

SUSTAINABILITY STRATEGY

► **GRI 2-22 Statement on sustainable development strategy**

► **GRI 203-2 Significant indirect economic impacts**

In every facet of our operations, we assess the impact and value creation potential for society and for ACWA Power. Our clarity on these matters is crucial for setting realistic goals and efficiently allocating resources towards areas where we can make the most significant impact. This strategic focus is guided by our framework, which aligns our initiatives with Saudi Vision 2030 and selected United Nations' Sustainable Development Goals.

From mitigating negative impacts to maximising positive contributions, we leverage our unique position and capabilities within the energy and water sector to address critical sustainability challenges. Our strategy includes using sustainability as a tool to enhance our business resilience and competitive edge, allowing us to navigate and thrive in a market with evolving challenges and stakeholder expectations.

Our commitment extends to strategic investments in resource optimisation, talent acquisition, and innovative technologies that not only support sustainable operations but also open new business avenues through enhanced relationships and partnerships.

Sustainability at ACWA Power is not just about compliance; it's about leadership and proactive engagement. This year, we have integrated sustainability more deeply into our corporate governance to support informed decision-making that aligns with our sustainability goals.

As we continue to advance our sustainability agenda, we remain dedicated to translating our ambitious targets into concrete actions that deliver tangible benefits. The following sections will explore our progress to date and our strategy for embedding sustainability even more deeply across all aspects of our business.

ACWA Power is committed to Saudi Vision 2030

ACWA Power will continue to lead KSA's energy transition as a national and global decarbonisation champion.

- KSA's aims to achieve an optimal energy mix for electricity production by having gas and renewable energy at approximately 50% each by 2030.
- ACWA Power and the Public Investment Fund (PIF) entered into a strategic agreement for ACWA Power to lead the development of 70% of KSA's renewable energy projects under the PIF Renewable Programme.

ACWA Power aligns its sustainability strategy with Saudi Vision 2030 objectives for an ambitious nation, thriving economy and vibrant society. Our central focus on energy transition, and its renewable energy and water projects, contribute to KSA's diversification policy, create local employment, provide career opportunities for women and help to give the nation a sustainable future that is less dependent on the oil industry.

¹ Renewable energy capacity in DC.

ACWA Power's contribution to Saudi Vision 2030 and SDGs



Environment

Leading energy transition and preserving ecosystem through sustainable practices



Social

Fostering employee growth and empowering communities



Governance

Upholding integrity while driving business growth, ensuring transparency and accountability

Saudi Vision 2030



GDP contribution

Expansion of non-oil GDP to promote economic diversification



Job creation & talent development

Job creation and skill development initiatives for KSA workforce



Local industry growth

Enabling local manufacturing in components for renewables, water and hydrogen



Enable green ambition

Supporting KSA global leadership in renewables and clean energy exports by aligning with the national decarbonisation targets, which include transitioning from high carbon-intensive sources to lower-carbon alternatives



Stakeholder value creation

Wealth created for shareholders, financial institutions, insurance companies and offtakers



R&D and innovation

Driving Saudi innovation hub and think tank in green energy

United Nations' SDGs

Core

6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



13 CLIMATE ACTION



Supportive

1 NO POVERTY



3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



9 INDUSTRY INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



17 PARTNERSHIPS FOR THE GOALS



The NEOM Green Hydrogen Company

An equal joint venture with Air Products and NEOM, the NEOM Green Hydrogen Company plant is the world's largest utility-scale, commercially-based hydrogen facility powered entirely by renewable energy. The project will include a 4 GW solar and wind farm to power the plant and a dedicated jetty to transfer the green hydrogen, in the form of ammonia, to tanker ships, for the global decarbonisation of hard-to-abate sectors.

The project will produce up to 600 tonnes/day of carbon-free hydrogen when operational, saving 5 million tonnes/year of CO₂.

Construction continues at pace and is almost 80% complete, as of Q1 2025. The plant remains on track, with the solar and wind power generation sites to be completed by mid-2026, followed by the commissioning of the electrolyzers, with expected product availability in 2027.



Sustainable Development Goals (SDGs)

The United Nations' SDGs are 'a universal call to action to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere'. The full suite of 17 SDGs was adopted by all UN Member States in 2015, as part of the 2030 Agenda for Sustainable Development which set out a 15-year plan to achieve the Goals.

ACWA Power has selected the SDGs which are most aligned with our activities and impacts, and these are shown below.

Four core SDGs where ACWA Power has significant and direct contribution

Eight supportive SDGs where ACWA Power can leverage its influence



Sustainability is at the core of ACWA Power's management approach and it encompasses economic, environmental, social and governance factors

Economic [see page 74]

Environmental [see page 106]

- › Climate change
- › Emissions
- › Reliability of Supply (RoS)
- › Environmental management
- › Waste management and circular economy
- › Air quality
- › Biodiversity
- › Water management

Social [see page 138]

- › Employees
- › Health & Safety
- › Local communities

Governance [see page 100]

- › Corporate governance framework
- › Corporate behaviour
- › Code of conduct
- › Anti-corruption
- › Whistle-blowing programme and grievance procedure
- › Disclosure and transparency

ACWA Power's key contributions to the four core SDGs are:

6 CLEAN WATER AND SANITATION Clean water and sanitation (SDG#6)

- › ACWA Power water desalination plants are contributing a positive impact by distributing potable water to water-scarce regions. ACWA Power's desalination assets are in the Middle East, an area of extreme high-water risk.

7 AFFORDABLE AND CLEAN ENERGY Affordable and clean energy (SDG#7)

- › ACWA Power is an agile, high growth, power and water company delivering power and water, reliably and responsibly, at low cost, to communities across the world.
- › ACWA Power works in partnership with governments and other organisations to advance energy transition and deliver affordable power and water to those who need it, wherever they may be.

8 DECENT WORK AND ECONOMIC GROWTH Decent work and economic growth (SDG#8)

- › ACWA Power aims to be an employer of choice, to attract best-in-class talent via a compelling employee value proposition, and to give our workforce opportunities and training to develop their careers.
- › To achieve our goal of full energy transition and serve our stakeholders successfully, we rely on a range of local talents drawn from the diverse communities where we operate. People are key enablers for ACWA Power and we aim to have an inclusive culture in which all employees are welcomed, engaged and valued.
- › We provide reliable power and desalinated water at affordable cost, which are foundational for economic growth in the countries we serve.

13 CLIMATE ACTION Climate action (SDG#13)

ACWA Power has interim and long term targets regarding climate action

- › Interim targets:
 - › 50% GHG emissions intensity reduction of our electricity generation by 2030 relative to 2020.
 - › 70/30 green-brown ratio by 2030 (the previous target of 50/50 ratio by 2030 was achieved in 2024).
 - › ACWA Power and the Public Investment Fund (PIF) entered into a strategic agreement for ACWA Power to lead the development of 70% of KSA's renewable energy projects under the PIF Renewable Programme.
- › Long term targets:
 - › Our strategy has set ambitions for growing our capacity across our key businesses, renewable power, flexible generation, green hydrogen and water desalination by 2030. Under this plan, more than 75% of power additions will be from renewables and battery storage.
 - › Net-zero target by 2050.

The cornerstone of our ESG approach and strategy is centred on energy transition, low-carbon product leadership, water management, health and safety, and corporate governance.

As such, we are responding to a changing society, as well as supporting the shift to a low-carbon economy, while capturing growing business opportunities in energy transition.

This strategy also enables the investment community to assess our performance against ESG-related indicators, and it demonstrates transparency and the effective management of our activities.

Ambitious nation

ACWA Power is using its nimble entrepreneurialism, innovative capacity and speed to market to advance Saudi Arabia at home and abroad.

Thriving economy

ACWA Power's energy transition is diversifying the economy from reliance on fossil fuels and creating local employment.

Vibrant society

ACWA Power works closely with government and national institutions to strengthen national identity while, at the same time, working in partnership with governments and organisations abroad to advance energy transition and deliver affordable power and water to those who need it, wherever they may be.