



**SUSTAINABILITY,
FROM VISION
TO ACTION**



Sustainability Report 2022

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GROUP CEO AND MANAGING DIRECTOR'S MESSAGE

GRI 2-22



A strong commitment to Environmental, Social and Governance (ESG) values is at the heart of our corporate purpose, vision and mission. In 2022, we announced a comprehensive ESG strategy based on the six areas where our business has the most material impact.



In 2022, the world faced unprecedented disruptions to global energy supplies, with significant impacts on prices and economic growth. As 2023 unfolds, the global energy markets continue to face headwinds, making the trilemma of secure, affordable and sustainable energy a key focus for the world's economies. Our response to these challenges has been to focus on delivering on our business strategy of providing low carbon power and water, while continuing to embed sustainability principles and practices in everything we do.

We achieved several key milestones in our ESG journey in 2022. We finalised the acquisition of a leading stake in Masdar's renewables business alongside Mubadala and ADNOC to accelerate investment in renewables in the UAE and globally. This enabled TAQA, by having more than 28% of its gross generation capacity coming from renewables, bringing us close to the 30% target set in 2021. We will also own a stake in Masdar's new green hydrogen business, where we will utilise expertise in the renewables business to drive the green hydrogen sector.

Last year, TAQA announced the financial close of a USD 3.8 billion project to power and significantly decarbonise ADNOC's offshore operations. The companies are developing and will operate the first high-voltage, direct current (HVDC-VSC) subsea transmission system in the MENA region. The transmission system will power ADNOC's offshore production operations with cleaner and more efficient energy, to be delivered through the TAQA-owned Abu Dhabi onshore power grid.

In January, the successful pricing of TAQA's green senior secured bonds for an aggregate principal amount of USD 700.8 million (AED 2.6 billion) by Noor Abu Dhabi was the first green bond linked to a large solar plant and a significant achievement for TAQA and its joint venture partners. The project bond, which was oversubscribed by local, regional and international investors, demonstrates

our strong commitment to applying innovative financing solutions to sustainable power generation projects.

A strong commitment to ESG values is at the heart of our corporate purpose, vision and mission. In 2022, we announced a comprehensive ESG strategy based on the six areas where our business has the most material impact.

Our ESG strategy is aligned with our 2030 corporate strategy and business planning, which prioritises low carbon power and water, and complements those ambitions. TAQA aims to become a partner in the sustainability efforts of our government and other UAE companies through decarbonisation of customer power and water supply, electrification of industrial processes, demand side management and decarbonisation of transportation.

Under this strategy and our focus on the environment, TAQA has committed to a 25% reduction of scope 1 and 2 emissions by 2030 across the Group, including a 33% reduction of UAE portfolio emissions compared to the 2019 base year. We have already committed to be a Net Zero company by 2050 in support of the UAE's Net Zero by 2050 strategic initiative. TAQA is also one of the few major players in the region to have set targets based on an absolute reduction from a base year.

Water management is also at the forefront of our attention. We aim to reduce energy consumption needed for desalination by expanding efficient reverse osmosis (RO) technologies to make up at least two-thirds of TAQA's desalination capacity by 2030. When fully operational this year, the Taweelah RO facility in the UAE will be the largest RO water desalination plant in the world, sufficient to meet the water demand of more than 350,000 households. We are also upgrading our infrastructure to reduce losses in water distribution by 25% by 2030, compared to a 2021 base year.

We are committed to working with our many stakeholders and partners to achieve a better and more sustainable future for all. Pragmatism remains at the heart of our approach, balancing the ongoing needs of energy security, decarbonisation and good financial performance.



Under the social pillar, we prioritised developing a culture of diversity and inclusion by reinforcing diversity in four groups, including gender, age, nationality and people of determination. We aim to have females represent 30% of management positions by 2030. In parallel, we continue to enhance our occupational health and safety performance across our operations through enhanced transparency of incident reporting and investigations.

TAQA, with its global presence, has a far-reaching impact on our internal and external stakeholders. Through partnerships and other initiatives, we will continue to ensure Corporate Social Responsibility (CSR) is an integral part of our organisation's values. Focusing on education equality and environmental initiatives, we will progressively increase CSR spending both nationally and globally to create long-term value in the communities where we operate.

Corporate governance helps ensure that we continue to be trusted and secure our ESG strategy. By adopting best practices over and above local regulations and requirements, TAQA's ambition is to achieve corporate governance excellence within the context of the countries and regions we operate and across our assets.

We are also engaging with many stakeholders in the UAE, MENA region and internationally, to support collective action, raise awareness and explore innovative solutions to advance ESG ambitions. In 2022, we became a member of the UN Global Compact, the IRENA Alliance for Industry Decarbonization and have signed the UAE Ministry of Climate Change and Environment's private sector climate pledge. In addition, last year TAQA launched the World Utilities Congress, providing a unique platform for industry players to explore the latest technologies, research advancements, technical services and product solutions that are helping drive the energy transition.

This year we have already established a green finance framework and announced the successful placement of our first corporate green bond issuance valued at USD 1 billion. We will also invest in accelerating electric mobility readiness in the UAE. TAQA has entered an agreement with ADNOC Distribution, the UAE's largest fuel distributor and convenience store retailer, to establish a mobility joint venture, E2GO, to build and operate electric vehicle infrastructure.

TAQA has already realised improvements across several key performance metrics related to our ESG Strategy in 2022. As part of the environmental pillars, our scope 1 and scope 2 GHG emissions reduced by 8%, compared to 2021 and by 11% in comparison to the base year of 2019. Various improvements were also noted within the social pillar, whereby occupational health and safety metrics also showed enhancements with our Group recordable injury rate (RIR) reducing by 4% and volume of spills reducing by 87%. As we continued to focus on supporting our local communities, our community investment more than doubled in 2022 compared to 2021. A TAQA Youth Council and a Women's Council were established to drive youth and women related initiatives with the goal of empowering these groups and improving our diversity and equal opportunity performance. We have solidified ESG considerations within our Corporate Governance in line with best practices through the establishment of a Sustainability Committee at the levels of the Board and the Executive Management.

Our ESG performance has been recognised by leading ESG rating providers. TAQA Group has received a two-grade uplift (from 'B' to 'BBB') by MSCI. As of August 2022, TAQA's ESG Risk Rating from Morningstar Sustainalytics has upgraded the company from "Severe" to "Medium" ESG Risk Rating Category, placing TAQA in the top 33rd percentile of Morningstar Sustainalytics' "Utilities" industry globally.

Our people are our greatest asset, and our progress would not be possible without their dedication and hard work. We will continue building and strengthening existing capabilities and performance of our workforce. With our robust ESG strategy and targets, including a strong focus on diversity and equality, we will continue to enhance our employee experience, productivity and workplace culture.

Our sustainability reporting continues to evolve, and the improvements are evident through stronger governance, targets and reporting mechanisms to help us track and deliver material progress against our mission and ESG targets. In this report, we present our ESG strategy, which forms the basis and framework that guides our reporting and sustainability ambitions. This report has been prepared in accordance with the GRI Sustainability Reporting Standards.

We are committed to working with our many stakeholders and partners to achieve a better and more sustainable future for all. Pragmatism remains at the heart of our approach, balancing the ongoing needs of energy security, decarbonisation and good financial performance.


The announcement of the 'Year of Sustainability' by His Highness Sheikh Mohamed bin Zayed Al Nahyan, President of the United Arab Emirates, which will culminate in the UNFCCC's 28th Conference of the Parties (COP) in the UAE, highlights our country's substantial commitment to support climate action. As a company, TAQA Group will leverage its strong position and partnerships to build solidarity, drive action and advance the energy transition.

Jasim Husain Thabet
TAQA Group CEO and Managing Director
April 2023


2022 AT A GLANCE


Performance¹


DECARBONISATION


 **28% ↑**
renewables in gross power generation capacity


 **8% ↓**
reduction in GHG emissions

 **16% ↓**
reduction in GHG intensity based on revenue

 **17% ↓**
reduction in global GHG intensity based on generation compared to 2019


 **31% ↑**
reverse osmosis in gross water production capacity


 **11% ↓**
reduction in GHG emissions compared to base year 2019

 **9% ↓**
reduction in GHG intensity based on generation of international assets


 **8% ↓**
reduction in GHG intensity based on oil and gas production compared to 2020


ENERGY SECURITY


 **96.7% ↑**
commercial availability of power generation


 **99.3% ↑**
power transmission availability


 **99.99%**
service availability²

 **9% ↓**
reduction in SAIFI (average number of interruptions for each customer served)


 **99.4% ↑**
commercial availability of water production


 **97.8% ↑**
water transmission availability


 **81% ↓**
reduction in residential disconnections


 **6% ↓**
reduction in SAIDI (average outage duration for each customer served)


ENERGY AND WATER MANAGEMENT


 **9% ↓**
reduction in energy use


 **20% ↓**
reduction in energy use for water production

 **1.69% ↓**
transmission power losses


 **1.24% ↓**
transmission water losses


 **4% ↑**
improvement in generation efficiency


 **18% ↓**
reduction in energy intensity for water production


 **845**
customer connections for recycled water in 2021

 **14,205 MWh ↑**
electricity savings by ADES

 **3% ↓**
reduction in water withdrawal and water discharge

 **100%**
water quality testing frequency compliance

 **1,697km**
of pipeline for recycled water in 2021


 **54,932m³ ↑**
water savings by ADES

¹ Reduction numbers expressed are in comparison to 2021 unless otherwise specified

² Ability to meet customer demand

Performance¹ continued

FINANCIAL PERFORMANCE

 **10.3%** ↑
increase in Revenue

 **6.7%** ↑
increase in Adjusted EBITDA

 **28%** ↑
increase in Net Income (TAQA SHARE)

SUPPLY CHAIN


 **83%**
local procurement spending

 **4,993** ↑
local suppliers engaged

 **84%** ↑
increase in local supplier spending

WASTE MANAGEMENT

 **26%** ↓
reduction in waste generated

 **40%** ↓
reduction in hazardous waste

 **58%**
waste diverted


 **95%**
recycling rate during Brae Bravo decommissioning in the UK

SAFE OPERATIONS


 **4%** ↓
reduction in Recordable Injury Rate

 **24%** ↓
reduction in number of spills


 **ZERO** ↓
fatalities

 **87%** ↓
reduction in volume of spills

CUSTOMER SERVICE

 **93%** ↑
customer service delivery (front line)

 **27%** ↓
reduction in customer wait time

 **99%** ↑
timely issuance of customer bills (back line)


GROWING WITH OUR PEOPLE


 **139%** ↑
increase in community spending

 **16%**
share of women in Management positions


 **70**
nationalities represented

 **33%**
youth (18 - 35 years) in the workforce
Youth Council established

 **64%** ↑
increase in training hours

 TAQA Women's Council established

 **51%**
Emiratis in UAE operating companies

 TAQA Youth Council established

¹ Reduction numbers expressed are in comparison to 2021 unless otherwise specified

Milestones

JANUARY

- **TAQA and Etisalat Digital join forces to enhance digital capabilities and customer experience**

TAQA will work alongside Etisalat Digital to deploy the communication network and an advanced Internet of Things platform for Advanced Metering Infrastructure. More than 30% of the smart meters in Abu Dhabi are already connected and the partnership will bring the connection across the Emirate to 100%.

- **First green bond linked to solar PV plant**

TAQA and EWEC announced the successful pricing of green senior secured bonds for an aggregate principal amount of USD 700.8 million by Sweihan PV Power Company PJSC.

APRIL

- **TAQA Morocco awarded land to explore development of solar power**

TAQA Morocco awarded five land lots as part of the Noor PV II Solar Programme to potentially develop 96 MW of solar power.

SEPTEMBER

- **Decarbonise ADNOC's offshore operations**

TAQA and ADNOC announced the successful financial investment in a USD 3.8 billion strategic project to connect ADNOC's offshore operations to the grid via a high-voltage direct current (HVDC) sub-sea transmission network thereby reducing emissions by over 30%.

DECEMBER

- **Masdar Clean Energy Powerhouse**

Landmark transaction for a stake in Masdar Clean Energy completed, raising TAQA's share of renewables in the gross generation capacity to more than 28%.

- **Meeting 60% of demand from clean energy sources**

On December 20, 2022 at 12PM, 60% of the Abu Dhabi system power demand was supplied from solar power and nuclear energy plants. TAQA supplied the necessary renewable energy from its solar plants, and TRANSCO is responsible for the successful connection of the Barakah nuclear power plants.



MARCH

- **TAQA, EGA, Dubal Holding and EWEC to decarbonise aluminium production**

TAQA and Dubal Holding envisage acquiring EGA's electricity generation assets in the UAE, holding a 50% share each. The initiative is expected to unlock significant further development of solar power generation capacity in Abu Dhabi, progress power asset and generation optimisation, and decarbonise EGA's aluminium production in the United Arab Emirates.

JUNE

- **Completes large-scale offshore decommissioning project in Brae Field**

Completed the safe and successful removal of the Brae Alpha West drilling rig (Rig 1) and the Brae Bravo upper main jacket in the Northern North Sea; described as 'class leading' by UK safety regulators.

OCTOBER

- **ESG Strategy and 2030 GHG targets**

Announced a comprehensive 2030 ESG Strategy that commits to a 25% reduction of scope 1 and 2 emissions by 2030 across the Group, including a 33% reduction of UAE portfolio emissions compared to the 2019 base year.



Alliances and Partnerships

IRENA Alliance for Industrial Decarbonisation: Alongside IRENA, Siemens and 12 other founding members, launched the alliance aiming to accelerate Net Zero ambitions and the decarbonisation of industrial value chains in pursuit of the Paris Agreement climate goals.

International Desalination Association: Joined with the aim of learning from the experiences of, and collaboration with, other players in the desalination community to promote water scarcity solutions that lower energy consumption and enhance environmental responsibility.

United Nations Global Compact Initiative: Re-established membership with the initiative committing to complete annual communication on progress submission, demonstrating progress in working towards the Ten Principles of the UN Global Compact, in the areas of human rights, labour, environment and anti-corruption.

UAE Climate-Responsible Companies Pledge: Signed this national pledge by the UAE Ministry of Climate Change and Environment committing to stepping up the collective efforts by the private sector in the UAE to combat climate change.

Abu Dhabi Global Market Sustainable Finance Declaration: Formed a partnership with Abu Dhabi Global Market to establish a framework for green and sustainable investments in Abu Dhabi, the UAE and globally.



Recognition

MSCI: Upgraded TAQA's ESG Rating by two grades from "B" to "BBB"

Morningstar Sustainalytics: As of August 2022, TAQA's ESG Risk Rating was upgraded from "Severe" to "Medium", placing TAQA in the top 33rd percentile "Utilities" industry globally.

CSR Hub: TAQA's ESG Ranking improved to 79% in January 2023 compared to 40% in January 2021.

Cambridge IFA's Seventh Global Good Governance Programme: Secured two awards namely, "3G Championship in Corporate Governance 2022 Award" and "3G Excellence in Corporate Governance Reporting Award".

Gulf Sustainability Awards: Won the "Best use of Renewable Energy" category for its solar power plant, Noor Abu Dhabi, the world's largest standalone operational solar plant with a total capacity of 1.2 GW and more than 3.3 million solar panels on one site.

Project Finance International (PFI) Awards: Won the "Middle East & Africa Power Deal of the Year Award" along with our partners ADNOC Group, EDF Renewables Middle East, KEPCO KPS and Kyushu Electric Power, for the landmark project that will significantly decarbonise ADNOC's offshore production operations.

UK Legal Week's 2022 Middle East Legal Awards: TAQA's Ethics and Compliance Office awarded "Innovation through Technology by an In-House Team".

Future Workplace Awards: ADDC won "Best Social Impact Initiative Award" for its Junior Power Programme, a high school outreach programme designed to guide the next generation in sustainability awareness, career identification and work readiness.



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WHO WE ARE

GRI 2-1, 2-6

Abu Dhabi National Energy Company PJSC, more widely known as TAQA (referred to as 'the company', 'We', 'the Group') is one of the largest integrated utilities and energy groups in Europe, Middle East, and Africa (EMEA) with operations in power and water generation, transmission and distribution, as well as upstream and midstream oil and gas operations.

TAQA is proudly an Abu Dhabi born company with its headquarters in the capital of the UAE¹ and operations spanning 11² countries, including Canada, Ghana, India, Iraq, Morocco, Oman, the Netherlands, Saudi Arabia, the United Arab Emirates, the United Kingdom and the United States.

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. Does not include the additional countries where Masdar has its presence. If Masdar is considered, the presence of TAQA will be in a total of 20 countries.





GENERATION



~ 30 GW³ of operational and under construction power generation capacity



960 MIGD operational, 100 MIGD under construction gross water desalination capacity



12 years weighted residual life of power/water purchase agreements⁴



⁵



c. AED 360 bn
Market Cap⁶



c. AED 181.5 bn
Total Assets



AED 20.8 bn
Adjusted EBITDA in 2022



AED 50 bn
Revenue in 2022



AED 8 bn
Net Income in 2022



TRANSMISSION & DISTRIBUTION



89,495 km of electricity and 18,243 km of water transmission and distribution networks



1.017 mn distribution customers in Abu Dhabi



AED 75 bn regulated assets base



OIL & GAS



123.8 mboepd produced across Europe, North America and the Middle East



Upstream producing crude and gas



Midstream including transport and storage



314.9m boe YE 2022 2P reserves and 4.1 bcm gas storage capacity



TAQA's operations in the UAE and abroad are essential in providing vital resources to millions of beneficiaries and play a key role in the economic development of many of the local and national economies⁷. In the UAE in particular, with TAQA's vast Generation and Transmission & Distribution infrastructure, we provide almost all the critical power and water infrastructure for the Emirate of Abu Dhabi, and we are deeply integrated within Abu Dhabi's power and water value chain.

TAQA is a listed company on the Abu Dhabi Securities Exchange (ADX, ticker: TAQA) and subject to best practice regulatory disclosure and governance. Abu Dhabi Power Corporation (ADPower)⁸, a wholly-owned subsidiary of Abu Dhabi Developmental Holding Company (ADQ), holds 90.03% of TAQA's share capital, whereas Multiply Group, an ADX listed company, owns 7.30%. Therefore, TAQA is part of one of the region's largest holding companies, ADQ, with strategic government support and strong ties with the Abu Dhabi ecosystem.

3. Excludes TAQA's stake in Sohar Aluminium (Oman), a smelter with a 1 GW captive power generation plant.

4. Excluding projects under construction.

5. Does not include the additional countries where Masdar has its presence. If Masdar is considered, the presence of TAQA will be in a total of 20 countries.

6. As on end of December 2022.

7. Refer to TAQA's 2022 Integrated Report for further details on our economic performance and our Group Proforma Consolidated Income Statement.

8. ADPower is the previous owner of the T&D business in the UAE as well as some of the generation assets currently owned by TAQA.

OUR BUSINESSES

GRI 2-6, 203-1

We are proud to be a company that provides safe and reliable energy and water to communities around the world. TAQA's operations are segmented into three main business lines: Generation, Transmission & Distribution, and Oil & Gas.



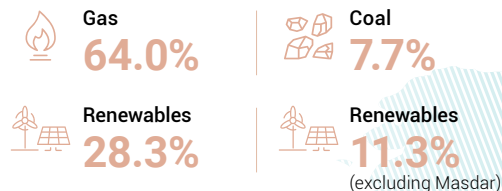
OUR GLOBAL FOOTPRINT

operations in
11
countries¹¹

TAQA Portfolio Mix

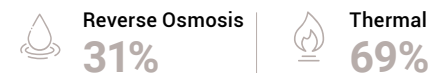
POWER GENERATION

(in terms of gross installed capacity⁹)



WATER GENERATION

(in terms of gross installed capacity¹⁰)



POWER TRANSMISSION & DISTRIBUTION

(in terms of network length)



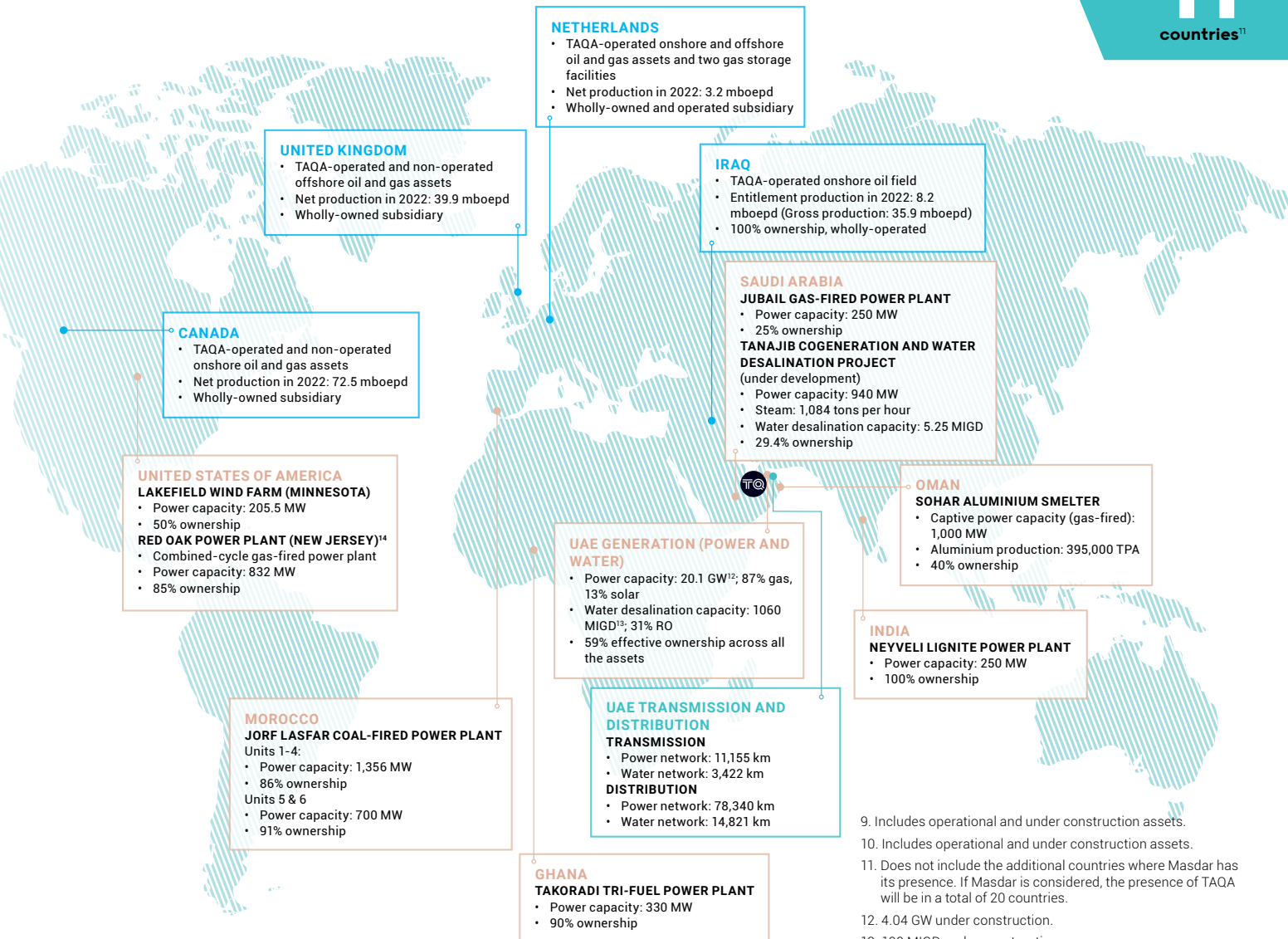
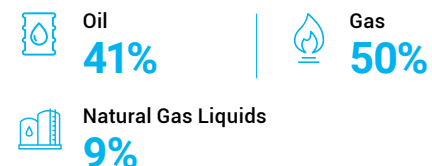
WATER TRANSMISSION & DISTRIBUTION

(in terms of network length)



OIL AND GAS

(in terms of output in boepd)



9. Includes operational and under construction assets.

10. Includes operational and under construction assets.

11. Does not include the additional countries where Masdar has its presence. If Masdar is considered, the presence of TAQA will be in a total of 20 countries.

12. 4.04 GW under construction.

13. 100 MIGD under construction.

14. Merchant asset with tolling agreement till Q3 2022 only.

GENERATION

The Generation business line comprises UAE generation assets, which include power generation and water desalination, and international generation assets, which are largely power generation.

We are proud to be a strategic partner to the UAE government and produce more than 80% of Abu Dhabi emirate's power and water. In the UAE, TAQA has a stake in 11 operational assets, including one solar PV plant, Noor Abu Dhabi. There are two power projects under construction in the UAE. The first is Fujairah 3 at 2.4 GW of capacity, which will be the most efficient and the largest IPP in the UAE using the latest gas turbine technology in the market. The second is Al Dhafra Solar PV Project of 2 GW (DC) capacity, set to be one of the world's largest single-site solar PV plants. Both facilities are on track for commissioning during 2023.

TAQA's UAE operational water desalination portfolio has a capacity of 960 MIGD with a further 100 MIGD under development at the Taweelah RO (Reverse Osmosis) facility. The plant successfully tested its maximum capacity in 2022 and has started

operating at 50% of its capacity. The plant is expected to reach its full capacity of 200 MIGD in early 2023, making it one of the world's largest RO desalination plants.

Available capacity and output from UAE assets are sold to the UAE system planner and off taker, Emirates Water and Electricity Company (EWEC), through long-term offtake agreements.

Our position in the UAE has underpinned TAQA Group's growth into a diversified international energy business. Internationally, TAQA has stakes in generation investments in six countries. These power generation assets are gas-fired plants in Ghana and Saudi Arabia, coal-fired plants in Morocco and India and a windfarm in the United States. In addition, TAQA has a stake in a gas fired plant and a steam cogeneration and water desalination plant in Saudi Arabia,

which is currently under construction. Available capacity from international assets is sold through long-term offtake agreements to government-related off takers (e.g., ONEE in Morocco, Volta River Authority in Ghana) or corporate off takers (e.g., SABIC for Jubail) into the market.

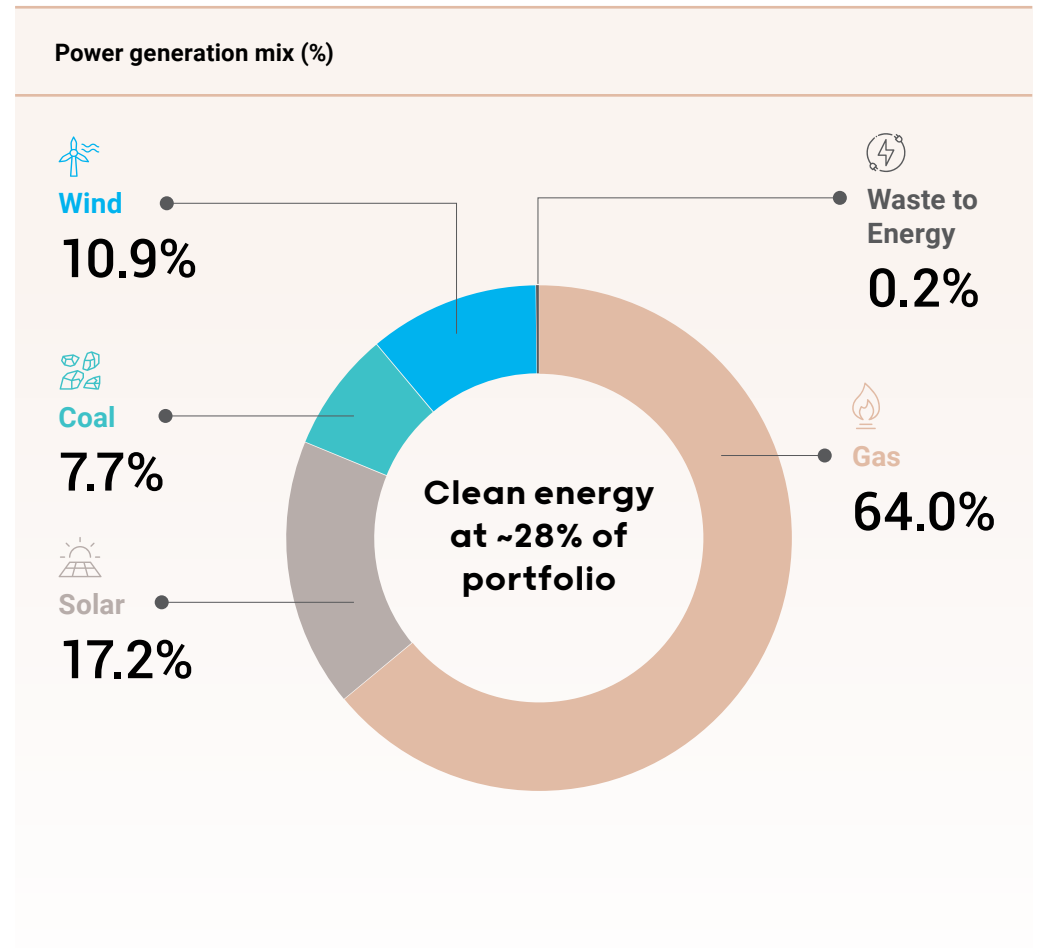
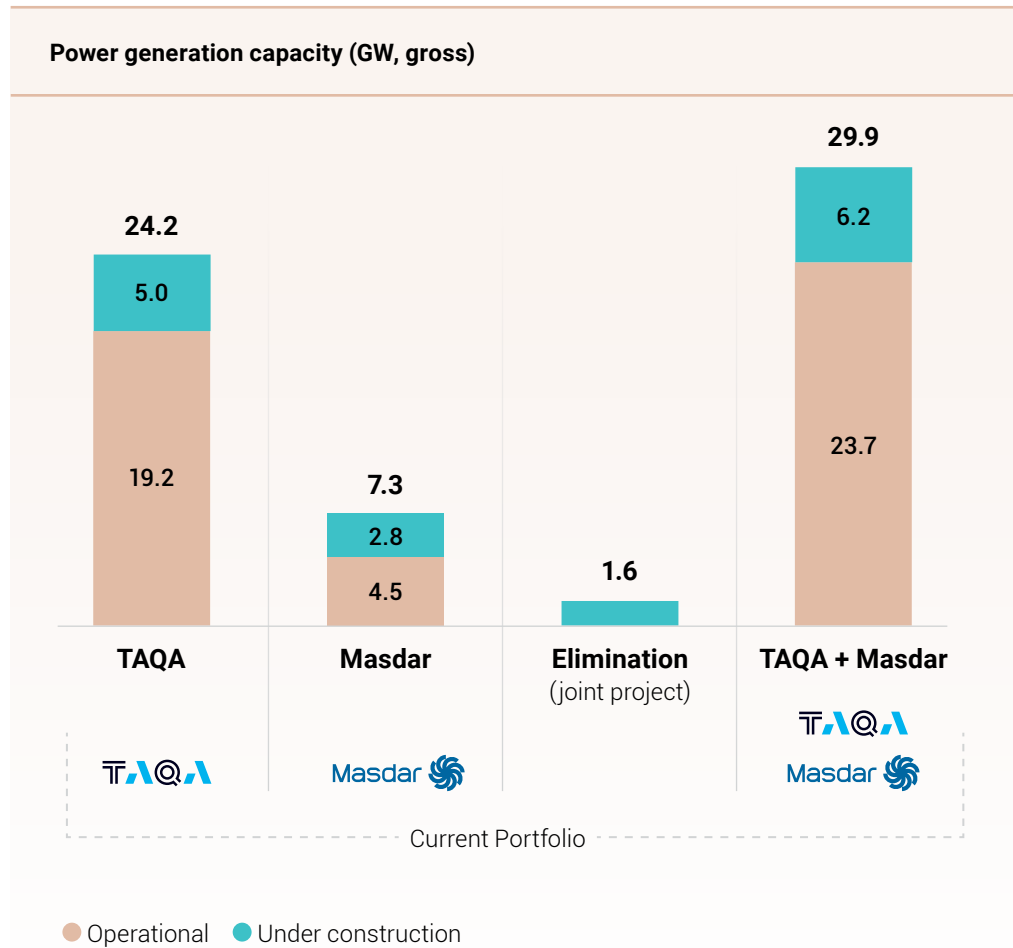
The ultimate beneficiaries from our Generation operations are the populations who draw from the electricity and water networks in the countries in which we operate, noting that the UAE has provision to export power to the Gulf Cooperation Council (GCC) power market through the GCC Interconnection Authority (GCCIA).

Impact of Masdar Transaction on Generation Portfolio

In December 2022, the landmark transaction for a stake in Masdar Clean Energy was completed. The transaction raised the share of renewables in TAQA's generation portfolio (in terms of gross capacity) to more than 28%.

Breakdown of TAQA's generation capacity

Net generation capacity at 15.6GW



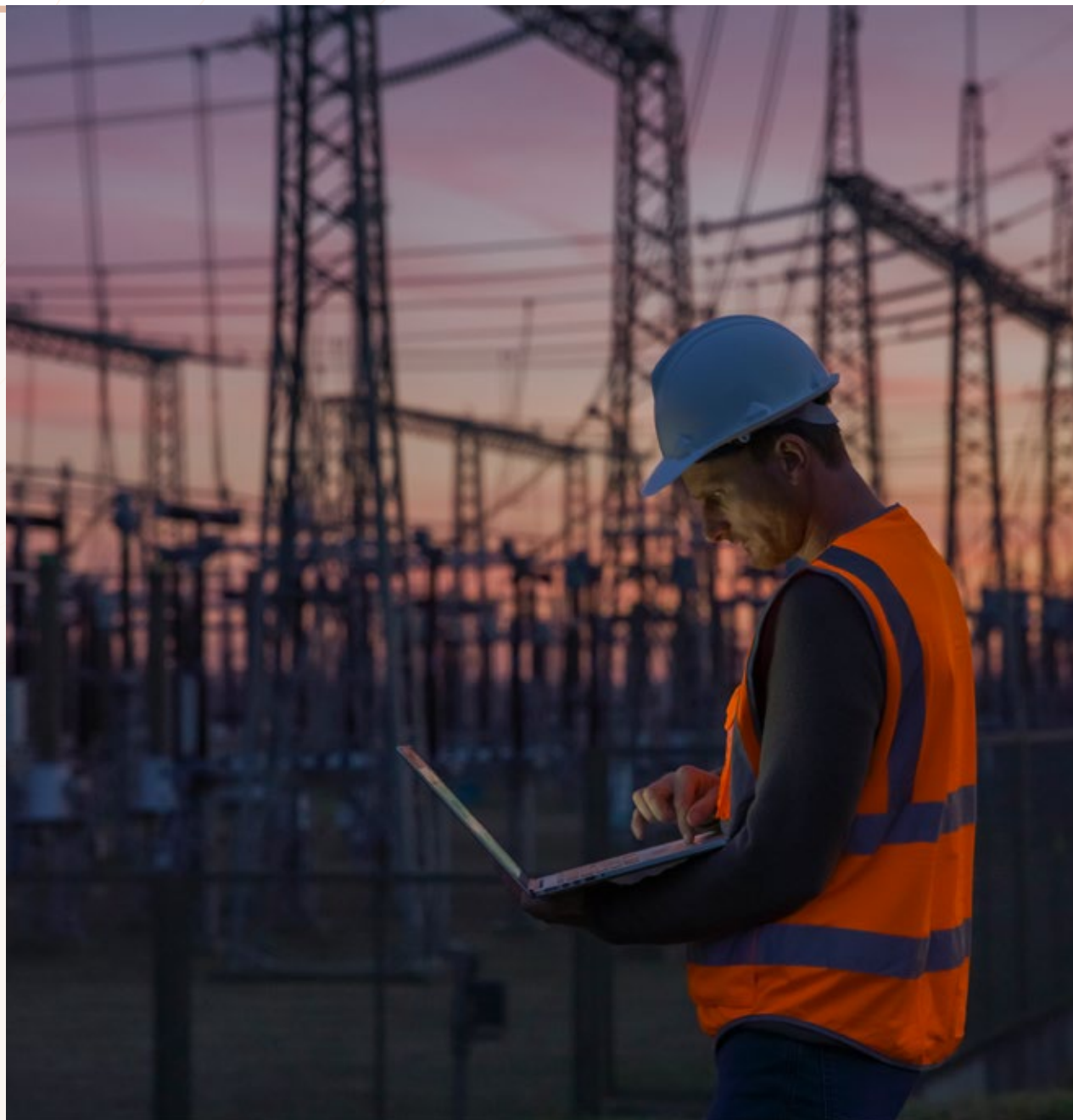
How We Manage Our Generation Assets

We manage our UAE-based and international generation assets at corporate level through dedicated asset management teams.

Currently in the UAE, TAQA does not operate the power generation and water production facilities. However, TAQA helps define and influence the UAE assets as majority shareholder via Board representation in the respective companies. The assets are monitored through regular reporting, site visits and frequent communication with management, in accordance with the agreements between the project companies and stakeholders. We are also progressively increasing our Operations & Maintenance (O&M) business footprint, continuing various transformation initiatives of our assets to drive sustainable improvement.

As for international generation assets, TAQA exercises its influence based on level of operational control. TAQA exercises strategic steering of the assets through its participation on the Board and other governing bodies as per the shareholder agreements and local laws.

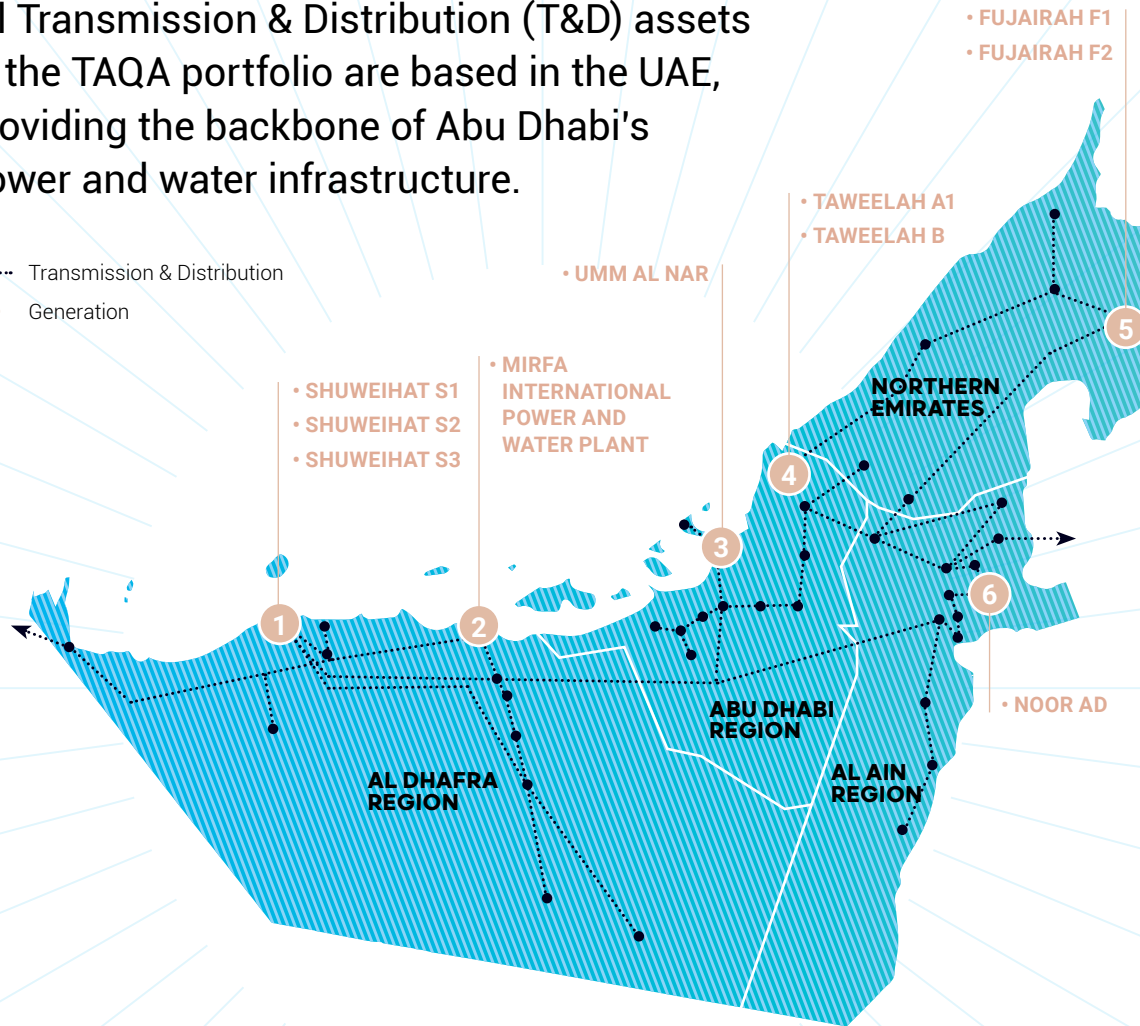
The International Asset Management team at TAQA headquarters (HQ) monitors the performance of these assets according to financial, operational, strategic, people and HSSE targets. Fully-owned subsidiaries, such as TAQA Neyveli in India, are subject to the policies and procedures defined by HQ, to the extent that the local legislation allows it. For those that are not fully owned but where TAQA has control, such as in Morocco and Ghana, the operated entities are subject to meet the HSE Management System established by HQ and are approved by the assets' Board of Directors (the Board).



TRANSMISSION & DISTRIBUTION

All Transmission & Distribution (T&D) assets in the TAQA portfolio are based in the UAE, providing the backbone of Abu Dhabi's power and water infrastructure.

- Transmission & Distribution
- Generation



TAQA wholly owns and fully operates the power and water transmission and distribution assets responsible for transmitting and distributing power and water within the Abu Dhabi region, Al Ain region and Al Dhafra region, as well as the Northern Emirates. Our T&D networks span 112,111 kilometres and serve 1.017 million distribution customers.



TRANSMISSION



Abu Dhabi Transmission & Despatch Company (TRANSCO) is responsible for the planning, construction and operation of the transmission network used to transmit water and electricity from power and water generators to the distribution networks operated by Abu Dhabi Distribution Company (ADDC) and Al Ain Distribution Company (AADC) and, where required, to five of the remaining six emirates in the UAE through EWEC.

DISTRIBUTION



Abu Dhabi Distribution Company (ADDC) is the sole distributor of power and water in the city of Abu Dhabi and the surrounding areas. AADC is the sole distributor of power and water in Al Ain city and its surrounding areas.

The distribution companies plan, operate, maintain and own network distribution assets within their jurisdictions and sell power and water to commercial, household and industrial consumers across the public and private sector.

ENERGY SERVICES



Abu Dhabi Energy Services (ADES) acting as a super ESCO (Energy Services Company), is mandated to create, advance and grow the demand-side energy and water efficiency market in Abu Dhabi through building retrofit projects and awareness campaigns.

TRANSCO

11,155 km

of power networks

3,422 km

of water networks

16,393 MW

peak demand for power

791 MIGD

peak demand for water

Abu Dhabi Distribution Company (ADDC)

49,641 km

of power networks

9,535 km

of water networks

435,296

power meters

355,610

water meters

Al Ain Distribution Company (AADC)

28,699 km

of power networks

5,286 km

of water networks

163,241

power meters

99,696

water meters

Abu Dhabi Energy Services (ADES)

14.2 GWh

of electricity savings¹⁵

54,932

cubic meters of water savings¹⁶



15 and 16. Based on projects in implementation phase.

How We Manage Our T&D Assets

TAQA wholly owns and fully operates its T&D assets through subsidiary operating companies, AADC, ADDC, TRANSCO and ADES. AADC, ADDC and TRANSCO are regulated by the Abu Dhabi Department of Energy (DoE). Each operating company is a separate entity empowered to deliver the business, with the strategic and operating directions set at the T&D HQ level.

At the HQ level, the team focuses on maintaining overall governance, monitoring business performance, the application of standards, including HSE, and implementing strategic projects and initiatives across T&D. The strategy and business plans are set at the HQ Level – a joint exercise conducted with the operating companies. The Group Delegation of Authority (DoA) and overarching policies and procedures are cascaded to the operating companies. The T&D team at HQ work closely with the operating companies in driving transformation initiatives to propel strategy delivery. The purpose of this transformation has been to maximise synergies, build the capacity, and streamline and refine policies, procedures and ways of working across the business.

Business performance is monitored at the HQ level through monthly reporting. The Enterprise Risk Team at HQ assess the risk profile twice a year and reports the results to the Executive Management and the Board. The T&D team at HQ also aligns on an annual audit programme set by the Group Internal Audit (IA) department for each of the operated entities. Additionally, members from the HQ team are involved in and manage key projects run in the operating companies to ensure optimal governance and support. Steering Committees with representation from T&D Leadership (HQ and operating company members) have been set in place to govern and provide direction across key projects in the business.

HSE is a core focus area, with specialised teams across the operating companies, reporting centrally to the HSE team at the HQ level via HSE Business Partners, with incidents and lessons learnt shared across T&D.



Power and Water Sector Flows

GRI 201-4

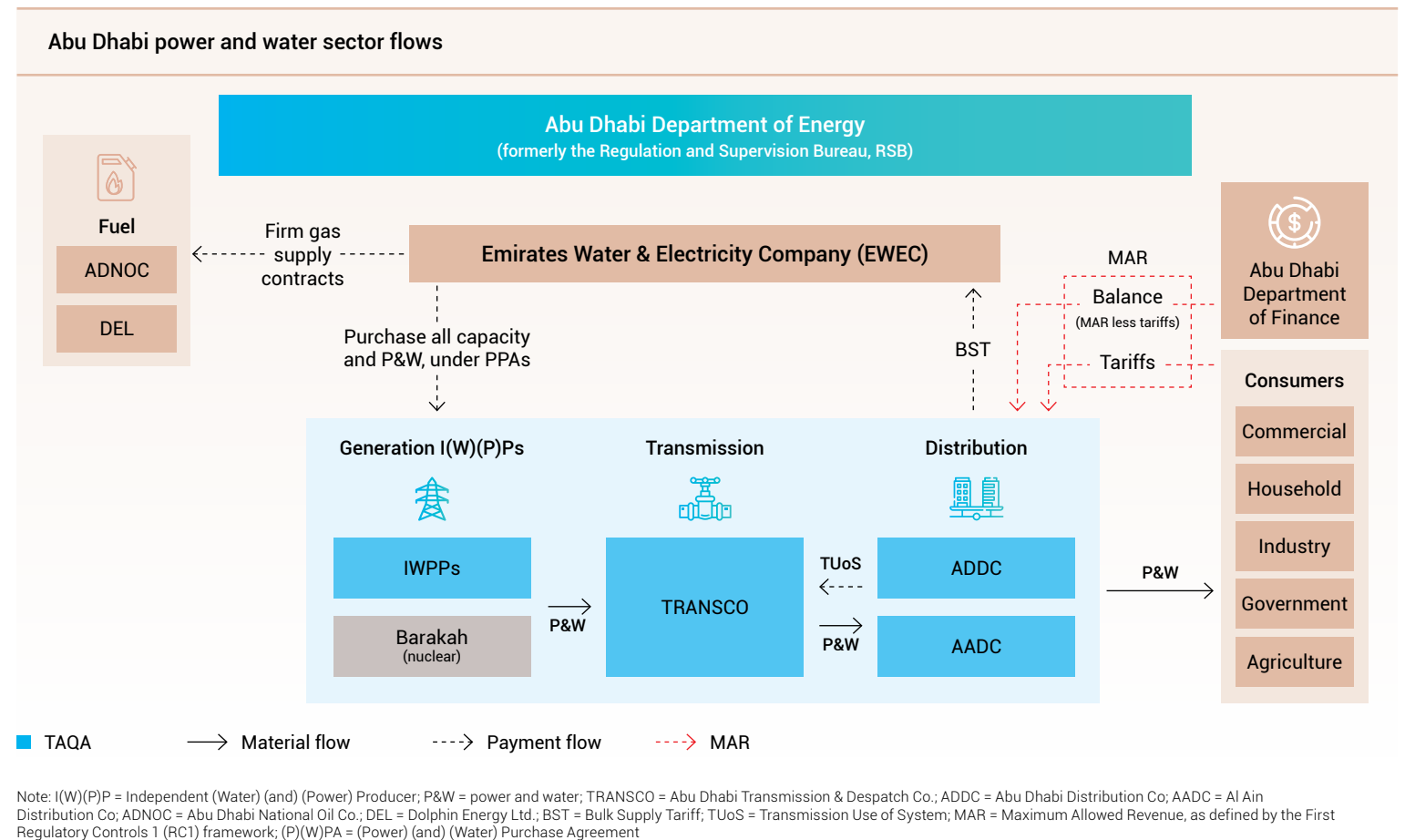
In Abu Dhabi, TAQA is involved at almost every stage of the power and water value chain, placing the company in a unique position to influence the sector within the UAE and drive sustainability initiatives. TAQA is integral to the power and water system and works closely with EWEC, Abu Dhabi's DoE and other governmental entities to pursue national strategy goals for decarbonisation and energy diversification.

These dynamics require significant consideration while we advance in our ESG journey and develop strategic targets and initiatives, as they are critical in the pursuit of national decarbonisation, energy diversification and the pathway to Net Zero by 2050. Significant coordination, backed by an enabling financial and regulatory environment are crucial for TAQA and Abu Dhabi to achieve Net Zero targets as set out by the UAE's 2050 Net Zero Initiative, the national strategic initiative of reaching Net Zero by 2050 in TAQA's home market.

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, ADDC and AADC. Together, they make up the revenues stipulated by the 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.



OIL & GAS

TAQA has a high-quality portfolio of upstream and midstream operations in the UK North Sea, the Netherlands, Canada and the Kurdistan Region of Iraq.

The portfolio includes onshore and offshore exploration, development and production of crude oil, natural gas, and natural gas liquids, as well as gas storage, and oil and gas processing and transportation.

TAQA fully owns and operates its O&G assets in the UK, Canada and the Netherlands, and is the main contractor under the PSC (Production Sharing Contract) in the Kurdistan Region of Iraq. In the UK, output is sold to a number of customers under annually tendered contracts. In the Netherlands, gas is sold to GasTerra under a long-term contract. In Canada, a significant proportion of output is sold to a number of customers under annually tendered contracts and framework agreements. Meanwhile, in Iraq, production is sold by the Kurdistan Regional Government, and TAQA receives its entitlement under the terms of the PSC and Lifting Agreement.



Oil & Gas

Assets spread across 3 continents



Canada

- Operating asset acreage with large resource potential
- A top onshore oil and gas producer in Western Canada
- Strategic priorities: Deliver safe and reliable operations whilst maximising value and achieving operational excellence
- Net production in 2022: **72.5 mboe/day**



UK

- Late-life offshore operations
- Strategic priorities: Safe and reliable operations with execution of decommissioning plans
- Net production in 2022: **39.9 mboe/day**



Netherlands

- Two strategic gas storage facilities: Gas Storage Bergermeer (GSB) and Piek Gas Installation (PGI)
- Strategic priorities: Maintain high asset availability, fulfill the customer expectations
- Net production in 2022: **3.2 mboe/day**



Iraq

- Operate the Atrush Block in Kurdistan
- Drill to fill central processing facility, with appraisal opportunities
- Strategic priorities: Sustain production by executing drilling programme and improve cost and environmental performance through execution of a gas utilisation project
- Entitlement production in 2022: **8.2 mboe/day** (Gross production: 35.9 mboe/day)

How We Manage Our O&G Assets

TAQA fully operates its O&G assets and has Board representation within each of these assets. The O&G business line at HQ generates and facilitates the strategy and business plans in collaboration with the operated entities. The O&G business line plays an active role in the governance, assurance and general guidance and support of operated entities, ensuring alignment with the DoA, Group policies and procedures, including ethics and compliance, as well as delivery of objectives and projects.

The O&G business line at HQ monitors the performance of these assets according to financial, operational, strategic, people and HSSE targets, through the monthly performance review process, as well as specialist reviews and continuous monitoring of key activities and projects. Due to the inherent risks in the oil and gas business, ensuring strong HSSE performance is critical for the business line. The HSSE Forum is used to monitor HSSE performance and encourage lessons learned to be shared and delivered across the O&G business line. The O&G business line also aligns on an annual audit programme set by the Group Internal Audit department for each of the operated entities. As TAQA has the right to nominate Board members to the operating companies, TAQA is represented on the Board.



ABOUT THIS REPORT

GRI 2-2, 2-3, 2-4, 2-5

We are delighted to publish our third Sustainability Report as TAQA Group. As one of the biggest listed companies on ADX and as an Abu Dhabi flagship company, we are committed to being transparent on our ESG performance and providing details on the disclosures that matter the most to our internal and external stakeholders alike.

Our sustainability reporting continues to evolve, with more rigorous management approaches to key topics and year-on-year improvements in performance across these topics.



In this report, we outlined our first ever ESG Strategy and use it as a framework to guide the reporting process and tell our sustainability story. This report has been prepared in accordance with the 2021 GRI Standards and in line with ADX ESG disclosure guidelines (see index tables in Appendix chapter).

This year, our GRI alignment is assessed against the GRI's Advanced Content Index service with Sustainable Development Goals (SDG) mapping, underscoring our ambition to have the best transparency around sustainability. The review confirmed that our disclosures are clearly presented, and our references within all disclosures align with the appropriate sections in the body of the report. The SDG mapping ensures that the SDGs are easily traceable in the reported information and accurately mapped to the GRI Standards.

We also report on our related ESG activities in line with the recommendations within the following frameworks included within the Appendix of this report:

- United Nations Global Compact (UNGC)
- World Economic Forum (WEF) white paper 'Toward Common Metrics and Consistent Reporting of Sustainable Value Creation' (core metrics)

- Sustainability Accounting Standards Board (SASB) for Electric Utilities & Power Generators and Water Utilities & Services

TAQA conducted third-party limited assurance on scope 1 and 2 Greenhouse Gas (GHG) emissions, fatalities and Lost Time Injuries (LTIs) within this report. We intend to expand assurance on material sustainability metrics in future reporting as we continue to enhance our data collection and analysis processes and procedures.

In the last year, we have put in place stronger governance, targets and reporting mechanisms to help us track and deliver material progress against our mission and ESG targets. We are currently in the process of digitising the collection, analysis and reporting of our GHG emissions, and we aim to automate collection and reporting of additional ESG indicators as we strengthen our data management processes. We have also used the content index in the appendix to explain where we do not yet have available data in place, as these areas form important priorities for development and further clarity going forward.



Reporting History, Period, and Cycle

The data contained in the report covers the period of January 1, 2022 to December 31, 2022 and incorporates details of initiatives, programmes 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 be in line with TAQA's financial year, which coincides with the calendar year.

Scope of Reporting

This report represents TAQA Group, including its subsidiaries, joint ventures and associates, subject to the level of TAQA's ownership and control over these entities.

Given the various considerations in collecting and consolidating data from these entities, including the level of maturity in ESG data collection as well as the level of control TAQA has on the different entities, the approach for inclusion of ESG data across the different reporting categories varies. All effort was placed by TAQA to include as much detail on all topics as per the GRI Standard.

Financial reporting: Entities that are accounted for as subsidiaries are fully incorporated in TAQA's consolidated statements when TAQA's effective 'control'¹⁷ over these entities is established. Joint ventures¹⁸ and associates¹⁹ are incorporated in the Group's consolidated financial statements using the equity method of accounting.

Environmental topics: 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 based on the same approach used 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 the O&G assets that are not operated by TAQA.

Social topics: Reported as per the 'operational control' approach outlined by the GHG Protocol. Entities 'operated'²⁰ by TAQA are included in the consolidation of health and safety and other social metrics.

Governance topics: Reported largely at the TAQA HQ 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, see TAQA's Corporate Governance Report 2022.



17. 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.

18. 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.

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

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

The table below shows the consolidation scope of the Group's subsidiaries, joint ventures and associates for financial and ESG reporting.

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 B ²¹	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 ²²	UAE	100%	Subsidiary	Yes ²³	100%	Include ²³
Sweihan PV1	UAE	60%	Subsidiary	No	100%	Exclude
International 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 ²⁴	No	100% ²⁴	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 ²⁶	Netherlands	100%	Subsidiary	Yes	100%	100%
TAQA North	Canada	100%	Subsidiary	Yes	100%	100%
TAQA Atrush	Iraq	100% ²⁷	Subsidiary	Yes	100%	100%
Corporate						
Massar Solutions	UAE	49%	Associate	No	Exclude	Exclude

Masdar is not considered in the ESG reporting boundary for 2022, as the transaction was completed in December. Red Oak's performance data is included in the boundary through to end of quarter three, 2022 in line with the expiry of the power purchase agreement for this plant. Though Taweelah RO and Al Dhafra PV have not reached full commercial operations and capacity in 2022, their contributions to environmental metrics have been included.

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 ESGSecretary@taqa.com.

Please note that an electronic version of this report can be found on our website: <https://www.taqa.com/sustainability/>.

21. In 2023, TAQA acquired an additional 10% ownership stake in the Taweelah B IWPP – Taweelah Asia Power Company (TAPCO), thereby increasing TAQA's overall ownership stake in TAPCO to 70%. In addition, TAQA acquired a 25% ownership stake in Asia Gulf Power Service Company Limited (the O&M contractor to TAPCO).

22. AMPC had three 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 December, 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.

23. Restatement to correct editorial error in previous year's report. No change in previous years' ESG numbers as the corresponding environmental and social metrics were included in the estimations.

24. Red Oak's performance data is included in the boundary through to end of quarter three, 2022 in line with the expiry of the power purchase agreement for this plant.

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. The entities (except for TAQA Atrush) include a mixture of operated and non-operated assets in the portfolio.

26. On 6 October 2022, TAQA had announced that it had entered into agreement with Waldorf Energy Netherlands BV for the sale of its upstream oil and gas business in the Netherlands. TAQA confirms that as completion did not occur in accordance with its terms, it has terminated the agreement on 28 March 2023.

27. Only 47.4% working interest. Restatement compared to the last year due to the clarification between ownership and working interest, but no impact on ESG numbers.



2

ESG AT THE HEART OF OUR CORPORATE STRATEGY

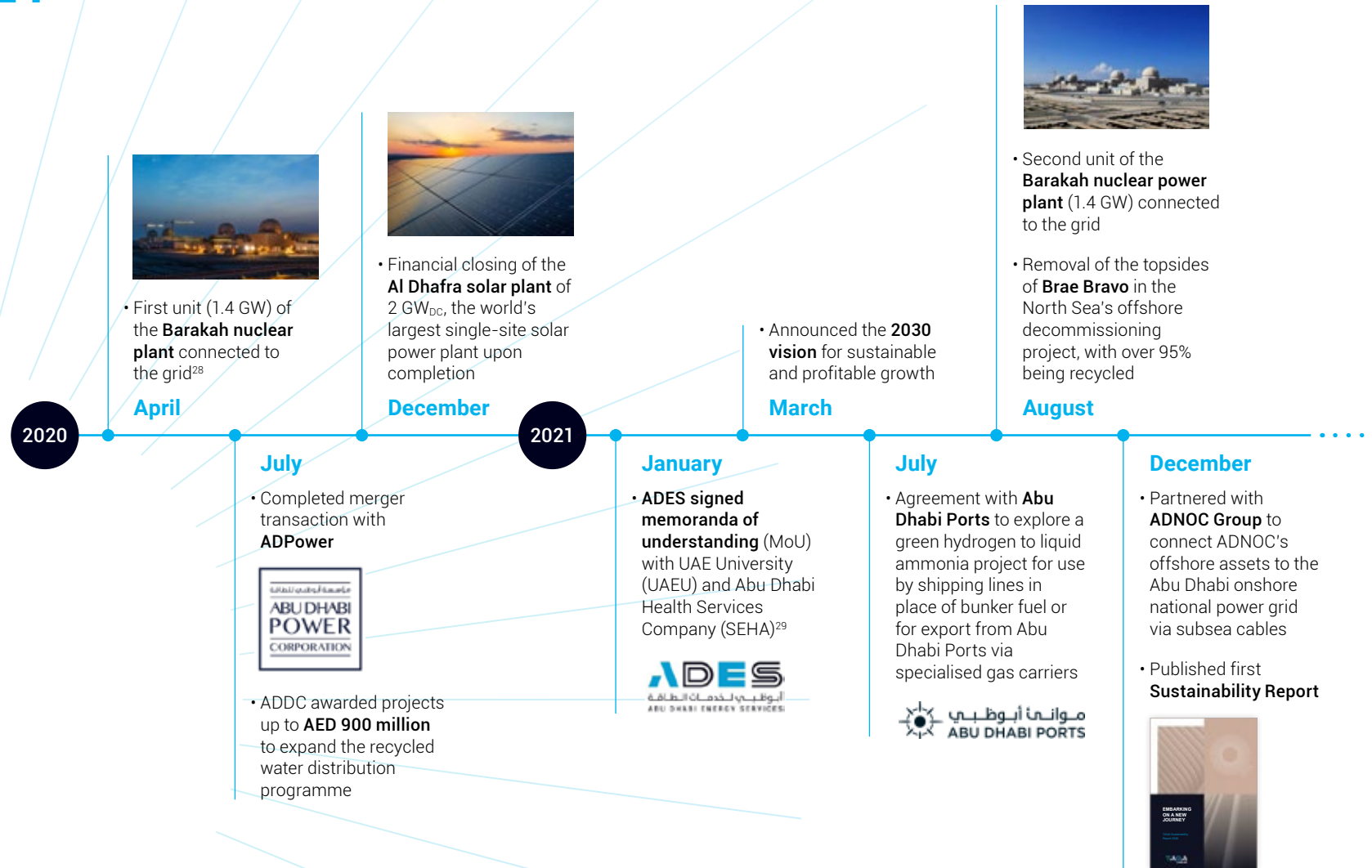
ESG, a Journey	20
2030 Corporate Strategy	22
ESG Strategy	24

ESG, A JOURNEY

TAQA, as a Group, since its inception in 2005, has been making important progress as a global energy and water company. TAQA, as we know it today, was reformed in 2020, following the reverse merger with ADPower. In these three years, TAQA has evolved significantly and created much opportunity for ESG to be a thriving theme within the company.

Since announcing our ESG-centric 2030 Corporate Strategy in 2021, we have now developed the scale, expertise and financial strength to execute on our growth plans, particularly in the renewable energy and reverse osmosis space, and to support the UAE with its decarbonisation objectives. We also now have a comprehensive ESG strategy with interim and long-term targets across the E - Environment, S - Social and G - Governance pillars, which will continue to evolve in light of the changing sustainability landscape.

The timeline showcased illustrates TAQA's rapid journey in the ESG space in the last three years. We will build on this momentum in the next few years with further commitments, partnerships and milestones in decarbonisation, alongside impactful service to our communities and empowerment of our employees. Further details on the events highlighted in this timeline can be found on our Sustainability webpage.



28. Connection of the first unit of the Barakah nuclear power plant occurred prior to the reverse merger with ADPower, when TRANSCO was not yet part of the TAQA portfolio.

29. These initiatives seek to retrofit government and commercial buildings and facilities by identifying, sourcing and funding solutions that deliver tangible reductions in water and electricity consumption, increasing resource-use efficiency. The MoUs plays an important role in Abu Dhabi's Demand Side Management and Energy Rationalization Strategy 2030, which targets a reduction in electricity consumption by more than 22% and water consumption by more than 32%.

ESG, A JOURNEY continued

2022



- Issued the first long-term green bond (through its subsidiary Noor) in Abu Dhabi to refinance the **Noor Abu Dhabi solar power plant**

January

- TAQA Morocco announced that it has been awarded five land lots to explore the development of solar power by the **Moroccan Agency for Sustainable Energy (MASEN)**

April

- **TAQA Youth Council** is established with a mission to empower youth to become the future energy leaders

July

- TAQA and ADNOC announced successful financial closing of the **USD 3.8 billion strategic project** to power and significantly decarbonise ADNOC's offshore operations



- Joined **IRENA Alliance for Industry Decarbonization (AFID)**

- Re-joined the **UN Global Compact Initiative**

September



- **ESG rating** by MSCI improves by two grades to 'BBB' from 'B'



- Participated in **COP27** marking our presence at the UAE pavilion, Innovation Zone in partnership with Climate Action and IRENA's AFID

November

March

- Announced intention to acquire **Emirates Global Aluminium's (EGA) 6.4 GW captive gas power generation assets**³⁰



June

- Together with ADNOC and Mubadala, entered into binding agreements for acquisition of **Masdar stake**



- Published the second **Sustainability Report**

- **Taweelah Reverse Osmosis Plant**, the world's largest desalination plant in the UAE, began operations at 50% capacity, producing 100 MIGD of desalinated water

August

- ESG Risk Rating by **Morningstar Sustainalytics** upgraded from 'severe' to 'medium' risk category, placing TAQA in the top 33rd percentile in the 'Utilities' industry globally

- Signed the UAE Ministry of Climate Change and Environment's private sector **climate pledge**

October

- Announced our **new ESG strategy** including interim 2030 GHG targets



- Third unit of the **Barakah nuclear power plant** (1.4 GW) connected to the grid

December

- Completed landmark transaction for stake in **Masdar Clean Energy** covering renewable power, green hydrogen and other enabling clean energy technologies



30. This integration provides opportunities to add solar generation capacity in Abu Dhabi through expanding the grid, while decarbonising aluminum production in the UAE.

2030 CORPORATE STRATEGY

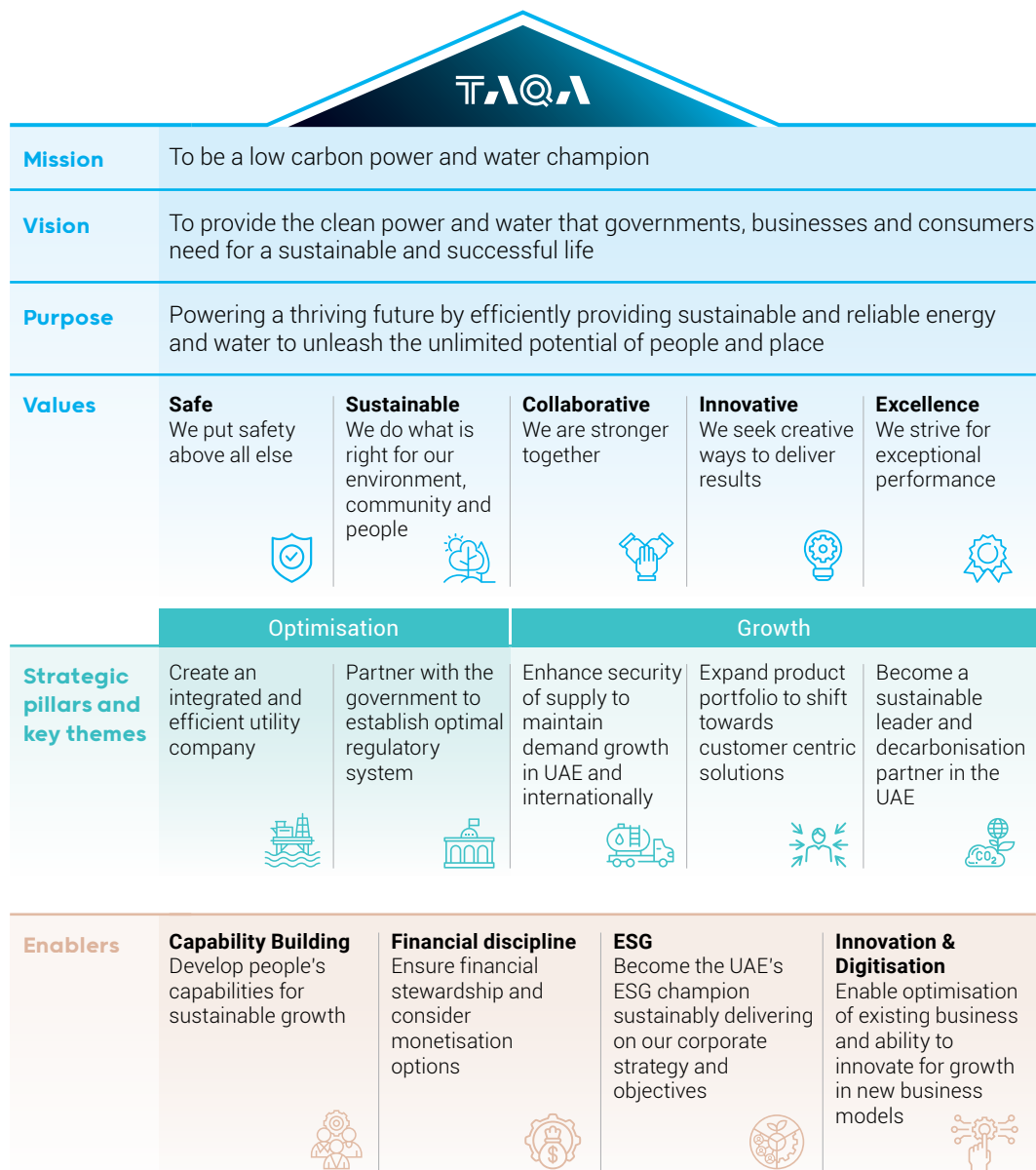
GRI 2-22

At TAQA, we believe that operating sustainably is the only way we will continue to bring value to our customers and ensure availability of two of the most basic human rights, energy and water, to our communities.

In 2021, TAQA announced its 2030 vision for sustainable and profitable growth and laid out the Strategic Plan 2030 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. Sustainability was clearly embedded in TAQA's corporate culture, starting with our mission, vision and purpose, and cascading through to our values.

TAQA's 2030 strategy, first announced in 2021, focuses on Optimisation and Growth, supported by the four key enablers of Capability Building, Financial Discipline, ESG and Innovation & Digitisation.

ESG is at the core of TAQA's strategy as evidenced by our 'strategy house', with underlying initiatives to propel the ESG agenda, including decarbonising our portfolio, developing our people's capabilities and optimising our performance within the framework of the regulatory system, among other initiatives. TAQA's ESG strategy is aligned and integrated into the corporate strategy and business planning.



Key Priorities

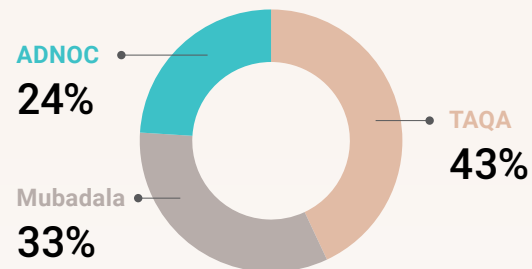
- Increase gross power capacity to 50 GW, 30 GW locally and 20 GW internationally by 2030
- Focus on renewable energy to comprise more than 30% of the power generation portfolio by 2030
- Expand highly efficient reverse osmosis technologies to make up two-thirds of desalination capacity by 2030
- Retire close to 8 GW of less efficient, older fossil fuel-based generation plants
- Focus on commercially viable opportunities to reduce exposure to the hydrocarbon sector
- Contribute to positioning Abu Dhabi as a green hydrogen hub
- Focus on improving the efficiency of the gas fired power plants
- Invest an additional 40 billion by 2030 in transmission and distribution networks to cater for growth in electrification, as well as in smart grid technologies to enable the integration of renewables into the grid
- Continued focus on operational excellence, optimisation and digitisation across the entire value chain
- Strengthen the position of our operating company, ADES, and grow new services in demand-side management, enabling public and private entities to realise energy savings targets

Masdar: Helping to maintain the leadership of the UAE in the global clean energy sector

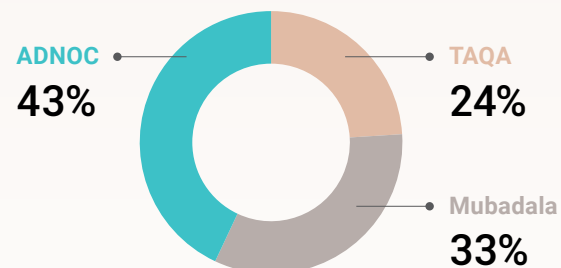
Abu Dhabi's flagship clean energy company

- **'New' Masdar a global champion for clean energy** with backing by strong shareholders
- **TAQA, ADNOC** and **Mubadala** to channel their combined resources through Masdar for an **expanded global mandate** covering renewable power, green hydrogen and other enabling clean energy technologies
- Going forward, **all clean energy projects to be executed through Masdar**
- New **green hydrogen business** being developed as part of the new partnership
- Green hydrogen expected to play a **critical role** in the world's Net Zero aspirations
- Ambition to grow renewable energy capacity to **100GW** by 2030
- The green hydrogen business also has ambitious targets to scale up to **1mn metric tonnes** of production capacity by 2030
- **Mergers and acquisitions** is expected to play a significant role in driving Masdar's growth and working towards its ambitious targets

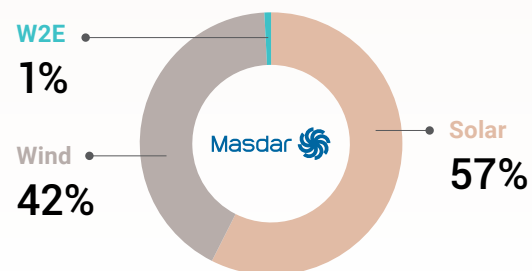
Masdar shareholding



Green Hydrogen shareholding



Masdar's technology mix



ESG STRATEGY

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

Considering the value of ESG in improving our overall business performance, the many risks and opportunities presented by climate change and the mounting pressures from stakeholders to develop immediate solutions to reduce our carbon footprint, TAQA established an ESG Strategy in mid-2022, that strengthens our ESG ambitions and includes interim targets to achieve Net Zero by 2050.




The ESG Strategy is an enabler of our 2030 corporate strategy, which formed the catalyst for embedding our key ESG focus areas, themes and topics. As such, TAQA's approach to building the ESG strategy was phased and involved several steps.

Step 1


Key ESG themes from 2030 corporate strategy

The key ESG themes from our 2030 corporate strategy revolve around:


1. Building trust for our stakeholders




2. Accelerating the energy transition



3. Safeguarding our resources



4. Growing with our people



Step 2

A refreshed materiality matrix

To better reflect and understand the impact TAQA has or could have on the economy, environment and people, as a result of our activities and business relationships, we undertook a comprehensive materiality assessment exercise, starting with the existing topics identified in 2020 – 2021 and refining the list through a series of activities detailed below.

In updating the materiality matrix, three key steps were followed:

- a. Refining the list of materiality topics:** is the existing list of material topics the right one?
- b. Updating the placement of the materiality topics:** are topics of impact adequately placed on the matrix?
- c. Selecting the focus topics:** which topics are the key focus ones to be prioritised for the ESG strategy?

a. Refining the list of materiality topics

Refining the list of materiality topics required significant due diligence through active stakeholder engagement, and research and analysis of standards, frameworks and best practices applicable to TAQA's sector.

- In developing TAQA's original materiality matrix in 2020, TAQA relied on the GRI standards. As such, the materiality matrix refresh considered expanding inputs to complement the existing list of materiality topics.
- Four key categories of inputs were used to attain perspectives of the various stakeholders, including TAQA business, government, financial institutions and peers:
- **TAQA:** Perspective of TAQA's business was considered through belief audits conducted with the Executive Management Team and a deep dive on company communication material, including the previous sustainability reports

- **ESG Standards:** Five widely used sustainability standards and frameworks were leveraged, including GRI, ADX, SASB, TCFD and UN SDGs

- **ESG Ratings:** Focus topics of leading ESG rating agencies were reviewed

- **Peers:** Peers' materiality matrices were scanned for industry relevance and best practices

b. Updating the placement of the materiality topics

Upon refining the materiality matrix, TAQA conducted interviews with select key stakeholders across various groups, such as government entities, customers, and shareholders to attain their views on the choice of materiality topics, their respective placement on the materiality matrix and identify whether any key topics were missing. The Executive Management Team was engaged again after communicating with the external stakeholders to attain their perspective on the updated matrix, and their inputs were further incorporated.

Key topics covered in interviews

- Stakeholders' **current priorities and plans** on ESG and Net Zero
- **ESG priorities for TAQA** from stakeholders' perspectives
- **Challenges/hurdles** stakeholders foresee for TAQA's ESG and Net Zero
- Specific questions regarding **ESG-related policies and actions**




Step 2

Refreshing our materiality matrix continued

Accordingly, TAQA's 2022 materiality matrix was finalised and the final list of 25 material topics across E, S and G were identified.

FOUR THEMES COVERING E, S AND G MATERIAL TOPICS

Building Trust with Our Stakeholders 	Accelerating the Energy Transition 	Safeguarding our Resources 	Growing with our People 
 Corporate governance	 GHG emissions	 Water and effluents management	 Occupational health and safety
 Business ethics	 Low-carbon product portfolio	 Circular economy	 Diversity and equal opportunity
 Regulatory compliance	 Availability, reliability	 Energy efficiency and resource use	 Employment practices and employee development
 Transparency, accountability and reporting	 Access and affordability	 Demand side management (DSM)	 Local community engagement and impact
 Data privacy and security reporting		 Other air emissions and pollutants (NOx, SOx)	 Customer Experience
 Emergency and risk management		 Biodiversity	
 Business model resilience		 Supply chain sustainability and responsible procurement	
 Fair pay and executive compensation			
 Stakeholder management			
 Human rights			

 Environmental
  Social
  Governance
  Higher materiality
  Lower materiality

Step 2

Refreshing our materiality matrix continued

c. Selecting the focus topics: Which topics are the key focus ones?

Upon finalising the materiality matrix and defining the most material topics, TAQA moved towards setting ESG priorities. TAQA defined a set of focus initiatives with the plan to expand the focus as we mature in our ESG journey.

As such, the ESG priorities were selected from all three E, S and G pillars based on the following dimensions:







- **Ambition:** TAQA's desire to enhance its performance on the topic
 - **Business strategy:** How related the topic is to TAQA's 2030 Corporate Strategy
 - **Differentiate or lead:** TAQA's ability to lead on the topic in the region and among global peers
 - **Performance and reporting:** TAQA's opportunity to accelerate performance or disclosure on the topic
 - **ESG risks:** Any significant risks and opportunities that could be managed by addressing a specific topic
 - **Coverage:** A topic not currently addressed or reported effectively
- Six focus topics were thus prioritised for the ESG Strategy. TAQA has set quantitative and qualitative ambitions across each of these categories and defined initiatives to track and achieve targets against a detailed timeline.

An enabling environment is critical for the success of the ESG strategy and thus TAQA has defined three key enablers:

1. **Operating Model:** Embed ESG into our organisation and governance structure
2. **Stakeholder Engagement:** Communicate regularly with stakeholders locally, regionally, and globally on ESG matters
3. **Capital Allocation Framework:** Incorporate ESG into investment decisions

Further details on each of these enablers are provided in the next chapter.

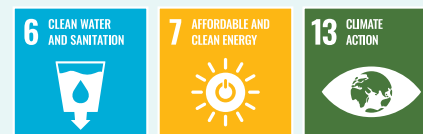
TAQA's ESG Ambitions

Environment		Social		Governance
Climate Change 	Water and effluents 	Occupational health and safety 	Diversity and equal opportunity 	Local community engagement 
<ul style="list-style-type: none"> • Achieve Net Zero scope 1 and 2 GHG emissions by 2050 • Reduce scope 1 and 2 GHG emissions across the Group by 25% and in UAE by 33% by 2030 compared to the 2019 base year (interim) • Enhance climate resilience through reducing risks and increasing adaptive capacity 	<ul style="list-style-type: none"> • Reduce energy consumption for desalination by expanding highly efficient reverse osmosis technologies to make up two-thirds of desalination by 2030 • Reduce losses in water distribution by 25% in 2030 compared to 2021 base year 	<ul style="list-style-type: none"> • Increase transparency of reporting • Maintain focus on prevention of incidents through a shift in safety culture and approach 	<ul style="list-style-type: none"> • Reinforce diversity across four groups: gender, age, nationality and People of Determination • Have 30% women in management positions by 2030 	<ul style="list-style-type: none"> • Focus group CSR efforts on two themes: Education equality and Environment covering eight SDGs • Increase CSR spend above current levels both nationally and globally
				Corporate governance 
				<ul style="list-style-type: none"> • Continue adoption of governance best practices beyond local regulations and requirements

Alignment with United Nations Sustainable Development Goals (UNSDGs)

The UN 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. The energy sector plays an important role in the pursuit of the UNSDGs and lies at the heart of climate action. TAQA remains supportive of the UNSDGs and aligns its programmes and initiatives with the UNSDG goals most relevant to the energy sector in which its operations fall. The UNSDGs were also leveraged in the development of the ESG Strategy, enabling further alignment.

Energy sector focus



ESG Strategy focus (additional to Energy Sector Focus)



Supportive of all other SDGs





3

BUILDING TRUST FOR OUR STAKEHOLDERS

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CORPORATE GOVERNANCE

Building trust within the organisation and externally is rooted in good governance practices, corporate policies and ethical standards. TAQA's Board of Directors recognises the criticality of corporate governance in upholding the company's integrity, ensuring legal compliance and attaining company goals and targets.

Corporate Governance is one of the key topics selected to be of focus as part of the ESG Strategy, whereby we aim to adopt best practices in corporate governance over and above our current compliance with regulatory requirements.

In light of this ambition, TAQA has defined key initiatives to deliver in the coming years, including:

- Further developing Board governance processes, including assessment of competencies, knowledge and training, and evaluation through a Board scorecard
- Strengthening assets' governance frameworks
- Enhancing monitoring and reporting of corporate governance KPIs across all assets
- Enhancing corporate governance reporting

Governance Structure and Composition

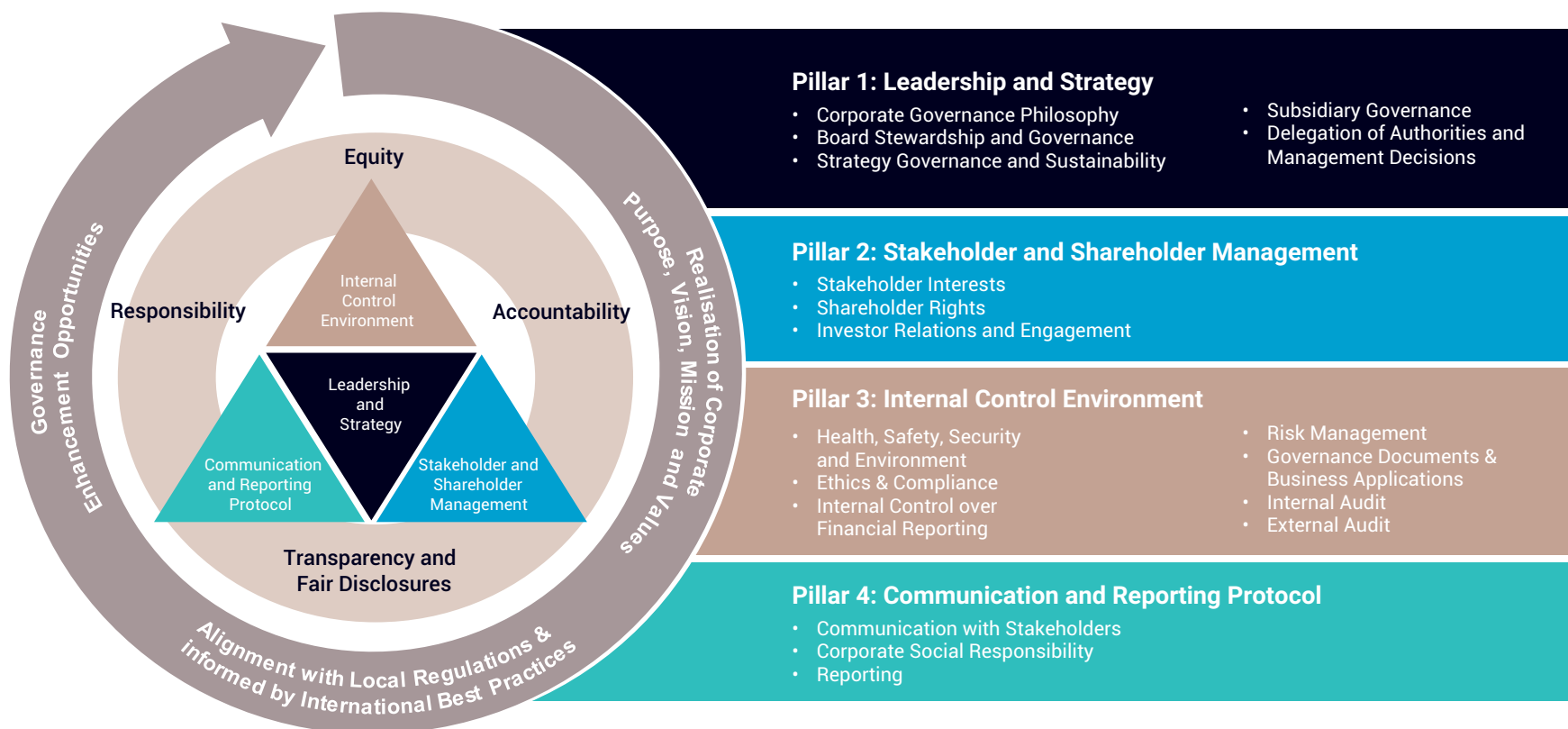
GRI 2-9

At TAQA, we have defined our corporate governance system through a Corporate Governance Framework and a Group Corporate Governance Manual which is reviewed on an annual basis by the Board with the support of Executive Management. Our Corporate Governance Framework is based on the principles of responsibility, accountability, equity, transparency, and fair disclosure and is underpinned by four pillars that enable the successful implementation of the framework.

As a listed entity in the UAE, TAQA is subject to regulatory corporate governance requirements set out by the Securities and Commodities Authority (SCA), regulator of all UAE-listed entities. The framework below extends beyond the corporate governance requirements established by the SCA and is guided by international corporate governance best practices.



Corporate Governance Framework 'Pillars'

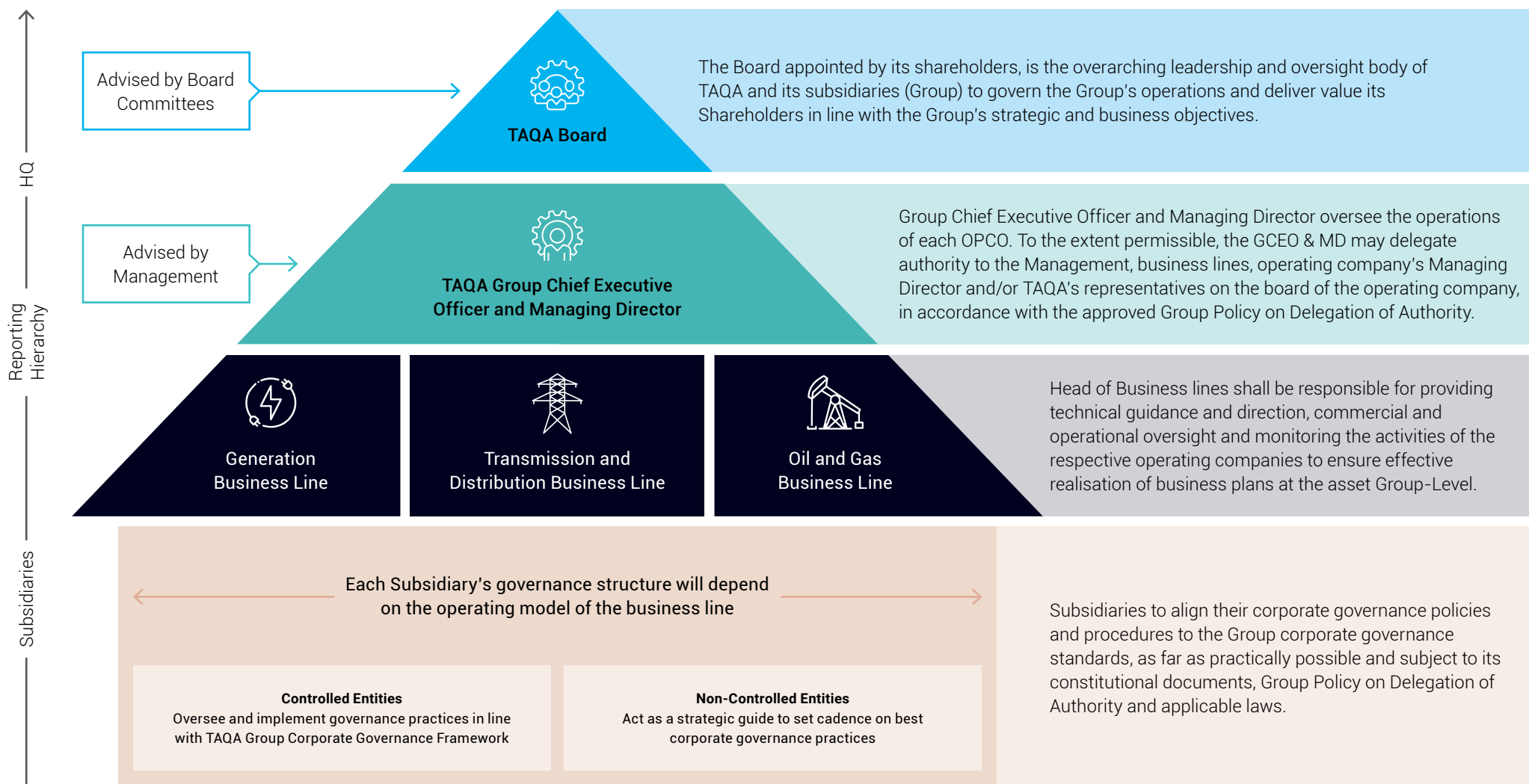


Corporate Governance Framework 'Principles'



For effective implementation of the Group Corporate Governance Framework, the Board directs subsidiary companies across the business lines to establish a governance framework and policies in line with the Group Corporate Governance Framework. Further details on how we manage subsidiaries in each of our business lines are detailed in Chapter 1.

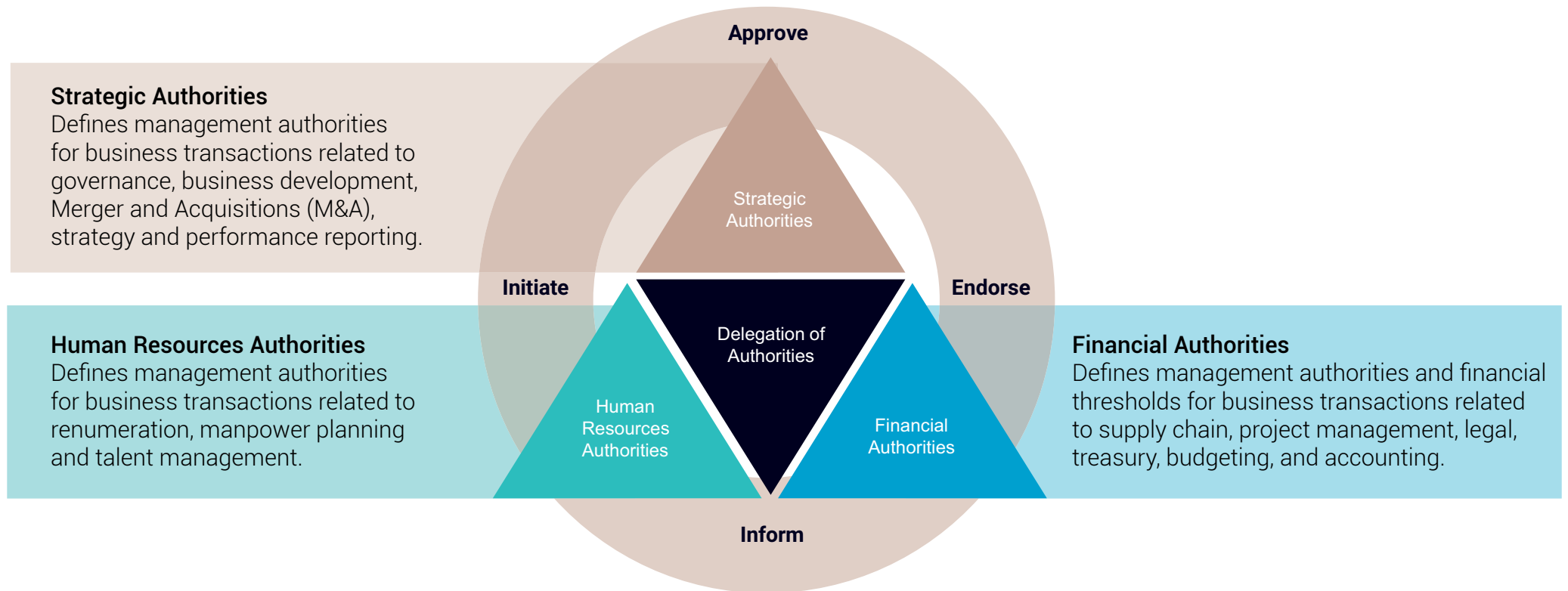
Subsidiary Governance Framework



Delegation of Authority

GRI 2-13, 2-23

TAQA has a set a Group Policy on Delegation of Authority (DoA). 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. The DoA 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:



TAQA Board Committees and Executive Committees

GRI 2-9

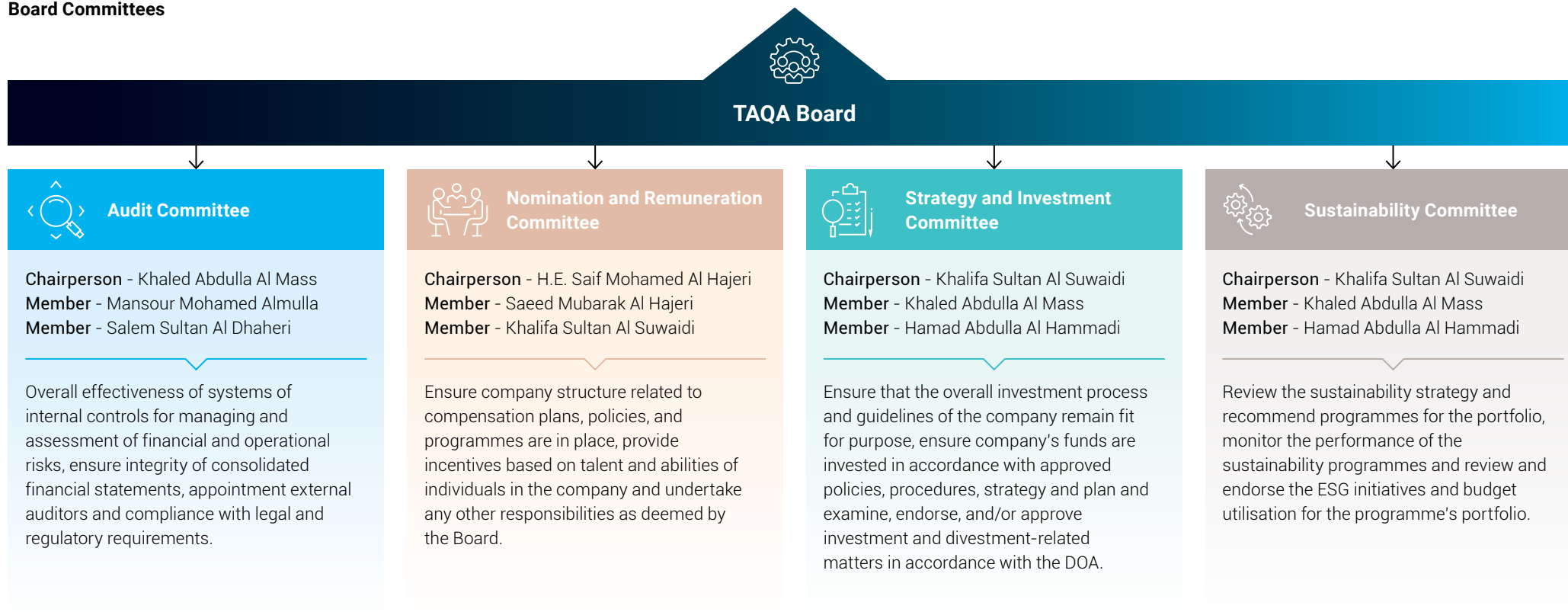
TAQA's highest governing body is the Board of Directors, which supervises and oversees management and operation of the company and sets the direction to achieve objectives and targets. Further details on TAQA's Board are provided in the next section.

The Board draws on the skills and expertise of each of its members and works in tandem with designated committees, including the Audit Committee (AC), Nomination and Remuneration Committee (NRC), Strategy and Investment Committee (SIC), and most recently, the Sustainability Committee (SC), to assist in its consideration of specific concerns, while retaining the responsibility to issue final decisions in these areas.

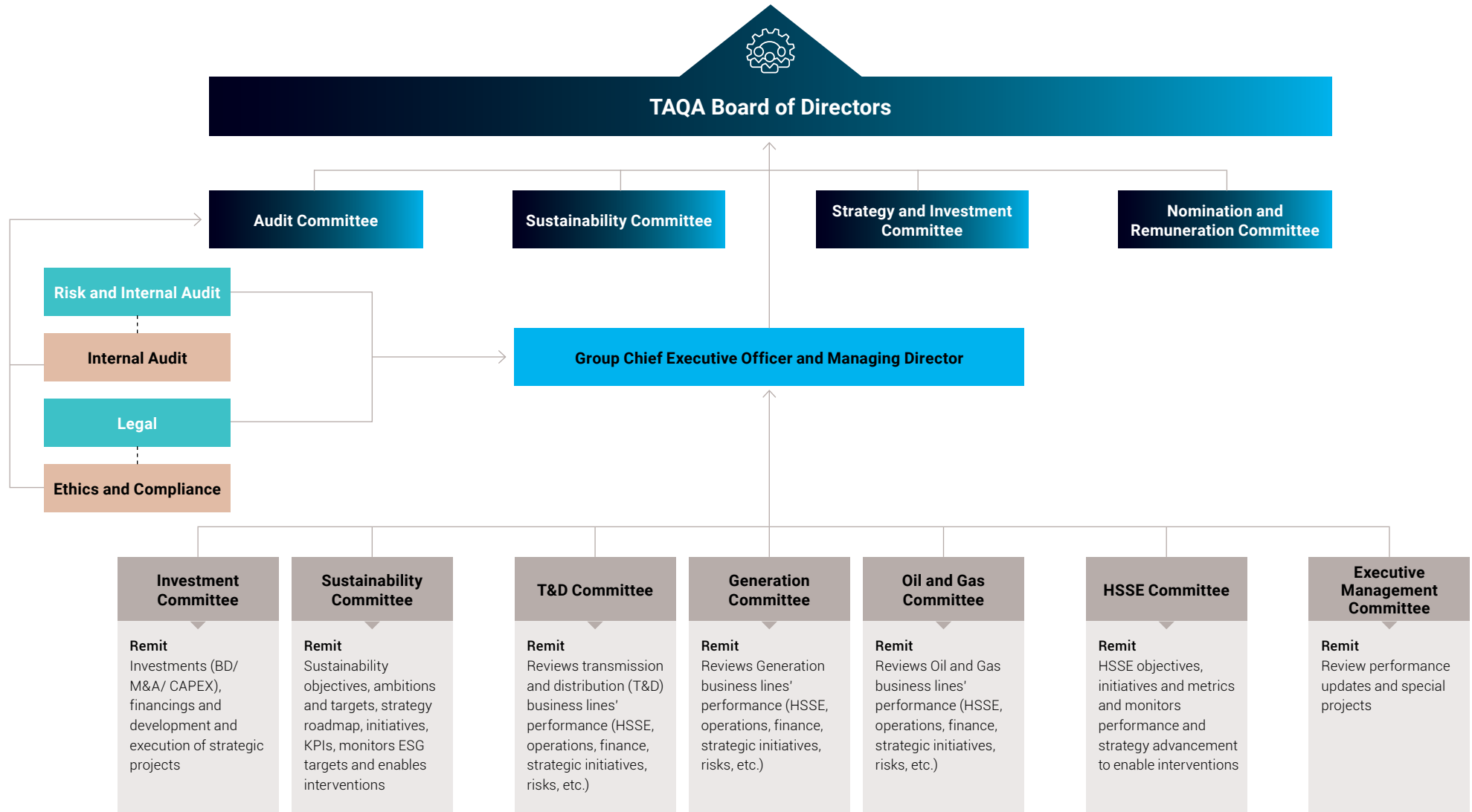
Cascading down the corporate governance chain, TAQA also has Management Committees in place constituted by the Group Chief Executive Officer and Managing Director (GCEO & MD) and include only Executive members. These management committees constitute discussion and review forums to provide assurance and assist the GCEO & MD in decision-making.

An overview of TAQA's Board and Executive Committees is represented below (as on 31 December 2022):

Board Committees



Management Committees



■ Board and Board committees ■ Group Chief Executive Officer and Managing Director ■ Management Committee ■ Department ■ Independent Function → Functional/direct reporting ---- Administrative reporting

TAQA's Board of Directors

GRI 2-11

TAQA's Board of Directors is comprised of members who possess diverse expertise, skills, and qualifications across various fields relevant for the utilities and energy sector. Currently, the Board is comprised of nine esteemed members and two independent Board advisors.

The 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 is tasked with ensuring that the Board acts efficiently, fulfils its responsibilities and discusses all pertinent issues in a timely manner.

The majority of the Directors of the company are also Non-Executive, Independent Directors, as stipulated by Resolution No. (3/R.M) of 2020 of the SCA (Governance Guide). Further details on the Board members and advisors, including tenure, memberships, collective knowledge and competencies can be found in TAQA's corporate governance report, which is published annually.

Nomination and Selection of Board of Directors

GRI 2-10, 2-23, 405-1

TAQA has in place a Board Nomination and Appointment Policy, 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 recognises 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.

TAQA's Board of Directors election was held in March 2023. In line with the company's values, and as TAQA continues to seek diverse Board representation and inclusion of female professionals, TAQA's NRC and Board continue to encourage shareholders, who hold this decision-right, to nominate and appoint females to the Board.

	2022	2023
Total number of Board members:	9	11
Total number of Board advisors:	2	0
Percentage of Board seats occupied by Independent Board members:	67%	82%
Percentage of Board seats occupied by females:	0%	27%

Board Assessment and Training

GRI 2-17, 2-18, 2-23

The Board and the Board Committees annually review and self-assess their performance, and independent consultants facilitate these evaluations at least once every three years. For 2022, following a rigorous awarding process, TAQA launched an external request for proposals to engage with an independent consultant to carry out the 2022 Board and Board Committees' evaluation. The outcome of the Board and Board Committees' evaluation, including recommendations, are more specifically detailed in the 2022 Corporate Governance Report. These assessments involve consideration of all the Board's key duties and responsibilities and a review of key areas where the Board and its members' contributions may be further optimised.

In 2022, a series of Board training sessions and workshops were conducted for the Board and the Board Committees. The Board members participated in the INSEAD International Directors Program to enable them to more effectively carry out their roles and responsibilities, specifically the role of the Board in promoting ESG, and ethics and compliance matters. Further details on the Board and Board Committee trainings held in 2022 are detailed in the 2022 Corporate Governance Report.

The NRC has set a Board assessment and evaluation policy to establish Board performance objectives as a means of enhancing accountability.



Board and Executive Remuneration

GRI 2-19, 2-20, 2-23

The remuneration of Board members, including Board Committee fees, is determined as per 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 Board³¹ and the approval by the shareholders at the General Assembly (GA)³². TAQA publishes the total remuneration paid to the members of the Board in the annual Corporate Governance report.

TAQA has a formal Board Remuneration Policy in place to attract highly qualified candidates, retain and motivate highly capable 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 can be accessed on the TAQA website.

Results of votes of stakeholders, including shareholders, on remuneration policies and proposals, are regularly updated in our GA Meeting Results on the TAQA website.

Remuneration of the Executive Management Team (EMT), including bonus targets, is determined through engagement with a third-party consultant. It is then endorsed by the NRC and approved by the Board. Employment contracts include provisions for claw back and malus for all EMT members. 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 the EMT.

Conflicts of Interest

GRI 2-15

To prevent and mitigate conflicts of interest at Board level, all Board members declare their interest at every Board meeting. In case a conflict is declared, the conflicted Board member recuses themselves and abstains from voting on the presented matter. Conflicts of interest are demonstrated to stakeholders through Board biographies, and in the case of related party transactions, it is reflected in the notes to accounts through financial statements.

Communication of Critical Concerns

GRI 2-16

The Board is presented with a monthly management report which includes key business-related updates as well as the company's risk dashboard as regular agenda item in every Board meeting. Critical concerns are raised in these reports, and when and if needed, during Board meetings.

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

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

ESG OPERATING MODEL

GRI 2-12, 2-13, 2-14

To ensure that ESG management, systems and processes are incorporated into the overall organisation's Corporate Governance, an ESG Operating Model was defined. ESG-related governance practices identified as quick wins as part of the ESG Strategy were also instituted to ensure adoption of the ESG agenda by our top management.

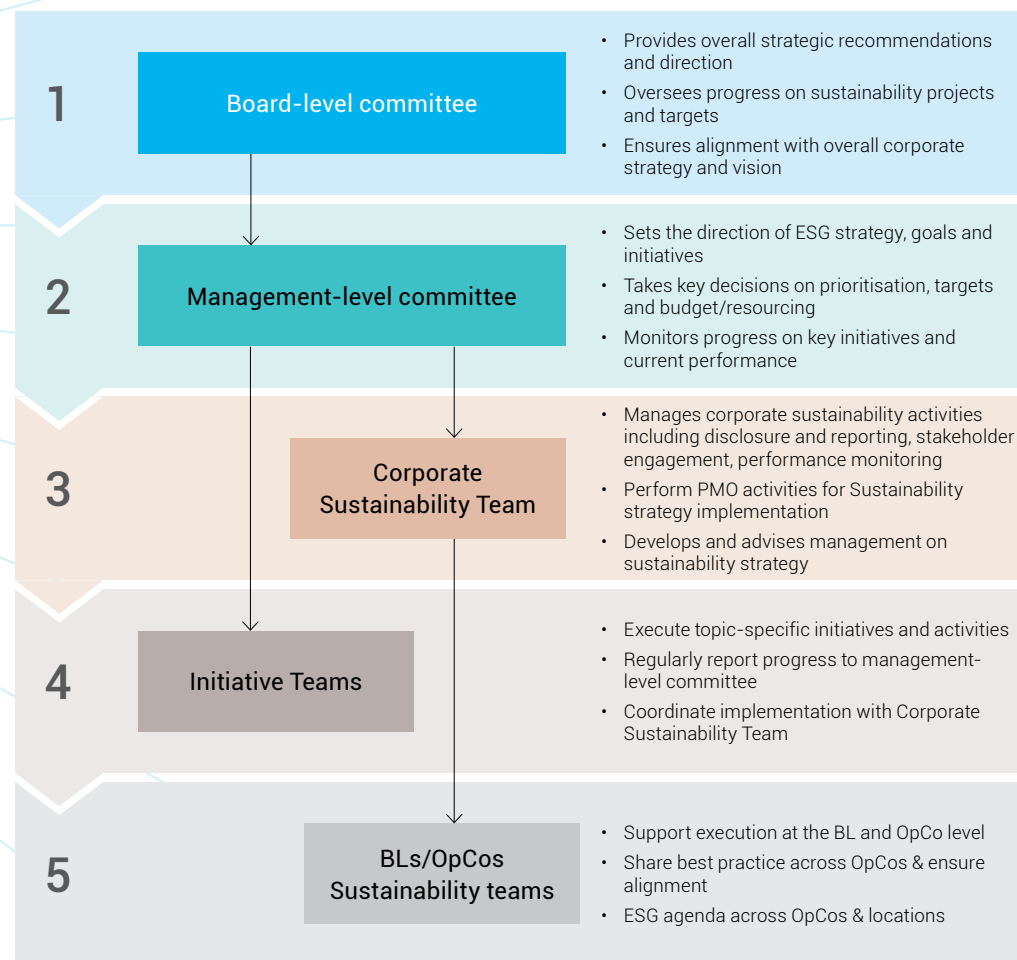
As illustrated in the TAQA Committees' structure in the prior section, we have formally created a Sustainability Committee at the Board level and a Sustainability Management Committee, an executive level committee, anchoring ESG oversight and responsibility among the highest governance bodies within the Group.

The Sustainability Committee consists of select members of our Board with the expertise and qualifications required to supervise topics related to our environmental, social and governance performance. This Board Committee is also chaired by a Non-Executive Board member.

The Sustainability Committee convenes at least once quarterly and its main duties include strategic advisory and oversight of TAQA's ESG strategy, allocation of resources for ESG related activities, review of ESG and climate related risks and opportunities, and reporting to the Board on ESG-related activities. Further details can be found within the Sustainability Committee Charter published on the TAQA website.

The Sustainability Management Committee is constituted of all members of the EMT, which includes the GCEO & MD. This Committee has been tasked with review and advancement of the Group's ESG strategy and associated initiatives, providing recommendations to the GCEO & MD for improvement of ESG strategy and initiatives. The Committee is also in charge of monitoring and supervision of sub-committee and working group activities, such as those related to the CSR Steering Group, HSSE Committee, HQ HSSE & Wellbeing Committee and People Committee, as related to material ESG topics.

Sustainability governance and organisational structure



BLs: business lines; OpCos: operating companies
PMO: Project Management Office

To manage day-to-day ESG initiatives, a dedicated Sustainability Team is established at HQ under the Strategy Function. This team has been spearheading ESG responsibilities across the Group, from the development of the ESG strategy to sustainability reporting and most recently, establishment of an ESG Strategy Project Management Office (PMO), implementation of the ESG strategy and execution of a stakeholder engagement model. As part of the ESG PMO, the Sustainability Team has defined ESG initiatives and associated activities and timelines in line with the ESG strategy and through close alignment with ESG focal points across the Group. Through this ESG PMO, the team creates a forum to track ESG initiatives, ensures that ESG targets are met, and provides the opportunity to create additional, more far reaching ESG initiatives through the periodic quorums held. Updates on the ESG PMO initiatives are reported to the Sustainability Management Committee monthly and to the Sustainability Committee at Board level on a quarterly basis.

TAQA is currently working towards further embedding ESG within the company operating model, across all entities, in line with best practices. Through this operating model, TAQA will enable further integration of ESG responsibilities and develop capabilities of the ESG focal points, so they are empowered to drive initiatives within their teams and functions at the business lines and operating companies as core team members. In this manner, sustainability at TAQA will be embedded within all layers of the organisation.

Incorporation of ESG in our Capital Allocation Framework

We are committed to the responsible management of our climate and ESG-related impacts, risks and opportunities, and have incorporated consideration of these impacts within our capital allocation framework.

With the launch of our ESG Strategy, we refreshed the capital allocation model to further incorporate ESG elements and the following improvements were made:

- Introduced ESG considerations such as Environmental (pollution, contamination), Social (resettlement of communities), Governance and carbon price (considering the effect on net present value (NPV) of investment) into the risk profile of each potential investment beyond the existing framework
- Prioritised investment decisions to favour projects that support our ESG Strategy
- Considered new climate change factors as part of strategic assessment, namely contribution to Net Zero, contribution to 2030 interim absolute reduction target and GHG intensity



ETHICS & COMPLIANCE

GRI 2-23, 2-24, 2-25, 2-26, 2-27, 205-1, 205-2, 205-3, 206-1, 406-1

Ethics and compliance processes and procedures are essential components of Corporate Governance. At TAQA, we know that millions of people rely on us to provide them with vital infrastructure and services. Given the critical nature of our operations, our shareholders and Board of Directors expect us to deliver on our responsibilities to the highest ethical and professional standards. These standards can only be achieved if we work with integrity, and in accordance with far reaching laws and regulations that apply to us as a global organisation.

TAQA has an established Ethics & Compliance Office responsible for the development and implementation of the ethics and compliance programme across the Group. The Group Ethics & Compliance Office's mandate is to establish a strong, robust and cohesive culture across the organisation through a framework to prevent, detect and respond to ethics and compliance matters. The Ethics & Compliance Office functionally reports to the Audit Committee of the Board of Directors

and has direct access to the Board to deal with matters independently and in confidence.

The Ethics & Compliance Office at TAQA has developed an award winning³³, best in class, Group Code of Ethics & Business Conduct in various formats, including an immersive virtual reality version, in addition to a Business Partner Code of Conduct and nine detailed policies, in both English and Arabic, which offer further guidance on important topics such as anti-corruption and anti-competitive behavior, and are applicable to all TAQA personnel.

TAQA's Code of Ethics & Business Conduct, Business Partner Code of Conduct and all the ethics and compliance policies, were approved by the TAQA Group GCEO & MD or the Board of Directors in line with the DoA.

In following the TAQA Group Code of Ethics & Business Conduct and Business Partner Code of Conduct, we not only meet the requirements of the law, but also strive to operate with the highest levels of ethics and


integrity. In 2022, the TAQA Group acquired a comprehensive third-party screening tool to help reduce risk to the organisation. The screening tool allows the TAQA Group to continuously monitor and review the standing of our business partners in terms of exposure to sanctions, corruption and reputational risk. Further details on screening performed on business partners is available in the Circular Economy section in Chapter 5.

33. TAQA's Ethics & Compliance Office was awarded Compliance Innovator of the Year by Law.com | UK Legal Week's 2021 Middle East Legal Awards.


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 and articulates 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

Business Partner Code of Conduct: Establishes minimum ethical and professional expectations that the Group requires from its suppliers and business partners


Ethics & Compliance Policies:



Speaking-up Policy: otherwise referred to as the whistleblowing policy, provides guidance on the importance of (and how to) raising questions or concerns regarding any suspected violations of applicable laws or regulations and internal policies or guidelines of the Group; this policy incorporates guidance on non-discrimination




Conflict of Interest Policy: provides guidance on how to recognise 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: establishes 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: intends 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 compensation and prohibiting anti-competitive behaviour, which includes abuse of a dominant position, price fixing, market division, group boycotts, exclusive dealing arrangements and any agreement or sharing of confidential information which may restrict or limit trade. Similarly, the Business Partner Code of Ethics requires business partners and vendors to comply with applicable competition laws.



This Code provides fundamental principles for us to follow so that we always do the right thing, and act with integrity as we deliver on our commercial goals. The TAQA Group Code of Ethics & Business Conduct represents what we stand for and how we work. By knowing our Code and following it, we can power a thriving future.

Jasim Thabet
TAQA Group GCEO & Managing Director

Nurturing a culture where everyone feels comfortable to communicate any concerns and knowing that they will be addressed appropriately, allows us to effectively manage risks so that we can focus on our objectives. By promoting integrity, respect and fairness we create a healthy and safe workplace.

Any questions, concerns or any known or suspected violations can be reported by stakeholders to the Ethics & Compliance Office. Where stakeholders prefer to remain unidentified, TAQA has in place a third-party

managed, anonymous helpline (helpline.taqa.com), in many local languages, and for both internal and external stakeholders. All grievances and concerns, including those related to discrimination, if any, are tracked through this helpline. Corrective and disciplinary actions are assigned a specific action owner and a target date is set, which are tracked on a regular basis to ensure completion. The TAQA Group has a robust investigation process that puts in place tangible corrective and disciplinary actions of any violations.

Incidents of corruption

	2020	2021	2022	Nature of incidents
Total number of confirmed incidents of corruption	0	1	0	A former contractor had been soliciting kickback payments to reconnect unpaid utility services to certain customers in Al Ain. This contractor has been terminated and the case referred to law enforcement.
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	0	1	0	
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	0	0	0	N/A



Ethics & Compliance Training

GRI 205-2

The TAQA Group Code of Ethics & Business Conduct, Business Partner Code of Conduct and associated policies are available in interactive formats to provide engaging and easier to digest experiences for our personnel.

The Ethics & Compliance Office have successfully delivered trainings across the Group on all codes and policies, including corruption and bribery, to all full-time personnel, contractors and Board members, in the last three years. In 2022, the training to TAQA Group personnel, excluding the Board of Directors who were provided with a tailored training, included another award-winning³⁴ cutting edge gaming experience, immersing the user in realistic scenarios through which the learnings are disseminated. Additionally, the Ethics & Compliance Office works directly with our businesses and offers customised

risk training that addresses the unique requirements of each TAQA Group business as needed.

Training on Ethics & Compliance matters is provided to new joiners upon their onboarding, and to all personnel and Board members on an annual basis.

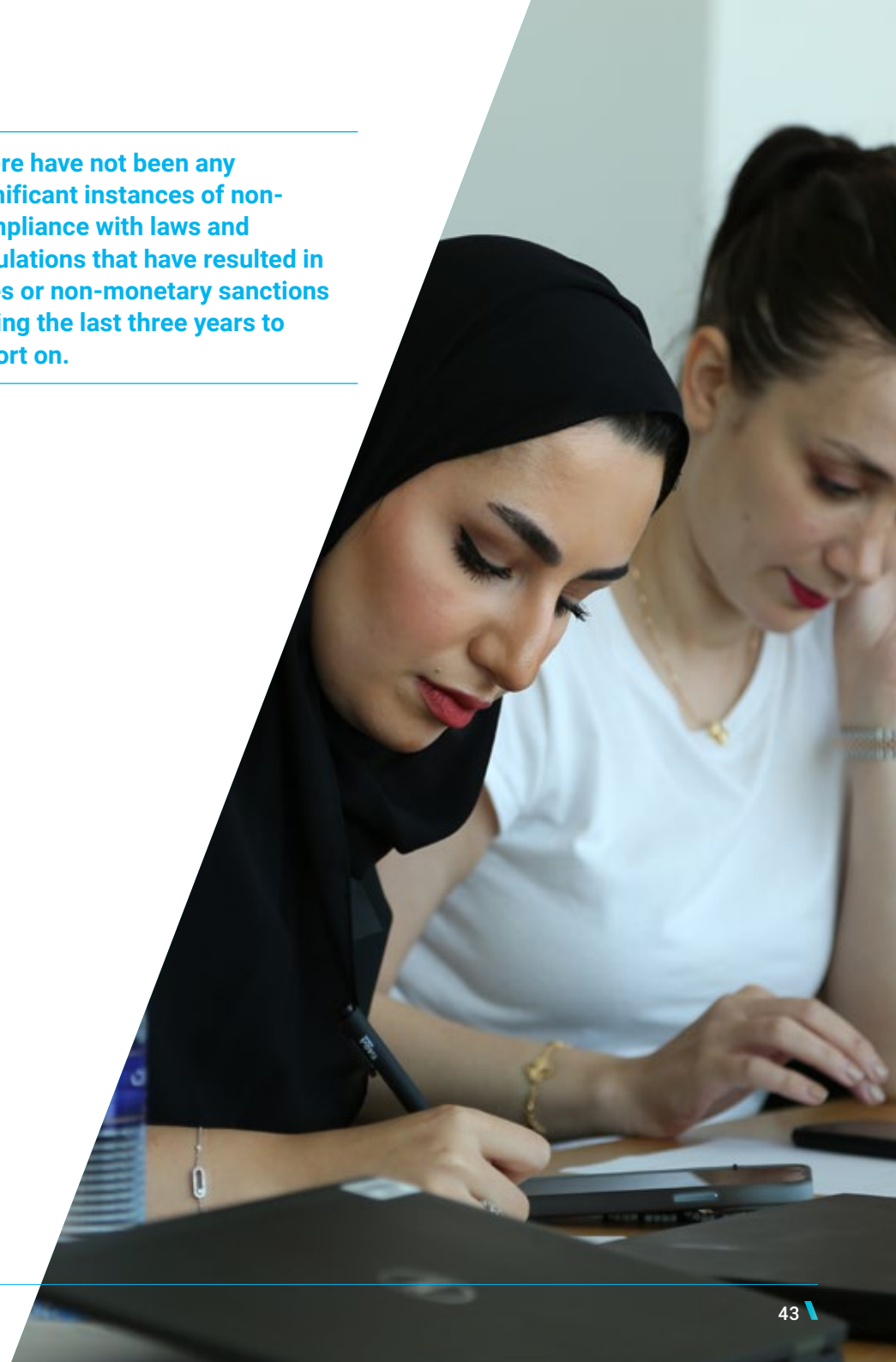
In the operating companies where TAQA has operational control, we conduct audits of our key business processes at least once every three to five years, including our Code of Ethics & Business Conduct Compliance. TAQA has a stringent quarterly audit actions follow up process in place that ensures timely 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 control audits based on our rights as a shareholder in each operating company, every three to four years.

There have not been any significant instances of non-compliance with laws and regulations that have resulted in fines or non-monetary sanctions during the last three years to report on.

Training on Ethics and Compliance

	2021	2022
Percentage of governance body members that the organisation's anti-corruption policies and procedures have been communicated to	100%	100%
Percentage of governance body members that have received training on anti-corruption	100%	100%
Percentage of employees that the organisation's anti-corruption policies and procedures have been communicated to	100%	100%
Percentage of employees that have received training on anti-corruption	100%	100%
Percentage of business partners that the organisation's anti-corruption policies and procedures have been communicated to	100%	100%

34. TAQA's Ethics & Compliance Office was awarded "Innovation through Technology by an In-House Team" by Law.com | UK Legal Week's 2022 Middle East Legal Awards.



HUMAN RIGHTS

GRI 2-23, 408-1, 409-1

TAQA Group demonstrates its commitment to human rights by not only making it a requirement as part of the Code of Ethics & Business Conduct, but also by setting the expectations from its suppliers and business partners to do the same. In fact, the Code of Ethics & Business Conduct and Business Partner Code of Conduct, which are applicable to the whole Group, explicitly state that we are strongly opposed to any form of child labour, human trafficking and modern slavery. In accordance with these Codes, TAQA screens its business partners and has a zero-tolerance policy towards suppliers who have any record of human rights violations.

As stated in the Ethics & Compliance section above, TAQA maintains a helpline where any violations related to human rights can be raised by internal and external sources to be addressed by the E&C Office.

TAQA understands its responsibility in ensuring that its operations and supply chain are free of child labour and forced labour, and our operated entities take on varied steps based on their jurisdictions to prevent and address these issues.

All TAQA entities abide by the legal minimum hiring age for employment, which is 18 years of age, as per the respective labour laws and human resources policies.

Of note are human rights regulations in the UK, whereby TAQA Bratani is mandated to abide by the Modern Slavery Act 2015 and disclose on steps taken to ensure their operations and supply chain are free from slavery and human trafficking. Similarly, at TAQA North, International Labour Organization's Conventions 138 (Minimum Age) and 182 (Worst Forms of Child Labour) have been ratified by Canada, and collectively calling for the prohibition and elimination of child labour, slavery, forced labour and trafficking among Canadian corporations.

In addition, TAQA Iraq strictly abides by the Iraqi Labour Law, which prohibits all forms of slavery or practices similar to that, such as selling children, trading them, land slavery, lending in slavery, or forced or compulsory labour, including acts imposed by force and the recruitment of children for use in armed conflicts.

To the best of our knowledge, TAQA did not have incidents of child labour or forced or compulsory labour in the last three years.

Human rights are undoubtedly a fundamental topic that all corporations, including TAQA Group are obligated to safeguard and demonstrate favourable practices towards throughout the entire value chain.

As a signatory to the United Nations Global Compact, TAQA further demonstrates its commitment to implement practices that ensure compliance with human rights.

While many processes are in place currently, TAQA recognises the opportunity to further embed and streamline human rights related programmes, policies and processes in a way that amplify our commitment to this topic.



Freedom of Association and Collective Bargaining

GRI 2-30, 407-1, 411-1

Employees' interests and work-related demands are taken seriously by TAQA. Not all jurisdictions where we operate have workers' organisations or trade unions, such as in the UAE. However, in jurisdictions where workers' organisations are present and active, TAQA fully respects their presence and associated activities to empower employees.

In these cases and jurisdictions, such as our operations in the UK and Canada, Freedom of Association is considered a constitutionally protected right and is respected by TAQA.

Where workers' organisations, including trade unions or works councils, representing Group employees are present, Management actively engages with these unions through regularly scheduled meetings and information sharing to avoid labour unrest. For all the jurisdictions included below; the notice period and provisions for consultation and negotiation are specified in collective agreements.

Close to 22% of TAQA Group employees are covered by collective bargaining agreements.

- **TAQA Energy, Netherlands:** 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:** 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. The trade union regime, including the source of rights around freedom of association are enshrined in the Trade Union and Labour Relations (consolidation) Act (TULRCA).

- **TAQA Morocco, Morocco:** 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:** 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.

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.



Rights of Indigenous Peoples

GRI 411-1

The new TAQA Group Code of Ethics & Business Conduct prevents any form of discrimination and emphasises respect and fairness to be extended to all internal and external stakeholders, including indigenous communities. This is also emphasised in the annual ethics and compliance training to be completed by all TAQA Group.

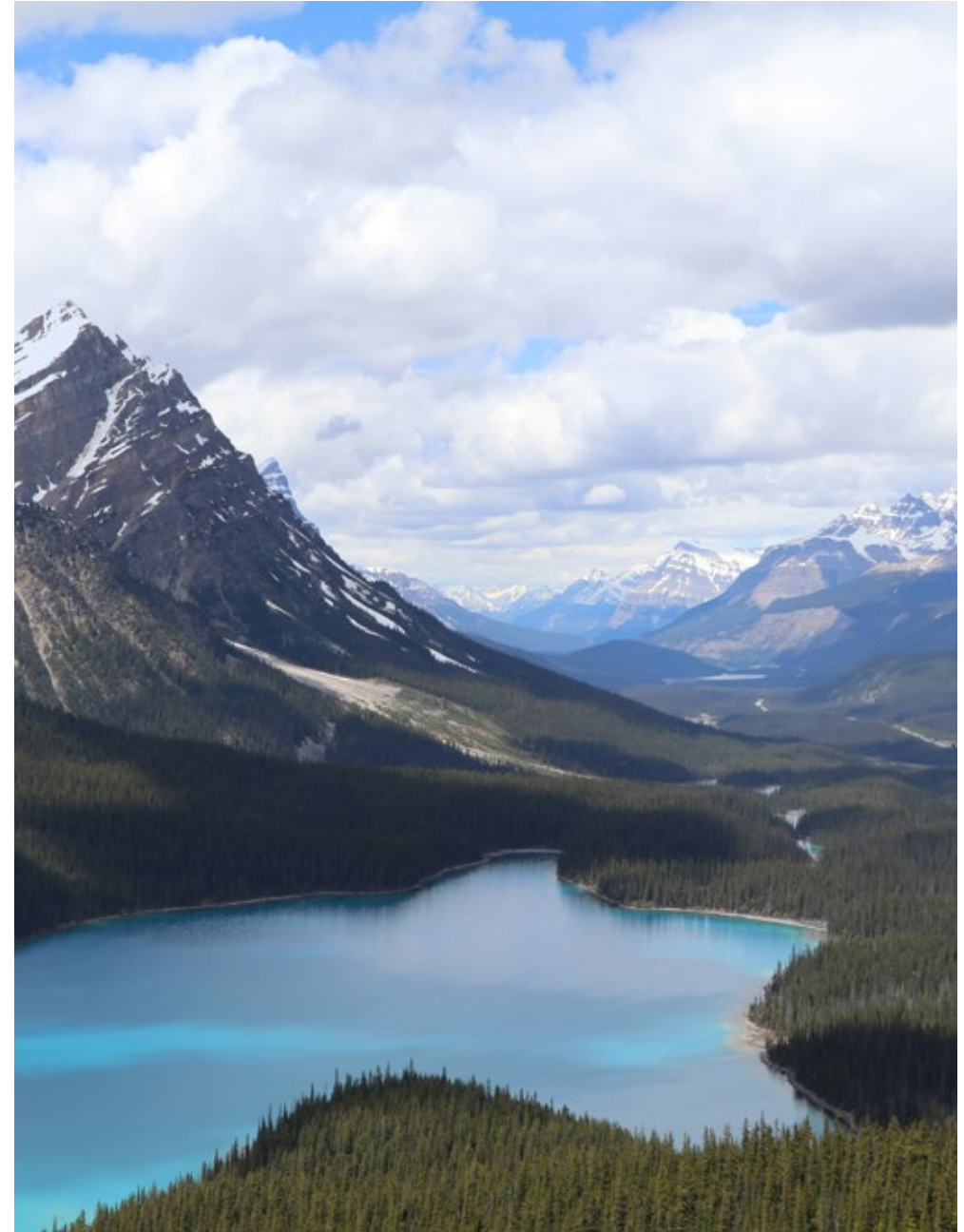
The topic of rights of indigenous peoples is mostly applicable to TAQA's international assets in Canada and Iraq. These entities engage with indigenous peoples regularly through supportive initiatives, policies and strategies. All our entities aim to be good corporate citizens in the areas within which they operate. To the best of our knowledge, no incidents of violations involving rights of indigenous peoples were recorded in the last three years across the Group.

TAQA North (Canada) currently engages with up to 18 indigenous communities across all areas of operation with ongoing engagement on two First Nation Reserves, the O'Chiese First Nation and the Sunchild First Nation. TAQA North's Policy on Indigenous Community Engagement, and associated First Nation Sustainability Strategy, provide the framework for support and engagement with these indigenous communities, and are in alignment with TAQA North's Community and Social Responsibility (CSR) strategy.

TAQA North also has a First Nation Sustainability Strategy Committee, reporting to the Executive Director of Land & Joint Ventures to govern the implementation of TAQA's First Nation Sustainability Strategy. A dedicated budget is allotted to deliver on the commitments to the indigenous communities.

To address the increasing expectations of indigenous communities and the societal trend of increasing focus on CSR, TAQA North will continue to re-evaluate the First Nation Sustainability Strategy. Similarly, in alignment with TAQA's ESG strategy, it is anticipated that TAQA North will responsibly increase the First Nation community investment over the upcoming years.

In Iraq, TAQA operates the Atrush block in the Kurdistan region, which has historically been afflicted with political and societal unrest. TAQA Iraq aims to attract, develop, motivate and retain local Kurdish personnel in most positions across the company. Kurdish nationals are given preference during the talent acquisition process, provided they meet the minimum requirements for the desired jobs.



BUSINESS RESILIENCE

GRI 2-23, 201-2

Overview

The Risk & Internal Audit Department at TAQA incorporates a number of functions that are critical to establishing and maintaining controls, processes and procedures that enable our business resilience.



The Enterprise Risk Management (ERM) function is responsible for maintaining the Group's risk management framework, and facilitating the development, analysis and review of the risk profile of the company. The ERM function support TAQA in achieving our strategic, financial and operational objectives by leading the implementation and continuous improvement of holistic ERM across the business entities and functions.

TAQA has a Group-wide ERM Policy and associated procedures in place which set the processes for identifying, assessing, monitoring and managing risks that arise from our operations and activities. This policy is consistent with the International Standards Organization (ISO) 31000 Risk Management Guideline. The framework includes all types of risk, including climate and ESG-related risks spanning: 1. Strategic and Financial, 2. HSSE and Operational, and 3. Regulation and Compliance.

Risk management applies Group-wide for all risks including for climate and ESG, from operations through to the Executive Management and the Board.

ERM Framework

TAQA has an established ERM framework that has been formalised in the Group ERM Policy and associated procedures. This framework applies to all the operational and functional entities of TAQA and is designed to ensure that risks are adequately assessed and managed through three levels of activity.

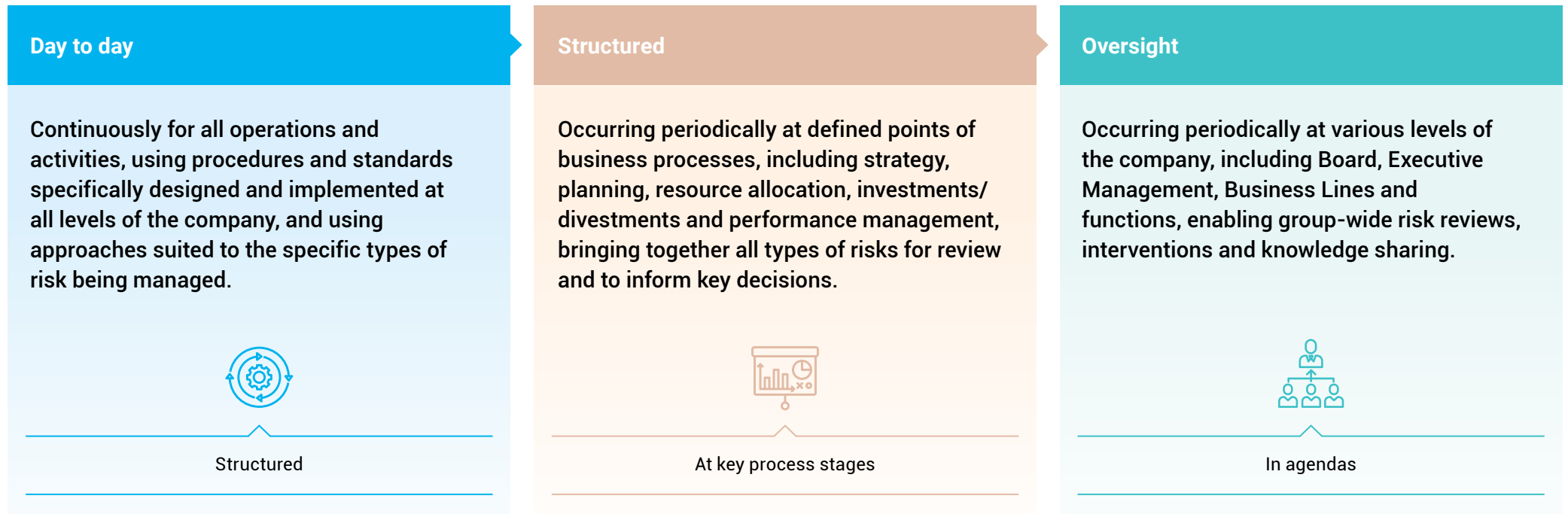
The below illustrates an overview of TAQA Group's ERM Framework content and activities, which includes the following and applies to climate and ESG-related risks.

Roles and Responsibilities

The leader of each TAQA operational and functional entity is accountable for the management of risks. Each operational and functional entity, with the support of the ERM function, maintain risk registers which are relevant to their business, and are inclusive of climate and ESG-related risks. Depending on the assessed severity and likelihood of the risks, risks are escalated within the reporting line for attention and management.



TAQA's ERM Framework



TAQA applies the three lines model which establishes clear roles and responsibilities for the management of risks across the Group:

Businesses and functions, the first line:

Allocate resources and manage risks to achieve TAQA's objectives; establish and maintain structures and processes for the management of activities, operations and risks; and ensure conformance with standards and policies, and compliance with laws and regulations.

Risk and Compliance functions, the second line:

Provide expertise, tools, and support on management of risks based on a view of risk that is independent of the first line; set policies, procedures, practices and standards; and monitor and assess the adequacy and effectiveness of Risk Management in the first line, including application of requirements.

Internal Audit, the third line: Audit the effectiveness of the systems of Risk Management and Internal Control; and provide independent and objective assurance on the adequacy and effectiveness of Risk Management, Internal Control and Governance.

Formal risk reviews are conducted at least twice a year under the direction of the ERM Function across all TAQA's businesses and functions. The results of these reviews are consolidated within 20 Group risks, one of which is specific to climate and ESG risks. In addition, further Group risks consider climate and ESG risks based on the nature of the risk, considering cause, event and consequence.

Group risks and TAQA's risk profile are presented and discussed with the Executive Management Team, Audit Committee and with the Board.

TAQA Board of Directors, as per its charter, is responsible for:

- overseeing the implementation of an effective Enterprise Risk Management (ERM) process and culture across the Group, at the recommendation of the Audit Committee; and
- determining the nature and extent of the significant risks the company is willing to undertake to achieve the strategic objectives of the Group.

The Audit Committee supports the Board in its duties by reviewing TAQA Group risks on a bi-annual basis, as a minimum, and ensuring the effectiveness of the ERM process.

There are additional lines of assurance in place to support the internal risk management process established at TAQA and include:

- Independent experts periodically provide oversight and assurance on implementation of recommendations to the Board and shareholders
- Stakeholders and regulators periodically assess compliance
- External audit provides independent opinions on certain external and internal reports by TAQA to a range of stakeholders



Climate and ESG Risks








As detailed above, climate and ESG-related risks are considered as part of our risk management framework and constitute a Group risk that requires the attention of the highest governing bodies at TAQA, the Executive Management and the Board.

The Group ERM function along with Strategy and Sustainability Function look into emerging climate and ESG-related risks. These risks are then shared with the relevant entities across the business for tailored input and additional granularity as per specialised operational analyses. Upon receiving the entity-specific input, these risks are then fed back into the overall Group risks view for reporting to EMT and the Board.

A key part of the risk analysis conducted is to identify the climate risks and opportunities in order to foresee and plan for their potential consequences on TAQA's operational portfolios.

Physical risks




TAQA operates in a number of geographies which presents potential exposure to climate-related physical risks, such as, but not limited to:

-  Wind or storm damages to assets, related to the increased frequency and severity of extreme weather events
-  Flooding of plant or equipment, generated by more frequent and intense rain events
-  Heat related reduction of efficiency and capacity of generation, distribution and production assets, due to the global increase in temperatures, potentially exceeding operational margins or design capacity
-  Flooding or submersion by sea of coastal assets, due to rising sea levels
-  Disruption to logistics and supply chains, due to extreme weather events or other climate related changes
-  Damages to assets from ground settlements and potential shortage of water intake for generation plants, created by the increase in frequency and severity of droughts
-  Health and safety adverse impacts on staff, especially at operating sites, caused by extreme weather events or other climate related changes


Transition risks

In addition to the potential physical detrimental effects on the business, climate change may generate several transition risks for TAQA such as, but not limited to:



Market risks

-  Changes in customer behaviour, leading to a decrease in electricity or fossil fuel demand, reducing revenue
-  Increases in the cost of raw materials and equipment, increasing input costs and reducing returns
-  Increases in our cost of capital due to incorporation of cost of carbon in decision-making



Reputation risks

-  Failing to adequately and timely address higher intensity carbon emitting operations, including fossil fuel production and thermal coal-fired generation, through the implementation of TAQA's ESG Strategy prompting negative stakeholder reaction and limiting growth opportunities

Technology risks

-  Development of low emission technologies being performed at a higher than foreseen pace and cost, negatively impacting returns
-  Underinvestment in new technologies or investment in new technologies that do not deliver as anticipated, limiting growth opportunities and reducing returns

Policy and legal risks

-  Unanticipated introduction of new environmental regulations or regulatory limitations on certain higher emitting assets, negatively impacting operations and reducing revenue
-  Unanticipated introduction of new or increased environmental taxes and carbon pricing, reducing returns

In 2023, TAQA intends to conduct an impact assessment of the risks and develop a resilience plan to progress with TCFD recommendations.



Opportunities

Climate change may also generate certain strategic and business opportunities for TAQA including, but not limited to:

- Growth in renewable energy production, on the local and international market, capitalising on in-house experience and on the strategic investment taken in Masdar
- Development of the Green Hydrogen market, through the strategic partnership with ADNOC and Mubadala, through the Masdar's hydrogen arm
- Increase in demand and penetration for electricity, linked to phasing out of fossil fuels, positively impacting revenues and returns
- Lower financing costs associated with a commitment to the ESG strategy and targets helped by sustainable financing
- New revenue streams associated with developing our role as a sustainability business partner for other entities, including governments and cities
- Development of energy efficiency solutions, which TAQA already pursues through its subsidiary ADES

TRANSPARENCY AND ACCOUNTABILITY

GRI 2-23, 418-1

Data Privacy and Security

TAQA's Cyber Security team, within the Risk & Internal Audit Department, sets the rules and principles and monitors the cyber security landscape across TAQA. The team's mission is to establish and maintain a secure cyber environment for the protection of TAQA's people, assets, information and operations; establish organisational preparedness to respond to serious cyber incidents; and ensure business continuity, including safeguarding the safety of people and integrity of plants and systems across TAQA.

Measures and controls are in place to preserve data privacy and security and span several functions, including the E&C Office, the IT Function and the Legal Function, to ensure coverage of the data life cycle.

As part of TAQA's Group Code of Ethics & Business Conduct, TAQA has a Data Protection Policy, which sets out the requirements and standards that Group personnel are expected to adhere to in order to comply with applicable Data Protection Laws, including the UAE Data Protection Law, in the jurisdictions where we operate, and apply best practices. The IT Function implements the security control environment as per the policies and procedures

established by the Cyber Security team and the E&C Office, and responds to any breaches raised by the Legal Function.

TAQA has also put in place a suite of policies and standards to address data protection as part of the Group's governance documentation, including the Information Security Policy, Information Asset Classification Standard, and Acceptable Use of Information Assets Standard.

As a globally operated company, TAQA abides by General Data Protection Regulation (GDPR) and Personal Information Protection and Electronic Documents Act (PIPEDA) principles for data security. The Legal departments and respective data privacy officers across TAQA HQ, Canada and Europe have set out internal agreements, which cover personal data protection, processing and transfer. TAQA is implementing a Group-wide information governance programme intended to enhance data privacy.



Our data privacy and security policies, standards and procedures extend to our customers. TAQA's distribution companies adhere to the UAE National Electronic Security Authority (NESA) standards, which incorporate 188 security controls to mitigate cybersecurity threats. A digital transformation programme in our T&D assets is underway to enhance the secure handling of all customer information and deliver a faster ability to respond to any alerts or threats received.

As a publicly listed firm, TAQA is subject to several cyber security audits annually that cover IT and security systems. In addition, TAQA's Cyber Security team conducts various security assessments, both from a technical and governance standpoint, across the Group. TAQA also has a managed Security Operations Centre service, which includes coverage of vulnerability assessments.

In case of any cybersecurity threat or violation, the cybersecurity teams at the distribution companies are immediately alerted and respond within an allocated timeline for the nature of the incidents as per policies and standards. The Internal Audit department at TAQA conduct periodic audits of cybersecurity standards and practices.

No major customer privacy violations or loss of customer data has occurred in either of our distribution companies, ADDC and AADC, in 2022.

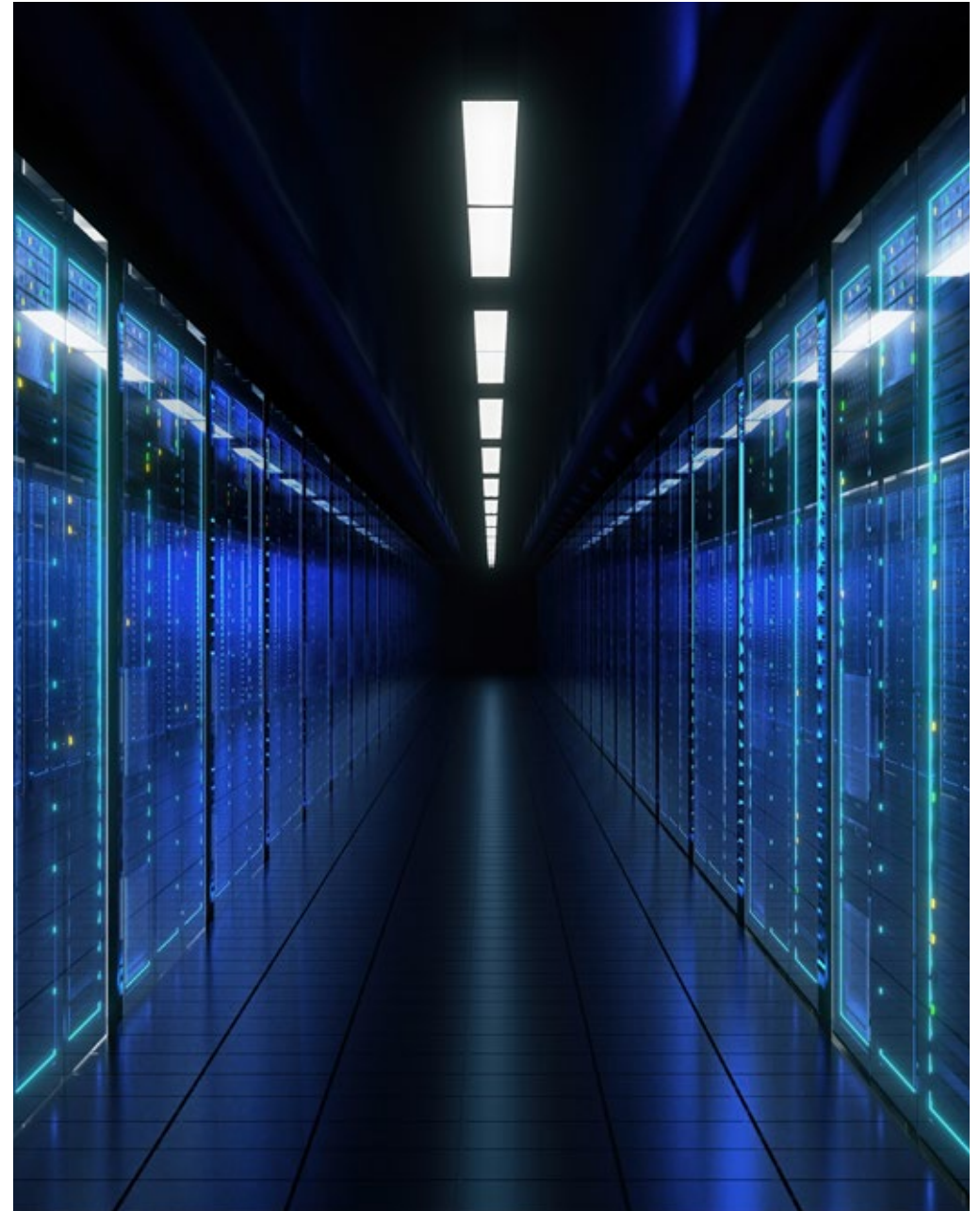
Political Contributions

GRI 415-1

TAQA does not make political contributions or engage in lobbying activity. All political contributions and lobbying on behalf of TAQA Group should be disclosed to the Ethics & Compliance Office for approval.

In 2020-2022 no such monetary or in-kind contributions were disclosed to the Ethics & Compliance Office.

As stated in the Code of Ethics & Business Conduct, any personal political activities that TAQA employees carry out should be kept separate from TAQA Group. TAQA employees are instructed to ensure that their personal political activities are not linked to persons engaged in terrorism or criminal activities and do not cause any reputational damage for TAQA Group.



STAKEHOLDER ENGAGEMENT

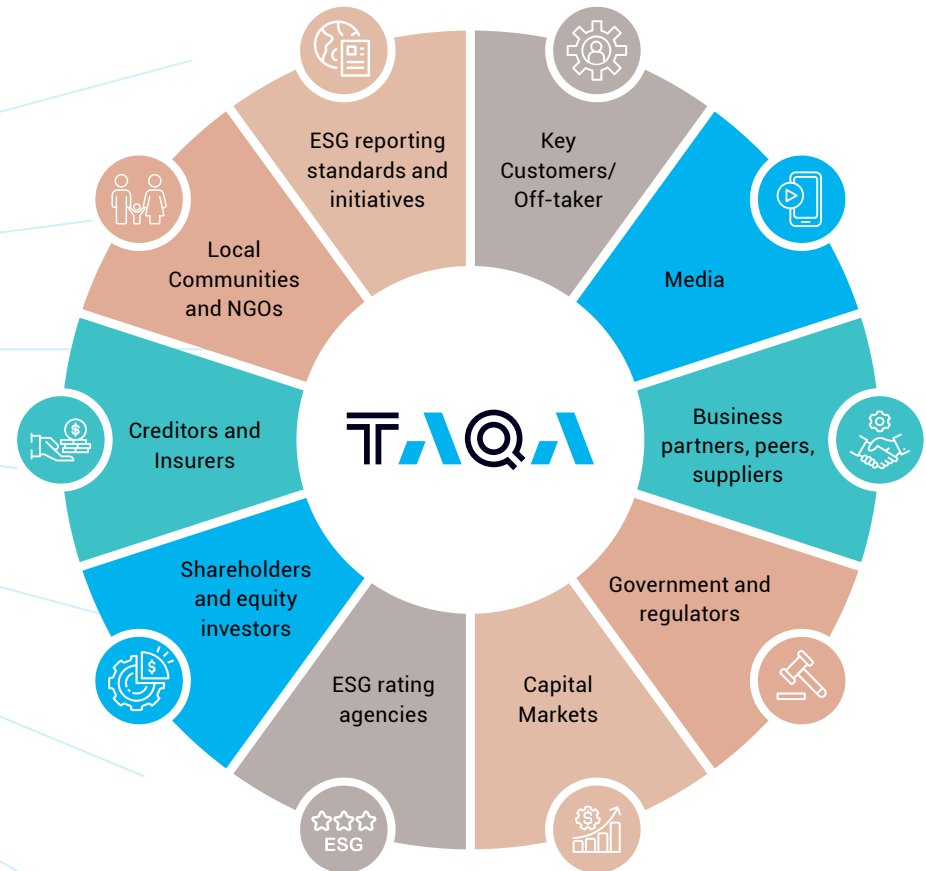
GRI 2-29

Stakeholder engagement is a fundamental process for TAQA given its global presence, strategic positioning within the UAE and the nature of our business in supplying essential resources, energy and water, to our customers around the world. Throughout the years, engaging with our stakeholders has gained TAQA valuable insights on the needs and concerns of individuals and groups that are impacted by and impact our business, including regulators, customers, employees, suppliers, shareholders and the community at large. From this informed position, TAQA has been able to respond to those needs, build stronger relationships and improve its decision-making processes. Our continuous interaction with stakeholders has helped shape the direction TAQA takes in setting priorities and business plans, most recently including ESG priorities, towards responsibly and efficiently providing sustainable and reliable energy and water.

A dedicated stakeholder engagement team within Group Communications is established at TAQA HQ and supported by an ESG stakeholder engagement team within the Strategy and Sustainability function. The role of this team entails identifying and regularly communicating with TAQA's stakeholders on associated topics as identified by senior management. Frequency and type of interaction is usually dependent on the stakeholders' influence on and impact by the Group, along with the nature of the relationship. TAQA's Executive Management regularly reviews the progress on stakeholder engagement and participates in select engagements.

Stakeholder registers are maintained by the operating companies, which are used to document and analyse the influence of stakeholders, impacts and obligations, including local laws and regulations, with the support of Group Communications at HQ in supplying needed data and information.

TAQA has a broad spectrum of external stakeholders, who we engage with year-round and via different mechanisms:



TAQA's newly developed ESG strategy presented an opportunity for TAQA to revisit its existing stakeholder engagement framework, further standardise channels of communication and ensure ESG topics are sufficiently represented. With ESG at the heart of our Corporate Strategy and the need to liaise with several external and internal stakeholders to achieve internal ESG targets and national Net Zero targets by 2050, the stakeholder engagement model was refined to include targeted ESG objectives and key messages per stakeholder. With this newly developed framework, stakeholder engagement is further streamlined, incorporates key focal points across TAQA who are best suited to engage with specific stakeholders, and ensures accurate and refined messages are conveyed.

Targeted objectives and messages per stakeholder

Stakeholder group	Engagement objectives and messages to convey	TAQA relationship owner
<ul style="list-style-type: none"> • Key customers 	<ul style="list-style-type: none"> • Provide clarity on and confidence in TAQA roadmap to Net Zero • Identify opportunities to collaborate and potentially sell green products 	<ul style="list-style-type: none"> • Generation • T&D
<ul style="list-style-type: none"> • Partners, peers, suppliers 	<ul style="list-style-type: none"> • Identify opportunities to collaborate on ESG and decarbonisation agendas • Align on potential joint-initiatives to decarbonise the value chain 	<ul style="list-style-type: none"> • Strategy • BD / M&A
<ul style="list-style-type: none"> • Government Regulators 	<ul style="list-style-type: none"> • Ensure alignment/ compliance with ESG regulations and country direction • Engage on events participation, collaborations (e.g., COP28, World utilities congress) 	<ul style="list-style-type: none"> • Legal • Communications
<ul style="list-style-type: none"> • Capital markets 	<ul style="list-style-type: none"> • Disclose information and comply with stock-market listing requirements • Explore opportunities to form part of ESG-related indices 	<ul style="list-style-type: none"> • Investor relations • Legal
<ul style="list-style-type: none"> • Shareholders and investors 	<ul style="list-style-type: none"> • Inform regularly on pathway and progress along roadmap to Net Zero • Address concerns regarding ESG topics (e.g., transparency, diversity...) 	<ul style="list-style-type: none"> • CEO / CFO • Investor relations
<ul style="list-style-type: none"> • Creditors and insurers 	<ul style="list-style-type: none"> • Timely disclose required information and provide confidence in addressing coal • Seek lower-cost financing/insurance for gas assets/renewables 	<ul style="list-style-type: none"> • Treasury
<ul style="list-style-type: none"> • ESG rating agencies 	<ul style="list-style-type: none"> • Increase understanding of mechanics and requirements of ratings • Share latest disclosures to be reflected in ratings; aim to improve ratings 	<ul style="list-style-type: none"> • ESG Ratings relationship manager
<ul style="list-style-type: none"> • ESG reporting standards 	<ul style="list-style-type: none"> • Understand requirements for disclosure including timelines, formats... • Seek support to complete questionnaires/submission requirements 	<ul style="list-style-type: none"> • ESG Ratings relationship manager
<ul style="list-style-type: none"> • Local communities & NGOs 	<ul style="list-style-type: none"> • Understand potential issues and needs of the communities to tailor CSR 	<ul style="list-style-type: none"> • Communications • Local asset CSR rep.
<ul style="list-style-type: none"> • Media 	<ul style="list-style-type: none"> • Share up-to-date accurate ESG-related information for media coverage • Align on messaging around TAQA's efforts and initiatives 	<ul style="list-style-type: none"> • Communications

TAQA plans to leverage standard channels to efficiently engage a broad set of external stakeholders for high impact

		 Key customers	 Partners, peers, suppliers	 Government regulators	 Capital markets	 Shareholders investors	 Creditors and insurers	 ESG rating agencies	 ESG reporting standards	 Local communities	 Media
Standard	Annual Report	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Sustainability Report	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
	Press releases and media (including digital/ social)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Stakeholder-specific (higher effort as targeted)	Targeted webcasts	✗	✗	✗	✗	✓	✗	✗	✗	✗	✗
	Targeted one-on-one meetings	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
	Committees/taskforces/ pledges		✓	✓						✓	✗
	Events/forums/ workshops/panels	✓	✓	✓	✗	✓	✓	✓	✓	✓	✓
	Questionnaires/forms	✗	✗	✓	✓	✗	✓	✓	✓	✗	✗
	Visual communication (e.g., brochures)	✗	✗	✗	✗	✗	✗	✗	✗	✓	✓

Membership Associations

GRI 2-28

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 plays an important role in multiple national organisations, councils and committees. These include, but are not limited to:



TAQA established strategic partnerships with key associations that signify our strong commitment to contributing to the global sustainability agenda and to becoming a low-carbon power and water champion. Further details on these partnerships are detailed in the Sustainability Business Partner Section in the following chapter.

- IRENA Alliance for Industry Decarbonization
- UNGC Initiative
- International Desalination Association
- ADGM Sustainable Finance Declaration
- UAE Climate – Responsible Companies Pledge
- Abu Dhabi Climate Change Task Force
- Abu Dhabi Sustainability Group
- TAQA and UAE Paralympics Memorandum of Understanding





4

ACCELERATING THE ENERGY TRANSITION

Decarbonisation	60
Energy Security	65
Sustainability Business Partner	71

GRI 203-2

Provision of energy and water is essential in maintaining the livelihoods of people and communities around the world. The reliance on fossil-fuel fired power generation to provide these vital resources is a significant source of GHG emissions today.

Technological advances in power and water generation from renewable energy sources, water desalination through reverse osmosis, energy efficiency measures, battery energy storage, carbon capture utilisation and storage, and green hydrogen production, are helping to limit GHG emissions and support mitigating climate change. Similarly, advancements in smart grids, enhanced asset management and optimisation measures within power and water networks are key in managing energy use and reducing the associated GHG emissions.

Further electrification of energy systems, powered through increased clean electricity production and consumption in the future, is one of the main solutions for reducing the world's carbon footprint while maintaining the high standards of living we have achieved through fossil-fuel driven social and economic development.

TAQA's energy transition journey has been guided by international and local mandates and by adhering to our mission of being a low carbon power and water champion. The Paris Agreement and the United Nations Sustainable Development Goals (UNSDGs) have played a significant role in influencing TAQA's Corporate and ESG Strategies.

In 2015, a legally binding international treaty on climate change, the Paris Agreement, was adopted by 196 parties. Through this agreement, world leaders pledged to combat climate change and limit global warming to well below two degrees Celsius, but preferably to one and a half degrees Celsius, compared to pre-industrial levels. This landmark agreement requires that countries communicate to the United Nations Framework Convention on Climate Change, on a five-year cycle, actions they will take to reduce their GHG emissions and reach the desired climate goal along with adaptation measures to build resilience to impacts of rising temperatures. These communication plans are referred to as the nationally determined contributions (NDCs). In the latest updated second NDC submitted by the UAE to UNFCCC, the UAE committed to a reduction of 31% of GHG emissions by 2030 relative to business as usual (BAU) scenario. The UAE also committed to releasing an enhanced NDC ahead of COP28, which will be underpinned by an absolute emission reduction target relative to a 2019 base year.

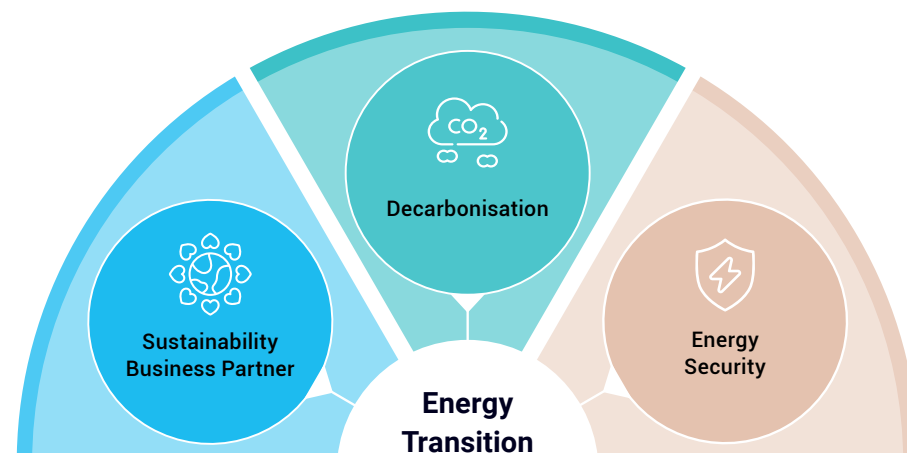
In 2021, the UAE announced the UAE Net Zero by 2050 Strategic Initiative, a national drive aligned with the Paris Agreement to achieve Net Zero emissions by 2050. As part of this strategic initiative, the National Net Zero by 2050 Pathway, which includes a timeframe and mechanisms to achieve Net Zero, was defined by the UAE and announced at COP27 in Egypt. This pathway describes the implementation of the initiative and details the country's climate ambition, including interim targets.

In Abu Dhabi, the Department of Energy (DoE), in partnership with the Environment Agency (EAD), is leading a fundamental shift in Abu Dhabi's energy mix to operationalise delivery on the carbon neutrality target by 2050 through new regulations aimed at producing 60% of the Emirate of Abu Dhabi's electricity from clean and renewable sources by 2035, namely the 'Clean Energy Strategic Target 2035 for Electricity Production in Abu Dhabi'. This framework is the first binding clean and renewable energy target in the Middle East for the electricity sector and forms a significant part of an ongoing energy transition to accelerate the UAE's decarbonisation and green growth efforts.

The DoE expects the new regulatory framework to drive a 75% reduction in carbon emissions per MWh produced in Abu Dhabi by 2035, compared to 2016 levels.

As reflected by the Corporate and ESG Strategies, TAQA is keen to play a leading role in supporting the acceleration of the energy transition in the UAE and globally. Our integral role in the power and water value chain in Abu Dhabi makes us a vital player in the decarbonisation and transitioning of the sector in the Emirate.

We are accelerating the energy transition through implementation of decarbonisation initiatives, being a sustainability business partner, while at the same time ensuring continuous and reliable supply of power and water. TAQA's portfolio has evolved significantly in recent years to incorporate many of the technological advancements for decarbonisation that are currently in the market, while upholding our responsibility and mandate to provide energy and water to many communities around the world. TAQA has also been active in building partnerships and providing support to other entities to advance the energy transition.



DECARBONISATION

GRI 305-1, 305-2, 305-4, 305-5

Ambition

In line with the UAE's 2050 Net Zero Strategic Initiative, TAQA announced in 2020 its commitment to Net Zero by 2050. Upon completion of the ESG Strategy in 2022, TAQA made public its interim 2030 scope 1 and scope 2 GHG emissions reduction targets within the UAE and globally. TAQA has committed to a 25% reduction of scope 1 and 2 emissions by 2030 across the Group, including a 33% reduction of UAE portfolio emissions compared to a 2019 base year. This commitment places TAQA as one of the first energy majors in the region to set an ambitious absolute reduction target compared to the usual practice in the region of establishing targets based on intensity or against business-as-usual scenarios.

The key drivers for the targeted GHG emissions reduction by 2030 include:



Decommissioning of close to 8GW of natural gas assets, with an introduction of a best-in-class and more efficient natural gas plant of 2.4GW



Expansion of our renewable energy to comprise more than 30% of our power generation portfolio by 2030; close to 11GW of solar expected in Abu Dhabi



Expansion of efficient reverse osmosis (RO) technology to make up two-thirds of our desalination capacity by 2030



Strengthening our T&D networks to accommodate the growing but intermittent solar energy and the full-scale operations of Emirate Nuclear Energy Corporation's (ENEC) Barakah nuclear energy plant i.e., 5.6GW expected to be online by 2024



Performance

GHG Emissions

305-1, 305-2

TAQA's GHG emissions reduced by 8% in 2022 compared to 2021 and by 11% compared to 2019. The largest contribution to the reductions is from the UAE Generation, which reduced its emissions by 10% in 2022 compared to 2021. In addition, a 3.4% reduction was achieved by International Generation.

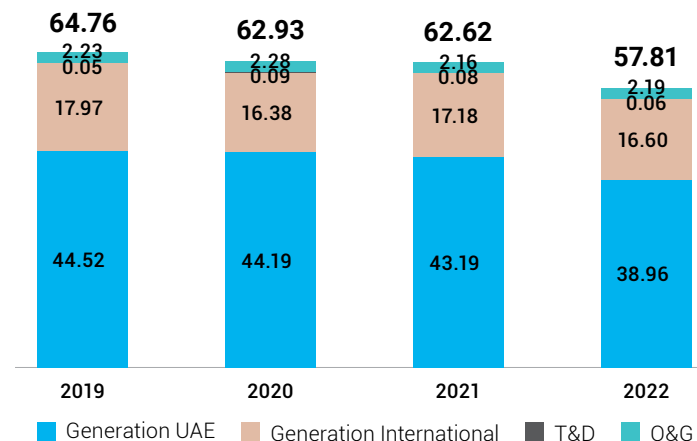
Nearly 67% of scope 1 and 2 emissions in 2022 were contributed by the UAE Generation assets followed by International Generation at 29% and Oil & Gas at 4%. The import of energy and the associated scope 2 emissions are insignificant for TAQA.

Equity share-based emissions of TAQA are 28% lower than the financial control-based emissions, as TAQA accounts for 100% of UAE Generation emissions although it only has just less than a 60% stake in the assets. Equity share emissions reduced by 7% in 2022 compared to 2021.

Scope 1 and 2 GHG Emissions based on Financial Control Approach^{35, 36}

GHG Emissions ³⁷ (million tonnes CO2 equivalent (tCO2e))	2019	2020	2021	2022
Scope 1 and 2	64.76	62.93	62.62	57.81
Generation UAE	44.52	44.19	43.19	38.96
Generation International	17.97	16.38	17.18	16.60
T&D	0.05	0.09	0.08	0.06
O&G	2.23	2.28	2.16	2.19
Scope 1	64.62	62.80	62.44	57.62
Generation UAE	44.52	44.19	43.19	38.96
Generation International	17.87	16.31	17.08	16.51
T&D	0.05	0.09	0.08	0.06
O&G	2.19	2.21	2.09	2.09
Scope 2	0.14	0.13	0.18	0.19
Generation UAE	-	-	-	-
Generation International	0.10	0.07	0.11	0.09
T&D	-	-	-	-
O&G	0.04	0.07	0.07	0.10

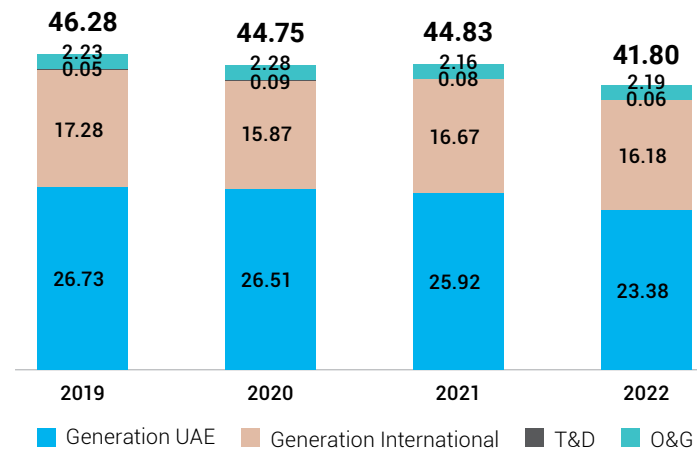
Scope 1 and 2 GHG Emissions based on Financial Control Approach^{35, 36}



Scope 1 and 2 GHG Emissions based on Equity-share Approach

GHG Emissions ³⁷ (million tCO2e)	2019	2020	2021	2022
Total	46.28	44.75	44.83	41.80
Generation UAE	26.73	26.51	25.92	23.38
Generation International	17.28	15.87	16.67	16.18
T&D	0.05	0.09	0.08	0.06
O&G	2.23	2.28	2.16	2.19

Scope 1 and 2 GHG Emissions based on Equity-share Approach



35. TAQA's primary GHG consolidation approach based on which reduction targets are set. Limited assurance was obtained for total scope 1 and 2 emissions, total scope 1 emissions and total scope 2 emissions in 2022 (in tCO2e comprising CO2, CH4, N2O, SF6 and hydrofluorocarbons)

36. Restatements made to take into account third-party assurance provider's remarks and corrections to reporting boundary as highlighted in chapter 2. No material changes to the numbers

37. Numbers rounded to two decimal points and therefore the individual numbers may not add up exactly to the respective total figures

GHG Intensity

305-4

TAQA's GHG intensity based on revenue reduced remarkably by over 16% in 2022 compared to 2021. Compared to the base year of 2019, the reduction is close to 22%.

When it comes to GHG intensity based on electricity generation³⁸, Group GHG intensity (including emissions related to UAE desalination) per unit of electricity production reduced by 17% compared to 2019. The intensity of International Generation assets reduced by 9%. The UAE Generation plants' load factor reduced considerably in order to accommodate the increased nuclear energy in the Abu Dhabi system, which had an impact on the heat rate. Close to 25% of the UAE Generation's emissions are associated with water desalination, which is a reduction from 28% share in 2021.

Oil and Gas GHG intensity remained nearly the same as in 2021 but it is more than an 8% reduction compared to 2020.

Initiatives Contributing to Emissions Reduction

305-5

TAQA has made significant decarbonisation strides in recent years, investing heavily in renewables both in the UAE and abroad while pioneering partnerships with the industrial sector to support hard to abate sectors. Our Group 2030 Strategy has been key in guiding our overall emission reduction initiatives, and our assets across our business lines have also taken on many independent initiatives to support our goal to decarbonise our portfolio.

UAE Generation

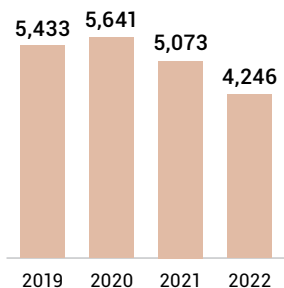
The share of nuclear energy by ENEC in Abu Dhabi's system supported by TAQA's grid interconnection, nearly doubled to 22% in 2022 which led to a reduction of over 10% in electricity production by TAQA's natural gas plants in the UAE. Water production also reduced by 3% in 2022 compared to 2021 due to a 6% reduction in export of water.

Abu Dhabi Meets Over 80% of Total Power Demand Using Clean Energy Sources

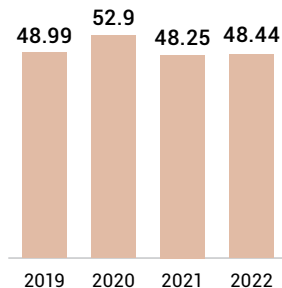
On February 10, 2023 at 2:26 PM, the system planner EWEC met 80% of total power demand using clean energy from the solar and nuclear energy plants, supplying approximately 6.2GW of the total 7.7GW system power demand. Similarly, on December 20, 2022 at 12:00 PM, over 60% of the total power demand in Abu Dhabi was delivered from renewable and clean energy sources supplying 5.5 GW of the total 8.6 GW system power demand. TAQA played a vital role in these achievements, as it supplied the necessary renewable energy from its solar plants, Noor Abu Dhabi, and the portion of Al Dhafra that is connected. In addition, our fully owned subsidiary, TRANSCO, is responsible for the successful connection of the Barakah nuclear power plants to the grid while balancing the intermittent solar energy.

Abu Dhabi is home to some of the world's largest single-site solar plants as TAQA supports the UAE's energy transition through the development of innovative renewable energy projects. Close to 3% of TAQA's UAE electricity generation comprises of solar energy which is expected to increase in the coming years.

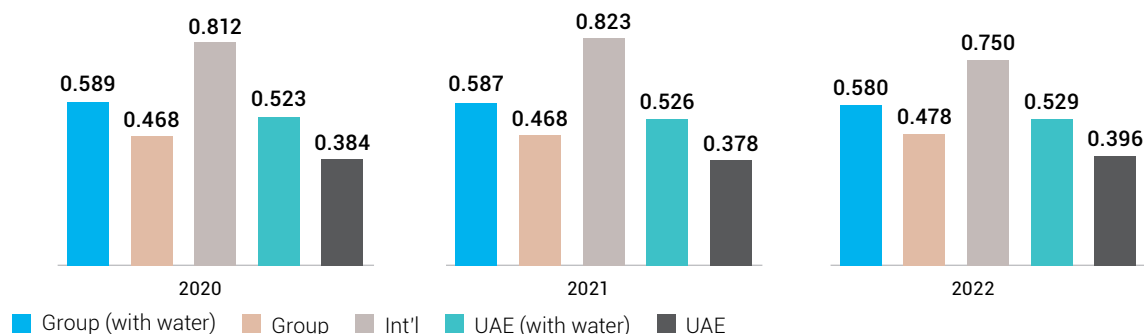
Emission Factor - Revenue
(tCO2/million USD)



Emission Factor - Oil & Gas
(tCO2/mboe)



Emission Factor - Generation (tCO2/MWh)



38. Restatements made compared to previous years to consider total generation (including auxiliary consumption) instead of net generation which only accounted electricity delivered to the grid

TAQA wins 'Best Use of Renewable Energy' Award at the Gulf Sustainability Awards 2022

Noor Abu Dhabi, of which TAQA owns 60%, is the world's largest stand-alone operational solar power plant, with a total capacity of 1.2GW and more than 3.3 million solar panels in one site. The project has previously won multiple awards throughout its development, such as the Power Generation Project of the Year Award at MEED Projects Awards 2020 and the Utility Project of the Year Award at the 2020 Middle East Solar Awards.



TAQA, in line with EWEC's strategic initiative of decoupling Abu Dhabi's power and water generation capacity, continues to focus on decoupling of water and power production to enhance production efficiency and reduce GHG emissions, and is investing heavily in the development of RO projects. Low carbon-intensive water desalination will ensure that water demands are met in Abu Dhabi and beyond, while simultaneously reducing GHG emissions significantly. RO technology is key to decarbonisation of the energy sector as the UAE pursues its Energy Strategy 2050.

In June 2022, the Taweelah RO facility reached 50% capacity. Taweelah RO was connected to the Abu Dhabi network in December 2021 and is now providing 100 million gallons per day of desalinated water and is expected to reach 200 million gallons per day in Q2 2023, making it the world's largest RO facility. Taweelah RO is the fourth operational desalination plant with RO capacity, adding to Fujairah F1 (combined-cycle gas-fired power plant and hybrid multi-stage flash and RO desalination), Fujairah F2 (combined-cycle gas-fired power plant and hybrid multiple effect distillation and RO desalination) and Mirfa M1 (combined-cycle gas-fired power plant and water desalination), all part of the TAQA portfolio.

TAQA is currently conducting a feasibility study to identify viable projects on carbon capture and utilisation.

International Generation

TAQA Morocco's (TQM) emissions in 2022 reduced by 1.2% compared to 2021 despite a 5% increase in electricity generation. TQM continues to improve the technical performance of its units with the completion of minor overhauls of 25 days for units 3 and 4 during 2022. Previously, 2021 had been affected by the completion of a major overhaul of unit 6 of 61 days. At the end of 2022, the overall availability rate for units 1 to 6 reached 93.9% compared to 92.8% on December 31, 2021, because of TAQA's human capital expertise and the digitisation policy put in place, as well as the rigorous predictive maintenance process.

TQM won five lots of land in the Kingdom's solar programme Noor PV II last year, with the sites in Sidi Bennour and El Kelaa des Sghrana and have the potential to host 96 MW of solar capacity. TQM aims to diversify its activities in clean energy and water desalination as part of its new strategy.

"TQM aims to invest \$1.6 billion in renewable energy solutions in Morocco to increase electricity production by 50 percent by 2030, which is expected to reduce the carbon intensity by 25%."

Ghana's GHG emissions reduced by nearly 86% in 2022 as the crude oil and diesel usage was zero compared to high dependence in 2021. Moreover, the waste heat recovery plant produced close to 35% of Ghana's total electricity production in 2022 and has an annual emission reduction potential of nearly

346,000 tonnes CO2 equivalent. The project was registered under UNFCCC's Clean Development Mechanism (CDM) in 2015 and added two heat recovery steam generators and a steam turbine to the approximately 224 MW single cycle power production facility. This provides an additional 118 MW of generation capacity, thereby increasing the total installed capacity to 342 MW. The two unfired heat recovery steam generators are designed and sized to utilise almost all of the exhaust gases from the combustion turbine.

GHG emissions in India reduced by about 19% in 2022 owing to the 16% reduction in electricity production and energy efficiency measures.

The share of coal in TAQA's gross generation capacity has reduced from 11% in 2021 to 7.7% in 2022. The share of coal revenue out of the total revenue is only 2.4% without considering fuel pass through.



Transmission and Distribution

The Transmission and Distribution business segment accounts for only 0.11% of the Group's total scope 1 and 2 emissions. Compared to 2021, the emissions reduced by 24% primarily due to the optimisation in SF6 usage. We are increasingly adopting air insulated switchgears instead of gas insulated switchgears in primary substations and grid stations. Measures are also progressing in relation to reduction of fuel use in transportation and increase in use of hybrid and electric vehicles.

Oil and Gas

The Oil and Gas business line's GHG emissions in 2022 increased slightly by 1.5% due to the similar increase in production levels. Over 30% of Oil and Gas business emissions are associated with flaring. Despite an increase in production by 5% for TAQA UK, its GHG emissions reduced by 6% due to the reduction in flaring and diesel usage.

Canada's GHG emissions reduced by 3% due to several emission reduction measures. A conversion from sulphur recovery to acid gas injection was done at the East Crossfield Gas Plant, as it was approaching maximum turndown and risked plant shutdown and associated asset impairment and significant near-term abandonment expenditure. The plant came online in November 2021 with an annual reduction of approximately 47,000 tonnes of CO2e.

A methane reduction retrofit compliance plan initiative in Canada focused on older existing high bleed pneumatic devices running on fuel gas. These devices were replaced with newer and more efficient low bleed models thereby reducing Canada's methane emissions. This has been an ongoing initiative since 2019 with an annual reduction of approximately 80,000 tonnes of CO2e. Additionally, the non-core disposition transactions were completed in 2021 where Canada sold older assets that typically had higher emissions intensity. Estimated annual emission reduction is close to 95,000 tonnes of CO2e.

Solar PV units were installed at the Atrush block in Iraq to save on fossil fuel consumption. With the limited power grid supply of only up to eight hours a day, the solar PVs offer an alternative source of energy to the usual fossil fuel generator alternative and encouraged other members of the community to do the same.

TAQA Netherlands conducted a remote integrity inspection of its offshore assets and pipelines in the Dutch North Sea, the first inspection of its kind in Europe. The inspection produced 95% less CO2 emissions, as it only needed 5% of the amount of fuel required compared to traditional methods.

Enabling Porthos Carbon Capture and Storage Project

TAQA Netherlands partnered with the Dutch authorities to provide TAQA's offshore depleted gas fields as storage sites for the CO2 captured from four industrial sites and help the Dutch Government meet its ambitious emissions targets through the Porthos Carbon Capture and Storage (CCS) project. This project is expected to enable storage of up to 2.5 million tonnes of CO2 a year with potential for blue hydrogen production. TAQA also signed a Project Development Agreement with Porthos that covers the provision of services that will support the development and operation of the storage facility. TAQA will be providing services in three key areas, including project development, which entails delivering engineering and construction services to adapt the platforms and wells to host injection, commissioning work, and operational services for the first two years after the project goes live.



ENERGY SECURITY

Overall, 2022 was a challenging year for the global energy sector, and in Europe particularly, with many electricity markets experiencing high prices. Ensuring energy security in the UAE, and in countries where we have operations, remains at the forefront of our strategy and planning.



TAQA has been playing a central role in supporting the UAE's national climate objectives through its diverse portfolio of assets, which includes one of the largest low-cost solar plants in the world and highly efficient RO water plants for producing desalinated water, along with its numerous independent and collaborative decarbonisation initiatives.

The war in Ukraine, combined with inadequate investment in the energy sector, caused disruptions to global energy supplies, with a significant impact on energy prices. These recent developments made it clearer than ever that the world is not yet in a position to rapidly move away from fossil fuels. To succeed in the energy transition, we need to strike a balance between ensuring affordable and reliable energy today, while at the same time investing in the development of clean energy and accelerating the drive to Net Zero.

Furthermore, asset lifetime is a very important consideration for economic as well as energy supply considerations. A number of the markets in which we operate are still underdeveloped and lack the resources to make a timely transition to renewable energy. In the liberalised markets such as the EU and USA, operators without long-term PPAs have the flexibility to determine the volume of electricity they can offer the market. However, in centrally organised markets where TAQA mostly operates, such as the UAE or Morocco, operators must honour PPAs and deliver the volume of electricity under strict contractual obligations, which are decided by centralised dispatch authorities. In liberalised markets,

generation capacity using fossil fuels is becoming unprofitable to operate either due to carbon pricing or due to wholesale price reductions as renewables are pushing them out of merit.

These limitations, together with inadequate incentives to support the transition to lower carbon generation in most of the countries we operate, and increasing geopolitical risks, are affecting the pace of decarbonisation. Our Morocco power plants, for example, are responsible for providing power to nearly 40% of the country's population, with currently no other feasible alternative to these existing fossil fuel-based plants.

Helping to Secure Europe's Energy Needs"

TAQA responded to a request from the European Union, by ensuring capacity was filled at TAQA's Gas Storage Bergermeer (GSB) asset in the Netherlands. In 2023, we will build on our achievements of this year to deliver GSB's reliability projects and secure high asset availability to ensure Europe's energy needs continue to be met.



Availability and Reliability

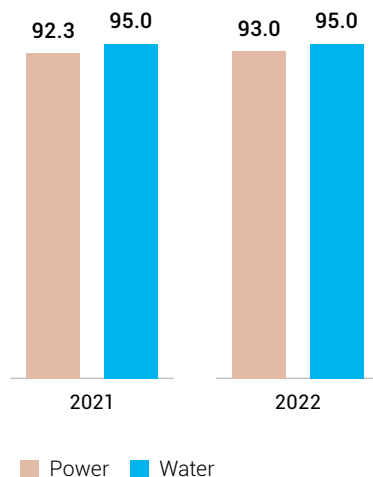
TAQA is responsible for providing energy and water to customers in the UAE and globally, the ultimate beneficiaries of our services and our main stakeholders in considerations related to the energy transition. We are committed to providing a continuous supply of energy and water to the people in our areas of operations and to minimise interruptions that can negatively impact their quality of life.

Generation

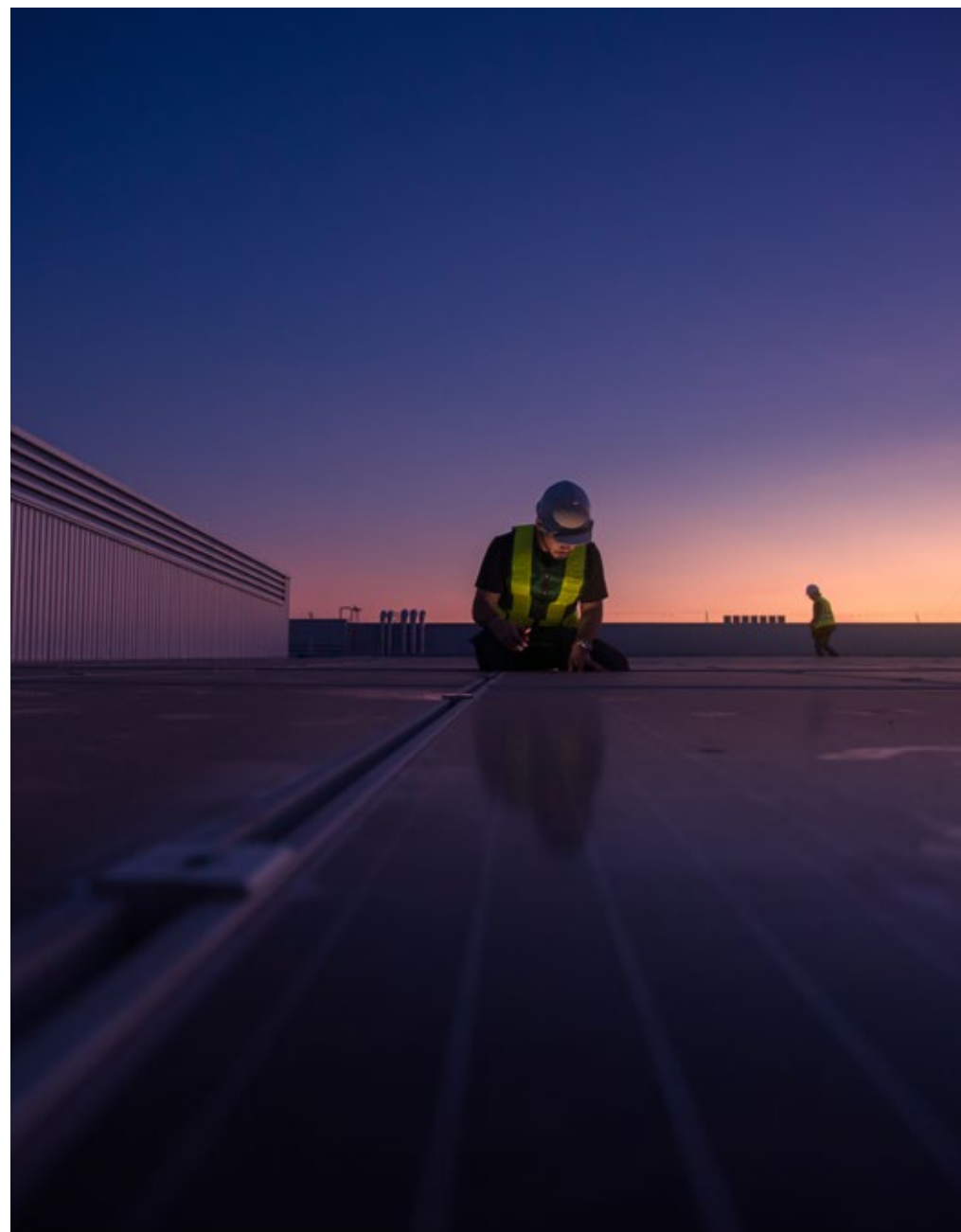
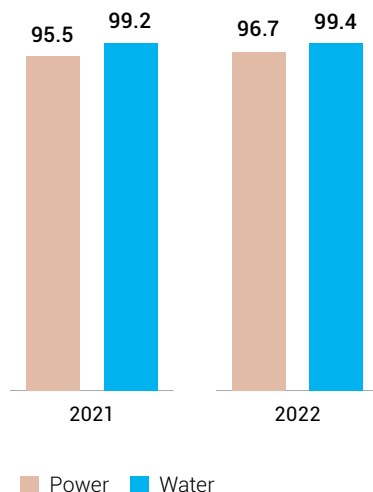
TAQA's Generation portfolio continued to demonstrate strong operational performance during the year. The power generation facilities achieved technical and commercial availability of 93.0% and 96.7%, respectively, which is an improvement over 2021 of 0.7% and 1.2%, respectively. The water generation facilities sustained their strong performance achieving technical and commercial availability of 95.0% and 99.4%, respectively, almost on par with last year, with the latter improving slightly during the year by 0.2%.

The improvement was mainly driven by the recovery of two of our plants from major outages, at Shuweihat 3 (1.6 GW Combined Cycle Gas Turbine (CCGT) in UAE) and Takoradi (330 MW CCGT in Ghana). Some of our older plants faced some technical difficulties that are expected in late life assets and are being addressed, including Umm Al Nar, Taweelah B and Shuweihat 1. An extensive operations and management transformation was carried out at the Takoradi Ghana power plant, resulting in availability of more than 80% for the first time since its upgrade in 2014.

Generation Technical Availability (%)



Generation Commercial Availability (%)



Transmission and Distribution

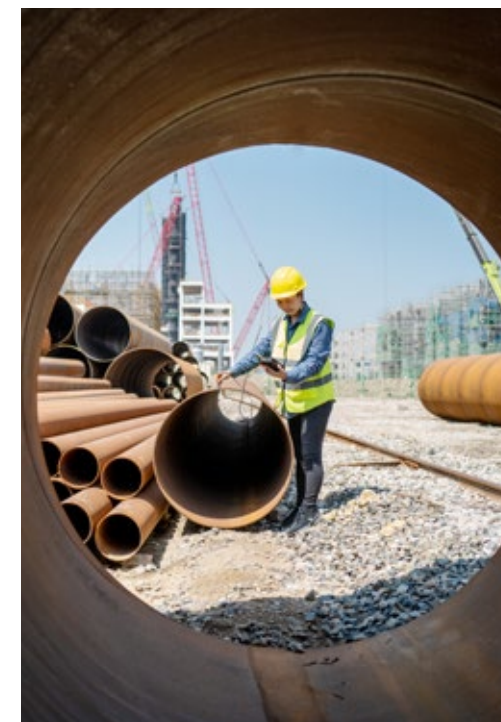
Transmission and Distribution delivered strong operational performance during 2022, with high availability of the power and water networks, exceeding our achievements in 2021. Our transmission power asset availability improved to 99.30% compared to 99.03% in 2021, and the transmission water asset availability improved to 97.78% compared to 97.76% in the previous year. Our strong performance is directly related to a number of ongoing strategic investments and initiatives to ensure safe, reliable and efficient performance while building the capabilities of our teams for optimal execution.

In distribution, our maintenance transformation saw the continued

implementation of advanced analytics and digital solutions to increase network reliability and enhance staff productivity. Some examples include the upgrading of our Distribution Management System (DMS) Control Centre, established in 2006, to an Advanced DMS which includes functions to automate outage restoration and optimise performance of the distribution grid. In addition, by the end of 2022, our distribution company ADDC, completed integration of 96.3% of primary substations across the whole network and 36% of distribution substations in the central region, in line with TAQA's strategic target for digitalisation and automation of its electricity distribution network to enhance operational efficiency and security of supply.

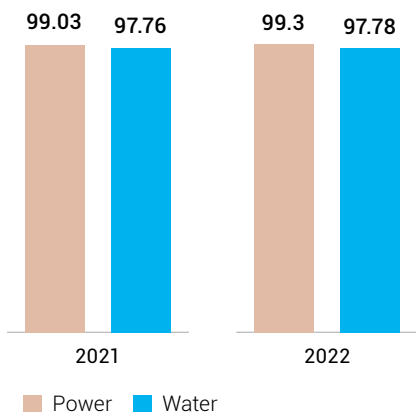
During 2022, ADDC and AADC maintained their focus on optimising distribution and ensuring the highest levels of reliability for consumers. Power network reliability indicators showed a combined 6.3% improvement in average outage duration for each customer served (SAIDI) and a combined 9.4% improvement on average number of interruptions a customer may experience (SAIFI).

TRANSCO recorded a 16,393 MW peak demand for power, and a 791 MIGD peak demand for water, continuing a similar performance to that of 2021 and proving our continued readiness to meet customer requirements.



Our service availability, which measures our ability to meet customer demand, remains as high as last year at 99.99%.

Transmission Availability (%)



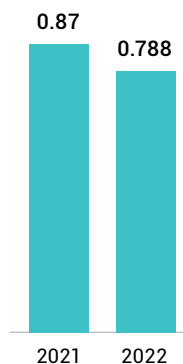
SAIDI

(minutes per customer)³⁹

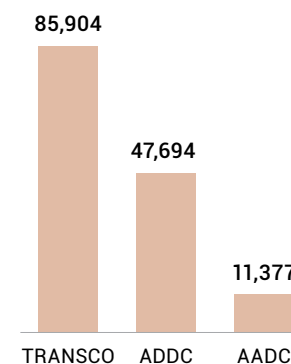


SAIFI

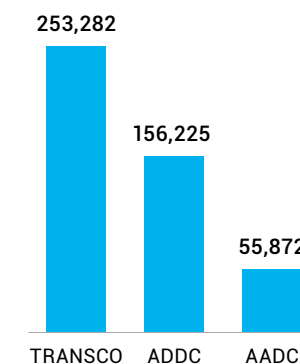
(interruptions per customer)



Power Transmitted (GWh)



Water Transmitted (MIG)



39. Net of exceptional events

Oil and Gas

During 2022, the Oil and Gas business delivered a robust operational performance achieving a small increase in production volumes year-on-year and 100% fill capacity at our key gas storage facility.

One of the main highlights for the year was helping to secure Europe’s energy needs over the winter period, by ensuring that capacity at our Gas Storage Bergermeer asset in the Netherlands was full, thereby delivering on the requirement set out by the European Union (EU).

In Canada, the team efficiently executed its development programme to achieve volume targets for 2022, as well as an impressive reserves replacement ratio for the second year in a row. We also made considerable progress on the Upper Mannville Gas Treatment Plant Expansion 2 project, which will increase compression and capacity and drive cost efficiencies in the future.

In the UK, the decommissioning strategy progressed. Key contracts for the removal and disposal of multiple Northern North Sea facilities were awarded, whilst from an execution point of view the team successfully and safely completed the Brae Bravo Jacket and Brae Alpha Rig Removal projects and continued to progress with the execution of various Plug and Abandonment campaigns. Furthermore, in Iraq, we successfully drilled a water disposal well and debottlenecked surface facilities to improve produced water handling capabilities.

Access and Affordability

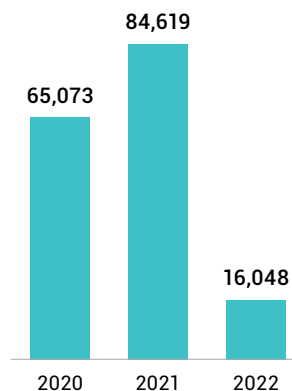
From a social perspective, we are working to ensure customers are offered a range of options to facilitate payment for our services and enable continued access to power and water. Some examples of the measures in place include:

- Payment arrangement plans for customers who are unable to pay on time
- Budget billing plans for customers who wish to pay a fixed amount monthly in line with their financial planning
- Provision of a subsidy for low-income families through specifically designed tariffs, which allow for free consumption, up to a limit
- Provision of a subsidy for social card holders in the UAE, regardless of the nationality, whereby water and electricity are provided free of charge if 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.
- Special tariffs for specific industrial customers under the 'Electricity Tariff Incentive Programme (ETIP)'. The programme aims to support the private industrial sector by enhancing their economic impact and productivity through subsidised electricity tariffs

For more information, our full tariff guide is available on ADDC’s⁴⁰ and AADC’s⁴¹ websites.

Our disconnection code restricts disconnection of any residential customers during the summer months of June to September. This is to prevent health or wellbeing issues that might result from the lack of electricity or water access during this time of very high temperatures and humidity in the UAE.

Number of Residential Disconnections



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. However, **the number of disconnections in 2022 reduced by over 81%.**



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

41. Al Ain Distribution Company - Water and Electricity Tariff (aadc.ae)

Our distribution companies also have several initiatives in place to address barriers that customers may have in relation to language, culture, low literacy, and disability as well as safe use of electricity and customer support services:

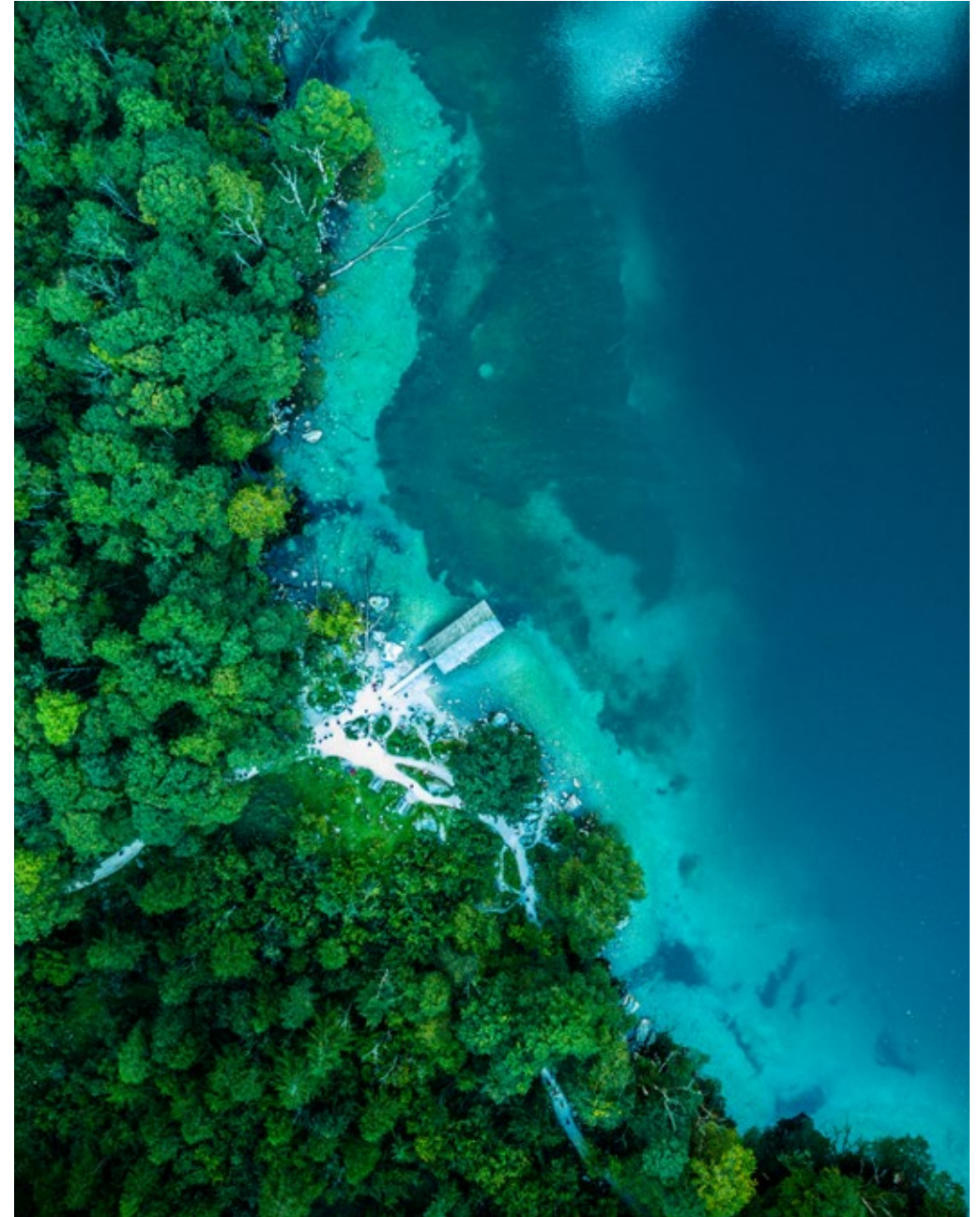
- All communication bills, letters, and messages shared with customers are being simplified to include clearer language
- Communication with customers is being sent in their preferred language (English or Arabic)
- Contact centres and social media channels support both English and Arabic
- Regular social media posts are made to raise awareness among people about

safely and efficiently using electricity and water

- A service is in place for elders and people with special needs to assist them in managing their transactions
- If customers are unable to visit a branch for support, arrangements are made for employees to visit them and assist them with services needed
- If needed, agents trained in sign language are available for video chats with customers

During planned shutdowns, customers registered as needing life support services are not disconnected and are provided with alternative arrangements.

To ensure access and continuous availability of water to some remote coastal areas in Radeem, Harmiya and Shweihat, ADDC are working to build a water pipeline to replace the current system of supplying water through tankers.



SUSTAINABILITY BUSINESS PARTNER

TAQA is not only taking active steps to reduce its own emissions but is also partnering with other private and government entities in the country to help them operate more sustainably and ultimately reduce their emissions in a collective effort to achieve UAE Net Zero by 2050 and deliver on the Paris Agreement.

As a UAE flagship company, we believe it is our responsibility to be a sustainability business partner in order to best serve our communities. We have initiated numerous projects to begin realising this vision, under six key categories as illustrated below. Many of these are the outcome of innovative ideas that catalysed into comprehensive projects to deliver on our ambition of becoming a low carbon power and water champion.



1

Decarbonisation of Customer Power and Water Supply



2

Electrification of Industrial Processes



3

Energy Efficiency and Demand Side Management (DSM)



4

Decarbonisation of Transportation



5

Carbon Market



6

Holding a Seat-at-the-Table

1 Decarbonisation of Customer Power and Water Supply

TAQA has successfully connected units 1 to 3 of the Barakah nuclear power plant to the grid, enabling a total of 4.2 GW additional carbon-free electricity from nuclear to the Abu Dhabi power system. The world's largest single-site solar power plant, Noor Abu Dhabi produces approximately 1.2 GW of power. Al Dhafra Solar PV, will be the new world's largest solar power plant with a capacity of 2 GW, lifting Abu Dhabi's solar power capacity to around 3.2 GW.

TAQA, Mubadala Investment Company (Mubadala) and Abu Dhabi National Oil Company (ADNOC) completed the transaction to become shareholders in Abu Dhabi Future Energy Company (Masdar) – Abu Dhabi's leading clean energy company. The partnership sets out to develop Masdar into a global clean energy powerhouse that consolidates the renewable energy and green hydrogen efforts of TAQA, Mubadala and ADNOC under a refreshed single Masdar brand. TAQA is taking the lead role in Masdar's renewable business with a 43% shareholding, while Mubadala retains 33% and ADNOC holds 24%. ADNOC is taking the leading role in Masdar's green hydrogen business with a 43% stake, Mubadala holding 33%, and TAQA 24%.

TAQA's Role in Reducing Grid Emission Factor

As per the system planner EWEK, the implementation of the strategic renewable and clean energy projects will see Abu Dhabi's grid emission factor reduce from 0.33 tCO₂ per MWh in 2019, to an estimated 0.19 tCO₂ per MWh by 2029. Based on the current and planned RO projects, EWEK expects a reduction of water production emissions intensity from 11.5 kilograms per cubic metres (kg/m³) in 2019, to an estimated 1.4kg/m³ by 2029. TAQA's efforts in the development of solar and RO projects, and the grid expansion to connect ENEC's nuclear plants is significantly reducing the scope 2 emissions of our customers.

2 Electrification of Industrial Processes

TAQA will connect ADNOC's offshore assets to the Abu Dhabi onshore national power grid via sub-sea cables. The development is expected to reduce the carbon footprint of ADNOC's offshore operations by more than 30%, replacing existing offshore gas turbine generators with more sustainable power sources available on the Abu Dhabi onshore power network, operated by TAQA's wholly owned subsidiary, TRANSCO. We achieved financial closing for the USD 3.8 billion project in 2022, after first announcing its inception in 2021. Together with a consortium comprised

of Korea Electric Power (KEPCO), Kyushu Electric Power Company (Kyuden) and Électricité de France (EDF), this is a first-of-its-kind high-voltage direct current (HVDC) sub-sea transmission network in the MENA region.

We are working towards acquiring a 50% stake in EGA's 5.4 GW power generation assets and connecting EGA to the Abu Dhabi grid, which will enable EGA to have access to clean energy sources. The acquisition is designed to deliver power asset and generation optimisation to the sector and accelerate the decarbonisation of EGA's aluminium production in the UAE. Currently, shareholder agreement, asset transfer

agreement, land lease agreement and O&M contracts are being discussed.

TAQA has an agreement with Abu Dhabi Ports to 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 specialised 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. Discussions are ongoing with AD Ports to agree on the land allocation for both stages of the project with consideration of further expansion.



TAQA Wins Middle East and Africa Power Deal of the Year Award

TAQA Group is pleased to announce that we have been awarded the Middle East and Africa Power Deal of the Year Award at the Project Finance International (PFI) Awards in London, along with our partners ADNOC Group, EDF Renewables Middle East, KEPCO KPS and Kyushu Electric Power, for this landmark innovative project that will significantly decarbonise ADNOC's offshore production operations and contribute towards the UAE's Net Zero plan.



Decarbonisation Partnership with JERA

TAQA signed a Memorandum of Understanding with Japan's biggest power generator, JERA, to explore opportunities to develop decarbonisation projects such as hydrogen and ammonia. TAQA and JERA will consider developing low or zero-emission thermal power projects and other green projects, mainly in the Middle East, towards their common efforts to reduce greenhouse gas emissions and to tackle global climate change.

3 Energy Efficiency and Demand Side Management

TAQA has implemented several energy efficiency measures across our operations and among all our business lines. Additionally, through our energy services company, ADES, and our distribution companies, ADDC and AADC, we have enabled reduction in demand of power and water among government buildings as well as consumers. Further details on energy efficiency and demand side management initiatives are discussed in Chapter 5.

4 Decarbonisation of Transportation

TAQA and ADNOC Distribution, the UAE's largest fuel distributor and convenience store retailer, agreed to work together to establish a mobility joint venture, E2GO, to build and operate electric vehicle (EV) infrastructure in Abu Dhabi and the wider UAE. The partnership will include a network of fast chargers at key locations featuring associated solutions such as parking and tolling services, in addition to related digital platforms to facilitate EV charging, which will enhance customer service and unlock new revenue streams. E2GO aligns with the UAE's Net Zero by 2050 objectives by contributing to a reduction in emissions from transportation.

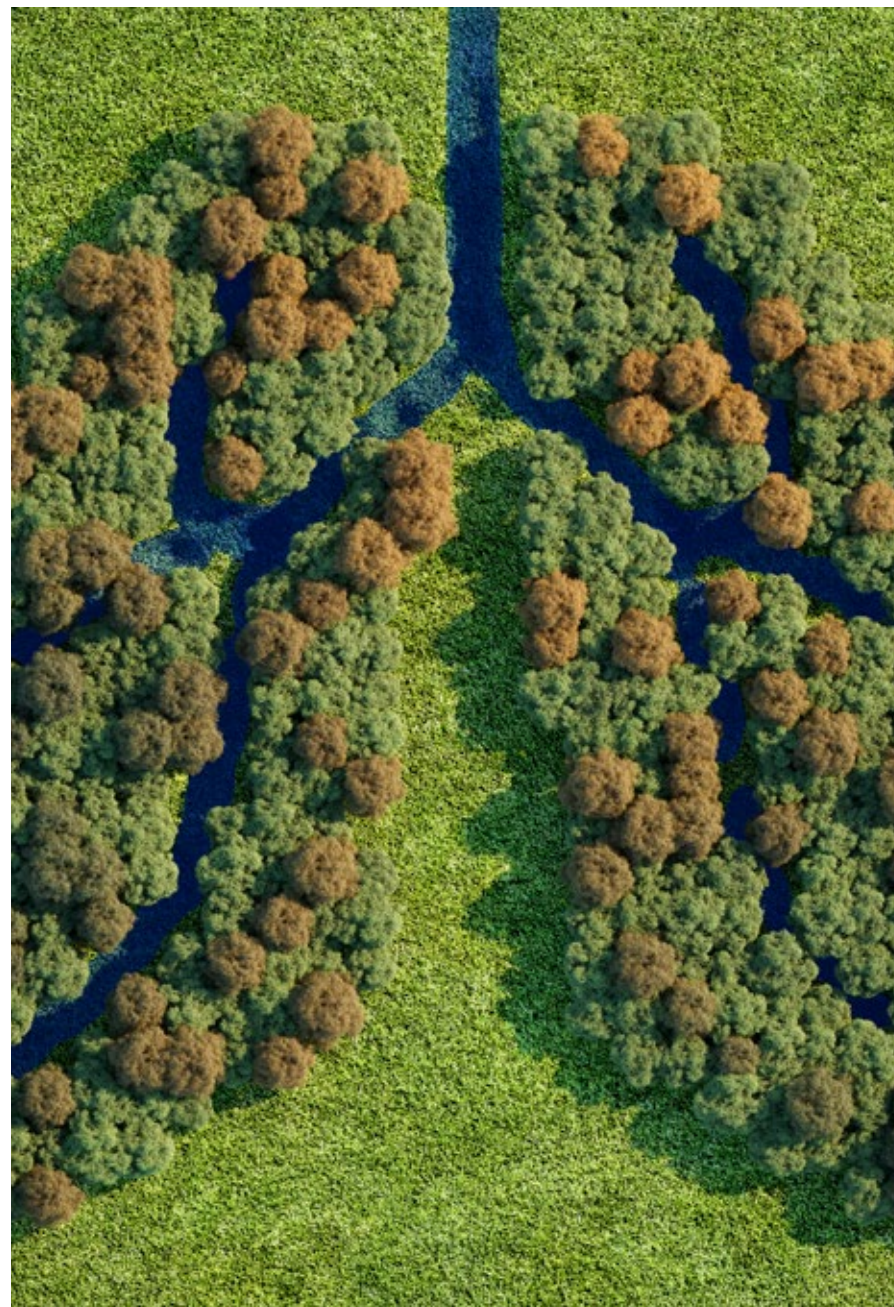
5 Carbon Credit and I-RECs Trading

Several of TAQA's emission reduction projects are registered under leading carbon market standards. Project Asona in Ghana was registered under the United Nations Framework Convention on Climate Change's (UNFCCC) Clean Development Mechanism (CDM) in 2015. The project added two heat recovery steam generators and a steam turbine to the two existing gas turbines, resulting in an annual emission reduction of over 346,000 tCO₂e.

At Taweelah A2, the CDM registered project involved low pressure steam generation by recovering waste heat using heat reclaimers. This project registered in 2009 was one of the first CDM projects in the UAE and reduced over 119,000 tCO₂e per annum till the end of Taweelah A2's end of lifetime in 2021. Through Masdar, TAQA also has a stake in several renewable energy projects registered under leading offset standards, such as the Gold Standard and Verified Carbon Standard.

The carbon market projects over which TAQA has a stake contribute to over 1.5 million tonnes CO₂ equivalent emission reduction annually.

TAQA UK is a participant under the UK Emissions Trading Scheme (UK ETS). The allocation for TAQA UK under the scheme is about 200,000 tonnes CO₂ equivalent above which TAQA UK buys emission allowances. Red Oak power plant in the state of New Jersey has been part of the Regional Greenhouse Gas Initiative (RGGI - an initiative of eastern states of the USA) since January 2020. As per the initiative, Red Oak was required to offset its GHG emissions.



6 Holding a Seat-at-the-table

Beyond enabling decarbonisation initiatives for our partners in the value chain, TAQA has also reinforced its role as a key player in the UAE's consortium of climate-change

combatting entities. In this manner, TAQA is truly holding a seat-at-the-table by contributing to national government agendas, participating in international conferences and expanding stakeholder alliances that propel ESG aspirations globally.

IRENA Alliance for Industry

Decarbonisation: The International Renewable Energy Agency (IRENA), co-founding partner Siemens Energy and 13 founding members including TAQA across all industry sectors launched the global Alliance for Industry Decarbonisation in September 2022. The alliance aims to

accelerate Net Zero ambitions and the decarbonisation of industrial value chains in pursuit of the Paris Agreement climate goals. TAQA is currently an active member in four working groups of the alliance, namely renewables, green hydrogen, finance and Carbon Capture, Utilisation and Storage (CCUS).



United Nations Global Compact (UNGC)

Initiative: In line with its strong commitment to contribute to the global sustainability agenda and to becoming a low-carbon power and water champion, TAQA has re-established its membership with the UNGC Initiative. The UNGC, the world's largest voluntary corporate sustainability initiative, encourages businesses and firms worldwide to adopt sustainable and socially responsible policies and to report on their implementation. As a signatory, TAQA completes an annual Communication on Progress (COP) submission, demonstrating its progress in working towards the Ten Principles of the UN Global Compact, in the areas of human rights, labour, environment and anti-corruption.

International Desalination Association (IDA):

TAQA joined the IDA in 2022 with the aim of learning from the experiences of, and collaboration with, other players in the desalination community. The IDA works to promote water scarcity solutions that lower energy consumption and enhance environmental responsibility.

UAE Climate-Responsible Companies Pledge by the Ministry of Climate Change and Environment:

TAQA signed this national pledge, committing to stepping up the collective efforts by the private sector in the UAE to combat climate change and support the UAE Government in reaching Net Zero targets by 2050 through:

- Measuring and reporting our GHG emissions in a transparent manner, developing measurable plans in line with national sectoral climate targets to reduce

our carbon footprint, and sharing these plans with the UAE Government to contribute to achieving the national Net Zero target by 2050 or earlier

- Factoring in climate change mitigation and adaptation measures as core principles of our businesses and operational models
- Encouraging and engaging stakeholders including, for example, suppliers, partners, and consumers to actively take part in climate action to help the UAE reach Net Zero by 2050
- Adopting an all-inclusive approach that engages youth, women and vulnerable segments of society in developing our Net Zero plans

UAE Nationally Determined Contributions (NDC) and UAE's Net Zero pathway:

NDCs embody efforts by each country to reduce national emissions and adapt to the impacts of climate change. Each party to the Paris Agreement (Article 4, paragraph 2), which includes the UAE, is required to prepare, communicate and maintain successive NDCs. Following a UAE cabinet resolution in 2022, the MoCCaE, on behalf of the UAE, submitted an updated Second Nationally Determined Contribution (NDC) to the United Nations Climate Change. TAQA's major decarbonisation enablers such as connecting EGA's 6.4 GW power assets to the grid, Masdar transaction, RO, wastewater treatment, recycled water network, demand side management and sustainable finance have been highlighted in the NDC and instrumental in the UAE's Net Zero pathway announced during COP27.

Conference of the Parties (COP) 27: TAQA had a strong presence at COP27 in Egypt, whereby we reached new international stakeholders, with senior members speaking at the Sustainable Innovation Forum alongside global peers and strengthened national stakeholder relations with TAQA employees participating in 10 side events managed by UAE-based stakeholders on topics such as climate change, sustainable development, youth, energy transition and the green economy. We also brought the TAQA perspective to international partnerships through four speaking opportunities with international partners such as IRENA, Sustainable Energy for All (SE4All), International Labour Organisation and UNESCO. As the TAQA business evolves, we aim to demonstrate our unique contribution to the energy sector and to the UAE's pursuit of Net Zero. To that end, TAQA brought together regional and international speakers at two side events on the UAE pavilion addressing water security and electrification.

ADGM Sustainable Finance Declaration:

During the recent Abu Dhabi Sustainable Finance Forum, TAQA and Abu Dhabi Global Market (ADGM) formed a partnership to establish a framework for green and sustainable investments in Abu Dhabi, the UAE and globally. The partnership aims to foster discussions on sustainable finance among all stakeholders, identify new and innovative sustainable measures, and create a

thriving sustainable finance industry to support the Emirate of Abu Dhabi and the UAE in meeting the SDGs and the climate change objectives of the Paris Agreement.

TAQA has developed a green finance framework and plans to issue green bonds this year if market conditions are right.

Last year, TAQA together with EWEC, announced the successful pricing of green senior secured bonds for an aggregate principal amount of USD 700.8 million by Sweihan PV Power Company PJSC (SPPC). This project bond, one of TAQA's first forays into green financing, will refinance existing debt facilities of SPPC, the project company incorporated to build, own and operate Noor Abu Dhabi, the world's largest single-site solar project currently in operation. This was the first green bond linked to a large solar plant and a significant achievement for TAQA and its joint venture partners, as the first green finance transaction and one of the region's largest green bond issuances.

Abu Dhabi Climate Change Task Force: Led by the Environment Agency Abu Dhabi, the taskforce which TAQA is a part of, convenes key public and private sector entities on a regular basis to discuss and coordinate on matters of climate change mitigation and adaptation.

First-of-a-kind renewable energy project secures backing from TAQA

Xlinks First Limited has reached a critical early milestone with the successful closing of its new development funding round raising GBP30 million of which GBP25 million is secured from TAQA and the rest from Octopus Energy Group. With the investment, TAQA is validating Xlinks' plans to lay the world's longest high-voltage direct current (HVDC) subsea cables between the UK and Morocco, as part of the Morocco – UK Power Project. Xlinks will supply the UK with 3.6GW of renewable energy-sourced electricity amounting to nearly 8% of the nation's current requirements and enough to power seven million British homes by the end of the decade.

The electricity will be generated in the Guelmim Oued Noun region of Morocco by a 10.5GW facility of solar and wind farms, supported by 20GWh/5GW of battery storage. The facility will be connected to the UK power grid in Devon, South West England, via four 3,800km subsea HVDC cables, which will be manufactured in the UK. The project is expected to create around 10,000 jobs in Morocco during construction and lead to significant foreign direct investments in the country.




10.5GW
solar and wind farms



3,800km x 4
subsea HVDC cables



10,000
jobs



5

SAFEGUARDING OUR RESOURCES

Energy Management	79
Water Management	82
Circular Economy	89
Air Emissions	98
Biodiversity	99

GRI 2-23, 203-2

Safeguarding our resources, from energy and water to air to biodiverse ecosystems, while reducing our waste and emission of pollutants are essential in maintaining the health of ecosystems, ensuring human wellbeing and providing sustainable access to critical assets, which are all crucial to economic development.

For TAQA, beyond reducing our use of and impact on natural resources, maximising energy and water efficiency across our value chain, from generation to transmission and distribution to power systems, is just as essential. Improving our efficiency will help us boost our ability to balance between providing secure and economic resources while maximising reductions in our carbon footprint. TAQA has in place procedures, standards and policies to ensure governance and management of our resources to reduce the impact on the environment.

TAQA has a Group-wide Health, Safety, Security, and Environment (HSSE) Management System referred to as our “Commitment to Operational Excellence” (COE). The COE defines what the Group expects from all our operating companies across all business, including key environmental measurements, compliance, performance, and results, as well as self-assessments and audits. The COE corresponds to several ISO standards, including ISO 9001, ISO 45001, ISO 18001, ISO 19001 and ISO 31000, with current efforts to align with ISO 14001, and in turn, maintain alignment with international best practices. To ensure continued alignment with ISO management systems, defined quality control programmes are in place.

At TAQA, we also see influencing our customers to reduce their consumption and leading projects that aid in reduction of demand of power and water as a responsibility and a natural continuation of our services. Demand side management (DSM) is a key component of both TAQA's 2030 Strategy as well as the UAE 2050 Net Zero Initiative. The demand side management initiatives are carried out through ADES, our wholly owned energy services company (ESCO) and subsidiary of the Group, coupled with efforts from our distribution companies, ADDC and AADC.

All DSM initiatives conducted by our distribution companies and ADES are fully aligned with the Abu Dhabi Demand Side Management and Energy Rationalisation Strategy 2030, which aims to reduce demand for electricity and water by 30% by 2030 and further progress the Emirate's efforts to achieve environmental sustainability and reduce GHG emissions.

ADES was established in Abu Dhabi to create a market for energy services companies that carry out retrofitting and assessments for power and water consumption in existing structures. 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 and water efficiency opportunities through retrofitting are paid back through savings in utility bills.



ENERGY MANAGEMENT

GRI 302-1, 302-3, 302-4, 302-5

TAQA's strategy is for reverse osmosis to represent at least two-thirds of our water production capacity by 2030, to drive enhanced generation efficiency. The water production emissions intensity is expected to reduce in the Abu Dhabi system from 11.5 in 2019 to an estimated 1.4 kilograms per cubic metres by 2029⁴².

42. EWEC Statement of Future Capacity Requirements 2023 to 2029



Decoupling Electricity Generation and Water Production

TAQA generates electricity and water in the UAE mostly by cogeneration i.e., 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, such as Shuweihat S3, as well as reverse osmosis units attached to cogeneration plants, such as Fujairah F1 and F2 at Fujairah and MIPCO at Mirfa.

As part of the ESG Strategy, TAQA selected the following ambition under the key focus topic 'Water and Effluents'.

ESG Strategy Focus Topic

Water and Effluents



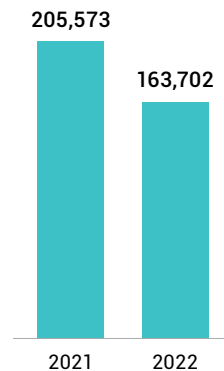
Reduce **energy consumption for desalination**

The water production in 2022 reduced only by 3%, however the energy requirements for water production decreased by over 20% compared to 2021. This is due to the increase in RO capacity in the grid as Taweelah RO plant successfully tested its maximum capacity in 2022 and has started operating at 50% of its capacity. The plant is expected to be completed in early 2023, making it one of the world's largest RO desalination plants at a capacity of 200 MIGD.

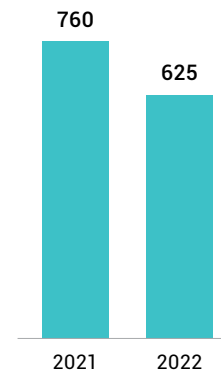
Water Production (MIG)



Energy Requirements for Water Production (TJ)



Energy Intensity for Water Production (GJ/MIG)



Share of Total Energy Use in UAE Towards Water Production (%)



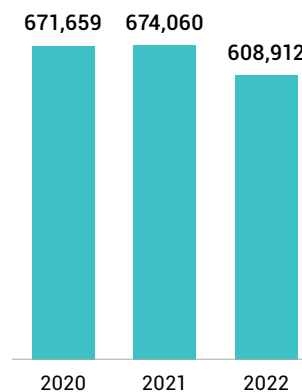
Energy Use

The table below summarises energy consumption across TAQA Group from 2020 until 2021.

	2020	2021	2022
Total Energy Consumption within TAQA Group (TJ)	671,659	674,060	608,912
= Non-renewable fuel consumed	1,028,025	1,026,855	918,717
+ Renewable fuel consumed	-	-	-
+ Electricity, heating, cooling, and steam purchased for consumption	1,243	1,311	1,836
+ Self-generated electricity, heating, cooling, and steam, which are not consumed	-	-	-
- Electricity, heating, cooling, and steam sold	357,610	354,107	311,641

The energy consumption reduced by over 9% in 2022 compared to 2021. The trend is in alignment with that for GHG emissions and the contributing factors as detailed in chapter 4. In the UAE, the fuel use for electricity generation reduced by over 7% whereas that for water production decreased by over 20%. The fuel use for international generation also reduced by over 5%.

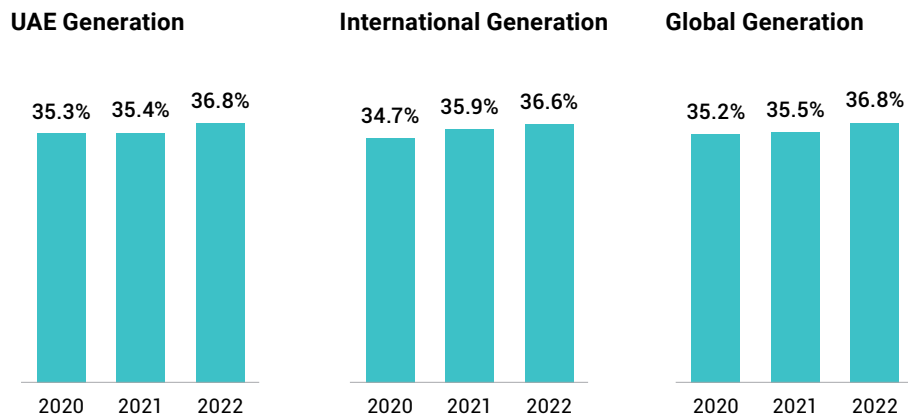
Total Energy Consumption within TAQA Group (TJ)





The generation efficiency has also improved on a consistent basis over the last three years. The UAE Generation and Global Generation heat rate figures in the graphs also include the fuel requirements towards water production, whereas the denominator corresponds only to the electricity production.

Heat Rate (Efficiency) (%)



Transmission and Distribution Energy Losses

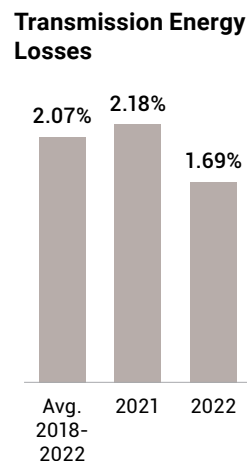
Similarly, one of the strategic priorities for TAQA is to reduce energy losses through our extensive transmission and distribution grids.

Energy loss in the transmission system is mainly due to heat dissipation because of electricity flow in the different parts of the network: overhead lines, cables and transformers. System losses are measured as the difference between the total energy input to the transmission system and total energy output from the transmission system. Transmission losses decreased to 1.69% in 2022 from 2.18% in 2021. The average system losses for the five-year period from 2018-2022 were 2.07%. The Group's transmission lines

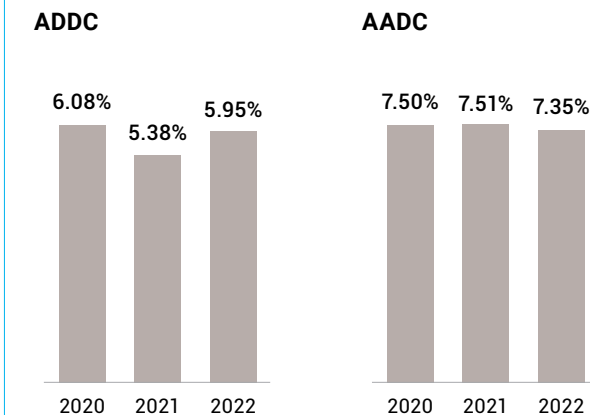
and substations are regularly checked and maintained by its engineers to minimise network losses.

Electricity 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. Losses for ADDC increased to 5.95% in 2022 from 5.38% in 2021, in proportion to growth of the Group's networks. Losses for AADC decreased to 7.35% in 2022 from 7.51% in 2021 due to natural increases in consumption of active customers, improved meter readings in 2022 and improvements in billing processes.

Transmission Power Losses (%)



Distribution Power Losses (%)



WATER MANAGEMENT

GRI 303-1, 303-2, 303-3, 303-4, 303-5

Water is an essential resource for TAQA's activities, and its effective management is a strategic priority for the Group. Spearheaded by our COE, our policies and procedures around water and 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.



TAQA measures our water and effluents performance through a defined set of KPIs across the business lines, which are reviewed on a regular basis against targets and results that are then evaluated in Management Review meetings.

To improve governance and monitoring of water and effluents measures as well as standardise procedures across the Group, TAQA embarked on developing a Group-wide Water and Wastewater Management Standard. Set to be rolled out to all our operating companies in 2023, the new standard sets out the minimum requirements that TAQA entities and personnel are expected to adopt, including systems and procedures to manage water quality and wastewater components, discharge, and monitoring.

Water Use

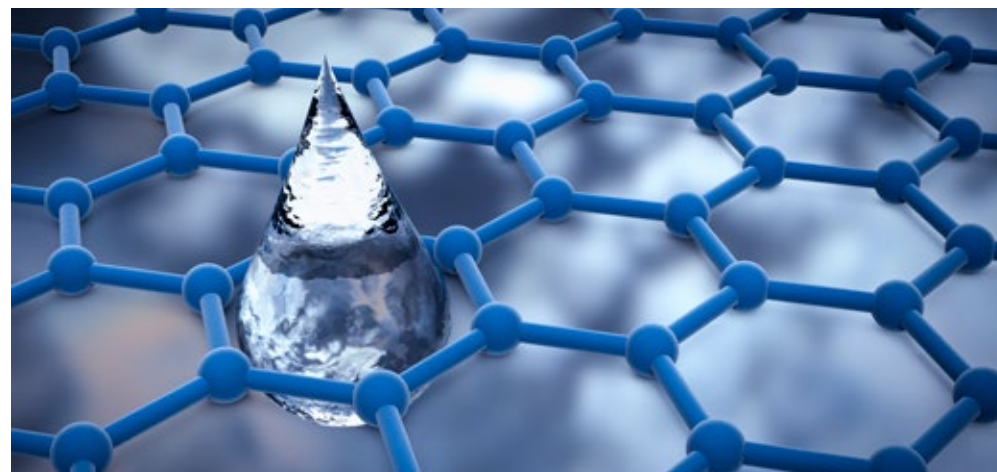
The Group withdraws water primarily for the desalination of seawater, followed by that for thermal power generation, and oil and gas extraction. Desalinated distilled seawater supplies almost 100% of the water required in our UAE power generation for cooling and condensing purposes. TAQA's cogeneration fleet in the UAE is designed as a once-through cooling system 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. A minority of our UAE assets, international power generation and O&G assets withdraw water from ground and freshwater sources where available.

The total water withdrawal reduced by about 3% in 2022 compared to 2021. Of the total water withdrawal, 99.97% is from seawater, 0.025% from groundwater, 0.001% from produced water, 0.008% from surface water and 0.01% from third-party water sources. Therefore, the total water withdrawal from freshwater sources is relatively insignificant.

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

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. Additionally, by introducing RO to existing desalination plants, we have reduced overall water withdrawal and improved water withdrawal efficiency as wastewater from our multi-stage flash (MSF) units is further utilised to provide hot water for RO.

A good number of our UAE generation fleet, have set standards for internal distillate water consumption to be lower than 5% of the water produced. At Fujairah 1, one of our UAE generation fleet assets, the water production capacity was extended by 30 MIGD RO, with the reject water from MSF being utilised to provide hot water to the RO plant rather than being disposed of.



	2020	2021	2022
Total Water Withdrawal (million cubic meter)	18,840	18,841	18,275

In Morocco, the industrial water consumption in 2022 reduced by 23% compared to 2021 and by 44% compared to 2018. Leak hunting exercises were conducted on the various circuits, including fire water, industrial water, RO water, demineralised water and drinking water to improve reliability of leak valves. The seawater was used instead of raw water for the transfer of bottom ash. Within our power generation asset in India, we have adopted a zero-water discharge policy and set water withdrawal levels at a lower level than that required by the regulator. In addition, we have four rainwater harvesting systems within plant premises. Reusing of effluents was implemented to achieve zero discharge in India.

TAQA North in Canada coordinates with other oil and gas producers in the area to leverage existing water collection pits as appropriate to minimise surface impacts. In the Netherlands, we utilise 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. Roughly half a million cubic meters of water is re-injected yearly into an old well, thus preventing marine discharges.

The water intensity in billion cubic meters withdrawn per MIG produced has maintained the same value as in 2021 at 0.055 which is a reduction of 1.5% from 2020.

To protect ground water sources from depletion and salinity increase within Al Dhafra region, TRANSCO's Water Projects Division oversaw the design of the water supply transmission scheme from Mirfa to Muzairah tanks, which are designed to supply around 128 MIGD of desalinated water for municipal irrigation, and to the region's farms and adjacent forests.

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 set regulations. In addition to minimum regulations set by the 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.

In the UK for example, we conduct a best available technique (BAT) assessment for each platform, whereby mitigation measures are set in place to minimise impact from discharge into the marine environment, discharge from drainage systems and offline backwashing of produced sand. We also monitor and report on multiple physical and chemical water parameters, as well as trace metals concentration to ensure that we minimise any risk associated with water discharged from our operations.

Like water withdrawn, the total water discharge reduced by about 3% in 2022. Of the total water discharged, 99.96% is to seawater sources, 0.035% to groundwater sources, 0.002% to surface water sources and only 0.00002% to third-party water sources.

	2020	2021	2022
Total Water Discharge (million cubic meter)	17,552	17,569	17,042

To reduce the amount of water discharged, we operate recycled water projects and have several developments underway aimed at extending the use of recycled water. Effective January 1, 2018, the DoE issued licenses to both ADDC and ADSSC for the distribution and supply of recycled water. Accordingly, the whole recycled water distribution and supply network has been transferred to the distribution companies from Abu Dhabi Sewerage and Services Company (ADSSC) and from the municipalities. TAQA's distribution companies now operate the recycled water network to transport recycled water from ADSSC to customers including commercial entities and municipalities.

Recycled water is a valuable source of water for landscape irrigation and beautification of the cities in the Emirate of Abu Dhabi. The following table provides an overview of the existing recycled water asset base as of end of 2021. ADDC and AADC are continuing with projects to enumerate the quantity of assets that were handed over, assess the asset condition of the transferred network, expand their networks, and enhance metering at the connection points with the customers.



Recycled Water Assets

	AADC	ADDC	Total
Total pipeline length (km)	549	1,148	1,697
Number of existing interface points with ADSSC	14	23	37
Number of connections with customer	168	677	845

Water Quality

GRI 416-1, 416-2

The production water quality sampling and testing is conducted as per the DoE's Water Quality Regulations (WQR). The total number of tests completed by the UAE Generation entities in 2021 was 51,844, with 64 water quality parameters examined for RO and 51 water quality parameters examined for thermal desalination respectively.

The overall water quality testing frequency compliance i.e., measure of the number of tests conducted against those required for the water production companies was 99.85%. The overall average water quality compliance for 2021 was 99.87%, with physical parameters and microbial parameters compliance at 99.68% and 100% respectively.

To ensure regulatory compliance, maintain security of supply and optimise process operation, TAQA's production companies submit applications to the DoE to use chemicals in the desalination process. These chemicals are administered under the WQR. Chemical regulations also include the transmission and distribution companies.

Improvements in desalination chemicals like anti-scalants and using more durable and reliable material of construction are best practices that have reduced the cost of desalination, in particular the investment cost and unit water cost. Chemical trials have been conducted in thermal, RO, remineralisation and disinfection plants.

T&D Water Quality Statistics

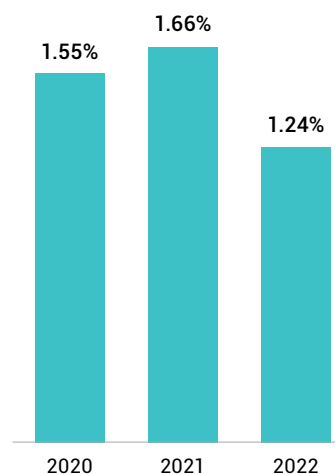
	TRANSCO	ADDC	AADC
Number of water quality sampling tests as per WQR 2021	41,880	43,769	14,587
Number of water quality parameters tested 2021	62	64	64
Water quality testing frequency compliance 2021	100%	100%	100%
Average water quality compliance 2020	96.57%	97.48%	98.57%
Physical parameters compliance 2020	93.86%	97.45%	99.65%
Microbial parameters compliance 2020	99.80%	100%	100%

Water Transmission and Distribution Losses

Water transmission loss is 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 indicator seeks to identify, monitor and reduce water losses, including both real losses (physical losses) and operational losses (metering inaccuracies). This method also takes into consideration the change in TRANSCO's reservoir water levels. The percentage of water transmission losses remained below the 2% tolerance threshold from 2011 to 2020. TRANSCO recorded losses of 1.24%, 1.66% and 1.55% respectively for the years 2022, 2021 and 2020.

TAQA is keen on establishing best practices and developing projects across the organisation's water value chain to reduce water distribution losses and has selected this critical focus area as a key part of its ESG Strategy:

Transmission Water Losses (%)



ESG Strategy Focus Topic

Water and Effluents



Reduce losses in **water distribution** by **25% in 2030**

TAQA adopted the International Water Association's (IWA) definition for non-revenue water for baselining and monitoring purposes, wherein it is considered as the difference between system input volume and billed authorised consumption. As per the initial estimates for 2022, ADDC's figure stands at 8.69%.

Water Distribution Losses (non-revenue water) (%)⁴³

	2019	2020	2021
ADDC	9.71%	7.75%	9.54%
AADC	7.96%	10.80%	9.48%



43. Restatement as per the final audited figures by Abu Dhabi DoE

The key ongoing and planned initiatives to reduce non-revenue water include leak detection and repair, installation of customer check meters, replacement of old meters, implementation of advanced metering infrastructure, water network replacement projects and automation, and water Supervisory Control And Data Acquisition (SCADA) programmes. ADDC implemented low loss transformers, which contribute to a reduction in technical losses in the electricity network, making ADDC arguably the first utility in the region to do so, in line with European and international standards and recommendations.

Existing water pipes in Ghayathi and Liwa areas of Al Dhafra region were deteriorating leading to water losses and compromising water quality. ADDC replaced existing pipes and created a new water line of 41 km to benefit customers in the region.

Water Distribution System Performance

Similarly, the performance of the water distribution system is measured using various indicators developed by the DoE, including pressure of supply and type of supply.

The pressure of supply, measures supply pressure with a view to achieve a standardised level sufficient to supply low-rise buildings, thereby reducing reliance on ground storage tanks and preventing infiltration by groundwater contaminants. In line with the

Water Supply Regulations, the minimum required pressure in the distribution network is 1.25 bar. In 2021, compliance with this requirement increased to nearly 99% in Abu Dhabi and stayed the same at 93% in Al Ain. The relatively good results have been achieved by ADDC through pumping optimisation in the transmission system and re-adjustment of control valves to optimise pressure distribution within the distribution network. On the other hand, AADC are progressing with their asset replacement scheme.

The type of supply indicator measures the progress made towards reducing the number of customers dependent on tankers and intermittent supply. For ADDC the proportion of customers connected to the network in 2021 stands at 99.60%, with 100% on continuous supply, while the remaining customers (0.40%) are supplied with water by tankers. The situation in AADC has been steadily improving and around 99 % of AADC's customers are now connected to the network with 98% on continuous supply and only 1.98% on intermittent supply. The remaining customers (0.99%) are supplied with water by tankers.

AADC led the construction of the first automated tanker filling station in the region with a daily capacity of 1,400 tankers, a state-of-the-art traffic management system and automated pressure and flow controls translating to a complete hands-free operation of the station. Meanwhile, ADDC launched its first tanker management centre (TMC). The TMC will enable ADDC to monitor and control water tanker movement, establish a competitive and fair water tariff, and optimise tanker water services.



Demand Side Management: Power and Water

With the sole focus on demand side management, ADES has magnified influence and opportunity to reduce consumption and enhance efficiency of power use among customers. ADES is mandated with the execution of the Building Retrofits Programme of the Abu Dhabi Government DSM and Rationalisation Strategy 2030 and aims to develop efficiency projects in government and private sector buildings across the Emirate of Abu Dhabi.

Continuing its streak of agreements made in 2021 to retrofit several private and public buildings, ADES signed a number of Memorandums of Understanding (MoUs) in early 2022 with significant real estate owners and facility operators. ADES signed agreements with leading government entities, including the Abu Dhabi Department of Culture and Tourism (DCT), Abu Dhabi Health Services Company (SEHA), United Arab Emirates University (UAEU) and Emirates Schools Establishment (ESE) to identify power and water saving opportunities in their facilities and buildings across Abu Dhabi. In addition, ADES partnered with the Abu Dhabi

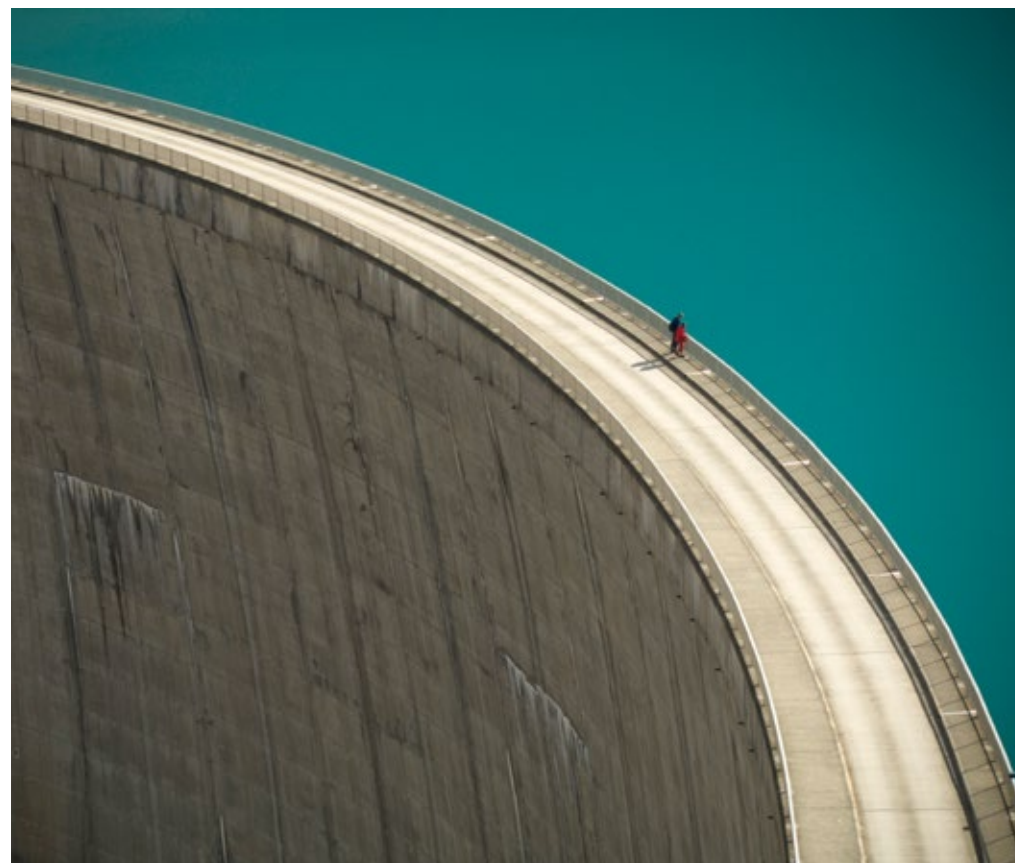
Department for Economic Development (ADDED) to enhance electricity and water consumption efficiency of industrial facilities within the Emirate, the goal of which is to realise tangible cost savings and improve usage efficiency.

ADES also signed an MoU with Abu Dhabi Police, whereby ADES will carry out standard comparisons of water and electricity consumption patterns in several Abu Dhabi Police buildings and facilities, with the aim of financing and implementing a retrofit project. In addition to enhancing their systems and improving energy efficiency, the project will also identify solutions to mitigate the impact of carbon emissions. In terms of the private entities, ADES signed an MoU with First Abu Dhabi Bank (FAB) to reduce water and electricity consumption across their facilities and buildings.

While the ADES project development cycles are lengthy, often taking up to 18 months and more to complete, ADES is close to completing two of the initiatives mentioned above, covering a total of 18 buildings. Altogether, these projects led to savings of AED 4.82 million and achieved significant electricity, water, chilled water, and diesel savings contributing to GHG reduction.

Savings from ADES DSM Initiatives

Electricity Savings (MWh)	Water Savings (m3)	Chilled Water Savings (RTH)	Diesel Savings (litres)	GHG Reduction (tCO2e)
14,205	54,932	3,287,544	71,264	7,513



As for our distribution companies, they are uniquely positioned to promote efficiency and provide practical assistance to manage demand of power through direct channels of communications with our consumers and have each developed several initiatives aimed at influencing customer usage. The distribution companies have put in place procedures to design and develop DSM initiatives, along with a monitoring procedure

on KPIs. They have also developed an on-site targeted monitoring and emergency procedure to resolve site complaints that would otherwise result in a loss of saving. It is also noted that residential consumer tariffs are designed to promote efficient water usage with daily consumption thresholds allowing for lower rates. Annual savings of power and water are reported to the DoE.

The following DSM initiatives were led by the distribution companies in 2022:

- **Masjidi Water Efficiency:** Promoted water rationalisation and completion of efficient tap upgrades on over 8,544 taps, in 578 mosques in Abu Dhabi with annual savings of 515,172 cubic meters, by replacing inefficient faucets.
- **AC Rebate Programme:** A pilot was launched to give rebates to local residents for the purchase of high efficiency split AC systems. The AC rebate programme was assessed and redesigned to improve uptake and a new retail partner was brought into the scheme, which has been submitted to DoE for approval.
- **Green Corner:** Launched four 'Green Corners' with our partners in LuLu and Carrefour, as well as other local supermarkets, to promote high efficiency appliances. This initiative saw a 17% growth in sales of four and five star, more efficient electronic products, at Carrefour compared to the previous year. An agreement with Sharaf DG was also signed, aimed at introducing the Green Corner initiative in four new locations across the city.
- **Irrigation Awareness:** Developed and promoted the manual "Gardening in Abu Dhabi", a detailed, how-to, guide for homeowners to design, plant, and irrigate their gardens efficiently. The "Irrigation Lab" concept will be launched to test and demonstrate the benefits of new irrigation technologies.

- **Irrigation Rehabilitation for Large Gardens:** Completed the first phase of the irrigation optimisation project, which aims to enhance irrigation methods and replace outdated systems within Abu Dhabi's largest gardens, which will deliver annual water savings through an AED 60 million subsidy. The project's second phase has also been launched, which will see the deployment of several irrigation system improvements for 15 additional large gardens. The project received TAQA's "2022 Sustainability Award".
- **Industrial Energy Efficiency:** Utilised the Electricity Tariff Incentive Programme (ETIP), which is run in collaboration with the Industrial Development Bureau of the Department of Economic Development, to accelerate uptake of the Energy Management Systems in alignment with ISO 50001. Targeting Abu Dhabi's industrial ecosystem and delivering enhanced levels of energy efficiency across Abu Dhabi's largest industrial facilities, the platform is credited with supporting 55 industrial entities by attaining ISO 50001 certifications over the last three years. Furthermore, over 100 energy management training sessions and workshops were delivered to the sector within the last year. This project increased energy savings targets among the sector by around 56% in 2022 compared to 2021.
- **Raising Awareness among the Youth:** Tarsheed is a customer behavioural change programme aimed at helping reduce Abu Dhabi's water and electricity consumption per capita by 20% by 2030. This will be accomplished by engaging with residential

and non-residential customers across Abu Dhabi and Al Ain through education, technology, and motivation. Supporting the Tarsheed Academic Programme (TAP), TAQA's distribution companies continued to spread awareness among Abu Dhabi educational institutions' students through grades 5-12 on the importance of water and electricity conservation in collaboration with the Department of Education and Knowledge "ADEK" and Emirates Schools Establishment with the aim of developing the next generation of citizens who can serve as role models for environmental conservation. Three educational games were developed for different age groups to raise awareness on technology and efficiency.

- **Collaborations with government agencies and NGOs to raise awareness:** Participated with local government agencies during events and conducted awareness sessions on conservation, including at hospitals, day care facilities, schools, and humanitarian agencies. The energy culture programme was developed and implemented for the Identity and Citizenship Authority to develop their capacity on energy and water management best practices. The Climate and Environment Committee was launched in partnership with an NGO with the goal of leading awareness events and panels on climate topics, conservation, and sustainability.
- **ADDC joined forces with the Abu Dhabi Agricultural and Food Safety Authority:** Provide maintenance and operational services for their private water network,



leading to reduced operating costs, increased revenue, and improved service delivery.

AADC recorded water savings reaching ~1,100,000 cubic meters annually from the implementation of the mosques' water retrofit project, as well as an irrigation systems upgrade project in two government entities was completed in 2021. The organisation also achieved an estimated 4.5 million cubic meter of water savings, along with 40 MWh in electricity savings, which were realised through an AC rebate pilot project. With more initiatives well underway, these electrical savings are expected to be further enhanced and reported within the next cycle.

CIRCULAR ECONOMY

At TAQA, we believe that by adopting circular practices, we can minimise waste, increase resource efficiency, make best use of our portfolio of diverse assets, and achieve higher cost savings. These practices are becoming increasingly important to our business, as well as consumers, regulators and investors, as they are pivotal in the transition to a more sustainable and low-carbon economy.



The circular economy is an economic model aimed at minimising waste and maximising the value of resources by keeping products, components, and materials in use for as long as possible. The circular economy operates in contrast to the traditional linear economy of take-make-dispose and aims to create closed loops of materials, energy, and products to reduce waste, increase efficiency, and improve sustainability.

It requires making better use of the finite resources at our disposal and encourages closing the loop in our use of raw materials and energy through various practices, including the use of renewable energy and upcycling. The principles of circular economy revolve around designing out waste and pollution, keeping products and materials in use for as long as possible and regenerating natural ecosystems.

Incorporating principles of the circular economy into business strategies and operations can bring benefits to corporations in terms of not only environmental sustainability and social responsibility, but also financial performance.

As such, our circular economy model is focused on the following:

Asset Management

Asset management, as per the well-known definition in the ISO 55000 standard, is “the coordinated activity of an organisation to

realise value from assets.” Therefore, asset management goes beyond just improving assets, but also entails leveraging these sites to deliver enhanced value and achieve an organisation's business objectives.

Viewed as an essential practice for all organisations seeking to optimise the use of a particular asset, effective asset management can aid in prolonging its operational lifespan and ensuring it retains peak efficiency throughout. In addition, effective asset management can help organisations reduce costs, improve safety and compliance, and increase revenue. It can also help streamline certain aspects of decision-making, such as budgeting, resource allocation, and risk management.

As TAQA manages several generation, transmission, distribution and oil and gas assets locally, regionally, and internationally, asset management is a particularly important topic, especially in enhancing our ability to implement novel efficiency measures, improve the circular economy, and improve our overall ESG performance. Asset management functions are established across the three business lines of TAQA. Our T&D assets have all attained ISO 55001 certifications, whereas the Generation and Oil and Gas business lines have integrated asset management principles in their portfolio management.

In line with ISO 55001, TAQA's asset management is based on four fundamentals: value, alignment, leadership and assurance. Additionally, two features of asset management differentiate it from other management systems, including the focus on the entire asset life cycle as well as the approach to decision-making.



1. Value: Actual or potential value in relation to achieving organisational objectives, including intangible elements of value such as those related to reputation, customer satisfaction, or environmental responsibility



2. Alignment: Connectivity between an organisation's strategic plan and asset management activities delivered by staff, also known as 'line of sight', which enables all stakeholders to understand how they contribute to achieving success



3. Leadership: Visible senior level leadership and commitment to deliver effective asset management



4. Assurance: Monitoring and auditing of processes and outcomes through an effective assurance framework to confirm assets are operating as intended



5. Life cycle activities: Encompasses all aspects of managing assets from the initial concept through to disposal

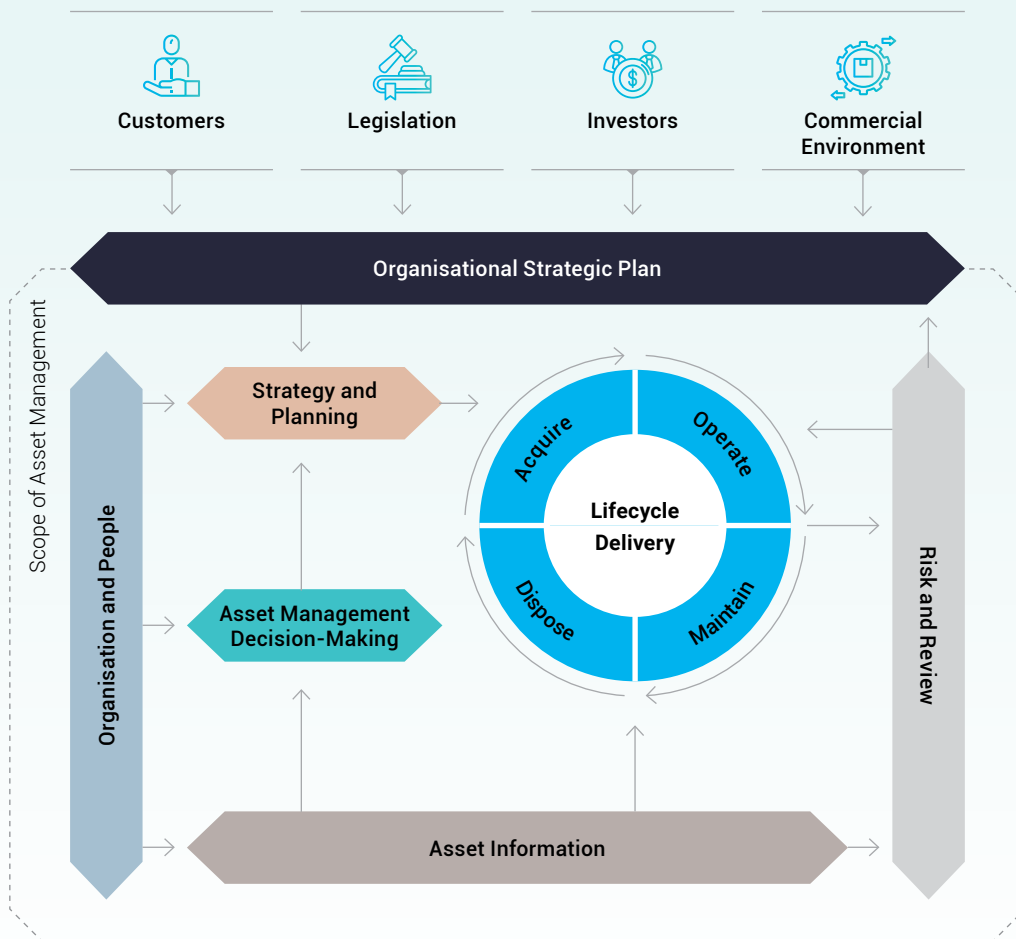


6. Asset management decision-making: Optimal, consistent and competent decision-making to find balance between compromising interests and ensuring the best value is obtained



TAQA's asset management approach is aligned with that of the Institute of Asset Management (IAM) as illustrated below:

Asset Management Model



Group 1: Strategy and Planning

1. Asset Management Policy
2. Asset Management Strategy and Objectives
3. Demand Analysis
4. Strategic Planning
5. Asset Management Planning

Group 4: Asset Information

22. Asset Information Strategy
23. Asset Information Standards
24. Asset Information Systems
25. Data and Information Management

Group 2: Asset Management Decision-Making

6. Capital Investment Decision-Making
7. Operations and Maintenance Decision-Making
8. Lifecycle Value Realisation
9. Resourcing Strategy
10. Shutdowns and Outage Strategy

Group 5: Organisation and People

26. Procurement and Supply Chain Management
27. Asset Management Leadership
28. Organisational Structure
29. Organisational Culture
30. Competence Management

Group 3: Life Cycle Delivery

11. Technical Standards and Legislation
12. Asset Creation and Acquisition
13. Systems Engineering
14. Configuration Management
15. Maintenance Delivery
16. Reliability Engineering
17. Asset Operations
18. Resource Management
19. Shutdown and Outage Management
20. Fault and Incident Response
31. Asset Decommissioning and Disposal

Group 6: Risk and Review

31. Risk Assessment and Management
32. Contingency Planning and Resilience Analysis
33. Sustainable Development
34. Management of Change
35. Asset Performance and Health Monitoring
36. Asset Management System Monitoring
37. Management Review, Audit and Assurance
38. Asset Costing and Valuation
39. Stakeholder Engagement

In our existing asset management framework, we apply the Precautionary Principle⁴⁴ 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 and Social Impact Assessment (ESIA), which is often a regulatory requirement that covers a wide range of impacts. This includes analysis of air quality, marine water, waste management, soil and ground water, noise, traffic, archaeology and cultural heritage, community health, safety and security and worker conditions, occupational health and safety.

Environmental Certifications

GRI 403-1

As a Group, we are committed to the continual improvement of our Environmental Management System (EMS) across all our operations. Over the last three years, we have worked diligently to improve our EMS systems across the Group and ensure alignment with best practices.

In 2020, we conducted a thorough analysis across our operating companies to identify gaps and opportunities in EMS processes and procedures, while also achieving ISO 14001 certifications. Following our analysis, we implemented the lessons learned after becoming ISO 14001 certified as part of the performance management system of our operating companies. In the following year,

TAQA conducted a wider, global environmental review to gain an understanding of our level of maturity and to also identify any existing gaps related to our overall environmental framework, including environmental policies and procedures, data monitoring and reporting and environmental targets, among other processes. A high-level roadmap was then developed with a list of improvement plans to close the gaps identified across the Group.

Building upon this established framework, in 2022, TAQA HQ took the initiative to close the remaining gaps that remained from our environmental review at the level of the operating companies. To that effect, each operating company developed an action plan, which was monitored and reported to HQ routinely. We are happy to report that by the end of last year, the lingering issues were addressed by all the operating companies and verified by TAQA's senior leadership.

The organisation's existing Commitment to Operational Excellence (COE), corresponds to the ISO Standards structure and establishes a promising foundation for a Global Group-wide EMS across our operations. The COE aligns with best practices provided by the International Association of Oil and Gas Producers (IOGP) and the Energy Institute (EI). Our COE represents good practice and consists of 14 elements ranging from "Leadership, Commitment and Accountability" through to "Performance Review and Continuous Improvement". In total there are 179 guidelines in our management system



that describe what is required to be in place across our businesses. In 2022, the COE was revised to address the unresolved issues against ISO 14001. TAQA will be rolling out the requirements as per the COE to close identified gaps across all operating companies.

At the Group level, all TAQA operating companies now have an EMS in place, compared to 95% in 2021. 82% of our entities

in the operational control boundary are ISO 14001 certified and 55% are certified with ISO 14001 and ISO 45001. All the UAE generating companies are also ISO 14001 certified. Our major projects follow International Finance Corporation or World Bank guidelines along with associated Environmental Impact Assessment requirements. TRANSCO and ADDC are ISO 50001 certified whereas AADC is in the process of obtaining the same.

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

Supply Chain

GRI 204-1, 308-1, 308-2, 414-1, 414-2

Management of TAQA's supply chain is overseen from our headquarters in Abu Dhabi and is facilitated through a set of Group policies, guidelines, delegations of authority (DoAs), performance metrics, and initiatives. Performance metrics are focused on supplier performance and operational processes, which include time delivery performance of vendors, buyer tendering timelines and 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 and through procurement specialists who are independent of the product or service end users.

Overall, TAQA's Group supply chain has the mandate to tender products and services transparently while adhering to the company's stringent policies and procedures; ensuring a competitive and fair playing field enhances the organisation's ability to receive the best quality for products and services provided. TAQA's Internal Audit function conducts regular audits on supplier management processes, supplier performance and compliance.

TAQA has approximately 10,000 active suppliers supporting our operating companies, located primarily in Europe, North America and the Middle East. We also maintain lower spend suppliers in Ghana, India, Iraq and Morocco. Our suppliers support all our business lines across a wide range of products and services.

Engagement with Local Suppliers

TAQA seeks to engage with local suppliers across all the countries where we operate, at the level they are available. Engaging local suppliers contributes to local economic growth and adds direct benefits to the companies as well, including more cost-effective procedures and reduction and facilitation of logistics, including transportation.

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 outlines an ambitious economic growth path for the next 50 years that began following its Golden Jubilee year in 2021.

As part of this UAE initiative, TAQA signed an MoU with the Ministry of Industry and Advanced Technology (MoIAT) in 2021 to mark our commitment to the National 'In Country Value' (ICV) programme, among HQ and our T&D business line. This initiative was developed to stimulate localisation, foreign investments, local job opportunities, national GDP growth, research and development, and expand private sector contribution. Suppliers can attain ICV Certificates from MoIAT that grants them higher opportunities for winning tenders among government entities and participating companies. Suppliers attain an ICV score based on a set of criteria, the higher their score, the higher their chances of winning tenders.

Therefore, as part of this programme, TAQA prioritised engaging with ICV-certified

suppliers in 2022 ahead of other entities bidding for commercial contracts at HQ and T&D operated companies, hence directing supplier spend to the local economy.

The table below shows TAQA's total spend on local suppliers and the number of local suppliers engaged with over the last three years. Though the share of spending on local suppliers reduced from 96% to 83%, the absolute spending increased by 84% compared to 2021. The number of local suppliers engaged in 2022 also increased by 7%.

Engagement with Local Suppliers

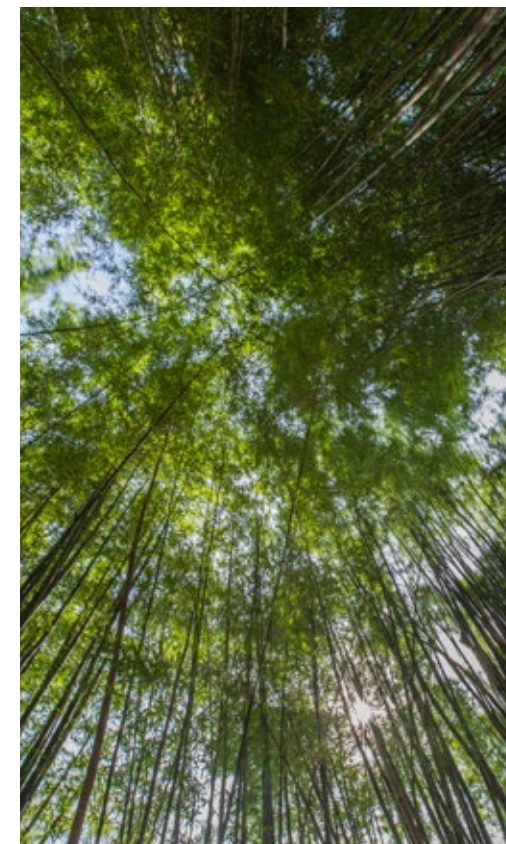
	2020	2021	2022
Procurement spending on local supplier (%)	95%	96%	83%
Year-on-year increase in local supplier spending (%)	N/A	(11)%	84%
Total number of local suppliers engaged	4,428	4,652	4,993

Supplier Environmental and Social Due Diligence

As a Group standard, our supply chain functions across all our operating companies only obtain goods and services 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 our 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 labour, health and safety in the workplace, as well as environmental impacts. The policy also makes it clear that failure to adhere to any of the principles will affect future business decisions with TAQA. Across the organisation, a pre-qualification compliance questionnaire is shared with all potential suppliers to assess compliance levels prior to engagement.



A key update in 2022 was the rollout of a third-party due diligence tool at the Group level, which screens suppliers for key compliance matters. The solution evaluated each prospective supplier by examining their profiles on public record databases, including adverse headlines, sanction lists, politically exposed persons (PEPs), ultimate beneficial owner (UBO), among others, in alignment with the Business Partner Code of Conduct. By automating this process, TAQA can eliminate human error in the screening of suppliers against these critical compliance considerations and uphold our integrity in our relationships with our business partners. This tool also allows TAQA to request for ESG-related enhanced due diligence reports on a case-by-case basis. Further expansion of the solution is being considered with the addition of being able to standardise automatic screening of third parties based on aspects of ESG performance. This, in turn, will deliver a more streamlined process across all our operating companies.

Environmental and social considerations are further incorporated into the procurement processes across the Group 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:

UAE:

- At TAQA HQ, Request for Proposals (RFP) and Invitations to Tender (ITT) processes include environmental and/or social risk analysis prior to processing tenders.
- At our T&D operating companies, a statement of intent is included in the procurement procedures, which states that “TAQA T&D aims to meet its needs for goods and services in a way that promotes the protection of the environment, social progress, and the health and wellbeing of all people.” Procurement procedures prioritise suppliers that primarily engage with entities that sustain better environmental and social performance, including considerations related to labour terms and conditions, such as living conditions, disposal of waste and recycling of material, noise and light pollution and impact on biodiversity, among others.

Ghana and India: Health, safety and environmental considerations are incorporated into all contracts with suppliers, including in purchase order terms and conditions. Furthermore, the Contractor Control Document shared with suppliers along with the contract, includes details of TAQA Ghana’s environmental, health and safety policies, goals, and responsibilities.

Morocco: In addition to the inclusion of environmental, health and safety considerations into supplier contracts, TAQA Morocco embarked on an audit to review the environmental and social performance of over 120 of its suppliers in 2022. Recommendations were shared with these suppliers to improve their performance with specific action items.

Netherlands: Requests for Proposals (RFP) and Invitations to Tender (ITT) processes include environmental and/or social risk analysis prior to processing tenders. In addition, environmental and social considerations are discussed during the evaluation procedure of suppliers across all projects, without exception.

Canada: 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.

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

- Suppliers are screened using audit reports within the supplier qualification system, which includes environmental and social criteria
- The Green Procurement questionnaire, which gathers details of energy use, emissions, and circular economy strategies, is assessed if it is issued

- Fuel consumption is always factored into the chartering of vessels during commercial evaluation, whereby lower consumers associated with lower emissions are favoured
- The HSSEQ ITT questionnaire needs to be completed by suppliers, 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 and Gas UK First Point Assessment Tool (FPAL) prior to any ITT being issued. This includes information on their CSR, procedures and processes, and Modern Slavery Statements. Supply chain processes include provisions in relation to slavery and human trafficking, including TAQA’s zero tolerance policies on the subject, such that any risks are identified at the contractor evaluation stage prior to award of any contract



Waste Management

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

Waste management is a key aspect of our COE and overall environmental management systems embedded within all our operating companies across all operations. We recognise that high volumes of waste can have a tremendous environmental impact, including the potential to result in soil and surface water contamination. As such, our approach is rooted in understanding our sources of waste, their impact on the environment and our stakeholders, while also implementing mitigation measures to reduce and eliminate diverse effects, wherever possible.

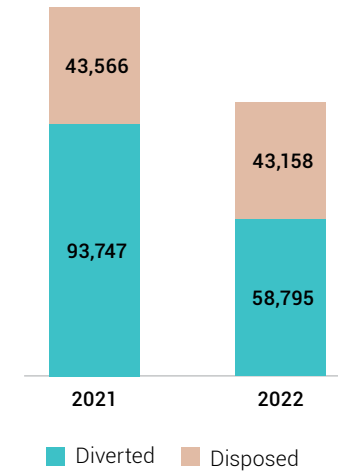
We have established waste management policies and procedures that align with regulations in the countries in which we operate to govern how we handle, manage and dispose of our waste. In addition, we continuously monitor the type and quantity of waste generated across our operations, and we embed KPIs in Management's evaluation to measure the effectiveness of our approach. Our main target through these policies, procedures, and management systems is to control waste generation and ensure maximum recycling.

At TAQA, we monitor and report on waste generated from our operations in two main categories — hazardous and non-hazardous. The waste management approach in place also covers processes and procedures for diverting waste to specialised contractors for recycling and treatment. All the third parties we partner with for waste are regulator approved entities that specialise in waste disposal, transfer, and recycling to ensure effective and optimal waste management. Our operating companies that are ISO 14001 certified conduct internal and external audits, including waste management performance, along with periodic reporting to regulatory and licensing authorities.

TAQA's overall waste generation in 2022 reduced by over 26% compared to 2021⁴⁵. The reduction is primarily attributed to the reduction in fly ash waste in India's operations. Close to 58% of total waste generated is diverted by TAQA and only 42% is disposed of.

Only 6% of the total waste generated is hazardous and the quantity of hazardous waste has reduced by over 40% in 2022 compared to 2021.

Waste Diverted and Disposed (tonnes)



45. Numbers restated as a result of data cleansing and quality check procedures.

To further standardise our waste management approach across the Group, we have been working on a Non-Hazardous Waste and Hazardous Waste Management Standard, which will be rolled out to all our operating companies in 2023. The purpose of this standard is to define the minimum requirements that TAQA entities and personnel are expected to adopt, including systems and procedures that ensure waste is managed in an appropriate manner to prevent risk to humans and the environment.

In the UAE, the Government of Abu Dhabi has set out its commitment to improve waste management across the Emirate by establishing the Centre for Waste Management (CWM), known as Tadweer. This centre is responsible for coordinating waste management activities throughout the Emirate and overseeing all aspects of service delivery required to establish a full cycle integrated waste management system. As such, our operations in the UAE are required to comply with Tadweer's guidelines, which emphasize source reduction, recycling, and reuse of waste material. In addition, all waste is segregated at the source and recycled or disposed of by a Tadweer-approved waste service provider.

All efforts are placed by our operating companies across the business lines to improve collection of recyclables and reduce landfill disposal. In routine office activities, all employees are encouraged to recycle and reuse material where possible. In most generation operations, waste is sorted on site in specific warehouses that are waterproof and fit for handling of hazardous waste.

Non-hazardous waste is generally sent for recycling or disposal by approved contractors, while hazardous waste is stored appropriately to be treated by specialised companies.

Included below are some specific initiatives that are led by our operating companies to enhance our waste performance:

Fujairah 1:

- Aim to minimise chemical plastic drums disposal, whereby chemical drums are changed to intermediate bulk containers (IBCs) to handle more quantity and reduce number of drums
- Sewage water after treatment is being re-used for irrigation purposes
- Lime sludge is recycled through a specialised company to divert it from landfill
- Hazardous waste reduced by 5% and recycling rate of total waste increased by 5%

Ghana:

- Scrap waste is licensed to vendor, and chemical containers (IBCs) are returned to vendors for reuse
- Awareness sessions are conducted for staff and contractors, and signage is placed on the site with regards to waste management

India:

- Ash is collected and disposed of to cement and brick manufacturers in closed trucks
- Waste oil generated is collected and disposed of by authorised government agencies



- Target set to utilise 100% of fly ash waste and work closely with cement and brick manufacturers to encourage them to adopt ash utilisation within their operations. We also work with the Government of India for the adoption of waste ash in manufacturing and land filling projects
- Total waste reduced by 29% due to the reduction in fly ash waste

Shuweihat Plants:

- Target to increase the percentage of waste recycled, which is tracked on a monthly basis to evaluate performance and adjust measures as needed

- Maintenance of equipment is conducted in a manner to reduce waste generation

ADDC:

- Waste oil is recycled and sold
- Audits are conducted on the waste contractor
- Awareness and training sessions are conducted on waste reduction and management

Decommissioning

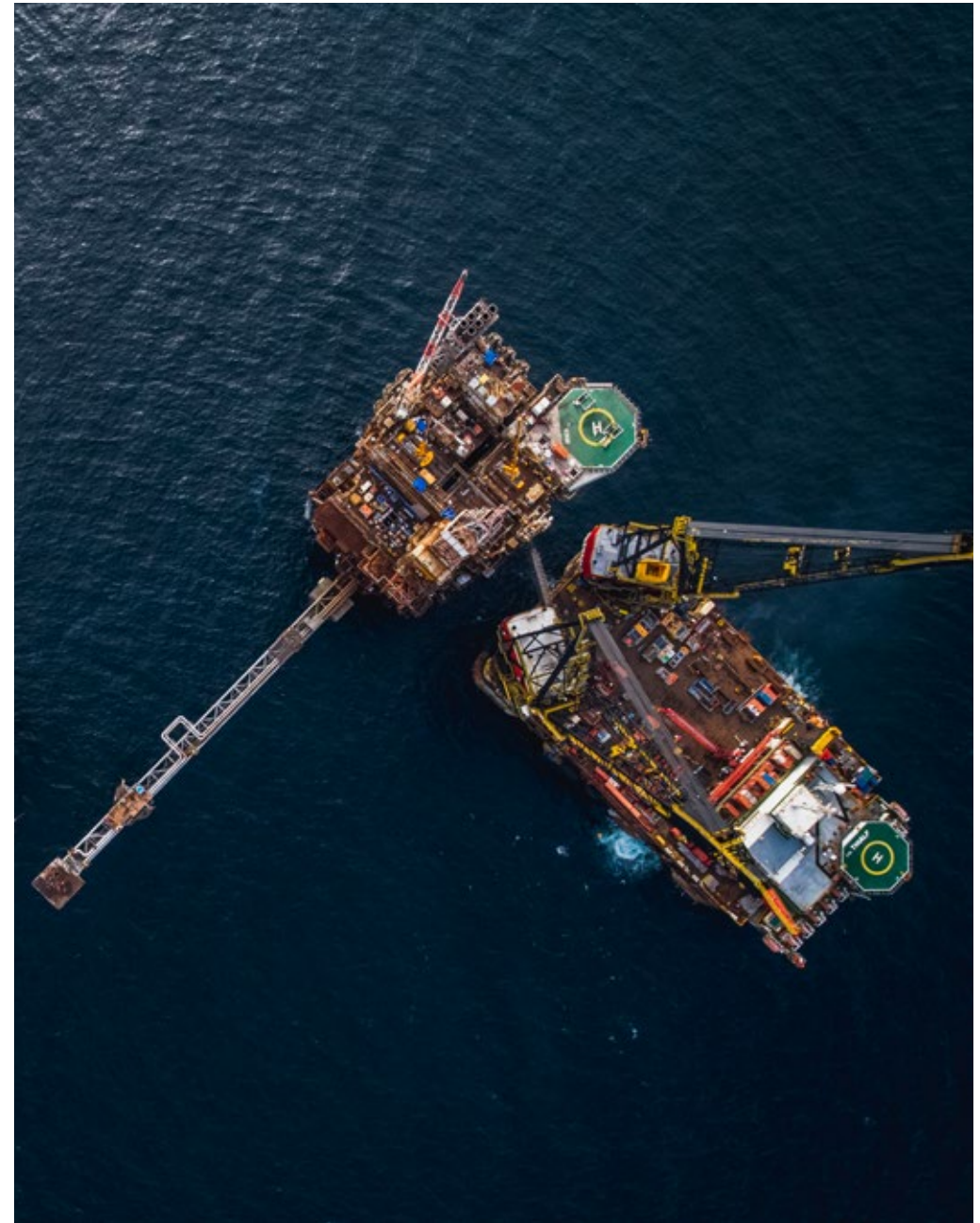
In 2021, TAQA UK completed the topsides removal from Brae Bravo in one of the North Sea's largest removal projects to date. The removal of the topsides at Brae Bravo totalled more than 36,000 tons of associated materials in 2021 and 12,000 tons in 2022. Over 95% of materials in 2021 have been recycled and a similar target set for the recycling of 2022 materials. In 2022, decommissioning activity continued through the ongoing execution of well plug and abandonment (P&A) campaigns across TAQA's platforms in both the Northern North Sea and Central North Sea sectors, through the safe removal of the Brae Bravo jacket and

the Brae Alpha drilling rig. The multi-year UK decommissioning plan further progressed with the signing of major contracts for the future removal of the East Brae platform and all four Northern North Sea platforms.

Taweelah A2 was retired in October 2022 upon maturity of its off-take agreement with EWEC. The plant was slated for decommissioning and dismantling during 2022, in line with our strategy to retire older, less efficient assets. Similarly, our Generation company Al Mirfa Power Company (AMPC) partially decommissioned and initiated disposal of retired assets in Al Ain, Madinat Al Zayed and a few other remote area Generation units.

Brae Bravo Decommissioning

The decommissioning was completed successfully and on budget without any safety incidents as a result of several years of careful planning, preparation and execution. The challenging and complex programme was described as 'class leading' by UK safety regulators. The team demonstrated excellence in project execution, providing an innovative template for TAQA UK to apply in the future. This successful project once again demonstrated the strength of our talent and safety processes, positioning our business at the forefront of safety in our industry. The project won the People's Choice Award during the 2022 TAQA Awards.



AIR EMISSIONS

GRI 305-7

Beyond GHG emissions, air emissions have a significant harmful impact on air quality, as well as on human health, the environment, and climate overall. In Abu Dhabi, the Environment Agency began monitoring air quality in 2007 with the objective of ensuring that Emirate's air quality protects the health of its residents and the environment.

Based on EAD's guidelines, quality assurance and quality control methods and procedures are implemented in our UAE Generation assets. Forms and log sheets document every activity within the air monitoring stations and record all maintenance, calibration, operation, and other activities. A majority of the plants use the Continuous Emission Monitoring System (CEMS) to monitor and record the air emissions.

In 2022, TAQA's NOx and SOx emissions were 39,570 and 52,408 tonnes respectively. More than 60% of air emissions are associated with international operations.



BIODIVERSITY

GRI 304-2

For TAQA, the topic of biodiversity has traditionally been decentralised, with operating companies establishing policies and procedures for managing their impact on land and water ecosystems. Biodiversity is an element that is covered under the organisation's HSSE-related policies, and in some jurisdictions, it is a required consideration as part of regulatory compliance.



Healthy ecosystems clean our water, purify our air, maintain our soil, regulate the climate, recycle nutrients and provide us with food. They are the foundation of civilisation and sustain our economies. Biodiversity is a key indicator of the health of ecosystems, and so it is very important to track to ensure limited impact on the flora and fauna populations within the surrounding areas of our operations. Furthermore, as part of our Environmental and Social Impact Assessments, which are conducted by our assets for new projects and activities to understand the impact and potential mitigation measures, 'critically endangered', 'vulnerable', and 'threatened species' of flora and fauna are assessed prior to commencement of operations.

Understanding that utilities operations do have an impact on the surrounding environment and habitat biodiversity, we at TAQA, have taken a proactive approach towards understanding our footprint and implementing measures to minimise the adverse effects of the activities of our operating companies.

Desalination operations can have a significant impact on marine water and marine life. This could include:

- Threat of marine life being drawn into open water surface intake pipes and suffering severe or fatal injury
- Altering coastal ecosystems by impacting water quality and the health of marine life
- In particular, bottom dwelling species can be affected by desalination activities as a result of the disposal of brine waste, which has significantly higher concentrations of salts, metals, and minerals, as compared to seawater

Through our T&D operations, land reclamation for projects and marine pipeline laying may also impact the biodiversity of ecosystems. As such, prior to commissioning of new developments, TAQA attains approvals from the concerned authorities and works with them to reduce the impact to the best extent possible.

TAQA is currently exploring sustainable alternatives for the management of the brine stream, which at present is discharged back to the sea as part of the desalination process although it holds immense potential for reuse as recycled water. A pre-feasibility study has been initiated to execute a preliminary systematic assessment of all critical elements of brine treatment technologies with the aim to adopt the most techno-economical solutions among proven ones within the market.

By curbing our impact on air, water, and land resources through waste management, we are indirectly also reducing our impact on land and marine ecosystems.

To standardise our approach across the Group on biodiversity, we have embarked on developing a Biodiversity Standard that will define the minimum requirements that TAQA entities and personnel are expected to adopt. This will include systems and procedures, which effectively manage land biodiversity and habitats as well aquatic and freshwater ecosystems and habitats. The expectation will be that all operating companies conduct a gap analysis against this standard and close these gaps within six months. Through this

approach, TAQA can ensure that it is systematically and efficiently creating a baseline for management of biodiversity across the Group.

The below includes examples of procedures and initiatives our operating companies across the business lines have in place to safeguard biodiversity:

Fujairah 1: Biodiversity and conservation procedure in place that includes detailed provisions to protect land and marine areas, such as:

- A requirement to demonstrate mitigation measures to minimise harm to the species and ecological community before construction modification, upgrading, or expansion of the plant
- A requirement to complete an Environmental Health and Safety Impact Assessment (EHSIA) if a development has the potential to affect a threatened species or ecological community

Shuweihat Plants: There are engineered screening systems in place to mitigate entrapment and impingement of marine species, including a bubble barrier system. In addition, a net is placed at the intake mouth of water uptake for desalination to limit the entrapment of fish and other marine animals. On the discharge side, outfall systems are designed with minimal disturbance to the habitats and appropriate dispersion. Discharge streams are also well monitored and segregated. On the land side, hard fencing is installed around the plant boundaries to avoid accidental wildlife entry onto the site. Regular visual observations of screening systems are

conducted by site personnel and a rescue system is in place to release any animals back into their natural habitat.

Taweelah RO: Sea turtles' nests were protected during the hatching season, whereby daily visual inspections and regular beach patrolling was conducted at the beach throughout the months of March to June. Through this process, nesting patterns were identified, and protective buffers were placed to safeguard turtle nests from any external harm. In addition, beach cleaning was conducted daily during turtle hatching season to clear the waste that is washed up on the beach.

UK: Environmental advisory company is engaged to monitor fauna and flora on and adjacent to the Sullom Voe oil terminal, and to date, monitoring has indicated no impact on species diversity directly linked to oil terminal operations. A bird monitoring process is also set up to survey bird activity and nesting on all assets for consideration during future structure removals.





6

GROWING WITH OUR PEOPLE

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Diversity and Equal Opportunity	119
Community Engagement	122
Customer Experience	127

GRI 203-2

TAQA's social impact continues to be a key consideration in our overall company performance and strategic planning. The Group, with its global presence, has far reaching influences on our internal and external stakeholders alike. We have a substantial opportunity to uplift the communities where we operate and empower our employees to reach their utmost potential, while balancing their personal and working lives.

In 2022, while refreshing our materiality matrix, TAQA ensured that its social impact was well vetted in the establishment of the final list of the most material ESG topics. The result was a more streamlined list of social topics with the highest impact on our organisation and stakeholders. In this manner, TAQA can focus its efforts on creating real, tangible impact among our stakeholders. As part of the ESG Strategy, diversity and equal opportunity, as well as corporate social responsibility (CSR), have been selected among the six focus topics. Further details on each of these topics, including related initiatives and targets, are included in this chapter.

Protecting the health, safety and security of our people and our communities continues to be an operational priority for TAQA. This is made evident by 'SAFE' being one of our five corporate values and occupational health and safety selected as a focus topic as part of the ESG Strategy. Given the nature of our business, we not only strive to meet health

and safety standards, but aim to achieve excellence in our safety performance, and to maintain the highest degree of physical, mental and social wellbeing of our workers across all our operations.

2022 was a marked year in our people performance, with numerous employee initiatives occurring at the Group level and strategic planning conducted on the backend to ensure delivery on our Human Resources (HR) Strategy. In this respect, we seek to enhance employee satisfaction and capabilities with a view to power TAQA's continued growth, strength and performance excellence.

TAQA's HR Strategy Pillars are the following:

- 1 Talent Management 
- 2 Organisational Culture 
- 3 Performance 

The motto of excellence also trickles into our customer performance, whereby we strive to deliver a safe product and achieve a high level of customer satisfaction in our services through a range of customer-centric projects, ranging from development of smart metering services to upgraded customer-facing platforms.



OCCUPATIONAL HEALTH AND SAFETY

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-7, 403-8, 403-9, 403-10

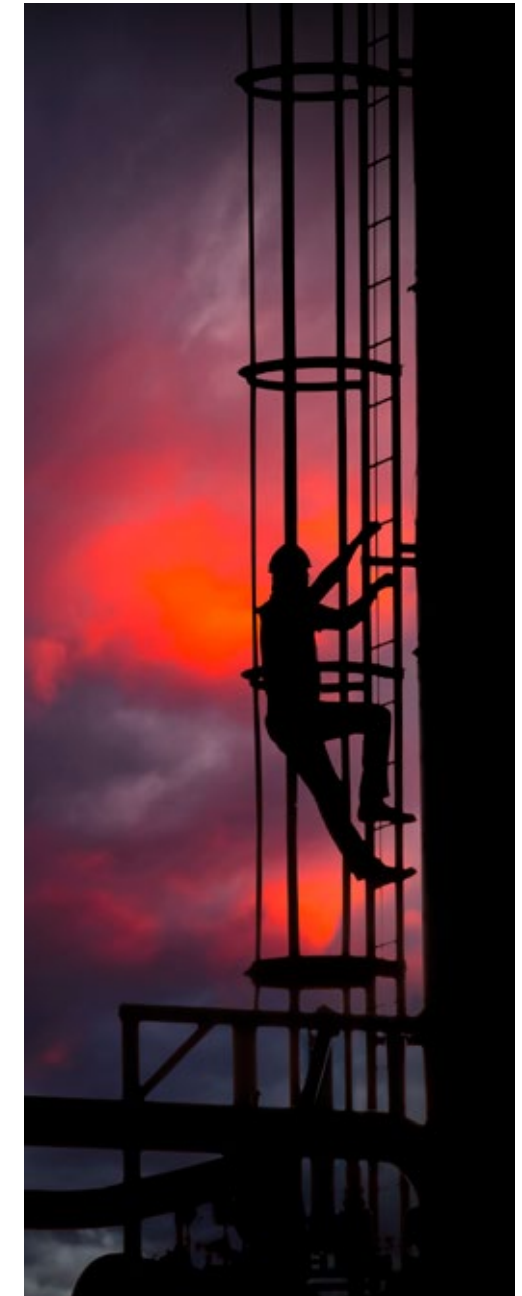
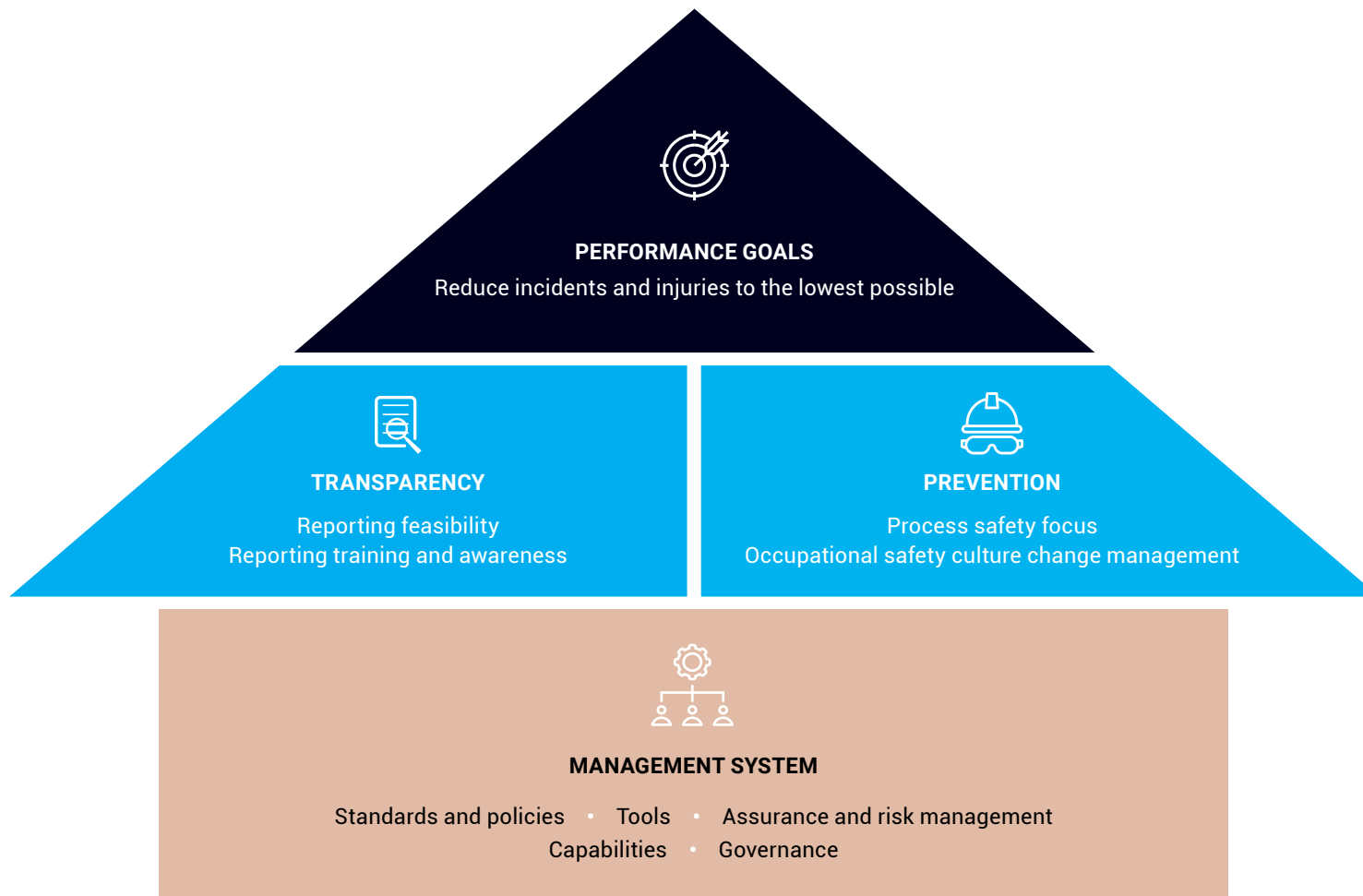
At TAQA, no operational priority is more important than protecting the health and safety of our employees and our communities. We work to promote and maintain the highest degree of physical, mental and social wellbeing of our full-time employees and our contractors alike, across all our operations.



In the energy and utilities industry, occupational health and safety has long been a recognised priority, with established standards, guidelines and metrics to drive the provision of safe working conditions for employees and minimising the occurrence of health and safety incidents in the workplace.

Occupational Health and Safety is one of the six focus topics as part of the ESG Strategy. In 2022, we renewed our commitment to this focus topic with several initiatives across all business lines with the aim to improve our overall health and safety performance through enhanced transparency and prevention measures, enabled by a robust health and safety management system.


This ambition will see TAQA, in the next few years, increasing the number of targeted initiatives for each of our business lines to improve our safety reporting culture and promote the reporting of safety observations by the workforce, as well as increase prevention of incidents through a focus on leading indicators.



Health and Safety Governance

As previously mentioned, TAQA has a Group-wide Health, Safety, Security, and Environment (HSSE) Management System referred to as our 'Commitment to Operational Excellence, (COE). The COE defines what the Group expects from all our operating companies across all businesses, including key health and safety measurements, compliance, performance, and results, as well as self-assessments and audits.

In 2022, the organisation embarked on a project to develop additional health and safety standards to set clearer expectations and drive consistency in managing hazards associated with key activities across the operating companies. Priority has been given to creating standards in alignment with the '12 safety rules' and for activities that have historically resulted in the highest number of incidents. The result was the development of 12 new Group standards that are planned to be rolled out to all operating companies throughout 2023:

	HSSE Management System Management Standard		Project Health, Safety and Environment Review Standard
	Driving Standard		Working with Contractors Standard
	Lifting Standard		Effective Handover Standard
	Management of Change Standard		Incident Investigation Standard
	Electrical Standard		Incident Reporting Standard
	Ground Disturbance Standard		Control of Work Standard
	HSE Assurance Standard		



TAQA also has an established HSSE Committee, chaired by the GCEO and MD, which meets at least on a quarterly basis and with the mandate to adopt best practices in health, safety, security, and environmental risk management, oversee policies and practices, identify and manage risks that arise across these topics, and oversee incident

investigations and implement lessons learned. HSSE steering groups are also established at each of the three business lines, which meet at least once every two months and report to the HSSE Committee on health, safety, security, business continuity and environmental performance.

Hazard Identification, Risk Assessment and Incident Investigation

Our focus is on incident prevention through robust management of health, safety, environmental, and process risks that could impact our people and our sites. 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 risk 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 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 health and safety performance improvement is learning from incidents and 'near misses' and taking appropriate action to prevent recurrence. Under the COE, Management is required to ensure that such situations are consistently reported, investigated and analysed to prevent recurrence and improve performance. Investigations of health and safety incidents focus on systematic root causes.

While our O&G business is traditionally stronger on the element of reporting due to the associated geographic regulations and maturity of safety culture, we recognise that there is room for improvement within our Generation and T&D business lines. By continuously enhancing performance in these areas, we aim to minimise the impact of our activities on our workforce and the local communities in which we operate, as well as the wider environment.

TAQA has started the process of transferring the best practices and lessons from our O&G business by implementing improved processes to manage process safety within our Generation and T&D business lines, where we have introduced a process to systematically identify and manage Major Accident Hazards (MAH). Workshops were conducted to identify the MAHs - that could lead to catastrophic safety or environmental incidents - for all Generation and T&D operating companies, and a detailed Bowtie analysis has been completed to determine the barriers that need to be maintained to prevent these events from occurring, or the catastrophic effects from being realised.

'Project Aman,' an HSE transformation project in the T&D business line, which started in 2020 and will continue through 2023, drove major HSE improvements across HSE plans and governance, culture and risk mitigation, risk awareness and capability building, as well as corporate assurance and HSE management systems through digital enablement. The project was driven from top leadership, who demonstrated commitment and active engagement through site visits and safety awareness. The project momentum

resulted in a shift in health and safety reporting across T&D, celebrating successes and contributions related to HSE observations. In 2022, key recommendations from Project Aman were implemented across all the three T&D operating companies, AADC, ADDC and TRANSCO.

Building on this successful project in T&D, TAQA committed to carrying out an HSE review of all legacy operating companies to obtain a baseline on HSE management and culture. The intention of this review is to use the output to develop an improvement plan that can enhance the management of safety across the Group. HSE reviews in the Generation business line commenced in 2021 and action implementation started in 2022,

whereas O&G reviews are planned to commence in 2023.

With HSSE remaining a top priority for the Group, TAQA also embarked on an HSE transformation programme with the non-operated Generation assets (IWPPs), which aligns with TAQA's role as shareholder in these assets. The aim of this programme is to drive improvement in risk management and HSE performance. Safety culture maturity surveys and independent third-party HSE baseline assessments were completed across all IWPP assets, and the outcomes and recommendations formed the basis of HSE improvement plans and agreed actions to be addressed during 2023.

TRANSCO Safety Success Story

Following the transfer of TRANSCO to TAQA and pursuant to Resolution (1) of 2020 of the Abu Dhabi Higher Committee for the Water and Electricity Sector, the Load Dispatch Centre (System Operator) was successfully transferred from TRANSCO to EWEC at the start of 2022. 650 employees underwent training and assessment in addition to the awareness sessions conducted for the contractors and consultants. The System Operator is now incorporated as a separate function within EWEC. The System Operator function remains under the Abu Dhabi Government to enable full control of and visibility on the security of power and water supply in the Emirate of Abu Dhabi.

TRANSCO, in supporting the transfer, has established the Transmission Coordination Centre (TCC) to support the System Operator in line with prevailing codes and standards to maintain the highest safety standards of persons working on and near the transmission networks.

TAQA Netherlands is the first oil and gas operator in Europe to successfully complete an offshore integrity inspections campaign using an uncrewed surface vessel (USV) and electrical remotely operated vehicle (ROV). This pilot project allowed for underwater offshore inspections from a remote onshore operations centre. These inspections are high-risk activities that would typically deploy around 70 people on board a vessel. However, by using this technology, the risk is significantly reduced.



Health and Safety Training and Awareness

The Group recognises 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 line and operating company level based on an analysis of training needs. This is typically defined in training matrices as part of training and competency procedures.

Health and training typically includes:



HSSE induction



Hazard identification, risk assessment and risk management training



Safe system of work



System safety rules



General and office safety training



Safety driving training

In addition to this set list of training, we regularly conduct additional training sessions and workshops as determined to support enhanced performance and development of employee capabilities.

We conducted process safety workshops across our Generation and T&D business lines to document and analyse major operational risks. The output from these workshops provides a 'Major Operational Risk Register', which is utilised as a live document to allow active management of our significant process safety risks.

TAQA also held its first Global Health, Safety, Security and Environment Week. This event entailed a whole week of programmes to raise awareness and knowledge on topics related to HSSE across the organisation, via in-person workshops, forums and virtual panels across the business lines to encourage knowledge transfer and discussion of priority topics. Leadership site visits, office walkthroughs, and local HSSE sessions and forums covering health, business continuity, security, health and safety and environment were also conducted as part of HSSE Week.

We are also implementing a new HSE dashboard on TAQA's internal portal to provide ease of access to Group HSSE performance.

SAFE as the first TAQA Value



OUR VALUE

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.

As part of the TAQA values, we launched an annual award for our SAFE value, and our operating companies from around the world submitted projects for consideration.

Winners of the TAQA Safe Award

AADC Safety Accelerators Roadshow: Through this initiative, high priority safety initiatives were identified within a three-week period and implemented over a three-month period to improve the safety culture and ensure rapid safety intervention at AADC. The objective of the project was to unearth more potential hazards, create a lighthouse for continuous improvement opportunities and empower young managers to make a difference in the HSE transformation journey. This project was highly effective in empowering AADC staff to implement the HSE system.

TAQA Iraq hosted its first contractors' forum to advance workplace safety

The TAQA Iraq leadership team and contractors gave presentations and speeches on incident reporting, HSE leadership commitment, and improving site HSE culture. The forum had a significant turnout with 55 contractor leaders from 22 companies in attendance.

The event provided a platform for participants to discuss various relevant topics, including the integrity of equipment and serviceability, protecting the environment, and the 2023 HSE Performance Improvement Planning. Events such as this help TAQA achieve targeted improvements in safety performance and aid us in nurturing the importance of a safe and collaborative relationship between client and contractor.



Children explore parents' job at TAQA power plant in Morocco with a focus on safety

TAQA Morocco invited the children of employees to visit our thermal power plant and discover what their parents do. The visit kicked off with a safety induction, which was essential to ensure that the children were aware of the importance of safety in the workplace. They were then taken on a tour of the plant, which granted them the opportunity to witness first-hand the different stages of production and gain a better understanding of the work carried out by their parents.

To round off the visit, our team organised a home safety workshop. This provided practical tips and strategies for staying safe in everyday situations, in line with embedding our TAQA value of SAFE in everything we do.



Health and Safety Performance

We strive for continuous improvement in health safety by regularly tracking and reviewing safety performance and learning from incidents, near misses and safety observations. Management and monitoring of safety performance takes place at both the business and Group-wide level through:



At the business level, we have leading indicators in place which are appropriate for the nature of each business, and these indicators are intended to drive improved proactive management of our operational risks.

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 include the Global HSSE Incident Reporting and Investigation Standard and regional reporting and investigation procedures.

Reporting continues to improve - in 2022 we placed a strong emphasis on our people reporting behavioural and hazardous observations, as the learnings from this help prevent incidents from happening. We saw a 165% increase in observations being reported in the Generation and T&D business lines compared to 2021.

As seen in the table below, our RIR reflects downward trends at 0.53 against 0.55 in 2021. LTIs have increased to 15 from 11 in 2021. While the total number of recordable injuries remains flat at 27 in both 2021 and 2022, the increase in LTIs indicates that the recordable injuries sustained in 2022 were of a greater consequence to our people than in the prior year. We have investigated each incident and have shared learnings across our assets.

Number of Fatalities



Recorded Injury Rate (RIR) (Incident / 1 million hours)



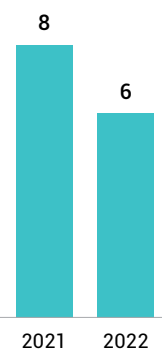
Number of Recordable Injuries



Number of Lost Time Injury (LTI)



Number of Restricted Work Injury (RWI)



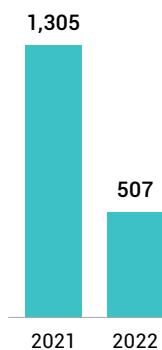
Number of Medical Treatment Injury (MTI)



Number of First Aid Injury



Number of Near Miss



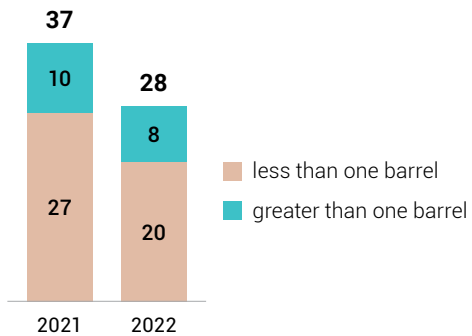
Process Safety

The TAQA COE defines the company's requirements for process safety and asset integrity, including identifying, reporting, management review and follow up of process safety and asset integrity incidents. 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.

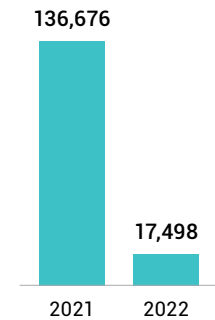
The following table summarises the process safety incidents reported in 2021 and 2022 and showcase a downward trend across most of the categories. Twenty eight spills were reported in 2022 compared to 37 in 2021, with the total volume released being 87% less than the prior year.



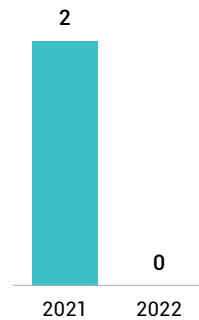
Number of Spills



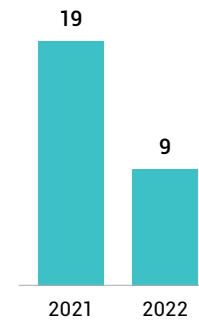
Volume of Spills (litres)



High Potential Incidents (#)



Fires (#)



Gas Releases (#)



EMPLOYEE DEVELOPMENT

GRI 2-7, 2-8, 201-3, 401-1, 401-2, 401-3

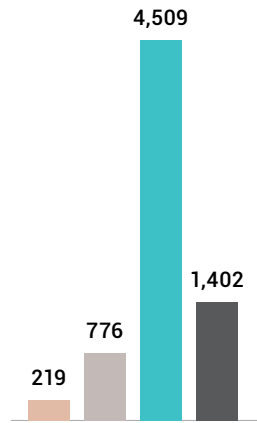
Employees are the driving force behind any organisation's success, and this is no exception for TAQA - beyond achieving business goals, we always strive to be an employer of choice. As such, we seek to provide a safe, diverse and rewarding environment for our employees globally. As we continue to grow, we remain committed to building and developing our existing talent, as well as recruiting new capabilities with the technical expertise needed to drive the company's ambitions of being a low carbon power and water champion.



As of December 31, 2022, our workforce comprised 6,911 full-time employees across our global business, not including employees at non-TAQA operated assets. In 2022, there was an increase in the number of vacancies overall with TAQA's business expansion, resulting in the increase in employees across the Group.

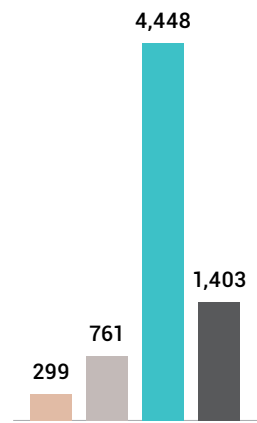
Number of FTEs in 2021

6,906



Number of FTEs in 2022

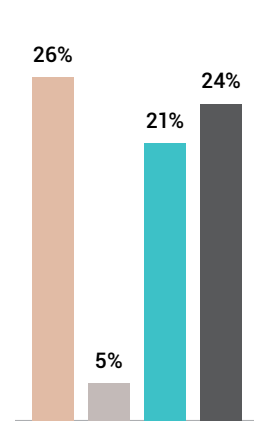
6,911



HQ Generation T&D O&G

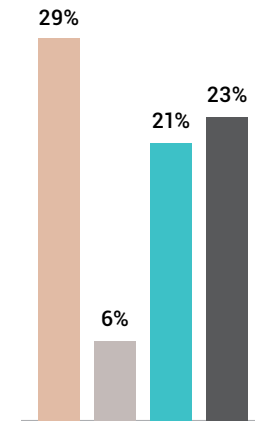
Women in Workforce in 2021 (%)

20%



Women in Workforce in 2022 (%)

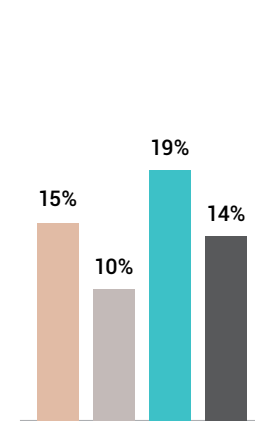
20%



HQ Generation T&D O&G

Women in Management Positions in 2022 (%)

16%



HQ Generation T&D O&G



Local Recruitment

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% of total employees in TAQA's headquarters and UAE-based operating companies were UAE nationals.

Emiratisation Rate at TAQA UAE Entities



Similarly, in all our operating companies, local recruitment is encouraged, and all our entities employ a majority of local personnel. An achievement for TAQA Ghana was the recruitment of a local Plant Manager for the combined cycle plant, a prestigious position historically occupied by non-Ghanaians. Similarly in Iraq, Kurdish nationals are given preference during the talent acquisition process, provided they meet the minimum requirements for the desired jobs.

TAQA Emirati Majlis

In line with the cultural heritage and the principles of 'Al Majlis Al Emirati', an essential part of social and political life, which serves as a forum for the community to discuss issues and to raise important matters, TAQA has launched the annual GCEO and MD Majlis. This Majlis provides Emirati employees with the opportunity to meet with Jasim Husain Thabet and openly share their respective feedback, recommendations, and concerns specifically on the suggested and defined areas for discussion.

Organised and managed by the organisation's Corporate Social Responsibility function in collaboration with the GCEO and MD's office, this event takes place every year in November in line with the spirit of UAE National Day.

Building Emirati and Young Talent

Launched in 2021, the ETLAQ Programme is an initiative that we at TAQA are very proud of. ETLAQ means 'to launch' or 'to release' in Arabic and reflects the programme's core objective to jump-start new graduate career paths for UAE nationals across HQ and the T&D business line.

The ETLAQ Programme 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 programme, ETLAQ graduates enter a full-time role at one of our sector companies. The platform 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.

A total of 95 students graduated from the first ETLAQ cohort and were placed into various functions across TAQA's UAE operating companies. The second cohort was initiated in January 2022 and saw 57 new graduates successfully complete the programme.

A similar initiative specific to Abu Dhabi Distribution Company (ADDC) was also initiated, aptly titled the 'Junior Power Programme'. Designed to provide UAE students with insights into the local utilities sector and enable a better understanding of ADDC's core business. The first class to complete the programme in August 2022 comprised a group of 60 students. Aged between 15-18 years old, the candidates for the programme were chosen after a careful selection process that considered everyone's grades and interest.

In addition, a new internship programme was created at TRANSCO that created opportunities for 48 students to complete their work placement.

Abu Dhabi Distribution Company's Junior Power Programme provides students an up-close look at the utilities sector



Benefits

GRI 201-3

Fair compensation is important for TAQA because it helps attract and retain talented employees, promotes equity and fairness within the organisation, and can improve overall employee morale and satisfaction. We understand that when our employees feel that they are being fairly compensated for their work, they are more likely to be motivated, productive, and committed to the organisation. In addition, fair compensation can help to reduce turnover and improve the organisation's overall stability.

At TAQA, we are committed to not only compensating our employees fairly but to go above and beyond on our basic responsibility to realise the aspirations of our employees and enabling them to thrive. In fact, the organisation provides competitive compensation and benefits packages to attract and reward the right talent. This includes implementing 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.

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, as well as social allowance for national employees in their jurisdictions.

The Group also provides end-of-service benefits aligned with the applicable local labour laws and regulations. Entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period, and with the expected costs of these benefits accrued over the period of employment. The Group also provides pension schemes in line with local law across its jurisdictions. Lastly, TAQA offers various retirement and pension contribution schemes in line with jurisdictional laws and prevailing practices across its UAE and international assets.

TAQA's maternity leave (3 calendar months) and paternity leave (5 working days) entitlements in the UAE businesses exceed statutory minimum entitlement.

Employee Satisfaction, Recognition and Wellbeing

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 2021 annual employee engagement survey include, but are 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: visibility and engagement of Management, extent of role-modelling the right behaviours and levels of empowerment for employees to act within their delegations
- 

Development: availability of development opportunities and career growth
- 

Recognition: instilling a culture of recognition that is aligned with TAQA values
- 

Agility: ability to adapt, be nimble and oscillate, considering areas such as innovation, decision-making and collaboration
- 

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

Visible actions: perceptions of actions taken following the previous survey in response to employees' feedback

These measures are analysed against external benchmarks and results of previous surveys to understand their impact on core business outcomes, such as productivity, talent management and financial performance. The results of the survey are then presented to the Executive Management Team at TAQA HQ, team leaders and the Management of TAQA Group's operating companies with the purpose of developing action plans to address employee feedback. The impact of the survey is then reflected through enhancements to our policies and procedures, as well as in the design of new programmes to recognise and reward our employees across the Group.

In 2022, results of the 2021 engagement survey showcased noticeable areas of improvement potential in relation to work-life balance, wellbeing, and employee recognition. In light of these results, TAQA and its operating companies activated a number of action plans in 2022 that directly correspond to employee feedback. It is noted that operating companies are at liberty to establish programmes and initiatives to respond to employee feedback at the local level.



Employee Recognition

In 2022, the TAQA Executive Management Team, GCEO and MD launched the 'TAQA Awards', the first Group-wide recognition programme. The awards were centred on our values of Safe, Sustainable, Collaborative, Innovative and Excellence, and were designed to recognise teams from across the Group for outstanding performance and encourage positive action. The awards platform received a total of 198 submissions across the Group in its inaugural debut.

TAQA held 'TAQA Day' on October 19, 2022 in Abu Dhabi, the first face-to-face Group-wide event since the post-reverse integration with ADPower with over 800 attendees from across the Group. The Awards ceremony, which was hosted alongside TAQA Day, saw the winners from different countries across the Group recognised for their achievements and celebrated for their stellar performance with an award trophy.

Similarly, recognition programmes are incorporated at the level of functions, whereby distinguished employees are shown appreciation through various forums.



The following teams and projects were awarded in 2022 for each of the TAQA values categories:



Sustainable Award: ADDC Demand Side Management Irrigation Optimisation Pilot



Innovative Award: TRANSCO Automated Power Flow



Collaborative Award: TAQA Iraq Atrush Shutdown



Excellence Award: TAQA Netherlands Gas Storage Bergermeer



Safe Award: AADC Safety Accelerators Roadshow



People's Choice Award: TAQA UK Brae Bravo Decommissioning and Removal Project



Other recognition programmes were also activated at HQ level and at specific operating companies:



HQ: The Long Service Awards were introduced and implemented to recognise long serving employees of TAQA HQ



TAQA UK: Employee Recognition Awards programme recognises employees for personal initiatives and suggestions that lead to the improvement of work processes and workflows, while the Loyalty Awards recognise employees who have had a long tenure with the organisation



TAQA Neyveli: 'Best Employee Award for The Year' was created to recognise employees' performance, attitude and achievements, for which three employees are selected each year. The 'Spot Award' programme was also created in 2022 to highlight and recognise high-performance and the generation of innovative ideas across all levels and functions



TRANSCO: Established a recognition programme and introduced a recognition initiative for special occasions, including new births, birthdays and work anniversaries. In addition, HR visits were conducted to remote TRANSCO locations to acknowledge and appreciate the efforts of technical staff working on these sites



AADC: Awarded vouchers to employees who demonstrated commitment and dedication to their work

Performance Management

GRI 404-3

A performance review is conducted across the TAQA Group and plays a key role in recognising employees, forming a key part of routine HR practices that are based on established policies and procedures for all employees across all roles. Performance reviews are conducted annually based on defined 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 recognise talent across the organisation. In addition, TAQA Group's operating companies undergo a performance management exercise that entails multiple reviews throughout the year, culminating with a final review and outcome applicable to those who have been with the company for more than three months.

All eligible employees receive performance and career development reviews across TAQA HQ and operating companies.

Employee Wellbeing

GRI 403-6

We highly value our employees, and we are committed to our employees' happiness and wellbeing. Across the Group, we encourage an active lifestyle and work-life balance through internal engagement programmes, events and rewards, including a Health Club allowance. In addition, discounts for employees are offered at various wellness centres and retail outlets. The Group provides

competitive annual leave and encourages the utilisation of such leave.

An important initiative was the formation of the Wellbeing Steering Group in 2022 with the goal to improve employee physical, mental and social wellbeing. As part of this Steering Group, a defined set of initiatives and associated roles and responsibilities were established to drive the implementation of wellbeing-related priorities across different categories, including social and health, mental health and work-life balance, environment and sustainability, as well as physical health.

Several Wellbeing initiatives across the Group were activated in 2022 and include the following in the UAE, Canada and the UK:

Leadership commitments: In an effort to showcase TAQA's commitment to achieve better balance between work and personal obligations, a message from our highest management, the Executive Management Team, was shared emphasising four key commitments that the EMT will honour and expect to be cascaded down the organisation. These commitments include sticking to core working hours, blocking focused time in the calendars, utilisation of remote working time allowance, along with encouraging fewer, shorter, and back-to-back meetings. Additionally, to encourage physical wellbeing, several physical activities have been organised and proven very popular among HQ employees, including padel, tennis, football and cycling.

Health and wellness across the Group:

- Established a 'Sports and Wellness Task Force' to arrange and promote related workshops and physical activities, as well as facilitating nutritional tests. In 2022, three wellness sessions were conducted for TRANSCO employees. Additionally, the company organised health campaigns and collaborated with hospitals and clinics to perform general screening or provide lectures and awareness sessions

- A devoted group led by ADDC HR and HSE conducted annual events and awareness campaigns concerning general health issues, such as diabetes, high blood pressure, cancer, cardiological health, stress management and others, and employees were offered free medical check-ups
- Employee wellness is prioritised at TAQA North by investing in initiatives that promote health and wellbeing. For example, the 'Not Myself Today' partnership through the Canadian Mental Health Association was concluded that helped foster safe, supportive and open conversations around mental health and wellbeing
- TAQA Life Health and Wellbeing Programme at TAQA UK aims to encourage employees to think about making a positive difference in their daily routines and to promote healthy wellbeing. This programme was shortlisted for an award in the Health, Safety and Environment (HSE) category of the Energy Institute Awards, which was initiated in the UK during the pandemic. In addition, to promote financial wellbeing, webinars were held throughout 2022, among other communication activities, to continue to educate employees about their benefits and to enhance financial awareness amongst the employees

Wellbeing initiative at TAQA HQ, Employee Assistance Programme

As a direct response to employees' wellness and work-life balance concerns, the Employee Assistance Programme (EAP) was launched to support staff at HQ and their immediate families. This EAP programme, through an independent provider, offers easy access to professional psychologists, dieticians, life coaches, and financial and legal advisors. It also provides a consultancy to help line managers with issues, such as the motivation of employees, interpersonal conflict, providing performance feedback, managing diversity and more. This service is available 24/7, at no charge to employees and is anonymous.

Addressing Grievances

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 affairs involving ethical and compliance-related queries or concerns can be submitted in writing under the relevant sections for grievances through TAQA's anonymous helpline (helpline.taqa.com). All grievances raised remain confidential.

Employee Capability Building

Training and Education

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

Training and development is a key pillar within our HR Strategy under Talent Management. TAQA understands the value in upskilling our workforce and recognises that training and education are essential to employee satisfaction and retention.

In 2022, the Talent Development Team within the HR function, dedicated themselves towards understanding the training requirements of our employees at HQ. This was facilitated via a Training Needs Analysis, a comprehensive exercise that seeks to define a detailed set of competencies required for each function and role within the company, enabled through close coordination with the EMT and employees.

As a result of this analysis, several training courses became available for our HQ employees, covering technical and behavioural competencies and feeding into functional skill requirements with employees. The staff now have the opportunity to participate in online and in-person training modules, and in some cases, attain certification from leading business schools such as INSEAD and the London Business School.

In addition to the Training Needs Analysis, the HR Team is also currently working on multiple development programmes for identified talent pools for every function within the Group. These programmes have been designed to equip participants with the essential leadership skills based on a set of competencies and potential for assuming higher roles and responsibilities.

For our EMT, specific development programmes and a select number of courses were identified from reputable business schools to accommodate the training needs of TAQA's senior management.

Similar to 2021, we leveraged several platforms in 2022 that enabled access to online courses, including professional courses for our employees at the Group level, provided by Coursera and LinkedIn. The online courses range across a diverse span of general, business and expertise requirements giving our employees many options to choose from and which cater to their own professional growth and development journey.

More than 147,723 training hours were completed across HQ and our operating companies in 2022, compared to 90,000 hours in 2021.

Training Hours at HQ, Generation and T&D Business Lines

HQ

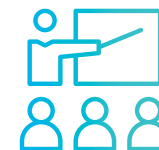
4,439

Generation

37,930

T&D

105,354



Each of our operating companies also independently designs and delivers a suite of training modules that are catered to their business and employee needs. For example, in Morocco, significant effort was placed to digitise existing technical modules and enhance availability of these training modules to employees. Similarly, in TAQA UK, where decommissioning is on the horizon, the Operating Company designed and delivered a suite of people management modules to prepare managers and supervisors to help teams in the transition towards full decommissioning. As part of the transfer of the Load Dispatch Centre from TRANSCO to EWEC, 650 employees underwent training and assessment in addition to the awareness sessions conducted for the contractors and consultants.



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 have been developed to enhance and evolve succession planning processes and policies to systematically approach knowledge transfer and attrition rates.

Established in 2022 and designed for our HQ, UAE-based entities, and international operating companies, the 'TAQA Executive Development (TED) Programme' is customised for high-potential senior executives and prepares select individuals for succession into senior roles. The initiative was developed based on input from senior leaders, to ensure the development and personal growth of future leadership candidates is facilitated in line with TAQA's business and strategy challenges. The programme is conducted in two phases:

- Leadership potential assessment (delivered by Mercer)
- The Leadership Development Programme (delivered by the London Business School)

A total of 39 participants were nominated from across the Group by the EMT in 2022 and will spend seven months fostering the capabilities required to deliver the TAQA Group Strategy.

In addition, the 'Future Leaders Programme', a customised middle management programme, was launched for Emiratis at HQ and T&D assets, and will be rolled out in 2023 for select high-potential employees.

Similarly, at our international operating companies, succession planning is conducted for critical roles, whereby top talent are enrolled into leadership programmes in TAQA UK, and high-potential employees in TAQA Ghana are given specific training with the aim to take on more senior roles. Furthermore, at TAQA North, an Emerging Leaders programme is in place to train and cultivate leadership skills of employees who display the skills and personality to lead within the workplace. Our Group hosts various entry level training programmes for fresh graduates into our assets.

2022 Employee Engagement Survey

The 2022 employee engagement survey was conducted towards the end of the year, and similarly to 2021, the results have been analysed and will guide initiatives and plans to enhance employee satisfaction and the overall culture of TAQA. We achieved 94% participation across the Group, representing a significant increase over previous years and a very good response for a company of our size and scale.

One of the most important questions in the survey was focused on taking action on results. Our score stayed steady, with 54% of employees stating that effective actions were taken after last year's survey, while at the Group level, the results showed that we significantly improved in creating a culture of recognition. In 2023, we will continue to focus on recognition and employee wellbeing, while also ensuring visible actions are taken across the organisation at Group, operating companies, and team levels, in response to the survey feedback.



DIVERSITY AND EQUAL OPPORTUNITY

GRI 405-1

As part of our ESG Strategy, diversity and equal opportunity was selected as one of the focus topics and TAQA established clear ambitions around enhancing the Group diversity:



Have **30% women** in Management positions by 2030



Reinforce diversity across four groups: gender, age, nationality and people of determination (PoD)



TAQA is committed to ensuring its ranks includes representation across a diverse and inclusive pool of employees as well as fair and equal opportunity for all. Since the launch of the ESG Strategy in 2022 and as part of our efforts to enable a culture of diversity and inclusion, TAQA has fostered several novel initiatives and has begun the implementation of several of them across the Group. The organisation also maintains a zero-discrimination policy when it comes to diversity.

Gender Diversity

The utilities industry has long been male-dominated and has not traditionally appealed to women; this is reflected in our female participation in general and in the

management positions. By setting a clear target for women in the management positions across TAQA and activating several female-centric initiatives, we hope to achieve more equal representation among genders across the Group.

The TAQA Women's Council was established by our GCEO and MD to support women in the power and water sector. The council will empower women and enable their proactive participation within the business, while also providing a platform for professional and personal growth. With an established governance structure and defined ambitions, the Council has developed a range of programmes across four pillars to support women internally as well as in the communities where we operate.



Growth and Prosperity



Culture and Environment



Health and Wellbeing



Community Outreach



TAQA will also be more targeted in its recruitment processes and will prioritise efforts for female sourcing and screening without compromising merit. This effort will entail a detailed analysis to baseline existing recruitment processes, understand the historical hindrance in recruiting women, as well as enhance communication and governance across the organisation to ensure non-bias based on gender.

Equal pay similarly continues to be at the forefront of our attention with major changes having been successfully implemented over the past couple of years. TAQA has conducted comprehensive HR reviews to identify opportunities for improvement across HQ and our business lines.

As part of the ongoing review, Housing and Education policies have been revised to reflect equalisation amongst the male and female populations within the T&D operating companies. At the same time, policies are regularly being updated across HQ and our operated entities across all business lines to ensure no gender-based differentiation in entitlement, obligations and pay exist.

TAQA celebrated Emirati Women's Day by recognising leading personalities from across TAQA Group, both past and present, and sharing their stories and experiences of working within Abu Dhabi's utilities industry and the evolution of women's roles within the field throughout their respective careers.

Age Diversity

At TAQA, we truly believe that the youth are the fundamental building blocks for our company. The youth, defined as people of ages 18-35 years⁴⁶, currently constitute 33% of TAQA's workforce across the Group, and therefore, have a significant role to play in advancing pressing agendas across the organisation and with local communities.

In 2022, the TAQA Youth Council was established to empower youth to become the future leaders by developing their skills, expanding their knowledge and enabling them to excel through a mentoring platform.

Following the completion of all governance-related formalities, the Council was registered with the UAE's Federal Youth Authority. As part of this Youth Council, a strategic plan along with associated events were created to drive the Council's mission.

In the few short months since its establishment, the TAQA Youth Council has accomplished an impressive list of achievements, including holding a significant presence at COP27 and hosting a panel discussion on the importance of the UAE's youth in supporting the nation's ambitions for carbon neutrality by 2050.

TAQA's Youth Council hosts key discussions on Youth and the UAE's Net Zero ambitions



Inclusion of People of Determination (PoD)

TAQA is keen on making our organisation inclusive of PoD and providing equal opportunities in recruitment along with training and acceleration. We are also learning from our PoD employees and aim to create a platform that will establish partnerships with key organisations in the UAE. As part of the ESG Strategy, we have established a plan with associated initiatives, some of which have already been activated, to enhance participation across the Group and ensure a level of impact within this category.

In honour of World Cerebral Palsy Day, TAQA's very own, Ahmed AlMessabi, a high-performing Analyst within the Mergers and Acquisitions function, shared his story on TAQA's internal and social media platforms to spread awareness of his life with cerebral palsy and the challenges he has faced, in recognition of those impacted by the disorder.

There are more than 17 million people across the world living with cerebral palsy. Ahmed sheds light on the inspiring capabilities of those diagnosed while educating and spreading awareness to the community on how such talent continues to positively impact our society.



Diversity of Nationalities

In 2022, TAQA Group proudly retained a workforce comprising 70 nationalities, a significant increase to the 62 nationalities represented in 2021. The UAE has long been a melting pot of cultures and identities that naturally seep into UAE-based organisations without bias. Similarly in our operating companies across the globe, while local recruitment is encouraged to support local economies, diverse nationalities are also marked in many of our operations.

46. Youth definition as per Federal Youth Authority of the UAE

COMMUNITY ENGAGEMENT

GRI 413-1

Recent environmental and socio-economic issues, together with increasing levels of local activism, have reinforced the need for energy and utility companies to foster solid relationships within the communities in which they operate. TAQA recognises these emerging priorities and is committed to active participation in the communities we serve and in which we operate.



At TAQA, we want to be recognised as an organisation that proactively contributes to and supports social, economic and environmental initiatives through impact-based CSR projects. As such, Local Community Engagement was selected as a focus topic as part of our ESG Strategy announced last year.

ESG Strategy Focus Topic

Local Community Engagement



Focus group CSR efforts on two themes: **Education equality** and **Environment**



Increase **CSR spend above current levels** both nationally and globally



Upon embedding CSR within the ESG Strategy and establishing an associated function within Group Communications at HQ in 2022, TAQA was able to direct attention towards this vital topic and develop a strategic roadmap for our CSR Programme with the underlying ambitions guiding projects undertaken.

A key milestone this year was also the development of a CSR Policy and the establishment of the CSR Steering Group.

The CSR Policy governs all TAQA's CSR activities and sets out guidance on this topic ranging from roles and responsibilities, pillars and activations, commercial sponsorships and charitable donations guidelines, along with the approval process, record-keeping and reporting.

The CSR Steering Group is chaired by the Group Chief Communications Officer and comprises the CSR Manager at HQ, and members from our local operating companies and TAQA UK. We have also laid out plans to incorporate all remaining operating companies this year as the CSR function is more established and capable of supporting further entities. At the same time, the CSR Steering Group is also responsible for developing the CSR Strategy in alignment with the ESG Strategy, reviewing and endorsing projects submitted by each of the operating companies, monitoring CSR performance, developing key partnerships, and identifying synergies between projects and programmes.

The CSR Steering Group reports directly to the Sustainability Management Committee, which is responsible for directing and overseeing CSR strategies, initiatives and projects, along with endorsing the annual budget.

With established governance, the CSR function is well-placed for successful implementation of CSR programmes and realising community engagement goals. In 2022, CSR initiatives were focused on the following pillars and sub-areas, while also supporting charitable causes that support the most vulnerable communities:



Environmental

- Sustainability
- Climate Action
- Conservation of Ecosystems
- Education (Environment and Sustainability)



Social

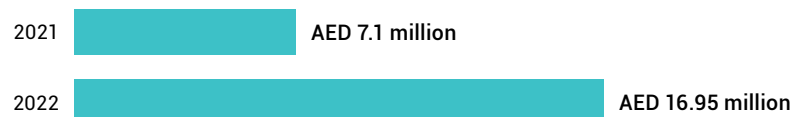
- Women Empowerment
- Youth and Education
- Emirati Culture and Heritage
- Diversity, Inclusion, Tolerance
- Community and Charity Support



Economic

- Supporting the Local Economy
- Business Sustainability
- Good Governance

In 2022, TAQA's community spending was AED 16.95 million which is an increase by 139% compared to the 2021 spend of AED 7.1 million. The spending in 2022 spanned 7 countries over 60 projects.



139%

Below are some of the most impactful projects:

Country	Pillar	Description	
UAE	Social: Community and Charity Support	<ul style="list-style-type: none"> Collaborated with the Emirates Red Crescent and TAQA Erbil, to purchase and distribute clothes and toys to 3,395 children in refugee camps and orphanages across Erbil for the celebration of Eid Promoted the Ramadan and the Pakistan Campaign run by the Emirates Red Crescent Promoted the Breast Cancer Campaign by Al Jalila Foundation Supported the Emirates Red Crescent in setting up a permanent donation cabin accessible for public donations in Abu Dhabi, and two donation bins, one in the western region and one in Al Ain. All of these were placed within the vicinity of the offices AADC participated in a desert clean up in Al Ain AADC staff visited and distributed gifts to Paediatric Cancer patients on Emirati Children's Day AADC involved their employees in a campaign to donate clothes to the Emirates Red Crescent Volunteered with the Emirates Red Crescent, employees distributed food to low-income labour workers during the month of Ramadan TAQA HQ, ADDC, and TRANSCO cleared out items from their storage units, and collectively donated over 1,000 items to the Emirates Red Crescent 	
		<ul style="list-style-type: none"> Sponsored and supported national events and cultural activations that celebrate and acknowledge the nation and its people Supported local women's craftsmanship to preserve Emirati culture 	
		<ul style="list-style-type: none"> Empowered women through Al Ghadeer UAE Crafts Established the Women's Council, sponsored workshops, and provided marketing and communication support 	
		<ul style="list-style-type: none"> AADC provided their employees with a health awareness programme throughout the year to raise awareness on critical health conditions, such as cervical cancer, chronic kidney diseases, colon cancer and breast cancer amongst other serious health issues 	
		<ul style="list-style-type: none"> ADDC developed and rolled out the 'Junior Power Programme' to give students an opportunity to gain knowledge on ADDC's core business Sponsored and participated in the Delma Festival, where awareness sessions on conserving water and electricity were conducted for children of different age groups As part of the Tarsheed Programme, AADC and ADDC, conducted educational sessions to promote electricity and water conservation tips by visiting eight schools across Abu Dhabi and Al Ain Established the Youth Council and supported initiatives through sponsorship of workshops and provided marketing and communication support Sponsored the Youth Council's annual forum 	
		<ul style="list-style-type: none"> Participated in the 'One Root, One Communi-Tree Project, (Phase two) organised by Emirates Environmental Group In celebration of the National Environment Day, AADC participated with Al Ain Municipality in an event organised in Al Towayya Park 	
	Environment: Education		

Country	Pillar	Description
CANADA	Social: Community and Charity Support	<ul style="list-style-type: none"> • TAQA North hosted their annual Charity Hockey Tournament to raise funds for the Canadian Mental Health Associations • Team TAQA participated in Run for the Cure, a charity race to support the Canadian Cancer Society and breast cancer research • Held the annual '12 Days of Giving' project, whereby staff from across the company collected food, toys, care items and/or donations for charities that support the most vulnerable within their communities • Donated to various community charities and events in the communities where they operate including 4-H Clubs, sporting associations and schools • As part of the 'First Nations Fund' which aims to strengthen relationships with the indigenous communities with whom TAQA North work, financial contributions were made to two key First Nations stakeholders, the O'Chiese and Sunchild First Nations
	Social: Youth and Education	<ul style="list-style-type: none"> • Hosted several golf tournaments throughout the fall in Calgary and each of the three operational areas in Canada to raise funds for child and youth programmes • One of TAQA North's priority community investment areas is children and youth, and in 2022 TAQA made a financial contribution towards Emerging Adults Mental Health Projects at the Alberta Children's Hospital
UK	Social: Community and Charity Support	<ul style="list-style-type: none"> • TAQA UK launched its new community fund, which addresses the needs of the local population and establishes new partnerships. In 2022 the key issue in the community was the cost-of-living crisis and the significant impact of rising energy and food costs • Funding allowed Project Search to purchase uniforms for their interns which boosted feelings of pride
	Environmental: Education	<ul style="list-style-type: none"> • Continued its sponsorship of the 'TechFest: STEM in the Park', an initiative that aims to engage all ages in science activities conducted in parks, which utilise teamwork, creativity, and most of all having fun while learning • Sponsored by TAQA, the club, whose enrolment comprised 13 girls and 43 boys, was held four times in 2022. Targeting 9-12-year-olds, the initiative encourages participants to use their problem-solving and creativity skills to discover engineering concepts through fun and hands-on activities and challenges
	Environmental: Sustainability, Education	<ul style="list-style-type: none"> • Sponsored Greenpower Education Trust to spark passion in science and engineering through a hands-on challenge to design, build, and race an electric car. With TAQA's support the event was able to go ahead after it was cancelled for two years running. Split into two teams comprising Goblin (9-11 year olds) and F24 (11-16 year olds), the event recorded approximately 100 participants
GHANA	Social: Health, Wellbeing and Safety	<ul style="list-style-type: none"> • Renovated surgical ward and updated equipment; promoted other community activities including education and civil infrastructure • Donated funds to complete the refurbishment of the Axim Regional Hospital Theatre, including purchasing medical equipment. Aimed at safeguarding the wellbeing of members of the public living in Axim and the surrounding communities; the project, which is the first major renovation undertaking in 50 years, is expected to save countless lives and reduce the number of preventable deaths associated with longer travel times to hospital facilities further away • Provided office furniture and other hospital items to Komfoeku Health Centre and Effia Nkwanta Regional Hospital • Supported the eradication of polio and other health initiatives in the communities
	Social: Youth and Education	<ul style="list-style-type: none"> • Contributed towards the purchasing of milling and grinding machines for a school to improve the school kitchen and provide students with healthy foods • Supported district and regional education through two primary initiatives. Firstly, we made financial contributions to support the organisation of secondary school mock exams for final-year students both at the district and regional levels. We then made financial contributions to the Inter-District JHS quiz competition. Both initiatives helped the students to prepare adequately for their final West African Basic School exams. As a result of these initiatives, a number of students were awarded full scholarships to study in higher institutions • Since 2003, TAQA Ghana has been organising the Kramar Scholarship Programme. The scheme offers financial scholarships to 200 qualifying students. This programme supports brilliant but disadvantaged students within the Shama district

Country	Pillar	Description
INDIA	Social: Community and Charity Support	<ul style="list-style-type: none"> Constructed roads and made infrastructure improvements to local public schools
	Social: Health, Wellbeing and Safety	<ul style="list-style-type: none"> Supported the renovation of a healthcare centre Made improvements to an overhead water tank for supply of water to local villagers Funded a new well and water pipeline to supply water in the community Donated personal protective equipment (PPE) apparel to a local fire unit Supported police station renovations to enhance quality of life within the community Supported road construction to enhance mobility for the community
MOROCCO	Social: Community and Charity Support	<ul style="list-style-type: none"> For the social integration of people with Down syndrome TAQA Morocco has partnered with the l'Association Marocaine de Soutien et d'Aide aux personnes Trisomiques (AMSAT) to help people, and their families, with Down syndrome in their social integration
	Social: Health, Wellbeing and Safety	<ul style="list-style-type: none"> In partnership with the Cheikh Zaid Ibn Soltan Foundation, TAQA Morocco provided free quality healthcare medical caravans, regularly insured by a mobile multi-purposed medical facility, with medical and paramedical teams from the Cheikh Zaid Hospital to populations with limited income, often located in remote rural areas. Formed a mobile multidisciplinary diagnostic centre with an ophthalmological unit that travels to isolated areas
	Social: Youth and Education	<ul style="list-style-type: none"> Joined NGO Insaf, on a programme that focuses on preventing families from the withdrawal of underage girls, in rural and remote areas, from school. TAQA Morocco supported ten girls, enabling them to acquire the education they need to build their future In cooperation with the Zakoura Foundation, we supported the launch of a preschool classroom in a rural area, which was established in the heart of a primary school that welcomes nearly 740 children in the village of Sidi Ismail in the El Jadida region. Prior to the development of the classroom, there had been no preschool education available. Following its introduction, the primary school is now able to support 60 children. Divided into two groups, the classes are given in half-days, led by teachers from the village, and trained by the Zakoura Foundation using the UNICEF teaching kit Sponsored five students who have chosen to pursue scientific studies at top educational institutions in Morocco, as part of a programme developed by Jadara Foundation (formerly called the Moroccan Student Foundation), a famed association that is dedicated to the development of young graduates with limited income. The programme provides sponsorship for five graduates, from disadvantaged backgrounds over a five- year period, with access to higher education, while also developing soft skills necessary for future success. Sponsorship covers comprehensive support of tuition, equipment, transportation, medical care, soft skills, life skills and digital skills
NETHERLANDS	Social: Community and Charity Support	<ul style="list-style-type: none"> Supported local arts and culture initiatives, including a sponsorship to promote energy awareness in primary schools Matched the donations of employees who donated their one-off energy compensation fee from the government to the local clothing bank Raised over EUR 8,000 for their Charity of the Year: the Youth Fund for Sports and Culture in Alkmaar; this was done through the donation of the proceeds from the sale of an obsolete Fast Rescue Craft, as well as part of the annual New Year's raffle and Bake Off in December
	Social: Youth and Education	<ul style="list-style-type: none"> Sponsored the Energy Challenges, an initiative that teaches young children about energy awareness and helps schools save energy at the same time. The programme runs nationwide but TAQA's support is focused on the Alkmaar region
	Environmental: Conservation of Ecosystems	<ul style="list-style-type: none"> As part of a comprehensive compensation agreement for the construction of Gas Storage Bergermeer, TAQA purchased 24 hectares of farmland in 2019. Over the next decade, the area will be developed into a nature reserve. It is managed under strict government rules for nature development by three local farmers

In coming years, TAQA aims to measure the outcome and impact of projects on the local and international communities to better understand the social return on investment and how to efficiently allocate resources.

CUSTOMER EXPERIENCE

Our distribution companies, ADDC and AADC, are the Group's customer-facing businesses serving 1.017 million end-user power and water connections in Abu Dhabi. Improving our customers' experience through our distribution operations is a key priority for TAQA and is reinforced through our 2030 Corporate Strategy under the Capability Building pillar.



We continued our transformation programme with the aspiration to become a top tier performing utility in line with international industry peers. This includes a strong focus on operational excellence through business process reengineering, addressing human capital needs, implementing leading practices in customer engagement, and through technology and innovation in both our network operations and our customer-facing operations.

In 2022, our distribution companies made significant strides through our customer excellence programme in developing customer-centric solutions that elevate customers' interactions with our services, while also streamlining their interaction with our products throughout the entire life cycle, from connection to payment to contending with any issues.

In early 2022, we also announced the launch of the Advanced Metering Infrastructure (AMI) Programme, which saw the implementation of cloud computing solutions and deployment of advanced analytics and artificial intelligence (AI) tools as part of our processes. These smart-grid technologies have enabled the attainment of more-real time data and enabled more informed and timely responses to any arising concerns within our networks and among our customers.

The AMI Programme sees the distribution companies take further steps to lay the groundwork for TAQA to become a digital utility through modernised IT infrastructure. The programme's workstreams will deliver new capabilities, address risks, and upskill staff on new technologies.

In early 2022, TAQA's distribution companies 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. This includes the connection of real-time automated digital metering throughout Abu Dhabi with a focus on providing improved customer service offerings. The multi-year project continued to progress over the course of 2022.

The distribution companies achieved the highest collections in the last 20 years, by focusing on key and institutional accounts, and on enhanced governance. This has enabled better cash flow management within the companies.

Responsible Customer Relationships

Our distribution companies, ADDC and AADC, each have contact centres responsible for collecting any customer complaints and relaying these complaints to the responsible teams within the companies to be resolved. The goal is to always address complaints in the shortest time possible, within our capabilities, and to ensure the highest levels of customer satisfaction. AADC and ADDC also conduct customer surveys to gauge customer satisfaction and improve services and offerings to meet customer needs.

In 2022, enhancements in our day-to-day operations at our contact centres resulted in marked improvements in our customer key

performance indicators (KPIs) compared to 2021. The below table summarises TAQA's key customer service KPIs in the last three years. We are proud to see the positive trend during this period and also in delivering a marked overall improvement in service in our customer KPIs.

Customer KPIs

	2021	2022
Customer service delivery - front line	90%	93%
Customer wait time (before and during service in branches) - front line	6:55	5:03
Timely issuance of customer bills - back end	97%	99%



Customer Health and Safety

GRI 416-1, 416-2

Customer health and safety is at the forefront of our priorities at TAQA and as previously mentioned, we strive for excellence always in the health and safety of all our stakeholders. Safety measures for water produced start at the level of water generation and continue through our T&D value chain.

TAQA has significant programmes in place to monitor and mitigate the water risks arising from our generation 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 World Health Organisation (WHO) and the DoE in alignment with the Water Quality Regulations.

In December 2022, the Abu Dhabi DoE also launched a Consumer Protection Policy to protect the interests of energy and water consumers in the Emirate. This new comprehensive policy regulates the operations of TAQA and other companies and service providers within the water and energy sector in Abu Dhabi. It also ensures processes are in place to safeguard customer data and

information privacy, outlines principles and prohibition for service disconnection, oversees service fees and customer complaint processes, as well as management of debts. It also ensures procedures are in place to manage cases where customers are in default, along with services provided to people of determination and homecare customers, among others.

This policy directly aligns with how TAQA handles its customer-related business and operations and will continue to guide the organisation in its ongoing improvement programmes. In the last three years, there have been no incidents of non-compliance concerning the health and safety impacts of products and services among both our distribution companies.

In addition to this policy, our T&D operating companies - TRANSCO, ADDC and AADC - comply with other DoE regulations, such as water transmission and distribution codes, and DoE Water Quality Regulations, as well as the regulations associated with Abu Dhabi Public Health (ADPHC) and the Environment Agency of Abu Dhabi (EAD). TAQA operating companies also have a suite of ISO Standards to enable health and safety of our products aligned with the COE.

Another exercise that is undertaken on a regular basis by the various companies is water quality testing. Facilitated before the water enters the transmission network maintained and operated by TRANSCO, the flow is analysed and if deemed to be substandard, it is not released into the network as per requirements set by the DoE. The operating companies (TRANSCO, ADDC and AADC) then undertake water quality testing with fully trained staff to ensure the quality of water in the network is in line with DoE water quality standards and transmission and distribution codes. Water quality is also reported to EMT and to the DoE periodically.

Lastly, we regularly engage with our customers to ensure standards are not only being met, but also that complaints regarding quality, taste, illness or others are handled with the utmost priority by the distribution companies, customer support teams.

The distribution companies also drove ISO 50001-compliant energy management systems into Abu Dhabi's largest industrial sites over a period of three years. This included increasing energy savings targets in large Abu Dhabi industrial sites and delivering energy management training sessions and workshops at Abu Dhabi industrial sites in 2022.

TAQA's Transmission and Distribution Operating Companies, TRANSCO, ADDC and AADC hold many certifications and recognitions that include:

TRANSCO

- Quality ISO 9001
- Environment ISO 14001
- Occupational H&SE OHSAS 18001

ADDC

- ISO 14001:2004 Quality Certification - Environment Management System
- OHSAS 18001:2007 Certification - Occupational Health and Safety
- ISO 9001:2008 Quality Certification
- British Safety Council - Five Star Occupational Health and Safety Audit

AADC

- SKEA - Shaikh Khalifa Excellence Award
- ADAEP- Abu Dhabi Award for Excellence in Government Performance, for the best Technical Project
- Integrated Management System (ISO 9001:2008, ISO 14001:2004 and 18001:2007 combined standards)
- ISO/IEC 17025:2005 for Laboratory Management System Standard (ISO 10002:2004) for handling customer complaints with respect to water and electricity service



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APPENDIX

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ASSURANCE STATEMENT



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INDEPENDENT ASSURANCE REPORT

TO THE BOARD OF DIRECTORS AND MANAGEMENT OF ABU DHABI NATIONAL ENERGY COMPANY PJSC (TAQA)

Scope

We have been engaged by Abu Dhabi National Energy Company PJSC (TAQA) to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the 'engagement', to report on Scope 1 and Scope 2 Greenhouse Gas (GHG) Emissions (in tCO₂e¹), Lost Time Injuries (LTIs) and Fatalities (together considered as 'Subject Matter') disclosures in TAQA's 2022 Sustainability Report for the period of 1 January 2022 to 31 December 2022.

Our limited assurance engagement covered disclosures reported in aggregate of Scope-1 and Scope-2 emissions, in tCO₂e, and absolute number of LTIs and Fatalities, as included in Appendix of this assurance report.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in TAQA's 2022 Sustainability Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by TAQA

In preparing the Subject Matter, TAQA applied GRI Sustainability Reporting Standards 2021 as published by the Global Reporting Initiative (the "Criteria"). The entities included in the reporting boundary are as per 'About This Report' section in Chapter 1 'Overview' in TAQA's 2022 Sustainability Report. As a result, the Subject Matter information may not be suitable for another purpose.

TAQA's responsibilities

TAQA's management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000'), the International Standard on Assurance Engagements 3410 "Assurance Engagements on Greenhouse Gas Statements" ("ISAE 3410") and the terms of reference for this engagement as agreed with TAQA. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

We do not accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance by any such third party may place on the report is entirely at its own risk.

¹ Comprising CO₂, CH₄, N₂O, SF₆ and hydrofluorocarbons



INDEPENDENT ASSURANCE REPORT

TO THE BOARD OF DIRECTORS AND MANAGEMENT OF ABU DHABI NATIONAL ENERGY COMPANY PJSC (TAQA) (continued)

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information, and applying analytical and other appropriate procedures. Our procedures included:

- a. Conducted interviews with key personnel in TAQA's headquarters and operating companies to understand the business and reporting process;
- b. Conducted interviews with key personnel to understand the process for collecting, validating, analysing, reviewing, approving and reporting the Subject Matter during the reporting period;
- c. Checked that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria;
- d. Undertook analytical review procedures over the Subject Matter and made inquiries of relevant personnel;
- e. Tested, on a sample basis, underlying source information to check the accuracy of the data;
- f. Tested the disclosure and presentation of the Subject Matter against the Criteria.

We also performed such other procedures as we considered necessary in the circumstances.



INDEPENDENT ASSURANCE REPORT

TO THE BOARD OF DIRECTORS AND MANAGEMENT OF ABU DHABI NATIONAL ENERGY COMPANY PJSC (TAQA) (continued)

Inherent limitations

Our conclusions are based on historical information collected during period 1 January 2022 to 31 December 2022, the projection of any information or conclusions in the attached TAQA's 2022 Sustainability Report to any future periods would be inappropriate. Our examination is substantially less in scope than an audit performed in accordance with International Standards on Auditing and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the information.

The scope of our engagement was limited to the reporting period, and therefore 2022 performance only for the Subject Matter. We do not provide conclusions on any other Data from prior years.

The responsibility for the prevention and detection of fraud, error and non-compliance with laws or regulations rests with TAQA's Management. Our work should not be relied upon to disclose all such material misstatements, frauds, errors or instances of non-compliance that may exist.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the Subject Matter disclosures and related information in TAQA's 2022 Sustainability Report for the period 1 January 2022 to 31 December 2022, in order for it to be in accordance with the Criteria.

Restricted use

This report is intended solely for the information and use of TAQA for the Subject Matter disclosures made in their 2022 Sustainability Report and is not intended to be and should not be used by anyone other than TAQA.

A member firm of Ernst & Young Global Limited

**Anthony O'Sullivan
Partner
25 April 2023**



Appendix

Subject Matter	Disclosure
Scope 1 GHG Emissions (in tCO ₂ e)	57,615,784
Scope 2 GHG Emissions (in tCO ₂ e)	190,011
Total GHG Emissions (Scope 1+Scope 2, in tCO ₂ e)	57,805,795
Lost Time Injuries (no.)	15
Fatalities (no.)	0



GRI CONTENT INDEX

For the Content Index - Advanced Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for all disclosures are included correctly and aligned with the appropriate sections in the body of the report.

For the SDG Mapping Add-on, GRI Services reviewed that the GRI disclosures included in the content index are appropriately mapped against the SDGs.

The service was performed on the English version of the report.

Statement of use	TAQA has reported in accordance with the GRI Standards for the period 1st January- 31st December 2022
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Sector standard not yet available

GRI Standard	Disclosure	Page number, chapter reference, direct answers, and reasons for omissions	SDG Mapping
General Disclosures (<i>Corporate Governance, Employment practices and employee development, Business model resilience, Business ethics, Transparency, accountability and reporting, Regulatory compliance, Stakeholder management, Human rights, Data privacy and security reporting</i>)			
GRI 2: General Disclosures 2021	2-1 Organisational details	Chapter 1 - Overview, <i>Who We Are</i> p. 2-3	
	2-2 Entities included in the organisation's sustainability reporting	Chapter 1 - Overview, <i>About this Report</i> p. 17-18	
	2-3 Reporting period, frequency, and contact point	Chapter 1 - Overview, <i>About this Report</i> p. 17-18	
	2-4 Restatements of information	Restatements made on the following in 2022 compared to previous years: <ul style="list-style-type: none"> • Scope of reporting, p. 18 • Scope 1 and 2 GHG emissions, p. 61 • GHG intensity, p.62 • Water distribution losses, p. 85 • Waste generated, p.95 	
	2-5 External assurance	Appendix - Assurance Statement	
	2-6 Activities, value chain and other business relationships	Chapter 1 - Overview, <i>Who We Are</i> Chapter 1 - Overview, <i>Our Businesses</i> p. 2-14	
	2-7 Employees	Chapter 6 - Growing with our People, <i>Employee Development</i> p. 111-112	SDG 8- Decent Work and Economic Growth SDG 10- Reduced Inequalities

GRI Standard	Disclosure	Page number, chapter reference, direct answers, and reasons for omissions	SDG Mapping
	2-8 Workers who are not employees	Chapter 6 - Growing with our People, <i>Employee Development</i> Contractors in the UAE receive benefits in line with UAE Labour Law. Our group also utilises contractors for various functions across our assets and business lines. Such contractors receive benefits in line with statutory requirements within their respective jurisdictions.	SDG 8- Decent Work and Economic Growth
	2-9 Governance structure and composition	Chapter 3 - Building Trust for our Stakeholders, <i>Corporate Governance</i> p. 30-32, p. 34	SDG 5- Gender Equality SDG 16- Peace, Justice and Strong Institutions
	2-10 Nomination and selection of the highest governance body	Chapter 3 - Building Trust for our Stakeholders, <i>Corporate Governance</i> p. 36	SDG 5- Gender Equality SDG 16- Peace, Justice and Strong Institutions
	2-11 Chair of the highest governance body	Chapter 3 - Building Trust for our Stakeholders, <i>Corporate Governance</i> p. 36	SDG 16- Peace, Justice and Strong Institutions
	2-12 Role of the highest governance body in overseeing the management of impacts	Chapter 3 - Building Trust for our Stakeholders, <i>ESG Operating Model</i> p. 38-39	SDG 16- Peace, Justice and Strong Institutions
	2-13 Delegation of responsibility for managing impacts	Chapter 3 - Building Trust for our Stakeholders, <i>Corporate Governance</i> p. 33 Chapter 3 - Building Trust for our Stakeholders, <i>ESG Operating Model</i> p. 38-39	
	2-14 Role of the highest governance body in sustainability reporting	Chapter 3 - Building Trust for our Stakeholders, <i>ESG Operating Model</i> p. 38-39	
	2-15 Conflicts of interest	Chapter 3 - Building Trust for our Stakeholders, <i>Corporate Governance</i> p. 37	SDG 16- Peace, Justice and Strong Institutions
	2-16 Communication of critical concerns	Chapter 3 - Building Trust for our Stakeholders, <i>Corporate Governance</i> p. 37	
	2-17 Collective knowledge of the highest governance body	Chapter 3 - Building Trust for our Stakeholders, <i>Corporate Governance</i> p. 36	
	2-18 Evaluation of the performance of the highest governance body	Chapter 3 - Building Trust for our Stakeholders, <i>Corporate Governance</i> p. 36	
	2-19 Remuneration policies	Chapter 3 - Building Trust for our Stakeholders, <i>Corporate Governance</i> p. 37	
	2-20 Process to determine remuneration	Chapter 3 - Building Trust for our Stakeholders, <i>Corporate Governance</i> p. 37	
	2-21 Annual total compensation ratio	Data pertaining to this is currently not disclosed by TAQA. TAQA will assess disclosure of this metric in future Sustainability Reports.	

GRI Standard	Disclosure	Page number, chapter reference, direct answers, and reasons for omissions	SDG Mapping
	2-22 Statement on sustainable development strategy	Group CEO and MD's message III-IV Chapter 2 - ESG at the Heart of our Corporate Strategy, <i>2030 Corporate Strategy</i> p. 22	
	2-23 Policy commitments	Chapter 3 - Building Trust for our Stakeholders, <i>Corporate Governance</i> p. 33, p. 36, p. 37 Chapter 3 - Building Trust for our Stakeholders, <i>Ethics and Compliance</i> p. 41 Chapter 3 - Building Trust for our Stakeholders, <i>Business Resilience</i> p. 47 Chapter 3 - Building Trust for our Stakeholders, <i>Transparency and Accountability</i> p. 52 Chapter 5 - Safeguarding our Resources p. 78	SDG 16- Peace, Justice and Strong Institutions
	2-24 Embedding policy commitments	Chapter 3 - Building Trust for our Stakeholders, <i>Corporate Governance</i> p. 33, p. 36, p. 37 Chapter 3 - Building Trust for our Stakeholders, <i>Ethics and Compliance</i> p. 41 Chapter 3 - Building Trust for our Stakeholders, <i>Business Resilience</i> p. 47 Chapter 3 - Building Trust for our Stakeholders, <i>Transparency and Accountability</i> p. 52 Chapter 5 - Safeguarding our Resources p. 78	
	2-25 Processes to remediate negative impacts	Chapter 3 - Building Trust for our Stakeholders, <i>Ethics and Compliance</i> p. 40-42	
	2-26 Mechanisms for seeking advice and raising concerns	Chapter 3 - Building Trust for our Stakeholders, <i>Ethics and Compliance</i> p. 40-42	SDG 16- Peace, Justice and Strong Institutions
	2-27 Compliance with laws and regulations	Chapter 3 - Building Trust for our Stakeholders, <i>Ethics and Compliance</i> p. 40-42	
	2-28 Membership associations	Chapter 3 - Building Trust for our Stakeholders, <i>Stakeholder Engagement</i> p. 57	
	2-29 Approach to stakeholder engagement	Chapter 3 - Building Trust for our Stakeholders, <i>Stakeholder Engagement</i> p. 54-56	

GRI Standard	Disclosure	Page number, chapter reference, direct answers, and reasons for omissions	SDG Mapping
	2-30 Collective bargaining agreements	Chapter 3 - Building Trust for our Stakeholders, <i>Human Rights</i> p. 45	SDG 8- Decent Work and Economic Growth
Material Topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Chapter 2 - ESG at the Heart of our Corporate Strategy, <i>ESG Strategy</i> p. 25-27	
	3-2 List of material topics	Chapter 2 - ESG at the Heart of our Corporate Strategy, <i>ESG Strategy</i> p. 26	
Economic Performance (<i>Business model resilience, Employment practices and employee development, Emergency and risk management, Fair pay and executive compensation</i>)			
GRI 3: Material Topics 2021	3-3 Management of material topics	Refer to TAQA's 2022 Integrated Report , Chapter 3, Financial Review, p.69	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Chapter 1 - Overview, Who We Are p. 3 Refer to TAQA's 2022 Integrated Report , Chapter 5, Financial Statements, p. 90	SDG 8- Decent Work and Economic Growth SDG 9- Industry, Innovation and Infrastructure
	201-2 Financial implications and other risks and opportunities due to climate change	Chapter 3 - Building Trust for Our Stakeholders, <i>Business Resilience</i> p. 50-51	SDG 13- Climate Action
	201-3 Defined benefit plan obligations and other retirement plans	Chapter 6 - Growing with our People, <i>Employee Development</i> p. 114	
	201-4 Financial assistance received from government	Chapter 1 - Overview, <i>Our Businesses</i> p. 12 Refer to TAQA's 2022 Integrated Report , Chapter 5, Financial Statements, p. 90	
Market Presence (<i>Employment practices and employee development</i>)			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 6 - Growing with our People, <i>Employee Development</i> p. 111-121	
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Data pertaining to this is currently not collected at Group level by TAQA. TAQA will assess disclosure of this metric in future Sustainability Reports.	N/A
	202-2 Proportion of senior management hired from the local community	Data pertaining to this is currently not collected at Group level by TAQA. TAQA will assess disclosure of this metric in future Sustainability Reports.	N/A
Indirect economic impacts (<i>Business model resilience, Low-carbon product portfolio, Local community engagement and impact, Employment practices and employee development, Customer Experience, Availability, reliability, Access and affordability, Supply chain sustainability and responsible procurement, Demand side management (DSM), Energy efficiency and resource use, Circular economy</i>)			
GRI 3: Material Topics 2021	3-3 Management of material topics	Refer to TAQA's 2022 Integrated Report , Chapter 2, Business Review, p.24	

GRI Standard	Disclosure	Page number, chapter reference, direct answers, and reasons for omissions	SDG Mapping
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	<p>Chapter 1 - Overview, <i>Our Businesses</i> p. 4-11</p> <p>Refer to TAQA's 2022 Integrated Report, Chapter 2, Business Review, p.24</p>	<p>SDG 5- Gender Equality</p> <p>SDG 9- Industry, Innovation and Infrastructure</p> <p>SDG 11- Sustainable Cities and Communities</p>
	203-2 Significant indirect economic impacts	<p>Chapter 4 - Accelerating the Energy Transition p. 58-76</p> <p>Chapter 5 - Safeguarding our Resources p. 77-100</p> <p>Chapter 6 - Growing with our People p. 101-129</p>	<p>SDG 1- No Poverty</p> <p>SDG 3- Good Health and Well-Being</p> <p>SDG 8- Decent Work and Economic Growth</p>
	Procurement practices (Supply chain sustainability and responsible procurement)		
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 5 - Safeguarding our Resources, <i>Circular Economy</i> p. 93-94	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Chapter 5 - Safeguarding our Resources, <i>Circular Economy</i> p. 93	SDG 8- Decent Work and Economic Growth
Anti-corruption (Business ethics, Regulatory compliance, Emergency and risk management)			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 3 - Building Trust for our Stakeholders, <i>Ethics and Compliance</i> p. 40-42	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	100%	SDG 16- Peace, Justice and Strong Institutions
	205-2 Communication and training about anti-corruption policies and procedures	Chapter 3 - Building Trust for our Stakeholders, <i>Ethics and Compliance</i> p. 43	SDG 16- Peace, Justice and Strong Institutions
	205-3 Confirmed incidents of corruption and actions taken	Chapter 3 - Building Trust for our Stakeholders, <i>Ethics and Compliance</i> p. 43	SDG 16- Peace, Justice and Strong Institutions
Anti-competitive behaviour (Business ethics, Regulatory compliance)			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 3 - Building Trust for our Stakeholders, <i>Ethics and Compliance</i> p. 40-42	
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Chapter 3 - Building Trust for our Stakeholders, <i>Ethics and Compliance</i> p. 40-42	SDG 16- Peace, Justice and Strong Institutions
Tax (Business model resilience, Business ethics, Regulatory compliance, Transparency, accountability and reporting, Emergency and risk management)			
GRI 3: Material Topics 2021	3-3 Management of material topics	Refer to TAQA's 2022 Integrated Report , Chapter 5, Business Review, p.88	
GRI 207: Tax 2019	207-1 Approach to tax	Refer to TAQA's 2022 Integrated Report , Chapter 5, Business Review, p.88	<p>SDG1- No Poverty</p> <p>SDG 10- Reduced Inequalities</p> <p>SDG 17- Partnerships for the Goals</p>

GRI Standard	Disclosure	Page number, chapter reference, direct answers, and reasons for omissions	SDG Mapping
	207-2 Tax governance, control, and risk management	Refer to TAQA's 2022 Integrated Report , Chapter 5, Business Review, p.88	SDG1- No Poverty SDG 10- Reduced Inequalities SDG 17- Partnerships for the Goals
	207-3 Stakeholder engagement and management of concerns related to tax	Refer to TAQA's 2022 Integrated Report , Chapter 5, Business Review, p.88	SDG1- No Poverty SDG 10- Reduced Inequalities SDG 17- Partnerships for the Goals
	207-4 Country-by-country reporting	Refer to TAQA's 2022 Integrated Report , Chapter 5, Business Review, p.88	SDG1- No Poverty SDG 17- Partnerships for the Goals
Materials (Circular economy)			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 5 - Safeguarding Our Resources, <i>Circular Economy</i> p. 89-97	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Data pertaining to this is currently not collected at Group level by TAQA. TAQA will assess disclosure of this metric in future Sustainability Reports.	N/A
	301-2 Recycled input materials used	Data pertaining to this is currently not collected at Group level by TAQA. TAQA will assess disclosure of this metric in future Sustainability Reports.	N/A
	301-3 Reclaimed products and their packaging materials	Data pertaining to this is not applicable to TAQA and thus not collected or reported.	N/A
Energy (Energy efficiency and resource use, GHG emissions, Demand side management (DSM), Water and effluents management, Stakeholder management)			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 5 - Safeguarding our Resources, <i>Energy Management</i> p. 79-81	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Chapter 5 - Safeguarding our Resources, <i>Energy Management</i> p. 80	SDG 7- Affordable and Clean Energy SDG 8- Decent Work and Economic Growth SDG 12- Responsible Consumption and Production SDG 13- Climate Action
	302-2 Energy consumption outside of the organization	Data pertaining to this is currently not estimated at Group level by TAQA. Refer to Chapter 4 - Accelerating the Energy Transition, <i>Sustainability Business Partner</i> (p. 58-76) and Chapter 5 - Safeguarding our Resources, <i>Water Management (Demand-side Management: Power and Water)</i> (p. 87-88) for further details on TAQA's efforts to reduce energy consumption in the value chain	SDG 7- Affordable and Clean Energy SDG 8- Decent Work and Economic Growth SDG 12- Responsible Consumption and Production SDG 13- Climate Action

GRI Standard	Disclosure	Page number, chapter reference, direct answers, and reasons for omissions	SDG Mapping
	302-3 Energy intensity	Chapter 5 - Safeguarding our Resources, <i>Energy Management</i> p. 79-81	SDG 7- Affordable and Clean Energy SDG 8- Decent Work and Economic Growth SDG 12- Responsible Consumption and Production SDG 13- Climate Action
	302-4 Reduction of energy consumption	Chapter 5 - Safeguarding our Resources, <i>Energy Management</i> p. 79-81	SDG 7- Affordable and Clean Energy SDG 8- Decent Work and Economic Growth SDG 12- Responsible Consumption and Production SDG 13- Climate Action
	302-5 Reductions in energy requirements of products and services	Chapter 5 - Safeguarding our Resources, <i>Energy Management</i> p. 79-81	SDG 7- Affordable and Clean Energy SDG 8- Decent Work and Economic Growth SDG 12- Responsible Consumption and Production SDG 13- Climate Action
Water and effluents (<i>Water and effluents management, Demand side management (DSM)</i>)			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 5 - Safeguarding our Resources, <i>Water Management</i> p. 82-88	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Chapter 5 - Safeguarding our Resources, <i>Water Management</i> p. 82-86	SDG 6- Clean Water and Sanitation SDG 12- Responsible Consumption and Production
	303-2 Management of water discharge-related impacts	Chapter 5 - Safeguarding our Resources, <i>Water Management</i> p. 84-85	SDG 6- Clean Water and Sanitation
	303-3 Water withdrawal	Chapter 5 - Safeguarding our Resources, <i>Water Management</i> p. 83	
	303-4 Water discharge	Chapter 5 - Safeguarding our Resources, <i>Water Management</i> p. 84	SDG 6- Clean Water and Sanitation
	303-5 Water consumption	Chapter 5 - Safeguarding our Resources, <i>Water Management</i> p. 83	

GRI Standard	Disclosure	Page number, chapter reference, direct answers, and reasons for omissions	SDG Mapping
Biodiversity (Biodiversity)			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 5 - Safeguarding our Resources, <i>Biodiversity</i> p. 99-100	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Data pertaining to this is currently not collected at Group level by TAQA. TAQA will assess disclosure of this metric in future Sustainability Reports.	N/A
	304-2 Significant impacts of activities, products and services on biodiversity	Chapter 5 - Safeguarding our Resources, <i>Biodiversity</i> p. 99-100	SDG 6- Clean Water and Sanitation SDG 14- Life on Land
	304-3 Habitats protected or restored	Data pertaining to this is currently not collected at Group level by TAQA. TAQA will assess disclosure of this metric in future Sustainability Reports.	N/A
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Data pertaining to this is currently not collected at Group level by TAQA. TAQA will assess disclosure of this metric in future Sustainability Reports.	N/A
Emissions (GHG emissions, Other air emissions and pollutants (NOx, SOx), Low-carbon product portfolio, Stakeholder management)			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 4 - Accelerating the Energy Transition, <i>Decarbonisation</i> p. 60-64 Chapter 5 - Safeguarding Our Resources, <i>Air Emissions</i> p. 98	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Chapter 4 - Accelerating the Energy Transition, <i>Decarbonisation</i> p. 61	SDG 3- Good Health and Well-Being SDG 12- Responsible Consumption and Production SDG 13- Climate Action SDG 14- Life on Land
	305-2 Energy indirect (Scope 2) GHG emissions	Chapter 4 - Accelerating the Energy Transition, <i>Decarbonisation</i> p. 61	SDG 3- Good Health and Well-Being SDG 12- Responsible Consumption and Production SDG 13- Climate Action SDG 14- Life on Land

GRI Standard	Disclosure	Page number, chapter reference, direct answers, and reasons for omissions	SDG Mapping
	305-3 Other indirect (Scope 3) GHG emissions	Data pertaining to this is currently not estimated at Group level by TAQA. Refer to Chapter 4 - Accelerating the Energy Transition, <i>Sustainability Business Partner</i> (p. 58-76) and Chapter 5 - Safeguarding our Resources, Water Management (<i>Demand-side Management: Power and Water</i>) (p. 87-88) for further details on TAQA's efforts to reduce energy consumption in the value chain	SDG 3- Good Health and Well-Being SDG 12- Responsible Consumption and Production SDG 13- Climate Action SDG 14- Life on Land
	305-4 GHG emissions intensity	Chapter 4 - Accelerating the Energy Transition, <i>Decarbonisation</i> p. 62	SDG 13- Climate Action SDG 14- Life on Land
	305-5 Reduction of GHG emissions	Chapter 4 - Accelerating the Energy Transition, <i>Decarbonisation</i> p. 62-64	SDG 13- Climate Action SDG 14- Life on Land
	305-6 Emissions of ozone-depleting substances (ODS)	Data pertaining to this is currently not collected at Group level by TAQA.	N/A
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Chapter 5 - Safeguarding Our Resources, <i>Air Emissions</i> p. 98	SDG 3- Good Health and Well-Being SDG 12- Responsible Consumption and Production SDG 14- Life on Land
Waste (Circular economy)			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 5 - Safeguarding our Resources, <i>Circular Economy</i> p. 95-97	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Chapter 5 - Safeguarding our Resources, <i>Circular Economy</i> p. 95-97	SDG 3- Good Health and Well-Being SDG 6- Clean Water and Sanitation SDG 11- Sustainable Cities and Communities SDG 12- Responsible Consumption and Production
	306-2 Management of significant waste-related impacts	Chapter 5 - Safeguarding our Resources, <i>Circular Economy</i> p. 95-97	SDG 3- Good Health and Well-Being SDG 6- Clean Water and Sanitation SDG 8- Decent Work and Economic Growth SDG 11- Sustainable Cities and Communities SDG 12- Responsible Consumption and Production

GRI Standard	Disclosure	Page number, chapter reference, direct answers, and reasons for omissions	SDG Mapping
	306-3 Waste generated	Chapter 5 - Safeguarding our Resources, <i>Circular Economy</i> p. 95	SDG 3- Good Health and Well-Being SDG 11- Sustainable Cities and Communities SDG 12- Responsible Consumption and Production
	306-4 Waste diverted from disposal	Chapter 5 - Safeguarding our Resources, <i>Circular Economy</i> p. 95	SDG 3- Good Health and Well-Being SDG 11- Sustainable Cities and Communities SDG 12- Responsible Consumption and Production
	306-5 Waste directed to disposal	Chapter 5 - Safeguarding our Resources, <i>Circular Economy</i> p. 95	SDG 3- Good Health and Well-Being SDG 11- Sustainable Cities and Communities SDG 12- Responsible Consumption and Production
Supplier environmental assessment (<i>Circular economy, Supply chain sustainability and responsible procurement</i>)			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 5 - Safeguarding our Resources, <i>Circular Economy</i> p. 93-94	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Chapter 5 - Safeguarding our Resources, <i>Circular Economy</i> p. 93-94	
	308-2 Negative environmental impacts in the supply chain and actions taken	Chapter 5 - Safeguarding our Resources, <i>Circular Economy</i> p. 93-94	
Employment (<i>Employment practices and employee development, Fair pay and executive compensation</i>)			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 6 - Growing with our People, <i>Employee Development</i>	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Chapter 6 - Growing with our People, <i>Employee Development</i> p. 111-112 Data pertaining to employee turnover is currently not collected at Group level by TAQA. TAQA will assess disclosure of this metric in future Sustainability Reports.	SDG 5- Gender Equality SDG 8- Decent Work and Economic Growth
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Chapter 6 - Growing with our People, <i>Employee Development</i> p. 114	SDG 3- Good Health and Well-Being SDG 5- Gender Equality
	401-3 Parental leave	Chapter 6 - Growing with our People, <i>Employee Development</i> p. 114	SDG 5- Gender Equality

GRI Standard	Disclosure	Page number, chapter reference, direct answers, and reasons for omissions	SDG Mapping
Labour/management relations (<i>Employment practices and employee development</i>)			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 6 - Growing with our People, <i>Employee Development</i> p. 111-118	
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Data pertaining to this is currently not collected at Group level by TAQA. TAQA will assess disclosure of this metric in future Sustainability Reports	N/A
Occupational health and safety (<i>Occupational health and safety, Emergency and risk management</i>)			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 6 - Growing with our People, <i>Occupational Health and Safety</i> p. 103-110	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Chapter 5 - Safeguarding our Resources, <i>Circular Economy</i> p. 92 Chapter 6 - Growing with our People, <i>Occupational Health and Safety</i> p. 103-105	SDG 8- Decent Work and Economic Growth
	403-2 Hazard identification, risk assessment, and incident investigation	Chapter 6 - Growing with our People, <i>Occupational Health and Safety</i> p.106	SDG 8- Decent Work and Economic Growth
	403-3 Occupational health services	Chapter 6 - Growing with our People, <i>Occupational Health and Safety</i> p. 103-108	SDG 8- Decent Work and Economic Growth
	403-4 Worker participation, consultation, and communication on occupational health and safety	Chapter 6 - Growing with our People, <i>Occupational Health and Safety</i> p. 107-108	SDG 8- Decent Work and Economic Growth SDG 16- Peace, Justice and Strong Institutions
	403-5 Worker training on occupational health and safety	Chapter 6 - Growing with our People, <i>Occupational Health and Safety</i> p. 107-108	SDG 8- Decent Work and Economic Growth
	403-6 Promotion of worker health	Chapter 6 - Growing with our People, <i>Employee Development</i> p. 116	SDG 3- Good Health and Well-Being
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Chapter 6 - Growing with our People, <i>Occupational Health and Safety</i> p. 103-108	SDG 8- Decent Work and Economic Growth
	403-8 Workers covered by an occupational health and safety management system	Chapter 6 - Growing with our People, <i>Occupational Health and Safety</i> p. 105-110	SDG 8- Decent Work and Economic Growth
	403-9 Work-related injuries	Chapter 6 - Growing with our People, <i>Occupational Health and Safety</i> p. 109-110	SDG 3- Good Health and Well-Being SDG 8- Decent Work and Economic Growth SDG 16- Peace, Justice and Strong Institutions

GRI Standard	Disclosure	Page number, chapter reference, direct answers, and reasons for omissions	SDG Mapping
	403-10 Work-related ill health	Chapter 6 - Growing with our People, <i>Occupational Health and Safety</i> p. 109-110	SDG 3- Good Health and Well-Being SDG 8- Decent Work and Economic Growth SDG 16- Peace, Justice and Strong Institutions
Training and education (<i>Employment practices and employee development</i>)			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 6 - Growing with our People, <i>Employee Development</i> p. 117-118	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Chapter 6 - Growing with our People, <i>Employee Development</i> p. 117-118	SDG 4- Quality Education SDG 8- Decent Work and Economic Growth SDG 10- Reduced Inequalities
	404-2 Programmes for upgrading employee skills and transition assistance	Chapter 6 - Growing with our People, <i>Employee Development</i> p. 117-118	SDG 8- Decent Work and Economic Growth
	404-3 Percentage of employees receiving regular performance and career development reviews	Chapter 6 - Growing with our People, <i>Employee Development</i> p. 115, p. 117-118	SDG 5- Gender Equality SDG 8- Decent Work and Economic Growth SDG 10- Reduced Inequalities
Diversity and equal opportunity (<i>Diversity and equal opportunity</i>)			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 6 - Growing with our People, <i>Employee Development</i> p. 119-121	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Chapter 3 - Building Trust for our Stakeholders, <i>Corporate Governance</i> p. 36 Chapter 6 - Growing with our People, <i>Employee Development</i> p. 119-121	SDG 5- Gender Equality SDG 8- Decent Work and Economic Growth
	405-2 Ratio of basic salary and remuneration of women to men	Data pertaining to this is currently not collected at Group level by TAQA. TAQA will assess disclosure of this metric in future Sustainability Reports.	N/A
Non-discrimination (<i>Human rights, Fair pay and executive compensation</i>)			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 3 - Building Trust for our Stakeholders, <i>Ethics and Compliance</i> p. 40-41	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Data pertaining to this is currently not collected at Group level by TAQA. TAQA will assess disclosure of this metric in future Sustainability Reports.	SDG 5- Gender Equality SDG 8- Decent Work and Economic Growth

GRI Standard	Disclosure	Page number, chapter reference, direct answers, and reasons for omissions	SDG Mapping
Freedom of association and collective bargaining (Human rights)			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 3 - Building Trust for our Stakeholders, <i>Human Rights</i> p. 45	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Chapter 3 - Building Trust for our Stakeholders, <i>Human Rights</i> p. 45	SDG 8- Decent Work and Economic Growth
Child labour (Human rights)			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 3 - Building Trust for our Stakeholders, <i>Human Rights</i> p. 44	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Chapter 3 - Building Trust for our Stakeholders, <i>Human Rights</i> p. 44	SDG 5- Gender Equality SDG 8- Decent Work and Economic Growth SDG 16- Peace, Justice and Strong Institutions
Forced or compulsory labour (Human rights)			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 3 - Building Trust for our Stakeholders, <i>Human Rights</i> p. 44	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Chapter 3 - Building Trust for our Stakeholders, <i>Human Rights</i> p. 44	SDG 5- Gender Equality SDG 8- Decent Work and Economic Growth
Security practices (Human rights, Data privacy and security reporting)			
GRI 3: Material Topics 2021	3-3 Management of material topics	Data pertaining to this is currently not available at Group level by TAQA. TAQA will assess disclosure of this metric in future Sustainability Reports.	
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	Data pertaining to this is currently not available at Group level by TAQA. TAQA will assess disclosure of this metric in future Sustainability Reports.	
Rights of indigenous peoples (Human rights, Fair pay and executive compensation)			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 3 - Building Trust for our Stakeholders, <i>Human Rights</i> p. 46	
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Chapter 3 - Building Trust for our Stakeholders, <i>Human Rights</i> p. 46	SDG 2- Zero Hunger

GRI Standard	Disclosure	Page number, chapter reference, direct answers, and reasons for omissions	SDG Mapping
Local communities (<i>Local community engagement and impact</i>)			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 6 - Growing with our People, Community Engagement p. 122-126	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	Chapter 6 - Growing with our People, Community Engagement p. 122-126	
	413-2 Operations with significant actual and potential negative impacts on local communities	Data pertaining to this is currently not collected at Group level by TAQA. TAQA will assess disclosure of this metric in future Sustainability Reports.	N/A
Supplier social assessment (<i>Circular economy, Supply chain sustainability and responsible procurement</i>)			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 5 - Safeguarding our Resources, <i>Circular Economy</i> p. 93-94	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Chapter 5 - Safeguarding our Resources, <i>Circular Economy</i> p. 93-94	SDG 5- Gender Equality SDG 8- Decent Work and Economic Growth SDG 16- Peace, Justice and Strong Institutions
	414-2 Negative social impacts in the supply chain and actions taken	Chapter 5 - Safeguarding our Resources, <i>Circular Economy</i> p. 93-94	SDG 5- Gender Equality SDG 8- Decent Work and Economic Growth SDG 16- Peace, Justice and Strong Institutions
Public policy (<i>Transparency, accountability and reporting</i>)			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 3 - Building Trust for our Stakeholders, <i>Transparency and Accountability</i> p. 52-53	
GRI 415: Public Policy 2016	415-1 Political contributions	Chapter 3 - Building Trust for our Stakeholders, <i>Transparency and Accountability</i> p. 53	SDG 16- Peace, Justice and Strong Institutions
Customer health and safety (<i>Customer Experience, Water and effluents management</i>)			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 5 - Safeguarding our Resources, <i>Water Management</i> p. 85 Chapter 6 - Growing with our People, <i>Customer Health and Safety</i> p. 129	
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Chapter 5 - Safeguarding our Resources, <i>Water Management</i> p. 85 Chapter 6 - Growing with our People, <i>Customer Health and Safety</i> p. 129	

GRI Standard	Disclosure	Page number, chapter reference, direct answers, and reasons for omissions	SDG Mapping
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Chapter 5 - Safeguarding our Resources, <i>Water Management</i> p. 85 Chapter 6 - Growing with our People, <i>Customer Health and Safety</i> p. 129	SDG 16- Peace, Justice and Strong Institutions
Marketing and labelling (<i>Customer Experience</i>)			
GRI 3: Material Topics 2021	3-3 Management of material topics	Data pertaining to this is not applicable to TAQA and thus not collected or reported.	
GRI 417: Marketing and Labelling 2016	417-1 Requirements for product and service information and labelling	Data pertaining to this is not applicable to TAQA and thus not collected or reported.	
	417-2 Incidents of non-compliance concerning product and service information and labelling	Data pertaining to this is not applicable to TAQA and thus not collected or reported.	
	417-3 Incidents of non-compliance concerning marketing communications	Data pertaining to this is not applicable to TAQA and thus not collected or reported.	
Customer privacy (<i>Transparency, accountability and reporting, Customer Experience</i>)			
GRI 3: Material Topics 2021	3-3 Management of material topics	Chapter 3 - Building Trust for our Stakeholders, <i>Transparency and Accountability</i> p. 52-53	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Chapter 3 - Building Trust for our Stakeholders, <i>Transparency and Accountability</i> p. 53	SDG 16- Peace, Justice and Strong Institutions

TAQA's material topics are included in brackets (in italics) next to the GRI Topic Standards.

The disclosure labels for the indicated disclosures are included next to the respective section headings but not in all the referred pages.

ADX ESG DISCLOSURES

Environmental

Data	Metric	Scope	Report Reference
E1. Greenhouse Gas (GHG) Emissions	E1.1: Total amount in CO2 equivalents, for Scope 1	Group	Chapter 4 - Accelerating the Energy Transition, Decarbonization
	E1.2: Total amount, in CO2 equivalents, for Scope 2	Group	Chapter 4 - Accelerating the Energy Transition, Decarbonization
	E1.3: Total amount, in CO2 equivalents, for Scope 3	Group	NA
E2. Emissions Intensity	E2.1: Total GHG emissions per revenue	Group	Chapter 4 - Accelerating the Energy Transition, Decarbonization
	E2.2: Total non-GHG emissions per output scaling factor	Group	Chapter 5 - Safeguarding our Resources, Air Emissions(umerator) Chapter 1 - Overview, Who We Are (denominator, revenue)
E3. Energy Usage	E3.1: Total amount of energy directly consumed	Group	Chapter 5 - Safeguarding our Resources, Energy Management
	E3.2: Total amount of energy indirectly consumed	Group	Chapter 5 - Safeguarding our Resources, Energy Management
E4. Energy Intensity	Total direct energy usage per output scaling factor	Group	Chapter 5 - Safeguarding our Resources, Energy Management
			Chapter 4 - Accelerating the Energy Transition, Decarbonisation
E5. Energy Mix	Energy usage by generation type	Group	Chapter 1 - Overview, Who We Are
E6. Water Usage	Total amount of water consumed	Group	Chapter 5 - Safeguarding our Resources, Water Management
	E6.2: Total amount of water discharged	Group	Chapter 5 - Safeguarding our Resources, Water Management
E7. Environmental Operations	E7.1: Does your company follow a formal Environmental Policy?	Group	Chapter 5 - Safeguarding our Resources, Circular Economy
	E7.2: Does your company follow specific waste, water, energy, and/ or recycling polices?	Group	Chapter 5 - Safeguarding our Resources, Water Management, Circular Economy
	E7.3: Does your company use a recognized energy management system?	Group	Chapter 5 - Safeguarding our Resources, Energy Management, Circular Economy
E8. Environmental Oversight	Does your Management Team oversee and/or manage sustainability issues?	Group	Chapter 3 - Building Trust for our Stakeholders, ESG Operating Model
E9. Environmental Oversight	Does your Board oversee and/ or manage sustainability issues?	Group	Chapter 3 - Building Trust for our Stakeholders, ESG Operating Model
E10. Climate Risk Mitigation	Total amount invested, annually, in climate-related infrastructure, resilience, and product development	Group	NA

Social

Data	Metric	Scope	Report Reference
S1. CEO Pay Ratio	S1.1: CEO total compensation to median Full Time Equivalent (FTE) total compensation	Group	NA
	S1.2: Does your company report this metric in regulatory filings?	Group	NA
S2. Gender Pay Ratio	Median male compensation to median female compensation	Group	NA
S3. Employee Turnover	S3.1: Year-over-year change for full-time employees	Group	NA
	S3.2: Year-over-year change for part-time employees	Group	NA
	S3.3: Year-over-year change for contractors/ consultants	Group	NA
S4. Gender Diversity	S4.1: Total enterprise headcount held by women	Group	Chapter 6 - Growing with our People, Employee Development
	S4.2: Entry- and mid-level positions held by women	Group	NA
	S4.3: Senior- and executive level positions held by women	Group	Chapter 6 - Growing with our People, Employee Development
S5. Temporary Worker Ratio	S5.1: Total enterprise headcount held by part-time employees	Group	NA
	S5.2: Total enterprise headcount held by contractors and/or consultants	Group	NA
S6. Non- Discrimination	Does your company follow non-discrimination policy?	Group	Chapter 3 - Building Trust for our Stakeholders, Ethics and Compliance
S7. Injury Rate	Frequency of injury events relative to total workforce time	Group	Chapter 6 - Growing with our People, Occupational Health and Safety
S8. Global Health & Safety	Does your company follow an occupational health and/or global health & safety policy?	Group	Chapter 6 - Growing with our People, Occupational Health and Safety
S9. Child & Forced Labor	S9.1: Does your company follow a child and/or forced labour policy?	Group	Chapter 3 - Building Trust for our Stakeholders, Ethics and Compliance
	S9.2: If yes, does your child and/or forced labour policy also cover suppliers and vendors?	Group	Chapter 3 - Building Trust for our Stakeholders, Ethics and Compliance
S.10 Human Rights	S10.1: Does your company follow a human rights policy?	Group	Chapter 3 - Building Trust for our Stakeholders, Ethics and Compliance
	S10.2: If yes, does your human rights policy also cover suppliers and vendors?	Group	Chapter 3 - Building Trust for our Stakeholders, Ethics and Compliance
S11. Nationalisation	Percentage of national employees	UAE	Chapter 6 - Growing with our People, Employee Development
S12. Community Investment	Amount invested in the community, as a percentage of company revenues	Group	Chapter 6 - Growing with our People, Community Engagement

Governance

Data	Metric	Scope	Report Reference
G.1 Board Diversity	G1.1: Total board seats occupied by women	Group	Chapter 3 - Building Trust for our Stakeholders, Corporate Governance
	G1.2: Committee chairs occupied by women	Group	Chapter 3 - Building Trust for our Stakeholders, Corporate Governance
G2. Board Independence	G2.1: Does company prohibit CEO from serving as board chair?	Group	Chapter 3 - Building Trust for our Stakeholders, Corporate Governance
	G2.2: Total board seats occupied by independent board members	Group	Chapter 3 - Building Trust for our Stakeholders, Corporate Governance
G3. Incentivized Pay	Are executives formally incentivized to perform on sustainability?	Group	Chapter 3 - Building Trust for our Stakeholders, Corporate Governance
G4. Supplier Code of Conduct	G4.1: Are your vendors or suppliers required to follow a Code of Conduct?	Group	Chapter 3 - Building Trust for our Stakeholders, Ethics and Compliance
	G4.2: If yes, what percentage of your suppliers have formally certified their compliance with the code?	Group	Chapter 3 - Building Trust for our Stakeholders, Ethics and Compliance
G5. Ethics & Prevention of Corruption	G5.1: Does your company follow an Ethics and/or Prevention of Corruption policy?	Group	Chapter 3 - Building Trust for our Stakeholders, Ethics and Compliance
	G5.2: If yes, what percentage of your workforce has formally certified its compliance with the policy?	Group	Chapter 3 - Building Trust for our Stakeholders, Ethics and Compliance
G6. Data Privacy	G6.1: Does your company follow a Data Privacy policy?	Group	Chapter 3 - Building Trust for our Stakeholders, Transparency and Accountability
	G6.2: Has your company taken steps to comply with GDPR rules?	Group	Chapter 3 - Building Trust for our Stakeholders, Transparency and Accountability
G7. Sustainability Reporting	Does your company publish a sustainability report?	Group	Chapter 1 - Overview, About this Report
G8. Disclosure Practices	G8.1: Does your company provide sustainability data to sustainability reporting frameworks?	Group	Chapter 1 - Overview, About this Report
	G8.2: Does your company focus on specific UN Sustainable Development Goals (SDGs)?	Group	Chapter 2 - ESG at the Heart of our Corporate Strategy, ESG Strategy
	G8.3: Does your company set targets and report progress on the UN SDGs?	Group	Chapter 2 - ESG at the Heart of our Corporate Strategy, ESG Strategy
G9. External Assurance	Are your sustainability disclosures assured or verified by a third-party audit firm?	Group	Appendix - Assurance Statement

Refer to TAQA'S 2022 Integrated Report, Appendices, p.183, for the ADX ESG Disclosure Table including TAQA's ESG performance, through this link [20230315-TAQA-AR-2022_ENG_Full-V7.pdf](https://www.taqa.com/20230315-TAQA-AR-2022_ENG_Full-V7.pdf)

Restatements have been made to certain data points based on improvements in calculation methodology and quality checks.

UNGC COMMUNICATION ON PROGRESS (COP) (2010 version)

United Nations Global Compact Principle		Report Reference
Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	Chapter 3 - Building Trust For Our Stakeholders, Human Rights
	Principle 2: Make sure that they are not complicit in human rights abuses	Chapter 3 - Building Trust For Our Stakeholders, Human Rights
Labour	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Chapter 3 - Building Trust For Our Stakeholders, Human Rights
	Principle 4: The elimination all forms of forced and compulsory labour	Chapter 3 - Building Trust For Our Stakeholders, Human Rights
	Principle 5: The effective abolition of child labour	Chapter 3 - Building Trust For Our Stakeholders, Human Rights
	Principle 6: The elimination of discrimination in respect of employment and occupation	Chapter 3 - Building Trust For Our Stakeholders, Human Rights
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges	Chapter 5 - Safeguarding our Resources
	Principle 8: Undertake initiatives to promote greater environmental responsibility	Chapter 4 - Accelerating Energy Transition, Sustainability Business Partner
	Principle 9: Encourage the development and diffusion of environmentally	Chapter 4 - Accelerating Energy Transition, Sustainability Business Partner
Anti-corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Chapter 3 - Building Trust For Our Stakeholders, Ethics and Compliance

Refer to TAQA's Communication on Progress to the UNGC published on 09/12/2022 at the following link: [Abu Dhabi National Energy Company PJSC \(TAQA\) – Communication on Progress | UN Global Compact](#).

Also refer to [TAQA's 2022 Integrated Report](#) and [bond prospectus](#).

TAQA will use the revised 2023 CoP version in the next reporting cycle.

SASB DISCLOSURES

Industry: Electric Utilities & Power Generators

Topic	Accounting Metric	Report Reference or Direct Answers
Greenhouse Gas Emissions & Energy Resource Planning	1) Gross global Scope 1 emissions, percentage covered under (2) emissions-limiting regulations, and (3) emissions-reporting regulations	Chapter 4 - Accelerating the Energy Transition, Decarbonisation 57.62 million tCO2e. Close to 4% emissions are covered under emissions-limiting regulations and more than 95% covered under emissions-reporting regulations.
	Greenhouse gas (GHG) emissions associated with power deliveries	96%
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Chapter 4 - Accelerating the Energy Transition, Decarbonisation
	(1) Number of customers served in markets subject to renewable portfolio standards (RPS) and (2) percentage fulfilment of RPS target by market	Nil
Air Quality	Air emissions of the following pollutants: (1) NOx (excluding N2O), (2) SOx, (3) particulate matter (PM10), (4) lead (Pb), and (5) mercury (Hg); percentage of each in or near areas of dense population	Chapter 5 - Safeguarding our Resources, Air Emissions Only NOx and SOx are disclosed.
Water Management	(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Chapter 5 - Safeguarding our Resources, Water Management
	Number of incidents of non-compliance associated with water quantity and/or quality permits, standards, and regulations	Nil
	Description of water management risks and discussion of strategies and practices to mitigate those risks	Chapter 5 - Safeguarding our Resources, Water Management, Circular Economy Chapter 3 - Building Trust for our Stakeholders Business Resilience
Coal Ash Management	Amount of coal combustion residuals (CCR) generated, percentage recycled	Chapter 5 - Safeguarding our Resources, Water Management, Circular Economy Fly ash briefly discussed, more details to be considered for future reporting.
	Total number of coal combustion residual (CCR) impoundments, broken down by hazard potential classification and structural integrity assessment	To be considered for future reporting.
Workforce Health & Safety	(1) Total recordable incident rate (TRIR), (2) fatality rate, and (3) near miss frequency rate (NMFR)	Chapter 6 - Growing with our People, Occupational Health and Safety

Topic	Accounting Metric	Report Reference or Direct Answers
Energy Affordability	Average retail electric rate for (1) residential, (2) commercial, and (3) industrial customers	Refer to ADDC Utility Tariff 2023 and AADC Utility Tariff 2023 .
	Typical monthly electric bill for residential customers for (1) 500 kWh and (2) 1,000 kWh of electricity delivered per month	See above
	Number of residential customer electric disconnections for non-payment, percentage reconnected within 30 days	Chapter 4 - Accelerating the Energy Transition, Energy Security
	Discussion of impact of external factors on customer affordability of electricity, including the economic conditions of the service territory	Chapter 1 - Overview, Our Businesses (Power and Water Sector Flows)
End-Use Efficiency & Demand	Percentage of electric utility revenues from rate structures that (1) are decoupled and (2) contain a lost revenue adjustment mechanism (LRAM)	Refer to TAQA's 2022 Integrated Report , further specifics to be considered for future reporting.
	Percentage of electric load served by smart grid technology	To be considered for future reporting.
	Customer electricity savings from efficiency measures, by market	Chapter 5 - Safeguarding our Resources, Energy Management, Water Management
Nuclear Safety & Emergency Management	Total number of nuclear power units, broken down by U.S. Nuclear Regulatory Commission (NRC) Action Matrix Column	Not Applicable
	Description of efforts to manage nuclear safety and emergency preparedness	Not Applicable
Grid Resiliency	Number of incidents of non-compliance with physical and/or cybersecurity standards or regulations	Chapter 3 - Building Trust for Our Stakeholders, Transparency and Accountability
	(1) System Average Interruption Duration Index (SAIDI), (2) System Average Interruption Frequency Index (SAIFI), and (3) Customer Average Interruption Duration Index (CAIDI), inclusive of major event days	Chapter 4 - Accelerating the Energy Transition, Energy Security SAIFI and SAIDI disclosed alongside other customer service metrics.

Activity Metric	Report Reference or Direct Answers
Number of: (1) residential, (2) commercial, and (3) industrial customers served, by service provided	Chapter 1 - Overview, Who We Are, Our Businesses Also refer to the base prospectus (bond) .
Total electricity delivered to: (1) residential, (2) commercial, (3) industrial, (4) all other retail customers, and (5) wholesale customers	Please refer to the base prospectus (bond) .
Length of transmission and distribution lines	Please refer to the base prospectus (bond) .
Total electricity generated, percentage by major energy source, percentage in regulated markets	95,756 GWh (net), Gas 79% Coal 18% Renewable 3%, close to 100% in regulated markets
Total wholesale electricity purchased	Chapter 5 - Safeguarding our Resources, Energy Management

Industry: Water Utilities & Services

Topic	Accounting Metric	Report Reference or Direct Answers
Energy Management	(1) Total energy consumed	Chapter 5 - Safeguarding our Resources, Energy Management, Water Management 1 – 21% of total energy use in the UAE 2 – 100% 3 – 3%
	(2) percentage grid electricity	
	(3) percentage renewable	
Distribution Network Efficiency	Water main replacement rate	To be considered for future reporting.
	Volume of non-revenue real water losses	Chapter 5 - Safeguarding our Resources, Water Management Expressed as a %
Effluent Quality Management	Number of incidents of non-compliance associated with water effluent quality permits, standards, and regulations	Nil
	Discussion of strategies to manage effluents of emerging concern	Chapter 5 - Safeguarding our Resources, Water Management, Circular Economy Chapter 3 - Building Trust for our Stakeholders, Business Resilience
Water Affordability & Access	Average retail water rate for (1) residential (2) commercial (3) industrial customers	Refer to ADDC Utility Tariff 2023 and AADC Utility Tariff 2023 .
	Typical monthly water bill for residential customers for 10 Ccf of water delivered per month	Refer to ADDC Utility Tariff 2023 and AADC Utility Tariff 2023 .
	Number of residential customer water disconnections for non-payment, percentage reconnected within 30 days	Chapter 4 - Accelerating the Energy Transition, Energy Security
	Discussion of impact of external factors on customer affordability of water, including the economic conditions of the service territory	Chapter 1 - Overview, Our Businesses (Power and Water Sector Flows)
Drinking Water Quality	Number of (1) acute health-based, (2) non-acute health-based, and (3) non-health-based drinking water violations	Nil, please find the DoE Annual Technical Report
	Discussion of strategies to manage drinking water contaminants of emerging concern	Chapter 5 - Safeguarding our Resources, Water Management, Circular Economy Chapter 3 - Building Trust for our Stakeholders, Business Resilience
End-Use Efficiency	Percentage of water utility revenues from rate structures that are designed to promote conservation and revenue resilience	Refer to TAQA's 2022 Integrated Report , further specifics to be considered for future reporting.
	Customer water savings from efficiency measures, by market	Chapter 5 - Safeguarding our Resources, Energy Management, Water Management

Water Supply Resilience	Total water sourced from regions with High or Extremely High Baseline Water Stress, percentage purchased from a third party	Chapter 5 - Safeguarding our Resources, Water Management
	Volume of recycled water delivered to customers	Please find the DoE Annual Technical Report
	Discussion of strategies to manage risks associated with the quality and availability of water resources	Chapter 5 - Safeguarding our Resources, Water Management, Circular Economy Chapter 3 - Building Trust for our Stakeholders, Business Resilience
Network Resiliency & Impacts of Climate Change	Wastewater treatment capacity located in 100-year flood zones	Not Applicable
	(1) Number	Not Applicable
	(2) volume of sanitary sewer overflows (SSO)	
	(3) percentage of volume recovered	
	(1) Number of unplanned service disruptions, (2) customers affected, each by duration category	Chapter 4 - Accelerating the Energy Transition, Energy Security
	Description of efforts to identify and manage risks and opportunities related to the impact of climate change on distribution and wastewater infrastructure	Chapter 5 - Safeguarding our Resources, Water Management, Circular Economy Chapter 3 - Building Trust for our Stakeholders, Business Resilience

Activity Metric	Report Reference
Number of: (1) residential, (2) commercial, and (3) industrial customers served, by service provided	Chapter 1 - Overview, Who We Are, Our Businesses Also refer to the base prospectus (bond) .
Total water sourced, percentage by source type	Chapter 5 - Safeguarding our Resources, Water Management
Total water delivered to: (1) residential, (2) commercial, (3) industrial, and (4) all other customers	Chapter 5 - Safeguarding our Resources, Water Management Please refer to the base prospectus (bond) .
Average volume of wastewater treated per day, by (1) sanitary sewer, (2) stormwater, and (3) combined sewer	Not Applicable
Length of (1) water mains and (2) sewer pipe	Chapter 1 - Overview, Who We Are, Our Businesses Also refer to the base prospectus (bond) . 2 – not applicable.

WEF DISCLOSURES

As per the core metrics and disclosures in “**Measuring Stakeholder Capitalism**: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation”.

Principles of Governance

Theme	Core Metrics and disclosures	Report Reference or Direct Answers
Governing purpose	Setting purpose	Chapter 2 - ESG at the Heart of our Corporate Strategy, ESG Strategy
Quality of governing body	Governance body composition	Chapter 3 - Building Trust for our Stakeholders, Corporate Governance Also refer to Corporate Governance Report 2022
Stakeholder engagement	Material issues impacting stakeholders	Chapter 2 - ESG at the Heart of our Corporate Strategy, ESG Strategy
Ethical behaviour	Anti-corruption	Chapter 3 - Building Trust for our Stakeholders, Ethics and Compliance Also refer to Corporate Governance Report 2022
	Protected ethics advice and reporting mechanisms	Chapter 3 - Building Trust for our Stakeholders, Ethics and Compliance Also refer to Corporate Governance Report 2022
Risk and opportunity oversight	Integrating risk and opportunity into business process	Chapter 3 - Building Trust for our Stakeholders, Business Resilience Also refer to Corporate Governance Report 2022

Planet

Theme	Core Metrics and disclosures	Report Reference and Direct Answers
Climate Change	Greenhouse gas (GHG) emissions	Chapter 4 - Accelerating the Energy Transition, Decarbonisation Scope 3 emissions are not reported and to be considered for future reporting.
	TCFD implementation	Chapter 3 - Building Trust for our Stakeholders, Business Resilience TAQA currently discloses climate-related risks and opportunities. Full TCFD disclosure is to be considered for future reporting.
Nature loss	Land use and ecological sensitivity	To be considered for future reporting
Freshwater availability	Water consumption and withdrawal in water-stressed areas	Chapter 5 - Safeguarding our Resources, Water Management

People

Theme	Core Metrics and disclosures	Report Reference and Direct Answers
Dignity and equality	Diversity and inclusion	Chapter 6 - Growing with our People, Diversity and Equal Opportunity Further specifics to be considered for future reporting.
	Pay equality	To be considered for future reporting
	Wage level	To be considered for future reporting
	Risk for incidents of child, forced or compulsory labour	Chapter 3 - Building Trust for our Stakeholders, Ethics and Compliance Further specifics to be considered for future reporting.
Health and wellbeing	Health and safety	Chapter 6 - Growing with our People, Occupational Health and Safety
Skills for the future	Training provided	Chapter 6 - Growing with our People, Employee Development Further specifics to be considered for future reporting.

Prosperity

Theme	Core Metrics and disclosures	Report Reference and Direct Answers
Employment and wealth generation	Absolute number and rate of employment	To be considered for future reporting.
	Economic Contribution	Chapter 1 - Overview, Who We Are Also refer to TAQA's 2022 Integrated Report and bond prospectus .
	Financial investment contribution	Refer to TAQA's 2022 Integrated Report and bond prospectus .
Innovation in better products and services	Total R&D expenses	To be considered for future reporting.
Community and social vitality	Total tax paid	Refer to TAQA's 2022 Integrated Report and bond prospectus .

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This Report may contain certain forward-looking statements with respect to TAQA's strategic position, results of operations and business and certain of TAQA's plans, intentions, expectations, assumptions, goals, and beliefs related thereto. These statements include, among other things, statements about TAQA's expectations in connection with the Company's environmental, social and governance ("ESG") initiatives, including the targets and goals set forth in this Report. . TAQA's ability to reach its goals, including goals related to ESG initiatives and minimizing the environmental impact, ensure safe

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The forward-looking statements speak only as of the date of this Report. TAQA undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. All subsequent written and oral forward-looking statements attributable to TAQA or to persons acting on TAQA's behalf are expressly qualified in their entirety by the aforementioned cautionary statements. Except where noted, the information covered in this Report highlights the Company's performance and initiatives in the year 2022. The inclusion of information in this Report should not be construed as a characterization regarding the materiality or financial impact of that information.

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Please note that rounding differences may appear throughout the report.



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