



Towards a  
sustainable  
future





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# About this report

ACWA Power is pleased to present its 2019 sustainability report, referencing specific Global Reporting Initiative (GRI) standards, this report is a summary of ACWA Power's sustainability activities and performance from 1 January to 31 December 2019 and an overview of the Company's approach to responsible environmental management, community wellbeing, and corporate governance.

This report has been prepared in accordance with the GRI Standards: Core Option. The GRI Content Index can be found in Appendix A.

We welcome any feedback and comments on this report. If you have any queries, please contact reach out to us: <https://acwapower.com/en/contact-us/contact-us-details/>

## Cautionary Message:

This report contains statements that may be deemed as "forward-looking statements" that express the way in which ACWA Power intends to conduct its activities. Forward statements could be identified by the use of forward-looking terminology such as "plans", "aims", "assumes", "continues", "believes", or any variations of such words that certain actions, events or results "may", "could", "should", "might", "will", or "would" be taken or be achieved.

ACWA Power has made every effort to ensure the report is as accurate and truthful as possible. However, by their nature forward-looking statements are qualified to inherent risks and uncertainties surrounding future expectations that could cause actual results to differ materially from these projected or implied statements. Such statements are subject to risks that are beyond ACWA Power's ability to control and therefore do not represent a guarantee that events implied in these forward-looking statements will occur.





CHAPTER 1

# Who we are



## Company profile

ACWA Power is proud to play a vital role in the lives of millions of people across the Kingdom of Saudi Arabia and beyond. We are committed to creating a sustainable future by generating power and producing desalinated water efficiently, reliably and safely, at low cost. We provide the most basic and fundamental inputs that fuel the lives of individuals and families, while also empowering the long-term economic development and social stability of nations.

Since our founding in 2004, we have developed, owned, and operated power generation and water desalination plants that supply electricity and potable water to people across the Middle East, Africa, and Asia in a reliable and responsible manner, at low cost.

In a world undergoing a historic energy transition, we are leading the way for accelerated deployment of renewable energy by facilitating countries' plans to reduce their dependence on fossil fuel-based energy production and improve their fuel balance towards a more decarbonised, cleaner future.

As a proud national champion, we carry Saudi Arabia's flag globally, contributing to our leadership's Vision 2030 to become a leading nation and shining example of what is possible when unlimited potential is realised for the good of all.

### OUR MISSION

Reliably delivering electricity and desalinated water at a low cost.



### OUR VISION

To ensure the ingenuity and entrepreneurship of the private sector and make available electricity and desalinated water in a reliable manner to support social development and economic growth of nations.



### OUR VALUES

#### SAFETY

We put safety first! We are committed to protecting the wellbeing of our employees, partners, plants and the communities in which we operate. We find sustainable solutions for our business to protect the environment for generations to come.



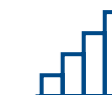
#### PEOPLE

We treat our employees and partners with respect and professionalism, fostering a working environment where people can contribute, innovate and excel. We work together in collaborative and inclusive teams, showing support for each other to achieve client, personal and company goals. We embrace integrity and transparency by practicing the highest professional and ethical standards towards our clients, communities and one another.



#### PERFORMANCE

We are committed to excellence in our business and operations. We set and achieve ambitious goals by constantly raising the bar of our performance. We hold ourselves accountable for taking ownership to achieve superior results. We are bold, passionately taking on challenges with speed and agility, quickly adapting to our environment in the relentless pursuit of growth and great results.





# What we do

We develop, own and operate power generation and water desalination plants with 56 assets in operation, construction, or advanced development across 10 countries.



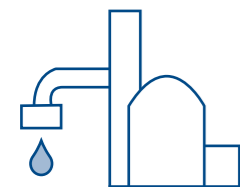
## POWER

Technology-neutral and fuel-agnostic, we serve client nations and communities according to their needs through renewable and conventional power generation.

Abstaining from any new investment in coal or oil, we continue to grow our renewable assets in a lower-oil-price environment, as off-takers look to increase energy security through diversification, shareholders expect healthy returns, and the global

energy community seeks to reduce emissions. Of the 26.3 GW conventional power we generated in 2019, 19.3 GW came from natural gas, which is 70% less carbon-intensive than coal.

**30.9 GW**   
gross power generation capacity (end of 2019)



## WATER


We provide a crucial supply of desalinated water in our home market of Saudi Arabia and other growing economies where water is scarce. Removing salt from seawater to produce drinking water, primarily through the innovative technology 'Reverse Osmosis (RO)'. We are moving our RO technology toward more efficient, sustainable production, particularly as we continue to leverage and expand renewable power in our desalination plants.

### NEW AND INNOVATIVE SOLUTIONS

We are a leader in utility-scale desalination, which has become an essential source of potable water in many regions of the world, including the Middle East, where water resources are geographically scarce.

We have invested heavily in innovative technologies to not just increase our desalination output, but to also do it in a more sustainable way. We drive the future of desalination towards an efficient and sustainable production as we continue to leverage renewable power in our plants besides the innovative technologies that include thermal

desalination processes such as Multistage Flash Evaporation (MSF) and Multi Effect Desalination (MED); and single-phase membrane processes like Reverse Osmosis (RO) and Electrodialysis (ED). These technologies require less energy and create fewer by-products in comparison to the traditional water treatment processes

**5.3m m<sup>3</sup>**   
per day gross water desalination capacity (end of 2019)

## ENVIRONMENTAL STEWARDSHIP

### WASTE AND EFFLUENTS

We have certified Environmental Management Systems (EMS) in place to minimize waste and effluents that are produced during power generation and large-scale water desalination. Chemical use in these processes has continued an overall downward trend that began several years earlier.

One particular area that we have greatly improved on in regard to waste and effluents is our management of brine. ACWA Power has begun desalinating brine for reuse and producing a concentrated brine with lower liquid waste volume and less residual solids, which contains zero liquid discharge. This leads to more sustainable production of brine and more sustainable processing of waste in desalination plants.

### BIODIVERSITY

In line with Environmental and Social Impact Assessments (ESIAs) we mandate biodiversity action and monitoring plans for areas surrounding our assets. We take special precaution to protect against any potential negative impacts that our operations can have on vulnerable species in areas where we operate.

### GHG EMISSIONS

Prioritising climate action is essential to us. ACWA Power is committed to monitoring and improving on our greenhouse gas emissions intensity through our robust Environmental Management approach and impact studies to build greater efficiency and improve our impacts across all our new and existing assets.

Our goal of contributing to climate action is realized by promoting effective climate change-related planning and management in countries where we operate. Furthermore, we are continuously working to minimise the carbon footprint of our power generation and desalination plants by leveraging technological improvements. This is crucial at a time when demand within the region is increasing.

ACWA Power is at the forefront of the Gulf region's transition to clean renewable energy. We are actively decarbonizing power generation and water desalination services, and using our innovative, green electricity and low-carbon process of water generation to advance governmental climate goals.

‘Our goal of contributing to climate action is realized by promoting effective climate change-related planning and management in countries where we operate’





# Where we operate

We are a leading private developer, investor, and operator of a broad portfolio of power generation and water desalination plants in the Middle East, as well as five other markets across Africa and Southeast Asia. Our main areas of operation are in Saudi Arabia, our home market, as well as the United Arab Emirates, Jordan, Egypt, Oman, Bahrain, Turkey, Ethiopia, South Africa, Morocco, Vietnam.

Our talented team of 3,500 people proudly represents over 30 nationalities spread across our geographic footprint. As a result of our internal target to have at least 40% local employment wherever we invest, our current localisation ratio sits at a remarkable 60% of our entire workforce.

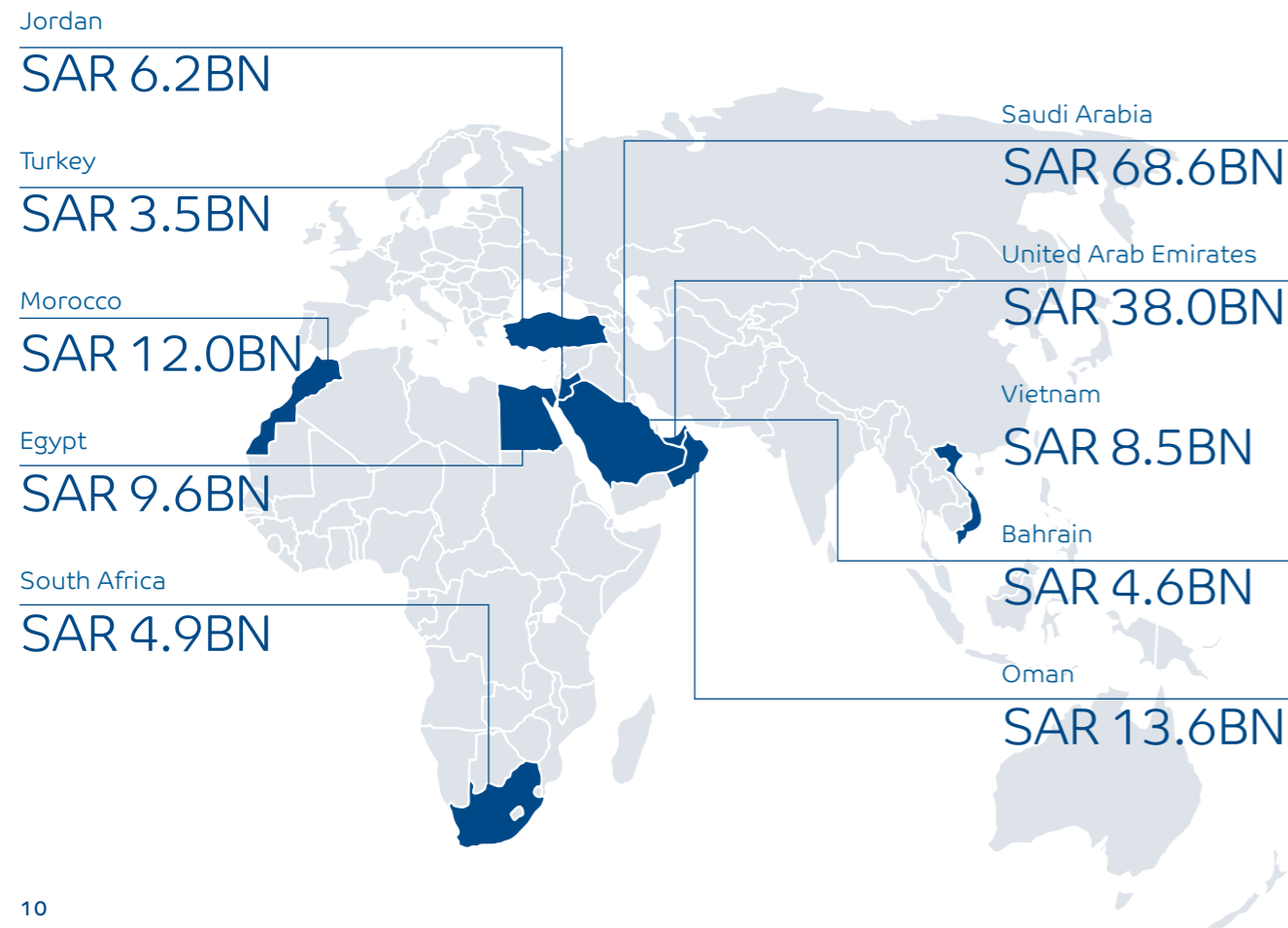
Overall project cost

**SAR 170.1BN**

Number of Assets

**56**

40 Operational  
6 Under construction  
10 Advanced development



## OUR ASSETS

We have a growing and diversified asset base, with 15% of our gross power capacity comprised of renewable sources renewable fuel sources generating 15 percent of our gross power capacity, as well as 68 percent of our total project costs invested in decarbonising energy sources.

	Coal 3,600MW	Oil 3,474MW	Gas 19,291MW	Green 4,578MW	Total Power 30,943MW	Non-Thermal 2,858 '000 m <sup>3</sup> per day	Thermal 2,398 '000 m <sup>3</sup> per day	Total Water 5,256 '000 m <sup>3</sup> per day
Saudi Arabia					12,505			3,130
South Africa					150			-
Turkey					950			-
United Arab Emirates					4,450			1,591
Oman					4,865			307
Morocco					765			-
Jordan					1,547			-
Egypt					2,620			-
Ethiopia					250			-
Vietnam					1,241			-
Bahrain					1,600			227

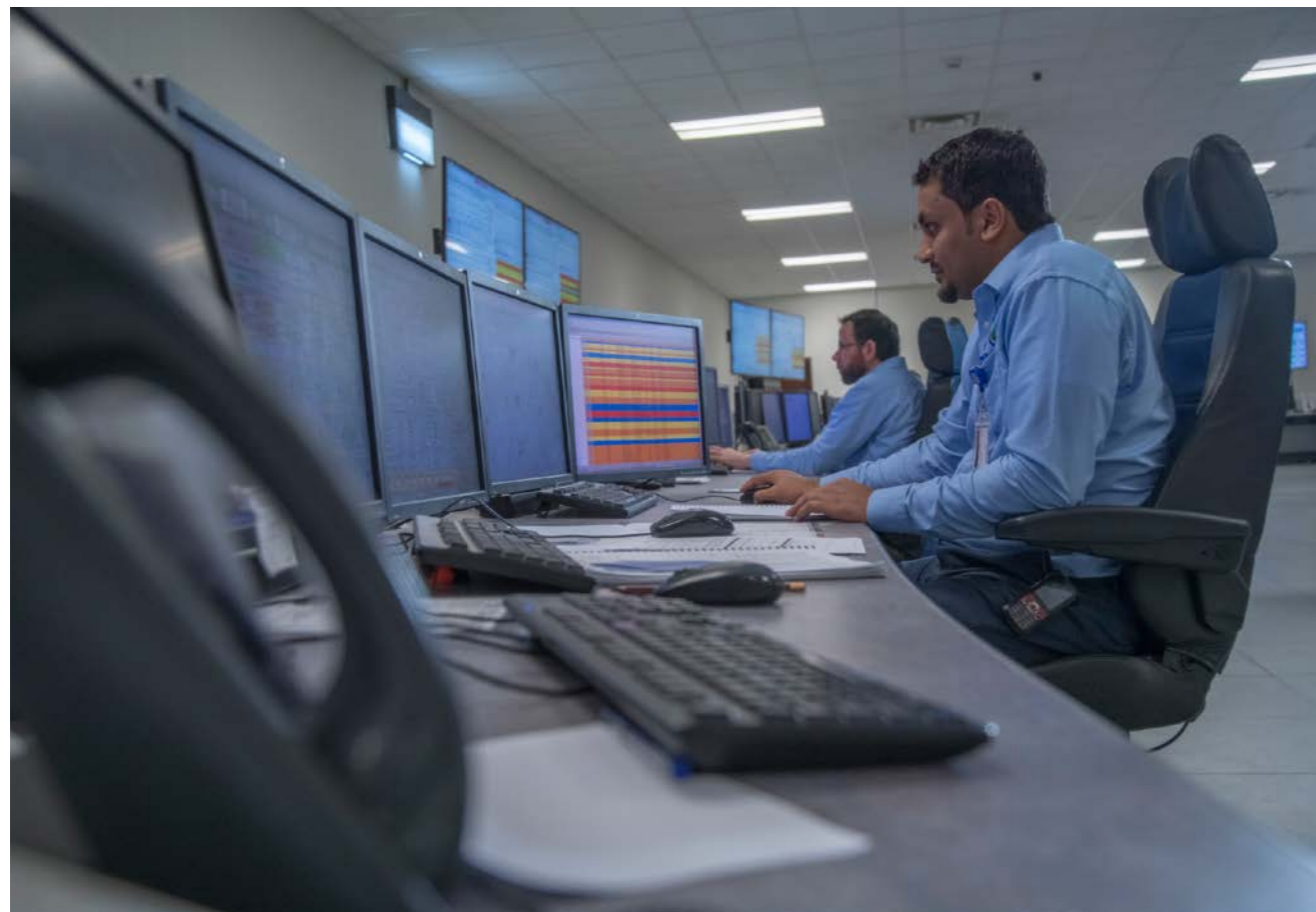


# Board of Directors

The ACWA Power Board of Directors has 14 members, with 10 Non-Executive members and 4 Independent members, which includes the Chairman of the Board. These members are representatives from our shareholders in addition to a selection of experienced independent members who are experts in the industry.

The Directors and the Board Committees provide disciplined oversight and guidance, and the management team leads and supervises ACWA Power with uncompromising integrity.

ACWA Power's management team brings a wide range of experiences in the areas of corporate governance, operations and maintenance, finance, business development, and institution building. Each member's leadership skills are further complemented by their academic and professional qualifications in the fields of administration, management, finance, and engineering.



**Mr. Mohammad Abunayyan**

Chairman of the Board of Directors  
+37 years of experience in  
the commercial and industrial sectors



**Mr. Sulaiman Al Muhaidib**

Non-Executive Board Member



**Dr. Ibrahim S. Al Rajhi**

Non-Executive Board Member



**H.E. Mr. Mohammed Al Nahas**

Independent Board Member



**Mr. Raid Ismail**

Non-Executive Board Member



**Mr. Tariq Almutlaq**

Independent Board Member



**Mr. Rasheed Al Rasheed**

Non-Executive Board Member



**Mr. Omar AlMidani**

Non-Executive Board Member



**Mr. Esmail Alsallom**

Non-Executive Board Member



**Dr. Mohsen Khalil**

Independent Board Member



**Mr. Abdullah Al-Rowais**

Independent Board Member



**Mr. Vincent De Rivaz**

Non-Executive Board Member



**Mr. Ibrahim Alromaih**

Non-Executive Board Member



**Mr. Federico Tauber**

Non-Executive Board Member



# At a glance

In 2019, ACWA Power made substantial sustainability progress, contributing to our core values of safety, people, and performance.



Lost Time Injury Rate (LTIR)

0.05



Reduction in Hazardous waste since 2018 by

16%



Operations Assessed for Health and Safety Impacts

100%



Employees Receiving Regular Performance Appraisals in 2019

100%



Percentage of National Employment

+60%



CO2 Intensity

0.53  
kg/kWh



Increase in Gross Generation for 2019

7%



Increased renewable energy electricity generation capacity by

313%



Total number of employees

1403



Increase in Net Electricity Export for 2019

8%



incidents of corruption

Zero



“Largest Sustainability Project of the Year” Award by Dubai FDI



GCC region’s first Climate Bond Initiative’s (CBI) certification for Renewable Energy Project Financing



Decrease in Water Discharge by Gross Generation (m<sup>3</sup>/MWh) for 2019

15%



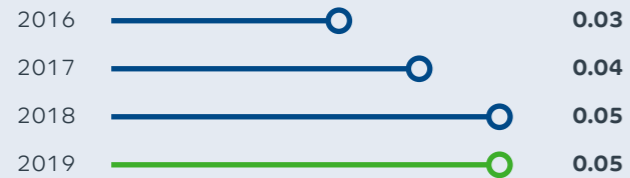
Increase in women representation by

6.4%



### SAFETY

#### LTI Rate for Operational Assets and Assets Under Construction

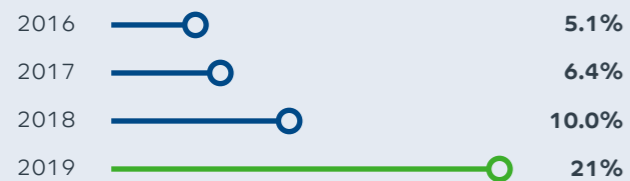


#### Recordable Incident Rate for Operational Assets and Assets Under Construction



### PEOPLE

#### Percentage of Women at Manager or Director Level



#### Percentage of Female Employees



### PERFORMANCE

#### Total Number of Assets



#### CO2 Intensity of Operations (kg/kwh)



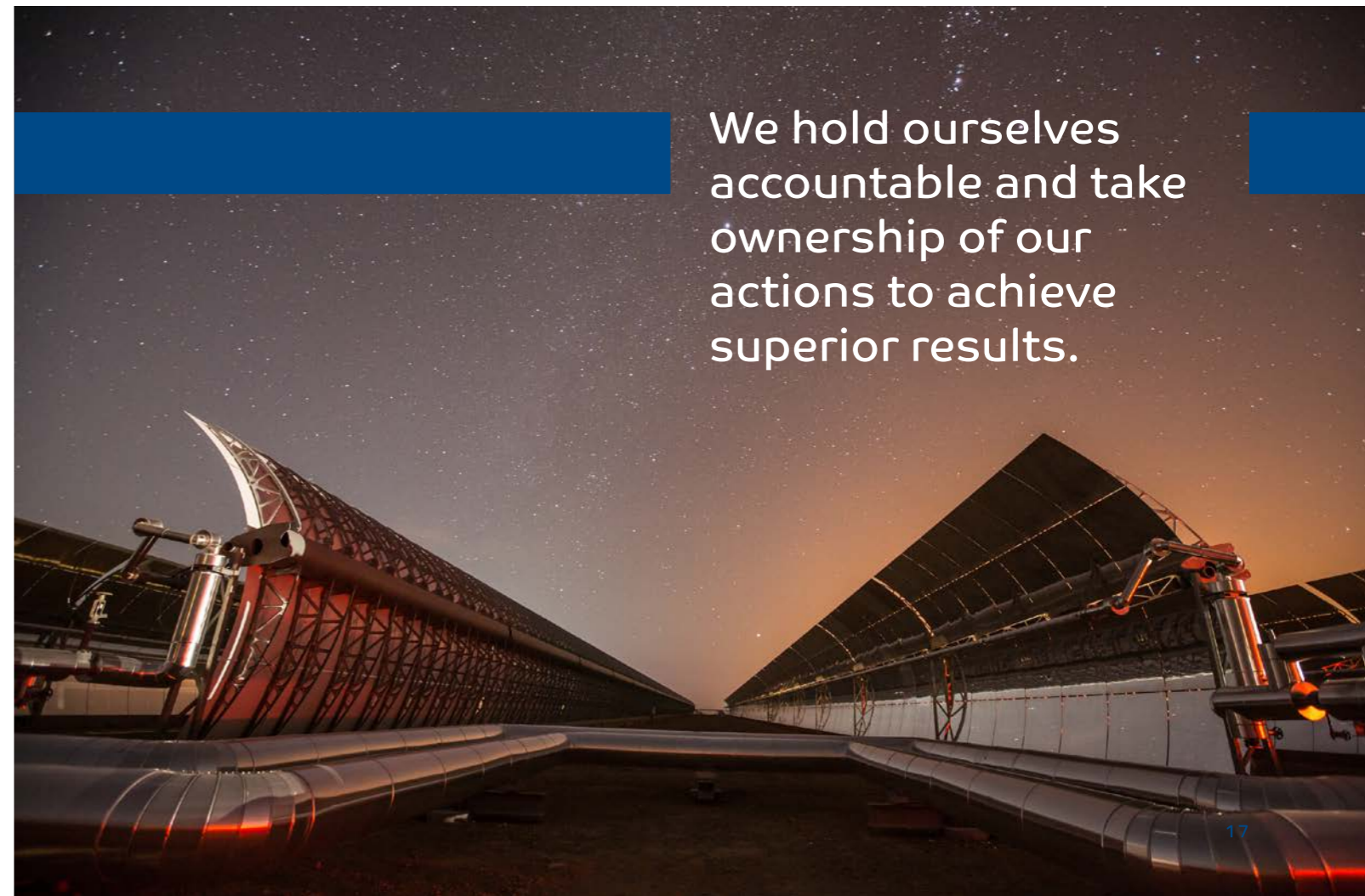
## Our Purpose

ACWA Power's purpose is to reliably and responsibly deliver power and desalinated water at a low cost to the consumer.

We help the ingenuity and entrepreneurship of the private sector by generating and creating electricity and desalinated water in a reliable and responsible manner. This allows us to also support social development and economic growth in addition to providing essential resources and services for our customers.

At ACWA Power, we strongly value sustainable solutions for our business that will help to protect the environment for generations to come. We treat our employees and partners with respect and professionalism, fostering a working environment where people can contribute, innovate, and excel. We are committed to excellence in our business and operations, setting and achieving ambitious goals by constantly raising expectations from ourselves and from the company.

We hold ourselves accountable and take ownership of our actions to achieve superior results.





# 2019 Overview

Since the launch of our inaugural Sustainability Report in 2014, we have reflected upon and highlighted our sustainability performance each passing year. Celebrating major milestones and small successes in our sustainability journey is always encouraging, as it is motivating to see how far we have come and how much change we have enacted in our areas of operation.

At ACWA Power, we view the communities we operate within as our own, investing and supporting local initiatives that address global issues and promote local development. We continue to invest in local talent and suppliers in communities where we operate, thereby stimulating the human, economic, and social development of these countries. We are proud of our achievements to date and are confident that we will continue to build on this strong foundation to create additional value in the years ahead.

We follow industry best practices related to ESG issues. Our projects comply with the International Finance Corporation (IFC) performance standards, meeting its comprehensive and stringent guidelines. Environmental and Social assessments are being regularly conducted on our operations as well as our supply chain to monitor and manage our impacts and mitigate potential hazards to the health and safety of the surrounding communities.

While pursuing our path to sustainability, we will continuously communicate our ESG performance, not only disclosing our environmental progress, but also our social, economic, and governance achievements. For ACWA Power, partnerships with our stakeholders are key to our journey towards excellence. The feedback from our stakeholders is a critical resource for our continual improvement and a central component of our strategic planning. This includes feedback from employees, government agencies, shareholders, suppliers, finance institutions, labour groups, contractors, regulators, international organisations, and competitors.



In 2019, ACWA Power continued to strengthen a solid foundation for sustainable, long-term growth. Key highlights in 2019 included:



Expanding our solar energy portfolio in Saudi Arabia, the UAE, Vietnam, Egypt, and Jordan, with plans to further develop projects in Africa and Asia in 2020 and beyond.



Further enabling the decarbonisation of power generation and water desalination in the Gulf region



Utilizing our low-carbon energy projects to advance governmental climate goals.



Ground-breaking work on the world's largest independent water desalination plant in Taweelah, Abu Dhabi with a capacity of 909,216m<sup>3</sup>/day. It will start operating in Q4 of 2022.



Commissioning the Shuaibah 2 Independent Water Project (IWP) in Saudi Arabia with a capacity of 250,000 m<sup>3</sup> per day, helping meet growing water needs of the Kingdom by utilizing seawater reverse osmosis (SWRO) technology.



Completing the first large-scale solar power project in Saudi Arabia, the 300 MW Sakaka Independent Power Project (IPP)



Utilizing cutting-edge photovoltaic (PV) technology in our Sakaka asset to generate power at a world record-breaking tariff of US \$2.3417 per kWh (8.781 halalas/kWh).



Leading the way in the upcoming energy transition and catalyzing the National Renewable Energy Program (NREP), which aims to produce 9.5GW of renewable energy by 2023.



## 2019 Awards and Achievements

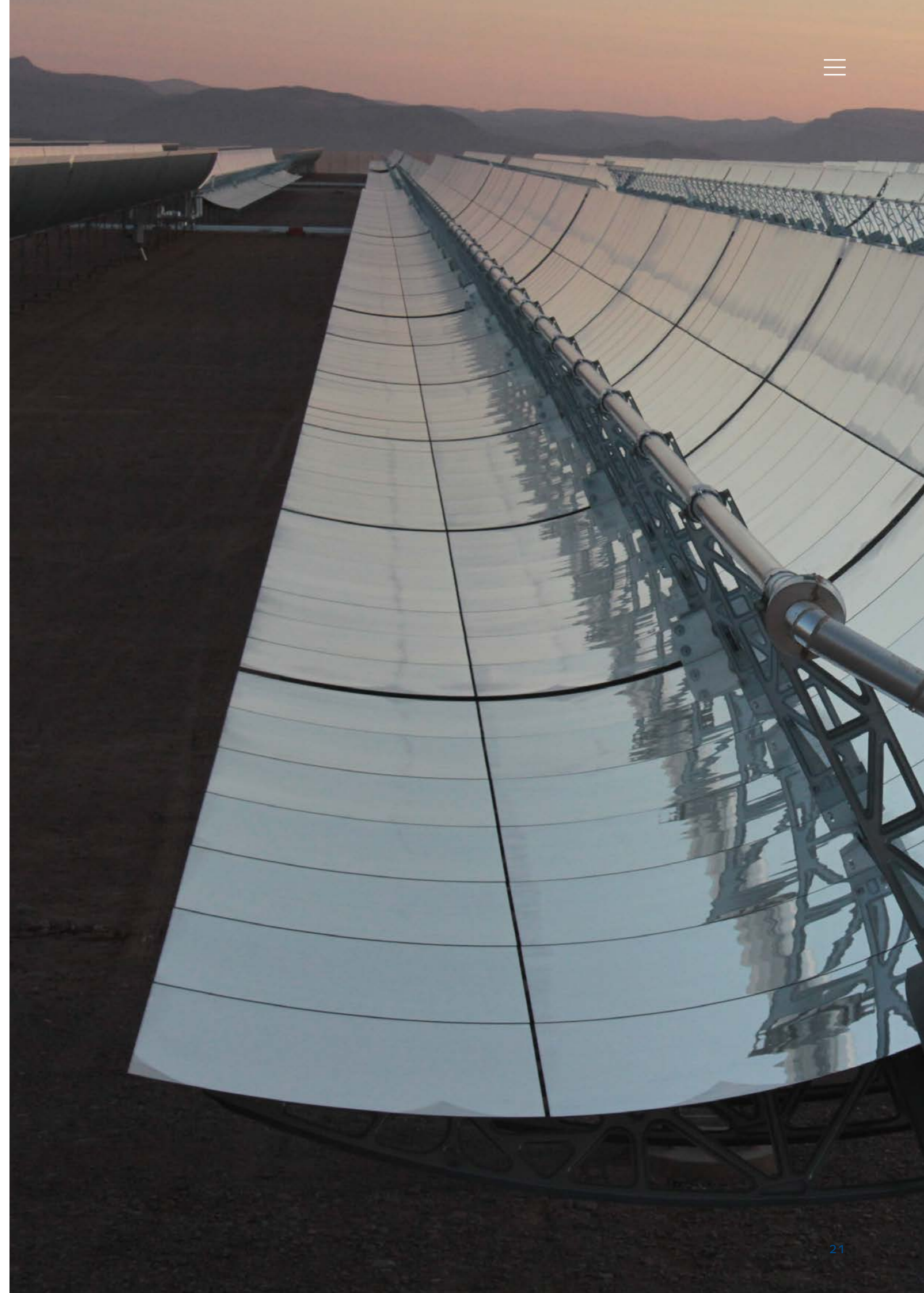
Through our accolades and third-party acknowledgements of our achievements, we continue to build trust amongst our stakeholders. We aim to deliver this by consistently providing sophisticated, innovative, and sustainable power, along with world-leading desalination and water assets, all at a competitive cost.

In 2019, as one of the most notable testimonials to our hardworking efforts, ACWA Power was awarded the **“Largest Sustainability Project of the Year”** by the Dubai Investment Development Agency (Dubai FDI).

During the past year we were also awarded the **GCC region’s first Climate Bond Initiative’s (CBI) certification for Renewable Energy Project Financing**. The fourth phase of Mohammed bin Rashid Al Maktoum (MBR) Solar Park – Noor Energy 1 – became the first project in the GCC region to receive this certification, supporting the efforts to meet the Dubai Clean Energy Strategy 2050.

The flagship MBR project is a collaboration between ACWA Power, the Dubai Electricity and Water Authority (DEWA), and China’s Silk Road Fund aimed at closing the clean energy investment gap. This pioneering green funding achievement will promote and facilitate future investments in regional projects and assets that drive the rapid transition to a low-carbon and climate resilient economy. Moving forward with this project will also improve credibility across the international financing market, increasing ACWA Power’s attractiveness for future investors as the market becomes increasingly sensitive to the decarbonisation of the electricity generation sector.

In 2020, we will continue to assess further opportunities to identify new technologies and expand into new markets that will help achieving our decarbonization targets and further contribute to the United Nations Sustainable Development Goals (SDGs).





# Leadership statement

The COVID-19 pandemic has highlighted the fragility of our economic systems, the importance of society to operate together and many underlying inequalities that exist between countries and within societies. At the same time, it has highlighted the need for business consciousness and a willingness to rise to the challenge of sustainability. As we transition out of this difficult time it is more important than ever to keep sustainability at the forefront of business operations and aim to use this opportunity to build back better.

## OUR ROLE IN SUSTAINABILITY

ACWA has been on a sustainability journey since its inception, and we have been consistently evolving and improving as opportunities and challenges present themselves. We acknowledge that two of the greatest challenges facing the world today are climate change and inequality. Businesses must work towards solutions to tackle these problems with urgency to ensure that we can have a safe and just society. And thus we have sought to align our business practices with sustainability wherever possible. We have aligned our business to the principles of the United Nations Sustainable Development Goals (SDG's) and the Saudi Vision 2030 to address these issues in a socially cohesive and inclusive way.

Our business model lies at the heart of our sustainability strategy. The model focuses on three principles 'Develop-Invest-Operate' allowing us to utilise the full lifecycle of a project and ensures that it is executed well whilst accounting for different stakeholders and sustainability issues. The water and energy tariffs that we offer under this scheme benefit a variety of communities in many localities, offering affordable and competitive rates of reliable utilities. The long-term nature of our services means that we are heavily invested in the communities in which we work, and our outputs have a direct impact on their social and economic development. Sustainability is, therefore, of the highest importance, ensuring that we work with these communities to balance environmental impacts with the economic and social benefits that we bring.

## MAINTAINING GOOD GOVERNANCE

At all times, our culture and values guide the way we do business, how we select our partners and how we interact with our stakeholders. We remain committed to strong principles of good governance with respect to business and human rights, labour, the environment, and anti-corruption. We also support global sustainability codes aimed at ensuring beneficial relationships between all stakeholders and our progress is monitored by our internal governance structures and the committee of the board.

Our sustainability governance framework continues to guide our daily business practices with systems that cover various important areas including whistleblowing, risk management, anti-corruption, compliance and more. In line with our wider commitments, we are embracing technology to help ensure these systems are updated and accessible to all stakeholders regardless of their position or location.

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**'We rely on an integrated network of strategic, training and reporting structures to ensure that the measures are understood and owned by all individuals and business units'**

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## CONTRIBUTING TO SOCIETY

We continue to support our communities through our business services, environmental commitments, and supporting initiatives. By building our own sustainable businesses we are able to contribute to macro-economic stability, society and the natural environment. Our responsibility to society starts with our own people and we depend on their experience and proficiency to perform and deliver superior services. During the year we invested strongly in the learning and development of our people. We continue to create a progressive and stimulating work environment with facilitates that enhance collaboration and knowledge sharing amongst colleagues and business areas.



The pandemic highlighted the need to support our local communities including local businesses. We remain committed to supporting and procuring from local businesses wherever possible. Suppliers are expected to abide by the same standards as our staff with an outline of our HSSE requirements and are subject to regular audits to ensure that they too are contributing positively to local society.

An integral part of our corporate responsibility programme is how we care for our communities. The pandemic has highlighted societal issues for communities across the world including inequalities in education. It has been a difficult year for young people with the pandemic impacting mental health, educational inequalities, access and many more issues. We have continued our support for local education charities, maintaining strong partnerships and connections and supporting them through the challenges of the pandemic.

## TRANSITION TO A CLEANER WORLD

The COVID-19 pandemic highlights a significant opportunity for businesses to transition to a more sustainable future by focusing on the need to build back better. We see this as a significant opportunity to continue to expand our business opportunities into emerging sustainable energy markets such as wind and solar power generation. We see our business services as having the potential to contribute to a greener future by supporting clients working in the renewable energy markets.

We also renew our commitment to the environment by focusing on our own business and operations. We maintain our commitment to reduce our direct impact and aim to work towards operating as a net zero business. We continue to work with our supply chain and key stakeholders to support a just transition to a more sustainable future.

## LOOKING FORWARD

As the world recovers from the struggles of the unprecedented COVID19 pandemic we are hoping to use learnings and reflections of this challenging period to enable our business to be more resilient, more resourceful, and more responsible. Macro uncertainty persists globally, and the recovery environment is still not clear which could impact activity levels going forward. Nevertheless, we have a unique and vibrant culture with a strong leadership team who are motivated to build their businesses and ensure we reduce risks and uncertainty.

Through the pandemic we have learnt about the importance and fragility of the environmental and social systems, upon which we rely. This has reaffirmed our commitment to sustainability in enhancing our strategy and practices of good governance, environmental protection, developing our people and supporting the local communities in which we operate. Our responsibility has never been clearer, and we remain committed to building back better and continuing to create long term sustainable value for all our stakeholders.



# At the Forefront of the COVID-19 Response

This sustainability report highlights our achievements and efforts for the year 2019. While the report is predominantly focused on progress achieved in 2019, at the time of writing this report, the COVID-19 pandemic has reached Saudi Arabia and disrupted thousands of people's day-to-day lives.

ACWA Power adopted a proactive approach to protect the health of its workers and employees and stop the spread of the virus. In all 11 countries we operate within, ACWA Power complied with measures announced by local and state agencies and readily adopted all precautionary and preventative measures to guarantee the uninterrupted supply of water and electricity, and keep the firm's operations running.

From the beginning of this unprecedented crisis, ACWA Power has proactively identified and put in place measures to continue produce electricity and desalinated water in a reliable and responsible manner to support the social development and economic growth of communities where it operates. In doing so, ACWA Power is implementing the required operational and financial initiatives to ensure the continuation of essential services across our markets, while ensuring the safety of our employees, and maintaining strong liquidity and a sound balance sheet.

Part of ACWA Power's initial response was to align on potential scenarios and responses and to enforce agile principles enabled by our clearly articulated values of "Safety, People and Performance". As a result, since the beginning of the Covid-19 pandemic, ACWA Power gave precedence to safeguarding the health and safety of our employees, communities, and our suppliers.

ACWA Power is also committed to operational continuity and is providing essential support to ensure employees, whose roles allow, are working from home, enabled by virtual communication and collaboration tools, while many client-facing staff remain on-site to provide essential energy and



water supply. These operations are only maintained subject to comprehensive health and safety protocols, including sanitizing on a frequent basis and monitoring temperature of all employees at the entrance.

Today, more than ever, the people of ACWA Power are mobilized to ensure the continuity of our activities in compliance with health regulations. Aided by clear policies and guidelines as well as monitoring issues on near real-time basis, with rapid response ACWA Power's adaptation measures to protect employees and sustain ACWA Power's essential services include safeguarding:

- the health and safety of our employees, their families, and of our communities,
- continuity of operations,
- limitation of financial impacts and protection of financial liquidity.

The COVID-19 pandemic has brought the world into uncharted territory. In these challenging times, supporting vulnerable families and communities is vital. In addition to supporting its employees and ensuring business continuity, ACWA Power is proactively supporting global response efforts and has pledged a contribution of SAR 50 million. This pledge contribution reinforces ACWA Power's social commitment to supporting relief aid and disaster prevention measures in countries we operate within. We believe strongly in safeguarding the health and safety of all members in our broad communities.

Overcoming the impact of the current crisis necessitates mobilizing the expertise and capabilities of the private sector to carry out its duties and responsibilities towards peoples and communities. ACWA Power is channeling its efforts towards supporting national COVID-19 responses, harnessing its technical and human expertise in fighting COVID-19 and contributing effectively to strengthening and enhancing the infrastructure and basic facilities that secure peoples' lives and the sustainable, economic and social development plans. Below are two examples of our coordinated COVID response in different areas that we operate within:

## Inauguration of the fully equipped hospital "Nujood Medical Center" in KSA

ACWA Power's pledged contribution was announced at the early stages of the pandemic and falls under the umbrella of the national energy sector's initiatives to support the government's Covid-19 relief efforts. Aligning with the Saudi Ministry of Health to support its efforts in addressing the repercussions of this global health crisis, ACWA Power is constructing a mobile hospital that is fully equipped with the necessary medical tools and equipment. Supported by its international expertise, ACWA Power has extended its full support towards achieving the swift delivery of the hospital in record time. In July 2020, HRH Prince Faisal Bin Salman, Prince of Madinah Province, inaugurated the Nujood Medical Center – names in honor of martyr Nujood Al-Khaibari, the first Saudi nurse to lose the fight against COVID-19 while performing her job. Located in Al Madinah Al Munawarah, Nujood Medical Center has a capacity of 100 beds.

"It is our utmost honor to serve the healthcare sector in Al Madinah Al Munawarah. I would like to extend my sincere appreciation to ACWA Power, and HRH the Minister of Energy for leading this initiative that leveraged the expertise of a pioneering company in the renewable energy sector"

HRH Prince Faisal Bin Salman







### Supporting Egypt in combatting the pandemic of COVID-19

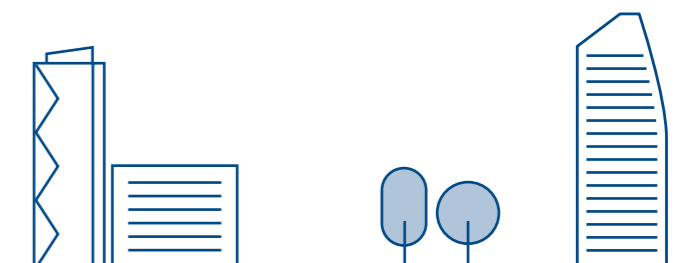
In Egypt, ACWA Power pledged a contribution of EGP 5.5 million to the Tahya Misr Fund to support the Egyptian government's efforts in mitigating the impact of Covid-19. The pledge is directed towards the purchase of ventilators and RT-PCR detection kits to boost the testing capacity for COVID-19 across Egypt. The Tahya Misr Fund is a donation-based national fund that aids state agencies and societal organizations in addressing crises in Egypt, in partnership with the private sector.

ACWA Power's pledge emphasizes its full solidarity and support of the robust endeavors that the Egyptian government has undertaken, under the leadership of President Abdel Fattah El-Sisi to battle the repercussions of the pandemic. In addition, ACWA Power continues to support the government and local communities by continuing operations of its projects, aligned with the Egyptian government's vision for establishing a sustainable infrastructure, to keep pace with the growing demand for water and power consumption in the country.

The international emergency caused by this pandemic has required swift and comprehensive measures by governments to safeguard public health. This crisis also creates a unique opportunity to transition to a cleaner, more sustainable future and asset managers are increasingly integrating ESG factors across their portfolios as we move towards the "new normal". This includes reducing dependency on 'brown' power generation and increasing renewable energies. It also inextricably forces investors to engage with companies on relevant, material ESG issues, particularly on the risks and opportunities presented by climate change, as COVID-19 also comes as a reminder that in today's closely interlinked world, a decent analysis of ESG factors is imperative for a comprehensive assessment of a company's resilience.

Moving forward, ACWA Power will continue to safeguard its employee's health, to produce electricity and desalinated water in a reliable and responsible manner, to contribute towards combatting COVID-19 in communities where it operates and continuously increase the share of renewable energy it produces. In addition, ACWA Power will support access to digitalized education and training, both for its employees and communities. As good social and company governance emerged as key indicator of resilience against the pandemic's impact, ACWA Power will continue enhancing its ESG strategy and methodologies to further strengthen social and governance factors. For example, ACWA Power will be applying additional ESG factors and enhanced climate risk methods within the due diligence and risk management processes. Overall, we will continue to ensure that good governance, operational resilience and business continuity measures are in line with sustainability standards.

Looking ahead, we remain confident that we will together overcome this crisis and deliver for all our stakeholders in the years to come. We thank all our employees for their steadfast dedication. Let's continue to keep a strong and positive mindset, and together we will emerge stronger from this crisis.





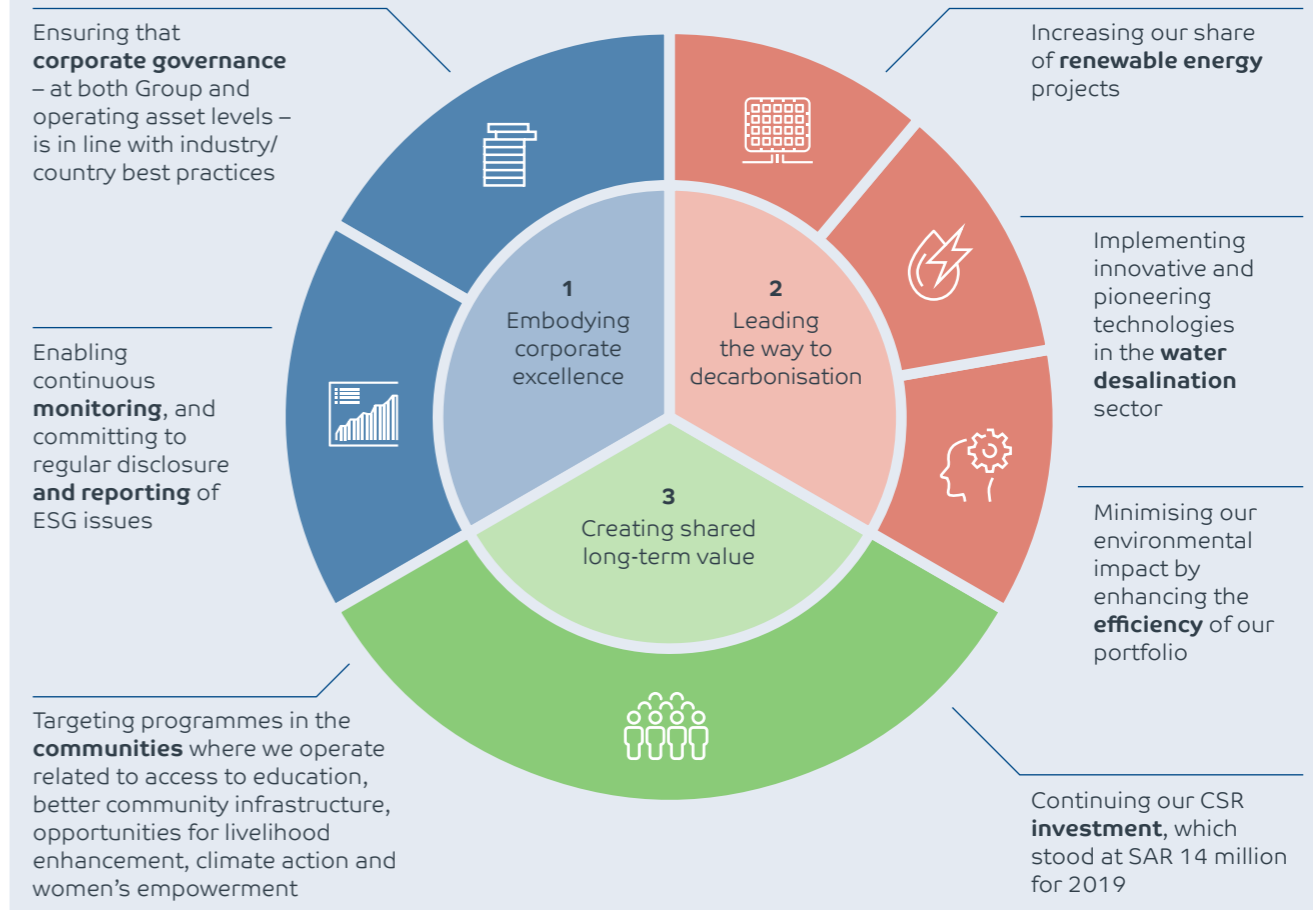
CHAPTER 2

# Our Approach to sustainability

In ACWA Power, we believe it is crucial to act as a sustainability enabler for our region: we are committed to creating a sustainable future by generating power and producing desalinated water efficiently, reliably and safely, and at low cost. We ensure this is achieved by following our Sustainability Framework, which focuses on utilizing efficiency; monitoring and reporting as a means to embody corporate excellence; creating shared long-term value to the communities where we operate; and finally leading the way to decarbonization through our renewable energy and water desalination assets.

Through our sustainability framework we are deploying the latest technologies and providing the communities where we operate with a more sustainable future.

**Our Sustainability Framework:**





# Embedding ESG in our business model

We understand that ACWA Power’s business context is rapidly changing. Markets are increasingly valuing low-carbon and high-ESG performance. Facing unprecedented global issues has brought emerging business opportunities and risks.

As such, our approach to business is inherently tied to our approach to sustainability: we have embedded ESG issues deep within our business model, business strategy, and vision for the future in order to properly adapt to the evolving corporate landscape. As economies become more geared towards sustainability, our business strategies reflect this as we aim to create shared value and protect the best interests of our shareholders.

In 2019, ACWA Power and our operating assets made significant progress towards formalizing our sustainability commitments. These were informed by material issues while remaining agile and responsive to best address the environmental concerns, as well as to serve our communities and encourage economic growth.

We want to make it clear that our sustainability commitments are not standalone initiatives – ACWA Power’s sustainability and ESG agenda are deeply integrated into how we think and act each day.

Indeed, our ESG focus and efforts are woven into the fabric of our operations, guiding how we do business on a daily basis. This includes:

-  Driving the transition to cleaner energy by increasing the share of renewable energy installed capacity
-  Transforming the green financing landscape by driving down the cost of capital for climate projects in developed and emerging markets
-  Promoting shared prosperity in the countries where we operate
-  Embedding best practices in terms of corporate governance.



# Our sustainability strategy

**In 2019, we conducted a comprehensive review of our sustainability framework, and reconstructed our strategy which will be updated in 2020 and is planned to be implemented in 2021. It will be centred around four key areas:**

- 1**  Leveraging operational efficiency
- 2**  Strengthening our brand
- 3**  Mitigating risk and identifying opportunities from an ESG performance perspective; and
- 4**  Creating shared value that benefits all our stakeholders.





# Our sustainability management processes

Our sustainability priorities and actions are structured to best serve the needs of our stakeholders, local communities, and future generations, all while helping our business in the process. Such a structure allows us to prioritize sustainability as a group-wide imperative with a global impact. This allows us to maintain the flexibility to invest in targeted local programs and share ideas from community initiatives across our entire portfolio.

## SUCCESSFUL PERFORMANCE MEASURES

We use nonfinancial ESG metrics to guide our financial decisions in a holistic manner. Our ESG performance is continually measured, monitored and assessed against our overarching sustainability goals and material Key Performance Indicators (KPIs). These KPIs are assigned to relevant departments, each with their own sustainability performance responsibilities, including measurement, monitoring, and management. An embedded monitoring system such as this enables continuous reporting of our performance to the CEO and the Board to help refine and develop new strategies.

## POLICIES DRIVEN BY THE PURSUIT OF EXCELLENCE

In 2019, we reaffirmed our commitment to robust corporate governance through our policies and protocols. We continued to implement industry best practices and leading standards, policies and programmes across our operations, and to roll them out to our EPC contractors.

One of our key governance mechanisms is our HSSE policy and programme, which is designed to protect human health and safety, as well as the natural environment, while contributing to global water and energy solutions.

In 2018, we introduced a refined HSSE policy with newly developed metrics, KPIs and targets – such as zero instances of environmental non-compliance – to better track our progress and performance. HSSE is a priority across all stages of the project lifecycle and compliance is ensured via comprehensive bi-annual audits. Our HSSE policy has proven to be a success in enhancing our safety performance, as in 2019 we maintained our Lost Time Injury (LTI) rate at the same levels of 2018's.

## SUSTAINABLE VALUE CHAIN

Beyond our direct operations, we ensure that sustainability principles are also upheld by our suppliers and contractors. We outline our HSSE requirements prior to project development, implement contractual obligations, conduct due diligence assessments, complete regular audits, and proactively engage with project managers. Building on these practices, we have recently implemented our new Contractor Management Standard, designed to guide our contractors, and support and improve their own HSSE performance. This highlights how we are taking steps to make ACWA's entire value chain more sustainable, which leads to better practices for all the parties involved.

# Our materiality assessment

Our stakeholder-driven approach to materiality serves as the foundation for our sustainability reporting process.

We aim to understand important sustainability issues from both internal and external perspectives, so we can focus our sustainability strategy on what is simultaneously important to our stakeholders as well as to ACWA Power.

We review and refine our materiality matrix annually to validate and update material issues, keeping them aligned with current sustainability and business contexts.

In 2019, no significant changes were made to material topics from the previous year. The matrix below indicates the level of non-financial materiality with regards to each issue's importance to our stakeholders and impact to our business.

## NON-FINANCIAL MATERIAL ISSUES

- 1 Availability, Reliability and System Efficiency
- 2 Energy
- 3 Plant Economics
- 4 Climate Risk and Climate Action
- 5 Local Communities
- 6 Water
- 7 Research and Development
- 8 Emissions and Air Quality
- 9 Biodiversity
- 10 Security Practices and Human Rights
- 11 Procurement Practices
- 12 Occupational Health and Safety
- 13 Indirect Economic Impacts
- 14 Effluents, Waste and Hazardous Materials
- 15 Supplier Environmental Assessment
- 16 Environmental Compliance
- 17 Training and Job Creation
- 18 Regulatory Compliance
- 19 Indigenous Rights
- 20 Diversity and Equal Opportunity
- 21 Anti-Corruption and Anti-Competitive Behaviour
- 22 Emergency Planning and Response

## Materiality matrix





# Championing the SDGs

ACWA Power recognizes that the energy sector plays one of the most critical roles in successfully achieving the United Nations Sustainable Development Goals (SDGs).

We strongly champion progress towards realizing the SDGs and continue to support advancement on global goals as well as national contributions to the Paris Agreement in each country that we operate within. In turn, the SDGs are also a useful set of tools to measure and improve our overall sustainability performance.

We believe that by aligning ourselves with the SDGs, we will ultimately be better placed to unlock market opportunities and manage emerging risks. Therefore, in a targeted effort, we have identified the following SDGs for our business priorities and objectives to align with. These five SDGs have been incorporated into our business model, and supported by performance goals and reporting.

Moving forward, ACWA Power will be incorporating SDG-relevant KPIs to provide the all-important bridge between prioritising the SDGs, embedding them into our business strategy and action planning, and, in turn, producing better reporting. By setting targets and KPIs, and creating a clear link to the value created, we are working to demonstrate and report on our impact towards the SDGs in a concrete way.



As one of our core focus areas is fostering continuous learning environments for our local operations and workforces, ACWA Power is championing SDG 4 by providing training and education opportunities to our employees, as well as implementing CSR initiatives that have a strong focus on enabling quality education in the communities where we operate.



We support initiatives that promote Women in the STEM sphere. We have also established partnerships with Women Organising for Change in Agriculture and Natural Resource Management (WOCAN) to create and roll-out projects that promote community development and empower women in communities nearby our renewable projects in Morocco and South Africa.



As our operations are mainly in regions where seawater desalination contributes more than 90 percent of all daily water requirements, ACWA Power continuously strengthens the reliability and availability of our water delivery by improving the efficiency of our water desalination processes through technology improvements.



Increasing market access to renewable energy is at the core of our commitments. We are also focused on enabling cost-effective, energy-efficient and renewable energy-fuelled water desalination.

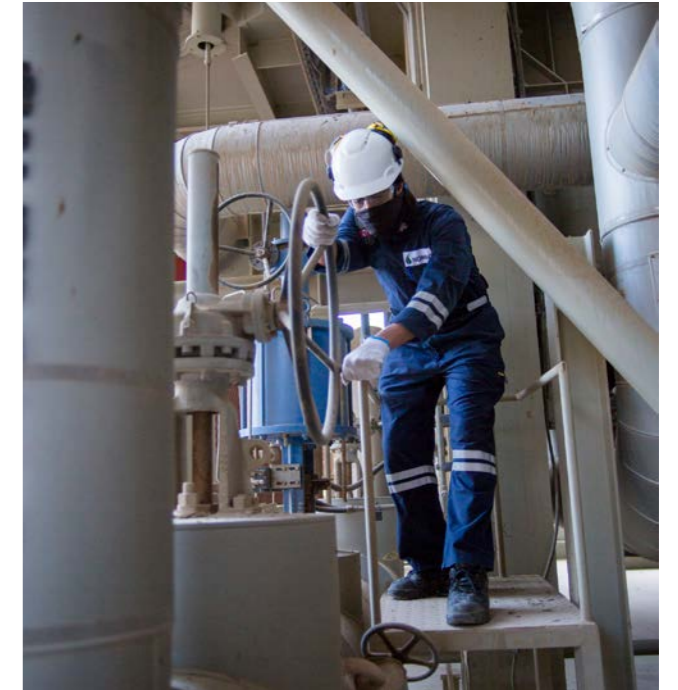


Prioritising climate action is essential to ACWA Power and we align to this goal by mobilising financial resources and promoting mechanisms to help effective climate change-related planning and management in countries where we operate. Furthermore, we are continuously working to minimise the carbon footprint of our plants, at a time when demand is increasing in the regions of our operations, by leveraging technological improvements.

# Committed to excellence

ACWA Power's commitment to sustainability leadership and continual improvement go hand-in-hand with our fundamental approach to growth and good corporate governance. Strong sustainability leadership and governance supports effective management of environmental and social risks, while creating shared value for our stakeholders and our communities.

With our Board-level commitment to sustainability and CSR, we will continue to evaluate and improve our governance structure and actions to derive even greater value for ACWA Power and all our stakeholders.



## Our commitment to continual progress in sustainability and corporate governance involves 10 main objectives:

- |                                                                                                        |                                                                                                                         |
|--------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| <p><b>01</b> Publishing ESG/sustainability KPIs on a regular basis.</p>                                | <p><b>06</b> Attaining a leading ESG rating in 2020.</p>                                                                |
| <p><b>02</b> Setting and achieving short and long-term, quantitative, and qualitative ESG targets.</p> | <p><b>07</b> Furthering the investigation of transformative CSR programmes that perpetuate shared value.</p>            |
| <p><b>03</b> Increasing the share of our portfolio dedicated to renewable energy.</p>                  | <p><b>08</b> Enabling the green/sustainable certification of our loans.</p>                                             |
| <p><b>04</b> Improving our energy efficiency on water desalination.</p>                                | <p><b>09</b> Starting to evaluate energy efficiency improvements of power generation from natural gas and fuel oil.</p> |
| <p><b>05</b> Implementing cutting-edge technologies.</p>                                               | <p><b>10</b> Supporting the Saudi government in its plan to develop an emission trading scheme.</p>                     |



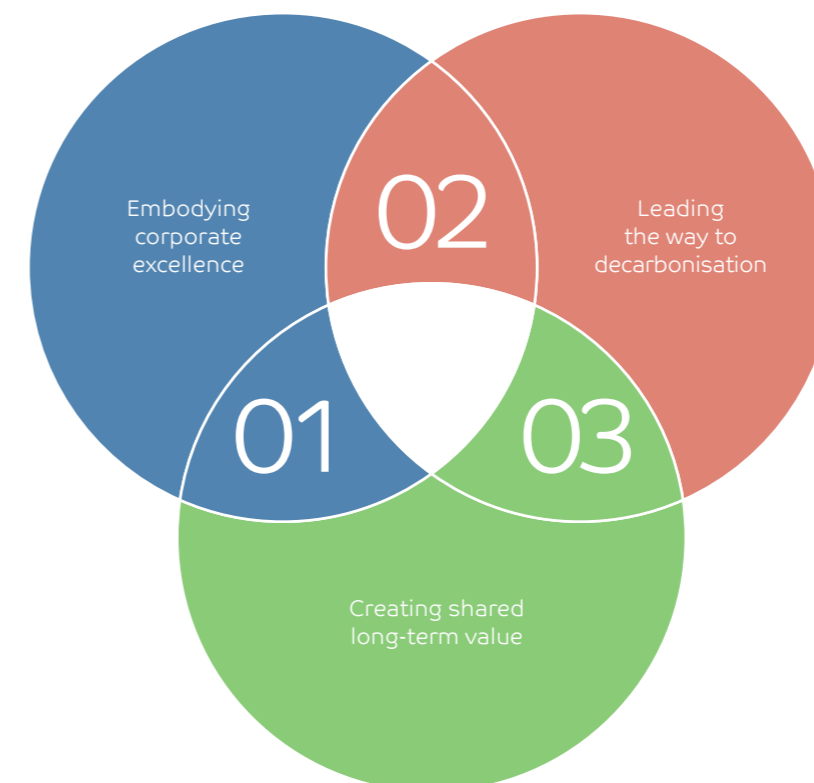
CHAPTER 3

# Building a sustainable future together

ACWA Power is committed to being an agent of positive change and helping to build a sustainable future for all. We actively work to achieve this by generating power and producing desalinated water efficiently, reliably, responsibly, and safely at a low cost to the consumer, while also supporting the communities where we operate.

**Our strategy for building a sustainable future focuses on three key areas:**

- 01** Leading the way to decarbonisation – through increasing our share of renewable energy assets, implementing innovative improvements in our water desalination assets, and minimizing our environmental impact through greater efficiency of our portfolio
- 02** Creating shared long-term value – through providing access to education and improved community infrastructure, while enhancing the livelihood of people, empowering women.
- 03** Embodying corporate excellence – through best practice corporate governance and continued monitoring, disclosure, and reporting of ESG issues.





# Leading the Way to Decarbonization

ACWA Power is a major driving force in the transition to a low-carbon future and the economic diversification of the region. We understand that climate change is one of the greatest threats to humanity and we are committed to being part of the solution to that problem by minimising our environmental impact, while also capitalising on new opportunities in renewable energy and water desalination.

## GROWING THE MARKET AND OUR SHARE OF RENEWABLE ENERGY

ACWA Power aims to power our sustainable future through the implementation of large-scale renewable energy generation projects, increasing the share of renewable energy in our portfolio, and implementing innovative and pioneering energy technologies. In doing so, ACWA Power supports alleviating the economic dependence on finite fossil fuels and fostering a prosperous sustainable economy for future generations. Moreover, in pursuit of our ambition to remain a developer of low-cost renewable energy, we have catalysed the global transition to clean energy by significantly contributing to the affordability of renewable energy.

### Notable Achievements

In 2019, ACWA Power continuously expanding its renewable portfolio by commissioning the following four renewable energy projects, each within a different country:

- 01 Three solar PV power plants in Ben Ban, Egypt, with an aggregate capacity of 120 MW
- 02 The Risha PV IPP in the Risha area of Jordan with a capacity of 50 MW
- 03 The Vinh Hao 6 solar power plant in the Vietnamese province of Binh Thuan with a capacity of 41 MW
- 04 The Sakaka Solar PV power plant in the Kingdom of Saudi Arabia with a capacity of 300 MW

### THE WORLD'S SUSTAINABLE ENERGY PARTNER

ACWA Power supports the world's sustainability goals by enabling countries to increase their share of renewable energy, as showcased below, and by contributing to the economic diversification, development of human capital and the development of national competencies.

### SAUDI VISION 2030

ACWA Power is proud to contribute to the sustainable development efforts of the Kingdom of Saudi Arabia. We are also gratified to accelerate the pace of renewable energy utilisation to fulfil the growing energy needs of the region.

In 2019, ACWA Power successfully connected the Sakaka Solar PV plant – the first large utility scale renewable energy project in the Kingdom – to the national grid.

As we develop the renewable power industry in the Kingdom, we are committed to prioritising local workers and partners. Sakaka maintained 100 percent local employment within its first year of operation, with 90 percent of the workforce comprised by youth from the Al Jouf region.

Additionally, Sakaka procured over 30 percent of its purchases from local suppliers during the construction and development phases. The project also recorded more than three million safe working hours without any LTIs during construction and development.

### UAE VISION 2021

Noor Energy 1, a 950 MW hybrid project (700 MW CSP & 250 MW PV), is the largest single-site concentrated solar power (CSP) plant in the world. This project is in direct alignment with the UAE Vision 2021's goal of increasing the contribution of clean energy sources to the total energy mix. It also supports the Dubai Clean Energy Strategy 2050 goals, most notably by aiming to increase the share of clean energy in Dubai to 25 percent by 2030. Noor Energy 1 will reduce CO2 emissions by one million metric tons when it starts commercial operations in 2022.

Also supporting UAE Vision 2021, the Shuaa Energy 1 Project is a 200 MW Solar PV plant that provided tariffs as low as US \$5.84 per kWh. This project demonstrates the declining costs of Solar PV technology, making it more cost-competitive when compared to conventional energy, such as natural gas.

Finally, the Taweelah IWP, developed by ACWA Power in 2019, is the world's first water desalination plant to feature integrated solar PV generation capacity. The project utilizes SWRO technology to produce up to 200 Million Imperial Gallons per Day (MIGD) of potable water, equivalent to 909,216 m<sup>3</sup> per day, with production capacity of 37,884 m<sup>3</sup> per hour. ACWA Power's average tariff cost for the Taweelah IWP remain the lowest achieved anywhere in the world for desalinated water.

# 37,884 m<sup>3</sup>

production capacity from the Taweelah IWP desalination plant

### OMAN VISION 2040

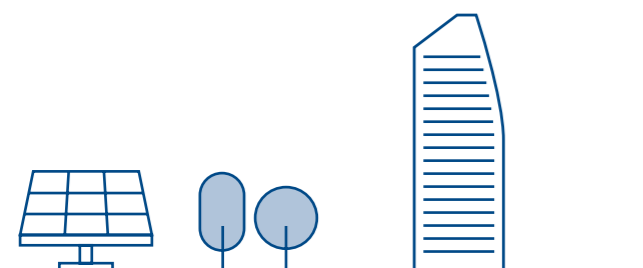
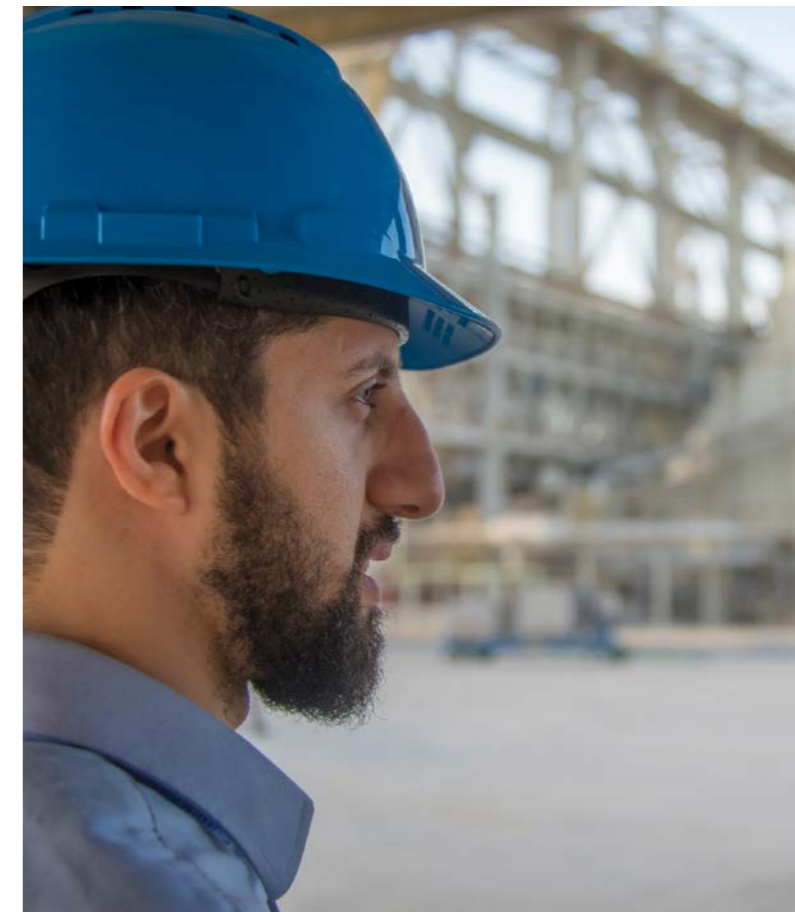
In March 2019, ACWA Power was contracted by the Oman Power & Water Procurement Company (OPWP) to develop a 500 MW Solar PV power plant in the Ad Dhahirah region of Ibri. As part of Oman's Vision 2040, the government of the Sultanate of Oman has restructured and redeveloped the private sector involvement in the nation's electricity and water sectors. This is being done to expand and improve the delivery of electricity and water services in the Sultanate. In line with this

agenda, the ACWA Power's Ibri II Solar project will utilise bifacial type Solar PV panels located in an undeveloped area of approximately 1,327 hectares in the Ad Dhahirah region of Ibri, Oman.

### ETHIOPIA'S GROWTH AND TRANSFORMATION PLAN (GTP)

Further progressing our agenda to pioneer renewable energy production and technology, ACWA Power recently signed two long-term power purchase agreements (PPA) with Ethiopia's state-owned electricity producer Ethiopian Electric Power (EEP). The agreement was for two 125 MW solar PV projects, which will be the first of their kind in the Ethiopian utilities landscape. They will also greatly support the diversification of the energy mix within the country. The PPA between ACWA and EEP is directly in line with Ethiopia's GTP, which outlines a 15-year plan with three five-year phases to transform Ethiopia from a developing country to a middle-income country by 2025.

With a combined capacity of 250 MW, these PV projects are estimated to generate enough electricity to power 750,000 homes in Ethiopia, fostering community and livelihood enhancements such as increasing access to energy in remote areas and creating economic opportunities.





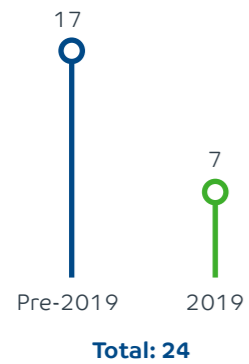
### SHARE OF RENEWABLE ASSETS

Increasing our share of renewable assets is a testament of our continuous efforts to leverage new technologies and expand the market with clean energy solutions. Our total assets reached 56 in 2019, delivering 20.5GW power and 2.7 million m<sup>3</sup>/day desalinated water. Renewable assets represented 43% of total assets with a gross capacity of 4.6 GW.

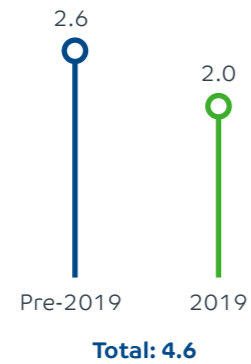
Share of renewable assets	
<b>Total number of assets</b>	<b>56</b>
Operational	40
Under construction	6
Advanced development	10
<b>Renewable assets</b>	<b>24</b>
Operational	16
Under construction	1
Advanced development	7
<b>Contracted gross renewable capacity (GW)</b>	<b>4.6</b>
Installed renewable capacity (GW)	1.6

### ACWA POWER RENEWABLE PROJECTS PORTFOLIO (EXCLUDING BULGARIA)

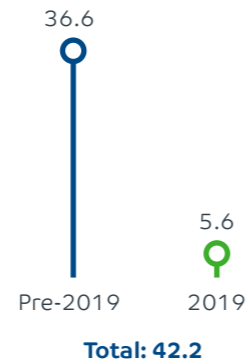
Number of renewable assets



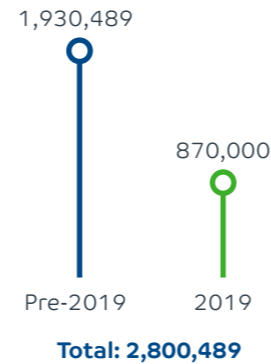
Contracted renewable capacity (GW)



Gross project cost of renewable assets (B.SAR)



Emission reduction of the renewable projects (tons of CO2/year)



### MINIMISING THE ENVIRONMENTAL IMPACTS OF OUR ASSETS

We are committed to the responsible management of all our environmental impacts and risks. Relevant environmental and social issues are identified and managed by undertaking due diligence assessments by commissioning Environmental & Social Impact Assessments (ESIAs), which are conducted by independent consultants during the feasibility assessment, development, and/or acquisition phases for new assets.

ESIA compliance is monitored by our Group HSSE team and operating assets, who are supported by independent environmental consultants that conduct comprehensive audits on the lenders' behalf. These critical assessments identify and assess potential environmental impacts that may occur as a result of the project's construction and operational activities and specify applicable mitigation and management measures to avoid or minimise such impacts wherever possible.

Each ESIA is comprehensive and includes impact assessments of: 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 and Security; Workers Condition, and Occupational Health and Safety.

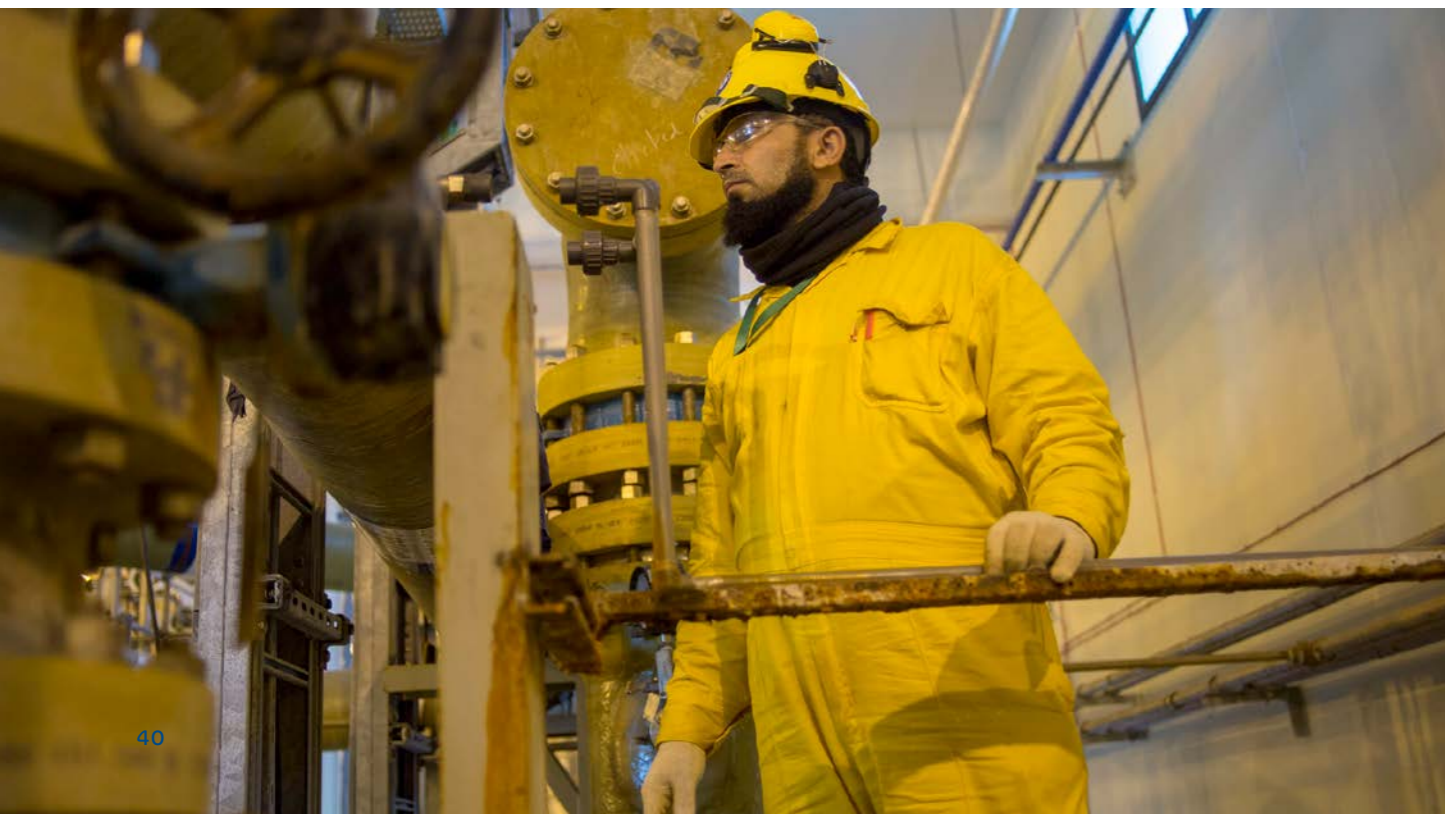
### INCREASING THE ENERGY EFFICIENCY OF WATER DESALINATION

ACWA Power's home market is in the water-scarce Gulf region, where seawater desalination contributes more than 90 percent of all daily water requirements. Utility-scale desalination has already become the source of choice for potable water in not only the Gulf, but also in most water-stressed regions around the world. Yet global issues, such as climate change, are likely to further exacerbate water scarcity and accelerate this trend in the future. The high demand for potable water in all regions, due mainly to population growth and industrialisation, continues to put pressure on existing supply capacity, prompting government utilities to step up their investments to increase water desalination capacity.

In an effort to further nurture the transition to a low carbon economy, our water desalination plants implement world-class energy efficient technology. With continued efficiency increases in desalination plants, along with employing innovative technologies to mitigate environmental impacts, we continually reduce costs for our business and our customers, while also minimising negative impacts to our stakeholders and the planet.

**90%**

of all daily water requirements contributed from seawater desalination





### WATER DESALINATION ASSETS

In 2019, we commissioned the Shuaibah 2 IWP project with an investment value of SAR 1.2 billion and a designed capacity to produce 250,000 m<sup>3</sup> per day of potable water. This plant will utilise SWRO technology, which is currently the most energy-efficient desalination technology in the world.

We are also developing several additional energy efficient desalination plants, with a total capacity of 2.5 million m<sup>3</sup> per day and a total investment value of SAR 13.8 billion, including:

**01** Taweelah IWP in the UAE – the world’s first water desalination plant to feature integrated solar PV generation capacity, which aims to utilise SWRO technology to produce more than 900 thousand m<sup>3</sup> of potable water per day; and

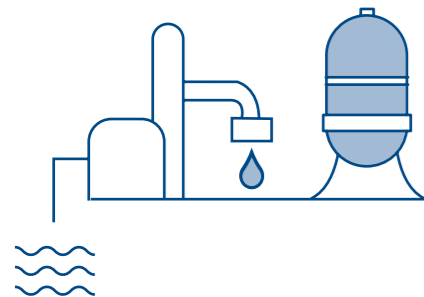
**02** Al Dur Phase II Independent Water & Power Project (IWPP) in the Kingdom of Bahrain – a new Combined Cycle Gas Turbine (CCGT) natural gas fired power plant of 1,500 MW power capacity and a SWRO desalination plant of 227 thousand m<sup>3</sup> per day capacity.

We continuously strive to implement innovative solutions that support clean energy transitions, push energy efficiency to new boundaries, and increase supplies of potable water and clean energy. While these investments grow our business, they are also great advances in diversifying our assets and increasing market access to renewable energy markets.

#### NUMBER OF DESALINATION ASSETS



#### GEOGRAPHICAL LOCATION OF DESALINATION ASSETS



## Creating shared value

We believe ACWA Power has a responsibility to provide value to all the people whose lives are impacted each day from our energy and water operations. We work with purpose and passion to create shared value across our entire organisation and in every one of the communities we serve.

### FOSTERING EMPLOYEE DEVELOPMENT

Investing in the capacity, well-being, and satisfaction of our employees is at the core of our business values and strategic objectives. Therefore, we continuously implement cohesive approaches and adopt responsible HR practices to ensure development strategies are aligned with the evolving needs of our employees. We also utilize these approaches to build an inclusive society and create shared value for everyone involved.

It is our imperative to attract and retain passionate and talented individuals, foster their success, and prepare them to take on the business and sustainability challenges of the future. We achieve this through regular engagement with our employees, providing them with evaluation sessions, feedback and satisfaction assessments, and personalised training programmes. This plays a significant role in developing a more inclusive workforce; one that feels valued, respected, and equipped with the dynamic skills they need to foster success. This commitment is reflected in our Human Capital Strategy, which has an overarching goal of better supporting and developing our employees for long-term success.

#### ACWA Power’s Human Capital Strategy is comprised of five pillars:

- 01** Business Partnering
- 02** Global Resourcing
- 03** Learning, Talent Development
- 04** Service Delivery
- 05** Automation/Digitalisation

In alignment with our Human Capital Strategy, we executed two flagship programmes in 2019: The Future is Together (FIT) Leadership Programme and the EMO Development Programme.

The FIT Leadership Programme was established in 2018 to identify and elevate promising candidates within ACWA. This was done to create a talent pool of future leaders in local markets to ensure the smooth succession, continuity, and resilience of our business in the future.

In 2019, we completed Wave 2 of the FIT programme, which was entitled ‘Pushing for Impact.’ Wave 2 was designed for deep institutionalisation – to embed our Human Capital Strategy into our organisation and unify our company culture. We aimed to build greater capacity across the organisation by improving knowledge management, clarifying employee roles, improving the delegation of authority, and mapping career paths for senior leadership. This will ultimately enable greater learning and mentorship by improving collaboration and providing learning tools for everyone involved.

Similar to FIT, our EMO Programme was also successfully completed in 2019. This program was dedicated to the CEOs of our operating assets, teaching commercial concepts and skills including ways to deliver cost savings and how to capitalise on business opportunities. The goal of EMO was to improve the long-term commercial sustainability of our projects – and it appears to be on track to do this quite well.

Diversity brings broad perspectives, which lead to better decision-making, greater innovation, and improved job satisfaction and team performance. It is for these reasons that we foster a diverse, inclusive, and productive working environment, embedded in our Equal Employment Opportunities practices. In alignment with this, we continuously support and encourage women to develop their careers and skills, and in 2019 ACWA Power reached a new record for our female employment rate (11.33%), which is a 7% increase over last year. On the other hand, 40% of our workforce falls in the youth age group (25-40 years), which reassures the concept of diversity at ACWA Power.



### ENCOURAGING LOCAL CONTENT

One of our strategic priorities is to encourage and develop local content in the markets where we operate. Through our Sakaka Solar PV project in Saudi Arabia, we are seeing the benefits of supporting local content for the wider industry. Aligned with this, in November 2019, ACWA Power has established the ACWA Industrial Investment Company (AIICO), a business unit dedicated to enabling local content development and industrialisation within the Kingdom. AIICO will focus on complying with mandatory local content targets for new projects, enhancing our capacity to competitively export Saudi products abroad, promoting innovation, localising knowledge, and creating job opportunities.

ACWA Power has also enabled young Saudi talent to develop their technical skills in the power and water sector through the Higher Institute for Water and Power Technologies (HIWPT), a vocational training institute located in Rabigh, Saudi Arabia and founded by ACWA Power. Launched in 2010 as our flagship CSR project, the Institute was established in partnership with the Technical Vocational Training Corporation (TVTC) as a not-for-profit technical institute aimed at training and upskilling young Saudis to work as operators and technicians in the field of water desalination and power technologies. The success of HIWPT has endured due to the strong strategic partnerships that have been established between the Institute and government authorities, water and power sector partners, industry leaders, equipment manufacturers, international training providers, and plant operators.

In 2019, the Institute successfully trained 130 graduates in its long-term diploma programmes, and another 140 in technical short courses. In support of HIWPT's ongoing efforts to foster, train, and develop young talent through its vital partnership with Estidamah, a key innovation hub in Saudi Arabia, ACWA Power supported the World Solar Challenge Race in Australia. Here, the Estidamah team of young Saudi engineers competed against around 100 teams from all over the world, becoming the first Saudi team to do so. Their solar car was fully designed and manufactured in Saudi Arabia by the participants, showcasing impressive design thinking, technical ingenuity and development ability.

130

graduates trained in the ins long-term diploma programmes

Additionally, ACWA Power has focused on local content through our sponsorship of the Middle East Solar Industry Association (MESIA) conference in November 2019. The conference was dedicated to power generation, with a strong focus on local content requirements, industrialisation, and new investment laws and incentives. MESIA also had a strong knowledge-sharing focus and provided technical workshops specially tailored for talented Saudi youth. This was in collaboration with selected HIWPT trainers and students who were primarily engaged in solar power projects and training development.

We also provide technical training to our employees and local community members to develop a more skilled, capable, and dynamic local workforce. We maintained the average training hours at the same levels of 2018 (40 hours/employee), while increasing the percentage of employees who received regular performance and career development reviews to 100% this year. In 2019, ACWA Power's workforce consisted of 3,500 employees across the 11 countries where we operate. Our commitment to support the local workforce is also reflected through our employment of more than 2,200 local employees, representing over 60 percent of our total workforce. Employee Safety and Wellbeing.

3,500

employees across the 11 countries where we operate

ACWA Power's top priority is employee safety and wellbeing. Accordingly, we proactively enhance HSSE standards and compliance policies to drive continuous improvements in safety and health performance on a regular basis. In 2019, we continued this practice of examining and enhancing our employee health and safety policies, standards, and training programmes, which resulted in having 100% of our operations being assessed for health and safety aspects with zero incidents of non-compliance with national and global safety regulations. On top of that, our average Lost Time Injury Rate (LTIR) remained at 0.05 for the 2nd consecutive year.

### DRIVING COMMUNITY IMPACT

We consider ourselves members of the many communities where we operate. At local and project levels, we have implemented a framework of socio-economic development standards and guidelines to be adopted at the commencement of operations in any new country. Each framework is based on the local context in which it was developed; each framework needs and strongly encourages self-reliance at the local level. This approach supports

our effective synergy with local communities and maintains our license to operate for generations to come. In 2019, we consistently communicated our corporate sustainability performance in alignment with our commitment to prioritise community engagement. We continued to effectively respond to the most crucial issues facing our communities with relevant, impactful, and transformative CSR programmes that offer lasting shared value.

#### The CSR programmes implemented in 2019, representing a total investment of about SAR 14 million, focused on facilitating community development by:



### PROVIDING ACCESS TO EDUCATION FOR YOUTH

Our commitment to invest in youth and education was demonstrated through the introduction of several education, training, and development programmes. Each of these were designed to build the capacity of local youth and support local economic growth. Through these efforts, we aim to improve local quality of life now and for generations to come. Below are a few youth initiatives that we invested in during 2019:

<b>Mafraq (Jordan)</b>	Partnership with King's Academy, to expose young students to clean energy, elevate their environmental consciousness and transfer knowledge, thereby enabling future generations of responsible leaders who are adept and aware of the impact of their decisions on climate.
<b>In DGC (Dhofar Governate in Oman)</b>	Implementation of digital learning in a school, including installation of projectors and TVs in each class, as well as a laboratory smartboard for a primary and secondary school
<b>TK Solar, Alcom and Ben Ban One (Egypt)</b>	Capacity building by providing a PV training programme, covering concepts, design and installation, to the local population of the Aswan Governorate
<b>SQWEC (KSA)</b>	Summer training for five students from Jazan University



### EMPOWERING WOMEN

Gender equality is one of our major focus areas and, in 2019, we reaffirmed our commitment through strategic partnerships that sought to empower women. Through our partnership with Women Organising for Change in Agriculture and Natural Resource Management (WOCAN), we continued to leverage W+, a tool developed by WOCAN that quantifies and compensates women in developing economies for previously unpaid

contributions to climate change mitigation. This then helps to support women's wellbeing and provides additional value to their communities. Originally launched in 2017, our partnership with WOCAN has generated enough revenue to invest 100 percent of its proceeds into the development of local women's initiatives in communities within Ouarzazate, Morocco.

#### NOOR Ouarzazate CSP IPP Highlights:

##### Income and Assets:

400

women beneficiaries in livestock component.



67%

Increase per woman over the 24-month period.



##### Education and Knowledge:

400

women beneficiaries in livestock component and 15 women in handicraft component.



183%

Increase of 183 percent per woman for livestock component and 278 percent per woman for handicraft component over the 24-month period.



### SPOTLIGHT ON MOROCCO

Our impact on Morocco extends from the Khalladi wind farm, in the Rif Mountains, to the NOORo CSP and solar PV plants in Ouarzazate. Although there are vast differences between these areas, both communities have historically suffered from fewer socioeconomic opportunities and increasingly limited access to water, education and healthcare.

ACWA Power's CSR approach is designed to meet the needs of local communities through participatory and decentralised activities. It is based on partnerships with official platforms and, to address the most pressing issues, we work with local communities in Ouarzazate to build long-term agricultural infrastructure and capacity. These efforts include

the rehabilitation of almond and palm trees, the installation of crushing and packaging equipment, and the training of local cooperative members in leading agricultural practices.

In addition, we have continued to partner with the local associations in the village of Ghassate to offer programmes to children designed to build their capacity to pursue future opportunities through events, activities and exposure to new places. Moreover, in 2019, we continued to invest in our landmark healthcare project in Morocco, the mobile medical centre in Ghassate. Another major focus area in Morocco is developing women's empowerment initiatives, which include:

#### NOORo Ouarzazate Concentrated Solar Power (CSP) Independent Power Producer (IPP)

##### Handicraft training programs in collaboration with The Ministry of Craft:

2

technical training sessions provided at the Traditional Art Institute of Ouarzazate



5 months

Each training lasted 5 months



30

young women participants



##### Support the first orders of "Nour Chams":

1,500

school aprons



1,500

wool/knitted articles



250

beach towels



Craft Fairs



Participation in National and International Craft Fairs

##### Support the creation of "Nour Chams" a handicraft cooperative and provide the necessary equipment:

2

training sessions provided in cooperatives management



1st

female handicraft cooperative in Ghassate created



Equipment

Provide the equipment and arrange the workshop

##### Support Provincial Handicraft Fairs:

Support

"Festival National des Tapis Traditionnels de Taznakht



Support

"Rencontre Internationale de l'Artisanat de Ouarzazate"







### DEVELOPING COMMUNITY INFRASTRUCTURE

Besides supporting education, we continued to invest in community infrastructure wherever we operate, to improve access to needed resources and services, including roads and community cooperatives. Moreover, we continued to work towards improving health facilities, as we consider the health and wellbeing of communities a vital component of our local CSR strategy.

#### CEGCO (Jordan)

- Providing an ultrasound medical machine for Rehab medical Center
- Facilitating a Free Medical Day

#### Mafraq (Jordan)

- Supporting school children by providing them with bags and coats

#### Noor 1 (UAE)

- Organizing mobile medical caravans
- Funding medical equipment for the haemodialysis centre in Ouarzazate

#### DGC (Oman)

- In collaboration with the Ministry of Health's Sultan Qaboos Hospital, procuring an ergometer used in stress echocardiography, which was installed in Sultan Qaboos Hospital's cardiac centre in Salalah
- In collaboration with the Ministry of Social Development, providing special equipment for the centre for rehabilitation of disabled students, which accommodates 200 students with special needs in Salalah

#### Khalladi (Morocco)

Management of a mobile dental care unit

### SUPPORTING OPPORTUNITIES FOR LIVELIHOOD ENHANCEMENT

In 2019, our community development initiatives continued to address issues that are specific to the local communities across several countries where we operate.

#### CEGCO (Jordan)

- Distributing food packages during Ramadan in cooperation with 'Tkiyet Um Ali's'
- Providing a basket crane truck for Rehab municipality for the safe installation of streetlamps, reducing risk, saving time, and facilitating the work
- Implementing a school rehabilitation programme

#### Zarqa (Jordan)

- Establishing a football field to be used by local youth
- Testing and providing hearing aids for 50 children
- Supporting local athletic and cultural events in local agencies by building one room to teach the women of the region to use sewing machines for the Association of Orphans Care
- Providing Ramadan charity food packages for the poor

#### Barka (Oman)

- Printing of safety awareness booklets and brochures
- Community volunteer work for cleaning the fisheries port

#### Noor 1 (UAE)

- Supporting the creation of a welding cooperative
- Supporting Association of Horizon for the disabled
- Holding spring & summer holiday camps for the children of Ghassate
- Rehabilitation of the Taferghouse mosque
- Supporting the milk cooperative of Ghassate by purchasing a collection vehicle

#### Khalladi (Morocco)

- Providing school transportation
- Creation of cooperatives to develop income-generating activities

### CONTRIBUTING TO CLIMATE ACTION

ACWA Power's leadership around driving positive impacts related to climate change has created new and expanded opportunities for partnerships. We are currently engaging with a range of organisations to drive climate action, including the International Emissions Trading Association (IETA). In 2019, we also reinforced our partnership with Women Organising for Change in Agriculture and Natural Resource Management (WOCAN). These collaborations focused on the implementation of high-impact projects that promote community development and empower women to participate in our renewable projects in Morocco and South Africa.





# Embodying corporate excellence

ACWA Power promotes corporate excellence throughout the organization. Assets are operated by diligently ensuring adherence to robust corporate governance and risk management, proactive engagement with stakeholders to address their needs, and the highest standards of integrity and transparency at every level of our organisation and across our geographic footprint.

## ENSURING ROBUST CORPORATE GOVERNANCE

ACWA Power's corporate governance structure consists of a Board and five functional Board Committees, which are responsible for reviewing business operations within each respective area of expertise. Findings and suggestions are then presented to the Board.

The Board, its advisors, functional Committees, company management and employees, shareholders, and direct stakeholders are all guided by our Corporate Governance Guidelines and Procedures, as well as our Code of Ethics.

Our robust governance framework is 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 across the organization, including our Board of Directors and its five functional Committees, our executive managers, and our employees.

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‘Our robust governance framework is designed to enhance accountability through the recognition and management of all risk areas’

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## A STATE-OF-THE-ART RISK MANAGEMENT APPROACH

ACWA Power and its subsidiaries are acutely aware of the importance of Risk Management as a fundamental pillar to the successful execution of our strategy and performance of our Company. We are therefore committed to adopting sound Enterprise Risk Management (ERM) principles and have based our risk management process on the commonly accepted ISO 31000 Risk Management standard, in accordance with industry best practices. This commitment has been formalised in our ERM Policy, which has been endorsed by our Management and approved by our Board.

Our top-down ERM approach is complemented by a bottom-up approach that enables the identification and management of risks as close as possible to key aspects of our business, including business development, project execution and asset operations. Our ERM framework addresses the main risks inherent in our business and activities, which are identified, owned and managed at each level of the organisation, with the relevant level of granularity, from assets level up to corporate. They are reported on a regular basis to the appropriate Management level and ultimately, for the most significant ones, to the Board Risk and Compliance Committee (BRCC), the subcommittee of the Board mandated to provide the oversight. Risks and mitigation actions are reviewed on a regular basis to ensure that risk management is a continuous and iterative process, reflecting an up-to-date and accurate risk and mitigating actions picture of the organisation.



## ENGAGING OUR STAKEHOLDERS

We are committed to understanding and addressing the needs of our key stakeholders through our stakeholder engagement initiatives, ESG frameworks, and business processes. We value stakeholder feedback and participation, as it drives the continual improvement of our business and operations. ACWA Power has a broad and diverse set of key stakeholders. This ranges from employees, government agencies, investors and shareholders to suppliers, financial institutions, labour groups, contractors, off-takers, regulators, international organisations and competitors. We engage with our stakeholders on an ongoing basis and conduct an annual comprehensive review of our non-financial material issues most relevant to our stakeholders and our business.

We are committed to deeply understanding our stakeholders' expectations and requirements related to our business, which is then taken into consideration in our strategic decision-making and goal setting.

## ACTING WITH INTEGRITY AND TRANSPARENCY

At ACWA Power, we embrace integrity and transparency. We do so by adhering to the highest professional and ethical standards towards our stakeholders and one another. Our sustainability priorities and actions are guided by our management team and are informed by the needs and opportunities of our local communities.



## The way forward

ACWA Power is proud to reaffirm our pledge to contribute to a more sustainable future for all, cementing our position as a leading sustainability enabler in the region.

We achieve this by generating power and producing desalinated water efficiently, reliably, responsibly and safely at low cost, while deploying the latest technologies and supporting the communities where we operate.

This Sustainability Report sheds the lights on our sustainability and ESG performance for 2019, as well as our commitments for the years to come. We are scheduled to publish our next full Sustainability Report 2020 aligned with GRI Standards in 2021.

### CHAPTER 4

# Sustainability Data and Relevant Disclosures



## Environmental Data

Sustainability Data and Relevant Disclosures			
Environmental Data	2019	2018	2017
<b>Air Emissions</b>			
CO2 ('000 tonne)	62,510	53,604	54,173
CO2 ACWA Power share ('000 tonne)	26,200	18,650	16,191
CO2 intensity (kg/kwh)	0.53	0.49	0.59
SO2 (tonne)	200,866.45	186,555	217,302
SO2 ACWA Power share (tonne)	107,179.01	73,477	86,879
SO2 (kg/kwh)	0.002	0.002	0.002
NO2 (tonne)	50,451	40,049	44,668
NO2 ACWA Power share (tonne)	20,836	15,135	16,032
NO2 (kg/kwh)	0.0004	0.0004	0.0048
<b>Waste Generated</b>			
Hazardous waste (tonne)	2,142	2,546	404
Fly ash (tonne)	16,246	38,516	14,272
Non-hazardous waste (tonne)	2,394	314,107	260,026
<b>Spillage</b>			
Number of incidents	11	5	7
Quantity of spillage (m <sup>3</sup> )	12	5	5
<b>Production</b>			
Electricity gross gen (MWh)	118,010,698	109,901,496	92,340,402
Electricity net export (MWh)	111,272,021	102,586,604	85,192,551
<b>Renewable Energy Electricity Generation</b>			
Renewable energy electricity generation capacity (MW)	4,600	1,115	460
Total electricity generation capacity (MW) – operational	20,500	16,863	12,124
Ratio of renewable energy electricity generation capacity/total electricity generation capacity (%)	15%	6.63%	3.79%

## Economic Data

Economic Data	2019	2018	2017
<b>Economic Value Generated (Mn SAR)</b>			
Operating income before impairment loss and other expenses	1,881	1,818	1,321
Net profit attributable to equity holders	1,174	-774	920
Total assets	37,748	36,167	32,661
Cash and cash equivalents	2,798	5,498	3,239
<b>Procurement Practices</b>			
Percentage of procurement budget spent on local suppliers (Local suppliers defined as national suppliers)	50%	50%	37%
<b>Anti-Corruption</b>			
<b>Operations assessed for risks related to corruption</b>			
Total number and percentage of operations assessed for risks related to corruption	Internal audits performed to investigate intent of corruption	Internal audits performed to investigate intent of corruption	Internal audits performed to investigate intent of corruption
Significant risks related to corruption identified through the risk assessment	No corruption cases identified	No corruption cases identified	No corruption cases identified
<b>Communication and training about anti-corruption policies and procedures</b>			
Percentage of governance body members that the organisation's anti-corruption policies and procedures have been communicated to	100%	30%	100%
Percentage of employees that the organisation's anti-corruption policies and procedures have been communicated to	100%	30%	100%
Percentage of business partners that the organisation's anti-corruption policies and procedures have been communicated to	17%	17%	100%
Percentage of governance body members that have received training on anti-corruption	17%	17%	100%
Percentage of employees that have received training on anti-corruption	17%	17%	0%
Total number of confirmed incidents of corruption	0	0	0
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	0	0	0
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	0	0	0
Public legal cases regarding corruption brought against the organisation or its employees during the reporting period	0	0	0
<b>Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices</b>			
Number of legal actions pending or completed during the reporting period regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation in which the organisation has been identified as a participant	0	0	0
<b>Anti-Competitive Behaviour</b>			
Number of legal actions pending or completed during the reporting period regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation	0	0	0



# Social Data

	2019	2018	2017
<b>Human Capital</b>			
<b>Full-Time Employees</b>	<b>1403</b>	<b>3500</b>	<b>3216</b>
Men	<b>88.66%</b>	<b>95.10%</b>	<b>95.40%</b>
Women	<b>11.33%</b>	<b>4.90%</b>	<b>4.60%</b>
<b>Managers and Directors</b>			
Men	<b>79%</b>	<b>90.00%</b>	<b>93.60%</b>
Women	<b>21%</b>	<b>10.00%</b>	<b>6.40%</b>
<b>Local Nationals</b>			
Men	<b>89%</b>	<b>95.30%</b>	<b>95.90%</b>
Women	<b>11%</b>	<b>4.70%</b>	<b>4.10%</b>
% of entity	<b>62%</b>	<b>66.50%</b>	<b>64.00%</b>
<b>Local Directors/Managers</b>			
Men	<b>81%</b>	<b>92.50%</b>	<b>92.50%</b>
Women	<b>19%</b>	<b>7.50%</b>	<b>7.50%</b>
<b>Age Distribution</b>			
<25	<b>9%</b>	<b>5.10%</b>	<b>3.50%</b>
25-40	<b>62%</b>	<b>53.70%</b>	<b>53.10%</b>
40-60	<b>28%</b>	<b>40.10%</b>	<b>42.70%</b>
>60	<b>1%</b>	<b>1.10%</b>	<b>0.80%</b>
<b>Training</b>			
Average number of hours per employee	<b>40</b>	<b>40</b>	<b>40</b>
<b>Appraisals</b>			
Percentage of employees receiving regular performance and career development reviews	<b>100%</b>	<b>70%</b>	<b>74%</b>
<b>Grievances</b>			
Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms	<b>0</b>	<b>0</b>	<b>0</b>
Total number of incidents of discrimination	<b>0</b>	<b>0</b>	<b>0</b>
<b>Collective Bargaining</b>			
Number of employees affiliated with a formal Labour Union	<b>665</b>	<b>665</b>	<b>748</b>
Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<b>0</b>	<b>0</b>	<b>0</b>
<b>Child Labour</b>			
Identified risk for incidents of child labour	<b>0</b>	<b>0</b>	<b>0</b>
Reported cases of child labour	<b>0</b>	<b>0</b>	<b>0</b>
<b>Forced and Compulsory Labour</b>			
Identified risk for incidents of forced or compulsory labour	<b>0</b>	<b>0</b>	<b>0</b>
Reported cases of forced or compulsory labour	<b>0</b>	<b>0</b>	<b>0</b>
<b>Security Practices</b>			
Percentage of security personnel who have received formal training in human rights policies and procedures	<b>30%</b>	<b>30%</b>	<b>8%</b>

<b>Indigenous Peoples</b>			
Number of incidents of violations involving rights of indigenous peoples	<b>0</b>	<b>0</b>	<b>0</b>
<b>Local Communities</b>			
Percentage of operations with implemented local community engagement and development programmes	<b>100%</b>	<b>100%</b>	<b>100%</b>
Total CSR budget (Mn SAR)	<b>-</b>	<b>12.96</b>	<b>11.3</b>
Operations with significant actual and potential negative impacts on local communities	<b>0</b>	<b>0</b>	<b>0</b>
<b>Non-Discrimination</b>			
Total number of incidents of discrimination	<b>0</b>	<b>0</b>	<b>0</b>
<b>Socioeconomic Compliance</b>			
Cases of non-compliance with laws and regulations in the social and economic area	<b>0</b>	<b>0</b>	<b>0</b>
Total monetary value of significant fines	<b>0</b>	<b>0</b>	<b>0</b>
Total number of non-monetary sanctions	<b>0</b>	<b>0</b>	<b>0</b>



# Health and Safety Data

HEALTH AND SAFETY INDICATORS	Calculation	2019	2018	2017
<b>ACWA Power Total (Operational + Construction)</b>				
Hours worked	Total	52,099,964	49,117,140	50,564,992
Lost Time Incidents (LTI) – total	Total	12	12	11
LTI – employees	Total	1	1	2
LTI – contractors	Total	11	11	9
LTI rate	Average rate	0.05	0.05	0.04
Recordable incidents	Total	53	34	79
Recordable incident rate	Average rate	0.20	0.15	0.312
Fatality	Total	2	3	2
<b>Operational Projects</b>				
Hours worked	Total	14,151,058	11,982,577	10,287,236
LTI – total	Total	2	2	4
LTI – employees	Total	1	1	2
LTI – contractors	Total	1	1	2
LTI rate	Average rate	0.03	0.03	0.08
Recordable incidents	Total	13	11	36
Recordable incident rate	Average rate	0.18	0.18	0.6
Fatality Total	Total	0	0	1
<b>Operational Projects</b>				
Hours worked	Total	37,948,906	37,134,563	40,277,756
LTI – total	Total	10	10	7
LTI – employees	Total	0	0	0
LTI – contractors	Total	10	10	7
LTI rate	Average rate	0.06	0.05	0.03
Recordable incidents	Total	40	22	43
Recordable incident rate	Average rate	0.21	0.12	0.21
Fatality	Total	2	3	1
<b>Construction Projects</b>				
Hours worked	Total	37,948,906	37,134,563	40,277,756
LTI – total	Total	10	10	7
LTI – employees	Total	0	0	0
LTI – contractors	Total	10	10	7
LTI rate	Average rate	0.06	0.05	0.03
Recordable incidents	Total	40	22	43
Recordable incident rate	Average rate	0.21	0.12	0.21
Fatality	Total	2	3	1
<b>Health and Safety Compliance</b>				
Percentage of operations for which health and safety impacts are assessed	Average	100%	96%	100%
Incidents of non-compliance with national/global health and safety regulations resulting in a fine or penalty	Total	0	0	0

# CSR Spend

CSR Spend	
Location	CSR Spend (SAR)
Saudi Arabia	468,000
United Arab Emirates	39,713
Oman	921,350
South Africa	3,970,281
Jordan	1,035,274
Morocco	2,555,280
Bulgaria	-
Egypt	89,130
Turkey	66,267
Vietnam	-
Bahrain	-
Corporate	3,814,705
<b>Total</b>	<b>12,960,000</b>



# GRI Index

GRI Standard	GRI Standard Disclosure	Page number(s), direct answers and/or URL(s)
<b>GRI 101: Foundation 2016</b>		
<b>General Disclosures</b>		
GRI 102: General Disclosures 2016	<b>Organizational profile</b>	
	102-1 Name of the organization	7
	102-2 Activities, brands, products, and services	7, 8
	102-3 Location of headquarters	Riyadh, Kingdom of Saudi Arabia
	102-4 Location of operations	10,11
	102-5 Ownership and legal form	A Saudi joint stock company established pursuant to a ministerial resolution numbered 215 dated 2 Rajab 1429H (corresponding to 5 July 2008) and registered in Riyadh, Kingdom of Saudi Arabia under commercial registration number 1010253392 dated 10 Rajab 1429H (corresponding to 13 July 2008).
	102-6 Markets served	10, 11
	102-7 Scale of the organization	8, 10, 11, 40, 44
	102-8 Information on employees and other workers	10, 43, 44
	102-9 Supply chain	8, 23, 32
	102-10 Significant changes to the organization and its supply chain	No significant changes during the reporting period
	102-11 Precautionary Principle or approach	22, 27, 30, 31, 41, 50
	102-12 External initiatives	20, 25, 27, 34, 38, 39
<b>Strategy</b>		
102-14 Statement from senior decision-maker	22, 23	
<b>Ethics and integrity</b>		
102-16 Values, principles, standards, and norms of behavior	7, 22, 30, 31, 50, 51	
<b>Governance</b>		
102-18 Governance structure	12, 13, 50, 51	
<b>Stakeholder engagement</b>		
102-40 List of stakeholder groups	51	
102-41 Collective bargaining agreements	We respect all local laws and relevant global standards regarding freedom of association and collective bargaining. The nature and scale of our collective bargaining agreements vary by location; however, as we strive to exceed regulatory minimums for all of our assets in development and operation, our agreements are often far more expansive than local legislation requires.	
102-42 Identifying and selecting stakeholders	32, 33	

102-43 Approach to stakeholder engagement	22, 23, 32, 33, 51
102-44 Key topics and concerns raised	32, 33
<b>Reporting practice</b>	
102-45 Entities included in the consolidated financial statements	10, 11
102-46 Defining report content and topic Boundaries	4
102-47 List of material topics	33
102-48 Restatements of information	No restatement of information during the reporting period
102-49 Changes in reporting	4
102-50 Reporting period	1 January to 31 December 2019
102-51 Date of most recent report	2018
102-52 Reporting cycle	Annual
102-53 Contact point for questions regarding the report	4
102-54 Claims of reporting in accordance with the GRI Standards	4
102-55 GRI content index	60-63
102-56 External assurance	None

GRI Standard	Disclosure	
<b>Material Topics</b>		
<b>GRI 200 Economic Standard Series</b>		
<b>Economic Performance</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	10
	103-2 The management approach and its components	10
	103-3 Evaluation of the management approach	10
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	10, 22, 55
	201-2 Financial implications and other risks and opportunities due to climate change	22, 23, 27
<b>Indirect Economic Impacts</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	44-45, 47-49
	103-2 The management approach and its components	45, 47-49
	103-3 Evaluation of the management approach	45, 47-49, 57
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	47-49
	203-2 Significant indirect economic impacts	45, 47-49, 57
<b>Procurement Practices</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	32, 39, 44
	103-2 The management approach and its components	32, 39, 44
	103-3 Evaluation of the management approach	32, 39, 44, 55
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	39, 44, 55
<b>Anti-corruption</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	22
	103-2 The management approach and its components	22
	103-3 Evaluation of the management approach	22
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	55



	205-2 Communication and training about anti-corruption policies and procedures	55
	205-3 Confirmed incidents of corruption and actions taken	55
<b>Anti-competitive Behavior</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	22
	103-2 The management approach and its components	22
	103-3 Evaluation of the management approach	22
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	55
<b>GRI 300 Environmental Standards Series</b>		
<b>Energy</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	9, 38-42
	103-2 The management approach and its components	9, 38-42
	103-3 Evaluation of the management approach	9, 38-42
<b>Water and Effluents</b>		
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	9, 39, 41-42
	303-2 Management of water discharge-related impacts	9, 39, 41-42
<b>Biodiversity</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	9
	103-2 The management approach and its components	9
	103-3 Evaluation of the management approach	9
<b>Emissions</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	9, 38-39
	103-2 The management approach and its components	9, 38-39
	103-3 Evaluation of the management approach	9, 38-39
	305-4 GHG emissions intensity	54
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	103-2 The management approach and its components	Collective bargaining is prohibited under UAE laws and regulations."
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