ACWA Power continued to support the shift to a low-carbon economy by advancing clean energy and providing innovative energy solutions. We remained focused on creating shared value by fostering our employees’ growth and wellbeing, and on driving impact in the communities in which we operate. As a key milestone in our sustainability journey, we have redeveloped our Environmental, Social and Governance (ESG) strategy, which focuses on energy transition, low-carbon product leadership, water management, health and safety, and corporate governance. Our ESG strategy sets out some ambitious commitments and is designed to progress our sustainability journey.
Introduction
This review highlights our purpose, strategy, governance, and commitment to sustainable corporate leadership. It outlines our environmental performance achievements; efforts to contribute to the United Nations Sustainable Development Goals (SDGs); and significant community initiatives during the year. This is a prelude to our forthcoming 2020 Sustainability Report, which is modeled on the Global Reporting Initiative (GRI) framework.

Guided by our mission to champion a sustainable future, we remain committed to the cost-effective, efficient, reliable, and safe production of power and desalinated water through public-private partnerships. Because we are acutely aware of the longer-term climate challenges facing our communities, we are deploying the latest technologies to ensure a more sustainable future.

Areas of focus
Over the past year, our key areas of focus were:

Leading the energy transition with clean power and desalinated water by:
• Increasing the share of our portfolio dedicated to clean and low-carbon power technologies.
• Implementing innovative and pioneering technologies in the water desalination sector.
• Minimising our impact by increasing the efficiency of our portfolio.

Creating shared long-term value for employees and communities by:
• Fostering employee wellbeing and demonstrating leadership in the health and safety of our employees and contractors.
• Supporting programs that provide access to education, better community infrastructure, opportunities for livelihood enhancement, and women’s empowerment.

Embodying corporate excellence by:
• Spending SAR 21 million on COVID-19 relief initiatives and a further SAR 50 million to support national health endeavours and efforts in the Kingdom of Saudi Arabia.

71 SAR mn
Spending SAR 21 million on COVID-19 relief initiatives and a further SAR 50 million to support national health endeavours and efforts in the Kingdom of Saudi Arabia.

Guided by our mission to champion a sustainable future, we remain committed to the cost-effective, efficient, reliable, and safe production of power and desalinated water through public-private partnerships.
Overview

2020 marks the seventh year since the launch of our first Sustainability Report in 2014. We remain resilient, even in the face of an unprecedented global pandemic, and continue to strengthen the foundation of ACWA Power’s long-term sustainability and ESG vision.

Key highlights include:

- We strengthened our market leadership position in the United Arab Emirates (UAE) with the fourth phase of the Mohammed bin Rashid Al Maktoum Solar Park.

  **950 MW**

- Noor Energy 1 with a capacity of 950 MW.

- In 2020, we were also awarded the fifth phase of the Mohammed bin Rashid Al Maktoum Solar Park.

  **900 MW**

  This fifth phase of 900 MW will bring the production capacity of the Mohammed bin Rashid Al Maktoum Solar Park to 2,863 MW.

- We participated actively in the Kingdom’s national renewable energy agenda with our Sakaka PV IPP project’s first year of operations.

  **300 MW**

- Our cutting-edge low-carbon renewable energy projects, including green hydrogen development and energy efficient water desalination plants, supported the advancement of the Kingdom’s climate goals.

- We continued to place great importance on making sure our workforce primarily comprises nationals of those countries in which we operate.
Despite the disruption caused by the COVID-19 pandemic, we continued to show operational excellence with some ground-breaking industry achievements:

The Bokpoort CSP plant became the first renewable facility on the African continent to complete a full week of continuous, round-the-clock operation. Bokpoort CSP set the new African continental benchmark, achieving 13 days (312 hours) of continuous operations on 23 October 2020, almost double the previous record it had set in March 2016. This accomplishment was made possible by optimally managing 9.3 hours of the thermal salt storage system overnight, which allowed for a perfectly timed transition to the solar field every morning for the entire duration of this effort.

Throughout the pandemic, we continued to meet our commitment to the communities in which we operate with the uninterrupted supply of vital water and power services, testament to our operational excellence and the resilience of our operations.

We expanded our geographic footprint with entry to the Uzbekistan and Azerbaijan renewable energy markets, all the while helping strengthen those countries’ energy security.

We view the communities in which we operate as our own. We invest in and support local initiatives that address global issues and promote local development. During the year, this extended to supporting national COVID-19 efforts and aid actions.

In the Kingdom of Saudi Arabia, we pledged a contribution of SAR 50 million to the government’s COVID-19 relief efforts, utilising our international expertise to achieve the swift delivery of the Nujood Medical Centre. This 100-bed hospital is outfitted with the latest medical equipment and supplies needed to treat COVID-19 cases, including 40 ventilators, two intensive care units, a research laboratory, and medical gas pipeline systems to ensure a safe environment.

1,500 MW
The 1,500 MW Sudair PV IPP, awarded in 2020, will further advance the Kingdom’s renewable energy strategy.

240 MW
Wind power project in Azerbaijan

1,000 MW
Wind power project in Uzbekistan

1 Subsequently in H1 2021, Uzbekistan is 2500 MW with addition of 1500 MW wind project.
Taking the ESG journey forward
As well as providing a snapshot of our 2020 sustainability and ESG performance, this review also sets out our commitments for the years ahead. These commitments are supported by our ESG strategy, developed in 2020.

There is growing recognition in the investor community that ESG issues have a direct correlation with the economic value of an investment. Most investors are now taking meaningful steps to integrate ESG considerations into their investing criteria when evaluating the environmental and social impact of their portfolios.

Against this backdrop, we have refined our ESG strategy and set ESG goals for the coming years.

Materiality assessment
Our ESG strategy was built on a comprehensive materiality assessment and focuses on the most material topics, namely climate change, water, health and safety and governance. Moving forward, our materiality assessment will remain a dynamic one, and will be updated every 2-3 years, ensuring agility in our strategy development. We incorporate Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), and industry views into our analysis, guaranteeing alignment to best practice and globally-recognised standards.

Targets and timeline
In order to implement our ESG strategy efficiently, we are setting targets for our most material ESG topics, including:

- Raise the renewable power generation capacity of our portfolio to a green/brown ratio (GW) of 50/50 in 2030
- Net-zero emissions from our portfolio by 2050
- Lost Time Injury (LTI) of <0.08
- Specific GHG intensity reduction of 50 percent for our portfolio by 2030
- Water consumption targets (being finalised)
- Total Recordable Injuries (TRI) of <0.2 and maintaining zero fatalities

Most investors are now taking meaningful steps to integrate ESG factors into their investing criteria and consider the environmental and social impact of their portfolios.

We formulated ESG goals and ambitions for the upcoming years and developed our ESG strategy.
**ESG flagship initiatives**

We are building a dedicated roadmap to meet our ambitious ESG targets and have identified a set of flagship initiatives to start the process.

<table>
<thead>
<tr>
<th>Initiative</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop a roadmap towards a low-carbon portfolio and Net-zero emissions from our portfolio by raising our renewable portfolio and reducing our GHG emission intensity.</td>
<td>To fulfil our ESG commitments, we will continuously report our progress through our annual Sustainability Report.</td>
</tr>
<tr>
<td>Implement TCFD reporting by integrating all the required climate risk disclosures in line with TCFD guidelines.</td>
<td>It was important to ensure we had dedicated experts working towards implementing these initiatives. Cross-functional working teams were set up to implement the initiatives, together with our regional leads.</td>
</tr>
<tr>
<td>Ensure effective water management and disclosure: disclose all relevant desalination and water consumption KPIs; set targets for a reduction in water consumption.</td>
<td>Adopt a comprehensive health and safety program and implement ongoing initiatives to improve safety culture and achieve Lost Time Injury (LTI) and Total Recordable Injuries (TRI) targets.</td>
</tr>
<tr>
<td>Aspire to a roadmap towards the highest corporate governance excellence which will enable us to align with best practice across all elements of corporate governance.</td>
<td>There is growing recognition in the investor community that ESG issues have a direct correlation with the economic value of an investment.</td>
</tr>
</tbody>
</table>

We have refined our ESG strategy and set ESG goals for the coming years.
Taking the lead in energy transition

Energy transition and digital transformation are reshaping today’s energy landscape, resulting in the emergence of new business lines in the energy sector. Not only must we embrace these new challenges, which we share with all our stakeholders, but we must also take the lead in that transition towards cleaner energy. Our corporate governance, which ensures the efficient and successful management of our operations, and an agile structure that is well adapted to a changing market, will be crucial to these efforts.

Organisational change for ESG

ACWA Power’s Project Galvanize initiative, a blueprint for establishing a new operating model for the company, has assigned ESG-related responsibilities to the Chief Risk, Strategy and Sustainability officer (CRSSO). Reporting to the CEO, our CRSSO will ensure ESG management oversight and report to the Board on ESG-related risks and opportunities. These steps will ensure that we meet the ESG expectations of investors and credit rating agencies, as well as support our ESG leadership in the energy sector.

A key contributor to the Kingdom’s renewable energy ambitions

We are poised to play an integral role in the development of the Kingdom’s renewable energy strategy, since our commitment to renewable energy mirrors our shareholders’ wishes, particularly those of the Public Investment Fund (“PIF”), the company’s majority shareholder.

PIF’s key objectives include unlocking the solar energy sector, and related industries; accelerating the development of innovative Saudi businesses; enabling localised manufacturing; and achieving solid long-term returns. Aligned with this strategy, PIF increased its stake in ACWA Power to 50 percent in 2020, a major endorsement of our leadership ambitions in renewable energy.

The Public Investment Fund (PIF) as key driver of the Kingdom’s renewable energy commitments.

The Kingdom has committed to localising a significant portion of the renewable energy value chain in the Saudi economy, including research and development and manufacturing. The PIF will act as a key investment driver in that strategy.

The PIF’s commitment towards sustainability is further reflected in the fact it is one of the founding members of the One Planet Sovereign Wealth Fund, which aims at integrating climate change risks and investing in the smooth transition to a low emissions economy.

Notable accolades

Third-party recognition of our achievements continues to build stakeholder trust. These accolades acknowledge our efforts to deliver high-quality and sustainable power and desalinated water assets consistently and competitively.

- Water Project of the Year for Shuaibah – Middle East Economic Digest (MEED) Projects Award 2020.
- Desalination Company of the Year 2020 – Global Water Intelligence (GWI).
- Desalination Plant of the Year 2020 – Global Water Intelligence (GWI).
We are proud of our achievements in 2020 and are confident that we will continue to build on these in the coming year. Our ESG monitoring system and yearly Sustainability Report (which are both aligned with Global Reporting Initiative (GRI) standards) highlight our commitment to recognising the challenges we may face and the opportunities ahead of us on the journey towards sustainability.

Our partnerships are a key element in the journey towards excellence, and we value as critical our stakeholders’ feedback in refining our strategic goals and plans. In 2021, we will continue to collaborate with those partners to chart our plan for building a sustainable future, in line with the United Nations Sustainable Development Goals (SDGs), through clean water, decarbonisation and renewable energy.

PIF increased its stake in ACWA Power to 50 percent in 2020, a major endorsement of our leadership ambitions in renewable energy.
Building on our existing ESG values, we initiated the development during 2020 of a comprehensive long-term strategy to help shape our ESG priorities, with implementation starting next year.

The main focus is on energy transition and low-carbon product leadership, water management, health and safety and corporate governance.

### Our ESG approach

Our business principles aim to serve the interests of our shareholders and the needs of and opportunities for our stakeholders, local communities and future generations.

#### Existing ESG values:

1. **To support social development through our activities:**
   - Supplying power and desalinated water reliably for socio-economic development.
   - Providing the lowest possible tariffs wherever we do business.
   - Proactively collaborating with the communities where we operate, generating a positive impact on the ground through local engagement.

2. **To produce green energy and energy efficient desalinated water:**
   - Delivering clean power and desalinated water by increasing our portfolio’s share of renewables and other technologies that support the energy transition, such as green hydrogen.
   - Leveraging innovative, low-carbon technologies and solutions to achieve operational excellence in our renewable power and water desalination plants.
   - Setting ambitious environmental targets to reduce emissions and water consumption.

3. **Human capital and knowledge development:**
   - Enabling economic development by hiring local workforces wherever we operate.
   - Supporting knowledge transfer through training programs.

4. **Health and safety:**
   - Implementing industry best practice, and leading standards, policies and programs across our operations. Extending them to our contractor Health, Safety, Security & Environment (HSSE) management procedures.
   - Focusing on HSSE as a priority across all stages of the project lifecycle and ensuring compliance through comprehensive bi-annual audits.

5. **To embed corporate governance best practices:**
   - Applying a robust governance framework that is founded on the principle of transparency, which in turn enables improved accountability through recognition and management of risks.
   - Implementing a multi-level corporate governance approach that spans the whole organisation and is based on layers of checks and balances in addition to a detailed Code of Conduct.

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ACWA Power's high-level Environment, Social and Governance goals

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ACWA Power Annual Report 2020
Our ESG strategy

ACWA Power’s ESG strategy is part of our business strategy; we see it as a source of long-term value creation. As such, we are responding to a changing societal context, as well as supporting the low-carbon economy shift, while capturing growing business opportunities in energy transition.

This strategy also enables the investment community to assess our performance against ESG-related indicators.

Our integrated strategy addresses key ESG issues, captured during a materiality assessment. However, for our ESG strategy to be implemented with impact, we are setting targets for our most material ESG topics.

These include:

50/50
Renewable power generation capacity of our portfolio to be increased to a green/brown ratio (GW) of 50/50 in 2030

Specific GHG intensity reduction of 50 percent of our portfolio by 2030

Net-zero emissions from our portfolio by 2050

Water consumption targets (being finalised)

<0.08
Lost Time Injury (LTI) of <0.08

<0.2
Total Recordable Injuries (TRI) of <0.2 and maintaining zero fatalities

Building on our existing ESG values, in 2020 we initiated the development of a comprehensive long-term strategy to help shape our environmental, social and governance priorities, with the implementation commencing in 2021.
Our ESG strategy is shaped by our stakeholders’ priorities

We engage with a variety of key stakeholders on our ESG strategy. These include employees, shareholders, off-takers, partners and suppliers.

To capture issues that are most relevant and important, we conducted an extensive stakeholder survey to produce a comprehensive materiality assessment which helped us identify the most material topics, namely: climate change, water, health and safety, and governance.

We supplemented this initial analysis by referencing it against the GRI and SASB reporting standards, as well as industry best practices. Our assessment will be updated every two to three years; we see materiality as dynamic and want to ensure agility in our strategy development.
Steering and reporting KPIs

Based on our materiality assessment, we defined two sets of KPIs for ACWA Power to steer and report on the progress of its ESG strategy implementation.

Steering KPIs

Designed to be a catalyst for our sustainability and ESG initiatives, our 11 steering KPIs ensure focus on the most relevant aspects. We will also support continued improvement by assigning ownership and responsibility to the steering KPIs.

- To measure progress in the transition to a low-carbon product portfolio:
  - Percentage of installed RES capacity (MW)
  - Percentage share of low-carbon assets under management in portfolio (%)

- To measure progress in achieving emission reduction targets:
  - Absolute Scope 1 and 2 emissions of our portfolio
  - GHG emission intensity Scope 1 and 2 of our portfolio

- To support our implementation of the Task Force on Climate-related Financial Disclosures (TCFD), we will align to the TCFD-required disclosures in our Sustainability Report.

- To demonstrate our leadership against peers in power generation and desalination:
  - Water consumption for power generation (l/kWh)
  - Specific power consumption for water desalination (kWh/m³)

- To anchor ESG criteria as part of our management system, we will report on the share of:
  - ESG KPIs in the company’s scorecard
  - Managers with variable compensation linked to ESG KPIs

- To demonstrate our HSE leadership:
  - Percentage of Lost Time Incident (LTI)
  - Percentage of Recordable Incident Rate (RIR)
Reporting KPIs

We will be reporting on a comprehensive list of indicators, both qualitative and quantitative, complying with international reporting standards, such as the GRI and SASB disclosure standards, and enabling us to report on material topics in line with international best practice.

In addition to currently reported KPIs, and to ensure we meet best practice stakeholder reporting requirements and full disclosure along our most material topics, we have identified a further 23 additional KPIs for inclusion. These will provide full transparency around our most material topics and provide the necessary disclosure. We are in the process of complementing the list to ensure even more comprehensive coverage.

ACWA Power’s ESG goals will be outlined in the 2020 Sustainability Report, which will be published in 2021. It will also include the status of most of its ESG reporting indicators.

Environmental

<table>
<thead>
<tr>
<th>6 water and wastewater management indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Water discharge to all areas (total and breakdown by area).</td>
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<tr>
<td>• Water discharge into fresh water vs. other waters.</td>
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<tr>
<td>• Water discharge to areas with water stress (total and breakdown by fresh water vs. other water).</td>
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<tr>
<td>• Water consumption from all areas (total).</td>
</tr>
<tr>
<td>• Water consumption from all areas with water stress (total).</td>
</tr>
<tr>
<td>• Change in water storage.</td>
</tr>
</tbody>
</table>

Social

<table>
<thead>
<tr>
<th>11 Health and safety indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Workers/employees covered by OHS1 system (total and percent).</td>
</tr>
<tr>
<td>• Fatalities and high-consequence recordable injuries – employees (total and rate).</td>
</tr>
<tr>
<td>• Fatalities and high-consequence recordable injuries – workers (total and rate).</td>
</tr>
<tr>
<td>• Fatalities because of and recorded cases of work-related ill-health – employees (total and percent).</td>
</tr>
<tr>
<td>• Fatalities because of and recorded cases of work-related ill-health – workers (total and percent).</td>
</tr>
<tr>
<td>• Statement of OHS management system implementation.</td>
</tr>
<tr>
<td>• Description of coverage of OHS management system.</td>
</tr>
<tr>
<td>• Description and explanation of how OHS requirements are met.</td>
</tr>
<tr>
<td>• Description of OHS training provided.</td>
</tr>
<tr>
<td>• Description of scope and access of non-occupational medical and healthcare service.</td>
</tr>
<tr>
<td>• Description of any voluntary health services and awareness programs.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1 Diversity and equal opportunity indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Ratio of women to men.</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>2 Community engagement and impact indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Operations with local community engagement and impact assessment.</td>
</tr>
<tr>
<td>• Significance and location of negative impacts of operations on local communities.</td>
</tr>
</tbody>
</table>

Governance

<table>
<thead>
<tr>
<th>3 Corporate governance indicators</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Annual total compensation ratio.</td>
</tr>
<tr>
<td>• Highest governance body’s role in managing risks and opportunities.</td>
</tr>
<tr>
<td>• Presence of stakeholder consultation to support highest governance body.</td>
</tr>
</tbody>
</table>
ESG is now overseen at ACWA Power Board level. The Board provides overall strategic recommendations and direction, as well as overseeing progress on sustainability and ESG targets.

Continuous stakeholder engagement is an essential part of our approach to ESG.

Setting the direction of ESG strategy, goals and initiatives. Taking the key decisions on prioritisation, targets, budget and resources. Monitoring progress on key initiatives and current performance.

Driving the overall ESG strategy and achieving excellence in reporting external and internal stakeholder engagement.

Board level Committee

Management level Committee and CRSSO

Corporate Sustainability Team

ESG governance and management processes

The year saw us demonstrate further commitment to sustainability and ESG by updating our governance and management processes in the context of our ESG strategy.

ESG is now overseen at ACWA Power Board level. The Board provides overall strategic recommendations and direction, as well as overseeing progress on sustainability and ESG targets. It also ensures alignment with overall corporate strategy and vision.

Our highest-ranking sustainability officer, the Chief Risk, Strategy and Sustainability Officer (CRSSO) is a member of the Management Committee, which sets the direction of ESG strategy, goals and initiatives, and takes the key decisions on prioritisation, targets, budgets, and resources. The CRSSO’s role is also to monitor progress on key initiatives and current performance.

The creation of a dedicated sustainability and CSR function (reporting to the CRSSO) to drive overall ESG strategy and to achieve excellence in reporting external and internal stakeholder engagement was another highlight of the year. The sustainability function will enable the implementation of ESG and sustainability initiatives by:

- Developing frameworks and procedures related to environmental attributes asset management, GHG and ESG monitoring, and ESG and sustainability ratings.
- Establishing the framework for CSR activities, conducted at corporate and local level, in line with our ESG strategy.
- Organising a company-wide ‘sustainability network’ of people in the field to facilitate the two-way flow of information and create commitment to sustainability and CSR initiatives.

ESG performance metrics

We use non-financial ESG metrics to guide our financial decisions holistically. Our ESG performance is continually measured, monitored, and assessed against our overarching sustainability ambitions and material KPIs.

KPIs are assigned to relevant departments, with sustainability performance measurement, monitoring, and management responsibilities. Results are reported to the CEO and the Board and become a reference against which to develop future strategies to achieve our targets and improve performance.

Sustainability reporting process

Our reporting process ensures that the improvement and communication of our ESG performance is ongoing. Our stakeholder partnerships are central to the journey towards excellence; we value stakeholder feedback as a critical resource for continually improving our strategic goals and plans. Our aim is to understand the issues of concern and to respond openly and transparently to questions about our operations. Continuous stakeholder engagement is an essential part of our approach to ESG. It also underpins our engagement and collaboration with governments, civil society and others to achieve ‘transformational change’ – creating fundamental change to whole systems – not merely incremental improvements.
In our own operations, we champion progress towards the UN SDGs and continue to support our host nations’ advancement on the global goals and, ultimately, their national contributions to the Paris Agreement. In turn, the SDGs represent a useful tool to measure and improve ESG performance.

ACWA Power aligns with the SDGs as a strategic lens at the core of our operations.

As a result, we will ultimately be better placed to unlock market opportunities, manage emerging risks, and create an enduring license to operate.

We have now identified the core UN SDGs that align with our own ESG focus areas and have incorporated them into our business model, set performance goals, and can report progress, as follows:

In addition to the core UN SDGs below, we will introduce supportive UN SDGs linked to our ESG strategy in our Sustainability Report 2020.

ACWA Power operates in regions where water desalination contributes more than 90 percent of all daily water requirements. We are committed to strengthening the reliability and availability of our water delivery systems by improving the efficiency of our desalination processes through technological improvements.

Renewable energy is at the heart of our commitment and we are focused on increasing market access. We are also working towards enabling cost-effective and energy-efficient water desalination, powered by renewable energy. With a strong focus on innovation and R&D, we are striving to be at the forefront of clean technologies, including carbon sequestration technologies.

We are a key economic enabler in the regions in which we operate. Furthermore, fostering local opportunities and employment is central to our overall mission.

Prioritising climate action is essential. We are working towards this goal by mobilising financial resources to help effective climate change-related planning and management in those countries where we operate. We are also committed to managing climate risks by reducing the carbon footprint of our water desalination plant portfolio through technological improvements, including carbon sequestration technologies. These improvements are critical at a time when water demand in our region is increasing.

From 2021 onwards, we will report on the contribution to each of our SDGs in the annual Sustainability Report.
ACWA Power aligns with the SDGs as a strategic lens at the core of our operations. We are committed to continuously strengthening our water delivery system’s reliability and efficiency as to ensure the availability and the sustainable management of our water resources.

Fostering local opportunities and employment is central to our overall mission.

Renewable energy is at the heart of our commitment and we are focused on increasing market access.

We are also committed to managing climate risks by reducing the carbon footprint of our portfolio of water desalination plants through technological improvements.

We have now identified the core UN SDGs that align with our own ESG focus areas and incorporated them into our business model.
We have continued to lead the transition to green electricity and low-carbon water in terms of cost and technology. We demonstrated strong operational excellence and a determination to deliver low-cost sustainable solutions, with minimal environmental risk and impact, thereby ensuring the health and safety of our workforce and communities.

This mission is reflected in our decarbonisation efforts.

**ACWA Power’s low-carbon portfolio**

In 2020, 77 percent of the total gross capacity of our portfolio consisted of clean and low-carbon power technologies, including assets under construction or in advanced development. In line with our ESG strategy, we are shifting our portfolio to renewables and other low-carbon technologies. We aim to achieve a green/brown ratio (GW) of 50/50 in 2030 and are setting a net-zero emissions targets for our portfolio for 2050, supported by a solid roadmap.

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**Power capacity by technology (by gross capacity)**

<table>
<thead>
<tr>
<th>Technology</th>
<th>ACWA Power share</th>
<th>Total ACWA Power share</th>
</tr>
</thead>
<tbody>
<tr>
<td>PV (MW)</td>
<td>20,273</td>
<td>7,952</td>
</tr>
<tr>
<td>Under construction (MW)</td>
<td>6,250</td>
<td>2,250</td>
</tr>
<tr>
<td>Advanced development phase (MW)</td>
<td>15,225</td>
<td>7,337</td>
</tr>
<tr>
<td>Total (MW)</td>
<td>41,748</td>
<td>17,539</td>
</tr>
</tbody>
</table>

**ACWA Power’s renewable portfolio**

<table>
<thead>
<tr>
<th>Project status</th>
<th>Total ACWA Power share</th>
<th>Total ACWA Power share</th>
</tr>
</thead>
<tbody>
<tr>
<td>In operation (MW)</td>
<td>1,576</td>
<td>897</td>
</tr>
<tr>
<td>Under construction (MW)</td>
<td>2,350</td>
<td>703</td>
</tr>
<tr>
<td>Advanced development phase (MW)</td>
<td>7,625</td>
<td>3,967</td>
</tr>
<tr>
<td>Total (MW)</td>
<td>11,551</td>
<td>5,567</td>
</tr>
</tbody>
</table>

**Breakdown per technology of ACWA Power’s renewable capacity**

<table>
<thead>
<tr>
<th>Technology</th>
<th>Total ACWA Power share</th>
<th>Total ACWA Power share</th>
</tr>
</thead>
<tbody>
<tr>
<td>PV (MW)</td>
<td>4,795</td>
<td>2,338</td>
</tr>
<tr>
<td>CSP parabolic (MW)</td>
<td>1,010</td>
<td>430</td>
</tr>
<tr>
<td>CSP tower (MW)</td>
<td>350</td>
<td>182</td>
</tr>
<tr>
<td>Wind (MW)</td>
<td>1,396</td>
<td>1,283</td>
</tr>
<tr>
<td>Green Hydrogen (MW)</td>
<td>4,000</td>
<td>1,333</td>
</tr>
<tr>
<td>Total (MW)</td>
<td>11,551</td>
<td>5,567</td>
</tr>
</tbody>
</table>
Noor Energy 1
(950 MW/SAR 16.2 billion)

The Noor Energy 1 project constitutes the fourth phase of the Mohammad Bin Rashid Al Maktoum Solar Park. It is the first (and largest) single-site project in the world to include three different solar technologies – photovoltaic (PV), concentrated solar power parabolic trough (CSP PT) and concentrated solar power central tower (CSP CT) – on a single operating site. The project is a true hybrid model for renewable energy.

State-of-the-art solution for dispatching baseload electricity, with operational flexibility delivered by optimally integrating three different renewable technologies.

The unique dispatch permitted by the combination of these three technologies allows delivery of energy to the Dubai Electricity and Water Authority (DEWA) at record tariffs of USD 0.024/kWh from the PV plant and USD 0.073/kWh for CSP.

Noor Energy 1 benefits from a power purchase agreement (PPA) with DEWA, characterised by the longest tenure in the world for a renewable IPP. NOMAC provides the O&M services and brings to the table its unique experience of CSP plants with thermal energy storage acquired through its operation of the 50 MW Bokpoort CSP PT plant in South Africa, of the 160 and 200 MW Noor 1 and 2 CSP PT, and the 150 MW CSP CT in Morocco, all with operational storage capacities.

In line with our ESG strategy, we are shifting our portfolio to renewables and other low-carbon technologies. We aim to achieve a green/brown ratio (GW) of 50/50 in 2030 and are setting a net-zero emissions targets for our portfolio for 2050, supported by a solid roadmap.

ACWA Power confirmed a ‘global accelerator’ role for the renewable energy transformation with projects that helped to significantly lower renewable energy tariff levels and better ensure operational efficiency.

Remarkable renewable projects in 2020
During 2020, many countries, utility companies, and businesses continued to announce or pursue plans to transition towards renewable energy, despite the onset of the global pandemic. ACWA Power confirmed a ‘global accelerator’ role for the renewable energy transformation with projects that helped to significantly lower renewable energy tariff levels and better ensure operational efficiency.

Project highlights

950 MW
Capacity of 700 MW of CSP + 250 MW of PV.

1.6 mn tons per year
With estimated CO₂ savings of 1.6 million tons per year, the project supports Dubai’s goal to increase its clean energy capacity by 25 percent by 2030.

260 metre
The 100 MW CSP CT project will feature a 260 metre tower, the highest in the world.

24 hours a day
Noor Energy 1 has an energy storage capacity of 15 hours and can deliver power 24 hours a day.
Sudair (1,500 MW/-SAR 3.6 billion)
The 1,500 MW Sudair solar project is the first contract awarded by the PIF as part of the Kingdom’s ambitious clean energy program. It is the largest solar PV project in the Kingdom, with an initial objective to power the industrial city of Sudair while developing the local PV industry.

One of the project’s prime objectives is to achieve high localisation targets. To that end, the Sudair project will procure a large quota of locally-manufactured PV components, with a significant share of the project budget allocated to supporting local contractors and PV component manufacturers – providing employment to Saudi nationals.

Green hydrogen – the next step in global energy transition
The time is now right to develop the potential of hydrogen to play a key role in a clean, secure, and affordable energy future. In 2020, NEOM, Air Products and ACWA Power signed a joint agreement to build the largest green hydrogen and green ammonia plant anywhere in the world. Green hydrogen is created using renewable sources of energy to isolate and collect the hydrogen used for fuel. As energy transition gains speed, this is a significant step towards a future global economy less dependent on hydrocarbons.

NEOM Helios, the world’s largest green hydrogen facility
The project consortium will set up the world’s largest green hydrogen project to produce 650 tons per day of hydrogen by electrolysis, nitrogen by air separation and 1.2 million tons per year of green ammonia. This is expected to save an overall 3 million tons of CO₂ per year.

Through the partnership, we will develop a world-scale green hydrogen production facility in the Kingdom to be entirely powered by renewable electricity. This will be converted to green ammonia as a hydrogen carrier for export to international markets.

NEOM is an ideal location for the project because of its unique combined availability of wind, solar power, and supplementary battery storage. This is critical to lowering the final cost of green ammonia to competitive price levels.

Based on proven, world-class technology, the facility will be a cornerstone in NEOM’s strategy to become a major player in the global hydrogen market. The project is scheduled to be onstream in 2025.
At a current estimated cost of SAR 18.75 billion, this project will position Saudi Arabia by 2025 as the largest exporter of green hydrogen in the world, catering for local and international mobility needs at prices competitive with gasoline, and with secured international off-take.

**NEOM to become an energy transition hub**

NEOM will benefit from its strong solar and wind power to generate one of the world’s most competitive renewable energy resources. The high solar irradiation, coupled with the location’s high average wind speeds, offer a perfect blend of complementary load curves to generate a high capacity factor.

**Sustainable multi-utility solution: The Red Sea Project**

The Red Sea Development Company (TRSDC) was established in 2018 as a standalone entity, wholly owned by PIF to spearhead the development of the Red Sea Project – one of the world’s most ambitious tourism projects. It has awarded its highest value contract to date to a consortium led by ACWA Power to design, build, operate and transfer the Red Sea Project’s utilities infrastructure.

The Red Sea Development Company (TRSDC) is one of the world’s most ambitious tourism projects. It has awarded its highest value contract to date to a consortium led by ACWA Power to design, build, operate and transfer the Red Sea Project’s utilities infrastructure.

**Comprehensive utility packages awarded**

All the utilities will be delivered under a single agreement, unique for a contract of this kind, which includes the provision of renewable power, potable water, wastewater treatment, solid waste management and district cooling for the 16 hotels, the international airport and the infrastructure for the Red Sea Project’s first phase.

Solar panels and wind turbines will generate sufficient energy to meet an initial demand of 210 MW, with the capacity to expand alongside the development. The Red Sea Project will feature the world’s largest battery storage facility (1GW), which is expected to operate completely off-grid. It will be solely powered by renewables at all times, something which has never been achieved before on a project of this scale.

The agreement also covers the construction of three seawater reverse osmosis (SWRO) plants, designed to provide clean drinking water and a waste management centre. An innovative sewage treatment plant (STP) is expected to facilitate the management of waste and wastewater in a way that enhances the environment, by creating new wetland habitats and supplementing irrigation water for the TRSDC landscape nursery.

**650 Tons per day of carbon-free hydrogen.**

The project consortium will be setting up the world’s largest green hydrogen project to supply 650 tons per day of carbon-free hydrogen which is expected to save an overall 3 million tons of CO₂ per year.

The time is now right to develop the potential of hydrogen to play a key role in a clean, secure, and affordable energy future.

It has awarded its highest value contract to date to a consortium led by ACWA Power to design, build, operate and transfer the Red Sea Project’s utilities infrastructure. The contract marks a significant step forward for the project, establishing it as the region’s first tourism destination powered solely by renewable energy. A project of this size has never been achieved on this scale anywhere in the world.

The Red Sea Project is a luxury leisure, tourism and residential development that forms part of the Vision 2030. It aims to set new standards for sustainable development and tourism, while promoting the Kingdom as an unrivalled tourist destination. The Red Sea Project is committed to sustainable development, using renewable energy, environmental preservation and enhancement.

The first phase of development will include 14 luxury hotels – covering five islands and two inland resorts – to provide 3,000 hotel rooms. There will also be retail, food and beverage outlets, cultural buildings, a water park, and air and sea transport infrastructure, requiring 197 MW of peak power demand.

Six initiatives to preserve, protect and enhance the environment will position the Red Sea Project as a leader in sustainable development:

1. Free of single-use plastic
2. Carbon-neutral
3. Zero waste to landfill
4. 100 percent renewable energy, 24 hours a day
5. 30 percent net positive impact on biodiversity
6. Leadership in energy and environmental design – LEED Platinum Building standards

The Red Sea Project is one of the world’s most ambitious tourism projects. It has awarded its highest value contract to date to a consortium led by ACWA Power to design, build, operate and transfer the Red Sea Project’s utilities infrastructure.
Sustainable water desalination
ACWA Power is a leader in the use of renewable energies for water desalination and, thanks to technological optimisation, we can focus on improving efficiency.

We operate in water-scarce regions, where global issues such as climate change are likely to increase water scarcity in the future. These regions include the Gulf, where water desalination contributes to more than 90 percent of daily water requirements. Fittingly, the Middle East and North Africa have 55 percent of the world’s desalination capacity. Desalinated water production is concentrated across the Gulf Cooperation Council (GCC) states, with the Kingdom and UAE the largest producers.

High water demand – driven by population growth and industrialisation – continues to put pressure on the existing supply infrastructure. Government-owned utility companies are increasing their investment in new water desalination facilities, but heavy dependence on desalination poses sustainability risks in itself, with cost and environmental impact remaining as key concerns.

Desalination plants worldwide emit an estimated 76 million tons of carbon dioxide per year. This is expected to triple by 2040. CO₂ emissions from desalination plants in the Kingdom represent about 3 percent of global emissions from desalination and are estimated to reach 6.5 million tons by 2040.

Cost and technology leader
Our desalination plants use world-class energy-efficient technology, key to enabling the transition to a low-carbon economy.

We are actively increasing the efficiency levels of our desalination plants and employing innovative technologies to reduce costs. This is undertaken while simultaneously mitigating environmental impacts for our customers, our stakeholders, and our planet.

The choice of seawater reverse osmosis (SWRO) water desalination technology will play a critical part in significantly reducing water production costs and contribute to our sustainability and ESG goals.

GCC’s top desalination developer
With 15 desalination assets, we led the Middle East Economic Digest (MEED)’s 2020 desalination developer ranking. We currently have an equity-share capacity of 2.7 million m³ a day (cm/d) for a total operational capacity under management of 5.8 million cm/d.

Pioneering sustainable large-scale water desalination plants through innovation
We have pioneered a paradigm shift in the design of large-scale desalination plants.

Since energy needs are central to all our design work, we have adopted an innovative approach to designing desalination plants. While the energy cost usually represents the largest portion of the tariff, our renewable energy expertise, combined with a big data approach to desalination, allows us to deliver the lowest tariffs for large SWRO desalination plants.

Using data from our existing plants, we have developed desalination simulation software, to understand annual variations in seawater conditions. With this expertise, we can model with a high degree of accuracy the seawater conditions that can be expected most of the time and simulate different membrane and plant configurations to achieve optimum results.

ACWA Power’s water desalination portfolio per type of technology (capacity under management)

<table>
<thead>
<tr>
<th>Desalination technology</th>
<th>'000 m³/day</th>
<th>Number of assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi-stage flash distillation (MSF)</td>
<td>971</td>
<td>2</td>
</tr>
<tr>
<td>Multiple effect distillation (MED)</td>
<td>800</td>
<td>1</td>
</tr>
<tr>
<td>Seawater reverse osmosis (SWRO)</td>
<td>4,034</td>
<td>12</td>
</tr>
</tbody>
</table>

Number of assets

- Multi-stage flash distillation (MSF): 13%
- Multiple effect distillation (MED): 7%
- Seawater reverse osmosis (SWRO): 80%
- Total: 100%

'000 m³/day

- Multi-stage flash distillation (MSF): 17%
- Multiple effect distillation (MED): 69%
- Seawater reverse osmosis (SWRO): 14%
- Total: 100%
Our approach is to design an efficient energy system and build its desalination plant to ensure energy optimisation. We are developing some of the world’s largest desalination plants namely Tawaelah (UAE), Umm Al Quwain (UAE), Rabigh 3 (KSA) and Jubail 3A IWP (KSA). With its 41.3 US cents per cubic metre tariff for the 600,000m³/d Jubail 3A IWP project, it has also set a new world benchmark for the lowest cost of desalinated water.

In partnership with KAUST, we have launched KAPCO, the Center of Excellence for Desalination, which will operate as a long-term research and innovation centre in the region.

The partnership will accelerate the adoption of emerging technologies, provide a platform for testing water treatment processes – ultimately aimed at developing best-in-industry plant optimisation tools – and pursue goal-oriented research on sustainability and cost efficiencies in desalination. As a result of this collaboration, the first pilot plants to improve the desalination process are up and running, while a solar PV pilot plant is under construction.

Promising patents to take it a step further

We have filed our first international PCT patent, the international patent system, to use carbon capture from the power plant and inject it into seawater to decrease RO processing costs.

The enhanced RO desalination system improves efficiency and eliminates the need for expensive industrial acids to acidify seawater. Instead, it injects CO₂ captured from power plant emissions, effectively reducing the RO process carbon footprint.

The dissolved CO₂ in seawater passes through the RO membranes. Consequently, the CO₂ addition also lowers the pH of the RO permeate and brine, which reduces the need for food-grade CO₂ in the post-treatment process.

Carbon capture utilisation and storage (CCUS) is a crucial technology for removing, reusing, and recycling CO₂ emissions and addresses multiple dimensions of the circular carbon economy model.
Our low-carbon outlook

Our vision for a cleaner world reflects an ambition to drive the transformation towards low-carbon energy systems, and optimal energy and resource efficiency. The transition towards net-zero emissions requires a coordinated, determined effort by every area of our business and covers every aspect of our operations.

In 2021, we will define specific objectives to reduce GHG emissions. At the heart of our strategy will be to grow our renewable capacity by transitioning from a fossil fuel-based portfolio to a low-carbon portfolio. In adopting a portfolio diversification approach, ACWA Power will prioritise cost-effective ways to expand our renewable portfolio and to leverage the best aspects of each technology.

Our strategy also aims to repurpose, decommission, or increase the efficiency of our thermal power plants to reduce specific CO₂ emissions.

This year, total CO₂ emissions across all assets measured 65.95 million tons, with emissions for ACWA Power’s share totaling 24 million tons. Despite a 7 percent increase in gross electricity production, the total emission intensity decreased from 0.053 kg/kWh in 2019 to 0.52 kg/kWh in 2020.

Moving forward, we are committed to a specific GHG intensity reduction of 50 percent for our portfolio. We will set targets and measure our progress in achieving emission reductions and emission intensity for absolute Scope 1 and 2 emissions.

Environmental impact and risk

We actively prioritise efficiency across our operations to ensure that all environmental effects and risks are managed responsibly.

We commission independent consultants to conduct Environmental and Social Impact Assessments (ESIA) during the feasibility assessment, development and acquisition phases of all new assets to ensure minimal environmental and social impact.

• ESIA ISO/OHSAS compliance monitoring is managed by ACWA Power and the project partner HSSE team and supervised by independent environmental consultants from the lender.

• ESIA’s identify and assess potential environmental impact as an effect of the project’s construction and operational activities. Actionable mitigation and management measures are implemented based on ESIA’s to avoid or minimise environmental impact.

• ESIA scope includes air quality, marine water, sediment and ecology, waste management, geology, seismicity, soil and groundwater, terrestrial ecology, noise, traffic, archaeology and cultural heritage, socio-economic, landscape and visual amenity, community health, safety & security and workers’ conditions and occupational health and safety.

ACWA Power’s CO₂ emissions

<table>
<thead>
<tr>
<th>CO₂ emissions</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total CO₂ emissions (TMT*)</td>
<td>53,604</td>
<td>62,510</td>
<td>65,949</td>
</tr>
<tr>
<td>CO₂ emissions from ACWA Power’s share of the portfolio (TMT)</td>
<td>18,650</td>
<td>26,200</td>
<td>24,084</td>
</tr>
<tr>
<td>Net energy export (GWh)</td>
<td>102,587</td>
<td>111,272</td>
<td>118,091</td>
</tr>
<tr>
<td>Gross energy generation (GWh)</td>
<td>109,901</td>
<td>118,011</td>
<td>126,523</td>
</tr>
<tr>
<td>Emission intensity based on gross generation (kg/kWh)</td>
<td>0.49</td>
<td>0.53</td>
<td>0.52</td>
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</tbody>
</table>

Total CO₂ emissions (TMT*)

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
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<tbody>
<tr>
<td>2020</td>
<td>53,604</td>
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<td>118,091</td>
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Gross energy generation (GWh)

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<tr>
<th>Year</th>
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Emission intensity based on gross generation (kg/kWh)

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<tr>
<td>2019</td>
<td>0.49</td>
<td>0.53</td>
<td>0.52</td>
</tr>
<tr>
<td>2018</td>
<td>0.49</td>
<td>0.53</td>
<td>0.52</td>
</tr>
</tbody>
</table>

*Thousand metric tonnes
Health, Safety, Security & Environment (HSSE)

In our quest for an excellent safety record, we have introduced many state-of-the-art initiatives to elevate our safety systems, including:

• HSSE digitalisation through Synergi Life
• Corporate OHSE audits
• Process safety reviews
• E-learning
• Lessons learnt sharing.

In 2020, we reaffirmed our commitment to corporate governance through our policies and procedures. One such governance mechanism is our HSSE Policy and program. In 2020, the program was updated and strengthened to protect human health and safety, and the natural environment, while contributing to global water and energy solutions.

In implementing our new HSSE Policy with KPIs and targets, we were tasked with a commitment to register zero instances of environmental non-compliance. Our HSSE Policy has proved successful in enhancing our performance and, in 2020, we achieved our lowest ever LTI (Lost Time Injury) records.

<table>
<thead>
<tr>
<th>Year to date at December 2020</th>
<th>Fatalities</th>
<th>LTIs</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACWA Power overall</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Operational sites</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Construction sites</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>NOMAC</td>
<td>0</td>
<td>2</td>
</tr>
</tbody>
</table>

HSSE digitalisation initiative – Synergi Life

With 62 projects either operating, under construction or in advance development in 13 countries, it is essential that the reporting of all HSSE events and actions is not only centralised, but also digitised for more efficient analysis. In response, we launched Synergi Life – using state-of-the-art tools and techniques and a big-data platform – to educate and disseminate information and monitor safety performance. Phase 1 of the implementation initially covered the Incident Management, Inspection Management and Audit Management modules.

Synergi Life now gives employees an online facility to report incidents, near misses, HSE observations, and audit findings, to support and sustain a zero-harm culture.

In Phase 2, we deployed the Environmental Management module to monitor the environmental performance indicators, including energy consumption data, as well as waste generation records, emission records, and permit compliance tracking.

Taking sustainability to new markets

Azerbaijan

We continued to expand our geographic footprint over the past year, entering the Azerbaijan market by executing an official agreement with the Ministry of Energy of Azerbaijan to develop, build and operate a 240 MW wind power project in the Absheron Khizi regions of the country, as a public-private partnership.

The plant will help Azerbaijan achieve its target of 30 percent renewable energy capacity by 2030. Once complete, it will provide power to 300,000 households and reduce CO₂ emissions by 400,000 tons a year to support the country’s green ambitions.

Uzbekistan

We entered into a strategic agreement with the Uzbekistan Ministry of Energy to develop research programs and projects in hydrogen and renewable energy.

The agreement, signed by H.E. Alisher Sultanov, Uzbekistan’s Energy Minister, and Mohammad Abunayyan, the Chairman of the Board of Directors of ACWA Power, covers three major power projects for a combined investment value of ~SAR 9.4 billion and a capacity of 2,500 MW: the 1,500 MW Sirdarya CCGT plant and two wind power plants with an aggregate power generation capacity of 1,000 MW.

During the construction and operational phases, we will train and upskill 1,000 local employees, ensuring long-term, socio-economic value through knowledge sharing and job creation.

Renewables offer the most prominent solution to meeting Azerbaijan’s ambitious climate targets. The Republic has committed to reducing its GHG emissions by 35 percent by 2030 under the Paris Agreement and key public-private partnerships are fast-tracking its move towards harnessing its excellent sustainable wind energy resources.

The investment in this project reinforces our pivotal role in promoting the decarbonisation of the electricity sector, while our proven expertise will bring down renewable electricity costs, provide affordable electricity for communities and support the country’s overall economic development.

Renewables offer the most prominent solution to meeting Azerbaijan’s ambitious climate targets. The Republic has committed to reducing its GHG emissions by 35 percent by 2030 under the Paris Agreement and key public-private partnerships are fast-tracking its move towards harnessing its excellent sustainable wind energy resources.
Creating shared value for our people

People are our core value. We purposefully work towards creating shared value by fostering a safe working environment where people can contribute, innovate, and excel.

Employee wellbeing and development

In 2020, our workforce consisted of 3,538 employees across the 13 countries in which we operate, with female employees comprising 6 percent of the total.

We support the local workforce, wherever we operate. In 2020, this commitment was reflected in our employment of 2,151 local employees, representing 61 percent of our total workforce.

We encourage and develop local service providers, suppliers and workforce in the markets where we operate, stimulating national talent to help develop solutions that contribute to energy transformation.

As a further testament to this commitment, we hired a Head of Nationalization and Diversity to foster Saudisation and other localisation and diversity initiatives internationally.

Starting next year, we will have a clear localisation strategy for at least the following three years. We have already achieved some significant results and remain dedicated to achieving our Saudisation targets in the Kingdom and other localisation targets internationally.

<table>
<thead>
<tr>
<th>Human capital</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>FTEs (full time employees)</td>
<td></td>
</tr>
<tr>
<td>FTEs (full time employees) – men</td>
<td>3,334</td>
</tr>
<tr>
<td>FTEs (full time employees) – women</td>
<td>204</td>
</tr>
<tr>
<td>FTEs (full time employees) – Total</td>
<td>3,538</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Managers and directors</th>
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</thead>
<tbody>
<tr>
<td>Managers and directors – men</td>
</tr>
<tr>
<td>Managers and directors – women</td>
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</table>

<table>
<thead>
<tr>
<th>Localisation percent for 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>KSA</td>
</tr>
<tr>
<td>UAE</td>
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<tr>
<td>Bahrain</td>
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<tr>
<td>Egypt</td>
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<tr>
<td>Morocco</td>
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<tr>
<td>South Africa</td>
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<tr>
<td>Turkey</td>
</tr>
<tr>
<td>Vietnam</td>
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</table>

<table>
<thead>
<tr>
<th>Vacancies filled</th>
<th>120</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female hires</td>
<td>18%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FTEs (full time employees)</th>
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<tbody>
<tr>
<td>FTEs (full time employees) men</td>
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<tr>
<td>FTEs (full time employees) women</td>
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<table>
<thead>
<tr>
<th>Managers and directors</th>
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</thead>
<tbody>
<tr>
<td>Managers and directors – men</td>
</tr>
<tr>
<td>Managers and directors – women</td>
</tr>
</tbody>
</table>
Supporting our workforce during COVID-19

Since the beginning of the unprecedented crisis caused by the COVID-19 pandemic, our team has proactively identified and implemented measures to ensure secure and reliable electricity and desalinated water production to support the needs of our communities. In doing so, we have complied with all operational and financial measures to guarantee the continuation of the essential services we provide, simultaneously ensured the safety of our employees, and maintained strong liquidity and a sound balance sheet.

Part of our initial response was to align resources with potential scenarios, as well as to enforce the principles enshrined within our core values of ‘Safety, People, and Performance’. Throughout the pandemic, we have attached the utmost importance to the health and safety of our employees, communities, and suppliers.

We installed the necessary IT infrastructure to allow corporate and support employees to work from home, enabled by virtual communication and collaboration tools. We ran internal wellbeing initiatives to keep our staff aware and engaged. More than 30 sessions covered a variety of topics, from fitness and nutrition, to mental health and emotional support. In addition to the wellbeing campaign, we organised several townhall sessions to allow employees to engage with management, even while working remotely.

We also formed several country-specific committees to better address the challenges specific to the pandemic.

COVID-19 measures and risk management highlights

- Ensuring workplace safety regulations to government standards globally
- Building a global team with HSSE focus
- Training and building awareness to show line managers and employees how to work from home
- Ensuring measures to protect our people
- International SOS to support wellbeing
- Office disinfection, sanitisation and provision of isolation room
- Special communication and care kit for those impacted

Business Impacts Steering Committee

This Committee met weekly to anticipate any impact that the pandemic might cause and to mitigate any risk or threat to our business continuity or operations.

The Committee members are delegates from ACWA Power’s portfolio management (BU PM) as well as from the operation and maintenance (BU O&M) business units. There have been 31 meetings to date and the meeting minutes are shared directly with the Management Committee and the Board.

Health Risks Working Group

This Committee consists of HSSE professionals from all regions. Its purpose is to conduct situational assessments and report the number of total confirmed and suspected cases. It also provides updates on challenges in operational and construction sites and on the effectiveness of the precautions taken in our sites and offices.

People Support Committee

This Committee focused on the wellbeing of our employees across the globe. It consists of HR representatives from offices worldwide, HSSE, country heads and the Communications team. They discuss the impact of the pandemic on our people.

Many client-facing staff remained on-site to ensure the essential supply of energy and water. These operations have only been maintained subject to comprehensive health and safety protocols, including frequent sanitising and monitoring employees’ temperatures.

We also contracted a third-party organisation to facilitate vaccination appointments for employees, as well as assess and promote the governmental programs offered by various health authorities.

Today, more than ever, our people are mobilised so that our operations can continue in full compliance with health regulations. With the help of clear policies and guidelines, in addition to monitoring issues on a near real-time basis, our measures have continued to protect employees and sustain essential services, safeguarding:

- The health and safety of Group employees, their families, and of those of our service providers.
- The continuity of essential operations.
- Limiting any financial impact and protecting financial liquidity.

We encourage and develop local service providers, suppliers and workforce in the markets in which we operate, stimulating national talent to help develop solutions that contribute to energy transformation.
Workforce development
We provide comprehensive and relevant training to our employees and local community members in order to develop a skilled, capable and dynamic local workforce. Our Talent and Development team leads several programs across organisational levels, each of them focusing on improving competence, skills and knowledge.
We started to provide e-learning solutions to all employees and will further develop this initiative over the next couple of years, including collaborations with third-parties and developing an internal curriculum.

We also established a partnership with LinkedIn Learning, laying the foundations for digital learning, and also ran several development programs at different levels of the organisation, from C-level to young managers.

As many corporate employees were working from home, we focused on increasing capabilities in virtual team management and communication.
Our seven-month, virtual Leadership Development Program (LDP), includes extensive leadership and change management sessions, and was conducted in collaboration with PwC’s Academy.

NOMAC’s learning management system – Mishkaty
The past year saw the deployment of Mishkaty, the O&M Learning Management System Platform, which offers more than 1,600 learning resources covering technical, HSSE and behavioural topics. NOMAC employees completed 84 percent of the assigned e-learning.
Fully delivered via Mishkaty, 2020 also saw the design and deployment of a 4-Level Technical Competence program, The Technical Qualification Framework, for PV technology.

**Learning hours**
- **Courses completed**: 17,056
- **Videos viewed**: 762
- **Average user time**: 2 hr 30 min
- **Learning hours**: 930
NOMAC also introduced Career Development Journeys, a program that aims to identify employees with high potential. Out of the 14 employees that completed the program, nine have either been promoted or made a positive career move.

We continued to foster the development of our people, using appraisals, scholarships, coaching and leadership courses focused extensively on employee performance.

Looking ahead, we are building a broad performance management approach which builds on an integrated framework that fuels continuous development and informs key decisions on talent.

**Amplifying the Kingdom’s next generation of innovators through the Higher Institute for Water and Power Technologies (HIWPT)**

We have always believed in the immense potential of Saudi youth to develop progressive sustainable ideas. In order to spotlight the efforts of the next generation of innovators, we have introduced The Power is Within You. This platform includes an incubation program designed to help develop winning ideas, using a dedicated training and mentoring process guided by ACWA Power experts and supported by the Higher Institute for Water and Power Technologies (HIWPT).

HIWPT is a vocational training institute founded by ACWA Power in 2010, since then it has become our flagship initiative and a priority project.

HIWPT’s continued success is assured by the strong strategic partnerships that the Institute has established with government authorities, water and power sector partners, industry leaders, equipment manufacturers, international training providers and plant operators.

**Further highlights of the program include:**

- **69 employees** have completed three phases of the journey.
- **90%** 90 percent on-time mobilisation for new projects despite the COVID-19 pandemic.
- **>40%** Achieved >40 percent solidarity rate i.e. 40 percent of all hiring was done using internal resources.

**Support and access march**

- **91%** Of NOMAC have accessed Mishkaty
- Each user logged in on average at least 2.5 times monthly and 30 times yearly
- **100** Class/learning requests delivered
- **80** Solution requests delivered
- **600+** Support queries answered
- **16+** Live support sessions
At a local and project level, we have established a framework of socio-economic development standards and guidelines, which are adopted whenever we start operations in a new country. Each framework addresses the local context and encourages self-reliance, an approach which underpins our presence in these communities and maintains our license to operate for generations to come.

We have continued to communicate our corporate sustainability and ESG performance, to prioritise community engagement and to address the most pressing issues our communities face with relevant CSR programs.

**Supporting our communities during COVID-19**

Supporting vulnerable families and communities during the uncertainty caused by the COVID-19 pandemic has become vitally important.

In all 13 countries where we operate, we have complied with the measures announced by state agencies. We have adopted all necessary precautionary and preventative guidelines to guarantee the supply of water and electricity, and to keep the operations running in the Kingdom and abroad. We have also met the requirements relating to readiness in terms of infection management in the workplace.

In addition to supporting our employees and ensuring business continuity, ACWA Power proactively supports global response efforts. The CSR programs implemented in 2020, representing a total investment of about 71 million SAR, focused on facilitating community development as well as supporting COVID-19 response initiatives.

We have channeled our efforts into supporting national COVID-19 responses by harnessing our technical and human expertise, making an effective contribution to strengthening the infrastructure and improved the basic facilities that secure peoples’ lives.

**Nujood Medical Center**

Since the emergence of the COVID-19 outbreak, the Kingdom’s leadership has made extraordinary efforts to safeguard the health and safety of the country, its citizens and residents. In response to the measures taken by the leadership, and official local authorities, to contain the impact of the pandemic, and to secure the health and safety of the Kingdom’s citizens and residents, we pledged a contribution of SAR 50 million to support national health endeavours and efforts. We believe it is crucial to do what we can to support the community and so demonstrate our wider social commitment to the Kingdom.

To support the government’s COVID-19 relief efforts, we announced our contribution – part of the national energy sector’s own response to the pandemic – in the very early stages. Further, we supported the Saudi Ministry of Health in building a fully equipped mobile hospital with all the necessary medical equipment. Thanks to our international project management expertise, we delivered the hospital in record time. In July 2020, HRH Prince Faisal Bin Salman, Prince of Madinah Province, inaugurated the Nujood Medical Center – named in honour of martyr Nujood Al-Khaibari, the first Saudi nurse in the line of duty to lose the fight against COVID-19. The Center, in Al Madinah Al Munawarah, has a capacity of 100 beds.

‘We are cooperating closely with the Kingdom’s local authorities to support their tireless efforts in containing the spread and impact of this pandemic. We have volunteered ACWA Power’s human and technical expertise to establish suitable facilities that require the highest standards of security and safety’. – Mohammad Abunayyan, ACWA Power Chairman.
Fighting COVID-19 in Egypt

We pledged a contribution of EGP 5.5 million to the Tahya Misr Fund to support the Egyptian government with the purchase of ventilators and RT-PCR detection kits to boost COVID-19 testing capacity in the country. The Tahya Misr Fund is a donation-based national fund that helps state agencies address crises, in partnership with the private sector.

This pledge underscores our solidarity for the Egyptian government’s efforts to battle the pandemic. We will continue to support the government and local communities to establish a sustainable infrastructure and to keep pace with the growing demand for water and power consumption in the country.

Putting our employees and communities first

We will continue to safeguard our employees’ health, produce electricity and desalinated water reliably and responsibly, contribute to efforts to fight COVID-19 in our communities and grow the share of renewable energy we produce. Further, we will support access to digitised education and training for all.

The CSR programs implemented in 2020, representing a total investment of about 71 million SAR, focused on facilitating community development as well as supporting COVID-19 response initiatives.

In addition to supporting its employees and ensuring business continuity, ACWA Power proactively supports global response efforts.
Corporate excellence

With good governance emerging as a key element in the fight against the pandemic, we will continue enhancing our ESG strategy to further strengthen our corporate governance model, policies, and processes.

Our corporate governance structure consists of our Board, and five functional Board Committees, each responsible for reviewing the company’s operations within their respective areas of expertise. Relevant findings and suggestions are then presented to the Board. The Board, its advisors, its functional committees, company management and employees, shareholders, and direct stakeholders are guided by ACWA Power’s Corporate Governance Guidelines and Procedures and Code of Ethics.

Our good governance approach

Our corporate governance approach is supported by a robust framework designed to enhance accountability through the recognition and management of all risk areas, including those related to ESG issues. It specifies the distribution of rights and responsibilities among various participants of the organisation, including our Board of Directors and its five functional committees, our senior management and our employees.

Risk and Compliance Committee

The Risk & Compliance Committee (BRCC) assists the Board in executing its fiduciary responsibility for overseeing, and reviewing, the identification and evaluation by management of the company’s principal strategic, financial, operational, business and compliance risks, including the company’s risk management framework and the policies, procedures, and practices employed to manage risks.

This Committee supports the Board in monitoring our risk environment and prioritising action for any activities that will mitigate any risk that could adversely affect the company’s ability to achieve its goals. The BRCC is chaired by an independent member of the Committee.

ESG and climate risks, as well as risks linked to mitigation challenges such as society’s transition to a low-carbon economy (transition risks), are covered in our overall approach to risk management. BRCC will continue to refine its approach to identifying and evaluating ESG and climate-related risks to enable ACWA Power to remain competitive in these areas.

Project Galvanize

Project Galvanize was key to the design and implementation of our new operating model. Led by a dedicated project team, a dedicated external consultant, and supported by our People and Culture department, the objectives of Project Galvanize were:

1. To improve the management structure: one CEO, a Management Committee, a Management Investment Committee.
2. To maintain agility in business development, while continuing to maintain proper checks and balances.
3. Manage NOMAC as a fully integrated business unit of ACWA Power to further benefit from the synergies of the operation and maintenance (BU O&M) as well as the portfolio management business units (BU PM), while at the same time preserving the BU O&M’s managerial integrity.
4. To introduce regional management to oversee our project companies and their operating and construction projects, enabling ACWA Power to manage a growing portfolio of companies more effectively.
5. Reinforce construction support for project execution.
6. Strengthen transversal enabling functions, with matrixed managers also reporting to the different business units, thereby enhancing collaboration and transparency.

The Galvanize Project involved more than 100 employees – working in teams over several months – to develop a new organisational structure; produce organisational charts; unit and job descriptions; lists of activities; and allocation of responsibilities. Managers were appointed to lead the new teams and processes have been adapted.

Integrity and transparency

Our Code of Business Conduct and Ethics sets down key guidelines and compliance practices to be observed by all employees, wherever they are located or operate.

The Code is a forward-looking document designed to align all employees in the ongoing implementation of business principles. It establishes non-negotiable standards of behaviour in key areas. The Code is further supported by the Code of Conduct policy, which benchmarks correct behaviour and outlines the ethical responsibilities that will help grow our organisation, reputation and business.
Our corporate governance approach is supported by a robust framework designed to enhance accountability through the recognition and management of all risk areas, including those related to ESG issues.

To enhance efficiency and transparency, we adopt the matrix reporting function, strengthening the collaboration between transversal enabling functions and the different business units.

We developed two mandatory e-learning modules, Making Ethical Decisions and Code of Ethics Policy, which offer guidance in an interactive and engaging way to help employees gain a better understanding of the guidelines and practices set out in our various Codes.

By raising compliance awareness within our community, we are promoting company-wide adherence to the highest ethical standards. And, in helping to discourage any breach of conduct, we have also established a mechanism for the confidential submission of concerns through an independent third-party.

**Anti-bribery and anti-corruption commitments**

With our global expansion, and taking into account our exposure to third-parties and the nature of transactions we are required to process, it is of paramount importance that we mitigate the risks associated with corruption, bribery and money laundering. It is also essential that our employees are aware of the consequences of our failure to comply with the applicable anti-bribery, anti-corruption, anti-money laundering, and counter-terrorism financing laws and regulations.

As set out in the Code, we are committed to conducting business ethically and in compliance with the applicable laws and regulations in force wherever we operate. We are similarly minded only to work with partners who comply with our values and rules of integrity.

These values include, but are not limited to, conducting business with integrity; never requesting, offering, or accepting any form of payment or incentive intended to improperly influence a decision; and ensuring that our activities are never used to launder the proceeds of criminal activities or to finance terrorism-linked activities, directly or indirectly.

The compliance function worked during the year on developing an Anti Bribery and Anti-Corruption (ABC) Policy, and Anti-Money Laundering (AML) and Counter Terrorism Financing (CTF) Policies.

In developing these policies, we set out to meet the following objectives:

- Ensuring that employees are aware of their obligations and the need to remain vigilant in the fight against money laundering, terrorist financing, bribery and corruption.
- Setting out the scope, processes and controls required to mitigate any risk related to money laundering, terrorist financing, bribery or corruption in the company.
- Articulating the responsibilities of the company, and its employees, in observing and upholding the company’s position on money laundering, financing terrorism, bribery and corruption.
- Providing information and guidance on how to recognise and deal with money laundering, terrorism financing, bribery and corruption issues.
- Assisting all stakeholders in reporting money laundering, terrorism financing, bribery and corruption issues.

We regularly reinforce the message that there is zero tolerance of money laundering, financing terrorism, bribery and other corrupt activities and that disciplinary measures will be taken against anyone found to have contravened these policies. This applies to Board directors, including members of Board Committees, officers, third-parties (such as consultants), agents, vendors, suppliers, independent contractors, and all employees of the company, its subsidiaries, business units and branches.

**Transparency around climate risks and opportunities**

We believe in ensuring transparency around climate-related risks and opportunities. In line with our commitment to integrate the voluntary recommendations of the Financial Stability Board (FSB) Task Force on Climate-related Financial Disclosures (TCFD), we will begin to disclose TCFD compliance reporting in our Sustainability Report 2021.
Forging ahead with ambition

The goals of this ESG Review were to provide a snapshot of our sustainability and ESG performance for 2020, as well as to set out our commitments for the years to come.

We have demonstrated that our ESG strategy is embedded in our business strategy and that we regard ESG as a real source of long-term value creation. Our ESG strategy, developed and refined over the year, is a response to a society that is changing. It enables the shift to a low-carbon economy and supports growing business opportunities within the ongoing energy transition.

ESG reporting
We will continue to report annually on our ESG performance. With each iteration, we will aim to improve our ESG disclosure, including our GHG emissions disclosure, and our reporting on water consumption and key water desalination metrics.

In 2021, we will publish a full frame Sustainability Report covering 2020. This will outline our ESG strategy, metrics and targets.

Net-zero commitment
We have set a target of Net-zero emissions by 2050 across our entire operations.

Our strategy focuses on the transition from a fossil fuel-based portfolio to a low-carbon portfolio by growing our renewable capacity. In adopting a portfolio diversification approach, we will prioritise finding cost-effective ways of expanding our renewable portfolio and leveraging the best aspects of each technology. We will assess our capex allocation so that our projects and spending are aligned with the Paris Agreement goals.

Task Force on Climate-related Financial Disclosures
Improving communication around the impact of climate change on our activities, and how we intend to take it into account in adapting our strategy and activities, is a major goal for next year and beyond. Our aim is the comprehensive reporting of results, using the TCFD framework, by no later than 2024. We will disclose:

- Governance surrounding climate-based risks and opportunities.
- Strategies for addressing such factors.
- Risk management considerations.
- Metrics and targets which can be used to assess those factors.

We have formed an internal working group to facilitate the reporting process and to adapt the reporting to TCFD recommendations, particularly in the assessment of regulatory, technological, market, reputation and physical risks.
The TCFD has developed a framework to help public companies and other organisations disclose climate-related risks and opportunities, using their existing reporting processes, more effectively. This includes recommendations for disclosing clear, comparable and consistent information about the risks and opportunities presented by climate change. Their widespread adoption will ensure that the effects of climate change are routinely considered when reaching business and investment decisions.

It will also help us better demonstrate our responsibility and foresight when considering climate issues. This, in turn, will lead to smarter allocation of capital and help smooth the transition to a more sustainable, low-carbon economy.

In actively reducing our emissions in line with TCFD recommendations, we will be able to anticipate the physical impacts of climate change, assess the financial consequences and analyse how best to adapt.

In 2021, we will reaffirm our pledge to creating a sustainable future and to cementing our position as a leading sustainability and ESG enabler in the region. We will achieve this by continuing to produce power and desalinated water efficiency, reliably and safely at low cost, while deploying the latest technologies, and giving the communities where we operate a sustainable future.

About the TCFD

In 2015, the G20 created the TCFD (Taskforce on Climate-related Financial Disclosures), after the Financial Stability Board (FSB) was tasked with drawing up recommendations regarding the financial transparency of companies around climate risk.

The TCFD recommendations aim to:

- Take more account of climate-related risks in financing and investment portfolios.
- Avoid the risk of a drastic devaluation of assets and carbon bubbles.
- Appreciate the resilience of companies faced with medium- and long-term climate impact.
- Make capital allocations consistent with transition objectives to remain below the scenario of a rise in average global temperatures of less than 2°C.

By adopting TCFD’s recommendations and reporting guidelines, we are following energy industry best practice. Since the sector is already one of the best performers with its disclosure of climate-related risks, we will be joining some of the top-performing companies in the energy industry.