

HEALTH, SAFETY & ENVIRONMENT

Extensive progress was achieved by TAQA during 2021 toward harmonizing incident reporting across the operating companies in each of our business lines, with a view to expanding Group-wide monitoring and management of HSE key performance indicators (KPIs).

By the end of 2021, our businesses in Canada, Iraq, Ghana and India and the distribution businesses in the UAE had fully adopted an integrated e-reporting system. TRANSCO, the UK and the Netherlands are planned for integration during 2022.

The new operating model continued to guide the HSE function in setting standards, providing tools, expertise and assurance, and developing a holistic view of risk. The HSE function embedded sub-committees and networks aimed at providing an added layer of oversight and awareness at the business line level. These are supported by the newly appointed HSE specialists and through the individual HSE committees of the operating companies.

Strong HSE progress in 2021

We conducted an extensive program of systematic activities and improvements to help ensure the safety of our workforce and operations. Specific HSE projects launched in 2021 include:

HSE reviews

We conducted reviews of HSE processes and procedures in Morocco and India, with a further HSE review in Ghana undertaken in January 2022. In addition, TAQA worked on developing and implementing a behavioral safety program focused on felt leadership that is visible to the workforce to help provide to local management with the tools required to lead on safety.

Safety Day event

TAQA hosted its first global Safety Day event at the Group-level in November, which focused on elevating awareness of the importance of safety leadership and recognizing safety heroes across the Group.

Case Study

Project Aman

Following an external review commissioned by HSE and the Transmission & Distribution business line, TAQA launched Project Aman, designed to deliver HSE improvements and consistency across the operating companies. The first phase of the program is set for completion in Q1 2022 and focused on leadership commitment and culture as well as governance, performance, contractor safety and risk management with more than 80 coaching sessions being conducted. Further management of change process improvements were implemented in 2021 to ensure the consistent implementation of the TAQA 12 Essential Safety rules across the Transmission & Distribution operating companies.

During 2021, operating sites were able to increase manpower and resume certain higher intensity activities deferred from the previous year.

Reported incidents in 2021

TAQA continues to improve its reporting structures and processes to capture more accurate minor injury and near miss data to reduce incidents and enhance workplace safety. Near miss reporting increased by 10% in 2021, while minor first aid injuries showed a 60% rise in cases reported. This increase largely reflected the more accurate reporting measures being applied throughout the year combined with the gradual relaxation of measures to manage the spread of COVID-19.

During 2021, operating sites were able to increase manpower and resume certain higher intensity activities deferred from the previous year. However, reported cases involving harm to people or the environment included 11 lost-time injuries (LTIs) and 37 reportable spills, both of which had increased from 2020 but remained below pre-pandemic levels of 19 LTIs and 47 reportable spills during 2019.

The number of spills recorded in 2021 increased by five compared to 2020, mainly reflecting the additional reporting of three assets in the Greater Brae Area in the Oil & Gas portfolio following the transfer of operatorship. Similarly, spill volumes increased by approximately 40%, with the increase largely attributable to one significant methanol spill in the Brae area. The Brae area spill involved a subsea pipeline chemical leak that necessitated further releases to perform an integrity testing program as shared with the regulator. TAQA completed an integration program with the Brae assets to ensure alignment with TAQA's HSE standards and management system.

Process safety KPI trends remained largely flat, while fire incidents doubled year-on-year and are being tracked more closely and consistently, specifically to provide increased visibility on their causes and inform preventative measures.

In our Oil & Gas business line, seven LTIs and 35 reportable spills were recorded in 2021.

HSE Overview (year ended December 31, 2021)

	T&D		Generation*		Oil & Gas**		Group Total**	
	2021	2020	2021	2020	2021	2020	2021	2020
Fatalities (Number)	1	-	-	-	-	-	-	-
Recorded injury rate (RIR) (Incident/1 million hrs.)	0.12	1.10	0.41	0.66	1.90	1.48	0.55	0.41
Lost time injury (LTI) (Number)	2	3	2	2	7	4	11	9
Reportable spills (Number)	0	0	2	1	35	31	37	32

* Refers to TAQA operated assets only

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

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In our Transmission & Distribution business, two LTIs were recorded during the year, compared to three in 2020. No spills were reported.

Operations in Iraq reached a milestone by achieving 1,000 days without an LTI in April 2021. A total of 12 spills were recorded in Iraq for the year, compared to seven in 2020, and two recordable incidents compared to one recordable incident in 2020 were reported.

In Europe, 13 recordable injuries were reported, with eight occurring in the second half of the year, and 14 spills were reported compared to 17 spills recorded in 2020. Yet the safe implementation of the top-side decommissioning and removal project for the Brae assets in the UK – one of the largest programs to date – was completed with no LTIs.

TAQA North reported six recordable injuries, zero lost-time injuries and nine spills.

In our Transmission & Distribution business, two LTIs were recorded during the year, compared to three in 2020. No spills were reported.

Most notably, a contractor fatality occurred in February, caused by the collapse of a trench wall while laying a pipeline. We have put in place measures to address common causes and enhance the management of risks including establishing behavioral safety programs, enhancing contractor management, delivering focused safety audits and embedding shared learnings.

In our Generation business line, two LTIs were recorded during the year, with two spills recorded.



Environmental management and emissions monitoring and reduction

TAQA is committed to being an active participant in the UAE's emissions reduction journey, including the national net-zero by 2050 strategic initiative. In 2021, we participated in UAE government climate change and greenhouse gas (GHG) emissions target-setting mechanisms, such as the Abu Dhabi Climate Change Task Force, the Government Accelerator Program, the High-Level Dialogue on Energy (HLDE) and COP26.

TAQA embarked on an extensive global review of our environmental strategy, including our historic and current GHG measurement guidance, reporting tools and emissions baselines that also informed the development of TAQA's global environmental strategy and TAQA's Group strategy, covering:

- Global environmental reviews and gap analyses of the Group's environmental management system and their ISO14001 certification
- TAQA's GHG emissions baseline and measurement approach of each operating companies' contribution to the Group's emissions setting and our energy efficiency roadmap

TAQA GHG emissions reporting tool used by all operating companies and non-operated companies captures data on scope 1 and scope 2 emissions (e.g. direct emissions from our primary production, generation or distribution activities and our emissions associated with the electricity we purchase). This tool is intended to be extended over time to include a more diverse range of environmental KPIs and definitions. For more information on our sustainability efforts, refer to our latest Sustainability Report.



<https://bit.ly/TAQASustainabilityReport>

2022 Outlook

In 2022, TAQA intends to leverage the momentum gained during 2021 to deliver further progress on our ambitious HSE goal of preventing incidents. Key activities include:

- The development and rollout of new HSE standards across the Group
- Implementation of the environmental strategy and roadmap intended to enhance TAQA's environment management system
- Development of enhancements to GHG emissions measurement and reporting, including tools
- Execution of enhanced communications and engagement that includes a dedicated safety week event across our global businesses
- Complementing the reviews conducted of Transmission & Distribution, independent HSE reviews of our Generation and Oil & Gas business lines are planned to help prioritize continuous improvement. In addition, the next phases of Project Aman in Transmission & Distribution are planned to commence during the year
- Establishing a suite of new environmental KPIs for reporting across the Group in accordance with established sustainability reporting standards