

STRATEGY

► GRI 2-6 Activities, value chain and other business relationships



Scale up at speed to achieve project asset portfolio with an investment cost value of USD 250 billion by 2030

ACWA Power intends to be a key contributor and driver of energy transition from developing economies. Developing economies have plentiful land, natural resources, favourable climate for renewables, competitive cost positioning and policy support to lead the energy transition on a global scale.

COP28, the 2023 United Nations Climate Change Conference or Conference of the Parties of the UNFCCC, provided insights on how the energy transition would develop, by tripling renewable energy capacity by 2030, signalling the beginning of the end of the fossil fuel era. Emerging high-growth economies are expected to increasingly contribute to CO₂ emissions reduction. Between 2022 and 2050 the expected emissions reduction from developed economies is expected to be 10.5 gigatonnes (from 12.4 gigatonnes to 1.9 gigatonnes) while in emerging economies the expected reduction in emissions during the same period is 14.2 gigatonnes (from 23.4 gigatonnes to 9.2 gigatonnes).

Positive trends in the energy market support this vision. The adoption of renewables, water desalination and green hydrogen is a priority, on a global scale.

Generating green power in developing economies is not only needed to meet fast-growing demand, but is also advantageous given the availability of natural resources, competitive cost positioning and policy support from such countries in order to promote the development and generation of electricity, water and green hydrogen. Developing economies are expected to provide increasingly cheap, reliable, green energy to developed economies.

KSA already represents a success story from developing economies and the country aims to be a global leader in renewable power, water desalination and green hydrogen by 2030. The development of a large number of projects, using renewable energy sources, is realising this vision.

Saudi Vision 2030 is a transformational programme, launched in 2016, comprising more than 1,000 initiatives, more than 90 strategic objectives and more than 240 monitored KPIs. It has clear and defined targets for 2030 which have shown meaningful progress in the last few years and in some areas such as energy transition, the targets have been revised up. The non-oil GDP in absolute terms is expected to grow to \$0.3 trillion (8.8% CAGR from 2016 to 2030), annual tourists to 150 million (prior target achieved in 2023, seven years ahead of plan) and renewables capacity to 103 GW. Renewables are considered a key element of Vision 2030, with a target of achieving 50% of renewables in KSA's energy mix by 2030.

ACWA Power's overall strategy is to be at the forefront of the energy transition by delivering reliable and responsible power, desalinated water and green hydrogen at low cost in key attractive high-growth markets based on a substantially risk-balanced and contracted business model. The Company is a key enabler of energy transition within, and from developing economies.

The strategy emphasises sovereign-backed, high-growth markets, particularly in developing economies, which offer favourable policies, resource abundance, and significant population growth. With operations heavily concentrated in KSA, accounting for 61% of its power capacity, ACWA Power continues to expand in the Middle East, Africa, Central Asia, Southeast Asia and China.