




Corporate Social Responsibility ('CSR') Policy

	Document: Corporate Social Responsibility Policy	ACWA POWER Company
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### Document Classification

Classification	Definition	Source of Classification
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### Document approval matrix

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### Change Control

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## Glossary and Definitions

This section includes definitions of the terms used in the Document.

<b>“ACWA POWER” or “the Company”</b>	Refers to ACWA POWER Company, a Saudi listed joint-stock company incorporated under the laws of the Kingdom of Saudi Arabia, under the commercial registration number: 1010253392, having its head office at the Business Gate Building, Riyadh, Kingdom of Saudi Arabia.
<b>ACWA POWER Corporate</b>	ACWA POWER Corporate refers to ACWA POWER, its representative offices (including branches and regional offices outside Saudi Arabia), and its 100% controlled companies directly or indirectly, other than ACWA POWER Group.
<b>ACWA POWER Group</b>	Refers to any Project Financed by ACWA POWER Corporate and other companies other than ACWA POWER Corporate in which ACWA POWER directly or indirectly owns shares.
<b>“Board of Directors” or “Board”</b>	Refers to the Board of Directors of ACWA POWER.
<b>Budget</b>	Refers to the consolidated budget of ACWA POWER Corporate and ACWA POWER Group as approved by the Board of Directors. In case the current period Budget is yet to be approved by the Board of Directors, the prior period approved Budget would serve as a reference for applicable budget items.
<b>CEO</b>	Refers to the Chief Executive Officer of ACWA POWER.
<b>CSR</b>	Refers to Corporate social responsibility: A business approach that aims to balance profit with social and environmental




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	responsibility. The responsibility of businesses to operate in a way that is ethical and does not harm society.
<b>CSR Policy</b>	Refers to this Corporate Social Responsibility Policy
<b>Delegation of Authority</b>	ACWA Power Delegation of Authority approved by the Board of Directors in September 2023 and any subsequent amendments made to it.
<b>Internal CSR Committee</b>	Refers to the committee that will be established by the CEO.
<b>Corporate CSR</b>	Refers to the enabling function in ACWA POWER Corporate that oversees all issues related to CSR in the company.

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## 1 Purpose and Objective

The Corporate Social Responsibility (CSR) Policy (the “Policy”) articulates ACWA Power’s commitment to generating positive social impact and outlines the governance framework to achieve its CSR objectives across the organization. This Policy delineates clear approval procedures, ensuring alignment between the company’s strategic goals and stakeholder expectations.

By adopting this Policy, ACWA Power affirms its dedication to sustainable practices, addressing societal challenges, and enhancing its role as a responsible global participant in the communities it serves.

## 2 Scope of Application

This CSR Policy applies to ACWA Power Corporate and the ACWA Power Group, in line with the Delegation of Authority.

## 3 CSR Policy Framework

### 3.1 Commitment to CSR


ACWA Power is committed to integrating sustainability into its operations to deliver long-term value for society. Our CSR efforts are centered around:

- 1) Investing in educational vocational training institutions & programs, particularly in the fields of renewable energy and water solutions, to foster future best leaders & employees.
- 2) Supporting climate change mitigation and adaptation projects through promoting renewable energy solutions and enhancing environmental awareness.
- 3) Enhancing community strength through various fronts such as access to energy & water, healthcare, to improve the quality of life and build resilient communities.

### 3.2 CSR Principles

Our CSR strategy is guided by core principles that ensure our initiatives are impactful and aligned with our values:

- 1) **Social Impact:** Ensuring initiatives provide measurable benefits and enhance ACWA Power’s reputation as a responsible corporate citizen.
- 2) **Stakeholder Engagement:** Developing programs in consultation with employees, local communities, governments, NGOs, investors, and customers.
- 3) **Flexibility:** Adapting programs to evolving needs while maintaining alignment with this Policy.
- 4) **Transparency and Accountability:** Committing to transparent reporting and accountability in all CSR activities.

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### 3.3 Focus Areas

Our CSR initiatives are structured around specific focus areas to ensure targeted and effective impact:

#### 1. Future Generations:

- a) **Education:** Supporting education institutes and students especially in the fields of power & water technologies.
- b) **Entrepreneurship:** inspiring youth to take an entrepreneurship interest in renewable energy and water solutions projects.

#### 2. Climate Action:

- a) **Mitigation:** Supporting climate initiatives aimed to mitigate the impact of Climate Change.
- b) **Adaptation:** Raising awareness on Climate Change challenges & solutions on individual, societal and international scales.

#### 3. Community Resilience:


- a) **Community Pressing needs:** contributing to local Community Pressing needs such as Healthcare, disadvantaged Group Empowerment, Agriculture, and Infrastructure projects.
- b) **Supporting business social license:** serving issues that facilitate the company's operation in the local community.

### 3.4 Disaster Response

1. In the aftermath of a disaster, the Company shall direct CSR resources to help in one or more of the following areas:
  - a) Donating funds to support the relief efforts in partnership with the government agencies.
  - b) Deploying employee / volunteers to assist with the relief efforts.
  - c) Supporting the Disaster Relief Task Forces led by Country Managers in developing and implementing the Disaster response plan. The plan should clarify:
    1. Prioritizing the safety and well-being of employees and their families.
    2. Designating a team to coordinate relief efforts and communication.
    3. Determining financial and in-kind support and where it will be allocated from.
    4. Coordinating with the local authorities and other stakeholders.
    5. Utilizing company expertise, logistics, and networks.

### 3.5 CSR Group Allocation and Regional Distribution

The Company recognizes the importance of a structured and transparent budgetary process to ensure effective and impactful CSR initiatives. The following guidelines outline the framework for allocating and distributing resources across the group and its various subsidiaries.

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1. Overall Group Allocation:
  - a) The overall CSR budget will be determined annually by the Executive Management, taking into consideration the Company's financial performance, strategic priorities, and the evolving needs of the communities it serves.
  - b) The allocation will be guided by the Company's CSR policy, which outlines the key focus areas and priorities for social and environmental impact.
  - c) A portion of the budget may be reserved for unforeseen circumstances or emerging opportunities, or disaster response.
2. GEOs & Countries CSR Budget
  - a) GEOs & Countries CSR Budget will be determined based on several factors, including:
    1. The size and scale of the Company's operations / financial performance in each GEOs & Countries.
    2. The specific social and environmental needs and challenges of each region.
  - b) GEOs & Countries CSR committees or representatives will be responsible for developing and proposing CSR Budget that aligns with the overall group allocation and the specific needs of their GEOs & Countries.
  - c) GEOs & Countries CSR Budgets shall be endorsed by The Sustainability & CSR committee, ensuring consistency and alignment with the Company's overall CSR strategy.
  - d) A budgetary matrix will be developed and maintained to provide a clear and transparent overview of the allocation and distribution of CSR resources.
  - e) The budgetary process will be designed to be flexible and adaptable, allowing for adjustments in response to unforeseen circumstances or emerging opportunities.
  - f) GEOs & Countries CSR committees will have the autonomy to reallocate funds within their approved budgets to address urgent or impactful initiatives.
  - g) The Company is committed to transparency and accountability in the management of its CSR resources.
  - h) Regular reports will be provided to corporate CSR and other stakeholders on the allocation, distribution, and impact of CSR initiatives.


### 3.6 Resource Management

Effective resource management is critical for maximizing the impact of our CSR initiatives:

- 1) **Budget Allocation:** Assigning an annual CSR budget based on impact goals and financial performance, covering program implementation and management.
- 2) **Human Resources:** Dedicating staff to oversee CSR initiatives and providing necessary training.
- 3) **Partnerships:** Collaborating with NGOs and experts to maximize resource utilization and expertise.

### 3.7 Implementation

The implementation of our CSR strategy involves integrating our efforts into our business operations and ensuring high standards:

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- 1) **Integration:** Aligning CSR activities with business strategies and operational plans.
- 2) **Partnerships:** Working with reputable organizations to ensure high standards of governance.
- 3) **Innovation:** Pursuing innovative approaches and scaling successful initiatives.

### 3.8 Monitoring and Evaluation

To ensure the effectiveness of our CSR activities, we implement robust monitoring and evaluation processes:

- 1) **Monitoring:** Implementing a framework with KPIs and feedback mechanisms to track progress. For each proposed CSR initiative, KPIs metrics will be defined, and approved by the executive sustainability & CSR committee (*KPIs i.e., alignment with the company Focus Areas, number of Beneficiaries, partnership number, number of company employees' hours, Social return on investment SROI...etc.*).
- 2) **Evaluation:** Conducting regular assessments to measure success and optimize resource use. Evaluation shall be conducted through rigorous reporting disclosure, third party assurance, and impact assessment studies.

### 3.9 Communication and Reporting


To achieve meaningful transparency and robust stakeholder engagement, it is crucial that our communication and reporting practices are both effective and comprehensive:

- 1) **Stakeholder Engagement:** Tailoring communications to relevant stakeholders through appropriate channels.
- 2) **Transparency:** Providing clear information on CSR activities and outcomes.
- 3) **Reporting:** Preparing and sharing regular CSR reports with the CSR Committee, management, and the Board.
- 4) **Record Keeping:** Documenting and securely storing CSR plans, budgets, and impact assessments.

### 3.10 Compliance and Integrity

To uphold the integrity and effectiveness of our CSR initiatives, ACWA Power will implement a rigorous compliance framework designed to ensure adherence to established guidelines and prevent misuse. This comprehensive system will encompass the following elements:

- 1) **Due Diligence:** Conducting thorough due diligence on all CSR partners, projects, and funding to mitigate risks, including financial, reputational, and legal risks.

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- 2) **Monitoring and Auditing:** Implementing regular monitoring and auditing procedures to ensure adherence to CSR policies and the effective use of resources. Independent audits may be conducted to provide an objective assessment of CSR practices.
- 3) **Conflict of Interest:** Enforcing a strict conflict of interest policy to prevent any potential conflicts that may arise during CSR program implementation. All stakeholders involved in CSR initiatives must disclose any potential conflicts and adhere to transparency requirements.
- 4) **Whistleblowing Mechanism:** Providing a confidential whistleblowing mechanism for reporting any concerns related to CSR activities. This mechanism ensures that any allegations of misconduct or policy breaches are investigated and addressed promptly.
- 5) **Training and Awareness:** Offering regular training programs for employees and stakeholders involved in CSR activities to ensure they understand and comply with our policies and ethical standards.
- 6) **Policy Review and Updates:** Regularly reviewing and updating the compliance system to address new risks, regulatory changes, and evolving best practices.

#### 4 Governance

To effectively govern and manage ACWA Power's CSR initiatives, it is essential that these efforts align with ACWA Power's strategic vision and are executed with the utmost standards of oversight and accountability. This section outlines the specific roles and responsibilities of the Board, the Board Executive Committee (BEC), and the CEO in overseeing and implementing our CSR policies:

##### 4.1 Role of the Board


The Board is responsible for overseeing ACWA Power's strategic commitment to CSR, ensuring alignment with the Company's vision and strategic objectives. Specifically, the Board shall:

- a) Approve this Policy to formalize the Company's commitment to CSR and establish its framework.
- b) Approve the CSR strategy to ensure it aligns with ACWA Power's long-term goals and objectives.
- c) Approve the CSR annual budget to ensure adequate resources are allocated for the implementation of the strategy.

##### 4.2 Role of the Board Executive Committee (BEC)

The BEC, delegated by the Board, is crucial in endorsing and overseeing CSR matters. The BEC is responsible for:

- a) Endorsing this Policy to ensure it aligns with the strategic direction set by the Board.
- b) Endorsing the CSR strategy to ensure its relevance and effectiveness.
- c) Endorsing the annual CSR budget to ensure it meets the financial requirements of the strategy.

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- d) Approving any un-budgeted CSR expenditures up to SAR 5 million annually, allowing flexibility in responding to unforeseen opportunities or needs.
- e) Overseeing the Company's CSR performance to ensure activities meet objectives and provide value.

### 4.3 Role of the CEO

The CEO is responsible for establishing and implementing CSR programs, ensuring they align with the Company's strategic objectives. Specifically, the CEO shall:

- a) Allocate the necessary resources to support the implementation of CSR initiatives.
- b) Form internal committees as needed to support the realization of CSR objectives and delegate necessary powers to these committees.
- c) Approve procedures required for the effective implementation of the CSR strategy and plans, ensuring alignment with the approved Policy.

### 5 Ownership and Custody

This Policy is confidential and intended solely for internal use within ACWA Power and its subsidiaries. It may not be disclosed to external parties without explicit written consent from the Company. Distribution or transmission of this Policy, whether electronic or physical, requires appropriate authorization.

The Policy can be shared with relevant internal and external stakeholders as necessary.

### 6 Maintenance

The Policy will be reviewed every three years or sooner if necessitated by:

- a) Changes in applicable laws and regulations.
- b) Organizational or structural changes within ACWA Power;
- c) Strategic shifts or changes in business processes.

Revisions must be initiated by the CEO and endorsed by the Board Executive Committee (BEC) before final approval by the Board.