



# ABOUT THE REPORT

## Boundary, Frameworks/Standards, Reporting Period and Boundary, Forward looking Statement

At ADNOC Distribution, our purpose is to deliver reliable mobility and convenience for our customers while creating long-term value for our stakeholders. Grounded in an integrated approach to value creation, we are publishing our first Integrated Report, and bringing together our financial, environmental and social performance in a single, connected overview of how our strategy, governance and business model create value today and longer term.

This report strengthens our transparency and accountability. It sets out the strategic context for our business, the trends shaping our markets, and the issues that matter most to our stakeholders. We present our value creation model, our priorities and targets, performance against key metrics, and the choices and tradeoffs we make to deliver sustainable growth. The Report also explains our approach to risk and opportunity, and how we are advancing responsible operations and shared value for customers, employees, investors, partners and the communities we serve.

### Frameworks, standards and guidelines

Our Integrated Report is prepared in alignment with the International Integrated Reporting Council (<IIRC>) framework established by the International Financial Reporting Standards Foundation (IFRS). It connects our strategy, governance, operational performance and outlook to show how ADNOC Distribution creates value. In developing this report, we have referenced the Global Reporting Initiative (GRI) Standards 2021, United Nations Sustainable Development Goals (UN SDGs), Sustainability Accounting Standards Board (SASB), and Abu Dhabi Securities Exchange (ADX) ESG Guide.

We are also aligning our disclosures with IFRS S1 (General Requirements) and IFRS S2 (Climate-related Disclosures) to enhance transparency and integrate sustainability into our financial reporting.

### Scope and boundary

This Integrated Annual Report covers ADNOC Distribution PJSC (the "Company") and its consolidated subsidiaries for the financial year from 1 January 2025 to 31 December 2025. Unless stated otherwise, information is presented in UAE dirhams (AED). Figures presented are approximations and may not always equal to 100.

### Entities and consolidation

Financial information reflects the results and position of the Company and its subsidiaries in accordance with International Financial Reporting Standards (IFRS), including IFRS 10 Consolidated Financial Statements and applicable Abu Dhabi Accountability Authority regulations. Interests over which the Company has joint control or significant influence are included in line with IFRS requirements for joint arrangements and associates (e.g., equity accounted), with narrative and operational disclosures provided where relevant.

## Non financial ESG disclosure scope

Unless specified otherwise, ESG performance data and assured metrics relate to ADNOC Distribution's UAE operations. Selected ESG indicators have undergone limited assurance by Bureau Veritas in accordance with ISAE 3000 (Revised) as described in the independent assurance statement herein.

## Reporting period and subsequent events

The reporting period is from 1 January 2025 to 31 December 2025, unless otherwise indicated.

## Our approach to materiality

This year marks our first Double Materiality Assessment (DMA). Building on our integrated approach to value creation, we have applied a double materiality standard to identify the topics that most affect our ability to create and protect value for stakeholders over the short, medium and long term, and to understand where our business has the most significant impacts on the economy, environment and people.

## Our DMA brings together two lenses

**Impact (inside-out):** Our actual and potential positive and negative impacts on the economy, environment and people, in line with GRI 2021 and ESRS concepts.

**Financial (outside in):** Sustainability related risks and opportunities that could reasonably influence enterprise value, cash flows and access to capital, aligned with IFRS/ISSB and TCFD principles.

For further details on our double materiality approach, refer to the Double Materiality Assessment section on page 103.

## ESG commitments

ADNOC Distribution is embedding sustainability at the core of its strategy as it continues to evolve into a multi energy, convenience and mobility leader. Guided by a Sustainability Framework aligned with ADNOC Group, we are executing a

balanced transformation to deliver lower carbon energy and superior customer experience while creating long term value for the UAE, its people, and its businesses.

Our decarbonization roadmap targets a 25% reduction in operational emissions intensity by 2030, compared to 2021 setting a pathway consistent with ADNOC's Net Zero by 2045 ambition and supporting the UAE's Net Zero by 2050 strategy.

We are scaling practical solutions across our network intended to reduce emissions and enable cleaner mobility choices, including expanding electric vehicle charging points, deploying biofuels, developing hydrogen refueling infrastructure, and leveraging solar energy. For further details on our decarbonization roadmap, see page 109.

## Task Force on Climate-Related Financial Disclosures (TCFD)

To meet growing stakeholders and regulatory expectations, we have adopted the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Our disclosures are structured around TCFD's four pillars: governance, strategy, risk management, and metrics and targets to provide a clear, decision useful view of our climate resilience and transition readiness.

Adopting TCFD enables us to align with the International Sustainability Standards Board (ISSB) requirements that evolved from TCFD; specifically, IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures).

## Assurance

The consolidated financial statements presented in this Report have been audited by Grant Thornton UAE. Selected sustainability metrics disclosed in this report have undergone limited independent assurance by Bureau Veritas in accordance with ISAE 3000 (Revised) and the IESBA Code of Ethics. An independent assurance statement is included in this report. Please refer from pages 199 - 200.



## Our capitals

### Financial Capital

Our financial capital strategy is grounded in maintaining a robust balance sheet while delivering growth and consistent, long-term returns for our stakeholders. This disciplined approach enables us to navigate dynamic market conditions with confidence and agility.



### Intellectual Capital

Our intellectual capital powers our customer centric mobility leadership. Using AI driven insights, advanced analytics, and digital platforms we strive to deliver seamless, personalized experiences across fuel and non fuel retail, advancing innovation, accessibility, and sustainable mobility through strategic partnerships.



### Human Capital

Our growth is driven by our people - our greatest asset. We aim to foster an inclusive, bias-free environment that champions continuous learning, well-being, and personal growth, empowering every employee to shape transformative progress.



### Manufactured Capital

We seek to optimize our manufactured capital to deliver safe, reliable, lower carbon mobility. By embedding efficiency, digitalization, and sustainability into these assets, we integrate rooftop solar panels, biofuel logistics, and AI optimization to reduce energy use and emissions across our network.



### Natural Capital

We are working to help protect the environment and champion sustainability across our operations. By embedding environmental considerations into our processes and decisions, we are shaping a more resilient and inclusive future.



### Social and Relationship Capital

We foster long-term value creation for our stakeholders by building strong relationships with communities, customers, and suppliers - driving positive social impact through inclusive development, service excellence, and sustainable sourcing.



### Forward-looking statements

This report includes forward-looking statements that are not historical facts, including statements about our financial and market position, strategy, plans, goals and future performance. Words such as "anticipates," "expects," "intends," "may," "will," "believes," "estimates," "outlook," and similar expressions identify such statements.

These statements reflect our current views and reasonable assumptions, and are subject to risks, uncertainties and external factors that could cause actual results to differ, possibly materially, from those expressed or implied.

Readers should not regard forward-looking statements as guarantees of future performance and are cautioned against undue reliance on them. We do not undertake to update any forward-looking statements, except as required by applicable law.



### Feedback

We strive to continuously enhance the quality and transparency of our financial and sustainability disclosures through integrated reporting. To achieve this, we actively engage with our stakeholders and greatly value your feedback in shaping our goals and sustainability ambitions.

We invite you to share your comments or inquiries regarding the report by emailing us at [ir@adnocdistribution.ae](mailto:ir@adnocdistribution.ae). Your input is essential as we advance our transformation journey.

