

# DEWA PJSC INTEGRATED REPORT 2022







**Sheikh Zayed bin Sultan Al Nahyan,** may his soul rest in peace

Founder of the UAE (1918 - 2004)



The UAE will continue to play a leading role in shaping initiatives which serve humanity and help to achieve stability, prosperity and sustainable development.



His Highness

**Sheikh Mohamed bin Zayed Al Nahyan**

President of the United Arab Emirates



We have developed a sustainable infrastructure that will serve new generations. This infrastructure has been built by young Emiratis who will lead our country through the next phase of growth. We are proud of our nation's advancements in clean energy and green economy.



His Highness

**Sheikh Mohammed bin Rashid Al Maktoum**

Vice President and Prime Minister of the UAE and Ruler of Dubai





His Highness

**Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum**

Crown Prince of Dubai and Chairman of the Executive Council of Dubai





His Highness

**Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum**

Deputy Ruler of Dubai, Deputy Prime Minister and Minister of Finance



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## CHAIRMAN'S MESSAGE

### HE MATAR HUMAID AL TAYER

Chairman of Dubai Electricity and Water Authority (DEWA)

Dubai has become a global hub for trade, finance, tourism, and green economy thanks to the insightful vision and wise directives of HH Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai. The impressive achievements the Emirate makes across all areas are supported by a world-class robust infrastructure that enhances its readiness to serve over 3.5 million people who live in Dubai, and more than 4.7 million people during the day.

Dubai Electricity and Water Authority (DEWA) is a crucial player in ensuring that the Dubai's infrastructure keeps pace with the increasing demand for energy and water. Our unwavering efforts have strengthened Dubai's record of achievements, consolidated the competitiveness of the UAE, and established the country as a global leader, especially in the shift towards renewable and clean energy.

At DEWA, we take pride in contributing to the wise leadership's vision of enhancing sustainability and shifting towards a green economy. Sustainability is a fundamental pillar of our strategy, and we are committed to achieving long-term sustainability goals and the 17 UN Sustainable Development Goals (SDGs) 2030, while promoting sustainable green growth and economic, environmental, and social sustainability. Our achievements reflect DEWA's world-class governance system, efficiency, sustainability, and innovation. We have comprehensive policies and programmes for environmental, social, and corporate governance (ESG) management. Sustainability is ingrained in all our operations, work mechanisms, and decision-making processes. Our circular economy strategy supports our ongoing efforts to optimise resource usage and enhance social, economic, and environmental value, promoting sustainability. We adopt several policies and plans that align with ambitious national strategies.

In 2022, DEWA became a Public Joint Stock Company (PJSC) and was listed on the Dubai Financial Market (DFM), becoming the largest company on the DFM by market capitalisation. Our initial public offering (IPO) was the world's largest in the utility sector in 2022, with exceptional investor demand, exceeding AED 300 billion. The wide interest from local and international investors affirms DEWA's position as one of the most distinguished and pioneering utilities in the world. In 2022, DEWA delivered the best full year consolidated



and standalone financial performance in its operating history. As a result, we have increased our dividend payout for the year 2022 by 60% to AED 9.9 billion.

We are committed to the best governance practices within an integrated framework, continuously reviewing all our activities and operations to stay abreast of rapid developments and enhance DEWA's agility and resilience to deal with change. We look forward to continuing our journey towards sustainability, innovation, and excellence in all our operations.

I would like to thank our shareholders for their unwavering support and trust in DEWA. We remain committed to delivering sustainable value to all our stakeholders. I also extend my thanks to DEWA's management team and dedicated staff, who work tirelessly to ensure that we continue to provide reliable and efficient services to our customers. Their commitment, hard work, and passion have been the driving force behind our success, and we remain committed to providing them with the support they need to continue to excel.



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**H.E Matar Humaid Al Tayer**  
Chairman of the Board



## MD & CEO MESSAGE

**HE SAEED MOHAMMED AL TAYER**

MD & CEO of DEWA

Dubai Electricity and Water Authority (DEWA) is dedicated to achieving excellence and sustainable growth in alignment with the vision of HH Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, and the directives of HH Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of the Executive Council of Dubai, and HH Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum, Deputy Ruler of Dubai, Deputy Prime Minister, and Minister of Finance.

2022 marked a transformative year for DEWA as it became a Public Joint Stock Company (PJSC) and was listed on the Dubai Financial Market (DFM) in April, becoming the largest company on the DFM by market capitalisation. In 2022, DEWA achieved record-breaking results, with increased gross, operating and net profit margins relative to 2021. DEWA's consolidated net profit for the year reached AED 8 billion, a 22% increase over the previous year. As a result, the company has decided to pay AED 9.9 billion in dividends instead of the initially committed AED 6.2 billion (60% extra).

Sustainability is a vital part of our strategy. We are consistently improving fuel efficiency, replacing conventional energy generation with clean energy in our future projects and have adopted reverse osmosis process for future water desalination. As part of our commitment to achieving Dubai's Net Zero 2050 ambition, we have developed the landmark Mohammed bin Rashid Al Maktoum Solar Park, the largest single-site solar park in the world that aims to eventually produce 5,000MW of Solar PV and Concentrated Solar Power generation capacity. 2127 MW capacity is already commissioned.

DEWA is continually developing world-class infrastructure to meet Dubai's growing demand for power and water. We have invested over AED 210 billion cumulatively on generation, transmission and distribution capacity that are operating at highest levels of efficiency and reliability. This is clearly evident when benchmarking operating parameters with global utilities. DEWA is number 1 in the world with lowest electricity line loss of 2.2 % and water line loss of 4.5% as well as lowest Customer Minutes lost of 1.19 minutes in a year.



In conclusion, we reiterate our commitment to providing world-class services supporting Dubai's ambitious green energy plans, leveraging digital and smart services, providing highest levels of customer service and developing a sustainable business in order to generate consistent returns for our valued shareholders. I extend my thanks to our shareholders for their confidence in us and to our dedicated employees for their commitment and contribution to building an efficient and customer focused utility.

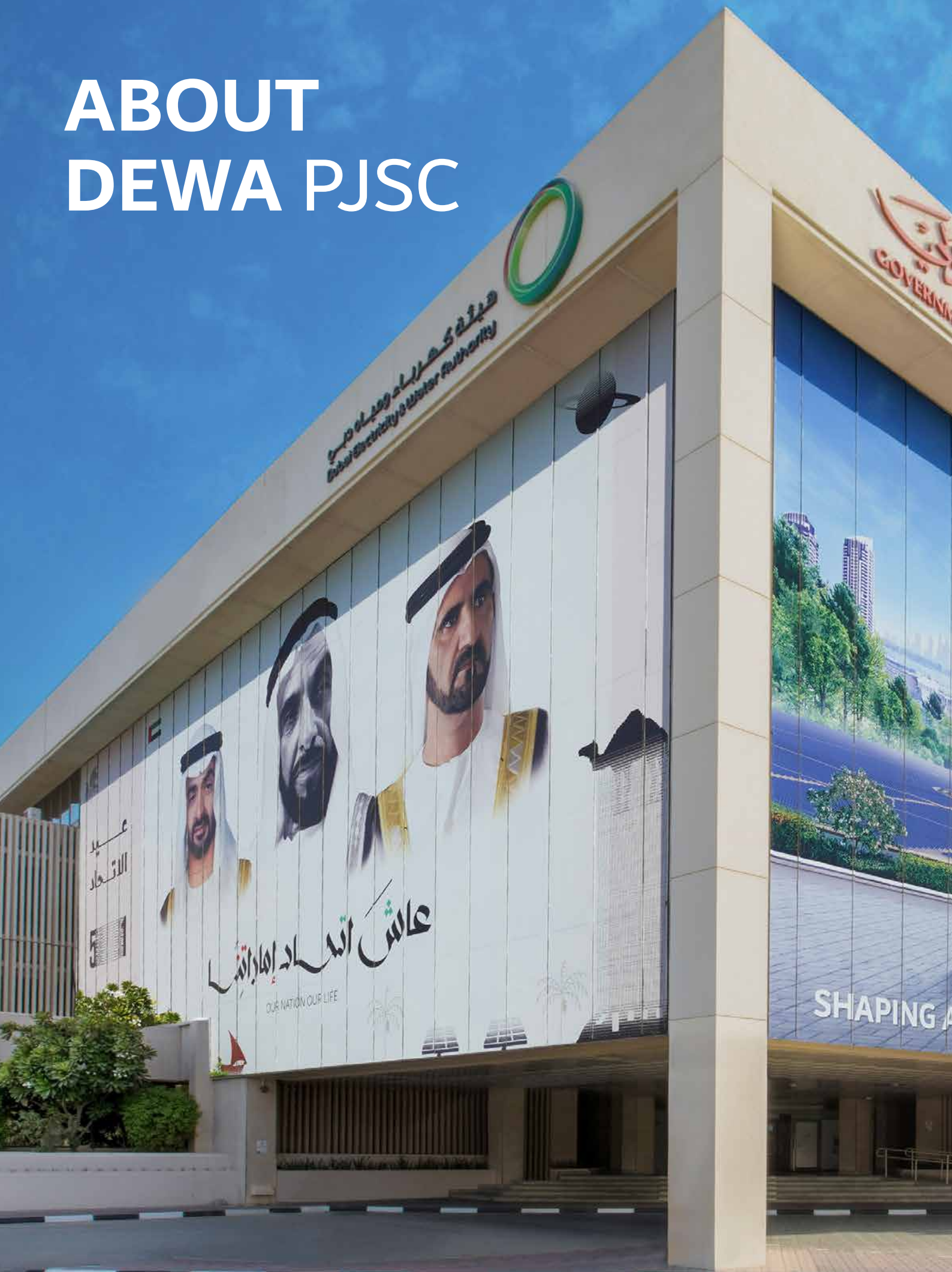


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**H.E Saeed Mohammad Al Tayer**

**MD & CEO of DEWA**

# ABOUT DEWA PJSC



# BRIEF ABOUT DUBAI ELECTRICITY AND WATER AUTHORITY

Dubai Electricity and Water Authority (DEWA) was formed on 1 January 1992, by a decree issued by the late Sheikh Maktoum bin Rashid Al Maktoum to merge Dubai Electricity Company and Dubai Water Department, which had been operating independently before then. Both organisations were established by the late Sheikh Rashid bin Saeed Al Maktoum in 1959. Dubai Government fully supported the two organisations to provide Dubai's citizens and residents with their electricity and water needs.

Since its establishment, DEWA has made considerable achievements, to be ranked as one of the best utilities in the world. Today, DEWA provides its services to more than one million customers in Dubai, according to the highest standards of efficiency, reliability, and availability.

In April 2022, DEWA was listed on the Dubai Financial Market (DFM). DEWA became the largest listed company in the market, with a market value of AED 124 billion (USD 33.8 billion). The offering included the sale of 9 billion shares, representing 18% of its capital.

As Dubai's exclusive power and water provider, DEWA provides its services to 3.541 million people living in Dubai and the

Emirate's active daytime population of over 4.7 million. These numbers are expected to grow to 5.8 million and 7.8 million, respectively, by 2040.

By the end of 2022, DEWA served 1,157,501 customers, representing an increase of 14,438 customers from the third quarter of 2022. DEWA added 51,089 new customers in 2022, which is a 4.6% increase from 2021.

## PURPOSE

Providing globally leading sustainable, efficient, and reliable power and water services, and related innovative smart solutions towards Net-Zero Future.

## VISION

A globally leading sustainable innovative corporation committed to achieving Net-Zero by 2050.

## MISSION

We are committed and aligned to Dubai's 8 Guiding Principles and 50-Year Charter supporting the UAE's directions through the delivery of global leading services and innovative energy and potable water solutions enriching lives and ensuring the happiness of our stakeholders for a sustainable Net-Zero carbon 2050.

## MOTTO

For generations to come

## VALUES

- Stakeholder Happiness
- Sustainability
- Innovation
- Excellence
- Good Governance



# KEY HIGHLIGHTS IN 2022

## Q1

1. Launched DEWA-SAT-1 nanosatellite (the world's first utility to use nanosatellite) on 13 January 2022 and has received its first signals from space
2. Won three diamond-level awards at the Harvard Business Council 2021 International Awards Second Cycle
3. Received the British Standards Institution (BSI) Kitemark for Innovation, making it the first government organisation to receive this certificate at a global level
4. DEWA received three international certifications from the British Standards Institute (BSI) for security management
5. Raised production capacity of the first project of the Mohammed bin Rashid Al Maktoum Solar Park's fifth phase from 300 MW to 330MW
6. DEWA achieved the highest score among international corporates in EFQM's Innovation Lens Award (First organisation in the world to receive 8 stars)

7. Implemented the smart ball leak detection technology in water transmission networks
8. Completed the construction of the first stage of the Aquifer Storage and Recovery (ASR) project for desalinated water and started the operations and testing stage

## Q2

1. Registered a new patent for an innovative device for measuring the amount of water that can be extracted from the air during the condensation process
2. Added the Self-Assessment tool for residential customers to easily understand their consumption patterns
3. Launched the 'Dubai EV Community Hub' website for Dubai, aiming to increase EV adoption by centralising information regarding EV developments in Dubai
4. DEWA received effective governance certification BSi13500:2013 from BSI and a special award for 6 consecutive years

5. DEWA completed 98.83% of its project to extend its water transmission network by 36 kilometres across Dubai, at a total cost of about AED 266 million
6. DEWA completed 96.50% of the Sea Water Reverse Osmosis (SWRO) desalination plant at Jebel Ali Power Plant and Water Desalination Complex at a cost of around AED 897 million
7. Registered a new patent for an Unmanned Aerial Vehicles (UAV) charging system that enables continuous charging for UAVs and thus provide longer flying hours with a large storage capacity
8. Won three Global Excellence Assembly Awards 2022 in the same cycle. These awards were the Excellence in Innovation Award, the Business Innovation Award, and the Outstanding Customer Service Award
9. Commissioned 287 11kV substations in the first half of 2022, with 177,875 working hours according to the highest quality, efficiency, and safety standards, while following all precautionary measures

10. Won three Global Good Governance (3G) Awards from Cambridge IFA in the UK
11. Added 700MW of energy production capacity, totalling 14,117 MW, with 1,627 MW from renewable energy
12. DEWA completed 57% construction of water microfiltration units in Hatta
5. DEWA achieved the Guinness World Records title for owning and managing the Largest Single-Site Water Desalination Facility in the world with a production capacity of 490 (MIG) of water per day
6. DEWA's R&D centre published 103 research papers in international scientific conferences and international peer-reviewed journals
4. DEWA commissioned two new transmission substations in two residential areas in Dubai
5. DEWA completed 93% of 4th phase of H-Station in Al Aweer with investments totalling AED 1.1 billion
6. Won the Best Creative Electricity and Water Solutions Brand award from Global Brands Magazine Awards 2022

### Q3

1. Received two ISO certifications in Information Security Governance and Information Technology Governance for the third consecutive year
2. DEWA registered a patent for a user-friendly robotic carrier to transport solar photovoltaic panels easily and safely from any surface
3. DEWA signed a partnership agreement with Dutch start-up Desolenator BV, to build a sustainable, carbon-neutral water purification and desalination system based on solar thermal energy, targeting a levelised cost of potable water production at a rate that is less than US\$0.02 per litre
4. DEWA reduced the maintenance outages for key inspection operations from 11 days to 9 days, a reduction in the maintenance duration of 18%, compared to the previous world record achieved by DEWA in 2019
7. DEWA commissioned 389 11kV substations in Dubai, resulted in a total of 404,712 man hours, according to the highest standards of quality, efficiency and safety
8. DEWA ranked the third most valuable utility brand in the Middle East and the third fastest growing brand in the UAE as per 'Brand Finance'
7. Launched the construction work for the Hatta Sustainable Waterfalls project
8. DEWA achieved first place worldwide in the International Digital Customer Experience Standard (IDCXS) with 100% score from first assessment
9. DEWA completed 58.48% of hydroelectric power plant in Hatta

### Q4

1. DEWA's customers conducted around 8 million transactions using its digital channels and those of its partners
2. Added 600MW of clean energy production capacity from the 5th phase of the Mohammed bin Rashid Al Maktoum Solar Park
3. DEWA completed 75.9% of the water reservoir project in Hatta

### 10. DEWA achieved the best financial results in its operating history

# DEWA'S PORTFOLIO

DEWA has a portfolio of related business interests, apart from its primary business activity of producing and supplying electricity and water:

## CORE PORTFOLIO



**Empower**, which is currently the world's largest district cooling services provider by connected capacity, is 56% owned by DEWA, and it owns, manages, operates and maintains district cooling plants and affiliated distribution networks across Dubai.



**Mai Dubai** is a water-bottling, manufacturing and distribution company, which distributes water within the UAE and to other markets. Mai Dubai is a wholly-owned subsidiary of DEWA and it commenced operations in 2014. Mai Dubai is currently the number two ranked water-bottling company in the UAE for both distribution and sales.



**Etihad ESCO** is a wholly-owned subsidiary of DEWA. It was established under a mandate from the Dubai Supreme Council of Energy to implement energy

efficiency projects in Dubai. Etihad ESCO is a commercial energy services company, and its activities have been expanded to include solar PV projects, as well as electromechanical and facility management services. The company has successfully completed a number of significant building retrofit projects for major public and private sector clients in the UAE.



**Digital DEWA** was created as a holding company to group several subsidiaries that deliver digital business solutions. Six companies operate under Digital DEWA.



- **Moro (Data Hub Integrated Solutions)** is currently the backbone and core entity at the heart of Digital DEWA. Moro is a company that provides data centre services, cloud solutions and hosting services, managed business solutions and managed IT services for DEWA and other external public and private organisations.



- **Digital X** was formed in October 2019 to offer digital services, resource augmentation, intelligent automation solutions, robotics, advanced data analytics solutions for optimal decision-making and mission-critical analytical modelling systems. DigitalX's services assist companies with designing, implementing and managing technologies to enhance their business capabilities as well as accelerating their digital transformation by building cutting-edge and easy-to-use systems powered by AI.



- **Infra X** was formed in October 2019 and focuses on connecting Digital DEWA's value-added services from its data centres and cloud services to customers. InfraX leverages DEWA's infrastructure to offer a secure, reliable, and independent super-fast network that meets the future digital transformation demands. InfraX is considered to be the first non-telecom company in the UAE to receive a special purpose IoT license from the Telecommunications and Digital Government Regulatory Authority to commercialise IoT networks and services. In addition, Infra X partners with local service providers to provide 5G technologies.



## IPP PORTFOLIO

- **Shuaa Energy 1** is a solar photovoltaic independent power plant project that has contracted electricity generation capacity of 200 MW, which is located in, and constitutes the second phase of the MBR Solar Park.
- **Shuaa Energy 2** is a solar photovoltaic independent power plant project that has contracted electricity generation capacity of 800 MW, which is located in, and constitutes the third phase of the MBR Solar Park.
- **Shuaa Energy 3** is a solar photovoltaic independent power plant project that will have contracted electricity generation capacity of 900 MW, which is located in, and constitutes the fifth phase of the MBR Solar Park.
- **Noor Energy 1** is an independent power plant project that has a 700 MW CSP and 250 MW PV (contracted electricity generation) capacity, and which is located in, and constitutes the fourth phase of the MBR Solar Park. Upon completion, it is expected to become the largest single-site CSP plant in the world using a combination of a central tower and parabolic trough CSP technologies.
- **Hassyan Energy Phase 1** is an independent power producer

project that has a total electricity generation capacity of 2,400 MW. While the plant was designed to be operated on dual fuel, DEWA, as off-taker, took the decision that the plant should operate using only natural gas as the primary fuel, and the formal shift was publicly announced by DEWA. In addition, the Hassyan Power Plant uses ultra-supercritical technology in its operations, in compliance with set international standards.

## FINANCIAL COMPANIES PORTFOLIO

- **Dubai Green Fund Investments** is the first specialised green impact investment fund in the MENA region. It is backed by the Government and is currently 100% owned by DEWA. Its mandate is to invest in green projects and support Dubai's position as a global hub for the green economy. Dubai Green Fund's current portfolio of green investments is expected to save approximately 8.5 million metric tonnes of CO<sub>2</sub> emission per year over the next 30 years.
- **Forward Investments** is DEWA's corporate venture capital unit. Forward Investments was established in 2020 with a mandate to invest in venture investments in renewable energy, distributed generation,

energy storage, utility digitisation, smart technology and security, cleantech and other diversification opportunities relevant to DEWA's strategy. To date, the company has entered into a number of successful investments across the United States and Asia.

- **Etihad Clean Energy Development Company** is a DED-licensed limited liability company with the main objective of financing solar-bat projects executed by Etihad ESCO.

The above-related business interests are excluded from the reported data found within this report.

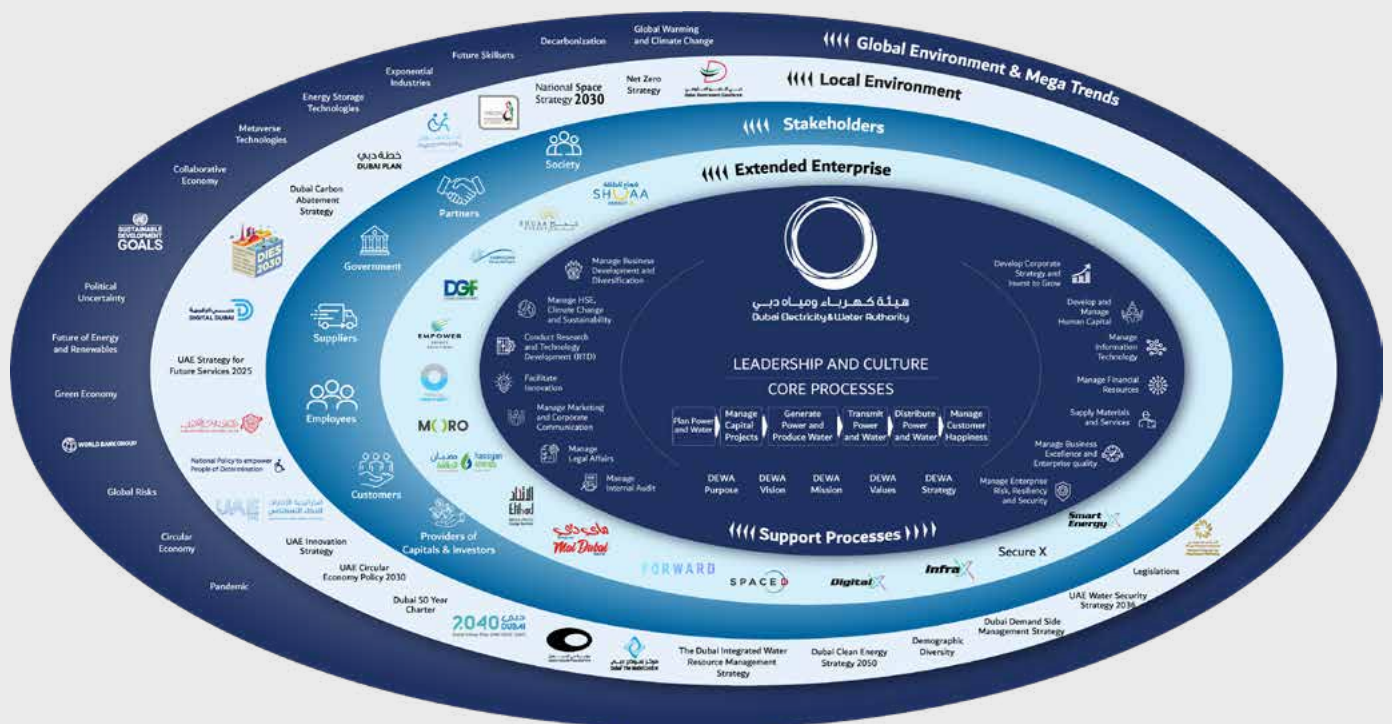
# DEWA'S ECOSYSTEM

The ecosystem describes DEWA's business and interaction with the external environment of the five key components. It shows the core business starting from planning and ending with customer happiness, and how this core business is supported by the other support functions to create a sustainable value for all stakeholders and collect feedback to improve the value provided through innovation.

It also demonstrates how DEWA has influence and is a leader in its ecosystem by motivating others and showcasing what can be accomplished for the benefit of others as well as DEWA.

The DEWA ecosystem is made up of five key components, which include:

- DEWA's core business and support activities
- Extended enterprise (Subsidiaries)
- DEWA's stakeholders
- The local environment
- The global environment and megatrends



# STRATEGY, POLICIES, & PRACTICES

## STRATEGIES

### Strategically Driven:

The UAE and the Dubai government are continuing to adopt and establish several policies to secure the UAE's long-term development and growth. DEWA's strategy is constantly aligned with important international events and trends, as well as national strategies, to ensure its successful contribution to Dubai's and the UAE's long-term growth

### DEWA'S STRATEGIC INTELLIGENCE FRAMEWORK

DEWA's Strategic Intelligence Framework is a systematic continuous past-forward, today-onward, and future-back assessment that feeds strategic intelligence into the organisation by using an existing insights ecosystem that supports the strategy on each phase through innovation.

#### The Strategy framework is divided into three phases:

1. The **Strategy Formulation** process at DEWA includes

identifying the strategic direction and then constructing the corporate strategy using strategic insights.

2. The focus of **Organisational Alignment** is on aligning divisions with the overall strategy and developing strategic initiatives to achieve it.

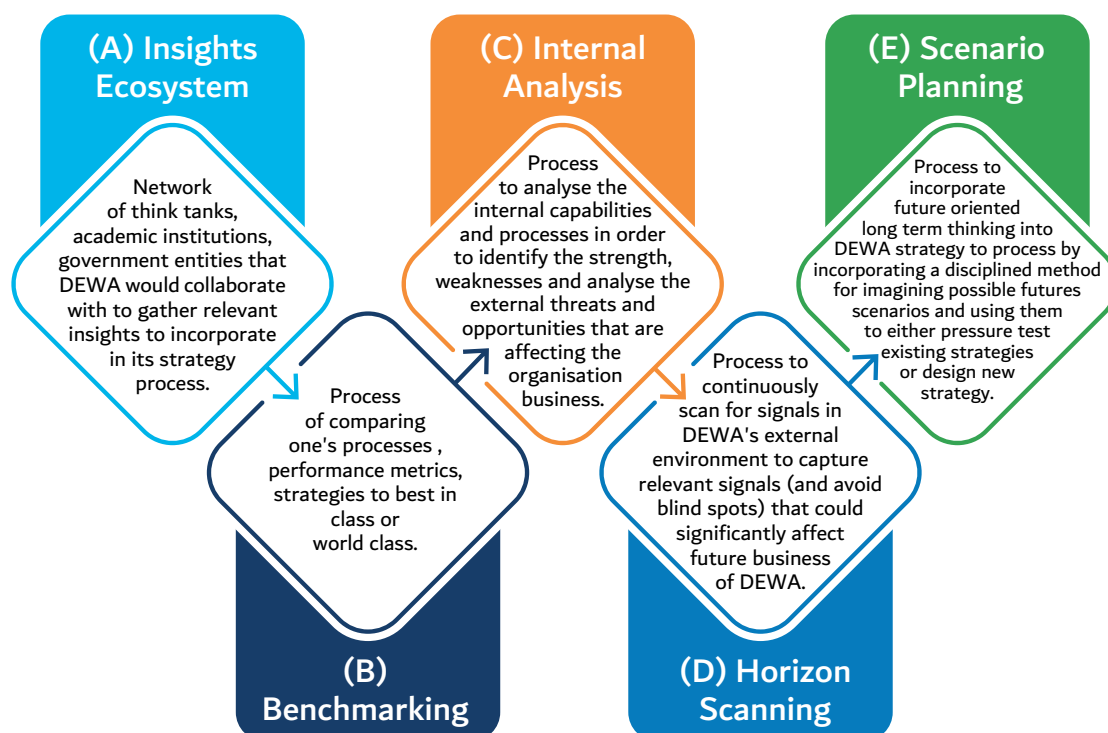
3. The **Execution and Assessment** focus on putting the strategy into action and analysing progress in order to track business performance versus specified goals and targets.

DEWA's Strategic Intelligence Framework include the following:





## The Strategic Intelligence Framework of DEWA is built on five major pillars:



### DEWA STRATEGY ALIGNMENT:

DEWA's strategy is in line with global, UAE, and Dubai-level directives.

#### United Nations Sustainable Development Goals:

The SDGs came into effect in January 2016 and are a universal call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity. Each of the 17 Goals has specific targets to be achieved over the next 15 years.

#### 10 Principles of the United Nations Global Compact:

The United Nations Global Compact is the world's largest corporate sustainability initiative, with more than 13,000 corporate participants in over 170 countries. The Global Compact is based on ten fundamental principles relating to human rights, labour,

environment and anti-corruption.

#### 8 Principles of Dubai:

The 8 defining Principles of Governance for Dubai, endorsed by HH Sheikh Mohammed bin Rashid Al Maktoum, show the well-being of the UAE's people, the sustained progress of the nation, and the welfare of future generations. The Principles lay a strong foundation for the UAE's future growth, economic conditions, business, law and more.

#### 50-Year Charter:

The Charter marks HH Sheikh Mohammed bin Rashid Al Maktoum's 50 years of service to the country and outlines plans to improve the quality of life in Dubai for its citizens and residents over the next 50 years. The Charter, issued in 2019, represents the pledge and promise to enhance the lives of people in Dubai. It

includes what will be undertaken to improve the quality of life, develop the community of Dubai and ensure a brighter future for generations to come.

#### UAE and Dubai Innovation Strategy:

The Dubai Innovation Strategy focuses on ten sectors that are aligned with the National Innovation Strategy and aim to improve living standards in Dubai. For DEWA, innovation is a priority for improving its services and initiatives, and a key element in developing its strategies and work plans.

#### UAE Centennial 2071:

The UAE Centennial 2071 plan focuses on human development through educational programmes with a concentration on Information Technology and engineering, promoting the UAE's

image and soft power globally, enhancing community cohesion and respect while strengthening Emirati values, and ethics and building a diversified and competitive economy.

### **UAE Water Security Strategy 2036:**

The aim of the UAE Water Security Strategy 2036 is to sustain access to water under both regular and emergency conditions in keeping with national regulations and international standards set by the World Health Organisation. Some of the main targets for the strategy include: reducing the demand for water by 21%, increasing the reuse of treated water to 95% and increasing the national water storage capacity by up to two days.

### **UAE Strategy for Artificial Intelligence:**

Launched in October 2017, the UAE Strategy for Artificial Intelligence is the first of its kind in the world. It aims to achieve the objectives of the UAE Centennial 2071, boost government performance at all levels, use an integrated smart digital system that can overcome challenges and provide quick, efficient solutions, make the UAE the first in the field of AI investments in various sectors, and create a new vital market with high economic value.

### **The UAE Strategy for the Fourth Industrial Revolution:**

The UAE Strategy for the Fourth Industrial Revolution aims to achieve customer happiness and to position the UAE as a model for interactive cities using AI, innovative education,

intelligent genomic medicine and robotic healthcare to achieve sustainability.

### **Dubai Clean Energy Strategy & Demand Side Management Strategy (DSM):**

The Dubai Clean Energy Strategy 2050 sets targets to have 25% of Dubai's total energy production capacity from clean energy by 2030 and 100% by 2050, while the DSM 2030 aims to reduce energy and water demand by 30% by 2030. DEWA plays an essential role in achieving these goals by reinforcing the renewable energy sector and fuel diversification to meet the objectives of the Dubai Clean Energy Strategy 2050, which maps out Dubai's energy sector over the next three decades. The Dubai Clean Energy Strategy 2050 and the Dubai Net Zero Carbon Emissions Strategy aim to obtain 100 per cent of Dubai's total power capacity from clean energy sources by 2050.

### **Dubai 10X:**

HH Sheikh Mohammed bin Rashid Al Maktoum called on all Dubai Government entities to embrace disruptive innovation, to exploit available technologies to deliver new or existing services in radically different ways that are designed thinking-based and customer-focused. Disruptive innovation should be adopted by all government entities as the basis of their operations, and its methodologies should be incorporated into all aspects of their work.

### **Circular Economy Policy 2021-2031:**

The UAE Circular Economy Policy

is a comprehensive framework for determining the country's approach to achieving sustainable governance and the ideal use of natural resources, by adopting consumption and production methods that ensure the quality of life for current and future generations. The policy comprises several key objectives, such as:

- Promoting environmental health
- Supporting the private sector in adopting clean production methods
- Reducing natural environmental stress, to achieve the country's vision to be a global pioneer of green development.

### **The UAE National Space Strategy 2030:**

The UAE National Space Strategy 2030 aims to enhance the space sector's contribution to the national economy and promote the UAE's regional and international presence in the space sector.

### **Dubai 2040 Urban Master Plan:**

Dubai 2040 Urban Master Plan maps out a comprehensive plan for sustainable urban development in Dubai. It focuses on enhancing people's happiness and quality of life and reinforcing Dubai as a global destination for citizens, residents and visitors over the next 20 years.

### **Dubai 3D Printing Strategy:**

The Dubai 3D Printing Strategy aims to exploit technology for the service of humanity and promote the status of the UAE and Dubai

as a leading hub of 3D printing technology by the year 2030. Dubai's key goal is to ensure that 25% of buildings in Dubai are based on 3D printing technology by 2030

## The United Nations Sustainable Development Goals 2030

Since the announcement of the United Nations Sustainable Development Goals (UNSDGs) 2030 in 2015, DEWA has taken proactive steps to acknowledge

the importance of the UNSDGs for global well-being. It designed an award-winning approach to the SDGs, built on five key pillars, which include:

- Acknowledge and affirm the importance of the SDGs
- Identify the SDGs of greatest relevance
- Align DEWA's strategy to the SDGs
- Build capacity and embed SDGs

into decision-making processes

- Report publicly on progress

## Prioritising the SDGs

DEWA has prioritised the SDGs into three main tiers, considering the goals as either business-critical priorities for DEWA as a successful water and electricity company, key to DEWA's leadership commitments as a leading sustainable innovative global corporation, or important for DEWA as a stakeholder in Dubai and internationally.



## Progress towards the SDGs

It is crucial to reinforce global commitments and unify efforts towards achieving the SDGs. These include joint efforts of governments and businesses alike. Every year, DEWA reaffirms its position as a leading organisation striving to achieve sustainable development for Dubai, with an impact that extends beyond the UAE and the MENA region to the world. One such example is the Mohammed bin Rashid Al Maktoum Solar Park. In 2015, the MBR Phase II tender achieved a world record electricity price of 5.84c/kWh while the

global average was above 10c/kWh. A second world-record was registered in 2017 as the first below 3c/kWh project for MBR Phase III. A third near-world record was achieved for Phase IV tender at 1.69c/kWh in 2019. These projects demonstrated that solar energy without subsidies can be competitive even with low-cost domestic fossil fuels. Not only did the success of the solar project in Dubai pave the way for other similar projects in the region, but it also played a significant role in driving down the global cost of renewable energy, making modern renewable energy more affordable

in direct alignment with Goal 7 of the SDGs: Affordable and Clean Energy.

To learn more about DEWA's efforts towards specific goals or targets, please refer to the GRI content index available at the end of this report.

## United Nations Global Compact

DEWA is a signatory of the United Nations Global Compact (UNGC) since 2017. In February 2019, DEWA was invited by the UNGC to take part in and chair the UNGC UAE Local Network. This came as a result of DEWA's proactive



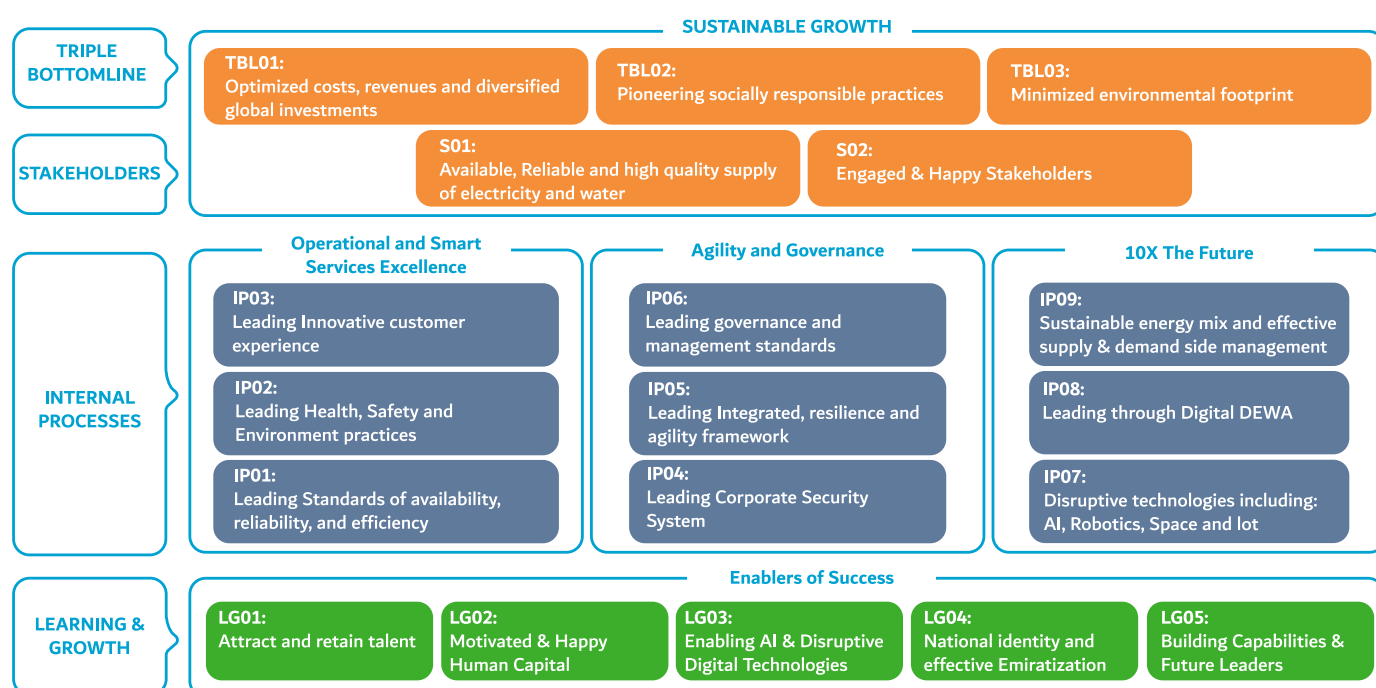
role in contributing to the United Nations Sustainable Development Goals 2030 and in recognition for the support DEWA has shown to the UN Global Compact since joining in 2017.

DEWA is committed to the 10 principles of the UNGC, which are integrated in the policies and

processes of the organisation. DEWA previously used its annual Sustainability Reports as its Communication on Progress for the UNGC. The UNGC updated its reporting mechanism, effective as of 2023, for the 2022 reporting cycle and onwards. Participants of the Global Compact are to submit

their commitments and progress towards the 10 principles through a new standardised online questionnaire directly on the UNGC website. As such, DEWA's annual Communications on Progress for each calendar year will be available on the UNGC website by the end of the 1st quarter of the following year.

DEWA intends to maintain its position as a leading global utility, providing smart and sustainable power and water services. DEWA's Strategy Map given below, 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 a cohesive strategy.



## DEWA Strategic Objectives

## 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.

## 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.

# POLICIES

DEWA has different policies to affirm its commitments and business activities that are in line with national and international strategies, laws, regulations and goals in relation to economic, environmental, social, and human rights aspects.



See DEWA PJSC  
(Policies for full details)

## RELATED PARTY TRANSACTIONS POLICY

Our Related Party Transaction Policy is designed to ensure that:

- Transactions with related parties are conducted on arm's length terms;
- The Board of Directors and Management are aware of the steps required to approve transactions with related parties; and
- A legitimate business case is present, which supports the relevant related party transactions, including their arm's length nature.

In accordance with this Policy, we may not enter into a related party transaction unless it has been approved by:

- Our Board of Directors; or
- Our shareholders at a General Assembly.

At DEWA, no transactions were entered with any related party during the year 2022 in accordance with the applicable UAE Companies Law or SCA Corporate Governance Procedures.

DEWA's Related Party Transaction Policy is reviewed by the Board on a periodic basis to ensure compliance with the applicable governing laws and regulations.

For more details on DEWA Related Party Transactions policy, please refer to



## INSIDER TRADING POLICY

DEWA has developed the Insider Trading Policy in accordance with the Applicable Laws of the United Arab Emirates, regulations governed by the Securities and Commodities Authority and the Dubai Financial Market. The Policy provides guidelines to those

who have access to 'Inside Information' amongst all employees as well as members of the Board of Directors and Audit Committee and their relatives with respect to transactions in the Company's securities. The Policy aims at preserving the reputation and integrity of DEWA as

well as that of all persons affiliated with the Company. For more details, please refer to DEWA Insider Trading policy on



## GENDER DIVERSITY POLICY

DEWA values and manages its HR diversity through planning, organising, administering as well as supporting varied characteristics and plurality amongst its employees and by recognising them as individuals and teams, in a way that adds tangible and positive effect in the organisational performance, and contributing to the happiness of employees.

DEWA aims to uphold the values of diversity and being fair to all employees without discrimination in any manner, whether based on sex, race, nationality, age, citizenship, religion, social status, in line with the laws and regulations of the UAE and the Emirate of Dubai as well as the strategic direction of DEWA.

For more details on DEWA's Policy for Valuing and Managing HR diversity policy, please refer to



## PRACTICES

### Employee Grievances and Complaints

DEWA is committed to implementing administrative action procedures that are fair, consistent and uniform and prompt to discourage negative behaviour in the workplace environment. DEWA has grievances and complaints regulation/ mechanisms and systems for its employees, seconded or deputed to DEWA in order to raise any concerns/ complaints from their end. DEWA established the Grievances & Complaints Committee to oversee and determine employee grievances and complaints cases that are referred to it.

#### The following is the grievances process within DEWA:

- The employee submits a grievance either to HR directly or through email or to his/her direct manager, EVP or to the MD&CEO office.
- HR receives and forwards the grievance form to the employee's divisional head to provide his/her comments and/or justification.
- HR obtains approval from the MD&CEO to refer the grievance request to the Grievances & Complaints Committee for study.
- The Grievances & Complaints Committee studies the

submitted grievance request along with the divisional head's comments and prepares its recommendation and forwards it to the MD & CEO for approval.

- The employee is notified officially of the Grievances & Complaints Committee's recommendation.

#### The following is the complaint process within DEWA:

- The employee submits his/her complaint either to HR directly or through email or to the MD&CEO's office
- HR receives and forwards the complaint form to the employee's divisional head to investigate and try to solve it. If the complaint is resolved by the divisional head, HR is notified and the case is closed.
- If the complaint is not closed at the level of the divisional head, the divisional head forwards the investigation report to HR for further action.
- HR obtains the MD&CEO's approval to refer the complaint request to the administrative violation committee for investigation.
- The administrative violation committee investigates the complaint and forwards their recommendation to the MD & CEO for approval.
- The employee is notified officially of the administrative violation committee's

recommendation.

### CUSTOMER COMPLAINTS & SUGGESTIONS PROCESSES

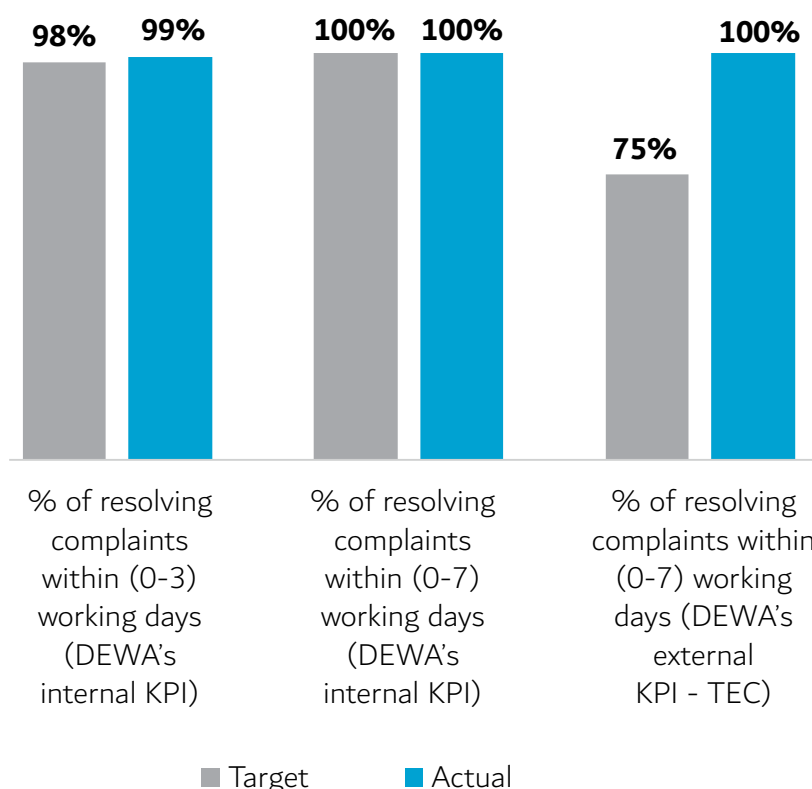
DEWA's customers can voice their complaints or provide suggestions related to DEWA services

through Dubai Government's Unified eComplain System in order to improve the services and enhance practices. From the time of submitting complaints, complainants can get resolved within (0-3) working days. Please refer to the graph.

Besides the unified system, complainants can also approach DEWA to express their dissatisfaction through the below channels:

- 1. DEWA website**  
**[www.dewa.gov.ae](http://www.dewa.gov.ae)**
- 2. Email:**  
**[customercare@dewa.gov.ae](mailto:customercare@dewa.gov.ae)**
- 3. Smart devices at Customer Happiness Centres**
- 4. Customer Care Centre**  
**Telephone: 04-6019999**
- 5. DEWA smart app**





## MECHANISMS FOR SEEKING ADVICE AND RAISING CONCERNS

DEWA recognises the prevention of wrongdoings, including any breaches of the laws in its operations or business relationship, and affirms its commitment to conduct its business and operations in an honest and ethical manner. DEWA will ensure transparency and integrity in all its business dealings and relationships wherever it operates and will implement and enforce effective systems and procedures to ensure prevention, detection and action against wrongdoings.

DEWA adopts a **zero-tolerance** approach towards any wrongdoings in its business activities and operations; and in line with best practices and procedures, and the DEWA

Code of Conduct for employees, appropriate preventive and punitive action will be taken against such acts.

## MEMBERSHIP ASSOCIATIONS

DEWA plays an active role in a number of national and international organisations, councils, and committees. These include, but are not limited to, the following organisation's Councils and committees:

1. Dubai Council
2. The Executive Council of Dubai
3. The Dubai Supreme Council of Energy
4. Dubai Future Council on Energy
5. Strategic Affairs Council
6. United Nations Global Compact

7. World Green Economy Organization
8. The Carbon Abatement Committee
9. The Dubai Demand Side Management Committee
10. Dubai Supreme Fiscal Committee

## COMMITTEES

The Management team is assisted in its work by a number of additional committees, which are made up of members of the management team or other DEWA division representatives. These include the Complaints & Grievances Committee; Women's Committee; DEWA Youth Council; Investment Committee; Takaful and Theqa Committee; Administration Violation Committee; Scrap Verification Committee; DEWA Excellence Award Committee; Crisis Management Committee; Group Risk and Resilience

Committee; Health, Safety & Environment Committee; Corporate Governance Committee; IT Security Response Team, Drones Robotics Committee, ISO 50001 Energy Management System-Top Management Committee, Cyber Emergency Response Committee, and Digital Transformation Committee.

## STAKEHOLDER ENGAGEMENT

Every strategy revolves around the stakeholders, as they play a major role in assuring the success, continuity, and effectiveness of the strategy. DEWA places stakeholders at the centre of its strategy and objectives and maintains continuous communication and collaboration with them. For this reason, stakeholder engagement is crucial, along with understanding their needs and expectations. This enables

DEWA to keep improving its performance, services, and initiatives that ensure the best possible happiness results and service delivery.

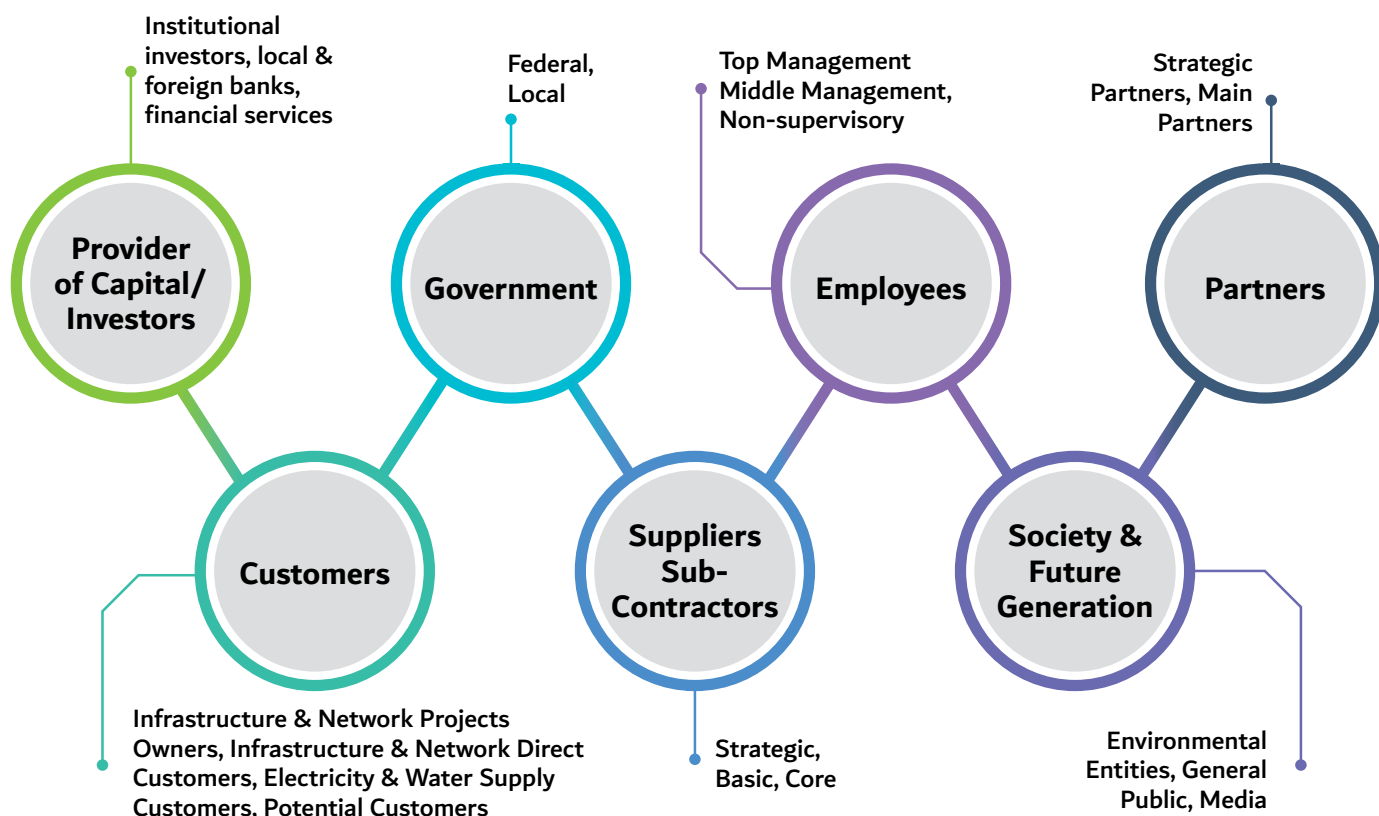
The stakeholder management framework is DEWA's way of identifying the methods of delivering the best and most inclusive engagement to ensure valuable outcomes, in alignment with the principles of both the AA1000 Stakeholder Engagement Standard 2015 and the Global Reporting Initiatives' Sustainability Reporting Standards. DEWA's key strategic initiatives relating to its stakeholders were developed from the strategic objective **"S02 engaged and happy stakeholders"** key initiatives and are continuously reviewed. They include:

- Organising stakeholder-engagement workshops for key stakeholder groups
- Defining a compelling,

overarching value proposition for each stakeholder group

- Managing and responding to stakeholders' needs and expectations
- Seeking new opportunities through multi-stakeholder partnerships to advance sustainable development
- Establishing community-based initiatives that benefit Dubai and the UAE.

Annually, DEWA's Corporate Strategy department is responsible for reviewing the list below and updating it, if necessary, as well as ensuring that DEWA's strategic plan includes fulfilling the needs and expectations of prioritised stakeholder groups.



## DEWA STAKEHOLDER ENGAGEMENT ACTIVITIES

DEWA has an entire department dedicated to Stakeholder Happiness and its responsibility is to oversee and coordinate the efforts of stakeholder management across all DEWA divisions to meet stakeholder expectations.

Implementing the Happiness Strategy helps DEWA to understand the needs of all stakeholders (Customers, People, Government, Capital Investors, Partners, Suppliers & Society).

DEWA delivers products and services beyond stakeholder expectations and anticipates their future needs. DEWA constantly measures its stakeholder happiness level and responds accordingly. All these

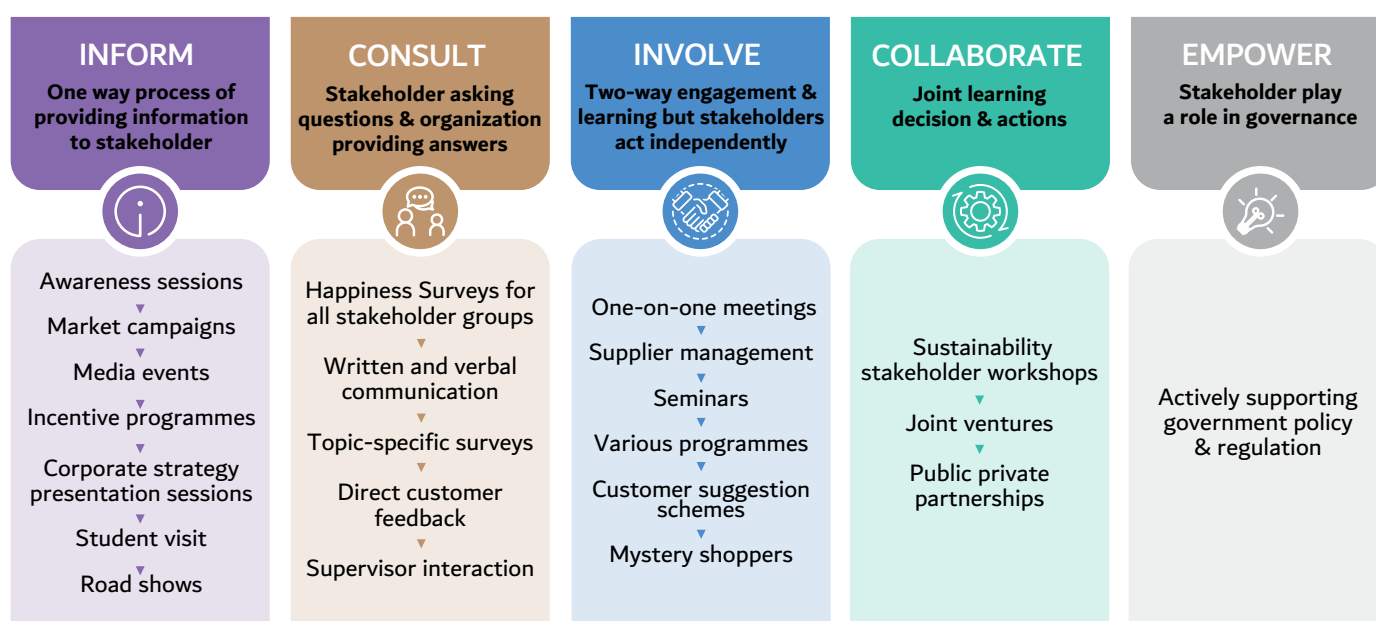
elements work together to ensure the best representation of the UAE to the world. In addition, this supports DEWA's aim to create sustainable value for all its stakeholders.

To support DEWA's aim of creating sustainable value for all its stakeholders, the Stakeholders Happiness department identified key divisions within DEWA as champions to be responsible for managing the happiness of a stakeholder group. The responsibility of Happiness champions is to follow up and report on the outcomes of the associated projects and initiatives. In addition, DEWA has created a registry form to identify the definition of a stakeholder, its sub-categories, the preferred channel of communication, factors affecting DEWA's relationship with the stakeholder, and the best ways to engage.

Below is a champions and agents workshop conducted for the happiness champions with the cooperation with the Agility team which was followed by a visit to Museum of the Future.

DEWA runs an annual creativity lab with each of its stakeholder groups. During the meeting, DEWA presents its latest achievements and the champions provide information and updates relevant to the stakeholder group. It is an opportunity to get direct feedback from, and brainstorm new ideas with stakeholders.

On a regular basis, DEWA engages with its stakeholders through a range of initiatives and communication channels, such as satisfaction surveys, roadshows, joint ventures, and partnerships with government agencies on regulatory matters, as shown in below.












## STAKEHOLDER NEEDS AND EXPECTATIONS

DEWA strives to achieve a transparent and consistent communication approach to engage directly with its stakeholders in the most suitable

manner. This is reflected in the stakeholders' register form, which documents the communication options available and preferred for each category to ensure accessibility for all. DEWA engages with its stakeholder groups in a variety of ways. For example, in 2022, the Stakeholder Happiness Department conducted

its creativity labs to collect their needs and expectations. This feedback is recorded and shared with the management and concerned teams internally to be integrated into decision-making. For each stakeholder category, the following table shows the most important needs expressed during its engagement activities.

Stakeholder	Needs & Expectations
 <b>Government</b>	<ul style="list-style-type: none"> <li>• Aligning with national development plans &amp; programmes</li> <li>• Commitment to good citizenship</li> <li>• Regulatory compliance</li> </ul>
 <b>Customers</b>	<ul style="list-style-type: none"> <li>• Quality safety and cost - effectiveness of service</li> <li>• Ethical business</li> <li>• Reducing the environmental impact of organisation activities</li> </ul>
 <b>Employees</b>	<ul style="list-style-type: none"> <li>• Secure working environment</li> <li>• Competitive salaries</li> <li>• Ethical behaviour</li> <li>• Non-discrimination &amp; recognition</li> <li>• Investment in professional developments</li> <li>• Career progression &amp; recognition</li> </ul>
 <b>Partners</b>	<ul style="list-style-type: none"> <li>• Sharing best practices</li> <li>• Continuous and systematic dialogue and engagement</li> <li>• MoUs to collaborate on issues</li> </ul>
 <b>Society and Future generation</b>	<ul style="list-style-type: none"> <li>• Transparency and effective communication</li> <li>• Raising awareness on sustainability issues</li> <li>• Supporting social and cultural initiatives</li> <li>• Management of environmental impacts of organisation activities</li> </ul>
 <b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Supplier qualification based on cost and quality including environmental and social assessment</li> <li>• Transparent procurement processes</li> <li>• Profitability</li> </ul>
 <b>Providers of capital/ Investors</b>	<ul style="list-style-type: none"> <li>• Creating value in the short and long term</li> <li>• Reliability, profitability and transparency</li> </ul>

Through a centralised Happiness Index Dashboard that is accessible to the top management, DEWA can measure the effectiveness of stakeholder engagement activities. The perceptions of all stakeholders group can be reflected within the dashboard. In addition to that, happiness initiatives also are shown for all concerned stakeholder champions along with the progress, showing benchmarking results at a local and international level, displaying the stakeholder's prioritisation weights, including the stakeholders' registry form.

# STAKEHOLDER HAPPINESS RATE

DEWA recognises the importance of stakeholder management to the achievement of its business objectives. DEWA gives special attention to its stakeholders' voices and strives to collect their input and feedback through different channels, methodologies and frequencies, leveraging on the added value that DEWA could accomplish from engaging all its stakeholders in the journey to excellence.

In order to ensure the effectiveness of the stakeholders' management framework, DEWA systematically evaluates stakeholder experience, captures their perceptions about

DEWA and regularly monitors the level of their happiness on both relationship and transactional dimensions.

DEWA's annual Stakeholder Happiness Survey is a key tool for understanding stakeholder expectations to measure the effectiveness and improvement of its work. The survey addresses key issues relating to various factors, including specific questions addressed to each stakeholder group. The outcomes from the survey are used to analyse gaps in DEWA's approach to Stakeholder Happiness and evaluate areas for further improvement. Finally, a continuous benchmarking of these KPIs is conducted for this purpose.

## DEWA Stakeholders Overall Happiness Results 2022 are as follows:

Survey	Employee Happiness Rate	Partner Happiness Rate	Supplier Happiness Rate	Society Happiness Rate	Government Happiness Rate	Provider of Capital Happiness Rate
Rate	90.00%	92.47%	86.52%	93.02%	95.56%	94.87%

## Results of Stakeholder Sustainability Satisfaction Survey 2022

						
Society (Community)	Society (Business)	Government	Suppliers	Customers	Partners	Provider of Capital
91.05%	95.34%	94.17%	90.33%	87.31%	92.90%	92.49%

## DEWA is keen to engage with the stakeholders and measure their perception on DEWA's role towards sustainability:

Topic	DEWA has clearly defined and communicated its commitments to sustainability <b>Employees</b>	I understand DEWA's role in contributing to the achievement of the 17 UN Sustainable Development Goals <b>Employees</b>	How does the Sustainability performance of your organisation affects your investment decisions for <b>providers of capital</b>	Sustainable and environmental products and services <b>DEWA Suppliers</b>
Rate	92%	91.8%	57.1%	90.16%



# CONSOLIDATED FINANCIAL STATEMENTS





# INDEPENDENT AUDITORS' REPORT

## To the Shareholders of Dubai Electricity and Water Authority (PJSC)

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Dubai Electricity and Water Authority (PJSC) (“DEWA” or “the Authority” or “the Company”) and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position as at 31 December 2022, the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Standards as issued by the International Accounting Standards Board (IFRS Standards).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Accrual of unbilled electricity and water revenue

See Note 3.23, 5.1 and 24 to the consolidated financial statements.

The key audit matter	How the matter was addressed in our audit
<p>The Group recognizes revenue on sales of electricity and water in accordance with IFRS 15 “Revenue from Contracts with Customers”.</p> <p>The recognition of the Group’s electricity and water revenue includes an estimation of the value of electricity and water supplied to customers between the date of the last cyclical meter reading and the year-end date (‘unbilled revenue’). The value of unbilled electricity and water revenue of AED 972 million (2021: AED 886 million) is shown as accrued revenue and included within revenue and trade receivables.</p> <p>The method of estimating such revenues is complex and involves judgements, including:</p> <ul style="list-style-type: none"> <li>• Management estimating the volume of units of electricity and water consumed by customers between their last cyclical meter reading and the yearend. Management’s accrual estimate for unbilled revenue at the yearend is based on historical consumption pattern as per customer categories; and</li> <li>• Management assessing the value by applying the most appropriate tariff rates to the volume estimates given the range of tariffs applied by the Group. Management applies the tariff rate (depending on customer category and tariff slab) to the estimated consumed units of electricity and water to be accrued at year end to arrive at the total estimated value of electricity and water revenue.</li> <li>• We have identified accrual of unbilled electricity and water revenue as key audit matter because of the complexities and uncertainties involved in arriving at the unbilled revenue figure as described above and because of the potential material impact on the consolidated financial statements if errors were made in this calculation or if the assumptions used in estimating consumption patterns had been incorrectly applied.</li> </ul>	<p><b>Our procedures involved:</b></p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the accrual of unbilled electricity and water revenue process implemented by the Group;</li> <li>• We have performed test of design and implementation of relevant controls.</li> <li>• We recalculated accrued electricity and water revenue, by using actual historical data to set an expectation of unbilled electricity and water revenue and compare this with the management’s estimate, obtaining explanations for any significant differences;</li> <li>• We obtained and tested management’s underlying assumptions and base reference data relating to volume and price used in determining the level of unbilled revenue, including:</li> </ul> <p><b>Volume</b></p> <p>We agreed the core volume data used for calculating the estimated unbilled volumes with the units generation report, internal consumption report and units billed report extracted from the internal systems. We performed testing of the key information technology automated controls, manual controls and substantive testing on the reports. We have also verified the line losses with the previous years and sought explanations for any variances.</p> <p><b>Tariff rates</b></p> <p>We tested the assumptions for selection of tariff rate per unit from the tariff rate slab by comparing the tariff rate applied in the estimation model with current data for each customer category.</p> <ul style="list-style-type: none"> <li>• We assessed the overall consistency of the calculated unbilled revenue compared to the prior year based on our knowledge of the trends and the process.</li> <li>• We considered the adequacy of the Group’s disclosures in the consolidated financial statements relating to this area.</li> </ul>

## Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon. We obtained the Directors' Report prior to the date of our auditors' report, and we expect to obtain the remaining sections of the Annual Report after the date of the auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Standards and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Group's financial reporting process.

## Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



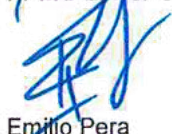
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the Key Audit Matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

## Report on Other Legal and Regulatory Requirements

Further, as required by the UAE Federal Decree Law No. 32 of 2021 we report that for the year 31 December 2022:

- i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- ii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021;
- iii) the Group has maintained proper books of account;
- iv) the financial information included in the Directors' report is consistent with the books of account of the Group;
- v) as disclosed in note 1 to the consolidated financial statements, the Group has not purchased any shares during the year ended 31 December 2022;
- vi) note 23 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted;
- vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Group has contravened during the financial year ended 31 December 2022 any of the applicable provisions of the UAE Federal Decree Law No. 32 of 2021 or in respect of the Authority, its Articles of Association, which would materially affect its activities or its consolidated financial position as at year ended 31 December 2022; and
- viii) note 23(b) to the consolidated financial statements discloses the social contributions made during the year ended 31 December 2022.

KPMG Lower Gulf Limited



Emilio Pera  
Registration No.: 1146  
Dubai, United Arab Emirates  
Date: 9 March 2023

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
	Note	2022	2021
		AED'000	AED'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	154,029,411	149,472,061
Intangible assets	10	471,123	529,577
Investments accounted for using the equity method	7.3	640	640
Derivative financial instruments	32	1,294,802	10,645
Financial assets at fair value through other comprehensive income	11	52,911	58,113
Investment properties	37	72,859	-
Other assets	12	1,134,897	1,012,826
Other financial assets	15	1,457,956	1,223,569
<b>Total non-current assets</b>		<b>158,514,599</b>	152,307,431
<b>Current assets</b>			
Inventories	14	1,445,216	1,451,149
Other assets	12	131,845	445,671
Trade receivables	13	4,211,335	3,849,578
Other financial assets	15	3,133,758	2,149,528
Derivative financial instruments	32	492,106	-
Short-term deposits with banks	9	7,532,503	4,798,864
Cash and cash equivalents	16	5,287,415	4,406,164
<b>Total current assets</b>		<b>22,234,178</b>	17,100,954
<b>Total assets</b>		<b>180,748,777</b>	169,408,385
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	17	500,000	500,000
Capital contribution	17	40,042,885	40,037,040
General reserve	17	-	53,343,435
Retained earnings	17	47,338,862	-
Statutory reserve	17	591,346	355,467
Hedging reserve	17	954,247	(1,236,145)
Equity Attributable to the Owners of the Company		<b>89,427,340</b>	92,999,797
Non-controlling interests	7.2	2,953,130	591,911
<b>Total equity</b>		<b>92,380,470</b>	93,591,708

## Liabilities

### Non-current liabilities

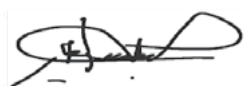
Borrowings	18	<b>37,317,975</b>	23,325,798
Retirement benefit obligations	19	<b>1,010,493</b>	1,008,904
Derivative financial instruments	32	<b>4,578</b>	2,259,830
Lease liabilities	20	<b>23,528</b>	11,939
Other long term liabilities	21	<b>32,802,528</b>	31,710,788
<b>Total non-current liabilities</b>		<b>71,159,102</b>	58,317,259

### Current liabilities

Trade and other payables	22	<b>13,729,124</b>	13,531,012
Borrowings	18	<b>3,371,854</b>	3,430,072
Derivative financial instruments	32	-	156,297
Lease liabilities	20	<b>12,884</b>	3,013
<b>Total current liabilities</b>		<b>17,113,862</b>	17,120,394
<b>Total liabilities</b>		<b>88,272,964</b>	75,437,653
<b>Total equity and liabilities</b>		<b>180,653,434</b>	169,029,361
Regulatory deferral account credit balance	34	<b>95,343</b>	379,024
<b>Total equity, liabilities and regulatory deferral account credit balance</b>		<b>180,748,777</b>	169,408,385

To the best of our knowledge, these consolidated financial statements fairly represent in all material respects, the consolidated financial position, results of operation and cash flows for the Group as of and for the year ended 31 December 2022

These consolidated financial statements were approved by the Board of Directors on 9 March 2023 and signed on their behalf by:



**H.E Matar Humaid Al Tayer**

Chairman of the Board



**H.E Saeed Mohammad Al Tayer**

MD & CEO of DEWA

The independent auditors' report is set out on pages 32 to 36

The notes on pages 43 to 107 form an integral part of these consolidated financial statements

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	For the year ended 31 December	
		2022 AED'000	2021 AED'000
Revenue	24	27,335,534	23,823,968
Cost of sales	25	(16,488,998)	(15,539,787)
<b>Gross profit</b>		<b>10,846,536</b>	8,284,181
Administrative expenses	26	(2,890,365)	(2,916,445)
Credit impairment losses	13 & 23	(144,529)	(83,822)
Other income		404,286	921,993
<b>Operating profit</b>		<b>8,215,928</b>	6,205,907
Finance costs	28	(1,005,765)	(382,866)
Finance income	28	552,532	165,465
Finance cost – net	28	(453,233)	(217,401)
Provision for impairment of investment in a joint venture	7.3	-	(4,785)
Share of profit from investments in joint ventures	7.3	-	502
<b>Profit for the year before net movement in regulatory deferral account</b>		<b>7,762,695</b>	5,984,223
Net movement in regulatory deferral account credit balance	34	283,681	569,224
<b>Profit for the year and net movement in regulatory deferral account</b>		<b>8,046,376</b>	6,553,447
<b>Other comprehensive income:</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of retirement benefit obligations	19.1	70,468	96,851
Debt instrument at FVOCI – change in fair value	11	(5,202)	460
Items that may be reclassified to profit or loss			
Hedging losses reclassified to profit or loss		58,916	388,164
Cash flow hedges	32	4,118,994	1,033,370
Other comprehensive income for the year		4,243,176	1,518,845
<b>Total comprehensive income for the year</b>		<b>12,289,552</b>	8,072,292
<b>Profit for the year attributable to</b>			
- Owners of the Company		7,722,834	6,123,112
- Non-controlling interests		323,542	430,335
		<b>8,046,376</b>	6,553,447
<b>Total comprehensive income for the year attributable to</b>			
- Owners of the Company		9,976,453	6,966,805
- Non-controlling interests		2,313,099	1,105,487
		<b>12,289,552</b>	8,072,292
<b>Earnings per share</b>			
Basic and diluted earnings per share (AED)	35	0.15	0.12

The independent auditors' report is set out on pages 32 to 36.

The notes on pages 43 to 107 form an integral part of these consolidated financial statements.



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital AED'000	Government of Dubai account AED'000	General reserve AED'000	Statutory reserve AED'000	Hedging reserve AED'000	Retained earnings AED'000	Total AED'000	Non- controlling interests AED'000	Total equity AED'000
<b>At 1 January 2021</b>	-	39,829,878	52,239,576	352,103	(1,982,987)	-	90,438,570	(416,991)	90,021,579
Transfer to share capital (refer note 17)	500,000	(500,000)	-	-	-	-	-	-	-
<b>Total comprehensive income for the year</b>									
Profit for the year	-	-	-	-	-	6,123,112	6,123,112	430,335	6,553,447
Other comprehensive income	-	-	-	-	746,842	96,851	843,693	675,152	1,518,845
<b>Total comprehensive income for the year</b>	-	-	-	-	746,842	6,219,963	6,966,805	1,105,487	8,072,292
Transfer to reserve	-	-	3,103,859	3,364	-	(3,107,223)	-	-	-
<b>Transactions with the Owner</b>									
Non-cash distribution (refer note 17)	-	-	-	-	-	(3,112,740)	(3,112,740)	-	(3,112,740)
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	-	-
Capital contribution by Government of Dubai – value of lands (net) (refer notes 8 (g))	-	707,162	-	-	-	-	707,162	-	707,162
Dividend paid (refer note 33)	-	-	(2,000,000)	-	-	-	(2,000,000)	(96,585)	(2,096,585)
<b>Total contributions and distributions</b>	-	707,162	(2,000,000)	-	-	(3,112,740)	(4,405,578)	(96,585)	(4,502,163)
<b>At 31 December 2021</b>	500,000	40,037,040	53,343,435	355,467	(1,236,145)	-	92,999,797	591,911	93,591,708

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

	Share capital AED'000	Government of Dubai account AED'000	General reserve AED'000	Statutory reserve AED'000	Hedging reserve AED'000	Retained earnings AED'000	Total AED'000	Non- controlling interests AED'000	Total equity AED'000
<b>At 1 January 2022</b>	500,000	40,037,040	53,343,435	355,467	(1,236,145)	-	92,999,797	591,911	93,591,708
<b>Total comprehensive income for the year</b>									
Profit for the year	-	-	-	-	-	7,722,834	7,722,834	323,542	8,046,376
Other comprehensive income	-	-	-	-	2,190,392	63,227	2,253,619	1,989,557	4,243,176
<b>Total comprehensive income for the year</b>	-	-	-	-	2,190,392	7,786,061	9,976,453	2,313,099	12,289,552
Transfer to reserve (refer note 17 (b))	-	-	-	305,879	-	(305,879)	-	-	-
Transfer to retained earnings (refer note 17 (d))	-	-	(43,343,435)	-	-	43,343,435	-	-	-
<b>Transactions with the Owner</b>									
Capital contribution by non-controlling interests	-	-	-	-	-	-	-	839,385	839,385
Capital contribution – value of lands (net) (refer notes 8 (g) and (h))	-	5,845	-	-	-	-	5,845	-	5,845
Dividend paid (refer note 33)	-	-	(10,000,000)	-	-	(5,130,000)	(15,130,000)	(1,025,090)	(16,155,090)
Total contributions and distributions	-	5,845	(10,000,000)	-	-	(5,130,000)	(15,124,155)	(185,705)	(15,309,860)
<b>Changes in ownership interest</b>									
Partial disposal without change in control (refer note 1)	-	-	-	-	-	1,669,070	1,669,070	140,000	1,809,070
Change in statutory reserve	-	-	-	(70,000)	-	-	(70,000)	70,000	-
Change in other reserve	-	-	-	-	-	(23,825)	(23,825)	23,825	-
<b>Total changes in ownership interest</b>	-	-	-	(70,000)	-	1,645,245	1,575,245	233,825	1,809,070
<b>At 31 December 2022</b>	<b>500,000</b>	<b>40,042,885</b>	<b>-</b>	<b>591,346</b>	<b>954,247</b>	<b>47,338,862</b>	<b>89,427,340</b>	<b>2,953,130</b>	<b>92,380,470</b>

The notes on pages 43 to 107 form an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	For the year ended 31 December	
		2022 AED'000	2021 AED'000
<b>Net cash inflow from operating activities</b>	<b>29</b>	<b>14,219,995</b>	<b>10,019,994</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment net of movements in capital payables and other long term liabilities		(8,630,297)	(12,268,280)
Deposits with original maturity of greater than three months – placed during the year	9 & 16	(4,172,725)	(2,685,403)
Deposits with original maturity of greater than three months – matured during the year	9 & 16	430,863	325,000
Purchase of intangible assets	10	(8,627)	(381,752)
Interest received		286,117	138,225
Sale of investment in a joint venture		-	947
Investment in a joint venture		-	(150)
Movement in other financial assets		(644,039)	(337,402)
Proceeds from disposal of property, plant and equipment		4,235	3,916
<b>Net cash outflow from investing activities</b>		<b>(12,734,473)</b>	<b>(15,204,899)</b>
<b>Cash flows from financing activities</b>			
Repayments of borrowings		(4,581,208)	(517,537)
Proceeds from borrowings		18,511,444	8,552,340
Interest paid		(1,833,852)	(1,076,336)
Payment of lease liabilities	20	(12,451)	(7,443)
Proceeds from partial disposal of subsidiary without loss of control		1,755,564	-
Capital contribution by non-controlling interests		580,319	-
Dividends paid to the Owners	33	(15,130,000)	(2,000,000)
Dividends paid to non-controlling interests		(1,025,090)	(96,585)
<b>Net cash (outflow)/inflow from financing activities</b>		<b>(1,735,274)</b>	<b>4,854,439</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(249,752)</b>	<b>(330,466)</b>
Cash and cash equivalents at the beginning of the year	16	4,972,048	5,302,514
<b>Cash and cash equivalents at the end of the year</b>	<b>16</b>	<b>4,722,296</b>	<b>4,972,048</b>

Material non-cash transactions:

- Net transfer of land to the Group recorded through equity amounting to AED 6 million (2021: AED 707 million) (refer notes 8(g) and (h)).

- During the year, non-cash distributions to the Government of Dubai amounted to AED Nil (2021: AED 3,113 million).

The independent auditors' report is set out on pages 32 to 36.

The notes on pages 43 to 107 form an integral part of these consolidated financial statements.

# 1. ESTABLISHMENT AND OPERATIONS

Dubai Electricity and Water Authority (“DEWA” or “the Authority” or “the Company”) was incorporated on 1 January 1992 in the Emirate of Dubai by a Decree (“the Original Decree”) issued by H.H. The Ruler of Dubai, effective 1 January 1992, as an independent public authority having the status of a body corporate, and financially and administratively independent from the Government. In accordance with the Original Decree, all rights, property and assets of Dubai Electricity Company (“DEC”) and Dubai Water Department (“the Department”) belonging to the Government, were vested in the Authority, and the Authority was held responsible for all liabilities and debts of DEC and the Department, of any kind whatsoever. Together, DEC and the Department formed DEWA from the effective date of the Original Decree.

The principal activities of the Authority, in accordance with the Original Decree and Decree No. 13 of 1999 which amended some of the provisions of the Original Decree, comprise water desalination and distribution and the generation, transmission and distribution of electricity, throughout the Emirate of

Dubai. The registered address of the Authority is P.O. Box 564, Dubai, United Arab Emirates (“UAE”).

During the prior years, the Authority was wholly owned by the Government of Dubai which announced its plan to list the shares of the Authority on the Dubai Financial Market (DFM). In order to comply with the listing requirements, based on Decree under Law No. (27) of 2021 issued in The Official Gazette of Dubai Government on 29 December 2021, the legal status of the Authority had been amended to a Public Joint Stock Company, and hence the revised name of the Authority is “Dubai Electricity and Water Authority (PJSC)” (formerly Dubai Electricity and Water Authority). During the current year, Government of Dubai has sold 18% of its shareholding in the Authority through an Initial Public Offering (“IPO”). The Authority has been listed on the Dubai Financial Market (DFM) and its shares started trading with effect from 12 April 2022.

As a result of listing, the ownership structure of the Authority has been changed as follows:

	Ownership before listing	Ownership after listing
Department of Finance (DoF), Government of Dubai	100%	<b>82%</b>
Local and international investors (including institutional and retail investors)	-	<b>18%</b>
	<b>100%</b>	<b>100%</b>

Before the change in status of the Authority to Public Joint Stock Company (PJSC), the Authority was wholly owned directly by Government of Dubai through a Decree.

During the year ended 31 December 2022, the Group has not purchased any shares.

DEWA and its subsidiaries are collectively referred to as “the Group”. The Group either directly or indirectly controls following significant subsidiaries, which are domiciled in UAE:



Name of the entity	Percentage of beneficial ownership		Principal business activities
	2022	2021	
Al Etihad Energy Services Company LLC	100	100	Implement energy efficiency measures in buildings
Etihad Clean Energy Development Company LLC	100	100	Buildings energy efficiency services, solar energy systems rental and solar energy systems installation
Jumeirah Energy International Holdings LLC (JEIHL)	100	100	Holding Company
Jumeirah Energy International LLC (JEI)	100	100	Holding Company
Mai Dubai LLC	100	100	Purification and sale of potable water
Hassyan Energy 1 Holdings LLC	100	100	Holding Company
Shuaa Energy 2 Holdings LLC	100	100	Holding Company
Shuaa Energy 3 Holdings LLC	100	100	Holding Company
Jumeirah Energy International Capital Holding LLC	100	100	Holding Company
Jumeirah Energy International Silicon Valley LLC	100	100	Holding Company
Noor Energy 1 Holdings LLC	100	100	Holding Company
Data Hub Integrated Solutions LLC (MORO)	100	100	Established to provide services including IT, and infrastructure, networking and computer system housing services
Digital DEWA LLC	100	100	Investment in commercial, industrial, retail trade and energy enterprises and management
Infra X	100	100	To provide services including IT and computer housing services
Dubai Green Fund Investments LLC	100	100	To invest and manage commercial, industrial, retail trade and energy enterprises
Utilities Management Company LLC *	78	85	Holding Company
Emirates Central Cooling Systems Corporation PJSC (EMPOWER) *	56	70	Provision of district cooling services, management, maintenance of central cooling plants and related distribution networks
EMPOWER FM LLC *	56	70	Air conditioning, ventilation and air filtration system, installation and maintenance
EMPOWER Engineering & Consultancy LLC *	56	70	Project development consultant services
Palm Utilities LLC *	56	70	Establish and operate district cooling projects and provide air conditioning, ventilator and refrigeration services
Palm District Cooling LLC (PDC)*	56	70	Establish and operate district cooling projects and provide air conditioning, ventilator and refrigeration services.
EMPOWER Logstor LLC *	54.3	67.9	Manufacturing of pre-insulated pipes, mainly for district cooling
Shuaa Energy 2 P.S.C	60	60	Establish and provide full range of services for generation of electricity

Name of the entity	Percentage of beneficial ownership		Principal business activities
	2022	2021	
Innogy International Middle East LLC	51	51	Energy projects consultancy, desalination and sewage treatment plants operations and maintenance
Shuaa Energy 1 P.S.C	51	51	Establish and provide full range of services for generation of electricity
Hassyan Energy Phase 1 P.S.C	51	51	Establish and provide full range of services for generation of electricity
Noor Energy 1 P.S.C	51	51	Establish and provide full range of services for generation of electricity
Digital X LLC	100	100	Establish and provide full range of services for information technology, data entry, network consultancies
Smart Energy X LLC	100	100	Establish and provide full range of services for parking management electronic systems installation and maintenance
Hassyan by Products LLC **	-	100	Establish for sale of cement products trading, fly ash trading, cement and gypsum trading, repackaging and refilling services
Shuaa Energy 3 P.S.C	60	60	Establish and provide full range of services for generation of electricity
Forward Investments Limited	100	100	Holding Company
Dubai Carbon Centre of Excellence	100	100	Energy projects engineering consultancy and carbon control systems trading
Hassyan Water Company 1 Holding LLC	100	100	Investment in commercial enterprises & management and industrial enterprises & management
Hassyan Water Company 1 P.S.C	60	60	Water desalination including collecting of water, sterilizing and transporting it in lines and linking it to a water distribution network and operating and maintaining water production projects
SecureX	100	100	Computer systems housing services, communication equipment, software design, data classification & analysis services, IT infrastructure, data center colocation services and information technology network services
Space D	100	100	Managing & operating satellites & provision satellite services, wired & wireless communication systems installation and space situational tracking, monitoring & awareness services
EMPOWER Snow LLC*	56	70	Establish and operate district cooling projects and provide air-conditioning, ventilation and refrigeration services

\* On 14 October 2022, the legal status of EMPOWER was amended to a Public Joint Stock Company through Decree No. (22) of 2022 issued by the Ruler of Dubai. EMPOWER was listed on the Dubai Financial Market ("DFM"), on 15 November 2022, by listing 20% of its share capital.

As a result of listing, DEWA's interest in EMPOWER and its subsidiaries have been diluted by 14% from 70% to 56%. The sales proceeds net off expenses in relation to the Initial Public Offering (IPO) from sale of EMPOWER interest amounted to AED 1,809 million.

\*\* During the year, the shareholders of Hassyan by Products LLC have resolved to voluntarily wind up the operations and liquidate the entity. On 5 October 2022, Hassyan by Products LLC has completed its liquidation process and cancelled the trade license.

## 2. BASIS OF PREPARATION

The principal accounting policies applied by the Group in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 STATEMENT OF COMPLIANCE

These consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS and UAE Federal Decree Law No. 32 of 2021. These consolidated financial statements comply with IFRS as issued by the

International Accounting Standards Board (IASB) and UAE Federal Decree Law No. 32 of 2021.

These consolidated financial statements are presented in UAE Dirhams (AED), which is the Authority's functional currency and have been rounded to nearest thousands. Subsidiaries and joint ventures determine their own functional currency and items included in the financial statements of these companies are measured using that functional currency.

### 2.2 BASIS OF MEASUREMENT

The consolidated financial statements have been prepared on a historical cost basis except for financial assets and financial liabilities measured at fair value, wherever applicable.

### 2.3 USE OF ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements in conformity with International Financial Reporting Standards ("IFRS") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Group's consolidated financial statements are disclosed in note 5.

# 3. SIGNIFICANT ACCOUNTING POLICIES

## 3.1 NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

A number of new standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted, however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements:

	Effective date
Classification of Liabilities as Current and Non-current (Amendments to IAS 1)	01-Jan-23
IFRS 17 Insurance Contracts	01-Jan-23
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	01-Jan-23
Definition of Accounting Estimates (Amendments to IAS 8)	01-Jan-23
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	01-Jan-23
Sale or Contribution of Assets between an Investor and its Associates or Joint Venture (Amendments to IFRS 10 and IAS 28)	Effective date deferred indefinitely

## 3.2 OTHER NEW OR AMENDED STANDARDS

The following new or amended standards that are required to be adopted in annual periods beginning on 1 January 2022 and do not have a significant impact on the Group's consolidated financial statements:

	Effective date
Onerous Contracts – Cost of Fulfilling a Contract (Amendment to IAS 37)	01-Jan-22
Annual improvements to IFRS Standards 2018-2020	01-Jan-22
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	01-Jan-22
Reference to Conceptual Framework (Amendments to IFRS 3)	01-Jan-22



### 3.3 BASIS OF CONSOLIDATION

#### (a) Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of

pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

#### (b) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

#### (c) Non-controlling interests (NCI)

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

#### (d) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

#### (e) Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees, until the date on which significant influence or joint control ceases.

#### **(f) Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### **3.4 PROPERTY, PLANT AND EQUIPMENT**

Property, plant and equipment, other than land and capital work in progress, are stated at historical cost less accumulated depreciation and any provisions for impairment. The initial cost of an asset comprises its purchase price or construction cost and any costs directly attributable to bringing the asset into operation. The purchase price or construction

cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

When parts of property, plant and equipment are significant in cost in comparison to the total cost of the item, and where such parts/components have a useful life different than other parts and are required to be replaced at different intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major overhaul is performed, the directly attributable cost of the overhaul is recognised in the carrying amount of the plant and equipment if the recognition criteria are satisfied. This is recorded as a separate component with a useful life generally equal to the time period up to the next scheduled major overhaul.

Subsequent expenditure incurred to replace a component of an item of property, plant and equipment or to improve its operational performance, that is accounted for separately, is included in the asset's carrying amount or recognised as a separate asset as appropriate when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced asset is subsequently derecognised.

Expenditure on major inspection and overhauls of production

plant is capitalised when it meets the asset recognition criteria and is depreciated over the period until the next major overhaul. All other repair and maintenance costs are charged to profit or loss during the year in which they are incurred.

Generation and desalination plants, supply lines and substation equipment are capitalised from the date these are available for use, after satisfactory completion of trial and reliability runs.

Capital work in progress is stated at cost, less any impairment. When commissioned, capital work in progress is transferred to the appropriate property, plant and equipment category and depreciated in accordance with the Group's policies.

Land is stated at a value which is based on valuation received from Land Department of the Government of Dubai, which is considered the deemed cost and is not depreciated.

Depreciation on other assets is calculated using the straight line method at rates calculated to reduce the cost of assets to their estimated residual values over their estimated useful lives or in case of leased assets, the shorter term.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

	Years
Buildings	10 to 30
Generation and desalination plants	10 to 38
Transmission and distribution networks	10 to 30
Other equipment and assets	2 to 20

Depreciation method, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

The carrying amount of property, plant and equipment is reviewed for impairment when events or changes in circumstances indicate the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Any gain and loss on disposal of an item of property, plant and equipment is recognised in profit or loss and determined as the difference between the proceeds received and the asset's carrying amount.

Insurance spares acquired together with the plant or purchased subsequently but related to a particular plant and are; i) only expected to be used during emergency breakdown situations, ii) critical to the plant operation and must be available at stand-by at all times are capitalised within property, plant and equipment and depreciated from purchase date over the remaining useful life of the plant in which it is to be utilised. These do not form

part of inventory provided the capitalisation criteria for property, plant and equipment is met.

Capital spares are spare parts that are regularly replaced, repaired or overhauled usually as part of a replacement programme and are; i) only expected to be used in connection with an item of property, plant and equipment; ii) expected to be used during more than one period. These are carried under capital work in progress until they are put to use.

### 3.5 INTANGIBLE ASSETS

#### (a) Recognition and measurement

Intangible assets mainly include expenditure incurred on computer software by the Group. These are measured at cost upon initial recognition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The costs of acquired computer software are capitalised on the basis of the costs incurred to acquire and bring into use the specific software. Costs directly associated with the development of computer

software programmes that are expected to generate economic benefits over a period in excess of one year are also capitalised and amortised over their estimated useful lives. Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

#### (b) Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

#### (c) Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. The estimated useful lives for current and comparative periods are 3 to 5 years.

Amortisation method, useful lives and residual values are reviewed at each reporting date and adjusted, if appropriate.

Gains or losses arising from derecognising an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

## 3.6 FINANCIAL INSTRUMENTS

### (i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

### (ii) Classification and subsequent measurement

#### Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to

cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### Financial assets – Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:



- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

### **Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and

- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

## Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

## Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

### (iii) Derecognition

#### Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its consolidated statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

## Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

### (iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### (v) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain

criteria are met. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

### Hedges directly affected by interest rate benchmark reform

For the purpose of evaluating whether there is an economic relationship between the hedged item(s) and the hedging instrument(s), the Group assumes that the benchmark interest rate is not altered as a result of interest rate benchmark reform.

For a cash flow hedge of a forecast transaction, the Group assumes that the benchmark interest rate will not be altered as a result of interest rate

benchmark reform for the purpose of assessing whether the forecast transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect profit or loss. In determining whether a previously designated forecast transaction in a discontinued cash flow hedge is still expected to occur, the Group assumes that the interest rate benchmark cash flows designated as a hedge will not be altered as a result of interest rate benchmark reform.

The Group will cease to apply the specific policy for assessing the economic relationship between the hedged item and the hedging instrument (i) to a hedged item or hedging instrument when the uncertainty arising from interest rate benchmark reform is no longer present with respect to the timing and the amount of the interest rate benchmark-based cash flows of the respective item or instrument or (ii) when the hedging relationship is discontinued. For its highly probable assessment of the hedged item, the Group will no longer apply the specific policy when the uncertainty arising from interest rate benchmark reform about the timing and the amount of the interest rate benchmark-based future cash flows of the hedged item is no longer present, or when the hedging relationship is discontinued.

### Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the

derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Group designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts (forward points) is separately accounted for as a cost of hedging and recognised in a costs of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

### 3.7 IMPAIRMENT

#### (i) Non-derivative financial assets

##### Financial instruments and contract assets

The Group recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;
- debt investments measured at FVOCI; and
- contract assets.

The Group also recognises loss allowances for ECLs on lease receivables, which are disclosed as part of trade and other receivables.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables (including lease receivables) and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment, that includes forward-looking information.

The Group assumes that the credit risk on a financial asset



has increased significantly if it is more than 360 days past due.

The Group considers the credit risk on the investments in government bonds and bank deposits to be low at the reporting date, as these financial assets have low risk of default, the borrowers have strong capacity to meet their contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

### Measurement of ECLs

The Group assesses on a forward-looking basis the expected credit losses ("ECL") associated with its debt instrument assets carried at amortised cost. The Group recognises a loss allowance for such losses at each reporting

date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of resources; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

### Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of a contract such as default or being more than 360 days past due, except for receivables from government entities;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other

financial reorganisation; or

- the disappearance of an active market for a security because of financial difficulties.

### Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

### Write-off

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include (i) financial asset has become more than 12 months overdue, (ii) ceasing enforcement activity and (iii) where the Group's recovery method is foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

The Group may write-off financial assets that are still subject to enforcement activity. The Group still seeks to recover amounts it is legally owed in full, but which have been partially written off due to no reasonable expectation of full recovery.

## (ii) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of

any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

The Group's impairment calculation is based on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units ("CGU") to which the individual asset is allocated. Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

## 3.8 LEASES

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### (i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract

to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the consolidated statement of financial position.

### **Short-term leases and leases of low-value assets**

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### **(ii) As a lessor**

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group

applies IFRS 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight line basis over the lease term as part of 'other revenue'.

### 3.9 INVENTORIES

Inventories comprise consumables and repair spares and operating stock of fuel. Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average principle. Cost comprises of direct materials, and where applicable, direct labour and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable selling expenses.

### 3.10 BORROWING COSTS

Borrowing costs consists of interest and other costs that the Group incurs in connection with the borrowing of funds. General

and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. The Group has determined the substantial period to be greater than 1 year.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Other borrowing costs are expensed in the year in which they are incurred.

### 3.11 TRADE RECEIVABLES

Trade receivables comprise of trade receivables, due from related parties and accrued revenue. Trade receivables are amounts due from customers for goods sold or services provided in the ordinary course of business. Trade receivables are recognised initially at fair value, which is the original invoice amount, and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Trade receivables are impaired as per the policy explained

in notes 3.7 and 13 to the consolidated financial statements which is in compliance with requirements of IFRS 9.

The carrying amount of an asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss.

When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in profit or loss.

### 3.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash in hand, current and call accounts with the banks and other institutions and term deposits held with banks. Term deposits with banks with remaining maturities greater than twelve months are disclosed as non-current assets. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

For the purposes of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at current and call accounts with banks, other short term highly liquid investments with original maturities of three months or less and bank overdrafts.



### 3.13 ADVANCE RECEIVED FOR NEW CONNECTIONS AND SECURITY DEPOSITS

#### (a) Advances for new connections

The Group receives amounts from customers for construction and installation of equipment. These amounts are classified as advances received for new connections until the construction or installation of the equipment is completed. On completion, these amounts are transferred from advances received for new connections to deferred revenue under liabilities.

Management estimates the current portion of the advances for new connections based on historical experience and anticipated installations. The remaining amounts are classified as non-current liabilities.

#### (b) Security deposits

The Group receives security deposits against electricity and water connections from its customers. These deposits are refundable to the customers only at the time of disconnection. The Group classifies all amounts received as security deposits as current liabilities as these amounts are repayable to the customer on demand upon disconnection.

### 3.14 DEFERRED REVENUE

Deferred revenue represents amounts transferred from

advances for new connections upon completion of construction and installation of equipment. Deferred revenue is amortised and recognised in the statement of profit or loss on a straight-line basis over the estimated useful life of the related equipment. Deferred revenue also includes the assets taken over by the Group at free of cost.

### 3.15 BORROWINGS

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

### 3.16 EMPLOYEE BENEFITS

#### Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Liabilities for wages and salaries, including non-monetary benefits and accumulating leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current liability in the consolidated statement of financial position.

#### Post-employment obligations

##### (a) Defined benefit plan

**Pension obligations for UAE nationals retired before 1 January 2003**

The Group operates a defined benefit pension plan for eligible UAE national employees

retired before 1 January 2003. The cost of providing pensions is charged to profit or loss.

#### **Post-employment benefit obligations for eligible expatriates**

The Group operates a defined benefit payment plan for eligible expatriates and specific UAE national employees in accordance with the Dubai Government Human Resource Management Law No. 27 of 2006.

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets, as applicable.

The net benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. In countries where there is no deep market for such bonds, the market rates on government bonds are used.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in

the form of any future refunds from the plan or reductions in future contributions to the plan, as applicable.

To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), as applicable, are recognised immediately in OCI.

The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments.

Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### **(b) Defined contribution plan Pension obligations for UAE national from 1 January 2003**

Effective 1 January 2003, the Group joined the pension scheme operated by the Federal Pension General and Social Security Group which is a defined contribution plan. The Group's contributions for eligible active UAE national employees are calculated as a percentage of the employees' salaries and charged to profit or loss, in accordance with the provisions of Federal Law No. 7 of 1999 on Pension and Social Security. The Group has no legal or constructive obligation to pay any further contributions.

Obligations for contributions to defined contribution plans are expenses as the related service is provided. Prepaid contributions are recognised as an asset to the extent that cash refund or a reduction in future payments is available.

### **3.17 TRADE AND OTHER PAYABLES**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 to 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting year. Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the

effective interest rate method. Trade and other payables are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

### 3.18 PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised in profit or loss.

### 3.19 DIVIDENDS

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period. Non-

cash distributions are measured at the fair value of the assets to be distributed with fair value measurement recognised directly in equity.

### 3.20 CAPITAL CONTRIBUTION (PREVIOUSLY GOVERNMENT OF DUBAI ACCOUNT)

Amounts contributed to the Authority by the Government of Dubai to finance the activities of the Authority are classified as equity. There is no contractual obligation for the Authority to pay these funds back to the Government of Dubai. Increase in the Capital contribution (previously Government of Dubai account) is generally additional contributions either monetary or non-monetary. Non-monetary contributions are measured at fair value.

On initial recognition the fair value of plots of land transferred as per order of the Ruler of Dubai had been determined by the management based on value derived from valuation certificates obtained from the Land Department of Dubai. The fair value measurement had been categorised as a Level 3 fair value based on the inputs to the valuation techniques used. Refer note 8 (b).

### 3.21 GENERAL RESERVE/ RETAINED EARNING

General reserve represents surplus distributable profit of the Group. The transfer to general reserve is determined

based on the profit for the year after deducting cash and non-cash distributions. Refer note 17 (d).

### 3.22 STATUTORY RESERVE

In accordance with Article 241 of the UAE Federal Commercial Companies Law, a minimum of 10% of the net profit of the Authority and the subsidiaries that fall under the definition of UAE Federal Commercial Companies Law, are allocated each year to a non-distributable legal reserve. Such allocations may cease when the legal reserve equals half of the nominal value of the paid up share capital. This reserve is not available for distribution except as stipulated by law. Refer note 17 (b).

### 3.23 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group recognises revenue from contracts with customers based on a five-step model as set out in IFRS 15:



The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- (a) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or
- (b) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

- (c) The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue comprises the fair value of consideration received or receivable for the sales of goods and services in the ordinary course of Group's activities and is shown net of discounts and allowances.

The Group recognises revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below:

### **(a) Supply of electricity and water**

Revenue from the supply of electricity and water is recognised on the basis of electricity and water supplied during the period on an accruals basis with reference to meter readings. A management estimate is included for the value of units supplied to customers between the date of their last meter reading and the accounting period end. The estimate is calculated using historical consumption patterns and is included in trade and other receivables as accrued revenue.

### **(b) District cooling services**

Demand and consumption charges revenue comprises of available capacity and variable output provided to customers and is recognized when services are provided.

Energy transfer station (ETS) service charges relates to services provided for ETS at customers' buildings and are recognized at the time services are rendered.

Connection charges revenue relates to connecting the individual customer units and is recognized over the period of providing district cooling services.

Other revenue comprises services that are recognized as and when services are rendered..

### **(c) Meter rental**

Meter rental income is recognised on a time proportion basis over the period during which the meter is provided to the customer.

### **(d) Interest income**

Interest income is recognised on a time-proportion basis using the effective interest rate method.

### **(e) Dividends**

Dividends are recognised as other income when the right to receive payment is established.

### **(f) Amortisation of deferred revenue**

Deferred revenue is amortised and recognised as income on a straight line basis over the estimate useful life of the related equipment. Refer notes 3.13 and 3.14.

### **(g) Other services**

Revenue from other services include handling charges, reconnection and disconnection charges, which are recognised in the accounting period in which the services are rendered.

## **3.24 INVESTMENT PROPERTIES**

Investment properties comprise building under construction and land held with the intention to earn rentals or for capital appreciation or both. Investment properties other than building under construction and land, are stated at cost net of accumulated depreciation and/or accumulated impairment losses. Cost is defined either as cost of construction/acquisition or deemed cost, being the fair value determined by the experienced valuer at the date of recognition of the asset within investment properties, less accumulated depreciation and impairment losses.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is in accordance with the policy stated under property, plant and equipment at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

When the development of investment property commences, it is classified under capital work-in-progress until development is complete, at which time it is transferred to the respective category and depreciated using the straight-line method at rates calculated to reduce the cost of assets to their estimated residual values over their expected useful lives.

Land is not depreciated. Expenditure towards preparation of land for development is added to land value.

Capital work-in-progress is stated at cost less any impairment in value. It includes construction, administrative, borrowing costs and other costs directly attributable to the development of the project.

## **3.25 FOREIGN CURRENCY TRANSLATIONS**

### **(a) Functional and presentation currency**

These consolidated financial statements are presented in



UAE Dirhams (AED), which is the Group's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated. Subsidiaries and joint ventures determine their own functional currency and items included in the financial statements of these companies are measured using that functional currency.

### (b) Transactions and balances

Transactions in foreign currencies are translated into the respective functional currency of group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

However, foreign currency differences arising from the translation of the following items are recognised in OCI:

- an investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences

that have been recognised in OCI are reclassified to profit or loss);

- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- qualifying cash flow hedges to the extent that the hedges are effective.

## 3.26 REGULATORY DEFERRAL ACCOUNT

The Group has been allowed by the Dubai Supreme Council of Energy (the "regulator") to bill the increase in fuel prices considering 2010 as the base year. Regulatory deferral account balance arises on account of amounts billed to and collected from customers as fuel surcharge in excess/short of amounts to be billed to customers. The deferral account is deferred and adjusted against the next change in tariff approved by the regulator. Regulatory deferral account is not described as a liability/asset for the purposes of the Group's consolidated financial statements and is disclosed as a separate line item in the consolidated statement of financial position.

## 3.27 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its

absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

# 4. FINANCIAL RISK MANAGEMENT

## 4.1 FINANCIAL RISK FACTORS

### Risk Management Framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the board of directors on its activities.

The Board of the Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and products offered. The Group, through its management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations. The Board of

Directors review and agree policies for managing each of these risks which are summarised below.

The Group has exposure to the following risks arising from financial instruments:



### (i) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, other financial assets at amortised cost and investments in debt securities.

The carrying amounts of financial assets represent the maximum credit exposure. Impairment losses on financial assets and contract assets recognised in profit or loss were as follows:

2022	2021
AED'000	AED'000
144,529	77,870

Impairment loss on trade receivables (refer note 13)

### (a) Trade Receivables

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the consolidated statement of financial position are net of provision for impairment of receivables.

The Group has a wide customer base in the Emirate of Dubai and services commercial, industrial and governmental organisations as well as residential customers including UAE nationals and expatriates. Carrying amount of trade receivables best represent the maximum exposure to credit risk at the end of each reporting period presented.

The Group taking into consideration the exposure to the customer, when appropriate, manages credit risk by requesting additional deposits, disconnection of services and implementing payment plans for customers in arrears.

Due to large and diversified customer base, concentration of credit risk on few customers is limited.

## Expected credit loss assessment for customers

The Group uses an allowance matrix to measure the ECLs of fee receivables from customers. Loss rates are calculated using “roll rate” method based on the profitability of a receivable progressing through successive stages of delinquency to write off. Roll rates are calculated separately to exposures in different segments based on common credit risks characteristics.

The Group considers the credit risk on the outstanding balances

from government customers to be low at the reporting date, as these financial assets have low risk of default, the counterparties have strong capacity to meet their contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparties to fulfil its contractual cash flow obligations.

To measure the expected credit losses, trade receivables and accrued revenue have been

grouped together based on its shared credit risk characteristics and the days past due. Accrued revenue has substantially the same risk characteristics as the trade receivables and therefore concluded that the expected loss rates for trade receivables and accrued revenue are a reasonable approximation of the loss rates for the contract assets.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from individual customers for 2022 and 2021:

As at 31 December 2022	Expected Loss Rate	Gross Carrying Amount AED'000	Loss Allowance AED'000	Credit Impaired
Current	0.91%	2,202,998	19,994	No
More than 30 days past due	2.09%	594,132	12,425	No
More than 60 days past due	8.21%	346,025	28,425	No
More than 120 days past due	19.48%	535,067	104,248	No
More than 360 days past due	36.54%	1,100,186	401,981	Yes
		<b>4,778,408</b>	<b>567,073</b>	
As at 31 December 2021	Expected Loss Rate	Gross Carrying Amount AED'000	Loss Allowance AED'000	Credit Impaired
Current	0.80%	1,906,075	15,304	No
More than 30 days past due	3.39%	521,091	17,656	No
More than 60 days past due	8.44%	351,882	29,705	No
More than 120 days past due	17.51%	504,025	88,249	No
More than 360 days past due	27.46%	989,048	271,630	Yes
		<b>4,272,121</b>	<b>422,544</b>	

## (b) Other financial assets

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, other financial assets and due from related parties, the Group's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

The Group limits its credit risks with regard to bank deposits by dealing only with reputable banks.

Other financial assets include investments in UAE National bonds which are unrated and other receivables are held with reputed counter parties which management do not expect any loss from their non-performance. Where non-performance is identified or expected a provision is made.

Balances due from related parties are held with reputed counter parties and management do not expect any loss from their non-performance. Where non-performance is identified or expected a provision is made.

## (c) Cash and cash equivalents

The Group held cash and cash equivalents of AED 5,287 million as at 31 December 2022 (2021: AED 4,406 million). The cash and cash equivalents are held with bank and financial institution counterparties and other government agencies having credit rating as detailed below:

As determined by Moody's		
	2022	2021
	AED'000	AED'000
A	3,807,918	4,150,066
B	1,478,888	255,661
C	42	-
Unrated (including cash in hand)	567	437
	<b>5,287,415</b>	<b>4,406,164</b>

## (d) Derivatives

The derivatives are entered into with bank and financial institution counter parties, which are related to AA- to AA+ based on Fitch ratings..

All other financial assets are unrated.

Refer note 31.

## (ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents, deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group monitors its risk of shortage of funds using cash flow budgeting in which it considers both the cash outflows as well as their sources of funding.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements:

	Less Than 1 Year	1 to 2 Years	Over 2 Years	Total	Carrying Amount
	AED'000	AED'000	AED'000	AED'000	AED'000
<b>Non-derivative financial liabilities</b>					
<b>31 December 2022</b>					
<b>Secured borrowings</b>	<b>4,125,697</b>	<b>5,315,295</b>	<b>40,699,799</b>	<b>50,140,791</b>	<b>27,359,623</b>
<b>Unsecured borrowings</b>	<b>804,069</b>	<b>238,949</b>	<b>13,146,147</b>	<b>14,189,165</b>	<b>13,330,206</b>
<b>Trade and other payables**</b>	<b>11,980,629</b>	<b>-</b>	<b>-</b>	<b>11,980,629</b>	<b>11,980,629</b>
<b>Other long-term liabilities**</b>	<b>-</b>	<b>365,888</b>	<b>493,372</b>	<b>859,260</b>	<b>806,220</b>
<b>Lease liabilities</b>	<b>12,884</b>	<b>13,779</b>	<b>13,107</b>	<b>39,770</b>	<b>36,412</b>
	<b>16,923,279</b>	<b>5,933,911</b>	<b>54,352,425</b>	<b>77,209,615</b>	<b>53,513,090</b>
	Less than 1 year	1 to 2 years	Over 2 years	Total	Carrying amount
	AED'000	AED'000	AED'000	AED'000	AED'000
<b>Non-derivative financial liabilities</b>					
<b>31 December 2021</b>					
<b>Secured borrowings</b>	<b>2,571,142</b>	<b>1,130,338</b>	<b>27,363,348</b>	<b>31,064,828</b>	<b>23,980,793</b>
<b>Unsecured borrowings</b>	<b>1,465,147</b>	<b>224,660</b>	<b>1,145,352</b>	<b>2,835,159</b>	<b>2,775,077</b>
<b>Trade and other payables**</b>	<b>11,696,524</b>	<b>-</b>	<b>-</b>	<b>11,696,524</b>	<b>11,696,524</b>
<b>Other long-term liabilities**</b>	<b>-</b>	<b>443,803</b>	<b>452,290</b>	<b>896,093</b>	<b>876,234</b>
<b>Lease liabilities</b>	<b>3,013</b>	<b>1,645</b>	<b>10,294</b>	<b>14,952</b>	<b>14,952</b>
	<b>15,735,826</b>	<b>1,800,446</b>	<b>28,971,284</b>	<b>46,507,556</b>	<b>39,343,580</b>
** These do not include advances for new connections, deferred revenue and retirement benefits obligations as these are non-financial liabilities.					
	Less than 1 year	1 to 2 years	Over 2 years	Total	Carrying amount
	AED'000	AED'000	AED'000	AED'000	AED'000
<b>Derivative financial liabilities</b>					
<b>31 December 2022</b>					
<b>Interest rate swaps used for hedging</b>	<b>-</b>	<b>-</b>	<b>4,578</b>	<b>4,578</b>	<b>4,578</b>
	Less than 1 year	1 to 2 years	Over 2 years	Total	Carrying amount
	AED'000	AED'000	AED'000	AED'000	AED'000
<b>Derivative financial liabilities</b>					
<b>31 December 2021</b>					
<b>Interest rate swaps used for hedging</b>	<b>220,944</b>	<b>357,003</b>	<b>1,838,180</b>	<b>2,416,127</b>	<b>2,416,127</b>
Refer notes 31 and 32.					



### (iii) Market risk

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### (a) Foreign exchange risk

Currency risk arises on recognised assets or liabilities that are primarily denominated in a currency that is not the Group's functional currency. The Group has no significant exposure to this risk as the majority of its transactions are denominated in AED, or in currencies AED is pegged with. The Group has certain transactions in foreign currencies, mainly in Euros. However, the foreign currency exposure arising out of foreign currency denominated balances as at 31 December 2022 and 2021 are not material.

#### (b) Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether these changes are caused by factors specific to the individual instrument or its issuers or factors affecting all the instruments traded in the market. Hence, the Group has no exposure to price risk as there is no price sensitive financial instruments.

#### (c) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from long term borrowings.

The Group is exposed to cash flow interest rate risk on its variable rate borrowings. The Group is not exposed to the fair value interest rate risk as fixed rate borrowings of the Group are carried at amortised cost in these consolidated financial statements.

The variable rate borrowings of the Group are based on LIBOR and EIBOR. The Group has entered into interest rate swaps to mitigate the risk of variable rate borrowings (refer note 32). The table below shows the exposure of Group's variable and fixed rate borrowings:

	2022	2021
	AED'000	AED'000
Variable rate borrowings	<b>38,247,344</b>	23,643,410
Fixed rate borrowings	<b><u>2,442,485</u></b>	<u>3,112,460</u>
	<b><u>40,689,829</u></b>	<u>26,755,870</u>

#### Cashflow sensitivity analysis for variable-rate borrowings

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) consolidated equity and consolidated profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	Profit Or Loss		Equity	
	100 bp Increase	100 bp Decrease	100 bp Increase	100 bp Decrease
	AED'000		AED'000	
<b>31 December 2022</b>				
Variable rate borrowings	<b>(382,473)</b>	<b>382,473</b>	-	-
Interest rate swaps	-	-	<b>17,823</b>	<b>(17,823)</b>
<b>Cash flow sensitivity (net)</b>	<b><u>(382,473)</u></b>	<b><u>382,473</u></b>	<b><u>17,823</u></b>	<b><u>(17,823)</u></b>
<b>31 December 2021</b>				
Variable rate borrowings	(236,434)	236,434	-	-
Interest rate swaps	-	-	<u>24,055</u>	<u>(24,055)</u>
<b>Cash flow sensitivity (net)</b>	<b><u>(236,434)</u></b>	<b><u>236,434</u></b>	<b><u>24,055</u></b>	<b><u>(24,055)</u></b>

## Fair value sensitivity analysis for fixed-rate borrowings

The Group does not account for any fixed-rate financial assets or financial liabilities, at FVTPL, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A change of 100 basis points in interest rates would have increased or decreased equity by AED 18 million (2021: AED 24 million). This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

## 4.2 CAPITAL RISK MANAGEMENT

The Group monitors and responds pragmatically to market conditions and business developments both locally and internationally, and ensures adequate funds are available to meet the needs of its businesses and support sound value enhancement objectives. The Group's strategic focus is the active management of the business portfolio in order to deal with its debt service obligations and to enhance the value of the Owner's equity.

## 4.3 FAIR VALUE ESTIMATION

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

All financial assets and liabilities are initially measured at transaction price, i.e. the fair value of the consideration given or received. These financial assets and liabilities are subsequently measured at amortised cost except the financial assets at fair value through other comprehensive income and derivative financial instruments.

The carrying value of financial assets and financial liabilities approximates their fair value except derivatives, which are the only financial instruments which are carried at fair value and fall into level 2 of the fair value hierarchy (refer notes 11 and 32).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

# 5. CRITICAL ACCOUNTING ESTIMATES & JUDGEMENTS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in future periods.

## 5.1 CRITICAL ACCOUNTING ESTIMATES

### (a) Revenue recognition – unread electricity, water and district cooling meters

Revenue for electricity, water supply and cooling services includes an assessment of electricity, water and cooling services supplied to customers between the date of the last meter reading and the year end (unread). Unread electricity, water and cooling services supplied is estimated by using historical consumption patterns of respective customer categories. Management applies judgement to the measurement of the estimated electricity, water and cooling units supplied to customers and the valuation such units consumed. The application of a 5% increase to management estimate of total

units for all customer categories, in isolation would result in the increase in revenue and profit by AED 52 million (2021: AED 52 million). The application of a 5% decrease to management estimate of total units for all customer categories, in isolation would result in the decrease in revenue and profit by AED 52 million (2021: AED 52 million).

### (b) Expected credit loss (ECL) assessment

The Group uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency. Roll rates are calculated separately for exposures in different segments based on the following common credit risk characteristics and age of customer relationship.

The Group reviews its trade receivables to assess impairment on a regular basis. In determining whether impairment losses should be reported in profit or loss, the Group makes assessment for expected credit loss for trade receivables.

Exposure within each credit risk grade is based on customer segments and ECL rate is

calculated for each segment based on actual credit loss experience over the past years. These rates are multiplied by macro-economic factors to reflect the differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the trade receivables.

Accordingly, an allowance for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The Group's estimation process for the determination of provision for impairment loss on trade receivables based on the ECL model is disclosed in notes 3.7 and 4.1.

## 5.2 CRITICAL ACCOUNTING JUDGEMENTS

### (a) Component parts of property, plant and equipment

The Group's assets, classified within property, plant and equipment, are depreciated on a straight-line basis over their useful lives. When determining the useful life of an asset, it is broken down into significant component

parts such that each significant component part is depreciated separately. Judgement is required in ascertaining the significant components of a larger asset, and while defining the significance of a component, management considers quantitative materiality of the component part as well as qualitative factors such as difference in useful life as compared to related asset, its pattern of consumption and its replacement cycle/maintenance schedule.

### **(b) Determination of control over certain subsidiaries**

The Group has entered into various agreements to establish Shuaa Energy 1 P.S.C, Hassyan Energy

Phase 1 P.S.C, Shuaa Energy 2 P.S.C, Shuaa Energy 3 P.S.C and Noor Energy 1 P.S.C for construction of power plant and generation of electricity from renewable and non-renewable sources. To determine control over these entities, the Group considers the purpose and design of these entities along with the fact that whether it has the power to govern the financial and operational strategy of the respective entity and whether a significant portion of the entity's activities are carried on the behalf of the Group.

Management has therefore concluded that the relevant activities of these entities are pre-determined and directed via contractual arrangements in the

normal course of business and consequently has consolidated the results of these entities in these consolidated financial statements. The Group will continue to evaluate these circumstances at each reporting date to determine whether this judgement continues to be valid. If the Group determines that it no longer has control over any of these entities, it will be de-consolidate the entities and account for these entities using the equity method from the date that control is deemed to cease.

## 6. OPERATING SEGMENTS

### (i) Basis for Segmentation

The chief operating decision-makers (CODM) have been identified as the Board of Directors of the Group that make all the strategic decisions related to the Group's activities. The Board of Directors reviews the Group's internal reporting in order to assess the performance and allocate its resources based on which the operating segments have been determined.

For the Board of Directors, the Group is currently organised into four major operating segments.

Reportable segments	Operations
DEWA	DEWA is engaged in the generation, transmission and distribution of electricity and water desalination, transmission and distribution to residential, commercial, industrial and government customers in the Emirate of Dubai.
EMPOWER	EMPOWER and its subsidiaries are engaged in the provision of district cooling, maintenance of central cooling plants and manufacturing and sale of insulated pipes.
IPP	JEIHL and its subsidiaries are engaged in provide full range of services for the development, operation and maintenance of power and water plants under the independent power producer (IPP) model.
Others	The other operations of group include purification and sale of potable water, providing services including IT, and infrastructure, networking and computer system housing services, invest and manage commercial, industrial, retail trade and energy enterprises and implement energy efficiency measures in buildings.

- (ii) Information about reportable segments and reconciliations of information on reportable segments to the amount reported in the consolidated financial statements

Information related to each reportable segment is set out below. Segment profit (loss) before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

- a) Segment wise statement of financial position

	DEWA	EMPOWER	IPP	Others	Eliminations	Total
31 December 2022	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
<b>Segment assets</b>						
Non-current assets	132,111,470	7,776,101	31,016,060	2,194,551	(14,583,583)	158,514,599
Current assets	14,825,858	1,878,874	2,825,200	4,133,381	(1,429,135)	22,234,178
<b>Total assets</b>	<b>146,937,328</b>	<b>9,654,975</b>	<b>33,841,260</b>	<b>6,327,932</b>	<b>(16,012,718)</b>	<b>180,748,777</b>
<b>Segment liabilities</b>						
Non-current liabilities	47,483,807	4,859,945	27,933,985	135,690	(9,254,325)	71,159,102
Current liabilities	12,059,406	1,760,288	2,597,068	3,237,266	(2,540,166)	17,113,862
Regulatory deferral account credit balance	95,343	-	-	-	-	95,343
<b>Total liabilities and regulatory deferral account credit balance</b>	<b>59,638,556</b>	<b>6,620,233</b>	<b>30,531,053</b>	<b>3,372,956</b>	<b>(11,794,491)</b>	<b>88,368,307</b>
<b>Net segment assets</b>	<b>87,298,772</b>	<b>3,034,742</b>	<b>3,310,207</b>	<b>2,954,976</b>	<b>(4,218,227)</b>	<b>92,380,470</b>



	DEWA	EMPOWER	IPP	Others	Eliminations	Total
31 December 2021	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Segment assets						
Non-current assets	131,323,562	7,774,283	25,372,513	1,622,590	(13,785,517)	152,307,431
Current assets	10,250,873	1,769,433	2,299,814	3,924,930	(1,144,096)	17,100,954
Total assets	141,574,435	9,543,716	27,672,327	5,547,520	(14,929,613)	169,408,385
Segment liabilities						
Non-current liabilities	38,378,531	1,420,198	28,596,536	113,128	(10,402,752)	58,105,641
Current liabilities	11,648,658	2,692,626	1,267,706	2,640,113	(917,091)	17,332,012
Regulatory deferral account credit balance	379,024	-	-	-	-	379,024
Total liabilities and regulatory deferral account credit balance	50,406,213	4,112,824	29,864,242	2,753,241	(11,319,843)	75,816,677
Net segment assets/(liabilities)	91,168,222	5,430,892	(2,191,915)	2,794,279	(3,609,770)	93,591,708

b) Segment wise statement of profit or loss and other comprehensive income

	DEWA	EMPOWER	IPP	Others	Eliminations	Total
31 December 2022	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Revenue	25,161,194	2,792,539	1,134,722	1,241,492	(2,994,413)	27,335,534
Cost of sales	(15,624,075)	(1,520,576)	(719,014)	(761,705)	2,136,372	(16,488,998)
Gross profit	9,537,119	1,271,963	415,708	479,787	(858,041)	10,846,536
Other income	4,445,173	7,765	54,924	27,062	(4,130,638)	404,286
Credit impairment losses	(127,834)	(17,865)	-	1,170	-	(144,529)
Administrative expenses	(2,653,090)	(209,977)	(27,269)	(451,265)	451,236	(2,890,365)
Operating profit	11,201,368	1,051,886	443,363	56,754	(4,537,443)	8,215,928
Finance income	251,689	35,554	249,770	131,262	(115,743)	552,532
Finance costs	(603,588)	(86,685)	(674,665)	(29,987)	389,160	(1,005,765)
Finance (costs)/income – net	(351,899)	(51,131)	(424,895)	101,275	273,417	(453,233)
Net movement in regulatory deferral account credit balance	283,681	-	-	-	-	283,681
Profit for the year	11,133,150	1,000,755	18,468	158,029	(4,264,026)	8,046,376
Other comprehensive income	62,171	3,095	4,179,416	(1,506)	-	4,243,176
Total comprehensive income for the year	11,195,321	1,003,850	4,197,884	156,523	(4,264,026)	12,289,552

	DEWA	EMPOWER	IPP	Others	Eliminations	Total
31 December 2021	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Revenue	21,745,193	2,463,874	1,323,519	987,816	(2,696,434)	23,823,968
Cost of sales	(14,739,083)	(1,394,449)	(867,285)	(567,905)	2,028,935	(15,539,787)
Gross profit	7,006,110	1,069,425	456,234	419,911	(667,499)	8,284,181
Other income	815,663	48,500	453,541	10,893	(406,604)	921,993
Credit impairment losses	(75,619)	(8,568)	-	(6,097)	6,462	(83,822)
Adjustment on financial assets	(29,876)	-	-		29,876	-
Administrative expenses	(2,704,471)	(175,881)	(231,906)	(378,979)	574,792	(2,916,445)
Operating profit	5,011,807	933,476	677,869	45,728	(462,973)	6,205,907
Finance income	172,453	11,633	233	119,257	(138,111)	165,465
Finance costs	(252,829)	(9,127)	(358,297)	(30,735)	268,122	(382,866)
Finance (costs)/income – net	(80,376)	2,506	(358,064)	88,522	130,011	(217,401)
Provision for impairment of investment in a joint venture	(4785)	-	-	-	-	(4785)
Share of profit in a joint venture	1,004	-	-	(502)	-	502
Net movement in regulatory deferral account credit balance	569,224	-	-	-	-	569,224
Profit for the year	5,496,874	935,982	319,805	133,748	(332,962)	6,553,447
Other comprehensive income	96,851	460	1,421,534	-	-	1,518,845
Total comprehensive income for the year	5,593,725	936,442	1,741,339	133,748	(332,962)	8,072,292

### c) Other segment information

	DEWA	EMPOWER	IPP	Others	Eliminations	Total
<b>31 December 2022</b>	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>	<b>AED'000</b>
<b>Capital expenditure (property, plant and equipment)</b>	<b>4,849,905</b>	<b>332,887</b>	<b>4,767,497</b>	<b>169,314</b>	<b>-</b>	<b>10,119,603</b>
<b>Depreciation (property, plant and equipment)</b>	<b>4,734,106</b>	<b>311,807</b>	<b>237,337</b>	<b>98,332</b>	<b>(6,843)</b>	<b>5,374,739</b>
	DEWA	EMPOWER	IPP	Others	Eliminations	Total
31 December 2021	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Capital expenditure (property, plant and equipment)	6,452,461	611,616	6,508,077	170,674	-	13,742,828
Depreciation (property, plant and equipment)	4,637,423	304,965	187,813	106,594	(5,113)	5,231,682

### (iii) Geographic information

Majority of the Group's revenues, profits and assets relate to its operations in Dubai.

# 7. INTERESTS IN OTHER ENTITIES

## 7.1 MATERIAL SUBSIDIARIES

The Group's principal subsidiaries are set out in note 1.

## 7.2 NON-CONTROLLING INTERESTS

The Group's material subsidiaries are Jumeirah Energy International Holdings LLC ("JEIHL") and EMPOWER. JEIHL holds investment in Shuaa Energy 1 P.S.C, Shuaa Energy 2 P.S.C, Shuaa Energy 3 P.S.C, Hassyan Energy Phase 1 P.S.C and Noor Energy 1 P.S.C. Proportion of ownership interests held by non-controlling interest is as follows:

	2022	2021
	%	%
Shuaa Energy 1 P.S.C	49	49
Shuaa Energy 2 P.S.C	40	40
Hassyan Energy Phase 1 P.S.C	49	49
Noor Energy 1 P.S.C	49	49
Shuaa Energy 3 P.S.C	40	40
EMPOWER (refer note 1)	44	30

The summarised financial information for JEIHL and EMPOWER group before inter-company eliminations is as follows:

### Summarised statements of financial position

	JEIHL		EMPOWER	
	2022	2021	2022	2021
	AED'000	AED'000	AED'000	AED'000
<b>Non-current</b>				
Assets	31,016,060	25,372,513	7,776,101	7,774,283
Liabilities	(27,933,985)	(28,596,536)	(4,859,945)	(1,420,198)
	<b>3,082,075</b>	<b>(3,224,023)</b>	<b>2,916,156</b>	<b>6,354,085</b>
<b>Current</b>				
Assets	2,825,200	2,299,814	1,878,874	1,769,434
Liabilities	(2,597,068)	(1,267,706)	(1,760,288)	(2,692,628)
	<b>228,132</b>	<b>1,032,108</b>	<b>118,586</b>	<b>(923,194)</b>
Net assets / liabilities (100%)	<b>3,310,207</b>	<b>(2,191,915)</b>	<b>3,034,742</b>	<b>5,430,891</b>
Net assets / liabilities attributable to NCI	<b>1,780,488</b>	<b>(1,048,884)</b>	<b>1,186,896</b>	<b>1,655,049</b>

Other non-material subsidiary includes negative net assets attributable to NCI amounting to AED 14,254 thousand (2021 : AED 14,254 thousand).

## Summarised statements of profit or loss and other comprehensive income

	JEIHL		EMPOWER	
	2022	2021	2022	2021
	AED'000	AED'000	AED'000	AED'000
Revenue	<b>1,134,722</b>	1,323,519	<b>2,792,539</b>	2,463,874
Profit for the year	<b>18,468</b>	319,805	<b>1,000,755</b>	935,982
Total comprehensive income	<b>4,197,884</b>	1,741,339	<b>1,003,850</b>	936,442
Total comprehensive income allocated to non-controlling interests	<b>1,995,076</b>	831,074	<b>318,023</b>	276,658
Dividends paid to non-controlling interests	<b>5,090</b>	6,285	<b>1,020,000</b>	90,300

Total comprehensive loss allocated to non-controlling interest of other non-material subsidiary amounts to AED Nil (2021: AED 2,245 thousand).

## Summarised statement of cash flows

	JEIHL		EMPOWER	
	2022	2021	2022	2021
	AED'000	AED'000	AED'000	AED'000
Net cash inflow/(outflow) from operating activities	<b>416,619</b>	(126,663)	<b>1,424,636</b>	1,366,206
Net cash outflow from investing activities	<b>(3,495,378)</b>	(6,862,547)	<b>(195,777)</b>	(1,426,124)
Net cash inflow/(outflow) from financing activities	<b>2,835,774</b>	7,455,756	<b>(1,000,539)</b>	236,310
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(242,985)</b>	466,546	<b>228,320</b>	176,392
Cash and cash equivalents, as at 1 January	<b>1,519,086</b>	1,052,540	<b>1,245,588</b>	1,069,196
<b>Cash and cash equivalents, as at 31 December</b>	<b>1,276,101</b>	1,519,086	<b>1,473,908</b>	1,245,588

## 7.3 INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The entities listed below have share capital solely consisting of ordinary shares, which are held by the Group.

Name of the entity	Country of incorporation	Effective % of holding		Effective % of holding	
		2022	2021	2022	2021
		%	%	AED'000	AED'000
Utility Management LLC	UAE	50	50	490	490
Etihad Smart Energy Solutions LLC	UAE	50	50	150	150
				<b>640</b>	<b>640</b>

All joint ventures are accounted for using the equity method of accounting and are immaterial to the Group individually.

### Movement of investments in joint ventures

	2022	2021
	AED'000	AED'000
At 1 January	640	5,720
Addition during the year	-	150
Disposal during the year	-	(947)
Share of profit from joint ventures	-	502
Less: provision made during the year	-	(4,785)
At 31 December	<b>640</b>	<b>640</b>

During the year, the Group recognised its share of profit from joint ventures amounting to AED Nil (2021: AED 502 thousand).



# 8 PROPERTY, PLANT AND EQUIPMENT

	Generation and		Transmission		Capital work in		Total
	Land and buildings	Right-of-use assets	desalination plants	and distribution networks	Other equipment and assets	progress	
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
<b>Year ended 31 December 2021</b>							
Opening net book amount	37,410,151	19,104	28,753,496	45,972,583	816,177	28,027,895	140,999,406
Additions	693,610	1,071	263,234	666,583	70,964	12,047,366	13,742,828
Transfer to right of use assets	-	20,069	(20,069)	-	-	-	-
Reversal of impairment (refer note 8(j))	-	-	-	-	-	32,328	32,328
Transfers	1,329,622	-	6,535,277	4,375,930	255,685	(12,496,514)	-
Transfers to intangible assets (refer note 10)	-	-	-	-	(453)	(66,631)	(67,084)
Disposals, net	(732)	-	(204)	(2,576)	(223)	-	(3,735)
Depreciation	(344,534)	(16,388)	(2,094,461)	(2,438,352)	(337,947)	-	(5,231,682)
<b>Closing net book amount</b>	<b>39,088,117</b>	<b>23,856</b>	<b>33,437,273</b>	<b>48,574,168</b>	<b>804,203</b>	<b>27,544,444</b>	<b>149,472,061</b>
<b>At 31 December 2021</b>							
Cost	42,990,632	54,838	53,927,448	73,573,789	3,272,869	27,544,444	201,364,020
Accumulated depreciation	(3,902,515)	(30,982)	(20,490,175)	(24,999,621)	(2,468,666)	-	(51,891,959)
<b>Net book amount</b>	<b>39,088,117</b>	<b>23,856</b>	<b>33,437,273</b>	<b>48,574,168</b>	<b>804,203</b>	<b>27,544,444</b>	<b>149,472,061</b>
<b>Year ended 31 December 2022</b>							
Opening net book amount	<b>39,088,117</b>	<b>23,856</b>	<b>33,437,273</b>	<b>48,574,168</b>	<b>804,203</b>	<b>27,544,444</b>	<b>149,472,061</b>
Additions	<b>7,842</b>	<b>17,037</b>	<b>107,939</b>	<b>413,280</b>	<b>111,862</b>	<b>9,461,643</b>	<b>10,119,603</b>
Transfer to right of use assets	-	<b>18,316</b>	<b>(7,780)</b>	-	<b>(10,536)</b>	-	-
Reversal of impairment (refer note 8(j))	-	-	-	-	-	<b>12,727</b>	<b>12,727</b>
Reclassification to investment property (refer note 37)	<b>(2,536)</b>	-	-	-	-	<b>(70,323)</b>	<b>(72,859)</b>
Transfers	<b>604,118</b>	-	<b>2,147,084</b>	<b>4,288,607</b>	<b>119,198</b>	<b>(7,159,007)</b>	-
Transfers to intangible assets (refer note 10)	-	-	-	-	<b>(320)</b>	<b>(19,335)</b>	<b>(19,655)</b>
Modification of right-of-use assets	-	<b>(11,558)</b>	-	-	-	-	<b>(11,558)</b>
Disposals, net	-	-	<b>(3,853)</b>	<b>(92,247)</b>	<b>(69)</b>	-	<b>(96,169)</b>
Depreciation	<b>(365,773)</b>	<b>(12,827)</b>	<b>(2,048,742)</b>	<b>(2,620,607)</b>	<b>(326,790)</b>	-	<b>(5,374,739)</b>
<b>Closing net book amount</b>	<b>39,331,768</b>	<b>34,824</b>	<b>33,631,921</b>	<b>50,563,201</b>	<b>697,548</b>	<b>29,770,149</b>	<b>154,029,411</b>
<b>At 31 December 2022</b>							
Cost	<b>43,600,056</b>	<b>64,678</b>	<b>55,574,765</b>	<b>78,069,768</b>	<b>3,478,813</b>	<b>29,770,149</b>	<b>210,558,229</b>
Accumulated depreciation	<b>(4,268,288)</b>	<b>(29,854)</b>	<b>(21,942,844)</b>	<b>(27,506,567)</b>	<b>(2,781,265)</b>	-	<b>(56,528,818)</b>
<b>Net book amount</b>	<b>39,331,768</b>	<b>34,824</b>	<b>33,631,921</b>	<b>50,563,201</b>	<b>697,548</b>	<b>29,770,149</b>	<b>154,029,411</b>

- (a) The Group has engaged in a joint operation pertaining to Emirates National Grid Corporation (“ENGEC”). The Group’s share in the carrying amount of ENGEC’s assets as at 31 December 2022 is AED 109 million (2021: AED 116 million) and is included under transmission and distribution networks.
- (b) During 2008, by way of a Decree issued by H.H. The Ruler of Dubai, all existing plots of land held by the Authority were transferred to the Authority. As a result, the Authority has capitalised the plots of land on the basis of valuations (i.e. valuation based on use limitations) obtained from the Land Department of the Government of Dubai, which is considered the deemed cost and has been treated as a capital contribution by the Government of Dubai.

**On initial recognition:**

- The valuation of land is done based on the valuation of certificate issued by Dubai Land Department and such valuation is considered for the lands issued in the same area/zone in future.
- The valuation of land so adopted (original value) will not be changed even if the area/zone is changed by the Dubai Land Department subsequently.

As per communication from Department of Finance, Government of Dubai, effective 10 March 2022, the new land policy in respect of allotment and granting of lands in the Emirate of Dubai by the Dubai Land Department to the Authority will be in consideration for a rental value of AED 1 per plot per annum for 30 years. This policy shall apply to all future lands that will be allotted to the Authority, but not on the existing lands that are currently being governed under the existing regime. The Department of Finance, Government of Dubai and the Authority shall coordinate to take all actions and procedures to procure the issuance of a decree that shall formalize the proposed policy for all future lands.

- (c) The carrying value of property, plant and equipment, pledged as collateral on borrowings, amounts to AED 27,886 million (2021: AED 25,255 million) (refer note 18).
- (d) Capital work in progress mainly comprises construction of additional electricity generation, water desalination facilities, transmission and distribution networks and district cooling facilities.
- (e) The interest rate used for capitalizing the borrowing cost is LIBOR plus applicable Margin. The interest on borrowings capitalised using this interest rate is AED 1,164 million (2021: AED 650 million). (refer note 28).
- (f) Right-of-use assets mainly represents vehicles and other equipment as of the reporting date.
- (g) During the year, the Group received plots of land from the Land Department of the Government of Dubai amounting to AED 65 million (2021: AED 707 million).
- (h) During the year, one of the subsidiaries’ of the Group returned eleven plots of land to related parties amounting to AED 59 million which were granted to the subsidiary by the related parties in prior years.
- (i) Depreciation is allocated as detailed below:

	2022	2021
	AED'000	AED'000
Cost of sales:		
Generation and desalination expenditure (refer note 25.1)	2,186,590	2,213,432
Transmission and distribution expenditure (refer note 25.2)	2,886,817	2,682,658
Administrative expenses (refer note 26)	301,332	335,592
	<b>5,374,739</b>	<b>5,231,682</b>

- (j) In prior years, a subsidiary management had recognised an impairment loss relating to costs incurred on shoring and enabling works for certain projects which were not developed as anticipated. As a result, an impairment loss of AED 55 million was recorded. In the current year, construction of these projects was resumed and hence management assessed the recoverable amount using value-in-use calculations which involved cash flow projections based on management budgets, discounted at a rate of 4%. Management also analyzed the work which can be utilized and will not have to be undertaken again. As a result, the Group reversed the impairment amounting to AED 13 million (2021: AED 32 million) in relation to these projects.

## 9. SHORT-TERM DEPOSITS WITH BANKS

	2022	2021
	AED'000	AED'000
<b>Term deposits with banks</b>	<b>7,532,503</b>	4,798,864

Term deposits amounting to AED 7,533 million (2021: AED 4,799 million) carries an interest ranging from 1.5% to 4.70% per annum.

## 10. INTANGIBLE ASSETS

	Computer software	Others	Total
	AED'000	AED'000	AED'000
Year ended 31 December 2021			
Opening net book amount	161,862	-	161,862
Additions	17,056	364,696	381,752
Transfer from property, plant and equipment (refer note 8)	67,084	-	67,084
Amortisation (refer note 26)	(80,721)	(400)	(81,121)
Closing net book amount	<u>165,281</u>	<u>364,296</u>	<u>529,577</u>
At 31 December 2021			
Cost	523,091	364,696	887,787
Accumulated amortisation	(357,810)	(400)	(358,210)
Net book amount	<u>165,281</u>	<u>364,296</u>	<u>529,577</u>

	Computer software	Others	Total
	AED'000	AED'000	AED'000
<b>Year ended 31 December 2022</b>			
Opening net book amount	<b>165,281</b>	<b>364,296</b>	<b>529,577</b>
Additions	<b>8,627</b>	-	<b>8,627</b>
Transfer from property, plant and equipment (refer note 8)	<b>19,655</b>	-	<b>19,655</b>
Amortisation (refer note 26)	<b>(74,579)</b>	<b>(12,157)</b>	<b>(86,736)</b>
<b>Closing net book amount</b>	<b><u>118,984</u></b>	<b><u>352,139</u></b>	<b><u>471,123</u></b>
<b>At 31 December 2022</b>			
Cost	<b>551,373</b>	<b>364,696</b>	<b>916,069</b>
Accumulated amortisation	<b>(432,389)</b>	<b>(12,557)</b>	<b>(444,946)</b>
<b>Net book amount</b>	<b><u>118,984</u></b>	<b><u>352,139</u></b>	<b><u>471,123</u></b>

Others relates to a contract entered into by a subsidiary in prior years wherein a part was recorded under intangible assets and the balance under other financial assets. Refer notes 15 and 36.

# 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2022 AED'000	2021 AED'000
At the beginning of the year	58,113	57,653
Addition during the year	-	-
Fair value adjustment during the year	(5,202)	460
At the end of the year	52,911	58,113

Financial assets at fair value through other comprehensive income pertains to an investment in Tier 1 Capital Certificates ("the Bonds") issued at their par value. The Bonds are listed perpetual instruments and carry non-cumulative interest at a rate of 6% per annum payable every six months at the discretion of the issuer. The Group has classified them as financial assets at fair value through other comprehensive income under IFRS 9 as the Bonds are not held for trading.

During the year, loss recognised in other comprehensive loss amounted to AED 5 million (2021: gain of AED 460 thousand).

# 12. OTHER ASSETS

	2022 AED'000	2021 AED'000
Advances to suppliers	1,222,498	1,346,191
Prepayments	44,244	112,306
	1,266,742	1,458,497
Less: non-current portion	(1,134,897)	(1,012,826)
Current portion	131,845	445,671

# 13. TRADE RECEIVABLES

	2022 AED'000	2021 AED'000
Trade receivables	3,737,908	3,232,014
Accrued revenue	1,040,500	1,040,108
Less: provision for impairment of receivables	(567,073)	(422,544)
Trade receivables and accrued revenue – net	4,211,335	3,849,578

The Group holds trade receivables with the objective to collect the contractual cash flows and therefore measures these receivables subsequently at amortised cost using the effective interest rate method. Information about methods and assumptions used in determining the impairment loss has been explained in note 3.7.

The Group considers the credit risk on the outstanding balances from government customers to be low at the reporting date, as these financial assets have low risk of default, the counterparties have strong capacity to meet their contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparties to fulfil its contractual cash flow obligations.

## Impairment of trade receivables:

The movement in the provision for impairment of trade receivables is as follows:

	2022 AED'000	2021 AED'000
At 1 January	422,544	344,674
Charge for the year	144,529	77,870
31 December	567,073	422,544

The carrying amount of the Group's trade receivables is primarily denominated in AED and approximates its fair value.

The Group primarily supplies electricity and water and cooling services to a diversified customer base and the standard credit period applied to all customers for electricity and water is 14 days and cooling services is 21 days from the date of invoice.

## 14. INVENTORIES

	2022 AED'000	2021 AED'000
Consumables and others	657,301	642,947
Less: provision for slow moving and obsolete inventories	(220,021)	(205,653)
	437,280	437,294
Fuel	1,007,936	1,013,855
	1,445,216	1,451,149

Movements in the provision for slow moving and obsolete inventories were as follows:

	2022 AED'000	2021 AED'000
At 1 January	205,653	177,032
Charge for the year	14,368	28,621
At 31 December	220,021	205,653



# 15. OTHER FINANCIAL ASSETS

	2022 AED'000	2021 AED'000
UAE National Bonds and Sukuk Bonds	1,041,138	397,099
Other receivables	3,598,489	3,023,911
Less: provision for impairment on other receivables	(47,913)	(47,913)
	4,591,714	3,373,097
Less: non-current portion	(1,457,956)	(1,223,569)
Current portion	3,133,758	2,149,528

Other financial assets include investments in UAE National Bonds amounting to AED 1,041 million (2021: AED 397 million), which have a maturity of 12 months from the date of purchase. UAE National Bonds carry an interest rate ranging from 3% to 5.25% per annum (2021: 2.25% per annum).

Other receivables mainly include housing and sewerage fee receivable on behalf of a related party and interest receivable on bank deposits. As at 31 December 2022, other receivables amounting to AED 3,550 million (2021: AED 2,976 million) are not impaired and amounts of

AED 48 million (2021: AED 48 million) are impaired and fully provided for. The carrying amount of the Group's other receivables is primarily denominated in AED and approximates its fair value.

Refer notes 10 and 36.

# 16. CASH AND CASH EQUIVALENTS

	2022 AED'000	2021 AED'000
Current and call accounts and <b>short-term</b> deposit	<b>5,286,848</b>	4,403,945
Cash on hand	<b>567</b>	2,219
	<b>5,287,415</b>	4,406,164

Cash and cash equivalents include AED 1,660 million (2021: AED 1,906 million) in foreign currencies. The majority of these foreign currency balances are denominated in USD. These balances are held for settlement of existing and anticipated liabilities denominated in foreign currencies.

Cash and cash equivalents also include AED 801 million (2021: AED 716 million) of cash collected by local banks and government collection agencies on behalf of the Group.

For the purpose of the consolidated statement of cash flow, cash and cash equivalents comprise the following:

	2022 AED'000	2021 AED'000
Cash and cash equivalents	<b>5,287,415</b>	4,406,164
Add: term deposits (maturity less than 3 months)	-	1,008,223
Bank overdrafts (refer note 18)	<b>(565,119)</b>	(442,339)
Cash and cash equivalents for the purpose of cashflow	<b>4,722,296</b>	4,972,048

Cash and cash equivalents are subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

# 17. EQUITY

## a) SHARE CAPITAL

In the previous year, an amount of AED 500 million had been transferred to share capital account from Government of Dubai account (capital contribution). The Board of Directors of the Authority had authorised the breakup of the share capital into 50 billion shares of AED 0.01 each. All shares of the Authority shall rank equally with one another in all aspects. Hence, the share

capital of Authority consists of authorised and paid-up capital of AED 500 million as of 31 December 2022.

## b) STATUTORY RESERVE

As required by applicable law and Articles of Association of the Authority and certain subsidiaries, 10% of the net profit for each period has been transferred to a statutory reserve. Such transfers to reserves may cease when

the statutory reserve equals to half of the share capitals, respectively. The reserve is not available for distribution except as stipulated by the law. The statutory reserve of the Authority has already reached the 50% threshold and hence no further transfers were made to statutory reserves. On 10 October 2022, the suspension of transfer to statutory reserve was approved by the General Assembly.

## c) CAPITAL CONTRIBUTION

During the year, the Government of Dubai account nomenclature has been changed to 'capital contribution'. This account represents amounts contributed by the Government of Dubai (both in kind and cash) as an Owner of the Group since the incorporation of the Group.

## d) GENERAL RESERVE / RETAINED EARNINGS

The general reserve represented surplus distributable profits

earned by the Group. During the year, the balance in general reserve amounting to AED 43.34 billion was transferred to retained earnings.

## e) HEDGING RESERVE

The hedging reserve primarily represents the fair value of derivatives which are part of effective cash flow hedging relationships at year end. As the derivatives are held for hedging purposes as defined by IFRS 9, their fair value movements are retained in other comprehensive income instead of being charged to profit or loss during the year.

The fair value movements will be adjusted in other comprehensive income in the same period as the corresponding hedged transaction.

## f) NON-CASH DISTRIBUTION

Non-cash distributions represent amounts transferred to the Government of Dubai, as an appropriation of retained earnings, which is equivalent to the amount owed by the Government of Dubai to the Group based on amounts owed by third parties assumed by the Government of Dubai.

# 18. BORROWINGS

	2022 AED'000	2021 AED'000
<b>Non-current</b>		
Others (refer (i) below)	29,042,475	23,325,798
Long-term loan (ii)	8,275,500	-
	<u>37,317,975</u>	<u>23,325,798</u>
<b>Current</b>		
Bank overdrafts (refer note 16)	565,119	442,339
Others (refer (i) below)	2,806,735	2,987,733
	<u>3,371,854</u>	<u>3,430,072</u>
	<u>40,689,829</u>	<u>26,755,870</u>

### Borrowings are denominated in the following currencies:

	2022 AED'000	2021 AED'000
<b>Non-current</b>		
US Dollars	25,432,234	24,626,044
UAE Dirham	15,257,595	2,129,826
	<u>40,689,829</u>	<u>26,755,870</u>

The borrowing balance is net off deferred borrowing cost amounting to AED 722 million (2021: AED 862 million).

The Group has secured borrowings amounting to AED 27,360 million (2021: AED 23,981 million) and unsecured borrowings amounting to AED 13,330 million (2021: AED 2,775 million).

Borrowings are secured by pledge of assets (refer note 8 (c)), corporate guarantees, government guarantees and letter of undertakings.

## (i) Others

**Shuaa Energy 1 P.S.C** had an equity bridge loan carrying an interest rate of one-month LIBOR+0.70% per annum. The entire loan was repayable on 1 April 2018. The equity bridge loan amounting AED 73 million was converted to subordinated loan by the shareholder, ACWA Power Solar Limited on 29 March 2018 and an amount of AED 43 million is outstanding (2021: AED 47 million).

**Shuaa Energy 1 P.S.C** Shuaa Energy 1 P.S.C has a commercial facility from a syndicate of banks amounting to AED 485 million (2021: AED 494 million) carrying an interest rate, which is the aggregate of the applicable margin and LIBOR. The loan is repayable in quarterly instalments beginning September 2017.

**Shuaa Energy 1 P.S.C** has an Istisna-ljara facility amounting to AED 391 million (2021: AED 403 million) carrying an interest rate, which is the aggregate of the applicable margin and LIBOR. The loan is repayable in quarterly instalments beginning September 2017.

During the year, **Shuaa Energy 2 P.S.C** has an equity bridge loan of AED 213 million carrying a fixed interest rate of 2.965% per annum. During the year, these were converted to capital contribution in line with IAS 32.

**Shuaa Energy 2 P.S.C** had an equity bridge loan of AED Nil (2021: AED 142 million) carrying an interest rate of one-month LIBOR + 1.08% per annum. The loan was repaid two years after the commercial operation date in March 2022, in line with the agreed terms.

**Shuaa Energy 2 P.S.C** has loan amounting to AED 1,918 million (2021: AED 1,423 million) from

a syndicate of banks. The rate of interest is the percentage rate per annum which is the aggregate of the applicable margin and the Secured Overnight Financing Rate ("SOFR") starting 1 June 2022, prior to which the rate of interest was the percentage rate per annum which is the aggregate of the applicable margin and LIBOR.

**Shuaa Energy 2 P.S.C** has an Islamic facility from a syndicate of banks amounting to AED 503 million (2021: AED 849 million) carrying an interest rate, which is the aggregate of the applicable margin and LIBOR. The loan is repayable on quarterly instalments beginning from 30 September 2020.

**Shuaa Energy 2 P.S.C** has a financing agreement of AED 44 million with a bank. The rate of interest is the percentage rate per annum which is the aggregate of the applicable margin and the Secured Overnight Financing Rate (SOFR).

**Mai Dubai LLC** has a bank overdraft amounting to AED 515 million (2021: AED 442 million) carrying an interest rate of 0.5%.

**Etihad Clean Energy Development Company LLC** has a bank overdraft amounting to AED 50 million (2021: Nil) carrying an interest rate of EIBOR+ 0.7% per annum.

**Hassyan Energy Phase 1 P.S.C** has a commercial facility of AED 8,305 million (2021: AED 8,305 million) from a syndicate of banks carrying an interest rate, which is the aggregate of the applicable margin and LIBOR. As at 31 December 2022, the Hassyan Energy Phase 1 P.S.C has utilized an amount of AED 8,189 million (2021: AED 8,211 million).

**Hassyan Energy Phase 1 P.S.C** has a mezzanine facility of AED 433 million (2021: AED 433 million) carrying a effective rate interest of 6.64% per annum. The loan is repayable beginning from 31 May 2041 up to 29 February 2048.

**Hassyan Energy Phase 1 P.S.C** has Subordinated advances of AED 528 million (2021: AED 296 million). The loans are interest free.

**Hassyan Energy Phase 1 P.S.C** has a financing agreement of AED 573 million (2021: AED 250 million) with a bank. As at 31 December 2022, the Hassyan Energy Phase 1 P.S.C has utilized an amount of AED 257 million (2021: AED Nil).

**EMPOWER** has a loan amounting to AED 4,500 million (2021: AED 1,995 million) carrying an interest rate which is the aggregate of the applicable margin and EIBOR. On 29 March 2022, EPOWER entered into a bridge loan facility with Dubai Islamic Bank PJSC to finance the acquisition of Dubai Airports district cooling assets amounting to USD 250 million (AED 918 million) with a tenor of 1 year from utilisation date with a profit rate of LIBOR + margin and with a fee of 1% of the loan amount. The amount was fully drawn down on 31 March 2022. EMPOWER utilised AED 4,500 million from the new long term loan facility of AED 5,500 million and repaid its existing borrowings amounting to AED 2,913 million.

**Dubai Green Fund Investments LLC** has a loan amounting to AED 1,892 million (2021: AED 1,647 million) carrying an interest rate of 0.9% per annum. The loan is repayable over tenor of 1 year. This

borrowing has been secured by lien over deposits with the bank to extent of AED 1.9 billion.

**Al Etihad Energy Services Company LLC** has a loan amounting to AED 36 million (2021: AED 41 million) carrying an interest rate of 6.95% per annum. The loan is repayable over period of five years commenced from August 2019.

**Shuaa Energy 3 P.S.C** has a loan amounting to AED 1,352 million (2021: AED 936 million) carrying an interest rate, which is the aggregate of the applicable margin and LIBOR. The loan repayment is scheduled from September 2023 until March 2047.

**Shuaa Energy 3 P.S.C** has equity bridge loans of AED 147 million (2021: AED 147 million) carrying an interest rate of LIBOR+0.75% per annum. The final maturity date is the date falling one hundred and twenty (120) months after the date of Financial Close.

**Shuaa Energy 3 P.S.C** has a financing agreement of AED 15 million with a bank. The effective interest rate for the year was

LIBOR + 1.2%.

**Noor Energy 1 P.S.C** has an equity bridge loan amounting to AED 2,797 million (2021: AED 2,797 million) carrying an interest rate of LIBOR+1% per annum. The final maturity date is the earlier of the date falling on the second anniversary of the Commercial Operation Date and 10 February 2025.

**Noor Energy 1 P.S.C** has a commercial facility of AED 8,673 million (2021: AED 7,103 million) from a syndicate of banks carrying an interest rate, which is the aggregate of the applicable margin and LIBOR. The loan is repayable beginning from 31 July 2023 up to 22 December 2045.

**Noor Energy 1 P.S.C** has a mezzanine facility of AED 682 million (2021: AED 682 million) from various banks. The loan is repayable commencing on 31 March 2046 and ending on 31 December 2047. The effective interest rate for the year was 8.23% per annum. The utilised portion of the facility amounted to

AED 343 million (2021: AED Nil).

At 31 December 2022, the Group had available AED 3,681 million (2021: AED 5,055 million) of undrawn borrowing facilities from various lenders. The Group has complied with the financial covenants of its borrowing facilities during the 2022 and 2021 reporting periods.

The fair values of other loans are not materially different to their carrying amounts since the interest payable on these borrowings is close to current market rates.

## (ii) Long-term loan

During the year ended 31 December 2022, the Authority has obtained a long-term Shariah compliant loan of AED 10,000 million from Emirates NBD PJSC. The loan carries interest at 1-month EIBOR + 0.7%. The term of the loan is five years and repayable in full upon its maturity. However, during the year, the Authority has repaid AED 1,700 million of the loan.

# 19. RETIREMENT BENEFITS OBLIGATIONS

	2022 AED'000	2021 AED'000
Provision for employees' end of service benefits (refer note 19.1)	948,333	937,561
Provision for pension (refer note 19.2)	74,088	83,017
	<b>1,022,421</b>	1,020,578
Less: non-current portion	<b>(1,010,493)</b>	(1,008,904)
Current portion (refer note 22)	<b>11,928</b>	11,674



The charge for the year grouped within the employee benefit expense in profit or loss includes current service cost and interest cost. Actuarial profit during the year is recognised in other comprehensive income.

## 19.1 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

In 2022 and 2021, an actuarial valuation was performed using the projected unit credit method to ascertain the present value of the obligation relating to the end of service benefits payable to expatriate employees in accordance with the Dubai Government Human Resources Management Law No. 27 of 2006. Under this method, an assessment has been made of an employee's expected service life with the Group and the expected basic salary at the date of leaving service. The obligation for end of service benefits is not funded.

**The principal actuarial assumptions used were as follows:**

- Expected salary increase of 4.43% per annum (2021: 2.35% per annum);
- Discount rate used to determine the present value

of the obligation was 5.43% per annum (2021: 3.12% per annum); and

- The average rate of mortality and withdrawal is not significantly different from the trends noted at the valuation date. The mortality rates are based on Employers Groups reinsurance rates. Withdrawal rates assumed the age wise withdrawal rates that incorporates the experience of DEWA in terms of the overall withdrawals during the last three years.

The rate used for discounting the employees' end of service benefits should be based on market yields on high quality corporate bonds. In countries where there is no deep market for such bonds, the market yields on government bonds should be used. In the UAE, there is no deep market for

corporate bonds and no market for government bonds and, therefore, the discount rate has been estimated using the High Quality Market (HQM) yield rate at the appropriate duration as a proxy with adjustment for country risk premium.

As a result, the Group has recognised re-measurement gains of AED 70.5 million (2021: AED 97 million) in other comprehensive income.

### SENSITIVITY ANALYSIS

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the obligation for end of service benefits as the amounts shown below:

	2022		2021	
	AED'000 Increase	AED'000 Decrease	AED'000 Increase	AED'000 Decrease
Salary growth (+/- 0.5%)	<u>926,552</u>	<u>821,065</u>	<u>926,811</u>	<u>822,623</u>
Discount rate (+/- 0.5%)	<u>825,318</u>	<u>922,240</u>	<u>826,932</u>	<u>923,683</u>
Life expectancy (increase/ decrease by 1 year)	<u>871,261</u>	<u>871,087</u>	<u>873,235</u>	<u>873,060</u>

Although the analysis does not take account of the full distribution of cash flows expected under the benefit, it does provide an approximation of the sensitivity of the assumptions shown.

The charge for the year included within employee benefit expense in profit or loss includes current service cost and interest cost. Actuarial (gain)/loss during the year is recognised in other comprehensive income.

The expected gratuity service cost and net interest expense for the next one year commencing 1st January 2023 works out to AED 121 million (2022: AED 93.5 million). These amounts are the sum of current

Movements in the provision for end of service benefits are analysed below:

	<b>2022 AED'000</b>	2021 AED'000
At 1 January	<b>937,561</b>	962,091
Charge for the year (refer note 27)	<b>132,870</b>	124,204
Re-measurements	<b>(70,468)</b>	(96,851)
Payments made during the year	<b>(51,630)</b>	(51,883)
At 31 December	<b>948,333</b>	937,561

The provision made during the year for end of service benefits and recognised in profit or loss is analysed as follows:

	<b>2022 AED'000</b>	2021 AED'000
Current service cost	<b>87,836</b>	98,415
Interest cost	<b>45,034</b>	25,789
	<b>132,870</b>	124,204

Component of defined benefit costs (re-measurement) recognised in other comprehensive income

	<b>2022 AED'000</b>	2021 AED'000
Re-measurements: Actuarial (gain)/loss on obligation		
(Gain)/loss due to change in financial assumptions	<b>(20,560)</b>	(66,380)
(Gain) due to change in experience adjustments	<b>(41,610)</b>	(30,471)
	<b>(62,170)</b>	(96,851)

During the year, the other re-measurment gain pertains to subsidiary amounted to AED 8.3 million.

## Maturity profile

	<b>2022</b> <b>AED'000</b>	2021 AED'000
0 to 1 year	<b>67,736</b>	92,614
1 to 2 year	<b>35,549</b>	44,826
2 to 5 year	<b>112,213</b>	126,840
5 years and above	<b>1,440,614</b>	1,315,524
	<b>1,656,112</b>	1,579,804

The employee profile of the Group is as detailed below:

	<b>2022</b>	2021
Average age (years)	<b>45.32</b>	43.02
Average past service (years)	<b>10.11</b>	12.00
Average entry age (years)	<b>30.61</b>	30.77

## 19.2 PROVISION FOR PENSION

### 19.2.1 PROVISION FOR PENSIONS (FOR ELIGIBLE UAE NATIONAL EMPLOYEES WHO RETIRED BEFORE 1 JANUARY 2003)

In 2022 and 2021, an actuarial valuation was performed using assumptions based on market expectations, at the reporting date, for the period over which the obligations are to be settled for eligible UAE national employees who retired before 1 January 2003. The obligation for end of service benefits is not funded. The principal actuarial assumptions used were as follows:

- Discount rate used to determine the present value of the obligation was 4.10% per annum (2021: 2.83% per annum);

- The average rate of mortality and withdrawal is not significantly different from the trends noted at the valuation date. The mortality rates are based on reinsurance rates; and
- Administrative expenses would be borne by the Authority and accordingly no allowance for these have been considered for the valuation.

The rate used to discount post-employment benefit obligations should be determined by reference to market yields on

high quality corporate bonds. In countries where there is no deep market for such bonds, the market yields on government bonds should be used. In the UAE, there is no deep market for corporate bonds and no market for government bonds and, therefore, the discount rate has been estimated using the High Quality Market (HQM) yield curve at the appropriate duration rate as a proxy with adjustment for country risk premium.

The movements in the provision for pensions are analysed below:

	<b>2022</b> <b>AED'000</b>	2021 AED'000
At 1 January	<b>71,343</b>	74,307
Reversal during the year	<b>(4,270)</b>	-
Payments made during the year	<b>(4,913)</b>	(2,964)
At 31 December	<b>62,160</b>	71,343

## 19.2.2 PROVISION FOR PENSIONS (FOR ELIGIBLE UAE NATIONAL EMPLOYEES FROM 1 JANUARY 2003)

Effective 1 January 2003, the Group joined a defined contribution plan operated by the Federal Pension General and Social Security Group for its active eligible UAE national employees in accordance with the provision of Federal Law No. 7 of 1999 relating to Pension and Social Security Law. The movements in the provision for pensions are analysed below:

	<b>2022</b> <b>AED'000</b>	2021 AED'000
At 1 January	<b>11,674</b>	12,399
Charge for the year (refer note 27)	<b>118,122</b>	112,810
Payments made during the year	<b>(117,868)</b>	(113,535)
At 31 December	<b>11,928</b>	11,674

Total provision for pension has been presented as follows:

	<b>2022</b> <b>AED'000</b>	2021 AED'000
At the beginning of the year	<b>83,017</b>	86,706
Charge for the year	<b>118,122</b>	112,810
Reversal during the year	<b>(4,270)</b>	-
Payments made during the year	<b>(122,781)</b>	(116,499)
At the end of the year	<b>74,088</b>	83,017

## 20. LEASE LIABILITIES

	2022 AED'000	2021 AED'000
At 1 January	14,952	21,325
Additions during the year	46,930	1,070
Modification	(13,019)	-
Payments during the year	<u>(12,451)</u>	<u>(7,443)</u>
At 31 December	36,412	14,952
Less: current portion	<u>(12,884)</u>	<u>(3,013)</u>
Non-current portion	<u><b>23,528</b></u>	<u>11,939</u>

Lease liabilities related to right-of-use assets recognised as per IFRS 16 (refer note 8).

Maturity analysis of lease liabilities:

	2022 AED'000	2021 AED'000
Less than one year	12,884	3,013
More than one year	<u>23,528</u>	<u>11,939</u>
At 31 December	<u><b>36,412</b></u>	<u>14,952</u>

## 21. OTHER LONG-TERM LIABILITIES

	2022 AED'000	2021 AED'000
Deferred revenue	24,940,693	23,585,317
Asset retirement obligations	181,917	211,618
Advances for new connections	6,873,698	7,037,619
Retentions payable	<u>806,220</u>	<u>876,234</u>
	<u><b>32,802,528</b></u>	<u>31,710,788</u>



## 22. TRADE AND OTHER PAYABLES

	2022 AED'000	2021 AED'000
Consumers' security deposits	4,231,833	3,797,877
Capital projects payables	2,009,818	2,120,104
Trade payables	1,214,643	1,599,340
Retentions payable	1,349,502	1,569,971
Deferred revenue	1,374,793	1,040,856
Advances for new connections	361,774	781,958
Accrual for staff benefits	278,592	269,969
Retirement benefit obligations (refer note 19)	11,928	11,674
Other payables	2,896,241	2,339,263
	<b>13,729,124</b>	<b>13,531,012</b>

## 23. RELATED PARTY TRANSACTIONS AND BALANCES

The Group transacts with the Government of Dubai, subsidiaries, joint ventures and entities controlled, jointly controlled or significantly influenced by the Government of Dubai within the scope of its ordinary business activities. Since the Group is majority owned by the Government of Dubai post its listing of shares on Dubai Financial Market (DFM), these entities are jointly referred to as 'government related entities'.

The Group applies the exemption relating to government related entities under IAS 24 'Related Parties' and only discloses transactions and balances with government related entities which are individually or collectively significant. To determine significance, the Group considers various qualitative and quantitative factors including whether transactions with related parties are conducted in the ordinary

course of business.

Key management personnel and entities controlled by them are also related to the Group. Key management personnel of the Group comprise the directors and executive vice presidents (EVPs) of the Authority and employees of the Authority who are acting as directors of the subsidiaries.

### Related party transactions

The material transactions and balances with related parties are disclosed below, except as disclosed in notes 8, 13, 15, 18, 20, 24, 25, 26, 27, 28, 33 and 34 in these consolidated financial statements:

## a) SALE OF ELECTRICITY AND WATER

As is common with many other entities, the Group deals with various government entities in Dubai. Quantities of electricity and water sold to UAE nationals are at subsidised rates. The Group calculates the value of these quantities supplied at approved rates and these amounts are settled by the Department of Finance (DoF), Government of Dubai.

During the year, the Group has collected AED 54 million (2021: AED 52 million) in respect of handling charges from a related party (refer note 24).

## b) PURCHASE OF GOODS AND SERVICES

The Group purchases fuel from entities owned by the Government of Dubai. During the year, the Group consumed fuel amounting to AED 7,374 million (2021: AED 6,500 million) from various entities.

During the year, the Group purchased water amounting to AED 5 million (2021: AED 24 million) from an entity under common control.

During the year, the Group contributed an amount of AED Nil (2021: AED 30 million) to an organisation managed by the Group for purposes

of promotion of clean energy and water conservation. This is included in administrative expenses.

## c) TRANSACTIONS WITH BANKS OWNED BY THE GOVERNMENT OF DUBAI

The Group transacts with various banks and financial institutions which are wholly or partially controlled by the Government of Dubai. All of the Group's transactions with such banks are on approved commercial terms. A portion of the cash and cash equivalents as disclosed in note 16 was included in deposit held with such banks.

## d) COMPENSATION TO KEY MANAGEMENT PERSONNEL

	2022 AED'000	2021 AED'000
Salaries and short-term employee benefits	102,606	82,294
Post-employment benefits	2,520	2,520
	<u>105,126</u>	<u>84,814</u>

## e) KEY MANAGEMENT REMUNERATION

	2022 AED'000	2021 AED'000
Board of directors' remuneration	<u>39,500</u>	<u>5,640</u>

## f) BOARD MEMBERS' INTERESTS

Other than remuneration paid to key management personnel, the Board members of the Authority had no beneficial interest in DEWA or its subsidiaries during 2022 and 2021.

### Impairment of a joint venture

During the prior year, provision of an amount of AED 4.8 million has been recognised (refer note 7.3).

### Impairment of a subsidiary

During the prior year, assets of AED 5.95 million are unlikely to be recovered from a subsidiary. Hence, the provision of AED 5.95 million had been recognised during the year ended 31 December 2021.

## 24. REVENUE

	2022 AED'000	2021 AED'000
Sale of electricity	17,519,119	15,099,572
Sale of water	5,171,593	4,341,902
District cooling	2,766,231	2,456,586
Others	1,878,591	1,925,908
	<b>27,335,534</b>	<b>23,823,968</b>

Others include:

- Handling fees amounting to AED 54 million (2021: AED 52 million) represent amounts paid by a related party to the Group for providing collection services.
- Amortisation of deferred revenue amounting to AED 1,037 million (2021: AED 933 million).

Net movement in regulatory deferral account credit balance has been shown as a separate line item on the face of profit or loss.

### 24.1 DISAGGREGATION OF REVENUE

	Electricity		Water		District cooling charges		Others		Total	
Timing of revenue recognition	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000	2022 AED'000	2021 AED'000
Products and services transferred										
- at a point in time	17,519,119	15,099,572	5,171,593	4,341,902	2,766,231	2,456,586	841,933	992,741	26,298,876	22,890,801
- over time	-	-	-	-	-	-	1,036,658	933,167	1,036,658	933,167
	<b>17,519,119</b>	<b>15,099,572</b>	<b>5,171,593</b>	<b>4,341,902</b>	<b>2,766,231</b>	<b>2,456,586</b>	<b>1,878,591</b>	<b>1,925,908</b>	<b>27,335,534</b>	<b>23,823,968</b>

## 25. COST OF SALES

	2022 AED'000	2021 AED'000
Generation and desalination expenditures (refer note 25.1)	11,075,127	11,023,395
Transmission and distribution expenditures (refer note 25.2)	4,762,599	4,418,456
Purchase of gas, power and water	651,272	97,936
	<b>16,488,998</b>	<b>15,539,787</b>

## 25.1 GENERATION AND DESALINATION EXPENDITURES

	2022 AED'000	2021 AED'000
Fuel costs	6,821,824	6,500,052
Depreciation (refer note 8)	2,186,590	2,213,432
Amortisation (refer note 10)	12,157	400
Employee benefit expenses (refer note 27)	563,349	548,894
Repairs and maintenance	215,580	475,705
Others	1,275,627	1,284,912
	<b>11,075,127</b>	<b>11,023,395</b>

## 25.2 TRANSMISSION AND DISTRIBUTION EXPENDITURES

	2022 AED'000	2021 AED'000
Depreciation (refer note 8)	2,886,817	2,682,658
Employee benefit expenses (refer note 27)	1,497,385	1,461,095
Repairs and maintenance	219,046	230,780
Others	159,351	43,923
	<b>4,762,599</b>	<b>4,418,456</b>

## 26. ADMINISTRATIVE EXPENSES

	2022 AED'000	2021 AED'000
Employee benefit expenses (refer note 27)	1,599,094	1,504,018
Repairs and maintenance	289,445	240,762
Depreciation (refer note 8)	301,332	335,592
Amortisation (refer note 10)	74,579	80,721
Insurance	93,225	65,618
Others	532,690	689,734
	<b>2,890,365</b>	<b>2,916,445</b>

## 27. EMPLOYEE BENEFIT EXPENSES

	2022 AED'000	2021 AED'000
Salaries	2,564,988	2,457,931
Retirement benefit obligations (refer note 19)	246,722	237,014
Bonus	267,777	240,923
Other benefits	580,341	578,139
	<u>3,659,828</u>	<u>3,514,007</u>

Employee benefit expenses are allocated as detailed below:

	2022 AED'000	2021 AED'000
Cost of sales		
• Generation and desalination expenditures (refer note 25.1)	563,349	548,894
• Transmission and distribution expenditures (refer note 25.2)	1,497,385	1,461,095
Administrative expenses (refer note 26)	1,599,094	1,504,018
	<u>3,659,828</u>	<u>3,514,007</u>

## 28. FINANCE (COSTS)/INCOME - NET

	2022 AED'000	2021 AED'000
Finance costs		
Interest on bank and other borrowings	(1,967,602)	(1,030,630)
Discounting of cheques	-	(1,963)
Cash flow hedges – ineffective portion of changes in fair value of derivative financial instruments	(194,140)	-
Interest on lease liabilities	(2,054)	(718)
Amortisation of borrowing costs	(5,500)	-
	<u>(2,169,296)</u>	<u>(1,033,311)</u>
Amounts capitalised (refer note 8)	<u>1,163,531</u>	<u>650,445</u>
	<u>(1,005,765)</u>	<u>(382,866)</u>
Finance income		
Amortisation of financial liabilities	33,153	-
Interest income on short term bank deposits	282,237	135,413
Interest earned on financial assets	28,339	610
Cash flow hedges – ineffective portion of changes in fair value of derivative financial instruments	208,803	-
Reversal of fair value adjustment for trade receivables	-	29,442
	<u>552,532</u>	<u>165,465</u>
Finance costs - net	<u>(453,233)</u>	<u>(217,401)</u>



## 29. NET CASH INFLOW FROM OPERATING ACTIVITIES

	Notes	2022 AED'000	2021 AED'000
<b>Cash flows from operating activities</b>			
Profit for the year		8,046,376	6,553,447
<b>Adjustments for:</b>			
Depreciation	8	5,374,739	5,231,682
Amortisation – intangible assets	10	86,736	81,121
Write off of fixed assets		92,246	-
Gain on modification of lease		(1,461)	-
Provision for slow moving and obsolete inventories	14	14,368	28,621
Reversal of impairment of property, plant and equipment	8	(12,727)	(32,328)
Fair value adjustments		(29,701)	(48,832)
Reversal of fair value adjustment for trade receivables		-	7,204
Charge for impairment of trade receivables	13&23	144,529	83,822
Deferred income	24.1	(1,036,658)	(933,167)
Retirement benefit obligations – gratuity	19	132,870	124,204
Retirement benefit obligations – pensions	19	113,852	112,810
Provision for impairment from investment in joint venture	7.3	-	4,785
Share of profit from investment in joint ventures	7.3	-	(502)
Ineffective portion of gain on derivative financial instrument	28	(14,663)	(5,969)
Loss on sale of property, plant and equipment		(313)	(181)
Finance costs	28	811,625	382,866
Finance income	28	(343,729)	(165,465)
<i>Operating cash flows before changes in operating assets and liabilities</i>		13,378,089	11,424,118
Changes in operating assets and liabilities:			
Inventories	14	(8,434)	(64,368)
Other assets		191,755	285,367
Trade receivables		(506,285)	(1,064,227)
Other financial assets		(496,614)	(661,766)
Trade and other payables		2,119,576	838,477
Regulatory deferral account credit balance	34	(283,681)	(569,225)
<i>Net operating cash flows</i>		14,394,406	10,188,376
Payment for retirement benefit obligations – gratuity	19	(51,630)	(51,883)
Payment for retirement benefit obligations – pensions	19	(122,781)	(116,499)
<b>Net cash inflow from operating activities</b>		<b>14,219,995</b>	<b>10,019,994</b>

## 30. COMMITMENTS

	2022 AED'000	2021 AED'000
Future commitments including capital expenditure	<b>11,106,413</b>	16,802,580

## 31. FINANCIAL INSTRUMENTS BY CATEGORY

### Financial assets

	2022 AED'000	2021 AED'000
At fair value through profit or loss		
Derivative financial instruments (refer note 32)	<b>1,786,908</b>	10,645
At amortised cost		
Trade receivables (refer note 13)	<b>4,211,335</b>	3,849,578
Other financial assets (refer note 15)	<b>4,591,714</b>	3,373,097
Financial assets at fair value through other comprehensive income (refer note 11)	<b>52,911</b>	58,113
Short-term deposits (refer note 9)	<b>7,532,503</b>	4,798,864
Cash and cash equivalents (refer note 16)	<b>5,286,848</b>	4,403,945
	<b>21,675,311</b>	16,483,597

### Financial liabilities

	2022 AED'000	2021 AED'000
At fair value through profit or loss		
Derivative financial instruments (refer note 32)	<b>4,578</b>	2,416,127
At amortised cost		
Trade and other payables* (refer note 22)	<b>11,980,629</b>	11,696,524
Other long term liabilities* (refer note 21)	<b>806,220</b>	876,234
Borrowings (refer note 18)	<b>40,689,829</b>	26,755,870
	<b>53,476,678</b>	39,328,628

\* These do not include advances for new connections, deferred revenue and retirement benefit obligations as these are non-financial liabilities.

## 32. DERIVATIVE FINANCIAL INSTRUMENTS

The Group is exposed to interest rate movements on various borrowings maturing between 2023 and 2042. Certain subsidiaries have entered into a series of interest rate swaps for the duration of the borrowings to mitigate the risk of variation in future interest rates. These interest rate swaps were designated as cash flow hedges and were assessed to be highly effective. Net unrealised gains of AED 4,119 million (2021: losses of AED 1,033 million) relating to these hedging instruments is included in other comprehensive income.

The tables below show a summary of the hedged items, the hedging instruments and their fair values. The notional amounts indicate the amount outstanding at the year end.

Description of the hedged item	Hedging instrument	Notional amount AED'000	Positive fair value AED'000	Negative fair value AED'000
<b>2022:</b> Interest payments on floating rate loans	Interest rate swap	<u>31,125,023</u>	<u>1,786,908</u>	<u>4,578</u>
<b>2021:</b> Interest payments on floating rate loans	Interest rate swap	<u>32,083,278</u>	<u>10,645</u>	<u>2,416,127</u>

The following table presents the Group's derivative assets and liabilities that are measured at fair value:

	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000	Total AED'000
<b>31 December 2022</b>				
<b>Assets measured at fair value</b>				
Derivative financial instruments (non-current portion)	-	<b>1,294,802</b>	-	<b>1,294,802</b>
Derivative financial instruments (current portion)	<u>-</u>	<u>492,106</u>	<u>-</u>	<u>492,106</u>
<b>Liabilities measured at fair value</b>				
Derivative financial instruments (non-current portion)	-	<b>4,578</b>	-	<b>4,578</b>
Derivative financial instruments (current portion)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>31 December 2021</b>				
<b>Assets measured at fair value</b>				
Derivative financial instruments (non-current portion)	<u>-</u>	<u>10,645</u>	<u>-</u>	<u>10,645</u>
<b>Liabilities measured at fair value</b>				
Derivative financial instruments (non-current portion)	-	2,259,830	-	2,259,830
Derivative financial instruments (non-current portion)	-	156,297	-	156,297

Interest rate swaps were measured primarily using valuations provided by the financial institutions based on the observable spot exchange rates and the yield curves of the respective swap contracts and were categorised in Level 2 hierarchy.

## 33. DIVIDENDS

On 31 January 2022, DEWA declared and paid a dividend amounting to AED 10,000 million in respect of the year ended 31 December 2021 (31 December 2021: AED 1,000 million in respect of the year ended 31 December 2020 and AED 1,000 million as

interim dividend during the year ended 31 December 2021) Further, DEWA paid dividend of AED 5,130 million as interim dividend during the year 2022.

During the year, EMPOWER declared a dividend of AED 3,400

million (31 December 2021: AED 300 million). An amount of AED 1,020 million (2021: AED 90 million) was paid to the non-controlling interest as dividend.

## 34. REGULATORY DEFERRAL ACCOUNT CREDIT BALANCE

The prices that can be charged to customers for electricity and water by the Group are subject to oversight and/or approval by the Supreme Council of Energy; hence the Group is subject to rate regulation. The Supreme Council of Energy through its notification issued in 2010 has allowed the Group to recover the additional costs it incurs due to the escalation in fuel prices considering 2010 as the base year from its customers.

The Supreme Council of Energy is also controlled by the Government of Dubai and it is a related party of the Group.

The Group has recorded AED 95 million as at 31 December 2022 (2021: AED 379 million) in excess of the actual increase in fuel costs incurred since 2010 till date as regulatory deferral account credit balance.

On the transition date, the Group has elected to apply the requirements of IFRS 14 – ‘Regulatory Deferral Accounts’ and will continue to apply its current accounting policy for recognition, measurement and derecognition of this regulatory deferral account balance.

The movement in regulatory deferral account credit balance is detailed below:

	2022 AED'000	2021 AED'000
At 1 January	379,024	948,248
Short collection during the year	(283,681)	(569,224)
At 31 December	<u>95,343</u>	<u>379,024</u>

## 35. EARNINGS PER SHARE/DILUTED SHARE

Basic earnings per share amounts are calculated by dividing net profit or loss for the year attributable to the shareholders of the Authority by the weighted average number of ordinary shares outstanding during the year.

	2022 AED'000	2021 AED'000
<b>Earnings</b>		
Profit for the year, attributable to the Owners of the Authority	<u>7,722,834</u>	<u>6,123,112</u>
<b>Number of shares in thousands</b>		
Number of ordinary shares for basic earnings per share at 31 December	<u>50,000,000</u>	<u>50,000,000</u>
<b>Earnings per share</b>		
Basic and diluted earnings per share (AED)	<u>0.15</u>	<u>0.12</u>

## 36. ACQUISITION OF SNOW LLC

On 18 August 2021, later amended on 16 December 2021, EMPOWER entered into a sale and purchase agreement with Nakheel PJSC (Nakheel) to acquire the 100% share capital of Snow LLC, a subsidiary of Nakheel, for a period of 30 years for a consideration of AED 673.9 million. Of the consideration, an amount of AED 5.6 million was retained towards the customers prepayment and security deposit balance transferred by Nakheel on the effective date (net payment: AED 668.3 million). Subsequent to the acquisition, Snow LLC name has been changed to EMPOWER Snow LLC.

EMPOWER Snow LLC is a company incorporated in Dubai,

UAE (registration no. 1569318). The company is a special purpose vehicle that entered into a master concession agreement with Nakheel, whereby Nakheel granted rights to EMPOWER Snow LLC to operate and maintain the cooling systems and to provide district cooling services to its developments, in accordance with the terms and conditions set out in the agreement.

Furthermore, on 16 December 2021, Nakheel signed an asset transfer agreement with EMPOWER Snow LLC transferring the rights, title, and interest in 16 district cooling assets. Management performed a detailed analysis on this transaction with Nakheel and

concluded this as a failed sale transaction and accounted for it as a finance arrangement at the net present value of the consideration paid amounting to AED 309.2 million (given the minimum guaranteed amount guaranteed by the seller under the contract). The excess consideration paid of AED 364.7 million represents an intangible asset for the right to charge users of the district cooling services under the transaction for a period of 30 years (refer notes 10 and 15).

The acquisition of Snow LLC did not qualify as a transaction to be accounted for under IFRS 3 (Business Combinations) given the lack of business processes available in Snow LLC.

## 37. INVESTMENT PROPERTIES

	<b>31 December 2022 AED'000</b>	31 December 2021 AED'000
Property under development	<b><u>72,859</u></b>	<u>-</u>

The movement in property under development is as follows:

	<b>31 December 2022 AED'000</b>	31 December 2021 AED'000
At the beginning of the year	-	-
Reclassification from property, plant and equipment capital work in progress (refer note 8)	<b><u>72,859</u></b>	<u>-</u>
At the end of the year	<b><u>72,859</u></b>	<u>-</u>

The Group's subsidiary started construction of its head quarter project in 2021. The project consists of two towers with common area and retail outlets which are expected to be completed during the third quarter of 2023.

During the year, management revisited its plan of occupation and concluded to occupy only one tower for its use along with its related common area. As a result, the carrying amount of one tower and related areas were transferred to investment properties from property, plant and equipment (refer note 8).

The investment property is under construction which is expected to be completed in 2023 with an expected cost to complete amounting to AED 21 million. As of 31 December 2022, the fair value of investment property approximates to AED 74 million.

## 38. COMPARATIVE FIGURES

The previous year figures have been regrouped/reclassified wherever necessary, in order to conform to the current year presentation. The regrouping/reclassification does not affect the previously reported net assets, total equity and profit or loss and other comprehensive income.



## 39. SUBSEQUENT EVENTS

(a) Subsequent to the year end, the Board of Directors of the Authority recommended a dividend amounting to AED 4,770 million in respect of the year ended 31 December 2022, which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the Company. The aggregate amount of the proposed dividend expected to be paid in April 2023 out of retained earnings at 31 December 2022, but not recognised as liability at year end.

(b) In addition to the above dividends, since year end the directors of a subsidiary have recommended the payment of a final dividend amounting to AED 425 million which is subject to the approval of the shareholders at the forthcoming Annual General Meeting of the subsidiary. The aggregate amount of the proposed dividend expected to be paid

in April 2023 out of retained earnings at 31 December 2022, but not recognised as liability at year end.

c) **UAE Corporate Tax Law** on 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal Corporate Tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

A rate of 9% will apply to taxable income exceeding a particular threshold to be prescribed by way of a Cabinet Decision (expected to be AED 375,000 based on information released by the Ministry of Finance), a rate of 0% will apply to taxable income not exceeding this threshold. In addition, there are several

other decisions that are yet to be finalized by way of a Cabinet Decision that are significant in order for entities to determine their tax status and taxable income. Therefore, pending such important decisions, the Group has considered that the Law, as it currently stands, is not substantively enacted as at 31 December 2022 from the perspective of IAS 12 – “Income Taxes”. The Group shall continue to monitor the timing of the issuance of these critical Cabinet Decisions to determine their tax status and the application of IAS 12 – Income Taxes.

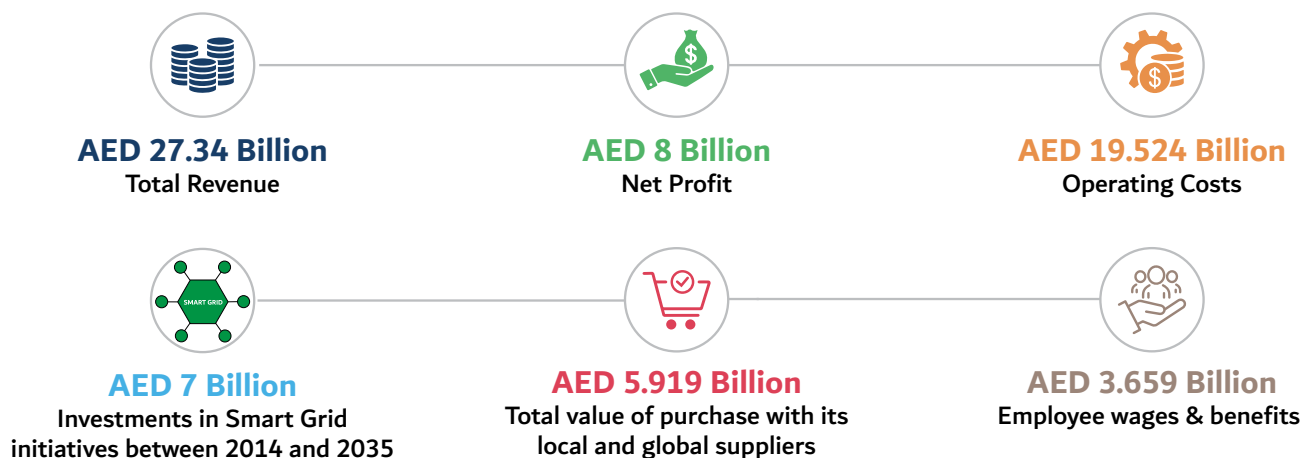
The Group is currently in the process of assessing the possible impact on the consolidated financial statements, both from current and deferred tax perspective, once the Law becomes substantively enacted.

# SUSTAINABILITY

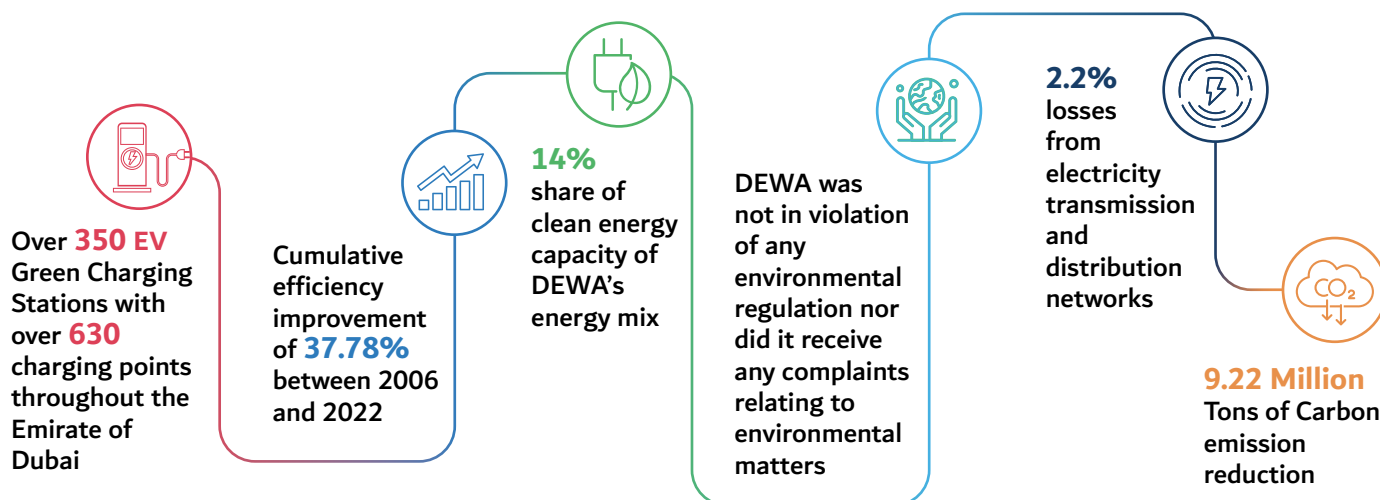


# SUSTAINABILITY HIGHLIGHTS

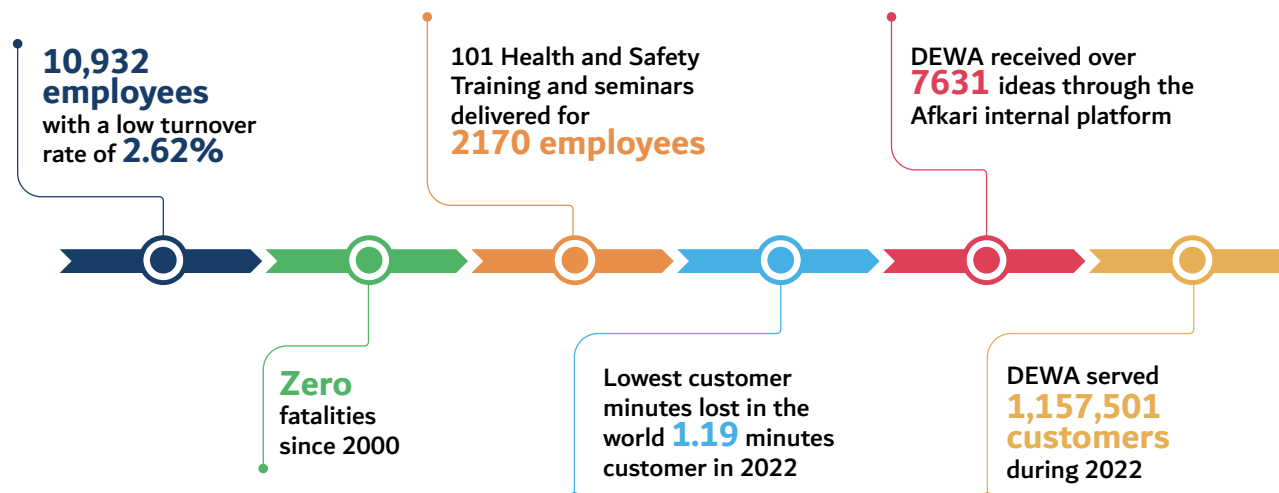
## ECONOMIC HIGHLIGHT



## ENVIRONMENTAL HIGHLIGHT



## SOCIAL HIGHLIGHT



## SUSTAINABILITY REPORTING AT DEWA

Since 2013, DEWA has been issuing its sustainability reports in alignment with Global Reporting Initiative (GRI) Standards. We are pleased to prepare our sustainability report in accordance with the Sustainable Development Goals (SDGs), and the principles of the United Nations Global Compact.

DEWA is a member of the GRI Gold Community and part of the Standards Pioneers Programme, being one of the first 100 organisations in the world to adopt

the new standards for the 2016 report onwards for the Core option. In our previous report, DEWA had aligned its report to the Revised Universal Standards 2021 ahead of the effective implementation date on January 1, 2023. DEWA continues to implement the latest update on GRI standards and its disclosure requirements in DEWA's tenth report. The report has been developed by considering GRI Reporting Principles of Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability Context, Timeliness and Verifiability.

Through this report and the outcomes of our continual

stakeholder engagement processes, the report summarises the materially relevant economic, environmental and social perspectives for the year 2022. Unless otherwise stated, all data is as of December 31, 2022. In addition, the report highlights the ways in which DEWA is fulfilling its long-term commitments towards sustainability, enabling the organisation to communicate its sustainability to its stakeholders and to further enhance dialogue with them.

**Note: for any questions about the report or the reported information, you may contact [sustainability@dewa.gov.ae](mailto:sustainability@dewa.gov.ae)**

## MATERIALITY ASSESSMENT

Stakeholder engagement is the fundamental starting point for an organisation to carry out its sustainability reporting cycle. DEWA has engaged with relevant internal and external stakeholders including DEWA's top management, DEWA's employees, government entities, investors, suppliers, customers, society, and partners.

In December 2022, DEWA organised 4 virtual stakeholder engagement workshops through an innovative and interactive tool (Mentimeter) to assess 35 material topics. The aim of the workshops was to identify the material topics and to assess the impact to be reported for the next reporting cycle 2022.

Besides the material topics of GRI, DEWA's 2022 sustainability materiality analysis accounted for the latest megatrends including net zero carbon emission, circular economy, cyber security and business ecosystem that are likely to become more relevant in the coming years.

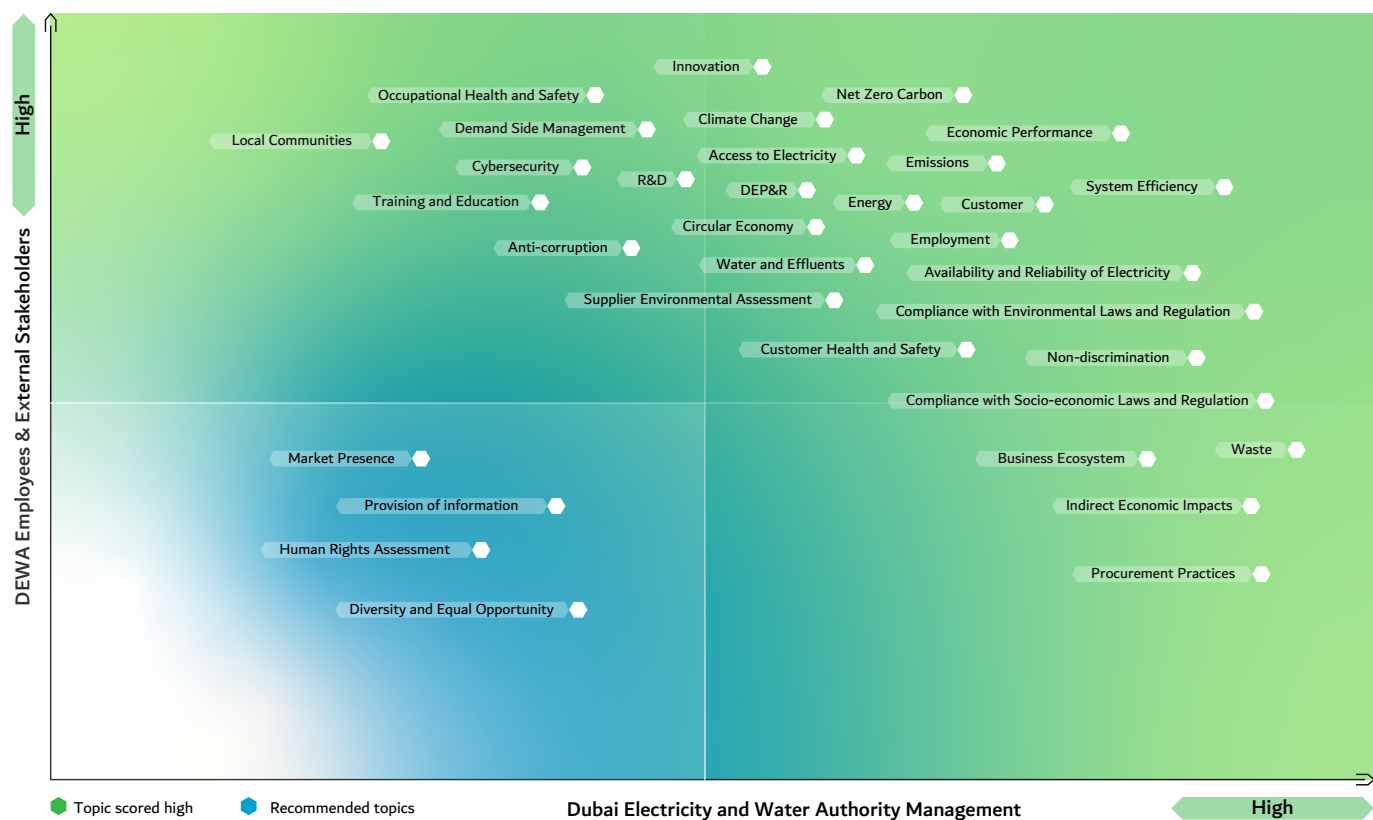
In line with the GRI Standards, the sustainability report is required to disclose the highest ranked material topics, which have the most significant impact on the economy, environment and people including impacts on their human rights as a result of the organisation's activities or business relationships.

The materiality matrix below illustrates the outcomes of the 2022 materiality assessment process. This matrix has been

approved by DEWA's top management and used as a basis to develop the current report. The horizontal axis depicts DEWA management's viewpoints, whereas the vertical axis depicts the viewpoints of DEWA's stakeholders.



# DEWA'S 2022 MATERIALITY ASSESSMENT RESULTS



# VALUE CHAIN AND OTHER BUSINESS RELATIONSHIPS

## SERVICES

In 2022 DEWA revised and updated its services catalogue to have 25 public services to its customers under 6 main services in response to Dubai government directives to reduce government procedures for doing business by 30%. The following are DEWA's 6 main services:

1. Electricity & Water Management Services
2. Billing Services
3. Sustainability & Consumption Management Services
4. NOC Services
5. Electricity Network Services
6. Water Network Services

**For more information about consumer services, visit the following link:**



## SUPPLIERS

Across its upstream supply chain and operations in 2022, DEWA engaged with different global and local suppliers in the areas including, but are not limited to, maintenances, consultant, constructions services as well as materials and equipment for water and electricity services. It worked with 1,676 suppliers of which 22 are strategic suppliers, 183 core suppliers and 1,471 basic suppliers. Geographically, DEWA worked with 1,585 local suppliers whereas 91 were considered as global suppliers. The Number of Local transactions conducted during 2022 were 13,338 and the total value of Purchase with its local and global suppliers were AED 5,918,713,000, of which 94.53% products and services were purchased locally.

DEWA is committed to promoting sustainable environmental practices with suppliers, contractors and customers by applying supplier assessment, and green procurement criteria based on environmental performance. In addition, DEWA selects suppliers taking into consideration the environmental impact of their product or service.

DEWA has the responsibility and the ability to motivate its suppliers to improve their environmental, ethical and social performance through actions that foster excellence in their management of sustainability.



## DEWA'S CUSTOMERS

During 2022, DEWA served 1,157,501 customers, representing a 4.62% increase compared to the last year. Accordingly, DEWA has added 51,089 new customers since the end of Q4 2021. During 2022, DEWA generated 52.89 Terawatt hour, representing a 5.36 % increase from the last year. Similarly, DEWA produced 136.254 MIG of desalinated water, representing an 8.01% increase from last year.

### Number of Customer Accounts as of 31 December 2022

Description	Electricity		Water	
	No. of customer accounts	Percentage	No. of customer accounts	Percentage
UAE National	72,079	6.46%	67,965	6.83%
Expatriates	797,473	71.42%	772,036	77.55%
Commercial	226,667	20.30%	150,921	15.16%
Government Organisations	6,184	0.55%	1,992	0.20%
Industrial	3,150	0.28%	1,640	0.16%
EV	9,653	0.86%	-	-
Port sales	-	-	424	0.04%
Exempted	1,369	0.12%	500	0.05%
<b>Total</b>	<b>1,116,575</b>	<b>100.00%</b>	<b>995,478</b>	<b>100.00%</b>

# ECONOMIC PERSPECTIVE

## ECONOMIC PERFORMANCE

### LISTING IN DFM

In April 2022 DEWA became a public listed company on the DFM after a successful IPO for US\$ 6.1 billion, that was oversubscribed 37 times, becoming the largest IPO in UAE history and the biggest issue by any utility company in the world after 2008. With a valuation of AED 124 billion, DEWA became the largest company by market value on the DFM and significantly boosted the exchange's profile.

Investors acknowledged DEWA's healthy balance sheet, track record of operating excellence and financial prudence, its ESG strategy and commitment to a green future including Dubai's ambitious 2050 net zero emission goal. The IPO also signalled a strong vote of confidence by local and international investors in the Dubai Capital markets and the business-friendly environment offered by the Emirate.

### FINANCIAL PERFORMANCE

As part of the journey towards achieving Dubai's vision and long-term sustainability goal, the UAE Vision 2071 and Net Zero Emission Target by 2050, DEWA has endeavored to achieve operating and technical milestones that are comparable with the best

utilities globally and at the same time, maintain a robust financial profile. In 2022, DEWA achieved record results and delivered the best financial performance in its operating history. DEWA delivered on its strategic objective, which is focused on sustainable growth, staying at the forefront of smart and innovative operational excellence and optimising returns for its shareholders whilst minimising its carbon footprint. The investments made in AI and digitalisation have streamlined internal processes, reduced costs while simultaneously improving operating efficiency across all lines of business while delivering an excellent customer experience.

The consolidated revenue increase of 15% to AED 27.34 billion was

mainly driven by an increase in demand for electricity, water and cooling services. The consolidated net profit for the year 2022 was AED 8 billion compared to AED 6.6 billion in 2021 which is an increase of 22%, demonstrating sustainable growth. Consolidated Earnings Per Share increased by 25% from AED 0.12 in 2021 to AED 0.15 in 2022. DEWA delivered a sector-leading dividend yield of 8% at the IPO price of AED 2.48 per share for the year 2022. Besides achieving excellent financial results, DEWA also set distinguished operating and technical benchmarks including the world's lowest line loss in electricity and water at 2.2% and 4.5% respectively; and the world's lowest Customer CML time of 1.19 minutes.

### KEY FACTS ABOUT DEWA:

1. **AED 27.34 Billion** Total Revenues - consolidated
2. **AED 8 Billion** Net Profit - consolidated
3. **AED 19.524 Billion** Operating costs - Consolidated
4. **AED 3.659 Billion** Employee Wages and Benefits - Consolidated
5. **AED 16.155 Billion** Payment to Providers of Capital - Consolidated
6. **127.041 Billion Imperial Gallons** Unit Sold - Water
7. **47.312 Terawatt Hour** Units Sold - Electricity
8. **44.07% Debt to Equity** - Consolidated
9. **8.88% Return on Equity** - Consolidated
10. **AED 10,120 Million** Capital Expenditure - Consolidated

## AVAILABILITY AND RELIABILITY OF ELECTRICITY

DEWA is the sole electricity and water service provider in the emirate of Dubai. Hence, DEWA

priorities ensuring the availability, reliability and uninterrupted supply of all services to its customers through its enhanced and developed facilities such as power stations, desalination plants, transmission networks, and distribution networks. In 2022, the total power generation

in DEWA was 52,892,299 Megawatt-hours (MWh). The primary source of fuel for the power generation and water desalination operations is the natural gas. DEWA also ensure investing in renewable energies, specifically Solar Energy.

Source of Energy			2019	2020	2021	2022
DEWA Gas Plant	Natural Gas	Generation (MWh)	45,184,886	42,025,853	43,025,633	44,322,308
		% of total generation	96.75	91.94	85.07	83.80
	Diesel Fuel Oil (DFO)	Generation (MWh)	42,779	20,547	35,495	13,651
		% of total generation	0.09	0.04	0.07	0.03
	Medium Fuel Oil (MFO)	Generation (MWh)	42	0.4	17	45
		% of total generation	0.0001	0.000001	0.00003	0.00008
	Solar Energy	Generation (MWh)	1,476,015	2,855,142	3,460,046	4,645,350
		% of total generation	3.16	6.25	6.89	8.78
Hassyan Power Plant (HPP)	HPP-NG	Generation (MWh)	-	116,083	137,847	3,754,142
		% of total generation	-	0.25	0.27	7.10
	HPP-Clean Coal	Generation (MWh)	-	693,987	3,543,384	156,803
		% of total generation	-	1.52	7.06	0.30
	HPP	Generation (MWh)	-	810,070	3,681,232	3,910,945
		% of total generation	-	1.77	7.33	7.39
DEWA Gas Plant + HPP - NG	Generation (MWh)	45,184,886	42,141,936	43,163,480	48,076,450	
	% of total generation	96.75	92.19	85.98	90.89	
Total Generation (MWh)			46,703,722	45,711,612	50,202,424	52,892,299

Gross generation by DEWA gas plant and DEWA Solar & Net electricity sent to DEWA network by Solar IPP and HPP

DEWA's two primary sources of electricity generation are natural gas and solar energy. DFO and MFO are backup fuels used only during an emergency in case of an interruption of gas supply. The DFO & MFO consumption during the year is due to testing and commissioning purposes. As the electricity demand increases every year, the electricity generated from DEWA's primary energy sources increases.

## ACCESS TO ELECTRICITY

DEWA is responsible for the generation, transmission, and distribution of electricity in the emirate of Dubai. Hence, DEWA is responsible for providing the access to electricity for residential, commercial, and industrial customers through a network of power plants, substations, and distribution lines. DEWA operates a mix of power generation plants including natural gas, solar energy park, and co-generation plants. DEWA has been investing heavily in renewable energy, specifically solar power, in order to reduce its dependency on fossil fuels and lower its carbon emissions.

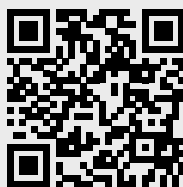
In line with Dubai Plan 2030 and the UAE vision 2071, DEWA's corporate strategy map included the strategic objective **(SO2: Engaged & Happy Stakeholders) and IP03 (Leading Innovative customer experience)**. Through Customer happiness survey, DEWA has tracked customer satisfaction to develop and implement a work mechanism that ensures a pleasant customer experience while also improving their quality of life, positivity, and well-being, as well as meeting and exceeding the community's demands and expectations.

DEWA has several initiatives in place to improve the accessibility and reliability of electricity, which includes the following (Not limited to):

1. Smart Grid Technology: DEWA has implemented smart grid technologies across the transmission and distribution (T&D) of electricity and water,

allowing real-time monitoring and control of the electricity and water grids. Such technology improves the grid's reliability and efficiency by reducing the outages' duration, optimizing resources, and allowing customers to understand their consumption behavior.

2. Connection of solar PV systems at customers' premises: under Shams Dubai initiative customers can generate renewable energy for their own consumption, also benefitting from any surplus fed into the grid, which is deducted from their bills under a net metering scheme. For more information, you may visit

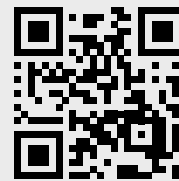


3. Advanced Metering Infrastructure (AMI) for electricity and water: DEWA replaced the traditional mechanical meters with smart meters for all electricity and water customers, allowing DEWA to bill customers based on the information received and allowing customers to get daily consumption details to compare themselves with their neighbors.

4. EV charging stations: As of December 2022, DEWA installed 350 charging stations with over 630 charging points throughout the emirate of Dubai to support the growth of EV

5. DEWA has also launched the 'Dubai EV Community Hub' website, aiming to increase

EV adoption by centralizing information regarding EV developments within the emirate of Dubai. For more information, you may visit



6. Customer services: DEWA provides various channels for customers to report power outages, request new service connections, or ask for other services which can all be completed through DEWA's official website or mobile application.

Furthermore, DEWA's accomplishment of receiving the ISO certificates is a result of intensive efforts to achieve the happiness and satisfaction of customers by providing an environment which gives them priority, providing high-quality services and improving DEWA's ability to further develop customer services. The ISO certificates reflect DEWA's ongoing efforts to adhere to the best global criteria for customer service, in accordance with clear guidelines and codes of conduct, customer charter, and customer complaints to increase customer happiness by upgrading the ISO 10000 series of standards successfully and upgrading to 2018 as follows:

1. ISO 10001: 2018 - DEWA Customer Happiness Department services pertaining to the Planning, Development 1 Implementation and Measurements of Customer Happiness Charter.

2. ISO 10002: 2018 - DEWA Customer Happiness Department services pertaining to the Operation and Maintenance of the Unified e-Complain System for Complaint Handling and Resolution Process.
3. ISO 10003: 2018 - DEWA Customer Happiness Department services pertaining to the Internal Grievance Resolution Process of the Unified e-Complain System.
4. ISO 10004: 2018 - DEWA Customer Happiness Department services pertaining to the Planning Development, Operation and Maintenance of

Monitoring & Measurement processes for Customer Happiness.

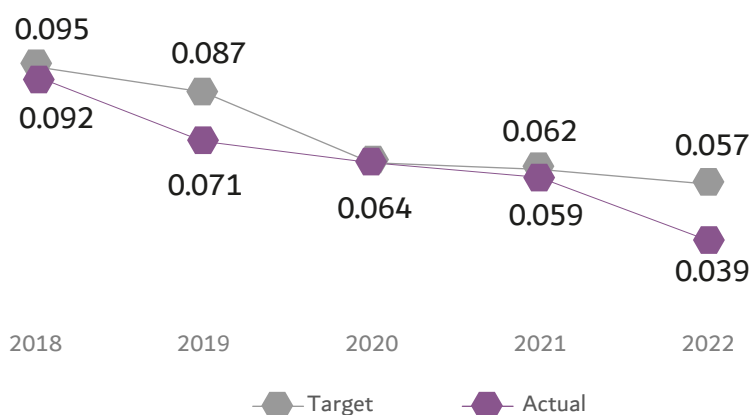
### OPERATIONAL EXCELLENCE:

In order to meet the growing demand on electricity and water within the emirate of Dubai, DEWA continuously focuses on improving its services and operations by providing electricity and water services according to the highest standards of efficiency and reliability. DEWA achieved first place worldwide in the International Digital Customer Experience Standard (IDCXS) with full score 100% from first assessment.

Over the years, DEWA developed a wide range of exclusive services through DEWA's Customer Centres. Those services are endorsed by different technologies and solutions such as Interactive Voice System enhanced by AI and available around the clock to response to customers' needs and requests. Furthermore, DEWA adopted international standards, such as System Average Interruption Frequency Index (SAIFI), Availability Factor (AF) and CML, to validate and certify its performance excellence and ensure obtaining the highest levels of customer satisfactions.

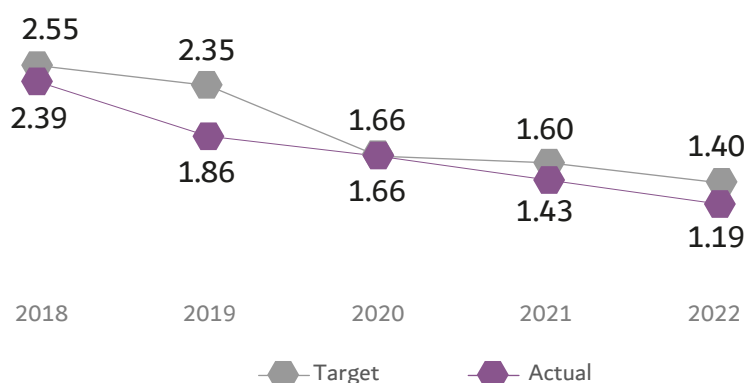
### SYSTEM AVERAGE INTERRUPTION FREQUENCY INDEX (SAIFI):

System average interruption frequency index (SAIFI) Unplanned TARGET AND ACTUAL 2018 - 2022



### THE SAIDI (CUSTOMER MINUTES LOST):

Customer Minutes Lost Unplanned (CML), Target & Actual 2018 - 2022



## AVAILABILITY FACTOR (AF):

### Availability Factor (AF), Target & Actual 2018 - 2022

Year	Availability Factor (Summer) Target	Availability Factor (Summer) Actual	Availability Factor (Annual) Target	Availability Factor (Annual) Actual
2018	98.50%	99.46%	91.50%	91.72%
2019	98.50%	99.18%	92.00%	92.10%
2020	98.50%	99.73%	92.00%	92.28%
2021	98.50%	99.66%	92.00%	92.35%
2022	98.50%	98.39%	90.00%	90.09%

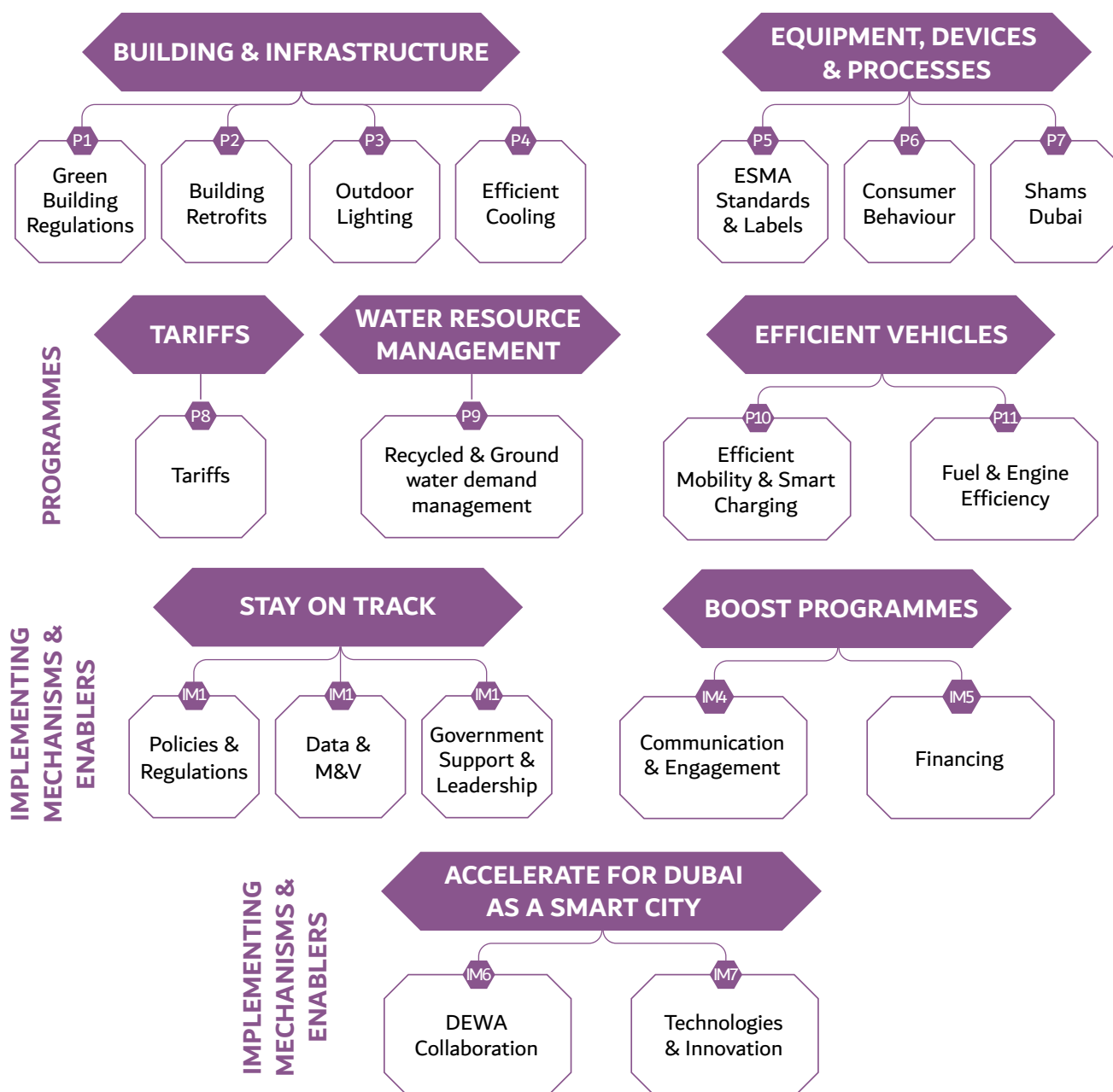
## DEMAND SIDE MANAGEMENT

The DSCE announced, developed and published the DSM Strategy in 2013, which aims to make Dubai a leader in the efficient management of electricity and

water demand with an ambitious target of 30% reduction in energy and water consumption by 2030. The DSM Strategy was updated in 2020 by the DSCE to ensure expediting achieving the strategy's main targets. The DSM strategy consists of 11 main programmes. 9 of the programmes are related to

DEWA's core business and scope of work. The strategy includes seven implementation mechanisms that will allow the Emirate of Dubai to become a smart city and a pioneer in electricity and water efficiency management. The below chart demonstrates the 11 programmes and 7 mechanisms:





- |                              |   |
|------------------------------|---|
| 1 Green building regulations | 7 Shams Dubai                               |
| 2 Building retrofits         | 8 Tariffs                                   |
| 3 Outdoor lighting           | 9 Recycled & ground water demand management |
| 4 Efficient cooling          | 10 Efficient mobility & smart charging      |
| 5 ESMA Standards & Labels    | 11 Fuel & engine efficiency                 |
| 6 Consumer behaviour         |   |

The DSCE has eight different entity members who are responsible for implementing and managing the DSM programmes. Three main programmes are owned and managed by DEWA, which are the following:

1. Consumer Behaviour programme
2. Shams Dubai programme
3. Tariff Rate

In 2022, those programmes achieved savings as shown in the table below:

Programme	2020		2021		2022*	
	Electricity	Water	Electricity	Water	Electricity	Water
Consumer behavior	40 GWh	241 MIG	43 GWh	202 MIG	85 GWh	315 MIG
Shams Dubai	311 GWh	-	459 GWh	-	668 GWh**	-
Tariff rates	1,076 GWh	2,051 MIG	1,177 GWh	2,084 MIG	1,190 GWh	2,153 MIG

\*Preliminary Data \*\*Connected capacity of Shams Dubai 493.4 MW

DEWA is one of the top utility companies globally in terms of efficiency and reliability. In 2022, its electricity generation capacity increased to 14,517 MW and desalinated water production capacity maintained at 490 MIG per day, where the electricity T&D network losses were improved to 2.2% and the water network losses improved to 4.5% compared to 2021. The increase in energy demand reflects the strong performance

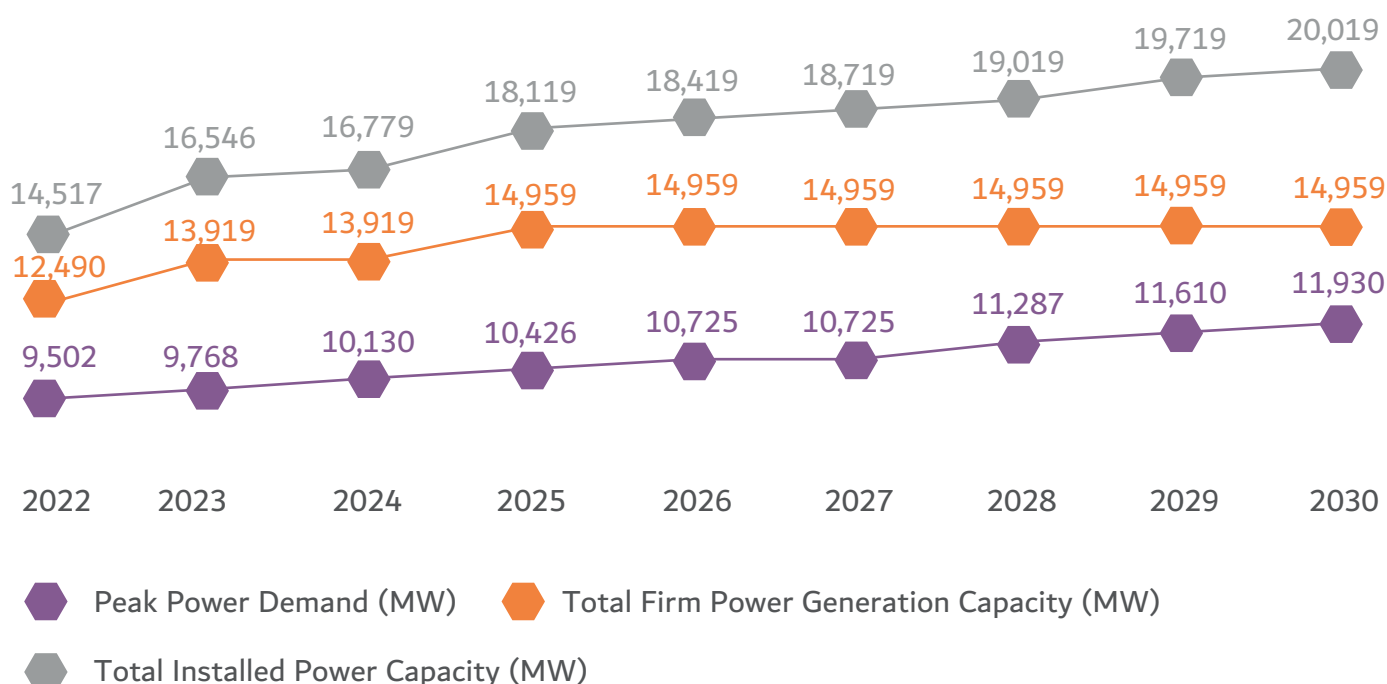
of all economic sectors in Dubai, in addition to the continuous growth in population and the expansion the Emirate of Dubai is witnessing in all key activities. The energy demand in Dubai increased in 2022 by around 5.5% compared to 2021.

### MEETING FUTURE DEMAND

DEWA developed and forecast the power demand for electricity

and water for the short, medium and long-term demand, along with capacity plans up to 2030 using recognised international practices and state of the art tools considering demographic and econometric growth. In addition, to ensure meeting future demand, DEWA captures and measures the effect of future uncertainties through scenario planning. Besides, DEWA updates the demand forecasts every year.

### Peak Power Demand and Planned Capacity Additions (2022 - 2030):



## RESEARCH & DEVELOPMENT (R&D) CENTRE

The DEWA R&D Centre, at the Mohammed bin Rashid Al Maktoum Solar Park, aims to become a global platform that develops and tests innovative solutions to enhance the operations and services of DEWA. The Centre's research areas include solar power, water, smart grid integration, and energy efficiency. These core areas of the R&D are supported by 3 Enablers: Fourth Industrial Revolution including AI, IoT, Robotics & Drones, 3D Printing & Advanced Materials), Energy System Analyses, and Space. Through Space-D, the Centre develops several niche use-cases for grid and water networks.

The R&D Centre infrastructure includes:

- Solar indoor testing and accelerated ageing lab,
- Outdoor test facility for continuous monitoring of solar photovoltaic module performance in actual conditions, a building-integrated photovoltaics testing facility, and a cleaning test field for robotic solutions.
- Labs to support Robotics and Drone, Advanced Materials and Characterisation, and IoT
- Several types of 3D printers (metal, plastic PLA, ABS, Nylon, composites, clay etc.),
- High-Performance Computing Cluster,

- Energy Storage Testing and Validation Field,
- Green Hydrogen Pilot,
- Photovoltaic-driven Reverse Osmosis (RO) and Trans-Membrane Distillation system,
- Satellite ground station for DEWA's space initiative (Space-D) and more.

### RESEARCH AREAS ACTIVITIES

#### Solar Research Area

The Solar Research Area studies ways to improve solar photovoltaic technologies to mitigate the effects of soiling and extreme desert conditions on the performance of solar photovoltaic panels. It leverages the results and knowledge collected from testing PV module long-term performance to inform the production of desert-ready PV modules and for developing appropriate standards. The Solar Resource Assessment and Forecasting programme develops methods to accurately forecast solar irradiance and power output in order to improve the overall integration of solar in the DEWA grid.

#### WATER RESEARCH AREA

The Water Research Area assesses and develops sustainable solutions for the desalination and purification of water with a primary focus on RO enabling the use of solar power, detecting and reducing water transmission losses, and resource use by minimizing brine effluent.

### SMART GRID INTEGRATION RESEARCH AREA

The Smart Grid Integration Research Area evaluates and develops systems to facilitate and optimise the integration of renewables in the grid, maintaining power quality standards, and further improving overall performance and reliability of grid operations. This includes the use of electricity storage systems (chemical, thermal, and mechanical technologies), and the aggregation of distributed energy and storage resources, such as Virtual Power Plants and EV chargers.

### ENERGY EFFICIENCY RESEARCH AREA

The Energy Efficiency Research Area fosters smart and sustainable development, reduces energy waste by improving the efficiency of energy systems (with a focus on cooling), and overall accelerate the clean energy transition. Its research work identifies, develops, and validates innovative solutions that enable smart and efficient energy use in the built environment, guide demand response measures, provide detailed building energy forecasting models, and improve the efficiency of energy conversion processes.

### SPACE RESEARCH AREA

The Space Research Area aims to support DEWA with high-efficiency, low-cost remote sensing & operations using satellites and ground station capabilities. Its developed solutions are designed specifically to address utility needs including substation feeder monitoring, asset integrity, and

enriching weather forecasting services. DEWA launched its first IoT nanosatellite, DEWASAT-1, in 2022 and plans to launch the remote sensing DEWASAT-2 in 2023. DEWA was the world's first utility to launch nanosatellites to enhance the maintenance and planning of electricity and water networks.

## FOURTH INDUSTRIAL REVOLUTION (4IR)

4IR enables the effective development of solutions that support the core research areas mentioned earlier. Its robotics and drones solutions are used to provide inspection and maintenance services using unmanned/autonomous operations across the whole utility value chain (e.g. photovoltaic plants, transmission line inspection and maintenance). The AI team develops, tests, and integrates AI technologies for the optimisation of grid operations, short-term solar forecasting etc. IoT enables remote monitoring diagnostics, and power and asset management using smart sensors and analytics with AI and cloud capabilities. The advanced materials team provide expertise in the form of forensic analysis of materials to detect failures and the development of advanced energy storage systems (batteries and supercapacitors). Finally, the 3D printing team is developing 3D printing capabilities for addressing DEWA's spare parts and rapid prototyping needs. The facility currently operates 16 3D Printing systems that can utilise more than 20 materials which can cover a wide range of applications and use cases within DEWA.

## ENERGY SYSTEM ANALYSIS RESEARCH

Energy System Analysis Research develops and applies advanced capabilities for joint technical and economic assessment of energy-related technologies, systems, and policies. The area develops energy models, lifecycle assessment models, and business strategy assessments to support DEWA's future readiness. This area models and assesses new energy system configurations and technologies at the macro level with a focus on cost-optimal integration of renewable energy systems and strategies for the deployment of new energy technologies.

### R&D TRANSACTION 2022



## SYSTEM EFFICIENCY

### POWER TRANSMISSION & DISTRIBUTION

In line with increasing the electricity generation to meet Dubai's electricity demand, DEWA expands the investment in the electrical T&D substations in order to secure delivering electricity to the consumers at the highest levels of reliability.

## POWER TRANSMISSION:

In 2022, DEWA commissioned 17 nos. new Transmission Substations, which included fifteen 132 kV (kilovolt) Substations and two 400 kV Substations with a total investment cost of AED 11 billion (Between 2021 to 2024). So far, the cost of energised projects during 2021-2022 is about AED 6.1 billion, whereas for ongoing projects under execution, it is about AED 4.9 billion.

In 2022, the net increase in length for 400kV Transmission lines (including Overhead & Underground) was 2 kilometres, whereas for 132 kV Transmission lines (including Overhead & Underground), it was 215 kilometres.

The table below demonstrates details about the transmission substations and lines:

#### Transmission Substations

Type	2018	2019	2020	2021	2022
132 kV	258	285	307	319	334
400 kV	21	22	23	25	27

#### Length of Transmission Lines, 2022

Type		2018	2019	2020	2021	2022
Overhead lines (KM)*	132	402	402	402	369	367
	400	1,125	1,164	1,168	1,386	1,388
Underground lines (KM)	132	2,016	2,146	2,249	2,335	2,552
	400	24	24	24	25	25

\*kilometres

#### Power Distribution:

By 2022 DEWA had 73 (33 kV) distribution substations and 42,771 (11-6.6kV) substations in services across the Emirate of Dubai. In 2022 the length of distribution lines for the 33kV overhead line and underground cables are 99.75 kilometres & 2,000.44 kilometres respectively, and the length of distribution lines for the 11-6.6 kV overhead line and underground cable are 613.28 kilometres and 35,441 kilometres respectively.

The table below demonstrates details about the distribution substations and lines:

#### Distribution Substations

Type	2018	2019	2020	2021	2022
33 kV	101	93	85	81	73
11-6.6 kV	35,500	38,240	40,588	41,814	42,771

#### Length of Distribution Lines, 2022

Type		2018	2019	2020	2021	2022
Overhead lines (KM)	33kV	112	111.88	104.33	100.1	99.75
	11- 6.6 kV	628	616.02	608.26	606.4	613.28
Underground lines (KM)	33kV	2,076	2,142	2,119.49	2,108	2,000.44
	11-6.6 kV	32,482	33,940	34,475	35,001	35,541

DEWA continuously focuses on improving and maintaining the best operational efficiency of its T&D network. Therefore, in 2014, DEWA developed its first Smart Grid strategy up to 2035, which is a key component of a smart city. One of the most important factors for the success of smart cities is the seamlessness and availability of round-the-clock integrated and connected services that meet daily living requirements, which is only possible via a Smart Grid. A Smart Grid ensures two-way communication between the utility and its consumer and allows for monitoring along the power and water grids. A Smart Grid consists of controls, computers, automation, and equipment working together. DEWA's Smart Grid will provide advanced features and includes automated decision-making and interoperability across

the entire electricity and water network.

For more details about DEWA's Smart Grid, you may visit the link below:

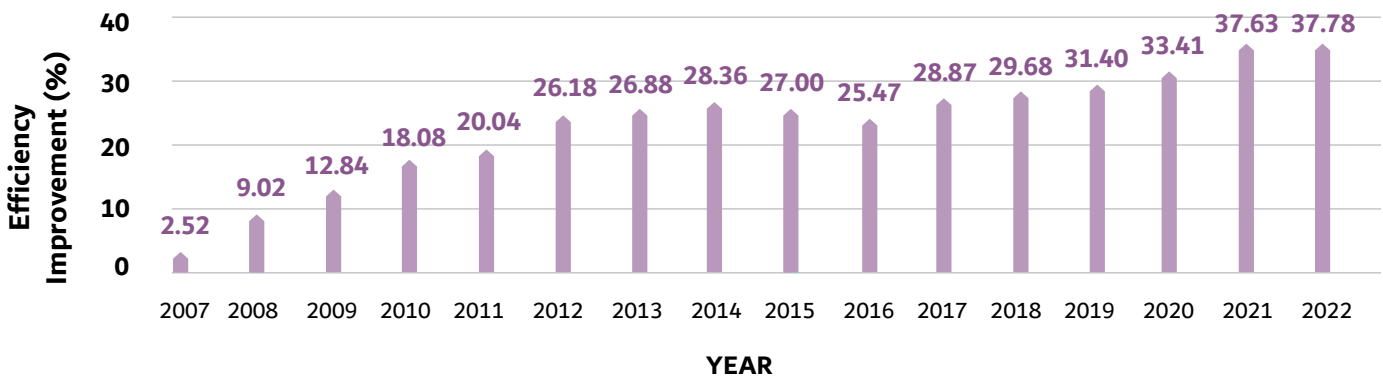


### SUPPLY SIDE

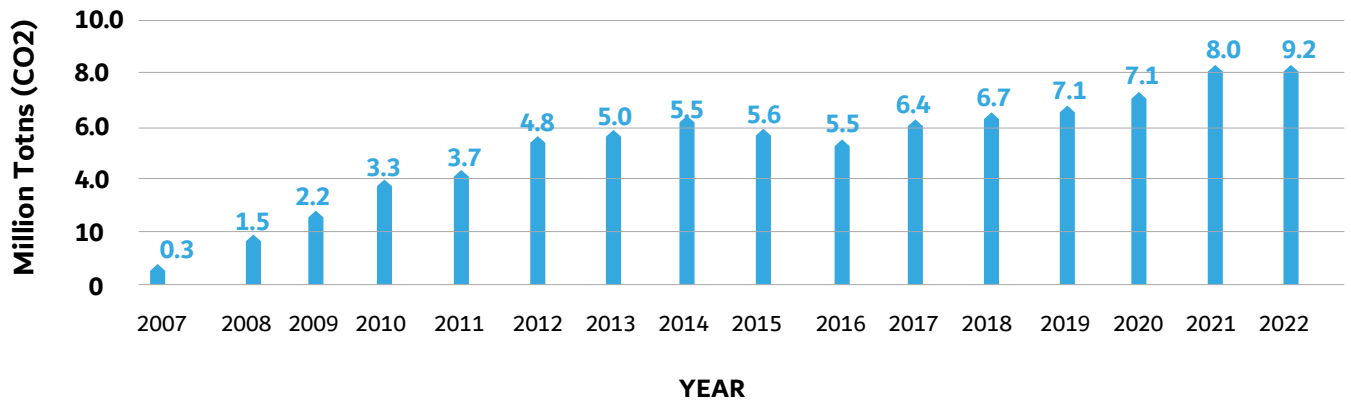
To increase production efficiency, DEWA produces electricity and water using cogeneration technology. Heat Recovery Steam Generators uses waste

heat from gas turbines and pass the steam through steam turbines to produce additional electricity and provide energy to the Multi-Stage Flashing (MSF) water desalination. DEWA adopts an ideal design for the water desalination plants using a hybrid system, in which water is produced using several technologies, such as desalination through MSF and Reverse Osmosis. This ensures the highest efficiency during the life cycle of the plant, at the lowest cost. In addition, DEWA implements innovative gas turbine upgrades as DEWA continues to follow up with original equipment manufacturers regarding new cost-effective upgrades and technologies throughout the turbine life cycle, increasing capacity and enhancing efficiency and reliability.

Efficiency Gains from improvement in Gross Heat Rate 2007-2022 compared to 2006



Carbon reduction (Million Tons CO2) due to efficiency improvements compared to 2006





DEWA consistently invests in efficiency improvements. From 2006 to 2022, DEWA achieved a 37.78% of improvement in cumulative efficiency, which is equivalent to 82.0 million tons of CO2 emission reduction. These savings are due to improved generation efficiency with respect to 2006 mainly by decoupling of Power Generation & Water Production (Addition of Solar & Sea Water RO Plants), DEWA Initiatives and Optimum Design and Reengineering. The availability of cogeneration, reduced number of trips & optimised operation to meet the required power & water demand with minimum fuel consumption while maintaining system security and reliability enabled these savings.

## TOWARDS A CIRCULAR ECONOMY

DEWA already has a strong commitment to sustainability which is reflected in the overall purpose, vision and mission of the company. Building on the momentum of its sustainable business and operations, the organisation continues to move along this pathway by developing a clear circular economy strategy, with the objective to shift away from the traditional linear business approach to a circular economy.

DEWA has set a clear ambition to become a circular leader in the region by focusing on optimal resource use, creating social, economic and environmental value. Through this strategy, DEWA continues to successfully perform its core activities in line with the best global practices.

DEWA's circular economy model holds a particular mandate to contribute towards many of the strategies and objectives set on a global, federal and local level, which include the UNSDGs 2030, UAE Net Zero 2050, UAE Vision 2021, UAE Circular Economy Policy, and the Dubai Clean Energy Strategy 2050.

DEWA's Circular Economy Model is based on five key circular principles that serve as a basis for

circularity within DEWA:

1. Circular Design and Use of Circular Material
2. Optimise Asset Management
3. Value Retention and End-of-Life Treatment
4. Circular Partnership
5. Renewable Energy, Energy and Water Efficiency

**DEWA's Circular Economy Model provides insight into its**

**focus, while moving its business to become more circular:**



It aims to develop business and fully collaborate with stakeholders in the value chain by focusing on smart users, circular procurement and supplier engagement.

### Smart Users

DEWA aims to actively support its clients in optimising the energy consumption, lowering resource use by focus on real -life data and offering smart use solutions.

### Circular Procurement

DEWA sets circular procurement criteria for its assets and equipment, to aim for circular procurement throughout the value chain.

### Supplier Engagement

In order to ensure full value chain collaboration, DEWA engages with its suppliers on the use of circular material, the re -use of assets, and creating collaborations to jointly contribute to the transition towards a circular economy.

## INNOVATION

### FOSTERING INNOVATION

In line with the National Innovation Strategy launched by His Highness Sheikh Mohammed bin Rashid Al Maktoum, to make the UAE one of the most innovative nations in the world, and the Dubai Innovation strategy to make Dubai the most innovative city in the world, DEWA maintained its position as one of the biggest supporters of innovation in the UAE and Dubai,

It was awarded the ISO 56002: 2019 in Innovation Management, becoming the first organisation in the world to receive this certificate. DEWA also received ISO 30401: 2018 certification in Knowledge Management Systems; becoming the first utility in the world to receive this certification.

DEWA promotes a culture of innovation among its employees; it adopts innovation in its work through an institutional approach and is moving steadily toward the future by building a sustainable future.

DEWA also implements knowledge management activities and programmes in line with the directives of the Dubai Government and DEWA's vision, strategy, and global best practices based on accessibility, availability, accuracy, appropriateness, and sharing of knowledge.

It is committed to supporting and developing a culture of creating, learning, sharing, and exchange of knowledge among its employees, departments, and divisions, to support creativity, innovation, and excellence. DEWA has an integrated knowledge management system that includes a Knowledge Management policy, strategy, structure, and quality procedures to promote the growth of employee awareness, abilities, and practices through the following:

- Activities such as Knowledge Days, Knowledge Management training, Share an Hour, Annual ShareK Recognition award, Communities of Practice,

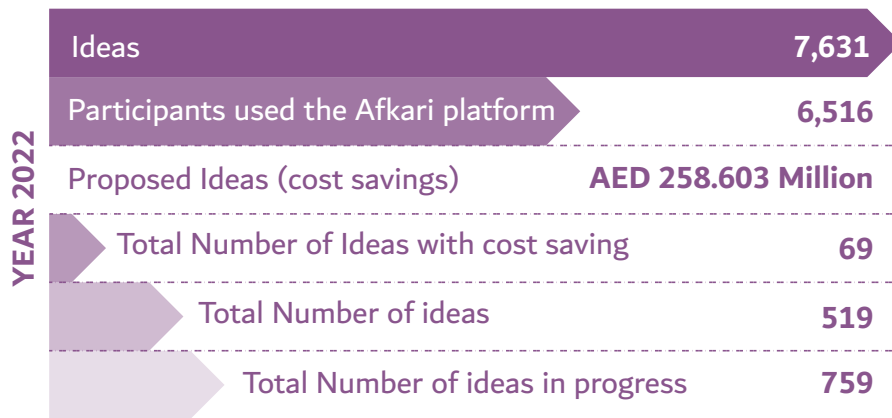
Ma'rifa Collaboration Platform, Expert Knowledge, Sessions, LinkedIn Learning, and the iAsk Reference & Research Service to promote the transfer of knowledge between individuals and groups.

- Access for all DEWA stakeholders to physical collections and creative spaces through the 7 DEWA Knowledge Centres, 6 Knowledge Chairs and 3, Reading Trees.
- DEWA Smart Library, Smart Office Application and DEWA Online Catalogue for all.

### AFKARI

In 2022, DEWA received over 7,631 ideas through the Afkari internal platform. This brings the platform's total number of ideas received since 2015 to 54,839 ideas. DEWA organised 11 campaigns, 88 workshops, and 74 brainstorming sessions in 2022 to encourage employees to participate in its initiatives and projects, listen to their ideas, and study their suggestions.

## AFKARI



DEWA has also established an innovation fund to support employees in implementing and developing creative ideas. Its Future Trends Platform, enables employees to access the most recent innovations from around the world. It demonstrates examples of innovation practices in various industries, as well as in products, services, technologies, and trending topics such as: digitalisation, cyber security, digital economy, smart society, and sustainability.

In addition, Catalogue is now available for all employees. This database and communication platform enables employees to log, search, and share signals, which are anything that is already happening today that could signal the future.

### DIGITALISATION

Digitalisation has been at the centre of DEWA strategy for multiple years. It is considered a key enabler to improve its services, achieving sustainability objectives, introducing new lines of business, and the Digital Transformation Strategy has been determined to provide the following key benefits:

- Improved customer experience and enhanced customer value
- Cost optimization through improved asset utilisation, capacity planning
- Efficiency improvement through process optimisation & optimal resource utilisation
- Revenue enhancement through new business models and products

DEWA worked with partners to introduce the Digital Transformation House, which consists of six key pillars to drive digital transformation implementation smoothly across the organisation. The six pillars are Enablers; Governance & Operating Model; Technology Engine; Digital Applications/Use Cases; Strategic Objectives; Digital Ambition. The Digital Transformation House is aligned with DEWA's Strategy Map and the vision to be "A Globally Leading Sustainable Innovative Corporation Committed to Achieving Net Zero by 2050".

As a result of this strategy DEWA was able to achieve significant benefits. A total of 15 initiatives

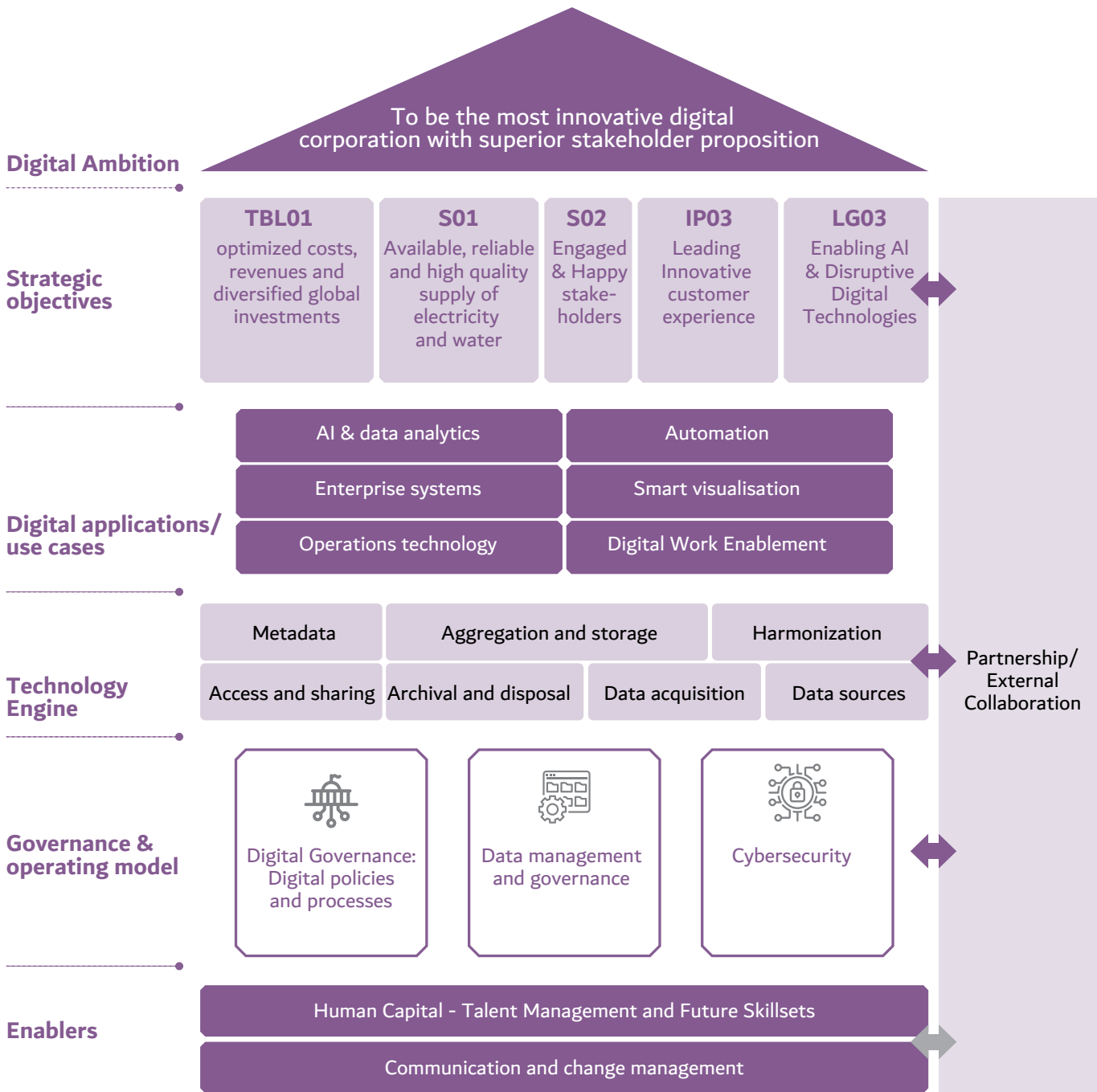
have been completed out of the 65 identified initiatives.

### DEWAVERSE:

DEWA launched its 'DEWAVerse' platform on the Metaverse and became one of the first local government organisation to launch its platform on the Metaverse to provide its services to customers, employees, and members of society. DEWA invests in Metaverse technology to implement and develop its current and future projects, which contributes towards stakeholder happiness, the development of business, enhancing efficiency and production, and reducing costs. This is in line with the directives of His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, to leverage digital technologies and AI to improve performance and improve people's lives, and His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of The Executive Council of Dubai, who launched the Dubai Metaverse Strategy that aims to turn Dubai into one of the world's top 10 Metaverse economies as well as a global hub for the Metaverse community.

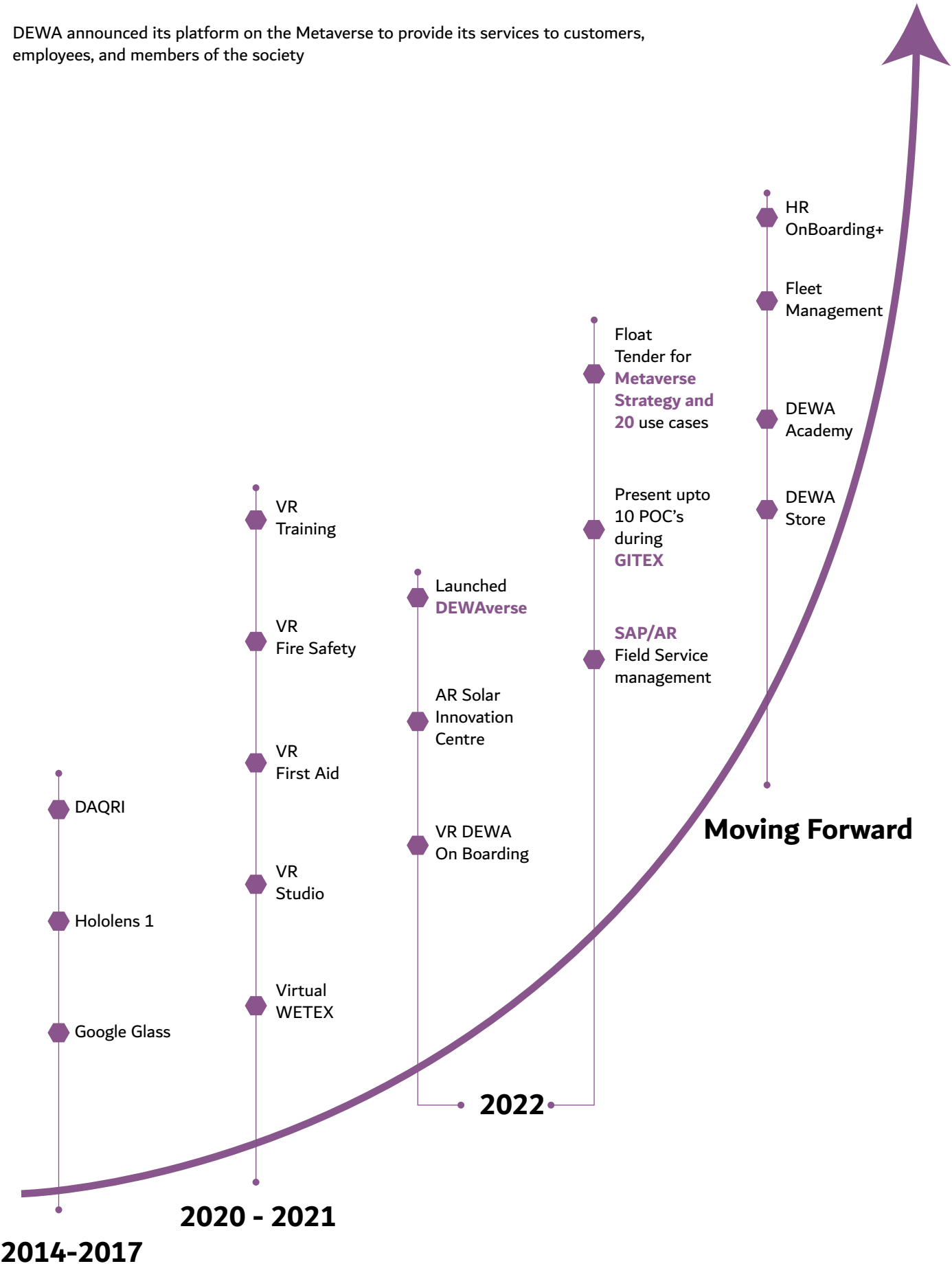
DEWA DIGITAL TRANSFORMATION STRATEGY

The project aims develop a corporate wide digital transformation strategy that shall define DEWA digital aspiration, key areas of action and the roadmap to achieve effective and value adding digital transformation across all divisions to support our stakeholders happiness



# METaverse - DEWaverse

DEWA announced its platform on the Metaverse to provide its services to customers, employees, and members of the society



## RAMMAS:

Rammas is the first robot launched by a governmental organisation to serve customers and answer their enquiries in both Arabic & English. Rammas was developed and launched to support DEWA's customer centre by simulating a

live agent to assist different types of customers while continuing to learn and understand their needs based on their enquiries, offer transactional and informational services, and provide two ways of seamless interaction either by menu selection or direct questions.

One of the main purposes of Rammas is to increase customer happiness and satisfaction records.

The following table demonstrate the environmental impact of Rammas:

Year	Total Payment transaction	Total cost saving (AED)	Total trees saved	CO <sub>2</sub> emissions reduction (Tons)
2019	2,688	37,380,766	13,734	2,747
2020	5,882	9,165,602	17,455	3,491
2021	6,875	18,153,428	7,054	1,402.52
2022	7,284	15,281,151	11,897	2,365

## DEWA'S SMART DOCUMENT SYSTEM:

DEWA Smart Document system consists of a mobile application where all employees can easily access the application at any time and from any location to perform their day-to-day work-related services.

### Smart Document Savings 2022

Number of procedures (completed)	5,354,184 documents archived (completed the workflow process).
Number of services (provided)	66 process automations (excluding the sub-processes or systems integrations).
Saving (AED)	AED 104,430,271 (estimated).
Dubai Paperless Strategy	100% achieved (this is a Smart Government initiative & not related to Smart Document specifically).

### Smart Design for Electricity Distribution Networks

In 2022, DEWA created new software for the 'Smart Design of Electricity Distribution Networks' and obtained the IP from the UAE Ministry of Economy. The innovation is based on merging

databases and electric network designs (11kV) through developed solutions to enable the Network Design Engineers to design a more effective and smoother network. All information is collected through advanced software from several data sources such as peak load, SAP system and other databases.

It includes several features such as automated calculations, and archiving them electronically.

### Digital Integrations

DEWA also completed the digital integration of more than 70 projects with more than

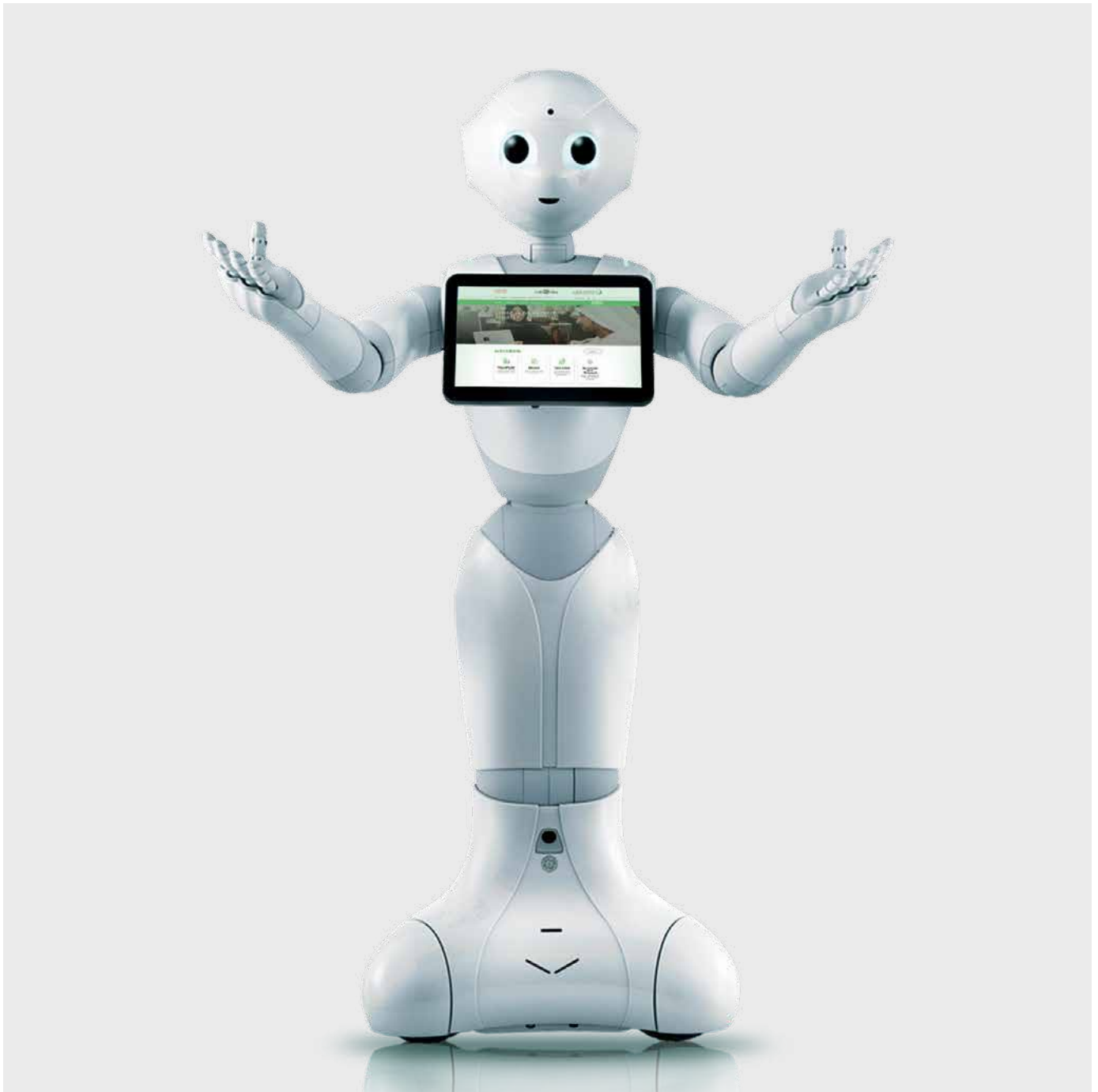


30 government and private organisations. This is part of its continuous efforts to enrich the customer experience in Dubai and enhance the happiness of its stakeholders. These organisations include Digital Dubai Authority, Dubai Municipality, Roads and Transport Authority Dubai, Dubai Land Department, Dubai Health Authority, the Department of Economic Development, more than 20 banks, Etisalat, du, ENOC, EPPCO, Noqodi wallet, Western

Union, and Empay. Through this step, DEWA makes it easier to get a wide range of services, including bill payment, information updates, activation of electricity/ water (Move-in), housing fees adjustment, refunds, updating trade license and others.

Through the digital integrations and digital channels more than 10 million smart transactions have been completed in 2022, which contributed to reducing

more than 41,000 tonnes of CO<sub>2</sub>. This is equal to planting more than 46,000 trees over an area equivalent to 88 football pitches until December 2022. DEWA provides all its services through its website and smart app for customers to complete their transactions anytime and anywhere, easily and safely. This is in addition to protecting the environment and preserving natural resources.



# ENVIRONMENTAL PERSPECTIVE

## ENVIRONMENTAL COMPLIANCE

DEWA has excellent environmental management system and programmes that strictly adhere to the local, federal, and international regulations. Its working culture prioritises sustainability and environmental management, which has led to ongoing environmental and sustainability improvement programmes.

Moreover, DEWA has a strong commitment to protect and preserve natural resources and the environment; starting from the top management, through the direct instructions of His Excellency the MD and CEO. This guides the organisation's mission, vision and values, while considering the needs and expectations of its stakeholders and business objectives. Furthermore, DEWA undoubtedly initiated a long-term strategy and has demonstrated its ongoing commitment to having state of the art environmental and sustainability programmes.

DEWA continuously engages in implementing a range of ISO standards with internal, external, and third-party audits to ensure continual improvement in its operations and business areas. DEWA's current IMS policy clearly outlines its intentions and principles, providing strong evidence of strategic leadership. The organisation allocates adequate resources to deliver environmental and sustainability programmes at all levels, aligning them with its mission statement, objectives, environmental values, and strategic plan.

## ENERGY:

### INSTALLED CAPACITY

With the population growth in the Emirate of Dubai and increasing demand for energy, DEWA continued to provide electricity and water services to the highest standards. DEWA is transforming Dubai into a clean energy global hub by targeting 100% of the city's total power capacity to be obtained from clean energy sources by 2050. Since 1992, DEWA has developed and expanded to reach an installed capacity of 14,517 MW (including 2027 MW from renewable energy source, especially from Solar Energy) and 490 MIGD for electricity generation and water production respectively. The share of clean energy in Dubai is about 14% of the total installed capacity.

## DEWA Installed Capacity

Site (Dubai)	Station	Installed Power Capacity (MW) at 50 C & 30% R.H
Jebel Ali	D	1,026.99
	E	615.50
	G	818
	K	948
	L	2,400.60
Aweer	M	2,885.20
	H	1,995.86
Seih Al Dahal	Mohammed bin Rashid Al Maktoum Solar Park*	2,027
Hassyan	Hassyan Power Plant**	1,800
<b>Total (MW)</b>		<b>14,517</b>

\* Solar PV Plant Capacity Maximum MWac.

\*\* Net Generation capacity for Hassyan Power Plant

### MOHAMMED BIN RASHID AL MAKTOUM SOLAR PARK:

The Mohammed bin Rashid Al Maktoum Solar Park in Dubai is the largest single-site solar park in the world. The project is aligned with the Dubai Clean Energy Strategy 2050 and Dubai Net Zero Emission Strategy 2050. The solar park will be fully operational by 2030 with a total planned capacity of 5,000 MW. The project's completion will reduce 6.5 million tons of CO2 emissions annually.

In 2022, DEWA used the latest solar photovoltaic bifacial technologies with Single Axis Tracking to increase energy production in phase 5. As a result, the production capacity of the first project of the fifth phase has increased from 300MW to 330MW. The 900MW fifth phase, with investments of AED 2.06 billion, is 60% completed with a 4.225 million safe working hours without injuries.

	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Phase 6
Status	Completed	Completed	Completed	In progress	In progress	Announced
Date of completion	2013	2017	2020	2024	2023	2026
Energy Generated (Installed Capacity)	13 MW	200 MW	800 MW	950 MW	900 MW	1,800MW
Technologies	Photovoltaic	Photovoltaic	Photovoltaic	Photovoltaic & CSP	Photovoltaic	Photovoltaic
# Solar Cells used	153,000	2.3 Million	3 Million	791,560	2.7 Million	5.4 Million (Estimated)
Emission Reduction	15,000 tons	214,000 tons	1.055 Million tons	1.6 Million tons	1.18 Million tons	2.36 Million tons (Estimated)
Investment	AED 82.7 Million	AED 1.2 Billion	AED3.47 Billion	AED 15.78 Billion	AED 2.06 Billion (Estimated)	AED 5.57 Billion (Estimated)
Land Used	0.3 sq.km	4.5sq.km	18 sq.km	44 sq.km	10.17 sq.km	20 sq.km
Partners & Shares	DEWA (100%)	DEWA (51%) ACWA Power (49%)	DEWA (60%) Masdar (24%) EDF Energies Nouvelles (16%)	DEWA (51%) ACWA Power (25%) Silk Road Fund (24%)	DEWA (60%) ACWA Power (40%)	DEWA (60%) Project Company (40%)
End Users (Residents)	Pilot Project	50,000	240,000	320,000	270,000	540,000 (Estimated)

## HYDROELECTRIC POWER PLANT IN HATTA

DEWA's hydroelectric power station in Hatta is the first of its kind in the region with investments of up to AED 1.421 billion. The hydroelectric power station expected to generate 250MW by making use of the water stored in Hatta Dam. The station will have a storage capacity of 1,500 MWh and a life span of 80 years.

The hydroelectric power station will use water in the Hatta Dam and an upper reservoir that is being built in the mountain. During off-peak hours, advanced turbines will use clean energy to pump water from the dam to the upper reservoir. Turbines operated by the speed of the waterfall from the upper reservoir will be used to generate electricity through a 1.2 kilometre subterranean water canal, with high efficiency in power generation and storage of up to 78.9% and with a 90-second response to demand for electricity. The project is around 60% completed and planned to be operational by the end of 2024.

Furthermore, DEWA is implementing two main other projects in Hatta:

1. **The Dubai Mountain Peak:** The Dubai Mountain Peak project includes the construction of a 5.4-kilometre cable car to transport tourists to the summit of Um Al-Nesoor. At 1,300 meters above sea level, it is the highest natural summit in Dubai. The project is expected to be a major tourist attraction in the UAE. The cable car route

passes over the Hatta Dam Lake and the Upper Dam Lake for the hydroelectric power station, as well as through mountains, ending at the summit of Um Al Nesoor Mountain.

2. **The Hatta Sustainable Waterfalls:** The Hatta Sustainable Waterfalls project will use the slope of the upper dam to create a natural waterfall. A waterway will be built along the parking area below the dam. The water used in the waterfall will be collected at the end of the stream, recycled, and pumped back to the top of the dam. Fish bred in the stream will provide an additional attraction for tourists and families.

Through these projects, DEWA aim to develop Hatta and provide innovative job opportunities for the citizens of the area, as well as promote society happiness. For instance, the Hatta Sustainable Waterfalls project aims to create a sustainable natural environment, in addition to developing the area and turning it into recreational spaces and a tourist attraction in the UAE. The idea began with creating a natural water stream aligning with Hatta's nature. Investment opportunities abound with four oases that will have coffee shops, restaurants, and children's playgrounds, in addition to shops for selling natural honey, local products and souvenirs. The shops will be given as grants from His Highness Sheikh Mohammed bin Rashid Al Maktoum to the citizens of Hatta to create additional job opportunities and meet the needs of social, economic and environmental development.

## DEWA OFFSETTING PROGRAMME

DEWA initiated the implementation of its offsetting programme by registering several emission-reduction projects under the Clean Development Mechanism (CDM) and the International Renewable Energy Certificates (I-RECs).

### THE CLEAN DEVELOPMENT MECHANISM (CDM):

In 2012, DEWA initiated the implementation of its Offsetting Programme by registering several emission-reduction projects under the CDM, of the UNFCCC. DEWA has issued 10,635 Certified Emission Reduction (CER) from its 13 MW Mohammed Bin Rashid Al Maktoum Solar Park's photovoltaic plant and 95,197 CERs from Thermal Energy Storage Turbine Inlet Air Cooling project. There was no issuance of CERs in 2022.



### THE INTERNATIONAL RENEWABLE ENERGY CERTIFICATE (I-RECS):

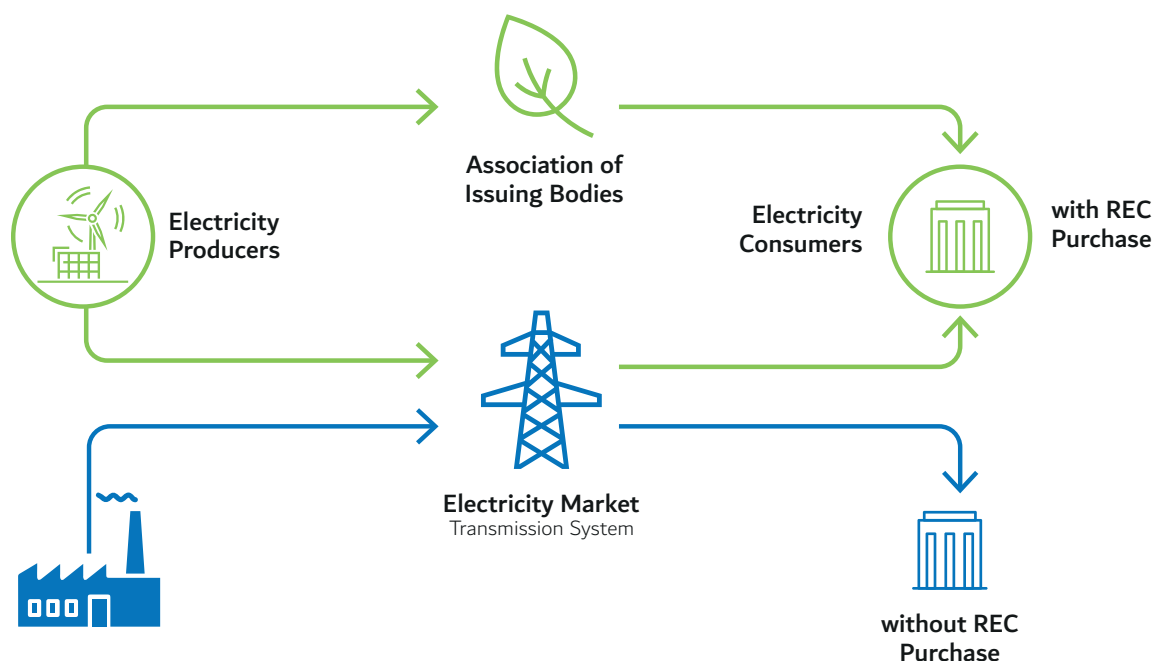
DEWA was the first entity in the MENA region in 2017 to join the renewable energy market via the I-RECs Registry Platform to issue the I-RECs from the Mohammed bin Rashid Solar Park 13 MW PV Plant, 200 MW and 800 MW PV Plants.

The I-REC Standard is a voluntary system for international trade in renewable energy certificates that was created to provide electric utilities with a financial incentive to increase the amount of renewable or clean energy in their supply mix relative to fossil fuels, and offset the environmental impact of the purchaser's non-renewable energy use by subsidising clean energy from renewable sources.

I-RECs are particularly useful to companies with global operations and a target to source 100% renewable energy for strategy or compliance purposes.

Participation in the I-REC system is aligned with DEWA's strategic objective to diversify its investment portfolio by issuing renewable energy certificates to stimulate the international development of renewable energy.

## Renewable Energy Certification





## SUSTAINABLE AND ENERGY-EFFICIENT BUILDINGS

### ENERGY MANAGEMENT OF DEWA PREMISES AND ASSETS

DEWA is committed to creating a sustainable built environment that is energy, water, and material resource efficient by applying national and international standards for green buildings at all its assets. DEWA's

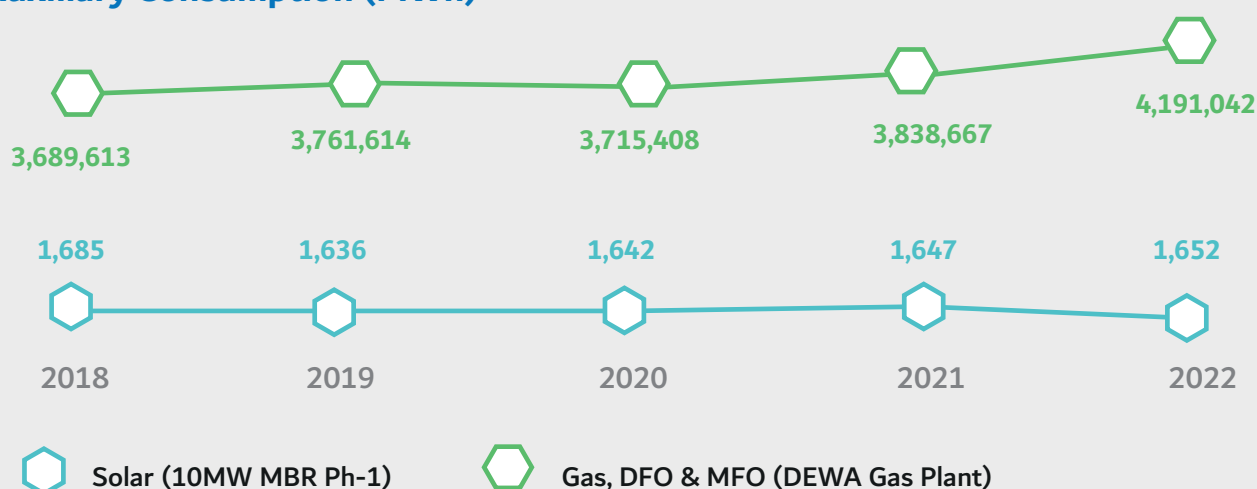
sustainable efficient buildings are in line with the UAE's efforts to create a green and sustainable economy, the Nationally Determined Contributions for the UAE against Climate Change, and the Dubai Digital Authority initiative.

DEWA applies an Energy Management System on its buildings which have been recently expanded to cover generations, plants its Substations, administration buildings, and fleet.

The Energy Management system allows DEWA to keep track of its energy performance and identify energy conservation opportunities which would also reflect a cost benefit for the organisation.

The below table demonstrates the total auxiliary energy consumption from power generation and water production facilities located at Jabel Ali, Al Aweer, and MBR Solar Park Phase 1.

### Auxiliary Consumption (MWh)



Note: DFO: Diesel Fuel Oil, MFO: Medium Fuel Oil

DEWA has been continuously achieving progress in improving the energy production efficiency, Auxiliary Power Consumption Reduction, carbon emission reduction, and fuel savings. Since 2006, DEWA has achieved the

following in 2022:

1. 37.78% of efficiency improvement
2. 225,873 MWh of Auxiliary Power Consumption Reduction

3. 9.22 Million tons of Carbon emission reduction
4. Fuel savings of 172,973,272 Metric Million British Thermal Unit (MMBTU) due to efficiency improvement

	Efficiency Improvement compared to 2006 (%)	Auxiliary Power Consumption Reduction (MWh) compared to 2006	Carbon Reduction Million Tons of CO <sub>2</sub> due to efficiency improvement compared to 2006	Fuel saving due to efficiency improvement compared to 2006 - MMBTU
2018	29.68	413,745	6.65	124,713,523
2019	31.40	408,148	7.06	132,295,018
2020	33.41	293,385	7.11	133,309,503
2021	37.63	314,781	8.04	150,786,454
2022	37.78	225,873	9.22	172,973,272

# EMISSIONS

## CO2 EMISSION REDUCTION PROGRAMME:

DEWA aims to reduce its carbon footprint while maintaining a secure, reliable and affordable supply of power and water. DEWA has systematically worked on reducing its CO2 Emission Reduction Programme launched in 2012.

The Emission Reduction Program (ERP) is a long-term carbon emissions abatement strategy that provides an extensive analysis of DEWA's current greenhouse gas emissions, sets targets to reduce CO2 emissions up to 2030 from all operations, and incorporates proposed emission reduction targets within its

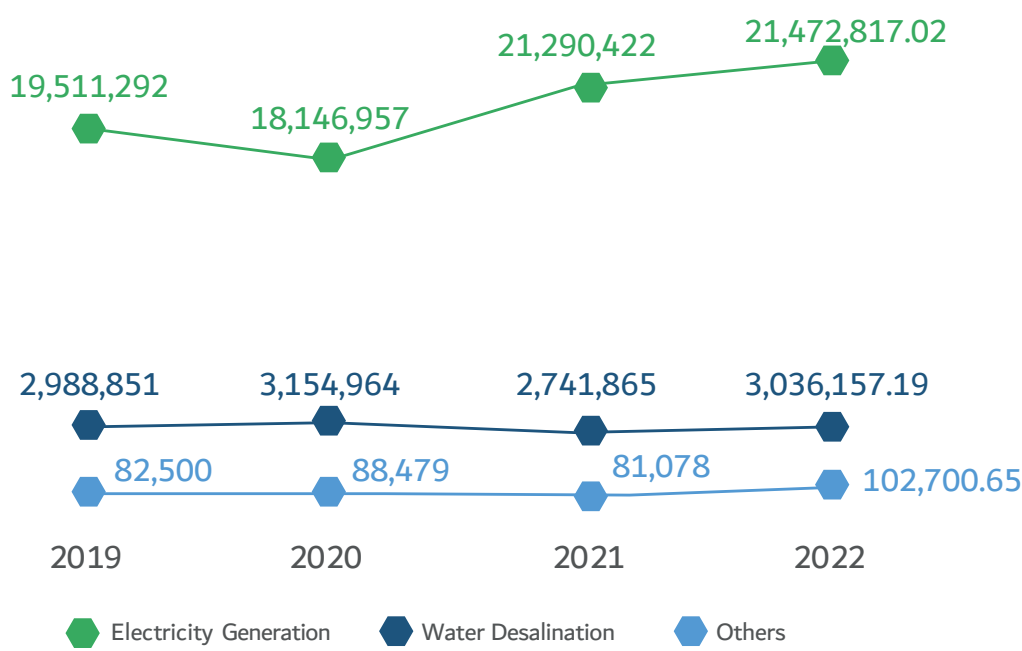
business decisions and overall growth strategies. DEWA's efforts have led to a significant reduction in carbon emissions in Dubai.

DEWA's CO2 ERP has three strategic pillars to ensure its strategic objectives are met: climate change functional strategy, emission reduction targets forecast model, robust monitoring reporting and verification system aligned with the annual performance management system.

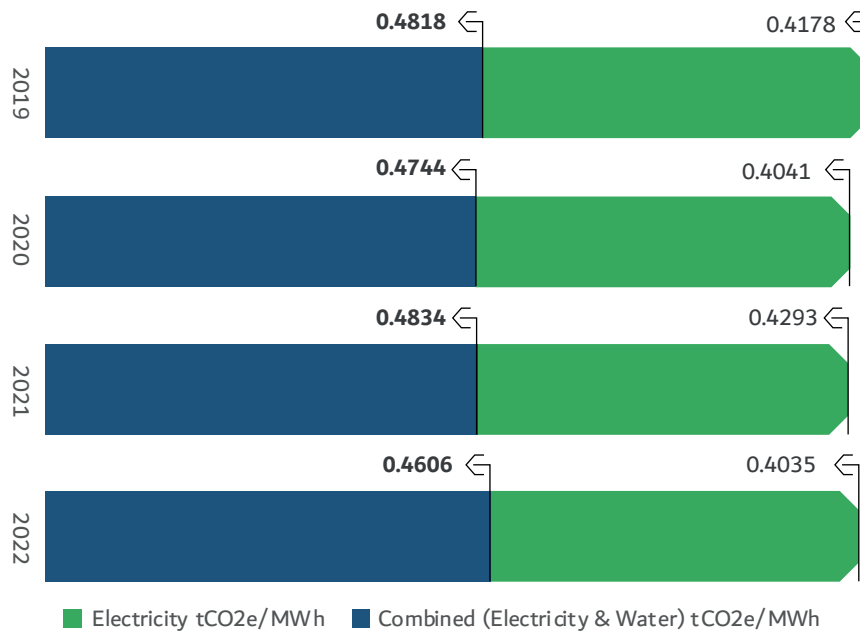
The ERP is a comprehensive programme that considers reductions from both the demand and supply sides. It considers several key factors: Dubai's energy and water growth requirements, Dubai's water and electricity consumption rationalisation initiatives, DEWA supply-side

efficiency improvements, and the diversification of its energy mix. The ERP targets were developed for both emission intensity (tCO2e/MWh) and the absolute emissions (tCO2e) for short-, medium-, and long-term emission-reduction tasks up to 2030, with 2010 used as the baseline. DEWA's actual emission reduction performance is measured annually against the Business As Usual (BAU) scenario. DEWA's CO2 ERP sets a planned reduction target of 35% of its scope 1 greenhouse gas emissions by 2030 against the BAU scenario. This is based on DEWA's 2020 Power and Water Master Plan, which is updated every year.

Emissions by Source from Scope 1 MtCO2e 2019-2022



## Carbon emission intensity, tCO<sub>2</sub>/MWh of electricity generated (2019-2022)



### DEWA'S CARBON FOOTPRINT:

DEWA is one of the first entities in the region to develop a comprehensive Monitoring, Reporting and Verification (MRV) framework for its Greenhouse Gases (GHG) emissions since 2012, establishing that year as the baseline for reporting emissions. The MRV framework enables the reporting of emissions through DEWA's Carbon Footprint Report, which is prepared in accordance with the GHG Protocol and compatible with the ISO 14064-1, which also allows for integration with national and international GHG registries.

DEWA annually reports its Carbon Footprint Report, which quantifies and calculates its annual direct GHG emissions (Scope 1), covering CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, SF<sub>6</sub>, HFCs and PFCs and indirect GHG emissions (Scope 2) from electricity imports. Scope 1 sources include fuel combustion during power generation and water desalination, sulphur hexafluoride (SF<sub>6</sub>) usage

in circuit breakers, fuel combustion in vehicles, and refrigerant usage for air conditioning and maintenance operations, in addition to emissions from small emission sources:

- CO<sub>2</sub> usage in fire protection systems and labs
- Diesel usage during emergencies
- Acetylene usage for maintenance activities
- LPG usage for cable termination works
- Process emissions due to desalination
- Laboratory acetylene usage

DEWA follows an operational control approach in consolidating, monitoring and reporting on its GHG emissions, quantifying them in terms of CO<sub>2</sub> equivalent, and therefore its subsidiaries or affiliates were not considered. DEWA has gone to all reasonable lengths to ensure the relevance, completeness, consistency, accuracy,

and transparency of its Carbon Footprint Report. The quantification methodology employs the formula of GHG activity data multiplied by the GHG emission factor.

In 2022, DEWA's total carbon emissions from Scope 1 were 24,61 MtCO<sub>2</sub>e against BAU 31.15 MtCO<sub>2</sub>e and the carbon intensity based on Grid Emission Factor for Electricity is 0.4035 tCO<sub>2</sub>e/MWh. Since DEWA itself is the producer of the electricity it consumes, Scope 2 emissions from its own consumption are part of Scope 1 emissions to avoid double counting. Indirect emissions from the power purchased are reported under Scope 2 emissions only. In 2022, no power was purchased by DEWA from other electricity grids.

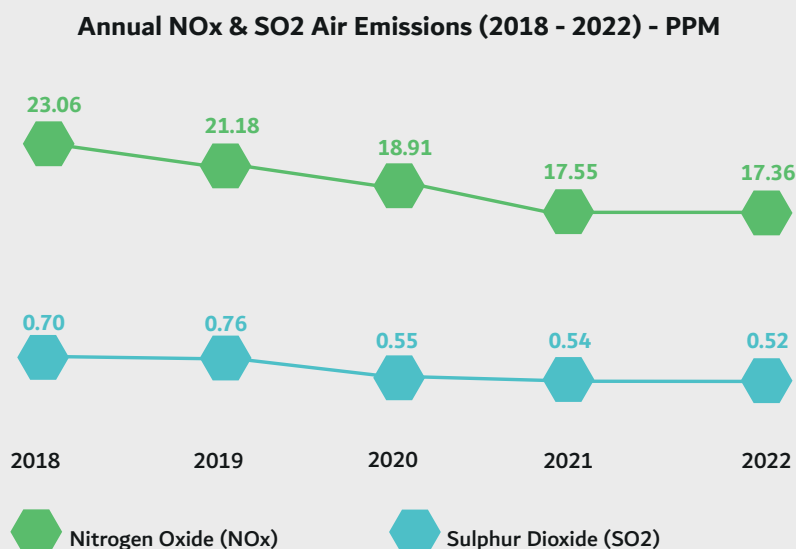
## MINIMISATION OF AIR EMISSIONS

Similar to carbon emission reduction, DEWA focuses on reducing air emissions by minimising and limiting other types

of toxic emissions such as Sulphur Dioxide (SO<sub>2</sub>), Nitrogen oxide (NO<sub>x</sub>), and Sulphur Hexafluoride (SF<sub>6</sub>). Such emissions are considered harmful and have a significant impact on the environment.

The SO<sub>2</sub> emissions have been slightly reduced to be 0.52 Parts Per Million (PPM). Moreover, DEWA reduced its NO<sub>x</sub> emissions from all units including all types of fuel, gas turbines, and boilers in 2022. The

graphs below show the average annual NO<sub>x</sub> and SO<sub>2</sub> emissions:



## WASTE

### WASTE MANAGEMENT

Waste is one of DEWA's focus areas therefore, the organisation has built an effective waste management system. Since each division has its own scope of work and different daily operational practices, DEWA customised the waste management systems for its 13 divisions differently. However, all systems have a unified target which is capturing and reducing the amount of waste generated. DEWA has recently created its own Circular Economy strategy which consists of five principles as mentioned in the Circular economy section. The third principle "Value Retention and End of life Treatment" is consistent with its waste management to include the process of mapping

waste streams resulting from various divisions activities and developing practices to minimise waste.

DEWA implements efficient management procedures for its non-hazardous material and waste management programme to preserve valuable landfill space and natural resources and to promote waste minimisation by adapting 5Rs (Refuse, Reduce, Reuse/Repair, Repurpose/Recover & Recycle) practice for managing its non-hazardous material and waste.

As for wastewater discharge, DEWA obtains a wastewater discharge permit bi-annually and follows Dubai Municipality regulations to ensure that both the quality and quantity of the wastewater discharged from Jebel Ali Power and Desalination Complex are within the permitted discharge quality and quantity limit.

DEWA collaborates with Dubai Municipality, the environmental regulatory body in Dubai, to manage the waste generated from its daily operations. In 2022, DEWA transported 5,297.68 tons of general waste to Dubai Municipality disposal areas. DEWA collaborates with third party companies that are certified by Dubai Municipality for hazardous waste management according to a comprehensive hazardous waste management system to ensure proper handling. This includes collecting, storing, transporting and disposal of hazardous waste in accordance with the best local, federal, and international procedures and standards. DEWA earned a total of AED 104 Million from selling scrap waste materials and waste oil and AED 29,716.25 from the recycled paper waste in 2022.

The table below demonstrates the hazardous and non-hazardous waste generated and methods of disposal from (2017-2022):

Waste Figure	Unit	Year				
		2018	2019	2020	2021	2022
<b>General waste</b>	Tons	2,628.63	5,335.45	4,823.64	4,378.53	5,297.68
<b>Hazardous waste</b>	Tons	49.25	68.89	181.69	420.56	418.337
<b>Wooden packing reused</b>	Cubic Foot	16,409	7,049	6,462	11,905	9,278
<b>Wastewater recovered</b>	MIG	226.59	193.24	200.93	238.63	285.13
<b>Waste oil recovered for use</b>	Liters	60,566.6	23,636	18,184.4	5,455.31	15,911.0
<b>Recycled wastepaper</b>	Tons	38.4	277.78	269.59	127.18	118.87
<b>Spill Pallet made of IBC drum</b>	No.	100	223	117	95	150
<b>Revenue from scrap/waste materials sold - Consolidated</b>	AED	1,126,817.32	5,548,069.48	57,294,667	59,770,306	104,000,000

### DEWA'S SMART RECYCLE BIN:

In line with its efforts to promote circularity within the organisation, DEWA has launched an initiative called the "Smart Recycle Bin". Currently, there are two such bins at: its Head Office & Al Warsan. The objective is to encourage & engage with employees to recycle plastic bottles and aluminum cans by a reward system that gives points each item they recycle. The employee will be able to scan through the machine using the smart office application to get reward points and enter into monthly raffle draw. During 2022, more than 68,829 bottles/

aluminum cans were collected. The plastic bottles/ aluminum cans at a later stage are picked up by a third party company that provides sustainable manufacturing solution, where they will convert the plastic bottles into T-shirts and recycle the aluminum cans in through the standard recycling mechanism. Such initiatives have encouraged employees to collect their bottles from office and home to be recycled. The project concept also follows DEWA's ongoing approach to increase awareness among employees about sustainability trends and alignment with Sustainable Development Goals.



## CLIMATE CHANGE

DEWA recognises that utilities play a crucial role in a decarbonising societies. It considers the impact of its operations on the climate and how tackling climate change may present key benefits for its business by improving brand reputation, cost reduction, resilience against harmful impacts, alignment with regulations and increasing investors' confidence. DEWA established itself as a regional leader in climate change mitigation and adaptation efforts over the past years.

Below is a snapshot of DEWA's climate change mitigation and adaptation efforts:

### DEWA's Mitigation Efforts and Initiatives

- DEWA's CO2 Emission Reduction Program aligned with Dubai Carbon Abatement Strategy 2030
- Comprehensive Monitoring, Reporting and Verification (MRV) framework for DEWA's carbon emissions in compliance with ISO 14064
- Main stakeholder for the UAE Climate Change Taskforce and international climate change negotiations.
- Driving the transition towards a low carbon economy by deploying initiatives critical to decarbonization.
- Key stakeholder in implementing the Demand Side Management Strategy 2030
- Supply side energy efficiency improvements and optimisation projects
- DEWA's Offsetting Programme

### DEWA's Adaptation Efforts and Initiatives

- Comprehensive climate change resilience plan
- Setting adequate reserve margin for power generation and water production
- Diversification of generation & desalination sites
- Planning considerations and operational feats for reliability, security and stability
- Asset management planning and framework
- Managing quality of source water
- Reducing unaccounted water losses



DEWA'S CLIMATE CHANGE  
RESILIENCE PLAN

Climate change has emerged as one of the leading priorities worldwide and one of the main issues facing the international community. Globally, it is causing extreme heat, rainfall, floods, droughts, tropical storms, and hurricanes. Regionally, the power and water sectors in the UAE are also vulnerable to the adverse effects of climate change. Climate

change is a cross-cutting risk that can have a physical impact on DEWA's operations, and economic, regulatory, and reputational impact on its business.

This is why climate change action is one of DEWA's top priorities, and in efforts to evaluate, understand and respond to the potential climate change impacts on our assets and operations, DEWA has developed a comprehensive Climate Change

Resilience Plan. DEWA is one of the first entities in the region to develop such a Resilience Plan that identifies existing mitigation measures, preventive controls and future resilience actions that address the potential impacts of various climate change drivers.

DEWA's Climate Change Resilience Plan is driven by a vision, guiding principles, approach, and goals to ensure power and water sector resilience.

Vision	A climate-resilient utility ensuring sustainable, innovative and resilient operations and assets to withstand the impacts of climate change
Guiding principles	Robustness Resourcefulness Rapid Recovery Adaptability
Approach	Risk Assessment   Prevention and Management   Adaptive Practices   Stakeholder Engagement
Goals	1. Integrate climate change considerations into business practices 2. Align with local and national climate change resilience plans 3. Maintain an evidence-based resilience plan 4. Ensure safe and sustainable operations 5. Build and maintain resilient infrastructure 6. Maintain a business model aligned with national and international strategies and policies 7. Improve DEWA's Adaptive Capacity

DEWA's Climate Change Resilience Plan was developed based on a detailed risk assessment and in line with best practices. The Climate Change Resilience Plan is integrated into DEWA's Enterprise Risk Management (ERM) system and is also a part of its strategic planning. The annual management of the Climate Change Resilience Plan is developed following DEWA's ERM framework:



## IDENTIFYING CLIMATE-RELATED RISKS

To cope with an uncertain future where climate change may have wide-ranging effects on the environment, and on socio-economic conditions, DEWA has analysed and assessed climate change trends and projections using climate models to provide an overview of observed climatic trends and projections at the global and local levels; which are essential in shaping an effective climate change resilience plan for DEWA. The output of these projections helped indicate the climate change conditions that could impose potential physical and transitional risks on DEWA's business and operations.

There are several ways of classifying climate change risks; either based on the cause of the risk or its impact. DEWA have assessed two main drivers when identifying Climate-Related Risks: Policy drivers and Climate drivers.

For the policy driver risks, the global, national and regional

climate change policies and strategies relevant to DEWA were assessed to identify potential risks for each policy driver that DEWA may face in the coming years and decades. As for the climate drivers, it has considered the climate variables identified based on available regional climate change trends and projections aligned with Dubai Climate Change Adaptation Strategy. This is due to variations in geography and climate conditions across the different Emirates in the UAE. Furthermore, variations in the risks associated with the specific power facilities result from factors such as location, age, design, and the adaptive capacity of facilities.

In 2020, DEWA identified and introduced a "Climate Change Risk" index, based on the climatic and policy drivers in its ERM system, and overseen by the Group Risk & Resilience Committee. After analysis and classification of potential impacts, various interdependencies, outlining risk heat maps, and identifying key risk indicators, the risk of climate

change reflects the potential impacts of both policy and climatic drivers on DEWA's strategy and operations.

The risk of climate change could have financial and non-financial consequences for DEWA. These include revenue loss, service disruption, health and safety, environment, and reputation. Climate change is expected to bring warmer ambient temperatures, rising sea levels, more frequent and severe extreme weather events, and warmer seawater temperatures. Furthermore, there will be less fresh water, an increase in sea acidity and a change in precipitation levels. These may have several impacts on DEWA's business and operations.

In 2022, DEWA continued to be adaptive to the potential impacts of the identified climate change drivers due to all the key preventive controls and mitigation measures it has set. The organisation continuously monitors climate change drivers to be able to mitigate potential climate

change impacts on its physical assets and business operations. Through the established climate change resilience governance and framework, the climate change resilience team analyses climate change drivers and trends, classifies and rank the identified risks, studies vulnerabilities and opportunities from projected climate change scenarios.

## WATER & EFFLUENT

### SUSTAINABILITY OF WATER PRODUCTION

As Dubai grows, the demand for water is increasing, DEWA is committed to delivering water service to its customers. In 2022, desalinated water production remains at 490 MIGD. In line with DEWA's decoupling strategy of power generation and water desalination, all future expansions in water production will be based on SWRO technology using renewable energy.

By the end of 2022, the number of water customer accounts was 995,478 compared to 960,032 accounts by the end of 2021. The table below demonstrates the Installed Capacity and total water produced between 2018 to 2022 MIG:

Year	Installed Capacity (MIGD)	Total Water Production (MIG)
2018	470	120,880
2019	470	123,090
2020	470	121,006
2021	490	126,147
2022	490	136,254

In 2022, DEWA produced 136,254 MIG of desalinated water, representing a 8.01% increase from last year and the installed capacity was 490 MIGD. The peak daily desalinated water demand of 413.427 MIG was recorded on 14-September 2022, an increase of 4.31% growth compared to 2021. The average daily desalinated water demand in 2022 was 375.278 MIGD compared to

352.346 MIGD in 2021, which is an increase of 6.51%. The peak monthly average desalinated water demand of 407.710 MIGD occurred in September 2022, an increase of 7.30% compared to 2021.

In 2022, the installed capacity from underground wells, which is maintained exclusively for emergency purposes, was approximately 35.56 MIGD (total production of 582.203 MIG). The daily production from wells was approximately 1.61 MIGD from groundwater. This is to maintain the wells in an operational state for use in an emergency. The groundwater production is monitored through meters installed on each well.

The total amount of water withdrawn through DEWA water wells is 582.203 MIG (approximately 2,201 mega litres). This is considered 'Other Water' since the average Total Dissolved Solids (TDS) for well water is more than 1000 mg/L (i.e. 1286 mg/L precisely).

Water Data	Unit	2018	2019	2020	2021	2022
Installed Capacity (Underground wells)	MIGD	32	32	32	35	35.56

Furthermore, the potable water produced, transmitted and distributed by DEWA is in compliance with the requirements of the latest WHO potable water guidelines.

Sl. No.	Particulars Of Analysis		WHO Guideline Value(Max)	DEWA-JAPS	
				Specification	Typical Figure
1	pH value	at 25°C	6.5 ~ 8.5	7.90 - 8.50	8.37
2	Conductivity	at 25°C	µS/cm	200 - 900	407.8
3	TDS		mg/L	100 - 450	224.3
4	Chlorine Dioxide	as ClO <sub>2</sub>	mg/L	0.40 - 0.50	0.47
5	Turbidity		NTU	< 5.0	0.9

6	M-Alkalinity	as CaCO <sub>3</sub>	mg/L	-	25 - 65	50.3
7	Carbonate	as CaCO <sub>3</sub>	mg/L	-	0 - 10	0.4
8	Bicarbonate	as HCO <sub>3</sub>	mg/L	-	30 - 80	60.9
9	Total Hardness	as CaCO <sub>3</sub>	mg/L	500	40 - 120	58.9
10	Calcium Hardness	as CaCO <sub>3</sub>	mg/L	-	25 - 65	40.9
11	Calcium	as Ca	mg/L	-	10 - 26	16.4
12	Magnesium	as Mg	mg/L	-	2 - 20	4.4
13	Chloride	as Cl	mg/L	250	25 - 250	85.5
14	Sulphate	as SO <sub>4</sub>	mg/L	250	2 - 35	9.4
	Free Carbon					
15	dioxide	as CO <sub>2</sub>	mg/L	-	≤ 1.5	0.4
16	Fluoride	as F	mg/L	1.5	≤ 1.5	<0.05
17	Chromium	as Cr	mg/L	0.05	< 0.05	0.0035
18	Iron	as Fe	mg/L	-	≤ 0.3	0.0186
19	Copper	as Cu	mg/L	2	≤ 1.0	0.0732
20	Nickel	as Ni	mg/L	0.07	≤ 0.07	0.0093
21	Cadmium	as Cd	mg/L	0.003	≤ 0.003	<0.0020
22	Mercury	as Hg	mg/L	0.006	≤ 0.006	<0.0020
23	Sodium	as Na	mg/L	200	10 - 200	51.3
24	Lead	as Pb	mg/L	0.01	≤ 0.01	<0.0020
25	Boron	as B	mg/L	2.4	≤ 2.4	0.3260
26	Cyanide	as CN	mg/L	-	≤ 0.07	<0.005
27	Selenium	as Se	mg/L	0.04	≤ 0.04	<0.0020
28	Arsenic	as As	mg/L	0.01	≤ 0.01	<0.0020
29	Manganese	as Mn	mg/L	-	≤ 0.4	0.0030
30	Molybdenum	as Mo	mg/L	-	≤ 0.07	<0.0020
31	Antimony	as Sb	mg/L	0.02	≤ 0.02	<0.0020
32	Barium	as Ba	mg/L	1.3	≤ 0.7	<0.0020
33	Uranium	as U	mg/L	0.03	≤ 0.03	<0.0020
34	Nitrate	as NO <sub>3</sub>	mg/L	50	≤ 50	<0.05
35	Nitrite	as NO <sub>2</sub>	mg/L	3	≤ 3	<0.01
36	Bromate	as BrO <sub>3</sub>	mg/L	0.01	≤ 0.01	<0.0002
37	Chlorite	as ClO <sub>2</sub>	mg/L	0.7	≤ 0.7	0.2858
38	Chlorate	as ClO <sub>3</sub>	mg/L	0.7	≤ 0.7	0.1758
	TTHMs					
	(Concentration ratio)					
39				1	≤ 1.0	0.0952
a)	Chloroform	as CHCl <sub>3</sub>	mg/L	0.3	≤ 0.3	<0.001
b)	Bromoform	as CHBr <sub>3</sub>	mg/L	0.1	≤ 0.1	0.009
	Dibromochloro					
c)	methane	as CHBr <sub>2</sub> Cl	mg/L	0.1	≤ 0.1	0.001
	Bromodichloro					
d)	methane	as CHBrCl <sub>2</sub>	mg/L	0.06	≤ 0.06	<0.001

40	Dissolved hydrocarbons		mg/L	-	< 0.01 (*)	<0.01
41	Total Coliform Bacteria	Present/Absent	-	Absent	Absent	
42	E. Coli Bacteria	Present/Absent	-	Absent	Absent	
43	Saturation pH			-	7.89 ~ 8.49	8.29
44	Saturation Index				Positive	Positive

Remarks:

- (\*) The taste and smell threshold value varies widely according to product and it is 0.0005 ppm (mg/L) for hydrocarbons and distillate should be dumped if it is having smell or taste of oil.
- DEWA JAPS typical figure is the average of individual station averages during the year 2022
- WHO guideline values is based on W.H.O drinking water guidelines values 4th edition with Addendum 1 of 2017.

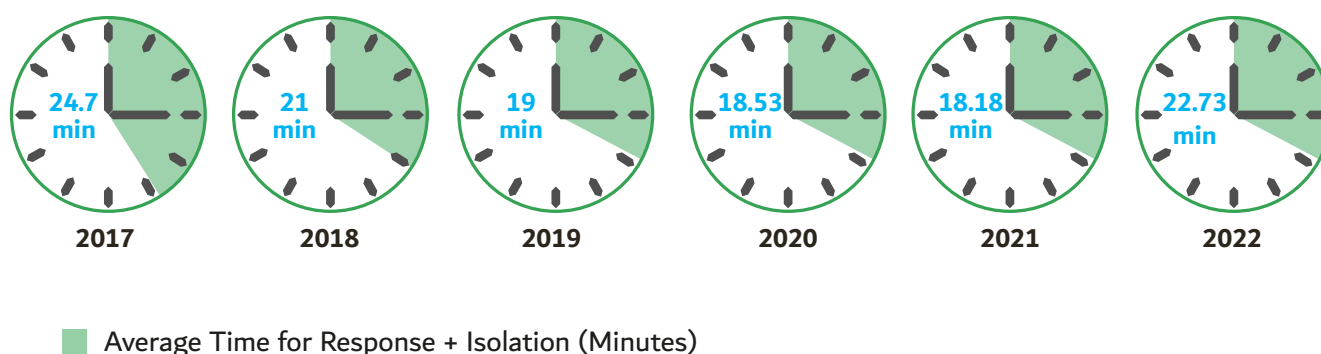
DEWA has also started operating the Smart Meters Analysis and Diagnosis Centre, where smart meters are read and monitored remotely every 15 minutes. As of 31 December 2022, DEWA installed 996,917 smart meters, out of which 985,144 are monitored and read remotely every 15 minutes. This allowed DEWA to improve the availability of meter readings to 99.22% with

978,430 water meters remotely billed in SAP. The AMI improves meter reading & billing accuracy, customer happiness, and reduces Unaccounted for Water.

The state-of-the-art infrastructure for smart meters helped detect 1,329,944 water leakages; 26,657 defects; and 13,172 increase load cases in the past five years. This saved customers a total of AED

540.3 million. The High-Water Usage Alert service, which is part of the Smart Living initiative, helps customers detect leakage in water connections after the meter. The system sends instant notifications to the customer if there is an unusual increase in consumption to check the internal connections and repair any leaks. This reduces waste as well as incurred costs for customers.

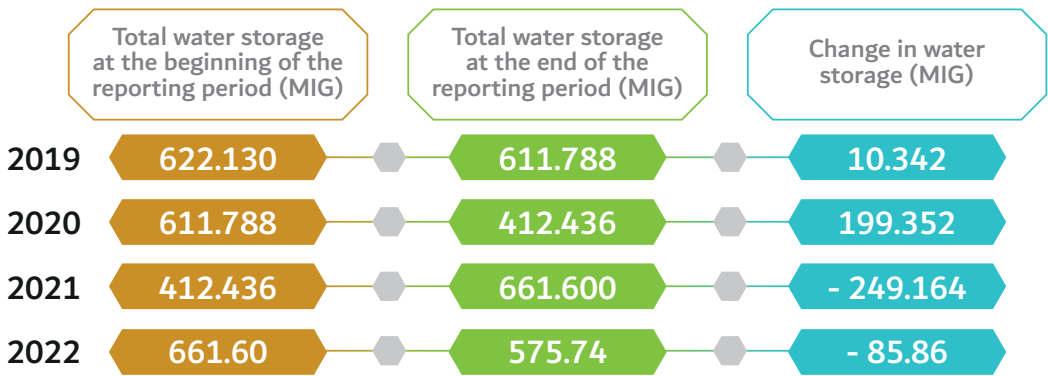
### Average Time for Response + Isolation (Transmission Breakages)



DEWA has successfully completed the first stage of the ASR project for desalinated water. The full scale of the ASR project can store up to 6,000 MIG of water once completed by 2025 as a strategic reserve. This makes it the largest ASR of its kind in the GCC and world to store potable water and retrieve it in case of an emergency. This will secure the Emirate with an additional source of potable water strategic reserve of 50 MIGD for 90 days in emergencies, while ensuring the quality of the stored water.

DEWA plans to increase the storage capacity of Dubai through new projects to reach 7,212 MIG in 2025 as compared to the present storage capacity of 822MIG.

**The table blow demonstrates the water consumption within the Emirate of Dubai:**



### SMART BALL LEAK DETECTION

In 2022, DEWA adopted the smart ball leak detection to detect invisible water leakages in water transmission pipelines that are hard to detect or reach. This is part of DEWA's ongoing efforts to reduce water losses. The smart ball system consists of a small diameter sphere that is inserted into the water network where it travels freely, driven by the water flow. Sounds generated by a leak, gas pocket or anomalies have unique characteristics. The system captures the sounds of

these from inside the pipeline with the software then able to detect the location of the leak. The technology has saved 68.45 million gallons and AED 2.74 million since its implementation in April 2021.

### WASTE WATER DISCHARGE:

DEWA embeds environmental solutions into its business by developing specified procedures for its daily operations that are in line with the environmental regulatory body Dubai Municipality. To manage the wastewater generated from DEWA's Jebel Ali Power and

Desalination Stations Complex, DEWA follows its wastewater management procedure to ensure that the water discharge quality is up to standards and safe for the surrounding ecosystem. Furthermore, as part of the procedure, DEWA conducts ecological assessments on a bimonthly basis to assess the phytoplankton, zooplankton, and macro benthos concentrations four times a year. The assessments are carried out at distances of 0.5 km and 2.0 km away from D, K, and L stations discharge points by specialist environmental service providers.



## TOTAL VOLUME (M3) DISCHARGE

Type of effluent	2018	2019	2020	2021	2022
Process water from Power plant	1,776,251,568	1,719,495,006	1,645,458,818	1,654,577,150	1,698,174,459
Process water from Desal plant	3,595,084,434	3,594,972,940	3,573,859,485	3,540,695,341	3,777,922,079
Water treatment plant effluent	74,318	68,658	68,406	74,831	61,298
Treated sewage water (to land)	38,636.3	0.00	0.00	0.00	0.00
Treated sewage water (to sea)	54,740.2	11,968.1	15,849	15,814	40,673.00
Treated sewage water	93,376.5	11,968.1	15,849	15,814	40,673.00

### The Average of Temperature and Salinity Difference between the Seawater at Mixing Zone and Ambient Seawater 2022:

Particulars sample	Salinity difference between the seawater at mixing zone and ambient seawater (g/kg)				
	2018	2019	2020	2021	2022
D-I station	0.7	0.7	0.6	0.5	0.6
D-II station	1	0.9	0.6	0.5	0.7
E station	0.5	0.5	0.6	0.5	0.6
G station	1	0.5	0.9	0.7	0.8
K station	0.6	0.5	0.7	0.4	0.7
K-SWRO	-	-	-	-	0.5
L station	0.8	0.5	0.4	0.8	0.8
M station	0.4	0.6	0.7	0.9	0.9
Average	0.7	0.6	0.7	0.6	0.7

### Temperature difference between the seawater at mixing zone and ambient seawater (°C)

Particulars sample	2018	2019	2020	2021	2022
D-I station	1.8	1.5	1.1	0.8	1.8
D-II station	2.4	2.1	1.2	1.0	1.8
E station	1.4	1.2	1.7	1.0	1.3
G station	2.4	1.0	1.5	1.4	1.5
K station	1.3	1.0	1.1	1.1	1.3
K-SWRO	-	-	-	-	1.1
L station	1.9	1.4	1.3	1.4	1.3
M station	1.6	1.6	1.3	1.5	1.7
Average	1.8	1.4	1.3	1.2	1.5

### The Average of Temperature and Salinity Difference between Seawater at the Mixing Zone and Ambient Seawater 2022:



## NET ZERO CARBON EMISSIONS

DEWA has set an ambitious goal of achieving net-zero carbon emission by 2050, which means to eliminate or offset CO<sub>2</sub> emissions. DEWA has identified and initiated

several steps to achieve this goal. One important step is to increase the use of renewable energy and to promote energy efficiency and conservation through various projects and initiatives. Through its Research and Development Centre, DEWA is researching and testing the use of carbon capture, utilisation and storage technologies which will

capture and store CO<sub>2</sub> emissions from power plants, thus reducing the overall emissions. DEWA also follows the UAE agenda, rules and regulations related to carbon emissions.

# SOCIAL PERSPECTIVE

## EMPLOYMENT

DEWA is focused on attracting, developing, and retaining the best talent in order to provide reliable and efficient electricity and water services to the people of Dubai. As such, DEWA has a talent management strategy in place, which also focuses on identifying the skills and competencies needed for different roles, as well as providing training and development opportunities to help employees grow and advance in their careers. Furthermore, DEWA emphasises employee engagement and participation in decision making processes by encouraging open communication and feedback, and regularly has surveys to gather employees insight, feedback and suggestions. DEWA has developed the “Afkari” platform for employees to suggest solutions that will enhance and develop its performance in all areas.

DEWA also focuses on performance management, where employees are evaluated based on their performance and provided with feedback and coaching to improve their skills through the employee’s development centre. In this way, DEWA ensures continuous improvement of their employees and performance. The organisation regularly reviews and updates its policies and practices to ensure that it is providing the

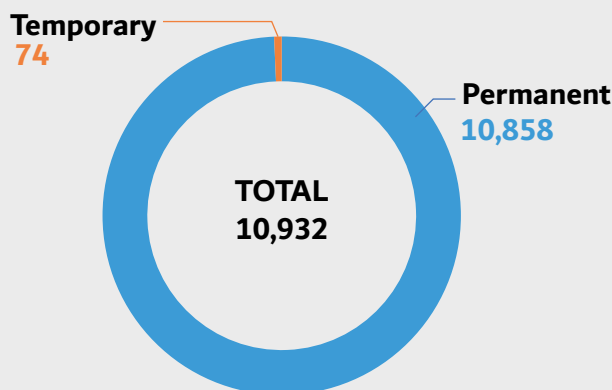
best services to its customers, employees and the community.

## A WORLD-CLASS WORKFORCE

DEWA’s workforce is composed of a mix of UAE nationals and expatriates from all genders, representing various cultural and educational backgrounds and qualifications. DEWA is committed to hiring and developing local talent with a significant proportion of its workforces being made up of UAE nationals.

DEWA’s workforce consists of a range of skilled professionals including engineers, technicians and other staff with the expertise and knowledge to provide reliable and efficient electricity and water services. In 2022, DEWA’s total number of employees was 10,932, of which 17.76% are females and 82.23% are males.

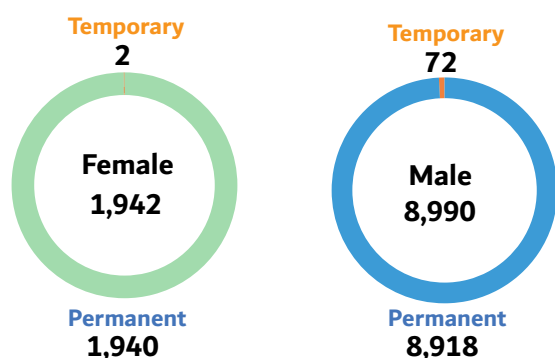
### Total number of employees:



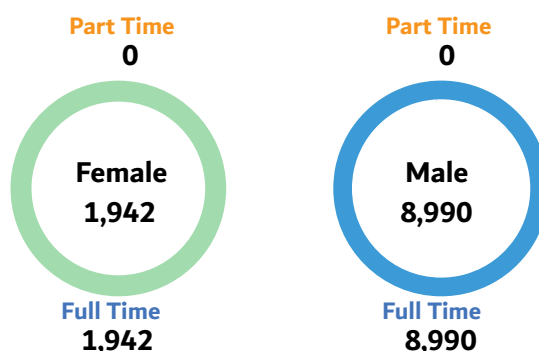
\*DEWA doesn't have any non-guaranteed hours employees.

DEWA fosters and supports behavior that drives employees to bring innovation and excellence into their work which contributes to sustainable growth for the long-term development by ensuring that all employees are given the same opportunities without discrimination based on sex, race, nationality, age or creed, in line with the policies and regulations of the UAE government. In 2022, no incidents of non-discrimination were recorded during the reporting period.

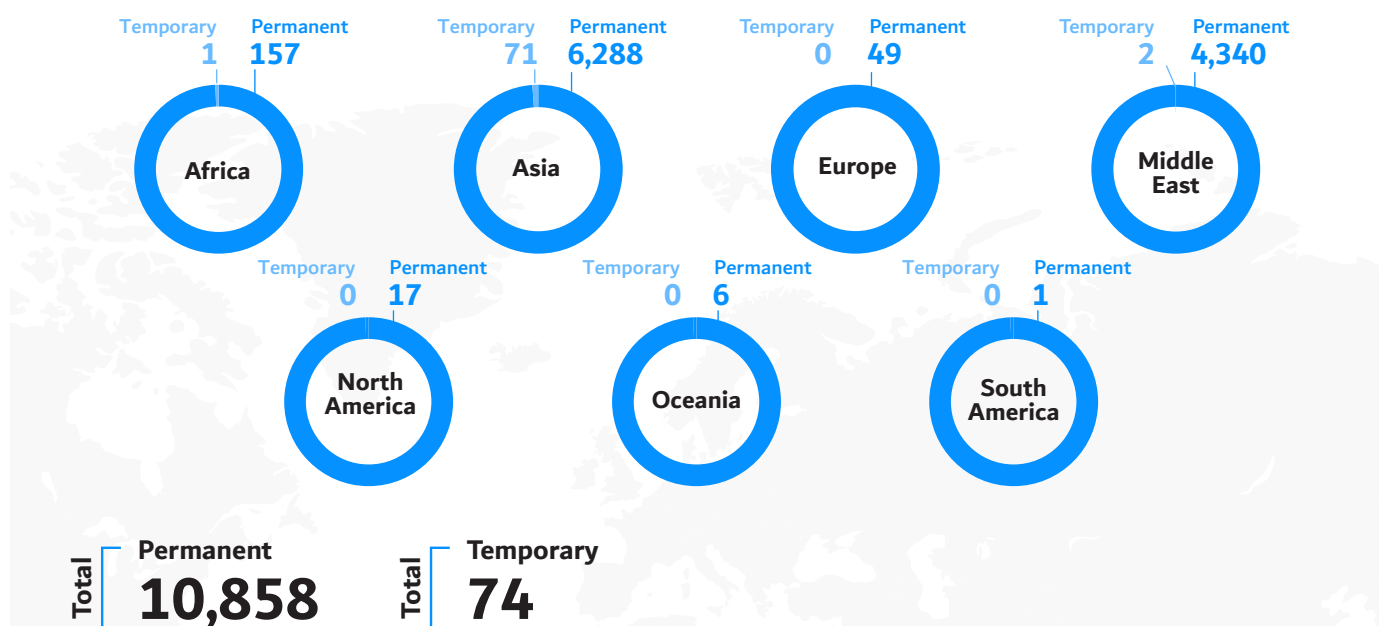
### Permanent & Temporary employees, and a breakdown by gender



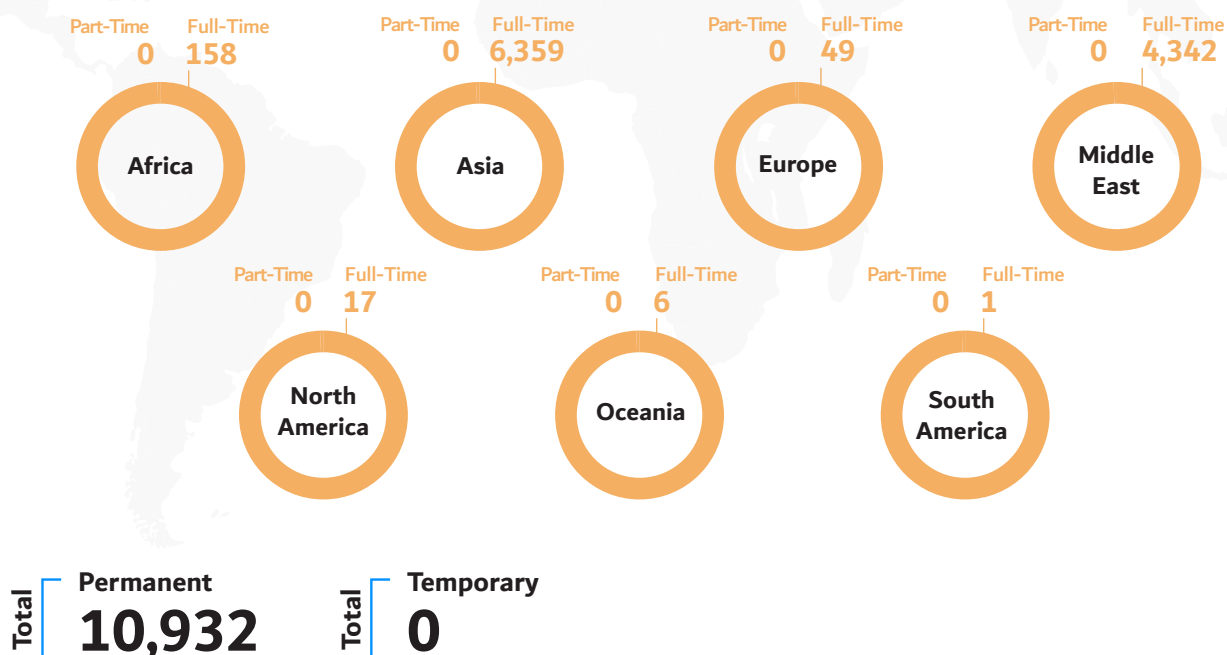
### Full-time employees and Part-time employees, and a breakdown by gender



### Permanent & Temporary employees, and a breakdown by region



### Full-time employees and Part-time employees, and a breakdown by region



## New employee hires and employee turnover by age group, gender and region

### New Employee Hires

Gender	2019	2020	2021	2022
Female	51	44	57	43
Male	335	172	231	155
<b>Total</b>	<b>386</b>	<b>216</b>	<b>288</b>	<b>198</b>
Region	2019	2020	2021	2022
Africa	18	2	6	10
Asia	357	210	279	186
Europe	10	2	3	1
North America	1	2	0	1
<b>Total</b>	<b>386</b>	<b>216</b>	<b>288</b>	<b>198</b>
Age Group	2019	2020	2021	2022
18-29	226	170	218	113
30-39	121	35	57	67
40-49	29	9	10	15
50-59	9	2	3	3
60-69	1	0	0	0
70-79	0	0	0	0
<b>Total</b>	<b>386</b>	<b>216</b>	<b>288</b>	<b>198</b>

### Employee Turnover

#### By Gender

Gender	2018	2019	2020	2021	2022
Male	260	251	156	211	244
Female	39	47	18	33	36

#### By Age

Category	2018	2019	2020	2021	2022
Under 30	48	36	12	15	17
30-50	219	224	133	203	240
Over 50	32	38	29	26	23

#### By Region

Region	2018	2019	2020	2021	2022
Africa	32	35	14	19	27
Asia	201	178	119	181	204
Australia	0	0	0	0	0
Europe	2	8	3	3	3
North America	3	6	2	1	0
Middle East	61	71	36	40	46
<b>Total</b>	<b>299</b>	<b>298</b>	<b>174</b>	<b>244</b>	<b>280</b>

## Percentage of employees eligible to retire in the next 5 years by category and region

Retirement 5 Years						
Continent	Engineers	Operators	Linesmen	Mechanics	Others	Total
Africa	0.45%	0.00%	0.00%	0.00%	1.79%	2.24%
Asia	14.80%	9.87%	0.90%	1.79%	48.43%	75.78%
Europe	0.00%	0.00%	0.00%	0.00%	2.69%	2.69%
Middle East	0.90%	0.45%	0.00%	0.45%	17.49%	19.28%
North America	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Grand Total</b>	<b>16.14%</b>	<b>10.31%</b>	<b>0.90%</b>	<b>2.24%</b>	<b>70.40%</b>	<b>100%</b>

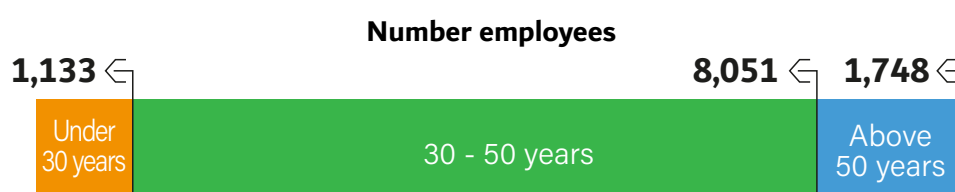
The total number of employees eligible to retire in the next 5 years by category and region is 223.

## Percentage of employees eligible to retire in the next 10 years by category and region

Retirement 10 Years						
Continent	Engineers	Operators	Linesmen	Mechanics	Others	Total
Africa	0.38%	0.05%	0.00%	0.00%	1.32%	1.76%
Asia	15.44%	7.97%	0.88%	4.56%	49.51%	78.35%
Europe	0.00%	0.00%	0.00%	0.00%	1.32%	1.32%
Middle East	1.32%	0.33%	0.00%	0.16%	16.37%	18.19%
North America	0.05%	0.00%	0.00%	0.00%	0.33%	0.38%
<b>Grand Total</b>	<b>17.20%</b>	<b>8.35%</b>	<b>0.88%</b>	<b>4.73%</b>	<b>68.85%</b>	<b>100%</b>

The total number of employees eligible to retire in the next 10 years by category and region is 1820.

## Age Group under 30 years old, 30-50 years old, over 50 years old.





# EMPLOYEE BENEFITS

As a world-class workplace, DEWA rewards its employees fairly and generously, based on their performance. DEWA offers a comprehensive benefits to employees to meet their personal and professional requirements. These may include:

1. Allowances (house rent deduction, duty car, nature of work allowance, mobile phone allowance, shift allowance, special shift allowance etc.)
2. Retirement Provision (Gratuity & Pension schemes)
3. Leaves (Earned, special, accident, condolence, sick, maternity, paternity, study or exams, Hajj, Idda, and confinement leave etc.)
4. Accommodation/ Air Passage Entitlement
5. Children Education Allowance

6. Medical Insurance/Healthcare
7. Bonus
8. Joining & Repatriating tickets
9. Disability & Invalidity Coverage
10. Residence Visa costs for employees & family
11. Salary Advance for New joiners
12. Life insurance is voluntary. In DEWA if the employee wishes he/she can enroll in the scheme and it is optional.

Honouring distinguished employees is part of DEWA's strategy to recognise excellent and creative employees to raise its competitiveness and ensure the happiness of customers and society. This also supports top management's commitment to providing a motivational work environment that consolidates creativity, innovation and encourages positive competition among staff.

In line with this strategy the top management honoured 1,868

distinguished employees and 54 distinguished teams with the Nujoom Awards 2022, the new name for its internal excellence awards. The categories included Distinguished Supervisory Employee, Distinguished Administrative Employee, Distinguished Innovative Employee, Distinguished Field Employee, Youth Employee, Distinguished Technical Employee, Distinguished Financial Employee, Distinguished Specialised Employee, Unknown Soldier, Distinguished Technical Project, Distinguished Innovative Administrative Initiative, Best Agile Project, Best Project / Initiative Attaining Sustainability, Best Project In Data Science and AI, Share.K, Long Service Employee and Special Recognition for those who help achieve DEWA's vision.

Through the Nujoom awards, DEWA promotes sustainable excellence by encouraging creativity, innovation and positive employee competitiveness. This is achieved by adopting constructive ideas that contribute to the development and upgrading of services as well as the happiness of all stakeholders.

## EMPLOYEE PARENTAL LEAVE AND RESUMED DUTY, 2022

### Parental Leave

#### Employee Parental Leave & Resumed Duty

Leave Type	Entitled to Parental Leave	Took Parental Leave	Returned to work	Returned to work Rate	Retained Employees	Retention Rate**
Maternity Leave	1,181	151	151**	100%	161***	96%
Paternity Leave	7,270	352	352*	100%	320****	93%
<b>Total</b>	<b>8451*****</b>	<b>503</b>	<b>503</b>		<b>481</b>	

\*Male employees returning to work immediately from 1 January, 2022 to 31 December, 2022 – 100%

\*\*Female employees returning to work immediately from 1 September, 2021 – to 31 August, 2022 – 100%

\*\*\*Out of 168 female employees of 2021, 161 female employees are retained after 12 months (96%).

\*\*\*\*Out of 343 male employees of 2021, 320 employees are retained after 12 months (93%)

\*\*\*\*\* 539 employees have used parental leave as of 2022

## DIVERSITY AND EQUAL OPPORTUNITIES

DEWA follows all UAE government laws and regulations and is committed to providing equal opportunities for all employees and applicants for employment. its equal opportunities policy prohibits discrimination against any applicant on the basis of race, color, religion, sex, national origin, age, disability, and gender.

DEWA's policies ensures that all employees and applicants for employment are treated fairly and without discrimination. DEWA also

provide training and development programmes to promote diversity and inclusion in the workforce, and it also provides accommodations for employees with disabilities.

Furthermore, DEWA has a number of initiatives and programmes to support the development and advancement of women in the workplace. These initiatives includes the following:

- For Her – Empowerment programmes
- Celebrating International Women's Day through various initiatives
- Celebrating Emirati Women's Day through various initiatives

- Celebrating International Women in Engineering Day through various initiatives
- Edha'aa bulletins

- Soft skills and social focused workshops
- Wellness and health programmes
- "Together... We Learn" Campaign

Overall, DEWA is committed to fostering an inclusive and diverse workplace where all employees are treated with respect and have equal opportunities to succeed.

## HUMAN RIGHTS ASSESSMENT

DEWA's divisions, business units, and subsidiaries, are committed to conducting business with the highest level of integrity and in accordance with the letter and spirit of Dubai and UAE laws. DEWA is a morally conscious organisation, and uses its position as a responsible organisation to promote ethical work practices in compliance with the human rights laws of the country and international best practices as applicable.

In 2022, DEWA conducted 33 sessions across its divisions spanning different employee groups, to discuss human rights and other employee related rights including but not limited to; HR Policies, Provisions and rules of conduct and work ethics in DEWA, HR Rules and Regulations, HR Services. A total of 623 employees across all divisions have attended these sessions till November 2022 which were under the name HR Awareness sessions.

Furthermore, DEWA's Code of ethics for Contractors has included a requirement in all procurement contracts to comply with the SA 8000 Standard, which includes a good working environment, the Universal Declaration of Human Rights, and ILO agreements. All Tender Documents include a special clause on compliance

with the SA 8000 Standard, and tenderers must include a self-assessment form on SA8000 compliance in their offers. 100% of bulk purchase and project procurement activities are subject to human rights reviews based on tenderers' self-assessment forms and conformity with the SA 8000 norm. All new employees of the procurement organisation, as well as those who work in procurement, receive training on the terms and conditions of contracts, which includes the SA8000 standards. The Human Rights clause was incorporated in all 357 bulk purchases and project contracts for the year 2022. In the year 2022, the aforementioned sum and percent represent procurement contracts worth more than AED 2 million.

DEWA values and manages its HR diversity through planning, organising, administering as well as supporting varied characteristics and plurality amongst its employees and by recognising them as individuals and teams, in a way that adds tangible and positive effect in the organisational performance and contributing to the happiness of employees. In addition, the below list is other DEWA's policies that are related to Human Rights:

1. DEWA Policy For The Happiness, Accommodation and Empowerment of The People of Determination (POD)

2. Employee Accommodation Procedure
3. DEWA Inclusive Education Policy

## TRAINING AND EDUCATION

DEWA provides various training and development opportunities for its employees such as on-the-job training where employees receive hands-on training in their specific roles and responsibilities, as well as cross-functional training to gain a broader understanding of the organisation.

The wide range of courses are designed to help employees improve their skills and advance their careers. These courses cover topics such as leadership, management, communication, and technical skills. DEWA also encourages mentoring relationships between experienced employees and newer staff members, to provide guidance and support as employees learn and grow in their roles. Employees are encouraged to participate in international training programs to gain new perspectives and learn from experts in other countries. A variety of e-learning modules are available for employees with flexibility to access the trainings from anywhere and at any time.

**Below is the Average Training Hours per Employee and by Gender:**

**Average Training Hours Per Employee**

Grade/Year	2018	2019	2020	2021	2022
Leadership	109.48	90.39	85.62	83.78	88.99
Management	49.31	55.73	52.96	51.00	54.56
Non-Supervisory	42.22	42.68	42.83	46.30	55.86
UAE Nationals	58.39	65.58	57.94	57.48	67.47

**Average Training Hours by Gender**

Gender/Year	2018	2019	2020	2021	2022
Male	26.27	28.26	27.01	30.43	34.92
Female	55.35	65.62	65.88	62.40	75.41

DEWA provides a range of platforms, programmes, and initiatives to spread and localise knowledge and transfer expertise among its employees. Many educational courses to raise employee awareness on knowledge and its management, types of data, information and knowledge, intellectual property rights and ways to protect them. For instance, in 2022, DEWA enrolled their nominated employees in several international and national programmes, such as:

1. Masters in Future Energy Systems & Technology from UC Berkeley. In 2022, 30 employees enrolled in the program (Batch 4). The programme started in October 2022 and is expected to end in November 2023
2. Capacity Building Programme

3. Robotic Process Automation Learning Programme

Overall, one of DEWA's goals is to provide and enroll its employees in such programmes to develop the necessary skills and knowledge needed for their roles, and to help them advance their careers within the organisation.

## OCCUPATIONAL HEALTH AND SAFETY

DEWA is a strategically focused organisation incorporating the IMS comprising ISO-9001; ISO-14001 & ISO-45001 cascading the same within its management system through a dedicated IMS Policy, IMS procedures and process maps; in line with Federal Law No. 8 of 1980, Ministerial Order No. 32 of 1982, Dubai Municipality Code of

Construction, Dubai Municipality Guidelines, and the fourth-generation Dubai Government Excellence Programme, supported by Dubai Accelerators' 10X Strategy for future generations. The key methodology in DEWA's Performance Management is based on RADAR and 10-steps of continual improvement. DEWA has a dedicated STRATEX, CAPEX and OPEX for health, safety, and environment (HSE) management & objectives.

This is further complemented with policies on risk management, social responsibility and agility framework (vertical-alignment). The OHSMS Manual classifies risks, crisis, operations, functionality & controls for all employees, consultants and contractors. DEWA has a dedicated COVID-19 prevention framework for its control, authenticated with Diamond Award for COVID-19

from Harvard Business Council and British Safety Council Assurance Certificate.

## HAZARD IDENTIFICATION AND RISK ASSESSMENT

DEWA has a comprehensive and intricate qualitative & quantitative IMSP03: Hazard Identification and HSE Risk assessment procedure aligned to Enterprise Risk Management in line with ISO-45001 & ISO-14001 and HSG-65 Guidelines, HSE, UK.

It is a British Safety Council recognised affiliate HSE training

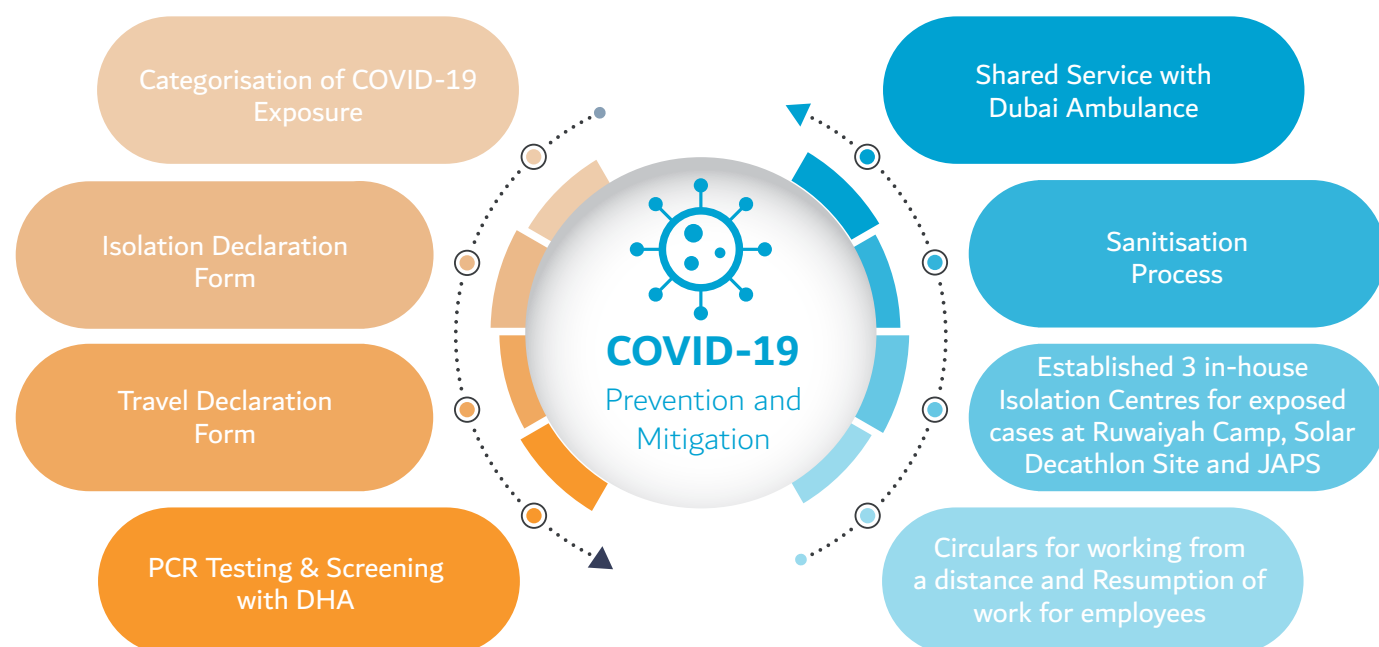
centre for DEWA employees and has a dedicated SP14: Training, Awareness & competency procedure aligned to employee performance, competency and appraisals.

## OCCUPATIONAL HEALTH SERVICES

In line with ISO-45001, DEWA has a dedicated SP12: Occupational Health Procedure and EP04: Employee Counselling & Stress Management procedure that controls and monitors overall health, well-being and happiness of employees. Furthermore, there are dedicated guidelines for POD, Noise,

Vibration, Musculoskeletal Diseases, HACCP and Welfare & Wellbeing.

Regular stress assessments are carried out, referrals to counselling (ESTISHARATI programme); welfare, wellbeing & hygiene assessments and COSHH air monitoring are done. DEWA meticulously crafted its own COVID-19 prevention and mitigation guidelines, which were then distributed to all of its divisions, departments, sections, contractors, and vendors. The following were the main points:



## H&S COMMUNICATIONS AND REPRESENTATION

At the strategic level, **SO2: Engaged and happy stakeholders perspective and IMS policy (Vertical-alignment)** with The IMSP06: Participation, Consultation & Communication procedure has defined a two-way approach (Horizontal-alignment). Trainings, awareness, ideas Afkari, consultations, participation in events/workshops/surveys are carried out on a regular basis and employee happiness survey results are evaluated. Other tools are the dedicated DEWA Mobile App (Smart Office); SAP-integration and Freejna portal. The strategic direction, objectives (SMARTER) and KPIs (Leading & Lagging) are defined post a 360 degree. evaluation using RADAR through a dedicated HSE corporate committee that quarterly reviews performance and short-term strategic plans.

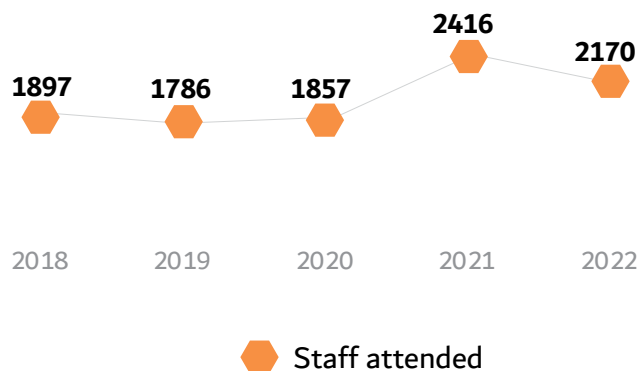
## H&S TRAINING

Since 2020, DEWA's in-house training deliverables have become hybrid, AI-oriented with adoption of AR-VR (Augmented Reality - Virtual Reality) tech. The trainings are customised in terms of scope, operations, functions and preventive using multilingual approach e.g. Arabic, English, Urdu/Hindi. Each employee has a dedicated Training Needs Analysis which is linked to his/her competency requirements and aligned to employee-appraisals. Each division has a dedicated training attrition rate

to maintain and achieve the Target Achievement Level for hours of training per employee. DEWA has its own dedicated HSE Training section which is also a BSC Certified training affiliate. In 2022, around 2170 employees attended 101 training sessions, 87

Covid-19 Awareness workshops, 74 one-one consulting sessions, and 96 infographic E-shots that were released through internal communication channels.

**Number of DEWA Staff attended H&S Training conducted by H&S Department from 2018 - 2022**



## PROMOTION OF EMPLOYEE HEALTH & SAFETY

**The SO2: Engaged & Happy Stakeholder perspective** is cascaded from key Dubai Strategic Accelerator (10x) Health & Wellbeing complemented by the strategic perspectives **IP02: Leading HSE practices, LG02: Motivated & happy human capital and TBL02: Pioneering socially responsible practices.** Each employee has an insurance cover locally & internationally. Screenings for health parameters, stress indicators, nutrition and counselling are key practices. Each location is "safe-secure" with first-aid kits, evac-chairs & maps, AED Machines, POD-friendly e.g. Braille text, audio-loop, tactile paving and voice assist centres. All premises are CCTV monitored, with dedicated emergency & response command framework. DEWA also annually hosts its Sports Week and sporting events. Key health campaigns are carried out in line with WHO objectives and promotional campaigns. Some highlights are:

### HEALTH & SAFETY WEEK OF DEWA:

The H&S Week is a participatory and interactive platform for creating and increasing awareness of Occupational Health and Safety issues among employees and the general public. In 2022 the H&S Internal Week successfully completed with 5700 attendees and H&S Public had with 8313 attendees.



## ANNUAL CONTRACTOR DAY:

Annual Awareness Day was conducted for contractors, consultants, and suppliers in order to reinforce DEWA's mission, vision, and policy of integrated administrative systems.

## DEWA'S RESPONSIBILITIES

The IMS Policy of DEWA is a testament of its commitment to Quality, Health, Safety and Environment (QHSE) and responsibilities along with the CSR Policy and Stakeholder Policy ([www.dewa.gov.ae](http://www.dewa.gov.ae)) stating that DEWA is committed to

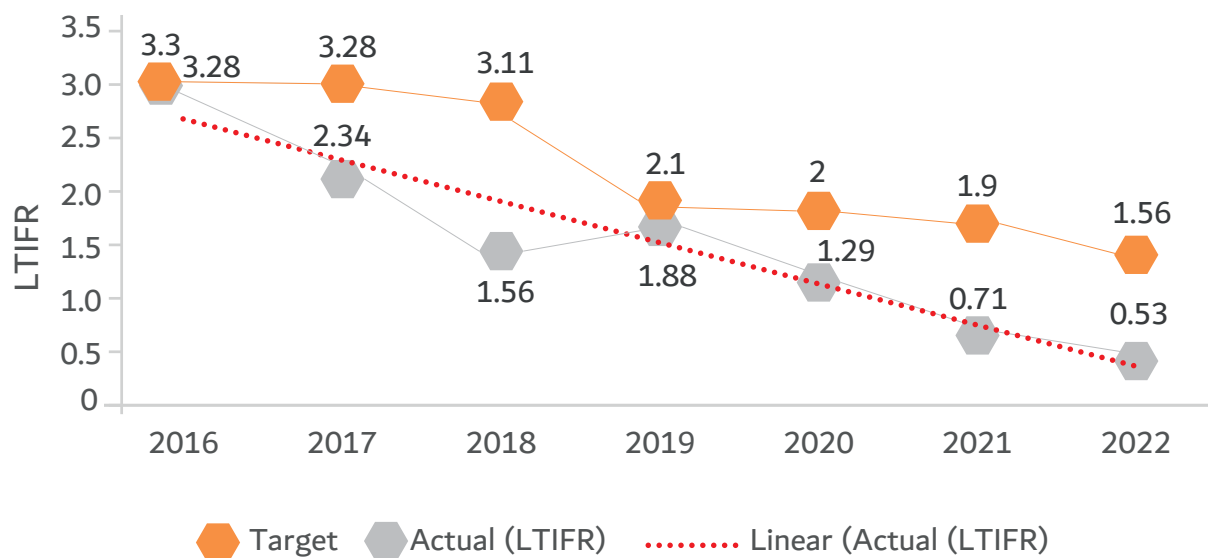
effective implementation of QHSE management within its businesses, in order to attain its purpose by services, and related innovative smart solutions minimising HSE risk, incidents/accidents, injury/illness and environmental footprint (Vertical-alignment to Dubai Strategy). The Corporate IMS procedures cascade to divisions and departments to formulate procedures and process-maps linked to RACI matrix and Balanced Scorecard (Horizontal Alignment). The approach to responsible & accountable implementation is governed by procedures and monitored by proactive steps such as inspections, surveillances, screenings and near-miss reporting along with reactive steps

of incident and crisis & emergency management and evaluating the gaps to make corrections.

## DEWA's Health & Safety Performances & Achievements

Performance Indicators	Score as of 2022
<b>Fatality</b>	Zero since 2000
<b>Lost Time Injury Frequency Rate (LTIFR)</b>	0.53
<b>Total Recordable Injuries Rate (TRIR)</b>	0.1

## LOSS TIME INJURY FREQUENCY RATE (LTIFR) 2016-2022



## LOCAL COMMUNITIES: FROM DEWA TO THE COMMUNITY

Through various initiatives, DEWA engages with the community on a yearly basis. In 2022, DEWA initiated 30 social and humanitarian initiatives which included a total of 44,067 volunteering hours. The outcome of these initiatives was reflected on 13,943,554 beneficiaries.

## PROVISION OF INFORMATION

### EMPOWERING PEOPLE OF DETERMINATION

As a socially responsible governmental organisation, in 2022, DEWA continued its contribution to achieving the vision of the wise leadership to include and empower POD. This supports the National Policy to Empower POD, launched by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, to create an inclusive society that ensures empowerment and a decent life for POD and their families. It also supports the 'My Community... a City for Everyone' initiative, launched by His Highness Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of the Executive Council of Dubai, to transform Dubai into a city that is accessible to POD. DEWA sustain its efforts to include and empower POD through four strategic pillars:

Employees, Customers, Society, and Partners.

DEWA collaborated with its strategic and community partners to promote POD inclusion into society and at the workplace. In collaboration with the Ministry of Community Development, it organised an "Arabic and Emirati Sign Language" Training courses, in addition to Coaching Skill Training for Managers & Sadiqi of Employees of Determination (EOD). DEWA collaborated with Dubai Club for POD in conducting and participating in several events to empower POD in sport and community events such as: Expo 2020, World Autism Day, and the World Archery Championship for POD. It also, sponsored the summer activity of Dubai Club for POD.

DEWA implemented and sponsored several corporate social responsibility programmes & initiatives to include and empower POD. Between 2015 and 2022, there were 82 programmers and initiatives for POD that reached 3,509,986 people. The Society Happiness score for DEWA's support to POD was 94% in 2022.

### WORKING WITH EMPLOYEES OF DETERMINATION TOWARDS AN INCLUSIVE WORKPLACE:

DEWA has come a long way in supporting and empowering people of determination (PODs) at work and in society. It has launched many initiatives, programmes and services in accordance with careful plans and strategies that ensure an inclusive employment journey for its employees of determination (EODs). DEWA has continued its

efforts in developing an inclusive environment for its employees by providing all assistive technologies, reasonable accommodation, and special equipment to its EODs with different abilities.

Abshir Office - the dedicated HR team for supporting the inclusion of EODs in the workplace collaborated with other departments in 2022 to ensure the engagement of EODs by coordinating and conducting 14 virtual activities, events, and workshops, including 'Emirati Women's' Day', events, sports competitions and virtual lectures. Thirty-nine awareness circulars were sent to DEWA EOD on Safety Protocols Upon Returning to Work.

In 2022, a special happiness event was arranged for EODs, with the participation of 38 employees and their friends to provide insights into happiness hacks as well as indoor sports, quizzes and fun activities.

DEWA has enhanced its capabilities as an inclusive organisation, with the total number of employees trained to deal with PODs increasing from 8443 in 2021 to 9688 by 2022. Examples of training courses conducted in 2022 include 'Skills On How To Deal With People Of Determination' (Smart Learning), 'Coaching Skills For Managers'/Sadiqi Of EOD, Sanad Toolkit (Arabic) and Inclusion & Accommodation Awareness for PODs. 100% of EODs have completed their annual training plan for 2022. The number of EODs of various disabilities increased from 19 in 2017 to 41 in 2022. The happiness level of EODs reached 100% in 2022,

while the happiness level of their relatives reached 96.60% in 2022.

In 2022, the POD Health & Safety (H&S) Standards, the inclusive COVID-19 Management System and the DEWA H&S Management System were externally assessed by the 45001:2018 audit conducted by Bureau Veritas as well as the British Safety Council 5 Star H&S Audit. DEWA has achieved an excellent result of 97.88% and maintained its 5 Star Rating for 2022. The British Safety Council has awarded DEWA with a 'Double Sword and Globe of Honour Supreme Achievement Award – 2022', which is considered the most prestigious award worldwide in the field of health, safety, and environment, recognising DEWA for simultaneously winning the Globe of Honour Award for Environment and the Sword of Honour for Health and Safety, for eleven years running.

DEWA won the Globe of Honour Award for Environment for the 11th consecutive time and the Sword of Honour for its inclusive H&S Management System for the 15th time. In addition, DEWA successfully conducted four follow-up refresher POD H&S Awareness sessions, and all EODs signed an EOD Individual Risk Assessment.

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## **CUSTOMERS OF DETERMINATION**

DEWA supports the design of the urban environment, the people of Dubai, and the empowerment of POD to become more productive and effective. This is done by providing its employees and Customers of Determination with easy access to its services, buildings, and facilities, including its Customer Happiness Centres. In 2022, DEWA continued its efforts in converting all of its newly constructed buildings and facilities to be compliant 100% with the Dubai Universal Design Code. In addition, DEWA received the Golden Certificate (Universally accessible) for its Head Office Building, which is the highest certification to be granted by Dubai Municipality for a public building based on accessibility compliance and the availability of innovative assistive technologies. Furthermore, DEWA has been re-certified to be in conformance with the international ISO

standard 21542:2021 Building Construction – Accessibility and Usability of the Built Environment, further highlighting DEWA's continuous efforts in attaining the highest standards in the well-being of the built environment users. DEWA Customer Happiness Rate for POD achieved 95.24% in 2022.

DEWA's buildings have been equipped to be ready for all emergencies by placing audio and visual alarms, alarms in toilets, and evacuation wheelchairs on all floors. Its Customer Happiness Centres (Self-Service) provide many services and facilities for POD such as special parking with a dedicated helpline for assistance, customised entrances, wheelchair service, directional tactile paving for people with visual impairments, staff trained on how to deal with POD and certified in sign language, dedicated virtual screens to communicate with POD, DEWA's booklets in Braille, tactile map with voice notifications, and hearing loop technology, which is an advanced hearing aid technology designed to assist people with hearing disabilities. In addition, DEWA videos are available in sign language. Customer Happiness staff are also present to guide and educate POD on how to use digital services.

DEWA is committed to providing seamless access to information for Customers of Determination through its website, and smart app according to Digital Dubai standards. DEWA has created a section on its website to include and empower POD. DEWA's website compliance scored 100% while the smart app was scored 10/10 by the POD Accessibility

Evaluation Report by Digital Dubai 2022. In addition, DEWA provides a number of discounts on service charges to POD who are Sanad Card holders (UAE Nationals), such as discounts on fees for activation and de-activation of electricity and water, and meter inspection (in case meter is working in order). The DEWA Store provides exclusive offers and discounts from some of the biggest companies, with extra special privileges and discounts for POD.

## **DEWA'S PAVILION AT EXPO 2020 DUBAI**

DEWA's pavilion at Expo 2020 Dubai welcomed 547,493 visitors from 1 October 2021 to the end of February 2022. Several local and international officials from public and private organisations visited DEWA's pavilion in the Sustainability District. These included a 40-person Brazilian delegation, many university professors and students, researchers, and stakeholders in different areas of clean and renewable energy. DEWA's pavilion also displayed its key projects and initiatives, such as the Mohammed bin Rashid Al Maktoum Solar Park, the largest single-site solar park in the world; the Green Hydrogen project, the first of its kind in the Middle East and North Africa to produce hydrogen using solar power; Digital DEWA, the digital arm of DEWA, which is making DEWA the first digital utility in the world with autonomous systems for renewable energy and storage with the expansion in AI and digital services; and the 250MW hydroelectric pumped-storage power plant in Hatta. The pavilion provided unique and innovative experience for visitors to introduce

them to its efforts that contribute to making Dubai the smartest and happiest city in the world through pioneering projects and initiatives, especially in clean and renewable energy using the Fourth Industrial Revolution technologies to redefine the concept of a utility and become the world's first digital utility.

## **FUTURE ENGINEER CAMP – 13TH CYCLE**

DEWA organised the 13th Future Engineer winter camp, virtually, from 12 to 23 December 2022, with the participation of 30 students aged 11 to 14 years. The camp aimed to expand knowledge in cybersecurity, basics of electronic engineering, 3D printing, developing smartphone apps, and using advanced programming languages. The camp activities also included a field visit to DEWA's Innovation Centre at the Mohammed bin Rashid Al Maktoum Solar Park, where the participants went on a virtual tour across the Solar Park using metaverse technology. It also allowed students to attend innovative shows using drones and hologram technology, try the autonomous bus ride, and explore the latest innovations in clean energy technologies. The Future Engineer camp aligns with DEWA's efforts to prepare students for promising careers by strengthening their technical skills and promoting scientific research, innovation and creativity. DEWA also encourages the next generation towards scientific specialisations.

The Future Engineer camp has attracted 374 students over its past editions. Students' happiness

was 99%, while their parents' happiness was 100% for the 13th edition of the camp.

## **DEWA'S CLEANTECH HACKATHON**

In conjunction with UAE Innovates 2022, DEWA's Innovation Centre launched Cleantech Hackathon to encourage innovators, university students, and specialists to compete in the latest innovations in energy, urban environment, digital transformation, and a sustainable lifestyle. Centre also launched the second batch of the Cleantech Youth Programme. It comprised a wide range of training workshops, specialist education sessions, and field visits to accredited institutions with the participation of academics, specialists, and experts from several schools, universities, start-ups, and local and global organisations. The programme sheds light on different fields of clean energy and the uses of disruptive technologies. The second batch of the programme witnessed the participation of 25 graduates or those pursuing university degrees in 15 different majors including engineering or science fields at 13 accredited academic institutions in the UAE. It attracted 145 applications. The programme graduated 25 youth leaders from across all UAE universities, who presented innovative projects during the programme.

## **EARTH HOUR 2022**

Earth Hour is one of the largest international environmental initiatives that unite millions of people around the world to tackle the threats posed by the

growing issue of climate change, by making a concerted effort to switch off unnecessary lights and electronic appliances for an hour. In 2008, Dubai became the first city in the Arab world to participate in Earth Hour. The “EarthHourDubai” initiative is held under the patronage of Sheikh Hamdan bin Mohammed bin Rashid Al Maktoum, Crown Prince of Dubai and Chairman of the Dubai Executive Council, and in cooperation with the Dubai Supreme Council of Energy and the Emirates Nature - WWF, in association with the World Wide Fund for Nature (EWS-WWF). This initiative exemplifies the pioneering role of Dubai, continuously supporting initiatives to raise awareness around environmental issues, and supporting sustainable development locally, regionally, and internationally.

In 2022, the EarthHourDubai initiative theme “Speak Up For Nature” aimed to raise responsibility between community groups and government entities to connect positively with our environment, by promising to protect planet Earth by adopting a sustainable lifestyle.

## **RAMADAN AWARENESS CAMPAIGN**

DEWA launched its annual Ramadan awareness campaign to raise awareness about conservation and having a sustainable and responsible lifestyle. This supports Islamic values that encourage moderation and reducing waste. DEWA also organised a series of virtual and physical awareness lectures to encourage

the community to contribute to sustainable development, protecting the environment, and reducing emissions. The campaign focuses on senior citizens, POD, Qur'an recital centres, participants of the Ramadan Aman campaign, sport club members, orphans, and recent converts.

For the Holy Month, DEWA also organised several virtual events, competitions, and internal lectures in Arabic and English, about the values of Ramadan. DEWA also launched an awareness page on its internal website Freejna about Ramadan as the month of worship, righteousness, piety, and tolerance.

## **SUSTAINABLE SUMMER CAMP**

DEWA in cooperation with the UAE Ministry of Education, organised a series of physical awareness workshops as part of the ‘Sustainable Summer Camp’ held by the Ministry. This is part of DEWA’s social responsibility and its strategy to promote a culture of creativity and innovation among the new generation. More than 250 female students from Mariya AlQubtya High School in Dubai participated in the workshops. The workshops highlighted the latest disruptive technologies such as AI, 3D printing, and robotics, in addition to project management. DEWA endorses the national efforts to empower and train the youth and invest in their potential, time, and skills. This qualifies them to become the next generation of sustainability leaders and to carry on the journey of development in the UAE in all areas.

## **COMMUNITY CYCLING CHALLENGE**

DEWA is keen to encourage community members to adopt a healthy and vibrant lifestyle, in line with the wise leadership’s vision to make sports part of Emirati society. Therefore, DEWA hosted the Community Cycling Challenge organised by Peloton Events, with the participation of 11 teams from across the UAE. The event was held under the patronage of the Dubai Sports Council and spanned 66 kilometers. The participants in the challenge praised DEWA’s efforts to promote harmony and cultural rapprochement among all members of society. They also pointed to DEWA’s fruitful efforts to ensure a brighter and more sustainable future. This is by supporting the future of sustainable energy through pioneering global projects, such as the Mohammed bin Rashid Al Maktoum Solar Park.

## **CUSTOMER HEALTH & SAFETY**

DEWA prioritise the customer health and safety by developing proactive plans to provide all services according to the highest standards of availability, reliability and efficiency. DEWA called on customers to undertake necessary measures during the rainy season to avoid any internal interruptions and ensure the safety and continuity of electricity supply. DEWA urges its customers to visit its website and official pages on social media for all tips and guidelines to be followed to ensure a safe use of its services. In addition, DEWA urged customers to close all electrical cabinets, replace any damaged meter windows, seal all spare conduits on rooftops and check if all the



connections are properly earthed to ensure the continuity of safe and stable electricity supplies.

## CUSTOMER HAPPINESS

In line with its 2022 Strategy, DEWA is dedicated to achieve excellence in service provision to attain customer happiness and exceed their expectations. As such DEWA, transformed all of its Customer Happiness Centres into Unmanned Self-Service Centres, effectively adapting a new strategy to ensure successful business operations. DEWA adopted a state-of-art Customer Happiness Framework, aligned with many of the new national and local development plans focusing on: Collecting Customers' insights/needs, designing convenient services/products, delivering them through targeted channels, and measuring Customer Experience through consolidated and continuously improved set of tools, in addition to customer feedback.

In 2022, DEWA achieved 100% in the Complaints resolved within 7 Working Days (WDs), 100% in the % of suggestions responded within 15WDs, 99% in the DEWA Mystery Shopper Index, and 96.47% in the Service Quality Level - Customer Care Centre. DEWA also accomplished 98% in Instant Customer Happiness Meter for Dubai Digital Authority. DEWA scored 98% in the instant Customer Happiness Meter with high utilisation of DEWA digital services by customers, and reached to 99% in Smart Adoption. With such achievements, DEWA won

several Customer Happiness such as:

1. Dubai Awards Model Centre for BestContact Centre –Managed by Moro Hub- (Top 3)
2. First organisation to achieve 100% in the “International Digital Customer Experience Standard” (IDCXS: 2022) certificate from the first assessment.
3. Achieved the 1st global position in implementing the requirements of the International Customer Experience Standard (ICXS) 2019 by, achieving 100% in the updated International Customer Experience Standard.
4. ISO 10000 series certifications
5. ISO 18295:2017 for Customer Contact Centres.
6. Won in 4 different Categories in Insights award.

As part of DEWA's Customer Happiness journey, DEWA launched the Universal Service Centre concept to provide a full digital experience that provides comprehensive, reliable and secure services to customers. The centre uses the latest AI technologies and interactive digital solutions for customers to communicate remotely with representatives from departments such as Finance, Human Resources, Contracts, Procurement, and Legal Affairs.

## DISASTER AND EMERGENCY PLANNING AND RESPONSE

### CORPORATE RISK & RESILIENCE

Corporate Risk and resilience are integral to DEWA's strategic direction, and the organisation proactively anticipates for, and adapts to risks and threats whilst responding to, and recovering from incidents to safeguard Dubai's critical infrastructure. In doing so, ensuring risks and threats are mitigated and electricity and water demands are maintained according to the highest international standards of reliability, availability, efficiency, and quality.

DEWA has implemented the Corporate Risk & Resilience Policy & Framework to embed and sustain resilience across the organisation in line with local (AE/SCNS/NCEMA 7000:2015) and international (ISO 22301:2019, ISO 31000:2018, and BS 11200:2014, PAS 60518:2020) standards and best practices.

Following the launch of PAS 60518:2020 - Enterprise Risk & Resilience Management in Utilities Guide launch in 2020, DEWA and many of its peers have implemented the requirements of this risk and resilience standard. Following its success and industry breakthrough, DEWA has initiated work on a broader International Standard Organization (ISO) critical infrastructure standard to further enhance risk and resilience best practices at international level.



## **ENTERPRISE RISK MANAGEMENT (ERM)**

Corporate Risk & Resilience is guided by ERM. The purpose of ERM is to support DEWA's organisational context by facilitating enhanced decision making and planning through awareness of all types of risks and threats. DEWA proactively anticipates for and adapts to all types of risks and threats to safeguard the organisation.

DEWA applies its ERM Framework in alignment with ISO 31000: 2018 - Risk Management Guidelines to ensure that risks and threats across the organization are managed consistently. The Framework defines the management policies, procedures, and practices to be applied to the risk management process steps of identifying, analysing, evaluating, treating, and continuing to monitor risks. Regular monitoring, review and reporting of risks is an important component of DEWA's ERM Framework, as it ensures new risks and changes to existing risks are identified and mitigation plans are implemented to address such risks.

Risks are identified using a top-down (corporate) and bottom-up (divisional) approach to ensure the full spectrum of risks to DEWA are identified and, where required, mitigated to an acceptable level as articulated in the ERM Framework and governed by the Group Risk & Resilience Committee (GRRC); who continue to identify and mitigate new and emerging risks to ensure the strategic priorities of the organisation are not compromised. To further improve the efficiency and productivity of risk management, DEWA has and

will continue to explore cognitive technologies such as AI and machine learning (ML) to maintain its competitive advantage and use risk management to power and drive organisational performance.

## **BUSINESS CONTINUITY AND CRISIS MANAGEMENT**

To further enhance the resiliency level across the organisation, DEWA has developed Division-wide Business Continuity Plans (BCP) which are reviewed, tested, and updated annually or more frequently if necessitated. During the testing phase, areas for improvement are identified and prioritised with support from the Corporate Risk & Resilience Department.

For externally facing risks and scenarios, DEWA has developed joint response plans with its strategic partners to ensure collaborative response and critical communication interchange during emergencies. Information sharing between local and national authorities is two-way and regular, ensuring that DEWA's preparedness for emergencies meets the required local and national requirements and standards.

DEWA undertakes division-wide mock drill exercises based on risk-based crisis situations including cyber-attacks, fire, accidents due to human error and equipment malfunction to ensure the preparedness and adaptive capacity for handling such emergent and crisis situations. Following each mock drill, a comprehensive review is undertaken indicating the outline of the crisis, response of the various teams, observations,

and effectiveness for handling the emergency and scope for improvements, where necessary.

In supporting Dubai, the wider UAE resilience ecosystem and critical infrastructure, DEWA collaborates, coordinates, and communicates with local and national level ministries and authorities to share best practices to enhance the resilience of national critical infrastructure, ensuring continuous coordination and communication through participation, exercising, exchange of information, intelligence, and response.

Business Continuity & Crisis Management in DEWA is governed by the Crisis Management Committee (CMC).

## **CRISIS MEDIA RESPONSE & COMMUNICATIONS**

DEWA has a media response and crisis communications plan in place with pre-defined holding statements to ensure swift and effective communications to employees and the public during emergency situations. DEWA's Crisis Command Centre (CCC) acts as the hub for directing, supporting, and provisioning all the necessary steps during a crisis with direct communication links to Dubai level crisis management teams and Dubai Media Office.

## **CYBER SECURITY**

DEWA places a high priority on Cybersecurity due to the fact that it is a critical national infrastructure. Therefore, DEWA has established a comprehensive Cybersecurity framework that consists of four pillars, with unique technologies, processes,

guidelines, international and local standards and a dedicated team.

The purpose of this framework is to leverage existing policies, procedures, frameworks and other guidelines to enable DEWA to adopt a posture of cyber resilience.

The four pillars are:

- Manage & Protect
- Identify & Detect
- Respond & Recover
- Govern & Assure

The first element of DEWA's Cyber Resilience Framework is Manage & Protect which involves managing security defenses and protecting DEWA from cyber threats. Critical assets are identified and their associated risks are identified to target areas for improvement through implementation of control measures, reviews and audits. This is done through information security policies and

security Programmes, malware protection, identity and access control, security team competence and training, staff awareness training, encryption, physical and environmental security, patch management, systems, network, and communications security, asset management and supply chain risk management. The second element of the Cyber Resilience Framework is Identify & Detect which focuses on monitoring DEWA's information, information systems and industrial control systems for anomalies through security monitoring and active detection. The third element of the Cyber Resilience Framework is Respond & Recover to manage incidents quickly and effectively to limit harm and return to functionality after a cyber-incident has occurred. This is done through incident response management, IT service continuity management, business continuity management, and information sharing and collaboration. Finally, the fourth element of the Cyber Resilience Framework is Govern

& Assure which includes activities for the Board and senior managers to ensure that cyber resilience is overseen and validated by DEWA Top Management. This is done through a comprehensive risk management programme, external validation/ certification, board level commitment and involvement, governance structure and processes, and continual improvement process.

1. Unique technologies such as AI, Big Data, Zero trust, Automation, simulation and integration.
2. Unique processes, guidelines, international and local standards
3. A dedicated and collaborative team

The framework is also governed and compliant with multiple international and local best security standards such as ISO 27001 and Dubai ISR.

# OUR CYBER SECURITY FRAMEWORK

## Manage & Protect

Managing security defenses and protecting DEWA from Cyber threats

## Identify & Detect

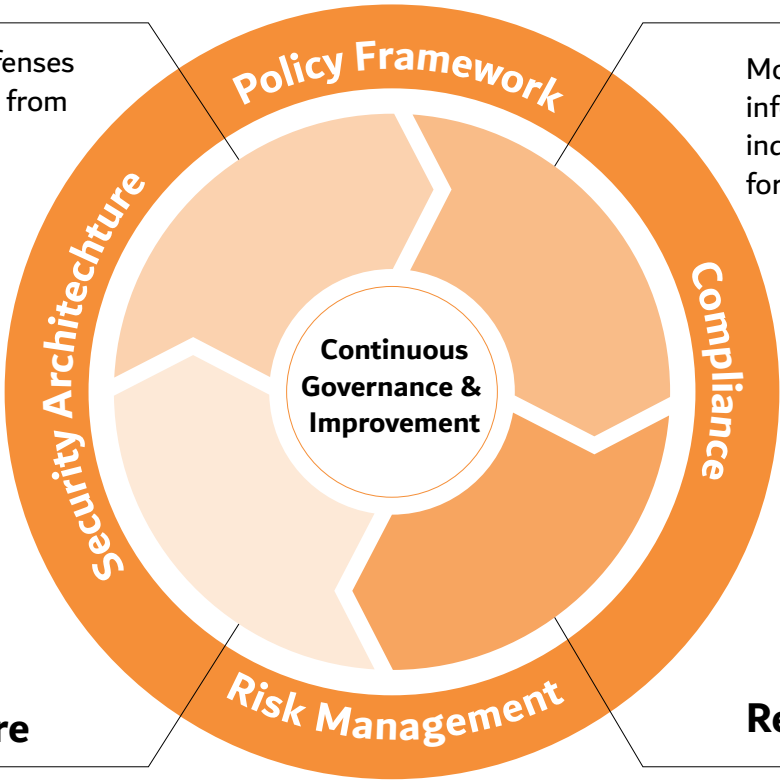
Monitoring DEWA's information systems and industrial control systems for anomalies

## Govern & Assure

Overseeing and ensuring cybersecurity and cyber resilience in DEWA

## Respond & Recover

Develop and implement the appropriate activities to take action regarding a detected cybersecurity event and restore impacted services



# CORPORATE GOVERNANCE

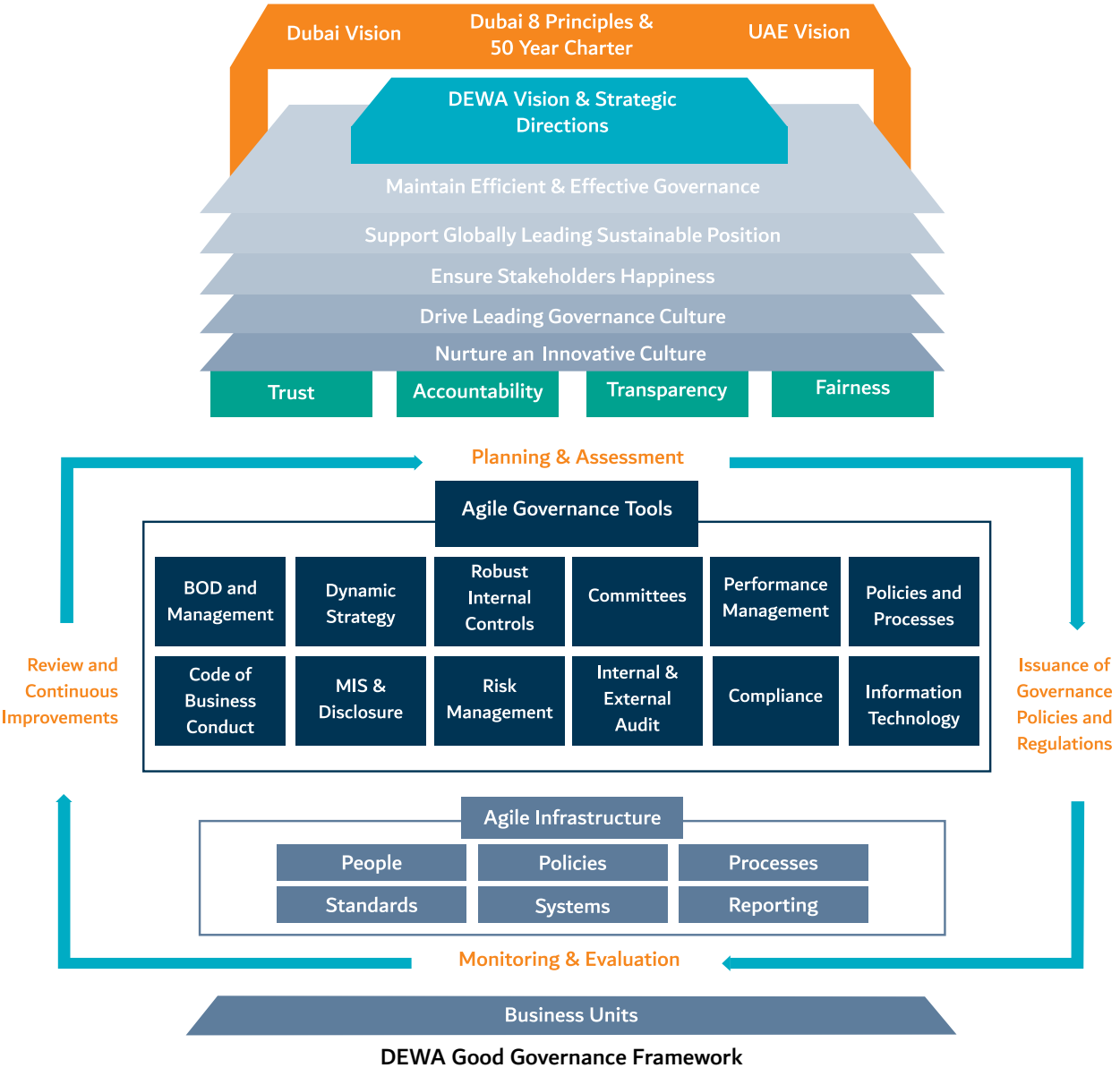




# DEWA'S GOOD GOVERNANCE

DEWA PJSC has implemented in The Company continuously We are committed to having a robust letter and spirit the best principles benchmarks its activities with governance framework that complies of “Good Governance” by choice and international institutions such as with the local requirements set by the voluntary action for the adoption the OECD, the World Bank, UN Securities and Commodity Authority (SCA) and the Dubai Financial Market (DFM). of best practices. **DEWA Corporate Governance Policy provides direction on:**

- DEWA's Good Governance model based on four pillars (trust, fairness, transparency and accountability);
  - The Company's key stakeholders (including shareholders); and
  - Decision-making mechanisms within the Company and between its stakeholders.
- DEWA's good governance framework cascades from the strategic directions of the government of Dubai and the UAE, translated into the goals of its good governance practices, underlined by DEWA's good governance principles.
- The Company currently positions itself as the benchmark for many local, regional and global utility companies due to its outstanding performance and achievements over the years.

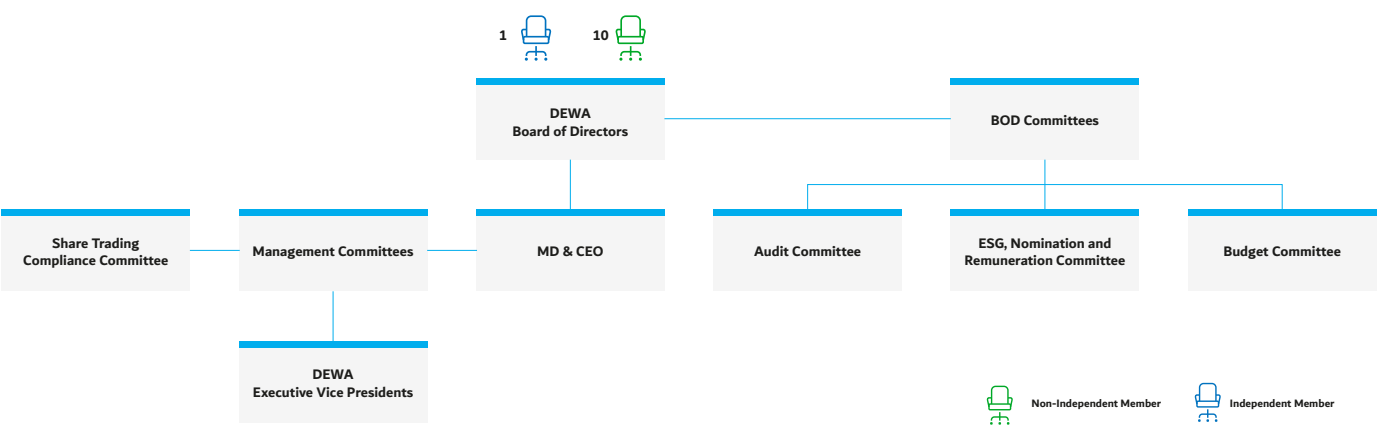


# DEWA BOARD OF DIRECTORS APPOINTMENT, STRUCTURE AND COMPOSITION

## APPOINTMENT

DEWA's Board of Directors, pursuant to its jurisdiction stipulated under Law No. 27 of 2021 and DEWA's Articles of Association, defines the strategic business guidelines and directions of DEWA and supervises its implementation.

DEWA Board of the organization and Directors comprises 11 members; and 90% of the Board are independent board members.



DEWA Governance Structure

## COMPOSITION

The composition of the Board reflects various complementary experiences, allowing its members to protect and promote the interests of the organization and all stakeholders.

### Female Representation on the Board:

Dr. Moza Suwaidan was appointed as a non-executive Board member in 2021. Accordingly, there is currently one female member of the Board, which is in compliance with SCA's Corporate Governance Rules.

Where Board vacancies arise, we will actively seek out larger female representation while at the same time considering all qualified candidates, regardless of gender, and recognising that appointment or election of directors is subject to shareholders' approval in the General Assembly in accordance with the provisions of DEWA's Articles of Association.



## BOARD OF DIRECTORS PROFILES AND EXPERIENCES



### HE Matar Humaid Al-Tayer

Chairman of the Board of Directors – Non-Executive Board Member (since 2004)

HE Matar Al Tayer is the Chairman of the Board of Directors of the Group since 2004. He is also the vice chairman and a member of the Board of the Al Tayer Group of Companies. Between 2003 and 2011, HE Al Tayer was the Chairman of Oman Insurance, between 1992 and 1997 he was the Under Secretary at the UAE Ministry of Communication and between 1997 and 2004 he was the UAE Minister of Labour and Social Affairs. HE Matar Al Tayer holds a degree in business administration from the University of Denver, Colorado, USA.



### HE Saeed Mohammed Al Tayer

Board Member and MD & CEO – Executive Board Member (since 2004)

HE Saeed Mohammed Al Tayer was appointed Managing Director and Chief Executive Officer of the Group in 2004 and has served as a member of the Board of Directors since then. He has 35 years experience in the fields of telecommunications, energy and water. He was appointed as general manager of the group in 1992. Mr. Al Tayer is the vice-chairman of the Dubai Supreme Council of Energy, a member of the Dubai Executive Council and Strategic Affairs Council, a member of the Dubai Supreme Fiscal Committee and Vice Chairman of the Board of Directors of EGA. He is the first UAE personality to be awarded Honorary Fellowship from the Energy Institute (EI), UK. Mr. Al Tayer has a bachelor in Business Administration from Columbus State University, Georgia,

USA and was conferred with an honorary Doctorate by Amity University in Dubai.



### HE Khalfan Ahmad Harib

Board Member – Non-Executive Board Member (since 2002) Audit Committee member

Mr. Harib is the Chairman of the Central Grievance Committee for employees of Government departments since 2008 and Board member of the Consultative Commission for the Supreme Council for the Arab States of the Gulf since 2010. He had also occupied positions such as Director of H.H. The Ruler's Court, Govt. of Dubai from 2005 to 2008, Deputy Chairman of the Sheikh Zayed Housing Programme from 2006 to 2012, Chairman of the Mohammed Bin Rashid National Housing Establishment from 2004 to 2008, Deputy Chairman of the Judiciary Council of the Dubai Government from 2004 to 2008, Chairman of the Dubai Educational Establishment from 2004 to 2008, Board Member of the Executive Council, Govt. of Dubai from 2002 to 2008, Director General of Dubai Finance Department from 2001 to 2006, Director of Financial Affairs at H.H. The Ruler's Court from 1996 to 2001. Mr. Harib holds a degree in Management Information Systems from the University of Arizona, USA.



### HE Majid Hamad Rahma Al Shamsi

Board Member – Non-Executive Board Member (since 1992)

Mr. AlShamsi is the 1st Vice Chairman of Dubai Chamber of Commerce and Industry since 2007 and is a director of the Group since 1991. He is the Chairman of Union

Coop, Dubai, Chairman of Consumer Cooperative Union of UAE, Chairman of the Board of Trustees of the University of Dubai and Chairman of Hamad Rahma Al Shamsi General Trading. He was a Member of the Federal National Council. Mr. AlShamsi holds a bachelor's degree in management and finance from New York University.



### Mr. Saeed Mohammed Al Shared

Board Member – Non-Executive Board Member (since 1992) Audit Committee Chairman

Mr. Al Shared is Board member of Union Coop. and member of UAE Accounting & Auditing Association. He is an accredited auditor in the Ministry of Economy. Positions held include general manager of Emirates Transport, Chairman of the Board of directors of Emirates Islamic Bank and director of Etisalat. He holds a bachelor's degree in Accounting & Business Administration from UAE University.



### Mr. Mohammed Juma Al-Suwaidi

Board Member – Non-Executive Board Member (since 2021)

Mr. AlSuwaidi has been a director at DEWA since 2021. He is Assistant Secretary General of the Supreme Legislation Committee in Dubai (since 2015) and Judicial member of the Rental Dispute Resolution Center in the Emirate of Dubai (since 2014). Prior to that, he held key legal and legislative roles in Dubai Government Legal Affairs Department. Mr. Al Suwaidi holds a bachelor's degree in law from Sharjah University.



### **Mr. Al Sayed Abdullah Mohamad Al Hashemi**

Board Member – Non-Executive Board Member (since 2004)  
Audit Committee Member

Mr. Al Hashemi has been a director of the Group since 2004. He is currently a member of the investment board of Emirates REIT (CEIC) plc. He also acts as an arbitrator for the UAE Federal Government and Dubai Government and is involved in the design of projects undertaken by Al Hashemi Consultant Office. Past roles include Board Director, Dubai Islamic Bank, Head of Planning, Dubai Municipality and Board Director, Private Housing Finance scheme. Mr. Al Hashemi holds a bachelor's degree in architecture from the Fine Arts Academy in Egypt.



### **Dr. Moza Shaiban Sweidan**

Board Member – Non-Executive Board Member (since 2021)

Dr. Suwaidan serves as the director of strategy and innovation and director general consultant for the Digital Dubai Authority. Before that, she was Director of Information Technology Department at Dubai Culture. She has also worked in Dubal Aluminium. She has over 20 years' experience in information technology and strategic planning and held key roles in government and private sector. Dr. Suwaidan holds a Ph.D. in quality management from Hamdan Bin Mohammed Smart University and an MBA degree from the American University of Dubai.



### **Mr. Hilal Khalfan Bin Dhaher**

Board Member – Non-Executive Board Member (since 2003)  
Chairman of ESG, Nomination and Remuneration Committee (since 2021)

Mr. Hilal Bin Dhaher has been a member of the Board of Directors of DEWA since 2003. During his 23 years' professional career at Citibank NA, UAE, Mr. Hilal served as VP in different sectors such as Corporate Banking, Consumer Banking and established the first outsourcing concept for Citibank in UAE, which resulted in a reputable business model. Mr. Hilal serves on the boards of Dubal Holding and Emirates Global Aluminium (EGA). He is also a member of the Human Capital Committee and Finance & Commercial Committee in EGA. Formerly, he served on the Board of directors in different entities such as UAE Central Bank, Majid Al Futtain Group (MAF), Securities & Commodities Authority (SCA), Dubai Aluminium company (DUBAL) and Emirates Aluminium company (EMAL). Mr. Hilal obtained a Bachelor's degree in Business Administration from University of Arizona, USA. He took an MBA while at Citibank Training Center in Athens, Greece, covering Credit, Treasury & Operations.



### **Mr. Obaid Bin Mes'har**

Board Member – Non-Executive Board Member (since 1995)  
Member of ESG, Nomination and Remuneration Committee (since 2021)

Mr. Mes'har has been a director of the Group since 1995. He has over 35 years of experience in telecom, water & electricity industries and runs a mediation/arbitration practice in this field. Past positions held include Chairman of Etisalat Investment Committee, Chairman of Canartel (CDMA) operator in Sudan, Chairman of Zantel (Fixed and Mobile Operator in Tanzania), Chairman of the Etisalat Academy, member of Dubai e-Government executive team, board member of Etihad Etisalat, Atlantique Telecom (GSM operator in six West African countries) and board member of Mohammed Bin Rashid Housing Establishment. Mr. Mes'har holds a bachelor's degree in finance and business administration from UAE University and an MBA from the University of Minnesota, USA.



### **Mr. Nabil Abdulrahman Ahmad Arif**

Board Member – Non-Executive Board Member (since 1995)  
Member of ESG, Nomination and Remuneration Committee (since 2021)

Mr. Arif has been a director of the Group since 1995. He is also a member of the Board of Mustafa Bin Abdullatif Investment LLC and the Najibi Investment Company. Mr. Arif is a founding member of the UAE Society of Engineers and founding partner of M/S Arif & Bint oak Consulting Architects & Engineers. Mr. Arif obtained a bachelor of science degree in civil engineering from the Loughborough University of Technology, United Kingdom in 1973.

# STATEMENT OF OWNERSHIP

## STATEMENT OF OWNERSHIP AND TRANSACTIONS OF BOARD MEMBERS IN DEWA'S SHARES DURING 2022

S.N	Name	Position	Total sale during 2022	Total purchase during 2022	Owned shares as on 31 Dec. 2022
1	HE Matar Humaid Al-Tayer	Chairman	Nil	Nil	1,612,903
2	HE Saeed Mohammed Ahmad Al Tayer	Director	Nil	Nil	20,161,290
3	HE Khalfan Ahmad Harib	Director	Nil	Nil	Nil
4	HE Majid Hamad Rahma Al Shamsi	Director	Nil	Nil	40,866
5	Mr. Hilal Khalfan Bin Dhaher	Director	Nil	Nil	278,729
6	Mr. Al Sayed Abdullah Mohamad AlHashemi	Director	Nil	Nil	Nil
7	Mr. Obaid Bin Mes'har	Director	Nil	Nil	Nil
8	Mr. Saeed Mohammed Al Shared	Director	Nil	Nil	Nil
9	Mr. Nabil Abdulrahman Ahmad Arif	Director	Nil	250,000	250,000
10	Mr. Mohammed Juma Al-Suwaidi	Director	Nil	Nil	Nil
11	Dr. Moza Shaiban Sweidan	Director	Nil	Nil	7,431

## BOARD REMUNERATION

Subject to approval by the shareholders at an upcoming general assembly in April, 2023, the total remuneration to be paid to the Board of Directors in AED 39.5 million.

# BOARD MEETINGS AND RESOLUTIONS IN 2022

## BOARD MEETINGS

During the year 2022, a total of nine (9) 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. to deliver sustainable stakeholder value.

The Board appreciated and acknowledged DEWA management and employees’ efforts throughout the year 2022. The management and employees are constantly encouraged to aspire for excellence with the goal

DEWA’s Articles of Association require that the Board of Directors meet a minimum of 6 times each year. The quorum for meetings is a majority of directors, and approval on subjects is by majority vote of attendees.

The following table sets forth the meetings held by DEWA ‘s Board of Directors in 2022:

Name	Position	M1	M2	M3	M4	M5	M6	M7	M8	M9
HE Matar Humaid Al-Tayer	Chairman	P	P	P	P	P	P	P	P	P
HE Saeed Mohammed Ahmad Al Tayer	Director	P	P	P	P	P	P	P	P	P
HE Khalfan Ahmad Harib	Director	P	P	P	P	P	A	P	P	P
HE Majid Hamad Rahma Al Shamsi	Director	P	P	P	P	P	P	P	P	P
Mr. Hilal Khalfan Bin Dhaher	Director	P	P	P	P	A	P	P	P	P
Mr. Al Sayed Abdullah Mohamad AlHashemi	Director	P	P	P	P	A	P	P	P	P
Mr. Obaid Bin Mes'har	Director	P	P	P	A	P	A	P	P	P
Mr. Saeed Mohammed Al Shared	Director	P	P	P	P	P	P	P	P	P
Mr. Nabil Abdulrahman Ahmad Arif	Director	P	P	P	P	P	P	P	P	P
Mr. Mohammed Juma Al-Suwaidi	Director	P	P	P	P	P	P	P	P	P
Dr. Moza Shaiban Sweidan	Director	P	P	P	P	P	P	P	P	P

P – Present, A – Absent

## BOARD RESOLUTIONS

In accordance with the applicable provisions from SCA Corporate Governance Procedures, nine (9) resolutions were passed by circulation by the Board (which were mostly for considering urgent operational matters) and these resolutions were recorded in the minutes of the subsequent meeting of the Board.

S.N	No.	Date
1	Board Resolution No. 1/2022 passed by circulation	6/1/2022
2	Board Resolution No. 2/2022 passed by circulation	10/1/2022
3	Board Resolution No. 3/2022 passed by circulation	19/1/2022
4	Board Resolution No. 4/2022 passed by circulation	3/3/2022
5	Board Resolution No. 5/2022 passed by circulation	4/3/2022
6	Board Resolution No. 6/2022 passed by circulation	22/3/2022
7	Board Resolution No. 7/2022 passed by circulation	10/5/2022
8	Board Resolution No. 8/2022 passed by circulation	5/10/2022
9	Board Resolution No. 9/2022 passed by circulation	1/11/2022

## GENERAL ASSEMBLY MEETINGS (GA) HELD IN 2022

The Board held two (2) General Assembly Meetings and below are the decisions and the resolutions taken:

### 1st GA Meeting: October 10th 2022:

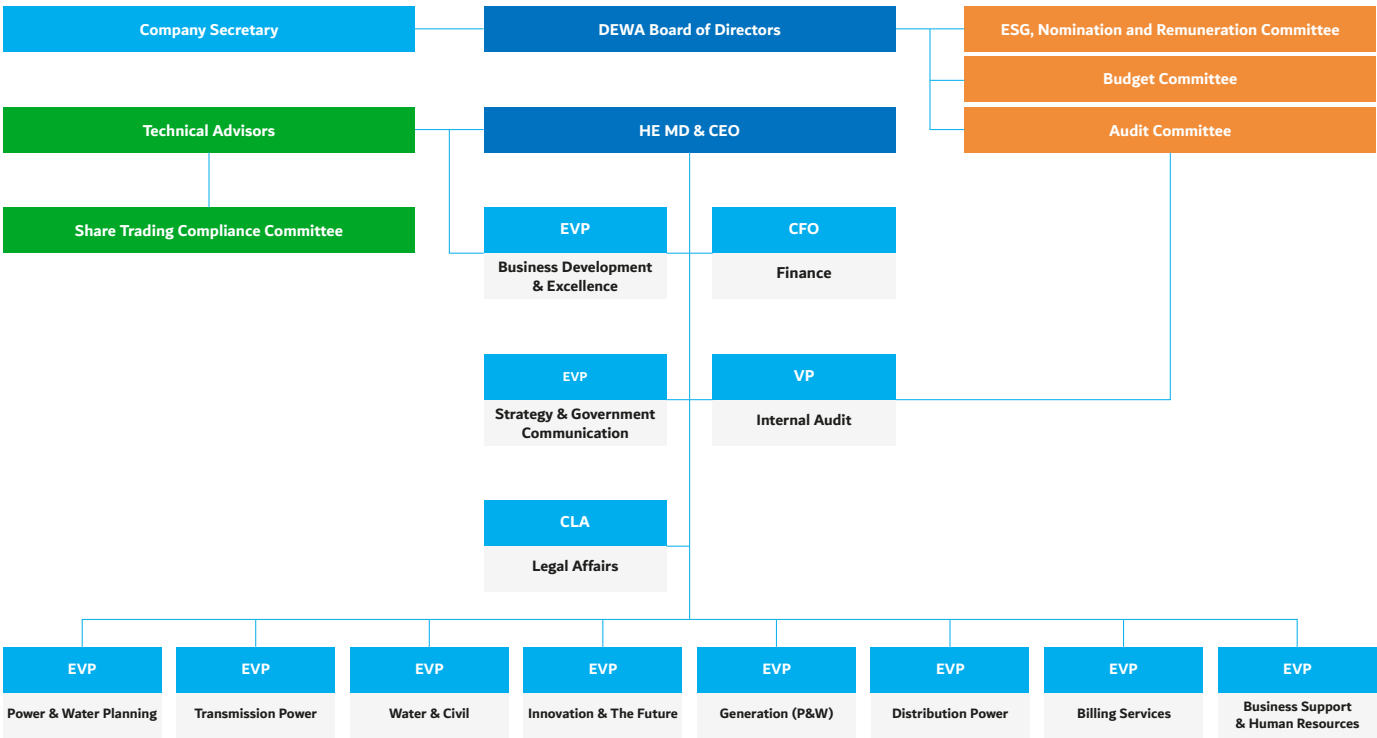
- Approve the recommendation of the Board of Directors concerning a cash dividend distribution of AED 3.1 billion (6.2 fils per share) for H1, 2022, which was thereafter to be paid to the Company's eligible shareholders in October 2022.
- Approve the recommendation of the Board of Directors to suspend any further allocation of profit towards legal reserve as the Company's legal reserve is currently in excess of 50% of the paid-up share capital of the Company.

### 2nd GA Meeting: December 12th 2022:

- Approve the recommendation of the Board of Directors concerning a special one-time cash dividend distribution of AED 2.03 billion (4.06 fils per share), for 2022, which has thereafter been paid to the Company's eligible shareholders in December, 2022.

# DEWA ORGANIZATIONAL STRUCTURE

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



DEWA Organization Structure

# DELEGATION TO MANAGEMENT

DEWA's Board provides guidance and direction to the Management for achieving its strategic objectives. The Board is responsible for the direction and oversight of DEWA, and the day-to-day activities of DEWA are managed by the MD & CEO and the divisional heads in compliance with Law No 27 of 2021 and Articles of Association and the directions of the

Board and the General Assembly. The Board of Directors may delegate any of its powers to any of its committees or to the CEO in line with the provisions of the Law and the Articles of Association. Such Delegation of Authority is subject to regular review and amendment (if required) by the Board and the Audit Committee.

DEWA has implemented a robust SAP ERP system with carefully designed controls that enable transparency and promote efficiency and effective governance in all its processes.



# INTERNAL CONTROL SYSTEM

## ROLE OF THE BOARD IN INTERNAL CONTROL

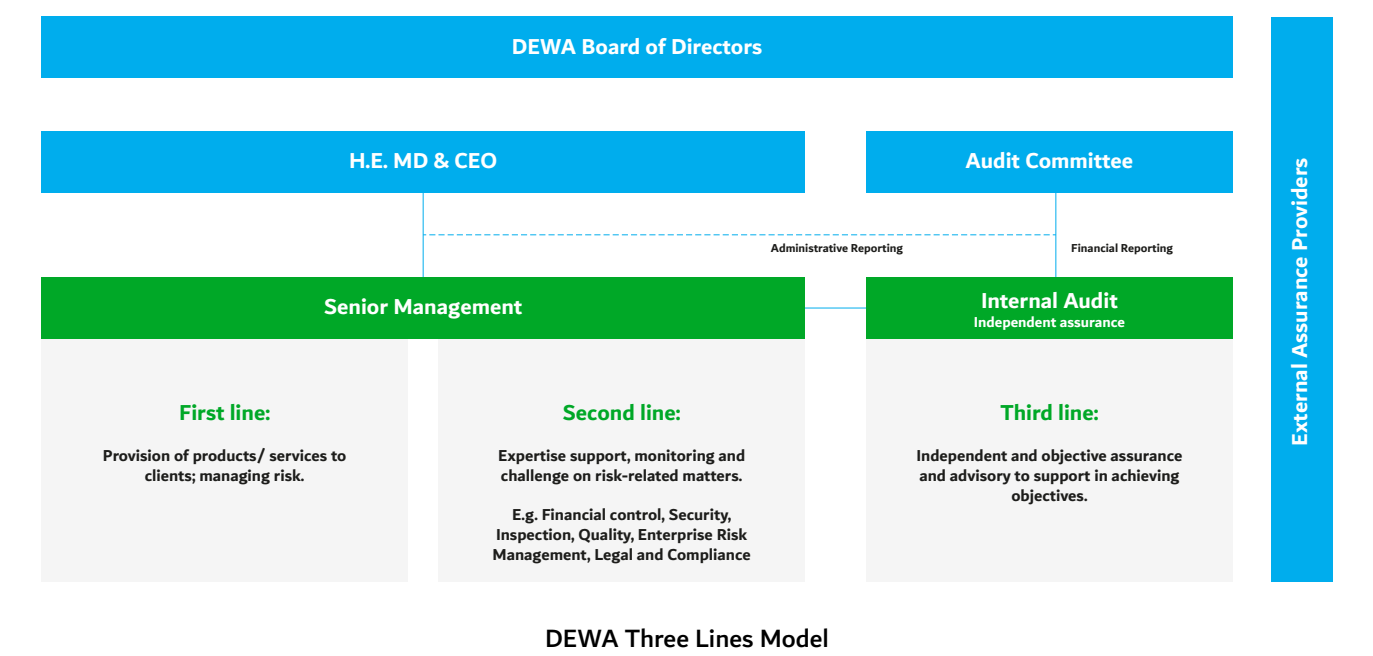
The Board has overall responsibility for ensuring effectiveness of the internal control system in DEWA. The Board is responsible for setting a clear framework for the purpose of ensuring effective and efficient operations, accurate financial reporting, and compliance with laws and regulations.

## 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 while simultaneously ensuring:

- 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 non-compliance with laws & regulations, damage to reputation or payment of fines/penalties.

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.

# BOARD AND MANAGEMENT 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 function 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. Furthermore, the Share Trading Compliance Committee, which is a Management committee is also in place which aims to supervise the transactions of the insiders and their ownership of the Company shares.

## AUDIT COMMITTEE

The Board constituted an Audit Committee that monitors financial statements, reviews and recommends changes to DEWA's financial and internal control systems, and reviews terms of appointment and maintains an appropriate relationship with its external auditors.

The Audit Committee's key responsibilities are related but not limited to reviewing and monitoring the integrity of annual and interim financial statements, advising on the appointment of external auditors, supervise their independence, reviewing the effectiveness of the external audit and internal audit process. The Audit Committee consists of the following members:

Committee Members	Position	1st Meeting	2nd Meeting	3rd Meeting	4th Meeting	5th Meeting	6th Meeting	7th Meeting
		12/01/2022	25/01/2022	31/01/2022	17/03/2022	10/05/2022	09/08/2022	09/11/2022
Mr. Saeed Mohammed Al Shared	Chairman	P	P	P	P	P	P	P
HE Khalfan Ahmad Harib	Member	P	P	P	P	P	P	P
Mr. Abdulla Mohammad Al Hashemi	Member	A	P	P	P	P	P	P

P – Present, A – Absent

DEWA Management is responsible for implementing internal controls across DEWA processes and operations. The Internal Audit Department is responsible for evaluating the effectiveness of Internal Control processes.

The Internal Audit Department has reported 204 audit reports pertaining to internal controls during the year. Major problems were not present during the year.

## 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 also oversees the Company's nomination process for the Board of Directors and continuously monitors the independence of the independent members of the Board.

The ESG, Nomination and Remuneration Committee consists of the below members:

Committee Members	Position
Mr. Hilal Khalfan Bin Dhafer	Chairman
Mr. Obaid Bin Mes'har	Member
Mr. Nabil Abdulrahman Ahmad Arif	Member

## BUDGET COMMITTEE

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

## SHARE TRADING COMPLIANCE COMMITTEE

The Share Trading Compliance Committee oversees the implementation of an effective process to maintain an updated register of Insiders and monitor their adherence to the Insider Trading policy.

The key responsibilities of this Committee is to supervise the transactions of the insiders and their ownership of the Company shares and provide DFM with periodic reports on the transactions of insiders.

The Committee members are as follow:

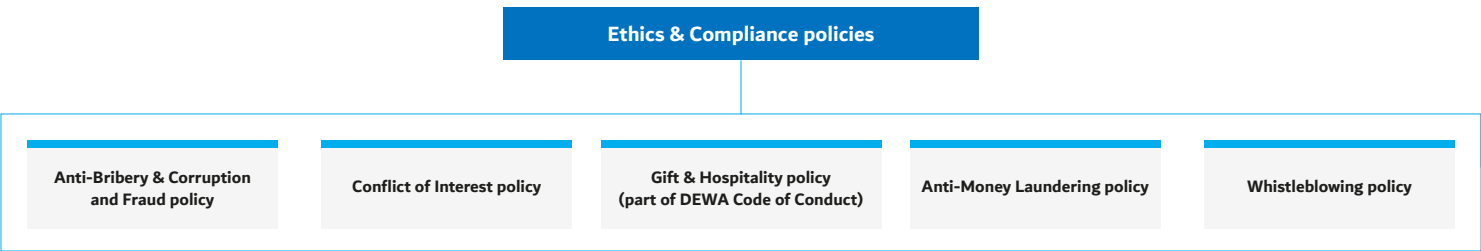
Committee Members	Position
Chief Financial Officer	Chairman
Head of Investor Relations	Member
Vice President – Internal Audit	Member
Board Secretary	Member

# ETHICS AND COMPLIANCE POLICIES

## ANTI-BRIBERY AND CORRUPTION AND FRAUD POLICY

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.

While supporting the transition to a public listed company, DEWA continuously ensures to benchmark its policies and practices with leading international companies. Therefore, DEWA adopted a robust Ethics and Compliance system with the aim to govern, prevent, detect and respond to any instances of non-compliance that might occur.



For more details related to Anti-Bribery and Corruption and Fraud policy, please refer to <https://www.dewa.gov.ae/en/about-us/strategy-excellence/corporate-governance-and-strategy>

## CONFLICT OF INTEREST POLICY

DEWA is committed to implement an effective policy to prevent Conflict of Interest and uphold integrity in execution of duties and responsibilities, and compliance with applicable legislations. The Company conducts its business in such a way as to uphold and safeguard the rights and legitimate interests of all stakeholders, under the principle of fair treatment and non-discrimination.

Our Conflict of Interest Policy sets forth requirements for the avoidance and management of conflicts of interest that may arise in some activities, including the avoidance of situations that merely have the appearance of a conflict of interest. Under this Policy, conflicts of interest must be promptly disclosed so that the appropriate course of action can be taken in order to protect DEWA's interests.

For more details related to DEWA Conflict of Interest policy, please refer to <https://www.dewa.gov.ae/en/about-us/strategy-excellence/corporate-governance-and-strategy>

# MANAGEMENT INFORMATION SYSTEM (MIS) AND DISCLOSURE

Management Information System (MIS) is used for decision-making, and for the coordination, control, analysis, and visualisation 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 contributed 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.

Integrity of data and the prompt processing of this data are crucial enablers for DEWA to improve current products and services and design 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.

## CORPORATE RISK & RESILIENCE

DEWA (PJSC) is a globally leading organisation with a vision that articulates its future-orientated position in line with the vision and directives articulated by the leadership of the UAE. This is supported by its mission, which acts as a roadmap for achieving the vision to guide DEWA's strategic direction.

Risk and resilience are integral to DEWA's strategic direction, and the organisation proactively anticipates, and adapts to risks and threats whilst responding to, and recovering from incidents to safeguard Dubai's critical

infrastructure. In doing so, ensuring risks and threats are mitigated and electricity and water services are maintained according to the highest international standards of reliability, availability, efficiency, and quality.

In supporting Dubai, the wider UAE resilience ecosystem and critical national infrastructure, DEWA collaborates, coordinates, and communicates with local and national level ministries and authorities to share best practices to enhance the resilience of critical national infrastructure, ensuring continuous

coordination and communication through participation and exchange of information, intelligence and response.

The Board of Directors carries the responsibility of overseeing DEWA's risk and resilience approach, and the Group Risk & Resilience Committee carries the responsibility of providing leadership, direction and governance on all risk and resilience matters, including the management of emerging threats and risks.

# EXTERNAL AND INTERNAL AUDIT

## EXTERNAL AUDIT

KPMG has been appointed as the Company’s external auditor for the fiscal year 2022. 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 2022.

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. Please refer to Federal Decree Law No.32 of

2021 on Commercial Companies for more details.

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.

External Audit Details	
Name of the audit office and partner auditor	KPMG Mr. Nitin Mehrotra
Number of years he served as the Company’s external auditor	3
Total audit fees for 2022 in (AED)	AED 1,155,000 plus 6% outlays
Fees and costs of other services other than auditing the financial statements for 2022 (AED), if any. In case of absence of any other fees, this shall be expressly stated.	AED 1,162,905
Details and nature of the other services (if any). If there are no other services, this matter shall be stated expressly.	a) Services provided to Federal Audit Authority for auditing DEWA financials for 2021 – AED 95,400 b) Consultancy services for DEWA Circular Economy Project – AED 1,067,505
Statement of other services that an external auditor other than the Company’s accounts auditor provided during 2022 (if any). In the absence of another external auditor, this matter is explicitly stated.	<b>EY</b> a) Group reporting related to audits of subsidiary companies b) Consultancy services for preparing HR manual c) SAP GRC Risk management d) Consultancy for productivity assessment and cost optimisation <b>Deloitte</b> a) Consultancy service for governance

## 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 provide assurance over the adequacy of 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) which enables it to enhance the quality of audit and pursue continuous improvement.



# COMPLIANCE MANAGEMENT

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 Department 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.

The scope of the Compliance Framework extends to laws and regulations that are issued by federal and local legislative and regulatory bodies relevant to DEWA's business; both new or existing, and also extends to internal regulations and rules issued by the MD&CEO. 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
- Internal Rules and Administrative Resolutions

## INTERNAL AND EXTERNAL CONTEXT

DEWA's business operations are in compliance with laws, regulations and compliance obligations of different federal and local governing bodies, including but not limited to the Executive Council, Supreme Legislative Council, Dubai Municipality, Dubai Roads and Transport Authority (RTA), Dubai Financial Market (DFM), Securities and Commodities Authority (SCA) international standards and guidelines and DEWA internal policies, circulars, and guidelines. Such obligations take into consideration risks arising from environmental, ethical, technological, and legal contexts. In order to establish the external context, the Compliance Department understands the needs and expectations of the interested parties.

## 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.



Compliance Framework

# INFORMATION TECHNOLOGY GOVERNANCE

DEWA holds the ISO/IEC 27014:2020 and ISO/IEC 38500:2015 certifications in Information Security Governance and Information Technology Governance, respectively since 2019. DEWA's integrated framework of IT and IS (ITS) Governance standards has been implemented by utilising internal competencies across all DEWA divisions.

DEWA's integrated Information Technology and Security (ITS) Governance framework has been endorsed by HE 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 behaviour and positive environment, and performance. Information Technology and Security (ITS) Governance additionally aligns with 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.

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

## WHISTLEBLOWING

All internal and external stakeholders that suspect or become aware of potential or actual unlawful act or misconduct within or in connection with DEWA activities including but not limited to fraudulent financial activities, and 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 official website



For more details related to DEWA Whistleblowing policy, please refer to

<https://www.dewa.gov.ae/en/about-us/strategy-excellence/corporate-governance-and-strategy>

# INTERNATIONAL STANDARDS AND BENCHMARK

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

DEWA has been certified as compliant with the British standard BSI 13500 “Code of practice for delivering effective governance” in 2017 and in successive years including the year 2022.

As a result of a successful certification for consecutive years, DEWA was awarded a trophy by BSI Governance Body marking DEWA's five consecutive years of receiving BSI 13500 in 2022.



As a result of its good governance practice, DEWA received the Global Award from the European Foundation for Quality Management (EFQM) for the second time. DEWA continues to maintain its position in the Platinum category, which includes leading companies and institutions that promote excellence. This new accolade crowns DEWA's pioneering efforts and its record of accomplishment in excellence. DEWA is the first organisation outside Europe to receive this prestigious global award, which is the highest award from the EFQM Excellence Model.

Some of the other prominent certifications that DEWA has received recognition for during the year 2022 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.

# CORPORATE SOCIAL RESPONSIBILITY

In addition to providing electricity and water services according to the highest standards of efficiency, reliability, availability and quality, DEWA focuses on social work as an integral part of its efforts to empower society. DEWA is at the forefront of Corporate Social Responsibility (CSR) initiatives in Dubai, as it strives towards ensuring a sustainable future for all. Its CSR practices are benchmarked against leading local, regional, and international organisations. DEWA also develops, implements and supports projects and social initiatives that contribute to the development of the UAE's national identity.

DEWA's current CSR areas of focus include: The economic pillar, the environmental pillar, the social pillar, and the people pillar. DEWA has a robust partnership management approach to build effective partnerships with the government and private sectors as well as civil society, including educational institutions and non-profit organisations, within its values of stakeholder happiness; sustainability; innovation; excellence; and good governance.

Between 2013 and 2022, DEWA launched and supported various community initiatives. Its employees recorded 206,560 volunteer hours

in humanitarian and community initiatives, benefiting 50,458,396 people in the UAE and abroad. In 2022, the percentage of society happiness towards DEWA reached 93.02%.

In line with its vision to become a globally leading sustainable innovative corporation committed to achieving Net-Zero by 2050, DEWA has developed a well-defined framework for its CSR activities. The framework includes identification of needs, planning, implementation, measurement & review, and learning & continuous improvement. This is based on the Global Reporting Initiative (GRI) to ensure the sustainability of results. It is built on three pillars: Environmental Sustainability, Social Sustainability, and Economic Sustainability. These pillars support the UN Sustainable Development Goals (SDGs) 2030.

DEWA's CSR initiatives cover a wide range of aspects, including supporting local communities, educating and empowering employees, promoting gender equality, and waste reduction.

In recognition of its CSR efforts, DEWA has been recognised on multiple platforms locally and globally. It won first place in the Public Sector

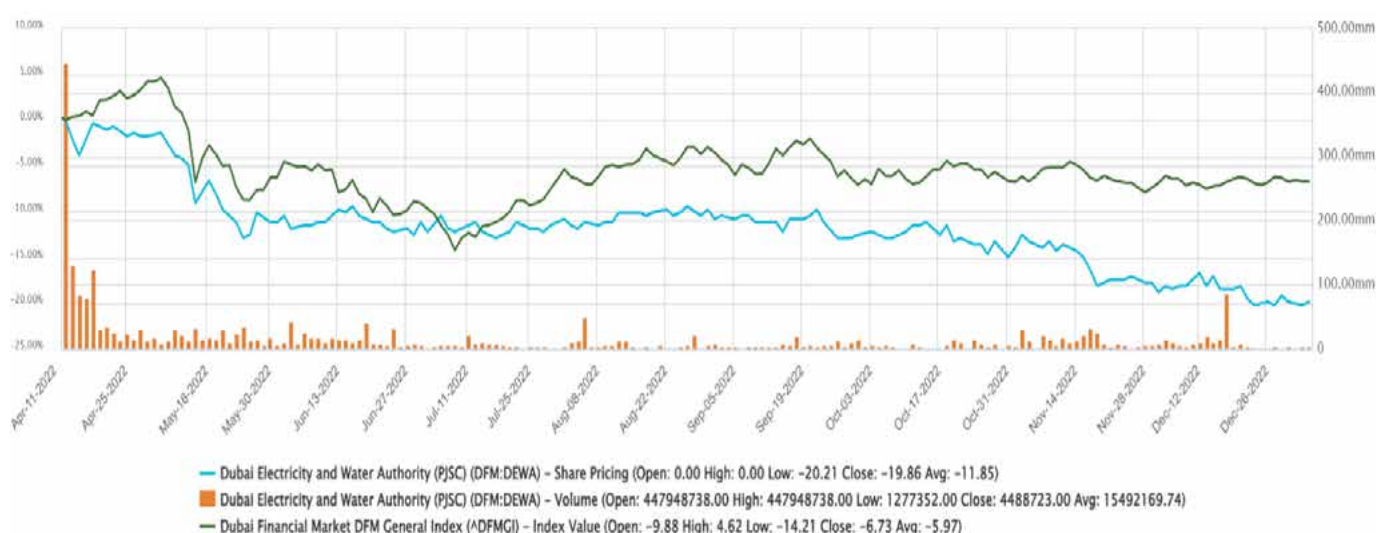
Category of the Arabia CSR Awards 2022 for the 8th year running. It also received an honorary shield during the Community Development Authority (CDA)'s Partners Forum Ceremony. In 2019, DEWA received the Committed to Sustainability Certificate by the European Foundation of Quality Management (EFQM). DEWA has been ranked the third most valuable utility brand in the Middle East and the third fastest growing brand in the UAE according to the annual report issued by 'Brand Finance' for the strongest and most valuable brands in the world in 2022. DEWA continues to set a high standard in sustainability practices while contributing towards achieving the SDGs.

# GENERAL INFORMATION

## STATEMENT OF THE COMPANY'S SHARE PRICE IN THE MARKET DURING 2022

Month	Highest price	Lowest price	Closing price
April 2022	2.870	2.760	2.820
May 2022	2.830	2.500	2.550
June 2022	2.600	2.510	2.520
July 2022	2.570	2.500	2.540
August 2022	2.590	2.540	2.560
September 2022	2.590	2.500	2.510
October 2022	2.550	2.450	2.440
November 2022	2.510	2.330	2.330
December 2022	2.380	2.290	2.300

## PERFORMANCE OF THE COMPANY'S SHARES IN 2022 COMPARED WITH THE DFM GENERAL INDEX



## STATEMENT OF THE SHAREHOLDERS' OWNERSHIP DISTRIBUTION AS ON 31 DECEMBER 2022

Country	Type of investor/ shareholders	Number of shares	Percentage
UAE	Government	41,186,242,722	97%
	Companies	5,403,566,304	
	Individuals	1,681,162,797	
	Banks	386,861,668	
	Institutions	91,314,252	
GCC Countries	Companies	129,130,959	1%
	Individuals	94,627,483	
	Banks	7,803,500	
Unites States of America	Companies	282,480,147	1%
	Individuals	2,904,145	
Other Nationalities	Government	10,384,000	<1%
	Companies	410,920,856	
	Individuals	294,089,624	
	Banks	4,603,881	
	Institutions	6,154	
Rest of the world		13,901,508	<1%
<b>Grand Total</b>		<b>50,000,000,000</b>	<b>100%</b>

## STATEMENT OF SHAREHOLDERS OWNING 5% OR MORE OF THE COMPANY'S CAPITAL AS ON 31 DECEMBER 2022

Name	Number of owned shares	Percentage of owned shares
Department of Finance – Govt of Dubai	41,000,000,000	82%

## STATEMENT OF DISTRIBUTION OF SHAREHOLDERS ACCORDING TO THE SIZE OF THE EQUITY AS ON 31 DECEMBER 2022

Share (s) ownership	Number of shareholders	Number of owned shares	Percentage of owned shares
Less than 50,000	53,148	182,178,778	0.4%
Between 50,000 and 500,000	3,303	490,585,360	1.0%
Between 500,000 and 5,000,000	720	1,041,761,591	2.0%
More than 5,000,000	139	48,285,474,271	96.6%
<b>Total</b>	<b>57,310</b>	<b>50,000,000,000</b>	<b>100%</b>



# STATEMENT OF EMIRATIZATION PERCENTAGE

DEWA seeks to achieve the vision set by the Government's wise Leadership in achieving the prosperity and sustainable prosperity of the nation and its citizens, by supporting the Emiratisation process using best practices. This is done through the development of operational plans and strategies to enhance the participation of the UAE in all sectors to ensure the achievement of career aspirations of national competencies through training, guidance, and creating an attractive work environment for them.

DEWA's Emiratisation approach and commitment is to provide national employees with a positive work environment including exceptional opportunities for learning and growth.

## Emiratization targets and actuals (in %) for the year 2020, 2021 and 2022:

DEWA achieved excellent Emiratisation results. DEWA aims to localize engineering jobs according to integrated strategy that includes

innovative programmes and initiatives to attract and train Emiratis in engineering fields, as DEWA Academy, competitive allowances, scholarships inside and outside the country in various energy fields:

KPI	2020		2021		2022	
	Actual	Target	Actual	Target	Actual	Target
Emiratization Rate - Leadership	87.93 %	87.42 %	88.33 %	87.97 %	88.33 %	89.05 %
Emiratization Rate - Management	59.18 %	59.65 %	60.16 %	60.55 %	70.10 %	61.46 %
Emiratization Rate - Non Supervisory	36.96 %	38.47 %	39.33 %	38.47 %	32.33 %	40.79 %

## Emirati attrition rate for the year 2021 and 2022:

KPI	2021		2022	
	Actual	Target	Actual	Target
Emirati attrition rate (Turnover Rate)	1.19%	2%	1.25%	2%

# INVESTORS RELATIONS

Through the year, DEWA's Investor Relations publishes earnings, releases and arranges briefings, conference calls to raise investors' awareness globally about the Company's attractive value proposition among listed companies and provide updates on DEWA's growth strategy and performance.

DEWA adopts a proactive Investor Relations engagement strategy to sustaining "investor" trust and maximizing shareholder value, particularly during volatile market conditions and global uncertainty.

DEWA Investor Relations Email: [dewainvestors@dewa.gov.ae](mailto:dewainvestors@dewa.gov.ae)

DEWA Investor Relations Website: <https://www.dewa.gov.ae/en/investor-relations>

# MAJOR EVENTS AND DISCLOSURES IN 2022

- IPO of Subsidiary, EMPOWER – in mid-November, 2022, DEWA listed its 70% majority owned subsidiary, EMPOWER on the Dubai Financial Markets. DEWA now holds a 56% stake in EMPOWER.
- Capacity Addition – over 2022, DEWA added 1,100 MW of gross capacity to 14,517 MW. This includes 600 MW from the Hassyan Power Complex, which runs on natural gas and an additional 500 MW at the Mohammed bin Rashid Al Maktoum Solar Park.
- Payment of Special dividend of AED 2.03 billion – on Dec 12th, 2022, DEWA's shareholders approved the payment of a special one-time dividend of AED 2.03 billion, which was paid on Dec 28th, 2022.
- Payment of Ordinary Dividend of AED 3.10 billion – on Oct 26th, 2022, DEWA paid its shareholders a dividend of AED 3.1 billion for the first half of 2022.
- WETEX & Dubai Solar Show and WGES – from 27 to 29 September 2022, DEWA organized the 24th Water, Energy, Technology, and Environment Exhibition (WETEX) and Dubai Solar Show (DSS). On 28th and 29th September 2022, DEWA organized the 8th World Green Energy Summit (WGES) in collaboration with the World Green Economy Organization (WGEO), and the Dubai Supreme Council of Energy.
- 2022 World Records – In Q3, 2022 DEWA broke its own world record in major inspection outage duration for the overhaul of gas turbines and desalination units. Also, DEWA achieved the Guinness World Records title for owning and managing the Largest Single-Site Water Desalination Facility in the World with a production capacity of 490 million imperial gallons of water per day.
- Change to the Secretary of the Board of Directors – In October 2022, Mr. Ahmed Talaat was appointed as Secretary to the Board of Directors. He has served as Legal Advisor in DEWA for more than 10 years. He has a total experience of 23 years in different sectors of legal field. Ahmed holds Master's Degree in Law from Alexandria University in Egypt in 2003, and he did his postgraduate study in law of international project finance from the University of London.

## ABBREVIATIONS

4IR	Fourth Industrial Revolution
AF	Availability Factor
AI	Artificial Intelligence
AMI	Advanced Metering Infrastructure
ASR	Aquifer Storage and Recovery
BAU	Business As Usual
CDM	The Clean Development Mechanism
CEO	Chief Executive Officer
CER	Certified Emission Reduction
CML	Customer Minutes Loss
CO2	Carbon Dioxide
CSP	Concentrated Solar Power
DEWA	Dubai Electricity and Water Authority
DEWA PJSC	Dubai Electricity and Water Authority (Public Joint-Stock Company)
DFM	Dubai Financial Market
DFO	Diesel Fuel Oil
DSCE	Dubai Supreme Council of Energy
DSM	Demand Side Management Strategy
DUSUP	Dubai Supply Authority
EOD	Employees of Determination
ERM	Enterprise Risk Management
ERP	Emission Reduction Program
EV	Electric Vehicle
EWS-WWF	Emirates Nature - World Wide Fund for Nature
GHG	Greenhouse Gases
GRI	Global Reporting Initiative
GWh	Gigawatt Hour
H&S	Health and Safety
HPP	Hassyan Power Plant
HR	Human Resources
HSE	Health, Safety, and Environment
IDCXS	International Digital Customer Experience Standard
IMS	Integrated Management System
IoT	Internet of things
IPP	Independent Power Producer
I-RECs	Renewable Energy Certificates
ISO	International Organization for Standardization
KM	kilometres
KV	kilovolt
MBR	Mohammed bin Rashid
MD	Managing Director
MENA	Middle East and North Africa
MFO	Medium Fuel Oil

MIG	Million Imperial Gallons
MIGD	million imperial gallons per day
MMBTU	Metric Million British Thermal Units
MRV	Monitoring, Reporting and Verification
MSF	Multi-Stage Flashing
MW	Megawatts
MWh	Megawatts Hours
NOx	Nitrogen oxide
POD	People of Determination
PPM	Parts Per Million
PV	Photovoltaic Solar Power
QHSE	Quality, Health, Safety and Environment
R&D	Research and Development
RO	Reverse Osmosis
SAIFI	System Average Interruption Frequency Index
SDGs	The Sustainable Development Goals
SF6	Sulphur Hexafluoride
SO2	Sulphur Dioxide
SWRO	Sea Water Reverse Osmosis
T&D	Transmission and Distribution
TDS	Total Dissolved Solids
UNGC	United Nations Global Compact
UNSDGs	United Nations Sustainable Development Goals

We would like to thank you for taking the time to go through DEWA Integrated Report 2022, and we hope this report met your expectations.



**H.E Matar Humaid Al Tayer**  
Chairman of the Board



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



**Mr. Saeed Mohammed Al Shared**  
Audit Committee Chairman



**Mr. Hilal Khalfan Bin Dhaher**  
ESG, Nomination and  
Remuneration Committee  
Chairman



**Eng. Waleed Bin Salman**  
EVP – Business Development &  
Excellence