



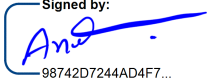
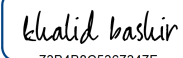
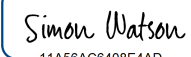
Biodiversity Framework

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Rev. Date 10 Mar 2025

DOCUMENT APPROVAL

Developer	Anwar Elhalah	Biodiversity Manager	Signed by:  98742D7244AD4F7...
Reviewer	Badar Farooq	Executive Manager-HSSE Systems and Process	DocuSigned by:  889F2E09A1AF44D...
Reviewer	Khalid Bashir	Global Head- Environmental and Social	Signed by:  73B4B8C5367347F...
Approver	Simon Watson	Chief Health, Safety, Security and Environment Officer	Signed by:  11A58AC6408E4AD...
	Name	Title	Signature

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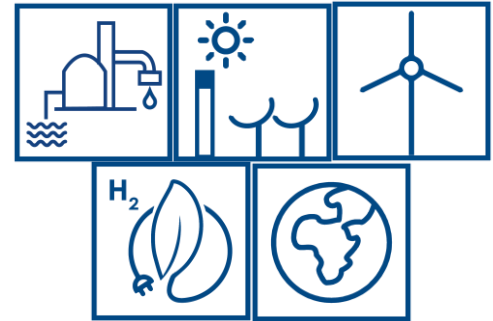
1. Purpose

- 1.1. ACWA Power is a global company that operates in over 11 countries. It prioritizes safety in all aspects of its operations, including environmental safety and sustainability. Its operations span into regions rich in biodiversity and fragile ecosystems including deserts, coastal areas, marine ecosystems, etc.
- 1.2. As part of its Environmental and Social Management System (ESMS), the biodiversity framework puts a **guiding principle for biodiversity management**, defines **clear objectives and goals** for minimizing the biodiversity impacts, provides **a high-level structure to integrate biodiversity considerations into all aspects** of business development (BD), engineering, procurement and constructions (EPC), and operations and maintenance (O&M). The framework also establishes a pathway to achieve biodiversity conservation, habitat restoration, and ecosystem protection.
- 1.3. In today's world, having a comprehensive biodiversity framework is more important than ever. Biodiversity, which includes all the different forms of life on Earth and their ecological processes, is essential for the health of our ecosystems, the services they provide and climate change mitigation.
- 1.4. To guide and ensure that ACWA Power's activities and operation have no significant impact on biodiversity, this framework outlines the strategies and actions required to conserve and sustainably manage it, ensuring that natural resources are available for future generations. For ACWA Power, incorporating a biodiversity framework will decrease the risk from negative impacts on biodiversity, enhance and support its current environmental initiatives, strengthening its role as a leader in sustainable development and corporate responsibility.
- 1.5. To develop and implement a robust biodiversity framework that aligns with international requirements and standards, this framework is consistent with the Convention on Biological Diversity (CBD), Kunming-Montreal Global Biodiversity Framework, and Sustainable Development Goals (SDG 13, 14, and 15). Additionally, it aligns with the performance standards from recognized lenders like the International Finance Corporation (IFC), European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), African Development Bank (AFDB), and Asian Development Bank (ADB) among others. It also establishes the groundwork for achieving "No Net Loss" and "Net Positive Impact," where applicable.

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2. Scope

- 2.1 This framework applies to all ACWA Power including all its business units, subsidiaries, or any entity in which ACWA Power holds a majority shareholding or is a managing partner, notwithstanding the jurisdiction in which such entities or subsidiaries are incorporated.



2.2 As part of our commitment to aligning with international standards and financing organizations, the scope will progressively expand beyond direct operations under ACWA Power's control to encompass **the entire value chain**, including suppliers, contractors, and service providers. This ensures that biodiversity protection and sustainability principles are embedded across all aspects of our business and partnerships.

3. Benefits of the Framework

- 3.1 The implementation of this biodiversity framework positions ACWA Power as an industry leader in sustainable energy development and biodiversity conservation.

- Proactively **managing biodiversity risks** ensures operational continuity and safeguards against disruptions. The framework aids in risk mitigation by **identifying potential liabilities** associated with biodiversity loss, regulatory non-compliance, and reputational damage.
- The framework also strengthens **stakeholder trust** by fostering meaningful relationships with local communities, governments, investors, lenders and conservation organizations.
- By proactively addressing biodiversity impacts, the company demonstrates its commitment to balancing business growth with nature's protection. This leadership not only **enhances ACWA Power's reputation** but also sets a benchmark for responsible practices in the energy and water sectors.
- The framework ensures ACWA Power's operations are resilient by aligning with **global biodiversity goals**, such as the Kunming-Montreal Global Biodiversity Framework, Sustainable Development Goals (SDGs), and international financing standards. This alignment supports corporate resilience by preparing ACWA Power to navigate emerging environmental challenges while contributing to climate action and nature-positive outcomes.
- Integrating **nature-based solutions** into project design and operations improves **operational efficiency**, enabling cost reduction through



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optimized resource use, such as water conservation and habitat restoration.

- 3.2 The biodiversity framework introduces a clear vision and long-term biodiversity commitments to protect and enhance natural ecosystems. It is underpinned by measurable objectives that reflect ACWA Power's dedication to achieving No Net Loss and advancing toward a Net Positive Impact. Also, it provides guiding principles that embed biodiversity considerations into corporate governance, operational planning, and Environmental and Social Governance (ESG) strategies. In addition, the framework includes guiding principles for measuring, reporting and improving biodiversity performance.

4. Terminology

4.1 Abbreviation

ADB	: Asian development Bank
AFDB	: African Development Bank
BD	: Business Development
BIA	: Biodiversity Impact Assessment
BMP	: Biodiversity Management Plan
CESMP	: Construction Environmental and Social Management Plan
EBRD	: European Bank of Reconstruction and Development
EIB	: European Investment Bank
EPC	: Engineering, Procurement and Construction
ESG	: Environmental and Social Governance
ESIA	: Environmental and Social Impact Assessment
ESMS	: Environmental and Social Management System
HSSE	: Health, Safety, Security, and Environment
IFC	: International Finance Corporation
IUCN	: International Union for Conservation of Nature
NGO	: Non-Governmental Organization
O&M	: Operation and Maintenance
OESMP	: Operation Environmental and Social Management Plan
R&D	: Research and Development

4.2 Definitions

Biodiversity: refers to the variety of life on Earth, including the diversity within species, between species, and across ecosystems. It supports essential ecosystem services such as clean air, water, food, and climate regulation. (Source: IUCN and CBD)

Biodiversity Framework: is a structured approach that integrates biodiversity considerations into an organization's policies, operations, and decision-making processes. It outlines

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commitments, strategies, and actions to conserve and sustainably manage biodiversity, ensuring alignment with global standards, local legislation, and stakeholder expectations.

Convention on Biological Diversity (CBD) is an international treaty adopted at the 1992 Earth Summit in Rio de Janeiro to conserve biological diversity, promote sustainable use of its components, and ensure the fair and equitable sharing of benefits arising from the use of genetic resources.

Critical Habitat refers to areas of high biodiversity value that are essential for the survival of species or ecosystems. These habitats are often defined by their ecological importance, rarity, or the presence of species that are globally or regionally significant. (Source: IUCN)

Critical species are species of high conservation concern due to their ecological significance, vulnerability to extinction, or role in maintaining ecosystem functions. These species are often prioritized in biodiversity conservation efforts and environmental assessments. (Source: IUCN)

IUCN Red List, developed by the **International Union for Conservation of Nature (IUCN)**, is the world's most comprehensive inventory of the global conservation status of species. It provides detailed information on species' extinction risk, trends, and the factors threatening their survival.

Kunming-Montreal Global Biodiversity Framework is an international agreement adopted in December 2022 during the COP15 of the Convention on Biological Diversity (CBD). It sets global targets and goals to halt and reverse biodiversity loss by 2030, aiming for full ecosystem recovery by 2050.

Lenders Requirements: focuses on the protection of biodiversity and the sustainable management of ecosystems in development projects.

Nature-Based Solutions are actions that utilize natural processes, ecosystems, and biodiversity to address societal challenges while providing environmental, social, and economic benefits.

Net Positive Impact: is a biodiversity principle where the overall impact of a project or activity results in a **measurable gain** for biodiversity, exceeding the baseline condition.

No Net Loss: is a biodiversity conservation principle that ensures the impacts of a project on ecosystems, species, and habitats are balanced by appropriate measures, so there is no overall reduction in biodiversity.

Sustainable Development Goals (SDGs): are a set of **17 global goals** established by the United Nations to achieve a sustainable and equitable future by 2030. These goals address challenges such as poverty, inequality, environmental degradation, and climate change.

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5. Strategic Objectives

ACWA Power adopts objectives and steps to measure and mitigate impacts on biodiversity. These fundamental steps will assist the company in integrating biodiversity impact assessment into every asset life cycle. It includes direct activities which are under the company's control as well as indirect activities including value chain products and service providers to guarantee that all such companies adhere to biodiversity safeguarding principles and standards.

5.1 Objective 1: Avoid or Minimize Biodiversity Impacts

- 5.1.1 **Risk screening:** Conducting desktop studies during the early stages of project feasibility, design and planning to identify critical habitats and species.
- 5.1.2 **Identify critical biodiversity aspects:** critical, sensitive and vulnerable habitat within terrestrial, freshwater and marine such as key biodiversity areas including important birds' areas, Ramsar sites, and terrestrial and marine protected areas. The identification should also include ecosystem services, species and their habitats that are priority for conservation including species listed in IUCN Redlist or any local Redlist.
- 5.1.3 **Implement the mitigation hierarchy:** Ensure all projects adhere to the **Avoid → Minimize → Restore → Offset** approach.
- 5.1.4 **Integrate biodiversity requirements and assessment within ESIA:** Conduct Comprehensive Biodiversity Impact Assessments (BIAs) and use baseline studies to identify priority species, habitats, and sensitive ecosystems.
- 5.1.5 **Develop and implement site-specific biodiversity management plans.**

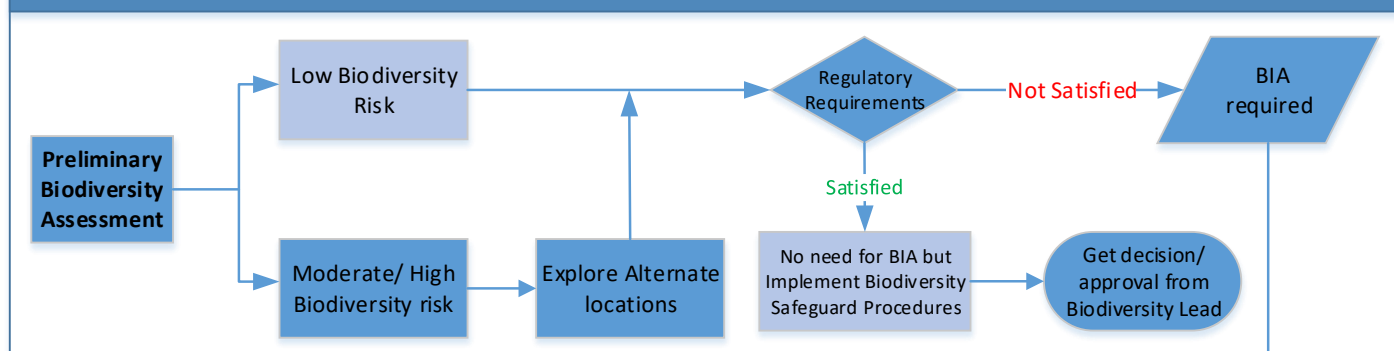
See the next page for the Biodiversity Assessment Process Map

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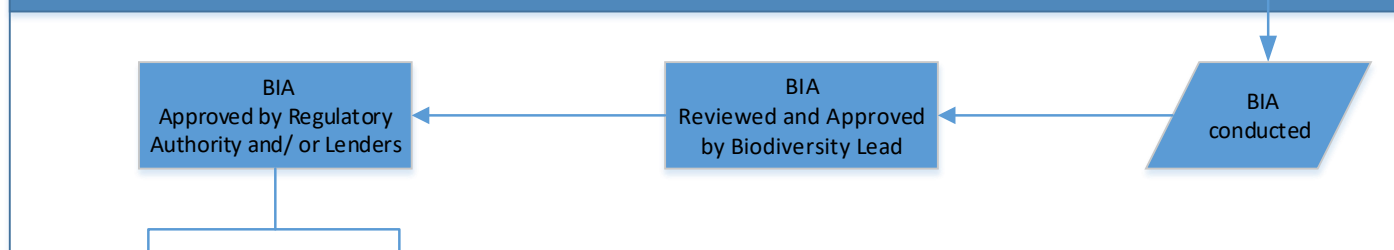


Biodiversity Assessment Process

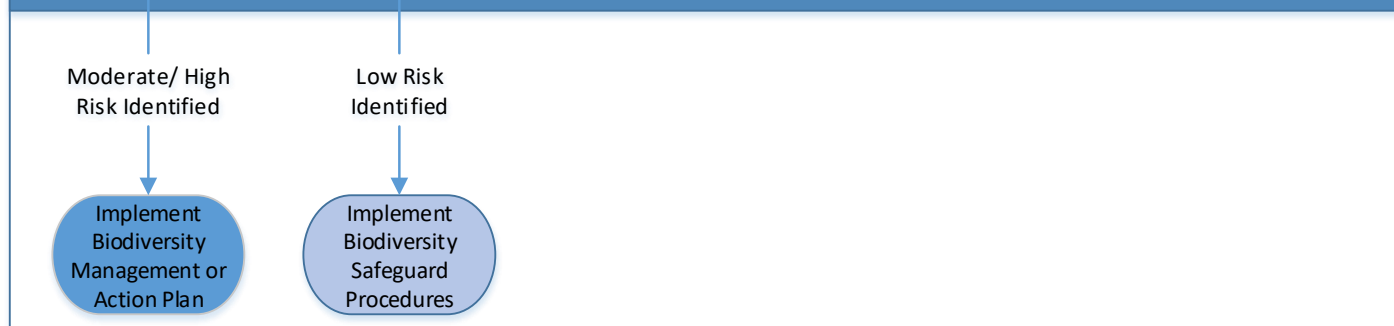
Bidding and Feasibility (BD, Consultant, ESG)



Planning and Design (BD, ESIA Consultant, ESG)



Construction and Operation (PC, O&M, ESG)



5.2 Objective 2: Restore and Enhance Ecosystems

- 5.2.1 **Habitat restoration and rehabilitation:** Commit to restoring ecosystems disturbed by construction and operational activities, ensuring **No Net Loss** of biodiversity.
- 5.2.2 **Conservation programs for priority species:** Support the conservation of key biodiversity areas and threatened species. Partner with local and international conservation organizations to implement species-specific management plans.
- 5.2.3 **Promote nature-based solutions:** Prioritize biodiversity-friendly designs, employ vegetation and natural barriers, and develop green belts around facilities to sequester carbon, improve air quality, and provide shade and habitat for wildlife.

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5.3 Objective 3: Mainstream Biodiversity into Business Operations

- 5.3.1 **Integrate biodiversity into corporate policies:** Embed biodiversity considerations into ACWA Power's policies and management systems. Ensure all decision-making processes account for biodiversity risks and opportunities where relevant.
- 5.3.2 **Implement biodiversity safeguards in supply chains:** Embed biodiversity-considerations into procurement practices that require suppliers and contractors to adhere to biodiversity safeguarding best practices.
- 5.3.3 **Report on biodiversity performance:** Publish biodiversity performance reports, articles and white papers aligned with international standards and best practices.

5.4 Objective 4: Foster Partnerships and Community Engagement

- 5.4.1 **Collaborate with local and global stakeholders:** Local communities and NGOs to co-develop conservation projects, and with international organizations (e.g., IUCN, BirdLife International) for knowledge-sharing and technical support.
- 5.4.2 **Support community-based conservation initiatives:** Empower and involve local communities in biodiversity conservation by integrating their traditional knowledge.
- 5.4.3 **Build internal and external capacity:** Train ACWA Power employees, contractors, and stakeholders on biodiversity management and conservation best practices. Raise awareness of biodiversity's value and the importance of ecosystem services among communities and employees.

5.5 Objective 5: Leverage Innovation and Technology

- 5.5.1 **Adopt cutting-edge tools for biodiversity monitoring:** Leverage advanced technologies, such as remote sensing, GIS mapping, AI-powered monitoring among others, to enhance accuracy and efficiency of biodiversity monitoring.
- 5.5.2 **Invest in research and development (R&D):** Support biodiversity research initiatives to develop innovative approaches for biodiversity conservation in energy and desalination sectors.
- 5.5.3 **Collaborate with academic institutions and research centers** to address emerging biodiversity challenges and utilize their expertise for addressing issues at ACWA Power's sites.

5.6 Objective 6: Measuring Progress and Reporting

- 5.6.1 **Biodiversity monitoring system:** Apply rigorous field monitoring system that feeds into an electronic data gathering system that aggregates and analyzes data, to ensure accountability and progress towards these objectives across all projects.
- 5.6.2 **Report on biodiversity performance in annual company sustainability reports.**

6. Key Performance Indicators

The key performance indicators (KPIs) are intended to measure global organizational progress and adherence to the biodiversity framework. The high level qualitative and quantitative indicators enable ACWA Power to track progress, identify gaps and take corrective actions in

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a timely manner. The KPIs will be identified and implemented within the monitoring system of the framework implementation progress.

7. Implementation and Governance Structure

To effectively operationalize the Biodiversity Framework, and to ensure effective biodiversity management and alignment with the ESMS, the following governance structure will be implemented. By implementing this governance structure accountability, collaboration, and biodiversity management across projects and areas are ensured.

7.1 Governance Structure

7.1.1 Biodiversity Steering Committee

7.1.1.1 Purpose:

Will provide leadership, oversight, and strategic direction for biodiversity management across all ACWA Power projects and operations. The Steering Committee works in collaboration with the ESMS governance team to ensure biodiversity considerations are embedded in the overall E&S governance structure.

7.1.1.2 Role:

- Align biodiversity goals with international standards and investor requirements.
- Oversee the overall implementation of the Biodiversity Framework, including biodiversity action plans and site-specific biodiversity management plans, and ensure alignment with ESMS-approved management plans such as Construction Environmental and Social Management Plan (CESMP) and Operation Environmental and Social Management Plan (OESMP).
- Integrate biodiversity considerations into ESG policies and operations
- Monitor progress towards biodiversity goals and commitments.
- Ensure reporting through annual sustainability reports aligned with international best practices.
- Review policies and submit them to the board for approval, and review and approve biodiversity-related strategies, manuals, procedures, and annual reports.
- Act as a platform to address stakeholders' concerns.
- Review biodiversity performance during ESMS audits and provide feedback for continual improvement.

7.1.1.3 Membership:

- The main members of the committee will be:
 - Head of Governance & Assurance
 - Head—Global Environmental & Social
 - Senior Manager—Environment and Social Compliance
 - Corporate Biodiversity Manager

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- The committee shall be chaired by the Head of HSSE Governance & Assurance, who will also decide the additional members to be invited to each meeting.
- The secretary role will be carried out by the corporate biodiversity lead.
- The following additional members could be invited according to business needs and as the committee chair deemed necessary.
 - Senior executives from relevant functions (including Business Development, ESG, Operations, Construction etc.).
 - Environmental and biodiversity managers/specialists at corporate and regional levels.
 - Representatives from regional teams.
 - Guest Representative (where deemed necessary): from international lenders

7.1.1.4 Meeting Frequency

Minimum quarterly meetings to evaluate performance and progress, or within shorter periods (monthly, bi-weekly etc.) according to the committee members' decision.

7.1.2 Corporate Biodiversity Lead

- 7.1.2.1 Develop and oversee biodiversity strategies.
- 7.1.2.2 Develop and oversee the implementation of biodiversity action plans across ACWA Power's asset life cycle
- 7.1.2.3 Ensures biodiversity compliance within the ESMS framework.
- 7.1.2.4 Collaborates with the ESMS team to integrate biodiversity KPIs into monitoring, reporting, and corrective action processes.
- 7.1.2.5 Ensure compliance with global biodiversity standards and internal targets.
- 7.1.2.6 Collaborate with external biodiversity partners (NGOs, experts, and regulators).
- 7.1.2.7 Lead biodiversity audits across ACWA Power operations and projects
- 7.1.2.8 Lead biodiversity capacity building program for projects teams, local community and local NGOs

7.1.3 Project Biodiversity Manager

Appointed for regions/ projects with high/ medium biodiversity risks that need specialization to follow-up biodiversity mitigation measures and monitoring. Responsibilities are to:

- 7.1.3.1 Supervise/ conduct site-specific Biodiversity Impact Assessments (BIAs).
- 7.1.3.2 Supervise/ develop and implement Biodiversity Management Plans (BMPs).
- 7.1.3.3 Monitor biodiversity KPIs at the project level.
- 7.1.3.4 Report progress and challenges to the corporate Biodiversity Lead and relevant HSSE committee.

Note: Projects/ sites with low biodiversity risk can be monitored by project/ site HSSE manager.

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7.2 Reporting and Accountability

Biodiversity monitoring and reporting will align with the ESMS framework to ensure a unified approach to tracking environmental and social performance. Biodiversity reporting will follow the ESMS's standardized templates and reporting processes. In addition, biodiversity KPIs will be integrated into the ESMS monitoring framework to provide measurable insights into biodiversity performance.

7.2.1 Annual Biodiversity Performance Reports

Comprehensive reports outlining progress against biodiversity KPIs, including habitat restoration, species conservation, stakeholder engagement, achievements, challenges, and future targets.

- Biodiversity performance data will be included in ESMS annual compliance reviews and sustainability reports.
- Reporting will follow ESMS-approved templates and formats to maintain consistency with lender and regulatory requirements.
- Biodiversity performance metrics, corrective actions, and success stories will be disclosed as part of the ESMS's annual sustainability reports to stakeholders.

7.2.2 Internal Audits, Surveys and Reviews

7.2.2.1 Periodic internal audits will be conducted to ensure compliance with biodiversity commitments and to identify gaps and areas for improvement.

7.2.2.2 Findings from biodiversity audits will feed into the ESMS's corrective action process, ensuring continual improvement in biodiversity performance.

7.2.2.3 An annual survey will be conducted to measure knowledge, awareness, commitments, challenges, etc. The survey results will be used for corrective actions, an awareness campaign, and framework and plans for improvements.

8. Process Outputs/ Attachments

Process Output/ Attachment Number	Rev. No.	Process Output/ Attachment Title	Responsibility	Completed Record Retention Period (Years)
N/A	N/A	N/A	N/A	N/A

9. Legal Requirements and References

- 9.1** AP-HSSE-SYS-PC-ESMS-MN-001 Environmental and Social Management System Implementation Manual
- 9.2** The 2030 Agenda for Sustainable Development, 2015
- 9.3** Convention on Biological Diversity, Text and Annexes, (1760 UNTS 79, 31 ILM 818) 1992.

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- 9.4 Decision adopted by the conference of the parties to the convention on biological diversity, Kunming-Montreal global biodiversity framework, 2022
- 9.5 Guidelines for planning and monitoring corporate biodiversity performance, IUCN, 2021.
- 9.6 Mitigating biodiversity impacts associated with solar and wind energy development. Guidelines for project developers, IUCN, 2021
- 9.7 IFC Guidance Note 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources, 2019
- 9.8 European Bank for Reconstruction and Development Performance Requirement 6: Biodiversity Conservation and Sustainable Management, 2024
- 9.9 Asian Development Bank E&S Standard 6: Biodiversity Conservation and Sustainable Natural Resources Management, 2023
- 9.10 African Development Bank Note for E&S Operational Safeguard 6: Habitat and Biodiversity Conservation and Sustainable Management of Living Natural Resources, 2024
- 9.11 The IUCN Redlist of Threatened Species

10. Document Revision History

Revision No.	Date	Brief Description of changes from the previous version
00	10 Mar 2025	First Issue

11. Contributors and Reviewers

The efforts of the following personnel are placed on record for their contribution/ review suggestions/ being part of the review, towards creating this document and thus making it effective for implementation.

- 1) Mine Artug – BU Operations Head HSSE
- 2) Zouhair Elarja – Procurement Process and Vendor Management Director
- 3) Venkatraman Raman – Procurement Compliance Manager
- 4) Anna Pletneva – IMS Sr. Manager
- 5) Siegfried L. Panilagao – IMS Coordinator