

# SUSTAINABILITY STRATEGY

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# ESG AGENDA AND STRATEGY OVERVIEW

ADNOC Distribution is executing a defined, long-term strategy to evolve from a fuel retailer into the UAE’s leading convenience and mobility company. We are leveraging the energy transformation to expand into lower carbon fuels and smart mobility, while elevating customer experience and embedding sustainability across our operations and supply chain. Supported by innovation and AI, our ambition is to be the brand of choice for customers.

We are pursuing a balanced transformation: improving today’s performance while scaling tomorrow’s energy solutions. Our decarbonization roadmap targets a 25% reduction in operational emissions intensity by 2030 (compared to 2021 baseline) and supports our ambition to achieve to Net Zero by 2045.

We are building leadership in sustainable mobility through a growing network of fast and super fast EV charging points in the UAE and by increasing the availability of cleaner fuels, including hydrogen and biofuels.

↓  
**25%**  
reduction  
by 2030 in  
operational  
emissions  
intensity

⚡  
Pathway to  
**Net  
Zero**  
by 2045

### Sustainability strategic framework

ADNOC Distribution’s Sustainability Strategic Framework is aligned with ADNOC Group’s sustainability strategy, reflecting a shared commitment to provide responsible, lower carbon energy and create lasting value for the UAE, its people and its businesses. Sustainability sits at the core of our corporate strategy and is embedded across governance, operations, supply chains and customer offerings. We strive to uphold top tier Health, Safety and Environment (HSE) standards, invest in our communities, enable sustainable economic growth and channel capital toward cleaner, cutting-edge energy and mobility solutions.

To deliver this ambition, we have set defined short, medium and long-term objectives to help advance our decarbonization roadmap (including our 2030 operational carbon intensity reduction target and pathway to Net Zero by 2045), elevate customer experience and expand access to lower carbon fuels and services. Our framework is designed to support the UAE’s strategic vision and ADNOC Group’s commitments, driving disciplined execution and regular reporting on outcomes.



## Strategic design & planning



**Implement** a double materiality assessment and commence a stakeholder engagement activity

**Formulate** the Sustainability Strategic Framework in accordance with global, regional and ADNOC Group Sustainability Goals and respective reporting frameworks

## Governance



**Secure** approval from the management, Executive Committee and Board of Directors for the sustainability framework and targets

**Drive** sustainability agenda through a dedicated "Chief Strategy, Transformation and Sustainability Officer"

**Appointed** a dedicated "Chief Strategy, Transformation and Sustainability Officer" to drive sustainability agenda

**Established** an ESG Subcommittee at the Board level. The Subcommittee, which reports to the Executive Committee and, ultimately, the Board of Directors, ensures that sustainability is at the heart of strategic decision-making at the highest levels

**Established** a Sustainability Committee responsible for steering the sustainability strategy and supervising its implementation. Key agenda items of the Sustainability Committee include coordinating emission reduction efforts and setting a carbon reduction pathway

**Manage CSR and direct** the CSR strategy and its execution

**Create** additional Subcommittee as required

**Include** a continuous sustainability agenda in quarterly Board meetings for review

**Incorporate** key objectives into the organization's performance scorecard, which is being updated for review of sustainability performance by the Board

## Implementation & supervision



**Organize** a task force to facilitate the execution of sustainability and CSR projects

**Establish** a specialist Sustainability Project Management Office (PMO) to track progress and offer feedback to Sustainability and CSR committees

**Create** initiative cards for execution, planning and supervision

**Implement** Collaborative Project Management Services (an online project management and reporting tool)

## Disclosure



**Begin** internal quarterly sustainability KPI reporting

**Start** external ESG reporting and annual disclosure mechanisms

**Perform** external assurance of the ESG disclosures

## Evaluation



**Comprehend** the impact of initiatives

**Understand** the development of strategic priorities

**Identify** feedback or enhancement



# Our Six Pillar Framework and SDG Alignment



## Climate, emissions and energy

In 2025, we advanced our Decarbonization Roadmap with clear progress across three priorities: reducing our own operational emissions, enabling lower carbon mobility for customers and piloting future energy solutions. These actions align with the UAE's Net Zero by 2050 Strategic Initiative and position the Company to compete in a lower carbon energy system while maintaining reliable, affordable service.



## 2025 DELIVERY AND IMPACT

### Biofuels in our fleet

We converted 100% of our company-owned road fleet to biofuel, avoiding an estimated 2,079 tCO<sub>2</sub>e of Scope 1 emissions in 2025 versus conventional diesel and demonstrating near term, scalable decarbonization of our operations.

### EV charging network

We expanded our electric vehicle charging infrastructure to 402 installed charging points across the UAE, up from 180+ at year end 2024. We are continuing to progress toward our goal to exceed 500 charging points by 2028, and intend to prioritize high demand locations and network reliability to support customer adoption.

### Energy efficient design

We integrated energy efficient systems and energy optimized building designs across our network (MEP, HVAC, retail and service equipment), delivering measurable energy savings and an estimated emissions reduction of 370 tCO<sub>2</sub>e in 2025 for the scope covered.

### Digital efficiency

We use AI as part of our efforts to optimize end-to-end operations intelligent assortment and C store clustering tune inventory and pricing to local demand, while AI-led site selection helps to identify new stations using traffic, spend and competitor signals.

Fuel demand prediction right-sizes replenishment to prevent runouts and reduce OPEX. Preference-based fueling and in-app F&B ordering speed throughput cut wait times, turning data into faster decisions, lower costs and a smoother customer experience.

## Climate and Energy (E)



### Solarization

Started in 2024 and continuing thereafter, we have been installing solar PV at additional ADNOC Distribution stations to increase renewable electricity consumption and reduce Scope 2 emissions, building on our broader energy efficiency program.



## Local environment

Biodiversity, circularity and resource efficiency

Sustainable business transformation is core to our strategy and complements our decarbonization agenda with nature protection and responsible resource use. In 2025, we advanced programs that are designed to strengthen biodiversity, cut waste, conserve water and engage customers in our sustainability journey.



## 2025 DELIVERY AND IMPACT

### Biodiversity restoration

Since 2024, we planted over 27,000 mangroves and over 1,800 Ghaf across four Emirates (Abu Dhabi, Dubai, Ajman, Ras Al Khaimah).

Each planting is recorded on a blockchain ledger and can be adopted through the ADNOC Distribution app. The program contributes to ADNOC Group's goal of planting 10 million mangroves by 2030 and creates biodiversity co benefits, including shoreline protection and habitat enhancement.

## Environment and Circularity (E)



### Waste and water management

We expanded solutions to help reduce waste and conserve water, including recycling water from car wash facilities and installing aerators across washrooms and mosque ablution areas to lower consumption.

We deployed Reverse Vending Machines (RVMs) at 25 service stations and 2 offices, enabling the recycling of 18.2 million bottles and cans and preventing nearly 2,733,905 kg of CO<sub>2</sub>e emissions through avoided virgin material production and disposal.



## Economic social contribution

We prioritize national economic development and community well being through programs that strengthen our workforce, support vulnerable households and advance public health.

### Kasr al Siyam

is a Ramadan community initiative by ADNOC Distribution to help people on the move break their fast safely and on time during Maghrib. Employees distributed 300,000 Iftar boxes at and around more than 83 stations across the UAE, including streets and traffic signals near high need areas, for fasting communities and working laborers.

### Energy access for families (LPG donation)

With the Khalifa bin Zayed Al Nahyan Foundation, we supported the National Families initiative during Ramadan by donating LPG cylinders to families across Abu Dhabi, helping to reduce household energy costs during a period of peak demand.



## 2025 DELIVERY AND IMPACT

### Liwa Moreeb

Dune Festival included cash sponsorship and full fueling operations of one main hub with eight fuel trucks plus MyStation trucks across six secondary zones providing capacity for 8,000 vehicles daily. We enhanced the fan village with two ADNOC Oasis Stores & Cafés, E2GO EV charging and a Fleet Smart Solution hub for RFID tag setup and wallet activation and amplified reach via station advertising and social media, generating 52 million views to promote sport, community engagement and wellbeing.

## Customers and Communities (S)



### Local community and youth employment

As we expanded our network, we created jobs at multiple levels and invested in UAE National talent.

Our focus included recruiting experienced UAE Nationals from the local market, hiring fresh UAE National graduates, offering internships to local students and collaborating with ADNOC on youth changemaker initiatives and the Youth Committee to build a strong future workforce.



## Health, safety and security

Safety is one of our foremost priorities. We aim for zero harm across our operations and supply chain, protecting employees, contractors, customers and communities. Our programs focus on process safety and asset integrity, road safety and workforce wellbeing.

### Health, Safety and Wellbeing



## Workforce, diversity and development

Sustainable social transformation is a pillar of our strategy. We are building a skilled, inclusive and future ready workforce that supports our growth, strengthens performance and aligns with UAE national priorities.

### People and Culture (S)



## 2025 DELIVERY AND IMPACT

### Asset Integrity and Process Safety (AIPS)

We embedded a risk based approach across terminals and service stations designed to systematically identify, assess and mitigate hazards. Key elements include control of work, management of change, safety critical equipment inspection and testing, emergency response drills and periodic assurance.

### Joint safety campaign on fueling practices

In collaboration with the Ministry of Interior (MOI) and the Ministry of Education (MOE), we launched a nationwide awareness campaign on safe fueling. The initiative emphasizes speed compliance within stations, prevention of nozzle pull incidents and adherence to UAE safety regulations.

### Road safety in operations

We advanced fleet safety through journey planning, defensive driving training and telematics to monitor speed, harsh braking and distraction indicators. These measures aim to lower vehicle incident rates and protect employees and the public on and around our sites.

### Workforce health and wellbeing

We continued occupational health programs including medical screenings, heat stress prevention and hydration protocols, PPE compliance, ergonomics improvements and mental health awareness. These actions are meant to enhance fitness for work, reduce absenteeism and support a resilient, engaged workforce.

### Contractor safety management

We strengthened alignment with contractors via pre qualification, HSE requirements in contracts, onboarding and toolbox talks and joint audits to support consistent standards across our supply chain.



## 2025 DELIVERY AND IMPACT

### Emiratization and youth

We contributed to the UAE National Employment Strategy 2031, achieving >70 % Emirati representation across our organization. We prioritized hiring experienced UAE Nationals, created pathways for graduates and interns and expanded targeted learning to accelerate development into supervisory and leadership roles.

### Diverse and inclusive workforce

Our people represent 81 nationalities. In 2025, we recruited 1,100 employees from more than 30 nationalities across our markets, strengthening capabilities in retail operations, mobility services, logistics and digital.

### Employee experience

We achieved a 78% employee experience score, reflecting progress in engagement, inclusion, wellbeing and manager effectiveness.

### Gender balance and pay equity

A CEO chaired Gender Balance Committee steers our agenda. In 2025, we increased women's representation to 14% in top management, 15% in STEM roles and 4% in junior management. We achieved a 1:1 median gender pay ratio (total compensation, including bonuses and incentives) for the measured population and strengthened policy foundations for equal pay and equitable career progression.





## Business sustainability

We believe a sustainable future is built on a robust governance foundation. Our approach combines strong ethics and compliance, defined ESG oversight and discipline, sustainability linked financing to manage risk, meet stakeholder expectations and support long-term value creation.



## 2025 DELIVERY AND IMPACT

### Ethics and compliance

We continued to embed global good practices through a comprehensive framework that includes our Code of Conduct, Antibribery and Corruption, Gifts and Entertainment and Conflicts of Interest policies. These are operationalized via management and reporting systems that support policy rollout, employee training, third-party due diligence, disclosures and registers (e.g., gifts and conflicts) and incident reporting and investigation. The program reinforces a culture of integrity across our operations and supply chain.

### Sustainability governance

To accelerate delivery of our ESG agenda, the Executive Committee established an ESG Subcommittee in 2024. The Subcommittee is responsible for coordinating cross-functional initiatives, monitoring performance against targets and ensuring consistent reporting and accountability across the business.

### Sustainable finance

We converted an existing AED 5.5 billion facility into a Sustainability Linked Loan (SLL), linking a portion of our financing costs to the achievement of defined sustainability performance indicators. In 2025, we achieved the two KPIs associated with this SLL, underscoring our commitment to environmental responsibility and financial discipline.



# ESG GOVERNANCE

For ADNOC Distribution, governance is not just a compliance exercise, it is the way we create resilient, sustainable growth. Our governance framework is designed to comply with the UAE Capital Market Authority Corporate Governance Rules and regulations applicable to publicly listed companies in the UAE.

Guided by national priorities and informed by international good practice, we embed ethics, transparency and accountability into decision-making across the Company. This enables disciplined execution, effective risk management and long-term value creation for shareholders and stakeholders.

The Board of Directors sets the Company's strategic direction and oversees performance, risk and culture. The Board is responsible for oversight across key areas of our business including sustainability. It reviews robust systems of internal control and compliance, prudent capital allocation and responsible conduct throughout the organization.

Supported by its committees, the Board monitors the Company's sustainability priorities and key risks, including health and safety, operational reliability, market and financial resilience and technology and cybersecurity.



## Priorities & Key risks

- Health and safety
- Operational reliability
- Market and financial resilience
- Technology and cybersecurity

## Embedding sustainability within governance

The Board of Directors of ADNOC Distribution provides oversight of sustainability, climate and broader ESG performance across the Company and its supply chain. The Board approves the Company's sustainability strategy, reviews that goals and targets align with relevant local, national, regional and international guidelines and oversees execution through regular performance reviews and transparent disclosures.

This approach embeds sustainability into strategic decision-making, risk management and operational planning.



## ESG Subcommittee to Executive Committee

In September 2024, the Executive Committee established an ESG Subcommittee to advance the Company’s ESG agenda. The ESG Subcommittee advises the Executive Committee on effectiveness of the Company’s ESG strategy, integration of the sustainability agenda across the board, and oversees delivery of ESG-related targets and practices.

**Composition:** The ESG Subcommittee must have at least four members, all with the expertise and competence relevant to its remit. Members may be non executive directors or other qualified individuals, provided the Subcommittee includes at least one independent, non executive director.

### 2025 ESG Subcommittee members are:

- Ms. Paula Disberry (Chairwoman)
- Mr. Ibrahim N Al Zubi
- Mr. Ayman Dabash
- Mrs. Thuraya Al Maskari

**Activities and cadence:** In 2025, the Subcommittee met to review and discuss the Company’s sustainability strategy, decarbonization targets, climate risk assessment, and energy management updates and planning for 2026. The ESG Subcommittee typically meets quarterly.

## Sustainability Committee

The Sustainability Committee, a management level committee comprising of members of executive management, leads implementation of the ESG strategy.

Its remit includes decarbonization, energy and water efficiency, waste reduction, tenant metering, climate related risks, local community engagement, CSR and sustainability policies and procedures. Meeting monthly or as required, the Committee embeds sustainability goals across operations, oversees implementation of key initiatives and frameworks and strengthens proactive systems to integrate sustainability throughout the value chain. It also supports identification, assessment and monitoring of strategies and material risks that could impact the Company’s sustainable performance.

The Chief Executive Officer of ADNOC Distribution oversees the formulation and execution of the Company wide Sustainability Strategy and reports on progress across economic, environmental and social priorities.

The CEO delegates certain responsibilities to members of the Executive Management team to drive implementation of our sustainability strategy, track performance and report on key initiatives.



ADNOC Distribution further strengthened its sustainability governance with Athmane Benzerroug, Chief Strategy, Transformation and Sustainability Officer. In this role, he steers sustainability vision, identifies key priorities and navigates the targets and champions a sustainability focused culture across the Company and among stakeholders enhancing cross functional alignment, execution discipline and transparent performance reporting.

### Key objectives of the Sustainability Committee



## Implementation and evaluation of the framework

We manage enterprise performance through a single Organizational Performance Scorecard that integrates sustainability priorities into how we plan, execute and measure results. The scorecard focuses on indicators that are material to our business and stakeholders, supporting accountability and informed decision-making across the company. The firm has incorporated key sustainability objectives such as reducing greenhouse gas emissions, energy intensity, enhancing health and safety performance, fostering employee engagement, embedding artificial intelligence, increasing customer satisfaction, endorsing Emiratisation, contributing to in-country value and corporate governance into its yearly performance scorecard.

Governance and oversight are embedded into this approach. Sustainability and climate risk are standing agenda items at quarterly Board of Directors meetings and monthly Executive Committee meetings. These forums review performance against our scorecard, evaluate progress and steer initiatives to address risks and capture opportunities. By integrating these objectives into our enterprise scorecard and subjecting them to regular Board and Executive Committee oversight, we align sustainability with strategy, strengthen resilience in a changing energy landscape and deliver long-term value for our stakeholders and the UAE economy.

## Values in action

### Our policies for ethics, energy and human right

- **Code of conduct**

Approved and overseen by the Board, our [Code of Conduct](#) translates our values into clear behavioral and legal standards for employees, suppliers, contractors and partners. Reviewed annually, it covers business integrity (including anti bribery and conflicts of interest), fair competition, data protection, human rights and labor practices and HSE.

We embed the Code through mandatory training and annual attestations for employees and suppliers. We intend for concerns to be raised confidentially without

fear of retaliation; our policies require that breaches be investigated and subject to consequence management.

The Code underpins trusted, compliant operations and sustainable value.

- **Energy management policy**

We seek to prioritize energy efficiency across our operations in an effort to maximize the value of our resources while minimizing environmental impact.

Anchored in our core values, we intend to optimize energy use to enhance profitability, strengthen our market position and deliver high-quality services. This commitment creates shared value for our employees, customers, the communities where we operate and the nation.

- **Human rights policy statement**

We strive to respect and promote human rights across our operations and value chain. In line with the UN Global Compact Human Rights Principles, we expect all employees, suppliers and business partners to comply with our Code of Ethics and Supplier Code of Conduct.

Concerns can be raised confidentially and anonymously, 24/7, without fear of retaliation, through our ethics helpline and other reporting channels.

- **Non-discrimination**

In accordance with the Company's Code of Conduct, ADNOC Distribution maintains zero tolerance for discrimination, harassment and bullying across all operations.

We aim to foster a respectful, inclusive workplace for employees, customers, contractors, partners and suppliers. We are required to make employment decisions based on merit and to not tolerate adverse treatment on the basis of characteristics such as gender, nationality, ethnicity, religion, age, disability or any other status protected by law. The guidelines on non-discrimination, reflected in its policies, processes and activities actively foster equality and diversity through various initiatives.

We embed behavior change principles in customer service training, including explicit guidance on preventing discrimination and harassment.

Concerns can be raised through our established reporting channels, including options for confidentiality and anonymity, with strict non retaliation protections.

- **Gender diversity**

ADNOC Distribution is committed to gender diversity and equality across our Board and our workforce. We focus on increasing female representation especially in leadership while providing equal opportunities, development and advancement for all employees.

Our Gender Diversity Policy covers Board nominations and a comprehensive approach to gender diversity, equal pay and equal opportunity within the Company. In line with UAE Securities and Commodities Authority requirements for listed firms, we aim to include at least one female member on our Board of Directors.

- **Sustainability-related compensation and incentive schemes**

Our annual performance scorecard incorporates ESG KPIs into its executive compensation structure, linking variable pay to performance on environmental, social and governance objectives. The significant KPIs include reducing greenhouse gas emissions, energy intensity, enhancing health and safety performance, fostering employee engagement, embedding artificial intelligence, increasing customer satisfaction, endorsing Emiratisation, contributing to in-country value and corporate governance. The variable compensation of CEO and executive management is determined by the Remuneration Committee of the Company's Board of Directors, based on the score of the annual performance scorecard. The performance scorecard includes predefined corporate performance indicators on efficiency, operation, peoples, finance and sustainability.



### Human rights

Respect and promote human rights across operations and value chain; concerns can be raised confidentially 24/7



## Anti-corruption and fraud management

ADNOC Distribution maintains a zero-tolerance policy towards bribery and corruption, as detailed in its Anti-Bribery and Corruption Policy. Additionally, the Fraud Risk Management Policy provides rigorous oversight and controls to help prevent fraudulent activities. Integrity Due Diligence (IDD) assessments are conducted for third-party engagements, underscoring the company's diligence in maintaining ethical transactions. In 2025, the Company also performed a detailed risk assessment within its operation with procedures in place to address corruption that are assessed to be low, medium, and high risk. The risk assessment encompassed corruption, ethics, bribery, fraud, falsification of data, manipulation, business ethics, improper use of employee and customer data, kickbacks, unauthorized disclosure of confidential information, money laundering, among other issues. The audit was conducted by an independent external consultant.

## Whistleblower protections

The Takallam platform, governed by the Whistleblowing and Non-Retaliation Policy, provides employees and stakeholders with a confidential channel to report unethical behavior. This mechanism promotes transparency and encourages reporting on issues such as financial misconduct, corruption, bribery, fraud, falsification of data, manipulation, discrimination, harassment, improper use of employee

and customer data, kickbacks, unauthorized disclosure of confidential information and money laundering. The platform offers safe, confidential and retaliation-free reporting.

Critical issues are communicated to the highest governance body during monthly Executive Committee meetings and quarterly Board meetings. In addition to using the Takallam portal, employees can report ethical violations directly to their supervisors or the compliance department. There is also a register for logging received gifts and entertainment, which is reviewed collectively by line managers and the Compliance Department. Line managers approve conflict of interest, gift and entertainment declarations based on advice from the Ethics and Compliance department.

When a potential violation is raised, our processes expect that the Ethics and Compliance team appoints an investigation focal point and lead investigator based on the nature of the complaint. A fact-finding exercise is conducted to determine the root cause of the issue. If required, a full investigation is launched. An Investigation Committee, led by Ethics and Compliance and comprising relevant stakeholders, reviews the case, interviews witnesses and suspects and creates an investigation report.

This report is presented to the Investigation Review Board (IRB), which reviews the findings and makes disciplinary recommendations and corrective actions to the CEO. The Ethics and Compliance team then follows up with the relevant business units to review for implementation of the corrective actions.

## Anti-competitive behavior

The Competition Compliance Policy is designed such that ADNOC Distribution's operations adhere to local and international anti-competitive laws, establishing a fair marketplace.

The pricing in the Company's commercial business is based on global and regional market trends. Given the presence of multiple operators in the UAE commercial fuel sector which is governed by the UAE's Ministry of Energy and Infrastructure, there is minimal scope for anti-competitive conduct.

ADNOC Distribution seeks to consider the impact of relevant competition laws on its daily operations. Although its primary base is in the UAE, the Company has expanded into international jurisdictions. Consequently, we have implemented measures to drive compliance with the competition laws and regulations in these new regions.

Refresher courses are provided to educate all employees of ADNOC Distribution about competition compliance policies and adhere to both local and international competition laws. Specific employees, who are directly involved in or can significantly impact competitive strategies, receive focused compliance training, which can be completed either in-person or via e-learning.

## Integrity and ESG due diligence on M&A

The Company performs ESG Integrity Due Diligence (IDD) on third-party financial transactions. Our M&A activities include thorough IDD assessments focusing on financial integrity with environmental, social and governance criteria. ADNOC Distribution includes the completion of necessary Anti-Trust filings within pertinent jurisdictions in its processes.

This action highlights the Company's dedication to transparency throughout these transactions and compliance with Anti-Trust regulations, while also aligning with the Company's ESG financial risk appetite, which is critical for effective risk management and the successful execution of M&A transactions.

## Integrated Management System (IMS)

The Integrated Management System certifications of ADNOC Distribution encompass areas such as environmental management, data collection for maintenance, business continuity management, occupational health and safety management, energy management and asset management. The implementation of the IMS is an organization-wide initiative covering all functional processes within the Company at the following set of ISO Standards:

### ● ISO 14001

Environmental management

### ● ISO 14224

Collection and maintenance of data

### ● ISO 22241

Diesel engines — NOx reduction agent AUS 32

### ● ISO 55000 and ISO 55001

Asset management

### ● ISO 17025

Testing & calibration laboratories

### ● ISO 22301

Business continuity

### ● ISO 19650

Building Information Modelling – BIM

### ● ISO 50001

Energy management

### ● ISO 9001

Quality management systems

### ● ISO 45001

Occupational Health and Safety

### ● ISMS ISO 27001

Information security management systems

### ● ISO 45001

Occupational Health and Safety (OH&S) management system

# SUSTAINABILITY TARGETS AND COMMITMENTS

## AND ALIGNMENT WITH NATIONAL PRIORITIES

### Environment vision 2030 (Abu Dhabi)

#### GOALS

- To preserve and enhance Abu Dhabi's natural heritage in the efficient use of resources and contributing to a better quality of life for all. Solidify and unify local responses to sustainability through focused action on climate change, air and noise pollution and waste management
- Capability for sustainability across environmental and societal sectors

#### ADNOC Distribution's impact and contributions

- Enhanced the Sustainability strategic framework to elevate overall performance
- Formulated a path to decarbonization to expedite progress and set a goal to decrease operational emissions intensity by 25% by 2030 compared to a 2021 baseline
- Developed and invested in sustainable mobility infrastructure including EV, Hydrogen, Biofuel

### Demand Side Management (DSM) and Energy Rationalization Strategy (ERS)

#### GOALS

- Plan to cut electricity use by 22% and water use by 32% in Abu Dhabi by 2030
- Raise awareness about water and energy conservation and adopting recycling initiatives across operations

#### ADNOC Distributions impact and contributions

- Promoted awareness and training on waste, water and energy preservation through numerous campaigns and mandatory ESG training and about implementation of water saving and recycling programs in our operations and assets, including using recycled water at service stations
- Integrated energy and water efficient systems and implementation of sustainable building designs and automatic car washes to reduce emissions, water usage and waste generation

### UAE Net Zero by 2050

#### GOALS

- Attain Net Zero emissions by the year 2050
- Align with international decarbonization plans, such as the Paris Agreement

#### ADNOC Distributions impact and contributions

- Formulated a decarbonization strategy and pathway to steer a successful shift towards a decarbonized economy
- Expanded the business line to sustainable mobility to contribute to UAE's Net Zero ambition with clean energy, electric vehicle charging stations and introducing Biofuel in own fleet

### UAE centennial 2071

#### GOALS

- Empowering the next generation through skill development and enhancing local employment opportunities
- Raising productivity of the national economy

#### ADNOC Distributions impact and contributions

- Implemented forward-thinking learning and development programs, enhanced employment opportunities for local communities and supported ongoing social endeavors in the UAE
- Implemented local community engagement initiatives and programs

## Abu Dhabi economic vision 2030

### GOALS

- Building an open, efficient, effective and globally integrated business environment
- Developing a sufficient and resilient infrastructure capable of supporting anticipated economic growth
- Developing a highly skilled, highly productive work-force
- Adopting a disciplined fiscal policy that is responsive to economic cycles

### ADNOC Distribution's impact and contributions

- Developed and invested in sustainable mobility infrastructure including EV, Hydrogen, Biofuel
- Increased employment opportunities for the local workforce and increased In-Country-Value contribution

## Abu Dhabi Securities Exchange (ADX) guidelines

### GOALS

- Enhance ESG performance through transparent and robust disclosures
- Ensure disclosures comply with leading standards like GRI, UN SDGs, WFE, verified by independent third party for accuracy
- Instruct the disclosure of key ESG indicators to maintain global benchmarks

### ADNOC Distributions impact and contributions

- Published annual ESG disclosures following GRI Standards and ADX ESG indicators
- Obtained limited assurance from independent third-party on ESG disclosures

## UAE Energy Strategy 2050

### GOALS

- Triple the contribution of the renewable energy and invest AED 150 to AED 200 billion by 2030 to meet the country's increasing demand for energy as a result of a rapidly growing economy
- To reduce emissions from the water and energy sectors to ensure the achievement of net zero by 2050

### ADNOC Distributions impact and contributions

- Reduce the carbon footprint by amplifying the contribution of renewable energy through Solarization and utilization of Biofuel
- The Company is executing initiatives aimed at optimizing energy usage to moderate energy consumption

## United Nations Sustainable Development Goals

### GOALS

- Institute a developmental framework comprising 17 wide-ranging topics, including affordable and clean energy, as well as climate action
- Direct organizations in reporting their performance on each topic's indicators

### ADNOC Distributions impact and contributions

- Aligned ADNOC Distribution's key performance indicators (KPI), objectives and sustainability strategy with UN SDGs
- Leverage disclosures, like the annual ESG Reporting, to promote UN SDGs among stakeholders

## UAE Strategy for Artificial Intelligence

### GOALS

- Achieve the objectives of 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
- Create new vital market with high economic value

### ADNOC Distributions impact and contributions

- We are becoming an AI native business, with 20+ initiatives
- From personalizing and optimizing how we operate from Fill & Go's computer vision refueling and AI based store clustering to our Fuel Demand AI Model, which delivers >95% forecast accuracy, reduces runouts, and cuts fuel truck emissions by 10% through smarter deliveries

# STAKEHOLDER ENGAGEMENT

At ADNOC Distribution, stakeholder engagement sits at the center of our business and sustainability strategies. We are committed to actively engaging with stakeholders to identify and address concerns, adapting our operations to reflect stakeholders' expectations. This approach supports sustained performance and strengthens trust across our ecosystem.

Our Executive Leadership Team maintains regular oversight of stakeholder engagement. The Team meets monthly through the Executive Committee Meetings of the Board of Directors and quarterly through Board Meetings, providing timely discussion of stakeholder matters and management responses.

## Guiding principles

Our approach to stakeholder engagement is guided by the following principles:



### Transparency

We provide regular, clear and accessible communication to stakeholders.



### Inclusivity

ADNOC Distribution engages a diverse range of stakeholders across key touchpoints.



### Responsiveness

We implement solutions aligned with stakeholder needs and interests.



## OUR KEY STAKEHOLDERS



Employees



Supplier &  
Partners



Customers



Local  
Communities,  
NGOs



Investors &  
Shareholders



Government  
and Regulatory  
Authorities



## Stakeholder engagement process



### Employees

#### MODE OF ENGAGEMENT

- ▶ Culture & employee wellbeing initiatives
- ▶ People Connect sessions
- ▶ Employee engagement surveys and an ESG engagement survey
- ▶ Ask HC portal and email communications
- ▶ Training, workshops and leadership touchpoints
- ▶ Physical and virtual town halls and awareness sessions

#### TOPICS OF INTEREST

- ▶ Targeted engagement and wellbeing initiatives
- ▶ Promoting gender diversity, inclusion and equality
- ▶ Updates on policies, engagement plans, career progression and rewards
- ▶ Action on suggestions submitted via engagement surveys and People Connect sessions

#### HOW ADNOC DISTRIBUTION ADDS VALUE

- ▶ **Culture & wellbeing governance**  
We implemented a comprehensive culture and wellbeing strategy with monthly outcome reviews; ADNOC Distribution also activated divisional "people champions" and engagement committees (Sport, Gender Balance, Youth) to sustain desired behaviors
- ▶ **Employee voice & transparent communication**  
We act on feedback from engagement surveys and People Connect sessions, with actions tracked and communicated; ADNOC Distribution maintains regular updates via newsletters, emails, Yammer, town halls and CEO communications
- ▶ **Talent growth & mobility**  
We offer career development, digital upskilling and role rotations to broaden capabilities and support internal mobility
- ▶ **Inclusive, high performance culture**  
ADNOC Distribution fosters a value-driven, inclusive environment that supports development and strengthens retention
- ▶ **Flexible work & leadership access**  
We support flexible remote work to promote work-life balance and enhance leadership visibility through town halls and People Connect sessions improving day-to-day engagement and trust



## Customers

### MODE OF ENGAGEMENT

- ▶ ESG engagement survey
- ▶ Point of sale touchpoints
- ▶ Social media
- ▶ Corporate website and mobile application
- ▶ Customer call centers
- ▶ Customer satisfaction surveys

### TOPICS OF INTEREST

- ▶ Ensuring the health and safety of customers
- ▶ Improving the quality of products and service
- ▶ Enhancing workforce diversity at stations and convenience stores

### HOW ADNOC DISTRIBUTION ADDS VALUE

- ▶ **Safety & quality**  
ADNOC Distribution maintains strong health, safety and quality management systems in order to deliver consistent, high-quality products and services
- ▶ **Access & convenience**  
We expanded and operate a broader network of stations, EV charging, convenience stores and care facilities to improve accessibility and service consistency
- ▶ **Personalized experience**  
ADNOC Distribution uses AI and customer insights to tailor preferences and address identified needs
- ▶ **Service excellence through people**  
We elevate day-to-day interactions via workforce talent initiatives and professional development
- ▶ **Continuous improvement**  
ADNOC Distribution sustains system enhancements that help the Company better meet customer expectations



## Investors & shareholders

### MODE OF ENGAGEMENT

- ▶ ESG engagement survey
- ▶ General Assembly meetings
- ▶ Investor roadshows
- ▶ Physical and virtual meetings
- ▶ Investor feedback surveys
- ▶ Participation in equity conferences
- ▶ Annual report; quarterly earnings materials
- ▶ ARIF: ADNOC Distribution AI chatbot

### TOPICS OF INTEREST

- ▶ Visibility on the Company's growth plans and dividend sustainability
- ▶ Focus on extracting value from Company's assets in UAE, including non-fuel business potential
- ▶ International expansion growth and
- ▶ Efficient capital allocation
- ▶ EV strategy and economics

### HOW ADNOC DISTRIBUTION ADDS VALUE

- ▶ **Transparent, frequent disclosure**  
We communicated the five-year growth strategy at Investor Day (2024) which was reinforced during the Investor Majlis in 2025, provide annual guidance and KPI outlook and issue regular progress updates through results materials, roadshows and investor meetings
- ▶ **Disciplined capital deployment**  
ADNOC Distribution applied efficient capital allocation, including value-accretive M&A, with clear reporting on actions and outcomes
- ▶ **Energy transformation delivery**  
We launched a sustainability roadmap to decarbonize operations and invested in EV charging solutions to meet the current needs of EV customers nationwide
- ▶ **Shareholder returns framework**  
ADNOC Distribution proposed to extend the dividend policy until 2030 to enhance visibility on shareholder returns and will implement a quarterly dividend framework effective from 2026
- ▶ **Performance tracking**  
We report progress against annual and mid-term guidance and strategic initiatives, including energy transformation and adoption of low-carbon products and have reported sustained earnings growth



## Suppliers & partners

### MODE OF ENGAGEMENT

- ▶ ESG engagement survey
- ▶ Bids and tenders
- ▶ Supplier portals
- ▶ Post-award communications
- ▶ Periodical engagement meetings

### TOPICS OF INTEREST

- ▶ Ensuring availability and supplies of products in ADNOC Distribution's portfolio
- ▶ Enhancement in the tendering process
- ▶ Timely response to supplier queries
- ▶ Communication on new procedures related to supplier performance evaluation and In-Country Value
- ▶ Regularly meeting with suppliers to discuss SAP ARIBA system issues, Suppliers' Profile updates at ADNOC, Suppliers' Performance, ICV Improvement
- ▶ Plan and Certification

### HOW ADNOC DISTRIBUTION ADDS VALUE

- ▶ **Efficient Processes**  
We continually assess and improve supply chain and inventory management and ADNOC Distribution enhances tendering through regular SAP module updates
- ▶ **Transparency**  
Centralized announcements and clear tender procedures in SAP give suppliers consistent, accessible information
- ▶ **Timely Communication**  
We follow updated internal guidelines to respond within approved timelines and provide on-time replies via meetings and email
- ▶ **Collaborative Engagement**  
ADNOC Distribution hosts regular meetings with suppliers to address performance, system issues and in-country value initiatives
- ▶ **Process Discipline**  
Standardized timelines and channels improve responsiveness and clarity for suppliers across the procurement cycle



## Government & regulatory authorities

### MODE OF ENGAGEMENT

- ▶ Annual and quarterly reports
- ▶ Public reporting
- ▶ Virtual and face-to-face meetings

### TOPICS OF INTEREST

- ▶ Contribution of the organization to building and supporting the local economy, increase in customer convenience, employment opportunities, environment and community development
- ▶ Commitment to strengthening the regulatory framework governing the sector and supporting national policies

### HOW ADNOC DISTRIBUTION ADDS VALUE

- ▶ **National infrastructure & access**  
We expanded the network of stations, fast and super-fast EV charging infrastructure and renovated convenience stores strengthening national infrastructure, creating jobs and improving access to fueling and convenience services
- ▶ **Low-carbon solutions & product efficiency**  
ADNOC Distribution provided and developed low-carbon and green offerings, including CNG, EV charging, hybrid/green lubricants and premium fuels such as Octane-98 that support engine efficiency
- ▶ **Digital convenience**  
We invested in customer-centric digital solutions contactless payments, digital/online ordering and self-service checkouts to streamline the customer experience
- ▶ **Regulatory compliance & governance**  
ADNOC Distribution has processes in place to support compliance with applicable regulations and supports a strong industry governance framework



## Local communities, NGOs

### MODE OF ENGAGEMENT

- ▶ ESG engagement survey
- ▶ Employee volunteering
- ▶ Community program sponsorships
- ▶ CSR events

### TOPICS OF INTEREST

- ▶ Initiatives that support, build and create an overall impact on local employment and social development, health and safety of people and environment

### HOW ADNOC DISTRIBUTION ADDS VALUE

- ▶ **Local economic impact**  
Achieved 68% in-country value (ICV) across overall contracts supporting local suppliers, jobs and national economic development
- ▶ **Community & health**  
We supported communities through CSR, Ramadan community iftars and charitable contributions that strengthen social cohesion
- ▶ **Environmental stewardship**  
ADNOC Distribution engaged customers in environmental protection by launching reverse vending machines at stations and adding an "Adopt a Mangrove" and "Adopt an Ghaf tree" option in the app
- ▶ **Social development**  
We invest in local employment and health-focused initiatives that uplift communities and enhance quality of life



# DOUBLE MATERIALITY ASSESSMENT

In 2025, ADNOC Distribution conducted our first double materiality assessment (DMA) in line with consideration for the process outlined in the original European Sustainability Reporting Standards (ESRS) and EFRAG implementation guidance and GRI Standards.

Conducting this assessment has enabled us to identify and report upon the key material impacts on both people and the environment as a result of our operations, as well as understanding the main sustainability related risks and opportunities that could influence our financial performance and enterprise value. This holistic approach allows us to integrate these insights into our strategy, risk management and due diligence moving forward.

## What double materiality covers

### Impact materiality

We assessed the actual and potential impacts, both positive and negative, due to our own operations and full value chain over the short, medium and long term. We considered severity, which is dependent on scale and scope, as the primary criterion for assessing actual positive impacts. For actual negative impacts, the additional element of irremediability was considered. In case of potential impacts, likelihood was also considered along with severity.

### Financial materiality

ADNOC Distribution evaluated the likelihood and magnitude of sustainability related effects on our financial performance, position, cash flows, access to finance, or cost of capital, including effects not yet reflected in financial statements.

## Governance and stakeholder engagement

Our DMA was undertaken with oversight by the administrative, management and supervisory bodies at ADNOC Distribution.

We conducted extensive discussions to gain insights into our material topics. Internal stakeholders across our business units provided comprehensive inputs on the activities, value chain links and sustainability linked Impacts, Risks and Opportunities (IROs).

We also engaged with key external stakeholders such as suppliers/contractors, investors, government authorities, NGOs, customers and other partners for their feedback.



## KEY ACTIVITIES



### Reviewing understanding of our operations and value chain mapping

We mapped our operations and value chain in detail, including the business model, segments, major sites and markets and key relationships.

We also reviewed external regulations along with leading industry practices and benchmarks in our sector.



### Identifying impacts, risks, and opportunities (IROs)

Based on our understanding of our value operations and value chain, we identified a list of sustainability linked IROs.

To support the comprehensiveness of this exercise, we considered several sources including internal documents, industry leading practices, sustainability standards and frameworks (GRI, SASB etc.).

The key IROs along with their mapping to material topics are shown in next page.



Material topic	Description of IRO	IRO type	Positive/negative (Impacts)	Actual /potential (Impacts)	Time horizon
Climate Change & GHG	Delayed energy transformation may reduce competitiveness and lead to long-term traditional fuel-demand decline	Risk, Impact	Negative	Potential	Long Term
	Failure to sufficiently reduce operational GHG emissions may prevent ADNOC Distribution from meeting its decarbonization commitments, resulting in regulatory, financial and reputational consequences	Risk, Impact	Negative	Potential	Medium to Long Term
	Physical climate risks & extreme weather disruption	Risk, Impact	Negative	Potential	Short to Medium Term
	Energy efficiency and cost-saving opportunity	Opportunity, Impact	Positive	Potential	Short Term
	Long-term carbon sequestration opportunity	Opportunity	NA	Potential	Long Term
Climate Adaptation, Resilience & Transition	Scaling clean mobility solutions strengthens market position and supports UAE Net Zero goals	Opportunity, Impact	Positive	Potential	Long Term
	Nature-based design opportunity for climate resilience	Opportunity, Impact	Positive	Potential	Medium Term
Biodiversity	Biodiversity	Opportunity, Impact	Positive	Potential	Medium to Long Term
Circular Economy/ Resource Management	Circularity, water efficiency & resource optimization	Opportunity, Impact	Positive	Potential	Medium Term
Energy Management	Opportunity to improve energy performance through real-time monitoring	Opportunity	NA	Potential	Short Term
Occupational Health and Safety	Road fuel transport safety and operational disruption risk	Risk, Impact	Negative	Potential	Short Term
Supply Chain Sustainability	Supply chain resilience through proactive commodity management	Opportunity	NA	Actual	Long Term

Material topic	Description of IRO	IRO type	Positive/negative (Impacts)	Actual /potential (Impacts)	Time horizon
Technological Innovation & Digitalization	Station solarization and AI energy optimization reduce Scope 2 emissions and improve energy efficiency and cost performance	Opportunity, Impact	Positive	Actual	Long Term
Waste, Water and Effluent Management	Non-compliance with water use and effluent discharge standards may lead to regulatory penalties, operational disruptions and reputational impacts	Risk	NA	Potential	Short Term
Business Ethics	Ethical conduct & responsible business practices	Opportunity, Impact	Positive	Potential	Short to Medium Term
Economic Performance	Strengthening economic performance to enable strategic growth	Impact, Opportunity	Positive	Potential	Medium to Long Term
Risk Management	Enterprise risk intelligence & data-driven decision-making	Opportunity, Impact	Positive	Actual	Medium to Long Term
Emiratization	Enabling workforce resilience and National talent development through Emiratization	Impact, Opportunity	Positive	Potential	Short to Medium Term
Employment Practices, Development and Wellbeing	Challenges in attracting, retaining and engaging employees across all levels may increase costs, reduce performance and weaken organizational capability	Risk	NA	Potential	Medium Term
Local Community	Sustainable mobility & local economic development opportunity	Impact	Positive	Actual	Long Term
Diversity, Non- Discrimination and Equal Opportunity	Strengthening workforce diversity and inclusive talent development	Impact, Opportunity	Positive	Potential	Medium Term
Human and Labor Rights	Failure to maintain fair practices for frontline workers may lead to legal, reputational and workforce stability risks	Risk, Impact	Negative	Potential	Short Term
Anti-Corruption & Anti-Competitive Behavior	Enhanced ethical governance, anti-corruption & fair competition	Opportunity, Impact	Positive	Potential	Medium to Long Term



### Assessing materiality and engaging with stakeholders

We undertook extensive stakeholder consultations to help us capture all relevant perspectives. We developed a customized survey which was circulated to both internal and external stakeholders. Our internal stakeholders include employees across our business functions, including board and senior management. The survey was also rolled out to external stakeholders including tier one, and two suppliers/contractors, investors, government authorities, NGOs, customers and other partners for their feedback. We received around 100 responses, comprising both internal and external stakeholders. The parameters of scale, scope and irremediability described above were used to assess impact materiality and magnitude and likelihood were considered for financial materiality. The result form the stakeholder survey were consolidated and quantified with consideration for the ESRS guidance.



### Developing and validating the materiality matrix

Based on the results of the survey, we developed a double materiality matrix considering both **Impact Materiality and Financial Materiality**. The final matrix was reviewed and validated by the management.



#### Environmental

- Climate change & GHG
- Energy management
- Water, waste, effluent and non-GHG pollution management
- Circular economy/resource management
- Climate adaptation, resilience and transition
- Biodiversity



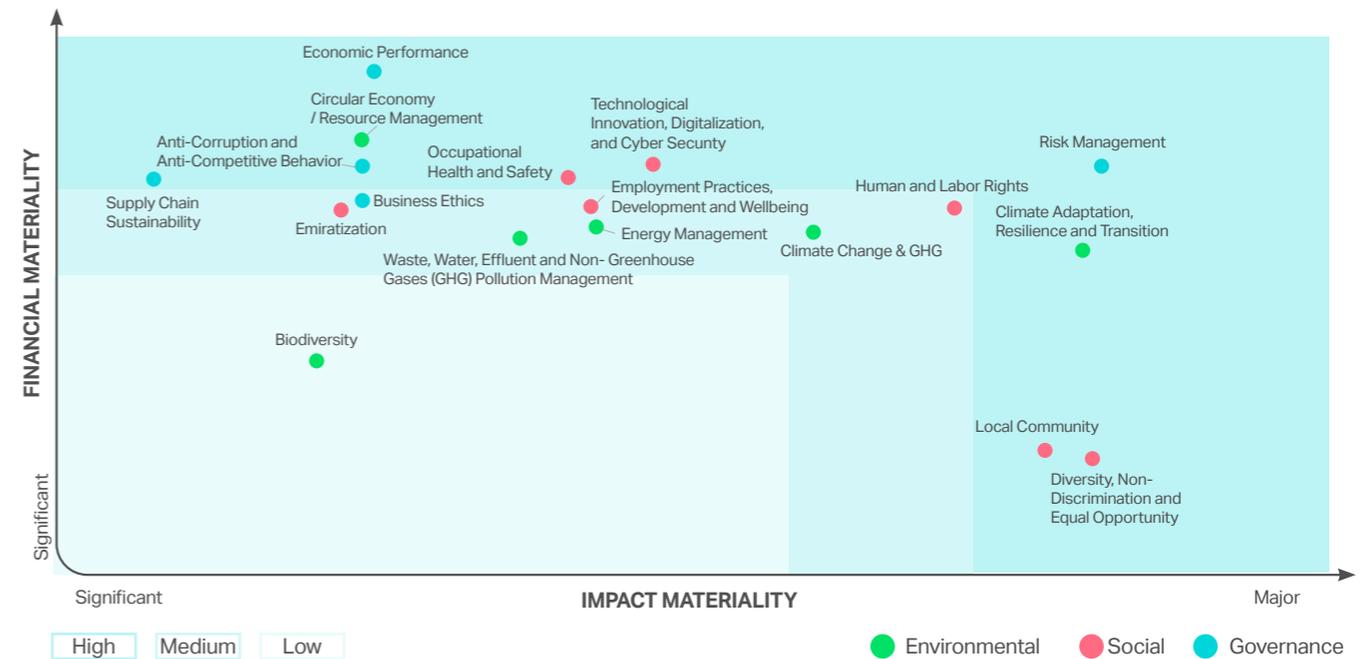
#### Social

- Emiratization
- Occupational health and safety
- Technological innovation, digitalization and cyber security
- Employment practices, development and wellbeing
- Human and labor rights
- Local community
- Diversity, non-discrimination and equal opportunity



#### Governance

- Economic performance
- Anti-corruption and anti-competitive behavior
- Risk management
- Supply chain sustainability
- Business ethics



The above matrix provides an overview of the impacts, risks and opportunities related to our business. It gives us insights into the key material topics where we can maximize our outward positive impact. Simultaneously we seek to ensure that we mitigate risks and exploit opportunities for ADNOC Distribution to grow sustainably in the future.

The below diagram highlights our 'Double Material Topics'; Climate Adaptation, Resilience & Transition, Climate Change & GHG, Employment Practices, Development & Wellbeing.

Conducting our first Double Materiality Assessment has allowed us not only to identify actual or potential material issues but rather to capture varied perspectives from a wide range of internal and external stakeholders.

Energy Management, Human & Labor Rights, Occupational Health & Safety and Risk Management. These are highly relevant for us from both an Impact and Financial Materiality perspective and we intend to prioritize these topics moving forward.

We are taking steps to ensure that these insights enhance our sustainability strategy and implementation processes moving forward. The DMA will be reviewed and updated periodically, including when key triggers arise (e.g., major transactions, supply chain shifts, new regulations, significant incidents).



# NET ZERO PATHWAY

## Decarbonization roadmap

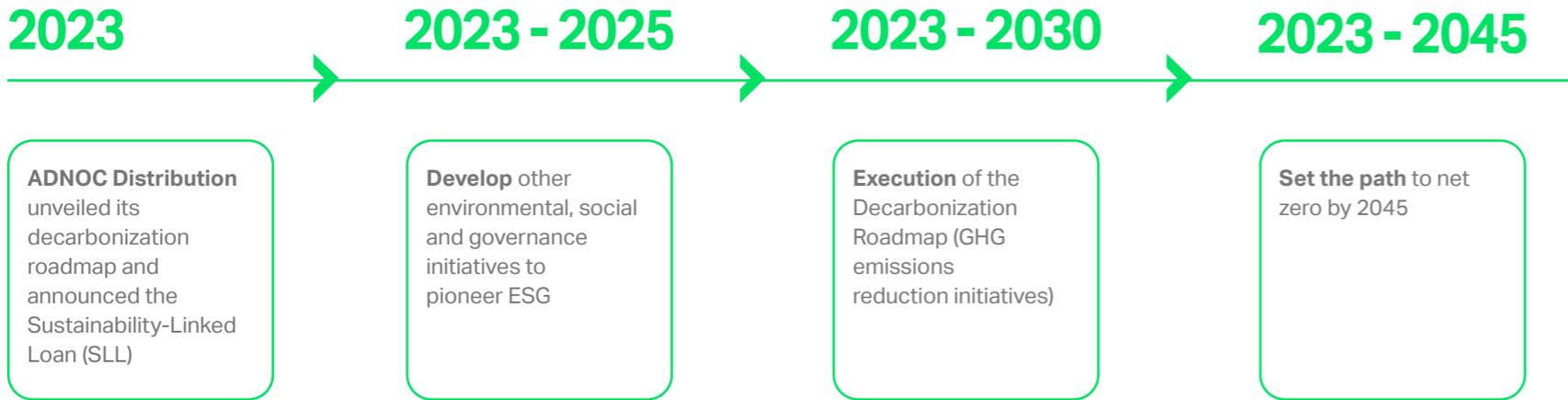
ADNOC Distribution is implementing a company-wide decarbonization roadmap to reduce our environmental footprint and operational greenhouse gas emissions, reinforcing our commitment to responsible growth and operational excellence.

Embedded in our business strategy and aligned with national and industry decarbonization goals, the roadmap positions us to enhance efficiency, strengthen resilience to climate-related risks covered in Natural Capital section and support the evolving needs of our customers and communities.

The roadmap sets defined governance, baselines and performance targets for Scope 1 and Scope 2 emissions. We are strengthening data quality and

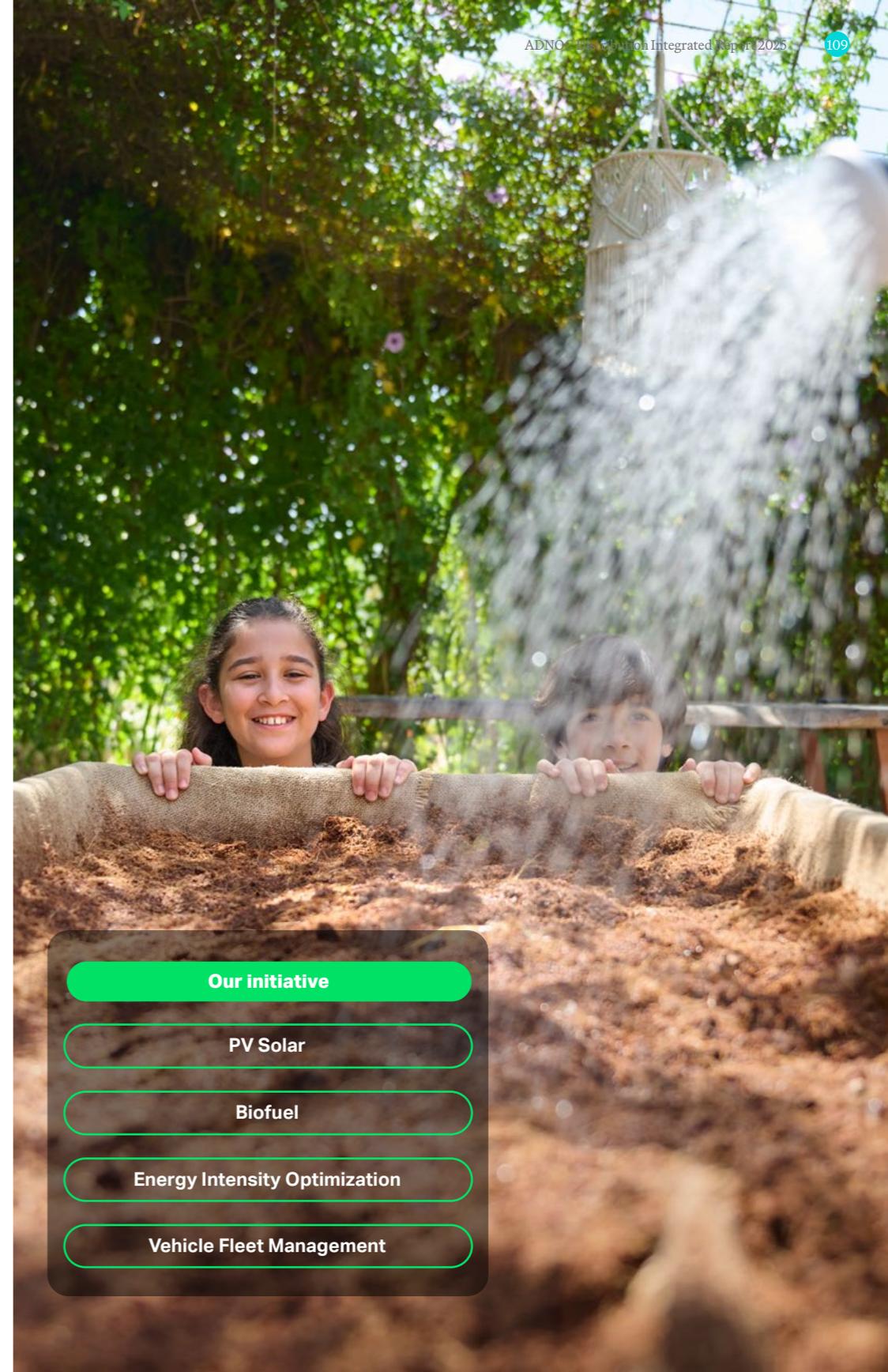
forecasting capabilities to measure future emissions, identify reduction pathways and integrate decarbonization criteria into investment decisions and day-to-day operations.

Key levers include energy efficiency across service stations and facilities, digital optimization of logistics, electrification where appropriate and the selective deployment of lower-carbon solutions.



ADNOC Distribution is committed to playing its part in the UAE's Net Zero by 2050 strategic initiative and the ADNOC Group ambition to reach Net Zero by 2045. Our decarbonization strategy prioritizes real, near-term emission reductions in our own operations, supported by a defined pathway to address residual emissions over the long term.

We are targeting a 25% reduction in our operational (Scope 1 and 2) emissions intensity by 2030 from a defined baseline year (2021) and we seek to translate efficiency gains and cleaner energy into tangible absolute emissions reductions as our business grows.



- Our initiative**
- PV Solar
- Biofuel
- Energy Intensity Optimization
- Vehicle Fleet Management

## Decarbonization strategy

We are advancing a practical, operations-led decarbonization program to reduce greenhouse gas (GHG) emissions, improve energy efficiency and integrate renewable energy across our network.

We are targeting a 25% reduction in operational emissions intensity by 2030 against a 2021 baseline.

This pathway is expected to support national climate objectives, strengthens operational resilience, lower energy costs and align our brand with customer and stakeholder expectations for lower-carbon retail and logistics operations.

Our roadmap is grounded in robust data. We implemented a verified methodology for our 2021 energy and emissions baseline through an independent external consultant and we completed a comprehensive study covering emissions, water and waste to inform our priorities and investment decisions.

### Scope 1

#### (direct emissions)

- Transition to lower-carbon fuels in our owned fleet and optimize operations to cut fuel use and idling time. For further details, please refer to the Natural Capital section of this report, which outlines our approach to fleet decarbonization
- Improve route planning, vehicle utilization and preventive maintenance to enhance combustion efficiency and reduce emissions
- Continue to pilot and adopt proven low-carbon technologies as they become commercially viable within our operating model

### Scope 2

#### (indirect emissions from purchased electricity)

- Scale on-site solar generation across the UAE. By year-end 2025, 47 service stations were equipped with solar photovoltaic (PV) panels, with installations continuing through 2026 and beyond
- Enhance efficiency at the meter through LED lighting upgrades, high-efficiency Heating, Ventilation, and Air Conditioning (HVAC), optimized building design and retrofits and automated energy management systems
- Systematically identify and track Energy Conservation Opportunities (ECOs) across facilities to continually reduce total energy consumption



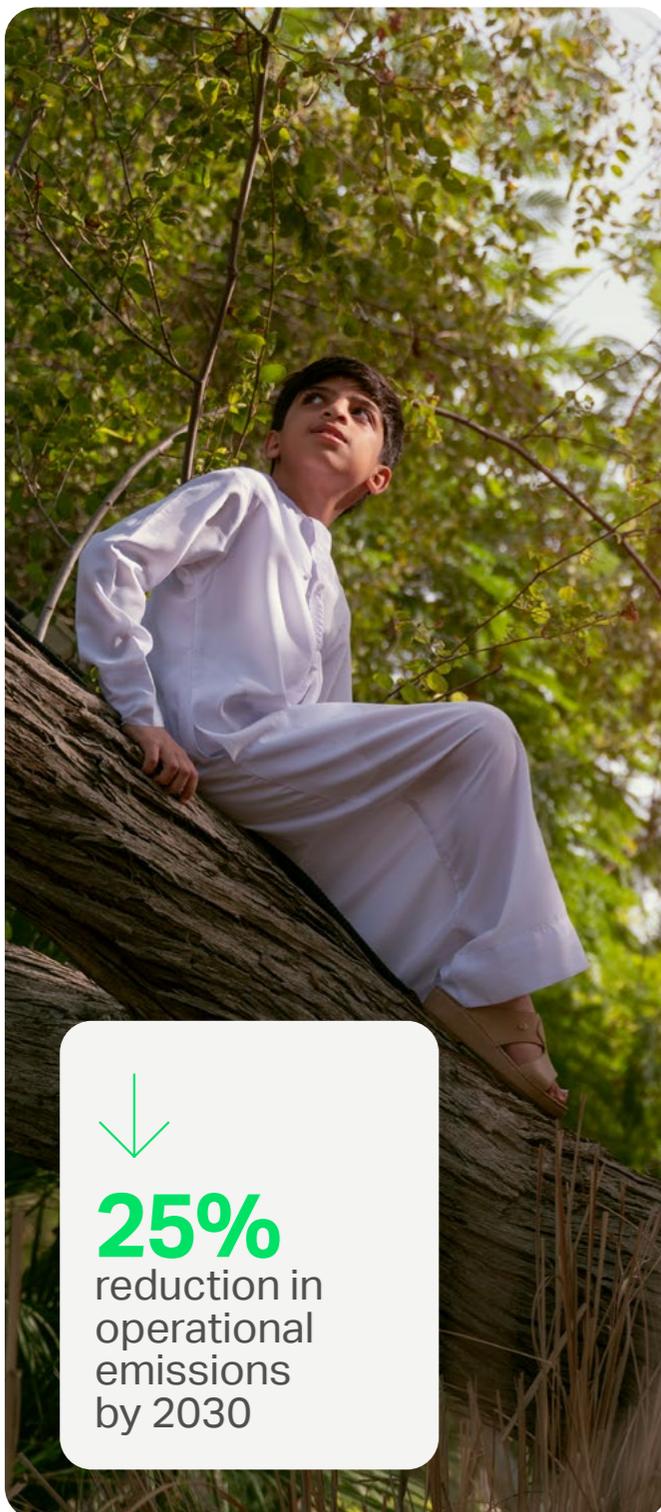
# 47

service stations equipped with PV panels by end of 2025



# 25%

reduction in operational emissions by 2030





## Sustainability linked loan

We converted an AED 5.5 billion term loan into a Sustainability Linked Loan (SLL), directly tying our financing to progress on key environmental metrics. This approach embeds accountability into our capital structure and aligns our financial objectives with our sustainability strategy.

The SLL is anchored on two KPIs that reflect our operational decarbonization priorities:

### KPI 1

Reduce operational greenhouse gas (GHG) emission intensity per site, calculated as Scope 1 and 2 emissions (tCO<sub>2</sub>e) divided by the number of sites. This intensity metric is designed to drive efficiency and emissions reduction as our network evolves.

### KPI 2

Increase the utilization of renewable energy for our own consumption, measured by renewable electricity (MWh) used per year. This accelerates the transition of our operations to low-carbon energy sources.

We achieved both KPI targets for the year, reinforcing the credibility and ambition of our SLL framework. An independent second-party opinion confirmed the relevance and robustness of our targets and the alignment of the SLL with international principles for sustainability-linked financing.

## Customer decarbonization

We launched the Customer Neutralization Project to mitigate GHG emissions associated with the energy we distribute starting with electric vehicle (EV) charging. This initiative is designed to make low-carbon choices easier and more accessible for our customers.

100 % of energy distributed for EV is sourced from renewable and clean energy sources. EV charging benefits over 25,000 EV users and demonstrates our commitment to credible, customer-centric decarbonization. By sourcing internationally recognized renewable energy certificates, we can provide verifiable claims and build trust in the environmental integrity of our offerings.

## Our sustainability-by- design approach

ADNOC Distribution embeds sustainability criteria into the planning, design and delivery of both new-built and selected traditional service stations. Our priorities are clear: reduce energy and water consumption, improve thermal performance through passive design and advance circularity through responsible material selection and waste management. These design choices support our decarbonization roadmap and directly reinforce our sustainability-linked loan KPIs on emissions intensity and renewable energy use.

## Our design principles



### Efficiency first

Reduce operational energy and water demand through proven, cost-effective technologies.



### Passive performance

Optimize the building envelope and shading to minimize heat gain and enhance thermal comfort at lower cost per square metre than conventional cooling-led solutions.



### Compliance and credibility

Align with UAE building regulations and environmental requirements; integrate specifications into our standards and project controls for consistent implementation.



### Circularity

Maximize reuse and recycled content and enable high-quality waste segregation to reduce resource depletion and landfill.

# KEY SPECIFICATIONS

## Energy and water

- ▶ **On-site solar readiness and integration**  
Photovoltaic (PV) systems\* integrated on selected traditional stations, with a target to equip 100% of feasible sites
- ▶ **Lighting**  
~100% LED lighting across stations; occupancy sensors installed in back-of-house areas to reduce unnecessary energy use
- ▶ **Cooling systems**  
Variable Refrigerant Flow (VRF) HVAC with a minimum 4 star efficiency rating for large Vehicle Inspection Center (VIC) buildings\*
- ▶ **Water efficiency**  
100% of water faucets are equipped with sensors to reduce potable water consumption
- ▶ **Effluent quality**  
100% drainage water free from hydrocarbon content provided through effective oil water interceptors and grease traps to comply with regulatory standards

## Envelope and passive design

- ▶ **High-performance envelope**  
Target U values of 0.22 W/m<sup>2</sup>·K for walls and roofs and 1.8 W/m<sup>2</sup>·K double glazing to reduce heat gain
- ▶ **Shading and form**  
Expanded shading canopies and solid side facades to improve thermal performance across all new stations, reducing direct solar exposure\*\*
- ▶ **Daylighting**  
Minimum window-to-floor ratio of 8% in habitable spaces to enhance natural light penetration while controlling glare and heat gain through appropriate glass specification and shading

## Materials and construction waste

- ▶ **Waste segregation**  
100% of new stations designed with dedicated segregation areas, protected within aluminum enclosures
- ▶ **Low-carbon concrete**  
100% use of "green" concrete for structural elements (e.g., cement replacements and optimized mixes) to lower embodied carbon
- ▶ **Recycled content metals**  
Structural steel and aluminum cladding specified with recycled content\*

\* This shall be implemented for traditional new stations as per feasibility assessment

\*\* This shall be implemented for all new stations

