



# DEWA'S GOOD GOVERNANCE BOOK: GOVERNANCE PRACTICE EVOLUTION OVER THE YEARS







**Good Governance is about nothing more or less than  
creating happiness. It really is that simple.**

**H.H. Sheikh Mohammed Bin Rashid Al Maktoum**  
Vice President and Prime Minister of the UAE and Ruler of Dubai





**DEWA is committed to adopt and apply the best international practices and standards. This is in line with the vision and directives of H.H. Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, who emphasized the need to apply the highest standards of good governance in government work.**

**H.E. Saeed Mohammed Al Tayer**  
MD & CEO of DEWA



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## DEWA GOOD GOVERNANCE FRAMEWORK, INTERNATIONAL STANDARDS & BENCHMARKS, DEWA THREE LINES MODEL, AND DEWA GOVERNANCE-RELATED POLICIES



## INTERNATIONAL STANDARDS & BENCHMARKS

DEWA in its pursuit of excellence in all its operations and working adopts and implements a broad range of applicable standards, benchmarks and international best practices.

DEWA has been certified compliant with British standard BSI 13500 “Code of practice for delivering effective governance” in 2017 and in successive years till the current year.



Some of the other prominent of the International Standards Organisation (ISO) and the British Standards Institution (BSI), that DEWA has adopted and implemented are:

ISO 9001 : 2015	Quality Management System
ISO 31000 : 2009	Risk Management System
ISO 22301 : 2012	Business Continuity Management Systems
ISO 50001 : 2011	Energy Management Systems
ISO 55001 : 2014	Asset Management Systems

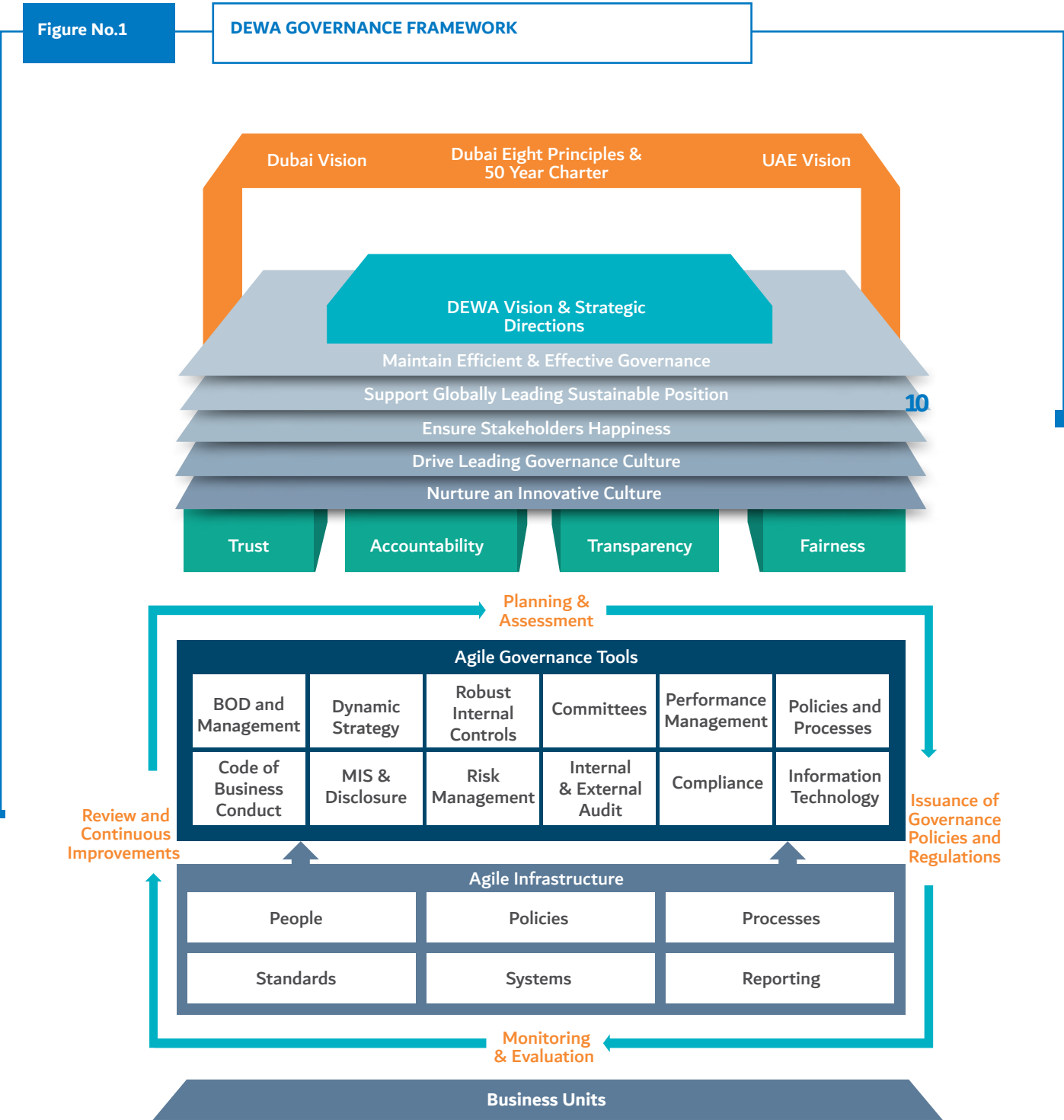
Some of the other prominent certifications of the International Standards Organization (ISO) and the British Standards Institution (BSI), that DEWA has received recognition on during the year 2021 are:

- ISO 21500:2012: Guide for Addressing Accessibility in Standards
- ISO 21542:2011: Building Construction - Accessibility and Usability of Built Environment
- ISO 18788:2015: Management system for private security operations
- BS 7958:2015: Closed circuit television (CCTV)
- BS 10800:2020: Static site guarding and mobile patrol service.
- BSi 13500: Code of practice for delivering effective governance for organizations.

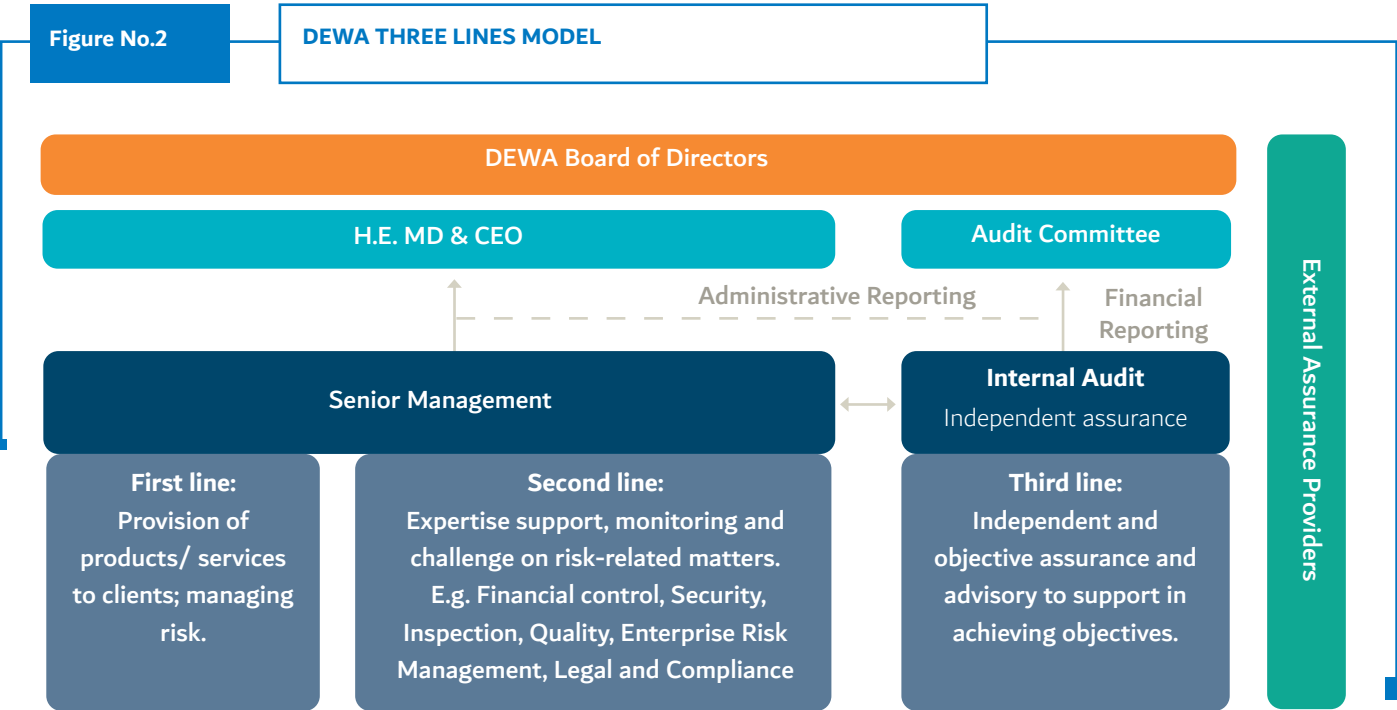


DEWA's good governance framework cascades from the strategic directions of the government of Dubai and the UAE, translated into the goals of DEWA's good governance practices, underlined by DEWA's good governance principles. The tools and infrastructure requirements support the governance processes of the organization and are further cascaded to business units.

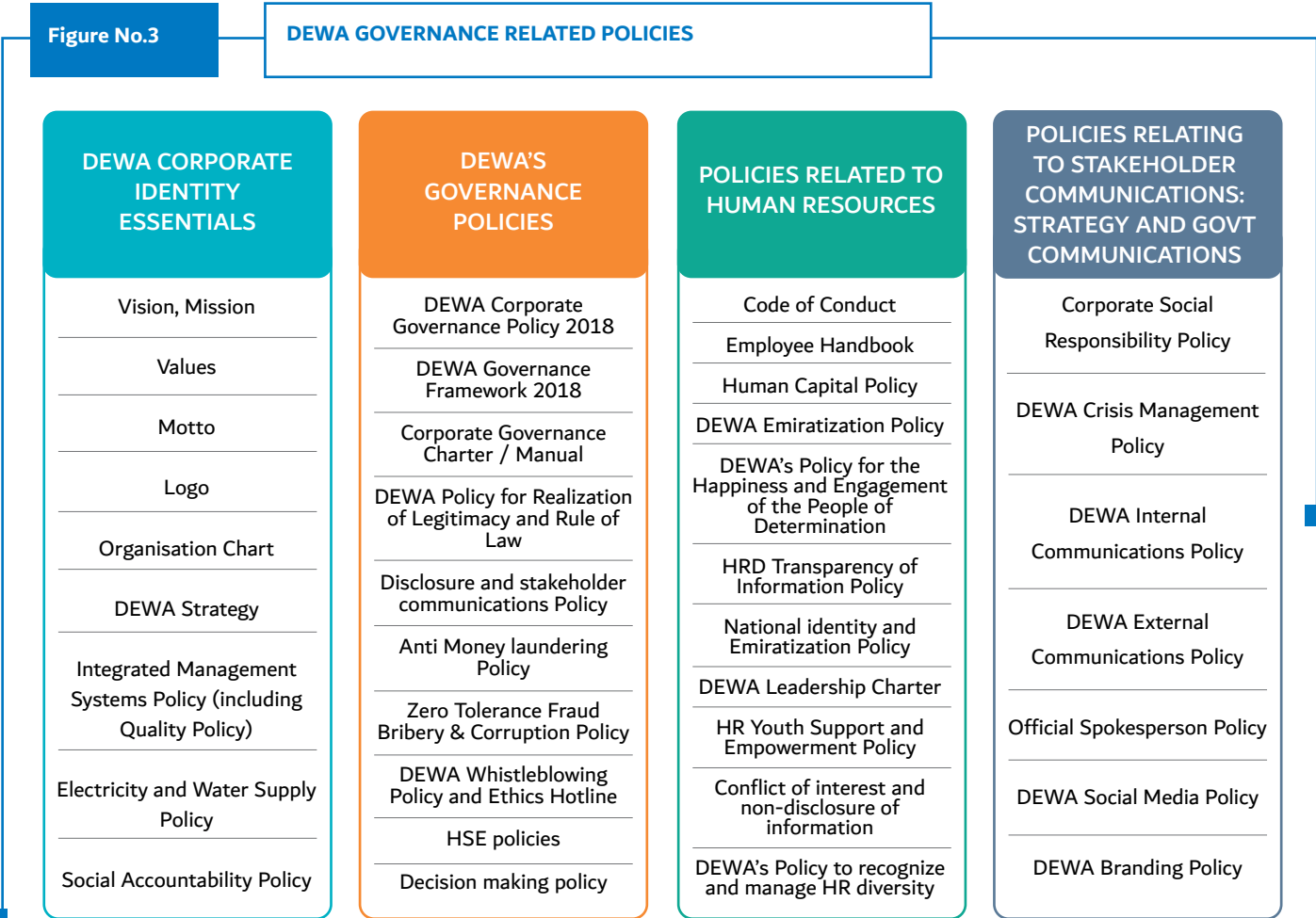
This part of the Corporate Governance Report describes each of the Agile Governance Tools and how these are implemented within DEWA. The report also notes the changes introduced to some of the elements as a result of the pandemic.



Internal control within DEWA is established via the implementation of the Three Lines model:



The internal control system aims to establish, document, maintain and act consistently with the principles of the internal auditing policy. The system applies across all divisions/departments and all activities related to corporate governance and risk management. DEWA's control management process ensures that the procedures are appropriately designed and effectively applied in accordance with DEWA's annual strategic plan. This process is reviewed by the Audit Committee and approved by the Board.





# REPORT 2021

## DEWA Governance Report 2021





## INTRODUCTORY NOTE FROM H.E. MD & CEO



“

I am glad to present DEWA Corporate Governance Report for the year 2021. As DEWA embarks on a new journey in 2022, this Report presents DEWA's transition phase from a State Owned Enterprise (SOE) into a Listed Company (PJSC) in the Dubai Financial Market as per the Dubai Government Law No.27 of 2021 concerning the Dubai Electricity and Water Authority (PJSC) and its Articles of Association approved pursuant to Executive Council Resolution No.11 of 2022 and other relevant laws.

This move reflects the forward-looking vision of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, to increase the value of DEWA; therefore, strengthening Dubai's financial sector and investors' confidence.

DEWA has achieved world-class results in the technical and financial performance indicators that are on a par with major global utilities. It has diversified its sources of income through pioneering projects in various fields in the energy and water sectors according to the highest standards of reliability and efficiency.

DEWA has succeeded in gaining the confidence of major investors to work on its major projects, using the Independent Power and Water Producer (IPWP) model, which has attracted investments in the renewable and clean energy. Our comprehensive and robust corporate governance structure and Board of Directors shape our image and actions and ensure we uphold the highest professional and ethical business standards.

From the diverse experience of our Board and Management Team, to our regular reporting and independent auditing practices, our corporate governance system ensures transparency, effective oversight and accountability at all levels of operations.

We trust you will find the Report of interest.

”



## 2.1 DEWA Board of Directors Appointment, Composition and Jurisdiction

DEWA's Board of Directors pursuant to its jurisdiction stipulated under Law No. 27 of 2021 and its Articles of Association, defines the strategic business guidelines and directions of DEWA and supervises its implementation. The composition of the Board reflects various complementary experiences, allowing its members to protect and promote the interests of all stakeholders. In line with the Decree No. 55 of 2021, two additional Board members have been appointed. The newly established Board comprises 11 members; thus, 90% of the Board of Directors are considered non-executive board members.

To ensure diversity and female representation across DEWA Board, Dr. Moza Suwaidan was appointed as a non-executive Board member in 2021.

Figure No.4

DEWA BOARD GOVERNANCE STRUCTURE

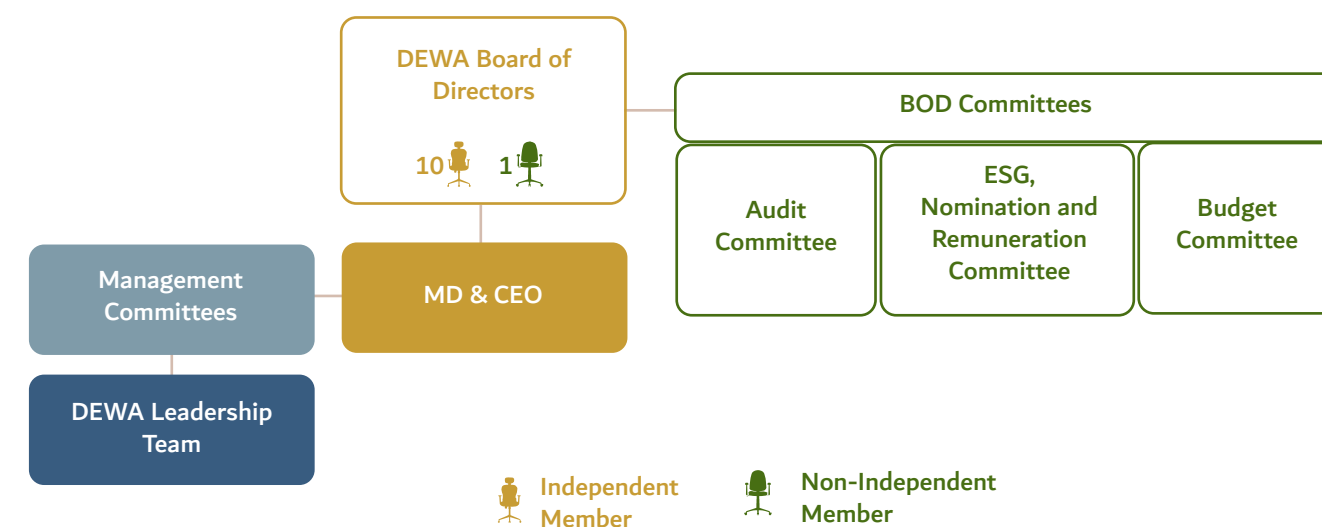


Figure No.5

DEWA BOARD MEMBERS

<b>HE Matar Humaid Al-Tayer – Chairman and Non-Executive Board Member</b>
<b>HE Saeed Mohammed Ahmad Al Tayer – Executive Board Member</b>
<b>HE Khalfan Ahmad Harib – Non-Executive Board Member</b>
<b>HE Majid Hamad Rahma Al Shamsi – Non-Executive Board Member</b>
<b>Mr. Hilal Khalfan Bin Dhafer – Non-Executive Board Member</b>
<b>Mr. Al Sayed Abdullah Mohamad Al Hashemi – Non-Executive Board Member</b>
<b>Mr. Obaid Bin Mes'har – Non-Executive Board Member</b>
<b>Mr. Saeed Mohmmmed Al Shared – Non-Executive Board Member</b>
<b>Mr. Nabil Abdulrahman Ahmad Arif – Non-Executive Board Member</b>
<b>Mr. Mohammed Juma Al-Suwaidi – Non-Executive Board Member</b>
<b>Dr. M. Moza Shaiban Sweidan – Non-Executive Board Member</b>

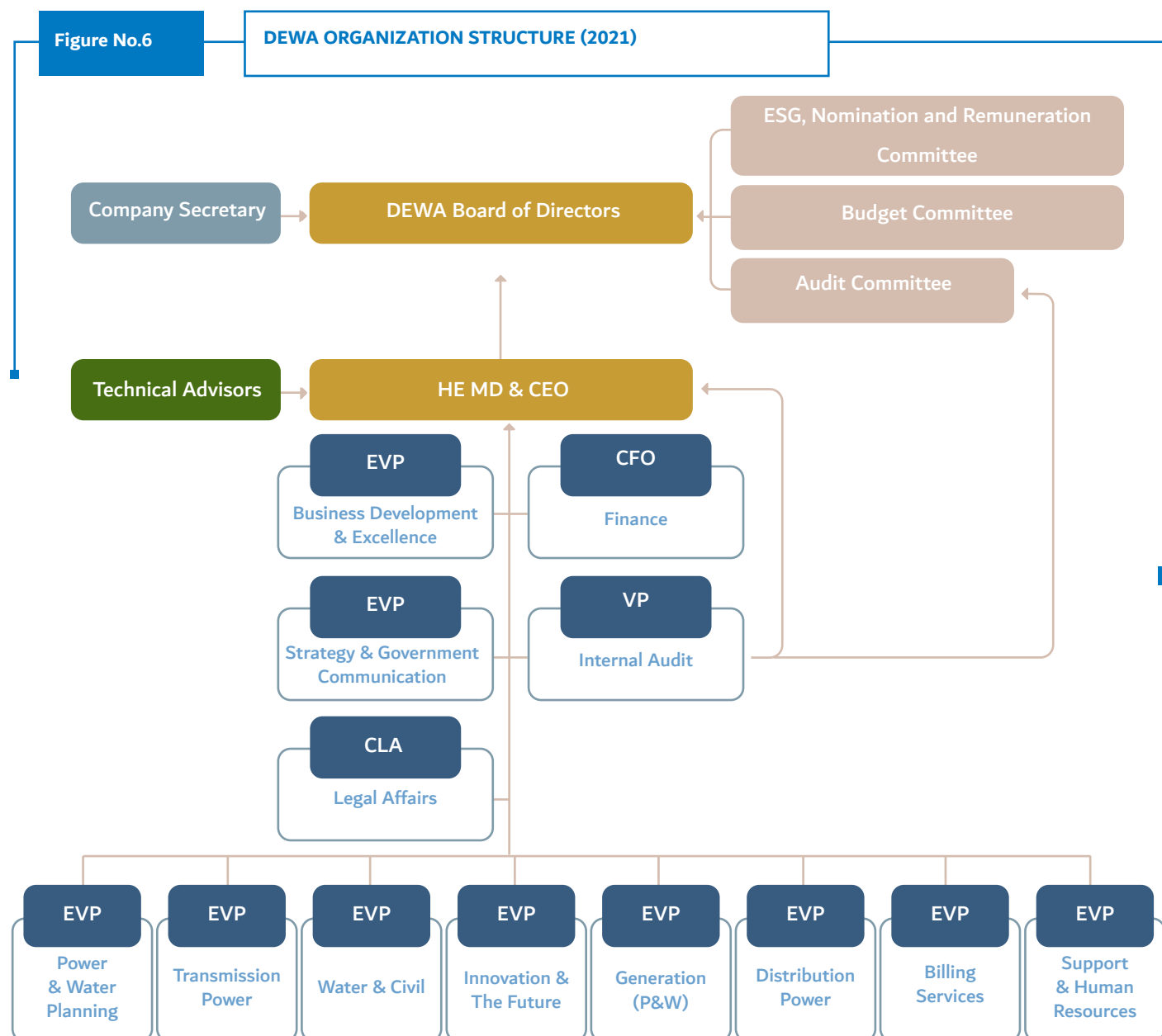


## 2.3 Board Meetings Held in 2021

During the year 2021, a total of six (6) board meetings were held. The invitation and the agenda are sent to the members at least a week ahead of the meeting date, and details of issues and decisions made during the meeting are recorded as minutes taking into account any members' opinions that are expressed during the meeting.

## 2.4 DEWA Organisational Structure

The below diagram highlights DEWA's organisational structure and reporting channels:



## 2.5 Delegation to Management

DEWA's Board provides guidance and direction to the Management towards achieving its strategic objectives. The Board is responsible for the direction and oversight of DEWA, and the day to day activities of DEWA are delegated to Management through the Board approved Delegation of Authority. The Delegation of Authority is subject to regular review and amendment (if required) by the Board and the Audit Committee. The Delegation of Authority delegates authority from the Board to Senior Management to execute:

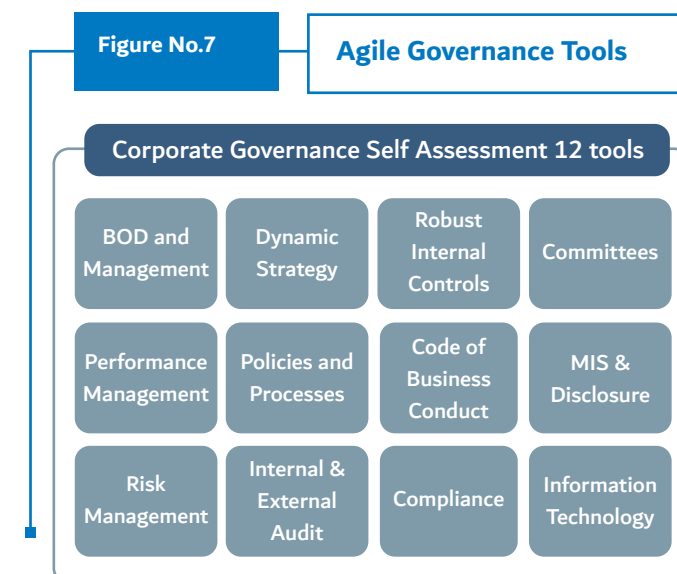
- Contractual and/or other commitments;
- Expenditure, purchases; and
- Investments below a specified maximum limit amount (in AED), beyond which approval of the Board is required.

To further ensure a robust control environment, DEWA's SAP system ensures proper segregation of duties, transparency in business dealing, and limits any risk of fraud through the available modules and process controls.

## 2.6 DEWA Governance and Compliance Department Activities

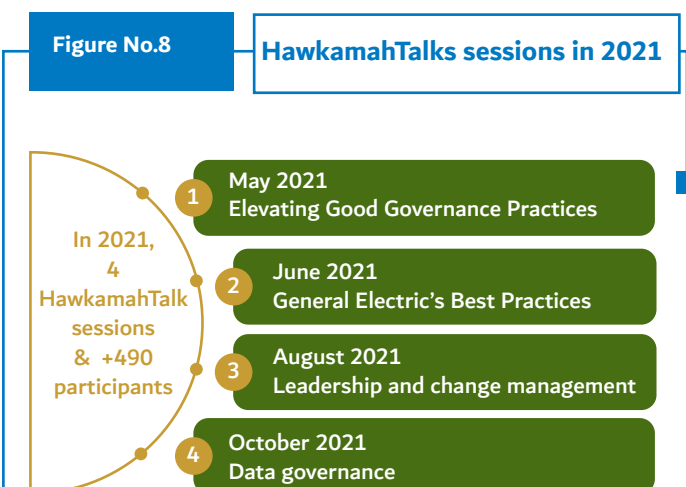
### Corporate Governance Self-Assessment (CGSA):

DEWA's Governance and Compliance Department is constantly looking forward to support and improve the internal control environment of DEWA Divisions and Subsidiaries. As a result, in Q4, 2020, the Governance and Compliance Department launched the Corporate Governance Self-Assessment (CGSA) tool across DEWA Divisions, and later expanded its scope to cover 100% DEWA owned subsidiaries in Q4, 2021. The CGSA tool assesses in detail each of the 12 Agile-Governance Tools as part of the Agile-Governance Framework. Below are the 12 Agile-Governance tools:



### HawkamahTalks:

To achieve a thriving governance culture, DEWA maintains a clear vision, a positive culture, agreed targets and expectations. As such, the Department led HawkamahTalks initiative in May 2021, which aims to share knowledge across DEWA by dedicating sessions on various key Governance-related topics led by experienced and well reputable speakers from leading international companies as shown below:







DEWA intends to maintain its position as one of the leading utilities company in the world and to provide globally leading sustainable, efficient, and reliable power and water services, and related innovative smart solutions. As a result, DEWA revisits its strategy when needed, to keep pace with the rapid developments across all areas and support its vision to be a globally leading sustainable innovative corporation.

#### DEWA purpose, vision and mission comprise of the following:

##### Purpose:

To provide globally leading sustainable, efficient, and reliable power and water services, and related innovative smart solutions.

##### Vision:

To be a globally leading sustainable innovative corporation.

##### Mission:

Committed and aligned to Dubai's 8 Principles and 50-Year Charter supporting the UAE's directions through the delivery of global leading services and innovative energy solutions enriching lives and ensuring the happiness of our stakeholders in a sustainable manner.

##### Motto:

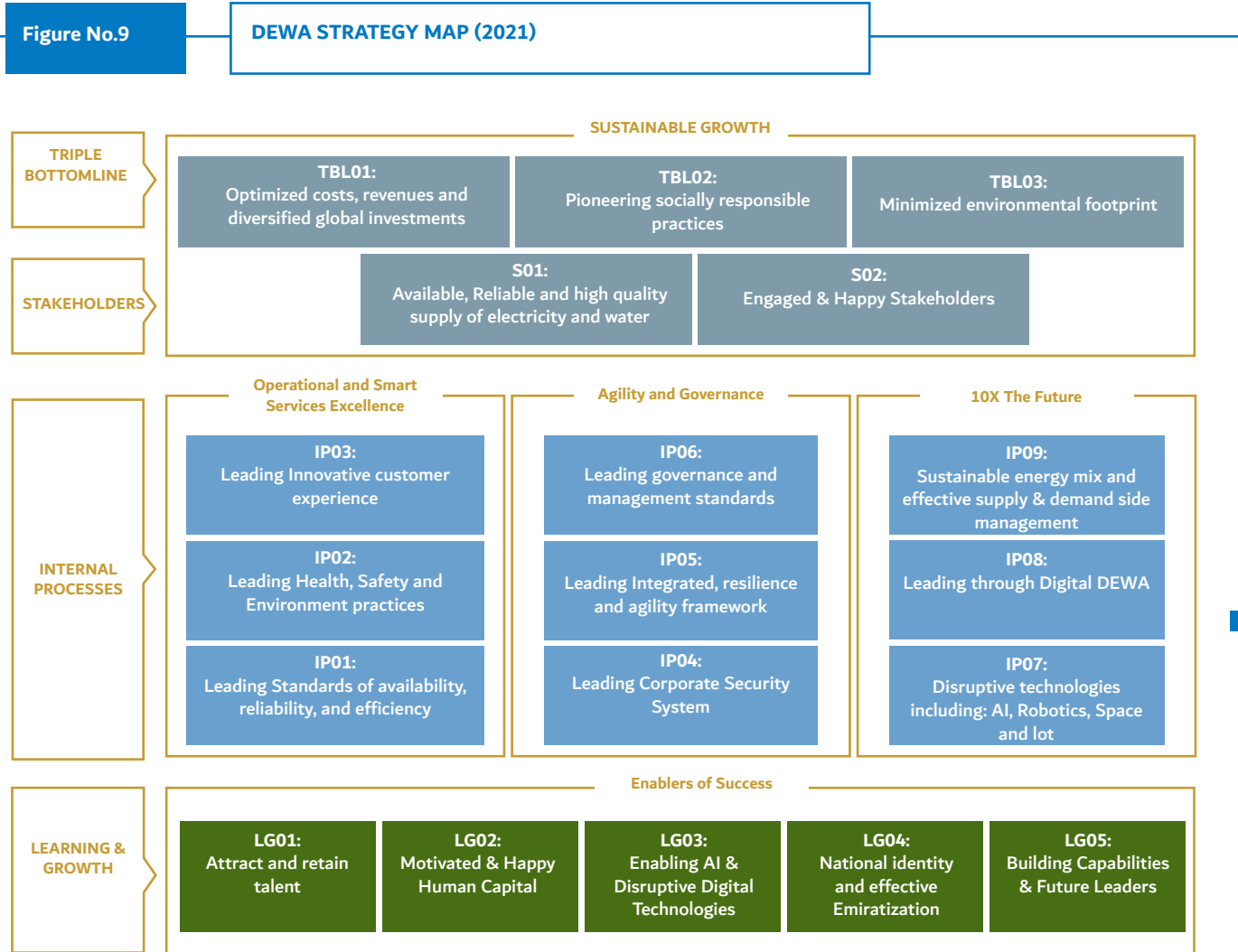
For generations to come.

#### DEWA's strategy and operations are aligned to the strategic directives at Dubai, UAE, and global levels including:

- The UN Sustainable Development Goals 2030 provide a global blueprint for dignity, peace and prosperity for people and the planet, now and in the future. They address the global challenges the world faces, including those related to poverty, inequality, climate, environmental degradation, prosperity, and peace and justice.
- The UAE Centennial 2071, which is a long-term government plan to prepare the UAE and young Emiratis for the future.
- The Dubai Clean Energy Strategy 2050 and the Dubai Net Zero Carbon Emissions Strategy 2050 to provide 100% of Dubai's total power capacity from clean energy sources, and other inputs support the transition to a sustainable green economy in Dubai and the UAE.
- The UAE Strategy for the Fourth Industrial Revolution aims to strengthen the UAE's position as a global hub for the Fourth Industrial Revolution.
- The UAE Artificial Intelligence Strategy which aims to make the UAE the first in the field of AI investments in various sectors.

DEWA's Strategy Map provides a clear visual indicator of how the themes and the four perspectives of the third generation Balanced Scorecard interrelate with each other and form the overall strategy of DEWA.





## 3.1 Performance Management

The Balanced Scorecard shows a relationship between the four perspectives (triple-bottom line, stakeholders, internal processes and learning and growth). The Key Performance Indicators (KPIs) are based on the need to provide leading and lagging indicators of an organisation's performance. DEWA uses the third generation Balanced Scorecard to manage and measure the performance of its strategic direction, broken down into the themes, strategic objectives and corporate KPIs.

## 3.2 Key Performance Indicators

The Key Performance Indicators (KPIs) are significant measurements used to track and manage performance against strategic objectives. A KPI measures progress in the performance of an objective critical to the organisation's strategic direction.

However, corporate-level KPIs are determined under each strategic objective on DEWA's Strategy Map to assess the overall progress in executing the corporate strategy based on the contributory approach from divisions. Selected KPIs should be understood, acceptable, have a well-defined formula and, above all, measurable.



# 4

## INTERNAL CONTROL SYSTEM



### 4.1 Role of the Board in Internal Control

The Board has overall responsibility for ensuring effectiveness of the internal control system of DEWA. The Board is responsible for setting a clear framework to ensure an effective internal control system is in place. This allows effective and efficient operations, accurate financial reporting, and compliance with laws and regulations.

### 4.2 Internal Control System Process

DEWA follows the COSO Framework for internal controls and periodically conducts its reviews of effectiveness of internal controls. The 17 Principles of COSO Internal Control are applied across all DEWA Divisions, Departments, and Operations and are constantly scanned for compliance.

**Internal Control is broadly defined as a process designed to provide reasonable assurance regarding the achievement of objectives in the following categories:**

- Effectiveness and efficiency of operations: Addresses DEWA's basic business objectives, including adherence to performance standards and the safeguarding of resources.
- Reliability of financial reports: Ensures that reliable financial statements and other financial information are presented to the shareholders, Board and Management.
- Compliance with applicable Legislations and Internal Regulations: Oversight over Regulatory Compliance with applicable legislations and internal regulations, policies and procedures which DEWA is subject to in order to avoid any risk of damage to reputation or payment of fines/penalties.



# 5

## COMMITTEES



The Board is empowered to establish Board committees and to delegate powers to such committees as necessary or appropriate. The Board delegates certain functions to well-structured committees but without renouncing its own responsibilities.

Board committees are an effective way to distribute work between Board members and allow for more detailed consideration of specific matters. All the Board committees are functioning on behalf of the Board and the Board is responsible for constituting, assigning, co-opting and fixing terms of service for Board committee members.

The Board has three (3) committees along with its charters that define the obligations, duration and authority of each committee, and these committees are regularly monitored by the Board regarding their performance and commitment. These committees are: 1. Audit Committee 2. ESG, Nomination and Remuneration Committee; and 3. Budget Committee.

### 5.1 Audit Committee

The Board maintains an Audit Committee that monitors financial statements, reviews and recommends changes to DEWA's financial and internal control systems, and appoints and maintains an appropriate relationship with its external auditors. The Audit Committee has oversight of the Internal Audit department.

### 5.2 ESG, Nomination and Remuneration Committee

The ESG, Nomination and Remuneration Committee assists the Board in discharging its responsibilities in relation to Environment, Social and Governance matters in addition to the qualifications, compensation, appointment and succession of the Company's directors and key management personnel. The Committee oversees the Company's nomination process for the Board of Directors and continuously monitors the independence of the independent members of the Board.

### 5.3 Budget Committee

The Budget Committee reviews and approves the Company's annual budget and remuneration of the Company's personnel. The Committee meets once every year.



# 6

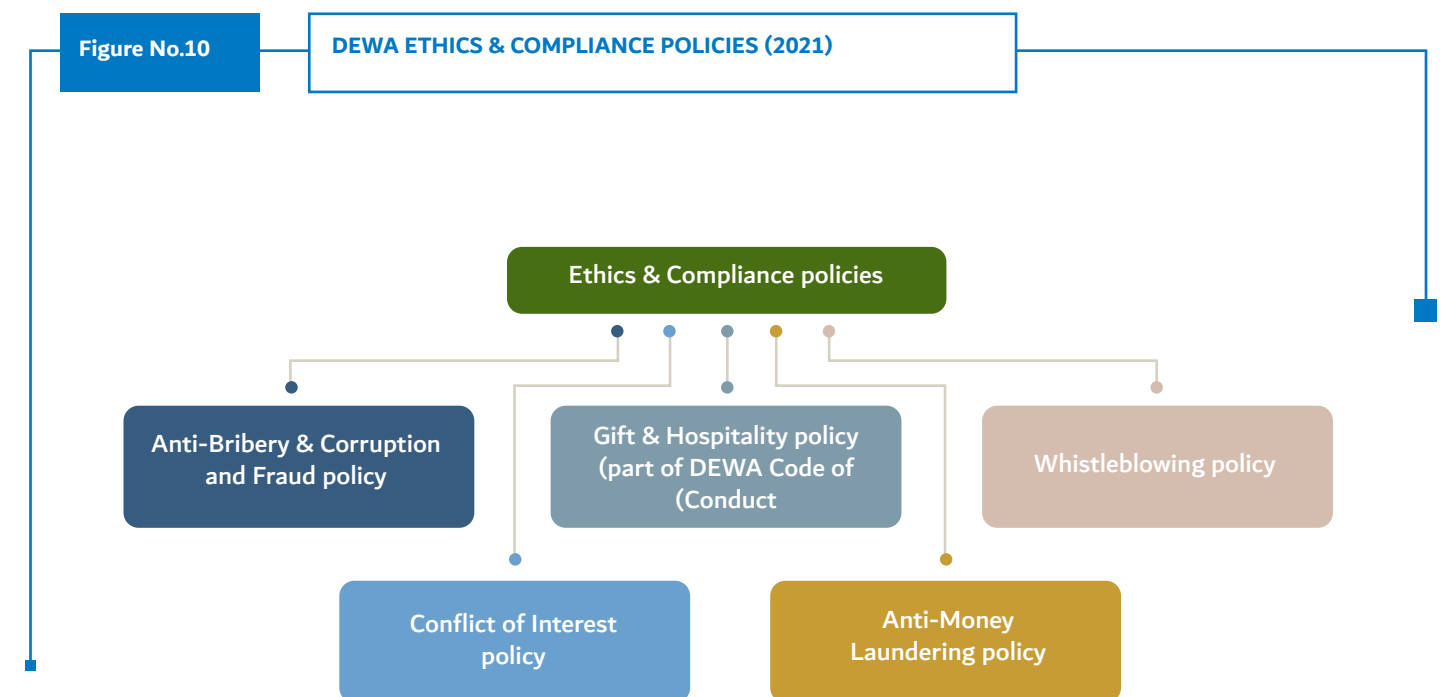
## ETHICS AND COMPLIANCE POLICIES



DEWA adopts a zero-tolerance approach towards any occurrence of fraud, bribery or corruption across its business activities and operations. DEWA recognises that the prevention of fraud, bribery and corruption is an integral component of good governance and affirms its commitment to conduct its business and operations in an honest, transparent and ethical manner, and as per the applicable UAE federal laws and the Emirate of Dubai legislations.

As such, and to support its transition to a listed company, DEWA continuously ensures to benchmark and update its policies and practices with leading international companies.

Therefore, DEWA adopted a robust Ethics and Compliance system in place related to the below policies with the aim to govern, prevent, detect and respond to any instances of non-compliance that might occur:



To support and have a solid foundation when drafting/reviewing, approving and sharing DEWA policies, the Governance & Compliance team in coordination with Legal Affairs Department have updated the “Manual for the Management of Legislations & Policies & Rules Applicable in DEWA” in the year 2021 and received the required approval from DEWA’s MD & CEO. The objective of this Manual is to create and develop a suitable mechanism to identify, document, classify, save, publish and review all Legislations, Internal Rules, and Policies, Guiding Manuals and Work Procedures.



# 7

## MANAGEMENT INFORMATION SYSTEM (MIS) AND DISCLOSURE



Management Information System (MIS) is used for decision-making, and for the coordination, control, analysis, and visualization of information in DEWA. A complex organisation like DEWA requires multiple systems but needs an overarching platform in order to allow for more effective, data-driven decision-making. The implementation of the SAP Enterprise software platform and the SAP GRC (Governance, Risk & Compliance system) to automate and monitor all transactions has added technology to the control system and has made it much more robust. Governance monitoring and reporting are driven by technology and automated processes. Dashboards enable graphic information flows.

Data and the processing of these data are crucial enablers for DEWA to be able to improve current products and services and design new and innovative services that respond to the changing needs of its stakeholders. DEWA has implemented a data governance model to ensure transparency, responsibility and accountability on the use of this data, in conformity with Dubai Government legislations related to Open and Big Data.



# 8

## CORPORATE RISK & RESILIENCE



DEWA recognises the need to proactively anticipate and react to change. In doing so, ensuring that power and water demands across Dubai are met at a globally leading level of reliability, efficiency and safety with minimal environmental impact. DEWA plays a critical role in Dubai's infrastructure which requires an enhanced capability to build and sustain resilience in response to threats and incidents.

The Corporate Risk & Resilience Policy and Framework demonstrates DEWA's commitment to embedding resilience across the organisation in order for DEWA to be and remain a resilient utility for generations to come. DEWA's commitment to Corporate Risk & Resilience is supported by Corporate Objective IP05; Integrated, resilient and agile governance framework highlighting the importance of agility and governance in the organisation.

DEWA implements Corporate Risk & Resilience (CRR) in order to improve its resilience to help withstand unexpected future shocks and extreme events that could affect its business, people or brand. DEWA has placed itself in the driving seat when it comes to pioneering leading risk and resilience standardisation following the development and launch of PAS 60518:2020 - Enterprise Corporate Risk & Resilience in Utilities Guide. Since its launch in August 2020, DEWA's primary focus has been driving the implementation of this dedicated risk and resilience standard across the organisation and utilities sector globally.



## EXTERNAL AND INTERNAL AUDIT



### External Audit:

KPMG has been appointed as the company's external auditor for the fiscal year 2021. KPMG provides independent auditors report in accordance with International Standard of Auditing (ISAs) and submits Internal Control Reports (ICR's). It is worth mentioning that there are no qualified opinions made by DEWA's external auditors in the annual financial statements for the year 2021. KPMG is the successor of the previous auditors PWC, part of a rotational approach adopted by DEWA to showcase and maintain its transparency and objectiveness across its stakeholders.

DEWA has well-established disclosure and communication policies and prepares its annual accounts according to the International Financial Reporting Standards. The entire accounting system is powered by the SAP Enterprise system. DEWA releases its audited financial statements on an annual basis to all relevant stakeholders.

### Internal Audit:

DEWA's Internal Audit Department is an independent assurance function that adopts the best-in-class audit standards and practices, the International Professional Practices Framework (IPPF) promulgated by The Institute of Internal Auditors (IIA). The Internal Audit department at DEWA operates under an approved charter and conducts reviews to add value and verify the adequacy, quality and the effectiveness of internal controls, risk management and governance processes and systems of DEWA and its subsidiaries through an annually developed risk-based audit plan.

The Internal Audit Department, acts as a third line role, to

provide assurance, advice, and insight that DEWA and its Subsidiaries are efficient and effective in conducting their responsibilities and to be in line with and support DEWA's corporate vision, mission and objectives. The Internal Audit Department conducts regular reporting to the MD&CEO and the Audit Committee.

Moreover, the Internal Audit Department established a Quality Assurance and Improvement Program (QAIP) as required by the Institute of Internal Auditors (IIA) and in accordance with the International Professional Practices Framework (IPPF) Standards, which enables it to enhance the quality of audit and pursue continuous improvement.



The Compliance Management Framework at DEWA has adopted key elements of the ISO 37301 – Compliance Management Systems – Requirements with Guidance for Use and ISO 37001 - Anti-Bribery Management Systems standards as the foundation for DEWA's Compliance Management Framework, through which the Compliance team designs, implements, maintains and oversees the Compliance Framework and fosters a culture of compliance across DEWA.

The Compliance Framework reflects DEWA's values, objectives, strategy and compliance risks and extends to laws and regulations that are issued by legislative and regulatory bodies relevant to DEWA's business; both new or existing, and also extends to internal rules issued by His Excellency the MD&CEO.

DEWA has adopted a hybrid model wherein the Compliance Framework is centralised with the Compliance Function supported by identified Compliance Coordinators and Champions across the Divisions and Departments to ensure effective implementation of the framework.

DEWA's Compliance Framework ("Framework") sets out the approach of DEWA to manage compliance requirements and mitigating compliance risk, in order to achieve its compliance objectives.

An effective, organisation-wide Compliance Framework enables DEWA to demonstrate its commitment to compliance with relevant laws, including legislative requirements, industry codes and organisational standards, internal obligations as well as standards of good corporate governance, best practices, ethics and community expectations.

Moreover, the alignment of the Framework with the principles and requirements set out in the ISO 37301:2021 Compliance Management Systems – **Requirements with Guidance for Use** is based on a six-step method outlined below:

#### The scope of the framework includes the following:

- Laws and Regulations;
- Orders, Rules or Guidance Issued by Regulatory Agencies;
- Environmental Commitments;
- Relevant organisation and industry standards; and
- Internal Rules and Administrative Resolutions.

- Establish: Understand the Company and its context, understand the needs and expectations of interested parties, and determine the scope of the Compliance Framework.

- Develop: Identify compliance obligations and evaluate risks in order to derive a strategy and define measures to manage compliance risks.

- Implement: Define measures and monitoring mechanisms for Compliance Management.

- Evaluate: Review compliance obligations based on the implemented controls.

- Maintain: Build on the results, continuously improve the Compliance Framework, and manage cases of non-compliance.

- Improve: Continuously improve the Compliance Framework to reflect changes / updates in the compliance environment, local legislative and regulatory requirements, and leading standards.

Figure No.11

DEWA COMPLIANCE FRAMEWORK





# 11

## INFORMATION TECHNOLOGY



DEWA has received the ISO/IEC 27014:2020 and ISO/IEC 38500:2015 certifications in Information Security Governance and Information Technology Governance, respectively. DEWA is the first government entity in the region to implement an integrated framework of IT and IS Governance standards by utilizing internal competencies across all DEWA divisions.

DEWA's integrated Information Technology and Security (ITS) Governance framework has been endorsed by H.E. the MD&CEO and establishes a model for governance of IT and information security and is based on eight principles for good governance of IT and Information security that cover strategy, responsibility, adopting a risk-based approach, establishing organisation-wide information security, acquisition, conformance, human behavior and positive environment, and performance.

Information Technology and Security (ITS) Governance additionally aligns to corporate governance requirements and practices, aimed at efficient, effective and acceptable use of IT and IS. ITS Governance provides Governing Body visibility on the status of current and future use of IT and Information security in DEWA; in addition to assuring conformance to compliance obligations (legal, regulatory, contractual) requirements concerning acceptable use of IT and information security.

In addition, DEWA has automated Governance, risk and compliance (GRC) to manage DEWA's overall governance and alignment of ITS and business objectives, while effectively managing risk and meeting compliance requirements. This automation has allowed us to achieve improved decision-making, more optimal IT investments, elimination of silos, and increased collaboration among Divisions and DEWA's stakeholders.



# 12

## CORPORATE SOCIAL RESPONSIBILITY



Driven by DEWA's commitment to society, DEWA aims to develop, implement and support projects and social initiatives that contribute to the development of the country's national identity. DEWA works with stakeholders to achieve governmental goals through its Society Happiness and CSR practices. This includes carrying out a unified vision for society, the economy and the environment in order to promote sustainability in the UAE.

The greater community is valued as part of DEWA. The Company takes pride in its Society Happiness initiatives, including Earth Hour, the Happiness ('Farha') Initiative, DEWA Innovation Centre and international initiatives such as participating in Zayed Humanitarian Day.

Furthermore, the environment in which DEWA functions and operates in is a key and very core component of its Society Happiness plan and strategy. DEWA carries out its environmental initiatives through various activities including 'Clean up the World Campaign, Green Bill and WETEX exhibition.



# REPORT 2020

## DEWA Governance Report 2020





## INTRODUCTORY NOTE FROM H. E. THE MD & CEO



“

I am glad to present the DEWA Agile Governance Report 2020. The year 2020 was an unprecedented year not only for DEWA, Dubai and the UAE, but for the rest of the world. Despite the challenges, however, DEWA's investment and commitment to good corporate governance practices over tested and enabled DEWA's resilience and agility in responding to a dynamic and pervasive pandemic.

DEWA's Governance has been inspired by the vision of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, the eight principles of Dubai and the Fifty-Year Charter. DEWA's Governance has also been guided by Dubai's strategic direction as laid down in the UAE Strategy 2021, Dubai vision 2021 and DEWA's vision 2021.

DEWA has suitably adapted and implemented the best principles of Corporate Governance for State Owned Enterprises in line with the recommendations of the OECD Guidelines 2015. The guidelines of the World Bank and best practices of electricity and water providers worldwide have also been used for guidance. A comprehensive Governance Framework, Governance Policy and Governance Charter have been developed and implemented.

DEWA has adopted the four classic pillars of good governance: Trust, Transparency, Accountability, and Fair practices. Building upon the four pillars, DEWA's governance drivers have evolved with changing technology and expectations over the last three decades. While the digital age requires agile and sustainable governance, it also requires that governance be embedded in all facets of the organization to enable it to respond and adapt with the speed of the digital age. DEWA's governance is based on Trust and a promise of sustainability “for Generations to Come” as expressed in DEWA's corporate motto.

We trust you will find the report of interest.

”



The below figure highlights DEWA's Governance-enabled growth over the years:

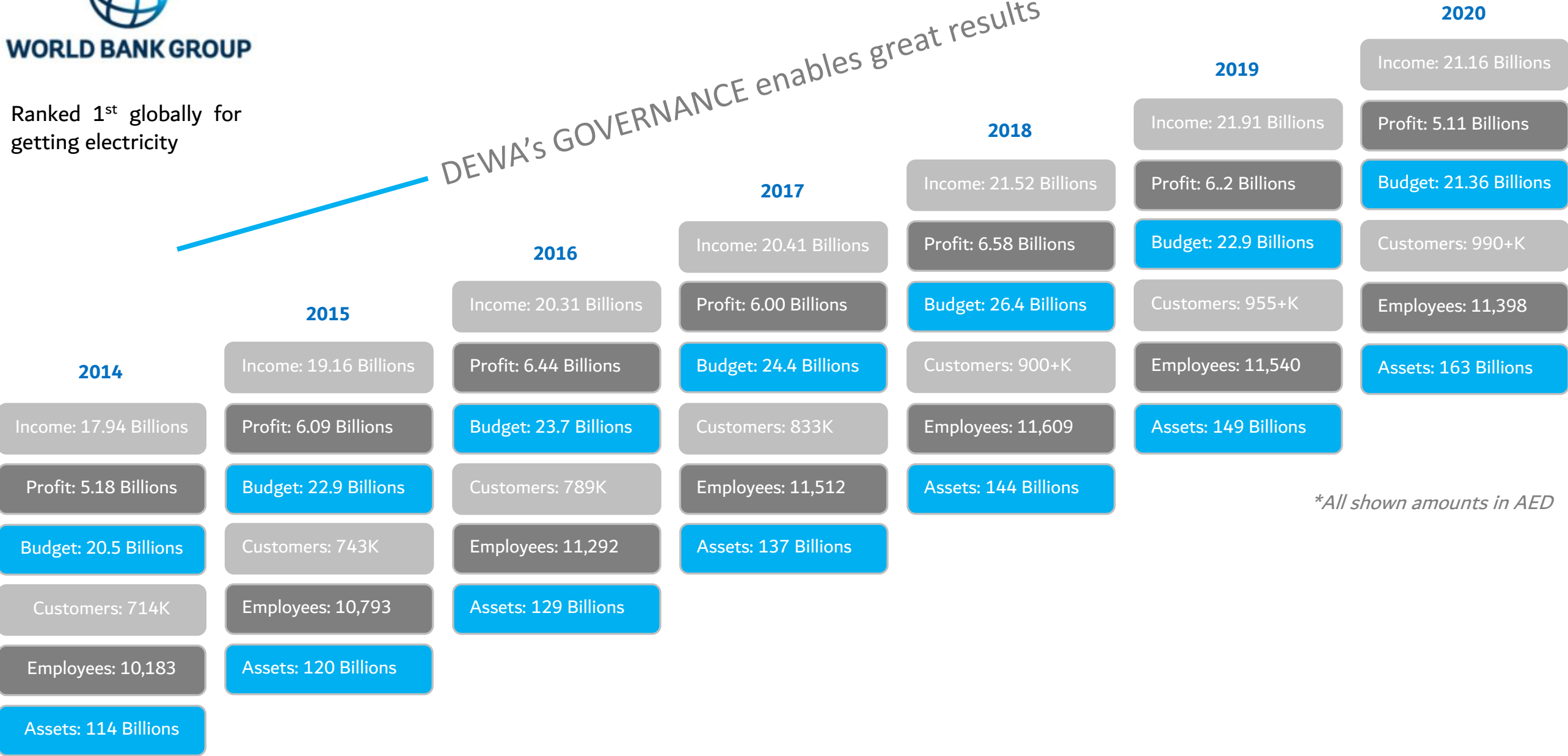
Figure No.12 DEWA GOVERNANCE-ENABLED GROWTH OVER THE YEARS

# DEWA's Global Good Governance Foundation for Steady Growth



Ranked 1<sup>st</sup> globally for getting electricity

DEWA's GOVERNANCE enables great results



\*All shown amounts in AED



# 2 GOVERNANCE IN DEWA



## 2.1 Board of Directors and Management

Governed by a Dubai-government appointed Board comprising of a majority of independent members and a separate Chairman and CEO, DEWA also benefits from a robust organization that aims to have a balanced span of control in ensuring that DEWA abides by its establishment legislation and fully delivers on its purpose of “providing globally leading sustainable, efficient, and reliable power and water services, and related innovative smart solutions.”

Below is the organization chart of DEWA:

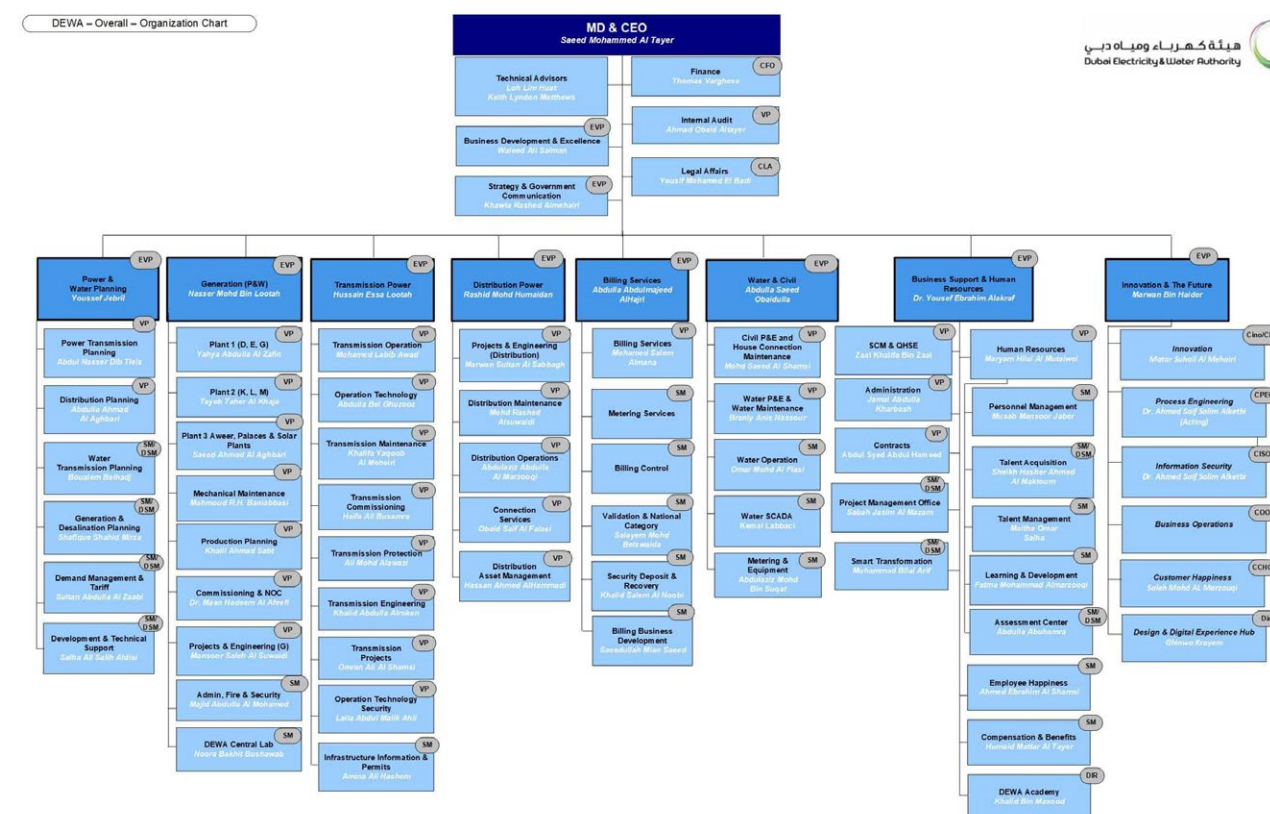
Figure No.13

DEWA BOARD MEMBERS

<b>Chairman: H.E Matar Humaid Al Tayer</b>
<b>MD &amp; CEO: H.E Saeed Mohammed Al Tayer</b>
<b>Director: H.E Majed Hamad Al Shamsi</b>
<b>Director: Mr. Hilal Khalfan Bin Daher</b>
<b>Director: Mr. Abdullah Mohamed Al Hashemi</b>
<b>Director: Mr. Khalfan Ahmad Hareb</b>
<b>Director: Mr. Obaid Saeed Bin Meshar</b>
<b>Director: Mr. Saeed Mohamed Al Shared</b>
<b>Director: Mr. Nabil Abdul Rahman Arif</b>

Figure No.14

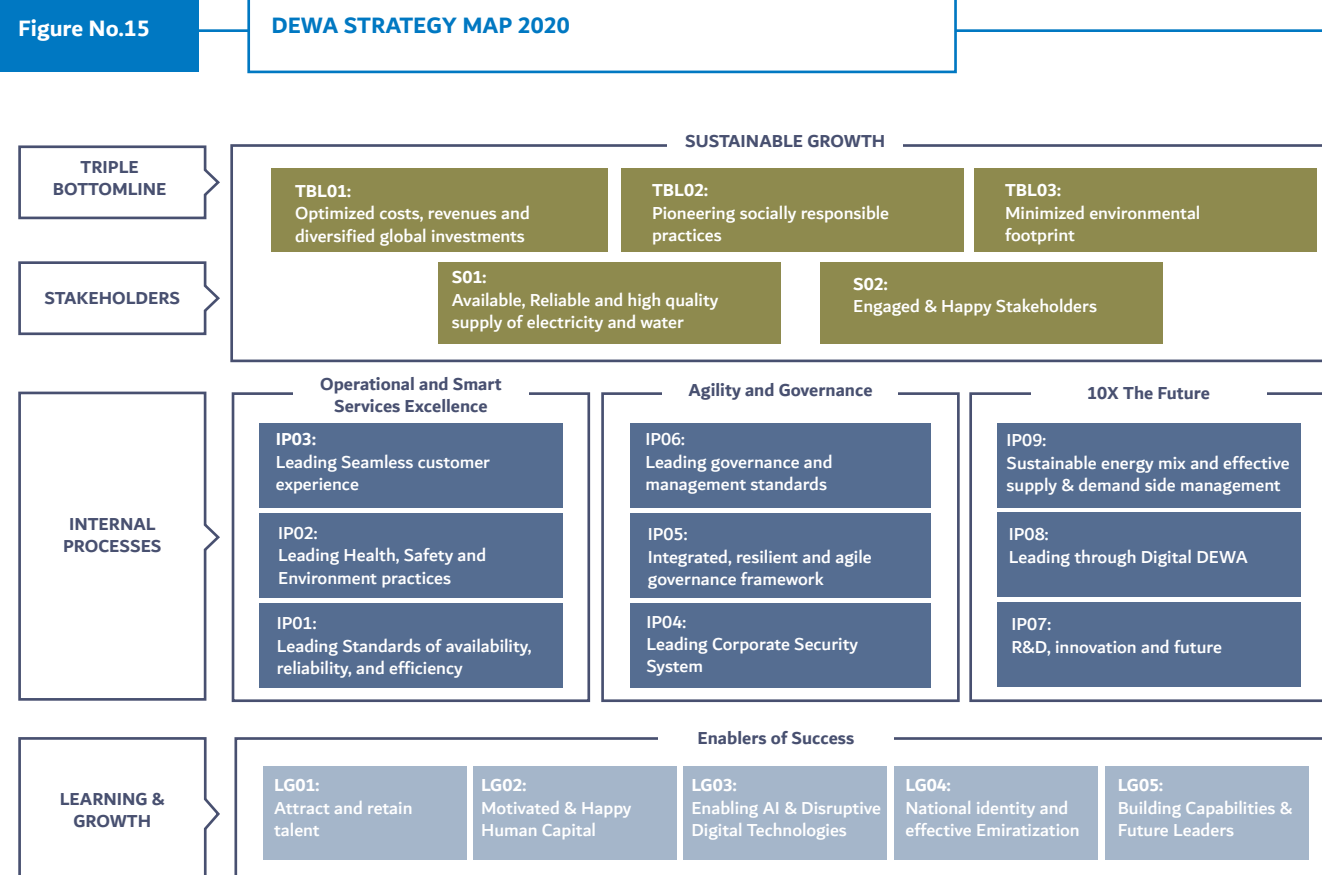
DEWA ORGANIZATION CHART 2020





## 2.2 Dynamic Strategy

The strategy management process for Dubai Electricity and Water Authority follows a six-phase process: Formulation, Execution, Explanation, Communication, Assessment and Update. The strategic management process is implemented on an annual basis using the third generation of the Balanced Scorecard that includes themes on the strategy map along with Theme Champions. The themes are broken down into strategic objectives, corporate KPIs, and initiatives which are split across the four perspectives.



### The four perspectives are:

- **Triple-Bottom-Line Perspective:**  
Incorporates sustainability into business decisions by accounting for the three dimensions: financial, social and environmental thereby allowing DEWA to manage performance in a broader business context.
- **Stakeholder Perspective:**  
Expands the focus of DEWA's value creation to all stakeholder categories.
- **Internal Processes Perspective:**  
Focuses on the strategic priorities for various business processes leading to the satisfaction of both customers and shareholders.
- **Learning and Growth:**  
Focuses on the priorities to create an environment that supports organizational change, innovation, and growth to achieve excellence in our operations, and to create the necessary capabilities and improvements that should be available in DEWA.

## 2.3 Robust Internal Controls

DEWA follows the COSO Framework for internal controls and periodically conducts its reviews of effectiveness of internal controls. The 17 Principles of COSO Internal Control are applied across all DEWA Divisions, Departments, and Operations and are constantly scanned for compliance.

The implementation of the COSO 17 principles has enabled optimal controls across DEWA while promoting Productivity, Performance, Effectiveness, and results. The COSO synchronized control systems, such as the delegation of financial and administrative authorities, have been an outstanding example of DEWA's leading internal controls. Loss reduction, fraud prevention, and managerial effectiveness have been hallmarks of DEWA's implementation of the COSO 17 principles.

DEWA follows the three lines of defense model, with corporate divisions/departments being the first line of

defense, Governance & Compliance and Risk Management departments being the second line, and a strong internal audit being the third line. The 5 Lines of Assurance model related to internal control, internal audit, compliance, external audit and risk management has also been incorporated in DEWA's structure.

The four control support functions namely Compliance & Governance, Internal and External Audit, Legal Department, and Risk Management provide the control framework. The Finance Department ensures financial control across the organization and provides accounting in line with IFRS, and as per DEWA's Disclosure Policy, publishes the audited financial results and statements. The entire control processes are supported ably by the SAP Enterprise System, which is an internationally recognized enterprise software platform that optimizes efficiency with controls.

## 2.4 Committees

Supporting the Board and the MD and CEO are a series of executive-level committees that enable good corporate governance and robust decision-making within DEWA. DEWA has two types of committees; Standing committees and Ad hoc Committees.

Standing committees are those which are permanent and are considered a main part of the organization's hierarchy. On the other hand, Ad hoc committees are temporary; they are formed for a specific purpose and disband once that purpose has been fulfilled.

### Some Executive Level Committees:

- Management Committee;
- Projects Committee;
- Enterprise Risk & Resilience Committee;
- Governance & Compliance Committee; and
- Investment Committee.

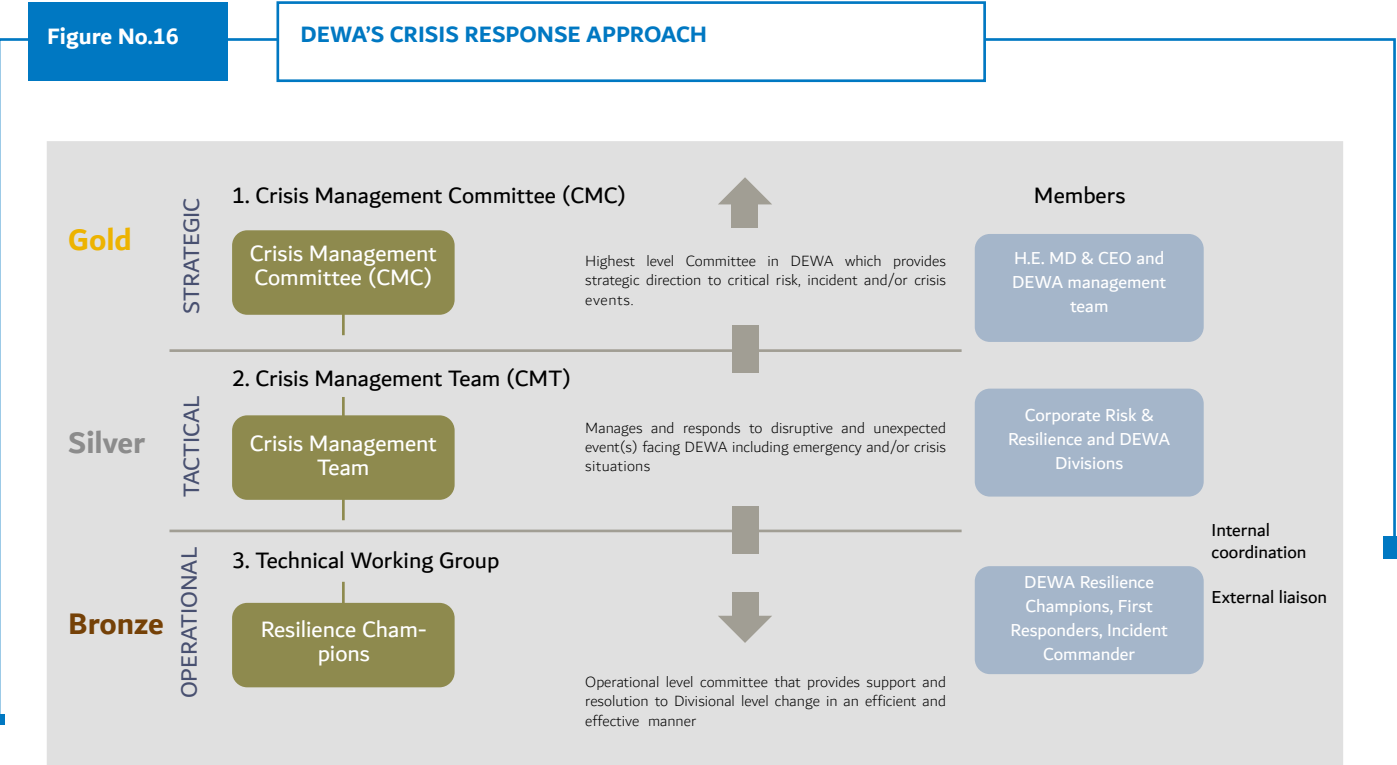
### Governance Related Committees:

- **Management Committee** – is the highest executive-level decision-making body within DEWA and is mandated to oversee and review corporate-level policies, procedures and initiatives
- **Enterprise Risk & Resilience Committee** – focuses on corporate level risks, recommending DEWA risk appetite, and overseeing risk mitigation strategies
- **Governance & Compliance Committee** – ensures that DEWA abides by its corporate governance framework, and oversees the governance and compliance initiatives that are cascaded to divisional levels and subsidiaries
- **Investment Committee** – oversees DEWA's implementation of the investment policy approved by the DEWA board.



Other committees and teams have been formed, and a Committees and Teams Management methodology is also in place to ensure proper oversight of the other decision-making bodies within DEWA. For example, upon the direction of the Enterprise Risk and Resilience Committee, a Crisis Management Committee was constituted in 2020. The Crisis Management Committee had ongoing supervision and coordination responsibilities across all DEWA divisions to ensure effective and agile coordination and response to the threat of the pandemic.

DEWA's Crisis Management Committee created a three-tier delegation of issues to be tackled, whereby the Committee deals with strategic issues and provides strategic direction to critical risk incidents and/or crisis events, the Crisis Management Team manages and responds to disruptive and unexpected events facing DEWA, and the Technical Working Group composed of Divisional level Resilience Champions provides implementation level support. At the height of the pandemic, DEWA's Crisis Management Committee conducted regular meetings on different levels to provide updates on the readiness of DEWA and to be able to make informed decisions to internally manage the pandemic and its developments.



## 2.5 Performance Management

Cascading from the Dynamic Strategy, Key Performance Indicators (KPIs) are based on the need to provide leading and lagging indicators of an organization's performance.

DEWA uses the third generation Balanced Scorecard to manage and measure the performance of its strategic direction, broken down into the themes, strategic objectives and corporate KPIs.

### Key Performance Indicators

Key Performance Indicators (KPIs) are significant measurements used to track and manage performance against strategic objectives. KPI measures progress in the performance of an objective critical to the organization's strategic direction. Corporate-level KPIs are determined under each Strategic Objective on DEWA's Strategy Map to assess the overall progress in executing the corporate strategy, and are reported on the Mu'asherat system.

## 2.6 Policies And Processes

Adhering to the DGEP Excellence Model that benchmarks Dubai government authorities with leading best practices and the EFQM Model which is a globally recognized management framework that supports organizations in managing change and improving performance, DEWA has introduced a number of policies, procedures, and initiatives to set common standards, identify benchmarks, and introduce improvements. Embedded in these policies and procedures is a regular review process for the organization to ensure that policies and procedures evolve and improve according to

DEWA's efficiency and effectiveness standards.

The Freejna platform is the one-stop-shop for all policies and procedures, accessible for all DEWA employees. A policy is also in place mandating all departments to upload their most up-to-date policies on the Freejna platform. DEWA has also deployed iSERVER for business process management to support the oversight and automation of DEWA policies and procedures.

## 2.7 Code Of Business Conduct

A Code of Business Conduct, aligned to the Dubai Government Human Resources Department's Code of Conduct for Dubai Government employees, is also in place within DEWA. Additional policies were introduced to highlight DEWA's zero-tolerance approach to fraud, corruption, bribery and money laundering. DEWA updated its code of conduct and received Management approval in 2020. Some of the updates were regarding work from distance (WFD) which required clear conducts and ethics to be included within the code of conduct.

### That includes:

- Achieve employee's work tasks assigned by his authorized in-charge as required;
- Maintain the required standard of productivity and formal quality during work from distance;
- Adhere to official working days and hours and the applicable mechanisms and systems to record attendance and absence during the working from distance;
- Maintain the confidentiality of information and safety of the resources and assets under his position;

- Adhere to the dress code rules when he is required to attend a meeting through online and video conference, be present at work premises, attend training courses or represent DEWA at any time, etc.
- Supporting the Code of Conduct is DEWA's Whistleblowing system which is undergirded by a Whistleblower Policy which creates inherent protections to whistleblowers, and lays out the procedures of handling whistleblowing concerns. The system includes a Whistleblower Hotline, an email, and the DEWA Smart Office application on mobile devices.

### Whistleblowing Channels

- DEWA Ethics Hotline in Arabic or English (04) 322-2202
- ethics hotline@dewa.gov.ae
- Letter to Office of HE MD&CEO
- Smart Office Application

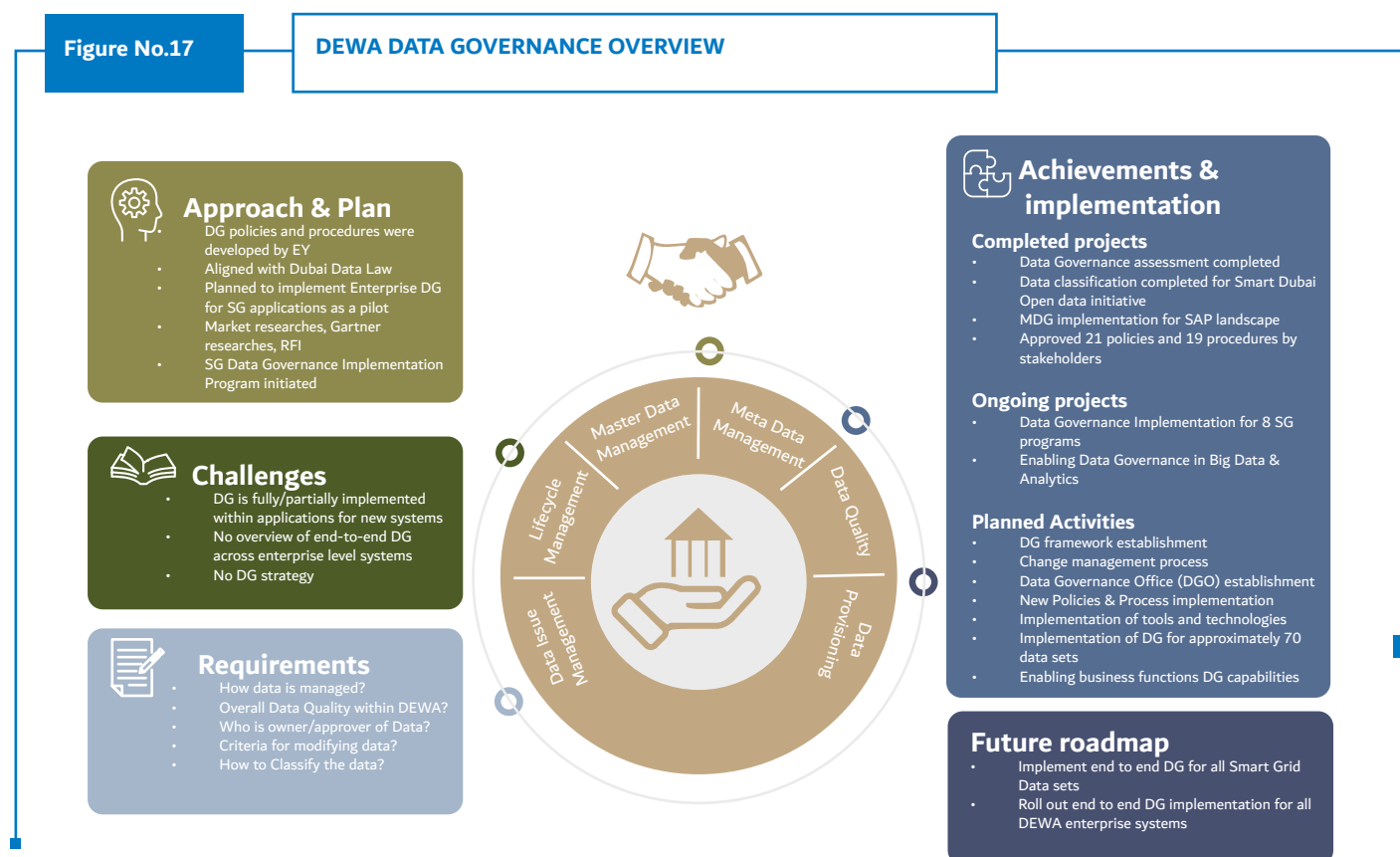


## 2.8 Management Information System (MIS) and Disclosure

Management Information System (MIS) is used for decision-making, and for the coordination, control, analysis, and visualization of information in DEWA. A complex organization like DEWA requires multiple systems but needs an overarching platform in order to allow for more effective, data-driven decision-making. The implementation of the SAP Enterprise software platform and the SAP GRC (Governance, Risk & Compliance system) to automate and monitor all transactions has added technology to the control system and has made it much more robust. Governance monitoring and reporting are driven by technology and automated processes. Dashboards enable graphic information flows.

Data and the processing of these data are crucial enablers for DEWA to be able to improve current products and services and design new and innovative services that respond to the changing needs of its stakeholders. DEWA has implemented a data governance model to ensure transparency, responsibility and accountability on the use of this data, in conformity with Dubai government laws related to Open Data and Big Data.

Below is DEWA Data Governance overview for the year 2020:



## 2.9 Risk and Resilience Management

DEWA has implemented Enterprise Risk and Resilience Management (ERRM) in order to improve its resilience to help withstand unexpected future shocks and extreme events that could affect its business, people or brand. In cooperation with the British Standards Institute (BSI), DEWA along with other leading utilities, pioneered much of the thinking on PAS 60518:2020; Developing and implementing enterprise risk and resilience management which is intended as an overarching guide designed for use by electricity, water and gas utilities of all sizes across public and private sectors. The sponsorship and development of PAS 60518:2020 reinforces DEWA's commitment to risk and resilience for the long-term and the benchmark for which its risk and resilience activities are measured.

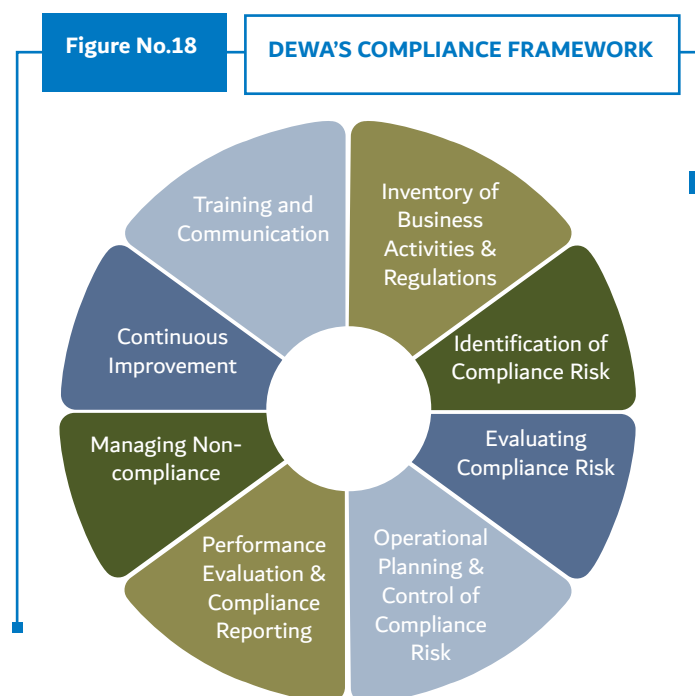
## 2.10 Internal and External Audit

DEWA has a well-established disclosure and communication policies and prepares its annual accounts according to the International Financial Reporting Standards. The entire accounting system is powered by the SAP Enterprise system. In addition to the independent government audit, a reputable international accounting firm carries out the external audit. DEWA releases its audited financial statements on annual basis to all relevant parties, including the London Stock Exchange where Sukuks and Bonds issued by DEWA are listed.

## 2.11 Compliance

The Compliance Management approach at DEWA has adopted key elements of the ISO 19600 – Compliance Management Systems and ISO 37001 - Anti-Bribery Management Systems standards as the foundation for the Company's Compliance Management System.

Compliance is a key component of Governance and encompasses legal compliance, regulatory compliance and compliance with internal policies and procedures including compliance with the various ISO standards implemented in DEWA. A Compliance Framework was introduced and launched in 2020.



## 2.12 Information Technology

DEWA has received the COBIT5 certification in governance and information technology operation control. The COBIT5 certification has been included in ISACA's globally accepted framework. DEWA highlighted that it applied the best governance and IT process control practices, through finding harmony between DEWA's framework, operations, systems, and procedures included in the certification. The COBIT5 framework provides principles, practices, patterns, and analysis tools which allows IT Department officials to apply the best practices in these fields. DEWA has implemented the framework of the certification in five fields.

These include Human Resource Management, Risk Management, Infrastructural Management, Management of Outside Threats, and Service Security Management. Receiving the COBIT5 certification increases the efficiency of DEWA's internal and external operations, provides a clear and comprehensive vision to serve the IT officials, and allows for a clearer approach, with greater focus on the provision of services, and a quicker response to service requirements, business, and the optimum use of available resources.



# 3

## DEWA'S GOVERNANCE RESPONSES TO THE PANDEMIC



At the beginning until the height of the pandemic, DEWA's governance and risk management approach were tested. The timeline below lists how DEWA responded to the pandemic as various internal champions were mobilized and engaged to make sure that DEWA properly, adeptly, and with agility responds to the threats facing the organization and its ability to deliver much-needed services to the broader Dubai population at a very crucial point.

Group risk management engaged Resilience Champions across the various divisions to monitor the ongoing situation, identify potential emerging risks, review the impact of existing risks, and develop mitigation approaches.

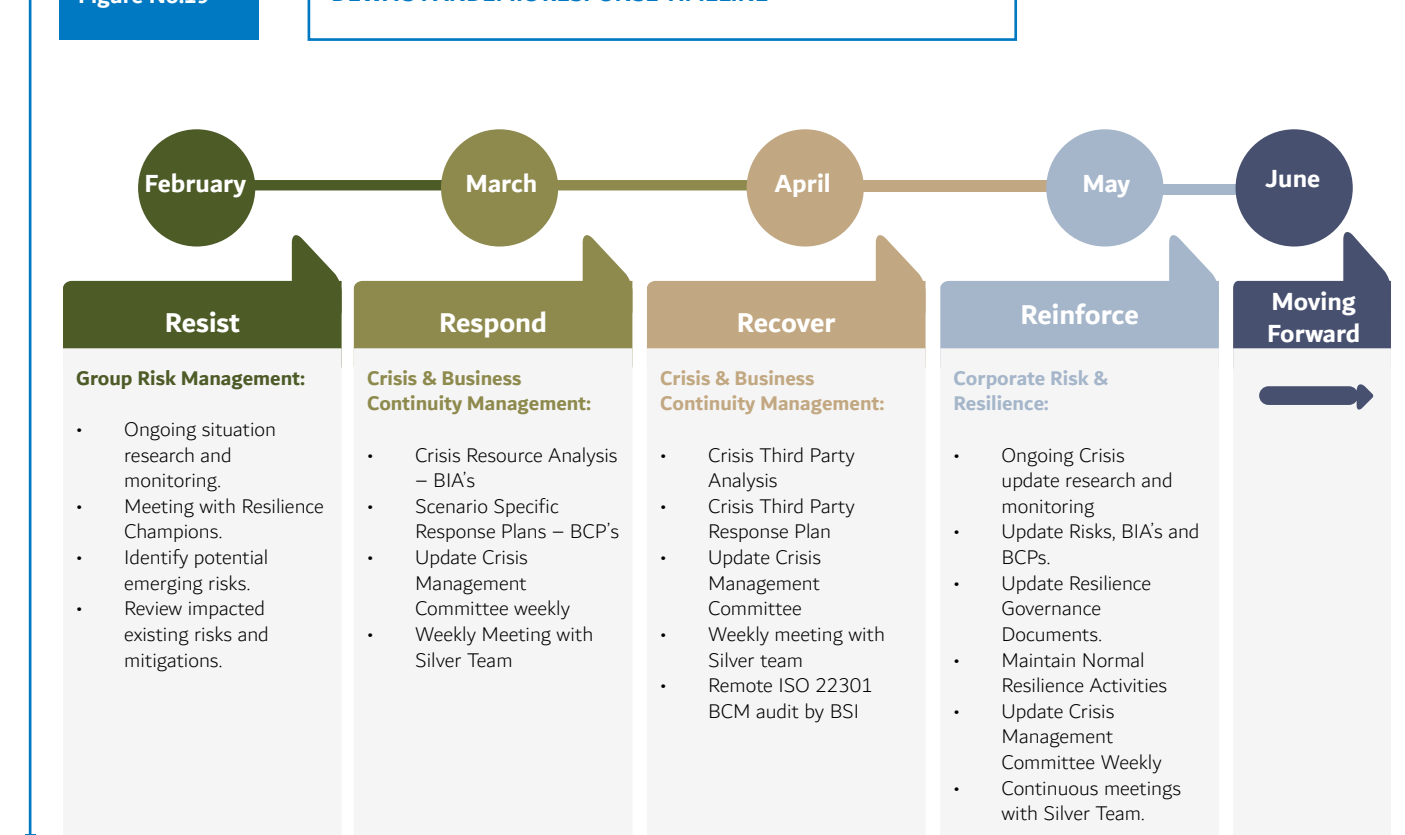
In order to make sure that DEWA appropriately responds to the crisis, business impact analyses and business continuity plans were reviewed and updated by the Crisis Management Committee.

Looking into recovery, DEWA engaged third parties to assure that proper analysis and response plans were robust. DEWA even engaged the British Standards Institute to audit its business continuity management according to ISO 22301, albeit remotely.

And to further reinforce its actions, DEWA updated its risk register, business impact analyses, and business continuity plans.

Figure No.19

DEWA'S PANDEMIC RESPONSE TIMELINE



In July 2020, DEWA published PAS 60518:2020 Enterprise Risk & Resilience Management (ERRM) Guide for Utilities which lays out a four-stage approach for the utilities sector as a pathway to increased resilience during a pandemic or any other type of business disruption.

Figure 10 provides an overview of the resilience actions to resist, respond, recover and reinforce utilities after an event or incident which has been customized to accommodate the COVID-19 pandemic and the necessary steps taken before, during and after the pandemic.

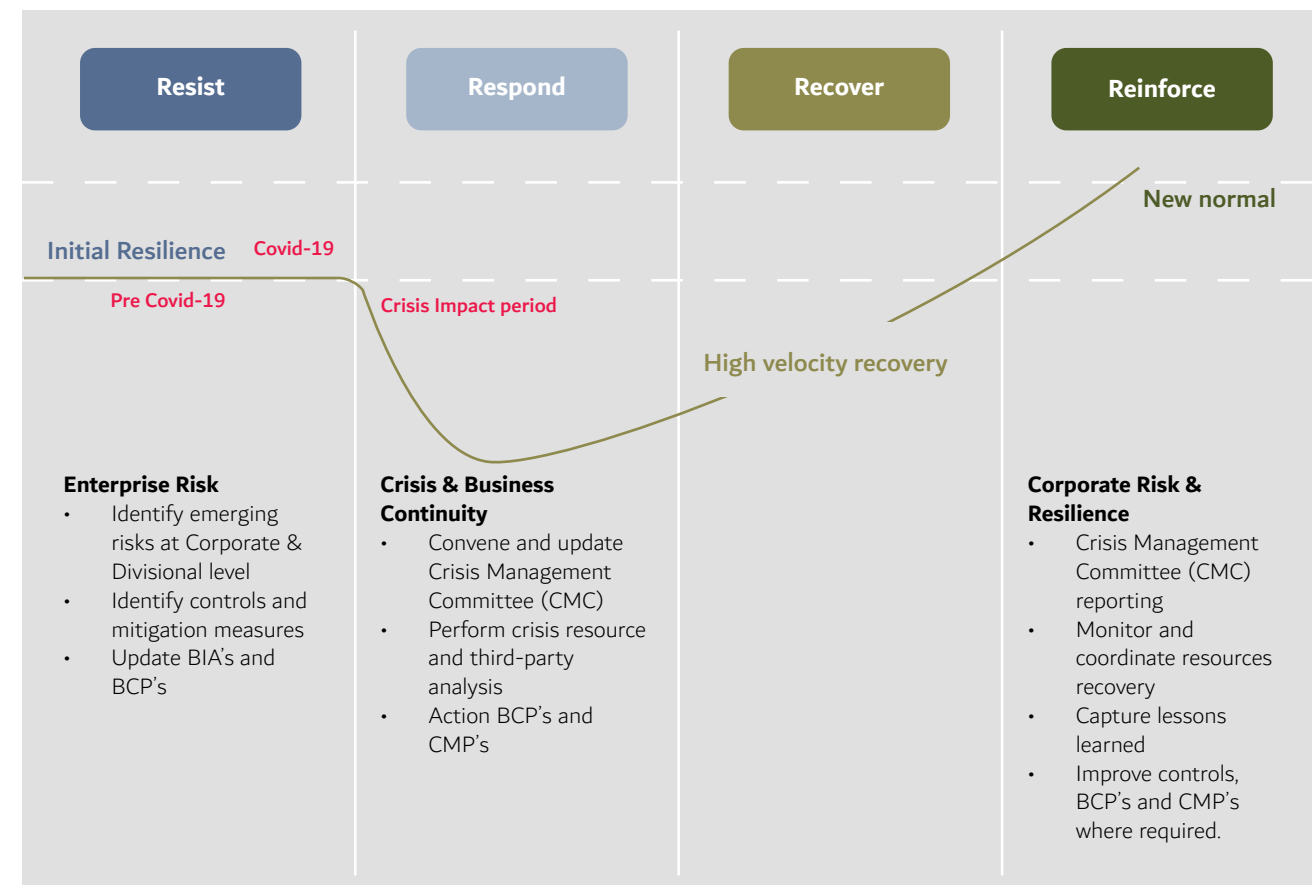
DEWA integrates risk and resilience into its core Divisional activities and practices (Financial, Operational, Generation,



Transmission, Distribution) which includes the continuous identification of risks (with associated mitigation plans), alignment of Business Continuity Plans (BCPs), and Crisis Management Plans (CMPs) which provide a more integrated approach to risk and resilience across the organization. This approach is also documented in DEWA’s approved Corporate Risk and Resilience Framework.

Figure No.20

PAS 60518:2020 ENTERPRISE RISK & RESILIENCE MANAGEMENT (ERRM) GUIDE FOR UTILITIES





**REPORT 2019**

**DEWA's Global Agile  
Good Governance  
Report 2019**







“

DEWA emulates the ideals of the visionary leadership of Dubai and the UAE and constantly strives to achieve and retain the globally leading status it has achieved since its establishment in 1992. DEWA has adopted, adapted and implemented the best principles and practices of Good Governance in everything it does. Our stakeholders are pleased with our principles of Trust, Transparency, Accountability and Fairness. We are proud of our achievements and promise to continue our Governance partnership for generations to come.

I am glad to present DEWA Agile Global Good Governance Report 2019. This report presents what DEWA implements as a leading governance example not only in the MENA region but globally. The best practices and standards of good governance have been refined to higher levels in DEWA's model.

DEWA's Governance has been inspired by the vision of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, the eight principles of Dubai and the Fifty Year Charter. DEWA's Governance has also been guided by Dubai's strategic direction as laid down in the UAE Strategy 2021, Dubai Vision 2021 and DEWA's Vision 2021.

DEWA has suitably adapted and implemented the best principles of Corporate Governance for State Owned Enterprises in line with the recommendations of the OECD Guidelines 2015. The guidelines of the World Bank and best practices of electricity and water providers worldwide have also been used for guidance. A comprehensive Governance Framework, Governance Policy and Governance Charter that have been developed and implemented.

DEWA has adopted the four classic pillars of good governance Trust, Transparency, Accountability, and Fair practices. Thereafter, building upon the four pillars DEWA's governance drivers have evolved with changing technology and expectations over the last three decades. While the digital age requires agile and sustainable governance, it also requires that governance be embedded in all the facets of the organisation to enable it to respond and adapt with the speed of the digital age. Therefore DEWA's governance is based on trust and a promise of sustainability “For generations to come” as expressed in DEWA's corporate motto. We trust you will find this report of interest.

”



# 2

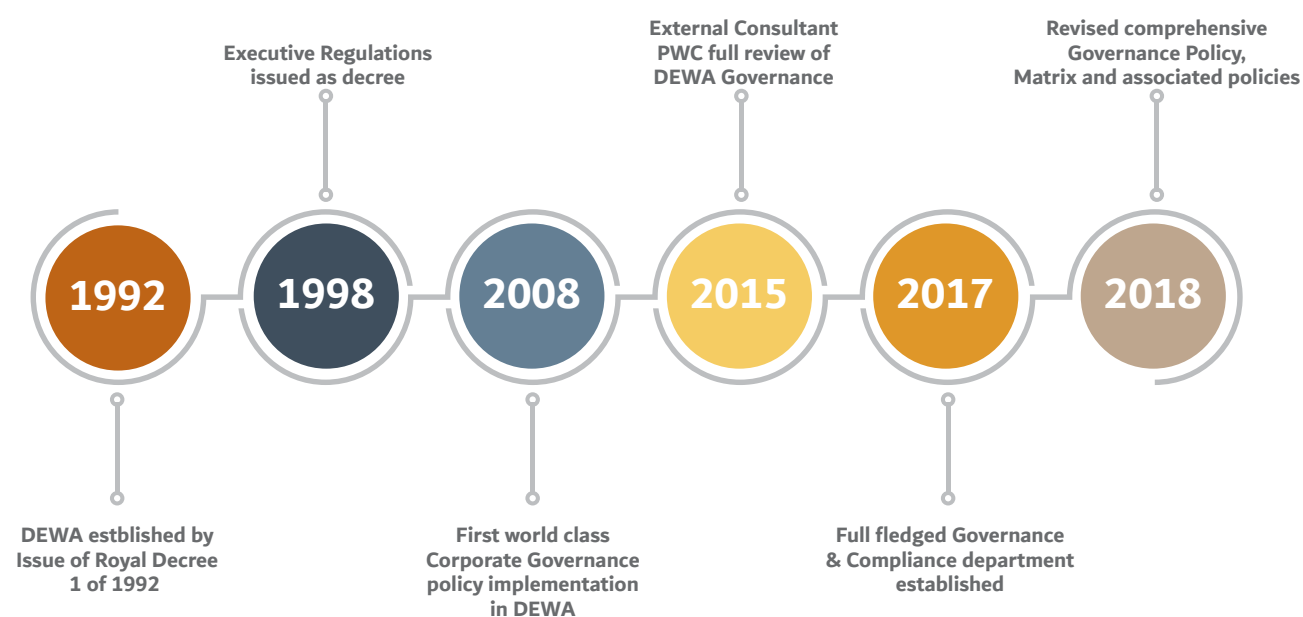
## DEWA ESTABLISHMENT AND CONSTITUTION

Dubai Electricity and Water Authority (DEWA) was established in 1992 by a Decree issued by the late Sheikh Maktoum bin Rashid Al Maktoum, may his soul rest in peace, Ruler of Dubai at that time. DEWA is 100% owned by the Government of Dubai. DEWA is an ethics driven organisation and its main line of operations namely production and distribution of electricity and water are essential services that call for public trust in the quality and dependability of DEWA's services.

Decree No 1 of 1991 was amended twice in 1999 and 2011 to meet the changes in the use of technology as also the changing role of utilities globally.

Figure No.21

### A TRADITION OF GOOD GOVERNANCE





## DEWA BOARD OF DIRECTORS: BOARD DYNAMICS

DEWA's nine-member Board of Directors is appointed by the Government of Dubai for three year terms (extendable). The Board is appointed by a Decree issued by the Ruler of Dubai. The Board functions as per DEWA's establishment decree No.1 of 1992 and in accordance with the Executive Regulations of DEWA Board of Directors 1998 both of which are in compliance with Dubai Decree No 28 of 2015 on the Governance of Committees in government organisations in Dubai. The nine members of DEWA Board are qualified and experienced in engineering and technology; accounting and finance; administration, management and business. They all have extensive standing on the boards of organisations and corporations. They represent responsible oversight of the organisation and working of DEWA.

The Board adopts the best in board governance principles. The Board oversees the formulation and implementation of the strategy and approves the budgets and management structure. Key concerns that come up such as finance and budgeting, risk and technology issues etc; are addressed by formation of committees or if required by drawing upon the best external expertise. The Board Secretary who arranges for the meetings of the Board with comprehensive agenda and minutes. The Board is required to meet at least four times a year but meets more often if necessary.

Figure No.22

### MEMBERS OF THE BOARD

**THE FOLLOWING ARE THE  
CURRENT MEMBERS OF THE BOARD  
OF DIRECTORS APPOINTED BY  
DECREE NO.30 OF 2018:**

1	HE. Matar Humaid Al Tayer	Chairman
2	HE. Saeed Mohammed Al Tayer	MD & CEO
3	Mr. Hilal Khalfan Bin Daher	Director
4	Mr. Abdullah Mohamed Al Hashemi	Director
5	Mr. Khalfan Ahmad Hareb	Director
6	Mr. Majed Hamad Al Shamsi	Director
7	Mr. Obaid Saeed Bin Meshar	Director
8	Mr. Saeed Mohamed Al Shared	Director
9	Mr. Nabil Abdul Rahman Arif	Director



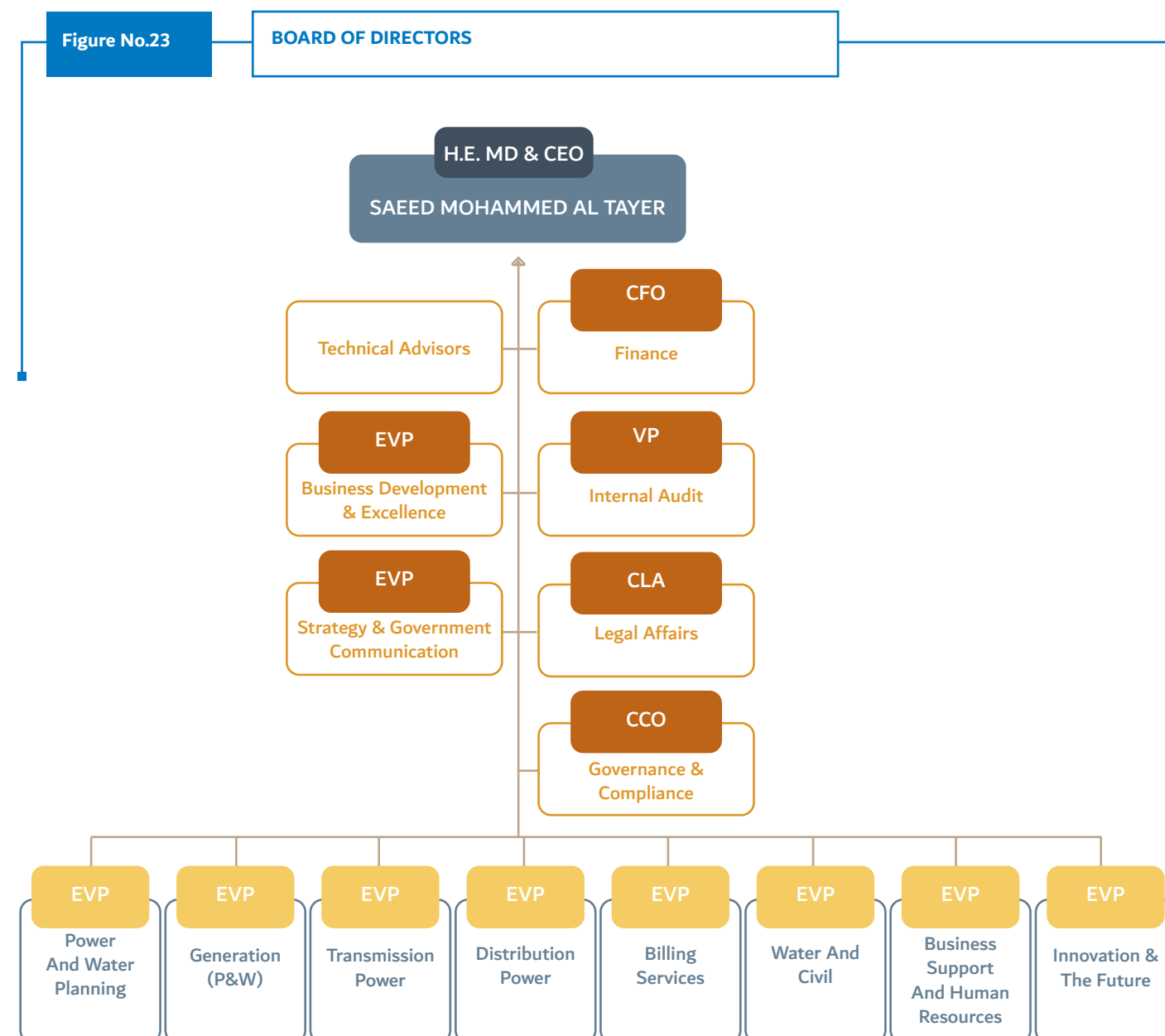
# 4

## MANAGING DIRECTOR & CEO AND EXECUTIVE MANAGEMENT

The Managing Director and CEO of DEWA is appointed in the decree appointing the Board and is authorised to administer the affairs of DEWA.

As the principles of good governance structures cascade across DEWA, there is a well-balanced and comprehensive organisation chart that ensures excellent specialisms, span of control and effective managerial supervision.

The Managing Director and CEO is supported by the management team comprising of the division heads and advisers depicted in the organisation chart below:



Supporting the EVPs is a team of about 40 Vice Presidents who head the various important functions / departments such as Governance, Compliance & Agility, Information Technology, Enterprise Risk and Resilience Management, Strategy, Excellence, Procurement Contracts, Local Purchase, HR, Operations Technology and other important functions. The Finance department is headed by the Chief Financial Officer; Legal Affairs, by the Chief Legal Adviser and Internal Audit by the Vice President Internal Audit. There are about 750 Senior Managers and Managers who form the middle management structure.



# 4.1

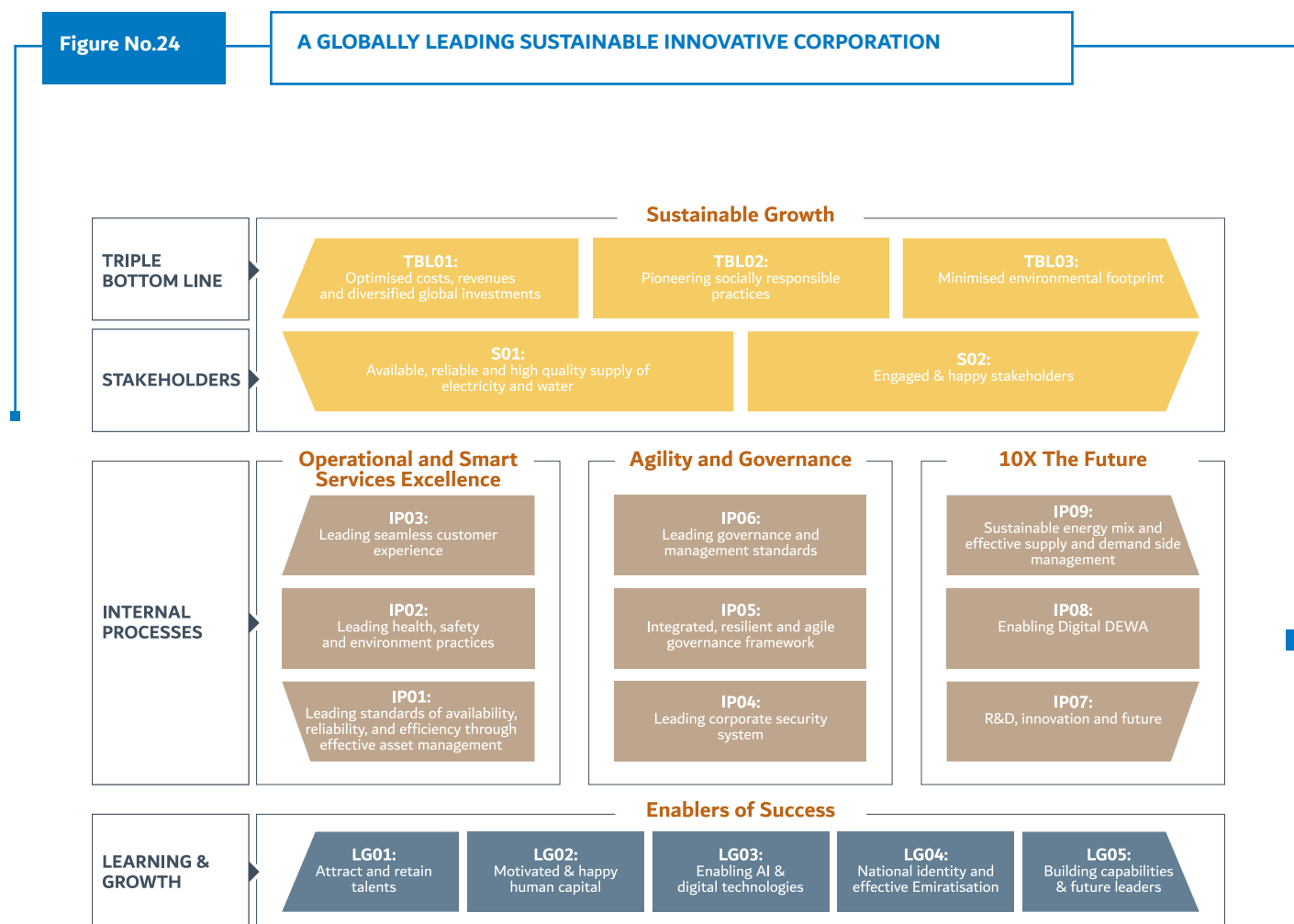
## Delegation Of Authorities

The Board and the MD & CEO have established an effective delegation of financial and administrative authorities to enable effective decision-making. The delegation of powers also acts as a system of checks and balances enabling an effective control structure that ensures zero fraud.

# 4.2

## Dewa's Strategy 2021

DEWA has a well-formulated strategy that is closely aligned with the UAE Strategic Vision 2021, and Dubai Strategy 2021. Agility and Governance are the core of DEWA strategy and are key drivers of all activities and functions.





# 5

## COMMITTEE STRUCTURE IN DEWA: COLLECTIVE DECISION MAKING

DEWA has adopted a three tier committee structure.

**THERE ARE COMMITTEES THAT FUNCTION UNDER THE FOLLOWING THREE STREAMS:**

1. **Management Committees**
  - Management Team
  - Enterprise Risk and Resilience Committee
  - Governance & Compliance Committee
  - Technical Committees
2. **Investment Committee among others**
3. **Specialised Committees**

## 5.1 Stakeholder Engagement

**DEWA HAS IDENTIFIED SEVEN STAKEHOLDERS NAMELY**

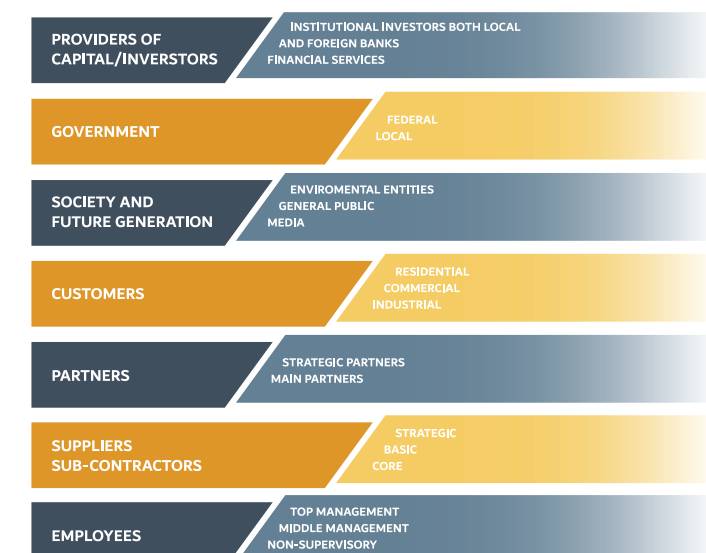
1. Government (Federal and Local)
2. Customers (residential, commercial and industrial)
3. DEWA's People (Employees)
4. Partners
5. Suppliers and Sub-Contractors
6. Providers of Capital and Investors
7. Society and future generation

Stakeholders' responsibility and satisfaction are key drivers

## 5.2 Dewa Stakeholders Map

Figure No.25

DEWA BOARD GOVERNANCE STRUCTURE





# 6

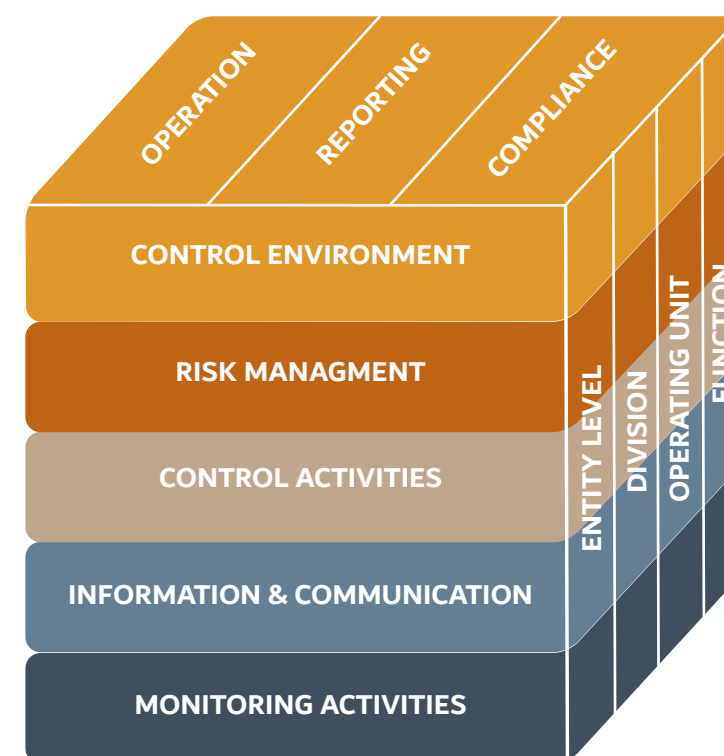
## INTERNAL CONTROL SYSTEM MODELLLED ON THE COSO 17 PRINCIPLES

DEWA follows the COSO Framework for internal controls and periodically conducts its reviews of effectiveness of internal controls (at least once annually).

The 17 Principles of COSO Internal Control are applied across all DEWA divisions, departments and operations and are constantly scanned for compliance. The implementation of the COSO 17 principles has enabled optimal controls across DEWA while promoting productivity, performance, effectiveness and results. The COSO synchronised control systems such as the delegation of financial and administrative authorities has been an outstanding example of DEWA's leading internal controls. Loss reduction, fraud prevention and managerial effectiveness have been hallmarks of DEWA's implementation of the COSO 17 principles.

Figure No.26

COSO INTERNAL CONTROL INTEGRATED FRAMEWORK PRINCIPLES





# 7

## GOVERNANCE & COMPLIANCE NETWORK ACROSS DEWA

To facilitate the percolation of Global Good Governance and Good Compliance across DEWA, a network of qualified, experienced and dedicated Governance and Compliance Ambassadors have been nominated and appointed in all divisions and departments.



Figure No.27

### ROLE OF GOVERNANCE AND COMPLIANCE (G&C) AMBASSADORS

Coordinate with the G&C department to obtain new requirements that the division shall implement related G&C

Obtain clarification when require on G&C procedures & requirements and communicate them to the division's employees

Follow up internally within the division to ensure the implementation of the G&C requirements

Conduct self assessment and report to the G&C department.

Attend meetings, workshops and training sessions arranged by G&C department.

Carry out training sessions as needed to the division's employees

Report back to the G&C department on the progress of implementation, any risks related to G&C, new regulations, etc..





# 8

## TIMELY DISCLOSURES AND TRANSPARENCY

DEWA has a well-established disclosure and communication policies and prepares its annual accounts according to the International Financial Reporting Standards. The entire accounting system is powered by the SAP Enterprise System. A reputable international accounting firm carries out the external audit. DEWA releases its audited financial statements on annual basis to all relevant parties, including the London Stock Exchange where Sukuks and Bonds issued by DEWA are listed.





## ENTERPRISE RISK & RESILIENCE MANAGEMENT (ERRM)

DEWA has implemented Enterprise Risk and Resilience Management (ERRM) in order to improve its resilience to help withstand unexpected future shocks and extreme events that could affect its business, people or brand. Along with other leading utilities, DEWA pioneered much of the thinking on PAS 60518:2020; developing and implementing enterprise risk and resilience management which is intended as an overarching guide designed for use by electricity, water and gas utilities of all sizes across public and private sectors. The sponsorship and development of PAS 60518:2020 reinforces DEWA's commitment to risk and resilience for the long-term and the benchmark for which its risk and resilience activities are measured.

Figure No.28

PAS 60518:2020 FRONT COVER

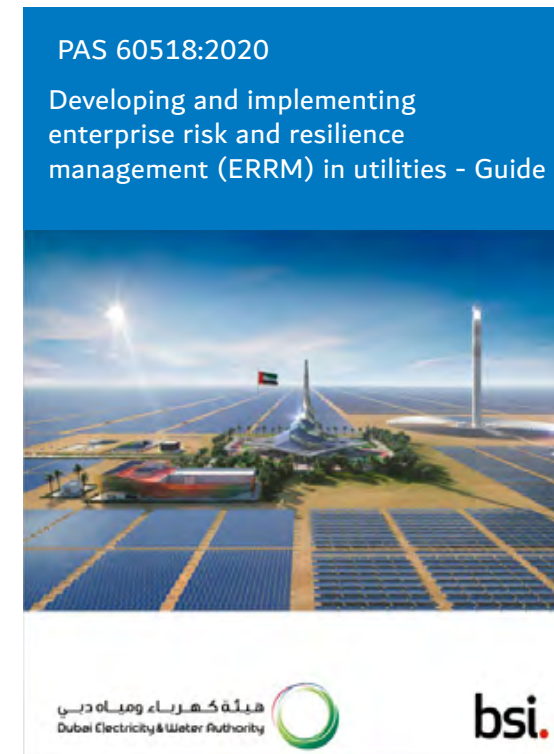
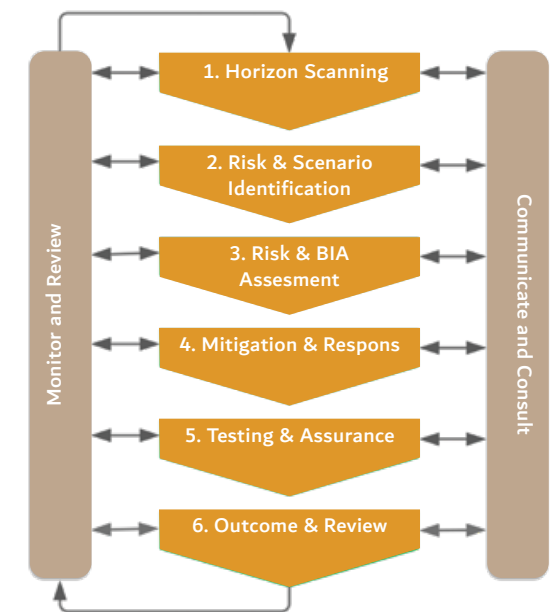


Figure No.29

DEWA RISK & RESILIENCE PROCESS



DEWA approach to ERRM is supported by the Corporate Risk & Resilience Policy and Framework, which includes a comprehensive process (shown in figure 2 below) and comprises of 6 steps that align and integrate risk management, crisis management and business continuity management activities.

To enable smart risk and resilience automation, DEWA has implemented an integrated mobility solution using SAP Governance, Risk & Compliance (GRC). The use of this technology enables DEWA to assess and report on risks and respective mitigation activities in real-time using enabled smart devices.

DEWA's Corporate Risk and Resilience ambition is in line with the national Dubai Smart City and the broader United Arab Emirates Vision 2021, further to supporting DEWA's Vision of being 'A Globally leading sustainable innovative corporation'.



# 10

## COMPLIANCE FUNCTION

### 10.1 Compliance With Laws, Regulations And Standards

Compliance is a key component of Governance and DEWA has established a dedicated Governance, Compliance & Agility department to administer the three functions. All three functions have clear policies and procedures. There are Governance and Compliance programmes that are in operation.

Compliance encompasses legal compliance, regulatory compliance and compliance with internal policies and procedures. Compliance with the various ISO standards implemented in DEWA are also monitored by the Compliance department.

Figure No.30

DEWA'S COMPLIANCE FRAMEWORK

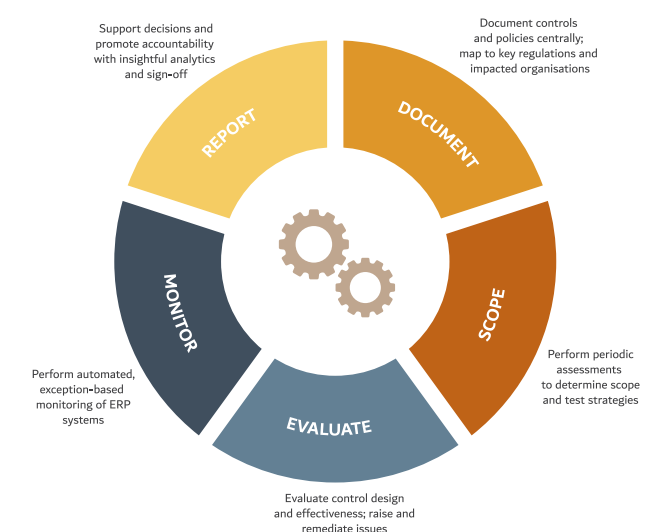


### 10.2 Technology Supporting Governance & Compliance

The implementation of the SAP Enterprise software platform and the SAP GRC (Governance, Risk & Compliance system) to automate and monitor all transactions has added technology to the control system and has made it much more robust. Governance monitoring and reporting are driven by technology and processes automated. Dashboards enable graphic information flows.

Figure No.31

THE WORLD OF SAP GRC PC

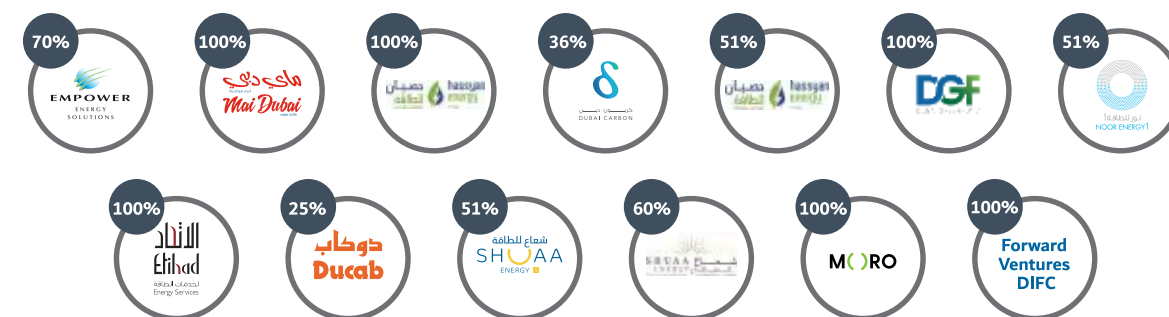




## GOVERNANCE OF DEWA SUBSIDIARY COMPANIES

Figure No.32

### SUBSIDIARIES 2019



DEWA has established subsidiary companies in line with its strategic objectives. The subsidiary companies reflect DEWA's model of Good Governance. Detailed guidelines on the implementation of Governance in DEWA subsidiaries have been given to the subsidiaries.

## DATA GOVERNANCE

Aligned with the outstanding initiatives of the Government of Dubai, DEWA has implemented the highest levels of data governance including Big Data and Open Data. The diagram below outlines DEWA Data Governance initiative.

Figure No.33

### DEWA DATA GOVERNANCE OVERVIEW

#### APPROACH & PLAN

- Data Governance policies and procedures were developed by EY
- Aligned with Dubai Data Law
- Planned to implement Enterprise DG for Smart Grid applications as a pilot
- Market researches, Gartner researches, RFI
- Closed RFP floated & Proposal evaluation

#### CHALLENGES

- Data Governance is fully/partially implemented within applications across the enterprise
- No overview of end to end Data Governance across enterprise

#### REQUIREMENTS

- How data is managed?
- Overall Data Quality within DEWA?
- Criteria for modifying data?
- How to classify the data

#### ACHIEVEMENTS & IMPLEMENTATION

##### Completed Projects

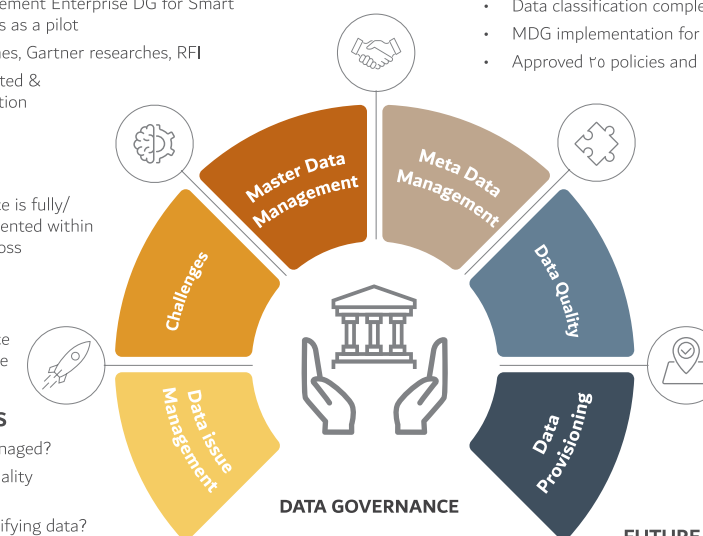
- Data Governance (DG) assessment completed
- Data classification completed for Smart Dubai Open Data initiative
- MDG implementation for SAP landscape
- Approved 70 policies and 11V procedures by Compliance department

##### Ongoing Projects

- Data Governance RFP
  - Enabling Data Governance in Big Data & Analytics
- ##### Planned Projects
- Implementing DG for approximately 10 data sets
  - Enabling business functions DG capabilities
  - New policies & Process implementation
  - DG framework establishment
  - People enablement
  - Establishment of DG platform
  - Implementation of tools and technologies
  - Change management Process

#### FUTURE ROADMAP

- Implement end to end DG for all Smart Grid Data sets
- Roll out of end to end DG implementation for all DEWA enterprise systems





## DEWA AT THE FOREFRONT OF WELL GOVERNED RESEARCH & DEVELOPMENT

DEWA's Research and Development (R&D) centre was established in line with the National Innovation Strategy. The centre located in the Mohammed bin Rashid Solar Park, adopts international R&D best practices and supports the objectives of the Dubai Clean Energy Strategy 2050 to diversify energy sources and enhance energy efficiency. The research and development activities are conducted in house and in cooperation with international institutions.

The Governance and Compliance team provides the Governance structures and Compliance programme for the efficient working of the R&D Centre.

**The following are key focus areas for DEWA's R&D and this is a dynamic R&D agenda :**

### Research Verticals

- **Solar:** Study and improve solar photovoltaic (PV) technologies to mitigate the effects of dust and extreme desert conditions on the performance of solar BIPV/PV panels, while testing their long-term reliability and develop appropriate standards;
- **Water:** Assess and develop sustainable solutions for the desalination and purification of water using solar energy (PV RO and Forward Osmosis), detect and reduce water transmission losses, and minimise brine effluent;
- **Smart Grid Integration:** Evaluate and develop systems to facilitate and optimise the integration of renewables in the grid, including: storage operational modes (chemical, thermal, mechanical and technologies), aggregation of distributed energy and storage resources as Virtual Power Plants, and EV chargers;
- **Energy efficiency:** Assess demand response and building performance strategies, develop and test advanced cooling technologies, and promote awareness and creativity among youth in the development of solar energy technologies, by leading initiatives, e.g., Solar Decathlon Middle East 2018 and 2020;

### Horizontals (R&D enablers)

- **3D Printing (3DP) and Advance Materials:** Focus on the digitisation of the inventory (spare parts) and 3DP for construction;
- **Robotics and Drones:** Develop and test solutions for unmanned/autonomous operations across the whole utility value chain (e.g. PV and transmission line inspection and maintenance), as well as looking at technologies to extend the range/ payload specs of commercially available drones;
- **Artificial Intelligence (AI) and Advanced Analytics:** Develop, test, and integrate AI technologies for optimisation of grid operations, short-term solar forecasting, etc..
- **Energy Systems Analyses:** Model and assess new energy system configurations and technologies at the macro level with a focus on cost-optimal integration of renewable energy systems and strategies for deployment of new energy technologies.





## BUILDING AN ETHICS DRIVEN ORGANISATION

DEWA has a Whistleblower Policy and documented procedure for handling (record, investigation, action and follow up) whistleblower concerns and complaints reported.

The channels are :

1. Whistleblower Hotline: a secure telephone reporting line with direct linkages to top management and the Compliance Officer (DEWA Ethics Hotline in Arabic or English: tel 04 3222202).
2. Through secure email to: [ethicshotline@dewa.gov.ae](mailto:ethicshotline@dewa.gov.ae)
3. Through letter that can be sent directly to the Office of HE MD&CEO
4. Through DEWA Smart office application on mobile devices

Any incidents or suspicions of unlawful, unethical or improper acts can be reported through the Hotline and the above channels.

## 13.1 Zero Tolerance Prevention Of Fraud Bribery And Corruption Policy

Prevention of Fraud, Bribery and Corruption are therefore key to DEWA retaining the trust of its stakeholders.

Given the tone at the top in DEWA since its establishment in 1992 and the exemplary leadership and example set by the MD&CEO, fraud, bribery and corruption were and are not major threats for DEWA internally or externally. The culture of zero bribery (inward and outward) was ably supported by the tight controls, approval processes, delegation of authorities and the managerial supervision and accountability implemented in DEWA. Therefore, bribery and corruption are not tolerated in keeping with DEWA's policy of not giving or accepting bribes and inducements, DEWA has implemented a 'Zero Tolerance Fraud, Bribery and Corruption Policy', which is implemented across DEWA.

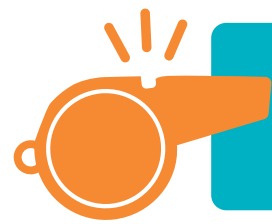
The policy adopts four levels of actions: preventive, detective, corrective and punitive.

DEWA as an organisation and its employees have adopted and implemented A 'Zero Bribery Policy'.

DEWA shall not offer or accept bribes or inducements for business dealings.

To further enhance its anti-bribery policies, DEWA adopted and implemented the recommendations/ requirements of the ISO 37001 Anti Bribery Management Standard 2016. Though the standard may be very advisory in scope, DEWA has based its prevention of fraud bribery and corruption policy and procedures based on the guidance of the standard as also adopting international best practice.





## WHISTLEBLOWING CHANNELS

All employees that suspect or become aware of potential non-compliance to DEWA policies have the obligation to report this immediately through any of the following including a secured whistleblowing 24/7 hotline and other communication channels mentioned below:



DEWA Ethics Hotline (+971 4 3222202)



DEWA Ethics Email (ethicshotline@dewa.gov.ae)



DEWA Smart Office Application – Whistleblower Smart Application  
(reporting of any wrongdoings can be done anonymously)

### Note:

The whistleblower hotline allows you to report anonymously. If you are not sure about what is to be considered as a reportable matter for investigation, please refer to the Whistleblowing policy on Freejna portal for more details.

### Author and Publisher

DEWA Governance & Compliance Department

### About the Governance and Compliance Department

DEWA Governance and Compliance Department has been established in 2017 with the aim to provide oversight in respect to DEWA's processes and practices, and exercising of due professional care, diligence and skill in relation to the overall governance system, business policies and practices and compliance with the applicable UAE and Emirate of Dubai laws, regulations, standards and best practice guidelines.

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Dubai, United Arab Emirates.



We would like to thank you for taking the time to go through DEWA's Governance Book: Good Governance Evolution Over The Years, and we hope this Book met your expectations.

## **GOVERNANCE, COMPLIANCE: CONTACT FOR FURTHER INFORMATION**

For any further information and details about DEWA's good governance and compliance, kindly contact the Governance and Compliance Department, by email: [bde.gca@dewa.gov.ae](mailto:bde.gca@dewa.gov.ae)

