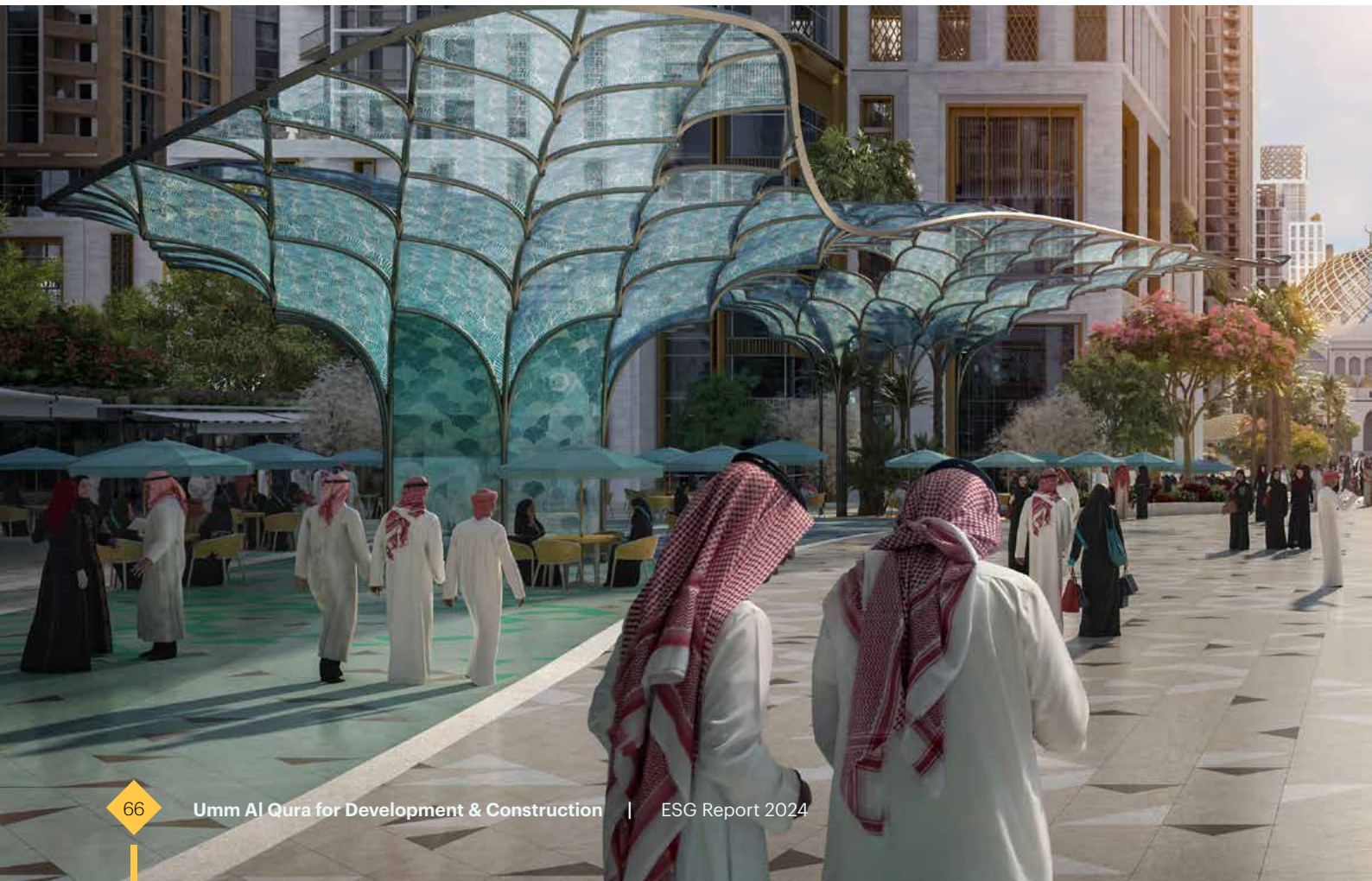
By engaging early with contractors, regulators, and municipal authorities, and strengthening our contractors' onboarding processes, we were able to promptly address these incidents and prevent recurrence. Worker engagement sessions and simplified signage at sites further improved compliance behavior, while regular dialogue with municipal stakeholders ensured alignment on effluent reuse and discharge practices.

All wastewater is disposed of by certified contractors. We ensure that groundwater is not contaminated with any chemicals or mixed with used water by monthly monitoring and analysis of groundwater samples.

MASAR irrigation network

We established an extensive irrigation network that will utilize Treated Sewage Effluent (TSE) as its primary water source. TSE has proven to be a cost-effective and sustainable alternative to municipal water for this purpose. The irrigation system is designed to optimize water usage for each landscaped area separately based on the greenery water demand and through a specific and well-programmed sequence.

MASAR storm water management system

The storm water runoff ensures that 30% of storm water discharge seeps into the soil in order to increase the underground water for future usage as well as diverting the remining 70% to the main storm water network.

Hydrogeological impact study

Based on the outcomes of the study, we implemented mitigation strategies to protect the hydrogeological regime, and measures to preserve groundwater flow and quality, including the design of a rainfall-harvesting system to support groundwater recharge in particular, groundwater basins and Zamzam regime.
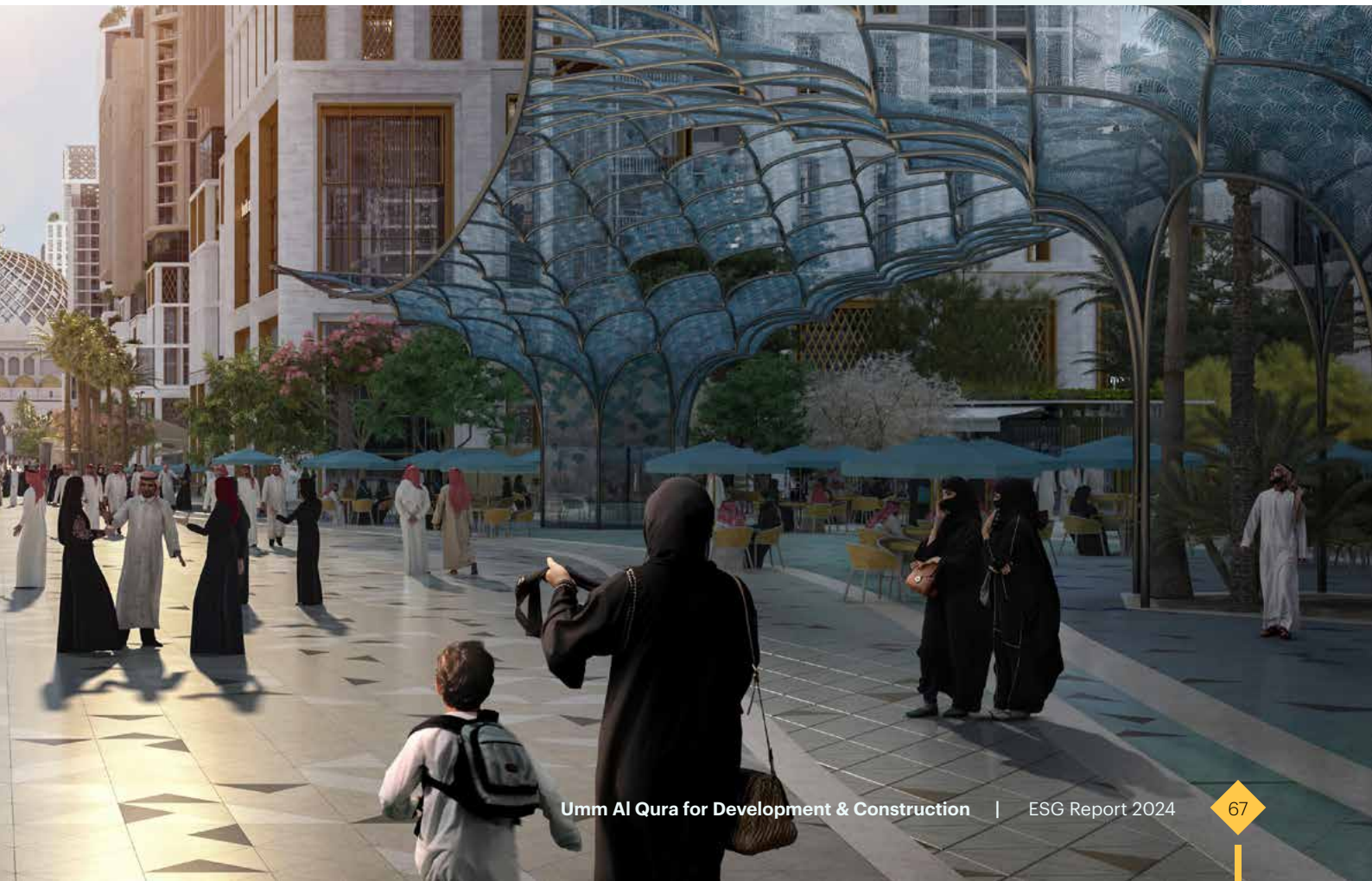
Processes, Monitoring, and Effectiveness

UAQ assesses its water management effectiveness through a multi-tiered monitoring system:

Digital dashboards and smart meters for real-time oversight were implemented and will go live during the operational phase.

Monthly compliance audits, now expanded to include independent contractor checks.

Third-party laboratory testing of effluent quality, shared with local authorities.

Transparent incident reporting and reviews integrated into the ESG Dashboard.

These systems, bolstered by municipal collaboration and contractor feedback, have yielded measurable results with zero major regulatory violations recorded. Only two contractor non-compliance incidents were noted early in the year, both resolved promptly with corrective action and retraining.

Looking ahead, UAQ has established ambitious targets in collaboration with concerned stakeholders:

Achieve **100%** smart metering across all facilities, supported by close coordination with contractors.

Launch awareness campaigns across sites and communities to reinforce water-saving practices.

Maintain **100%** effluent discharge compliance through NCEC-accredited contractors.

Expand the use of treated wastewater for dust suppression, designed in partnership with local authorities.

Water Performance Data

In 2024, total water consumption stood at 11,421 m³, compared to 9,967 m³ in 2023, while total quantity of water discharged was 10,543 m³.

9,967 m³   **11,421 m³**

2023   **2024**
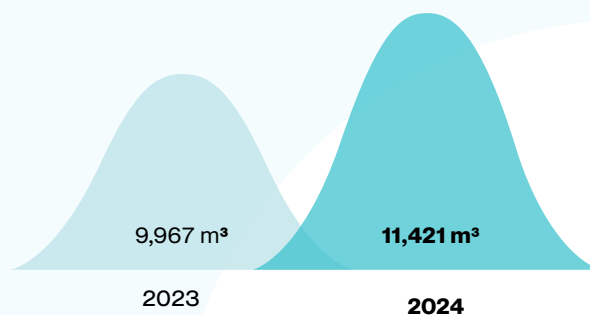
Water Consumption

The increase in water usage and waste production in 2024 compared to 2023 can be attributed to the progression of project activities. In 2023, work on the pedestrian walkway was still in its early stages, focusing primarily on excavation and laying foundations, with no planting or irrigation underway. As a result, both water consumption and waste generation remained low. However, by 2024, the commencement of paving, planting, and irrigation for landscaping led to a significant rise in water use and waste output.

ENVIRONMENTAL COMPLIANCE

In accordance with the requirements of the environmental permit application and the Environmental Impact Assessment Monitoring and Audit Program, we submit on a monthly basis the National Center for Environmental Compliance Agency (NCEC) the Environmental Monitoring Report (EMR) specific for the MASAR Project. The report covers air quality, noise and water monitoring data in addition to environmental incidents, waste management and compliance audit outcomes.

The EMR details monitoring procedures, data collection processes and the weekly site audits conducted. It also covers roles and responsibilities in relation to data collection, analysis and reporting.

Zero environmental incidents or public complaints were registered in 2024

No major instances of non-compliance were recorded in 2024

NATURE AND BIODIVERSITY

Biodiversity preservation is a critical concern for real estate development companies, especially due to the impact of rapid urbanization in reshaping landscapes
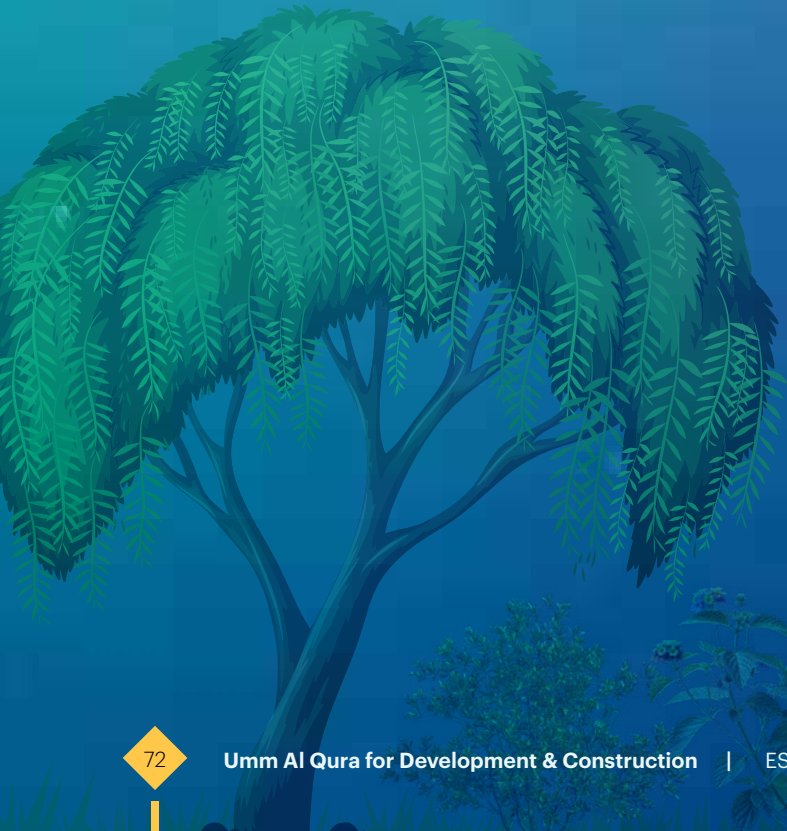
At UAQ, we are mitigating our impact on ecosystems through the creation of green spaces and the planting of drought-resistant trees as essential measures for conserving water resources and enhancing biodiversity. These trees require less irrigation and play a crucial role in addressing the challenges of climate change and water scarcity in Saudi Arabia, while also providing shade and improving air quality for residents and visitors.

The establishment of green spaces within our projects provides habitats for various species and contributes to the health of urban ecosystems. These areas support birds, and other wildlife that are vital for maintaining ecological balance.

03

INVESTING IN OUR PEOPLE AND COMMUNITIES
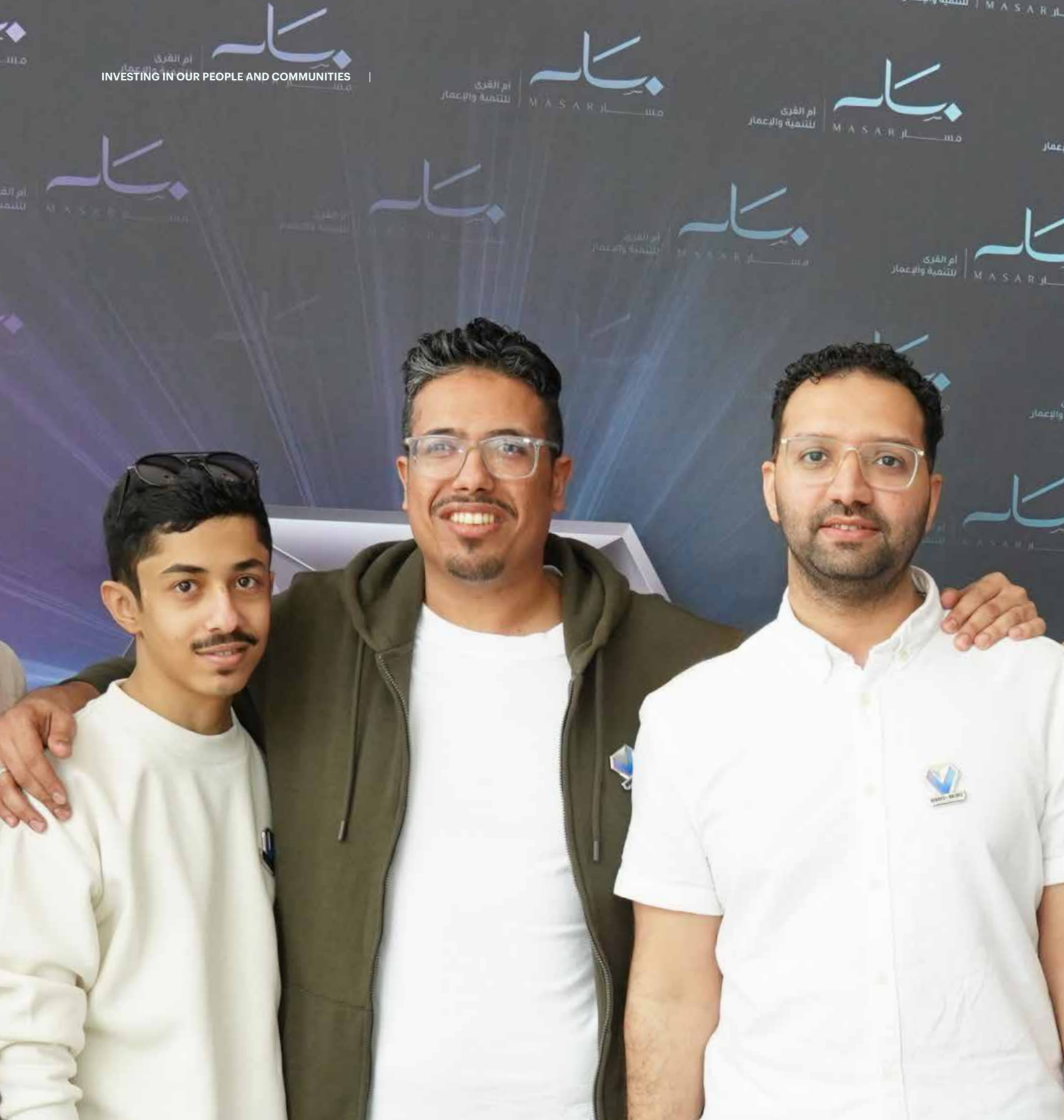
EMPOWERING OUR PEOPLE

At UAQ, we focus on cultivating a supportive environment that empowers talent to realize their full potential

At UAQ, we believe that every employee's journey holds untapped potential waiting to be realized. By providing opportunities for growth and fostering a culture of fairness, inclusion, and recognition, we empower our people to thrive and leave a lasting impact.

Human Resources plays a central role in enabling this vision, as a catalyst for business performance by aligning people strategies with organizational ambitions. We drive agility, accountability, and future readiness through precision workforce planning and leadership development, while embedding digital-first practices that streamline operations.

While we continue to foster communication, retain top talent, and promote career growth through an integrated framework, our focus extends to fostering an inclusive culture where dignity, equality, and recognition enable people to reach their full potential and create lasting impact.

Our HR strategy, approved in 2024 and set for implementation in 2025, is focused on reinforcing our ESG priorities through four strategic objectives:

01.
Talent Attraction and Retention
We aim to secure and retain diverse talent that drives sustainable growth.

02.
Leadership and Capability Development
We will prepare responsible leaders to champion ESG initiatives and create long-term value.

03.
Performance-Driven Culture
We are committed to embedding accountability, ethics, and transparency across the organization.

04.
Human Capital Infrastructure and Enablement
We will strengthen governance, policies, and digital tools that support sustainable practices.

100% of employees are full-time

139 employees in 2024 compared to **119** in 2023

14
interns

117
males

22
females

Heroes of Values

In our recent team-building activity titled "Heroes of Values," we embarked on a journey showcasing the alignment of the values of our employees with those of UAQ. This initiative was not just about understanding our core principles; it was about embodying them in our daily actions and interactions.

As we gathered together, it became clear that our shared values serve as the foundation for our success. By working collaboratively towards a common goal, we can achieve our targets and elevate our performance as a team. We emphasize that values are not merely words displayed on a wall; they translate into actions that define our culture and drive our achievements.

Throughout the event, we celebrated our "Heroes" in various categories that exemplified these values:

◆ Agility

◆ Integrity

◆ Progressive Thinking

◆ Excellence

As we concluded the "Heroes of Values" activity, it was evident that our commitment to these values would not only strengthen our team but also drive our collective success.

Together, we are not just employees; we are Heroes of Values, united in our mission to achieve greatness

HEROES of VALUES

أبطال القيم

FROM SKILLS TO IMPACT: BUILDING FUTURE CAPABILITIES

Career Development Program

Our people are the foundation of our organization's success. We continuously invest in creating a skilled and diverse workforce capable of improving our growth and performance.

In 2024, we established Career Development Programs built on working closely with employees to create individual career development plans to enhance capabilities across the organization and support career growth.

Our Programs are focused on:

01

Conducting surveys or interviews to understand individual employee career aspirations, strengths, and development needs.

03

Equipping managers and HR staff with tools and resources to support employees in their career planning.

02

Establishing program objectives that align with both employee goals and organizational needs.

04

Providing training for managers and HR staff on facilitating career development discussions effectively.

Launched a transformative Career Development Program that empowers employees to shape their professional journeys

By conducting surveys and interviews, we identify individual career aspirations and development needs, leading to personalized career development plans with actionable goals and learning opportunities.

05

Collaborating with employees to create personalized career development plans that include short-term and long-term goals.

07

Setting milestones and metrics to track progress and measure the effectiveness of career development plans.

09

Monitoring and updating the plans regularly to reflect changes in employee goals and organizational priorities.

06

Identifying learning and development opportunities that align with individual career aspirations.

08

Aligning career development plans with the organization's performance management system to ensure coherence.

10

Reporting and communicating successes of the program to foster a culture of growth and recognition within the organization.

Training and Development

Specialized training and development opportunities are essential to ensure that employees are equipped with the skills, tools and confidence necessary to perform efficiently and adapt to evolving business needs.

In 2024, the company made significant strides in enhancing employee capabilities through a comprehensive approach to training and performance evaluation.

Planned training programs include:

- Individual training programs
- Group training programs
- Leadership development program
- Professional certificate programs
- Exhibitions and conferences

- Online courses or distance training and education
- Graduate programs:
  - Summer Training Programs
  - Cooperative Training Program
  - Tamheer Program

Key Training Program in 2024

18 programs in the Kingdom

6 programs out of the Kingdom

19 programs remotely/online.

In 2024, the company delivered over 42 diverse training programs throughout the year, tailored to meet the specific needs of each department

These specialized programs not only improved performance but also enhanced employee readiness to tackle future challenges.

Training topics included:

Leadership and Development

Leadership development, media training, sustainability leadership and CSR, and strategy.

Financial Standards and Accounting

International Accounting Standards and IFRS (International Financial Reporting Standards).

IFCE

Insurance Foundation Certificate Examination.

Language and Communication

English language training.

Project Management and Procurement

PMP (Project Management Professional), strategic procurement, risk management, BCM (Business Continuity Management).

Health, Safety, and Environmental Management

STCIEH/IOSH (Safety Training Certificate in Environmental Health/Institution of Occupational Safety and Health).

Information Technology and Security

CISSP (Certified Information Systems Security Professional), ITIL (Information Technology Infrastructure Library), ISO Lead Auditor, business analysis and performance, and CBAP (Certified Business Analysis Professional).

We also provide regular training and updates to employees and management on ESG topics aligning with UAQ's material topics and ESG ambitions including diversity and inclusion, human rights, business ethics, resource management and environmental performance. These tailored training courses are delivered on an annual basis for all employees considering knowledge gaps and level of expertise. The training sessions are integrated into existing learning plans and onboarding processes. We are planning to develop and implement an interactive ESG e-learning course with a comprehensive curriculum, including knowledge assessment and feedback collection from participants prior and post each session to evaluate effectiveness and identify areas for improvement. The training courses are regularly updated to reflect the latest ESG trends and regulations.

ESG is also an integral part of our monthly newsletter.

As a company committed to sustainable practices and responsible governance, we believe it is essential for our team to understand the significance of ESG and how it impacts our operations and community.

The ESG section highlights our key initiatives aimed at promoting sustainability and social responsibility within our organization. From managing our waste to enhancing diversity and inclusion, we are actively working towards integrating ESG principles into our daily practices.

Additionally, we provide practical tips for our employees on how they can contribute to our ESG goals, both at work and in their personal lives.

Reflecting on our commitment to our people's development, we will embark in 2025 on a comprehensive ESG skills gap analysis to pinpoint the essential skills needed for various roles within our organization. By assessing current employee capabilities and comparing them to a detailed skills inventory, we will identify gaps and validate our findings with insights from managers and stakeholders. This initiative will ensure that our workforce is equipped to meet future challenges and drive sustainable growth.

We are also committed to nurturing the next generation of leaders through our Leadership Training and Mentorship Programs. This future initiative will focus on crafting a dynamic curriculum that emphasizes essential leadership skills and competencies. Additionally, we will develop a robust mentorship framework to foster meaningful connections between mentors and mentees, providing the support necessary for professional growth and empowering our leaders to thrive.

By creating a supportive environment that encourages growth and excellence, the company not only enhances its operational effectiveness but also empowers its workforce to thrive in a competitive landscape.

Average hours of training breakdown by:

Gender

10	6
Female	Male

2022

26	10
Female	Male

2023

22	**13**
Female	Male

2024

Employee Category

1	9
Senior Management	Staff

2022

4	14	14
Senior Management	Middle Management	Staff

2023

7	**6**	**20**
Senior Management	Middle Management	Staff

2024
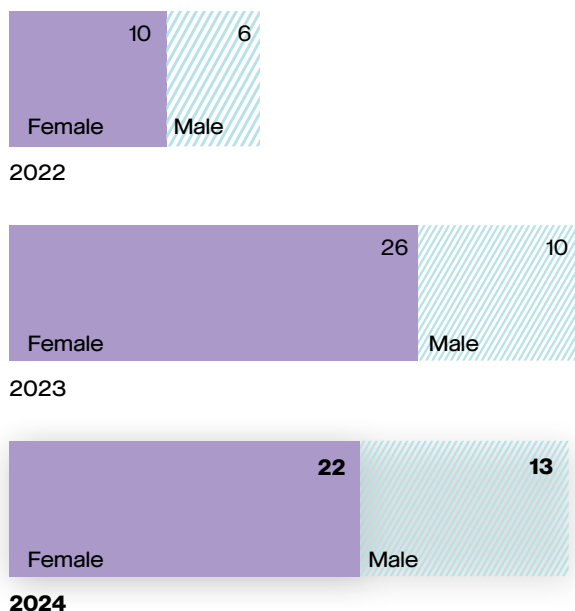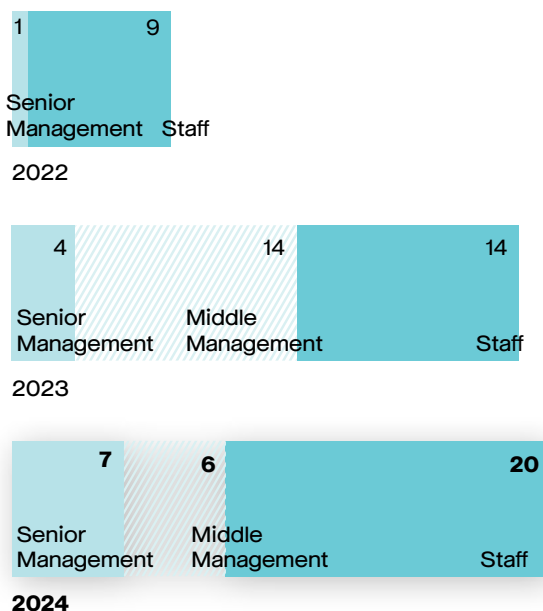
Performance Reviews

Annual performance reviews play a crucial role in building an accountable and performance driven culture. Through regular performance reviews and career development assessments, we identify and address our employees' potential challenges. These reviews assess individual contributions and prioritize areas for growth, ensuring that employees receive the feedback and support they need to advance their careers. They also inform our training programs to effectively contribute to the professional growth of our people.

This structured approach to performance evaluation aligns with the company's vision to invest in human capital and cultivate a skilled workforce.

UAQ recognizes that its employees are the cornerstone of sustainable success, and this commitment to training and development is in line with the goals of Saudi Vision 2030.

In 2024, 100% of the employees received regular performance and career development reviews

Employees at UAQ can take control of their own career development. Through Performance Indicators, following certain steps.

01 — Identifying personal performance indicators

02 — Setting SMART goals

03 — Tracking progress regularly

04 — Asking for feedback and guidance

05 — Celebrating achievements
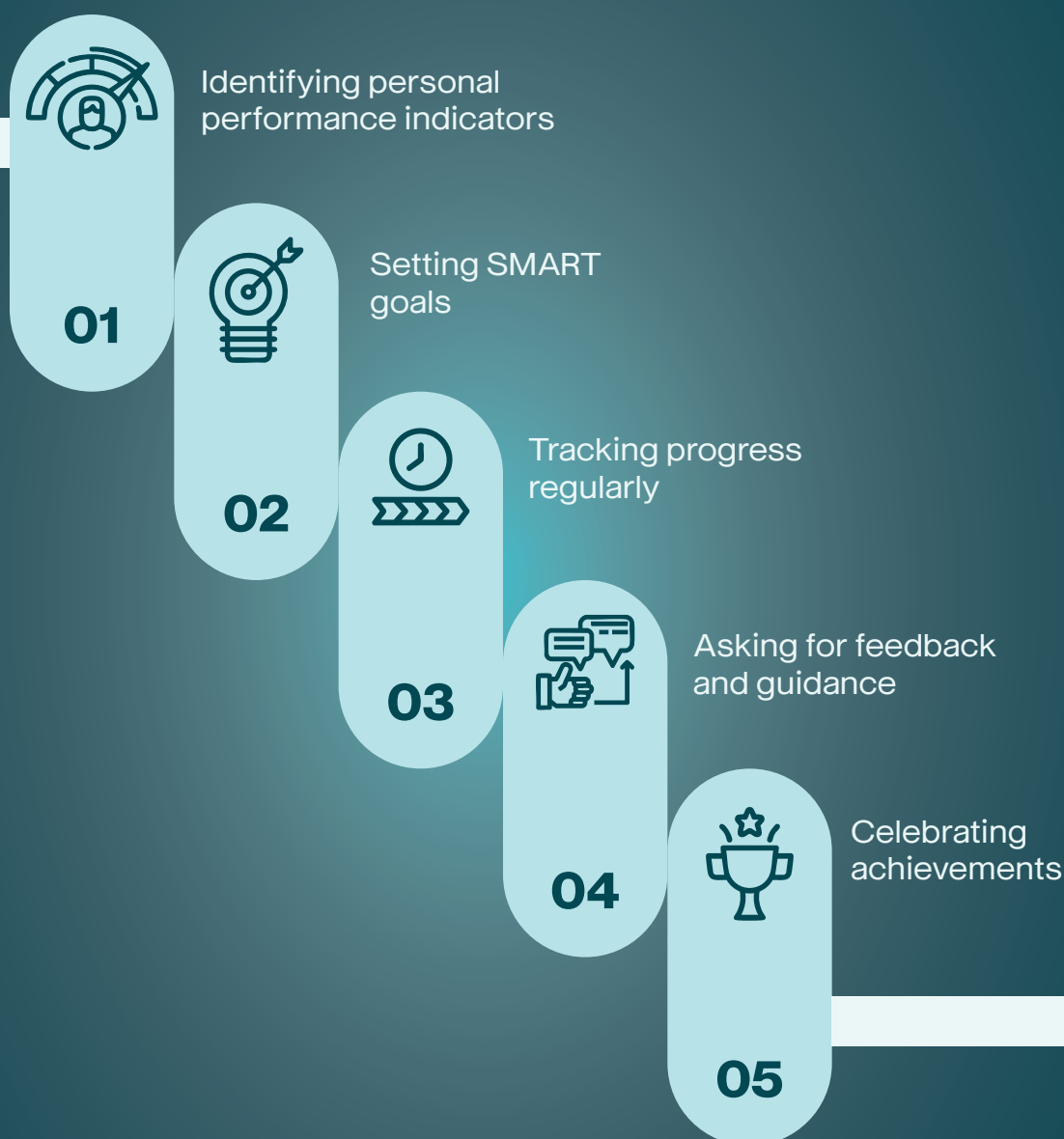
TALENT ATTRACTION AND RETENTION

We implement comprehensive HR management policies that create a strong foundation for effective employment practices. Our focus on clear recruitment guidelines, performance management, and career development fosters a supportive and engaging work environment.

By implementing these strategies, we aim to not only attract qualified candidates but also retain skilled employees who drive our organization's growth.

Total number of newly hired employees :

	2022	2023	2024
Total number of newly hired employees	20	18	36

New Hires by age:

Under 30

2022	2023	2024
5	6	11

30 to 50

2022	2023	2024
13	12	25

Over 50

2022	2023	2024
2	0	0

New Hires by gender:

Male

2022	2023	2024
15	14	21

Female

2022	2023	2024
5	4	15
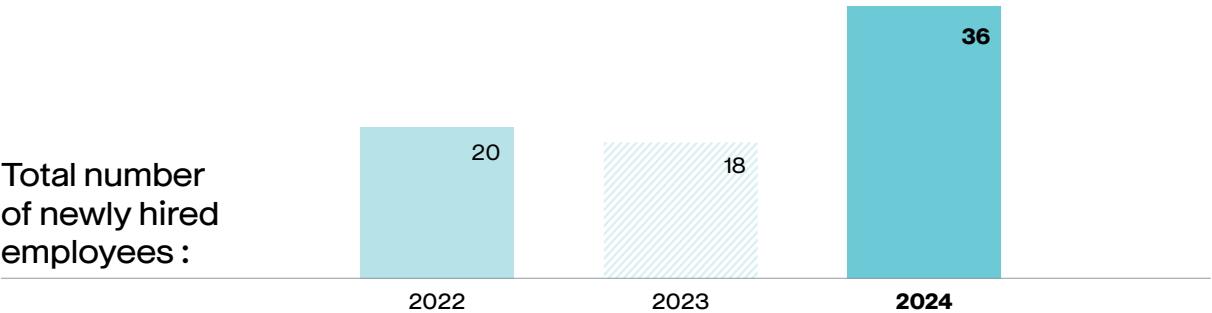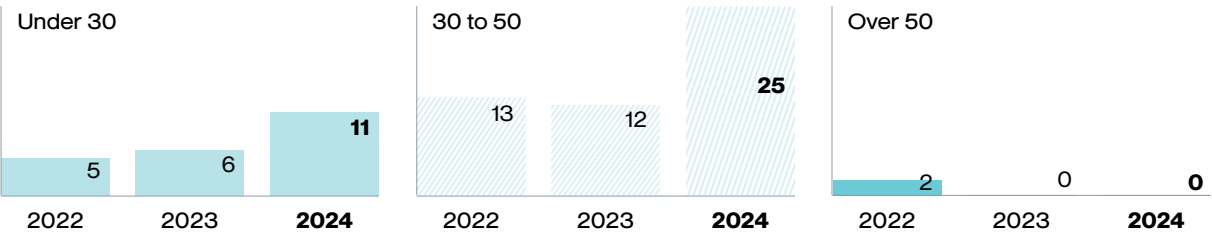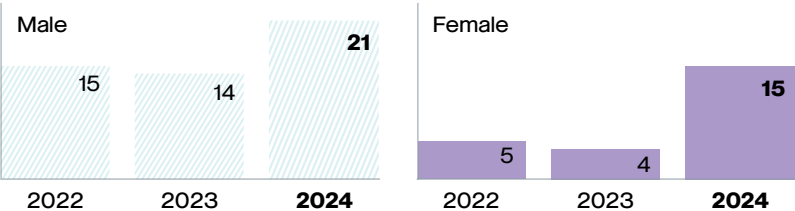
Percentage of employees leaving during the reporting period:

2022	2023	2024
8.9%	10.9%	10.8%

Turnover rate (%):

2022	2023	2024
10	11	**12**

Turnover by age:

30 Under

2022	2023	2024
4	2	**1**

50 to 30

2022	2023	2024
6	10	**11**

50 Over

2022	2023	2024
0	2	**3**

Turnover by gender:

Male

2022	2023	2024
3	6	**8**

Female

2022	2023	2024
7	7	**7**
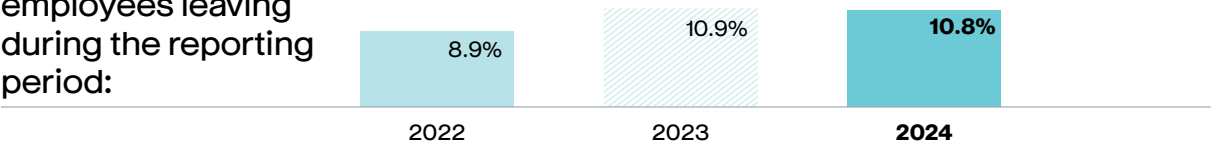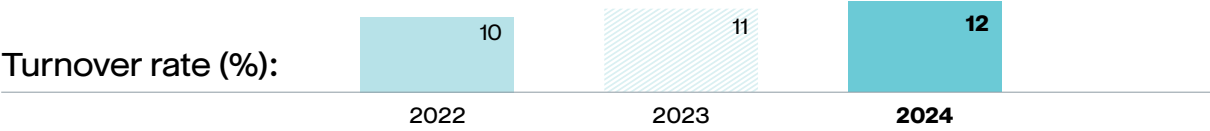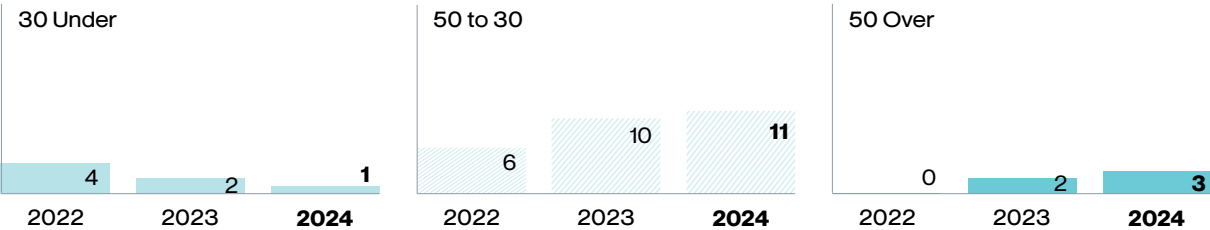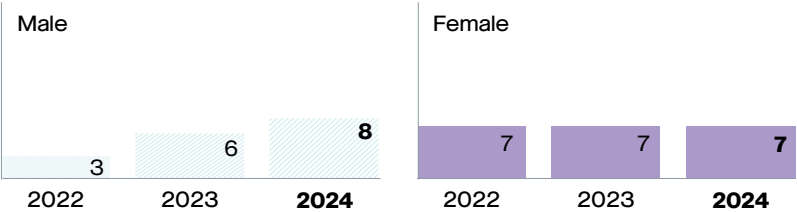
Our hiring process aims to attract top talent by implementing a comprehensive set of recruitment policies that guide each stage of recruitment. These policies cover identifying qualified candidates, screening applicants, and standardizing job offers to guarantee equal opportunities.

In addition to our annual performance reviews and development programs, we have in place a compensation and benefits policy that supports talent retention by ensuring a competitive and fair compensation system for retaining skilled employees.

We also collaborate with local universities and schools to provide members of the communities with training and jobs within the organization. In 2024, we welcomed 14 interns.

As we move forward, we have established a **Program for promoting health & wellbeing of employees**: This program aims to enhance employee health and wellbeing through a structured process that includes comprehensive needs assessment, employee involvement in goal setting, actionable health initiatives, and continuous monitoring. By expanding existing surveys and incorporating focus groups and health screenings, the program aligns with GRESB requirements. Employee feedback and program usage statistics will be utilized to ensure the program remains relevant and effective in promoting a healthier workplace.

Caring for Our People: Benefits and Wellbeing

At UAQ, we recognize that employee wellbeing is essential for a motivated and engaged workforce. Our benefits help attract and retain top talent, supporting those who contribute to our success.

We are committed to caring for our employees through active engagement, effective support, and open channels for addressing grievances. Our benefits package includes parental leave, housing and transportation allowances, expense compensation, and health insurance, with life insurance planned for 2025.

UAQ also facilitates access to non-occupational medical and healthcare services by ensuring adequate health insurance coverage or assisting with enrollment. We offer voluntary health promotion programs to address major non-work-related health risks and enhance overall wellbeing, including health screenings, educational sessions, fitness initiatives, and stress management.

By focusing on critical health risks such as physical inactivity, unhealthy diets, smoking, substance abuse, and mental health, these programs encourage employees to prioritize their health. Access to these services is provided through various channels to ensure all employees can benefit.

We foster a culture of trust through transparent communication, keeping staff informed about leadership changes and company events. During difficult times, we support employees by offering condolences and encouraging mutual support.

In 2024, all employees that took parental leave returned to work and were still employed after their return to work during the reporting period

The total number of employees that were entitled to parental leave

	2022	2023	2024
Female	7	4	5
Male	64	56	78

The total number of employees that took parental leave

	2022	2023	2024
Female	0	0	0
Male	4	3	5

Engaging our Employees

We remain dedicated to actively engaging with our employees, to understand their needs and perspectives and to collaborate toward the achievement of shared objectives.

In 2024, we conducted a company-wide employee survey through an independent third party. The survey aimed to understand employees' perspectives on UAQ's offerings and identify the programs they value most.

Conducting these surveys is crucial for gathering timely feedback, understanding employee perspectives, and enabling data-driven decision-making. This ongoing assessment helps UAQ address concerns promptly and adapt its strategies to align with employee needs, ultimately fostering a positive work environment.

Fair Treatment in the Workplace

73%

Respondents have positive perceptions of the company's work environment, with 73% strongly agreeing that they are treated fairly regardless of their background.

Optimism About the Future

83%

83% of respondents express optimism about the company's future, indicating positive employee sentiment and confidence in the organization's trajectory.

74% of respondents view the company culture positively, indicating an overall favorable workplace environment.

Positive Company Culture

74%

73% of respondents express a high level of trust in the information shared by the company regarding its future.

Trust in Leadership Communication

73%

DIVERSITY, EQUITY AND INCLUSION

We are dedicated to maintaining a workplace free from discrimination and harassment, where everyone feels valued and respected

Through our initiatives and policies, we ensure to promote social inclusion, human rights, and gender equality, as evidenced by the number of management roles occupied by women at UAQ.

Our Human Resources Department leads our Diversity, Equity, and Inclusion (DEI) efforts by embedding DEI principles into our recruitment process, creating a welcoming environment for all applicants. Furthermore, we maintain a strict zero-tolerance policy on discrimination. Our Code of Conduct, which aligns with Saudi Labor Law, clearly articulates our stance against discrimination, injustice, and harassment. Additionally, every employee is thoroughly educated on the Code of Conduct to ensure a comprehensive understanding of discrimination, its consequences, and the penalties for violations.

Importantly, our compensation structure is gender-neutral, guaranteeing equal pay for equal work at all levels. This equitable approach underscores our dedication to fairness and non-discrimination, further proving our commitment to giving equal opportunities to everyone in the organization. Our HR policy provides a solid framework to enhance our initiatives in promoting diversity, inclusivity, and equality within our workforce.

We actively monitor our DEI metrics, and we are proud to report that we had no incidents of discrimination reported in 2024.

Total number of incidents of discrimination

0

2022
2023
2024
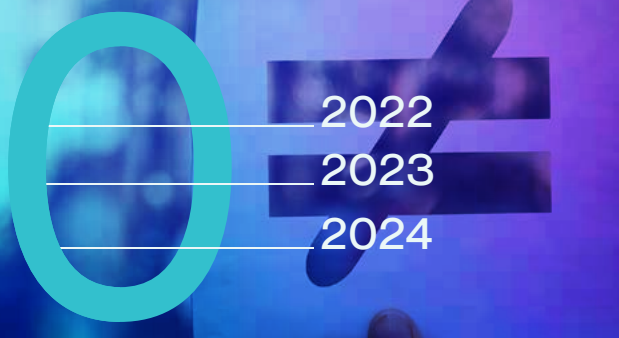
Organization's leadership composition by gender (%):

12	88
Female	Male

2022

10	90
Female	Male

2023

6	**94**
Female	Male

2024

Middle management by gender (%)

4	14
Female	Male

2022

2	18
Female	Male

2023

4	**18**
Female	Male

2024
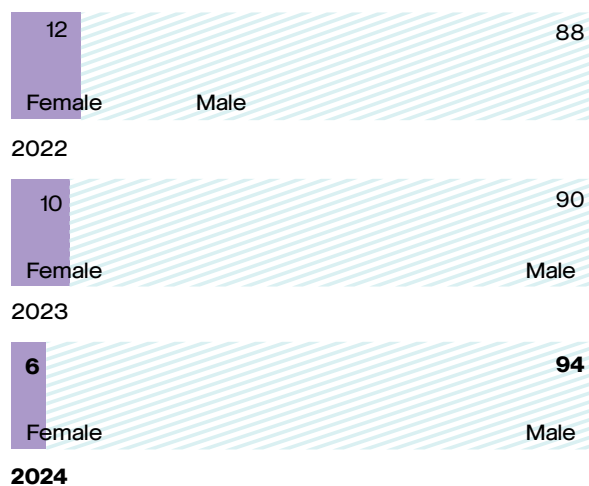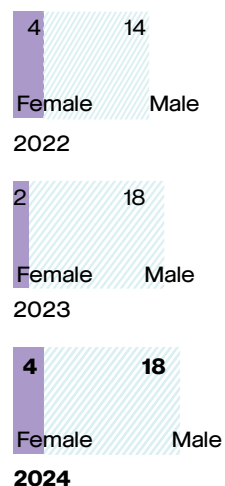
Employees below middle management by gender (%):

8	60
Female	Male

2022

8	56
Female	Male

2023

11	**50**
Female	Male

2024

Senior management by gender (%)

3	12
Female	Male

2022

3	14
Female	Male

2023

1	**16**
Female	Male

2024
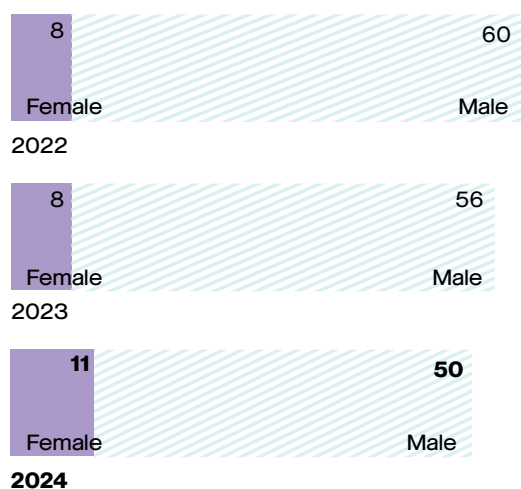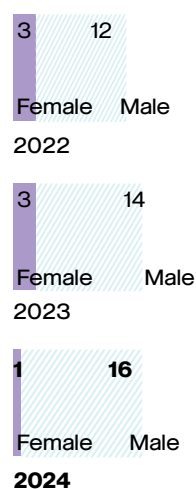
عــام مـــسـار الـقــيــم

Additionally, we are committed to integrating design principles for disability-inclusive infrastructure across all assets. An audit of existing assets has been conducted to assess their level of disability inclusiveness. Areas needing improvement have been identified to meet accessibility standards. A set of design principles and standards addressing the needs of individuals with disabilities has been created, ensuring compliance with relevant legislation and a system for ongoing monitoring and evaluation of inclusive features will be established to ensure that all assets remain accessible.

Parity in pay and remuneration, irrespective of gender and nationality

57% of employees are Saudi

42% of new hires are female compared to 22% in 2023

12% of employees are less than 30 years old

OCCUPATIONAL HEALTH AND SAFETY

We are committed to developing strong safety policies and procedures that align with regulations and industry's best practices

Our Occupational Health and Safety Management System (OHSMS) is designed to protect the health and safety of workers and stakeholders in the construction sector. It addresses the unique hazards of construction activities through a systematic approach that spans the entire project lifecycle. Our OHSMS is being implemented in accordance with legal requirements and recognized risk management standards, adhering to the following regulations:

- The Labor Law in Saudi Arabia (Royal Decree No. M/51)

- The Saudi Arabian Occupational Safety and Health Regulations set forth by the Ministry of Human Resources and Social Development (MHRSD)

- The Saudi Arabian Civil Defense Regulations.

- The Saudi Arabian Standard Organization (SASO), which provides standards related to occupational safety, including safety signs, protective clothing, and personal protective equipment.

- The Ministry of Labor and Social Development (MLSD) concerning working hours, workplace inspections, and occupational health services.

Our system also aligns with national and international standards, guidelines and recommendations such as:

The International Labor Organization (ILO) Conventions and Recommendations

ISO 45001 - Occupational Health and Safety

The Occupational Safety and Health Administration (OSHA) standards

By integrating these legal requirements and standards, we ensure a comprehensive approach to occupational health and safety that protects our workforce and promotes a safe working environment.

Our Occupational Health and Safety Management System

The effectiveness of our OHSMS is defined by several critical components:

Adherence to relevant health and safety legislation, regulations, and industry standards.

Thorough Risk Assessments and control measures to mitigate risks effectively.

A strong policy that reflects management's commitment to safety on construction sites.

Regular performance monitoring of our OHSMS to drive ongoing improvement.

Clear procedures for reporting, investigating, and analyzing incidents.

Comprehensive training for all workers and personnel, empowering them to work safely.

Our Health, Safety, and Environment (HSE) management system emphasizes accountability and competence. Our system is based on "The Internal Responsibility System". This states that "Everybody is personally responsible to take every measure reasonable to continuously improve processes such that, among other benefits, the risk of occupational injury or illness is driven down as low as it can reasonably go." The ultimate objective of the Internal Responsibility System is to ensure everyone integrates health and safety into all aspects of their work.

As we are committed to the highest standards of health and safety, we ensure our team is empowered with the right safety tools, training, and resources to create a safe working environment.

Recognizing that construction sites can present unique hazards, we prioritize comprehensive safety protocols that are tailored to the specific challenges of our projects. Our Personal Protective Equipment (PPE) Policy dictates that PPE is used as a last line of defense, with workers being properly equipped and trained on its use.

Additionally, we conduct daily trade coordination meetings to align activities and task safety analysis. We conduct regular internal and external audits and inspections to collect critical feedback on the effectiveness and compliance of our OHSMS. We analyze collected data and investigate incidents and near misses to identify trends and opportunities for improvement.

In 2024:

100%

of employees and workers who are not employees but whose work and/or workplace is controlled by the organization, are covered by the implemented OHSMS that has been internally audited

Based on our OHSMS, we developed standard operating procedures (SOPs) that outline the steps to be followed in hazard identification, risk assessment, and control implementation processes. These SOPs offer clear guidance on how to conduct these activities consistently and effectively.

We also conduct thorough risk assessments to evaluate potential hazards and establish KPIs to monitor the effectiveness of our hazard identification, risk assessment, and control implementation processes.

Key enablers of our OHSMS:

Training and awareness

Risk identification, assessment and prioritization

Incidents investigations

OHSMS

Monitoring and measurement

Audits and reviews

Control measures
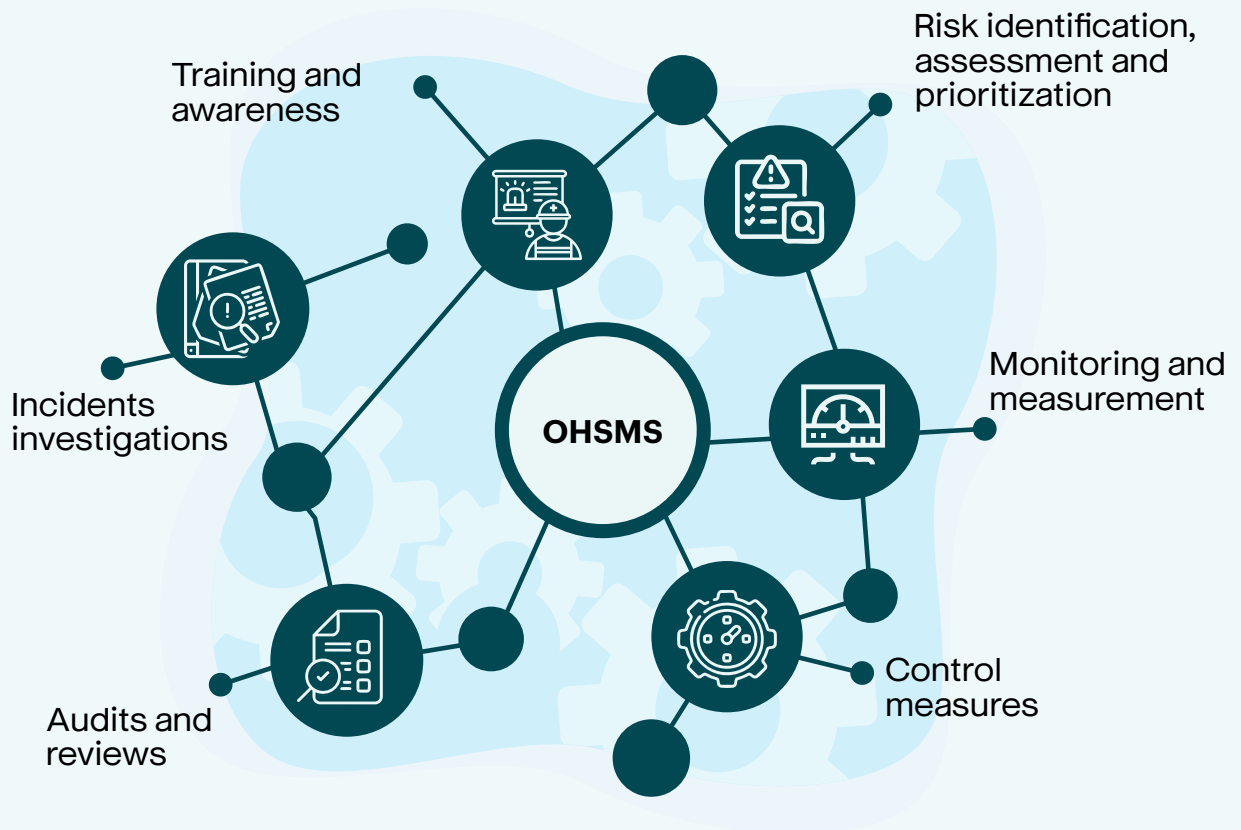
Hazard management process

We recognize that effective hazard management is essential to maintaining a safe and healthy workplace. Our Comprehensive Hazard Management Process provides a systematic approach to identifying, mitigating, and investigating hazards, resulting in measurable improvements in employee safety and organizational performance.

This process plays a central role in safeguarding our workforce and minimizing occupational health and safety impacts. We proactively identify hazards in routine and non-routine activities and assess associated risks. Using the hierarchy of controls, we eliminate or reduce risks and continuously improve our OHSMS. We also track key KPIs to evaluate the effectiveness of these measures.

Our Comprehensive Hazard Management Process has been instrumental in safeguarding our employees and minimizing occupational health and safety impacts

Regular risk assessments help determine the likelihood and severity of potential harm and guide the implementation of engineering controls, administrative controls, and PPE requirements. Daily inspections and weekly site walkthroughs further ensure compliance with project safety standards and maintain consistent oversight of workplace conditions.

Incident Investigation

◆ Analyzing the incident to identify root causes and understand what led to the event.

◆ Implementing corrective actions to prevent recurrence and strengthen existing controls.

◆ Evaluating current systems, including hazard identification, risk assessment, and employee training effectiveness.

◆ Capturing lessons learned to support continuous improvement of the OHSMS and strengthen safety culture.

◆ Collecting and categorizing OHS data using standardized and transparent methods aligned with OSHA and project HSE standards.

◆ Recording incidents in a centralized system, completed by contractors and reviewed by the project engineer, including details on severity, root causes, and corrective actions.

◆ Applying clear reporting criteria for all incident types (fatalities, lost-time injuries, medical treatment cases).

◆ Investigating and validating incident data to ensure accuracy, consistency, and comparability.

◆ Reporting performance regularly, including weekly HSE KPIs and monthly HSE reports shared with management.

Commitment to worker safety

A strong safety culture is promoted through open communication, employee participation, and accountability

We empower employees through regular training and awareness programs that emphasize safe work practices, proper use of PPE, and emergency response procedures. To monitor workers' health and identify any occupational diseases or adverse effects related to workplace exposures, we conduct health surveillance programs that include regular health assessments, medical examinations, and biological monitoring.

In 2024, high-consequence injuries were primarily caused by electrocution, being struck by machinery or falling objects, and collapses of excavations or trenches. In response, a series of actions have been taken to eliminate these hazards and minimize risks. For electrical safety, additional insulation and physical barriers are installed, a strict permit-to-work system is enforced, and enhanced training is provided to workers. Elevated work safety is ensured by installing overhead protection, guardrails, and fall protection systems, along with load securement procedures. Excavation safety is addressed through thorough soil analysis, adequate trench shoring, and specialized training. Heavy equipment and traffic safety measures include safety alarm systems, improved traffic management, and regular inspections of machinery. Administrative controls involve revising site-HSE plans, enhancing safety training, and implementing stricter permit-to-work systems. Finally, the use of PPE is mandated, with regular inspections to ensure compliance and effectiveness.

Mitigating our occupational health and safety risks

Engineering Controls

- Ensured adequate guardrails, barriers, and fall protection systems at elevated work areas are in place.
- Ensure monthly inspection of the safety features on heavy equipment and machinery.
- Redesigned work processes to minimize the need for workers to enter dangerous zones.

Administrative Controls

- Revised the site-HSE plan and work procedures to address the identified hazards.
- Provided enhanced safety training and ensured regular job hazard analysis training and awareness delivered to all workers regularly.
- Implemented stricter permit-to-work systems and effective communication protocols.

Personal Protective Equipment (PPE)

- Mandated the use of appropriate PPE, such as harnesses, hard hats, and steel-toed boots. In addition, the required gloves and masks based on the activity required precautionary measures.
- Conducted regular inspections of PPE and color-coding to ensure proper usage and effectiveness.

5,393 workers who are not employees under UAQ

0.70% rate of recordable work-related injuries

Zero fatalities in 2023 and 2024

10,291,281 hours worked

Zero high-consequence work-related injuries excluding fatalities in 2023 and 2024

Communication and engagement

We have established clear processes for workers to report work-related hazards and hazardous situations, ensuring protection against reprisals. Our accessible reporting mechanism, including a dedicated hotline, allows employees to voice concerns easily. Our non-retaliation policy prohibits any form of reprisal against those who report hazards, fostering an environment where workers can express their concerns without fear of termination or harassment. They can report hazards directly to supervisors, raise issues in staff meetings, or contact health and safety representatives, with a reward system in place to promote a safer workplace. Additionally, workers have the right to remove themselves from situations they believe could cause injury or ill health, with guaranteed protection against retaliation. Confidentiality is maintained throughout this process, and if a worker feels retaliated against for leaving a dangerous situation, they can file a complaint through designated channels.

Furthermore, regular toolbox talks and safety meetings for the workers representatives and management to discuss occupational health and safety concerns are organized. During these meetings, team members discuss potential conflicts, safety concerns, and schedules to ensure smooth project progress. These meetings provide an opportunity for workers to voice their opinions and contribute to the development and evaluation of the management system.

Safety training

Comprehensive safety training is provided to all employees, including specialized training for unique hazards, ensuring staff are qualified and experienced

The safety and wellbeing of our employees and workers are paramount. To achieve this, a comprehensive and structured approach is adopted to inform workers about safety practices.

Before starting their roles, all new employees participate in an induction session that covers essential occupational health and safety policies, procedures, and expectations. To keep employees informed, a robust communication and training program is in place, which includes general orientation, weekly toolbox talks (TBT), and job-specific training tailored to address the unique risks associated with different roles

We regularly review our training plans to outline requirements based on roles, including topics, duration, and certifications. To ensure the effectiveness of our training programs, we assess training materials to align them with incident reports and risk assessments, addressing root causes and implementing corrective actions.

Employees are provided with clear and accessible written materials, such as safety manuals and safety data sheets (SDS), serving as constant reminders of safety protocols and best practices.

Additionally, we evaluate training records and collaborate with external providers to deliver effective and up-to-date programs.

By focusing on thorough OHS training, we enhance the safety and health of our employees, reduce accidents, and ensure compliance with legal requirements

Our commitment to safety is clearly demonstrated by the impressive number of safe man-hours logged and the comprehensive training provided to our workforce. The contractor maintains weekly records of training data to ensure accountability.

2021

9.2M
We celebrated a significant milestone of 9.2 million safe man-hours, during which over 6,000 workers received specialized training tailored to their specific tasks.

16.3M
We exceeded our previous achievement in 2022 reaching 16.3 million safe man-hours and training an additional 4,000 workers.

2022

2023

24.5M
we proudly accumulated a total of 24.5 million safe man-hours and provided specialized training to over 22,000 workers without any lost time incidents (LTI).

33M
we further enhanced our safety record by achieving 33 million safe man-hours and providing specialized training to 31,391 workers.

2024

CONTRIBUTING TO OUR SOCIETY

We believe that our success is connected to the support and achievements of our society

Our flagship project MASAR Destination is designed to drive transformation across various dimensions, aligning with Vision 2030 fostering economic growth, enhancing environmental sustainability, and improving social welfare. By focusing on job creation, sustainable practices, and community engagement, **UAQ is committed to building a brighter future for residents**. The positive effects of MASAR resonate throughout the community, creating opportunities and promoting a higher quality of life for all.

Key enablers of MASAR:
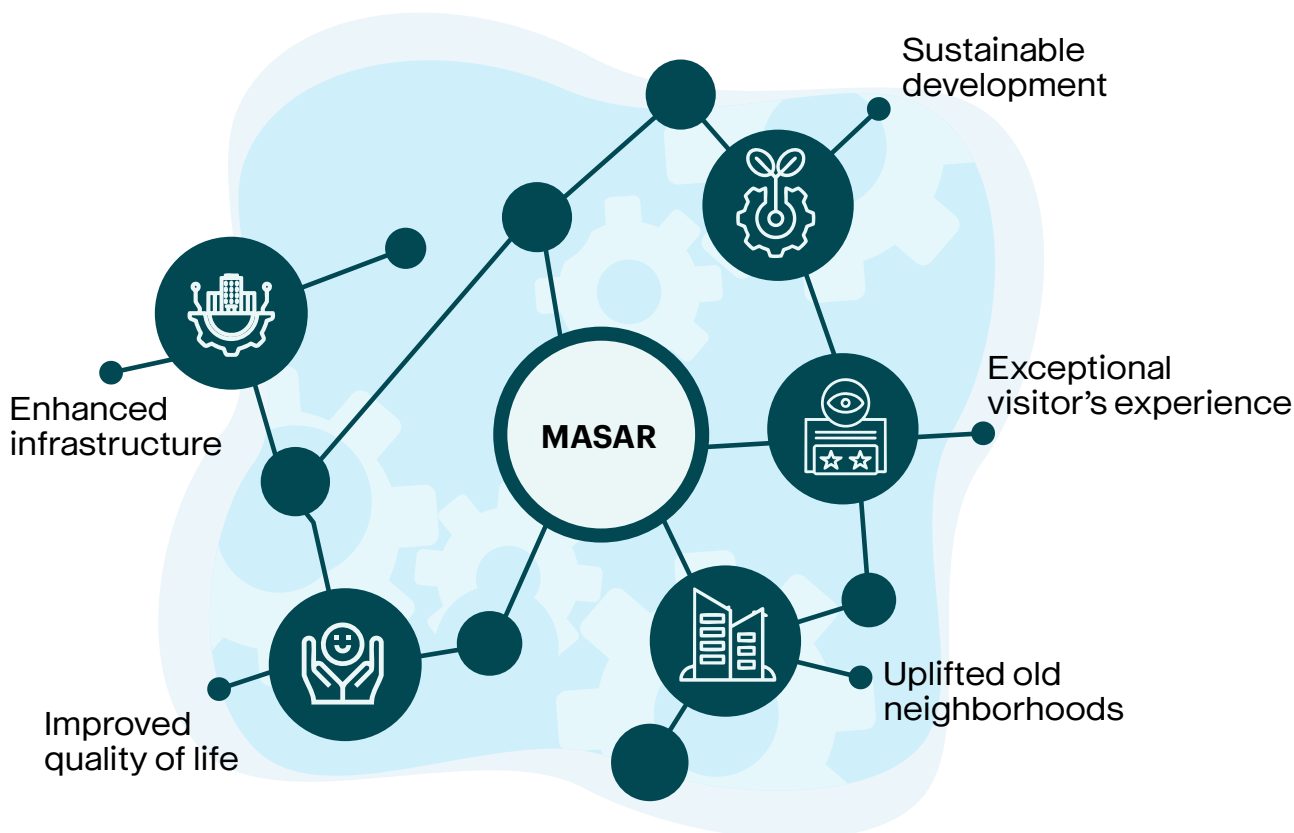
Economic prosperity

Job creation is a cornerstone of UAQ's operations, and MASAR plays a vital role in this effort. The development will cater to an anticipated population of 158,000 residents, visitors, including Hajj and Umrah visitors and employees. By opening doors to employment in construction, hospitality, and green technology, we empower local residents with valuable skills and opportunities. Our commitment to sourcing from local suppliers further stimulates the economy, ensuring that community investment initiatives flourish. This approach not only boosts economic activity but also strengthens community ties.

More details on MASAR contribution to the economic growth of Makkah could be found in **Section 3 - Investing in our people and communities.**

Environmental sustainability

We acknowledge that no large-scale development is without its challenges. We prioritize sustainable practices to minimize our environmental footprint, and MASAR exemplifies this commitment through various initiatives, including water and waste management, energy efficiency, and the use of renewable energy and sustainable materials. The design features vibrant green spaces that create a harmonious balance between urban living and nature. Furthermore, MASAR incorporates an efficient and high-capacity transport system, including underground pedestrian crossings, to ensure safe and comfortable movement throughout the area while simultaneously reducing environmental impact. These elements collectively reflect our dedication to fostering a sustainable and eco-friendly community.

More details on UAQ environmental performance in **Section 2- Environmental Sustainability.**

Social welfare and community engagement

Engaging with stakeholders fosters collaboration and ensures that community voices are heard. In order to monitor the negative impacts of our construction activities on our surrounding community, we maintain a register of all public complaints regarding the works of the construction site.

Moving forward, we are planning to establish and implement a stakeholder engagement framework that focuses on local communities. This framework will begin by setting clear objectives for each stakeholder group and understanding their concerns, interests, and desired level of engagement through meetings, surveys, or questionnaires.

Our commitment to social responsibility strengthens bonds within the community and cultivates a supportive environment

Preserving our heritage and culture

UAQ is committed to preserving and celebrating the rich culture and heritage of Makkah through MASAR Destination. Our mission inspires us to focus on every detail, ensuring that our transformation not only respects the profound significance of Makkah but also enhances the overall experience for visitors. We aim to create an environment that reflects the spiritual essence of this sacred city, providing a welcoming atmosphere that honors its historical and cultural importance, making every visitor's experience truly memorable and authentic.

MASAR project embodies the concept of "Destination Making," designed according to leading global urban planning practices. It will conserve the spiritual essence and historical heritage of Makkah while creating a modern, integrated destination. Visitors can expect traditional architectural elements and local craftsmanship that reflect the city's unique identity.

MASAR will also host cultural exhibitions, art installations, and community events that celebrate Makkah's traditions. By collaborating with local artisans and cultural organizations, UAQ ensures that the vibrant culture of Makkah is not only preserved but also thrives for future generations. Through these efforts, we aim to enrich the experiences of residents, pilgrims, and visitors alike, fostering a deeper appreciation for the Holy City of Makkah.

Empowering local communities

UAQ is dedicated to enhancing community engagement by promoting cultural, social, and spiritual activities that celebrate Islamic heritage. This commitment ensures that the project aligns with the values and traditions of the local community .

Amana Initiative

UAQ has an ongoing initiative with Amana to engage with local artists, and work on beautification of MASAR Destination, as well as providing them opportunities to showcase their handicrafts at the site (for example, in the form of organizing local bazaars). UAQ also organizes Friday greetings supporting local artists. The contributions of artisans to the project is documented and celebrated, fostering a sense of community pride.

Open museum

UAQ organizes open museum where buildings under construction are covered with pictures from local photographers around Makkah, actively collaborating with local authorities and artists to bring out fully the Islamic culture and spirituality of the Holy City of Makkah through a series of festivities and events for pilgrims and visitors.

For the Love of Makkah Photography competition

Since 2022, UAQ organizes on a yearly basis a Photography competition titled 'For the Love of Makkah' in collaboration with the Saudi Arabian Society for Culture and Arts. This competition aims to celebrate World Photography Day. It encourages participants to showcase their love for Makkah through three themes: Landmarks & Historical Places, Life in Makkah, and Spirituality. This initiative continues MASAR's commitment to supporting the creative local community.

UAQ at Cityscape

We are excited to share our participation at Cityscape in Riyadh in 2024, a premier event that brings together key players in the real estate and investment sectors. MASAR showcased its unique offerings and potential for growth, positioning itself as a prime location for investment opportunities.

During the event, we engaged with numerous stakeholders, investors, and industry leaders, highlighting the strategic advantages and vibrant prospects that MASAR has to offer. This achievement not only underscores the confidence investors have in our vision but also reflects our commitment to fostering a thriving economic environment.

The Kiswah Workstation

At Cityscape 2024, UAQ proudly presented the Kaaba Kiswah Workstation, an interactive exhibit designed to immerse visitors in the rich history of the Kiswah. Operated by a skilled artisan from the King Abdulaziz Complex for the Holy Kaaba Kiswa, the exclusive facility responsible for producing the Kiswah in Makkah, the workstation showcased the intricate embroidery process. Managed by the General Presidency for the Affairs of the Two Holy Mosques, this complex ensures the authenticity and quality of the Kiswah, with the artisan providing visitors a firsthand look at the craftsmanship involved.

Attendees were captivated by the luxurious materials on display, including black silk, gold and silver threads, and the detailed embroidery techniques that characterize the Kiswah. The live demonstration illustrated the tools used in its creation and the meticulous steps involved in the manufacturing process. Educational briefings enriched the experience, detailing the Kiswah's history since its establishment in 1962 and its evolution over time. Visitors learned about the annual production capacity and the dedicated workforce of approximately 200 skilled artisans, with the rigorous process requiring thousands of hours of handwork. Open to all Cityscape visitors, both local and international, the Kiswah Workstation fostered a deeper appreciation for this sacred Islamic heritage. Through this unique experience, UAQ reinforced its commitment to preserving and celebrating the traditions associated with the Kaaba and its Kiswah, creating a memorable and educational experience for all attendees.

Our participation at Cityscape was a significant milestone for MASAR Destination, reinforcing our dedication to driving development and attracting investment that will contribute to the growth and prosperity of our community.

We look forward to building on this momentum and continuing to collaborate with partners and investors to realize our shared goals

2024 Cityscape Highlights

Signed an agreement with **Qayed for Development** to develop a hospitality project in the MASAR destination with **investments reaching 1.3 billion SAR.**

Signed an agreement with **"Al-Ramz"** to develop luxury residential units in the MASAR destination with **investments amounting to 1.4 billion SAR.**

Announced a new investment with **Alpha Capital** to develop a luxury residential tower in the MASAR destination in Makkah with investment reaching SAR 800M.

Signed an agreement with **Electromin** to manage and operate the first fully electric Bus Rapid Transit system in the Middle East, extending across the MASAR destination. This initiative is a step towards a **better environmental future, aimed at improving the quality of life for residents and visitors of Makkah.**

04

GOVERNANCE AND SUSTAINABILITY OVERSIGHT

CORPORATE GOVERNANCE

We are committed to embed the principles of transparency, compliance and accountability in our governance framework

Our governance framework ensures that we uphold the highest ethical and legal standards, ensuring transparency, institutional accountability and compliance with laws and regulations while adhering to internal policies and leading practices. The oversight of sustainability is integrated into our overall governance framework and is aligned with our governance approach.

Our robust governance structure enables effective risk management and legally sound decision-making. For more details about our governance structure and objectives please refer to our annual report.

Company Governance Structure

Shareholders

Board of Directors

Board Secretary

Executive Committee

Nomination & Remuneration Committee

Audit Committee

Chief Executive Officer (CEO)

Internal Audit Department

Executive Management
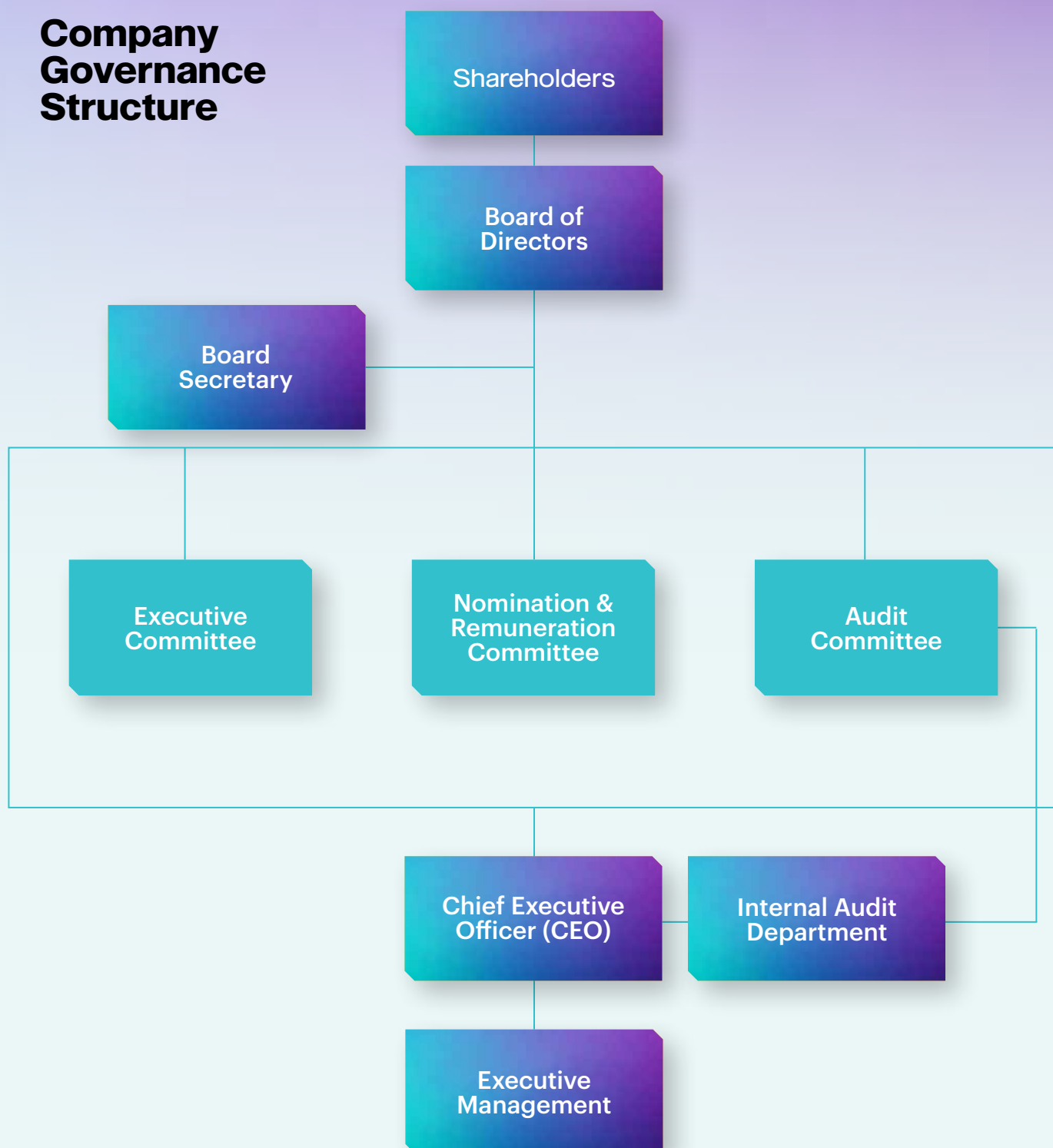
Our Board structure and composition

Our Board of Directors (BoD) guides and oversees the development and implementation of policies that align with our strategic objectives. It meets quarterly to discuss strategic decisions including those related to ESG.

The Board is composed of 5 non-executive members and 4 independent members. The Chairman is a non-executive member. Each Board member brings extensive experience in investments and real estate development as well as leadership skills aligned with the company's business nature and development goals.

Board members are appointed by shareholders during General Assemblies for a term not exceeding four years based on assessments and recommendations from the Nomination and Remuneration Committee (NRC) based on their skills, industry expertise and independence.

Abdullah Kamel
Chairman

Abdurahman Al-Rashed
Vice Chairman

Zuhair Hamza
Board Member

Abdullah Al-Balawi
Board Member

Haitham Al-Fayez
Board Member

Jihad Al-Qadi
Board Member

Ahmed Al-Rumaih
Board Member

Abdulaziz Al-Khunaian
Board Member

Abdulaziz Al-Rasheed
Board Member

Bader Fadel
Board Secretary
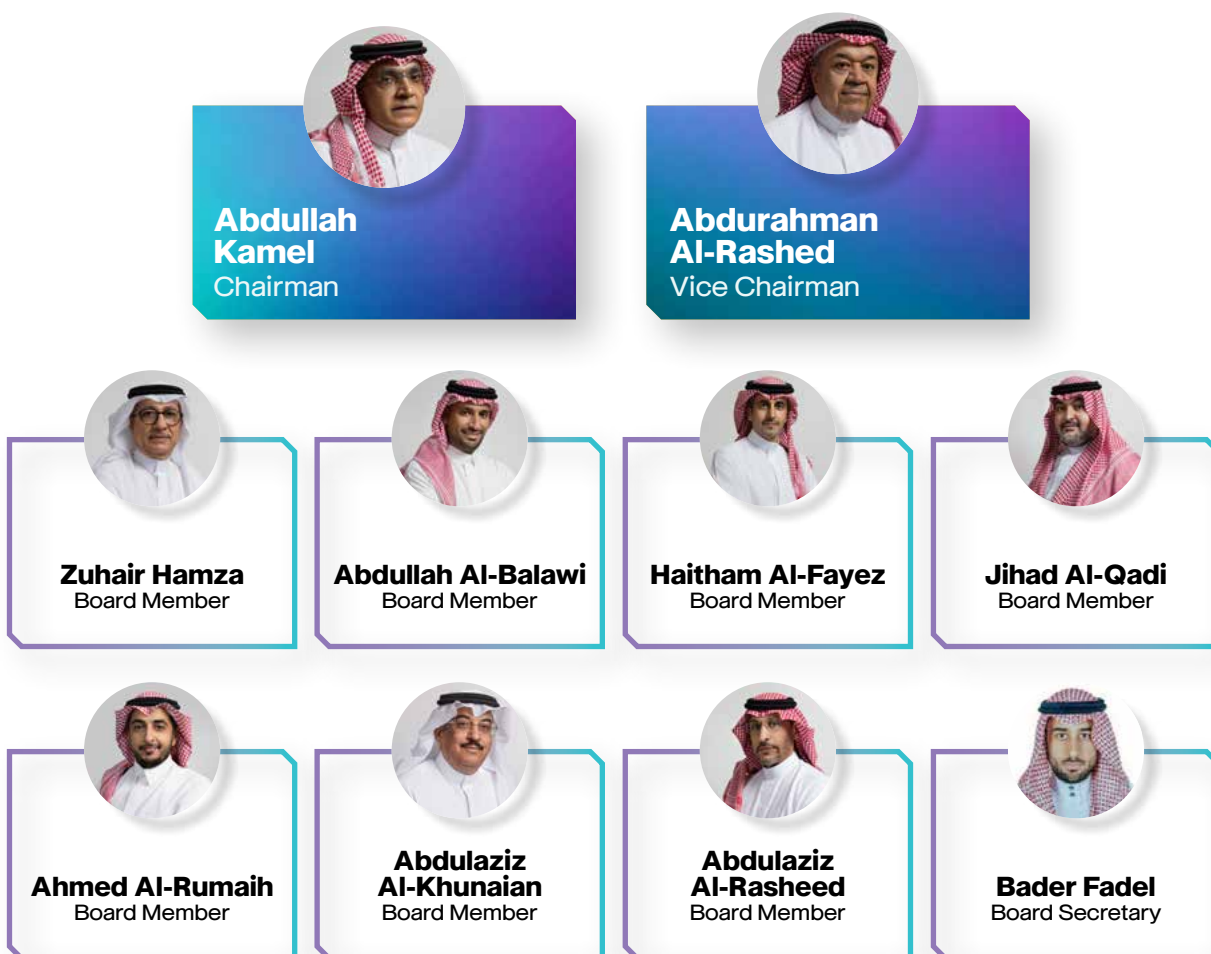
Board performance evaluation

Our governance model is built on the foundational values of transparency, equality, and business ethics

Our Nomination and Remuneration Committee supports the BoD in conducting regular performance evaluation to assess required skills and experience and ensures diversity and complementarity in both the Board and executive management.

Key aspects of the Board performance evaluation process include:

01.
Candidate selection
Board candidates are chosen based on a clear policy that prioritizes fairness, diversity, and essential skills and experience to advance the organization.

02.
Annual reviews
The NRC conducts annual assessments of current Board members to ensure their qualifications align with the company's evolving needs.

03.
Independence evaluation
To uphold high governance standards, the NRC evaluates the independence of Board members each year. This evaluation involves verifying the absence of conflicts of interest and assessing any positions held on other boards.

04.
External evaluations
While the Board is committed to continuous improvement, it recognizes the importance of external evaluations. The Board conducts an independent performance evaluation by a specialized third party every three years, as required by Corporate Governance Regulations. In 2025, an external firm will carry out the assessment. The process will include a structured questionnaire sent to all Board and Committee members. Responses will measure the effectiveness of the Board, its committees, and individual contributions. The results will highlight strengths, identify areas for improvement, and provide practical recommendations. Findings will first be reviewed by the NRC. They will then be presented to the full Board for discussion and approval. This evaluation provides an objective view of performance, ensures governance practices continue to improve, and reinforces accountability to stakeholders.

Board key responsibilities

The Board plays an essential role in driving the organization's strategic vision and mission

Committed to effective governance, the BoD key responsibilities include:

Oversight of ESG Initiatives
Oversee critical decisions related to ESG initiatives, reinforcing our commitment to sustainability.

Compliance
Ensure regulatory compliance with laws and regulation, internal controls, and ethical standards.

Approval of ESG framework
Approve the ESG Framework and Policy Statement to ensure accountability for our social and environmental impacts.

Board membership standards
Nominate Board members and establish standards for board membership, ensuring diversity and competence at the highest level.

Executives' pay policies
Shape and review executive pay policies through the NRC, promoting fairness and motivation.

Strategic planning and performance evaluation
Direct strategic planning and performance evaluation through the Executive Committee, aligning our goals with actionable strategies.

Audit and compliance oversight
Focus on audit procedures, financial reporting, internal controls, and legal compliance via the Audit Committee, safeguarding stakeholder interests.

The Board is supported by the executive management team under the leadership of the Chief Executive Officer (CEO) and three subcommittees:

Executive Committee

Provides strategic guidance and decision-making support

Audit Committee

Oversees financial reporting and compliance

Nomination and Remuneration Committee (NRC)

Manages the appointment of Board members and oversees remuneration policies

These committees ensure our governance practices meet the needs of both internal and external stakeholders while driving financial and social growth.

To support these efforts, we have established clear communication channels to the Board, ensuring that critical concerns are addressed promptly. These concerns are communicated by the CEO or other senior executives to the Audit Committee, which assesses the nature of the concern and provides the Board with the final outcome through regular reports.

Our three committees are responsible for relaying significant issues to the Board, guaranteeing that no important matter is overlooked. Typically, concerns are communicated directly to the Board by our senior executives or CEO.

The Audit Committee plays a crucial role in thoroughly assessing these concerns and presenting their findings through regular reports. Our corporate governance policy includes defined grievance mechanisms to address incidents of misconduct, which are flagged by the relevant committee for investigation in accordance with our policies.

Our committees

The Board is supported by three primary committees ensuring effective governance oversight of the company's strategies and objectives, compliance with applicable laws and regulation, remuneration, performance evaluation and independence.

01.
The Executive Committee

Reviews the company's strategies and objectives, advises the Board on corporate social responsibility matters, oversees the budget, business plans, and operational processes as well as focus on employee welfare, community engagement, and environmental sustainability.

This committee works closely with executive management to ensure that strategic tasks align with our overall objectives. It has served as the official ESG Committee for the organization over the past few years.

03.
The Audit Committee

The Audit Committee supports the Board in performing its oversight responsibilities by supervising internal and external audit functions, ensuring the accuracy and transparency of financial reporting, and overseeing compliance with applicable policies and regulations. The Committee also reviews reports from the Internal Audit Department and external auditor, and assesses internal controls with executive management. It monitors recommendations and oversees corrective actions to ensure compliance and governance.

02.
The Nomination and Remuneration Committee (NRC)

Oversees the appointment of Board members during General Assemblies, conducts comprehensive evaluations of candidates based on skills, industry knowledge, independence, and diversity. Furthermore, it implements and oversees remuneration policies, including fixed pay structures and additional provisions such as sign-on bonuses. NRC plays a key role in shaping our remuneration policy by incorporating stakeholder feedback to ensure our governance practices align with the values and expectations of our stakeholders.

In 2024, an external consultant has been engaged to frame a remuneration mechanism at the company level, excluding the Board and Committee members.

SPOTLIGHT ON ESG GOVERNANCE

ESG governance is a fundamental component of our corporate strategy. The Executive Committee (ExCom), consisting of the company's Board members, serves as the primary body within UAQ responsible for overseeing all ESG matters, including climate-related risks and opportunities, as well as ESG issues that are pertinent to UAQ's activities. Meanwhile, the Management Committee (MC), including C-Suite members, ensures that ESG considerations are woven into UAQ's strategy and operations. The MC is tasked with appointing an ESG Lead and ESG Champions, as well as facilitating the implementation of the ESG Framework.

The Board and Executive Committee work closely with the Risk Management Department to effectively implement the ESG objectives and ensure alignment with relevant national, regional, and international guidelines. This collaboration enables us to proactively identify and manage social and environmental risks.

We regularly review and monitor our ESG performance to ensure alignment with our commitments, overarching goals, and the key performance indicators (KPIs) that matter most. These KPIs are developed in accordance with established reporting frameworks, such as the GRI and the GRESB.

Additionally, ESG Champions have been designated in each function and department, with specific ESG tasks integrated into job descriptions and employee annual performance KPIs to promote a sustainability-centered culture and drive the execution of our ESG initiatives and the overall improvement of our ESG performance.

BUSINESS ETHICS, INTEGRITY, AND COMPLIANCE

Our corporate governance structure is designed to promote transparency, accountability, and ethical business practices, with a strong emphasis on ESG governance.

This commitment not only supports our strategic goals but also enhances our reputation and long-term sustainability

Our policies are designed to safeguard our values by establishing clear guidelines and expectations for behavior and ethical decision-making within the organization. They serve as a framework that promotes ethical conduct, accountability, and integrity among all employees. By outlining specific standards and procedures, our policies help ensure that our values are consistently upheld in everyday operations and interactions, fostering a positive workplace culture and reinforcing our dedication to transparency, respect, and ethics. Our policies function as a protective measure, guiding our actions and decisions to align with our core values and mission.

Our key policies include:

Disclosure and Transparency

Conflict of Interest Policy

Stakeholder Relations Policy

Remuneration Policy

Code of Conduct Policy

Confidentiality Policy

Complaint and Grievance Management Policy

Disciplinary Action Policy

Harassment and Behavioral Abuse Policy

Human Rights Policy

Performance Management and Performance Improvement Plan Policy

Recruitment Policy

Training Policy

Fraud Detection & Handling Policy

To ensure compliance with our policies, the company has developed the Compliance Framework and a policy manual. Training workshops were organized for all Governance and Compliance champions to familiarize them with Governance and Compliance activities and clarify the role of the champions in enhancing the Governance and Compliance culture in UAQ.

An assessment has also been carried out to identify gaps in current practices. Using the insights gained, a three-year plan was created to enhance the maturity of both Governance and Compliance across the organization.

Managing with integrity

As of 2024, we are proud to report that there have been no incidents of conflict of interest, whistleblowing or cybersecurity breaches

Should such events arise, they would be promptly communicated through the appropriate committee.

We are committed to preventing and managing conflicts of interest by fostering a culture of ethical behavior, transparency, and integrity across our business and operational practices, as outlined in our Conflict of Interest Policy.

Any potential conflict of interest must be disclosed, and necessary approvals or permits should be secured as required. Each board member is required to submit an annual conflict of interest form to identify and highlight any potential issues. In cases where conflicts are identified among members, Board members with identified conflicts are excluded from related decision-making processes and the Board promptly informs shareholders to maintain transparency and implement appropriate compliance measures, as necessary.

Human rights

We actively embed human rights considerations into our operations, fostering a workplace where individuals feel respected and valued

We are dedicated to protecting and promoting human rights across our operations and business relationships, in line with international standards and the Saudi Human Rights Commission.

Our Human Rights Policy includes provisions for nondiscrimination on the basis of age, gender, people of determination, race, origin, and personal beliefs.

We ensure that all employees are treated with dignity and respect by maintaining a workplace free from forced labor and any form of harassment whether physical or verbal.

While formal human rights assessments are available, we recognize the importance of ongoing evaluation and feedback to maintain a fair and secure environment for our employees. We engage in initiatives that reinforce our commitment to human rights, including training on the Sustainable Development Goals.

Our commitment extends to our suppliers, who are required to comply with human rights standards, occupational health and safety, and employee welfare through our Code of Conduct.

Ensuring ethical business practices

Our Code of Conduct sets forth the legal and ethical standards expected by board members, committees, and all employees in all our operations. Key components of this code include:

Legal and ethical standards
All activities must comply with laws, ethical conduct, and the protection of confidential information.

Commitment to prevent fraud and corruption
The company is dedicated to eliminating all forms of fraud and corruption.

Mandatory adherence
Every employee and supplier is required to follow the Code of Conduct to maintain ethical standards.

Zero tolerance for misconduct
Any form of misconduct is not tolerated, with strict policies for reporting and addressing fraud.

Whistleblowing channels
Employees can confidentially report unethical behavior through dedicated whistleblowing channels.

Disciplinary actions
Individuals involved in fraud face disciplinary measures, including possible dismissal.

In 2025, UAQ plans to organize regular workshops on business ethics, integrity, and compliance for its business partners, based on vendor surveys that include ESG topics.

Step 01
Define the objectives and scope of the training.

Step 02
Develop the training content in alignment with UAQ's Code of Conduct.

Step 03
Conduct pre-training and post-training assessments.

Step 04
Collect feedback from participants to assess effectiveness and identify areas for improvement.

Step 05
Compare post-session data with baseline assessments to measure progress.

Grievance mechanisms

To promote a safe and healthy work environment, we have established grievance mechanisms that allow employees to voice concerns without fear of retaliation. Our Complaints and Grievance Policy ensures that all complaints are managed fairly and confidentially. Dedicated reporting channels are in place to facilitate this process. Our non-retaliation policy protects employees who report hazards or misconduct, empowering them to raise concerns without fear of adverse consequences.

UAQ has an anonymous ethics hotline and whistleblowing channel for internal and external stakeholders, including local communities. Key steps included selecting a suitable platform, creating a detailed plan for its features and usage, and ensuring accessibility for all users. UAQ promoted the hotline through training sessions that emphasized its importance. A dedicated team was assigned to monitor and log in claims, with established procedures for responding to and investigating reports. Disciplinary actions were enforced according to the organization's code of conduct. In 2024, a companywide awareness campaign on fraud and the whistleblowing program was organized, underscoring UAQ's commitment to ethical practices and accountability.

Cybersecurity and Data privacy

At UAQ, we prioritize data privacy and confidentiality, aligning our Data Privacy Policy with the directives of the National Cybersecurity Authority (NCA) and the Essential Cybersecurity Controls. Our IT department has implemented robust cybersecurity measures to protect investor data, as outlined in our contract clauses. This includes regular training for employees to ensure that all data on UAQ servers is well safeguarded.

In 2024, UAQ achieved formal approval of its Data Management Policy and Data Implementation Strategy, with implementation planned for 2025. As part of this initiative, a comprehensive Data Readiness Assessment was conducted, which included an inventory of data sources and applications, evaluations of storage and sharing practices, and guidelines for data retention and destruction. The assessment also emphasized Data Classification to enhance data accessibility and compliance, alongside Business Understanding Study sessions to develop a comprehensive data strategy implementation plan.

On the cybersecurity front, UAQ successfully covered all employees in its training program through various methods, promoting continuous education on cyber threats. Employees are encouraged to report any data security incidents directly to IT via a dedicated email account. UAQ deployed SIEM and SOAR solutions for advanced monitoring and automated response, implemented vulnerability assessments and asset management solutions, and launched a Learning Management System (LMS) for cybersecurity training. A formal incident reporting process was established, managed by IT and Cybersecurity, with escalation aligned to NCA requirements. Additionally, the risk management department conducts annual assessments of IT risks to ensure proper controls are in place and address any shortcomings. Annual cybersecurity risk assessments were also conducted, along with assessments after major changes, supported by robust monitoring and vulnerability management practices.

To date, we have not received any substantiated complaints regarding customer privacy breaches, and there have been no incidents of data leaks, thefts, or losses.

Total number of substantiated complaints received concerning breaches of customer privacy, categorized by :

	2022	2023	2024
Complaints received from outside parties and substantiated by the organization	0	0	0
Complaints from regulatory bodies	0	0	0
Total number of identified leaks, thefts, or losses of customer data.	0	0	0

Strategic Initiatives for 2025/2026

01 **UAQ will initiate the implementation of its Data Strategy, with strong emphasis on:**

- ◆ Data Classification
- ◆ Governance Processes
- ◆ Quality and Standardization Enhancements

02 **UAQ is committed to advancing its cybersecurity measures through:**

- ◆ Brand Protection Solutions
- ◆ ISO/IEC 27001 Certification

03 **UAQ will implement the following solutions to enhance account control and fortify its overall security architecture:**

- ◆ Privileged Access Management (PAM)
- ◆ Identity & Access Management (IAM)

RISK AND OPPORTUNITY OVERSIGHT

Risk management framework

Our risk management framework is designed to seamlessly integrate risk methodologies into our daily operations, projects, and strategic decision-making. It establishes the fundamental principles for identifying, assessing, measuring, monitoring, mitigating, and reporting risks across the organization. This proactive approach aims to mitigate and optimize risks, positioning us to effectively identify, anticipate, and respond to potential challenges and opportunities.

Key elements of our risk management framework include:

Guidance for risk owners
We provide resources to support risk owners and champions in identifying and managing operational risks effectively.

Identification, evaluation, and prioritization
We assess both internal and external risks, assigning clear roles and responsibilities to ensure effective management and regular communication with management.

Mitigation strategies
Leveraging our risk analysis, we proactively develop and implement strategies to address potential threats and ensure the successful execution of identified actions.

Annual reporting
The risk management department submits qualitative and quantitative assessments of risk appetite and tolerances to the CEO for review and to the Board of Directors for approval.

Sustainability focus
Sustainability is recognized as a critical risk category, with defined indicators to evaluate our exposure to environmental, social, and governance (ESG) risks.

Our risk management framework, which is in line with ISO 31000 Risk Management Principles and Guidelines, is built on three lines of defense:

The Board

Executive Management

Audit Committee

Functional Managers 1st line of defense

◆ First responders to areas of risk in the organization.

◆ Open and regular channels of communication with the 2nd line of defense.

Risk & Compliance Management 2nd line of defense

◆ Risk & compliance conrol framework development.

◆ Risk appetite and defined tolerance limits.

◆ Risks and compliance management, monitoring, and reporting.

Audit (internal & External) 3rd line of defense

◆ Financial compliance.

◆ Enterprise compliance.

External Regulatory | Legislative Environment

Roles and responsibilities

The Board and Risk Management Committee provide oversight of risk activities and review the results of risk performance; the Executive Directors set the strategic direction and foster a culture of risk awareness, while the Risk Management Department implements and continuously improves the risk management framework. Together, they ensure that our risk management policy remains robust and aligned with our strategic objectives.

At UAQ, effective risk management is a collaborative effort

Board of Directors

◆ Provide oversight into risk activities and review the results of risk performance and drive a positive risk culture within the organization.

◆ Monitor risk exposure and major risks of potential transactions and approve high budget mitigation plans.

◆ Approve the Risk Management Framework documents, the governance structure, risk appetite and tolerance levels and risk policies based on the recommendation of the Risk Management Committee.

Chief Executive Officer

◆ Approve the risk management procedures, templates, KPIs, treatment plans and ensuring effective risk management implementation.

◆ Review and approve treatment plans for medium and low risks, as well as all strategic and operational risks, ensuring that appropriate strategies are developed for key risk indicator (KRI) breaches.

Audit Committee

◆ Oversee how management monitors compliance with the company's risk management policies and procedures, and review the adequacy of the risk management framework in relation to the risks faced by the company.

◆ The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Head of Risk

◆ Manage the activities of the Risk Management Department in alignment with the company›s strategy, governance structure, and established policies and procedures, while overseeing the design and implementation of various risk management disciplines.

◆ Recommend risk appetite, tolerances, and Key Risk Indicator limits to the CEO, Risk Management Committee, and Board of Directors, and obtain necessary approvals for risk treatment strategies.

Executive Directors and employees

◆ Demonstrate strong and sustained commitment to risk management through strategic planning and integration into UAQ operations and culture.

◆ Develop plans that consider time and resources for effective risk management and ensure clarity in the Company's risk management arrangements.

◆ Identify and modify decision-making processes as necessary to enhance risk management effectiveness.

◆ Continuously adapt the risk management framework to address internal and external changes.

Risk Champions

◆ Assist risk owners in developing and assessing treatment options for identified risks, including calculating residual risks, while collaborating with the Risk Management Department to identify, assess, and prioritize risks.

Risk Management Department

◆ Evaluate and understand the external and internal contexts in which UAQ operates, assigning roles, authorities, responsibilities, and clear accountabilities for managing risk.

◆ Ensure that risk management is embedded in all UAQ practices and processes, allocating necessary resources for effective implementation.

◆ Communicate and report on risk management activities and outcomes through periodic reports, measuring performance against key indicators.

◆ Assess progress and deviations from the Risk Management Implementation Plan, reviewing the suitability of the framework and reporting on compliance with the Risk Management policy.

◆ Evaluate the effectiveness of the Risk Management Framework and make improvements based on monitoring results.

◆ Utilize independent evaluations to assess the effectiveness of the Risk Management Department and Framework, developing plans to address identified gaps and improvement opportunities.
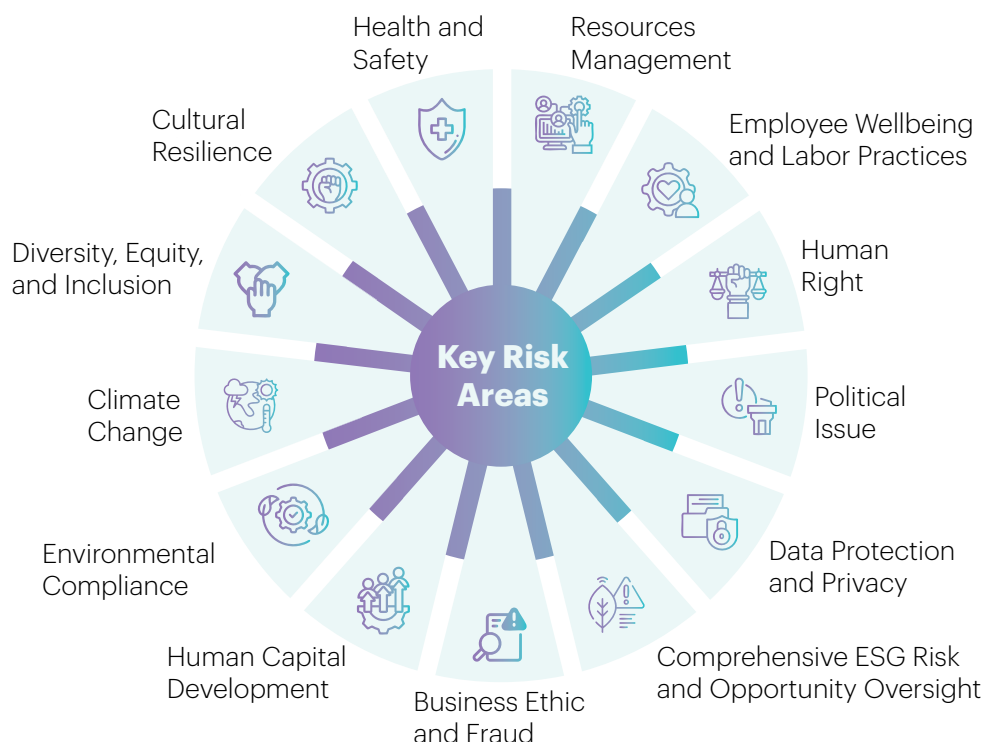
Managing our ESG Risks

We aim to foster a comprehensive culture of ESG risks management and assessment throughout the organization

Our risk management framework covers critical ESG-related risks that affect not only the natural, built, and operational environments but also the social and economic wellbeing of our communities. Our commitment to sustainability has led us to integrate key ESG risks within our risk management policy and overall business strategy while aligning to the strategic objectives of the organization. Our risk register includes a comprehensive list of our ESG risks along with their description, risk tolerance and control strategies.

We continue to regularly assess our approach to identifying, assessing, and monitoring ESG risks, which

underscores our dedication to responsible risk management and sustainable development.

In 2024, we revised our risk register to reflect priority ESG risks, in line with our sustainability objectives, leading best practice and rating agencies requirements. We have also established a comprehensive risk analysis approach to assess overall ESG risk impact, control procedures and risk mitigation plans. The updated risk register defines our tolerance levels and identify our critical ESG risk areas. It also includes tailored risk mitigation plans, roles, and responsibilities.

Key Risk Areas

- Health and Safety
- Resources Management
- Cultural Resilience
- Employee Wellbeing and Labor Practices
- Diversity, Equity, and Inclusion
- Human Right
- Climate Change
- Political Issue
- Environmental Compliance
- Data Protection and Privacy
- Human Capital Development
- Comprehensive ESG Risk and Opportunity Oversight
- Business Ethic and Fraud

SUSTAINABLE PROCUREMENT

We are committed to prioritizing responsible sourcing practices that promote business ethics, environmental compliance, and social responsibility

We are dedicated to integrating sustainability into every aspect of our activities, and supply chain aligning with the Saudi Exchange ESG guidelines and our own ESG framework and policy. Our commitment to responsible procurement principles ensures that we minimize risks associated with our supply chain and procure goods and services in a manner that minimizes negative impacts on the environment, society, and the economy. Additionally, our procurement practices prioritize local sourcing, which supports the local community and economy.

In 2024, we enhanced our partnerships by implementing a comprehensive Code of Conduct for our business partners, addressing essential issues like forced labor, child labor, health and safety, and environmental practices. This code was integrated into our procurement process, with monitoring and enforcement mechanisms established to ensure compliance.

We also require that any potential vendors must acknowledge our ESG principles through our:

01
Vendor registration process

02
Vendor pre-qualification survey

03
Code of conduct

04
Vendor surveys

05
Meetings with potential vendors

As part of our due diligence process, we conduct regular assessments for potential business partners through an established structured process for screening based on a pre-qualification form and an ESG assessment checklist to ensure alignment with ESG priorities and adherence to regulatory standards. This included training for our procurement team, ongoing performance monitoring, and clear communication channels to promote transparency. Through these initiatives, we demonstrated our commitment to responsible and sustainable business practices.

Contracts signed with external contractors include provisions addressing compliance with applicable laws, worker welfare, health and safety, environmental protection, and ethical conduct. Additionally, human rights considerations, such as fair treatment, wage protection, and safe working conditions, are explicitly incorporated through contractual obligations that align with KSA Labor Law and HSE standards.

DRIVING THE ECONOMIC GROWTH OF MAKKAH

MASAR Destination serves as a demonstration of our commitment to fostering the economic growth of Makkah. Our mission is to enhance the experience of residents and visitors to the Holy City, ensuring that every detail contributes to this transformative vision

UAQ's commitment to the Kingdom's Vision 2030 is evident in our alignment with its objectives. Through MASAR, we actively contribute to key pillars of Vision 2030, particularly in enhancing the pilgrim experience and positioning Saudi Arabia as a global tourism and pilgrimage destination.

MASAR will create a holistic ecosystem that prioritizes wellbeing, safety, and an exceptional experience for residents and visitors through green spaces, improved mobility, and reduced congestion with an aim to increase the capacity to welcome 30 million Umrah visitors annually by 2030.

Grounded in a comprehensive urban master plan, MASAR fosters efficient development and long-term sustainability, supported by diverse revenue strategies that deliver lasting value for investors and developers. In alignment with Saudi Vision 2030, MASAR drives economic development through innovative projects in the hospitality, residential, and service sectors. Its strategic location, expansive scale, and strong investment potential, combined with a diverse asset portfolio, position MASAR as an investment destination that offers unparalleled opportunities for growth and expansion. It presents a promising investment landscape underpinned by unique fundamentals that ensure project sustainability and attractive returns. The destination has already attracted a significant amount of diversified investments, establishing an investment platform that maximizes Makkah's GDP.

Furthermore, MASAR is designed to boost the economy and meet the future needs of Makkah by providing:

01.
Robust infrastructure
the project will offer a variety of facilities designed to meet the needs of residents and visitors, including spacious commercial areas, wide roads, a main pedestrian promenade, pedestrian tunnels, open spaces, and landscaped gardens

02.
Quality accommodation
the project will offer around 50,000 high-quality residential and hospitality units, in partnership with leading developers and hotel operators to ensure exceptional service.

03.
Uplifting old neighborhoods
UAQ is committed to expropriating land for the development of MASAR, enhancing the surrounding areas.

04.
Enhanced visitor experience
MASAR will provide a unique blend of cultural, leisure, social, and retail offerings, creating a holistic destination for residents and visitors alike.

05.
Addressing operational challenges
we collaborate with industry experts to ensure exceptional visitor experience throughout the development process.

As we continue to grow, UAQ aims to attract and retain top talent in the region and continue to provide opportunities to support economic development

In 2024, the destination saw the signing of investment agreements for the development of eleven new projects, reinforcing MASAR's position as a premier hub for urban development and economic growth. These agreements underscore UAQ's dedication to fostering sustainable growth by integrating urban development with strategic investment opportunities.

05

APPENDIX

GRI CONTENT INDEX

Umm Al Qura has reported with reference to the GRI Standards for the period from January 1 to December 31, 2024 ("FY 2024"). The table below provides a reference for GRI content in the report.

GRI Standard		Disclosure	Page Number(s) and/or Direct Answer	Omission
GRI 1: Foundation 2021		GRI 1 does not include any disclosures		
General disclosures				
GRI 2: General Disclosures 2021	2-1	Organizational details	122	
	2-2	Entities included in the organization's sustainability reporting	10	
	2-3	Reporting period, frequency, and contact point	10	
	2-4	Restatements of information	There are no restatements of information in this report.	
	2-5	External assurance	This report has not been assured by a third party.	
	2-6	Activities, value chain and other business relationships	18, 32	
	2-7	Employees	77, 90, 91	
	2-8	Workers who are not employees	106	
	2-9	Governance structure and composition	122 - 124	
	2-10	Nomination and selection of the highest governance body	125	
	2-11	Chair of the highest governance body	124 - 125	
	2-12	Role of the highest governance body in overseeing the management impacts	126 - 129	

GRI Standard		Disclosure	Page Number(s) and/or Direct Answer	Omission
	2-13	Delegation of responsibility for managing impacts	127 - 129	
	2-14	Role of the highest governance body in sustainability reporting	129	
	2-15	Conflicts of interest	130 - 132	
	2-16	Communication of critical concerns	129, 143	
	2-17	Collective knowledge of the highest governance body	124, 125	
	2-18	Evaluation of the performance of the highest governance body	124, 125	
	2-19	Remuneration policies	127, 128	
	2-20	Process to determine remuneration	127, 128	
	2-21	Annual total compensation ratio		This information is confidential
GRI 2: General Disclosures 2021	2-22	Statement on sustainable development strategy	22 - 25	
	2-23	Policy commitments	22 - 25	
	2-24	Embedding policy commitments	26 - 29	
	2-25	Processes to remediate negative impacts	30 - 31 ,34, 74, 120	
	2-26	Mechanisms for seeking advice and raising concerns	127, 136	
	2-27	Compliance with laws and regulations	130 - 132, 68	
	2-28	Membership associations	98	
	2-29	Approach to stakeholder engagement	32	
Material topics				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	30 - 31	
	3-2	List of material topics	31	
Business Ethics				
GRI 3: Material Topics 2021	3-3	Management of material topics	130 - 131	

GRI Standard		Disclosure	Page Number(s) and/or Direct Answer	Omission
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	130 - 132	
	205-2	Communication and training about anti-corruption policies and procedures	130 - 132	
	205-3	Confirmed incidents of corruption and actions taken	130 - 132	
Governance Board				
GRI 2: General Disclosures 2021	3-1	Management of material topics	120	
	2-9	Governance structure and composition	122 - 124	
	2-10	Nomination and selection of the highest governance body	125	
	2-11	Chair of the highest governance body	124 - 125	
	2-12	Role of the highest governance body in overseeing the management impacts	126 - 129	
	2-13	Delegation of responsibility for managing impacts	127 - 129	
	2-14	Role of the highest governance body in sustainability reporting	129	
Energy and Water Efficiency in Project Planning and Design and Water Management				
GRI 3: Material Topics 2021	3-3	Management of material topics	36	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	44	
	302-4	Reduction of energy consumption	43 - 46	
	302-5	Reductions in energy requirements of products and services	42 - 49	
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	63 - 67	
	302-2	Management of water discharge-related impacts	64 - 67	
	303-3	Water withdrawal	62	
	303-4	Water discharge	62	
	303-5	Water consumption	62	

GRI Standard		Disclosure	Page Number(s) and/or Direct Answer	Omission
GHG Emissions				
GRI 3: Material Topics 2021	3-3	Management of material topics	50 - 55	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	50 - 53	
	305-2	Energy indirect (Scope 2) GHG emissions	50 - 53	
	305-5	Reduction of GHG emissions	54	
Waste				
GRI 3: Material Topics 2021	3-3	Management of material topics	56 - 58	
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	56 - 59	
	306-2	Management of significant waste-related impacts	58 - 60	
	306-3	Waste generated	59	
	306-4	Waste diverted from disposal	59	
	306-5	Waste directed to disposal	59	
Environmental Compliance				
GRI 3: Material Topics 2021	3-3	Management of material topics	68	
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	68	
Labor Management and Employee Wellbeing				
GRI 3: Material Topics 2021	3-3	Management of material topics	76, 82, 90, 92, 94	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	90	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	92	
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