



SHAPING A SUSTAINABLE TOMORROW

Sustainability
Report 2021

Our long-term strategy will articulate a clear and practical pathway to achieve ESG ambitions, without diverging from the directions set in 2021

1.4GW of carbon-free electricity
to the Abu Dhabi power system

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OVERVIEW

Group CEO and Managing Director's message

GRI 102-14

The world continued to be affected by economic and social disruptions caused by the pandemic over the course of 2021. As 2022 unfolds, there is still potential for business disruption at a global level as well as geopolitical factors that mean long-term business resilience remains an important focus. At TAQA, we have navigated the turbulence and emerged as a stronger and more sustainable energy and water utility.

TAQA's purpose, vision and mission are rooted in our ambition to be leaders in the energy transition, a champion of low carbon power and water in Abu Dhabi and beyond. We are looking forward to announcing specific Environmental, Social and Governance (ESG) targets in 2022 as we further develop our net zero strategy and ESG strategy. We have already committed to be a net zero company by 2050 in line with the UAE's national objectives. As part of this, TAQA will set an interim reduction target for 2030, to be announced during 2022. In parallel, our Group-wide ESG strategy will help us embed ESG considerations into all aspects of our Group's decision making and operations. We have already embarked on many ESG-related initiatives, which are highlighted throughout this Sustainability Report and which demonstrate our commitment to improving our ESG performance year-on-year. We have reflected this commitment to ESG in our Group Scorecard, which starts with making top management accountable and is then reflected throughout TAQA.

We do not stop at ESG target-setting and believe these targets must be accompanied by practical steps to deliver improvements. Our long-term strategy will therefore include progressively more detailed and practical articulation of our pathway to achieving TAQA's ESG ambitions. However, the strategic directions set in 2021 remain unchanged: domestic and international growth in power generation and investment in our transmission and distribution regulated asset base. We will also continue with capability enhancement to help us drive efficiencies and optimization of our portfolio to ensure financial strength.

With this strategic direction in mind, we have continued to deliver on our priorities despite the economic, political and health challenges that the world is facing. In support of the UAE's sustainability ambitions and net zero emissions targets by 2050, TAQA will enter into a partnership with ADNOC and Mubadala on renewable energy and green hydrogen to create a low carbon champion under the Masdar brand. Following a binding agreement signed in June 2022, and once regulatory approvals have been completed, we will become the controlling shareholder in Masdar's renewable business, accelerating TAQA's progress towards our 2030 strategic targets. Upon completion, the deal will add 8 GW operating and under construction renewable capacity, bringing the proportion of renewables in TAQA's portfolio to 32% exceeding our original 2030 target of 30%. In addition, our total pro-forma capacity will reach over 34 GW, achieving over 70% of our 50 GW 2030 target.

The Masdar deal will be a significant milestone for TAQA. In addition, we are making considerable progress to help decarbonize the UAE industrial ecosystem, including industries that are considered hard to decarbonize such as oil and gas, steel and shipping. We are progressing on a strategic project to connect ADNOC's offshore oil & gas facilities to Abu Dhabi's power grid, significantly increasing energy efficiency and reducing emissions associated with production.

We are also progressing on the agreement signed with Emirates Steel to develop a large-scale green hydrogen project, enabling the first green steel to be produced in the MENA region. We have announced our intention to acquire Emirates Global Aluminum's (EGA) captive gas power generation assets, connecting EGA's facilities to the power grid. This integration creates opportunities to add solar generation capacity in Abu Dhabi through expanding the grid, while decarbonizing aluminum production in the UAE.

We have signed a Memorandum of Understanding (MoU) with Abu Dhabi ports to develop a 2 GW green-hydrogen to ammonia project. The ammonia that will be produced opens up the opportunity of substituting a cleaner fuel for use in ships as bunker fuel, as well as the opportunity to export green ammonia to international markets for use as feedstock or conversion back to hydrogen.

Our long-term strategy will articulate a clear and practical pathway to achieve ESG ambitions, without diverging from the directions set in 2021.



In our Transmission & Distribution business, we have ensured the successful connection of Unit 2 of the Barakah Nuclear Energy Plant to the grid, allowing the integration of a further 1.4 GW of carbon-free electricity to the Abu Dhabi power system. This allows for lower utilization of TAQA's thermal power plants and, as a result, significantly reduces emissions generated. We will continue investing in the growth of our transmission and distribution networks to enable more clean energy sources to be safely and efficiently connected to the Abu Dhabi grid. By 2030, we aim to invest an additional \$10.9 billion (AED 40 billion) for this purpose.

TAQA, through our distribution companies and Abu Dhabi Energy Services (ADES), our Super ESCO, is also implementing several demand-side management initiatives to reduce electricity and water consumption at the customer level through behavioral change and building retrofits programs.

Our progress across multiple industries and diverse yet targeted projects show TAQA's commitment and intention to lead the UAE's efforts towards net zero. We intend to be at the forefront of the UAE's transformation to a more resilient, more sustainable and fast-growing economy.

This progress cannot be achieved without the commitment of our people. Our people are at the heart of what we do and are essential drivers of our strategy. Building and enhancing existing capabilities and performance, while ensuring employee satisfaction and wellbeing, is imperative for TAQA. We have introduced multiple measures to ensure we foster a workplace that values the employees' health and wellness while continuously seeking to improve capabilities and opportunities.

In parallel, we are committed to retaining our financial strength, ensuring maintenance of our stand-alone investment grade credit rating and our ability to pay quarterly dividends to our shareholders (we are currently the only UAE listed company to do so). As a profitable and cash generating company, we can continue to direct the capital required to drive the transformation of the Group and UAE into a decarbonized system.

This is our second sustainability report since the merger in 2020. It continues to represent our sustainability position and future pathway and is based on engagement with our many partners and stakeholders, along with industry experts. This report increases the scope of our reporting to include further information on material topics and metrics. It continues to align to the GRI Standards 2016 Core Option. We are committed to continue working with you, our stakeholders, on the evolving landscape of sustainability. We aim to continuously improve our reporting and boost our ESG efforts, while delivering reliable, sustainable, and affordable power and water to our customers.

Jasim Husain Thabet

TAQA Group CEO and Managing Director
May 2022

About TAQA

GRI 102-1, 102-2, 102-3, 102-4, 102-5, 102-10

Abu Dhabi National Energy Company PJSC ("TAQA", "We", the "Group", or the "Company") is a diversified utilities and energy group headquartered in Abu Dhabi. Listed on the Abu Dhabi Securities Exchange (ADX, ticker: TAQA)¹, TAQA provides nearly all the critical power and water infrastructure for the Emirate of Abu Dhabi. The Company has strategic government support, scale and leadership in key markets. Abu Dhabi Power Corporation (ADPower), is the majority shareholder of TAQA, holding 98.6% of its share capital², and is a wholly-owned subsidiary of Abu Dhabi Developmental Holding Company (ADQ), one of the region's largest holding companies.



Following the merger with ADPower in 2020, TAQA acquired significant power and water transmission and distribution assets, complementing an existing global portfolio of power and water generation assets as well as oil and gas operations. This transaction transformed TAQA into a fully integrated utility business with operations and assets in power and water generation, transmission and distribution, and upstream and midstream oil and gas. The Company's portfolio spans 11 countries, including Canada, Ghana, India, Iraq, Morocco, Oman, the Netherlands, Saudi Arabia, the United Arab Emirates, the United Kingdom and the United States.

TAQA currently holds a position among the top five integrated utilities in the EMEA region. We are committed to becoming Abu Dhabi's low carbon power and water champion – a fully integrated utility business with the scale, financial capability and expertise to play a decisive role in leading the transition to clean energy and water in Abu Dhabi and beyond.

2021 was a key year in our strategic planning and progress towards becoming Abu Dhabi's global clean energy and water powerhouse and in our role at the heart of the Emirate's drive to net zero by 2050. The Group's 2030 strategy showcases a deep commitment to decarbonization and growth. The significant transactions and projects underway, completed and in the pipeline reflect the tangible progress towards delivering on our strategic goals and targets.

We accelerated our strategic evolution with a partnership with ADNOC and Mubadala to combine renewable energy and green hydrogen portfolios in a deal that, once completed, will lead to the creation of one of the largest clean energy companies in the world. Our decision to acquire a controlling stake in Masdar underpins our commitment towards international growth and decarbonization and will provide a platform for TAQA to realize our ambitions and significantly contribute to our growth targets in renewable energy.

Abu Dhabi's low carbon power and water champion

1. TAQA was established in June 2005 pursuant to the provisions of Emiri Decree (16) of 2005 as a public joint stock company under the laws of the UAE. In August 2005, TAQA's shares were listed on the Abu Dhabi Securities Exchange (the ADX). TAQA's registered head office is at 25th Floor, Al Maqam Tower, Abu Dhabi Global Market Square, PO Box 55224, Abu Dhabi, UAE.

2. The transaction with ADPower following the merger in 2020 increased ADPower's ownership stake from 74.1% to 98.6% of TAQA's share capital.

The Group's 2030 strategy showcases a deep commitment to decarbonization and growth.

Our operations and business segments

GRI 102-2, 102-4, 102-6, 102-7, 102-8

TAQA's operations are segmented into three main business lines: Generation, Transmission & Distribution and Oil & Gas. The Generation business line comprises UAE generation assets, which include power generation and water desalination, and international generation assets, the majority of which is power generation, along with a steam cogeneration project under development.

We manage our operated assets at a corporate level through dedicated asset management teams. We have board representation and drive business and ESG strategies through target-setting, policies and procedures at our operated assets (refer to About our Reporting section on page 42 below).

In the UAE, TAQA does not operate our power generation facilities; however, we help define and influence the sustainability agenda as majority shareholder and via Board representation in the respective holding companies.



Our operations are summarized in the below table:

Activities and sectors served ^{3,4}	Generation ⁶		Transmission & Distribution (T&D)	Oil & Gas (O&G)	Group Total
	UAE	International			
	Power generation and seawater desalination largely through gas-fired cogeneration plants	Power generation largely through coal and gas-fired plants	Transmission of power and water between generation assets to urban areas (Abu Dhabi Transmission and Despatch Company-TRANSCO); distribution of power and water within urban areas (Abu Dhabi Distribution Company-ADDC and (Al Ain Distribution Company-AADC)	Upstream (offshore and onshore) producing crude and gas; midstream including transport and storage	
Location of operations (also see page 10)	UAE (Emirates of Abu Dhabi and Fujairah)	Morocco, Ghana, India, USA, Saudi Arabia, Oman	UAE (transmission in Abu Dhabi and five of the remaining six emirates; distribution in Abu Dhabi only)	Canada, Iraq, Netherlands, UK	
Employees⁵	288	707	4,509	1,402	6,906
Types of customers & beneficiaries	Available capacity and output sold through long-term offtake agreements to EWEC, government-owned offtaker, was also the Group's most significant customer (20% of total revenue for FY 2021)	Available capacity sold through long term offtake agreements to government-related offtaker (e.g., ONEE in Morocco, Volta River Authority in Ghana) or corporate offtaker (e.g., SABIC for Jubail) or into the market (e.g., Red Oak in the US).	Transmission (TRANSCO) sell services to distribution companies (ADDC, AADC) and EWEC (for transmission to SEWA and EWE in the Northern Emirates). Distribution companies (ADDC, AADC) sell to commercial, household and industrial consumers across public and private sector (approx. 980,000 end-user power and water connections serving approx. 500,000 customers in Abu Dhabi).	UK: output sold to limited number of customers under annually tendered contracts. Netherlands: gas sold to GasTerra (50% owned by Dutch government) under a long-term contract. Canada: significant proportion of output sold to limited number of large customers under annually tendered contracts. Other operations: output sold in the spot market.	
Revenues (AED million)	12,337		25,928	7,425	45,690
Net income (AED million)	643		4,460	2,213	5,960
Total capitalization					129,745
Total debt (AED million)					64,965
Total equity (AED million)					73,202
Cash and cash equivalents (AED million)					8,422
Net debt-to-capital ratio					44%
Products and services provided	75,287 GWh of power (97% gas – 3% solar) 265,811 MIG of water	23,076 GWh of power (71% coal, 27% gas, 1% wind) NA MIG of water	<ul style="list-style-type: none"> Transmission: 83,717 GWh power and 262,557 MIG of water transmitted through 10,505 km of electricity transmission networks and 3,479 km of water transmission pipelines Distribution: 59,272 GWh of power and 232,028 MIG of water distributed through 77,134 km of electricity distribution networks and 14,519 km of water distribution pipelines 	Production levels reached 122.4 thousand boepd (TAQA-share): <ul style="list-style-type: none"> TAQA Bratani (UK): 37,955 boepd TAQA Energy (Netherlands): 3,374 boepd TAQA North (Canada): 72,260 boepd TAQA Atrush (Iraq): 8,795 boepd 	

3. GICS sectors served by our Generation and Transmission and Distribution segments: Sector: Utilities; Industry Group: Utilities; Industry: Electric Utilities, Water Utilities, Multi-Utilities, Independent Power & Renewable Electricity Producers; Sub-industry: Electric Utilities, Water Utilities, Multi-Utilities, Renewable Electricity

4. GICS sectors served by our Oil & Gas segment: Sector: Energy; Industry Group: Energy; Industry: Oil, Gas & Consumable Fuels; Sub-industry: Oil & Gas Exploration & Production, Oil & Gas Storage & Transportation

5. Comprises employees from TAQA headquarters and operated assets in the UAE (AMPC, ADDC, AADC, TRANSCO and ADES). It excludes employees at non-TAQA operated assets, including joint ventures and IWPPs.

6. Total installed capacity for our current UAE generation portfolio is 16 GW, which excludes Taweelah A2 and the old Umm Al Nar power plant, both of which halted production in October 2021. Total installed capacity for our international generation portfolio is 4.9 GW, which includes the captive power plant at Sohar Aluminium.

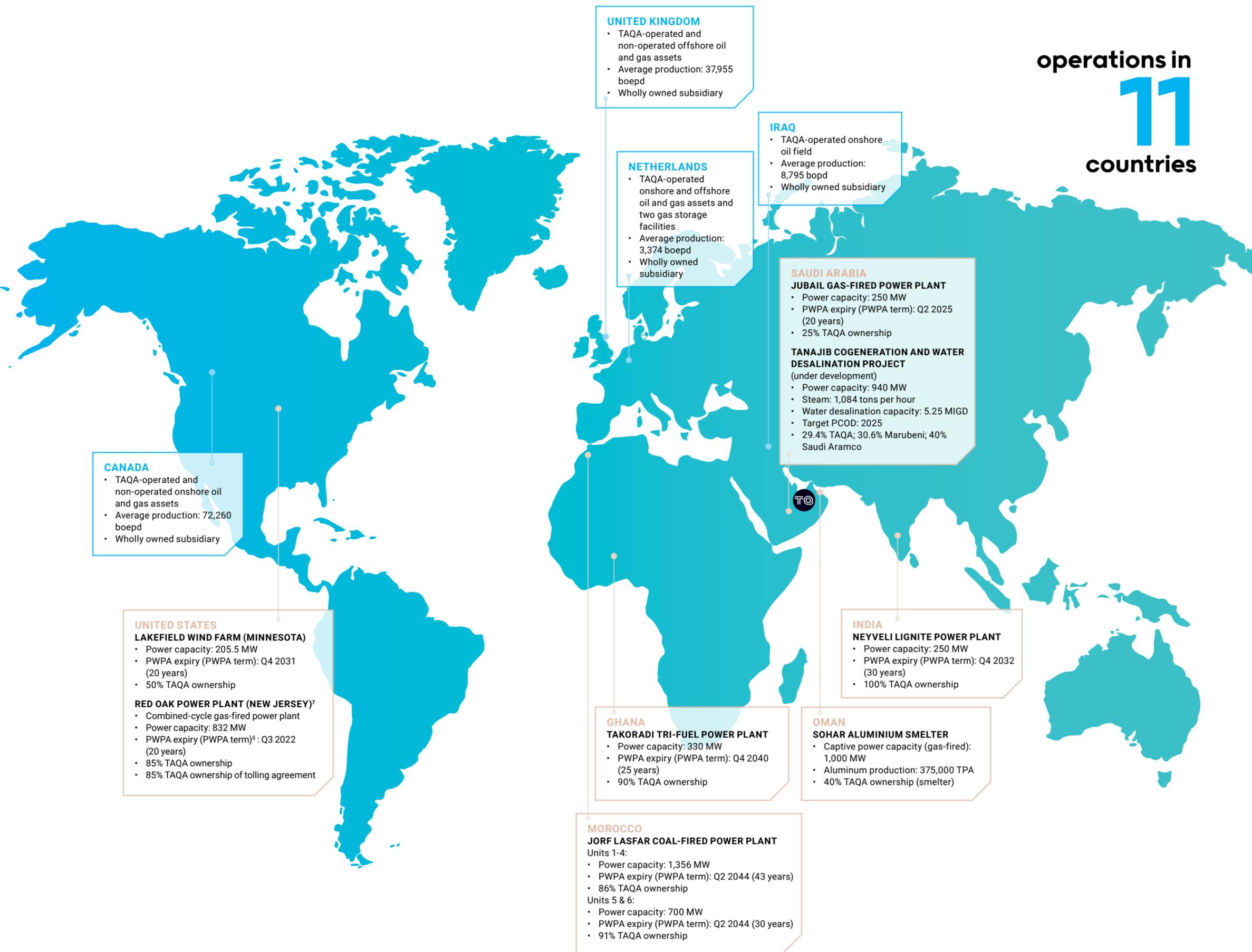
At a glance

Our global footprint

GRI 102-4, 102-6, GRI G4EU, EU1, EU2

We are present across four continents in 11 countries, which include Canada, Ghana, India, Iraq, Morocco, the Netherlands, Oman, Saudi Arabia, the United Arab Emirates, the United Kingdom and the United States.

operations in
11
countries



CANADA

- TAQA-operated and non-operated onshore oil and gas assets
- Average production: 72,260 boepd
- Wholly owned subsidiary

UNITED STATES

LAKEFIELD WIND FARM (MINNESOTA)

- Power capacity: 205.5 MW
- PWPA expiry (PWPA term): Q4 2031 (20 years)
- 50% TAQA ownership

RED OAK POWER PLANT (NEW JERSEY)⁷

- Combined-cycle gas-fired power plant
- Power capacity: 832 MW
- PWPA expiry (PWPA term)⁸: Q3 2022 (20 years)
- 85% TAQA ownership
- 85% TAQA ownership of tolling agreement

UNITED KINGDOM

- TAQA-operated and non-operated offshore oil and gas assets
- Average production: 37,955 boepd
- Wholly owned subsidiary

NETHERLANDS

- TAQA-operated onshore and offshore oil and gas assets and two gas storage facilities
- Average production: 3,374 boepd
- Wholly owned subsidiary

IRAQ

- TAQA-operated onshore oil field
- Average production: 8,795 bopd
- Wholly owned subsidiary

SAUDI ARABIA

JUBAIL GAS-FIRED POWER PLANT

- Power capacity: 250 MW
- PWPA expiry (PWPA term): Q2 2025 (20 years)
- 25% TAQA ownership

TANAJIB COGENERATION AND WATER DESALINATION PROJECT (under development)

- Power capacity: 940 MW
- Steam: 1,084 tons per hour
- Water desalination capacity: 5.25 MIGD
- Target PCOD: 2025
- 29.4% TAQA; 30.6% Marubeni; 40% Saudi Aramco

INDIA

NEYVELI LIGNITE POWER PLANT

- Power capacity: 250 MW
- PWPA expiry (PWPA term): Q4 2032 (30 years)
- 100% TAQA ownership

GHANA

TAKORADI TRI-FUEL POWER PLANT

- Power capacity: 330 MW
- PWPA expiry (PWPA term): Q4 2040 (25 years)
- 90% TAQA ownership

OMAN

SOHAR ALUMINIUM SMELTER

- Captive power capacity (gas-fired): 1,000 MW
- Aluminum production: 375,000 TPA
- 40% TAQA ownership (smelter)

MOROCCO

JORF LASFAR COAL-FIRED POWER PLANT

Units 1-4:

- Power capacity: 1,356 MW
- PWPA expiry (PWPA term): Q2 2044 (43 years)
- 86% TAQA ownership

Units 5 & 6:

- Power capacity: 700 MW
- PWPA expiry (PWPA term): Q2 2044 (30 years)
- 91% TAQA ownership

- OIL AND GAS
- POWER GENERATION

7. Merchant asset with tolling agreement
8. Power and water purchase agreements

At a glance

Our Abu Dhabi and UAE home markets

GRI 102-3, GRI G4EU, EU1, EU3, EU4

Transmission & Distribution subsidiaries⁹

TRANSCO

10,505 km
of power networks

3,479 km
of water networks

83,717 GWh
of power transmitted

262,557 MIG
of water transmitted

Abu Dhabi Distribution Company (ADDC)

47,833 km
of power networks

9,434 km
of water networks

Al Ain Distribution Company (AADC)

29,301 km
of power networks

5,085 km
of water networks

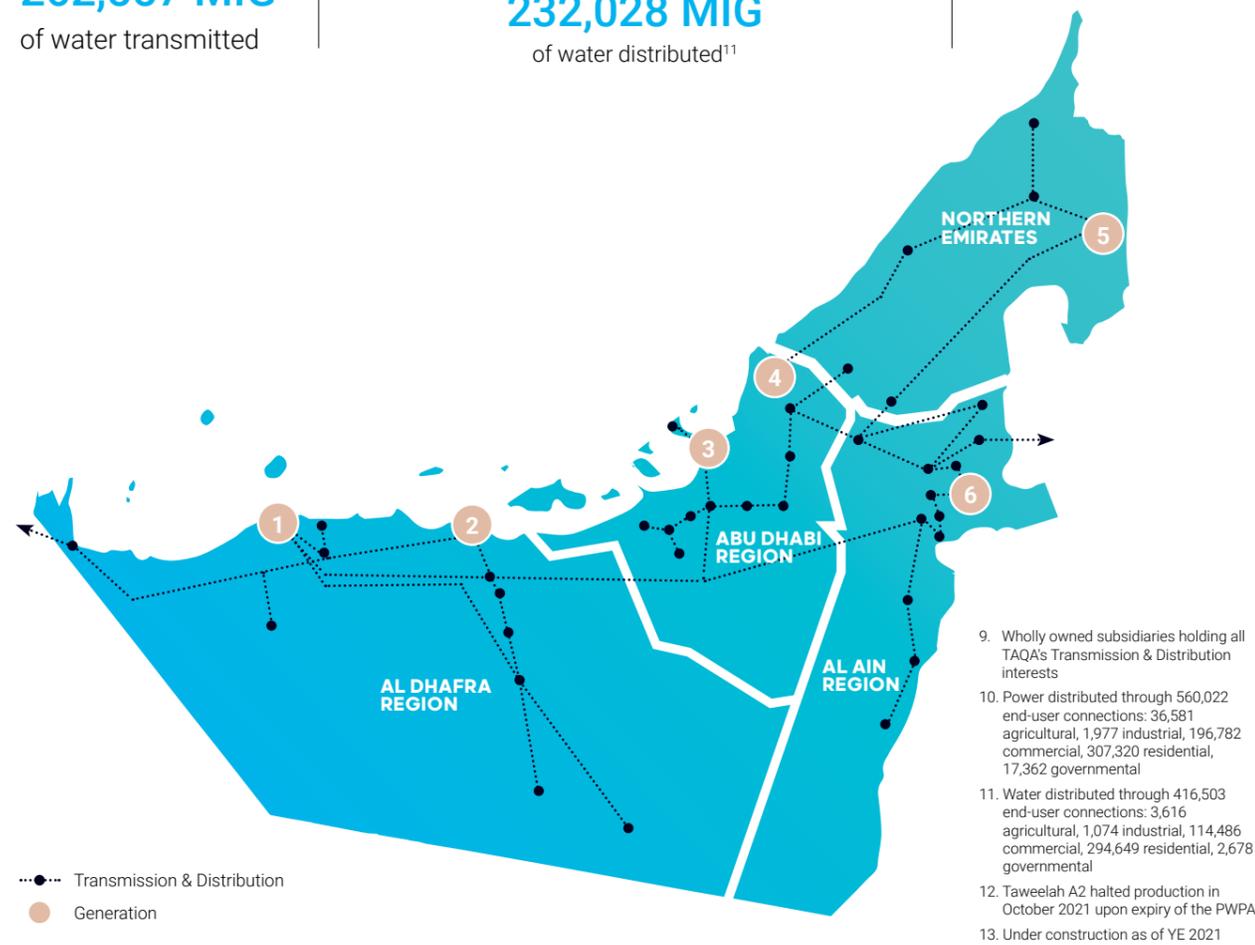
Abu Dhabi Energy Services (ADES)

2.7 terawatt hours
of electricity savings by 2030

9 million cubic meters
of water savings by 2030

59,272 GWh
of power distributed¹⁰

232,028 MIG
of water distributed¹¹



GENERATION ASSETS (16 GW TOTAL INSTALLED CAPACITY)

1

SHUWEIHAT S1

- Combined-cycle gas-fired power plant and water desalination
- 1.6 GW of electricity
- 101 MIGD of desalinated water
- PWPA expiry (PWPA term): Q2 2025 (20 years)
- TAQA (60%), ENGIE (20%) and Sumitomo (20%)

SHUWEIHAT S2

- Combined-cycle gas-fired power plant and water desalination
- 1.6 GW of electricity
- 101 MIGD of desalinated water
- PWPA expiry (PWPA term): Q4 2036 (25 years)
- TAQA (60%), ENGIE (20%), Marubeni (10%) and Osaka Gas (10%)

SHUWEIHAT S3

- Combined-cycle gas-fired power plant
- 1.6 GW of electricity
- PWPA expiry (PWPA term): Q3 2039 (25 years)
- TAQA (60%), Sumitomo (20.4%) and KEPCO (19.6%)

2

MIRFA INTERNATIONAL POWER AND WATER PLANT

- Combined-cycle gas-fired power plant and water desalination
- 1.7 GW of electricity
- 53 MIGD of desalinated water
- PWPA expiry (PWPA term): Q4 2036 (25 years)
- TAQA (60%), Sojitz (20%), ENGIE (20%)

3

UMM AL NAR

- Combined-cycle gas-fired power plant and water desalination
- 1.7 GW of electricity
- 96 MIGD of desalinated water
- PWPA expiry (PWPA term): Q3 2027 (20 years)
- TAQA (60%), ENGIE (20%) and Jera (20%)

4

TAWEELAH A1

- Combined-cycle gas-fired power plant and thermal-based water desalination
- 1.7 GW of electricity
- 84 MIGD of desalinated water
- PWPA expiry (PWPA term): Q2 2029 (20 years)
- TAQA (60%), ENGIE (20%) and Total (20%)

TAWEELAH A2¹²

- The first build-own-operate project in the UAE
- Combined-cycle gas-fired power plant and multi-stage flash water desalination
- 760 MW of electricity
- 53 MIGD of desalinated water
- PWPA expiry (PWPA term): Q4 2021 (20 years)
- TAQA (60%), Marubeni (34%) and JGC Holdings (6%)

TAWEELAH B

- Three distinct power generation and water desalination facilities, including simple, open and combined-cycle gas turbines and multi-stage flash distillation
- 2.2 GW of electricity
- 162 MIGD of desalinated water
- PWPA expiry (PWPA term): Q3 2028 (20 years)
- TAQA (60%), Marubeni (14%), BTU Power (10%), Powertek (10%) and Kyuden (6%)

5

FUJAIRAH F1

- Combined-cycle gas-fired power plant and hybrid multi-stage flash and reverse osmosis desalination
- 882 MW of electricity
- 131 MIGD of desalinated water
- PWPA expiry (PWPA term): Q4 2035 (27 years)
- TAQA (60%) and Sembcorp (40%)

FUJAIRAH F2

- Combined-cycle gas-fired power plant and reverse osmosis desalination
- 2.1 GW of DC electricity
- 132 MIGD of desalinated water
- PWPA expiry (PWPA term): Q1 2031 (20 years)
- TAQA (60%), ENGIE (20%) and Marubeni (20%)

6

NOOR AD (SWEIHAN PV)

- Currently the world's largest single-site solar photovoltaic (PV) plant
- 1.2 GW of electricity
- PWPA expiry (PWPA term): Q2 2042 (23 years)
- TAQA (60%), Marubeni (20%) and Jinko Power (20%)

ASSETS UNDER DEVELOPMENT (4 GW TOTAL INSTALLED CAPACITY)¹³

AL DHAFRA SOLAR PV

- The world's largest single-site solar PV plant upon completion
- 1.5 GW of DC electricity
- Set world record for lowest tariff for solar power (1.32 US cents/kWh) at the time of financial close
- TAQA (40%), Masdar (20%), EDF Renewables (20%) and Jinko Power (20%)

TAWEELAH REVERSE OSMOSIS

- The world's largest reverse osmosis desalination plant upon completion
- 200 MIDG of desalinated water
- 69.8 MW of on-site solar generation
- TAQA (20%), Mubadala (40%) and ACWA Power (40%)

FUJAIRAH F3

- Most efficient and largest independent gas-fired power plant in the UAE
- 2.4 GW of electricity
- TAQA (40%), Mubadala (20%) and Marubeni (40%)

TAQA's sustainability journey

GRI 102-16

TAQA's sustainability journey began with the announcement of a new strategic direction in 2020 of becoming a clean, low carbon power and water champion for Abu Dhabi and beyond. Since then, the Company has taken significant strides in solidifying its new purpose towards leadership in the energy and water transition.

Our updated purpose, vision and mission statements as well as our values directly reflect TAQA's new focus on incorporating sustainability into the core of our business. These statements have been directly mirrored in our overall 2030 corporate strategy and have informed our business-as-usual activities since 2020.



OUR PURPOSE

Powering a thriving future by efficiently providing sustainable and reliable energy and water to unleash the unlimited potential of people and places

OUR VISION

To provide the clean power and water that governments, businesses, and consumers need for a sustainable and successful life

OUR MISSION

Be a low carbon power and water champion

OUR VALUES

Safe: We put safety above all else

Operating in a high-hazard industry, safety is the cornerstone to protecting our workforce, which is why 'Safe' is the first and most fundamental of TAQA's new values.

Collaborative: We are stronger together

Our three Business Lines each hold critical talent, knowledge and know-how that when leveraged will unlock immense value for TAQA. Collaboration is also key to unlocking value as an integrated utility.

Excellence: We strive for exceptional performance

Operational excellence and performance improvements are key to creating a competitive edge. We do this by sharing knowledge, implementing best practices and working to the best of our abilities.

Sustainable: We do what is right for our environment, community and people

This value reflects the Group's commitment to environmental, social and governance principles and practices. The value also highlights the importance of business sustainability and the development of our workforce as a key part of society. These areas reinforce TAQA's ambitions to be a leader in the industry.

Innovative: We seek creative ways to deliver results

Being innovative reflects how we will seek to achieve our ambitions as a newly integrated utility. It also reflects a fast-changing industry, that adapts and adopts new technologies and techniques to drive a more electrified and greener future.

In line with this new purpose, TAQA announced its 2030 vision for sustainable and profitable growth in March 2021 and laid out a strategic plan that places the global acceleration of the energy transition and TAQA's ambition to become a champion for low carbon power and water at its core. This strategy articulates TAQA's priorities in achieving its goal of being a clean energy and water champion and directly supports the UAE 2050 Net Zero Initiative, the national strategic initiative of reaching net zero by 2050 in TAQA's home market (refer to Alignment to national/regional/international mandates section on page 18).

Our 2030 Corporate Strategy

TAQA's 2030 strategy focuses on three themes: optimization, growth and capability building, with ESG underpinning all initiatives under these themes.

Optimization

- Create an integrated, efficient, digital utility
- Partner with the government to continue to support an optimal regulatory system
- Ensure prudent financial stewardship and return cash to shareholders through transparent dividend policy

Growth

- Enhance position as Abu Dhabi's low carbon power and water champion
- Selectively seek value-added growth outside of Abu Dhabi

Capability-building

- Develop competences around core strengths

Optimization

TAQA will seek optimization of our Generation portfolio locally and internationally. From a Transmission & Distribution perspective, TAQA will aim to achieve operational improvements and smart grid readiness via digitalization. TAQA's decarbonization strategy envisages further reducing exposure to hydrocarbons and no further coal investments. In addition, our Oil & Gas business continues to explore operational efficiencies across its assets in parallel to a strategic review currently underway to explore various options, ranging from retaining to divesting our interests.

Growth

TAQA's 2030 strategy focuses on growth through meeting increased power, water and network capacity needs with a more sustainable lens. We aim to increase our gross power capacity to 50 GW (30 GW locally and 20 GW internationally) by 2030 from the existing 25.8 GW (which includes current projects and projects in the pipeline)¹⁴. We will also retire more than 8 GW of older power plant technology, offset by an existing pipeline of more than 10 GW of new, clean capacity.

We will also increase renewables in our portfolio – in particular, solar photovoltaic (PV) technology – to more than 30% by 2030, up from the current 5%. On the water desalination front, we will retire 50% of existing plants and initiate decoupling of gas-fired cogeneration of electricity and water, focusing instead on stand-alone highly efficient gas-fired and photovoltaic generation as well standalone, efficient and versatile seawater reverse osmosis (RO) technology. We will also increase our RO capabilities so it accounts for more than two thirds of our capacity by 2030, with 205 MIGD already under construction.

From an international growth perspective, we aim to be selective in our acquisitions and seek investment in projects that align with our new purpose. We seek to invest in projects that have the potential to meet higher efficiency standards -or already do, as well as identify markets that could benefit from our deep experience in low cost solar.

Capability-building

TAQA is building capability through encouraging talent and strengthening competencies, enabled by an effective, open and transparent operating model, across all business lines and corporate functions. We intend to become a full-fledged developer, owner and operator in power generation. Accordingly, we will strengthen our business development, asset management and operational capabilities. We will focus on customer centric solutions and improve customers' experience through our transmission and distribution operations.

TAQA also aims to be among the largest employers in the industry, with significant growth potential in new, exciting and innovative business areas. As a leading company in the UAE and a top utility firm in the wider region, we encourage our employees to utilize the various available learning platforms, including digital libraries, executive and vocational courses, and on-the-job training to support career growth and enable their participation in the exciting market transition to clean and sustainable energy.

¹⁴ 16 GW in current UAE portfolio, excluding Taweelah A2 and the old Umm Al Nar plant, both of which halted production in October 2021

4.9 GW in current international portfolio, including captive power generation plant at Sohar Aluminium where TAQA owns a stake in the smelter

4.9 GW under development, including on-site solar for Taweelah RO

TAQA Planned ESG and Net Zero Strategies

To solidify our decarbonization and ESG agenda highlighted in our 2030 corporate strategy even further, and to deepen our understanding of the steps needed to be leaders in the energy transition, the Group has embarked on a Group-wide ESG strategy and net zero strategy.

These strategies will define the pathways and practical steps to achieve our ESG ambitions, underpinned by clear and resourced plans and associated targets to track and communicate progress with our stakeholders.

Some of the key elements that will be realized upon completion of these two strategic projects include an ESG operating model, with ESG governance across our entire portfolio, as well as embedding ESG metrics into the Group's capital allocation framework. We will develop a clear plan and targets for material ESG topics, particularly in relation to reducing our greenhouse gas emissions by 2030. We will also

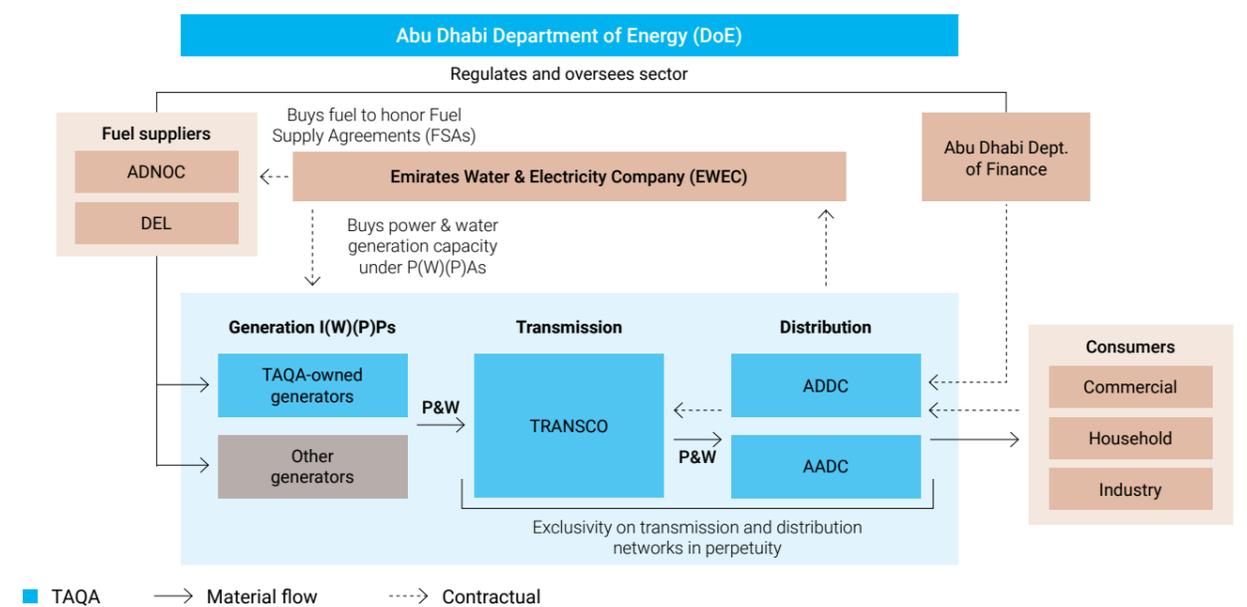
define our plan to increase our renewable energy portfolio and enhance ESG capabilities across the TAQA workforce.

Sector Value Chain Dynamics GRI 102-09

In Abu Dhabi, TAQA is involved at almost every stage of the power and water value chain, placing the Company in a unique position to influence the sector within the UAE and drive sustainability initiatives. TAQA is integral to the power and water system and works closely with Emirates Water & Electricity Company (EWEC), Abu Dhabi's Department of Energy (DoE) and other governmental entities to pursue national strategy goals for decarbonization and energy diversification. These dynamics require significant consideration while we define our ESG and net zero strategies.

The figure below summarizes the power and water supply chain dynamics in Abu Dhabi.

TAQA is deeply integrated within Abu Dhabi's power and water value chain



The power and water sector is entirely funded by end-consumer tariffs (set by the government) and a government 'balancing account', both of which are collected by TAQA's wholly owned distribution companies, Abu Dhabi Distribution Company (ADDC) and Al Ain Distribution Company (AADC). Together, they make up the revenues stipulated by the Abu Dhabi Department of Energy's (DoE's) regulatory framework. The distribution companies procure power and water from EWEC, to whom they pay bulk supply tariffs (BSTs). Transmission Use of System (TUoS) fees are paid

to the transmission company, TRANSCO, a wholly owned subsidiary of TAQA, for the transmission of power and water dispatched by generators in Abu Dhabi. In return for the generation capacity made available to EWEC, TAQA-owned generators are paid capacity-based payments (or output-based payments for solar PV) as per long-term contractual agreements with EWEC. Fuel is procured and provided by EWEC through contractual agreements with the generators on one hand, and fuel suppliers on the other.

Alignment to national / regional / international mandates

GRI 102-12, GRI G4EU EU10, GRI 303-5

National mandates

Given TAQA's position in the power and water sector in the Emirate of Abu Dhabi, we seek strategic guidance from relevant UAE national mandates and ensure alignment with our own 2030 strategy and decision-making.

NATIONAL MANDATE	TAQA ALIGNMENT
 <p>Abu Dhabi Economic Vision 2030 Long-term plan for the transformation of the Emirate's economy that establishes a common framework for aligning all policies and plans that contribute to ongoing economic development.</p> <p>Emphasizes reduced reliance on the oil sector as a source of economic activity over time and a greater focus on knowledge-based industries in the future</p> <p>Two key priority areas:</p> <ol style="list-style-type: none"> Building a sustainable economy Ensuring a balanced social and regional economic development approach that brings benefits to all 	<p>Working closely with EWEC and the Abu Dhabi Department of Energy, TAQA has an essential role in delivering on the Vision's goals of:</p> <ul style="list-style-type: none"> Meeting demand for expanded power and water infrastructure in support of new real-estate megaprojects Achieving a more electrified future Diversifying energy sources Enhancing future energy security <p>TAQA has exclusive rights to participate in EWEC's future solar PV pipeline and we aim to exercise these rights by holding 40% interest in these projects, supporting our target of having at least 30% renewables generation in our portfolio by 2030.</p> <p>Investing in new solar PV projects in the UAE will support economic development through:</p> <ul style="list-style-type: none"> Local job creation Local supplier participation

 <p>Abu Dhabi Environment Vision 2030 The Environment Agency of Abu Dhabi (EAD) identified five priority areas to help combat environmental degradation:</p> <ol style="list-style-type: none"> Climate change Clean air and noise pollution Water resources Biodiversity Waste management 	<p>TAQA's companies are active in these five areas, operating Environmental Management Systems (EMS) to monitor various environmental impacts such as wastewater, waste, energy and air emissions.</p> <p>Committed to operational excellence and aims to move to a global EMS implementation by end of 2022. (Refer to Environmental Compliance section on page 68 for further details).</p>
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NATIONAL MANDATE	TAQA ALIGNMENT
 <p>UAE National Energy Strategy 2050 First unified energy strategy in the country</p> <p>Aims to:</p> <ul style="list-style-type: none"> Increase the contribution of clean energy in the total energy mix from 25% to 50% by 2050 (44% renewables, 6% nuclear, 38% gas, 12% clean fossil) Reduce the carbon footprint of power generation by 70% Increase consumption efficiency by 40%, thus saving AED 700 billion by 2050 <p>The UAE National Energy Strategy 2050 has been supplanted by the UAE 2050 Net Zero Initiative in October 2021 (Refer to page 21). Further details are expected to be released by the federal government in due course.</p>	<p>TAQA's strategy targets an increase in generation capacity from renewable energy sources to over 30% by 2030 from 5% of total capacity in 2020 in alignment with EWEC's plans for the procurement of power and water in Abu Dhabi.</p>

 <p>UAE Water Security Strategy 2036 Aims to ensure sustainable access to water during both normal and emergency conditions through demand-side and supply-side management programs as well as the development of emergency production and distribution plans.</p> <p>Targets include:</p> <ul style="list-style-type: none"> Reducing total demand for water resources by 21% Increasing the water productivity index to US\$110 per cubic meter Reducing the water scarcity index by three degrees Increasing the reuse of treated water to 95% <p>Increasing national water storage capacity up to two days under normal conditions (equivalent to 16 days in emergencies and 45 days in extreme emergencies)</p>	<p>TAQA is leading the development of new water desalination plants, deploying cost-efficient and versatile reverse osmosis technology.</p> <p>Unlike existing cogeneration power and water facilities, the new plants occupy a significantly smaller footprint and can be located much closer to urban centers and end-use consumers, contributing to the UAE's water security strategy.</p> <p>Refer to alignment with SDG 6, Clean Water & Sanitation, in The Sustainable Development Goals (SDGs) as part of TAQA Group's Strategy section on page 23 for further details on TAQA's efforts to sustainably source and supply water.</p>
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 <p>The UAE Strategy for the Fourth Industrial Revolution Aims to position the UAE as a global hub and model in innovation and adoption of leading-edge technologies to serve society and achieve happiness and sustainability.</p> <p>One of the aims of this strategy is to achieve future water and food security via bioengineering sciences and advanced renewable energy technologies. A strategic area is creating intelligent grids for sustainable consumption.</p>	<p>TAQA has been investing in smart-grid technologies to attain more real-time data and achieve better customer satisfaction.</p> <p>In 2021, TAQA commenced a major IT transformation program to adopt cloud computing, including the deployment of advanced analytics and Artificial Intelligence (AI) tools. TAQA's distribution companies, AADC and ADDC, entered a ten-year contract with Etisalat Digital to upgrade and manage the company's Advanced Metering Infrastructure (AMI) by providing seamless connectivity to enhance the efficient operation of more than one million smart meters.</p>
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NATIONAL MANDATE	TAQA ALIGNMENT
 <p>ADX Disclosure Guidelines and SCA Corporate Governance Guide</p> <p>ADX, as a partner of the Sustainable Stock Exchanges initiative (SSE), has developed ESG disclosure guidance to support listed organizations in their sustainability reporting efforts. Mapped against the GRI Standards and UN SDGs, the guidance suggests a subset of 31 indicators for voluntary disclosure and ultimately encourages reporting under internationally recognised sustainability reporting frameworks.</p> <p>In updating its corporate governance guidelines for public joint stock companies, the Securities and Commodities Authority (SCA), as the regulator of the UAE's capital markets, has mandated a transition to integrated reporting that entails a holistic treatment of an organization's value creation, preservation or erosion. SCA calls for the disclosure of a sustainability report as part of the integrated reporting process.</p>	<p>Listed on the ADX and subject to the regulation of the SCA, TAQA is proud to disclose its sustainability performance in this report in accordance with the GRI 2016 Sustainability Reporting Standards, Core Option, an internationally recognized framework. As our ESG and sustainability reporting process matures, we continue to review opportunities to supplement our internal controls with external assurance.</p>

 <p>Abu Dhabi Demand Side Management (DSM) and Energy Rationalization Strategy 2030</p> <p>Aims to reduce electricity consumption by 22% and water consumption by 32% by 2030 (from a 2013 baseline).</p> <p>The approach involves nine demand side management (DSM) programs:</p> <ol style="list-style-type: none"> 1. Building retrofits 2. Demand response 3. Efficient water use/re-use 4. Building regulations 5. Street lighting 6. District cooling 7. Standards and labels 8. Energy storage 9. Rebates and awareness 	<p>ADES was set up in 2020 as a wholly owned subsidiary of TAQA to act as a Super Energy Service Company (ESCO) funding demand-side management initiatives to be carried out by ESCOs. Further DSM programs are implemented through the distribution companies, ADDC and AADC (e.g., 'Tarsheed').</p> <p> Refer to the Demand Side Management section on page 61 for further details.</p>
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NATIONAL MANDATE	TAQA ALIGNMENT
 <p>Principles of the 50</p> <p>Comprises 10 principles that act as guidelines for all UAE institutions as the country embarks on a new phase of development over the next 50 years.</p> <p>The principles cover:</p> <ul style="list-style-type: none"> • Strengthening of the Union • Building the best and most dynamic economy in the world • Deploying foreign policy as a tool to serve higher national goals • Identifying human resources as the main driver for future growth • Adopting a foreign policy of good neighbourliness as the basis of stability • Promoting the UAE globally as one nation; focusing on digital, technical and scientific excellence • Emphasising a value system based on openness and tolerance actively participating in foreign humanitarian aid missions • Calling for peace and harmony 	<p>TAQA has a critical role in efficiently providing reliable supplies of power and water to drive economic development in Abu Dhabi and the wider UAE over the next 50 years and beyond.</p>

 <p>UAE 2050 Net Zero Initiative</p> <p>Aligned with the Principles of the 50 for accelerating national economic development through a new 50-year cycle of growth.</p> <p>The major economic opportunities offered by the path to net zero directly support a vision to develop the UAE into the most dynamic economy in the world.</p>	<p>TAQA is currently establishing a net zero strategy for the Group, which will include setting interim GHG emissions targets for 2030 and designing the pathway towards achieving net zero by 2050.</p> <p>In the interim, as part of Abu Dhabi's decarbonization plan, EWEC has instituted several initiatives, which include the retirement of less efficient combined cycle gas turbine (CCGT) assets and the introduction of nuclear and more solar PV in UAE's power grid.</p> <p>Sustainability partner to the Abu Dhabi Government</p> <ul style="list-style-type: none"> • Ensuring our initiatives meet EWEC's decarbonization plan • Working towards integrating ADNOC Offshore and EGA facilities to the grid to ensure demand for clean electricity meets supply • Working towards reducing electricity consumption through ADES, our Super ESCO, and our distribution companies through education campaigns that build awareness of the potential for retrofits and behavioral changes • Progressing on several green hydrogen projects, to support decarbonization of the UAE industrial ecosystem, including industries that are considered hard to decarbonize such as steel and shipping ( Refer to alignment with SDG 9, Industry, Innovation and Infrastructure in the SDGs on page 26 for further details on green hydrogen projects in the pipeline)
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Regional and International mandates

In addition to the UAE national mandates, TAQA seeks to align its strategy and initiatives with regional and international mandates to further drive improvements in the energy and water transition and ensure its contribution to the global sustainability agenda. Regional mandates are currently not prevalent as the Middle East and particularly the Gulf countries are taking individualized national-level initiatives towards achieving sustainability goals.

From an international perspective, TAQA aligns with international reporting frameworks, such as GRI and the SDGs, the world's sustainable development goals. In addition, national and international net zero mandates, including those in the UAE and across the US, Canada, the Netherlands and the United Kingdom, align directly with internationally agreed upon goals for mitigating global warming in the second half of the century, including the Paris Agreement (COP21) and Glasgow Climate Pact at COP26.

Global Reporting Initiative (GRI):

GRI 102-46, GRI 201-2

The GRI-established Sustainability Reporting Guidelines covering a range of sustainability focus areas, such as governance, community impact and ecology. The standards enhance accountability and knowledge-sharing, providing all companies and organizations with a comprehensive disclosure framework.

TAQA's sustainability reporting journey began in 2020 and will continue to be a key report for the Group moving forward. TAQA has adopted the GRI framework (2016 standards) to identify its material ESG topics and guide its sustainability reporting throughout this report.

We aim to incorporate the four reporting principles of:



2021 also saw a review of the overall report content by various stakeholders. We will seek to continue embracing rigorous reporting expectations as we develop our ESG and sustainability reporting offering.

United Nations Sustainable Development Goals (UN SDGs):

GRI 102-12

The United Nations Sustainable Development Goals (SDGs) represent a set of 17 overarching and interconnected social, economic and environmental sustainability goals that are intended to be achieved by 2030. These global goals are designed to create a better and more sustainable future for all through, among other issues, tackling climate change, ensuring access to clean water and affordable energy and ending poverty.

Each of the 17 goals has been made actionable with defined targets and corresponding measurable indicators to track progress made. Achievement of these goals by 2030 entails significant innovation and bold strides by corporates, governments, communities and individuals alike around the world.

As 2030 fast approaches, TAQA is committed to do its part in closing the gap towards achieving these goals. As such, TAQA measures its achievement against the SDG goals most relevant to the core utilities industries in which its operations fall, including primarily SDG 6 (Clean Water & Sanitation), SDG 7 (Affordable & Clean Energy), SDG 13 (Climate Action) as well those it has a direct contribution to, including SDG 13 (Industry Innovation & Infrastructure).

The SDGs as part of TAQA Group's strategy



SDG IN FOCUS	RELATED TARGETS	TAQA'S APPROACH TO THE TARGETS
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Goal 6: Ensure availability and sustainable management of water and sanitation for all

6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all

There are two main sources of water in the UAE: groundwater and desalinated seawater. Essentially all drinking water is produced through seawater desalination while ground water, much of it saline, is primarily used for agricultural irrigation.

6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally

TAQA plays a critical role in the provision of potable desalinated water in the Emirate of Abu Dhabi, with majority ownership stakes in all the water desalination plants currently in operation.

As part of our water strategy, TAQA targets to have 2/3 of desalination capacity from RO by 2030, decoupling water desalination from gas fired generation. This will lead to reduced energy consumption and emissions associated with desalination, ensuring a more sustainable source of water.

6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity

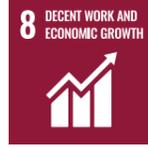
Aiming to increase water-use efficiency, the Group's Transmission & Distribution business operates recycled water networks and have projects underway to extend the use of recycled water.

Our distribution companies have two projects in the pipeline to distribute recycled water beyond municipal landscaping to include commercial and agricultural operations. These projects have the capacity to distribute 85 MIGD of recycled water through 150 km of pipelines in two phases. We have also partnered with Environment Agency Abu Dhabi (EAD) to develop a network to distribute desalinated water in the Liwa region to serve more than 4,000 farms and reduce agricultural consumption of groundwater.

In addition, our distribution companies have launched initiatives to reduce water consumption in Mosques in the Abu Dhabi and Al Ain regions, as well as consumption reduction programs for our key water consumers. ADES, TAQA's Super ESCO, is also in the process of executing multiple building retrofits in alignment with the Abu Dhabi Government Demand Side Management (DSM) and Rationalization Strategy 2030. This Strategy aims to further progress the Emirate's efforts to achieve environmental sustainability, rationalize electricity and water usage and reduce CO2 emissions. Refer to the Demand Side Management section on page 61 below for further details.

TAQA is committed to do its part in closing the gap towards achieving the UN Sustainable Development Goals.

SDG IN FOCUS	RELATED TARGETS	TAQA'S APPROACH TO THE TARGETS
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all	
	7.1 By 2030, ensure universal access to affordable, reliable and modern energy services	TAQA's purpose is to efficiently provide sustainable and reliable power and water to the communities in which we operate. To ensure access to affordable power and water to all, utility tariffs are heavily subsidized by the government of Abu Dhabi.
	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix	Our strategy calls for significant investments of AED 40 billion by 2030 to maintain, modernise and expand the power and water transmission and distribution networks. It also calls for a substantial increase in the share of renewable energy in our generation portfolio. Subject to regulatory approvals, the partnership with ADNOC and Mubadala is intended to spearhead the transition to renewable energy under the Masdar brand, increasing renewable capacity by 8 GW.
7.3 By 2030, double the global rate of improvement in energy efficiency (as measured by a reduction of energy intensity: the ratio between energy supply and GDP)	In addition, TAQA's strategy will pursue further optimization and digitalization to improve efficiencies and reduce losses in the transmission and distribution networks. By 2026, our target is to reduce water losses by 38% and 43% from our distribution networks, ADDC and AADC respectively.	
		In 2021, we commenced a major IT transformation program to adopt cloud computing, including the deployment of advanced analytics and AI tools to support TAQA's efforts towards becoming a digital utility. This includes the connection of real-time automated digital metering throughout Abu Dhabi with a focus on providing improved customer service offerings. Our distribution companies, AADC and ADDC, entered a ten-year contract with Etisalat Digital to upgrade and manage the company's Advanced Metering Infrastructure (AMI) by providing seamless connectivity to enhance the efficient operation of more than one million smart meters.
		Network reliability also improved in 2021, with our distribution companies seeing a combined 3.4% improvement in average outage duration for each customer served (SAIDI) and a combined 8.2% improvement on average number of interruptions a customer would experience (SAIFI) compared to 2020. We aim to further improve our reliability by 2026, targeting 28% and 30% reduction in SAIFI in ADDC and AADC, respectively.
		Furthermore, successes in demand-side management carried out by our distribution companies and ADES, our Super ESCO, will help accelerate the rate of improvement in energy efficiency in Abu Dhabi and the UAE economy.
		A key project in 2021 was the integration and synchronization of clean energy from Unit 1 of the Barakah Nuclear Energy Plant into the UAE grid via the TRANSCO power network. The seamless integration of nuclear power as baseload into the grid will naturally decrease the overall energy intensity of the grid by providing carbon-free produced electricity. Upon integration of the second unit of Barakah into the Abu Dhabi grid in late 2021, the total nuclear electricity capacity available increased to 2.8GW. Operational solar plants in Abu Dhabi add to this capacity- with the 60% TAQA-owned Sweihan PV and the 51% Masdar-owned Shams CSP, the total carbon-free electricity connected to the grid is 3.8 GW.

SDG IN FOCUS	RELATED TARGETS	TAQA'S APPROACH TO THE TARGETS
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	
	8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries	More than 50% of our international generation capacity is located in countries that are considered developing economies. In Morocco, we provide electricity that covers ~40% of the country's power needs, ensuring stable, reliable and affordable electricity source to enable the provision of other critical services, such as industry and healthcare. Our baseload capacity in Morocco is considered a safety net for future economic developments in the country. Our power plants employed ~500 people in 2021. In India, our Neyveli power plant almost doubled its electricity produced in 2021 compared to 2020, providing the vital electricity required for the economic recovery of people in the region. In 2021, we employed ~135 people in our India power plant. At our Ghana asset, we also doubled the amount of electricity produced compared to 2020, providing ~12% of the country's electricity needs. Our power plant employed ~80 people.
	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors	At TAQA, we aim to provide a safe, diverse and rewarding environment for our employees globally so they can thrive. To ensure the continued growth of our workforce, we provide training and education opportunities for all our employees. Going forward, these training modules will be increasingly catered to function and individual needs and career paths.
	8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	Labor rights are protected at TAQA and are continuously evaluated. Human Resources functions exist in each of our operating companies with direct links to the employees through an Employee Relations department to ensure attention is provided to our employees, in line with business needs and relevant labor laws.
8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	We seek input from our employees through an annual engagement survey to gauge their level of satisfaction on key focus areas and develop action plans accordingly, including on areas of employee wellbeing and professional development. In addition, some of the jurisdictions we operate in have strong workers' organizations (such as trade unions) and associated collective bargaining agreements.	
		Current revisions of HR policies entail securing equal pay for employees of both genders across the whole Group to ensure no differentiation in entitlement, obligations and pay is made based on gender.
		Health and safety of our employees is of utmost importance and is backed by Group-wide HSSE Management System.
		Refer to Collective bargaining agreements section on page 36 and Social Impacts section on page 72 for further details.

At TAQA, we aim to provide a safe, diverse and rewarding environment for our employees globally so they can thrive.

SDG IN FOCUS	RELATED TARGETS	TAQA'S APPROACH TO THE TARGETS
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p>	
	<p>9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all</p>	<p>The Group is committed to renewable energy, particularly solar photovoltaic, more efficient desalination technologies such as reverse osmosis as well as increased digitalization, particularly in our Transmission & Distribution business and grid readiness for renewables (e.g., smart grids).</p> <p>Our demand side management initiatives carried out through ADES seek to retrofit government and commercial buildings and facilities by identifying, sourcing and funding solutions that deliver tangible reductions in water and electricity consumption and increase resource-use efficiency.</p>
	<p>9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities</p>	<p>TAQA has also signed multiple agreements with key players across several industrial sectors to upgrade their technological capabilities and encourage greater adoption of environmentally clean processes. These include the below:</p> <ul style="list-style-type: none"> • An agreement with Emirates Steel, a major TAQA customer, to explore the production and use of green hydrogen to enable the manufacture of 'green steel'. A pre-feasibility study has been conducted for the project and stakeholders are currently being engaged to identify cost and commercial optimization opportunities. TAQA is in ongoing discussions with Emirates Steel and EWEC to firm up project parameters. • A similar agreement with Abu Dhabi Ports will see us explore a green hydrogen to liquid ammonia project for use by shipping lines in place of bunker fuel or for export from Abu Dhabi Ports via specialized gas carriers. The project is currently in the early stages, with preliminary due diligence completed to outline the entire hydrogen export value chain and a feasibility study to launch liquified hydrogen underway. • A strategic partnership between TAQA, ADNOC and Mubadala announced on December 1, 2021 to combine their renewable energy and green hydrogen portfolios and expand initiatives in Abu Dhabi towards achieving net zero emissions. • A partnership between TAQA and ADNOC Group was also announced in 2021 to connect ADNOC's offshore assets to the Abu Dhabi onshore national power grid via subsea cables. The project is the first of its kind in the region and will enable offshore facilities decarbonization. • A ten-year contract between our distribution companies, AADC and ADDC, with Etisalat Digital to upgrade and manage the company's Advanced Metering Infrastructure (AMI) by providing seamless connectivity to enhance the efficient operation of more than one million smart meters • Partnership with Marubeni Corporation to develop a greenfield cogeneration power and water desalination project in Saudi Arabia with the world's largest integrated oil and gas company, Saudi Aramco • Partnership with ADNOC to develop the utilities facility for TA'ZIZ, a new world-scale chemicals production hub and industrial ecosystem in Ruwais, Abu Dhabi • Partnering with the Dutch authorities to provide TAQA's offshore gas fields as storage sites for the CO₂ captured from the Porthos CCS project. This will enable significant CO₂ emissions reduction from industrial activities and potential for blue hydrogen production • Initiative to acquire EGA's captive gas generation assets and switch the facilities to Abu Dhabi's power grid. This will enable the deployment of additional solar capacity to power EGA facilities, largely decarbonizing aluminium production
	<p>9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending</p>	<p>To improve the resilience of the grid, TAQA also conducted a strategic maintenance review in 2021 and based on the outcomes, initiated a maintenance transformation program comprising 12 distinct initiatives to improve transmission and distribution reliability and cost effectiveness across our operating companies between 2022 and 2031. The program leverages digital capabilities, deploying advanced monitoring systems, enhancing staff skills and implementing advanced analytics across our asset base for power and water.</p>

SDG IN FOCUS	RELATED TARGETS	TAQA'S APPROACH TO THE TARGETS
 <p>13 CLIMATE ACTION</p>	<p>13. Take urgent action to combat climate change and its impacts</p>	
	<p>13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p>	<p>Given the UAE's naturally arid climate and the criticality of the provision of reliable power and water for its people and economy, sector planning, in coordination with Abu Dhabi's DoE, EWEC and other stakeholders seeks to ensure more diverse sources of energy (e.g., gas, solar, nuclear) with a reasonable safety margin for available capacity over and above forecasts of future peak demand.</p>
	<p>13.2 Integrate climate change measures into national policies, strategies and planning</p>	<p>TAQA is committed to delivering and managing within its asset portfolio new capacity build outs and enjoys exclusivity rights to participate with a minimum equity stake of 40% in all future power and water generation projects tendered in the Emirate of Abu Dhabi until February 2030.</p>
	<p>13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p>	<p>TAQA and its UAE utilities businesses are members of the Abu Dhabi Climate Change Taskforce, engaging with all key stakeholders managing the Emirate's response to climate change to further aligned corporate strategies with national policies and planning. In that vein, TAQA has set out an ambition for net zero emissions by 2050 in alignment with the UAE Net Zero Initiative 2050 and UAE Energy Strategy 2050. TAQA will announce its emissions targets in 2022 along with a concrete strategy to achieve this goal.</p> <p>In the meantime, TAQA is implementing numerous actions to reduce its own carbon footprint, promoting the decarbonization of the energy system through investment in renewable energy, electrification and management of energy demand and optimization of processes for generation, transmission and distribution of power and water to end-users. In addition, TAQA also currently embeds a number of climate-change risks in its Group risk report, including physical risks and transitional risks.</p> <p>(Refer to Defining Impacts on Sustainability and Risks section on page 32).</p> <p>Our distribution companies are launching educational programs in collaboration with the Department of Education in Abu Dhabi and other organizations in 2022 to develop educational material and programs for school curricula, with the aim of raising awareness on the importance of climate change among the youngest portion of the population.</p>

TAQA has set out an ambition for net zero emissions by 2050 in alignment with the UAE Net Zero Initiative 2050 and UAE Energy Strategy 2050.

Supply chain

GRI 102-9, 308-1, 414-1

At TAQA, we are committed to building strong relationships with reputable and qualified suppliers. We strive to source reliable goods and services for our stakeholders at the most competitive prices without compromising quality. We review supplier ESG credentials through due diligence procedures outlined later in this section.

The Supply Chain organization at TAQA is governed from our headquarters in Abu Dhabi through group policies, guidelines, delegations of authority (DoAs), performance metrics and initiatives. Performance metrics are focused on supplier performance and operational processes. These metrics include time delivery performance of vendors, buyer tendering timelines, supplier contract expiration, among others. Each of our operating companies is empowered to manage the relationship with suppliers in alignment with Group policies and procedures.

Overall, the Group Supply Chain has a mandate to tender products and services transparently while adhering to stringent policies and procedures. All procurement processes are managed by Procurement Specialists who are independent of the product or service end users. This ensures a fair and competitive playing field for all bidders and ensures TAQA receives the best value and quality of product or service.

At TAQA, we are committed to building strong relationships with reputable and qualified suppliers.

TAQA has approximately 10,000 active suppliers supporting our 11 operating companies across Canada, the United Kingdom, the Netherlands, Morocco, Ghana, India, Iraq and the UAE. Our key suppliers are located primarily in Europe, North America and the Middle East, and we maintain relationships with lower spend local suppliers in Ghana, India, Iraq and Morocco. Our suppliers support our three business lines, providing goods and services for direct and indirect spend across all categories within these sectors.

Our Group Supply Chain organization obtains goods and services only from suppliers who align with and acknowledge our Business Partner Code of Conduct and demonstrate compliance with applicable federal and local health, safety and environmental laws and regulations. The Business Partner Code of Conduct sets out the minimum ethical expectations from Business Partners and their relative sub-contractors, including compliance with anti-corruption laws, regulations, and standards such as those related to bribery and fraud. In addition, the Policy speaks to ethical, social and environmental practices, including those related to human rights, employment practices, modern slavery and child labor, health and safety in the workplace as well as environmental impacts. The Policy makes clear that failure to adhere to any of the principles will affect future business decisions with TAQA. Across TAQA, a pre-qualification compliance questionnaire is shared with all potential suppliers to assess compliance levels prior to engagement. More information on the Business Partner Code of Conduct can be found at [TAQA Group Code of Ethics & Business Conduct](#).

Supplier Environmental and Social Due Diligence

Across the Group, environmental and social considerations are incorporated into the procurement processes at varying degrees, as our business lines and international operating companies manage their supply chain activities independently within their locations and have their own set of requirements, standards, and due diligence procedures.

Examples of social and environmental specifications that have been incorporated into procurement practices include:

Headquarters:

- Request for Proposals (RFP) and Invitations to Tender (ITT) processes include environmental and/or social risk analysis prior to processing tenders where negative environmental or social impacts could occur
- Procurement procedures for the Transmission & Distribution business line prioritize sustainable and socially responsible procurement, including considerations related to labor terms and conditions, including living conditions and recycling of those materials, noise and light pollution, impact on local flora and fauna and disposal of hazardous materials.

Morocco, Ghana & India:

Environmental and social considerations are taken into account in contracts and require suppliers to adhere to rules and instructions around health, safety and environment (HSE).

Netherlands:

Environmental and social requirements are discussed during the evaluation procedures of suppliers across all projects.

UK:

The procurement process includes targeted environmental and/or social specifications checks and balances, including:

- The Green Procurement Questionnaire, which gathers details of energy use, emissions and circular economy strategies
- The HSSEQ ITT questionnaire, which requires details on the suppliers' HSE plan, quality management, ISO standards and QMS accreditation.

Suppliers are also pre-qualified and assessed via the Oil & Gas UK First Point Assessment Tool (FPAL) prior to any ITT being issued. This includes information on their CSR, ABC Procedures/Processes and Modern Slavery Statements. In addition, TAQA Bratani's supply chain processes include provisions in relation to slavery and human trafficking, including TAQA's zero tolerance approach to slavery and human trafficking, such that any risks are identified at the contractor evaluation stage prior to award of any contract.

Canada:

TAQA North: MoUs are in place with local First Nations that outline land and consultation requirements for access to Reserve lands to ensure protection of indigenous people's lands in Canada.

Engagement with Local Suppliers

TAQA seeks to engage with local suppliers, at the level they are available. As one of Abu Dhabi's flagship companies, we value our role in stimulating the local economy, increasing Emiratisation and attracting talent and expertise to the UAE. These efforts are directly aligned with the UAE's "Projects of the 50" which seeks to embark on an ambitious economic growth path for the next 50 years following its Golden Jubilee year in 2021 (refer to Alignment with national/regional/international mandates section on page 18 for further details).

Over 2018-2020, TAQA tracked spend on local suppliers in all countries in which we operate, except for India. The results show that TAQA spent an average of 94% of total procurement spend on local suppliers in these markets over those three years¹⁵. TAQA seeks to extend the use of its existing business intelligence suite for reporting key supply chain metrics to track local supplier spend in the future.

In addition, as part of the UAE Projects of the 50, TAQA will launch their National In-country Value (ICV) Program under the supervision of the Ministry of Industry and Advanced Technology (MoIAT) for the purpose of facilitating the redirection of procurement to the local economy, while stimulating growth in GDP and increasing Emiratisation and Expat employment. Suppliers can attain ICV Certificates from MoIAT, which grants them higher opportunities for winning tenders among government entities and participating companies. Suppliers attain an ICV score based on a set formula which provides certain advantages in the bidding process.

¹⁵ Most suppliers are required to have a legally registered entity in the UAE and are therefore, referred to as local suppliers here; however, many of them are of foreign ownership and/or manufacturing their goods abroad



OUR PRIORITIES

Implementing a planned approach to sustainability

GRI 102-11, 102-15, 201-2

Defining impacts on sustainability and risks

Considering the dynamic industries, changing markets, and varied regions within which TAQA operates, each business's strategy, plans, and operations are structured to identify and address different sustainability impacts and risks. Within our core utilities businesses, our general focus is on the Group's impacts on climate change and the environment.

We recognize that the provision of both power and water across the full value chain (from generation to transmission to distribution) is essential to guarantee the sustainable progress of modern societies. It also represents a key factor in reaching the UN SDGs, in particular SDG 6 to guarantee everyone safe and affordable drinking water, SDG 7 to guarantee everyone accessible, reliable, sustainable and modern energy, and SDG 13 regarding climate action (refer to The SDGs as part of TAQA Group's strategy section on page 22 for further details). The GCC region of the Middle East, including the UAE, is a great example of the opportunities that power and water provide, where modern cities and countries have emerged over the span of only a few decades to offer high standards of living and the necessary conditions for communities to flourish.



Provision of power, and particularly fossil-fuel fired generation, is a significant source of greenhouse gas emissions but today remains an essential component of around-the-clock reliable power grids and water networks. Technological advances in power generation, from renewable energy sources, desalination through reverse osmosis, battery energy storage and green hydrogen production, are developing into promising solutions to help limit greenhouse gas emissions and climate change. Further electrification, involving both increased clean electricity production and consumption in the future, promises to be one of the main solutions for reducing the world's carbon footprint while upholding the high standards of living we have achieved through fossil-fuel driven societal advancement.

TAQA is implementing specific actions to reduce its own carbon footprint, promoting the decarbonization of the energy system through investment in renewable energy, electrification and management of energy demand and optimization of processes for generation, transmission and distribution of power and water to end-users. These actions are aimed at reducing greenhouse gas emissions across our value chain and the greenhouse gas intensity of our products.

The Group also seeks to minimize all environmental impacts across its global activities and operating segments. This includes compliance with environmental regulations, operational safety and health system requirements and any other applicable regulations. We apply the Precautionary Principle¹⁶ approach in the risk identification and assessment stage of new projects, particularly risks relating to the environment, health and safety. New power and water generation projects, for example, undergo an Environmental & Social Impact Assessment (ESIA, often a regulatory requirement), covering a wide range of impacts including air quality, marine water, waste management, soil and groundwater, noise, traffic, archaeology and cultural heritage, community health, safety and security and worker conditions, occupational health and safety. We are committed to the responsible management of our climate-related and environmental impacts, risks and opportunities, and plan to incorporate consideration of these impacts within our capital allocation frameworks.

We consider climate-related risks as part of our risk management framework and system, and climate change and sustainability is considered a principal risk that requires management's attention. When addressing underlying risks faced by our businesses and operations, we consider:

- **Physical risks**, including extreme weather events and persistent changes requiring adaptation that could affect the reliability of our operations and the frequency and impact of incidents
- **Transition risks**, including those associated with policy, legal and regulatory developments, progress, uncertainties and costs in relation to new technologies, and changes in the market environment associated with shifts in consumer preferences, societal expectations and stakeholder sentiment that could affect the demand for our products, finance costs and access to funding.

Any of these risks could reduce our operational and financial performance, disrupt our operations, contribute to safety and environmental incidents, increase our liabilities and commitments, increase our costs, write-downs and provisions and affect our ability to deliver our strategy as access to competitive opportunities are curtailed.

In addressing these matters of climate change, sustainability and the opportunities available to us as the world transitions to a lower carbon economy, we have identified opportunities within our strategy that focus on both our existing and future assets, and include the following:

- Investing in low carbon and renewable energy growth, such as solar and wind
- Diversifying our energy generation mix across multiple technologies and sources
- Using more efficient and new power generation and water production technologies, for example reverse osmosis water desalination as well as waste-to-energy and new higher class gas turbines for power generation
- Benchmarking operational performance of UAE generation assets and identification of efficiency programs, which are currently under implementation
- Addressing grid losses in our transmission and distribution businesses
- Investing in new technologies that offer low emissions goods and services, for example green liquid ammonia for bunker fuel and green hydrogen for manufacturing
- Building strategic partnerships with government and contiguous sectors, including where there is a shared focus on emissions abatement and demand-side management

We continue to assess these risks and opportunities, including uncertainties in the pace of change and the transition pathways based on our current portfolio and future plans, including:

- A portfolio of largely modern gas-fired power and water generation assets
- A power and water generation business model that contractually mitigates exposure to many of these risks
- The strong, collaborative and proximate relationship we have with government-related offtakers and sector regulators, especially in our key markets
- Ambitious plans and targets for renewable power generation growth, a focus on efficient reverse osmosis desalination and a key role in green hydrogen developments

TAQA enjoys a strong starting position and we have outlined a bold strategy to minimize these risks and any potential financial impacts while capturing the opportunities being presented.

16. Principle 15 of 'The Rio Declaration on Environment and Development' of 1992

Engagement with our stakeholders

GRI 102-40, GRI 102-41, GRI 102-42, GRI 102-43, GRI 102-44

TAQA's work and operations impact many stakeholder groups, from business partners and regulators to our nearly half a million customers directly purchasing our products and services. Similarly, TAQA's stakeholders have a significant bearing on the Group's operations and overall strategy.

As such, we engage with our key stakeholders on an ongoing basis, ranging from investors, customers, suppliers and government to our internal stakeholders, our employees. We have a defined operating model to build strong relationships with all our stakeholders, which is translated into roles and responsibilities among different departments, such as the Regulatory Management Office within Transmission & Distribution, Investor Relations and Group Communications among others, that directly manage these relationships. The varying expectations from our diverse stakeholder base provides a unique perspective, helping us with our growth and evolution while also balancing financial returns and investor monetisation with environmental and social responsibility. Our continuous interaction with stakeholders helps shape the direction TAQA takes in setting priorities and business plans to responsibly and efficiently provide sustainable and reliable energy and water.

Our continuous interaction with stakeholders helps shape the direction TAQA takes in setting priorities and business plans.



Main stakeholder groups engaged by TAQA

Investor community 	Government 	Business Partners 	Suppliers 
<ul style="list-style-type: none"> • Shareholders • Debt investors • Lenders (local and foreign) • Credit rating agencies • ESG rating agencies • Equity and credit analysts • Financial media 	<ul style="list-style-type: none"> • Ministries • Government agencies • Environmental regulators • Capital markets regulators • Industry regulators 	<ul style="list-style-type: none"> • Strategic partners • Joint venture partners • Other project sponsors 	<ul style="list-style-type: none"> • Consultants • EPC contractors • OEMs (original equipment manufacturers) • Fuel suppliers
Customers 	Workforce 	Media 	Communities 
<ul style="list-style-type: none"> • Offtakers (governmental and commercial) • Commercial • Household • Industrial • Other governmental customers 	<ul style="list-style-type: none"> • Employees • Contractors 	<ul style="list-style-type: none"> • Print and online media • Social media • Content Channels 	<ul style="list-style-type: none"> • NGOs • Media • General public

The identification and selection of stakeholders for engagement is carried out by senior management at each of the Group's operating companies and at TAQA headquarters, where there is a team within Group Communications dedicated to stakeholder management. Consideration is given to the stakeholder's influence on and impact by the Group along with the nature of the relationship (e.g., dependency, authority, influence). We engage with our stakeholders year-round, and via different mechanisms as seen on [page 36-37](#). Given the Group's global operations, stakeholder registers are maintained by the operating companies, who are best placed to understand their influence, and impacts and obligations, including under local laws and regulations, as well as through Group Communications at TAQA's headquarters. In the UAE, there is greater centralization of stakeholder management given the presence of several operating entities within the same jurisdiction and the significance of the UAE business in the Group.

In the UAE, the market with the largest share of our operations, we are uniquely positioned to engage with key decision makers and customers alike, aiding us in closing the gaps between regulation, system planning, investing and customer satisfaction ([refer to Sector Value Chain Dynamics section on page 17](#)):

- 1. Abu Dhabi Department of Energy:** the regulator for the power and water sector in the Emirate.
- 2. ADQ:** majority shareholder and directly represented on TAQA's Board of Directors with a significant minority of Board seats. The Board delegates authority to TAQA's executive management and approves the Group's strategy, business plans, and major investment decisions among other responsibilities
- 3. Emirates Water and Electricity Company (EWEC):** the off-taker, system planner, and procurer of power and water production capacity in the Emirate of Abu Dhabi
- 4. ADDC and AADC:** our distribution companies, which interact with almost 500,000 consumers (served by approx. 1,020,000 end-user power and water connections) and monitor customer service delivery levels on a weekly basis.

Collective bargaining agreements

Employees' interests and work-related demands are taken seriously by TAQA. Some of the jurisdictions we operate in have strong workers' organizations, such as trade unions, and associated collective bargaining agreements. In all cases, an independent Human Resources function exists in each of our operating companies with direct links to the employees through an Employee Relations department to ensure attention is provided as required, and in line with business needs. We also engage with our employees through the employee engagement survey on a regular basis (refer to Our People section on page 72 for further details).

Where workers' organizations representing Group employees are present, we actively engage through the following:

- **TAQA Energy (Netherlands; 123 total employees):** Employees are represented, and their interests promoted and protected through the Works Council - an internal body with consultation rights in respect of certain significant proposed management decisions and approval rights in respect of intended company decisions regarding employment policies.
- **TAQA Bratani (UK; 793):** The Employee Consultative Committee (ECC) is a representative forum to achieve

informed decision making within the business, with management responsibility to inform, engage and consult the committee on matters of relevance.

- **TAQA Morocco (Morocco; 474):** The interests of the employees are promoted through representatives in the Union of Moroccan Workers (Union Marocaine du Travail – UMT), elected for a six-year term. The relationship with elected delegates is governed by a social consultation charter and a three-year social agreement is in place to promote the benefits of non-senior management staff.
- **Takoradi International Company – TICO (Ghana; 78):** The Interests, benefits and conditions of the employees are protected through a collective bargaining agreement signed between the Industrial and Commercial Workers Union of Ghana and TICO and renewed every two years.

Key discussion topics with TAQA's stakeholder groups

We engage with our stakeholder groups to better understand their requirements and expectations of our business, which we factor in our strategic decision-making and target-setting. The table below summarizes some of the key topics discussed through regular engagement with various stakeholder groups.

Government



- Regulatory compliance
- Approvals for Transmission & Distribution regulatory CAPEX and OPEX as per current regulatory framework
- Present and future regulatory framework of the energy sector (e.g., RC2 regulatory framework 2023-2026)¹⁷
- Decarbonization of the utility industry, and electro-intensive industries
- Demand electrification, energy efficiency, etc.
- Remuneration to the distribution businesses (e.g., government payments to guarantee revenues as per RC1 regulatory framework 2018-2022)¹⁶
- Corporate debt funding plans
- Participation in the O&M companies of the Abu Dhabi new plants
- Digitalization programs

Customers



- Alignment with national development plans and programs
- Customer service excellence
- Customer experience in all processes
- Energy efficiency
- Demand-side management
- Decarbonization of the supply (e.g. Emirates Steel, ADNOC, EGA)
- Communication during supply incidents

17. RC1 is First Regulatory Control for the period between 2018 to 2022 and RC2 is the Second Regulatory Control for the period between 2023-2026. These controls came into place to cap the revenue of the monopoly companies in the electricity and water sector. For further details refer to the DoE website <https://www.doe.gov.ae/en/Legislation-and-Compliance/Economic-Regulations/Price-Controls>

Employees



- Acquisition, management and retention of talent (performance management, career development, training, etc.)
- Diversity, inclusion and equal opportunity
- Total reward, (employee benefits, competitive compensation, short Term incentive plans and long-term Incentive plans, promotion, recognition etc.)

Investors/ Financial Community



- Financial and non-financial (ESG) performance of the Group
- Decarbonization strategy and plans for Oil & Gas segment
- Bond issuance
- Follow-on public offer timing
- Financial policies including dividend policy, yields and free-cashflow yields
- Corporate and subsidiary borrowing, including sustainable / green financing'

Credit Rating Agencies



- Yearly review of TAQA's credit rating

ESG Rating Agencies



- Alignment of ESG topics and metrics tracked as per expectations
- ESG performance through reporting, targets, policies and procedures and others

Business Partners



- Identification and delivery of operational synergies
- Collaboration on future projects locally and internationally
- Knowledge-sharing
- Development of alliances to expand service offerings

Suppliers



- Commercial relations with suppliers (information on bidding processes, award standards, contracting terms, prices, financing, payments and billing)
- Digital transformation - new IT tools in procurement
- HSE standards

Media



- Opportunity identification for TAQA visibility in print and digital media across local and international markets
- Growth and sponsorship opportunities across key markets
- Social media campaigns to highlight achievements and raise awareness on key topics
- Traction to our website and other channels
- Thought leadership in the utility space

Community



- Relationship with and contribution of the Group to civil society institutions
- Developing CSR programs and projects centred around community needs
- COVID-19 pandemic and measures to protect the most vulnerable
- Awareness-raising and training on specific industry issues of social interest (e.g., demand side management, 'Tarsheed' and ADES work)

Materiality assessment

GRI 102-44, 102-46, 102-47, GRI 103-1, 103-2, 103-3

The materiality assessment is a crucial step in the process of identifying and prioritizing sustainability topics that are most important to TAQA as well as its stakeholders. This process not only impacts TAQA's disclosure on sustainability matters but also directly feeds into our sustainability strategy- ensuring that the Company delivers on sustainability topics that are most relevant to our stakeholders, to the industry and that most significantly impact TAQA as a Group, and the respective local communities.

In 2020, TAQA conducted its first materiality assessment exercise as guided by the GRI Standards and identified a list of 12 high-priority and six medium-priority topics, whereas the remaining ten were deemed low-priority. Internal and external stakeholders across our three business lines (Transmission & Distribution, Generation and Oil & Gas) were engaged via an anonymous online survey and were asked to rate 28 different sustainability topics selected from the GRI Sustainability Reporting Standards ("GRI Standards") as well as the GRI G4 Electric Utilities Sector Disclosures ("GRI G4EU") and the G4 Oil and Gas Sector Disclosures ("GRI G4OG"). Participants were asked to rate the topics from two perspectives: 1) the importance of TAQA's sustainability-related impacts to them (as external stakeholders or employees, as the case may be), and 2) their perception of the importance of those impacts to TAQA as a business. Stakeholders were divided based on their association with each business line and assigned weightings based on the business line's scale and sustainability impacts¹⁸. We recorded an overall participation rate of 64% for the internal stakeholder survey (67 stakeholders engaged) and 45% for external stakeholders (54 stakeholders engaged). TAQA plans on conducting a new materiality assessment exercise in 2022. To improve participation in the upcoming materiality assessment, engagement will not be limited to an anonymous survey, but will also entail interviews and workshops with key internal and external stakeholders with the aim of prioritizing and ranking topics for different stakeholder groups. Guidance to determine the materiality assessment will follow updated GRI standards as well as other ESG frameworks and guidelines, industry best-practice based on peer analysis, ESG rating agencies' criteria, and feeding directly from the work we are currently doing as part of our ESG strategy.

TAQA focused its 2020 Sustainability Report on the high-priority topics identified along with select medium and low-priority topics (Demand-side management, Economic Performance and Reserves). We exceptionally did not report on the Water & Effluents topic, which is a high-priority topic, due to difficulties in obtaining data from non-operated assets, including data on water desalination activities. For purposes of 2021 reporting, Water & Effluents-related data was collected through data templates circulated to our entities. To mitigate future data availability and access challenges, TAQA is planning on implementing a data management tool in 2022 across the Group, which will enable data to be reported, tracked and reviewed on a regular basis and avoid any data gaps.

In 2021, TAQA is relying on the materiality assessment conducted in 2020 for purposes of reporting and plans to conduct an updated stakeholder engagement and materiality assessment exercise in the second half of 2022.

For the purposes of this report, we planned to incorporate all the topics in the medium and low-priority categories as well as the high-priority ones as we believe in the importance of tracking our performance on all material topics identified and have had the chance to learn from our first reporting effort in 2020. Accordingly, efforts were placed to collect data on all identified topics. However, ultimately some topics had to be omitted due to either lack of data, incomplete data or inconsistent data reported across our operated assets. We will not report on 1 of the 28 topics in this report, namely biodiversity. While biodiversity data is not reported currently, we are establishing a more detailed understanding of the data available and putting in place the tools required to gather biodiversity data consistently across our operated companies, including associated impacts of relevant topics and mitigation measures.

18. Weightings assigned were based on each business line's contribution to Group EBITDA and further adjusted to cater to each business line's environmental impact, particularly their contribution to Group GHG emissions (see page 66 on GHG emissions). As such, input from internal and external stakeholders associated with the Group's power and water Generation activities were given the highest weighting, followed by T&D and then O&G. TAQA did not incorporate external feedback from our O&G business in the 2020 report. O&G is the smallest of our business segments and is undergoing a strategic review. External views will be considered in future reporting

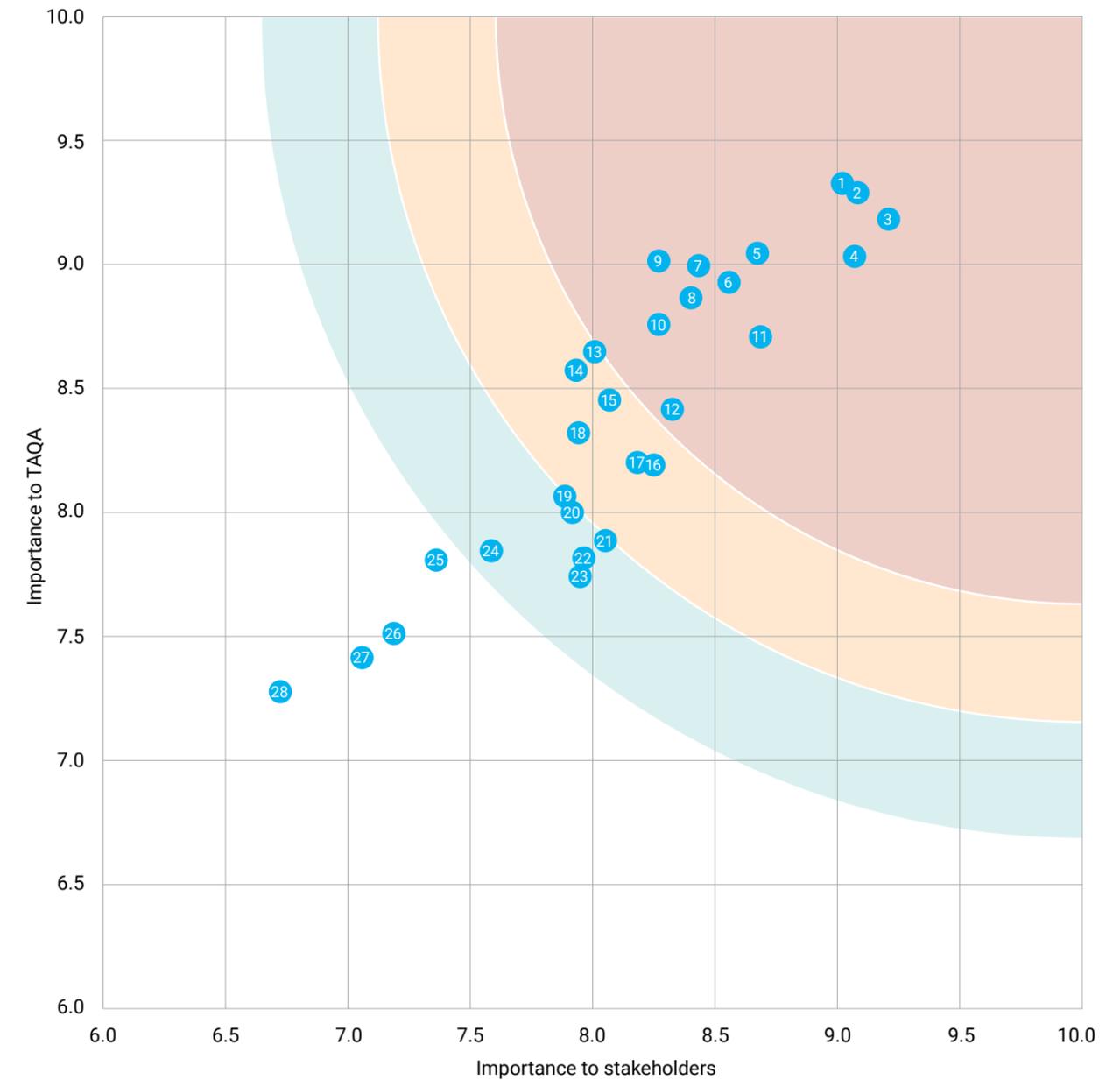
The table below includes the list of material topics in the 2021 Sustainability Report. We are focusing on growing ESG awareness, capabilities and reporting to ensure that we address the key topics considered relevant to our stakeholders and to TAQA. 2022 is a key year in our sustainability journey as we aim to develop and implement an ESG strategy across the Group. A key pillar of this ESG strategy is to improve our materiality assessment to be in line with best practices for ESG disclosure within the utilities industry.

High priority	Medium priority	Low priority
<ul style="list-style-type: none"> • Emissions (GRI 305) • Disaster / Emergency planning and response (GRI G4EU) • Anti-Corruption (GRI 205) • Environmental compliance (GRI 307) • Availability and Reliability (GRI G4EU) • Occupational HSE (GRI 403) • System Efficiency (GRI G4EU) • Energy (GRI 302) • Asset Integrity & Process safety (GRI G4OG) • COVID-19 (Non-GRI) • Emergency Preparedness (GRI G4OG) • Water and Effluents (GRI 303) 	<ul style="list-style-type: none"> • Access (GRI G4EU) • Anti-competitive behaviour (GRI 206) • Demand-side Management (GRI G4EU) • Waste (GRI 306) • Local Communities (Decommissioning) (GRI G4OG) • Economic Performance (GRI 201) 	<ul style="list-style-type: none"> • Biodiversity* (GRI 304) • Non-discrimination (GRI 406) • Local communities (GRI 413) • Diversity & Equal opportunity (GRI 405) • Supplier Environmental Assessment (GRI 308) • Employment (GRI 401) • Supplier Social Assessment (GRI 414) • Training & Education (GRI 404) • Reserves (GRI G4OG) • Procurement Practices (GRI 204)

* Not reported in 2021



Materiality matrix



- | | | | | |
|---|-------------------------------------|--------------------------------|---|--------------------------------|
| 1. Anti-Corruption | 6. Occupational Health & Safety | 11. Energy | 17. Local Communities (Decommissioning) | 22. Biodiversity |
| 2. Disaster/Emergency Planning and Response | 7. System Efficiency | 12. Water and Effluents | 18. Economic Performance | 23. Local Communities |
| 3. Emissions | 8. Non-GRI Topic: COVID-19 | 13. Access | 19. Supplier Environmental | 24. Employment |
| 4. Environmental Compliance | 9. Asset Integrity & Process Safety | 14. Demand-Side Management | 20. Diversity & Equal Opportunity | 25. Training & Education |
| 5. Availability and Reliability | 10. Emergency Preparedness | 15. Anti-Competitive Behaviour | 21. Non-discrimination | 26. Supplier Social Assessment |
| | | 16. Waste | | 27. Reserves |
| | | | | 28. Procurement Practices |

About our reporting

GRI 102-45, GRI 102-46, GRI 102-50, GRI 102-51, GRI 102-52, GRI 102-53, GRI 102-54, GRI 102-56

This is TAQA's second annual sustainability report as a fully integrated utility following the transaction with ADPower, completed on July 1, 2020 and serves as TAQA's primary consolidated ESG reporting effort. The report is in accordance with GRI Sustainability Reporting Standards 2016: Core Option. Some of our subsidiaries, including TAQA Morocco and TAQA Bratani, have elected to publish separate sustainability and/or environmental reports.

TAQA did not seek third-party assurance on this report, and we aim to obtain assurance on material sustainability metrics in future reporting. Upon collecting ESG data for purposes of the sustainability report, we noted numerous opportunities for improvement to our ESG data collection and analysis procedures. To enhance the data collection process, TAQA will seek to embed a data management tool for defined ESG topics and metrics along with associated policies and procedures in the next year.

Reporting history, period and cycle

The data contained in the report covers the period of January 1, 2021 to December 31, 2021 and incorporates details of initiatives, programs and achievements outside of this timeframe to better demonstrate trends and progress during the period through to the publication date of this report. TAQA's sustainability reporting cycle will continue to run annually going forward, in line with TAQA's financial year, which coincides with the calendar year.

Principles and scope of reporting

The table below shows the consolidation scope of the Group's subsidiaries, joint ventures and associates for statutory financial reporting, as well as the approach taken for inclusion of entities in covering the various GRI sustainability topics in this report and the calculation of GRI indicators in accordance with the GRI Standards:

- **Financial reporting:** Entities that are accounted for as subsidiaries are fully incorporated in TAQA's consolidated statements when TAQA's effective 'control'¹⁹ over these entities is established. Joint ventures²⁰ and associates²¹ are incorporated in the Group's consolidated financial statements using the equity method of accounting. For more details, see notes 2.2 and 33 of TAQA's 2020 Audited Consolidated Financial Statements.
- **Environmental reporting:** GHG emissions are principally reported as per the 'financial control' approach outlined in the GHG Protocol. GHG emissions at subsidiaries are fully consolidated (at 100%) while GHG emissions from

joint ventures are consolidated using the equity method (in proportion to the beneficial ownership in the jointly controlled entity). This approach is cascaded down the corporate structure using the financial reporting definitions for subsidiaries and joint ventures and does not factor in whether operational control is exercised over the relevant businesses. GHG emissions produced by associates are not consolidated. Other environmental topics are consolidated using the same approach as for GHG emissions. As an exception to this approach in this report, measurements of environmental impacts within O&G, our smallest business segment, are consolidated as per the GHG Protocol's 'operational control' approach, due to the unavailability of consistent data for non-operated assets.

- **Social sustainability topics:** reported as per the 'operational control' approach outlined by the GHG Protocol. Entities 'operated'²² by TAQA are included in the consolidation of health and safety and other social metrics.
- **Governance related topics:** reported largely at the TAQA headquarters level with Group-wide policies and management approach referenced. Individual operating companies within the Group may follow specific policies in line with the regulatory requirements and accepted best practices of their jurisdictions. For detailed reporting on our corporate governance framework, structure, audit and internal control environment, [TAQA's Corporate Governance Report 2021](#).

19. Control is achieved when the Group: 1) has power over the investee; 2) is exposed, or has rights, to variable returns from its involvement with the investee; and 3) has the ability to use its power to affect its returns. When the Group has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

20. A joint arrangement whereby the parties have joint control of the arrangement. Joint control exists when decisions about relevant activities require unanimous consent of the parties sharing control.

21. An entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture.

22. Operational control achieved when there is full authority to introduce and implement operating policies at the operation (typically through an explicit operating license).

Entity	Country	TAQA share	Financial consolidation	TAQA operated?	Sustainability topics	
					Environmental (financial control)	Social (operational control)
Transmission & Distribution						
TRANSCO	UAE	100%	Subsidiary	Yes	100%	100%
AADC	UAE	100%	Subsidiary	Yes	100%	100%
ADDC	UAE	100%	Subsidiary	Yes	100%	100%
ADES	UAE	100%	Subsidiary	Yes	100%	100%
Generation						
UAE Generation						
Taweelah A1	UAE	60%	Subsidiary	No	100%	Exclude
Taweelah A2 ²³	UAE	60%	Subsidiary	No	100%	Exclude
Taweelah B	UAE	60%	Subsidiary	No	100%	Exclude
Shuweihat S1	UAE	60%	Subsidiary	No	100%	Exclude
Shuweihat S2	UAE	60%	Subsidiary	No	100%	Exclude
Shuweihat S3	UAE	60%	Subsidiary	No	100%	Exclude
Umm al Nar	UAE	60%	Subsidiary	No	100%	Exclude
Fujairah F1	UAE	60%	Subsidiary	No	100%	Exclude
Fujairah F2	UAE	60%	Subsidiary	No	100%	Exclude
Al Mirfa	UAE	60%	Subsidiary	No	100%	Exclude
AMPC ²⁴	UAE	100%	Subsidiary	No	100%	Exclude
Sweihan PV1	UAE	60%	Subsidiary	No	100%	Exclude
Int'l Generation						
TAQA Morocco (JLEC1-4)	Morocco	86%	Subsidiary	Yes	100%	100%
TAQA Morocco (JLEC5-6)	Morocco	91%	Subsidiary	Yes	100%	100%
Takoradi	Ghana	90%	Subsidiary	Yes	100%	100%
Red Oak	USA	85%	Subsidiary	No	100%	Exclude
Neyveli	India	100%	Subsidiary	Yes	100%	100%
Lakefield	USA	50%	JV	No	50%	Exclude
Sohar	Oman	40%	Associate	No	Exclude	Exclude
Jubail	KSA	25%	Associate	No	Exclude	Exclude
Oil & Gas²⁵						
TAQA Bratani	UK	100%	Subsidiary	Yes	100%	100%
TAQA Energy	Netherlands	100%	Subsidiary	Yes	100%	100%
TAQA North	Canada	100%	Subsidiary	Yes	100%	100%
TAQA Atrush	Iraq	47.4%	Subsidiary	Yes	100%	100%
Corporate						
Massar Solutions	UAE	49%	Associate	No	Exclude	Exclude

TAQA welcomes feedback from all stakeholders on information presented in this report and on the Group's general sustainability reporting effort. Please send any comments, queries or suggestions related to sustainability to esg.hq@taqa.com.

Please note that an electronic version of this report can be found on our website: taqa.com

23. Taweelah A2 halted production in October 2021 upon expiry of the PWPA

24. AMPC had 3 power plants – Madinat Zayed, Al Ain and RASCO. Madinat Zayed and Al Ain plants, with a combined capacity of 373 MW, stopped operation effective 31 Dec 2020 and are therefore no longer on the Group's generation capacities list. In 2021, only RASCO is operational on a reserved basis, meaning it will only supply power as and when there is a shortage on the grid and in a few remote areas.

25. Environmental impacts of unincorporated JVs within our O&G subsidiaries are exceptionally accounted for as per the GHG Protocol's 'operational control' approach rather than 'financial control', which would otherwise call for 'equity method' accounting





OUR SUSTAINABILITY PERFORMANCE

Sustainability governance

TAQA's Board of Directors (the Board) recognizes that good governance is critical to maximize contribution to the economy and ensure a long-term and sustainable corporate future. TAQA has published a separate 2021 Corporate Governance Report which provides an overview of TAQA's corporate governance system and procedures and can be accessed²⁶ for more details.

Reflecting on TAQA's Group corporate governance achievements, 2021 has been a year of resilience. Underpinned by TAQA's purpose, vision and mission, the Board approved the group corporate governance manual, which sets the governance framework for the Company and its subsidiaries.

Reflecting on TAQA Group's corporate governance achievements, 2021 has been a year of resilience. Underpinned by TAQA's purpose, vision and mission, the Board approved the group corporate governance manual, which sets the governance framework for the Company and its subsidiaries."

Jasim Husain Thabet
TAQA Group CEO and Managing Director

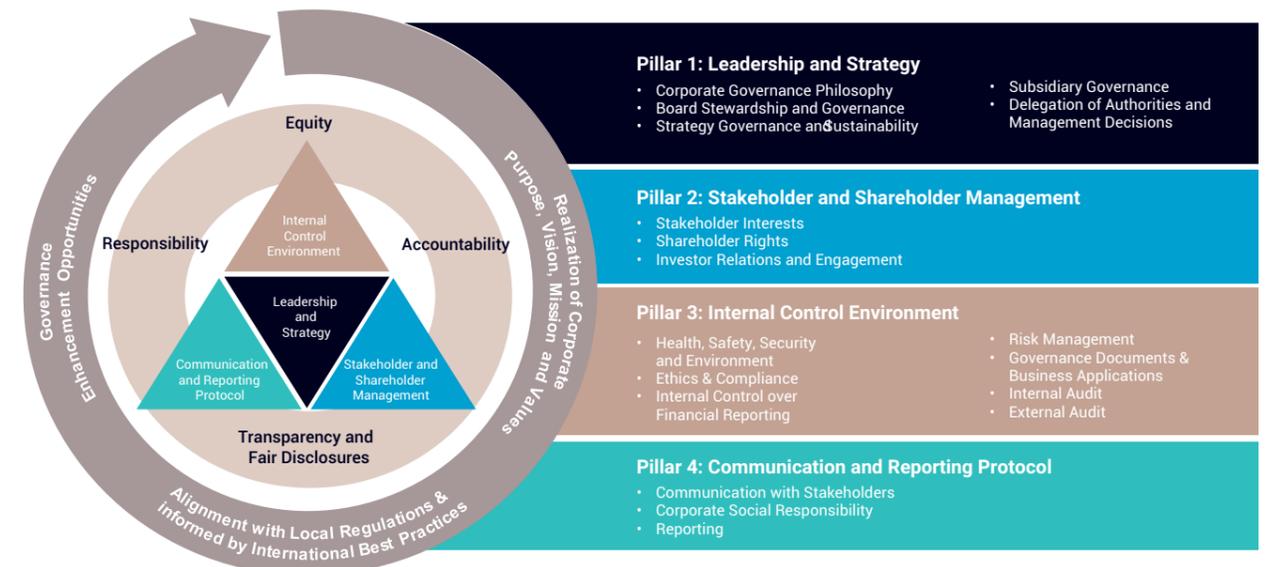
26. TAQA's corporate governance reports and other governance documents available at: www.taqa.com/corporate-governance-framework

Governance structure

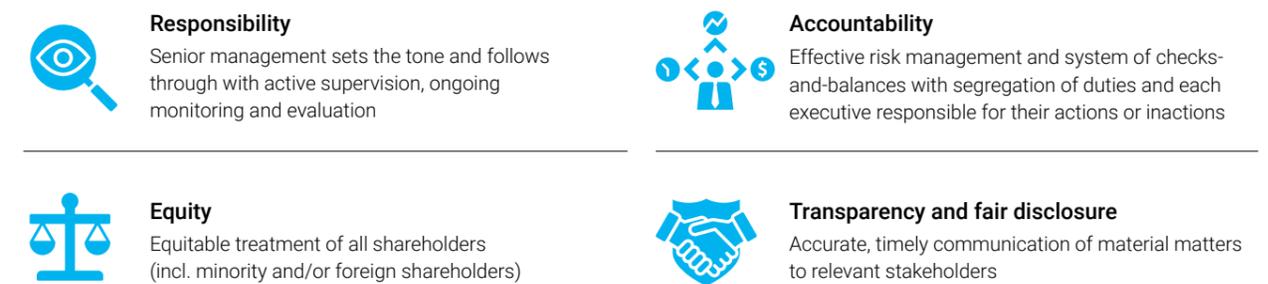
GRI 102-16, GRI 102-18

TAQA's corporate governance framework is based on the principles of responsibility, accountability, equity, and transparency and fair disclosure. These principles, in turn, support four core pillars that support TAQA's Board in realizing the corporate vision, achieving business objectives, strengthening values and continuously identifying governance enhancement opportunities. The framework aligns with the rules laid out by the SCA for all UAE-listed entities²⁷.

Corporate Governance Framework²⁸ 'Pillars'



Corporate Governance Framework 'Principles'



The current Chairman of the Board of Directors, H.E. Mohamed Hassan Alsuwaidi, who was elected Chairman in 2020, is a non-executive, independent board member. The Chairman of the Board of Directors is tasked with ensuring that the Board acts efficiently, fulfils its responsibilities, and discusses all pertinent issues in a timely manner. By drawing on the skills and expertise of each Board member, the Board engages with designated committees, including the Audit Committee, Nomination and Remuneration

Committee, and Strategy and Investment Committee, to assist its consideration of specific concerns, while retaining the responsibility to issue final decisions in these areas. To segregate duties, the Chairman is not permitted membership to any of the committees. TAQA's Articles of Association, however, and in line with UAE Companies Law and SCA corporate governance guidelines, allow for the election of a managing director from amongst the Board Directors.

27. Based on Chairman of SCA's Board of Directors' Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide
28. New Group Corporate Governance Framework adopted December 2021

The table below outlines TAQA's current Board structure. The majority of the directors of the Company are non-executive, independent directors, within the meaning of Resolution No. (3/R.M) of 2020 of the SCA (Governance Guide). TAQA's Board is constituted of members who possess diverse expertise, skills and qualifications across various fields. For further details on the Board members, including tenure, memberships, collective knowledge and competencies can be found in TAQA's corporate governance report.

TAQA's Board composition²⁹

H.E. Mohamed Hassan AlSuwaidi Chairman, Independent Non-Executive	Khalifa Sultan Al Suwaidi Member, Independent Non-Executive	Mansour Mohamed Almulla³⁰ Member, Independent Non-Executive
Saeed Mubarak Al Hajeri Vice Chairman, Non-Executive	Salem Sultan Al Dhaheri Member, Non-Executive	Hamad Abdulla Al Hammadi³⁰ Member, Independent Non-Executive
H.E. Saif Mohamed Al Hajeri Member, Independent Non-Executive	Khaled Abdulla Al Mass Member, Independent Non-Executive	Jasim Husain Thabet Managing Director and Group CEO

Board committees and committee members

Audit Committee (AC)³¹

Comprised of majority Independent and Non-Executive Board Members. The AC remit is reflected in the AC Charter³², which among other matters, specifies the duties and responsibilities of the AC, including internal audit, enterprise risk management, internal control, compliance, financial reporting and external audit.

- Khaled Abdulla Al Mass (AC Chair)
- Mansour Mohamed Almulla
- Salem Sultan Al Dhaheri

Nomination and Remuneration Committee (NRC)³¹

Comprised of majority Independent and Non-Executive Board Members. The NRC remit is reflected in the NRC Charter, which among other matters, specifies the duties and responsibilities of the NRC, including Board nomination, selection, training and assessment, human capital and remuneration.

- H.E. Saif Mohamed Al Hajeri (NRC Chair)
- Saeed Mubarak Al Hajeri
- Khalifa Sultan Al Suwaidi

Strategy and Investment Committee (SIC)³¹

Comprised of majority Independent and Non-Executive Board Members. The SIC remit reflected in the SIC Charter³⁰, which among other matters, specifies the duties and responsibilities of the SIC, including corporate strategy, generation business strategy, transmission and distribution business strategy, oil and gas business strategy, capital expenditure, investment and divestment, treasury and finance and accounting matters.

- Khalifa Sultan Al Suwaidi (SIC Chair)
- Khaled Abdulla Al Mass
- Hamad Abdulla Al Hammadi

TAQA Board statistics

Percentage of Board seats occupied by males / females

100% / 0%

Percentage of Board seats occupied by independent / non-independent Board members

67% / 33%

Percentage of committee Chairs occupied by males / females

100% / 0%

TAQA has engaged two independent board advisers since the merger in July 2020, Mr. Chris Finlayson and Mr. Jorgen Kildahl. Our advisors were selected based on their international experience in the Oil and Gas and Utilities sectors, respectively. The role of the advisors is to advise and support the Board key strategic matters, including business strategy, corporate governance, best management practices and industry insights, among others. The advisors attend all SIC and Board meetings. The advisors' profiles can be found in our Corporate Governance report.

29. Independence classification for Board members as per SCA guidelines, which specify that "the independence of a Board member is not affected solely by the fact that the Board member is an employee of the parent company or any of its subsidiaries if any such companies is a government entity or the government or any of the government's subsidiaries owns at least 75% of such companies"

30. Elected to the Board in March 2021 following expansion of the Board to comprise 9 directors (previously 7)

31. Committees reconstituted in early 2021. AC previously included: Salem Sultan Al Dhaheri (Chair), Khaled Abdulla Al Mass, Khalifa Sultan Al Suwaidi; NRC: Saeed Mubarak Al Hajeri (Chair), H.E. Saif Mohamed Al Hajeri, Khalifa Sultan Al Suwaidi; SIC: Khalifa Sultan Al Suwaidi (Chair), Khaled Abdulla Al Mass, Jasim Husain Thabet

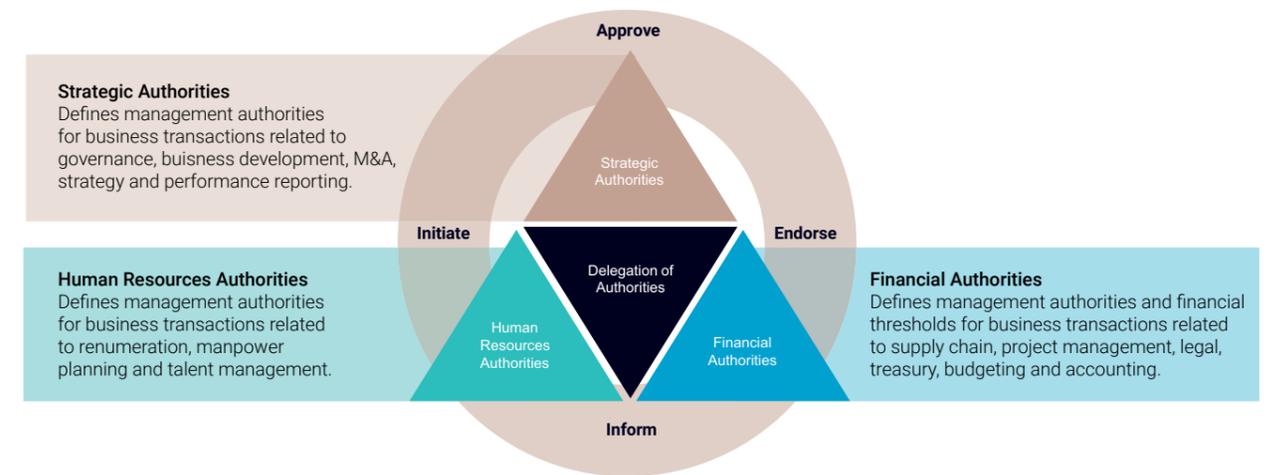
32. Committee charters available on TAQA's corporate website: www.taqa.com/corporate-governance-framework

Delegation of authority

GRI 102-19

The Board of Directors has set and approved the Group Policy on Delegation of Authority. In accordance with the Articles of Association of the Company, the Board can delegate its powers to a Board Committee and the management of the Company. This policy sets out a comprehensive description and allocation of authorities, namely, the authorities of the

Company's shareholders, the Board and the authorities delegated by the Board to the Board Committees and in-turn the management of the members of the Group to run the administration and affairs of the Group. Key aspects of the policy are represented in the diagram below:



Executive-level responsibility for economic, environmental, and social topics

GRI 102-20

In July 2021, the Board approved certain changes to the Executive Management Team (EMT) and their departments to support TAQA's long-term strategy and growth. Key changes included creation of a new role of Director of Sustainability within the Strategy team. At the executive-level in TAQA, the EMT, more specifically the Chief Risk and Internal Audit Officer, Chief Communications Officer, and Executive Director Strategy & Sustainability monitor and drive various economic, environmental and social topics. The EMT discuss ESG topics on a monthly basis and assesses the need for further discussions and escalations to and Board, as needed. The EMT functionally report into the Group CEO and Managing

Director and present matters to the Board and relevant Board Committees based on the nature of topics. Furthermore, the Group Scorecard, which includes annual targets directly linked to pay to be achieved by the Group³³, incorporates ESG targets, including delivering on the Sustainability Report, setting emissions and ESG targets, meeting safety standards and enhancing employee engagement. Having these targets within the Group Scorecard incentivizes delivery on ESG matters, starting at the top of the organization and cascading down to EMT level and all levels of the business.

33. Annual targets are across the following five pillars: financial, operational, strategic, sustainability and HSSE, People

Nominating and selecting the highest governance body

GRI 102-24

In consultation with the Nomination and Remuneration Committee (NRC), the Board formally documented the Board Nomination and Appointment Policy in 2021, which covers the process of nominating, selecting, electing a candidate to the Board and re-electing a Board member. The Board Nomination and Appointment Policy recognizes that the proposed election or re-election of Board members should support specific needs and interests of the Company and its stakeholders, and that the selection of candidates should be based on merit and objective criteria. This policy also includes statements around gender diversity, stating that due consideration will be placed on diversity as a part of the annual Board evaluation.

TAQA's Board of Directors are elected by the General Assembly for a term of three years or remainder thereof, in line with the Company's Articles of Association. With the approval of the amendment of Articles of Association of the Company on March 18, 2021, TAQA's shareholders increased

the Board bench from seven to nine members. The Company then publicly invited suitable candidates to nominate themselves for elections.

In line with the Company's values, and as TAQA continues to seek diverse Board representation and inclusion of female professionals, TAQA's NRC encourages shareholders to nominate female candidates for Board membership. A female candidate was selected as a candidate for membership to TAQA's Board, however her candidacy was not supported by sufficient votes to attain membership. Mr. Mansour Almulla and Mr. Hamad Al Hammadi were elected as the two new board members for a term until April 2023.

The NRC and Board will continue encouraging shareholders to nominate and appoint females to the Board with the aim of enhancing gender diversity by the next round of Board elections, but the ultimate decision lies with the shareholders.

Board Assessment and Training

GRI 102-28

The Board and Board committees annually review and self-assess their performance, and independent consultants facilitate these evaluations at least once every three years. These assessments involve consideration of all the Board's key duties and responsibilities and a review of key areas where the Board and/or Board members' contribution may

be further optimized. The outcomes of these evaluation inform Board remuneration and training topics. The NRC has set a Board assessment and evaluation policy to establish Board performance objectives as a means of enhancing accountability. This policy is currently under Board review.



Remuneration Policies

GRI 102-35, 102-36, 102-37

The remuneration of Board members is determined as per Article 29 of the Articles of Association of the Company, which provides for the payment of a lump sum amount to each member on the recommendation of the Board³⁴ and the approval by the shareholders at the Annual General Assembly (AGA)³⁵. The Company may also pay additional expenses, fees or a monthly salary in such amount as may be determined by the Board for any Board member appointed to any committee, making special efforts or performing additional work for the Company beyond the duties assigned by virtue of their Board membership. The total remuneration paid to the members of the Board for the year ended 31 December 2021 was AED 18,707,376 (inclusive of VAT).

In 2021, the Board endorsed a formal Board Remuneration Policy to attract highly qualified candidates, retain and motivate highly qualified Board members and create

long-term, sustainable value aligned with the Company's stakeholders' interests. The Policy provides an overview of the Company's Board of Director's Compensation strategy, principles governing Board Compensation, Board Remuneration structure and related governance procedures. It is worth noting that bonus payments are not applicable to the Board.

The Board Remuneration Policy was approved by the Board on March 15, 2022 and can be accessed on our [website](#).

Remuneration of the EMT, including bonus targets, is determined through engagement with a third-party consultant and is endorsed by the NRC and approved by the Board. Employment contracts include provisions for clawback and malus for all EMT members.

ESG Oversight

GRI 102-20, 102-31, 102-32

The responsibility for overall decision-making on economic, environmental and social topics through a sustainability lens ultimately lies with the Board, who has to date not formally delegated this oversight to other specific Board-level committees. However, specific components of ESG are factored into the remits of certain Board-level committees. To the extent set out in the respective Board-level committee charters, the Audit Committee and Strategy Investment Committee review key environmental aspects in relation to matters presented, whereas NRC reviews the social aspects.

Our EMT, in turn, oversees the execution and implementation of ESG initiatives and programs. As indicated above, the EMT is consistently involved with the development of TAQA's ESG strategy and reviews the final sustainability report to ensure quality and alignment with the Company's strategic direction.

ESG targets are integrated within the short and long-term targets established for the Group as part of the Group Scorecard, and impact variable compensation schemes for all employees, including the Group CEO and EMT.

34. An in-house peer benchmarking analysis is conducted to determine lump Board remuneration

35. Results of votes for Board remuneration are available in the relevant AGA results published on our website

Associations and organizations

GRI 102-13

The Group's global operations maintain memberships to multiple associations and bodies. In the UAE, home to a significant majority of the Group's activities, TAQA and its

majority shareholder, ADQ (via ADPower), play an important role in multiple national organisations, councils and committees. These include but are not limited to:



Our Code of Ethics & Business Conduct and Ethics & Compliance Policies

GRI 102-16, GRI 205-2, GRI 206-1, GRI 406-1

At TAQA, we promote a culture of integrity, transparency, respect, fairness and the highest ethical and professional standards. This goes beyond just responding to expectations of our Board and shareholders and aims to reach the very core of all our business, which entails instilling these values across our organization through internal policies that are aligned with best practices and applicable laws & regulations.

The TAQA Group established an independent Ethics & Compliance Office to develop and implement an ethics and compliance program across the Group. The Group Ethics & Compliance Office's mandate is to establish a strong, robust and cohesive culture across the organization through a framework to prevent, detect, and respond to ethics and compliance matters. The Office functionally reports to the Audit Committee of the Board and has direct access to the Board to deal with matters independently and in confidence.

In 2021, the Ethics & Compliance Office overhauled the TAQA Group Code of Ethics & Business Conduct and introduced nine key policies along with a Business Partner Code of Conduct in both English and Arabic. The TAQA Group Code of Ethics & Business Conduct articulates the Group's approach to business ethics, how we conduct our internal and external business affairs, how we safeguard information and how we promote the wellbeing of our workforce, environment, and communities.

The Ethics & Compliance Office launched the following codes and policies in 2021 as part of the Group Code of Ethics & Business Conduct:

- **Code of Ethics & Business Conduct:** the foundational document of TAQA's ethical culture that sets minimum standards of ethical and professional conduct. It sets out the principles and responsibilities that Group personnel are expected to abide by to establish a strong ethics and compliance culture.
- **Business Partner Code of Conduct:** establishes minimum ethical and professional expectations that the Group requires from its business partners.
- **Speaking-up Policy:** provides guidance on the importance of (and how to) raising questions or concerns regarding any suspected violations of applicable laws or regulations and/or internal policies or guidelines of the Group.
- **Conflict of Interest Policy:** provides guidance on how to recognize a conflict of interest and how to make required disclosures to the Ethics & Compliance Office.
- **Anti-Bribery & Corruption and Anti-Fraud Policy:** sets out guidance on how to prevent bribery, corruption and fraud.
- **Insider Trading Policy:** outlines obligations to protect material confidential information, when Group personnel and their related persons may trade in Group securities.

- **Data Protection Policy:** sets out the requirements and standards that Group personnel must adhere to in order to comply with all applicable Data Protection Laws and best practices.
- **Business Partner Due Diligence Policy:** establish the procedures to perform appropriate, risk-based due diligence on potential and existing business partners.
- **Anti- Money Laundering and Counter-Terrorism Financing Policy:** sets out guidance on how to identify and prevent money laundering and terrorist financing.
- **Sanctions and Trade Controls Policy:** sets out certain requirements and guidance to prevent any breaches of trade controls and sanctions.
- **Antitrust Policy:** intended to provide awareness regarding antitrust rules to enable recognition of antitrust issues and when to seek guidance.
 - The Antitrust Policy includes provisions around promoting fair competition and prohibit anti-competitive behavior which includes abuse of a dominant position, price fixing, market division, group boycotts, exclusive dealing arrangements, any agreement or sharing of Confidential Information (formal or informal) which may restrict or limit trade. Further information on this policy can be found within TAQA Group Code of Ethics & Business Conduct.

The updated Code of Ethics & Business Conduct was rolled out in multiple user-friendly formats, including an immersive virtual reality experience to deliver its message in an effective and engaging way. In recognition of this groundbreaking and innovative approach, TAQA's Ethics & Compliance Office was awarded Compliance Innovator of the Year by Law.com | UK Legal Week's 2021 Middle East Legal Awards.

The Ethics & Compliance Office continues to make use of digital technologies to enhance the effectiveness of its initiatives, including a third-party managed, anonymous helpline (helpline.taqa.com) for both internal and external stakeholders. Any issues related to discrimination, if any, are also tracked through this anonymous helpline and any corrective actions are handled by the relevant department at TAQA as needed.

Additionally, the Ethics & Compliance Office works directly with our businesses and offers customized training that addresses the unique requirements of each TAQA Group business and has successfully launched a comprehensive Group-wide ethics and compliance training in 2021 for full-time employees and contractors.

Communication and training about requirements and standards of the Code of Ethics & Business Conduct, Business Partner Code of Conduct and Ethics & Compliance Policies:

Percentage of governance body members that the organisation's Ethics & Compliance policies and procedures have been communicated to	Percentage of employees that the organisation's Ethics & Compliance policies and procedures have been communicated to
100%	100%
Percentage of governance body members that have received training on Code of Ethics & Business Conduct, Business Partner Code of Conduct and Ethics & Compliance Policies	Percentage of employees that have received training on Code of Ethics & Business Conduct, Business Partner Code of Conduct and Ethics & Compliance Policies
100%	100% ³⁶



The TAQA Group Code of Ethics & Business Conduct and the TAQA Group Business Partner Code of Conduct can be found on our corporate website, at www.taqa.com/ethics-compliance.

In the operating companies where TAQA has operational control, we conduct n audits of our key business processes at least once every 3-5 years, including our Code of Ethics & Business Conduct Compliance. TAQA has a stringent quarterly audit actions follow up process in place that ensures timely completion of audit actions. Follow up results are reported to senior management and TAQA's Audit Committee on a quarterly basis. In the operating companies where TAQA is a shareholder with no operational control, we conduct general controls audits based on our rights as a shareholder in each operating company, every 3 - 4 years.

36. Group-wide training covering code of ethics and anti-corruption policy undertaken by all Group employees in late 2021

Economic impacts

TAQA plays a key role in enabling the economic development of many of the local and national economies in which we operate. In the UAE, Group subsidiaries and companies in which we are shareholders are key enablers in the diversification of the Abu Dhabi and national economies, increasing the contribution of non-hydrocarbon GDP and ensuring future power and water security. Our UAE businesses, for example, provide more than 90%³⁷ of Abu Dhabi's power and water needs and contributed approximately 3.5% of 2020 GDP³⁸. In Morocco, the Jorf Lasfar power plant complex that is part of the TAQA Group provides almost 40% of Morocco's national electricity demand – production equivalent to the electricity consumption of 15 million people.

Providing more than 95% of Abu Dhabi's power and water needs

37. Excluding captive power generation (e.g., EGA, ADNOC)

38. Calculated using TAQA's 2020 proforma revenues for the T&D segment in the UAE of AED 24.7bn and Abu Dhabi's GDP at current prices in 2020 of AED 680bn. T&D revenues fund the operations of the entire Abu Dhabi power and water supply chain, including all generation assets of the system, which are overwhelmingly owned by TAQA

Economic performance

GRI 201-1

As a publicly listed company, TAQA reports its economic performance on a quarterly basis with accounts prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (see page 44 for further details on consolidation scope).

Our direct economic value generated (EVG) is shown below through Group revenues, also presented on a segmental basis. Economic value distributed (EVD), which combines operating costs, employee wages and benefits, payments to providers of capital and payments to government is covered by the 'operating expenses' line, 'G&A expenses' line, 'finance costs' and 'dividends distributed' line, and the 'tax' line, respectively.

Economic value retained is best represented by the Group's retained earnings (net income less minorities and dividends).

Group Proforma Consolidated Income Statement (AED millions)

	Year ended 31 December									
	T&D		Generation		O&G		Corp. & Elimination		Group Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Total revenues	25,928	24,659	12,337	12,314	7,425	4,178	-	-	45,690	41,151
Operating expenses	(16,278)	(15,749)	(4,675)	(4,344)	(3,077)	(3,239)	24	-	(24,006)	(23,332)
G&A expenses	(1,288)	(1,047)	(298)	(421)	(175)	(206)	(496)	(246)	(2,257)	(1,920)
Share of results of associates & joint ventures	-	-	322	8	-	-	(9)	97	313	105
EBITDA	8,362	7,863	7,686	7,557	4,173	733	(481)	(149)	19,740	16,004
Impairment losses	-	-	-	-	-	(2,004)	-	-	-	(2,004)
Depreciation, depletion, and amortization	(4,120)	(3,998)	(4,828)	(4,619)	(2,202)	(986)	31	(3)	(11,119)	(9,606)
Finance costs	(4)	(4)	(1,821)	(2,032)	(441)	(418)	(828)	(817)	(3,094)	(3,271)
Other gains	222	88	(9)	431	921	29	30	544	1,164	1,092
Tax	-	-	(350)	(338)	(238)	1,123	(108)	12	797	797
Net income (loss)	446035	3,949	67836	999	221337	(1,523)	(1356)38	(413)	5995	3,012
Non-controlling interests	-	-	(35)	(224)	-	-	-	-	(35)	(224)
Net income (TAQA-share)	4460	3,949	643	775	2213	(1,523)	(1356)	(413)	5960	2,788
Dividends distributed								3,100	5,341	2,810

Availability and reliability

GRI G4EU EU10, EU11, EU12

In the UAE, system planning and forecasting for the power and water sector in Abu Dhabi is undertaken by EWEC and approved by Abu Dhabi's DoE. EWEC is the sole procurer of power and water generation capacity and output and will be the owner and operator of the system's Load Despatch Center (LDC)³⁹. Abu Dhabi's DoE is the regulator of the generation, transmission and distribution licensees and grants approval for TAQA's CAPEX and OPEX plans to maintain, upgrade and expand the existing power and water grids to cater for increased supply and demand of power and water.

Generation capacity planning (UAE)

In May 2021, EWEC released a summary report of its Statement of Future Capacity Requirements 2021-2027. The summary report provides the likely future capacity requirements to ensure a safe, secure, economic, and efficient energy system. It is a key reference for all stakeholders in the sector.

Since the prior 2019 Statement, the outlook for demand growth changed, initially seeing a reduction in demand

outlook between EWEC's 2019 and 2020 Week 7 forecasts, and a further reduction to account for weaker economic conditions forecast following the advent of COVID-19.

TAQA enjoys exclusivity rights until the year 2030 to participate with a minimum 40% equity stake in all power and water generation projects tendered in Abu Dhabi. As such, EWEC's recommended capacity expansions form a key component of the Group's growth plans in Abu Dhabi. Within its 2030 Strategy, the Group foresees further potential for growth in Abu Dhabi over and above EWEC's base case forecasts related to the integration of generation capacities currently captive to industrial complexes.

At the end of 2021, the total installed capacity for the Group's UAE generation assets stood at 16 GW and 913 MIGD⁴³. This offers a reasonable safety margin over EWEC's forecast peak demand requirements for power and water, even when excluding the recent entry into commercial operations of Barakah's first and second nuclear reactors with total capacity of 2.8 GW.

	2020	2021	2022	2023	2024	2025	2026	2027	2028
Power demand growth outlook since the 2019 statement (MW)									
2020 Base (latest)	14,946	15,197	14,926	15,127	15,092	15,352	15,852	16,361	
2020 Week 7	15,610	15,951	16,020	16,459	16,549	16,892	17,342	17,803	
2019 Week 7 (September revision)	16,085	16,718	17,116	17,649	17,812	18,030	18,470	18,914	
Water demand growth outlook since the 2019 statement (MIGD)									
2020 Base (latest)	823	798	738	736	742	747	760	774	
2020 Week 7	823	832	782	775	776	783	797	808	
2019 Week 7 (September revision)	837	852	794	794	799	805	817	827	
EWEC recommended capacity expansions (cumulative by technology)									
Solar PV (MWac)	0	0	1,500 ⁴⁰	1,500	1,500	1,500	2,025	3,042	
Nuclear ⁴¹ (MW)	0	1,390	2,780	4,170	5,560	5,560	5,560	5,560	
Thermal (gas-fired, MW)	0	0	0	2,457 ⁴²	2,457	2,457	2,457	2,457	
Reverse osmosis (MIGD)	0	0	100	200	350	370	370	391	

Source: EWEC Summary Report of Statement of Future Capacity Requirements 2021-2027

39. The LDC is currently owned by TRANSCO. As part of the TAQA/ADPower transaction, the LDC will be transferred to EWEC by end of 2021

40. Represents expected PCOD for Al Dhafra 1.5GWac solar PV plant currently under construction, in which TAQA holds a 40% stake

41. Represents the schedule for expected PCODs for each of the four reactors of the Barakah Nuclear Energy Plant (not part of TAQA's portfolio)

42. Represents expected PCOD for Fujairah F3 2.4GW thermal gas-fired plant currently under construction, in which TAQA holds a 40% stake

43. Excludes Taweelah A2 and the old Umm Al Nar plant, both of which halted production in October 2021, and AMPC's Al Ain and Madinat Zayed plants, which were retired in December 2020

Transmission and distribution network planning (UAE)

TAQA has accelerated its digital adoption, increasing network planning capabilities with state-of-the-art demand forecasting tools and moving to a more automated operating model with the introduction of enhanced network management systems. TAQA conducted a strategic maintenance review in 2021 and based on the outcomes, initiated a maintenance transformation program comprising 12 distinct initiatives to improve transmission and distribution reliability and cost effectiveness across our operating companies between 2022 and 2031, leveraging digital capabilities, deploying advanced monitoring systems and processes, enhancing staff skills and implementing advanced analytics across our asset base for power and water.

Over the past 20 years, TRANSCO's business has grown substantially to meet increased demand. TRANSCO's future growth is expected to increasingly be driven by new investments enabling the energy transition into new production, including nuclear, renewables and reverse osmosis, and through integration with DEWA and the GCC Interconnection Authority and by connecting Emirates Global Aluminium's power intensive facilities in Abu Dhabi directly to the transmission network. These developments will result in more power being transmitted.

In 2021, TRANSCO delivered power and water through its electricity network of 10,505 km and 3,479 km of water pipelines, ensuring reliability in line with the highest international benchmarks. TRANSCO recorded a 16,588 MW peak demand for power, representing an increase of 2.4% over 2020, and an 811 MIGD peak demand for water, proving our continued readiness to meet customer requirements. Our transmission power asset availability was at 99.03%, and the transmission water asset availability was at 97.76%, both above the regulatory requirement, whereas service availability – which measures our ability to meet customer demand, was 99.99%. In distribution, the duration of service interruptions continued to decrease to an average of 81.2 minutes, a 3.4% improvement compared to 2020.

In 2021, TRANSCO completed 23 projects as part of the transformation program, all to ensure continued and effective integration within the existing network infrastructure and enhanced availability of power and water supply across the Emirate. These projects include supply and installation of substations and cable connections in multiple cities across Abu Dhabi:

- Supply and installation of new 132/11kV substation at Shakhbout City
- 132kV cable connections for new Shakhbout City substation

- Supply and installation of new 132/11kV Khalifa City re-development substation
- 400kV cable works between Saadiyat and Abu Dhabi islands
- 400kV switching station at Al Dhafrah and associated works
- 400kV overhead lines from Bab to Dhafrah and 400KV overhead line works around Al Dhafra and Faya

TRANSCO also has several other projects underway and in the pipeline, including:

- **Integrating first water to the network:** TRANSCO received the first potable water from the Al Taweelah Reverse Osmosis Water Production Plant – one of the largest RO plants in the world.
- **Completing Abu Dhabi's longest underground cable route:** TRANSCO successfully completed the development and commissioning of eight underground utility tunnels with 400kV cable circuits. The completion of the tunnels enables electricity to flow underground between the Bahria area on Abu Dhabi Island and Saadiyat Island, spanning 22 km.
- **Delivering the first digital substation in the GCC:** The 132/11kV substation in Shakhbout City will supply power to new developments in the area. The revolutionary system improves operational performance and occupational safety, while providing environmental benefits by reducing carbon emissions.
- **Connecting offshore assets to the grid:** A regional first, a partnership between TAQA and ADNOC Group aims to connect ADNOC's offshore assets to the Abu Dhabi onshore national power grid via subsea cables. The project is the first of its kind in the region and will enable offshore decarbonization.

In 2022, TAQA will initiate several major construction projects, strategic partnership programs and initiatives to ensure availability of supply from diversified sources, including solar and reverse osmosis, as well as implement new technologies and operational strategies that contribute to reducing the carbon footprint across our operations.

It is worth noting that TAQA's subsidiaries have indefinite exclusivity for the transmission and distribution of power and water in the Emirate of Abu Dhabi, with a requirement for a 25-year notification period prior to revoking any transmission or distribution licence.

System efficiency

GRI G4EU EU11, EU12

TAQA produces electricity and water in the UAE mostly by cogeneration – waste heat from gas turbines is used to produce steam, which generates additional power and desalinated water. Whilst cogeneration is currently the predominant method of power and water generation, TAQA's fleet includes standalone power plants (e.g., Shuweihat S3) as well as reverse osmosis units attached to cogeneration plants (e.g., Fujairah F1, F2 and MIPCO) – see page 13 for an overview of our UAE assets. Our strategy will increasingly see us decouple power and water generation to deploy reverse osmosis as the main technology for the more efficient desalination of water.

Overall, across our global fleet of power and water generation assets, efficiency (energy value of power produced per unit of energy consumed) reached 35.4% in 2021 (implying a heat rate of c.9643Btu/MWh), higher than our 2020 efficiency (34.7%) but slightly lower than 2019 (36.6%) due to increase water production. Water desalination reduces the overall power generation efficiency, water being a non-energy product. Our goals to introduce more efficient reverse osmosis desalination technologies into our portfolio will see our power generation efficiency increasing as we move towards 2030.

Power and water transmission and distribution network losses

One of the strategic priorities for TAQA is to reduce energy and water losses through its extensive transmission and distribution grids for both power and water.

Power transmission losses are mainly due to heat dissipation as a result of electricity flow in the different parts of the network: overhead lines, cables and transformers. Losses are measured as the difference between the total energy input to the transmission system and total energy output from the transmission system.

Water transmission losses are measured as the net difference between dispatched water from all producers, including wells, at the defined entry points and the water delivered to the distribution companies at the defined exit points. This method also takes into consideration the change in TRANSCO's reservoir water levels. The tolerance threshold for losses is 2%.

Power and water distribution losses are measured by the difference between the units entering the system and those leaving it. In the case of distribution, the measurement is distorted by the billing and meter-reading cycle of both distribution companies' customers and therefore show significant year-on-year variations.

	2021	2020	2019	3 year average
Transmission network losses (TRANSCO)				
Power	2.18%	2.16%	2.18%	2.17%
Water	2.07%	1.55%	1.13%	1.58%
Distribution power network losses				
Power (ADDC)	5.38%	6.08%	4.85%	5.43%
Power (AADC)	7.5%	7.5%	7.4%	7.47%
Non-revenue Water (ADDC)	9.96%	7.75%	9.71%	9.14%
Non-revenue Water (AADC)	10.10%	12.98%	9.52%	10.87%

Demand-side management

GRI G4EU EU 10

Demand-side management is a key component of both TAQA's 2030 Strategy as well as the UAE 2050 Net Zero Initiative (see Alignment to national/regional/international mandates section on page 22 for further details). Our demand side management initiatives are carried out through ADES, our wholly owned Super ESCO

and subsidiary of the Group, and our distribution companies (ADDC and AADC). These initiatives are fully aligned with the Abu Dhabi Demand Side Management and Energy Rationalization Strategy 2030 (see page 20).



Source: Abu Dhabi Demand Side Management and Energy Rationalization Strategy 2030;

One of the strategic priorities for TAQA is to reduce energy and water losses through its extensive transmission and distribution grids for both power and water.

Abu Dhabi Energy Services (ADES)

ADES was launched in 2020, with the aim of simplifying and accelerating the development of water and electricity efficiency projects in government and private sector buildings across the Emirate of Abu Dhabi. ADES is mandated with the execution of the Building Retrofits Program of the Abu Dhabi Government Demand Side Management (DSM) and Rationalization Strategy 2030. This Strategy aims to further progress the Emirate's efforts to achieve environmental sustainability, rationalize electricity and water usage and reduce CO2 emissions.

In 2021, ADES was actively engaged with key government building owners to develop a solid pipeline of projects and initiatives that seek to retrofit government and commercial buildings and facilities by identifying, sourcing and funding solutions that deliver tangible reductions in water and electricity consumption and increasing resource-use efficiency. Throughout the year, ADES signed several memoranda of understanding with significant real estate owners, including UAE University (UAEU) and Abu Dhabi Health Services Company (SEHA) ADNOC and Emirates Schools Establishment (ESE), all of whom are significant real estate owners and facilities operators.

By 2030, ADES aims to save 2.7 terawatt hours of electricity and nine million cubic meters of water by working with business and government entities to identify savings opportunities, and to provide financing and commission projects by selecting the most suitable contractors in the market. These energy efficiency opportunities through retrofitting are paid back through savings in utility bills.

Distribution companies (ADDC and AADC)

Our distribution companies are the Group's main customer-facing businesses, interacting with almost 500,000 consumers (served by approx. 1,020,000 end-user power and water connections). Their strong customer relationships uniquely position them to promote efficiency and provide practical assistance to manage demand for power and water.

Launched in 2017, Tarsheed is a customer behavioral change program aimed at helping reduce Abu Dhabi's water and electricity consumption per capita by 20% by 2030 by interacting with residential and non-residential customers across Abu Dhabi and Al Ain through education, technology and motivation. The distribution companies collaborate closely with stakeholders to help customers understand the importance of conserving natural resources and reducing GHG emissions.

Many initiatives are being developed, of which 2021 initiatives included:



The AC Rebate Initiative: promote usage of high star rated air conditioners among UAE nationals and property owners



Incentives for maintenance and purchase of high efficiency water and electricity technologies and appliances (discounts for AC system maintenance, high-quality washing machines)



Irrigation Optimization Project: publication of a homeowner's irrigation manual to encourage optimal water consumption in home gardens



Summer campaign: encourage customers to follow energy savings tips during hot months



Masjidi Water Project: promotion of water rationalization and completion of efficient taps upgrades in over 1,000 mosques by replacing inefficient faucets in 2020



Masjidi Electricity: improving energy efficiency in mosques through energy conservation measures and control systems applications



Tarsheed Academic Program (TAP): spreading awareness among Abu Dhabi educational institutions' students in grades 5-12 about the importance of water and electricity conservation in collaboration with Department of Education and Knowledge "ADEK" & Emirates Schools Establishment "ESE" with the aim of developing the next generation of citizens who can serve as role models for environmental conservation



Industrial Efficiency: An effort to promote high quality energy management systems for industrial applications

We achieved 1,355,445 cubic meters of water savings in 2021, with further savings expected in future years as key initiatives are finalized and initiated in 2022. Power savings are expected to materialize as further projects are rolled out in future years.

Reserves

G40G OG1

TAQA's oil and gas production volumes are split approximately 45% oil and 55% gas and gas liquids. The Group's oil and gas operations are considered a non-core segment under TAQA's new strategy (see page 16 and 17 for more details) and are subject to a strategic review, which includes exploring all options from retention to divestment. A breakdown of our reserves by commodity type and classification is provided below.

Total Reserves

2021 1P (mn boe)	2021 2P (mn boe)
154.4	311.9

Reserves Replacement Ratio (RRR)

2021 1P (%)	2021 2P (%)
104%	81%

Reserve Life Index

2021 1P (years)	2021 2P (years)
3.5	7.0

2021 1P Reserves Breakdown

Oil (mn stb)	NGL (mn stb)	Gas (bn scf)	Total equivalent (mn boe)
54.6	15.9	503.4	154.4
% of TAQA total	Oil (% of TAQA total)	Gas (incl. NGLs) (% of TAQA total)	
100%	35%	65%	

2021 2P Reserves Breakdown

Oil (mn stb)	NGL (mn stb)	Gas (bn scf)	Total equivalent (mn boe)
109.8	33.8	1,060.3	320.3
% of TAQA total	Oil (% of TAQA total)	Gas (incl. NGLs) (% of TAQA total)	
100%	34%	66%	

Environmental impacts

A key part of our purpose is to supply power and water efficiently and affordably to the populations and communities we serve. Energy consumption levels are a key component to final production costs and are directly related to our efficiency metrics across our generation, transmission and distribution systems (see page 60). Maximizing energy efficiencies and expanding our portfolio of renewable energy projects are two key means by which we help balance national strategic goals to develop a safe, secure, economic and efficient energy system while maximizing reductions in our carbon emissions.

Energy consumption

GRI 302-1

The table below summarizes energy consumption across TAQA Group and our Operating Companies for 2019-2021.

Energy consumption within the organisation (TJ)⁴⁴

	2021	2020	2019
Generation	652,746	648,495	649,913
= Non-renewable fuel consumed	1,006,289	1,005,748 ⁴⁵	1,025,554
+ Renewable fuel consumed	-	-	-
+ Electricity, heating, cooling, and steam purchased for consumption	564	356	509
+ Self-generating electricity, heating, cooling, and steam, which are not consumed	-	-	-
- Electricity, heating, cooling, and steam sold	354,107	357,610	376,150
Transmission & Distribution	1,843	1,823	1,843
= Non-renewable fuel consumed	18	13	17
+ Renewable fuel consumed	-	-	-
+ Electricity, heating, cooling, and steam purchased for consumption	1,826	1,810	1,826
+ Self-generating electricity, heating, cooling, and steam, which are not consumed	-	-	-
- Electricity, heating, cooling, and steam sold	-	-	-
Oil & Gas	21,295	23,151	23,926
= Non-renewable fuel consumed	20,548	22,264	23,278
+ Renewable fuel consumed	-	-	-
+ Electricity, heating, cooling, and steam purchased for consumption	747	887	648
+ Self-generating electricity, heating, cooling, and steam, which are not consumed	-	-	-
- Electricity, heating, cooling, and steam sold	-	-	-
TAQA Group	674,060	671,659	673,857
= Non-renewable fuel consumed	1,026,855	1,028,025	1,048,849
+ Renewable fuel consumed	-	-	-
+ Electricity, heating, cooling, and steam purchased for consumption	1,311	1,243	1,157
+ Self-generating electricity, heating, cooling, and steam, which are not consumed	-	-	-
- Electricity, heating, cooling, and steam sold	354,107	357,610	376,150

44. Fuel usage volumes have been converted to energy values using standard conversion factors from 'CDP Technical Note: Conversion of fuel data to MWh', January 2021, available on the CDP website

45. Within Generation, our main energy consuming segment, 81% of consumption was from natural gas and 18% from coal. Energy consumed from other fuel types, including diesel, fuel oil, heavy fuel oil and light crude oil of energy was negligible.

GHG emissions

GRI 305-1, GRI 305-2, GRI 305-4

World leaders assembled in 2015 and pledged to combat climate change through the Paris Agreement, aiming to pursue low carbon solutions to limit global warming to 2C degrees compared to pre-industrial levels. The pledges made under the Paris Agreement had the world on track to a 2.7-3.7C degree rise, indicating a need for further action and more commitments from countries around the globe. Subsequently, the COP26 summit in Glasgow in 2021 brought parties together to accelerate action towards the goals of the Paris Agreement and the UN Framework Convention on Climate Change. If the pledges made at Glasgow are fully implemented, warming will be kept below 2C degrees and with rigorous commitments to further action over the next decade, 1.5C degrees is still in reach.

Meeting this goal is no easy feat and requires significant transformation from the global community to commit to a zero-emission trajectory. In the UAE, the UAE 2050 Net Zero Initiative, which aligns with the Paris Agreement, has been a key driver nationally in preparing long-term strategies to reduce greenhouse gas (GHG) emissions.

TAQA is committed to addressing climate change risks and reducing emissions, in alignment with national and global goals. In 2021, TAQA carried out an extensive GHG inventory

exercise to determine 2019 and 2020 emissions and identified baseline levels at 2019 for setting future emissions reduction and/or emissions intensity targets.

TAQA has subsequently mobilized its efforts to develop a Net Zero Strategy for the Group with the aim of publishing 2030 and 2050 emission reduction targets by end-2022 in alignment with the UAE Net Zero Initiative and UAE Energy Strategy 2050.

As part of our GHG emissions inventory update efforts, we have restated our Scope 2 emissions for our UAE Transmission & Distribution and Generation assets. As a Group, we currently account for 100% of Abu Dhabi's power generation-related GHG emissions in our Scope 1. As per the GHG Protocol Scope 2 Guidance, grid consumption in our UAE facilities should be treated as though it is supplied by our own facilities. We have therefore removed the Scope 2 emissions from our inventory as they have already been accounted for in our Scope 1 calculations.

Among the three business segments, TAQA's generation activities account for the highest share of GHG emissions at 96% of the Group's total scope 1 and 2 emissions per the Environment Agency Abu Dhabi (EAD) guidelines. The system provides valuable insights that help the Group implement

processes and initiatives to reduce and control emissions. All of our plants in the UAE, whose emissions we consolidate, and internationally in the US (Red Oak) and Ghana (Takoradi) use natural gas as the primary fuel – a relatively clean energy source and long considered a transition fuel. In addition, coal plants within our international fleet have implemented clean coal technologies (Jorf Lasfar in Morocco) or are in the process of doing so (Neyveli in India) to scrub sulphur and nitrogen oxides, reducing overall GHG emissions.

In the UAE, EWEC is the system planner and off-taker for TAQA's generation assets within the UAE (see page 17). From 2022, EWEC has taken ownership of the Load Despatch Center (LDC), which determines which plants will be dispatching power and water to the grid based on availability and marginal cost. The EWEC fleet comprises TAQA's power and water generation assets in the UAE, the Barakah nuclear plant (not part of TAQA's portfolio) and a further renewable power generation asset (also outside TAQA's portfolio). EWEC has forecast⁴⁷ a reduction in emissions of approximately 20 million tonnes of CO₂ per year by 2024, largely through lower utilization of the least efficient power and water generation plants as nuclear takes over a larger portion of baseload (see page 58). This forecast reduction in emissions will largely be delivered by TAQA's power and water generation assets and represents c.30% of the Group's total 2019 GHG emissions (scope 1 and 2). The Group is currently in the process of determining reasonable and appropriate targets to reduce absolute GHG emissions and emissions intensities for its global portfolio as an intermediate step along the path to our ambition for net zero emissions by 2050.

Under TAQA's vision of becoming a low-carbon power and water champion, we are committed in developing significant renewable capacity, both domestically and internationally. We are also committed to increasing the share of highly-efficient reverse osmosis desalination technology in our portfolio to two-thirds by 2030.

Our recent initiative to potentially acquire EGA's captive gas-fired generation plants and connection of EGA facilities to the grid, paves the way for more renewable capacity to be developed in Abu Dhabi due to the increase demand. TAQA holds exclusivity rights to participate in those new projects with a minimum stake of 40%.

Our generation emissions in 2021 were down by 3.2% (~2.1 million tons of CO₂e) compared to our baseline year of 2019, driven by a series of efficiency and energy conservation programs in our international and UAE assets. Initiatives to conserve energy and utilization of more efficient LED lighting as well as increased uptime to reduce diesel fuel consumption were among the key emissions savers.

Transmission and distribution

Our largest business segment accounts for just 1% of the Group's scope 1 and 2 emissions. The segment's emissions would usually relate to electrical grid losses due to heat dissipation across electrical connections, which are accounted for as Scope 2 emissions under the GHG Protocol (see page 60 for more details on T&D network losses). As cleaner power generation comes online this would decrease the grid emission factor, which ultimately results in reduced emissions from grid losses. Since the transmission and distribution grids overwhelmingly carry power produced by our UAE generation fleet, this is already accounted for in the Generation segment's Scope 1 emissions.

Oil and Gas

Accounting for 3% of the Group's scope 1 and 2 emissions, most of our oil and gas subsidiaries have begun to implement efficiency improvements as part of emissions reduction projects. Our Canada business, TAQA North, for example, has the potential to reduce on-site emissions by up to 27% (compared to a 2014 baseline). TAQA Bratani has increased fuel efficiency and reduced diesel usage due to the operation of solar power turbines, consequently decreasing flaring and emissions. In 2021, around 25% of the TAQA Bratani emissions were covered by the purchasing of emissions allowances under the UK Emissions Trading Scheme (UKETS). At TAQA North, we conducted optimization initiatives in our Crossfield Gas Injection plant to reinject waste gases underground, saving ~47,000 tons of CO₂ to be recurring on an annual basis.

TAQA Atrush has removed two diesel generators to mitigate GHG emissions. Meanwhile, TAQA Netherlands has invested in the installation of an active coal filter on seal gas emissions from turbines to reduce benzene emissions. In addition, our gas storage facility in the Netherlands has acquired green energy certificates to eliminate indirect emissions.

Corporate

In UAE, TAQA headquarters activities included the engagement with the Tree for 50 Program comprising a donation of AED 200,000 to plant 50,000 mangroves at Jubail Island in Abu Dhabi. This will lead to 615 tons of CO₂ emissions annually once the trees reach maturity.

GHG emissions

	Units	2021	%	2020	%	2019 (baseline)	%
Scope 1	tCO₂e	62,133,593		62,552,057		64,259,072	
T&D	tCO ₂ e	83,845	0%	87,922	0%	47,349	0%
Generation	tCO ₂ e	59,985,166	96%	60,250,581	96%	62,022,968	96%
O&G	tCO ₂ e	2,064,583	4%	2,213,554	4%	2,188,755	4%
Scope 2	tCO₂e	159,973		134,067		135,348	
T&D ⁴⁶	tCO ₂ e	0	0%	0	0%	0	0%
Generation	tCO ₂ e	111,114	70%	69,407	52%	99,452	73%
O&G	tCO ₂ e	48,679	30%	64,660	48%	35,896	27%
Scope 1 and 2	tCO₂e	62,293,387		62,686,124		64,394,420	
T&D	tCO ₂ e	83,845	1%	87,922	1%	47,349	1%
Generation	tCO ₂ e	60,096,280	95%	60,319,989	95%	62,122,420	95%
O&G	tCO ₂ e	2,113,262	4%	2,278,213	4%	2,224,651	4%
GHG emissions intensity (Scope 1 and 2)							
Revenues (Group)	tCO ₂ e / US\$1mn	5,049		5,641		5,433	
Generation	tCO ₂ e / MWh	0.62		0.62		0.61	
O&G	tCO ₂ e / mboe	47.3		52.9		48.9	

46. Network losses of c.2% in TRANSCO and c.6% in distribution companies (see page 60) not included in T&D scope 2 emissions as power carried by the grids is overwhelmingly generated by the Group's own generation assets and therefore already accounted for in Generation Scope 1 emissions

47. EWEC Summary Report of Statement of Future Capacity Requirements 2021-2027

Environmental compliance

GRI 307-1

In both 2020 and 2021, there were no incidents of non-compliance with environmental laws and regulations across the TAQA Group. No environmental disputes are currently ongoing, and no fines have been issued against the Group for non-compliance.

Environmental certifications

As a Group, we are working towards implementing a global Environmental Management System (EMS) across all of our operations. In 2020, we conducted a thorough analysis across our operating companies to identify gaps and opportunities in EMS processes and procedures and ISO 14001 certifications. As an action following the analysis, we introduced the achievement of ISO14001 certifications into the performance management system of our operating companies.

At the Group level, 95% of TAQA Operating Companies have an EMS in place and 82% are ISO14001 certified. All

our domestic power generation operating companies are ISO14001 certified, as well as our international assets in Morocco, India and Ghana. These plants delivered 95% of the Group's power generated in 2021.

TAQA's HSE framework, Commitment to Operational Excellence, corresponds to the ISO Standards Structure (i.e., ISO 18001, ISO 9001, ISO 31000) and establishes a promising foundation for the of a Global Group-wide EMS across our operations.

To ensure compliance to our environmental standards, all our ISO certified operating companies are audited externally by verified third parties. In addition, internal audits are conducted every three to five years to ensure compliance with the environmental processes set.

Water & effluents

GRI 303-1, 303-2, 303-3, GRI 303-4

Water resources and their protection is of vital importance for humanity's wellbeing and the preservation of nature's ecosystems. Water is an essential resource for TAQA's activities, and its effective management is a strategic priority for the Group. Our management approach and policies around water & effluents highlight the importance of preserving and protecting this natural resource across the Group. Through continuous monitoring and mitigation measures, we aim to negate any negative impacts on water resources that might arise from our operations.

The effectiveness of our management approach is evaluated through a clear set of objectives and KPIs related to environmental performance. KPIs are reviewed on a regular basis to ensure targets are met while the results of the approach are evaluated in our Management Review Meetings.

The Group withdraws water primarily for its industrial activities, namely thermal power generation, desalination of seawater and oil & gas extraction. Desalinated distilled seawater supplies more than 99% of the water required in our UAE power generation for cooling and condensing purposes⁴⁸. A minority of our UAE assets and international power generation and oil & gas assets withdraw water from ground and freshwater sources where available.

At the Group level, we withdraw less than 0.1% of the water required for our operations from areas considered of high water stress, based on the Aqueduct Water Risk Atlas. Water withdrawn from seawater is considered to not affect water stress.

In 2021, 99.9% of our total water withdrawal of 18.8 billion cubic meters originated mostly from seawater. The remaining 0.1% were withdrawals from groundwater and surface water. Similar percentages applied to water withdrawn in 2020.

Water withdrawn by source (M3)

	2021	2020
Total withdrawal from Seawater sources	18,834,324,212	18,833,904,771
Total withdrawal from Ground Water sources	4,655,842	4,240,728
Total withdrawal from Surface Water sources	1,580,000	1,500,000
Total withdrawal from Third-Party Water sources	199,602	242,472

48. TAQA's cogeneration fleet is designed as once-through cooling systems without cooling towers. Therefore, the loss of water due to evaporation is negligible and is estimated to be within the accuracy range of the seawater intake or potable water production flowmeters. As a result, any water intensity KPI based in m³/kWh would be impractical.

At TAQA, we are committed to reducing the consumption of water used for our industrial activities and, where possible, promoting the use of alternative water sources for internal use. For example, in one of our UAE generation fleet, we have set standards for internal distillate water consumption to be lower than 5% of the water produced. We have also introduced RO to existing desalination plants, thus reducing overall water withdrawal and improving water withdrawal efficiency as wastewater from our Multi-stage Flash (MSF) units is further utilized to provide hot water for RO. Internationally, we are conducting multiple initiatives to reduce water withdrawal and consumption. In our power generation asset in India for instance, we have adopted a zero-water discharge policy and set water withdrawal levels at a lower level than that required by the regulator. At our oil & gas operations in Canada, we are working with neighboring producers to reduce the amount of water withdrawn for operations collectively. In the Netherlands, we utilize only water produced from our reservoirs, which is then re-injected into the reservoirs, avoiding any water withdrawal and discharge from and to the sea.

These efforts have resulted in a 1.5% reduction in our water intensity for desalination compared to 2020, despite the higher demand and production of desalinated water.

Water intensity in Billion Cubic Meters withdrawn, per Million Imperial Gallons produced



Water discharged by type of discharge body (M3)

	2021	2020
Total discharge to Ground Water sources	6,119,955	4,316,276
Total discharge to Seawater sources	17,562,729,433	17,546,980,491
Total discharge to Surface Water sources	353,871	1,021,127
Total discharge to Third-Party Water sources	3,747	4,021

In both 2020 and 2021 the water discharged was >99.9% returned to the open sea

Through our distribution companies ADDC and AADC, we are committed to support the DoE's "Abu Dhabi DSM & Energy Rationalization Strategy 2030" by supporting our customers to reduce water consumption per capita by 20% by 2030. We have also allocated sufficient budget and manpower to implement "Program 8" of the same DoE initiative, which focuses on water efficiency and reuse of water. Lastly, our residential consumer tariffs are designed to promote the efficient water usage with daily consumption thresholds allowing for lower rates.

We have significant programs in place to monitor and mitigate the water risks arising from our operations. Our desalination plants that provide Abu Dhabi's potable water, follow strict protocols around drinking water safety and quality. Through continuous monitoring and reporting, we ensure that the water produced is of the standards set by the WHO and the DoE.

Further downstream of internal recycling and reuse, the wastewater discharged from our operations is returned to the source body, mainly the open sea, after it has been treated to remove any harmful pollutants. Determination of allowable levels of pollutants is provided by the national regulatory bodies in countries where we operate. At TAQA, we have clear policies and procedures with regards to controlling and monitoring the wastewater produced to ensure full compliance with the regulations set. In addition to minimum regulations set by Environmental Agency of Abu Dhabi (EAD), our operating companies follow location specific guidelines where applicable, as per the Power and Water Purchase Agreements set in each case. We also monitor and report on multiple physical and chemical water parameters as well as trace metals concentration to ensure that we minimize any risk associated with water discharged from our operations.

Innovative projects to extend use of recycled water

In January 2020, we completed the extension of our recycled water network to include Saadiyat island in Abu Dhabi to supply the island with 4.4 MIGD of recycled water for landscaping irrigation, further reducing the reliance on desalinated water. In July 2021, we awarded AED 900 million in projects to further expand our recycled water distribution program to include commercial and agricultural operations, with the goal to achieve 85 MIGD of recycled water distribution capacity. In partnership with EAD, we are developing a network in the Liwa region to supply recycled water to more than 4,000 farms.

Waste

GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5

Successfully managing waste within our operations is a key aspect of our environmental policy and our management approach. Our approach is rooted in protecting the environment, through identification of sources of waste, their impacts and implementation of mitigation measures where those occur.

In our operations, we have established waste management policies and procedures with respect to the regulations in the countries in which we operate. We monitor and report on waste generated from our operations into two main categories, Hazardous and Non-hazardous. We also have the processes and procedures in place for storage and disposal of waste safely, including processed for diverting waste to specialized contractors for recycling and treatment. All the third parties we partner with are regulator approved entities that specialize in waste disposal, transfer, and recycling to ensure effective and optimal waste management.

We continuously monitor the type and quantity of waste generated in our operations, and we embed KPIs in the management evaluation to measure the effectiveness of our approach and essentially reduce the waste generated.

Some examples of waste minimization efforts within our UAE power generation and water desalination assets include:

- Recycle and reuse material in routine office activities, where applicable
- Promote efficient operations and maintenance of equipment as per the manufacturer's instructions to minimize plant related waste
- Reduce waste from refurbishment or other construction activities by optimizing design specifications

Some of our power generation assets in UAE also have specific waste reduction initiatives unique to their operations. For example, one asset is working with a specialized third party to divert from disposal all the lime sludge generated from operations to recycling. Another initiative is signing recycling agreements with suppliers of packaging materials to send back hydrated lime and wooden pallets to be recycled by the supplier.

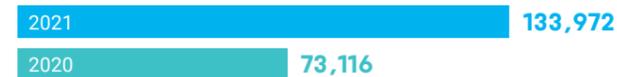
In our Neyveli power generation asset in India, we have set a target to utilize 100% of fly ash waste and we are working with cement and brick manufacturers to encourage them to adopt ash utilization in their operations. We also work with the Government of India for the utilization of waste ash in manufacturing and land filling projects.

In our distribution business, we have been partners with the Environment Friends Society since 2017 to reduce the paper and plastics consumption through recycling. Over 2.4 tons of paper has been sent to recycling from our AADC operations since 2017.

Significant efforts to reduce waste in our oil & gas business are ongoing. In Iraq, we have recycled 100% of the waste generated in both 2020 and 2021, reducing the volume directed at the country's landfills. In the UK, we successfully removed the topsides of our Bravo platform and recycled 95% of the waste generated. This campaign was of significant importance given that it was TAQA's first major oil & gas decommissioning activity. The recycling effort led to over 15,000 tons of waste generated from Brae topsides being diverted from landfills.

Across the Group, we diverted 73% of our total waste in 2021 from landfills, through recycling either on-site or through specialized recycling providers off-site, and through reuse initiatives. This diversion is an increase from 2020, driven by the overall reuse and recycle efforts at our operating companies.

Total Waste generated in tons



Total Waste diverted from landfills in tons



Our total waste generated has increased significantly due to production of fly ash waste in our Neyveli asset in India, which is attributed to its increased uptime, and the decommissioning activities in our UK oil & gas business. To mitigate the impact of waste generation we have set a target to utilize 100% of the fly ash generated through engagements with brick manufacturers and the Indian Government. Fly ash accounted for 46% of our total Group waste in 2021.



Social impact

Our People

At TAQA, we value our employees and believe they are the backbone of the organization. Employees are critical to our growth and are the key drivers towards our goal of being a low carbon power and water champion. Beyond achieving business goals, we always strive to be an employer of choice and as such seek to provide a safe, diverse and rewarding environment for our employees globally.

The three pillars of our Human Resources (HR) Strategy are talent management, organizational culture and performance. Our HR strategy therefore seeks to enhance employee satisfaction and capabilities with a view to power TAQA's continued growth, strength and performance excellence.

With COVID-19 remaining prevalent in 2021, we continued to prioritize the health, safety and wellbeing of our people. We worked with operating companies throughout our core business lines to ensure business continuity while protecting and motivating our employees. We introduced flexible working options, including remote working. Managers were encouraged and supported to find solutions for their teams and employees to ensure their safety and wellbeing while also delivering on work objectives in an environment of collaboration and teamwork.

Employees are critical to our growth and are the key drivers towards our goal of being a low carbon power and water champion.



As part of our efforts to meet employee needs and gauge their satisfaction levels across several key areas of focus, we conduct annual surveys across the Group.

Key components of the annual employee engagement survey included, but were not limited to the following:



Employee engagement

engagement of employees, likelihood of staying at TAQA and levels of commitment and motivation to the role and the organisation.



Leadership focus

engagement of management, extent of role-modelling the right behaviours and levels of empowerment for employees to act within their delegations.



Development and rewards

availability of development opportunities and career growth, and perceptions of rewards & recognition.



Agility

ability to adapt, be nimble and pivot considering areas such as innovation, decision-making and collaboration.



Work-life balance

perceptions associated with job security, HSSE, and work-life balance.

These measures are analyzed against external benchmarks and results of previous surveys to understand their impact on core business outcomes such as productivity, talent management and financial performance. Results are presented to the Executive Management Team at TAQA's headquarters, team leaders and the management of TAQA Group's Operating Companies with the purpose of developing action plans to address employee concerns. The results are reflected through enhancements to our policies, procedures and initiatives, as well as in the design of new value recognition programs to recognize and reward our employees across the Group.

The 2021 employee response rate to the engagement survey was 86%, an increase of 5% from 2020. Overall employee engagement dropped one percentage point to 67%. Across the Group, improvements in employee sentiment were positively highlighted in safety, diversity and tolerance and response to COVID-19. The survey also confirmed employee awareness of TAQA's new strategy and corporate values. However, noticeable areas for improvement were found in areas of employee recognition, work/life balance, well-being and empowerment.

Action plans are developed and updated each year to address areas of concern and maintain areas of high performance and business continuity. We have recently initiated a set of Talent Development programs addressing multiple talent pools within the organization. An example of which is the enhanced ETLAQ program, and high potential junior and senior leadership programs that are currently in the final development stages targeting implementation throughout 2023. To address employee wellbeing concerns, a Wellbeing Committee and working group was created with representatives from all departments across HQ with the goal of developing and implementing impactful wellbeing interventions focused on physical, mental and social wellbeing of our employees.

We have recently initiated a set of Talent Development programs addressing multiple talent pools within the organization.

Employment

GRI 401-1, GRI 401-2, GRI 403-6

As we continue to grow, we remain committed to building and developing our existing talent as well as recruiting new capabilities with the technical expertise to embed ESG considerations, among other expertise areas, across the Group.

Since the ADPower and TAQA integration in 2020, TAQA has been working on creating a harmonized working structure and culture that fosters high performance and caters to the needs of our employees. This goal underlies our HR Strategy focus on talent management, organizational culture and performance.

As of December 31, 2021, our workforce comprised 6,906 full-time employees across our global business, not including employees at non-TAQA operated assets. TAQA welcomed 587 new employees in 2021, 61 for corporate HQ, 225 for the Transmission & Distribution business, 262 for the Oil & Gas business and 39 for the Generation business. (This excludes new hires for our joint ventures or IWPPs).

Overall female participation slightly decreased from 22% in 2020 to 20% in 2021, whereas participation of females in senior positions decreased from 21% in 2020 to 16% in 2021. This is mainly due to the expansion of talent acquisition to include international recruitment, which has resulted in more male candidates than females willing to relocate.

	Country	Number of full-time employees	Female participation (2020)	Female participation (2021)	Female FTEs in senior position (2020)	Female FTEs in senior position (2021)	Personnel departures (2021)
TAQA HQ	UAE	219	34%	26%	15%	28%*	21
AADC	UAE	1,565	25%	25%	23%	27%	90
ADDC	UAE	1,836	19.5%	20%	17.8%	0%	35
TRANSCO	UAE	1,100	32%	15%	26%	15%	49**
ADES	UAE	8	0%	25%	0%	0%	0
AMPC	UAE	69	9%	4%	14%	2%	43***
Jorf Lasfar	Morocco	495	4.7%	4%	31.5%	40%	4
TAQA Neyveli	India	134	6%	6%	9.1%	9%	1
Takoradi	Ghana	78	8%	10%	12.5%	11%	1
TAQA Atrush	Iraq	157	13%	15%	3%	12%	1
TAQA Bratani	UK	810	20.1%	20%	2.2%	0%	11
TAQA Energy	The Netherlands	122	16%	19%	8%	14%	2
TAQA North	Canada	313	39%	40%	44%	43%	2
Group		6,906	22%	20%	21%	16%	260

* positions within senior management and above

** excludes transfer of 125 load dispatch center staff from TRANSCO to EWEC

***reflects staff departures at AMPC due to decommissioning of the plant

As a largely Abu Dhabi based company, we remain committed to our responsibility to increase, retain and upskill our portfolio of national employees. As of year-end, 51.53% of total employees in TAQA's headquarters and UAE-based operating companies were UAE nationals.

Emiratization percentage over the past three years⁴⁹



Benefits

TAQA has established a comprehensive compensation package designed to maintain our competitive position in the market. Consistent with our performance-based culture, TAQA's remuneration structure consists of both fixed and variable components. TAQA provides competitive compensation and benefits packages to attract and reward the right talent.

In addition to standard salary and health and life insurance benefits, TAQA employees are entitled to non-salary benefits as part of the compensation package. These benefits go beyond statutory requirements and include allowances for various elements that may vary within different Operating Companies across the Group such as housing, transportation, mobile phone, annual discretionary performance bonus, school support fees, annual air-ticket allowances, and social allowance for national employees in their jurisdictions.

The Group also provides end-of-service benefits aligned with the applicable local labor laws and regulations. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. With respect to its UAE national employees, the Group also provides pension schemes in line with local law.

Employee Wellbeing

We highly value our employees and their contribution to the performance and success of our organization and are committed to our employees' happiness and wellbeing.

We encourage an active lifestyle and work-life balance through internal engagement programs and rewards, including a Health Club allowance. The Group provides competitive annual leave and encourages the utilization of such leave.

A Wellbeing Committee and working group was created with the goal to improve employee physical, mental and social wellbeing. A plan and roadmap is being developed in 2022 to direct implementation priorities.

Grievance

TAQA strongly believes in the fair and impartial application of its policies, and in the protection of employee's rights in terms of such policies.

TAQA promotes transparency and effective communication between employees and their line managers. As such, employees across our global network are encouraged to reach out to their line managers to discuss all HR-related employee matters. All matters involving ethical and compliance-related queries or concerns can be submitted in writing through TAQA's anonymous helpline - helpline.taqa.com, under the relevant sections for grievances. All grievances raised remain confidential.

49. Reflects position at the Company only. For year 2020 and 2021, the rate reflects position at the Company and operating companies.

A Wellbeing Committee and working group was created with the goal to improve employee physical, mental and social wellbeing.

Training and Education

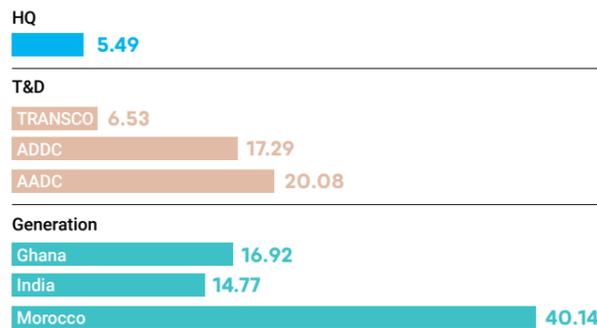
GRI 404-1, GRI 404-2, GRI 404-3

Training and Development

Training and development is a key pillar within our Human Resources Strategy under Talent Management and was a significant area of focus for TAQA in 2021. TAQA understands the value in upskilling our workforce and recognizes that training and education are essential to employee satisfaction and retention.

In 2021, we leveraged several platforms to enable access to online courses including professional courses for our employees, provided by Coursera, LinkedIn and Harvard ManageMentor. The online courses range across a diverse span of general and expertise requirements giving our employees many options to choose from to cater to their own professional growth and development journey. More than 90,000 hours of training were completed across HQ and our Transmission & Distribution and Generation businesses by the end of 2021. Our Oil & Gas business does not consolidate training data in a similar fashion and was thus excluded from this analysis.

Average hours of training per employee per operated company



Given the nature of our operations, we recognize that HSSE training is essential, especially among employees with critical positions. A set of HSSE training segments are offered for our staff across the business (see HSSE section below for further details).

Training opportunities are identified locally and decentralized to the operating company level to enable the tailoring of courses to the needs of each employee. We aim to coordinate and oversee training through our HQ Talent Management Team in future years as TAQA's HR efforts become more integrated across the Group.

TAQA believes that building in-house knowledge, experience and expertise is the best path to sustainable organizational success and long-term prosperity.

As such, TAQA conducts an annual Training Needs Analysis to determine the suitable training and development support based on a detailed set of competencies and role levels and responsibilities.

The Human Capital team is also currently working on multiple development programs for identified talent pools in addition to detailing training needs analysis for every function within the Group. These programs have been designed to equip participants with the essential leadership skills based on an identified set of competencies and potential for assuming higher roles and responsibilities.

Succession Planning

Succession planning is crucial to sustaining operations and knowledge transfer is key to maintaining high levels of performance. Critical roles across the Group have been identified and plans are underway to enhance and evolve succession planning processes and policies to ensure a systematic approach to deal with knowledge transfer and attrition rates. This includes a Succession Planning Framework for TAQA executive managers across all TAQA Group.

Building Emirati Talent

TAQA is also keen on training the next generation of professionals, and engaging and increasing participation of Emirati talent as per our Emiratisation initiative discussed above.

Our UAE Graduate Training Program was rebranded to ETLAQ, meaning 'to launch' or 'to release' in Arabic, and reflects the program's core objective to jump-start new graduate career paths for UAE nationals within the Group. The ETLAQ program provides a structured, blended and practical introduction for fresh graduates to the power and water sector across the Group. On completion of the 12-month program, the ETLAQ participants graduate and enter into a full-time role at one of our sector companies.

ETLAQ supports Abu Dhabi's long-term objective to provide training for Emirati talent and equips these new entrants to join the workforce with the skills required to succeed in professional environments. 95 students graduated from the first ETLAQ cohort and were placed into various functions across TAQA's UAE Operating Companies. The second ETLAQ cohort was recently initiated to welcome the second wave of new graduates.

Performance Management

Performance review at TAQA Group forms part of HR Practices and is done based on established policies and procedures for all employees across all roles. Performance reviews are conducted annually based on define objectives at the beginning of each calendar year. TAQA continues to develop a system that promotes a performance-driven culture to effectively deliver against its priorities, enhance performance and recognize talent across the organization.

TAQA group companies undergo a performance management system that entails multiple reviews throughout the year ending with a final review and outcome applicable to those who have been in the company for more than three months.

100% of eligible employees received performance and career development reviews across TAQA HQ and operating companies.

Diversity and Equal Opportunity

GRI 405

TAQA is committed to ensuring a diverse and inclusive pool of employees as well as fair and equal opportunity for all our employees. The utilities industry has long been male-dominated and has not traditionally appealed to women, and this is reflected in our female participation as indicated above. However, we are committed to an overall cultural transformation, including efforts to attract more female talent. This is evidenced through the significantly higher intake of female graduates compared to males in our ETLAQ program, increasing employment outreach to include more female candidates without compromising merit, and enhanced governance throughout the organization to ensure non-bias. Furthermore, Diversity & Inclusion is also a key topic embedded within the ESG Strategy currently underworks.

Equal pay is also at the forefront of our attention with major changes occurring in the last couple of years. Since the 2020 integration of ADPower to TAQA, comprehensive HR reviews have been conducted to identify improvement opportunities across HQ and our business lines. As part of the ongoing review, policy enhancements in our Transmission & Distribution business have been identified, which include the need to equalize pay among male and female employees, particularly in relation to Housing and Education. As such, both Housing and Education policies have been revised to reflect equalization amongst the male and female populations within the Transmission & Distribution Operating Companies. Policies are similarly being redrafted across HQ and our operated entities across all business lines to ensure no gender-based differentiation in entitlement, obligations and pay.

The Group is proud to retain a workforce comprising more than 62 nationalities. We also continue to support inclusion of Emiratis across all areas and levels of the UAE-operated assets, as per the UAE Emiratisation Campaign.

Future Outlook

The HR priorities for 2022 include a full review of:



Health, Safety, Security and Environment (HSSE)

GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI-403-6, GRI 403-7, GRI 403-9, Non-GRI COVID-19

At TAQA, we believe in the pursuit of HSSE excellence in everything we do – no operational priority is more important than protecting the health, safety and security of our people and our communities, and respecting our environment.

In 2020, we launched a new Group-wide HSSE Management System, our 'Commitment to Operational Excellence (COE)' and undertook vital work to implement it across our businesses. This included implementation within the substantial, newly acquired transmission and distribution businesses. The COE represents the Group's HSSE management system and defines what the Group expects from subsidiaries in terms of HSSE requirements, including key measurements, compliance, performance and results through comprehensive audits and self-assessments. From our Group headquarters in Abu Dhabi to our global regions, COE is key to delivering safe, reliable operations in such a diverse business.

In addition, in 2020, TAQA, in partnership with a leading expert in safety transformation and world class management systems, kicked-off an independent review of HSE across the Transmission & Distribution business operated entities, which included a safety climate survey identifying areas for cultural improvement. The review included a review of the status of implementation of key aspects of the HSSE Management system.

The review resulted in the development of a program and roadmap for improvement across the operated entities. The program comprises action to be taken over a three-year period, which started in 2021 under the banner of "Project Aman" in the Transmission & Distribution business.

TAQA conducted a similar independent HSE review across its international Generation operated entities in 2022. This review identified a number of opportunities for enhancement, which form part of a programme and delivery roadmap for Generation, with implementation underway in 2022.

An HSE review for the Oil & Gas business is scheduled for 2022 in coordination with the strategic review underway.

Values

GRI 102-16

The launch of TAQA's new ten-year strategy in March 2021 set out a bold and ambitious future for the company – one that seeks to reshape the utilities sector in Abu Dhabi and beyond. If our new strategy defines 'what' we will do, and our new purpose defines 'why', our values define 'how' we should aspire to act.

Our new values (Safe, Sustainable, Collaborative, Innovative & Excellence) are a key component to establishing a culture grounded in working together to achieve greatness, embracing challenges, and continuously learning and developing our skills.

TAQA's new values are a rallying point for employees, help set our company apart from our competition and clearly define acceptable and unacceptable behaviours, holding leadership and staff alike accountable for these behaviours and actions.

Hazard identification, risk assessment, and incident investigation

GRI 102-11, GRI 102-15

Our focus is on incident prevention through robust management of risks that could impact our people in the areas of occupational health and safety, and process safety.

A key element of the Group's COE is the identification of hazards and assessment of risks. Identification is carried out through a structured process assessing consequences and likelihood, and evaluating and implementing prevention, detection, control and mitigation measures to ensure residual risks levels remain as low as reasonably practicable (ALARP). This process of continuous risk reduction is applied to the full lifecycle of our operations. The risk assessment method is auditable and appropriate for the complexity of the asset and/or project. All relevant stakeholders are kept informed about the risk assessment process and results, which consider learnings from previous incidents both inside and outside the Group.

An essential aspect of HSSE performance improvement is learning from incidents and 'near misses' and taking appropriate action to prevent recurrence. Under the COE, management are required to ensure that incidents and 'near misses' are consistently reported, investigated and analysed to prevent recurrence and improve performance. Investigations of HSSE incidents focus on systematic root causes. The Group's COE encourages near miss reporting, positively recognizing transparency as a means of preventing incidents and improving HSSE performance. The value of any investigation data is enhanced by sharing the results with a wide audience, whilst security incidents are managed on a 'need-to-know' basis.

By continuously improving performance in these areas, we aim to minimize the impact of our activities on our workforce and the local communities in which we operate as well as the wider environment.

HSSE training

The Group recognizes that high skill and knowledge levels are essential to supporting strong HSSE performance. Therefore, the COE stresses the need to carefully select and train our workforce, with skills and competencies regularly assessed. The specific training made available is defined at the business/OPCO level based on an analysis of training needs which defines the positions require specific training. This is typically defined in training matrices as part of training and competency procedure. Training typically includes:

- HSSE induction
- Hazard identification, risk assessment and risk management training
- Safe System of Work
- System safety rules
- General / office safety training
- Safety driving training



We expect our businesses to promote the development of a culture that encourages individuals to intervene and that only allows work to be carried out when it is safe to do so. If any national/local law requires an even higher level of safety compliance, that legal requirement takes precedence and must always be met by TAQA's operating companies.

Occupational health

TAQA works to promote and maintain the highest degree of physical, mental and social well-being of workers across our operations. As part of the Group's COE policy, an occupational health program has been established to ensure that the health and safety of TAQA's personnel is maintained and that industrial hygiene and medical surveillance programs appropriate for the location and work activity are implemented. The COE stipulates that personnel health, medical and occupational exposure records be maintained with appropriate confidentiality and retained as necessary. We maintain the quality of these processes by monitoring exposure and health records at the level of operated companies and through periodic audits delivered by Internal Audit.

During the advent of the COVID-19 pandemic, appropriate precautions were taken to keep staff safe and healthy. Each TAQA business across our global portfolio introduced occupational adjustments that best suited their local workforce while adhering to local government guidelines and rules. Employees were given the option of working from home and remotely, and schedules and routines were made more flexible to allow working parents to support their children and families as much as possible.

In the UAE, a dedicated COVID-19 taskforce was established from the outset in March 2020. The taskforce comprised members from the Business Continuity Management team, Group Communications, Human Resources and further specific functional expertise as required. The taskforce worked on finding ways to ensure continuity of essential operations for the provision of power and water whilst protecting employees. All office-based and non-essential site employees transitioned to working remotely. In addition to observing all government-related COVID-19 protocols, we also put in place safeguards of our own to keep our workforce safe. Our safety protocols often exceeded the recommended protocols from regulators. Additionally, we developed and implemented systems and tools globally to provide daily tracking of COVID-19 developments in our assets. These tools were integrated with the Abu Dhabi DoE to enable one source sector-wide real-time tracking of COVID-19 developments, including testing, cases and recoveries.

Safety performance

We strive for continuous improvement in safety by regularly tracking and reviewing safety performance. Management and monitoring of this takes place at both the business and Group-wide level. At the business level, we have leading indicators in place which are appropriate for the nature of each business and these are intended to drive improved proactive management of our operational risks.

As seen in the table below, our LTI and RIR are showing downward trends, as both indicators are significantly reduced in 2021 compared to pre-COVID activities (2019).

It is with deep regret that we report a fatality that occurred at one of our Transmission & Distribution operated entities during 2021. This fatality profoundly impacted TAQA as a

Group and resulted in a number of key actions being taken. The incident was thoroughly investigated by an independent investigation team using a structured root cause analysis process. The investigation delivered a detailed report of the root causes, and resulted in over 25 recommendations, across the following key areas:

1. Control of Work
2. Project Management
3. Project Assurance
4. Tender Process and Contract Award

The actions for addressing the recommendations were implemented by improving safety systems. All actions were tracked through to completion independently from the operated company.

HSSE Overview

	Units	Year ended 31 December											
		T&D			Generation ⁵⁰			O&G			Group Total ⁵¹		
		2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019 ⁵²
Fatalities	Number	1	-	-	-	-	-	-	-	-	1	-	-
Rate of fatalities	Fatalities / 1 million hrs	0.02	-	-	-	-	-	-	-	-	-	-	-
High-consequence work-related injuries (excl. fatalities)	Number	-	2	1	-	-	-	-	4	2	-	6	3
Rate of high consequence work-related injuries (excl. fatalities)	Injuries / 1 million hrs	-	0.06	0.03	-	-	-	-	0.49	0.18	-	0.14	0.07
Recordable work-related injuries	Number	4	3	8	2	3	2	21	12	28	28	18	38
Recorded injury rate (RIR)	Incidents / 1 million hrs	0.12	0.10	0.26	0.41	0.60	0.66	1.90	1.48	2.54	0.55	0.41	0.82
Lost time injury (LTI)	Number	2	3	7	2	2	0	7	4	12	11	9	19
Reportable spills	Number	-	-	-1	2	1	6	35	31	40	37	32	47

50. Refers to TAQA operated assets only, as outlined in our reporting scope section (see page 43)

51. 2021 includes three LTIs and five reportable spills associated with assets that transferred operatorship to TAQA during the year

52. Although pre-merger, data consolidated in 2019 includes the same assets consolidated in 2020 and 2021

Asset integrity and process safety

GRI G40G OG13

The TAQA HSSE management system, the COE, defines the company's requirements for process safety and asset integrity. These requirements are built on the Energy Institute High-level Framework for Process Safety Management and underpinned by TAQA's global process safety standards and regionally specific asset integrity and process safety procedures. Regional specific procedures have been embedded to provide conformance to the TAQA global standards and statutory requirements in the countries in which we operate.

Requirements for identifying, reporting, management review and follow up of process safety and asset integrity incidents are defined in the COE and underpinning procedures, which includes the Global HSSE Incident Reporting & Investigation Standard and regional reporting and investigation procedures (see page 78 for further details).

The following process safety incidents were reported by the Oil & Gas⁵³ business line in 2021:

Fires	1
Gas Releases	11
Spills (greater than 1 barrel (bbl))	10

Emergency preparedness

GRI G4EU (former EU21), GRI G40G

Accidents at any of our power and water generation assets, transmission or distribution grids or our oil and gas production and storage facilities may put our employees or the facilities themselves at risk and may ultimately impact the public at large (e.g., through the loss of power and water supplies at any stage throughout the value chain).

TAQA Group subsidiaries and operations in which we have a financial interest have put contingency plans, procedures and other mechanisms in place in order to try to avoid emergency situations and minimise any consequences should they occur. Such measures include preventative measures that have been jointly established with local authorities, training and regular safety drills with on-site assurance. They also include proactive measures such as the real-time monitoring of systems (particularly within our networks businesses),

controlling the conditions of the power and water systems and responding to service and emergency requests, active communication with any affected parties, and regular practice drills.

Within our oil and gas businesses, local communities are provided appropriate risk communication on the review and modification of our emergency plans, including updates on the preparation and rehearsal of emergency exercises. These updates include resident notification and consultation, public information packages and site-specific emergency response plans which are communicated by TAQA directly or via local authority emergency and planning services, depending on the protocols in place in the regions we operate.

53. GRI G4 Oil & Gas Sector Disclosure on 'asset integrity and process safety' is specific to O&G segment within the TAQA Group

At TAQA, we believe in the pursuit of HSSE excellence in everything we do – no operational priority is more important than protecting the health, safety and security of our people and our communities, and respecting our environment.

Access

GRI G4EU EU26, EU27, EU28, EU29, EU30

Access to reliable electricity is a necessity for people's wellbeing and day-to-day life activities. At TAQA we are committed to provide continuous supply of electricity to the people in our areas of operations and to minimize interruptions that can negatively impact quality of life. In Abu Dhabi, which is a fully licensed distribution area, there is no part of the population that is not provided access to electricity.

From a social perspective, we are working to ensure that low-income families are provided with water and electricity through our specifically designed tariffs. Social card holders in the UAE, regardless of the nationality, are provided with water and electricity free of charge as long as they stay below daily consumption thresholds. Upon exceeding those thresholds, the electricity and water tariffs paid are significantly lower than the ones set for non-social card holders:

For more information, our full tariff guide is available on ADDC's website⁵⁴.

In 2020, COVID-19 measures impacted the implementation of some field level activities including disconnections, which were addressed in 2021, giving rise to an upward trend year-on-year.

Number of residential disconnections



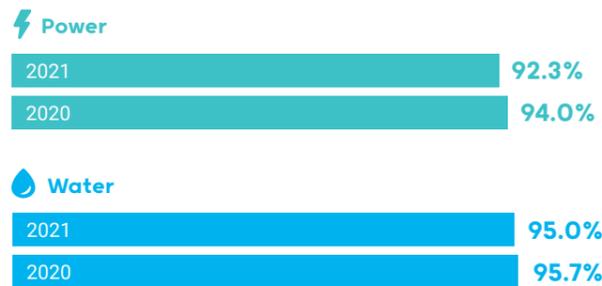
Our disconnection code restricts any residential customers disconnection during the summer months of June to September. This is to ensure that during this time of very high temperature and humidity in the UAE, no health or wellbeing risk might rise from the lack to electricity access.

At our distribution companies, AADC and ADDC, we saw improvements in network reliability compared to 2020 and greatly improved our performance compared to 2019. Combined improvements of 3.4% in average outage duration for each customer served (SAIDI) and 8.2% improvement on average number of interruptions a customer would experience (SAIFI) were recorded.

	2021	2020	2019
SAIDI (Minutes per customer)			
ADDC	81.2	83.1	121.7
AADC	80.7	85.0	86.2
SAIFI (Interruptions per customer)			
ADDC	0.94	0.99	1.25
AADC	0.80	0.90	0.98

In power generation, our global capacity weighted average technical availability was lower by 1.7% in power and 0.7% in water desalination compared to 2020. This was due mainly to unplanned maintenance in our UAE power and water assets. However, our international generation technical availability substantially improved by 1.7% driven by a transformation program at our Ghana asset. The program resulted to an increase of technical availability of 20% compared to 2020.

Fleet wide average technical availability



54. <https://www.addc.ae/en-US/Business/Documents/02-English.pdf>

Local Communities (Decommissioning)

GRI G4OG11

In 2021, one of our sites in our O&G portfolio was decommissioned, the UK Brae Bravo site.

Brae Bravo set an industry benchmark for sustainable decommissioning in the Northern North Sea, one of the largest decommissioning projects in the UK North Sea to date. The removal of the topsides at Brae Bravo totalled more than 36,000 tons of associated materials with 95% being recycled (refer to Waste section on page 70 for further details).

This strong performance was achieved despite the continuing disruption caused by the global pandemic, which impacted the timing of some decommissioning activities during the year. Decommissioning activity continues with the commencement of various plug and abandonment (P&A) campaigns at Tern, North Cormorant and East Brae in 2021.

Processing work on Brae Bravo materials will continue at the yard for another 12 months, with a formal TAQA audit scheduled to be held in January 2022.



Corporate Social Responsibility (CSR)

GRI 413-1

CSR programs and projects across TAQA prior and during 2021 were decentralized across HQ and the operated assets, whereby each company would carry out its own programs and activities that align with the needs of their local communities and their respective CSR strategies. Since the merger with ADPower in 2020, TAQA as a Group has evolved and is taking active steps towards creating comprehensive structures and strategies across all our operations, including our CSR program.

In 2022, TAQA aims to set the foundations for a successful and inclusive CSR program, and to build partnerships with organizations that align with our overall Group strategy and the ESG strategy. The CSR program will be incorporated into the ESG strategy that is currently being developed.



A milestone for TAQA in 2022 was the onboarding of a CSR Manager at HQ level to lead the CSR program across the Group. The CSR Manager, along with a newly formed CSR Committee and working group, including representatives from TAQA's operating companies, are currently working towards creating synergistic Group CSR programs. TAQA is engaging with various CSR stakeholders to determine key strategic partners that will support TAQA in achieving its CSR ambitions. In future CSR initiatives, TAQA aims to measure outcome and impact of projects on the local and international communities to better understand the social return on investment and how to best allocate resources.

We want to be recognized as an organization that proactively contributes to and supports social, economic, and environmental initiatives through outcome-based projects. As such, our current strategy is to focus on creating synergies between the group, and strategic roadmaps with our key partners.

In 2021, TAQA's proactive CSR programs across eight countries contributed to progress environmental and community initiatives.

United Arab Emirates

In the UAE, TAQA headquarters' CSR activities included the provision of charitable assistance to Ma'an – the Authority for Social Contribution – an Abu Dhabi-based foundation established by the Department of Community Development.

TAQA donated AED 30,000 to the organization to assist its support for orphaned children in Abu Dhabi Emirate including:

- Education: school allowances
- Independence: housing and furniture
- General support: providing allowances, activities, medical expenses and building maintenance

TAQA also engaged with the Tree for 50 program to plant 50,000 mangroves at Al Jubail Island – occupying a space equivalent to 21 football pitches. As well as a donation to the program totaling AED 200,000, TAQA employees participated in the planting of the mangroves, which will ultimately offset as much as 615 tons of CO2 emissions annually once the trees reach maturity.

In celebration of the UAE's 50th National Day, TAQA's operating company, Abu Dhabi Distribution Company (ADDC), partnered with Khalifa Bin Zayed Al Nahyan Foundation, providing AED 31,900 to support local women who protect cultural traditions in handicraft and cooking. As part of the support, seven Emirati women showcased their skills at two separate National Day events to help spread awareness of the UAE's traditions and customs.

Canada

TAQA North is committed to supporting the communities in which it operates, and donated C\$20,000 (AED 58,130) to various community shelters, school programs and food banks during 2021 to benefit local people across our footprint.

TAQA North continued to provide support in 2021 for STARS – a helicopter ambulance service that provides remote emergency medical care and transport for critically injured patients. STARS also offers remote monitoring for our field staff through its Emergency Link Centre, an initiative that we support every year. The company also donated C\$20,000 (AED 58,130) to the new Center for Child & Adolescent Mental Health at the Alberta Children's Hospital, which provides critical support and treatment to young people struggling with mental health issues; and provided support to Hockey Helps the Homeless – a charity hockey tournament that raises funds for organizations that support homeless Canadians – which raised C\$13,000 (AED 37,785) in 2021.

Other charity initiatives across TAQA North including an annual fundraising event organized by the Canadian Cancer Society in support of breast cancer research, which raised C\$37,000 (AED 107,542).

Ghana

Health and wellbeing are core pillars of TAQA Ghana’s CSR activities, which is why the renovation of the Axim Government Hospital operating theater was the highlight of its CSR program in 2021. Built in 1925 with an operating room added in 1963, the theater had not received any major renovations for more than 30 years and needed urgent repairs.

The renovation involved expanding the current facility and supporting the purchase of modern medical equipment through a donation of US\$50,000 (AED 183,650) to promote better health medical services for the people of Lower and Upper Axim. The renovation included expansion of the operating room, including an additional surgical ward and two recovery wards, to better cater to the medical needs of local patients.

Through a variety of other CSR initiatives to support local communities, TAQA Ghana provided a further US\$56,000+ (AED 205,688) in funding for smaller projects covering education, civil infrastructure and charitable activities during 2021.

India

During 2021, TAQA India supported many CSR projects, including drinking water distribution pipeline works at Omangalam village at a cost of INR 300,000 (AED 14,822); the installation of an oxygen concentration machine for the Government Hospital in Vridhachalam in the amount of INR 190,000 (AED 9,387); a compound wall construction for a Public Health Center, which cost INR 1,450,000 (AED 71,644); and the provision of air conditioning for the Training Hall of a local community center that cost INR 100,000 (AED 4,941).

Other projects still underway cover road construction, water tank installation, well construction and school and library improvements at various locations.

Iraq

To mitigate school drop-out rates due to financial difficulties among families in the Atrush Block, TAQA Iraq funded the provision of backpacks and stationery for distribution to the students of 26 schools in October 2021. In the sub-district of Shekhan, and in the Chamanke sub-district of Amediya, 4,600 backpacks were distributed at a cost of US\$62,014 (AED 227,777).

Due to the multiple financial crises faced by the local government since 2014 and challenges with providing sufficient kerosene to schools, TAQA developed a kerosene distribution project to mitigate increasing deforestation for heating fuel. Each of the 26 schools in the area received around 40 liters of kerosene per room (classrooms and administration rooms), with a total of 13,400 liters being distributed overall at a cost of US\$7,236 (AED 26,580).

Morocco

TAQA Morocco continued to support the Sheikh Zayed Ibn Sultan Foundation in 2021 to provide free and high-quality healthcare to communities in remote areas. This medical mission is operated through a multidisciplinary mobile medical unit with the support of medical and paramedical teams from the Sheikh Zayed Hospital.

One medical caravan was sponsored in 2021, specifically for cataract surgeries, due to the sanitary restrictions in the first half of the year. The program has served 1,146 beneficiaries in 2021 through 173 cataract surgeries, 500 ophthalmologic consultations, 300 eye scans and 173 medicine supplies at a cost of US\$150,000 (AED 550,950) per year.

TAQA Morocco also supports Fondation Marocaine de l’Etudiant – a nonprofit organization to help promising female high school graduates from low-income backgrounds pursue graduate degrees and professional integration.

So far, TAQA Morocco has sponsored five female students in science, technology and math (STEM) subjects. The five-year program includes a full scholarship, accommodation, transport, equipment, mentoring, soft skills and employability workshops. TAQA Morocco contributes annual funding of US\$25,000 (AED 91,825) to the foundation.

Netherlands

In 2021, TAQA Netherlands allocated EUR 50,000 (AED 208,810) in funding through the TAQA Culture Fund to support 20 local arts and culture initiatives, including an additional EUR 10,000 (AED 41,762) in sponsorship to Energy Challenges to promote energy awareness in primary schools in the province of North-Holland where TAQA is based.

United Kingdom

Employees actively participate in CSR programs and proactively fundraise for TAQA’s charity of the year by organizing workplace fundraising events and participating in individual and group fundraising challenges. In 2021, TAQA employees raised more than GBP 10,000 (AED 49,703) for the UK’s Charity of the Year, Abernecessities, an organization which supports underprivileged families in Aberdeen and Aberdeenshire.

In addition to employee-based fundraising, TAQA UK donated an additional GBP 56,500 (AED 281,316) to local causes, including:

- Community Food Initiative North-East’s (CFINE) Connecting with Communities program to fund the purchase of an emergency mobile pantry van, which enabled the delivery of over 500 tons of food to vulnerable families and individuals (GBP 6,000 or AED 29,871)
- River Dee Trust to continue its education program, which has hosted more than 850 youth since April 2021 (GBP 10,000 or AED 49,703)

- Aberdeen Science Centre to support two programs at its Engineering Club, with more than 200 youth participating alongside their parents, caretakers and siblings (GBP 4,000 or AED 19,881)
- Absafe for safety education workshops for more than 2,000 children on topics ranging from kitchen and home, fire to mental wellbeing to road and railway and cyber safety (GBP 7,000 or AED 34,792)
- MacDuff Marine Aquarium to digitalize the aquarium’s exhibits and run a Children’s Sea Savers Club to educate children on native sea habitats, species and the environmental threats (GBP 5,000 or AED 24,851)
- Greyhope Bay to support the center’s January 2022 opening, launch of the online community membership space and production of its Greyhope Stories films (GBP 10,000 or AED 49,703)
- Project Search for uniforms for 12 new interns in the organization’s one-year internship program, which supports young people with learning disabilities to gain the additional skills and experience for employment (GBP 2,500 or AED 12,446)
- Go4Set ten-week engineering challenge conducted by the UK Electronics Skills Foundation (GBP 2,000 or AED 9,957)
- STEM in the Park Initiative which engages all ages in science activities carried out in local parks (GBP 10,000 or AED 49,703)

In 2022, TAQA aims to set the foundations for a successful and inclusive CSR program, and to build partnerships with organizations that align with our overall Group strategy and the ESG strategy.





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GRI 102-55

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ACRONYMS

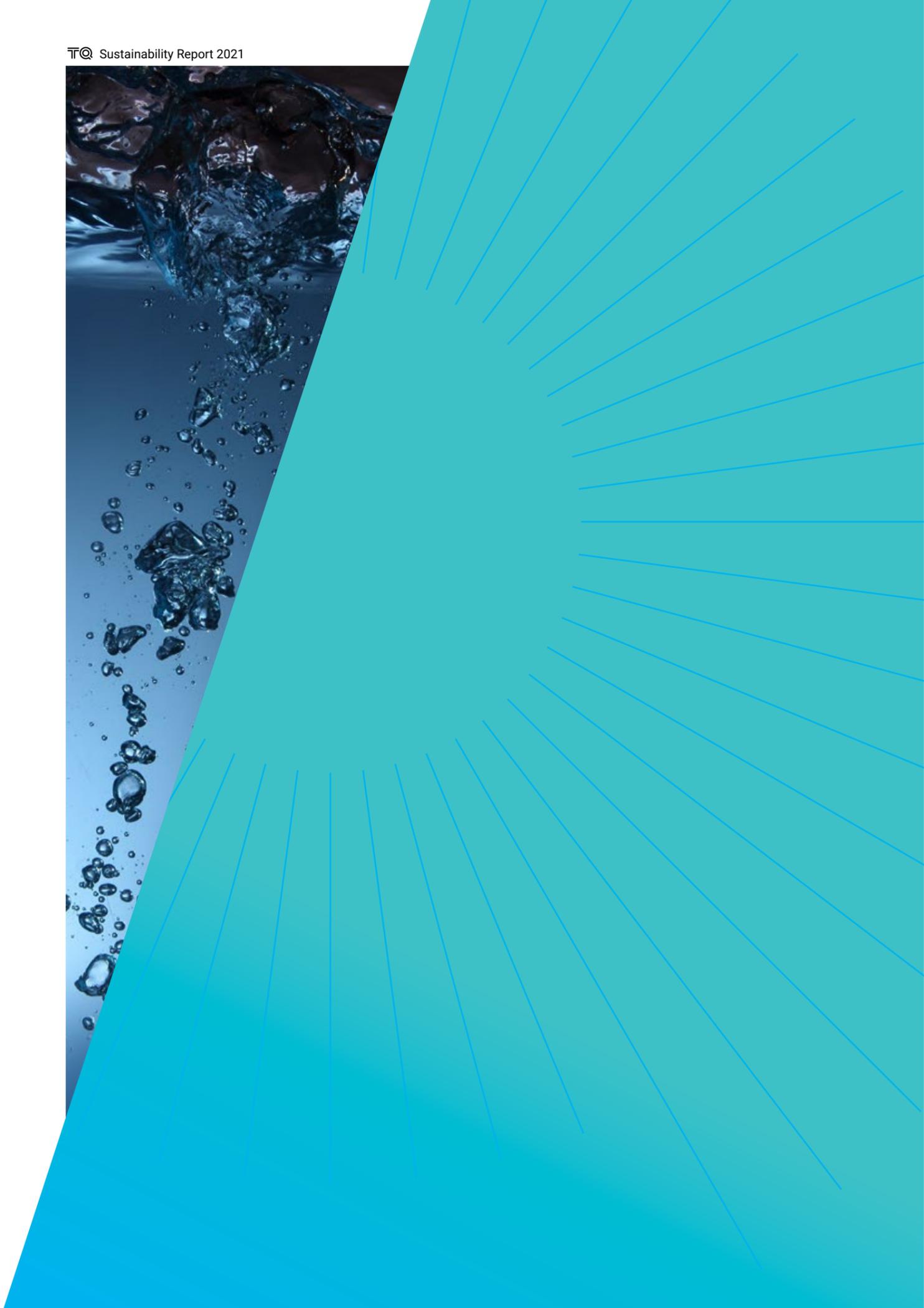
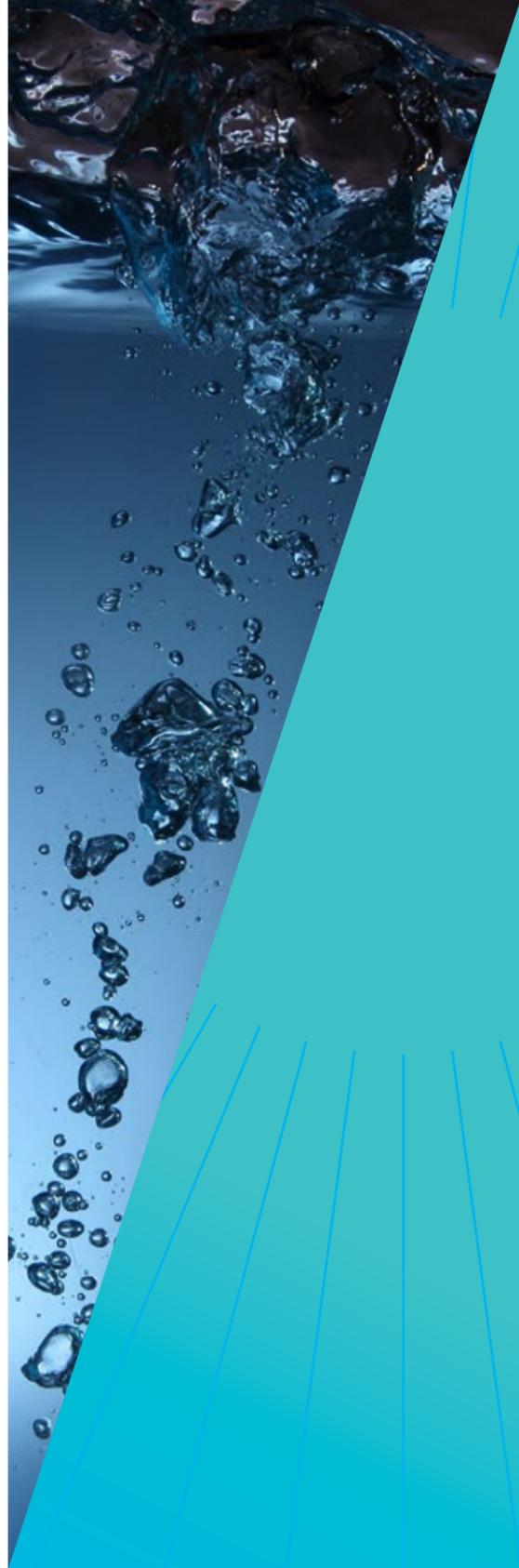
ACRONYMS

1P	Proved
2P	Proved Plus Probable
AADC	Al Ain Distribution Company
Abu Dhabi	Emirate of Abu Dhabi
ADDC	Abu Dhabi Distribution Company
ADES	Abu Dhabi Energy Services
ADNOC	Abu Dhabi National Oil Company
ADPorts	Abu Dhabi Ports Company PJSC
ADPower	Abu Dhabi Power Corporation
ADQ	Abu Dhabi Developmental Holding Company PJSC
ADX	Abu Dhabi Securities Exchange
Bbl	Stb
Bcm	Billion Cubic Metres
Boe	Barrels of Oil Equivalent
Boepd	Barrels of Oil Equivalent Per Day
BST	Bulk Supply Tariff
Btu	British Thermal Unit
CAPEX	Capital Expenditures
COE	Commitment to Operational Excellence
DEL	Dolphin Energy Limited
DisCo	Distribution Company
DoA	Delegation of Authority
DoE	(Abu Dhabi) Department of Energy
DSM	Demand-side management

EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EGA	Emirates Global Aluminium
EMS	Environmental Management System
EPC	Engineering, Procurement and Construction
ESCO	Energy Services Company
ESG	Environmental, Social and Governance
ESIA	Environmental & Social Impact Assessment
EVD	Economic Value Distributed
EVG	Economic Value Generated
EWE	Etihad Water and Electricity (formerly FEWA)
EWEC	Emirates Water and Electricity Company
KPI	Key Performance Indicators
FY	Full or fiscal year
GCC	Gulf Cooperation Council
GCCIA	GCC Interconnection Authority
GHG	Greenhouse Gas
GHG Protocol	Greenhouse Gas Protocol: a Corporate Accounting and Reporting Standard, by WBCSD/WRI, 2004
GICS	Global Industry Classification Standard
GRI	Global Reporting Initiative
GRI G4EU	GRI G4 Electric Utilities Sector Disclosures
GRI G4OG	GRI G4 Oil & Gas Sector Disclosures
GRI Standards	GRI Sustainability Reporting Standards

GW	GWac
GWac	Gigawatts of alternating current
GWh	Gigawatt Hours
H&S	Health and Safety
HSE	Health, Safety, and Environment
HSSE	Health, Safety, Security and Environment
I(W)(P)P	Independent (Water) (and) (Power) Project
LTI	Lost Time Injury
MIG	Million Imperial Gallons
MIGD	Million Imperial Gallons per Day
Mn	Million
MoU	Memorandum of Understanding
MW	Megawatts
MWac	Alternating current megawatts
NGL	Natural Gas Liquids
NGO	Non-governmental organisation
O&G	Oil and Gas (segment)
O&M	Operation and Maintenance
OEM	Original Equipment Manufacturer
ONEE	Office National de l'Electricité et de l'Eau Potable (Morocco)
OPEX	Operating expenses
P(W)(P)A	(Power) (and) (Water) Purchase Agreement
PCOD	Project Commercial Operation Date
PV	Photovoltaic

RC1	First Regulatory Controls (2018-2022)
RC2	Second Regulatory Controls (2023-2026)
RO	Reverse Osmosis
RIR	Recorded injury rate
RRR	Reserves Replacement Ratio
SCA	Securities and Commodities Authority in the UAE
Scf	Standard cubic feet (1 boe = 6 million scf)
SDGs	United Nations Sustainable Development Goals
SEWA	Sharjah Electricity, Water and Gas Authority
SOx	Sulphur oxides
Stb	Stock tank barrel (also bbl)
tCO2e	(Metric) Tonnes of Carbon Dioxide Equivalent
T&D	Transmission and Distribution (segment)
TAQA	Abu Dhabi National Energy Company PJSC
TJ	Terrajoules
TransCo	Transmission Company
TRANSCO	Abu Dhabi Transmission and Despatch Company
TUoS	Transmission Use of System
TWh	Terawatt Hours
UAE	United Arab Emirates
YE	Year end
MIG	Million Imperial Gallons





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