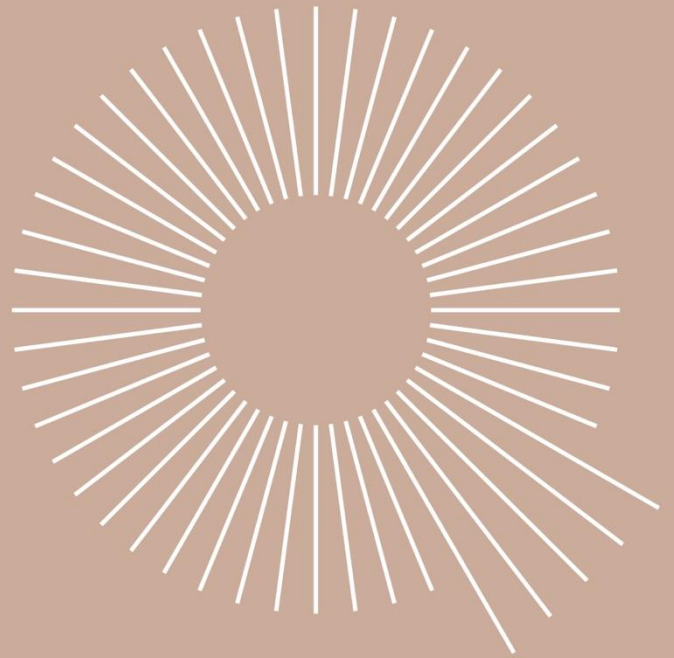


EMBARKING ON A NEW JOURNEY

TAQA Sustainability
Report 2020



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INTRODUCTION

Group CEO and Managing Director's message GRI 102-14

Dear stakeholders,

2020 was a year of change for TAQA and the world around us. Early last year, TAQA acquired ADPower's power and water transmission and distribution assets along with several generation assets that included significant renewable power projects in operation or under construction. This transformed TAQA to become a leading integrated utility in the Europe, Middle East and Africa (EMEA) region with notable green credentials. For example, we now own the world's largest single-site solar photovoltaic (PV) plant with construction underway for an even larger plant in Abu Dhabi, UAE.

In August 2020, we announced a new strategic direction for the Group focused on becoming the low carbon power and water champion for the UAE and beyond. Additionally, we outlined five further strategic imperatives covering digitalization and efficiency of operations, value-added international growth, financial discipline, capability enhancement, and maintaining strong partnerships with governments and regulators around the world where we operate.

The world around us also changed significantly in 2020. The global COVID-19 pandemic caused large-scale disruptions, which dramatically affected many industries, including ours. At TAQA, we successfully navigated these momentous challenges, balancing our top priority for employee safety with our mandate to provide uninterrupted power, water and energy supplies to the communities we serve and the markets at large.

Our financial results, impacted as they were by significant commodity market volatility in our upstream Oil & Gas businesses, showcased our resilience during these challenging market conditions. Importantly, it highlighted the stability and strength of our core utilities business – the majority of our assets and operations – and our utilities business model. TAQA's operational performance and strong health and safety track-record during this tumultuous period were also exemplary. I am very proud of all the teams that delivered during these unprecedented times.

We are continuing to build upon the strategic imperatives we set out last year. In early 2021, and with the full support of our Board, we detailed further aspects of our long-term strategy, placing sustainability at the heart of our plans. Our 2030 strategy foresees significant growth across our power and water value chain – generation, transmission and distribution.

In our Transmission & Distribution segment, we are allocating up to AED 40 billion for significant maintenance and expansionary CAPEX spending, catering to a more electrified future. We also plan to significantly expand our power generation capacity in the UAE, increasing from 18GW at the end of 2020 to 30GW by 2030. Internationally, we announced a target to add up to 15GW in power generation capacity. Much of these power generation additions, in the UAE and abroad, will comprise of new renewable energy assets. We expect over 30% of our installed power generation capacity to be renewable by 2030, up from 5% in 2020. Similarly, we will invest in standalone water desalination plants utilising more efficient reverse osmosis technology. By 2030, this less carbon intensive approach will make up over two-thirds of our total water desalination capacity, up from 14% in 2020.

Towards the end of 2021 and to further accelerate our progress toward our strategy targets, we announced a new strategic partnership with ADNOC and Mubadala to create a global champion in renewables and green hydrogen. As the largest shareholder in Masdar's renewables platform, the anticipated move would give TAQA a very strong head start in the renewables space. Upon completion, the strategic partnership will launch with over 23GW of current, committed and exclusive renewable energy capacity, with ambition to grow to well over 50GW by 2030. Masdar's portfolio includes assets in over 30 countries and takes us well past our initial 2030 targets for international growth. The partnership will also see TAQA take a minority stake in a new green hydrogen platform that will leverage ADNOC's leading role in hydrogen, with its global trading capabilities, infrastructure and logistics network.



These targets announced and the significant progress made in achieving them highlight our commitment to TAQA's decarbonisation strategy and that of Abu Dhabi and the UAE. TAQA is decoupling its gas-fired power and water production, which is largely cogenerated today. By having standalone gas-fired and solar photovoltaic power production with separate reverse osmosis plants for water desalination, we will be able to more efficiently meet fluctuations in demand for power and water, particularly during the peak summer season. In addition, we will see clean nuclear power take on a large portion of base-load demand (note that the Barakah nuclear plant falls outside TAQA's portfolio). This will lower utilisation rates and GHG emissions of the least efficient thermal power plants within our fleet whilst TAQA's business model for contracted generation, which ensures capacity-based payments, will protect us from any significant financial impacts whilst ensuring sufficient back-up capacity continues to be readily available to support the system.

TAQA's decarbonisation plans also include further reducing its exposure to hydrocarbons. We have committed to not investing further in coal-fired power generation and we are undertaking a strategic review of our Oil & Gas businesses, exploring all options ranging from retention to divestment.

Our strategy aligns with Abu Dhabi's 2030 vision to develop sufficient and resilient infrastructure to support anticipated economic growth, as well as the UAE's National Energy Strategy 2050 to achieve a 50% clean energy mix by 2050. In the run-up to the UN Climate Change Conference in November 2021 (COP 26), the UAE increased its ambitions with its 2050 Net Zero Initiative.

In support of these national initiatives, TAQA will seek to target net zero emissions by 2050 for its own global portfolio of assets. We expect to set interim 2030 emissions targets in the near future, taking into account the contribution of renewables in our expanding portfolio of power generation assets to the reduction of our emissions intensities. This will be a key step on our pathway to net zero.

We are especially proud to host the first ever World Utilities Congress to be held in Abu Dhabi during May 2022. It will bring together ministers, global leaders and key power and water industry stakeholders to discuss business-critical needs, identify new solutions and consider new opportunities for collaboration. This event will showcase the sector's central role in transitioning to a new era for sustainable energy and water, and how it is embracing transformational technologies.

As we carry out the above outlines of our strategy, we will seek to simultaneously digitise and optimise operations across our business lines, particularly in the Transmission & Distribution operations. We will also support Abu Dhabi's Demand Side Management and Energy Rationalization Strategy 2030 through our wholly owned Super ESCO, Abu Dhabi Energy Services (ADES). To that end, we have already signed several preliminary agreements with significant real estate owners and facilities operators to explore how we can help them realize their sustainability goals through large-scale retrofitting solutions.

Lastly, we remain committed to maintaining a strong balance sheet and substantial financial resources. This will help us fulfil our ambitious strategy as we look to implement large scale projects that are instrumental to the low carbon transformation of the sector.

This is TAQA's first sustainability report that sets us out on our sustainability journey as a fully integrated utility. We have ambitious plans which we will work hard to achieve alongside our many partners and stakeholders. We acknowledge the work ahead and we will look to measure, report and manage an increasingly focussed set of sustainability metrics year after year. I welcome all feedback from you, our stakeholders, on the issues important to you and how we can better manage our impacts on the world around us as we continue to deliver the energy and water needs of our customers.



Jasim Husain Thabet

TAQA Group CEO and Managing Director
December 2021

About TAQA GRI 102-1, 102-2, 102-3, 102-4, 102-5

Abu Dhabi National Energy Company PJSC ("TAQA", the "Group", or the "Company") is a diversified utilities and energy group headquartered in Abu Dhabi, the capital of the United Arab Emirates, and listed on the Abu Dhabi Securities Exchange (ADX, ticker: TAQA)¹. TAQA has significant investments in power and water generation, transmission and distribution assets, as well as upstream and midstream oil and gas operations. The company's assets are in 11 countries: predominantly the United Arab Emirates as well as Canada, Ghana, India, Iraq, Morocco, Oman, the Netherlands, Saudi Arabia, the United Kingdom and the United States.

In 2020, TAQA was transformed into a leading, fully integrated power and water utility following the landmark transaction with Abu Dhabi Power Corporation (ADPower). As part of the transaction, TAQA acquired significant power and water transmission and distribution assets, complementing an existing global portfolio of power and water generation assets as well as oil and gas operations.

ADPower, a wholly owned subsidiary of Abu Dhabi Developmental Holding Company (ADQ), one of the wholly owned strategic investment companies of the Emirate of Abu Dhabi, is the majority shareholder of TAQA, holding 98.6% of its share capital.

A new purpose

GRI 102-16

TAQA announced its new strategic direction in 2020 – with a focus on becoming a clean, low carbon power and water champion for Abu Dhabi and beyond. In 2021, we announced more specific targets in a new and bold 2030 strategy. Since completing the transaction with ADPower, we have also set out new purpose, vision and mission statements and an updated set of values. If our new strategy defines 'what' we will do, and our purpose defines 'why', our values define 'how' we should aspire to act to fulfil it.

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

Our vision: To be the sustainable energy champion and power and water partner of choice for business, government and society. As Abu Dhabi's undisputed integrated utilities leader, we are building an inspiring tomorrow for our people, our partners and our shareholders.

Our mission: Be a low carbon power and water champion.

Our values:

Safe We put safety above all else	Operating in a high-hazard industry, safety is the cornerstone to protecting our workforce, which is why 'Safe' is the first and most fundamental of TAQA's new values.
Sustainable We do what is right for our environment, community and people	This value reflects the Group's commitment to environmental, social and governance principles and practices. The value also highlights the importance of business sustainability and the development of our workforce as a key part of society. These areas reinforce TAQA's ambitions to be a leader in the industry.
Collaborative We are stronger together	Our three Business Lines each hold critical talent, knowledge and know-how that when leveraged will unlock immense value for TAQA. Collaboration is also key to unlocking value as an integrated utility.
Innovative We seek creative ways to deliver results	A new value for TAQA, being innovative reflects how we will seek to achieve our ambitions as a newly integrated utility. It also reflects a fast-changing industry, that adapts and adopts new technologies and techniques to drive a more electrified and greener future.
Excellence We strive for exceptional performance	Operational excellence and performance improvements are key to creating a competitive edge. We do this by sharing knowledge, implementing best practices and working to the best of our abilities.

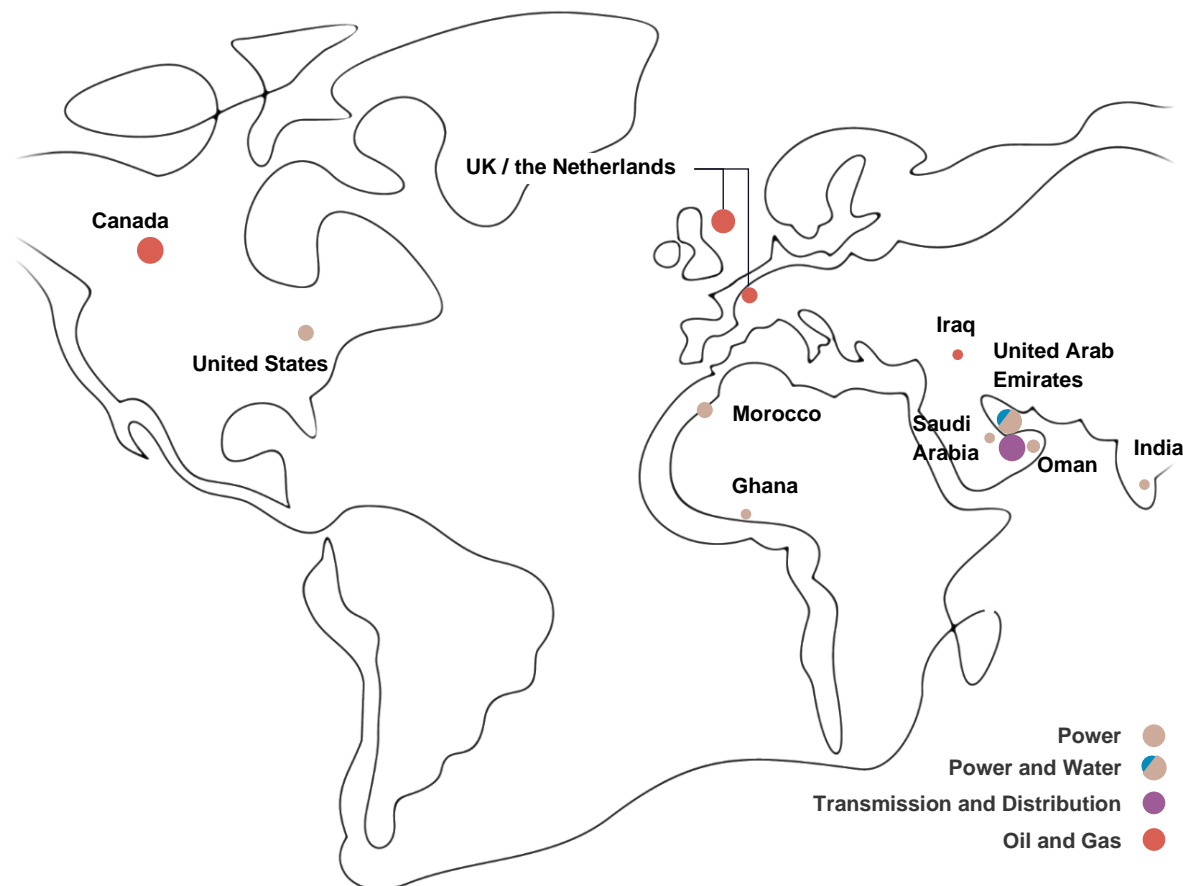
¹ TAQA was established in June 2005 pursuant to the provisions of Emiri Decree (16) of 2005 as a public joint stock company under the laws of the UAE. In August 2005, TAQA's shares were listed on the Abu Dhabi Securities Exchange (the ADX). TAQA's registered head office is at 25th Floor, Al Maqam Tower,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

At a glance

Our global footprint GRI 102-4, 102-6, GRI G4EU (EU1, EU2)

Global Generation assets (YE 2020)	TAQA share (%)	Capacity ²			PWPA expiry	PWPA term (yrs)	Fuel type
		Power (MWac)	Water (MIGD)	o/w RO (MIGD)			
Ghana							
Takoradi	90%	330	–	–	Q4 2040	26	Gas
India							
Neyveli	100%	250	–	–	Q4 2032	26	Lignite
Morocco							
Jorf Lasfar 1-4	86%	1,356	–	–	Q2 2044	43	Coal
Jorf Lasfar 5&6	91%	700	–	–	Q2 2044	30	Coal
Morocco total		2,056	–	–			
Oman							
Sohar Aluminium	40%	1,000	–	–	Captive	–	Gas
Saudi Arabia							
Jubail	25%	250	–	–	Q2 2025	20	Gas
United Arab Emirates							
See page 7 for details on UAE assets							
United Arab Emirates total		17,815	910	128			
United States							
Red Oak ³	85%	832	–	–	Q3 2022	16	Gas
Lakefield	50%	206	–	–	Q4 2031	25	Wind
United States total		1,038	–	–			
TAQA total²		21,739	910	128			

Oil & Gas subsidiaries ⁴ (FY/YE 2020; mn boe)	2020 prod.	Reserves		Production mix (% oil / gas ⁵)	Type
		1P	2P		
TAQA Bratani (UK)	11.3	15.5	23.6	93% / 7%	Offshore
TAQA Energy (Netherlands)	1.3	2.8	5.8	15% / 85%	Offshore
TAQA North (Canada)	26.7	5.8	263.5	16% / 84%	Onshore
TAQA Atrush (Iraq-KRI)	3.8	4.5	27.4	100% / 0%	Onshore
TAQA total	43.1	152.6	320.2	44% / 56%	



FY 2020 Proforma revenues (AED 41,151 million)

T&D 60% Generation 30% O&G 10%

FY 2020 Proforma EBITDA (AED 16,004 million)

T&D 49% Generation 47% O&G 5%

Generation capacity by fuel type (21.7 GWac)

Gas 84% Coal 11% Renewables 5%

Generation energy output by fuel type (103,899 GWh)

Gas 81% Coal 17% Renewables 2%

² Gross installed power generation (MW) and water desalination (MIGD) capacity as at PCOD; totals exclude generation plant at Sohar Aluminium in Oman, where TAQA owns a stake in the smelter as a whole.

³ Merchant asset with tolling agreement expiry date shown in 'PWPA expiry' column

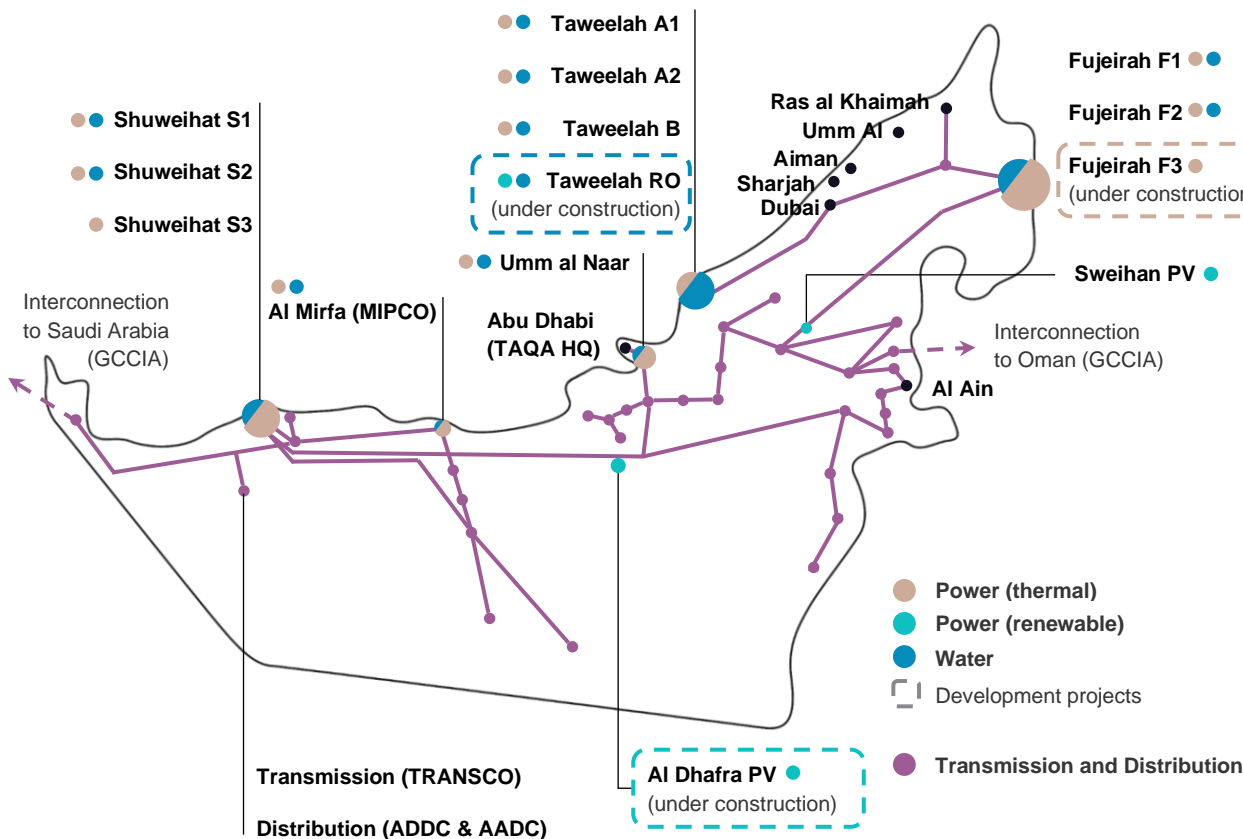
⁴ Wholly owned subsidiaries holding all TAQA's Oil & Gas interests

⁵ Including natural gas liquids (NGLs)

Our Abu Dhabi and UAE home markets GRI 102-3, GRI G4EU (EU1, EU3, EU4)

Transmission & Distribution subsidiaries ⁶ (FY/YE 2020)	Network length		Qty transmitted / distributed	
	Power (km)	Water (km)	Power (GWh)	Water (MIG)
United Arab Emirates				
TRANSCO	10,385 ⁷	3,522	76,934	256,991
ADDC	45,947	9,148	52,696 ⁸	196,553 ⁹
AADC	28,699	4,998		
Total	85,031	17,668	129,630	453,544

UAE Generation assets (YE 2020)	TAQA share (%)	Capacity ¹⁰			PWPA expiry	PWPA term	Fuel type
		Power (MWac)	Water (MIGD)	o/w RO (MIGD)			
Taweelah A1	60%	1,671	84	–	Q2 2029	20	Gas
Taweelah A2	60%	760	51	–	Q4 2021	20	Gas
Taweelah B	60%	2,220	162	–	Q4 2028	20	Gas
Shuweihat S1	60%	1,615	101	–	Q2 2025	20	Gas
Shuweihat S2	60%	1,627	101	–	Q4 2036	25	Gas
Shuweihat S3	60%	1,647	–	–	Q3 2039	25	Gas
Umm al Naar	60%	2,290	95	–	Q3 2027	20	Gas
Fujairah F1	60%	861	131	68	Q4 2035	27	Gas
Fujairah F2	60%	2,114	132	30	Q1 2031	20	Gas
Fujairah F3	40%	2,457	–	–	UC ¹¹	25	Gas
Al Mirfa (MIPCO)	60%	1,702	53	30	Q4 2042	25	Gas
AMPC Al Ain	100%	373	–	–	Q4 2020	n/a	Gas
Sweihan PV (Noor AD)	60%	935	–	–	Q2 2044	25	Solar PV
Taweelah RO	20%	–	200	200	UC ¹¹	30	Solar PV
Al Dhafra Solar PV	40%	1,584	–	–	UC ¹¹	30	Solar PV
UAE total¹⁰		17,815	910	128			



⁶ Wholly owned subsidiaries holding all TAQA's Transmission & Distribution interests

⁷ Of which 9,159 km are overhead lines and 1,226 km are underground lines

⁸ Power distributed through 560,022 end-user connections: 36,581 agricultural, 1,977 industrial, 196,782 commercial, 307,320 residential, 17,362 governmental

⁹ Water distributed through 416,503 end-user connections: 3,616 agricultural, 1,074 industrial, 114,486 commercial, 294,649 residential, 2,678 governmental

¹⁰ Gross installed power generation (MW) and water desalination (MIGD) capacity as at PCOD; totals exclude projects under construction

¹¹ Under construction as at YE 2020 (not included in total figures)

Our operations and business segments

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

TAQA's operations are segmented into three main business lines: Generation, Transmission & Distribution, and Oil & Gas. Generation is considered across two subsegments: UAE Generation assets, which include power generation and water desalination, and International Generation assets, which currently include power generation only (or in some instances, steam cogeneration). Our operations are summarised in the below table:

	Generation		Transmission & Distribution (T&D)	Oil & Gas (O&G)
	UAE	International		
Activities and sectors served ^{12, 13}	Power generation and seawater desalination largely through gas-fired cogeneration plants	Power generation largely through coal and gas-fired plants	Transmission of power and water between generation assets to urban areas (TRANSCO); distribution of power and water within urban areas (ADDC, AADC)	Upstream (offshore and onshore) producing crude (mainly UK and Iraq) and gas (mainly Canada). Midstream including transport and storage (UK and Netherlands)
Location of operations (also see page 6)	UAE (Emirates of Abu Dhabi and Fujairah)	Morocco, Ghana, India, US, KSA, Oman	UAE (transmission in Abu Dhabi and five of the remaining six emirates; distribution in Abu Dhabi only)	UK, Netherlands, Canada, Iraq
Employees ¹⁴ (YE 2020)	1,471 ¹⁵	704	4,526	1,451
Types of customers & beneficiaries	Available capacity and output sold through long term offtake agreements to government-owned offtaker (EWEC), was also the Group's most significant customer (23% of total revenue for FY 2020). Ultimate beneficiaries are the populations who draw from the power and water grids in the countries in which we operate (e.g., TAQA Morocco provides 40%+ of country's base load power requirements) and beyond (UAE grid exports to GCC power market through GCCIA).	Available capacity sold through long term offtake agreements to government-related offtaker (e.g., ONEE in Morocco, Volta River Authority in Ghana) or corporate offtaker (e.g., SABIC for Jubail). Red Oak (US) sells into the market.	Transmission (TRANSCO) sell services to distribution companies (ADDC, AADC) and EWEC (for transmission to SEWA and EWE in the Northern Emirates). Distribution companies (ADDC, AADC) sell to commercial, household and industrial consumers across public and private sector (approx. 980,000 end-user power and water connections serving approx. 500,000 customers in Abu Dhabi).	<i>UK:</i> output sold to limited number of customers under annually tendered contracts. <i>Netherlands:</i> gas sold to GasTerra (50% owned by Dutch government) under a long-term contract. <i>Canada:</i> Significant proportion of output sold to limited number of large customers under annually tendered contracts. <i>Other operations:</i> output sold in spot market.
Revenues (FY 2020 ¹⁶)	Generation: AED 12,314 million Group total: AED 41,151 million		AED 24,659 million	AED 4,178 million
Net income (FY 2020 ¹⁶)	Generation: AED 999 million Group total: AED 3,012 million		AED 3,949 million	AED 1,523 million loss

¹² GICS sectors served by our Generation and Transmission and Distribution segments: Sector: Utilities; Industry Group: Utilities; Industry: Electric Utilities, Water Utilities, Multi-Utilities, Independent Power & Renewable Electricity Producers; Sub-industry: Electric Utilities, Water Utilities, Multi-Utilities, Renewable Electricity

¹³ GICS sectors served by our Oil & Gas segment: Sector: Energy; Industry Group: Energy; Industry: Oil, Gas & Consumable Fuels; Sub-industry: Oil & Gas Exploration & Production, Oil & Gas Storage & Transportation

¹⁴ With a further 169 at TAQA Corporate Headquarters, total employees for the Group number 8,321

¹⁵ Principally comprises employees from the respective operation and maintenance companies which TAQA counts as TAQA employees even though the operating and maintenance companies are owned by other partners

¹⁶ For 2020, and on a pro forma basis, assuming that the transfer of assets from ADPower that took place on 1 July 2020 had taken place on 1 January 2020; net income number presented is consolidated to include minority interests (see page 10 for more details on the transaction)

	Generation		Transmission & Distribution (T&D)	Oil & Gas (O&G)
	UAE	International		
Total capitalisation (YE 2020)	Total debt: AED 76,007 million; total equity: AED 69,255 million; cash and cash equivalents: AED 8,321 million; Total capitalisation: AED 136,941 million; net debt-to-capital ratio: 49%			
Products and services provided (FY 2020 ¹⁶)	103,899 GWh of power 270,639 MIG of water	<ul style="list-style-type: none">• <i>Transmission</i>: 76,934 GWh power and 256,991 MIG of water transmitted through 10,385 km of electricity transmission networks and 3,552 km of water transmission pipelines• <i>Distribution</i>: 52,696 GWh of power and 196,553 MIG of water distributed through 74,646 km of electricity distribution networks and 14,146 km of water distribution pipelines	Production levels reached 118.0 thousand boepd (TAQA-share) or equivalent of 43.0 million boe in total: <ul style="list-style-type: none">• TAQA Bratani (UK): 11.28 mn boe• TAQA Energy (Netherlands): 1.32 mn boe• TAQA North (Canada): 26.62 mn boe• TAQA Atrush (Iraq): 3.75 mn boe	

Supply chain GRI 102-9

The supply chain organisation at TAQA is governed from headquarters via group-wide policies, guidelines, delegations of authority (DoAs), performance metrics & initiatives, while operational supply chain activities are managed independently within the local operating companies. The Group has a requirement to tender for products and services with transparent tender rules and for the procurement process to be managed by procurement specialists that are independent of the end users of the products and services procured. This ensures a level playing field for all bidders and that TAQA obtains competitive pricing.

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

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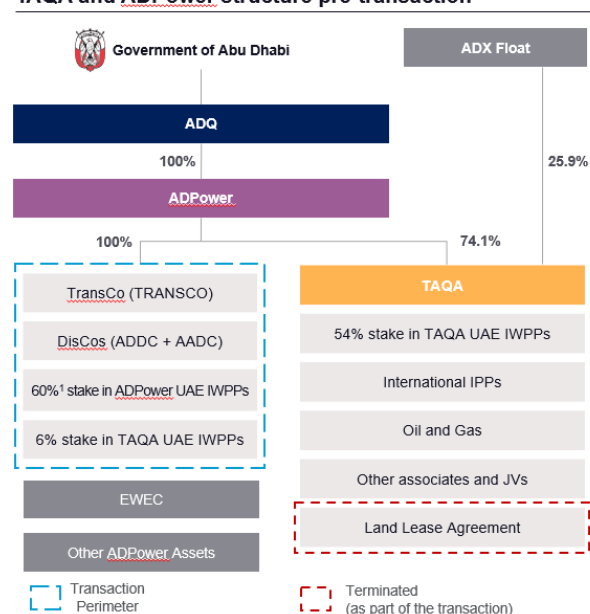
A transformative transaction

GRI 102-10

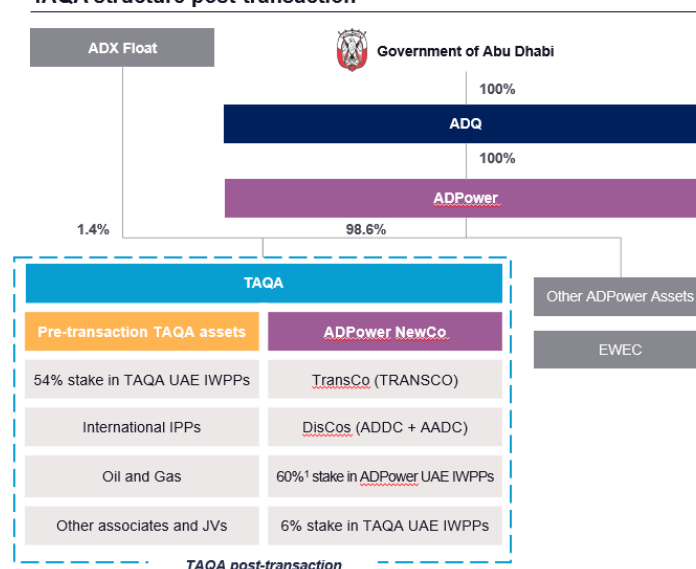
On 3 February 2020, TAQA's Board of Directors received an offer from ADPower, its majority shareholder and owner of most of the power and water assets across the Emirate of Abu Dhabi (including TAQA). The key terms of the offer entailed ADPower's transfer to TAQA of all its power and water generation, transmission and distribution assets in exchange for new TAQA shares (and termination of a land lease agreement between ADPower and TAQA). After hiring a financial advisor and receiving a fairness opinion, TAQA's Board subsequently recommended to its shareholders the approval of the transaction at the Annual General Assembly. Shareholders approved the transaction on 29 April 2020 and the transaction was completed on 1 July 2020.

The transaction increased ADPower's ownership stake from 74.1% to 98.6% of TAQA's share capital. The diagram below summarises TAQA's acquisition of assets and changes in the corporate structure following the transaction.

TAQA and ADPower structure pre-transaction



TAQA structure post-transaction



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OUR PRIORITIES

Implementing a planned approach to sustainability

Defining impacts on sustainability and risks

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

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

We recognise that the provision of both power and water across the full value chain (from generation to transmission to distribution) is essential to guarantee the sustainable progress of modern societies. It also represents a key factor in reaching the UN Sustainable Development Goals (SDG), in particular SDG 6, to guarantee everyone safe and affordable drinking water, SDG 7, to guarantee everyone accessible, reliable, sustainable and modern energy, and SDG 13, regarding climate action (see page 21 for TAQA's Alignment to the United Nations Sustainable Development Goals). Nowhere has this been more clearly demonstrated than in the GCC region of the Middle East and in the UAE in particular, where modern cities and countries have risen over the span of only a few decades, to offer high standards of living and the necessary conditions for human flourishing.

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

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

The Group also seeks to minimise all environmental impacts across its global activities and operating segments. This includes compliance with environmental regulations, operational safety and health system requirements and any other applicable regulations. We apply the Precautionary Principle¹⁷ approach in the risk identification and assessment stage of new projects, particularly risks relating to the environment, health and safety. New power and water generation projects, for example, undergo an Environmental & Social Impact Assessment (ESIA, often a regulatory requirement), covering a wide range of impacts including air quality, marine water, waste management, soil and groundwater, noise, traffic, archaeology and cultural heritage, community health, safety and security and workers conditions, occupational health and safety. We are committed to the responsible management of our climate-related and environmental impacts, risks and opportunities, and plan to further formalise this process at TAQA within our capital allocation frameworks.

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

- Physical risks, including extreme weather events and persistent changes requiring adaptation that could affect the reliability of our operations and the frequency and impact of incidents; and
- Transition risks, including those associated with policy, legal and regulatory developments, progress, uncertainties and costs in relation to new technologies, and changes in the market environment associated

¹⁷ Principle 15 of 'The Rio Declaration on Environment and Development' of 1992

with shifts in consumer preferences, societal expectations and stakeholder sentiment that could affect the demand for our products, finance costs and access to funding.

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

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

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

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

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

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

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Engagement with our stakeholders

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

We engage on an ongoing basis with our key stakeholders – our customers, our workforce and the government, most importantly.

The expectations of TAQA's stakeholders have a significant bearing on the Group's operations and future strategy. They inform the Group's priorities and business plans to both fulfil our purpose of efficiently providing sustainable and reliable energy and water, and to deliver financial returns and monetisation options to our investors.

Our UAE utilities businesses, which form the bulk of the Group's core operations, are particularly informed by Emirates Water and Electricity Company (EWEC), the offtaker, system planner and procurer of power and water production capacity in the Emirate of Abu Dhabi as well as the Abu Dhabi Department of Energy, which is the regulator for the power and water sector in the Emirate. Our majority shareholder, ADQ (via ADPower), is directly represented on TAQA's Board of Directors with a significant minority of Board seats. The Board delegates authority to TAQA's executive management and approves the Group's strategy, business plans and major investment decisions amongst other responsibilities. Lastly, our distribution companies (ADDC and AADC) interact with almost 500,000 consumers (served by approx. 980,000 end-user power and water connections) and monitor customer service delivery levels on a weekly basis.

Main stakeholder groups engaged by TAQA

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

The identification and selection of stakeholders for engagement is carried out by senior management at each of the Group's operating companies and at TAQA headquarters, which is the Group's holding company. Consideration is given to the stakeholder's influence on and interest in the Group along with the nature of the relationship (e.g., dependency, authority, influence). Given the Group's global operations, stakeholder registers are maintained by the operating companies, who are best placed to understand their local impacts and obligations under local laws and regulations. In the UAE, there is greater centralisation of stakeholder management given the presence of several operating entities within the same jurisdiction.

Internally, TAQA conducts annual surveys across the Group to track employee engagement as well as several other core organisational performance measures. Key components of the 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:* engagement of management, extent of role-modelling the right behaviours and levels of empowerment for employees to act within their delegations.
- *Development and rewards:* availability of development opportunities and career growth, and perceptions of rewards & recognition.

- *Agility*: ability to adapt, be nimble and pivot considering areas such as innovation, decision-making and collaboration.
- *Work-life basics*: perceptions associated with job security, HSSE, and work-life balance.

We analyse these measures against external benchmarks and results of prior years' surveys to understand their impact on core business outcomes such as productivity, talent management, and financial performance. Results are presented to the executive management team at TAQA headquarters, team leaders and the management of TAQA Group's operating companies. Action plans are developed and updated each year to address areas of concern and maintain areas of high performance.

Collective bargaining agreements

The Group generally operates in jurisdictions where workers' organisations (such as trade unions) and collective bargaining agreements are not common. We engage actively in the following areas of TAQA's operations that have workers' organisations representing Group employees:

- TAQA Energy (Netherlands; 145 total employees): Employees are represented, and their interests promoted and protected through the Works Council, an internal body with consultation rights in respect of certain significant proposed management decisions and approval rights in respect of intended company decisions regarding employment policies.
- TAQA Bratani (UK; 804): The Employee Consultative Committee (ECC) is a representative forum to achieve informed decision making within the business, with management responsibility to inform, engage and consult the committee on matters of relevance.
- TAQA Morocco (Morocco; 493): 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; 77): The Interests, benefits and conditions of the employees are protected through a collective bargaining agreement signed between the Industrial and Commercial Workers Union of Ghana and TICO and renewed every two years.

Key discussion topics with TAQA's stakeholder groups

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

Government	<ul style="list-style-type: none"> • Regulatory compliance • Approvals for T&D regulatory CAPEX and OPEX as per current regulatory framework • Present and future regulatory framework of the energy sector (e.g., RC2 framework for 2023-2026) • Decarbonisation of the electric industry, electrification, energy efficiency, etc. • Remuneration to the distribution businesses (e.g., government payments to guarantee revenues as per RC1 regulatory framework) • Corporate debt funding plans
Customers	<ul style="list-style-type: none"> • Alignment with national development plans and programmes • Customer experience in all processes • Communication during supply incidents
Employees	<ul style="list-style-type: none"> • Management and retention of talent (career development, training, recognition etc.) • Diversity and equal opportunity • Employee benefits, competitive compensation

Investors	<ul style="list-style-type: none"> • Financial and non-financial (ESG) performance of the Group • Decarbonisation strategy and plans for Oil & Gas segment • Follow-on public offer timing • Financial policies including dividend policy, yields and free-cashflow yields • Corporate and subsidiary borrowing, including sustainable / green financing
Business Partners	<ul style="list-style-type: none"> • Identification and delivery of operational synergies • Collaboration on future projects internationally
Suppliers	<ul style="list-style-type: none"> • Commercial relations with suppliers (information on bidding processes, award standards, contracting terms, prices, financing, payments and billing) • Digital transformation - new IT tools in procurement
Community	<ul style="list-style-type: none"> • Relationship with and contribution of the Group to civil society institutions • COVID-19 pandemic and measures to protect the most vulnerable • Awareness-raising and training on specific industry issues of social interest (e.g., demand side management, 'Tarsheed' and ADES work)

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Materiality assessment

GRI 102-46, 102-47

As an integral component of the GRI Standards, the materiality analysis entails engaging stakeholders to identify sustainability topics considered important to TAQA's interested parties – rating topics based on their relevance to the stakeholder and the TAQA. The purpose of this activity is to provide a complete and representative view of stakeholder expectations on sustainability management, serving to guide the Group in our future planning and disclosure priorities.

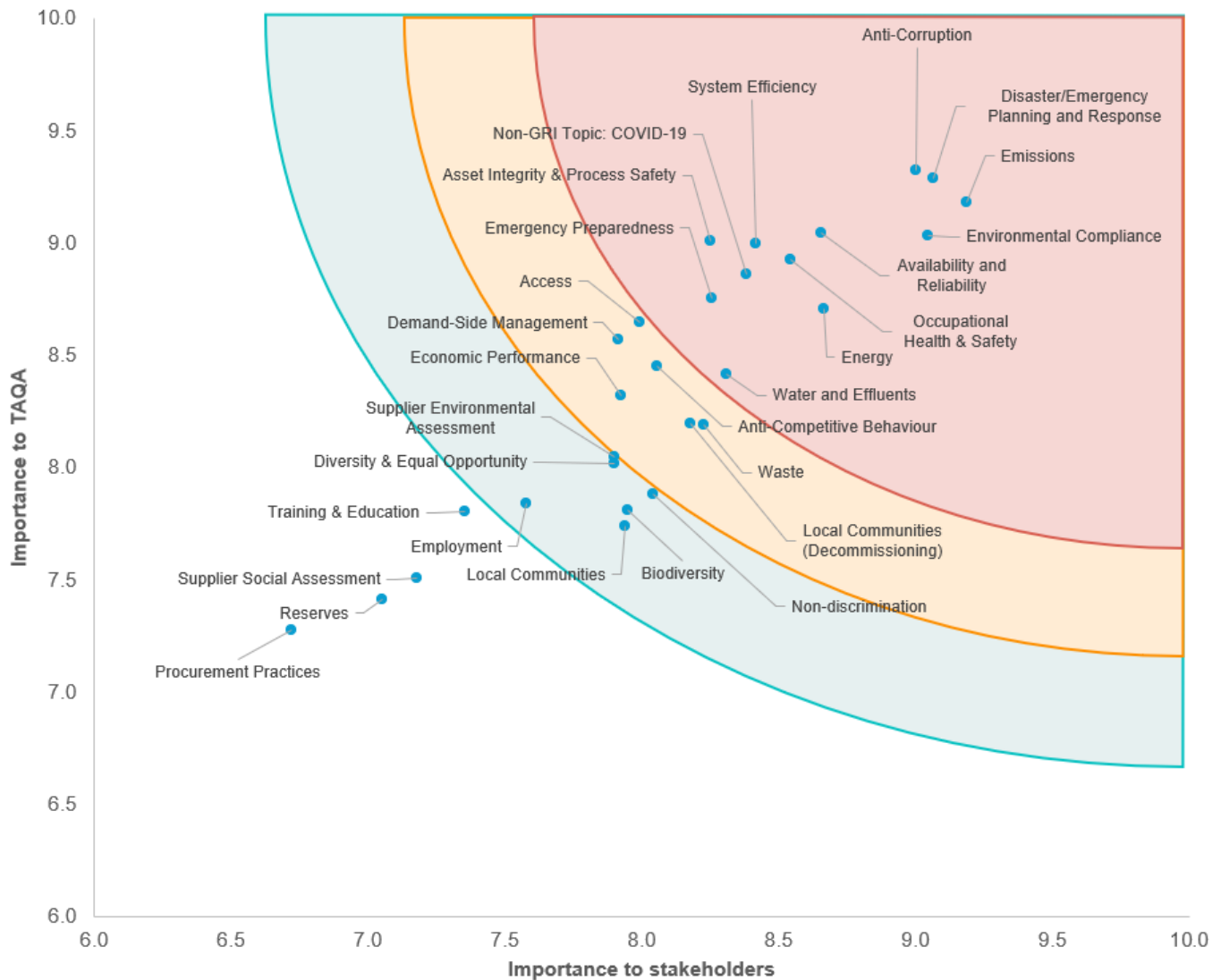
In preparation for this report, TAQA conducted materiality survey workshops for the Group's internal and external stakeholders across its three business lines (T&D, Generation and O&G). The exercise assigned pre-determined weightings to stakeholder groups associated with each business line, to better reflect their scale and sustainability impacts within the overall group. Weightings assigned were based on each business line's contribution to Group EBITDA and further adjusted to cater to each business line's environmental impact, particularly their contribution to Group GHG emissions (see page 37 on GHG emissions). As such, input from internal and external stakeholders associated with the Group's power and water Generation activities were given the highest weighting, followed by T&D and then O&G. TAQA did not incorporate external feedback from our O&G business in the 2020 report. O&G is the smallest of our business segments and is undergoing a strategic review. External views will be considered in future reporting.

Using an anonymous online survey set up for this purpose, stakeholders were asked to rate 28 different sustainability topics selected from the GRI Sustainability Reporting Standards ("GRI Standards") as well as the GRI G4 Electric Utilities Sector Disclosures ("GRI G4EU") and the G4 Oil and Gas Sector Disclosures ("GRI G4OG"). Participants were asked to rate the topics from two perspectives: 1) the importance of TAQA's sustainability-related impacts to them (as external stakeholders or employees, as the case may be), and 2) their perception of the importance of those impacts to TAQA as a business. We recorded an overall participation rate of 64% for the internal stakeholder survey and 45% for external stakeholders, respectively.

Of the 28 sustainability topics presented to stakeholders, 12 were considered high priority and a further six medium priority in 2020. This full ranking of material topics allows TAQA to focus this initial reporting effort on sustainability matters considered the most important to stakeholders, with the aim of more timely and comprehensive disclosure of further topics beyond this initial list in future reporting cycles. Reflected within the 12 material topics are six GRI Standards, five GRI Sector Disclosures (three from GRI G4EU, three from GRI G4OG), and the non-GRI consideration of COVID-19.

High priority topics (ranked)	Medium priority
1. Emissions (GRI 305)	13. Access (GRI G4EU)
2. Disaster/Emergency Planning and Response (GRI G4EU)	14. Anti-Competitive Behaviour (GRI 206)
3. Anti-Corruption (GRI 205)	15. Demand-Side Management (GRI G4EU)
4. Environmental Compliance (GRI 307)	16. Waste (GRI 306)
5. Availability and Reliability (GRI G4EU)	17. Local Communities (Decommissioning; GRI G4OG)
6. Occupational Health & Safety (GRI 403)	18. Economic Performance (GRI 201)
7. System Efficiency (GRI G4EU)	
8. Energy (GRI 302)	
9. Asset Integrity & Process Safety (GRI G4OG)	
10. COVID-19 (Non-GRI)	
11. Emergency Preparedness (GRI G4OG)	
12. Water and Effluents (GRI 303)	

Materiality matrix



Alignment to national / regional / international mandates

GRI 102-12

As TAQA seeks to enhance sustainable development across its global operations, we seek strategic guidance from a variety of frameworks and agendas to direct resources and planning efforts.

Full alignment with UAE national mandates and strategies is prioritised in our decision-making commensurate with the critical role that TAQA plays and its deep integration in the power and water sector of the Emirate of Abu Dhabi (see page 20 for sector supply chain dynamics):

Abu Dhabi Economic Vision 2030 (announced November 2008):

TAQA aligns closely with the metrics of success associated with the Vision's masterplan, which sets out a long-term roadmap for economic progress in the capital of the UAE. Working closely with EWEC and the Abu Dhabi Department of Energy, TAQA has an essential role in delivering on the Vision's goals of meeting demand for expanded power and water infrastructure in support of new real-estate megaprojects, to a more electrified future, to diversifying energy sources to enhance future energy security.

Abu Dhabi Environment Vision 2030 (February 2012):

The Environment Agency of Abu Dhabi (EAD) identified five priority areas to help combat environmental degradation: climate change, clean air and noise pollution, water resources, biodiversity, and waste management.

TAQA's companies are active in these areas, operating Environmental Management Systems (EMS) to monitor various environmental impacts such as wastewater, waste, energy and air emissions. TAQA adheres to an ongoing commitment to operational excellence, and aims to move to a global EMS implementation in the near future.

UAE National Energy Strategy 2050 (January 2017):

The first unified energy strategy in the country, the strategy aims to increase the contribution of clean energy in the total energy mix from 25% to 50% by 2050 (44% renewables, 6% nuclear, 38% gas, 12% clean fossil), reduce the carbon footprint of power generation by 70% and increase consumption efficiency by 40%, thus saving AED 700 billion by 2050.

In alignment with EWEC's plans for the procurement of power and water in Abu Dhabi, TAQA's strategy targets an increase in generation capacity from renewable energy sources to over 30% by 2030 from 5% of total capacity in 2020. The UAE National Energy Strategy 2050 has been supplanted by the UAE 2050 Net Zero Initiative in October 2021 (see page 19) and further details are likely to be released by the federal government in due course.

UAE Water Security Strategy 2036 (September 2017):

The strategy aims to ensure sustainable access to water during both normal and emergency conditions through demand-side and supply-side management programmes as well as the development of emergency production and distribution plans. Targets include a reduction in total demand for water resources by 21%, increasing the water productivity index to US\$110 per cubic meter, reducing the water scarcity index by three degrees, increasing the reuse of treated water to 95% and increasing national water storage capacity up to two days under normal conditions (equivalent to 16 days in emergencies and 45 days in extreme emergencies).

Working with EWEC, TAQA is leading the development of new water desalination plants deploying cost-efficient and versatile reverse osmosis technology. Unlike existing cogeneration power and water facilities, the new plants occupy a significantly smaller footprint and can be located much closer to urban centres and end-use consumers, contributing to the UAE's water security strategy.

ADX Disclosure Guidelines (July 2019) and SCA Corporate Governance Guide (February 2020):

ADX, as a partner of the Sustainable Stock Exchanges initiative (SSE), has developed ESG disclosure guidance to support listed organizations in their sustainability reporting efforts. Mapped against the GRI Standards and UN SDGs, the guidance suggests a subset of 31 indicators for voluntary disclosure and ultimately encourages reporting under internationally recognised sustainability reporting frameworks.

In updating its corporate governance guidelines for public joint stock companies, the Securities and Commodities Authority (SCA), as the regulator of the UAE's capital markets, has mandated a transition to integrated reporting that entails a holistic treatment of an organisation's value creation, preservation or erosion. The SCA calls for the disclosure of a sustainability report as part of the integrated reporting process.

Listed on the ADX and subject to the regulation of the SCA, TAQA is proud to disclose its sustainability performance in this report in accordance with the GRI Sustainability Reporting Standards, an internationally recognised framework.

Abu Dhabi Demand Side Management and Energy Rationalization Strategy 2030 (September 2019):

Addressing responsible energy supply and demand, the strategy aims to reduce electricity consumption by 22% and water consumption by 32% by 2030 (from a 2013 baseline). The approach involves nine demand side management (DSM) programmes including building retrofits, demand response, efficient water use/re-use, building regulations, street lighting, district cooling, standards and labels, energy storage, and rebates and awareness.

As an example of TAQA's direct alignment with Abu Dhabi's DSM strategy, ADES was set up in 2020 as a wholly owned subsidiary to act as a Super ESCO funding demand-side management initiatives to be carried out by ESCOs. Further DSM programmes are implemented through the distribution companies (ADDC and AADC, e.g., 'Tarsheed').

Principles of the 50 (September 2021):

Marking the UAE's golden jubilee year, comprises 10 principles to act as guidelines for all UAE institutions as the country embarks on a new phase of development over the next 50 years. The principles cover strengthening of the union; building the best and most dynamic economy in the world; deploying foreign policy as a tool to serve higher national goals; identifying human capital as the main driver for future growth; adopting a foreign policy of good neighbourliness as the basis of stability; promoting the UAE globally as one nation; focusing on digital, technical and scientific excellence; emphasising a value system based on openness and tolerance; actively participating in foreign humanitarian aid missions; calling for peace and harmony.

As for the Abu Dhabi Economic Vision 2030, TAQA will play a critical role in efficiently providing reliable supplies of power and water to drive economic development in Abu Dhabi and the wider UAE over the next 50 years.

UAE 2050 Net Zero Initiative (October 2021):

A national drive to achieve net zero emissions by 2050, the initiative aligns with the Principles of the 50 for accelerating national economic development through a new 50-year cycle of growth. The major economic opportunities offered by the path to net zero directly support a vision to develop the UAE into the most dynamic economy in the world.

TAQA is committed to playing a critical role in support of this initiative. The Group will seek to target net zero emissions by 2050 for its own global portfolio of assets, and aims to announce interim 2030 emissions targets in the near future.

United Nations Sustainable Development Goals (UN SDGs):

Please see page 21 for the Group's alignment with the UN SDGs.

Global Reporting Initiative (GRI):

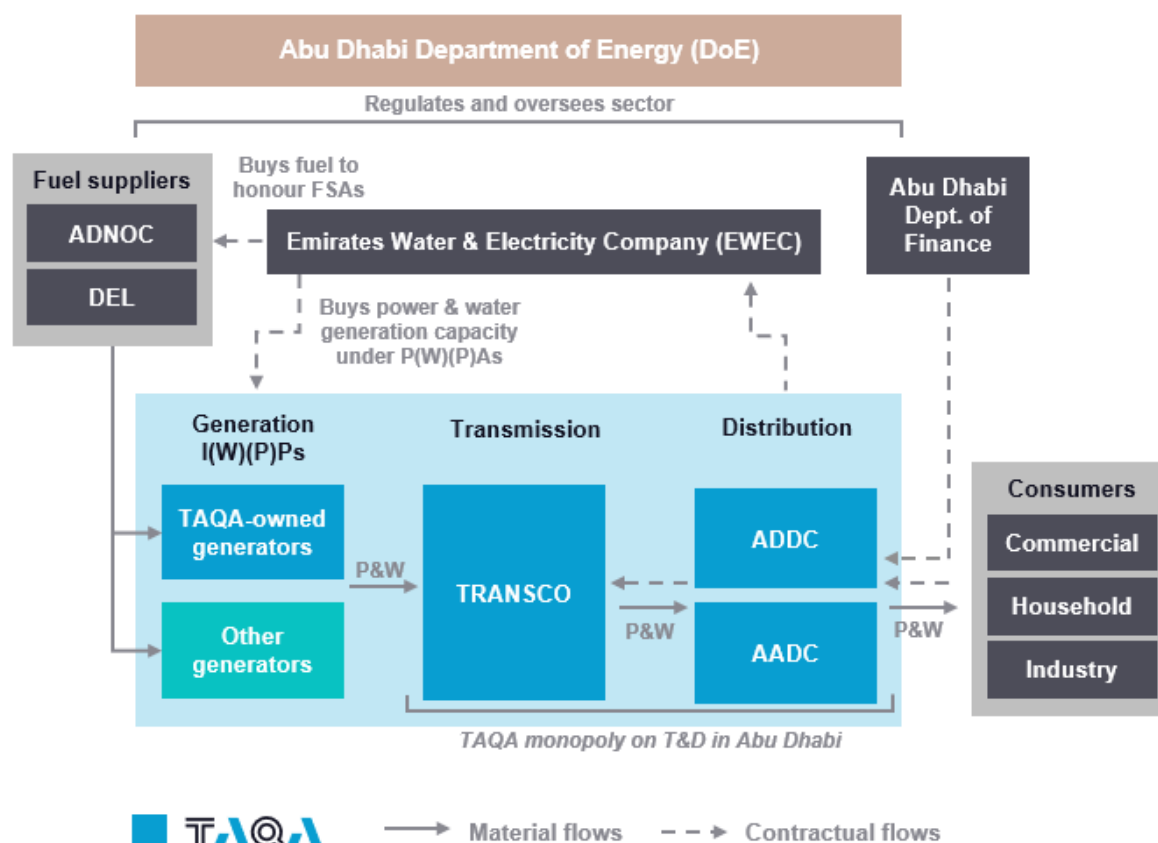
The GRI established Sustainability Reporting Guidelines covering a range of sustainability focus areas, such as governance, community impact, and ecology. The standards enhance accountability and knowledge-sharing, providing all companies and organizations with a comprehensive disclosure framework.

Regarding the GRI as one of the most recognised independent sustainability reporting frameworks, TAQA has adopted the GRI framework to guide its sustainability reporting through this report.

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

An overview of the supply chain dynamics within the power and water sector, and the Group's involvement at almost every stage, helps explain TAQA's role in achieving the various UAE national initiatives outlined earlier in this section.



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, AADC). Together they make up the revenues stipulated by the Abu Dhabi Department of Energy's (DoE's) regulatory framework. The distribution companies procure power and water from EWEC, to whom they pay bulk supply tariffs (BSTs). Transmission Use of System (TUoS) fees are paid to the transmission company (TRANSCO, a wholly owned subsidiary of TAQA) for the transmission of power and water dispatched by generators in Abu Dhabi. In return for the generation capacity made available to EWEC, TAQA-owned generators are paid capacity-based payments (output-based payments for solar PV) as per long-term contractual agreements signed with EWEC. Fuel is procured and provided by EWEC through contractual agreements signed with the generators on one hand, and fuel suppliers on the other.

TAQA is integral to the system and works closely with EWEC, Abu Dhabi's DoE and other governmental entities to pursue national strategy goals for decarbonisation and energy diversification:

- Decoupling of gas-fired cogeneration of electricity and water, moving to more efficient standalone gas-fired and solar photovoltaic generation with separate standalone, more efficient and versatile seawater reverse osmosis plants for water desalination.
- System level developments will see clean nuclear power take on a large portion of base-load demand (first of four reactors at the 5.6 GW Barakah nuclear plant started commercial operations in early 2021). This will significantly lower utilisation rates and GHG emissions of the least efficient thermal power plants in the system and within our fleet.
- TAQA's decarbonisation strategy envisages further reducing exposure to hydrocarbons and no further coal investments. A strategic review is underway for our O&G businesses, exploring various options ranging from retaining to fully divesting of them.

Alignment to the United Nations Sustainable Development Goals

GRI 102-12

The United Nations Sustainable Development Goals (SDGs) represent a call for collective action to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere. Each of the 17 goals have 169 defined targets intended to be achieved by 2030 with 241 corresponding measurable indicators to track progress made.

The SDGs as part of TAQA Group's strategy





To measure our contribution to these goals, TAQA focuses on the UN SDGs most relevant to the core utilities industries in which it operates and the business models in place.

TAQA is committed to the provision of power and water in a more climate neutral and sustainable way whilst upholding the highest levels of availability and reliability, factors the importance of which are particularly accentuated given the natural climate of the UAE. We are also working to reduce power and water demand through building retrofits, water use and reuse, rebates and increased awareness. In this context, the Group focuses principally on SDG 6 (clean water and sanitation), SDG 7 (affordable and clean energy), and SDG 13 (climate action).

To achieve these goals, TAQA is accelerating its investments in renewable energy (especially solar photovoltaic) and more efficient desalination technologies (reverse osmosis) as well as increasing digitalisation particularly in its T&D businesses, thus directly contributing to SDG 9 (industry, innovation and infrastructure).

Lastly, TAQA supports and indirectly contributes to the remaining SDGs given the critical products and services provided by the Group's businesses.

SDG in focus	Related Targets	TAQA's approach to the Targets
	Goal 6: Ensure availability and sustainable management of water and sanitation for all	
	<p>6.1 By 2030, achieve universal and equitable access to safe and affordable drinking water for all</p>	<p>There are two main sources of water in the UAE: groundwater and desalinated seawater. Essentially all drinking water is produced through seawater desalination whilst ground water, much of it saline, is primarily used for agricultural irrigation.</p>
	<p>6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally</p>	<p>TAQA plays a critical role in the provision of potable desalinated water in the Emirate of Abu Dhabi, with majority ownership stakes in all the water desalination plants currently in operation.</p>
	<p>6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity</p>	<p>Aiming to increase water-use efficiency, the Group's T&D businesses operate recycled water networks with projects underway to extend the use of recycled water beyond municipal landscaping to include commercial and agricultural operations.</p>
	Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all	
	<p>7.1 By 2030, ensure universal access to affordable, reliable and modern energy services</p>	<p>TAQA's purpose is to efficiently provide sustainable and reliable power and water to the communities in which we operate.</p>
	<p>7.2 By 2030, increase substantially the share of renewable energy in the global energy mix</p>	<p>Our strategy calls for significant investments of AED 40 billion by 2030 to maintain, modernise and expand the power and water transmission and distribution networks. It also calls for a substantial increase in the share of renewable energy in the energy mix to over 30% of TAQA's global power generation portfolio by 2030 (up from 5% as at end-2020), providing emissions intensity improvements on TAQA's pathway to net zero emissions by 2050.</p>
	<p>7.3 By 2030, double the global rate of improvement in energy efficiency (as measured by a reduction of energy intensity: the ratio between energy supply and GDP)</p>	<p>In addition, TAQA's strategy will pursue further optimisation and digitalisation to improve efficiencies and reduce losses in the transmission and distribution networks. Further, successes in demand-side management carried out by our distribution companies and ADES, our Super ESCO, will help accelerate the rate of improvement in energy efficiency in the Abu Dhabi and UAE economy.</p>

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Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all

9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per 1 million people and public and private research and development spending

The Group is committed to renewable energy (especially solar photovoltaic) and more efficient desalination technologies (reverse osmosis) as well as increased digitalisation particularly in its T&D businesses and grid readiness for renewables (e.g., smart grids).

Our demand side management initiatives carried out through ADES seek to retrofit government and commercial buildings and facilities by identifying, sourcing and funding solutions that deliver tangible reductions in water and electricity consumption, increasing resource-use efficiency.

TAQA has also signed MoUs with key players across several industrial sectors to upgrade their technological capabilities and encourage greater adoption of environmentally clean processes. These include an agreement with Emirates Steel, a major TAQA customer, to explore the production and use of green hydrogen to enable the manufacture of 'green steel'. A similar agreement with Abu Dhabi Ports will see us explore a green hydrogen to liquid ammonia project for use by shipping lines in place of bunker fuel or for export from Abu Dhabi Ports via specialized gas carriers.



13. Take urgent action to combat climate change and its impacts

13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

13.2 Integrate climate change measures into national policies, strategies and planning

13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

Given the UAE's naturally arid climate and the criticality of the provision of reliable power and water for its people and economy, sector planning, in coordination with Abu Dhabi's DoE, EWEC and other stakeholders seeks to ensure more diverse sources of energy (e.g., gas, solar, nuclear) with a reasonable safety margin for available capacity over and above forecasts of future peak demand.

TAQA is committed to delivering and managing within its asset portfolio new capacity build outs and enjoys exclusivity rights to participate with a minimum equity stake of 40% in all future power and water generation projects tendered in the Emirate of Abu Dhabi until February 2030.

TAQA and its UAE utilities businesses are members of the Abu Dhabi Climate Change Taskforce, engaging with all key stakeholders managing the Emirate's response to climate change to further aligned corporate strategies with national policies and planning. In that vein, TAQA has set out an ambition for net zero emissions by 2050 and will soon set interim 2030 targets to help achieve that goal.

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About our reporting

GRI 102-45, 102-46, 102-50 to 102-56, 305-1, 305-2

This document serves as TAQA's primary consolidated ESG reporting effort, capturing the organization's 2020 sustainability information in accordance with the GRI Sustainability Reporting Standards: Core Option. Some of our subsidiaries, including TAQA Morocco and TAQA Bratani, have elected to publish separate sustainability and/or environmental reports.

The GRI Standards are recognized globally for their interrelated approach towards communicating an entity's economic, environmental, and social contributions relating to sustainable development. As a framework, the reporting standards encompass broad, issue-specific, as well as forward-looking disclosures to generate comprehensive documentation of an organization's sustainability performance.

TAQA did not seek external assurance on this report, and we aim to obtain assurance on selected sustainability metrics in future reporting.

Reporting history, period and cycle

This is TAQA's first annual sustainability report as a fully integrated utility following the transformative transaction with ADPower, completed on 1 July 2020 (see page 10). Sustainability reports were last produced by TAQA for the years 2012 and 2013. These reports are no longer referenced or made available on the Group's corporate website as sustainability reporting frameworks and discourse, as well as TAQA's business, have developed substantially since then.

The data contained in the report covers the period of 1 January 2020 to 31 December 2020, and incorporates details of initiatives, programs, and achievements outside of this timeframe to better demonstrate trends and progress over the period through to the publication date of this report. TAQA's sustainability reporting cycle will run annually going forward, in line with TAQA's financial year, which coincides with the calendar year.

Principles and scope of reporting

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

- **Financial reporting:** entities that are accounted for as subsidiaries are fully incorporated in TAQA's consolidated statements when TAQA's effective 'control'¹⁸ over these entities is established. Joint ventures¹⁹ and associates²⁰ are incorporated in the Group's consolidated financial statements using the equity method of accounting. For more details, see notes 2.2 and 33 of TAQA's 2020 Audited Consolidated Financial Statements.
- **Environmental reporting:** GHG emissions are reported as per the 'financial control' approach outlined in the GHG Protocol. GHG emissions at subsidiaries are fully consolidated (at 100%) whilst GHG emissions from joint ventures are consolidated using the equity method (in proportion to the beneficial ownership in the jointly controlled entity). This approach is cascaded down the corporate structure using the financial reporting definitions for subsidiaries and joint ventures and does not factor in whether operational control is exercised over the relevant businesses. GHG emissions produced by associates are not consolidated. Other environmental topics are consolidated using the same approach as for GHG emissions. As an exception to this approach in this report, measurements of environmental impacts within O&G, our smallest business

¹⁸ 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.

¹⁹ 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.

²⁰ An entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture.

segment, are consolidated as per the GHG Protocol's 'operational control' approach, due to the unavailability of consistent data for non-operated assets.

- *Social sustainability topics*: reported as per the 'operational control' approach outlined by the GHG Protocol. Entities 'operated'²¹ by TAQA are included in the consolidation of health and safety and other social metrics.
- *Governance related topics*: reported largely at the TAQA headquarters level with Group-wide policies and management approach referenced. Individual operating companies within the Group may follow specific policies in line with the regulatory requirements and accepted best practices of their jurisdictions.

Entity	Country	TAQA share	Financial consoli- dation	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%
Generation						
UAE Generation						
Taweelah A1	UAE	60%	Subsidiary	No	100%	Exclude
Taweelah A2	UAE	60%	Subsidiary	No	100%	Exclude
Taweelah B	UAE	60%	Subsidiary	No	100%	Exclude
Shuweihat S1	UAE	60%	Subsidiary	No	100%	Exclude
Shuweihat S2	UAE	60%	Subsidiary	No	100%	Exclude
Shuweihat S3	UAE	60%	Subsidiary	No	100%	Exclude
Umm al Naar	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	UAE	100%	Subsidiary	No	100%	Exclude
Sweihan PV1	UAE	60%	Subsidiary	No	100%	Exclude
Int'l Generation						
TAQA Morocco (JLEC1-4)	Morocco	86%	Subsidiary	Yes	100%	100%
TAQA Morocco (JLEC5-6)	Morocco	91%	Subsidiary	Yes	100%	100%
Takoradi	Ghana	90%	Subsidiary	Yes	100%	100%
Red Oak	USA	85%	Subsidiary	No	100%	Exclude
Neyveli	India	100%	Subsidiary	Yes	100%	100%
Lakefield	USA	50%	JV	No	50%	Exclude
Sohar	Oman	40%	Associate	No	Exclude	Exclude
Jubail	KSA	25%	Associate	No	Exclude	Exclude
Oil & Gas ²²						
TAQA Bratani	UK	100%	Subsidiary	Yes	100%	100%
TAQA Energy	Netherlands	100%	Subsidiary	Yes	100%	100%
TAQA North	Canada	100%	Subsidiary	Yes	100%	100%
TAQA Atrush	Iraq	100%	Subsidiary	Yes	100%	100%
Corporate						
Massar Solutions	UAE	40%	Associate	No	Exclude	Exclude

Contact details

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 via this email address: sustainability@taqa.com.

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

²¹ Operational control achieved when there is full authority to introduce and implement operating policies at the operation (typically through an explicit operating license).

²² Environmental impacts of unincorporated JVs within our O&G subsidiaries are exceptionally accounted for as per the GHG Protocol's 'operational control' approach rather than 'financial control', which would otherwise call for 'equity method' accounting

OUR SUSTAINABILITY PERFORMANCE

Sustainability governance

TAQA's purpose, vision, mission, and values (see page 5) underpin its commitment to meeting stakeholder interests. As a part of the value creation process, TAQA's Board recognizes that good governance is critical to maximise contribution to the economy and society, maintain competitiveness and ensure a long-term and sustainable corporate future. TAQA publishes a separate annual corporate governance report, which readers can access²³ for more details on the Group's governance policies and activities.

Governance structure

GRI 102-18

TAQA's corporate governance framework is based on the principles of responsibility, accountability, equity, and transparency and fair disclosure. These principles in turn support four core pillars, that support TAQA's Board in realising the corporate vision, achieving business objectives, strengthening values and continuously identifying governance enhancement opportunities. The framework aligns with the rules laid out by the SCA for all UAE-listed entities²⁴.

Corporate Governance Framework²⁵ 'Pillars'

Pillar 1: Leadership and strategy	Pillar 2: Stakeholder and shareholder management	Pillar 3: Internal control environment	Pillar 4: Communication and reporting protocol
<ul style="list-style-type: none"> Corporate governance principles Board stewardship and governance Strategy governance and sustainability Subsidiary governance Delegation of authorities and management decisions 	<ul style="list-style-type: none"> Stakeholder interests Shareholder rights Investor relations and engagement 	<ul style="list-style-type: none"> Health, safety, security and environment Ethics & compliance Internal control over financial reporting Risk management Governance documents and business applications Internal audit External audit 	<ul style="list-style-type: none"> Communication with stakeholders Corporate social responsibility Reporting

Corporate Governance Framework 'Principles'

Responsibility: senior management sets the tone and follows through with active supervision, ongoing monitoring, and evaluation.

Accountability: effective risk management and system of checks-and-balances with segregation of duties and each executive responsible for their actions or inactions.

Equity: equitable treatment of all shareholders (including minority and foreign shareholders)

Transparency and fair disclosure: accurate, timely communication of material matters to relevant stakeholders.

The Chairman of the Board of Directors is tasked with ensuring that the Board acts efficiently, fulfils its responsibilities, and discusses all pertinent issues in a timely manner. By drawing on the skills and expertise of each Board member, the Board engages with designated committees, including the Audit Committee, Nomination and Remuneration Committee, and Strategy and Investment Committee, to assist its consideration of specific concerns, while retaining the responsibility to issue final decisions in these areas. To segregate duties, the Chairman is not permitted membership to any of the committees. TAQA's Articles of Association, however, and in line with UAE Companies Law and SCA corporate governance guidelines, allow for the election of a managing director from amongst the Board Directors.

The table below outlines TAQA's current Board structure.

²³ TAQA's corporate governance reports and other governance documents available at: www.taqa.com/corporate-governance-framework

²⁴ Based on Chairman of SCA's Board of Directors' Decision no. (3/Chairman) of 2020 concerning Approval of Joint Stock Companies Governance Guide

²⁵ New Group Corporate Governance Framework adopted December 2021

TAQA's Board composition²⁶

• H.E. Mohamed Hassan AlSuwaidi <i>Chairman, Independent Non-Executive</i>	• Khalifa Sultan Al Suwaidi <i>Member, Independent Non-Executive</i>	• Mansour Mohamed Almulla ²⁷ <i>Member, Independent Non-Executive</i>
• Saeed Mubarak Al Hajeri <i>Vice Chairman, Non-Executive</i>	• Salem Sultan Al Dhaheri <i>Member, Non-Executive</i>	• Hamad Abdulla Al Hammadi ²⁷ <i>Member, Independent Non-Executive</i>
• H.E. Saif Mohamed Al Hajeri <i>Member, Independent Non-Executive</i>	• Khaled Abdulla Al Mass <i>Member, Independent Non-Executive</i>	• Jasim Husain Thabet <i>Managing Director and Group CEO</i>

Board committees and committee members

Audit Committee (AC)²⁸	Nomination and Remuneration Committee (NRC)²⁸	Strategy and Investment Committee (SIC)²⁸
Comprised of majority Independent and Non-Executive Board Members. The AC remit is reflected in the AC Charter ²⁹ , which among other matters, specifies the duties and responsibilities of the AC, including internal audit, enterprise risk management, internal control, compliance, financial reporting and external audit.	Comprised of majority Independent and Non-Executive Board Members. The NRC remit reflected in the NRC Charter ²⁹ , which among other matters, specifies the duties and responsibilities of the NRC, including Board nomination, selection, training and assessment, human capital and remuneration.	Comprised of majority Independent and Non-Executive Board Members. The SIC remit reflected in the SIC Charter ²⁹ , which among other matters, specifies the duties and responsibilities of the SIC, including corporate strategy, generation business strategy, transmission and distribution business strategy, oil and gas business strategy, capital expenditure, investment and divestment, treasury and finance and accounting matters.
<ul style="list-style-type: none"> • Khaled Abdulla Al Mass (AC Chair) • Mansour Mohamed Almulla • Salem Sultan Al Dhaheri 	<ul style="list-style-type: none"> • H.E. Saif Mohamed Al Hajeri (NRC Chair) • Saeed Mubarak Al Hajeri • Khalifa Sultan Al Suwaidi 	<ul style="list-style-type: none"> • Khalifa Sultan Al Suwaidi (SIC Chair) • Khaled Abdulla Al Mass • Hamad Abdulla Al Hammadi

TAQA Board statistics

Percentage of Board seats occupied by males / females	100% / 0%
Percentage of Board seats occupied by independent ²⁶ / non-independent Board members	67% / 33%
Percentage of committee Chairs occupied by males / females	100% / 0%

TAQA continues to seek diverse Board representation and is seeking to enhance NRC policies to encourage female professionals to be nominated or apply for membership to the Board.

The responsibility for overall decision-making on economic, environmental and social topics through a sustainability lens lies mostly with the Board, who has to date not delegated this oversight to other specific Board-level committees. Specific components of ESG, however, are factored into the remits of certain Board-level committees.

Associations and organisations

GRI 102-13

The Group's global operations maintain memberships to multiple associations and bodies. In the UAE, home to a significant majority of the Group's activities, TAQA and its majority shareholder, ADQ (via ADPower), play an important role in multiple national organisations, councils and committees. These include but are not limited to:

Abu Dhabi Executive Council	Supreme Council for Financial and Economic Affairs	Abu Dhabi Executive Council – Infrastructure Committee	Executive Affairs Authority – Economic and Energy Affairs	Abu Dhabi Climate Change Taskforce	Abu Dhabi Sustainability Group
Abu Dhabi Department of Energy	Federal Ministry of Climate Change & Environment	Environment Agency Abu Dhabi	Abu Dhabi Municipality	Abu Dhabi Department of Municipalities and Transport	

²⁶ Independence classification for Board members as per SCA guidelines, which specify that "the independence of a Board member is not affected solely by the fact that the Board member is an employee of the parent company or any of its subsidiaries if any of such companies is a government entity or the government or any of the government's subsidiaries owns at least 75% of such companies"

²⁷ Elected to the Board in March 2021 following expansion of the Board to comprise 9 directors (previously 7)

²⁸ Committees reconstituted in early 2021. AC previously included: Salem Sultan Al Dhaheri (Chair), Khaled Abdulla Al Mass, Khalifa Sultan Al Suwaidi; NRC: Saeed Mubarak Al Hajeri (Chair), H.E. Saif Mohamed Al Hajeri, Khalifa Sultan Al Suwaidi; SIC: Khalifa Sultan Al Suwaidi (Chair), Khaled Abdulla Al Mass, Jasim Husain Thabet

²⁹ Committee charters available on TAQA's corporate website: www.taqa.com/corporate-governance-framework

Code of ethics and anti-corruption policy

GRI 102-16, 205-2

Beyond TAQA's own expectations on how it conducts business, our shareholders, Board, and other stakeholders expect us to deliver on our responsibilities to the highest professional standards. These standards can only be achieved if we work with integrity, and in accordance with far reaching laws, regulations and internal policies we implement.

The Group's Code of Ethics articulates our approach to business ethics, how we conduct our internal and external business affairs, how we safeguard information and how we promote the wellbeing of our workforce, environment and communities.

Our Code of Ethics incorporates several detailed Group-wide policies which offer further guidance on TAQA's approach to speaking up and whistleblowing, insider trading, conflicts of interest, anti-bribery and corruption and fraud policy, anti-money laundering and counter terrorist financing, business partner due diligence, sanctions and trade controls, data protection policy, Group communications, Group corporate social responsibility and others. A more detailed overview of the main aspects of the Code and associated policies can be found on our corporate website, at www.taqa.com/ethics-compliance.

Communication and training about anti-corruption policies and procedures

	2020
Percentage of governance body members that the organisation's anti-corruption policies and procedures have been communicated to	100%
Percentage of employees that the organisation's anti-corruption policies and procedures have been communicated to	100%
Percentage of business partners that the organisation's anti-corruption policies and procedures have been communicated to	100%
Percentage of governance body members that have received training on anti-corruption	100%
Percentage of employees that have received training on anti-corruption	100% ³⁰

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³⁰ Group-wide training covering code of ethics and anti-corruption policy undertaken by all Group employees in late 2021

Economic impacts

TAQA plays a key role in enabling the economic development of many of the local and national economies in which we operate. In the UAE, Group subsidiaries and other investees are key enablers in the diversification of the Abu Dhabi and national economies, increasing the contribution of non-hydrocarbon GDP and ensuring future power and water security. Our UAE businesses, for example, provide over 90%³¹ of Abu Dhabi's power and water needs and contributed approximately 3% of 2019 GDP³². In Morocco, the Jorf Lasfar power plant complex that is part of the TAQA Group, provides almost 40% of Morocco's national electricity demand – production equivalent to the electricity consumption of 15 million people.

Economic performance

GRI 201-1

As a publicly listed company, TAQA reports its economic performance on a quarterly basis with accounts prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (see page 24 for further details on consolidation scope). Given the completion of the transaction with ADPower in July 2020 (see page 10), we have presented our economic performance on a proforma basis, as if the transaction had taken place on 1 January 2019. This allows like-for-like comparisons with prior-year periods as well as presenting the full year performance of the new combined entity.

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

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

Group Proforma Consolidated Income Statement (AED millions)	Year ended 31 December									
	T&D		Generation		O&G		Corp. & Elimination		Group Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Total revenues	24,659	25,147	12,314	12,669	4,178	6,082	-	-	41,151	43,898
Operating expenses	(15,749)	(15,389)	(4,344)	(4,897)	(3,239)	(3,339)	-	-	(23,332)	(23,625)
G&A expenses	(1,047)	(1,433)	(421)	(298)	(206)	(211)	(246)	(146)	(1,920)	(2,088)
Share of results of associates & joint ventures	-	-	8	7	-	-	97	118	105	125
EBITDA	7,863	8,325	7,557	7,481	733	2,532	(149)	(28)	16,004	18,310
Impairment losses	-	-	-	-	(2,004)	-	-	-	(2,004)	-
Depreciation, depletion and amortization	(3,998)	(3,811)	(4,619)	(4,598)	(986)	(1,145)	(3)	83	(9,606)	(9,471)
Finance costs	(4)	(10)	(2,032)	(2,205)	(418)	(454)	(817)	(898)	(3,271)	(3,567)
Other gains	88	156	431	130	29	39	544	88	1,092	413
Tax	-	-	(338)	(263)	1,123	124	12	(29)	797	(168)
Net income (loss)	3,949	4,660	999	545	(1,523)	1,096	(413)	(784)	3,012	5,517
Non-controlling interests	-	-	(224)	(82)	-	-	-	-	(224)	(82)
Net income (TAQA-share)	3,949	4,660	775	463	(1,523)	1,096	(413)	(784)	2,788	5,435
Dividends distributed									2,810	n/a

³¹ Excluding captive power generation (e.g., EGA, ADNOC)

³² Calculated using TAQA's 2019A proforma revenues for the T&D segment in the UAE of AED 24.7bn and Abu Dhabi's GDP at constant prices in 2019 of AED 804bn. T&D revenues fund the operations of the entire Abu Dhabi power and water supply chain, including all generation assets of the system, which are overwhelmingly owned by TAQA (see page 19).

Availability and reliability

GRI G4EU EU10, EU11, EU12

In the UAE, system planning and forecasting for the power and water sector in Abu Dhabi is undertaken by EWEC and approved by Abu Dhabi's DoE. EWEC is the sole procurer of power and water generation capacity and output and will be the owner and operator of the system's Load Despatch Centre (LDC)³³. Abu Dhabi's DoE is the regulator of the generation, transmission and distribution licensees and grants approval for TAQA's CAPEX and OPEX plans to maintain, upgrade and expand the existing power and water grids to cater for increased supply and demand of power and water.

Generation capacity planning (UAE)

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

Since the prior 2019 Statement, the outlook for demand growth changed, initially seeing a reduction in demand outlook between EWEC's 2019 and 2020 Week 7 forecasts, and a further reduction to account for weaker economic conditions forecast following the advent of COVID-19.

	2020	2021	2022	2023	2024	2025	2026	2027
Power demand growth outlook since the 2019 statement (MW)								
2020 Base (latest)	14,946	15,197	14,926	15,127	15,092	15,352	15,852	16,361
2020 Week 7	15,610	15,951	16,020	16,459	16,549	16,892	17,342	17,803
2019 Week 7 (September revision)	16,085	16,718	17,116	17,649	17,812	18,030	18,470	18,914
Water demand growth outlook since the 2019 statement (MIGD)								
2020 Base (latest)	823	798	738	736	742	747	760	774
2020 Week 7	823	832	782	775	776	783	797	808
2019 Week 7 (September revision)	837	852	794	794	799	805	817	827
EWEC recommended capacity expansions (cumulative by technology)								
Solar PV (MWac)	0	0	1,500 ³⁴	1,500	1,500	1,500	2,025	3,042
Nuclear³⁵ (MW)	0	1,390	2,780	4,170	5,560	5,560	5,560	5,560
Thermal (gas-fired, MW)	0	0	0	2,457 ³⁶	2,457	2,457	2,457	2,457
Reverse osmosis (MIGD)	0	0	100	200	350	370	370	391

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

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

As at the end of 2020, the Group's UAE generation installed gross capacity stood at 17.8GW and 910 MIGD. This offers a reasonable safety margin over EWEC's forecast peak demand requirements for power and water, even when excluding the recent entry into commercial operations of Barakah's first nuclear reactor.

³³ The LDC is currently owned by TRANSCO. As part of the TAQA/ADPower transaction, the LDC will be transferred to EWEC by end of 2021

³⁴ Represents expected PCOD for Al Dhafra 1.5GWac solar PV plant currently under construction, in which TAQA holds a 40% stake

³⁵ Represents the schedule for expected PCODs for each of the four reactors of the Barakah Nuclear Energy Plant (not part of TAQA's portfolio)

³⁶ Represents expected PCOD for Fujairah F3 2.4GW thermal gas-fired plant currently under construction, in which TAQA holds a 40% stake

Transmission and distribution network planning (UAE)

Over the past 20 years, TRANSCO's business has grown substantially to meet increased demand. TRANSCO's future growth is expected to increasingly be driven by new investments enabling the energy transition into new production, including nuclear, renewables and reverse osmosis, and through integration with DEWA and the GCC Interconnection Authority and by connecting Emirates Global Aluminium's power intensive facilities in Abu Dhabi directly to the transmission network. These developments will result in more power being transmitted. Aside from meeting the requirements of transmission users, TRANSCO is also increasingly focusing on realising value from its existing assets, for example by upskilling the workforce and using advanced analytics for predictive maintenance and enhanced processes (such as adopting ISO55001 standards for physical asset management).

The Group's current plans for its power and water network include expanding the recycled water transmission infrastructure along the outskirts of the city of Abu Dhabi. The new recycled water network will, collectively, encompass the laying of approximately 150 km of pipelines in two phases. The Group also plans to develop a new power and water distribution network to connect to Al Yasat Island in the Western Region of Abu Dhabi and to continue to upgrade and replace its existing network, mainly in the Central Region of Abu Dhabi.

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

System efficiency

GRI G4EU EU11, EU12

TAQA produces electricity and water in the UAE mostly by cogeneration – waste heat from gas turbines is used to produce steam, which generates additional power and desalinated water. Whilst cogeneration is currently the predominant method of power and water generation, TAQA's fleet includes standalone power plants (e.g., Shuweihat S3) as well as reverse osmosis units attached to cogeneration plants (e.g., Fujairah F1, F2 and MIPCO) – see page 7 for an overview of our UAE assets. Our strategy will increasingly see us decouple power and water generation to deploy reverse osmosis as the main technology for the more efficient desalination of water.

Overall, across our global fleet of power and water generation assets, efficiency (energy value of power produced per unit of energy consumed) reached 36% in 2020 (implying a heat rate of c.9500 Btu/MWh). This measure includes energy expended for the production of water (a non-power product). As the proportion of power produced to water desalinated increases in a cogeneration plant or fleet of plants, the efficiency increases (heat rate decreases).

Power and water transmission and distribution network losses

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

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

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

Power 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 DisCos' customers and therefore show significant year-on-year variations.

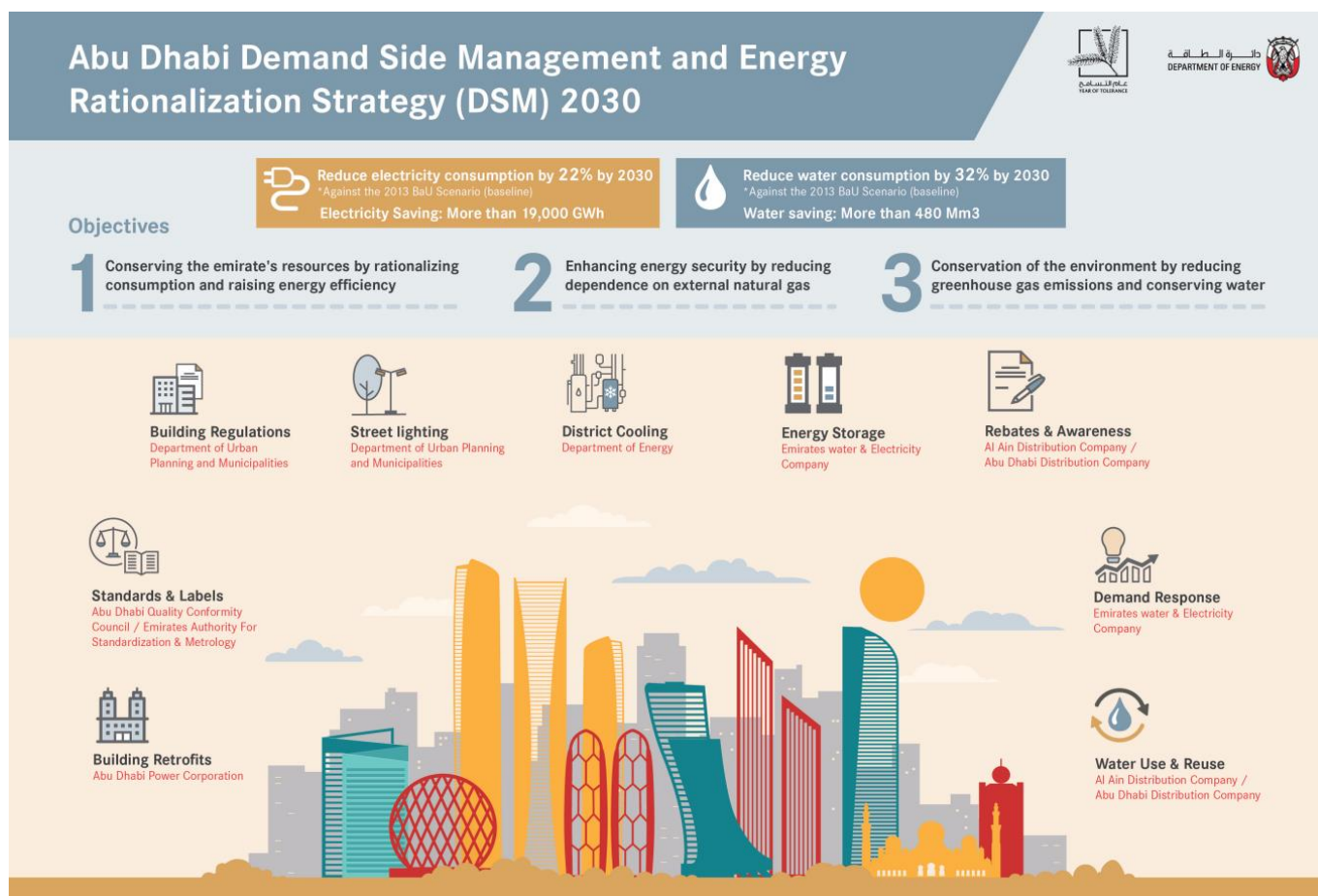
	2020	2019	2018
Transmission network losses (TRANSCO)			
Power	2.14%	2.17%	2.13%
Water	1.55%	1.34%	1.58%
Distribution power network losses			
Power (ADDC)	6.4%	4.8%	4.7%
Power (AADDC)	8.0%	7.4%	6.9%

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Demand-side management

GRI G4EU (former EU7)

Demand-side management is a key component of both TAQA's 2030 Strategy as well as the UAE 2050 Net Zero Initiative (see page 19). Our demand side management initiatives are carried out through both ADES, our wholly owned Super ESCO, and our distribution companies (ADDC and AADC). These initiatives are fully aligned with the Abu Dhabi Demand Side Management and Energy Rationalization Strategy 2030 (see page 18 and below).



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

Abu Dhabi Energy Services (ADES)

Launched in January 2020, ADES is mandated to accelerate, grow, and enable the Energy Services (ESCO) market in Abu Dhabi by driving the building retrofit program (previously assigned to ADPower prior to the ADPower/TAQA transaction) in line with the Abu Dhabi Demand Side Management and Energy Rationalization Strategy 2030.

ADES plays a pivotal role in the Group's effort to achieve sustainable development and growth. In its capacity, ADES identify, fund, and develop energy efficiency projects aiming to promote responsible behaviour towards natural resources and reduce GHG emissions caused by excessive consumption, all while delivering tangible savings for clients.

In 2021, ADES commenced working on developing building retrofit projects in collaboration with more than 35 entities across vital economic sectors in Abu Dhabi, including healthcare, education and tourism. These include projects with UAE University (UAEU), Abu Dhabi Health Services Company (SEHA), Abu Dhabi Department of Culture and Tourism (DCT), and ADNOC, all of whom are significant real estate owners and facilities operators.

Distribution companies (ADDC and AADC)

Our distribution companies are the Group's main customer-facing businesses, interacting with almost 500,000 consumers (served by approx. 980,000 end-user power and water connections). Their strong customer relationships uniquely position them to promote efficiency and provide practical assistance to manage demand for power and water.

The "Tarsheed" brand, launched in January 2017, covers broad thematic areas within demand side management, including education, technology, and motivation. The distribution companies collaborate closely with stakeholders to help customers understand the importance of conserving natural resources and reducing GHG emissions. Many initiatives are being developed, and those underway include:

- *The AC Rebate Initiative:* encouraging property owners to purchase energy efficient air conditioning units.
- *Irrigation Retrofits Project:* enabling efficiency upgrades in large plantings and the promotion of best practices.
- *Masjidi Water Project:* delivering improved water efficiency in mosques.

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Reserves

G4OG OG1

TAQA's oil and gas production volumes are split approximately 45% oil and 55% gas and gas liquids. The Group's oil and gas operations are considered a non-core segment under TAQA's new strategy (see page 3 and 5 for more details) and are subject to a strategic review, which includes exploring all options from retention to divestment. A breakdown of production and reserves is presented below.

<i>TAQA production and reserves³⁷</i>	UK	Netherlands	Canada	Iraq	Total
Total Production					
Oil (mn stb)	10.5	0.2	4.4	3.8	18.8
Gas (incl. NGLs; mn boe)	0.8	1.1	22.3	–	24.1
2020 (mn boe)	11.3	1.3	26.7	3.8	43.0
% of TAQA total	26%	3%	62%	9%	100%
Oil (% of TAQA total)	56%	1%	23%	20%	44%
Gas (incl. NGLs) (% of TAQA total)	3%	5%	92%	–	56%
Total Reserves					
2020 1P (mn boe)	15.5	2.8	120.8	13.5	152.6
2020 2P (mn boe)	23.6	5.8	263.5	27.4	320.2
Reserves Replacement Ratio (RRR)					
2020 1P (%)	(101%)	(34%)	44%	7%	0%
2020 2P (%)	(203%)	43%	20%	39%	(36%)
Reserve Life Index					
2020 1P (years)	1.4	2.1	4.5	3.6	3.6
2020 2P (years)	2.1	4.1	9.9	7.3	7.4
2020 1P Reserves Breakdown					
Oil (mn stb)	13.9	0.5	28.4	13.5	56.3
NGL (mn stb)	0.3	–	15.7	–	16.0
Gas (bn scf)	7.7	13.5	460.2	–	481.3
Total equivalent (mn boe)	15.5	2.8	120.8	13.5	152.6
% of TAQA total	10%	2%	79%	9%	100%
Oil (% of TAQA total)	25%	1%	50%	24%	37%
Gas (incl. NGLs) (% of TAQA total)	2%	2%	96%	–	63%
2020 2P Reserves Breakdown					
Oil (mn stb)	21.1	0.6	60.7	27.4	109.8
NGL (mn stb)	0.5	0.5	32.8	–	33.8
Gas (bn scf)	12.2	28.2	1,019.9	–	1,060.3
Total equivalent (mn boe)	23.6	5.8	263.5	27.4	320.3
% of TAQA total	7%	2%	82%	9%	100%
Oil (% of TAQA total)	19%	1%	55%	25%	34%
Gas (incl. NGLs) (% of TAQA total)	1%	2%	96%	–	66%

³⁷ TAQA's 2020 year end reserves and resources were evaluated by the relevant subsidiaries following the Society of Petroleum Engineer's Petroleum Resources Management System (SPE-PRMS) and the Canadian Oil and Gas Evaluation Handbook (COGEH)

Environmental impacts

Energy consumption

GRI 302-1

Our mission is to supply power and water efficiently and affordably to the populations and communities we serve. Energy consumption levels are a key component to final production costs and are directly related to our efficiency metrics across our generation, transmission and distribution systems (see page 31). Maximising energy efficiencies and expanding our portfolio of renewable energy projects are two key means by which we help balance national strategic goals to develop a safe, secure, economic, and efficient energy system whilst maximising reductions in our carbon emissions.

Energy consumption within the organisation (TJ)³⁸

	2020	2019
Generation	641,667	659,223
= Non-renewable fuel consumed	1,005,748 ³⁹	1,025,554
+ Renewable fuel consumed	–	–
+ Electricity, heating, cooling, and steam purchased for consumption	9,955	9,819
+ Self-generating electricity, heating, cooling, and steam, which are not consumed	–	–
- Electricity, heating, cooling, and steam sold	374,036	376,150
Transmission & Distribution	1,823	1,843
= Non-renewable fuel consumed	13	17
+ Renewable fuel consumed	–	–
+ Electricity, heating, cooling, and steam purchased for consumption	1,810	1,826
+ Self-generating electricity, heating, cooling, and steam, which are not consumed	–	–
- Electricity, heating, cooling, and steam sold	–	–
Oil & Gas	23,151	23,926
= Non-renewable fuel consumed	22,264	23,278
+ Renewable fuel consumed	–	–
+ Electricity, heating, cooling, and steam purchased for consumption	887	648
+ Self-generating electricity, heating, cooling, and steam, which are not consumed	–	–
- Electricity, heating, cooling, and steam sold	–	–
TAQA Group	666,641	684,992
= Non-renewable fuel consumed	1,028,025	1,048,849
+ Renewable fuel consumed	–	–
+ Electricity, heating, cooling, and steam purchased for consumption	12,652	12,293
+ Self-generating electricity, heating, cooling, and steam, which are not consumed	–	–
- Electricity, heating, cooling, and steam sold	374,036	376,150

³⁸ Fuel usage volumes have been converted to energy values using standard conversion factors from 'CDP Technical Note: Conversion of fuel data to MWh', January 2021, available on the CDP website

³⁹ Within Generation, our main energy consuming segment, 83% of consumption was from natural gas and 17% from coal. Energy consumed from other fuel types, including diesel, fuel oil, heavy fuel oil and light crude oil of energy was negligible.

GHG emissions

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

TAQA is committed to addressing climate change risks and reducing emissions, in alignment with global initiatives to address rising temperatures and the recently announced UAE 2050 Net Zero Initiative. In 2021, TAQA carried out an extensive GHG inventory exercise to determine 2019 and 2020 emissions, with 2019 levels to be used as a baseline for setting future emissions reduction and/or emissions intensity targets.

GHG emissions	Units	2020	%	2019 (baseline)	%
Scope 1	tCO₂e	62,552,057		64,455,424	
T&D	tCO ₂ e	87,922	0%	47,349	0%
Generation	tCO ₂ e	60,217,718	96%	62,022,968	96%
O&G	tCO ₂ e	2,246,417	4%	2,385,106	4%
Scope 2	tCO₂e	2,222,230		2,173,533	
T&D ⁴⁰	tCO ₂ e	331,283	15%	334,176	15%
Generation	tCO ₂ e	1,826,287	82%	1,803,461	83%
O&G	tCO ₂ e	64,660	3%	35,896	2%
Scope 1 and 2	tCO₂e	64,774,287		66,628,957	
T&D	tCO ₂ e	419,205	1%	381,525	1%
Generation	tCO ₂ e	62,044,005	96%	63,826,429	96%
O&G	tCO ₂ e	2,311,076	4%	2,421,003	4%
GHG emissions intensity (Scope 1 and 2)					
Revenues (Group)	tCO ₂ e / US\$1mn	5,781		5,574	
Generation	tCO ₂ e / MWh	0.61		0.62	
O&G	tCO ₂ e / mboe	53.67		53.31	

Among the three business segments, TAQA's Generation activities account for the highest share of greenhouse gas (GHG) emissions, at 96% of the Group's total scope 1 and 2 emissions.

Generation

Assets within TAQA's UAE fleet of Generation assets deploy a Continuous Emission Monitoring System (CEMS) as per the Environment Agency Abu Dhabi (EAD) guidelines. The system provides valuable insights that help the Group implement processes and initiatives to reduce and control emissions. All our plants in the UAE, whose emissions we consolidate, and internationally in the US (Red Oak) and Ghana (Takoradi) use natural gas as the primary fuel – a relatively clean energy source and long considered a transition fuel. In addition, coal plants within our international fleet have implemented clean coal technologies (Jorf Lasfar in Morocco) or are in the process of doing so (Neyveli in India) to scrub sulphur and nitrogen oxides, reducing overall GHG emissions.

In the UAE, EWEC is the system planner and offtaker for TAQA's generation assets within the UAE (see page 30). EWEC will be the owner³³ and operator of the Load Despatch Centre (LDC), which determines which plants will be dispatching power and water to the grid based on availability and marginal cost. The EWEC fleet comprises TAQA's power and water generation assets in the UAE, the Barakah nuclear plant (not part of TAQA's portfolio) and a further renewable power generation asset (also outside TAQA's portfolio). EWEC has forecast⁴¹ a reduction in emissions of approximately 20 million tonnes of CO₂ per year by 2024, largely through lower utilization of the least efficient power and water generation plants as nuclear takes over a larger portion of base-load (see page 20). This forecast reduction

⁴⁰ Network losses of c.2% in TRANSCO and c.6% in DisCos (see page 30) not included in T&D scope 2 emissions as power carried by the grids is overwhelmingly generated by the Group's own generation assets and therefore already accounted for in Generation Scope 1 emissions

⁴¹ EWEC Summary Report of Statement of Future Capacity Requirements 2021-2027

in emissions will largely be delivered by TAQA's power and water generation assets and represents c.30% of the Group's total 2019 GHG emissions (scope 1 and 2). The Group is currently in the process of determining reasonable and appropriate targets to reduce absolute GHG emissions and emissions intensities for its global portfolio as an intermediate step along the path to our ambition for net zero emissions by 2050.

Transmission and distribution

Our largest business segment accounts for just 1% of the Group's scope 1 and 2 emissions. The segment's emissions would usually relate to electrical grid losses due to heat dissipation across electrical connections, which are accounted for as Scope 2 emissions under the GHG Protocol (see page 31 for more details on T&D network losses). As cleaner power generation comes online this would decrease the grid emission factor, which ultimately results in reduced emissions from grid losses. Since the transmission and distribution grids overwhelmingly carry power produced by our UAE generation fleet, this is already accounted for in the Generation segment's Scope 1 emissions.

Oil and Gas

Accounting for 4% of the Group's scope 1 and 2 emissions, most of our oil and gas subsidiaries have begun to implement efficiency improvements as part of emissions reduction projects. TAQA North, for example, has the potential to reduce on-site emissions by up to 27% (compared to a 2014 baseline). TAQA Bratani have increased fuel efficiency and reduced diesel usage due to the operation of solar power turbines, consequently decreasing flaring and emissions. TAQA Atrush have removed two diesel generators to mitigate GHG emissions. Meanwhile, TAQA Energy have invested in the installation of an active coal filter on seal gas emissions from turbines to reduce benzene emissions.

Environmental compliance

GRI 307-1

In both 2019 and 2020, there were no incidents of non-compliance with environmental laws and regulations across the TAQA Group.

Social impacts

Health, Safety, Security and Environment (HSSE)

GRI 403-1 to 403-7, 403-9 and non-GRI topic: COVID-19

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

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

HSSE is delivered through strong leadership across the organization which is facilitated by a central HSE team that works closely with each of TAQA's operating companies.

Hazard identification, risk assessment, and incident investigation

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

A key element of the Group's COE policy is the identification of hazards and assessment of risks. Identification is carried out through a structured process assessing consequences and likelihood, and evaluating and implementing prevention, detection, control and mitigation measures to ensure residual risks levels are tolerable. This process of

continuous risk reduction is carried out for existing operations and assets, business development, acquisitions, new projects, commissioning, construction, modifications, changes, closures, divestments and de-commissioning. The risk assessment method is auditable and appropriate for the complexity of the asset and/or project. All relevant stakeholders are kept informed about the risk assessment process and results, which take into account learnings from previous incidents both inside and outside the Group.

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

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

HSSE training

The Group recognises that high skill and knowledge levels are essential to supporting strong HSSE performance. Therefore, the COE policy stresses the need to carefully select and train our workforce, with skills and competencies regularly assessed. The specific training made available is based on the training needs matrix of the training and competency procedure. Training includes:

- HSSE induction
- General / office safety training
- System safety rules
- Safety driving training
- Hazard identification and risk management training

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

Occupational health

TAQA works to promote and maintain the highest degree of physical, mental and social well-being of workers across our operations. As part of the Group's COE policy, an occupational health program has been established to ensure that the personal health and safety of TAQA's personnel is maintained and that industrial hygiene and medical surveillance programs appropriate for the location and work activity are implemented. The policy stipulates that personnel health, medical and occupational exposure records be maintained with appropriate confidentiality and retained as necessary.

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

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

DoE to enable one source sector-wide real-time tracking of COVID-19 developments, including testing, cases and recoveries.

Safety performance

We strive for continuous improvement in safety by regularly tracking and reviewing safety performance. In 2018 and 2019, we piloted a set of new process-safety leading KPIs, which are now implemented across our entire business. Management and monitoring of this takes place at both the business and Group-wide level. These leading indicators are intended to drive improved proactive management of our operational risks.

HSSE Overview		Year ended 31 December							
		T&D		Generation ⁴²		O&G		Group Total	
		2020	2019	2020	2019	2020	2019	2020	2019
Fatalities	Number	-	-	-	-	-	-	-	-
Rate of fatalities	Fatalities / 1 million hrs	-	-	-	-	-	-	-	-
High-consequence work-related injuries (excl. fatalities)	Number	2	1	-	-	4	2	6	3
Rate of high consequence work-related injuries (excl. fatalities)	Injuries / 1 million hrs	0.06	0.03	-	-	0.49	0.18	0.14	0.07
Recordable work-related injuries	Number	3	8	3	2	12	28	18	38
Recorded injury rate (RIR)	Incidents / 1 million hrs	0.10	0.26	0.60	0.66	1.48	2.54	0.41	0.82
Lost time injury (LTI)	Number	3	7	2	0	4	12	9	19
Reportable spills	Number	0	-	1	6	31	40	32	47

Asset integrity and process safety

GRI G4OG OG13

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

Requirements for identifying, reporting, management review and follow up of process safety and asset integrity incidents are defined in the COE and underpinning procedures which includes the Global HSSE Incident Reporting & Investigation Standard and regional reporting and investigation procedures (see page 38 for further details).

The following process safety incidents were reported by the O&G⁴³ business line in 2020: six fires, ten gas releases and nine spills greater than 1 barrel (bbl).

Emergency preparedness

GRI G4EU (former EU21), GRI G4OG

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

TAQA Group subsidiaries and operations in which we have a financial interest have put contingency plans, procedures and other mechanisms in place in order to try to avoid emergency situations and minimise any consequences should they occur. Such measures include preventive measures that have been jointly established

⁴² Refers to TAQA operated assets only, as outlined in our reporting scope section (see page 23)

⁴³ GRI G4 Oil & Gas Sector Disclosure on 'asset integrity and process safety' is specific to O&G segment within the TAQA Group

with local authorities, training and regular safety drills with on-site audits. They also include proactive measures such as the real-time monitoring of systems (particularly within our networks businesses), controlling the conditions of the power and water systems and responding to service and emergency requests, active communication with any affected parties, and regular practice drills.

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

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GRI CONTENT INDEX GRI 102-55

GRI Standard	Disclosure	Description	Page	Reason for omission
GRI 101: Foundation 2016				
General Disclosures				
GRI 102: General Disclosures 2016	Organisational profile			
	102-1	Name of the organization	5	
	102-2	Activities, brands, products, and services	5, 8	
	102-3	Location of headquarters	5, 7	
	102-4	Location of operations	5, 6, 8	
	102-5	Ownership and legal form	5	
	102-6	Markets served	6, 8	
	102-7	Scale of the organization	8	
	102-8	Information on employees and other workers	8	
	102-9	Supply chain	9	
	102-10	Significant changes to the organisation and its supply chain	10	
	102-11	Precautionary Principle or approach	11	
	102-12	External initiatives	17	
	102-13	Membership of associations	27	
	Strategy			
	102-14	Statement from senior decision-maker	3	
	102-15	Key impacts, risks, and opportunities	11	
	Ethics and integrity			
	102-16	Values, principles, standards, and norms of behaviour	5	
	Governance			
	102-18	Governance structure	26	
	Stakeholder engagement			
	102-40	List of stakeholder groups	13	
	102-41	Collective bargaining agreements	14	
	102-42	Identifying and selecting stakeholders	13	
	102-43	Approach to stakeholder engagement	13	
	102-44	Key topics and concerns raised	14	
	Reporting practice			
	102-45	Entities included in the consolidated financial statements	24	
	102-46	Defining report content and topic Boundaries	16, 24	
	102-47	List of material topics	16	
	102-48	Restatements of information	None	
	102-49	Changes in reporting	None	
	102-50	Reporting period	24	
	102-51	Date of most recent report	24	
	102-52	Reporting cycle	24	

GRI Standard	Disclosure	Description	Page	Reason for omission
	102-53	Contact point for questions regarding the report	25	
	102-54	Claims of reporting in accordance with the GRI Standards	24	
	102-55	GRI content index	42	
	102-56	External assurance	24	
GRI G4 Sector Disclosures 2013 Electric Utilities ("GRI G4EU")	EU1	Installed capacity, broken down by primary energy source and by regulatory regime	6, 7	
	EU2	Net energy output broken down by primary energy source and by regulatory regime	6	
	EU3	Number of residential, industrial, institutional and commercial customer accounts	7	
	EU4	Length of above and underground transmission and distribution lines by regulatory regime	7	
	EU5	Allocation of CO2 emissions allowances or equivalent, broken down by carbon trading framework	Not applicable	
Disclosure topics				
Economic (GRI 200 series)				
GRI 201 Economic Performance 2016	GRI 103 Management Approach 2016 (103-1, 103-2 and 103-3)		24, 29	
	201-1	Direct economic value generated and distributed	29	
	201-2	Financial implications and other risks and opportunities due to climate change	11	
GRI 205 Anti-Corruption 2016	GRI 103 Management Approach 2016 (103-1, 103-2 and 103-3)		24, 28	
	205-2	Communication and training about anti-corruption policies and procedures	28	
GRI G4EU Availability and Reliability	GRI G4EU Disclosures on Management Approach (DMA)		30	
	EU10	Planned capacity against projected electricity demand over the long term, broken down by energy source and regulatory regime	30	
GRI G4EU System Efficiency	GRI G4EU Disclosures on Management Approach (DMA)		31	
	EU11	Average generation efficiency of thermal plants by energy source and by regulatory regime	31	
	EU12	Transmission and distribution losses as a percentage of total energy	31	
GRI G4EU Demand-Side Management	GRI G4EU Disclosures on Management Approach (DMA)		33	
GRI G4 Sector Disclosures 2013 Oil and Gas ("GRI G4OG") Reserves	OG1	Volume and type of estimated proved reserves and production	35	
Environmental (GRI 300 series)				
GRI 302 Energy 2016	GRI 103 Management Approach 2016 (103-1, 103-2 and 103-3)		24, 36	
	302-1	Energy consumption within the organization	36	

GRI Standard	Disclosure	Description	Page	Reason for omission
GRI 303 Water & Effluents 2018	GRI 103 Management Approach 2016 (103-1, 103-2 and 103-3)			Information unavailable. Difficulties in obtaining data from non-operated assets (incl. all water desalination activities); seek to include in 2022 reporting
	303-1	Interactions with water as a shared resource		
	303-2	Management of water discharge-related impact		
	303-3	Water withdrawal		
	303-4	Water discharge		
	303-5	Water consumption		
GRI 305 Emissions 2016	GRI 103 Management Approach 2016 (103-1, 103-2 and 103-3)		24, 37	
	305-1	Direct (Scope 1) GHG emissions	37	
	305-2	Energy indirect (Scope 2) GHG emissions	37	
	305-4	GHG emissions intensity	37	
GRI 307 Environmental Compliance 2016	GRI 103 Management Approach 2016 (103-1, 103-2 and 103-3)		38	
	307-1	Non-compliance with environmental laws and regulations	38	
Social (GRI 400 series)				
GRI 403 Occupational Health and Safety 2018	GRI 103 Management Approach 2016 (103-1, 103-2 and 103-3)		24, 38	
	403-1	Occupational health and safety management system	38	
	403-2	Hazard identification, risk assessment, and incident investigation	38	
	403-3	Occupational health services	39	
	403-4	Worker participation, consultation, and communication on occupational health and safety	39	
	403-5	Worker training on occupational health and safety	39	
	403-6	Promotion of worker health	39	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	39	
	403-9	Work-related injuries	40	
GRI G4EU Disaster / Emergency Planning and Response	GRI G4EU Disclosures on Management Approach (DMA)		40	
GRI G4OG Emergency Preparedness	GRI G4EU Disclosures on Management Approach (DMA)		40	
GRI G4OG Asset Integrity & Process Safety	GRI G4EU Disclosures on Management Approach (DMA)		40	
	OG13	Number of process safety events, by business activity	40	
Non-GRI COVID-19	GRI 103 Management Approach 2016 (103-1, 103-2 and 103-3)		39	

ACRONYMS

1P	Proved	MIG	Million Imperial Gallons
2P	Proved Plus Probable	MIGD	Million Imperial Gallons per Day
AADC	Al Ain Distribution Company	Mn	Million
Abu Dhabi	Emirate of Abu Dhabi	MoU	Memorandum of Understanding
ADDC	Abu Dhabi Distribution Company	MW	Megawatts
ADES	Abu Dhabi Energy Services	MWac	Alternating current megawatts
ADNOC	Abu Dhabi National Oil Company	NGL	Natural Gas Liquids
ADPorts	Abu Dhabi Ports Company PJSC	NGO	Non-governmental organisation
ADPower	Abu Dhabi Power Corporation	O&G	Oil and Gas (segment)
ADQ	Abu Dhabi Developmental Holding Company PJSC	O&M	Operation and Maintenance
ADX	Abu Dhabi Securities Exchange	OEM	Original Equipment Manufacturer
Bbl	Stb	ONEE	Office National de l'Ectricité et de l'Eau Potable (Morocco)
Bcm	Billion Cubic Metres	OPEX	Operating expenses
Boe	Barrels of Oil Equivalent	P(W)(P)A	(Power) (and) (Water) Purchase Agreement
Boepd	Barrels of Oil Equivalent Per Day	PCOD	Project Commercial Operation Date
BST	Bulk Supply Tariff	PV	Photovoltaic
Btu	British Thermal Unit	RC1	First Regulatory Controls (2018-2022)
CAPEX	Capital Expenditures	RC2	Second Regulatory Controls (2023-2026)
COE	Commitment to Operational Excellence	RO	Reverse Osmosis
DEL	Dolphin Energy Limited	RIR	Recorded injury rate
DisCo	Distribution Company	RRR	Reserves Replacement Ratio
DoA	Delegation of Authority	SCA	Securities and Commodities Authority in the UAE
DoE	(Abu Dhabi) Department of Energy	Scf	Standard cubic feet (1 boe = 6 million scf)
DSM	Demand-side management	SDGs	United Nations Sustainable Development Goals
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation	SEWA	Sharjah Electricity, Water and Gas Authority
EGA	Emirates Global Aluminium	SOx	Sulphur oxides
EMS	Environmental Management System	Stb	Stock tank barrel (also bbl)
EPC	Engineering, Procurement and Construction	tCO2e	(Metric) Tonnes of Carbon Dioxide Equivalent
ESCO	Energy Services Company	T&D	Transmission and Distribution (segment)
ESG	Environmental, Social and Governance	TAQA	Abu Dhabi National Energy Company PJSC
ESIA	Environmental & Social Impact Assessment	TJ	Terrajoules
EVD	Economic Value Distributed	TransCo	Transmission Company
EVG	Economic Value Generated	TRANSCO	Abu Dhabi Transmission and Despatch Company
EWE	Etihad Water and Electricity (formerly FEWA)	TUoS	Transmission Use of System
EWEC	Emirates Water and Electricity Company	TWh	Terawatt Hours
KPI	Key Performance Indicators	UAE	United Arab Emirates
FY	Full or fiscal year	YE	Year end
GCC	Gulf Cooperation Council	MIG	Million Imperial Gallons
GCCIA	GCC Interconnection Authority		
GHG	Greenhouse Gas		
GHG Protocol	Greenhouse Gas Protocol: a Corporate Accounting and Reporting Standard, by WBCSD/WRI, 2004		
GICS	Global Industry Classification Standard		
GRI	Global Reporting Initiative		
GRI G4EU	GRI G4 Electric Utilities Sector Disclosures		
GRI G4OG	GRI G4 Oil & Gas Sector Disclosures		
GRI Standards	GRI Sustainability Reporting Standards		
GW	GWac		
GWac	Gigawatts of alternating current		
GWh	Gigawatt Hours		
H&S	Health and Safety		
HSE	Health, Safety, and Environment		
HSSE	Health, Safety, Security and Environment		
I(W)(P)P	Independent (Water) (and) (Power) Project		
LTI	Lost Time Injury		