

ESG Strategy

Our ESG Vision

DAMAC DIGITAL aims to develop and operate resilient, low-impact and trusted digital infrastructure that supports the growth of the AI economy while creating long-term value for customers, communities, investors and the environment.

DAMAC DIGITAL is building infrastructure for an AI-driven and data-powered economy. This ESG Strategy supports that growth by embedding sustainability into site selection, design, procurement, construction, commissioning and operations. It is designed for hyperscale, build-to-suit and enterprise colocation infrastructure, including high-density AI and HPC requirements.

The strategy reflects **DAMAC DIGITAL**'s public sustainability focus on efficient technologies, advanced cooling, lower-impact refrigerants, cleaner backup power options, renewable energy integration and digital optimization. It also responds to the sector priorities identified by the GRESB Data Center Standard: electricity supply, greenhouse gas emissions, energy use and efficiency, water use and efficiency, health and safety, and community engagement.

By aligning business growth with evolving regulation, customer expectations and international good practice, this strategy serves two overarching goals:

- Long-Term Value Creation: Improve resource efficiency, support access to sustainable finance, strengthen customer confidence and differentiate **DAMAC DIGITAL** through credible, high-performance infrastructure.
- Resilient and Trusted Digital Infrastructure: Anticipate power, water, climate, safety, community, cybersecurity and regulatory risks so facilities remain reliable, adaptable and responsible throughout their lifecycle.

ENVIRONMENT

Our environmental pillar focuses on reducing the resource intensity and lifecycle impact of data centers while protecting resilience and performance.

- **Energy Efficiency by Design and Operation:** Design and operate facilities to improve PUE and energy productivity through efficient power systems, high-performance equipment, advanced controls, modular deployment and optimization across changing IT loads.
- **Responsible Electricity Supply and Decarbonization:** Develop facility-level electricity strategies that balance reliability, affordability and lower-carbon supply. Expand renewable and clean energy options, storage and grid collaboration where technically and commercially feasible, supported by a portfolio greenhouse gas inventory, including relevant Scope 1, Scope 2 and material Scope 3 emissions categories, and a phased decarbonization pathway.
- **Efficient Cooling and Lower-Impact Backup Power:** Apply climate-appropriate air, liquid or immersion cooling; prioritize low-GWP refrigerants; prevent leakage; and assess HVO or other lower-emission backup fuels where available and verified.
- **Water Stewardship:** Measure total water use and WUE, assess local water stress, minimize potable water dependence and select cooling solutions that reflect site-specific energy-water trade-offs.
- **Climate Resilience and Responsible Siting:** Assess heat, flooding, drought, wildfire, grid and other physical climate risks before investment decisions; periodically evaluate transition risks associated with evolving climate regulation, energy markets, customer expectations and technology developments; and integrate adaptation, biodiversity, habitats, ecosystem services, land, noise, light and air-quality considerations into design, construction and emergency planning.
- **Low-Carbon Development and Construction:** Introduce sustainable design requirements in project briefs and procurement, assess and progressively reduce embodied carbon using lifecycle assessment methodologies, prioritizing major construction materials, equipment and infrastructure (e.g. requesting product data such as EPDs) where data is available.
- **Circularity and Materials:** Promote durable, adaptable and resource-efficient assets through responsible material selection, reuse and recycling, effective construction and operational waste management, secure e-waste pathways, and design approaches that support adaptability, disassembly, equipment recovery and the extension of asset life.
- **Environmental Management and Certification:** Maintain auditable controls and progressively align management systems and facilities with relevant standards such as ISO 14001, ISO 50001 and appropriate green building certifications, based on project and market needs.

SOCIAL

Our social pillar supports safe, skilled and inclusive teams while building trust with customers, contractors and the communities around our facilities.

- **Health, Safety and Zero Harm:** Apply a consistent HSE framework across development and operations, with clear responsibilities, risk assessments, permit-to-work controls, emergency preparedness, incident learning and contractor oversight.
- **Workforce Capability for Digital Infrastructure:** Build technical capability in datacenter operations, high-voltage systems, advanced cooling, AI/HPC infrastructure, cybersecurity and sustainability through role-based learning, succession planning, professional development and knowledge-sharing initiatives that support long-term workforce resilience.
- **Inclusion and Wellbeing:** Promote equal opportunity, diversity, respectful workplaces, employee wellbeing and access to development across functions, locations and levels of responsibility. Foster an inclusive culture through employee engagement, awareness programmes and feedback mechanisms that support continuous improvement.
- **Human Rights and Labour Standards:** Protect fair working conditions and worker welfare across employees and contractors; prohibit forced labour, child labour and discriminatory practices; assess risks relating to modern slavery, recruitment practices and worker welfare; and integrate human rights expectations into supplier due diligence and site practices.
- **Community and Economic Contribution:** Support local skills, employment and supplier participation, and collaborate with **DAMAC Group** and the **Hussain Sajwani-DAMAC Foundation** on education, digital inclusion, technology capability and community-development initiatives that contribute to the growth of the digital economy.
- **Reliable and Responsible Customer Service:** Protect service continuity, facility security and transparent customer engagement while helping customers understand the resource performance of the infrastructure within **DAMAC DIGITAL** operational control.
- **Stakeholder Collaboration:** Maintain regular engagement with employees, customers, suppliers, investors, regulators, utilities and communities, so the strategy continues to reflect material needs and emerging risks.

GOVERNANCE

Governance is the foundation of responsible digital infrastructure. It links leadership, ethics, risk, information security, procurement, and transparent performance management.

- Executive ESG Oversight: Assign executive sponsorship for ESG, review ESG performance, material risks and strategic priorities on a regular basis, and integrate sustainability-related risks and opportunities into strategy, investment decisions and major projects.
- Clear Accountability: Appoint senior and day-to-day owners for each material topic, supported by policies, controls, data systems, corrective-action processes and facility-level responsibilities. As the ESG program matures, selected ESG performance indicators may be incorporated into management objectives and performance reviews.
- Ethics, Integrity and Speak Up: Adhere to the Code of Conduct, maintain zero tolerance for fraud, bribery and unethical behaviour, protect good-faith reporting and prohibit retaliation through **DAMAC DIGITAL**'s confidential Speak Up channel.
- Responsible Procurement: Implement the Supplier Code of Conduct, evaluate ESG risks in critical suppliers and contractors, and include relevant energy, water, carbon, safety, labour, materials and reporting requirements in contracts.
- Cybersecurity, Privacy and Responsible Technology: Protect customer and operational data, maintain resilient security controls and business continuity, meet applicable privacy requirements, and establish governance for AI-enabled systems and digital technologies through appropriate oversight, transparency, accountability and risk management.
- Integrated Risk Management: Include climate-related physical and transition risks, power and water constraints, community acceptance, supply-chain disruption, safety, compliance, cyber risk and technology change within enterprise and project risk processes and periodically review ESG-related risk tolerances and mitigation measures.
- ESG Data and Transparent Reporting: Establish consistent definitions, ownership and controls for asset and portfolio ESG data; report performance year on year; progressively introduce internal review, external verification and assurance; and align disclosures with relevant reporting frameworks where appropriate.
- Standards and Benchmarking: Use relevant ISO and facility standards to strengthen controls and consider the GRESB Data Center Assessment as a readiness and benchmarking framework when portfolio data and organizational scope are mature.
- Stakeholder Inclusiveness: Provide clear routes for feedback, complaints and engagement; periodically assess material ESG topics and stakeholder expectations; and reflect material concerns in reviews of strategy, policy and performance.
- Sustainable Finance Readiness: Maintain governance, controls and performance data that support potential access to sustainability-linked or green financing mechanisms, where aligned with **DAMAC DIGITAL**'s business objectives.

Implementation of this Strategy

DAMAC DIGITAL embeds ESG across the asset lifecycle rather than manage it as a separate workstream. Sustainability requirements will be embedded throughout the asset lifecycle, including investment screening, due diligence, site selection, design development, procurement, construction, commissioning, operations, refurbishment and end-of-life asset management. ESG considerations form part of key project-stage reviews and decision-making processes.

Executive leadership is accountable for approval and resourcing. The relevant DAMAC sustainability governance body provides oversight and alignment with Group direction.

The Sustainability/ESG function coordinates strategy implementation, reporting and continuous improvement. Business, project and facility leaders are responsible for implementation within their areas of control, while assurance, audit and compliance functions provide independent oversight where applicable.

ESG requirements are integrated into project governance processes, including site acquisition, investment approval, design review, contractor selection, commissioning and operational handover. Material environmental, social and governance risks shall be considered alongside technical and financial criteria during major investment decisions.

Because control differs across build-to-suit, colocation, development and operational arrangements, **DAMAC DIGITAL** will define reporting boundaries and disclose where outcomes depend on utilities, customers, partners or landlords.

Initial Implementation Priorities

- Confirm governance and ownership: Approve the strategy, nominate accountable executives and topic owners, establish reporting responsibilities, and define an annual review and governance cycle.
- Build the baseline: Map assets, lifecycle stage and operational control; establish ESG reporting boundaries; define data ownership; and develop baseline metrics for energy, carbon, water, waste, safety, workforce, community and supplier performance.
- Set credible targets: Develop near-term and long-term ESG objectives based on material issues, baseline performance, customer requirements, emerging regulation, local resource constraints and business growth projections.
- Embed requirements: Translate the strategy into design briefs, project gates, procurement criteria, operating plans, training and management systems.
- Review and report: Monitor implementation progress, review performance against approved objectives, identify corrective actions, and provide periodic management reporting and annual ESG performance disclosures.

ESG Maturity Roadmap

Phase 1: Foundation (Year 1-2)

- Establish governance and accountability
- Define reporting boundaries
- Build ESG data infrastructure
- Complete baseline assessments
- Introduce supplier ESG screening
- Formalize ESG policies

Phase 2: Integration (Year 3-4)

- Implement ESG requirements across projects and operations
- Establish portfolio KPIs and targets
- Mandate supplier ESG screening
- Enhance data assurance processes
- Participate in relevant benchmarking initiatives

Phase 3: Leadership (Year 5+)

- Advance decarbonization and resilience programmes
- Increase external assurance coverage
- Strengthen sustainable finance readiness
- Demonstrate continuous improvement against industry benchmarks

Performance and Accountability

The performance framework will combine strategy, management, implementation, and measured outcomes. Core indicators should include:

- Environmental: electricity uses and source, PUE, renewable or clean energy share, Scope 1 and Scope 2 emissions, and material Scope 3 categories as reporting maturity develops, CUE where available, water use, WUE, waste and e-waste, and embodied carbon for material developments.
- Social: injury and incident rates, contractor HSE coverage, training, workforce diversity, employee wellbeing, community engagement and grievance closure.
- Governance: policy coverage, supplier screening, ethics and cyber incidents, ESG data completeness, assurance status, management reviews, and relevant certifications.

Policy Integration

The ESG Strategy establishes the principles that guide **DAMAC DIGITAL**'s environmental, social and governance performance. Implementation will be supported through a focused set of corporate policies and standards, which will be progressively reviewed and updated to align with this strategy. Where appropriate, **DAMAC DIGITAL** will make these policies publicly available to promote transparency and accountability with customers, investors, employees and other stakeholders.

Core Corporate Policies

Governance

- Code of Conduct
- Supplier Code of Conduct
- ESG Data, Reporting and Disclosure Policy
- Information Security, Data Privacy and Responsible Technology Policy

Environment

- Health, Safety and Environment (HSE) Policy
- Energy, Carbon and Water Management Policy
- Sustainable Design and Green Building Policy

Social

- Human Rights, Labour Standards and Worker Welfare Policy
- Diversity, Inclusion and Wellbeing Policy
- Community Engagement and Social Impact Policy

Continuous Improvement

DAMAC DIGITAL reviews this strategy at least annually and updates it as its portfolio, technology, regulation, stakeholder expectations and data quality evolve. Performance will be assessed against approved objectives and baselines, with corrective actions assigned where progress is off track.

Our objective is to deliver reliable, scalable, and high-performance digital infrastructure while reducing environmental impacts, protecting people, strengthening community trust, and maintaining transparent, ethical governance.