

# CAPITALS

## Driving Sustainable Growth (Financial Capital)

Financial Review  
Our Financial Strategy  
Tax Strategy  
Way Forward

## Building Resilience (Manufactured Capital)

Our Approach to Manufacturing Excellence  
Our Product Portfolio  
Way Forward

## Protecting the Planet (Natural Capital)

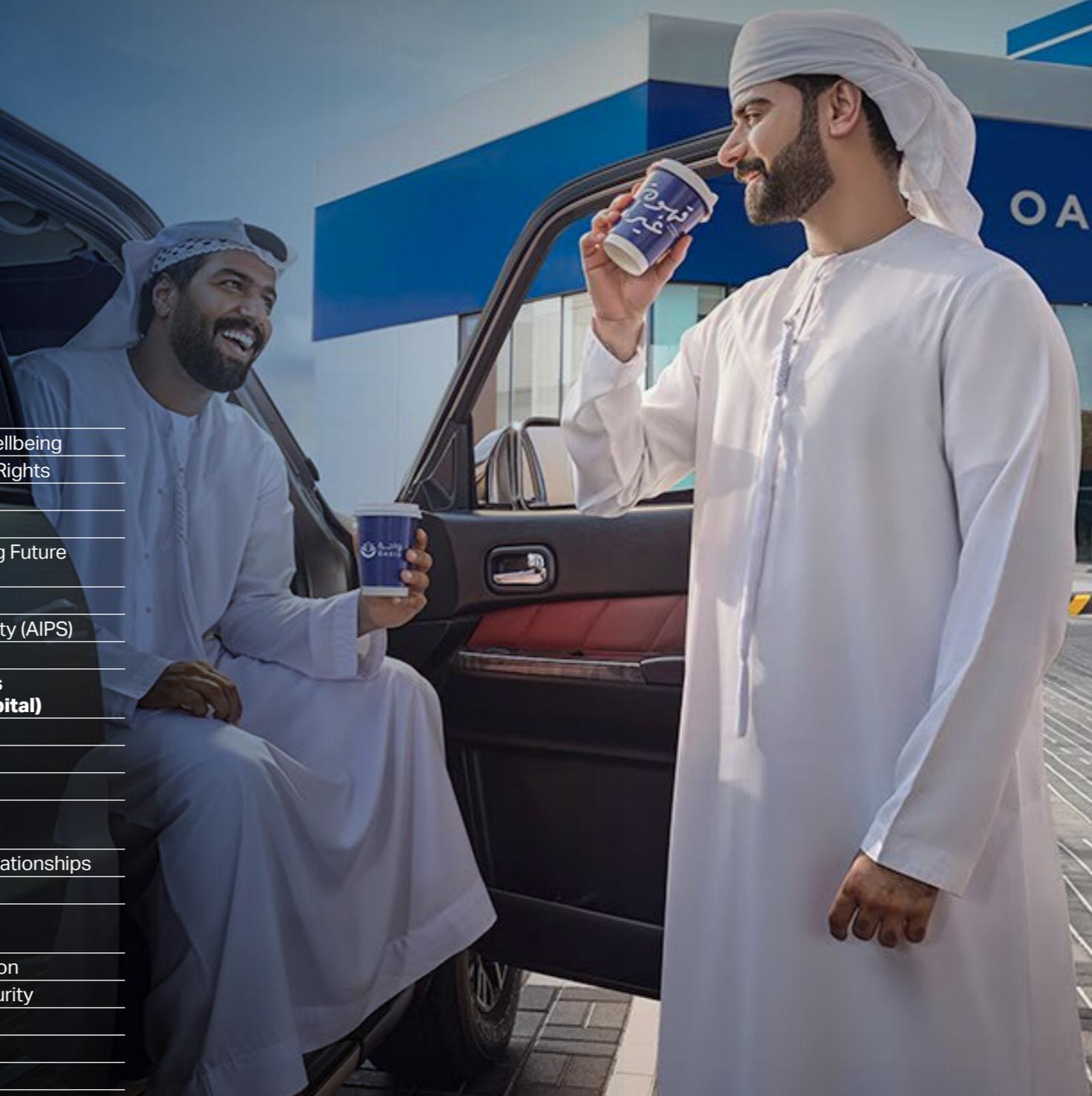
2025 Sustainability Update: Progress, Challenges, and Forward Strategy  
Climate Change Management  
Climate Governance  
Emissions  
Decarbonization Initiatives  
Innovating for Clean Energy and Sustainable Mobility  
Energy Efficiency  
Water Stewardship  
Waste  
Biodiversity  
Oil Spill Response  
Way Forward

## Empowering People (Human Capital)

Employee Engagement & Wellbeing  
Respecting Human & Labor Rights  
Training & Development  
Diversity & Inclusion  
Emiratization and Developing Future Emirati Leaders  
Health & Safety  
Asset Integrity Process Safety (AIPS)  
Way Forward

## Strengthening Communities (Social and Relationship Capital)

Our Approach  
Community Engagement  
Our CSR Initiatives  
Supplier Sustainability and Responsible Procurement  
Strengthening Customer Relationships  
Way Forward  
Advancing Innovation  
**(Intellectual Capital)**  
AI-Enabled Strategy Execution  
Data Privacy and Cyber Security  
Cyber Security Governance  
Research and Development  
Way Forward



# DRIVING SUSTAINABLE GROWTH

(Financial Capital)

In 2025 we delivered record financial and operating performance, underpinned by the growth in fuel volumes, a higher contribution from non fuel retail, and continued progress across our international activities.

These results demonstrate the resilience and diversification of our model as we continue to shift toward higher-margin retail and services while capturing efficiencies across the network.

Looking towards 2026 and beyond, we expect solid performance to be sustained by healthy demand, further non fuel retail expansion, rising international contributions and cost efficiencies.

## Mapping our innovation with UNSDGs

<p><b>8</b> DECENT WORK AND ECONOMIC GROWTH</p> 	<p><b>9</b> INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p><b>10</b> REDUCED INEQUALITIES</p> 	<p><b>11</b> SUSTAINABLE CITIES AND COMMUNITIES</p> 	<p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 
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## Material Topics

Economic Performance



# Financial Review

The following discussion and analysis of the Company's financial results is based on the audited financial statements for the year ended December 31, 2025. This information should be read together with the audited financial statements and accompanying notes, which are available on the Company's website.

Executing our strategy delivered record profitability, stronger cash generation and industry leading returns in 2025, while keeping us on track for disciplined growth and attractive shareholder distributions.

In 2025, ADNOC Distribution delivered broad based growth across operating and financial metrics as we executed our new strategy.

Our EBITDA grew at a double-digit rate of **11.1% to AED 4.28 billion** in 2025, while underlying EBITDA (excluding inventory movements and one off items) grew by 10.1% to AED 4.00 billion.

Headline net profit attributable to equity holders increased by **15.4% to a new record level of AED 2.79 billion**, operational execution and resilient business fundamentals. Growth was driven by:

- Fuel volumes up 4.5% year on year and continued expansion of the retail fuel network
- Non fuel retail continued to grow faster than fuel retail business, with gross profit up 14.4% year on year, transactions up 9.3% year on year and the highest convenience store conversion rate in six years at 26.6%
- Increasing contributions from international operations in KSA and Egypt

We continued to enhance efficiency, delivering **OPEX savings of AED 24 million** in 2025 and remaining well positioned to achieve up to **AED 184 million of cumulative savings over 2024–2028**.

ADNOC Distribution has demonstrated a proven track-record of value creation since IPO, by pursuing new opportunities in domestic and international markets and allocating cash towards growth. Through efficient capital allocation, the Company has consistently achieved robust rates of return, including record level of Return on Capital Employed of 32.7%, and a solid Return on Equity (ROE) of 86.5% in 2025. Robust free cash flow of AED 2.72 billion and a strong balance sheet (net debt/EBITDA of 0.70x) support value-accretive investments and attractive shareholder distributions.

Building on this momentum, we expect a solid outlook for 2026 and beyond, supported by ongoing growth initiatives, continued volume growth, resilient consumer confidence, further expansion in non fuel retail, higher contributions from international markets, and additional efficiency gains.

## Continuous momentum in fuel volume growth

### Total fuel volumes

**15,710**  
million liters

**+4.5%** compared to 15,029 million liters in 2024

Marking a new record for the Company. Growth was driven by disciplined expansion of the retail fuel network, robust regional economic activity, higher mobility, and a growing contribution from international operations.

### GCC fuel volumes (UAE and KSA)

**12,459**  
million liters

**+4.9%** compared to 11,872 million liters in 2024

Performance is supported by ongoing growth in the region's economic activities and increased mobility as well as the network expansion.



Strong performance across our core fuel business and non-fuel retail, combined with disciplined network and EV charging expansion in 2025 underscores the resilience of our business model and our ability to adapt to changing customer needs. This has driven record financial results, supported by strong cash generation and a long-term investment approach that delivers sustainable shareholder value.

**Ali Siddiqi**  
Acting Chief Financial Officer





### Supporting solid financial results

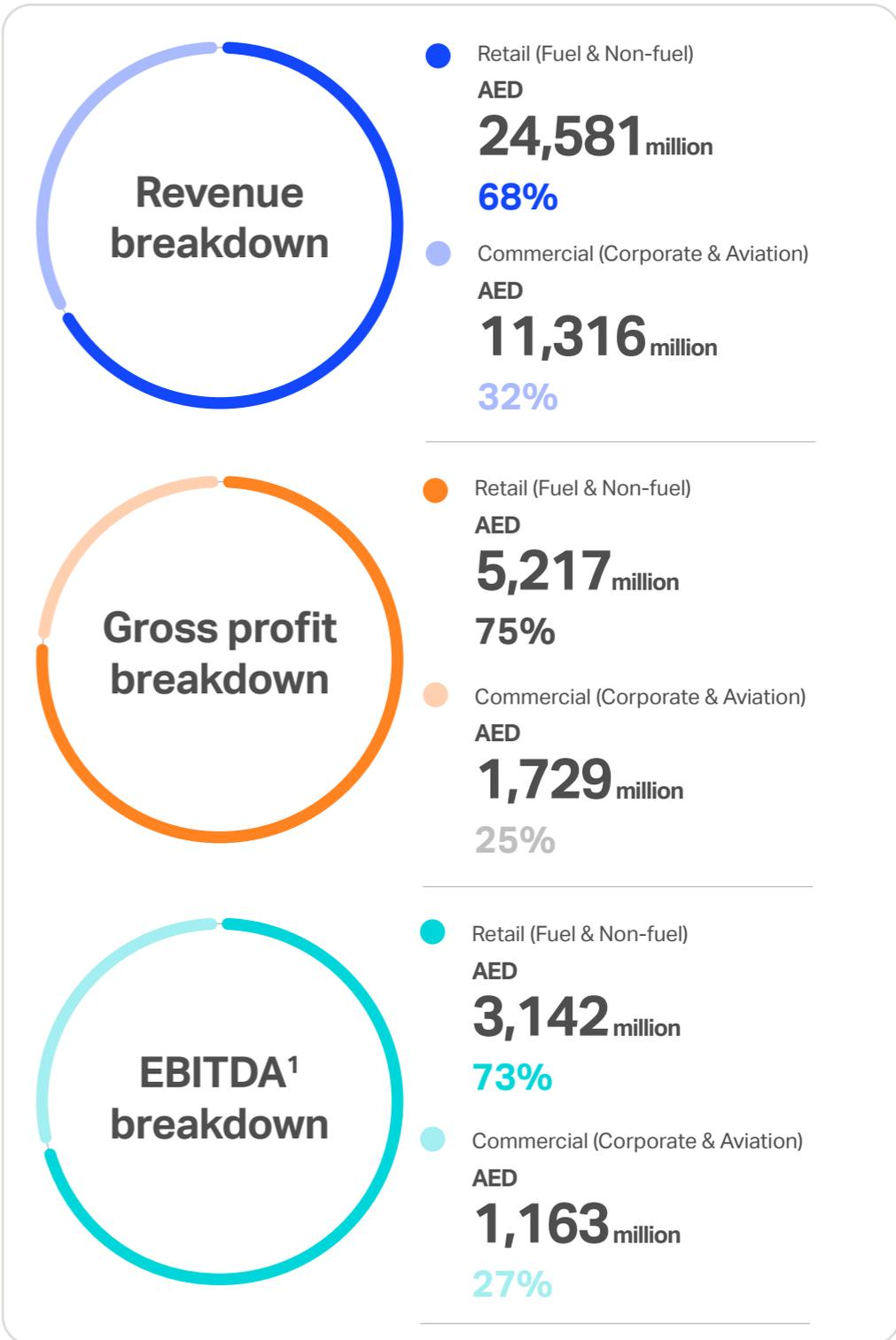
  
**Revenue**  
**AED 35,897 million**  
 +1.2% compared to AED 35,454 million in 2024  
 Driven by growth in fuel volumes and an increased contribution from non-fuel retail

  
**Gross profit**  
**AED 6,946 million**  
 +11.7% compared to AED 6,216 million in 2024  
 Driven by strong operational performance, with record-high fuel volumes, as well as higher contributions from Non Fuel Retail and international operations

  
**Net profit\*\***  
**AED 2,794 million**  
 +15.4% compared to AED 2,420 million in 2024  
 Supported by solid EBITDA growth and lower finance costs

  
**EBITDA**  
**AED 4,282 million**  
 +11.1% compared to AED 3,855 million in 2024  
 supported by higher inventory gains and like-for-like OPEX savings

  
**Underlying EBITDA\***  
**AED 4,001 million**  
 +10.1% compared to AED 3,663 million in 2024  
 Highlighting strength of the company's business fundamentals



\* EBITDA excluding Inventory movements and one-offs  
 \*\*Net profit attributable to equity holders

(1) EBITDA contribution excluding unallocated items of - AED 23 million

## Robust free cash flow and balance sheet strength fuel growth and sustain dividends



Net cash generated from operating activities

AED  
**3,922**  
million



Total equity

AED  
**3,461**  
million



Capital expenditures

AED  
**1,051**  
million

(including accruals/provisions, excluding M&A)



Free cash flow\*

AED  
**2,721**  
million



Net debt\*\*

AED  
**2,985**  
million



Net debt to EBITDA ratio\*\*

**0.70x**

There are no financial covenants in the Company's credit facilities

## Industry-leading return ratios



Return on capital employed (ROCE)

**32.7%**

Compared to **28.8%** in 2024



Return on equity (ROE)

**86.5%**

Compared to **80.9%** in 2024

\*Calculated as net cash generated from operating activities less payments for purchase of property, plant and equipment and advances to contractors

\*\* Cash and bank balances used for net debt calculation includes term deposits with banks



OASIS  **واحة**  
by ADNOC من أدنوك

# Our Financial Strategy



**ADNOC Distribution's financial strategy is focused on delivering sustainable earnings growth, efficient capital allocation, and attractive, visible shareholder returns, underpinned by a resilient business model and strong free cash flow generation.**

The Company prioritizes disciplined deployment of capital toward value accretive growth, including network expansion in the core UAE and international markets, scaling high margin non fuel retail and convenience offerings, and investing in future ready mobility solutions such as EV charging and digital capabilities. Capital discipline remains central to decision making, supported by a robust balance sheet, strong cash conversion, and industry leading returns on capital employed. Additionally, ADNOC Distribution maintains a clear focus on shareholder value creation, supported by a long term dividend policy that provides visibility on distributions while offering upside from future earnings growth.



**Accelerate** rollout of fast and superfast EV charging infrastructure across the UAE network and scale low-carbon solutions, including biofuels, EV and hydrogen, to support transport decarbonization.



**Expand** convenience, food and beverage, and other mobility- and lifestyle-linked services to broaden revenue streams and strengthen earnings resilience.



**Invest** in seamless, digital customer journeys and hyper-personalization to deepen engagement, drive footfall and enhance loyalty.



**Maintain** cost discipline and embed efficiencies to improve margins and fund growth.



**Pursue** value-accretive domestic and international opportunities with strong governance and rigorous return thresholds.



In 2024, the Company launched its 2024 - 2028 growth strategy at Investor Day, setting a clear transformation agenda. At the inaugural ADNOC Investor Majlis in October 2025, management reinforced the equity story and track record of value creation, highlighting continued execution against plan most notably the accelerated deployment of EV charging infrastructure, the scaling of low carbon energy solutions, and the expansion of non fuel retail formats and digital capabilities.

## Measurable targets

- Increase fast and superfast EV charging points by 10–15x by 2028 versus a 2023 baseline
- Realize like for like operating expenses savings by up to AED 184 million over 2024–2028
- Expand the service station network to 1,150 sites by 2028
- Double non fuel retail transactions between 2023 and 2030

The Company remains committed to value accretive growth, applying rigorous capital allocation criteria, robust risk management and strong governance to sustain returns and protect balance sheet strength.

With a focused strategy, defined milestones and an execution track record, we believe ADNOC Distribution is well placed to navigate a dynamic energy landscape, deliver on its 2028 ambitions and create sustainable long term value for shareholders.

# Tax Strategy

**ADNOC Distribution views tax as a strategic enabler of value creation. Our tax function is designed to be resilient and adaptable, continuously reviewing its organization design and core processes across strategic, tactical, and operational activities.**

This ensures we proactively anticipate and respond to changes in our business landscape and the rapid evolution of tax laws and policies in the UAE and globally. The tax team partners closely with cross-functional stakeholders and subsidiaries, embedding tax considerations into business planning and execution to support growth and protect value.

Tax governance is overseen by the Board, with approval of the Tax Policy and Tax Strategy delegated to the CEO and/or CFO under the Delegation of Authority. In line with our internal policy, these documents are reviewed annually. We are committed to transparency: applicable tax disclosures are included in our publicly available audited financial statements, and external auditors verify relevant tax information for our global operations.

We adopt a responsible approach to tax planning, complying with the letter and the spirit of the law. We do not transfer value created to low-tax jurisdictions for tax avoidance, and we do not use secrecy jurisdictions or structures lacking commercial substance. We have no presence in secret jurisdictions or so called tax havens. All tax planning is carried out within the boundaries of our Tax Policy and Tax Strategy, based on reasonable interpretations of applicable law, aligned with the economic substance of our activities, and designed to be tax efficient while supporting commercial objectives.

Our transfer pricing practices align with OECD guidelines and applicable local rules. Related-party transactions are priced to reflect commercial realities, value creation, and tax efficiency, and we maintain a formal Transfer Pricing Policy supported by benchmarking to ensure compliance with the arm's length principle.

We comply with tax filing and reporting obligations in the UAE and every jurisdiction in which we operate. We aim to foster cooperative relationships with tax authorities built on mutual respect and professionalism, engaging through appropriate formal channels and providing timely, accurate information. We do not publicly advocate policy positions on tax, nor solicit external stakeholder input to shape its views.

#### **Our Tax Strategy rests on key pillars central to execution:**

- **Tax Compliance and Reporting:** Meet all obligations timely and accurately in every jurisdiction of operation
- **Tax Governance and Risk Management:** Undertake responsible tax planning within policy boundaries, grounded in the letter and spirit of the law and aligned with the economic substance of our business

# Way Forward

**Looking ahead, ADNOC Distribution will continue to balance growth, resilience, and returns as it advances its journey into a leading mobility and convenience retailer.**

Building on its track record of efficient capital allocation, the Company focuses on sustaining earnings growth momentum through disciplined execution of the growth strategy, extracting maximum value from its assets, increasing contribution from non fuel retail and international operations, ongoing cost discipline, and exploring value-accretive growth opportunities, supported by robust financial position and strong balance sheet.

At the same time, ADNOC Distribution remains committed to delivering attractive shareholder returns, supported by its extended dividend policy.

By executing its strategy with discipline and agility, the Company aims to strengthen long term value creation and remain well positioned to capture opportunities as the mobility and energy landscape evolves.



# BUILDING RESILIENCE

(Manufactured Capital)

ADNOC Distribution's infrastructure and operating assets are designed around the needs of our stakeholders. Customers benefit from reliable, affordable access to fuel, EV charging, and convenience services across our network, enabling safe and efficient everyday mobility.

Commercial, industrial, and government clients rely on our dependable supply and aviation refueling services that support critical operations. Suppliers and tenants engage through fair, policy-compliant procurement and property leasing that foster local enterprise and enhance service choice at our stations.

Employees work within standardized, safety-focused environments that support consistent service quality.

For communities and regulators, we uphold transparent product information and labeling, grounded in up-to-date Material Safety Data Sheets (MSDS) along with responsible end-of-life practices through government-approved disposal channels. Active partnerships beyond our value chain help build local content and community initiatives. Together, these relationships inform operational decisions and strengthen socioeconomic stability in the regions we serve.

## Mapping our innovation with UNSDGs



## Key Highlights



# 44

new **products** introduced in 2025 across our portfolio of lubricants, **greases**, base oils, **drilling fluids**, and **white oils**.

## Relevant Material Topics

Procurement Practices

Economic Performance



# Our Approach to Manufacturing Excellence

**Established in 1973, ADNOC Distribution has evolved into a leading mobility retailer in the UAE, underpinned by a scalable, integrated infrastructure. We complement our core fuel operations with a robust non-fuel footprint. We also manage retail space within our service stations to improve customer access and convenience.**

Our sustainable mobility offering includes fast and super-fast EV charging points across the UAE, integrating new mobility needs into our station network.

Our manufactured capital supports a comprehensive product and service portfolio. We offer gasoline (91/95/98 octane), diesel, CNG, and LPG, alongside premium lubricants under the ADNOC Voyager brand. ADNOC Distribution is the leading marketer and distributor of fuels to commercial, industrial, and government customers in the UAE, and markets ADNOC Voyager lubricants in 52 countries, extending the reach of our brand and technical expertise. In aviation, we operate refueling services at key airports, underscoring our role as a trusted fuel partner for critical transport infrastructure.

Disciplined asset management standardized operating practices, and continued improvement across our station network and supply infrastructure help ensure reliability, safety, and service consistency. Results of these safety-related initiatives are highlighted in our Human Capital. Together, these assets and practices enable everyday mobility, support local commerce, and contribute to socioeconomic development, delivering tangible value for customers, communities, and stakeholders across the regions we serve.



# Our Product Portfolio

Our diversified portfolio spans retail (B2C) and commercial (B2B) segments, anchored by a broad network of service stations, convenience stores, vehicle inspection centers, EV charging infrastructure, and aviation and wholesale fuel operations. The mix of activities contributes to a balanced earnings profile across fuel, non fuel, corporate, and aviation lines.

## B2C (Retail Business)

ADNOC Distribution's retail business anchors everyday mobility in the UAE, KSA and Egypt through a market leading fuel network and consistent service standards. The forecourt offer is complemented by a broad non-fuel ecosystem convenience stores, car care, vehicle inspection centers, and onsite tenant services that create a one stop experience for customers and strengthens site productivity.

Our EV proposition adds fast and super fast charging across stations and dedicated hubs, addressing current EV customer demand and integrating seamlessly with the retail journey. In parallel, work on alternative fuels such as biofuel and hydrogen broadens energy options within the network where applicable which we have covered in detail in Natural Capital.

Digital enablement is embedded across the customer journey: Fill & Go supports seamless fueling via license plate recognition or QR scan with automatic in app payment; Click & Collect links in app orders to forecourt or in store pickup; an AI enabled self checkout pilot shortens in store transaction times; and Plug & Charge simplifies EV authentication and status updates. Together, these capabilities enhance speed, convenience, and service consistency. This helps to increase customer satisfaction and scores of the same have been highlighted in Social & Relationship capital.

For stakeholders, the proposition delivers reliable access to energy and everyday services for retail customers; supports partners and tenants with high traffic retail space; and maintains quality, safety, and transparency through standardized operations, compliant procurement, and clear product information and labeling. This integrated model underpins customer trust, operational reliability, and a resilient retail platform across our footprint.

## B2B (Commercial Business)



### Corporate

ADNOC Distribution is the largest supplier of gasoil, LPG and gasoline to commercial, residential, industrial, and government customers in the UAE's wholesale fuels market. We also sell and export lubricants including engine oils and greases to 52 countries under proprietary ADNOC Voyager lubricants have a total of 520 products and more than 200 approvals from major OEM's and International Standards. These products serve motor vehicles and are used across industrial, marine, and government applications for a wide range of engines, machinery, and equipment.



### Aviation

We supply aviation fuel and provide refueling and related services to strategic aviation customers in the UAE. We also utilize our highly advanced facilities to provide refueling, defueling and other operational and technical-related services to ADNOC's civil aviation customers at multiple airports. Through our 50% stake in TotalEnergies Marketing Egypt, we also participate in aviation operations at two airports in Egypt, reinforcing our role as a trusted partner to critical transport infrastructure.

## Fueling convenience

### Overview

ADNOC Distribution leverages AI and digital technology to enhance the end-to-end forecourt and instore experience. By delivering hyper personalized offerings, improving store operations, and enabling seamless interactions, the Company simplifies key customer journeys across fuel, non-fuel retail, and EV charging.

### What we delivered

- **Seamless fueling** via automatic license plate recognition or QR scan; after a one time setup, station staff fulfilled preferences, and payment automatically in the app. This app also helps customers to save their time by selecting UAE stations for car delivery or in store pickup, speeding service during busy periods
- **AI enabled self-checkout (pilot)** – A computer vision checkout that recognizes convenience store items in milliseconds, reducing transaction times to under **30 seconds** at pilot locations in the UAE
- **Plug & Charge for EVs** – Automatic vehicle recognition enables easy start/stop of charging without cards or manual authentication. Customers receive charging status updates on the app, on their phones, or on their Apple Watch

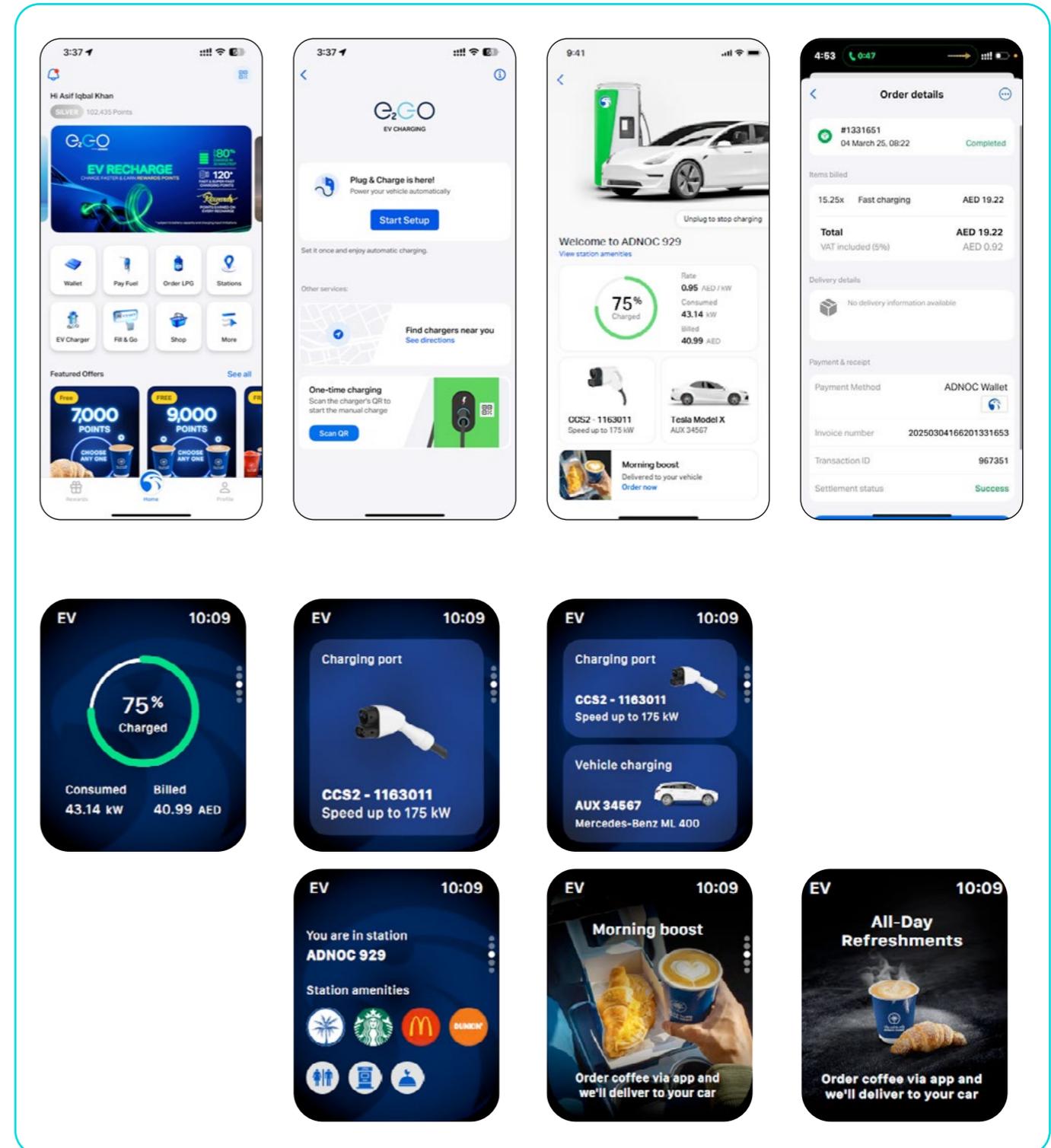
### How it works for customers

- **Arrive** at the service station and be recognized via ALPR/QR (fuel) or Plug & Charge (EV)
- **Personalize** fueling and convenience orders in app (e.g., fuel grade, add on items).
- **Transact seamlessly** with automatic app payment or use AI self checkout for quick store purchases
- **Receive updates** on order/charging status directly in the app and wearable devices



### Operational impact

- **Faster transactions** and reduced queuing through automated recognition and AI self checkout (under 30 seconds at pilot sites)
- **Consistent service delivery** as staff fulfill pre set customer preferences via Fill & Go
- **Integrated omnichannel retail** by linking in app ordering with forecourt and store operations
- **EV readiness with Plug & Charge** improving the charging experience across ADNOC Distribution's network



## Marketing & labeling

ADNOC Distribution adopts ethical principles for its marketing and advertising activities by our efforts to provide accurate information and abstain from disinforming customers. In 2025 there were zero reported incidents of noncompliance, warning, fine, penalty, with marketing regulations or voluntary codes, demonstrating the organization's adherence to transparency and honesty in its communications.

ADNOC Distribution's procedures require clear, accurate product and service information across four areas: sourcing, content and hazards, safe use, and disposal. Raw materials are expected to be sourced at competitive rates from reputed global suppliers by our Procurement team, and to work only with vendors registered with ADNOC and who fully comply with ADNOC policies.

For lubricants, updated Material Safety Data Sheets (MSDS) for our components are used to generate the MSDS for ADNOC lubricants, with any identified hazards to be clearly disclosed on product labels. In the UAE, end-of-life disposal must be carried out exclusively through government approved disposal agencies, with completion documented by an official disposal certificate. These requirements guide our marketing and labeling practices to support transparency, safety, and responsible product stewardship.

## Materials

ADNOC Distribution monitors material flows across our products and packaging to support transparent stewardship and responsible end-of-life handling. In 2025, material inputs comprised 3,133 tonnes of non-renewable materials and 456 tonnes of renewable materials (total 3,589 tonnes), with renewables representing 12.7% of total inputs.

In 2024, input totaled 2,876 tonnes, 2,487 tonnes non-renewable and 389 tonnes renewable with renewables at 13.5% of the mix. Renewable inputs increased by 17.2% year on year, reflecting progress in sustainable sourcing.

During the reporting period, 8% of products and their packaging were reclaimed across categories through take-back and recovery channels. These practices operate alongside our marketing and labeling procedures: updated MSDS inform content disclosure and hazard communication on labels; procurement is limited to ADNOC-registered, policy-compliant vendors; and in the UAE, end-of-life disposal is conducted via government-approved agencies with disposal certificates retained for verification.



# Way Forward

## Our way forward centers on ongoing priorities:

Maintaining network reliability and service consistency through disciplined asset management; embedding digital convenience across the forecourt, in-store, and EV journeys; advancing process optimization to improve speed, cost, and safety; sustaining transparent marketing and labeling with MSDS-based disclosures and certified end-of-life handling; and building in line with principles of circular economy in mind: monitoring materials stewardship, including renewable/non-renewable inputs and reclaimed products/packaging.

Together, these priorities reinforce operational resilience, customer convenience, and compliance across our footprint.

# PROTECTING THE PLANET

(Natural Capital)

ADNOC Distribution integrates environmental sustainability into strategy and day-to-day operations as appropriate to support responsible growth and long-term resilience.

In alignment with ADNOC Group’s long-standing commitment to environmental and social stewardship, we focus on emissions reduction, decarbonization, protecting the environment, climate risk, and delivering positive outcomes for the communities in which we operate.

Our strategy emphasizes energy efficiency and digital transformation, anchored by measurable sustainability targets and regular performance monitoring to drive accountability and improvement.

A robust sustainability strategy with strong ESG governance framework embeds environmental considerations into decision-making so that commitments translate into consistent execution across the organization. We maintain policies, guidelines, processes, and management systems aligned with leading practices, standards, and regulatory requirements to strengthen performance, enhance resilience, and deliver positive environmental outcomes across our operations.

## Mapping our environmental sustainability efforts with UN-SDGs



### Material Topics

Climate Change and GHG	Waste, Water and Effluent Management	Climate Adaptation, Resilience, and Transition	Circular Economy/ Resource Management	Supplier Sustainability Assessment	Energy Management	Bio-Diversity
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# 2025 Sustainability Update: Progress, Challenges, and Forward Strategy

**ADNOC Distribution has integrated sustainability into core operations and strategy, setting clear environmental goals for 2030 aligned with ADNOC Group's Net Zero by 2045 ambition.**

Notable outcomes include improved water efficiency and recycling, community-centered conservation initiatives, stronger supplier engagement to elevate sustainable practices across the value chain, and measurable gains in circularity through reduced waste, and life-cycle integration in product design and operational processes.

Looking ahead, ADNOC remains focused on accelerating progress toward its long-term sustainability vision advancing decarbonization, fostering innovation, and creating shared value for stakeholders while supporting the UAE's transition to a lower-carbon future.



# Climate Change Management

**ADNOC Distribution is committed to aligning with ADNOC's strategic vision for responsible energy leadership by proactively mitigating climate-related risks and capitalizing on opportunities emerging from global energy transformation.**

In line with this commitment, ADNOC Distribution is advancing its efforts to integrate a comprehensive climate change risk management framework into its key processes. The framework establishes a structured, enterprise-wide methodology for the identification, assessment, and management of climate-related risks and opportunities across operations, assets and future investments.

The framework's scope encompasses both physical and transition climate-related risks, featuring a comprehensive taxonomy of climate hazards and opportunities. It is supported by prioritization criteria and assessment guidelines the foundation for effective risk management. The framework includes the following key components:



## Impact Evaluation

Systematic assessment of potential impacts, timescales, exposure, and organizational readiness to manage identified risks, considering both the magnitude and likelihood of effects.



## Vulnerability and Capacity Assessment

Evaluation of business segment vulnerabilities and the organization's overall capacity to respond to climate-related risks.

Moreover, the framework is designed to provide multiple scenario-based analysis using the latest Intergovernmental Panel on Climate Change (IPCC) Assessment Report (AR6) scenarios (SSP1-26, SSP2-45, SSP5-85) for physical risks, and the Network for Greening the Financial System (NGFS) models (2024) for transition risks. Assessments are conducted at 10-year intervals to ensure forward-looking resilience planning.

ADNOC Distribution is embedding the framework into the company's Enterprise Risk Management (ERM) system, establishing robust governance to initiate physical climate risk assessments across its asset portfolio.

This integration supports the systematic identification of climate-related hazard exposure and enables informed decision-making on appropriate adaptation measures.

These efforts aim to ensure that ADNOC Distribution's assets and operations remain resilient under a range of future climate scenarios, supporting the company's long-term sustainable growth and value creation objectives.



## Climate Strategy

Following the climate change risk management framework, identification and assessment of top climate change hazards and prospects were conducted. Below is an overview of the identified hazards that indicate key areas of risk and that require detailed asset-level studies.

### Top Physical Climate Hazards are:

Hazard	Type	Risk	Mitigation
▶ Hot Days	▶ Chronic	▶ Accelerate wear and tear	▶ Elevated design thresholds
▶ Flash Flooding	▶ Chronic	▶ Increased risk of operational disruptions	▶ Flood-resilience infrastructure

### Top Transition Climate Hazards are:

Hazard	Type	Risk	Mitigation
▶ Energy Supply	▶ Chronic	▶ Increased costs due to climate regulations	▶ Transition plan / decarbonization roadmap
▶ Energy Demand	▶ Chronic	▶ Increased capital expenditure risk due to electrification infrastructure investments	▶ Investment into energy efficiency measures

### Top Transition Climate Prospects are:

Prospects	Type	Opportunity	Capitilization
▶ Market - Customers	▶ Chronic	▶ Increased sales volume through diversification into low-carbon products, meeting rising customer demand for sustainable goods	▶ R&D in energy low carbon technologies
▶ Energy Demand	▶ Chronic	▶ Decreased energy costs via fuel savings due to increased adoption in electric vehicles	▶ Fleet modernization



### Climate Related Risks and Opportunities

Following the guidelines set in the framework, the hazards and prospects identification is done using a screening tool that assesses the relative impact and exposure of climate change based on a comprehensive climate taxonomy composed of 80 physical and transition hazards and prospects.



# Climate Governance

ADNOC Distribution is integrating the framework into the company's Enterprise Risk Management (ERM) system, establishing a robust governance to initiate the physical climate risk assessments that will be conducted across ADNOC Distribution asset portfolio. This foundation supports the identification of climate-related hazard's' exposure and an informed decision-making of appropriate adaptation measures.

ADNOC is proactively embedding climate change risk management and adaptation into its operations to strengthen resilience and meet the rising expectations of investors and regulators. ADNOC Distribution demonstrated its leadership in climate change risk management by piloting comprehensive Climate Risk Assessments (CRAs) at two selected assets in 2025: the Hamriyah Fuel Terminal and Sharjah Service Station #573. These pilots – among the first within the ADNOC Group – showcase a forward-looking, solution-oriented approach to identifying climate risks and implementing adaptation measures, aligned with international frameworks like TCFD and ISO 14090.

By systematically assessing physical climate hazards and integrating the findings into strategic planning, ADNOC Distribution is creating climate-resilient operations in line with the national Climate Adaptation Strategy, and the adaptation actions that position ADNOC at the forefront of climate risk management.

## Context and Governance

As part of ADNOC Distribution's ESG Strategy, climate risk management was identified as a top priority. The project was supported at the board level (ESG Subcommittee) and by ADNOC Group Climate Change function, ensuring alignment with corporate strategy. The completed assessments were presented back to the ESG Subcommittee and used as a foundation to develop a company-wide climate resilience strategy for ADNOC Distribution. In doing so, ADNOC Distribution not only complied with emerging frameworks like IFRS S2, GRI standards, and ADX guidelines but went a step further – demonstrating leadership among its peers by voluntarily tackling climate risks head-on.

Methodology Aligned with ADNOC & Global Frameworks: ADNOC's Climate Risk Assessment Framework (CCRF) provided the backbone for the 2025 pilot Climate Risk Assessment (CRA). This framework offers a structured, three-pillar approach – Identification, Assessment, and Response – mirroring best practices from TCFD

and ISO 14090 for climate resilience. The CRA methodology was consistent across both sites:

### Hazard screening

Analysts began by reviewing CCRF ADNOC's taxonomy of 40 climate hazards, spanning acute events and chronic trends. Each hazard's potential impact, timeframe, and the asset's exposure and adaptive capacity were scored, yielding a shortlist of priority hazards for each site. This ensured focus on the most relevant climate threats.

### Receptor analysis

In parallel, asset-specific receptors – the critical systems, infrastructure, and operations that could be affected by climate hazards were assessed.

### Vulnerability matrix & risk modeling

Using data from hazards, receptors, and site input, the team developed a vulnerability matrix for each asset – mapping which asset components are exposed to which hazard, after factoring the existing controls in place.

### Adaptation planning

For each high-ranked identified risk, the team identified potential adaptation measures and qualitatively rated their feasibility, effectiveness, lead time, and cost intensity following the CCRF criteria.

Throughout the process, stakeholder engagement was key. Internal stakeholders from Operations, HSE, Maintenance, Risk, and Finance were consulted to incorporate their expertise and to foster ownership of the outcomes. The CRA also emphasized external stakeholder considerations and coordination with local authorities and communities. In this way, the assessments echo the "All-of-society" approach of ISO 14090, involving relevant players in building climate resilience.



### Climate Risk Assessments CRAs

demonstrated at two selected assets in 2025 among the first within the ADNOC Group.

# Emissions

**ADNOC Distribution is committed to reducing greenhouse gas emissions across its operations through disciplined measurement, transparent reporting and verification, and targeted decarbonization initiatives that underpins its policies, procedures, and objectives.**

In 2023, we launched our decarbonization roadmap, which includes a commitment to reduce our operational emissions intensity by 25% by 2030 compared to 2021. Delivery is anchored in three levers:

1. Expanding clean energy for our own operations (including solar PV)
2. Optimizing energy use across facilities
3. Transitioning to lower carbon fuels and products

We are scaling sustainable infrastructure to support a balanced transition, with investments in lower carbon fuels and EV charging infrastructure. In the UAE, ~100% of our owned fleet now operates on biofuel, reducing direct emissions and air pollutants compared to traditional fuels. We also partnered with Emerge to install photovoltaic solar panels as part of a phased program to solarize our service stations across the UAE.

Since 2021, we have consistently reduced our emissions intensity across the UAE operations, based on gross profit, achieving 24.8 tCO<sub>2</sub>e/million AED in 2025 compared to 26.2 tCO<sub>2</sub>e/million in 2024.

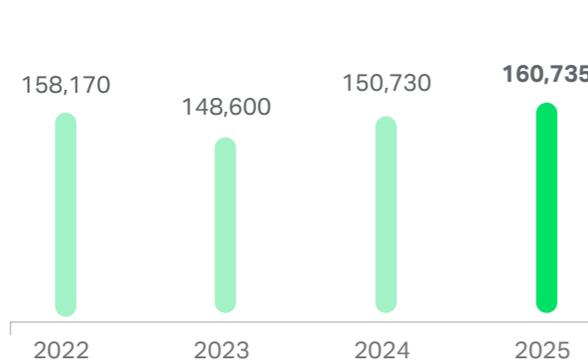
Our approach to measurement and assurance follows recognized methodologies and local requirements. We use the US Environmental Protection Agency (EPA) GHG emissions calculator for Scope 1 sources and apply grid emission factors from Emirates Water and Electricity Company (EWEC) and TAQA Distribution (formerly Abu Dhabi Distribution Company) to calculate Scope 2 emissions. Fugitive emissions of volatile organic compounds (VOCs) are estimated using factors from Australia’s National Pollutant Inventory.

We comply with Environment Agency - Abu Dhabi (EAD) regulations and maintain annual environmental monitoring across our facilities. Abatement projects are tracked quarterly through unified reporting and validation scheme.

We conduct Health, Safety and Environment Impact Assessments (HSEIA), including Environmental Impact Identification (ENVID) studies, to predict potential environmental impacts and implement control measures where needed.

The SO<sub>x</sub> and NO<sub>x</sub> increase was driven primarily by the usage of biodiesel in our newly added heavy vehicle fleet. These biodiesels related increase support ADNOC’s Net Zero ambition and align with the UAE’s National Climate Change Plan 2017–2050.

**Total emissions (tCO<sub>2</sub>e) for Scope 1 and Scope 2**



**Direct emissions, Scope 1 (tCO<sub>2</sub>e) over the years**



Scope 1 emissions refer to direct emissions that are the result of mobile combustion (i.e., company owned or controlled vehicles).



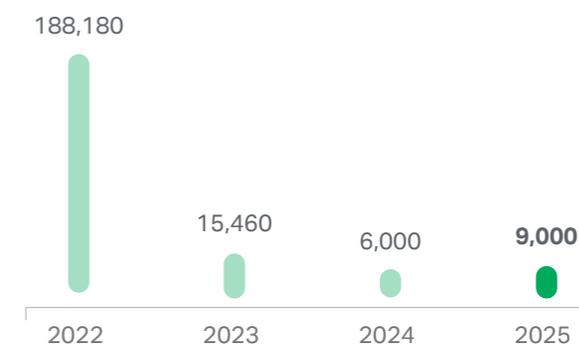


**Indirect emissions, Scope 2 (tCO<sub>2</sub>e) over the years**

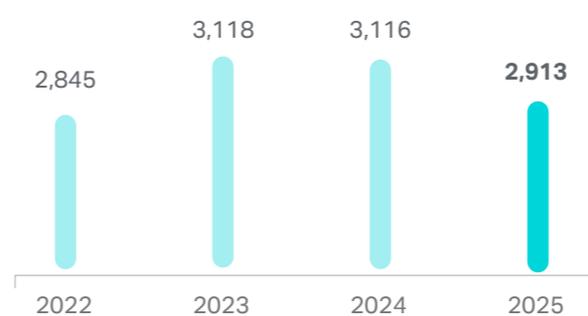


Scope 2 emissions refer to purchased electricity for the company's own use.

**SO<sub>x</sub> emissions (kg)**



**Non GHG emission intensity based on gross profit (Kg/million AED – based on gross profit in UAE)**

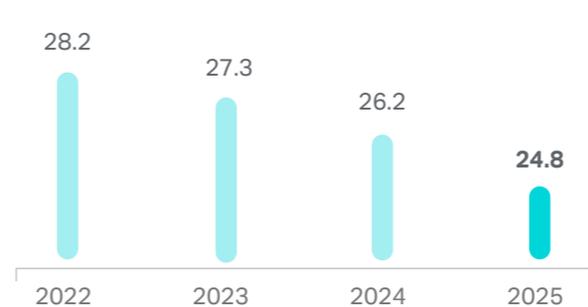


Non-GHG emissions are atmospheric pollutants other than greenhouse gases, including SO<sub>x</sub>, NO<sub>x</sub>, and non-methane VOCs, which affect air quality but are not classified as greenhouse gases. Non-GHG emission intensity is calculated as total non-GHG emissions divided by gross profit in UAE for the reporting period.

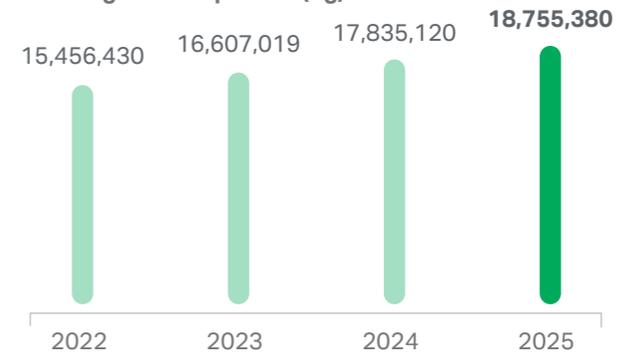
**NO<sub>x</sub> emissions (kg)**



**GHG emissions intensity ratio for the organization\* (tCO<sub>2</sub>e/million AED – based on gross profit in UAE)**



**Volatile organic compounds (Kg)**



\*we identified and corrected a typographical error in last year's report

# Decarbonization Initiatives

ADNOC Distribution's decarbonization strategy aims to reduce operational greenhouse gas (GHG) emissions, enhance energy efficiency, and integrate renewable energy into operations. ADNOC Distribution implemented a verified methodology for its 2021 energy and emissions data through an external independent consultant and conducted a comprehensive study on emissions, water and waste management.

## Decarbonizing our fleet and stationary equipment

In the UAE, 100% of our heavy vehicle fleet operates on biofuel B20, achieving reduction in lowering local air pollutants. We deploy a real-time fleet management system to optimize routing, utilization and fuel efficiency, further reducing emissions and operating costs. In 2025, we also pioneered the application of biodiesel B5 to generators at our stations, that subsequently contributed to decarbonization efforts.

**Emissions reduction:** Biofuel delivered a total emission reduction of **2,079 tCO<sub>2</sub>e** in 2025.

## Renewable energy adoption

We are solarizing our service stations across the UAE. By end-2025, 47 stations were equipped with photovoltaic solar panels, with installations continuing through 2025 and beyond to increase the share of renewable electricity in our energy mix and reduce grid consumption.

**Emissions reduction:** Solarization delivered a reduction of **3,237 tCO<sub>2</sub>e** in 2025.

We are expanding rooftop solar PV across Abu Dhabi service stations in partnership with Emerge. The renewable energy target includes deploying solar systems across 123 stations in Abu Dhabi and Al Ain by 2030. To enable durable, safe solar PV deployment, we are repairing and waterproofing station roofs and applying heat reflective treatments as a

prerequisite. This dual measure is intended to reduce lifecycle maintenance needs, protect asset, and optimize solar PV performance, delivering an estimated \$7 million in savings versus traditional maintenance while accelerating solar rollout.

## Energy efficiency upgrades (bridge and enduring measures)

In 2025, we initiated the proactive replacement of defective external lights with high efficiency LEDs, high-efficiency HVAC systems, improved building designs, retrofits of existing facilities, and automated energy management. We systematically identify Energy Conservation Opportunities and monitor performance to drive sustained reductions in energy use and associated emissions across stations to maintain safety and reduce energy use. This mitigates ESCO retrofit delays and was executed within the planned maintenance budget, with no additional CAPEX.

**Emissions reduction:** Implemented Energy Conservation Opportunities (ECOs) delivered a reduction of **165 tCO<sub>2</sub>e** in 2025.

**High efficiency cooling:** We replaced defective cooling systems at multiple stations in 2025 to improve reliability, enhance customer comfort and lower electricity consumption. New units are integrated with our Energy Management System for continuous performance monitoring and optimization.

These initiatives advance ADNOC Distribution's energy intensity and GHG reduction targets and align with ADNOC's

2030 GHG intensity reduction pathway. Reduced energy demand, lower operating and maintenance costs, improved asset integrity and customer experience, and enhanced compliance with sustainability KPIs.

## Non GHG Emissions

We are actively reducing non GHG emissions across our operations through targeted initiatives and stronger controls. We are tightening VOC management through rigorous HSE oversight, leak prevention, and asset integrity programs, and we have a policy that restricts use ozone depleting substances. We are further investing in energy efficiency, solarization, EV charging, and natural gas for vehicles to continue driving down local air pollutants.

## Air Emissions

### Floating roof storage tanks at depots

We operate floating roof storage tanks at our depots to help minimize the vapor space above stored product and reduce volatile organic compound (VOC) emissions during receipt, storage and tank breathing. This design measurably decreases fugitive vapors and improves local air quality.

### Vapor Recovery Units (VRUs) at service stations

To further cut emissions at the point of sale, ADNOC Distribution has installed VRUs at three pilot service stations. These systems capture fuel vapors generated primarily during tanker offloading and tank breathing, compress and condense the hydrocarbons, and return them to storage as liquid fuel. The VRUs also treat BTEX compounds (benzene, toluene, ethylbenzene and xylenes), effectively eliminating these carcinogenic VOCs from vented streams

and supporting improved occupational and community health outcomes.

Pilot performance has been consistent across all three sites, with product recovery equivalent to approximately 0.1% of total petrol sales at each station.

In addition to reducing environmental impact, this directly improves fuel efficiency by reclaiming products that would otherwise be lost. Using our approved emissions factor for gasoline, the recovered volumes correspond to avoiding CO<sub>2</sub> if combusted.

These initiatives support ADNOC's decarbonization and methane/VOC reduction strategies and contribute to the Group's goal to reduce operational greenhouse gas intensity by 25% by 2030. They also deliver operational value through reduced product loss, improved air quality, and enhanced compliance with national regulations.

ADNOC Distribution does not procure or use chlorofluorocarbons (CFCs) or other ozone depleting substances, in line with the Montreal Protocol and UAE regulations.

Through our HSEIA program, we conduct Environmental Impact (ENVID) studies to predict potential environmental impacts and seek to implement controls where predicted levels approach or exceed regulatory limits. We perform regular audits and reviews to drive regular improvement in air quality management and reporting.

# Innovating for Clean Energy and Sustainable Mobility

The transition to clean mobility is vital for cutting transport-related emissions and improving energy efficiency. Our strategy and investments focus on biofuel adoption, fleet management systems, electric vehicle charging infrastructure, green hydrogen, and natural gas for vehicles (NGV).

## Biofuel

ADNOC Distribution produces biofuel from waste cooking oil for use in its own vehicle fleet, targeting reduction in CO<sub>2</sub> emissions. In 2024, the company converted its entire owned fleet to biofuel. During 2025, Biofuel resulted in a reduction of 1,900 tCO<sub>2</sub>e from B20 and 179 tCO<sub>2</sub>e from B5. The fleet currently uses a B20 biodiesel blend, whereas B5 is used in generators.



## EV Charging

The EV charging network introduced as a low carbon mobility mechanism - another national and strategically viable project running on clean and renewable energy.

Charging infrastructure is periodically embedded with the latest technological advancements where appropriate (charge point management system, data analytics, plug and charge etc.) and a few select features (automated maintenance, dynamic load management) are under deployment, to enhance operational resilience, infrastructure reliability and performance, along with providing seamless customer experience.

The modular fast and super-fast charging infrastructure used in charger installations allows for rapid scaling across urban and highway corridors. ADNOC Distribution's E2GO network aims to expand to up to 500-750 EV charging points by 2028.



## Natural Gas for Vehicles (NGV)

Since 2018, ADNOC Distribution has lowered its CO<sub>2</sub> footprint in part by supplying compressed natural gas (CNG) to natural gas vehicles (NGVs), providing a lower-carbon alternative to conventional fuels.

The company's clean mobility strategy includes expanding CNG service stations and establishing conversion centres that offer professional CNG vehicle conversions, helping to reduce emissions across the transport sector.

## Vehicle fleet management

The fleet management system enables real-time monitoring, tracking, and route optimization to improve fuel efficiency and cut emissions. In 2025, the initiative delivered 186 tCO<sub>2</sub>e of emissions abatement.

ADNOC Distribution regularly monitors driver behaviors, both live and offline, analyzing data daily, weekly and monthly to curb parameters such as Harsh Braking (HB) and Harsh Acceleration (HA) that significantly increase emissions.



## Low carbon Hydrogen

As part of our strategy to decarbonize mobility and support the UAE's energy transformation we have implemented a phased hydrogen program that builds capabilities, validates demand, and prepares for scale. In 2023, we commissioned the UAE's first public hydrogen refueling pilot station in Masdar City.

In 2024–2025, we expanded the pilot with the Integrated Transport Centre to serve hydrogen buses in Abu Dhabi demonstrating the technology's performance in public transport and informing route-based network planning.

The station produced green hydrogen via alkaline water electrolysis powered by solar energy and desalinated water, delivering purity above 99.99%. It is engineered for demand-responsive operations, with on-site storage and digitally managed flow systems, and has a capacity of approximately 4 - 4.5 kg per hour (around 35,000 kg annually).

End-to-end emissions and product attributes are tracked on the I-TRACK (HX) blockchain platform. The hydrogen's carbon intensity is certified at 0.88 kg CO<sub>2</sub>e per kg H<sub>2</sub> under ISO/TS 19870:2023, with third-party verification by Bureau Veritas and environmental assurance aligned to ISO 14071 providing transparent, internationally benchmarked performance.

Designed for modular replication across future service stations, this first-of-its-kind deployment in the UAE fuel retail and public transport establishes a scalable foundation for hydrogen-powered mobility.

Building on execution insights, the pilot was successfully concluded, and the project has been decommissioned.



## Sustainable chemical additives

ADNOC Distribution deploys cleaner fuel additives to enhance combustion efficiency and support better fleet performance, helping to lower emissions. We have implemented an automated replenishment system across our retail lubricants network, reducing inventory gaps, improving operational efficiency, and helping to provide a consistent supply.

We also introduced ADNOC BLUE in 2024, produced from a high-purity virgin urea solution, reflecting our dedication to excellence in sustainable product offerings. ADNOC Blue rapidly established itself as a market leader, capturing 24% share of the UAE Diesel Exhaust Fluid (DEF) market within 24 months of launch.

During 2025, we introduced 44 new products across a comprehensive range of lubricants, greases, base oils, drilling fluids, and white oils, supported by ongoing investment in R&D and technology. Our premium lubricant brand, ADNOC Voyager, was recognized by the American Petroleum Institute – Global Industry Services at ADIPEC 2025 as the first brand in the Middle East to achieve the latest API SQ / ILSAC GF-7 certification, underscoring ADNOC's commitment to world-class product quality and innovation.

## Sustainability related investments

Our strategy is to capitalize on opportunities arising from the transition to a low-carbon energy future while strengthening business resilience. This includes investing in R&D to develop low carbon fuel products and advance decarbonization initiatives. We are committed to supporting energy transformation and climate change mitigation, with a continued focus on environmental assessments and audits, as well as water and waste management. In 2025, the Company invested AED 120 million capital expenditures (CAPEX) projects, focusing on environmental, waste, water, energy, sustainability, and climate related infrastructure improvements. Within the total revenue generated from clean technology mobility solutions, Compressed Natural Gas (CNG) accounted for 71%, followed by Biodiesel at 18% and Electric Vehicle (EV) solutions at 11%, reflecting a diversified portfolio of lower-carbon mobility offerings.

## Commitment to clean energy

ADNOC Distribution has established short, medium, and long-term goals to manage its commitments. We aim to help increase the share of clean energy in the UAE's total energy mix from 25% to 50% by 2050.

### Short-term

- To increase energy efficiency of the Company's operations and assets
- Deliver training and promote awareness amongst employees and customers

### Medium-term

- Increase contribution of clean energy through solar power and other clean energy solutions
- Increase investment in clean technologies across ADNOC Distribution stations
- Provide sustainable mobility solutions

### Long-term

- Strive to transform into a leading multi-energy, convenience and mobility retailer



# Energy Efficiency

**We are enhancing the energy performance of our operations and services to reduce environmental impact, working closely with partners and suppliers to manage energy, water, and waste responsibly.**

Environmental oversight is embedded in our governance through management-level discussions on sustainability, certified environmental operations, climate risk mitigation tools, and recycling measures. Performance is tracked through KPIs for energy, emissions, water, and waste.

With a clear commitment to sustainability, we are transitioning toward a more sustainable energy mix and integrating renewable energy where feasible. Our energy efficiency programs and strategic energy management are aligned with UAE national visions and strategies such as the UAE Energy Strategy 2050.

## Energy management systems

At ADNOC Distribution, our business functions and services are guided by a commitment to environmental conservation, focused on protecting the local environment and addressing potential impacts from our operations. Central to this commitment is our ISO 50001-certified Energy Management System. Fully aligned with the standard, it combines regular ASHRAE-based audits to identify improvement opportunities with periodic internal reviews and annual external verification. This system helps optimize energy consumption across our operations and supports continual improvement by aligning our physical assets and operating practices with international best practices.

## ADNOC Distribution energy management and position statement

As the UAE's leading mobility retailer, ADNOC Distribution is advancing efficient energy solutions and products, enabling the transition to cleaner mobility (including electric vehicles) and continually reducing organizational energy intensity. Our energy policies, programs, and strategic management approach are aligned with national priorities, notably the UAE Energy Strategy 2050.

We are reducing reliance on conventional energy by integrating renewables such as solar across our operations and implementing targeted energy optimization initiatives on both the supply and demand side.

These actions support our target to reduce operational emissions intensity by 25% by 2030, contribute to the UAE's Net-Zero pathway and ADNOC's Net-Zero ambition by 2045, and lower our energy costs.

Our execution is supported by our ISO 50001 certified Energy Management System which provides a recognized, structured framework for monitoring performance, driving continual improvement and ensuring compliance with international best practices for energy efficiency.

Our energy policy distinguishes two categories of consumption: Direct Energy (transport, including fleet and pool vehicles) and Indirect Energy (electricity from the grid). Energy Usage is monitored monthly through an ISO 50001-aligned Energy Management System and governed by ADNOC Group policy, UAE environmental regulations, and international best practices.

We maintain a robust audit cadence - regular energy audits following ASHRAE standards and annual external third-party verification - to optimize consumption, improve performance and proactively manage risks and opportunities.

In 2025, ADNOC Distribution achieved its energy intensity target. This was enabled by efficiency improvements across operations and assets, including smart metering, demand-side initiatives, and other optimization solutions. To embed a culture of efficiency, we delivered energy conservation training and awareness across the organization and ran awareness campaigns for employees and other key stakeholders.

Our Energy Management Policy commits us to:



**Reducing energy consumption and greenhouse gas emissions across all operations**



**Investing in renewable energy, including installing solar systems at service stations**



**Ensuring transparency and accountability through regular audits, performance reviews, and stakeholder engagement**

## Environmental compliance

ADNOC Distribution is committed to environmental regulatory compliance, managing potential impacts in line with internationally recognized standards and local regulations. The company's assets undergo regular HSEIA and ENVID evaluations to identify and mitigate current and potential environmental impacts, including emissions and climate-related risks. These assessments and ongoing monitoring are reviewed by the HSE Department and overseen by the CEO led management-level Sustainability Committee to support the effectiveness of control plans.

The company routinely evaluates HSE impact studies to verify the performance of mitigation measures, and it

defines clear roles and responsibilities for environmental management across the organization.

ADNOC Distribution is committed to continuously improving environmental performance, maintaining full compliance with applicable laws and globally recognized HSE best practices, and developing systems and processes aligned with leading standards and frameworks to advance environmental leadership.

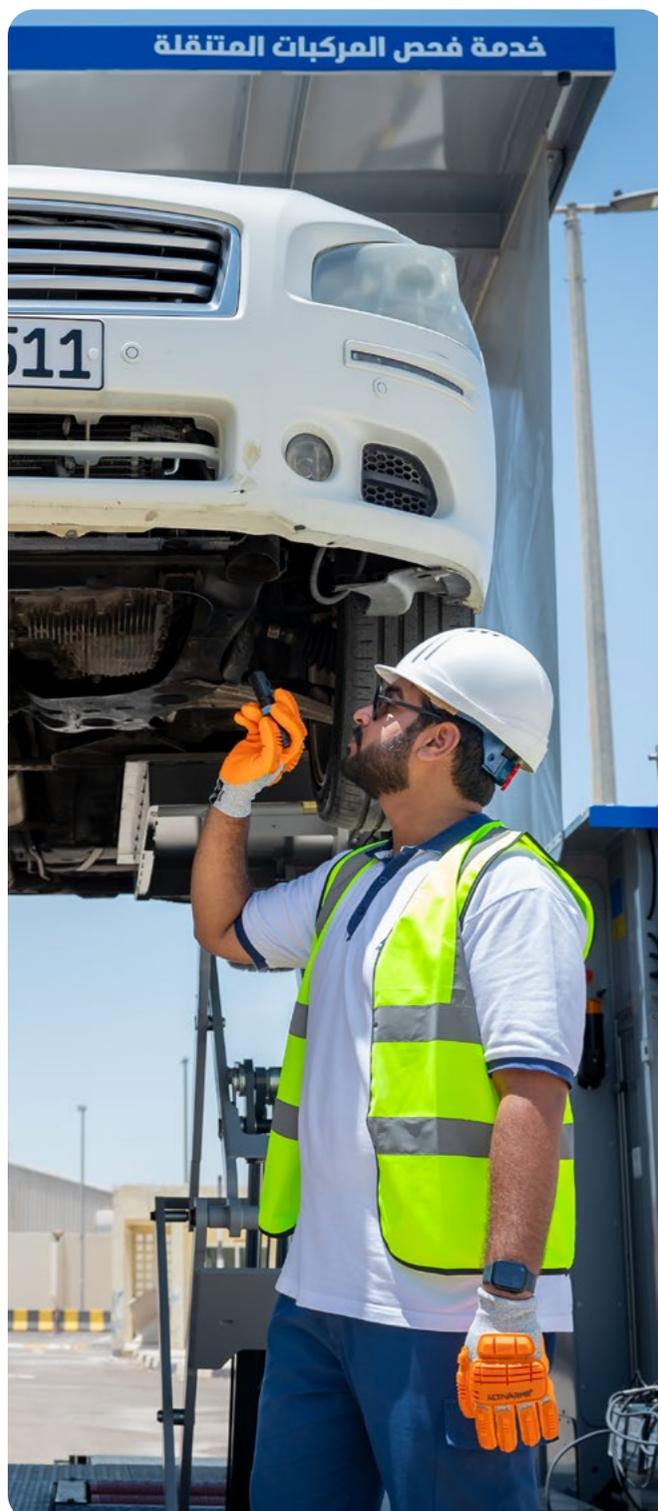
## Environmental management and Policy

ADNOC Distribution sustains strong and innovative environmental policies, practices, reporting, and monitoring management systems under

the corporate-level Sustainability Committee chaired by the CEO to achieve the following:

- Oversee, assess, and evaluate the environmental impacts of its operations, encompassing waste, water, and biodiversity management
- Adhere to the guidelines set by regulatory bodies like the Environment Agency of Abu Dhabi and the Ministry of Climate Change and Environment; and
- Manage and reduce any adverse environmental impacts resulting from its activities and operations. Incorporate corrective actions to stimulate continual improvement





## Our energy strategy: impact management and improvement

<b>Actions to prevent or mitigate potential negative impacts</b>	Energy-efficient technologies	Retrofit lighting systems with LEDs across service stations and retail outlets; lighting retrofit initiatives have been carried out at multiple service stations
		Install smart HVAC systems and energy-efficient appliances to reduce consumption
	Renewable energy integration	Deploy solar panels on station rooftops and assess wind energy feasibility
		Partner with renewable energy providers to run pilot projects
	Energy management system	Implement an ISO 50001-compliant EMS with AI-driven analytics for real-time monitoring and optimization
	Preventive audits	Schedule Level-1 energy audits to identify inefficiencies before they escalate
<b>Actions to address actual negative impacts</b>	Performance tracking and corrective measures	Continuously monitor energy KPIs and consumption against baselines
		Implement corrective actions when deviations occur, such as adjusting operational schedules, tuning controls or upgrading equipment
	ESCO projects	Engage external service providers for retrofits and advanced controls to remediate high-consumption areas Expected savings of 370 tCO <sub>2</sub> in 2025
	Transparency and reporting	Detailed reports for ADNOC Energy Master Planning and Carbon Management teams to ensure accountability and support remediation planning
<b>Actions to manage actual positive impacts</b>	Integration into long-term strategy	Embed energy goals into ADNOC Distribution's 2026-2030 business plan to sustain positive impact
	Innovation and continuous improvement	Invest in emerging technologies and upgrade systems to amplify energy savings
		Expand the Command Control Center for centralized monitoring and optimization
	Continuous improvement culture	Feedback loops from audits and lessons learned drive revisions to energy management operations and execution procedures
		Emphasis on proactive risk management and efficiency optimization
	Integration into operational processes	Update Project Execution Plans (PEPs) and energy management procedures based on lessons learned
		Embed positive lessons and improvement opportunities into ADNOC's operational standards and future project guidelines
Structured lessons-learned process	Three stages: Reuse, Capture, and Continuous Improvement	
	Internal workshops at each project stage identify and apply lessons learned	

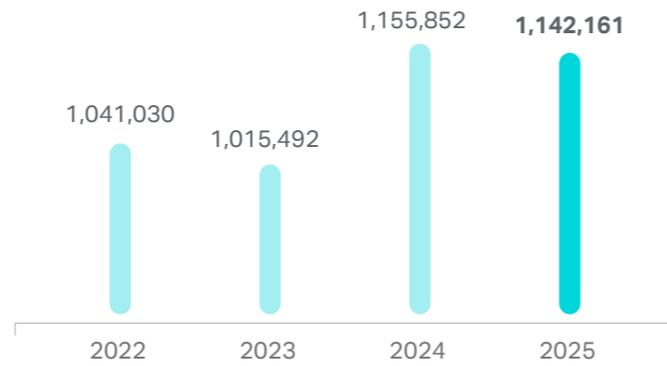


## Energy mix

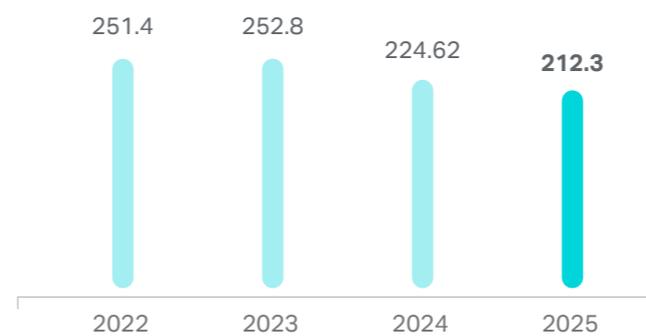
We are advancing a balanced energy transformation across our operations and customer offerings by diversifying our energy mix expanding the use of clean and renewable energy for our own consumption while providing lower carbon products to our customers. As outlined in our net zero pathway, we track annual renewable energy consumption (MWh) across our operations and are committed to increasing the share of renewable and clean energy in our energy mix.

We are scaling solar photovoltaic installations at service stations to reduce grid electricity use and associated emissions. By the end of 2025, solar PV systems were installed at 47 stations across the UAE. We will continue to expand solar installations across our network. In parallel, we are optimizing energy efficiency by identifying Energy Conservation Opportunities (ECOs) and retrofitting building services across our facilities. We maintain a sustainable energy mix across our fleet, supporting our broader transition to cleaner operations.

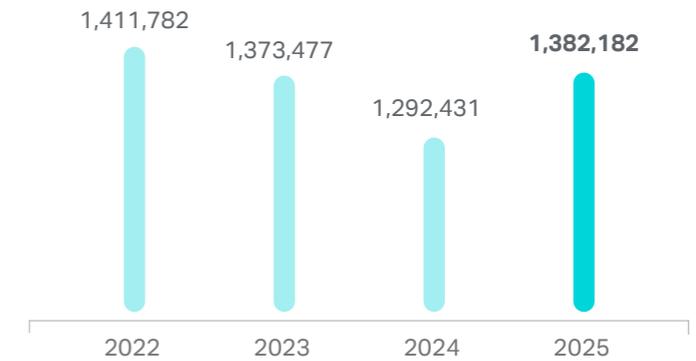
Total electricity consumption (GJ)



Energy intensity for the organization (GJ/million AED) – based on gross profit in UAE



Total energy consumption within the organization (GJ)



### Reporting requirements

Reporting requirements	Unit	2022	2023	2024	2025
GHG Emission avoided by Solar Energy consumption	tCO <sub>2</sub> e	291	296	2,287	3,237
Share of renewable energy in total consumption	%			1.56	2
Stations with solar PV panels	Number			31	47



# Water Stewardship

**Water is integral to ADNOC Distribution’s operations (service stations, car wash facilities, offices, LPG plants). Reducing freshwater use, maximizing reuse, and achieving safe wastewater management support sustainability goals, operational efficiency, regulatory compliance, and stakeholder expectations.**

ADNOC Distribution is committed to responsible water stewardship across its operations. Our water stewardship commitment is reflected in measures to reduce freshwater consumption and prevent effluent discharge to natural water bodies, helping conserve resources and lower greenhouse gas emissions by reducing the energy required for desalination. Aerator water savers have been installed in washrooms and mosque ablution areas across service stations, offices, and other sites, and sensor-activated taps are used at selected service stations to further cut consumption.

Our car wash docks operate predominantly on treated recycled water, which accounts for about 80% of the water used in these facilities, with on-site treatment plants enabling reuse. Wastewater management is governed by strict HSE guidelines so that all discharges remain within legal limits. Water that meets domestic sewage parameters to be discharged directly to the municipal sewage network. If water exceeds these parameters, it is classified as hazardous effluent and to be safely transported to licensed third-party treatment facilities. This includes cylinder-wash water from LPG plants.

Health, Safety, and Environmental Impact Assessment (HSEIA) studies guide our understanding of the environmental impacts of water use, verify and monitor on-site recycling systems and recommend appropriate control measures to prevent lasting effects.

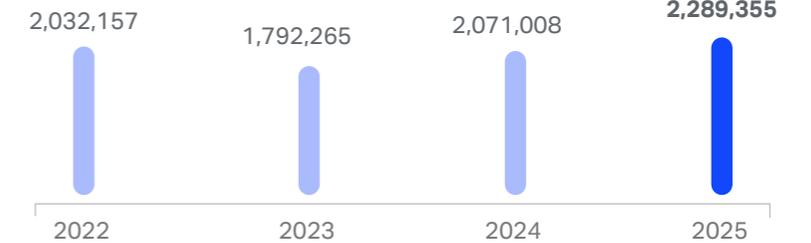
We verify all water related data for constituents of our discharged water (including water from Cylinder washing) through BOLISATY, Abu Dhabi’s integrated waste database managed by Tadweer. We assess the functionality of car-wash water treatment plants during HSEMS audits and maintain preventive maintenance contracts with qualified third-party providers to support reliable operation. In addition, we test car-wash water regularly at selected service stations to confirm compliance with applicable regulations.



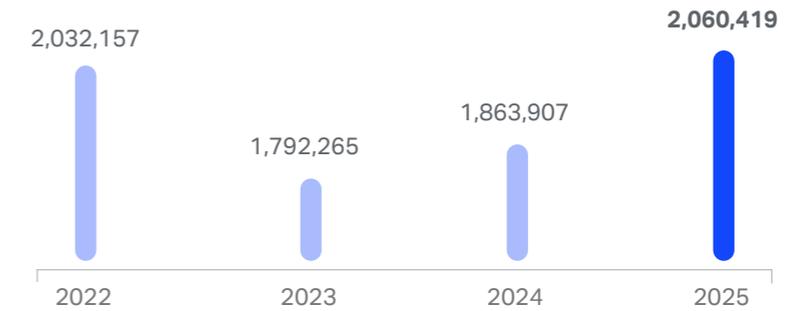
### Water consumption areas:

- Company’s offices
- Service stations
- Terminals
- Car wash facilities
- Vehicle inspection centers

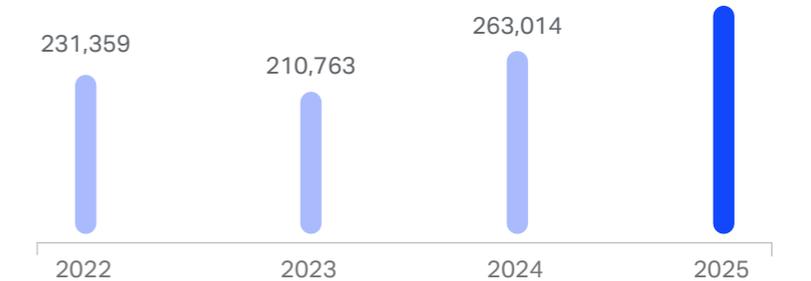
**Total volume of water withdrawn cubic meter (m3)**



**Total water discharge into municipality sewage cubic meter (m3)**



**Total water recycled cubic meter (m3)**



This refers to water that is treated and recycled through an on-site water treatment plant for reuse within operations.

## Our approach to water stewardship

Our approach is embedded in the ADNOC Group Health, Safety and Environment (HSE) Policy and implemented through our Health, Safety and Environment Management System (HSEMS), driving robust governance, risk management, assurance, and continual improvement.

### Avoid and reduce

Cut consumption at source through efficient fixtures and operating practices.

### Recycle and reuse

Treat and reuse water where feasible and safe, prioritizing high-volume processes such as vehicle washing.

### Segregate and treat specialized streams

Manage water streams with contaminants via appropriate treatment routes to prevent environmental harm.

### Govern, monitor, and improve

Applying HSEMS controls, audits, data reviews, and HSEIA/EIA studies to verify effectiveness and identify improvements.

In 2025, we recorded a total water consumption of 2289354.69 m<sup>3</sup> across the organization. This includes both potable water and municipal water supplies, which we source directly from municipal authorities. We do not use water for any industrial or process related activities; most of our water consumption is similar to regular domestic use.

Our wastewater is discharged into the municipal sewage system. Any discharge that exceeds domestic sewage parameters is handled separately and sent to a third party treatment facility to handle proper treatment and compliance with ADNOC Group HSE policy, and HSEMS.

## Water saving initiatives

Our approach to water conservation focuses on practical, high impact measures that help to optimize water use across our operations and support long term sustainability. Key initiatives include:

- Installing aerators in all washrooms and mosque ablution areas
- Using sensor activated taps at selected service stations
- Operating on site water recycling systems at car wash facilities, service stations, offices, and other sites
- Optimizing car wash chemicals and adopting new technologies to increase water use efficiency and enable greater reuse

These measures are implemented under our Health, Safety, and Environment Management System (HSEMS). On site recycling facilities are routinely monitored and verified during HSEMS audits. As part of our annual data compilation process, water consumption figures are critically reviewed, the effectiveness of control measures is verified, and opportunities for improvement are identified.

Environmental Impact Assessment (EIA) and HSE Impact Assessment (HSEIA) studies are used to assess water related impacts and define appropriate controls; recent EIA work found no additional significant opportunities beyond those currently in place.

We have process to manage different wastewater streams appropriately and implement actions aimed at improving wastewater quality. Water used for cleaning LPG cylinders, which contains elevated levels of total suspended solids (TSS) and biochemical oxygen demand (BOD), is classified as hazardous waste and sent to licensed treatment facilities. Wastewater from vehicle washing at service stations is treated in on site plants and reused. We successfully achieved the performance target of recycling 80% of the total water used in car washing operations in 2025. The volume of recycled water has consistently increased, primarily due to our on-site vehicle wash recycling systems.

**306,767**  
m<sup>3</sup> of water

was recycled/  
reclaimed in  
all car wash  
operations  
in 2025.

**No water**  
consumption  
from areas  
with water stress  
in 2025.

**Zero**  
incidents

of non-  
compliance  
with discharge  
limits set by  
HSEMS /non-  
compliance with  
water quality/  
quantity permits,  
standards and  
regulations in  
2025.



# Waste

ADNOC Distribution's waste management approach is governed by ADNOC Group's HSE Management System, guidelines, and the ADNOC Corporate Performance Standard on Waste Management, and is designed to comply with the requirements of the Abu Dhabi Waste Management Centre (Tadweer) and Dubai Municipality.

Our strategy combines regulatory compliance with end-to-end traceability in Abu Dhabi, rigorous contractor oversight, and a growing focus on circularity. We consolidate waste reports on an annual basis, highlighting data on waste generation and recovery trends, informing targeted actions - reinforcing our commitment to sustainable waste management and recycling initiatives that contribute to a circular economy.

ADNOC Distribution is registered on Tadweer's BOLISATY platform, which digitally tracks all waste from generation to the final point of disposal, enabling real-time monitoring, traceability, and compliance assurance across our operations. We integrate active waste management services via the TAMM platform for Abu Dhabi locations to align with Tadweer requirements. In Dubai, we strive to comply with Dubai Municipality regulations and collect waste data directly from licensed contractors. Our reporting consolidates BOLISATY data in Abu Dhabi with contractor-sourced data elsewhere to provide a comprehensive view of performance and areas for improvement.

Waste transport and disposal are carried out by Tadweer-approved Environmental Service Providers and other licensed contractors, who are obliged to adhere to applicable legal requirements. We monitor contractor performance and compliance level through audits and the BOLISATY portal in Abu Dhabi, driving traceability and adherence to permits and procedures. Operationally, the business closely manages inventory and engages licensed third-party contractors to handle solid waste and expired

chemicals, including firefighting foam, in line with regulatory obligations. Waste management contracts are in place with qualified providers to support consistent service quality and compliance.

Waste streams are managed to maximize compliance and recovery. Hazardous solid waste is sent to the Central Environmental Protection Facility (BeAAT) for treatment and final disposition in accordance with regulatory standards. For hazardous recyclable waste streams, we achieved a 99% recycling rate in 2025, reflecting stronger segregation practices and partnerships with approved facilities. Nonhazardous domestic waste is sent to landfill. Recyclable streams are segregated and handed over to authorized recyclers; these include used lube oil and office waste such as paper, cardboard, plastics and cans.

Our data, reporting, and assurance framework supports continuous improvement. Annual waste reports consolidate BOLISATY data from Abu Dhabi and contractor data from other jurisdictions, analyze generation trends, and guide targeted actions to reduce waste and increase recovery. To deepen our understanding of environmental impacts and inform future programs, we engage a third party service provider to conduct environmental evaluations and assess waste generated by our customers. The Company's commitment in adopting the principles of circularity is reinforced in our performance metrics by introducing key indicators focused on the recyclability of plastic packaging, tracking the share of plastic packaging that is recyclable as a percentage of its total recorded weight.



We are strengthening segregation at source, expanding partnerships with recyclers, and enhancing data quality and assurance across our contractor network. We are also investing in innovation and R&D to help minimize waste generation and increase material recovery, including pilots in advanced sorting, reuse, and circular product design. We intend to continue to leverage digital tools such as BOLISATY to improve traceability and share insights through annual reporting.

We have set quantified, time-bound targets to reduce total waste and increase diversion from landfill, and our waste diversion performance is certified by an independent accredited body. Together, these actions drive higher recovery rates, reduce landfill disposal, and support continued improvement across our operations.



**~100%**  
of office  
waste were  
segregated  
and recycled  
in 2025



**99%**  
recycled  
paper is  
used to make  
cartons in  
2025

## Our initiatives

Our approach is designed to reduce waste at the source, increase recycling across our network, and achieve full compliance with relevant regulations, while engaging employees, customers, tenants, and communities.

We are strengthening operational practices to embed the 3Rs (Reduce, Reuse, Recycle) across our service stations and assets. This includes targeted training for cleaning staff, retail shop employees, and food truck personnel to drive effective waste segregation and handling. Recycling stations have been established at service stations to facilitate proper separation, and we have initiated waste segregation in 10 service stations, with a broader rollout now underway. We are launching a comprehensive recycling program that integrates stations, tenants, employees, and the public to scale impact across our footprint.

Customer engagement is central to our strategy. In 2023, we launched our first Reverse Vending Machine (RVM) to promote recycling and environmental awareness. The RVMs accept plastic and metal beverage containers and reward users with ADNOC Rewards points, incentivizing sustainable habits. During 2025, this program expanded to 27 locations with 40,620 participants from local community with more than 18.2 million items recycled. We also implemented targeted awareness and training programs for schools, public spaces, retail shop employees, food truck personnel and operational staff to promote effective waste segregation and the 3Rs (Reduce, Reuse, Recycle).

Strategic partnerships and compliance frameworks underpin our execution. We signed a Memorandum of Understanding with the Ministry of Economy to contribute to a national textile recycling initiative, established recycling stations at service stations to facilitate waste separation and collaborated with Sparklo and other stakeholders to enhance waste management efficiency. Our waste management services are active on the TAMM platform, supporting compliance with Tadweer regulations and reinforcing robust governance across ADNOC Distribution locations.

Within our laboratories, we aim to prioritize reuse and repurposing to minimize waste. Tested fuel gas oil is supposed to be returned to the Musaffah Depot for reuse, ULG gasoline tested in the lab should be repurposed for company vehicles, and lube oil that meets specification to be blended into new formulations. These practices reduce disposal volumes, lower costs, and decrease our environmental footprint, demonstrating the alignment of resource efficiency with operational and financial performance.

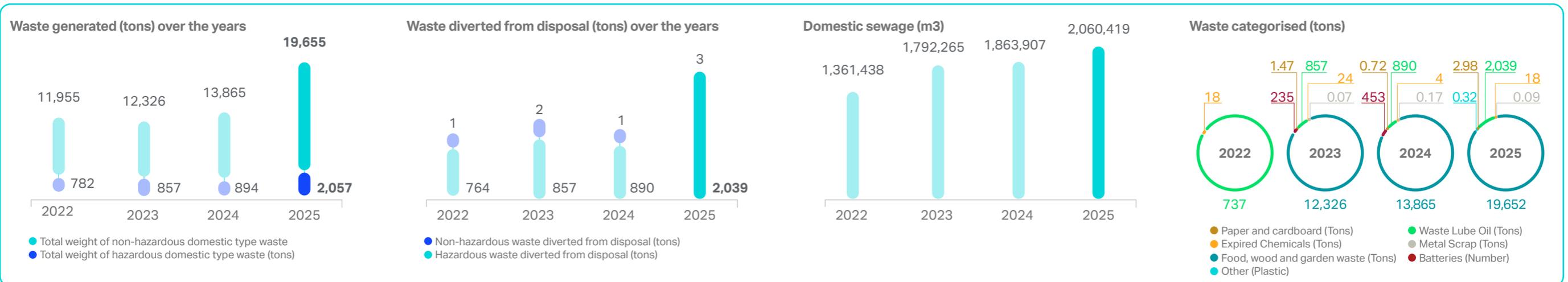
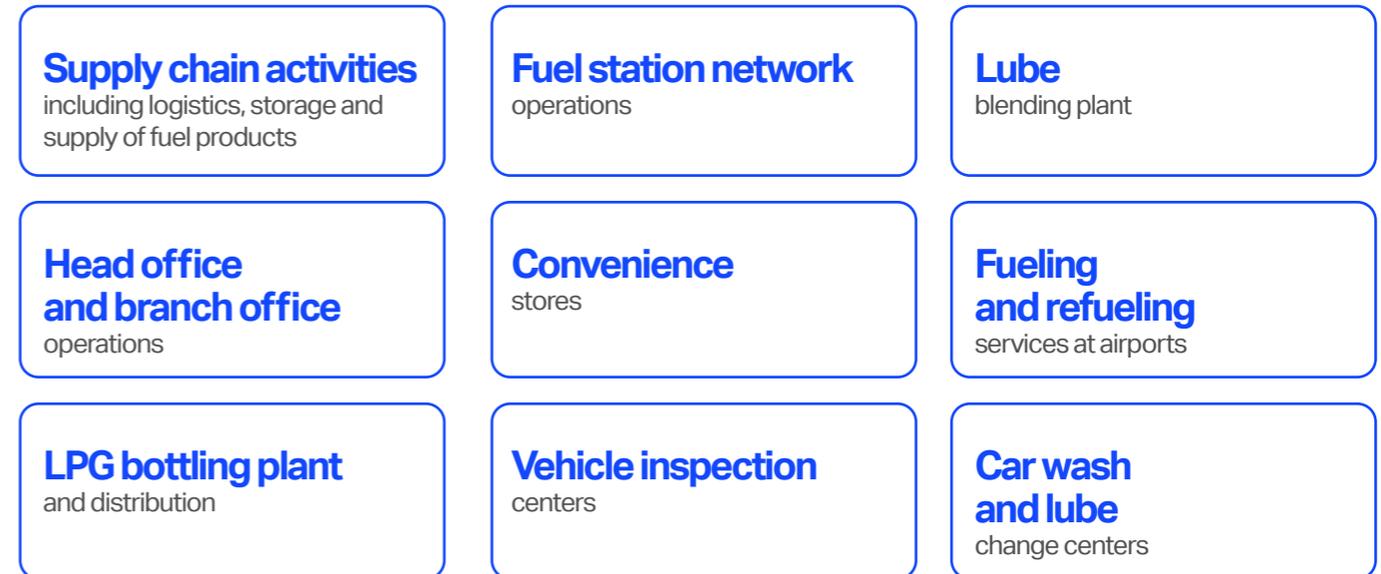
We are committed to improving our waste performance across service stations, terminals, depots and other assets and managing hazardous waste safely in accordance with legal requirements and global best practices. We achieved our hazardous waste treatment target of 95% by 2025.

We recognize existing challenges in data collection, particularly in the Northern Emirates, where there are gaps in waste generation and recycling metrics. To address

this, we are developing a dedicated waste management program and enhancing data capture to improve accuracy and transparency. Looking ahead, we plan to launch a comprehensive segregation program that extends to additional stations and depots, further embedding best practices across operations. By preventing improper disposal and increasing recycling through qualified vendors,

we hope to mitigate environmental risks, contribute positively to the economy, and enhance the aesthetic quality of our premises and surroundings. These initiatives reflect ADNOC Distribution's commitment to sustainability, operational excellence, and responsible resource management, positioning the company as a proactive leader in waste reduction and the circular economy.

## Activities, services where waste is generated



# Biodiversity

**ADNOC Distribution is committed to protecting local biodiversity, conserving natural resources, and operating with safety and integrity so that we limit the harm of our activities cause to species or habitats. This commitment supports UAE Net Zero 2050, ADNOC Group's sustainability leadership, and our CSR strategy to engage communities and promote nature-positive outcomes.**

In 2025, we published our first ADNOC Distribution Biodiversity Policy, formalizing our approach to avoid impacts, enhance ecosystem services where possible, and strengthen awareness among employees, customers, and partners. Our operating footprint comprises retail fuel stations, convenience stores, and associated depots in developed. We do not undertake land conversion or resource extraction and do not harvest wild species. We do not operate in or adjacent to protected areas or areas of high biodiversity value; it is our policy to avoid ecologically sensitive zones during site selection and project design, and upstream and downstream activities are screened for biodiversity risks with no priority locations identified requiring special measures. We do not expect to introduce invasive alien species, and landscaping, where present, is meant to prioritize native species and comply with local regulations. No access and benefit-sharing obligations apply to our activities because our projects occur in public, developed spaces, and we have not identified supply chain products or services with significant biodiversity impacts.

Biodiversity is governed through our HSE management system and the ADNOC Distribution Biodiversity Policy. We adhere to ADNOC Group's HSE Standard on Biodiversity, requirements of the Environment Agency – Abu Dhabi, and applicable UAE legislation and guidance. For every depot or service station, it is our policy to obtain a No Objection Certificate from the Environment Agency – Abu Dhabi to confirm that proposed activities will not adversely affect biodiversity.

Our risk-based framework integrates Health, Safety and Environment Impact Assessments and Environmental Impact Identification studies at appropriate project stages, complemented by monitoring, reviewing, sampling, testing, and scientific analysis. This supports our goal of ensuring ongoing and proposed operations do not alter the local biodiversity profile or impact endangered species.

## Biodiversity risk assessment: our approach

Biodiversity is integral to our long-term resilience. We embed a location specific, science-based biodiversity risk assessment process across our operations and projects, recognizing the unique ecological characteristics of each site. Using established, recognized methodologies and internal Key Principles, we aim to systematically evaluate two dimensions of risk: how our operations depend on local ecosystems and the potential impacts our activities may have on biodiversity.

These findings are integrated into our multidisciplinary, company wide risk management processes and capital project stage gates, informing design choices, the application of the mitigation hierarchy, monitoring plans, and emergency preparedness. We publicly report the outcomes of this process through our Report and other disclosures, providing transparency on material risks, actions taken, and performance.

## Our Key pillars



**Location-specific** assessments tailored to the biodiversity context of each site



**Standardized**, credible methods and frameworks to ensure consistency and quality



Integration into enterprise **risk management** and **decision-making**



Dual focus on dependency-related **risks** and **impact-related risks**



**Transparent public reporting** of outcomes, actions, and progress



## Our biodiversity commitment

Our biodiversity strategy protects and enhances the natural systems that underpin business resilience, community wellbeing, and long-term value creation. We are moving beyond compliance to a science informed approach that targets net positive outcomes, manages risk across our footprint and value chain, and embeds clear accountability.

Our ambition is to deliver a Net Positive Impact on biodiversity over time while achieving No Net Loss in designated priority areas as an interim step. By 2025, we will implement site level biodiversity action plans and set measurable targets with defined baselines and interim milestones. We will require our value chain to avoid operational activities near global or nationally important biodiversity sites, including protected areas, Key Biodiversity Areas, and critical habitats.

Delivery is anchored in the mitigation hierarchy: first avoid impacts wherever possible; then minimize residual impacts; restore and rehabilitate affected habitats; and use offsets only as a last resort. We engage with stakeholders to co design site level action plans, incorporate traditional and local knowledge, and maintain accessible grievance and feedback mechanisms. Governance is endorsed by Executive Management and overseen by the Board under ESG governance. Clear ownership sits with operations, procurement, and sustainability teams. Our time bound targets include zero biodiversity incidents and zero significant spills each year, supported by clear thresholds, robust prevention and preparedness, and root cause corrective actions. By 2025, we will implement biodiversity action plans and establish measurable targets, including KPIs for afforestation and restoration.

Looking ahead, we will maintain focus on zero biodiversity incidents and significant spills, scale the Honeybee Conservation Program with Gracia Group and integrate honey products under the Oasis brand supported by hive health monitoring, increase native tree sponsorship and survival through E-Ghars, and expand employee and customer engagement.

We will continue risk-based biodiversity screening for new projects and suppliers, enhance monitoring and emergency preparedness where relevant, and review biodiversity risks and update our disclosures as operations evolve or regulations change.

Applying the mitigation hierarchy - avoid, minimize, restore, and offset - we design out biodiversity risks where feasible and maintain controls to prevent and respond to incidents. Based on HSEIA/ENVID studies and regulatory screening, we did not identify significant actual or potential impacts on biodiversity associated with our operations in 2025.

Our sites are in developed areas with low ecological sensitivity; therefore, site-specific biodiversity management plans were not required. Recognizing that residual risks may arise from accidental spills that could affect soil or groundwater, we maintain secondary containment, automated emergency shut-off systems, groundwater monitoring via piezometers, routine environmental monitoring, spill prevention and response procedures, and employee training and drills. These measures are designed to prevent and promptly address leaks or leaching to water, maintaining zero biodiversity-related incidents and fines.

While our footprint generally does not negatively affect ecosystem services due to its location in non-sensitive, developed areas, we actively support pollination, carbon sequestration, and community awareness through targeted initiatives.

The Honeybee Conservation Program, launched in partnership with Gracia Group, includes installing honeybee hives at select ADNOC Distribution facilities to support pollinator health and local biodiversity.

We signed an MoU during Global Food Week to develop an ADNOC-themed honeybee facility; construction and retail integration is underway. Through the E-Ghars Smart Afforestation Platform, in collaboration with Shamma Mohammed bin Khalid Al Nahyan, we enable the public to plant native UAE trees and track environmental benefits such as CO<sub>2</sub> savings and water use.

1,800 Ghaf trees were adopted by the customers through ADNOC Reward App.

Our objectives are to maintain zero biodiversity-related incidents and fines, avoid significant spills, enhance pollination and native tree coverage, and engage employees and customers. We track key performance indicators including incidents and regulatory fines, significant spill events, tree sponsorship and survival rates, E-Ghars platform metrics (CO<sub>2</sub> savings and water use), and honeybee hive health and honey production. In 2025, we met all targets: zero biodiversity-related incidents, zero significant spills, and successful implementation of the Honeybee Conservation Program and E-Ghars initiatives.

Our operational sites are neither adjacent to protected areas or areas of high biodiversity value. Our HSEIA/ENVID work and regulatory screening did not identify significant actual or potential biodiversity impacts; the principal residual risk is accidental spill to soil or groundwater, for which preventive and response controls are in place and tested.

We contribute to habitat enhancement and ecosystem services through honeybee conservation and native tree planting via E-Ghars. We have policies in place to support compliance with Environment Agency – Abu Dhabi requirements and ADNOC Group standards.

## No deforestation commitment

ADNOC Distribution has a strong commitment to no-deforestation to prevent habitat loss. Our commitment extends to our operations, tier one and two suppliers, and partners, and we are committed to driving toward supply chains that are deforestation-free. Our no-deforestation commitment is endorsed by Executive Management reflecting top-level support. It is integrated into our procurement and operational standards to drive deforestation-free supply chains, and our commitment is reflected in ADNOC Distribution's Biodiversity Plan.



**CO<sub>2</sub>**  
savings  
and water use



Sponsored  
**1,800**  
Ghaf trees

Reporting requirements	Unit	2025
Biodiversity incidents / fines recorded	Number	0
Number of mangrove trees planted during 2025	Number	Over 2,000

## Our governance, strategy, risk management, and targets

Our Board oversees nature-related matters through its ESG governance responsibilities, confirming compliance with ADNOC Group standards and UAE regulations, while our senior management implements our Environmental Management System (EMS), monitors biodiversity KPIs, and undertakes initiatives to enhance positive impacts. With no significant DIROs identified over the short, medium, or long term, we currently anticipate no material effects on our business model, value chain, strategy, or financial planning.

We believe our strategy remains resilient through EMS integration and adaptive initiatives that help prepare us for potential regulatory or climate-related changes. Our direct operations are located away from ecologically sensitive areas, and we screen certain upstream and downstream activities for biodiversity risks, with no priority locations identified in 2025.

We aim to adhere to the ADNOC Group Human Rights Policy, engage local communities and environmental authorities, and report that no Indigenous Peoples are affected by our operations. We set targets of zero biodiversity incidents and zero significant spills in 2025 and met both targets.



# Oil Spill Response

**ADNOC Distribution is committed to protecting the environment, our people, and the local communities where we operate. Recognizing the serious consequences of oil spills, we embed a prevention-first, rapid-response approach across our terminals and service stations.**

Our Health, Safety and Environmental Management System (HSEMS) underpin a zero-incident ambition with established governance, roles, and procedures for risk identification, asset integrity, and emergency response.

Prevention is our primary focus. We conduct periodic integrity assessments of tanks, pipelines, and equipment; maintain secondary containment and hydrocarbon interceptors; and implement preventive maintenance and contractor controls. We leverage risk management and monitoring technologies to detect, isolate, and address issues early, reducing the likelihood of spills.

We help assure our preparedness through site-specific emergency response plans, readily available spill kits, and trained first responders at every site. We run regular drills and scenario exercises and maintain access to specialized response resources to enable tiered escalation when required.

These measures help prepare us to act swiftly in the rare event of a spill. The HSEMS processes target mitigating the impacts of hazardous chemicals causing environmental degradation and contamination.

If a spill occurs, our plans guide toward immediate containment, recovery, and remediation to protect people, soil, and groundwater. We activate incident command, notify authorities, and work with local stakeholders to mitigate impacts and restore normal operations quickly. Waste generated must be handled and disposed of in compliance with applicable regulations.

Performance is tracked through HSEMS KPIs, audits, and incident reviews, driving continual improvement and transparency. Our approach reinforces our license to operate, supports operational resilience and growth, and aligns with national regulations and ADNOC Group standards. The company had zero significant spills in 2025. ADNOC Distribution aims for zero incidents and 100% safety of its employees through maintaining robust safety measures and systems across operations.



reduction in  
**Zero**  
significant oil spill  
with environmental  
impact



# Way Forward

**We continue to accelerate decarbonization and operational efficiency by scaling onsite solar, EV charging, and hydrogen refueling across our network, and by deploying advanced, data-driven energy optimization.**

We strive to deepen water recycling and circular resource use, enhance supplier ESG performance and data integrity, expand biodiversity initiatives in priority locations, and strengthen governance, climate risk integration, and transparent disclosures through defined milestones and KPIs to meet our 2030 targets and support ADNOC's Net Zero ambition.

# EMPOWERING PEOPLE

## (Human Capital)

Human capital is at the core of ADNOC Distribution’s ongoing success, serving as the driving force that enables the company to operate safely, scale our operations efficiently, and consistently deliver outstanding customer experiences. As we expand our network and transition our business model to become a leading, customer-centric, international, multi-energy mobility retailer, the importance of human capital becomes even more critical. Our people are not only the foundation of our operational excellence but also key enablers of innovation, adaptability, and sustainable growth.

Recognizing this, we are committed to cultivating a highly skilled, engaged, and resilient workforce that is aligned with national priorities and dedicated to long-term value creation. Our Human Capital strategy is holistic, integrating employee wellbeing, capability development, diversity and inclusion, Emiratisation, and the highest standards of safety into a comprehensive performance framework. This approach is reinforced by measurable outcomes and disciplined governance, supporting that our workforce remains agile

and empowered to support both our immediate objectives and our broader vision for the future.

We aim to be an employer of choice, a good neighbor, and a trusted partner advancing a safety-first culture, fair and inclusive employment practices, continuous learning and capability development, and community partnerships that strengthen local content and socioeconomic resilience.

### Mapping our innovation with UNSDGs



### Relevant Material Topics

Occupational Health & Safety	Employment Practices, Development & Wellbeing	Human & Labor Rights	Diversity, Non-discrimination & Equal Opportunities	Emiratisation
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## Key highlights




**13,717**  
Total workforce



**31%**  
Our new UAE national hires are women



**14%**  
senior leadership positions are held by women



**87%**  
Local community hires



**0.04**  
LTIFR



**9,144**  
Blue collar workers received sales incentives



**889,543**  
of training conducted



**28**  
Average safety training Hours



**3**  
External recognition awards received



# Employee Engagement & Wellbeing

## Wellbeing

ADNOC Distribution champions employee wellbeing through a robust people strategy that integrates structured wellbeing programs, a compelling employee value proposition, and proactive engagement initiatives to foster stronger connections, build trust, and drive high-performance and accountable culture throughout the organization.

Governance of this strategy is strengthened through a dedicated engagement function, introduced in 2019, along with the rollout of a comprehensive wellbeing framework in 2024 that addresses physical, mental, social, environmental, and financial dimensions of workforce. These initiatives are anchored by the 100X Your Wellbeing program introduced in 2022.

ADNOC Distribution is committed to advance employee wellbeing through a people strategy that prioritizes a healthy, motivated, and engaged workforce as a driver of operational excellence. During the year, the Company delivered 126 wellbeing and engagement initiatives, 30 leadership engagement sessions impacting over 4,500 employees, 82 people connect sessions, and 11 structured physical activities. The programs spanned a wide range of areas, including culture toolkit sessions, culture onboarding sessions, health promotion campaigns (including breast cancer awareness and diabetes education), stress management and mental health workshops, financial literacy workshops, and social events like annual gatherings, cultural diversity festivals and long service awards. Over 9000 employees recognized through Tamayaz recognition program.

This promotes physical health, access to mental health support, and financial stability through competitive compensation structures. Health and safety are prioritized, introducing initiatives such as health awareness workshops and sports activities, promoting a culture of wellness and work-life balance.

## Compensation and benefits

ADNOC distribution maintains a competitive compensation structure that supports talent retention and fosters long-term organizational success. Governance and design of compensation programs are overseen by the Group Total Rewards & Human Capital Policies Division, which ensures alignment with regional and global best practices and consistent implementation across ADNOC Group companies.

### Total rewards framework

- **Principles:** Fairness, equity, and competitiveness underpin our total rewards approach
- **Remuneration structure:** A balanced mix of fixed and variable pay components
- **Performance linkage:** Variable pay is tied to measurable objectives, including finance, sustainability, operational efficiency, and workforce development targets



## Our approach

Our Human Capital agenda is anchored in three priorities:

- Fostering a diverse and inclusive workplace where talent thrives;
- embedding a safety-first culture and fair, ethical employment practices; and
- Investing in continuous learning, wellbeing, and future ready capabilities.

In 2025, we strengthened these priorities through efforts to empower our people and the communities where we operate, by expanding engagement and wellbeing programs, reinforcing standards across human and labor rights, accelerating learning across workforce segments, advancing Emiratization pathways, and sustaining robust HSE systems across our footprint.

## Benefits and supportive work environment

- **Benefits (fulltime employees):** Life insurance, disability coverage, healthcare coverage, paid parental leave, personal loan, retirement and pension plans, and end-of-service policy
- **Family friendly policies:**
  - **Women:** Maternity leave with the option for extended custody leave for childcare; flexible working arrangements available for up to 18 months
  - **Men:** Paternity leave, enabling active involvement in early childcare

childcare needs. Mental health support is also offered through access to counseling and psychological services via health apps

## Employee engagement

ADNOC Distribution advanced employee engagement in 2025 beyond compensation and promotions by fostering stronger relationships, teamwork, and overall satisfaction through targeted initiatives.

The Company hosted a culture and diversity festival and Olympiad to promote inclusion, cultural appreciation, and team spirit, complemented by 16 corporate sporting events that encouraged healthy competition and camaraderie.

To enhance access to support and services, the 'Ask HC' portal was initiated to manage employee concerns, deliver services, and resolve queries efficiently. In parallel, the Human Capital team engaged employees through Virtual Majlis, providing regular updates on Company policies and reinforcing transparent, two-way communication across all the workforces.

ADNOC Distribution is committed to maintaining dynamic communication with employees. In 2025, this was underpinned by annual engagement surveys and structured follow-through. The Company's Employee Experience score stood at 78%, reflecting consistent improvement over prior years. Survey insights informed action plans with defined targets, resources, and timelines, monitored throughout the engagement cycle. Performance was driven by increased employee interaction and regular feedback, enhanced access to training and skill development, and strengthened rewards and recognition.

Labor management performance improved through amplified communication of Human Capital initiatives and policies, excellence in HC service delivery, and sustained engagement. Human capital policies foster job satisfaction through flexible working hours, remote working arrangements, career development opportunities, and meaningful recognition, all while upholding ADNOC Distribution's commitment to diversity and inclusion. The Company's dedication to sustainability will guide it in implementing practices that reduce its environmental impact.

Policies are designed to support employees' family and personal needs while maintaining a healthy work-life balance. This structured, principle-based approach to total rewards and benefits reinforces our commitment to fair employment, market competitiveness, and a supportive environment where employees can thrive.

- **Employee Assistance Program (EAP):** Offers employees and their families access to psychologists, dietitians, fitness and life coaches, and financial and legal consultants
- **Digital health and wellbeing:** All ADNOC Group employees and their families have access to TruDoc and Daman apps, providing 24/7 multilingual doctors, teleconsultations, prescription management, and specialist referrals. TruDoc also enables appointment bookings and customized wellness plans, including meal and exercise programs
- **Parent-friendly workplace:** Under the Energy for Wellbeing program, ADNOC provides a dedicated helpdesk email, AI chat for instant assistance, and Viva Engage communities (including the parent-friendly community) to foster engagement and support balanced work practices. The initiative offers flexible work arrangements, tailored parental leave and structured return-to-work assistance. Facilities include nursing rooms for new mothers and an onsite nursery, complemented by childcare vouchers to support broader



**16**  
Events

# Respecting Human & Labor Rights

ADNOC Distribution strives to uphold internationally recognized human rights principles across its operations, supply chains, and business relationships. Our commitment is anchored in our Values and Code of Conduct and embedded through policies, standards, and procedures applicable to all employees and tier one and two suppliers. We are guided by the UN Global Compact's principles on human rights, labor, environmental stewardship, and anti corruption.

ADNOC Distribution is guided by the UN Global Compact principles regarding human rights, labor, environmental sustainability, and anti-corruption. With mechanisms in place such as Takallam which is an anonymous reporting platform to raise integrity related concerns. Takallam, provides a confidential channel for reporting concerns and reinforcing ADNOC Distribution's commitment to transparency and integrity.

ADNOC Distribution endeavors to promote a culture of respect and awareness throughout its business. The Company delivers training on its values and raises awareness among employees, and it expects every leader across its business to be exemplary in promoting an ethical culture that respects the dignity and equality of all people. Takallam, the Company's ethics helpline, provides a confidential channel for reporting concerns and reinforcing ADNOC Distribution's commitment to transparency and integrity.

## Human rights protection

The Company aims to uphold the UAE Constitution to prohibit forced labor, child labor, compulsory labor, torture, unwarranted detention.

## Human rights Policy statement

At ADNOC Distribution, we are committed to respecting human rights. Acting with integrity is essential to how we conduct our business, and complements our core Company

values for being Collaborative, Respectful, Responsible, Efficient and Progressive. These Values inspire the way we do business, inform our behavior and conduct and guide our decision making. We expect our suppliers, contractors, business partners and other stakeholders to share our commitment to human rights and to adhere to ADNOC Distribution Supplier and Partner Code of Ethics. We review and update our human rights policy statement periodically and provide training and awareness programs for our employees and relevant stakeholders.

We have an anonymous reporting system to raise integrity related concerns called Takallam (which means "to speak" in Arabic). Takallam is managed by an independent third party to support confidentiality and effective reporting within ADNOC Distribution.

## Labor rights

ADNOC Distribution remains committed to supporting fair labor standards, safe and healthy workplaces, and full compliance with applicable labor laws across its operations and supply chain. Our Supplier and Partner Code of Business Ethics set clear requirements on minimum wages, working hours, leave entitlements, and living conditions, reinforcing accountability among stakeholders.

## Monitoring and compliance

- We conduct annual labor welfare audits covering employees, contractors, and suppliers to monitor

compliance with labor standards and address gaps promptly

- By maintaining oversight and working with responsible suppliers, we promote workplace fairness and protect labor rights across our operations and supply chain
- We conduct annual ESG engagement surveys to gain insights into labor-related issues, enabling proactive improvements
- Takallam, our independent and confidential reporting platform, offers employees and partners a secure channel to raise concerns without fear of retaliation
- To strengthen understanding of labor policies, ADNOC Distribution communicates updates through townhalls, virtual meetings, and internal channels, promoting transparency and employee engagement

## Our UAE labor law commitment

- Adherent to nine ILO conventions to protect workers' rights and enforce labor laws across the private sector
- Ensure fair labor dispute resolution and uphold workers' rights in all workplaces
- The UAE's Constitution outlines the freedom and rights of all citizens. It prohibits torture, arbitrary arrest and detention, and protects civil liberties, including freedom of speech and press, peaceful assembly and association, and the practice of other religions. All people, irrespective of their race, nationality, religion and social position, are equal before the law



## Zero tolerance for discrimination and harassment

Our policies for employees, suppliers, and contractors are designed to prevent discrimination, harassment, and retaliation and we review compliance with UAE employment Law through regular evaluation.

## 2025 Performance

Human rights grievances

**Zero material cases** reported in 2025



Training participation

**54%** of employees completed the training on Human Rights



# Training & Development

Capability development plays a vital role in supporting ADNOC Distribution's dynamic operational landscape and its focus on delivering exceptional customer experiences. Our comprehensive training strategy is meticulously crafted to cultivate advanced technical skills, deepen leadership expertise, and uphold consistent, high-quality standards across all segments of our workforce.

## Training commitments and policies

ADNOC Distribution emphasizes nurturing employee potential through structured development programs and clear policy frameworks. We provide in-house training courses and workshops, supported by strategic partnerships that expand learning opportunities and align with our 100x Your Wellbeing ambition.

To support personalized growth, every employee is required to maintain a Personal Development Plan (PDP), implemented through SAP SuccessFactors, which helps set and track individual goals under the guidance of line managers. ADNOC Distributions training policy requires all employees to have a PDP to refine their knowledge, skills, and abilities, under the guidance of their respective line managers. The PDP system is available in both Arabic and English, driving accessibility for employees.

Oversight of training and development is managed by the Talent and Development Department (TDD), which identifies learning needs, designs programs, and evaluates their effectiveness. Monthly progress reports are shared with business leaders to maintain transparency and drive continual improvement. Our training framework includes leadership and managerial development programs that extend across categories of workers, including part-time staff, contractors, and temporary employees. Agency contract employees also participate in Leadership and Supervisor Skills programs, reinforcing capability building across workforce segments.

To embed safety and compliance from the outset, newly hired employees are expected to complete an online HSE Induction Program, which is also delivered to all third-party security personnel. This structured approach gives every individual within ADNOC Distribution access to relevant learning resources, clear development pathways, and the support needed to enhance skills and achieve career aspirations.

	Classroom Training	E-Learning
Total Hours	316,857	572,686

**100 % Percentage of employees received a regular performance and career development review during the reporting period.**

### Average hours of training per employee (by employee category)

	2021	2022	2023	2024	2025
Senior management	115	96	146	207	158
Middle management	142	92	105	116	223
Staff	114	174	208	214	110

### Average hours of training per employee (by gender)

	2021	2022	2023	2024	2025
Female	140	140	227	228	278
Male	115	151	191	191	213

Training and development remain central to ADNOC Distribution's commitment to building a skilled and adaptable workforce. Our training framework emphasizes technical expertise, leadership capability, and career progression to prepare employees for evolving business challenges. In 2025, we delivered impressive 889,543 training hours, reflecting our ongoing commitment to strengthen workforce capabilities.

During 2025, 73% of the target plan was achieved meeting KPIs crucial for business goals. The Company allocated AED 7,420,650 specifically for training and development activities. ADNOC Distribution aims to foster a dynamic environment that encourages continuous learning and adaptability. The learning process begins with identifying organizational and individual development needs, followed by designing and refining programs to address these priorities.

Implementation leverages blended learning methods, including learning management systems (LMS), coaching, and experiential exposure, promoting flexibility and effectiveness. Program evaluation measures progress against defined targets and accommodates ad-hoc requirements, reinforcing ongoing improvement and alignment with strategic objectives.

## Training programs

### Customize leadership program

- More focus on AI training program
- Many leaders are invited for AI program

**102 employees** completed the course

### SAM upskilling graduation program

- Focused on leadership development, service station finance, and operational excellence
- Participants underwent classroom training, e-learning, and on-the-job coaching

## ADNOC culture masterclass

### 92 leaders

engaged in corporate values alignment, leadership best practices, and strategic planning

## ISO 9001:2015 internal auditor training

### 35 employees certified

in quality management system audits, driving compliance with global standards

## Basic sign language training

### 89 frontline

employees trained to better serve People of Determination, reinforcing inclusivity

## Tax training for the tax division

### 14 employees

received specialized tax compliance and financial planning training

# Diversity & Inclusion

Diversity is a cornerstone of innovation and inclusion at ADNOC Distribution. With a workforce representing 81 nationalities, we are committed to creating equal opportunities and fostering diversity with a culture where differences are valued.

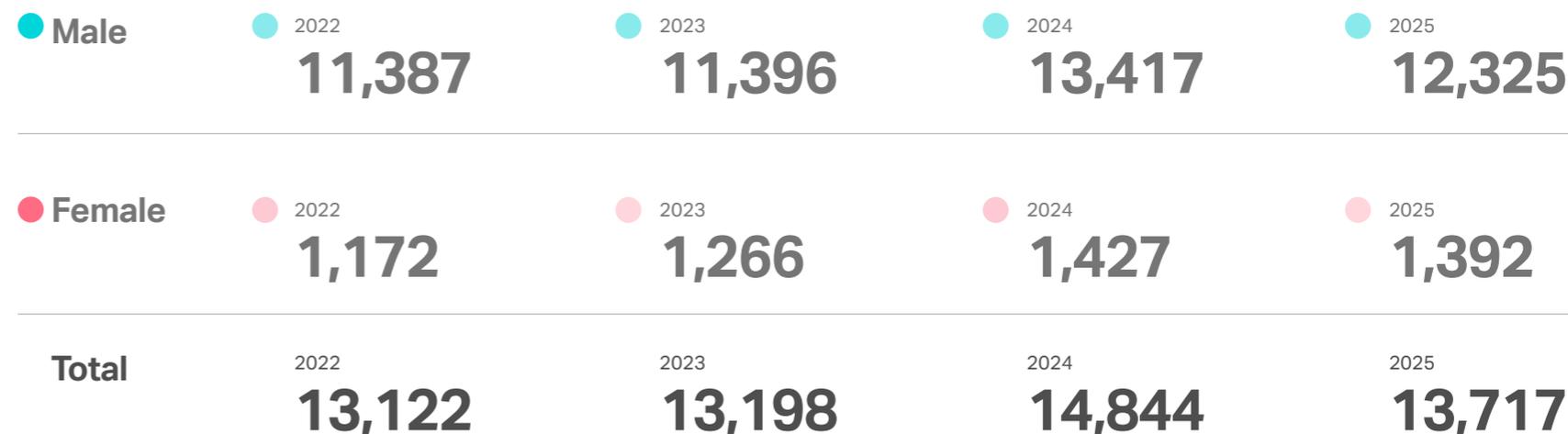
Our strength lies in the varied backgrounds of our employees, regardless of age, gender, nationality, cultural heritage, ethnicity, race, disability, or religion. To reinforce this commitment, we prioritize employee engagement initiatives that promote inclusivity across the organization.

Recruitment practices also support diversity as a key element of our human capital strategy. In 2025, we welcomed 1,120 new employees from more than 30 nationalities, strengthening our multicultural workforce. To advance gender balance, ADNOC Distribution established a Gender Balance Committee, chaired by the CEO, to champion gender equality, empower women, and monitor potential

biases in hiring. To promote equal opportunities and diversity, we have established a Gender Diversity Policy in 2022. This policy is supported by updated recruitment guidelines and an interview matrix designed to support diversity in candidate selection panels. These measures aim to provide equitable treatment during sourcing, interviews, and selection, while prioritizing internal applicants and UAE nationals.

Our efforts in promoting gender equality and women's empowerment were recognized at the GCC Government HR and Youth Summit, underscoring ADNOC Distribution's leadership in fostering an inclusive and progressive workplace.

## Total number of employees



## Number of nationalities



## Women empowerment

ADNOC Distribution continues to advance gender equality and create meaningful opportunities for women across its operations. In 2025, the Company made significant progress in increasing female representation in leadership roles, STEM disciplines, and frontline operations. Women now hold senior positions in these areas, reflecting ADNOC Distribution's commitment to reshaping the industry and embedding gender balance within its organizational ecosystem.

Our approach to women empowerment includes proactive recruitment, targeted training programs, and initiatives that encourage female employees to take on dynamic and challenging roles. These efforts are designed to foster professional growth, strengthen leadership pipelines, and equip women to contribute effectively to ADNOC Distribution's strategic objectives.

By promoting diversity and inclusion across the business, the Company reinforces its vision of an equitable workplace that values talent and drives sustainable progress.

Key Metrics	2025
Percentage of women in junior management positions, i.e. first level of management (as % of total junior management positions)	4%
Percentage of women in top management positions, i.e. maximum two levels away from the CEO or comparable positions (as % of total top management positions)	14%
Percentage of women in STEM-related positions (as % of total STEM positions)	15%
Percentage of women in management positions in revenue-generating functions (e.g. sales) as % of all such managers (i.e. excluding support functions such as HR, IT, Legal, etc.)	13%
Women/men Executive level (base salary only)	1.08
Women/men executive level (base salary + other cash incentives)	1.39
Percentage of global staff with a disability	>1% (2 employees)



## Fair compensation

ADNOC Distribution aims to provide fair and equitable compensation through a transparent, structured rewards architecture that ties pay to skills, contribution, and performance while safeguarding equal opportunity.

Our compensation framework is aligned with international benchmarks and supported by clear grade and career progression pathways to minimize pay dispersion and provide clarity on advancement. A data-driven approach comprising regular salary audits and market benchmarking helps sustain a balanced female-to-male pay ratio across employment levels and reinforces internal equity.

Performance-linked pay is central to our model and is complemented by a strategic total rewards and recognition framework that covers the systematic design of fixed pay including long term executive incentive (LTI) and variable pay, including incentive plans and sales incentives for core frontline roles, alongside a range of supplementary benefits.

In 2025, more than 1,900 corporate promotions and salary increase underscored our merit-based culture, and employees completed performance and career development reviews through the annual cycle, strengthening transparency, accountability, and trust in pay decisions. Also, quarterly appraisals are done under an ongoing performance management approach.

### CEO Total Compensation to median Full Time Equivalent (FTE) total compensation

Year	Female to Male Ratio
2022	15.2:1
2023	15.3:1
2024	16.8:1
2025	16.2:1



### Gender Pay Ratio

Category	Female to Male Ratio
Senior Management	1.08
Middle Management	1.03
Staff	1.18

# Emiratization and Developing Future Emirati Leaders

ADNOC Distribution supports the UAE's vision for Emiratization, which is the local workforce development and economic diversification aligned with the National Employment Strategy 2031.

By investing in local talent and providing structured career pathways, the Company empowers UAE Nationals to take on key roles across various sectors. In 2025, ADNOC Distribution accomplished and surpassed its target by achieving 70% of Emiratization rate and meeting one of its community development targets with 87% of local community hires in 2025. ADNOC Distribution equips Emirati talent for executive and managerial roles through Academic and industry collaborations, and targeted, outcomes-driven programs:



## Talent Mobility

**320 Emiratis**

completed internal moves, strengthening cross-functional capability



## TAQADAM

**Over 17**  
internal promotions



## Succession Planning

**471**

**successors** identified for critical roles including CEO, **155 candidates** prepared for VP and above positions



These initiatives build leadership depth and drive a robust pipeline of Emirati leaders across the organization.

## Youth & senior programs

ADNOC Distribution supports growth at all career stages, equipping young talent with essential skills and leveraging senior professionals' experience to mentor future leaders. Initiatives implemented in 2025 strengthened workforce innovation and readiness.

## Youth inclusion initiatives

### Youth

Committee established to increase exposure and engagement



**5**

Fresh graduates boarded



**137**

Interns participated



**Youth**

Development Programs launched



## Senior workforce inclusion initiatives

- Mentorship opportunities established for knowledge sharing
- Extended career opportunities and flexible roles for employees nearing retirement
- Inclusive measures are implemented to support continued participation and contribution
- **KHEBRA** - Project for Retired Talent to utilize the knowledge and sustain the workforce accordingly

# Health & Safety

**Health and Safety is considered as a core value at ADNOC Distribution. We operate under the ADNOC Group Health, Safety and Environment Management System (HSEMS) to safeguard employees, contractors, and third parties and to embed a strong safety culture of the organization.**

HSEMS framework guides our programs and procedures, promotes both physical and mental wellbeing, and is structured around performance indicators and processes to comply with applicable national and international requirements.

Our HSEMS comprises 82 HSE Standards spanning governance, occupational health, environment, operational safety, risk management, emergency and crisis response, asset integrity and process safety, and business continuity. The occupational health framework includes standards covering hazard management, case management and rehabilitation, health screening and surveillance, food and water safety, contractor welfare, and controls for physical, chemical, biological, ergonomic, indoor air quality, and psychosocial risks.

Oversight is maintained by ADNOC Distribution's HSE Division in coordination with the internal audit function, with regular monitoring, review, and updates to the system. The HSEMS applies across depots, service stations, vehicle inspection centers, aviation fueling facilities, and project sites so that these operational areas can meet stringent safety requirements. Health and safety performance data for the Company and its contractors are continually collected, analyzed, and reported to inform objectives and

targets. ADNOC Distribution's health and safety data include contractors' data, supporting our comprehensive approach to performance tracking.

ADNOC Distribution's operations are certified to ISO 9001 (Quality) and ISO 50001 (Energy Management), and our service station network is constructed with consideration for ISO 45001 (Occupational Health and Safety) and ISO 14001 (Environmental Management). The HSEMS is a foundational component of our Integrated Management System (IMS).

Occupational Health & Safety			
Particulars	Category	Units	FY 2025
Fatalities	Employees	Number	0
LTI	Employees	Number	1
LTIFR (Lost Time Injury Frequency Rate)	Employees	Rate	0.04
Work related injuries	Employees	Number	3
Total manhours worked	Employees	Hours	45,045,500

**Lost Time Injury Frequency (LTIF): number of LTIs/million man hours**



Lost Time Injury Frequency Rate (LTIFR): The number of Lost Time Injuries/Illness (LTIs) per 1,000,000 (million) hours worked

**Rate of recordable work-related injuries**



## HSE risk management

ADNOC Distribution embeds rigorous HSE governance through a comprehensive Risk Assessment Matrix and the newly implemented AIPS Risk Management system. Regular inspections and asset reviews covering service stations and other facilities apply qualitative and quantitative methodologies including Quantitative Risk Assessments (QRA), Hazard and Operability Studies (HAZOP), Hazard Identification Studies (HAZID), and Job Safety Analyses (JSAs) alongside globally recognized frameworks from International Association of Oil & Gas Producers (IOGP) the Energy Institute, UK HSE, and US Occupational Safety and Health Administration (OSHA) to standardize risk identification and control measures. Health and safety due diligence and risk assessments are undertaken across existing operations, potential operations, and new projects. Oversight is maintained through monthly inspections by skilled HSE inspectors to verify compliance with standards, and quarterly Occupational Health Risk Assessments and Occupational Health Identification reviews to validate corrective actions. KPIs for occupational health, safety, and process safety are monitored and reported monthly, with progress, measures, and compliance status submitted to executive leadership and consolidated in an annual HSE performance report. An HSE Assurance Program, integral to the Company's HSE culture transformation, covers 19 focused areas with corresponding sub KPIs and engages internal stakeholders to drive sustained performance. In the event of incidents, ADNOC Distribution is expected to conduct thorough investigations and root cause analyses to prevent recurrence and strengthen controls. The AIPS Risk Register provides systematic identification, assessment, and mitigation of risks supporting the management of potential HSE, financial, and reputational impacts and contributes to a safer workplace while minimizing environmental risks.

Health and safety is prioritized through an interdisciplinary engineering approach focused on preventing and managing largescale fires, explosions, and chemical accidents. The Company's asset integrity and critical incident management practices are designed to avert and control events that could result in fatalities, injuries, adverse health outcomes, environmental harm, or damage to local communities and infrastructure.

ADNOC Distribution's Operational Risk Management System (Archer) automates HSE workflows and centralizes data, enabling employees to report health and safety hazards through the One ERP platform and accelerating the identification, mitigation, and corrective action process. Performance tracking is comprehensive, with lost-time injury frequency and recordable work-related injury rates including contractor data. In 2025, the Company achieved a target of zero fatalities and no severe work-related injuries, demonstrating the effectiveness of its HSE Management System (HSEMS). Ongoing awareness campaigns reinforce safe behaviors and support a healthy work environment across operations.



### Emergency preparedness & response

ADNOC Distribution prioritizes safety, reliability, and efficiency through robust emergency preparedness guided by the Incident Command System (ICS) and embedded within the HSEMS. Scenario testing is conducted against site-specific Emergency Response Plans, and in 2025 the Company executed 16 multi agency drills across depots, airports, and service stations with participation from civil defense police, ambulance services, and hospitals, coordinated under NCEMA for community engagement and oversight. Each exercise produced a post drill report and a consolidated action plan, with actions tracked to drive continued improvement. Stakeholders can report incidents through ADNOC Distribution's 24 hour response center at the Mafraq Auto Serve Center. The HSEMS framework underpins emergency management across oil spill response, fire and rescue operations, crisis management, cyber incidents, and extreme weather events, and in 2025 the Company updated its ERPs, Crisis Management Process, Business Continuity Strategy, and Business Continuity Plans to strengthen readiness.

## Health, Safety; Environment (HSE) Policy

We are committed to:

1

Pursuing the goal of **no harm to people**, the environment, and the community

2

Supporting the UAE's commitment to **reduce emissions** and contribute to the global effort of mitigating climate change

3

**Protecting the environment** by reducing pollutant releases and implementing cost-effective measures to improve energy efficiency and the use of natural resources

4

Ensuring compliance with all **applicable laws**, regulations, and standards relating to **HSE**

5

Having **world-class emergency response, crisis management** and business continuity measures in place

6

**Managing risks** through effective controls and minimizing impacts to our businesses

7

**Focusing** on incident prevention by **managing process safety** and the integrity of our assets

8

Engaging with stakeholders to raise **HSE awareness** and promote sustainability and the welfare of our workforce

9

Embedding a **100% HSE culture** that empowers employees and contractors to intervene and stop any unsafe work

10

**Developing** and sustaining **HSE** critical competencies in our employees through regular training

11

Holding all levels of management, supervisors, and employees accountable for **HSE performance**

12

**Setting targets, monitoring and reporting of HSE performance** and regular internal and external audits for continual improvement

13

**Engaging business partners** who are also committed to **100% HSE**. We believe that integrating HSE into all aspects of our business is essential in achieving our commitment and ensuring long term sustainability of our operations

The Company strives to have staff at service stations comply with safety hazard guidelines and cautionary signs, supported by an annual audit program to review and monitor the Health, Safety, and Environmental Management System (HSEMS). The results of audits conducted must be logged and followed up using an action tracking system. This policy is shared with stakeholders, including Company's employees, suppliers and contractors, and is implemented across the organization. The Company also applies the ADNOC HSE Standards for risk mitigation and hazard monitoring. The HSEMS is monitored regularly, and any deviations from safety standards are expected to be addressed through swift corrective actions.

### HSE training & awareness

In 2025, ADNOC Distribution strengthened its Health, Safety and Environment (HSE) Management System, embedding continued improvement through structured meetings, employee feedback forms, opportunity sharing, and leadership site visits. Targeted training was governed by training matrix guidelines and aligned to ADNOC Life Saving Rules and the ADNOC WMS full package. All new hires, including contract employees, were required to complete the online HSE Induction Training Program prior to deployment to work locations. This robust system was supported by regular awareness campaigns to employees and all contractors.

Leadership presence at the frontline was intensified through HSE leadership site visits across service stations, terminals, plants, and vehicle inspection centers. Chiefs and VPs participated to address HSE and welfare issues at site level. Critical HSE topics were elevated to the Executive Management Forum, with direct engagement from executive leadership, including the CEO.

ADNOC Distribution delivered 57 HSE training courses through classroom sessions, web-based platforms, virtual formats, hybrid models, on-the-job training, and e-learning. Training covered essential topics including basic firefighting, advanced firefighting, food safety, first aid, defensive driving, accident handling, ADNOC Life Saving Rules, and the ADNOC WMS full package. Customized programs were developed for Burger King franchise employees to meet mandatory HSE certification requirements.

HSE materials and standards were made available on the Company's intranet portal and distributed in print to support comprehensive reach. Regular employee surveys assessed health and safety conditions and informed us of enhancements to the HSE Management System. The Company issued HSE alerts outlining lessons learned from incidents and practical safety measures, reinforcing a proactive safety culture. Data accessibility remained central to performance, enabling timely awareness and response by teams.

Overall, more than 6,000 employees received training in 2025, underscoring the Company's emphasis on health and safety capability across the workforce.

## Customer health & safety

ADNOC Distribution's commitment to customer and local communities' health and safety. In 2025, ADNOC Distribution reinforced customer and community health and safety across its operations through rigorous hazard control measures and structured initiatives integrated within the HSEMS. Compliance monitoring and audits were maintained throughout the year to support consistent adherence at service stations, terminals, plants, and vehicle inspection centers.

The Company applied the Abu Dhabi Agriculture and Food Safety Authority (ADAFSA) requirements for food and beverage sales, sustaining safe handling, storage, and retail practices in line with applicable standards.

ADNOC Distribution participated in the nationwide "Five for Your Safety" campaign, supporting security and safety awareness at petrol stations and reinforcing prudent customer behaviors on forecourts. Customer health and safety were supported by preventive controls embedded in daily operations, including hazard identification and risk mitigation procedures, clear safety signage, traffic and forecourt management practices, and incident-response protocols aligned to Company standards.

HSEMS audits and customer/public health and safety compliance activities were maintained during 2025, with findings used to drive corrective actions and continued improvement at site level.

## Customer health & safety - joint fueling safety campaign

### Overview

In collaboration with ENOC, EMARAT, the Ministry of Interior (MOI), and the Ministry of Education (MOE), ADNOC Distribution continued working on a nationwide campaign to raise awareness on safe fueling practices

### Scope and Audience

- **Target groups:** Public and customers, employees, and contractors
- **Focus areas:** Forecourt safety and compliance with UAE safety regulations

### Key Messages

- Maintain speed limits on forecourts.
- Prevent nozzle pull incidents
- Adhere to regulatory requirements and site protocols

### Risk Areas Addressed

- Improper use of jerry cans
- Marine fueling safety
- Emergency response procedures and escalation practices

### Implementation

- Unified messaging across partner networks to standardize safe fueling, incident prevention, and regulatory compliance



# Asset Integrity Process Safety (AIPS)

**ADNOC Distribution is committed to maintaining the highest standards of process safety by systematically identifying, managing, and mitigating operational risks across our value chain, with the objective of protecting our people, customers, assets, and the environment while ensuring safe, reliable, and sustainable operations.**



During 2025, ADNOC Distribution continued to strengthen its operational and process safety framework through the deployment of advanced risk, integrity, and asset management systems. The Risk Geo Dashboard was recognized as a best practice by ADNOC GAI and GHSE, with a pilot underway for integration into the Operational Risk Management (ORM) application, alongside the successful launch of the ORM Archer tool for effective AIPS risk monitoring and tracking.

OneAPM software was deployed and integrated with SAP to enhance asset integrity monitoring, while the Asset Sustainability Program advanced through the implementation of risk based inspection (RBI) and thickness monitoring at Hamriyah Terminal and the completion of RBI for more than 2,500 underground tanks across UAE retail stations.

ADNOC Distribution also showcased its technical innovations at major global conferences, including AUTOMA, SPE GOTECH, and Smart Inspect. Operational risk reduction initiatives included assured fuel leak rectification at 23 retail stations, integrity assessments of 75 aging stations to optimize renovation planning, and verification of emergency shutdown push button functionality at 205 stations to ensure emergency readiness. In addition, HSECEs identification and categorization were completed for 14 terminals and 125 stations, complemented by tank safety barrier health checks across all terminals.

Proactive AIPS risk mitigation efforts resulted in the successful closure of 24 risks in 2025, while Technical Integrity Verification was completed for 205 stations and five terminals, reinforcing the reliability of critical equipment and ADNOC Distribution's commitment to safe, resilient, and sustainable operations.

## OneAPM Software Deployment & Implementation (Foundation & Integrity Module)

ADNOC Distribution successfully deployed OneAPM Software, integrating the Foundation and Integrity modules with SAP to strengthen asset integrity monitoring and management. This initiative provides a centralized platform for real-time asset health tracking, predictive analytics, and compliance reporting. By leveraging advanced digital tools, we enhance operational efficiency, reduce downtime, and ensure proactive maintenance across critical assets. The implementation of the OneAPM Software implementation is ongoing.

## Risk Based Inspection (RBI) Program for Fuel Stations Underground Storage Tanks (UGSTs)

ADNOC Distribution has implemented a Risk-Based Inspection (RBI) program for underground storage tanks (UGSTs) at fuel stations to strengthen asset integrity and process safety. The program prioritizes inspections based on risk assessments, enabling more efficient and precise maintenance. By proactively identifying potential issues, ADNOC can take timely action to prevent environmental incidents and optimize resource use. This initiative supports ADNOC's sustainability goals by extending the lifespan of storage tanks and reducing waste. The pilot phase, covering 250 tanks, was successfully completed in 2024, with full-scale implementation across more than 2,200 UGSTs completed in 2025.

## Technical Integrity Verification (TIV) for Terminals & Retail Service Stations

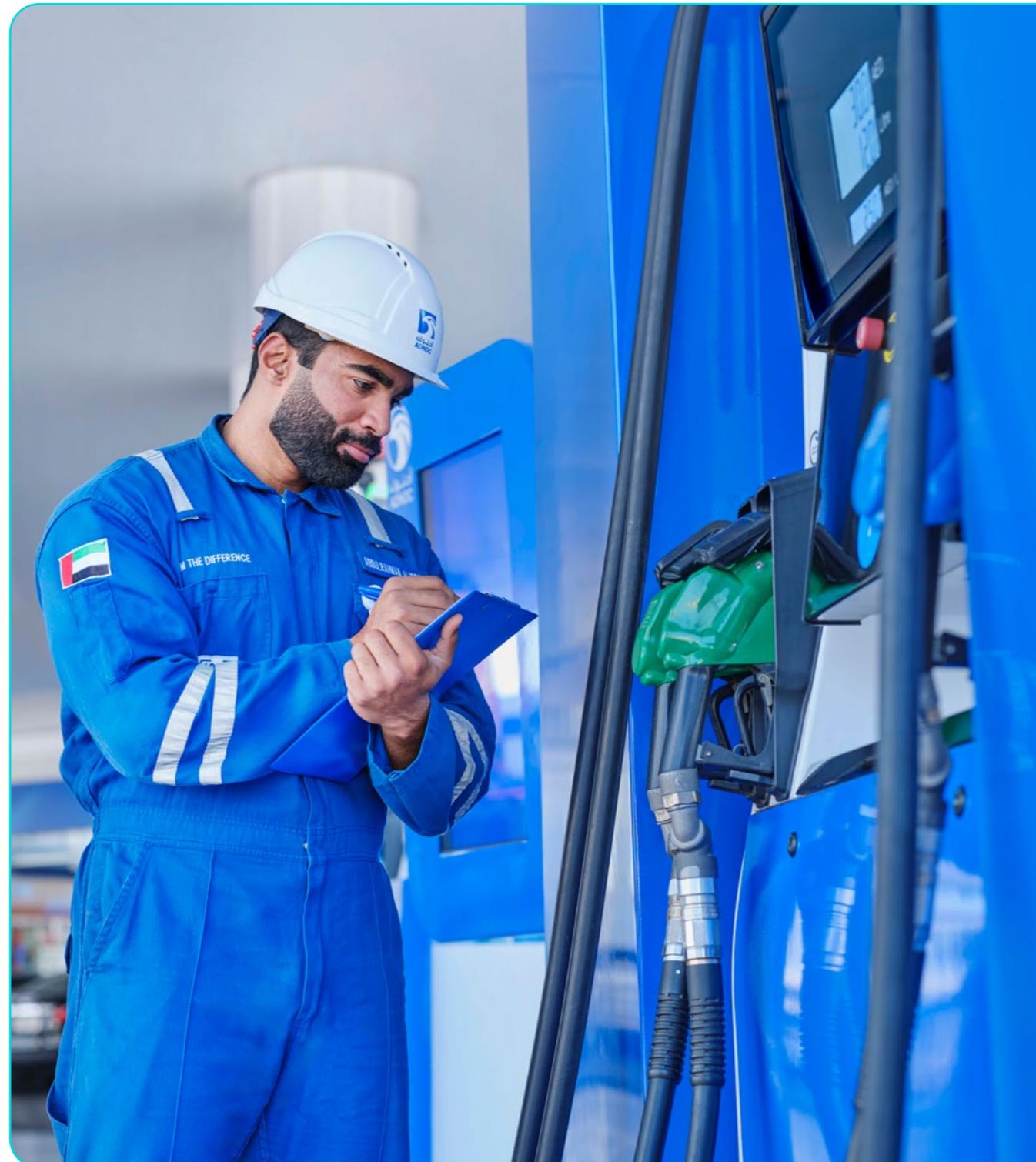
ADNOC Distribution implemented Technical Integrity Verification (TIV) across all terminals and retail service stations to ensure that Health, Safety, and Environment Critical Equipment Systems (HSECEs) are safe, reliable, and perform according to defined standards. The initiative involves rigorous checks and verification throughout the asset lifecycle—from design and installation to maintenance and decommissioning. By embedding TIV into operational processes, we strengthen our safety culture and ensure compliance with ADNOC Group integrity requirements. During 2025, we have completed TIV in 205 stations and 5 terminals. This initiative promotes proactive risk management by reducing the likelihood of catastrophic failures while aligning with ADNOC's sustainability objectives through minimized environmental risks and optimized resource use.

Looking ahead, ADNOC Distribution plans to further enhance asset integrity, environmental protection, and operational efficiency through the adoption of advanced inspection and monitoring technologies. Planned initiatives include the replacement of manual cathodic protection surveys with remote continuous performance monitoring and assessment to assure performance while reducing survey costs, and the deployment of volatile corrosion inhibitors beneath tank bottoms to reduce corrosion rates, extend tank life by an estimated 5–10 years, and support increased storage capacity.

We also plans to implement remote corrosion monitoring sensors on underground product piping and pipelines to enable early detection of corrosion, reduce manual excavation and inspection activities, and help prevent loss of primary containment scenarios.

Additional measures under consideration include thermal insulation painting on storage tanks to reduce heat transfer, minimize product evaporation, and improve operational efficiency, as well as the installation of wireless sensors on tank roofs to detect and quantify hydrocarbon evaporation and emissions.

To further strengthen infrastructure integrity, ADNOC Distribution plans to deploy swimming robots for the inspection and cleaning of marine structures, reducing reliance on diving inspections, and to utilize mobile underground radar technologies to accurately map buried piping routes and identify minor leak locations. Together, these initiatives reflect ADNOC Distribution's continued focus on innovation, risk reduction, and long term asset sustainability.



# Way Forward

**In 2026, ADNOC Distribution will deepen its Human Capital agenda by scaling a safety first, people centric culture that advances inclusive growth and business resilience.**

We will pursue zero harm through strengthened HSE leadership visibility, digitalized risk management, and standardized contractor onboarding while expanding targeted HSE training and continuous awareness to sustain top quartile performance. We will enhance employee wellbeing with an integrated physical, mental, social, and financial program, and elevate engagement through always on feedback, transparent service delivery, and data driven follow through. To future proof capabilities, we will broaden blended learning, accelerate AI and digital skills, and embed 100% PDP coverage via Success Factors.

We will advance diversity, equity, and inclusion expanding gender balance in leadership pipelines, ensuring pay equity through regular audits, and strengthening accessibility for People of Determination. Our commitment to fair labor and human rights will extend across our supply chain through enhanced audits, remediation, and awareness of Takallam's confidential reporting. We will continue to invest in Emirati talent through structured pathways (succession, mobility, and leadership programs), deepen local community hiring, and build partnerships that grow local content. Progress will be transparently reported against clear KPIs and aligned to priority UN SDGs, ensuring our people, partners, and communities thrive as we deliver secure, sustainable energy.

# STRENGTHENING COMMUNITIES

(Social and Relationship Capital)

Access to reliable and affordable energy remains fundamental to the well-being of communities and the growth of economies. ADNOC Distribution is committed to supporting this need by fostering strong relationships with stakeholders and contributing to socioeconomic development in the regions where we operate.

Our relationships with our stakeholders remain at the core of our operations and our approach prioritizes creating long-term value through responsible business practices and community engagement. Beyond our operations and value chain, we maintain active partnerships that enhance local content and support community initiatives, reinforcing socioeconomic stability.

## Mapping our innovation with UNSDGs



## Relevant Material Topics

Local Community	Supplier Sustainability Assessment	Socio-economic Impact
-----------------	------------------------------------	-----------------------



AED  
**8.6 million**  
Total CSR  
expenditure



**97%**  
Customer  
satisfaction  
score

# Our Approach



**Driven by strong values, we nurture trust-based relationships with customers, suppliers, employees, communities, and regulators. We engage consistently to meet evolving expectations, emphasizing transparency, ethics, and community involvement. Through responsible sourcing and impactful development, we strengthen our reputation as a reliable industry leader. We believe robust social and relationship capital benefits stakeholders and drive our growth and relevance.**

ADNOC Distribution's commitment to community engagement and development is reflected in the diverse programs it supports and leads. In 2025, total community investment expenditure was AED 8.6 million, directed to initiatives that promote local community, safety, community development, environmental stewardship, and social well-being, foster positive outcomes across the UAE

We are committed to regularly engaging with local communities to prioritize community engagement initiatives and formally consult on sustainable solutions that enhance quality of life. Community responsibility is guided by the value "We are Responsible" and embedded within the Code of Conduct.

Our CSR strategy is grounded in collaboration and respect that operates through a CSR charter and supporting operational policies that align activities with stakeholder and community expectations. Local community engagement and development, including CSR, is a standing agenda item of the Sustainability Committee chaired by our CEO and board level ESG-subcommittee.

We keep channels open for effective communication and engagement and provide communities with access to a 24-hour communication channel to raise and address complaints and grievances.



"By listening to our customers, we continue to evolve our offering and deliver more to the communities we serve. Our commitment to innovation, quality, and elevated customer experiences is reflected in how we are reimagining roadside retail and creating true destinations of choice. This evolution represents a renewed promise to create welcoming, customer-centric spaces that strengthen connection, trust, and long-term loyalty."

**Jacqueline Elboghdadi**  
Chief Marketing Officer



# Community Engagement

ADNOC Distribution supported local communities through initiatives in social welfare, safety, environmental engagement, and employee volunteering over the last year.

During Ramadan, employees distributed Iftar Boxes prepared by Emirati women (87 volunteers; 174 hours) and supported low-income families by supplying LPG cylinders to women-led small businesses (49 volunteers; 122.5 hours). We also participated in the UN Global Road Safety Cycling initiative in May (50 volunteers; 200 hours).

The Company expanded its environmental and biodiversity commitments through 'Adopt a Ghaf', enabling customers to donate ADNOC Rewards points toward tree adoption; 4,512 donors participated. Through this initiative, employees and customers joined efforts to support national afforestation goals, with 20 volunteers adding 80 hours toward environmental activities. ADNOC Distribution also expanded digital charitable giving via the ADNOC Rewards application, introducing donation features with the Authority of Social Contribution – Ma'an and the General Authority of Islamic Affairs and Endowments (Awqaf). Customers were able to contribute loyalty points to certified causes, including zakat and community support programs, improving donation accessibility across the UAE.

## Socio-economic impacts

ADNOC Distribution contributed to the UAE's economic growth through initiatives that strengthened local capabilities and stakeholder relationships. The Company advanced national workforce development by recruiting experienced UAE national professionals and expanding youth pathways through graduate programs and internships. Succession planning supported the progression of local talent into leadership roles, reinforcing organizational resilience.

Regular engagement with customers and local communities informed the prioritization of stakeholder needs and service improvements. Activities were aligned with established sustainability frameworks, including the UN Sustainable Development Goals, and with national economic priorities.

ADNOC Distribution has publicly disclosed a Net Zero by 2045 ambition; in 2025, related governance and enabling programs were maintained to support responsible operations and sustained value creation.



**87**  
volunteer  
employees

distributed Iftar boxes  
prepared by  
**Emirati women**

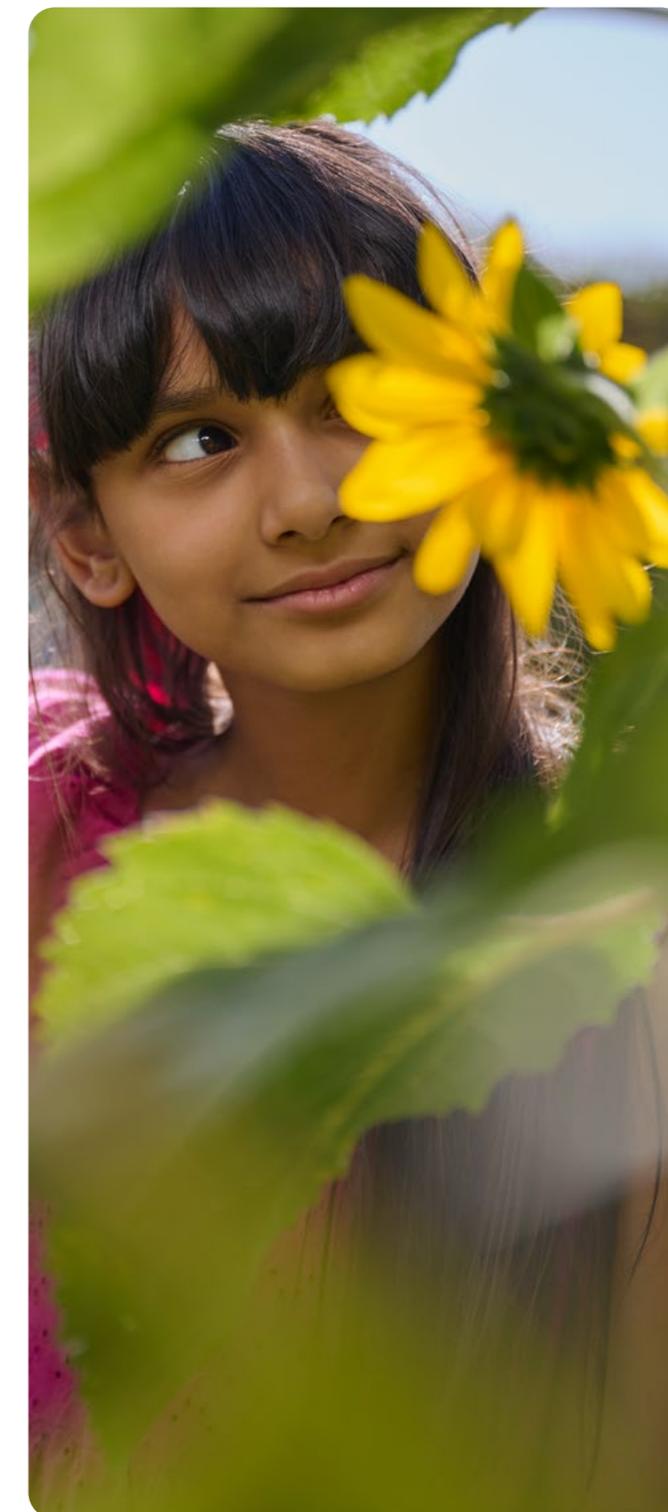


**4,512**  
customers  
donated

ADNOC Rewards  
points toward  
**'Adopt a Ghaf'**

## Key Metrics

	Unit	2025
Percentage of employees hired from local communities	%	87
Approximate percentage of local procurement spend	%	68
Average wages compared to national or industry standards	Company Ratio	UAE National Compa Ratio 129% (Above Industry Median) Expat Compa Ratio 134% (Above Industry Median)
Number of people trained through capacity-building programs	#	269 (by leadership program)
Percentage of increase in skills or certifications among local communities	%	45



# Our CSR Initiatives

Our Corporate Social Responsibility (CSR) efforts are a core component of how we do business, rooted in the belief that creating value goes hand in hand with uplifting communities and protecting the environment.

We strive to ensure our operations contribute positively to society by supporting initiatives in health, education, livelihood, infrastructure, and ecological sustainability.

## Ramadan Iftar boxes - Kasr Al-Siyam

### Overview

Kasr Al-Siyam is a Ramadan community initiative aimed at supporting individuals who break their fast while on the move during Maghrib prayer time. Throughout the Holy Month, ADNOC Distribution employees distributed Iftar boxes by ADNOC Distribution stations (over 83 stations) across the UAE, including at streets and traffic signals near high-need locations, so that fasting individuals could break their fast on time, safely, and with dignity, without distraction or delay.

### Target

Support communities and working laborers fasting during peak Maghrib hours and enable timely, dignified Iftar while mobilizing employee volunteers to actively contribute to community wellbeing during Ramadan.

### Impact

A total of 87 volunteers participated in the initiative, contributing 174 volunteering hours. 300,000 Iftar boxes were distributed by ADNOC Distribution through over 83 ADNOC Distribution stations across the UAE.

## Ramadan LPG donations

### Overview

During Ramadan, ADNOC Distribution provided LPG to Emirati women and local families to enable daily meal preparation for workers and vulnerable individuals. The initiative provided a continued LPG supply throughout the holy month, supporting community led kitchens to prepare and serve meals consistently.

### Target

Enable continuous and sustainable meal preparation during Ramadan by supporting Emirati families and local women led kitchens with LPG so they can cook for people in need.

### Impact

LPG donations enabled the preparation of 700,000 Iftar meals throughout the month of Ramadan, delivered through the efforts of 69 Emirati women, classified as external volunteers. In addition, 49 ADNOC Distribution employee volunteers contributed a total of 123 volunteering hours to support coordination and distribution activities.



AED  
**8.6 million**  
Total spent

on community  
engagement  
and development  
including CSR



## Adopt a Ghaf

### Overview

A national environmental initiative enabling customers to donate ADNOC Rewards points to adopt Ghaf trees. Donations were completed, and tree planting began at designated sites with activities continuing thereafter.

### Target

Increase environmental awareness and contribute to national afforestation targets through customer engagement and volunteer participation.

### Impact

The initiative successfully engaged 6,246 ADNOC Rewards members, utilizing a total of 110 million reward points, resulting in the adoption of 1,838 Ghaf trees with 20 volunteers participating in planting activities.

## Ramadan driver safety

### Overview

During Ramadan, ADNOC Distribution delivered targeted digital content to promote safe driving behaviors. Messaging focused on fasting related fatigue, speed management, and safe driving during peak Iftar hours, while highlighting community initiatives undertaken throughout the month.

### Target

Raise awareness of Ramadan-specific road safety risks and encourage responsible driving among motorists during fasting and Iftar times.

### Impact

Enhanced public awareness of Ramadan-specific road safety risks through targeted digital content, supporting safer roads and reinforcing ADNOC Distribution's commitment to community wellbeing. In collaboration with Abu Dhabi Police, the campaign was delivered through 4 unique video contents published across Instagram, Facebook, X, and LinkedIn, achieving a total of 7.2 million video views, 5,814 social media engagements (including 424 reshares), and 96% positive sentiment, with 134 community interactions, demonstrating strong reach and public engagement with Ramadan-specific road safety messaging.

## Back to school & driving safety campaign

### Overview

A safety focused CSR activation delivered in partnership with UAE police forces to raise awareness of school zone driving behavior and child safety. Public engagement took place at ADNOC service stations and community touchpoints across multiple Emirates. The campaign was implemented in collaboration with Sharjah International American Schools and E7 Group, delivering on-ground and school-based awareness activities.

### Target

Promote safer roads during the back-to-school period and encourage responsible driving around schools, while engaging motorists and families through station-based activations.

### Impact

60 volunteers contributed 240 hours across different Emirates, reaching approximately 10,000 students through awareness sessions and activations across participating schools.

## Supporting UAEN youth entrepreneurs

### Overview

In partnership with the Federal Youth Authority, ADNOC Distribution provided free retail and activation spaces at selected ADNOC Distribution service stations for Emirati youth-owned businesses. These spaces enabled young entrepreneurs to showcase, promote, and sell their products directly to customers without any rental space costs. By offering high-visibility locations within our service stations, the initiative helped reduce entry barriers for youth businesses, supported local entrepreneurship, and encouraged economic participation within the community.

### Target

Support Emirati youth businesses by providing free commercial spaces at ADNOC Distribution service stations, enabling growth, visibility, and market access.

### Impact

Empowered Emirati youth entrepreneurs by giving them cost-free access to prime retail locations, increased customer exposure, and direct engagement with the public, contributing to local economic development and youth empowerment.

## UN global road safety and cycling activity

### Overview

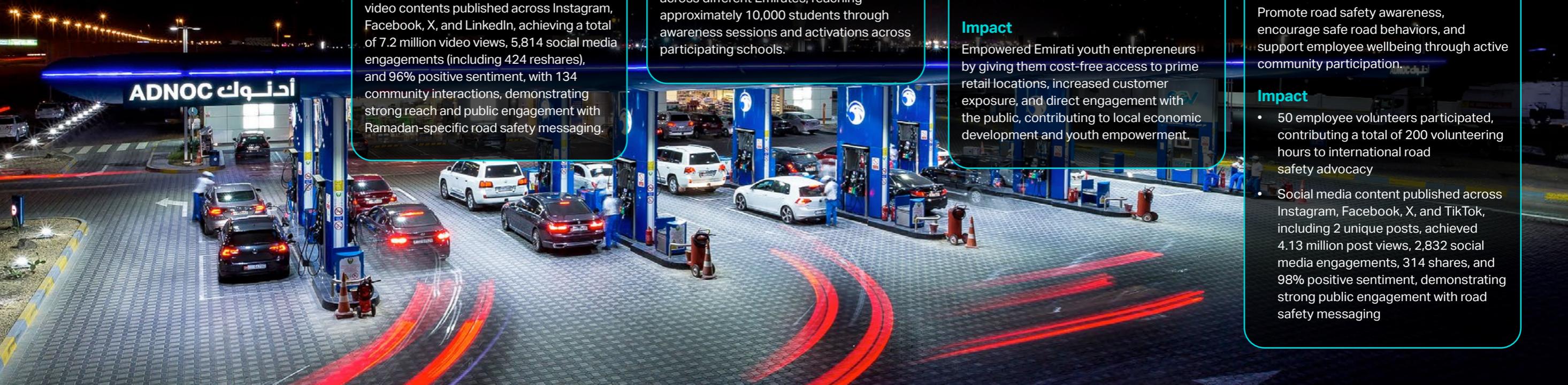
As part of ADNOC Distribution's commitment to road safety, employee wellbeing, and community engagement, the Company participated in the UN Global Road Safety Cycling initiative, recognizing UN Global Road Safety Week by promoting its cycling hubs in line with the global theme of #MakeCyclingSafe. ADNOC Distribution also hosted a cycling event at one of its cycling hubs to promote safe cycling practices within the community, while providing complimentary beverages from ADNOC Oasis to participants. During the initiative, ADNOC Distribution employees actively participated in the cycling activity alongside participants from diverse backgrounds, promoting safe mobility, healthy lifestyles, and responsible road behavior, and reinforcing a culture of safety and collective responsibility.

### Target

Promote road safety awareness, encourage safe road behaviors, and support employee wellbeing through active community participation.

### Impact

- 50 employee volunteers participated, contributing a total of 200 volunteering hours to international road safety advocacy
- Social media content published across Instagram, Facebook, X, and TikTok, including 2 unique posts, achieved 4.13 million post views, 2,832 social media engagements, 314 shares, and 98% positive sentiment, demonstrating strong public engagement with road safety messaging



## Drivers rest area

### Overview

This initiative supports community wellbeing and road safety, through the provision of dedicated drivers' rest areas at ADNOC Distribution locations. These rest areas were designed to serve delivery drivers, riders, and logistics workers by offering safe spaces to rest, hydrate, and recover during long working hours. The initiative promotes physical wellbeing, reduces fatigue, and supports safer driving practices within the community. The Company invested AED 25M in 2025 for truck driver rest stops and AED 1.8M in delivery driver rest stops.

### Target

Support community wellbeing and road safety by providing essential rest facilities for drivers.

### Impact

Drivers and delivery riders benefited from improved comfort, rest, and wellbeing, contributing to safer roads and healthier working conditions.

## ADNOC Rewards charity donations

### Overview

ADNOC Distribution launched a digital donation feature in the mobile application, enabling customers to donate unused ADNOC Rewards points directly to charitable causes. The initiative complements existing in-store cash donation boxes at ADNOC Oasis convenience stores, offering a convenient, cashless, and accessible giving channel across the UAE.

### Target

Expand charitable engagement by simplifying point-based donations, strengthen the culture of giving, and enhance customer participation in community support.

### Impact

In 2025, the ADNOC Rewards donation initiative recorded a total of 866.26 million reward points redeemed, with 194,518 customers participating in donations throughout the year. These contributions generated a value of approximately AED 866,000 benefiting key partners including Emirates Red Crescent, Ma'an, the General Authority of Islamic Affairs, Endowments and Zakat, and the Department of Awqaf. Reinforcing ADNOC Distribution's commitment to delivering meaningful social impact through innovation and customer participation.

## Beat the heat summer campaign

### Overview

We focused on protecting community wellbeing during extreme summer conditions through the Beat the Heat campaign. ADNOC Distribution provided cooling support and refreshments to outdoor workers, drivers, and community members, helping them cope with high temperatures while on duty. The initiative aimed to reduce heat stress, support physical wellbeing, and promote safer working conditions during peak summer months. We also promoted summer driver safety information for consumers across our social media accounts.

### Target

Enhance community wellbeing and safety by mitigating the impact of extreme heat on outdoor workers and drivers.

### Impact

Community members and frontline workers benefited from improved comfort, hydration, and heat-relief support during summer operations. 5800 staff were directly engaged during our 8-week roadshow. The safety information videos on social achieved 8 million views.

## Liwa Moreeb dune festival

A community-focused CSR initiative supporting the culturally relevant and major sporting event, Liwa Moreeb Dune Festival. ADNOC Distribution sponsored the event with a direct cash payment and supported by covering the operational cost to setup and run the main fueling zone, 6 additional secondary fuel zones, and car services and Oasis by ADNOC in the main fan village. We also provided advertising across our service stations and significant social media coverage.

### Target

Support sport, community engagement, and wellbeing through participation in national sporting initiatives.

### Impact:

8 fuel trucks at the main fuel hub and MyStation fuel trucks across 6 new locations. Providing capacity to fuel 8K vehicles daily

Further elevating the visitor experience with two ADNOC Oasis Stores and Cafés, E2GO EV charging, and a Fleet Smart Solution hub for (RFID) tag installation and wallet activation.

ADNOC Distribution social media generated 52 million views covering the Liwa festival.

## Abu Dhabi desert challenge

### Overview

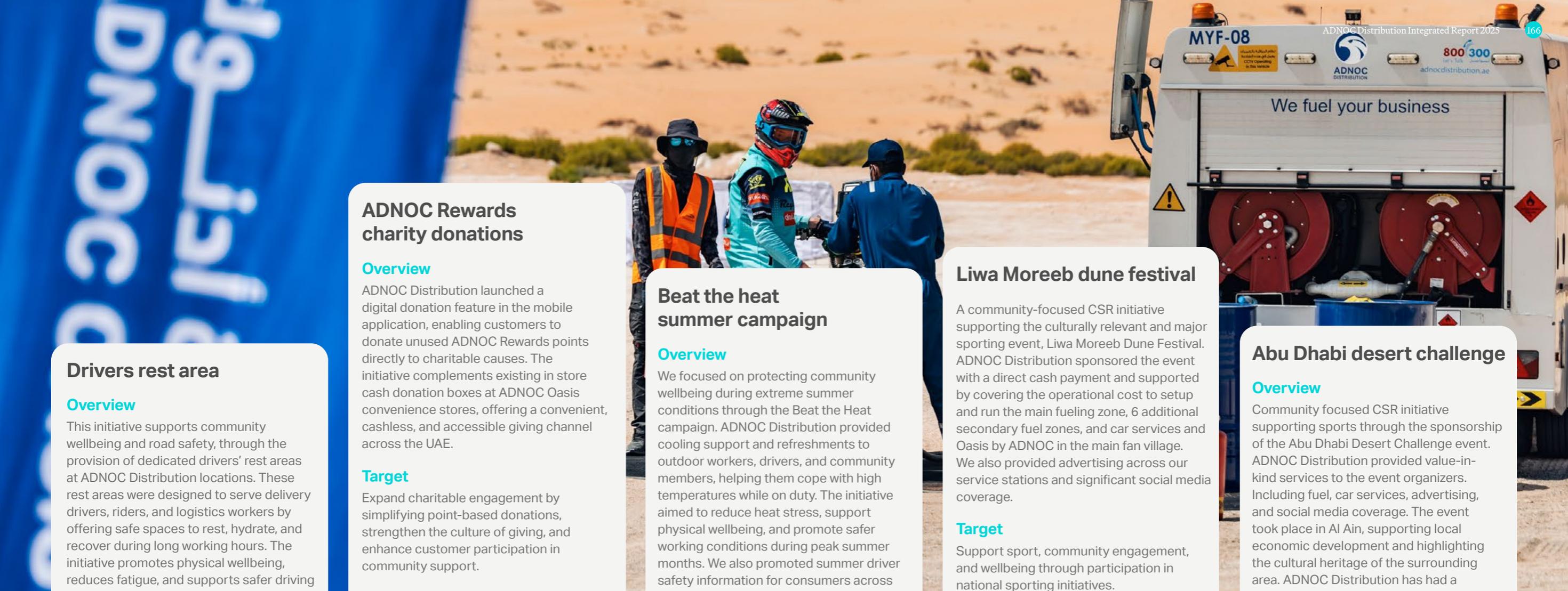
Community focused CSR initiative supporting sports through the sponsorship of the Abu Dhabi Desert Challenge event. ADNOC Distribution provided value-in-kind services to the event organizers. Including fuel, car services, advertising, and social media coverage. The event took place in Al Ain, supporting local economic development and highlighting the cultural heritage of the surrounding area. ADNOC Distribution has had a long-term partnership with the Desert Challenge organizers. Enabling the event to continuously grow as an international platform supporting the UAE.

### Target

Support sport, community engagement, and wellbeing through participation in national sporting initiatives.

### Impact

ADNOC Distribution provided over 100K liters of fuel and 16K liters of jet fuel to the event organizers. We also set up a fanzone with fun activities, seating and rest areas.



# Supplier Sustainability and Responsible Procurement

ADNOC Distribution's commitment to sustainability extends into key focus areas of its supply chain. In 2025, the Company conducted comprehensive Supplier Sustainability Assessments, providing it with valuable insights into suppliers' strengths and areas for improvement.

These evaluations foster open discussions with suppliers on enhancing their sustainability performance. By understanding potential supplier risks and reinforcing our supply chain requirements, we ensure the Company's operations remain sustainable. Procurement procedures are implemented as a centralized function that assists our business sectors. This is achieved by purchasing goods and services from suppliers who strictly follow relevant regulations and laws regarding environmental and social management. Through these efforts, ADNOC Distribution continues to uphold our high standards and drive positive change across our supply chain.

## Social assessment of suppliers

ADNOC Distribution implemented a Centralized Registration system to assess our suppliers' compliance with the ADNOC Suppliers Declaration, which encompasses relevant rules and regulations, both within and beyond the UAE. All Suppliers are expected to adhere to anti-corruption laws and improper payment rules, and ensure their employees strictly follow the ADNOC Group Supplier and Partner Code of Ethics.

As part of the Company's agreement execution, our suppliers undergo a biannual Health, Safety, and Environment evaluation. It is mandatory to agree to

ADNOC Distribution's stringent HSE standards during the tendering process. A key focus of these evaluations is the health and wellbeing of the suppliers' staff, reinforcing our commitment to ethical and responsible business practices.

## Environmental assessment of suppliers

In 2025, ADNOC Distribution evaluated its tier one and two suppliers' compliance with environmental, health and safety standards at every stage, from registration, tendering to agreement execution. The Company's thorough process included initial reviews (Gate 1), bid assessments (Gate 2), and performance evaluations alongside Health, Safety, and Environment audits (Gate 3). Our evaluation report highlighted that suppliers were actively addressing sustainability issues. The Company includes compliance requirements with safety in contractual agreements. The Company pre-screens suppliers and contractors for safety performance and risks. Areas for improvement in sustainability performance were identified, with a commitment to enhancing these controls in 2026. This ongoing commitment helps that our suppliers align with our environmental goals and contribute to a sustainable future.



## Responsible procurement and governance

Procurement at ADNOC Distribution is a strategic enabler, underpinning business sectors through disciplined sourcing and supplier management. We partner with suppliers that comply with applicable environmental and social management laws and regulations, with Green ICV screening integrated into supplier assessments to promote sustainable value creation. Suppliers are excluded from the contract if they cannot achieve minimum environmental, social, and governance requirements. Suppliers demonstrating green ICV performance are given of higher ICV scores, which is a criterion for supplier selection. Our procurement activities are governed by robust policies and procedures designed to optimize working capital, enhance value across the supply chain, and drive decisions with commercial considerations. ADNOC Distribution is committed to minimizing supply chain risks while aligning the delivery of goods and services with its business objectives. Integrity is central to how we operate. All suppliers must undergo Integrity Due Diligence (IDD) before entering business dealings, maintaining adherence to the Supplier and Partner Business Code of Ethics. The company also conducted responsible procurement roadshows to strengthen internal stakeholders' understanding of their roles across the procurement chain division. These measures strengthen governance across our supply base and support continual improvement in supplier sustainability performance.

## In-Country Value (ICV) program

The In Country Value (ICV) Program is a procurement-led initiative through which local suppliers complete ICV certification as part of tendering and contract award. The certification verifies alignment with program criteria, including ESG-related requirements, and is designed to maximize value derived from the UAE's oil and gas resources while strengthening local supply chains.

Our procurement procedures support all divisions of the Company, focusing on the timely provision of fit for purpose goods and services and the mitigation of supply chain risks.

Vendors, contractors, and suppliers are required to adhere to the Supplier and Partner Code of Ethics across registration, prequalification, and tendering. Procurement practices align with the ADNOC Group Procurement Policy and Procedures, maintaining integrity in ethics and compliance through mandatory adherence to the Supplier and Partner Business Code of Ethics. All suppliers are expected to undergo Integrity Due Diligence (IDD) prior to entering any business dealings or partnerships with the Company, reinforcing robust governance across the supply base.

# Strengthening Customer Relationships

ADNOC Distribution's customer engagement approach focuses on building lasting relationships and delivering solutions aligned with the evolving needs of retail motorists, fleet and commercial clients, dealer partners, and in store shoppers. We emphasize proactive collaboration and regular interaction at service stations and through digital channels to gain insight into customer requirements and consistently deliver value.

## Quality products and responsive services

We work to enhance the overall customer experience by providing high-quality fuels, lubricants, LPG, and convenience retail services through multiple channels, onsite engagement at service stations, customer care touchpoints, and targeted communications. To gauge satisfaction and identify areas for improvement, we conduct periodic customer surveys covering service quality, product availability, pricing, and after-sales support, with findings shared across operational teams to inform corrective actions and service enhancements.

### Survey Score



## Product safety compliance and operational circularity

Product health and safety compliance remains a core expectation across our fuel and non-fuel offerings. Customer technical and quality teams undertake site visits and product testing where concerns are raised, collecting samples for analysis and sharing insights with operations to drive future improvement. In parallel, we align day-to-day station operations with circular economy principles particularly in material and waste management (e.g., segregation, recycling streams, resource efficiency) to meet customer and regulatory expectations.

Metric	2024	2025
Percentage of significant product and service categories were assessed for improvement of health and safety impacts	100%	100%
Incidents of non-compliance with regulations resulting in a fine or penalty for health and safety impact of products and services in 2025	0	0
Incidents of non-compliance with regulations resulting in a warning for health and safety impact of products and services	0	0
Incidents of non-compliance with voluntary codes for health and safety impact of products and services in 2025	0	0
Product recall incidents reported in ADNOC Distribution stores during the reporting period	0	0

## Grievance redressal and privacy assurance

Customer concerns are handled through a robust grievance mechanism covering fuel retail, LPG, lubricants, and convenience retail. Complaints can be raised via station staff, call centers, and 24-hour digital channels in the ADNOC mobile app, with resolution processes designed to be timely and transparent. We maintain a privacy policy and support controls to safeguard customer data and sustain trust.

## Brand health & digital engagement

ADNOC Distribution tracks customer brand perception through its Brand Health Tracking (BHT) survey, which includes an item assessing whether consumers view ADNOC OASIS as an ecofriendly and sustainable brand. Survey results indicate that ADNOC OASIS ranks higher than competitors on sustainability perception. In 2025, the Company reported total brand awareness rather than NPS. ADNOC OASIS achieved a brand awareness score of 69, compared with a market average of 48.

## Engagement with government, industry associations, and investors

Beyond customers, we maintain structured, two-way engagement with government and regulators to align with national priorities on safety, energy security, and environmental stewardship, supported by transparent compliance and reporting. We collaborate with industry associations to advance best practices in product quality, HSE, and circularity. For investors, we strive to provide timely, decision-making, useful disclosures through integrated reporting, briefings, and roadshows covering strategy, risk, and ESG progress, including our net zero 2045 ambition. Stakeholder feedback informs decisions, strengthens trust, and sustains our license to operate.





# Way Forward

**Guided by our value “We are Responsible”, ADNOC Distribution expects to consolidate and scale the initiatives outlined in this report to deliver measurable outcomes for stakeholders in 2026 and beyond.**

In communities, we will shift from one-off activations to multiyear partnerships that prioritize road safety, environmental stewardship and women led enterprise support, while growing digital charitable giving through ADNOC Rewards and standardizing volunteer program governance to track hours and outcomes transparently.

For customers, we will enhance always on engagement, close the loop service improvements, and data privacy controls. We will continue advancing our net zero by 2045 ambition through governance and enabling programs, set interim milestones, and report progress with validated metrics replacing placeholders with assured data aligned to national priorities and global frameworks.

Through disciplined procurement, strengthened governance, and community centric action, we aim to create sustained social and relationship capital that underpins resilience, trust, and long-term value creation.

# ADVANCING INNOVATION

Digital transformation and artificial intelligence (AI) are core to ADNOC Distribution's strategy. We are embedding AI, advanced analytics, and secure digital platforms across our value chain and customer touchpoints to deliver safer, more reliable and efficient performance, elevate end-to-end experiences, and support our environmental and social stewardship.

A dedicated management-level AIDT Committee chaired by the CEO, has been established to evaluate and monitor all AI projects, supporting alignment with strategic objectives and responsible implementation. With more than 20 AI projects now deployed or in development from real-time demand forecasting, smart workforce planning to hyper personalized journeys and seamless "plug & charge" for EVs, we are setting new standards in station optimization and property monetization, transforming our stations into destinations of choice, and reinforcing our competitive leadership in convenience and mobility retail.

## Mapping our innovation with UNSDGs



## Material Topics

Technological Innovation , Digitalization  
and Cyber Security



# AI-Enabled Strategy Execution

ADNOC Distribution is committed to adopting AI and digital technologies for operational enhancement and decision-making by actively working towards becoming an AI driven company and promoting a strong digital culture, conducting exploration and training sessions with business teams and embedding AI into everyday process.

ADNOC Distribution's growth strategy is focused on delivering sustainable top-line expansion, superior operational performance, and outstanding customer experiences, while advancing our sustainability ambitions. Artificial Intelligence (AI) and advanced data analytics are core enablers of this strategy, and we are committed to creating measurable value for our customers, shareholders, employees, and communities.

## Powering Possible: Integration of Artificial Intelligence, a key enabler to execute ADNOC Distribution's strategy

Artificial Intelligence is a core enabler of ADNOC Distribution's strategy. We are integrating AI and advanced analytics across the value chain to drive top-line growth, improve operational efficiency, elevate customer experience, and support sustainability. Our ambition is to become a best-in-class AI-enabled convenience and mobility retailer by embedding data-driven decision-making into day-to-day operations and establishing a scalable foundation for ongoing innovation.

Our approach is anchored in four mutually reinforcing pillars. Each pillar has defined strategic inputs and measurable key metrics to drive accountability and transparent value delivery. We drive growth through data-led insights that inform market expansion, network planning, and category decisions. We improve efficiency with predictive analytics and resource optimization that reduce operating costs and enhance asset utilization. We elevate customer engagement with hyper-personalized offers and seamless, app-enabled journeys that increase satisfaction and loyalty. We are future-proofing operations through AI-driven energy efficiency

and predictive maintenance that bolster resilience and lower emissions. With more than 20 AI initiatives underway across retail, fuels, and logistics, our portfolio is progressing from pilots to scaled deployment. These initiatives are prioritized for measurable business impact, designed for repeatability, and sequenced to accelerate time to value while maintaining governance and quality. High-impact use cases are already reshaping how we plan, operate, and serve customers. To drive growth, we deploy intelligent assortment and convenience store clustering to tailor ranges by micro-market and use AI-guided site selection to optimize network expansion and format placement.

To enhance efficiency, we forecast fuel demand to improve supply planning and reduce stock-outs, apply smart workforce management to align staffing with demand, and automate lubricants supply planning to lower working capital and waste. To elevate customer experience, we leverage hyper-personalized offers through our loyalty program to increase spend per visit and retention, introduce AI-powered agents to handle routine inquiries and bookings, and use computer vision to accelerate in-store checkout and reduce queues. To future-proof operations, we apply predictive maintenance to minimize downtime and extend asset life and optimize energy usage across sites to reduce consumption and emissions.

These capabilities are enabled by a modern data and AI cloud platform, allowing advanced modeling at scale. Robust governance and security frameworks, including defined data ownership, model lifecycle controls, and cybersecurity practices, support reliability, compliance, and trust. Cross-functional product teams, agile delivery, and targeted upskilling accelerate adoption, while responsible AI principles guide fairness, transparency, and accountability in model design and deployment.

Integration of Artificial  
**Intelligence**  
a key enabler to execute  
ADNOC Distribution's strategy



The impact is tangible. By embedding AI into core processes, we are reducing OPEX through predictive planning and automation, optimizing inventory and working capital via demand forecasting and dynamic replenishment, and unlocking new revenue through targeted personalization and digitally enabled services. Customers benefit from faster, more tailored interactions across channels, reinforcing trust and loyalty and improving overall service quality.

Our Fill & Go initiative exemplifies this strategy in action. By integrating computer vision-based license plate recognition with the ADNOC Distribution app, customers can preorder fuel and convenience products and complete purchases through a contactless, accelerated experience, driving loyalty and incremental revenue while streamlining operations.

Looking ahead, we are industrializing successful use cases on our AI cloud, leveraging shared data assets, and expanding adoption across the network. As models mature, we expect to scale repeatable solutions, continually improve performance, and sustain rigorous governance so that AI remain a central engine of growth, efficiency, and differentiated customer experience for ADNOC Distribution.



"We are building an AI-native, customer-centric platform that reimagines how we operate and serve our customers. By leveraging best-in-class technologies, including AI-enabled solutions, and advancing new capabilities with the establishment of our new Innovation Center, we are driving digital transformation that enhances efficiency, personalisation, and sustainability, helping shape the future of mobility and convenience retail."

**Saeed Al Ahabbi**  
Chief Shared Services & Technical Officer



## Drive growth

**ADNOC Distribution is using AI to boost growth** by increasing revenue potential across businesses lines through data-driven improvements

**Intelligent assortment:** suggests products to add/remove to C-store inventory based on insights on customer preferences

**C-store clustering:** tailors assortment and pricing to various store profiles

**Intelligent service station location:** leverages on AI to develop new service stations based on traffic patterns, average spending and competitor presence



### Case Study AI-driven assortment optimization

As part of our strategy to accelerate non-fuel growth, **elevate customer experience**, and **improve operational efficiency**

**Solution:** We have deployed an **AI-driven assortment optimization engine** that applies advanced machine learning to cluster convenience stores by real purchasing behavior, regional trends, and customer demographics; by uncovering clear buying patterns, the system recommends the **optimal product mix** for each cluster and links insights to replenishment and promotions to **help make the most relevant items available at the right time.**

**Impact:** This capability enhances conversion and basket value, reduces inventory waste and out-of-stocks, and delivers **a more personalized shopping experience** across store formats. Built on our scalable AI cloud and governed by robust data and cybersecurity controls, the solution is designed to scale across the network and integrate with our digital journeys (such as Click & Collect), reinforcing our position as an **AI-driven leader in convenience and mobility retail** and advancing our sustainability goals through reduced waste and smarter, more efficient supply chains.



## Deliver enhanced efficiency

**AI is driving operational efficiencies** across businesses by enabling cost avoidance, reducing OPEX and optimizing inventory management

**Fuel demand prediction:** forecasts fuel sales demand to avoid fuel runouts

**Smart workforce management:** optimizes operational cost of service stations staff, leading to OPEX savings

**Lube automation:** predicts lube demand and automates supply orders



### Case Study Smart workforce management

Fuel stations were staffed with non optimal filler counts and schedules, driving operational waste, inconsistent service levels, and elevated staff OPEX. Station managers lacked data driven, demand aligned workforce plans tailored to local dynamics, shifts, and skill mixes.

**Solution:** We implemented an automated AI/ML workforce optimization model that recommends an optimal number of fillers and service schedules for each station. The model ingests predicted demand along with existing shifts, a skills and efficiency matrix, and station specific constraints

to generate practical rosters and service levels. These recommendations are embedded into planning routines to help right size deployment and align staffing with actual demand patterns.

**Impact:** The program improved cost efficiency and customer service while boosting employee productivity and giving operations teams actionable insights. Rolled out across stations, it helped to minimize operational waste and reduced staff OPEX.



## Elevate customer experience

**AI enhances customer experience** by delivering hyper-personalized offerings, reducing wait times and ensuring a seamless customer experience

**Hyper-personalized offers:** suggests tailored offers for customers depending on their historic behavior

**Seamless experiences:** allow customers faster fueling based on stored preferences or F&B ordering straight to car via the app



### Fuel demand prediction

ADNOC Distribution needed to prevent fuel run outs and reduce the manual effort of tracking tank levels and consumption across more than 550 stations. Planning lacked product and station level, near real time demand visibility, which led to shortages, inefficient replenishment, and inconsistent workforce planning.

**Solution:** Our team developed and deployed machine learning models that forecast fuel demand for each product at every station, generating hourly, daily, and monthly predictions. The models leverage historical sales, seasonality, price changes, holidays, and station

specific behavior, and their outputs are embedded into replenishment and operations processes to enable proactive inventory management and workforce planning. The solution was rolled out across the entire ADNOC network of 550+ sites.

**Impact:** Network wide run outs dropped, effectively minimizing shortages. Automated, data driven forecasts reduced operational overhead for monitoring and planning, while improved demand visibility enabled better workforce scheduling and more confident strategic decision making.

### Hyper-personalization

Customers currently receive generic offers that fail to reflect their individual behaviors and purchase patterns, resulting in lower engagement, missed cross sell and upsell opportunities, and inefficient marketing spend. An AI-powered approach is needed to personalize offers at scale to lift customer lifetime value and brand loyalty across the entire customer base post validation.

**Solution:** A "Next Best Offer" AI engine ingests data from multiple touchpoints including app interactions, purchase history, loyalty activity, and discount behavior to predict and deliver the most relevant offer for each

customer based on their preferences, lifecycle stage, and engagement history. This precision targeting drives retention, unlocks cross sell and upsell opportunities, and improves ROI on marketing campaigns, with the design ready to scale to all customers.

**Impact:** The initiative is projected to generate enhanced revenue, with loyalty program pilots showing a 20% increase in spend among engaged customers. Value is created through higher customer retention and improved upsell conversion, translating into sustained revenue growth and more efficient marketing investments.

## Chatbot 2.0 (Gen AI for customers)

Customers were experiencing static, generic digital interactions that limited engagement, self service, and conversion. ADNOC needed a scalable, multi channel conversational layer that could personalize responses in real time and support use cases such as investor relations, trip planning, and broader customer service.

**Solution:** We implemented Chatbot 2.0, a generative AI platform built on Azure OpenAI, Azure ML, and Databricks, integrated with Azure Data Lake to deliver context aware, real time conversations tailored to user intent and profile.

The ARIF Investor Relations chatbot is live on the ADD website (since 2024), with "Plan Your Trip" and GenAI for Customers assistants slated for web/app rollout, enabling scale across customer facing channels.

**Impact:** The GenAI chatbot provides human-like, personalized engagement that strengthens brand affinity, increases digital adoption and conversion, and unlocks new revenue opportunities. It improves the output of customer channels while establishing a foundation for rapid expansion across platforms and use cases.

## ARIF Finance Chatbot: streamlining compliance and decision-making

We have transformed the way employees access critical financial governance and data by introducing an AI-powered virtual assistant that uses natural language processing and voice recognition (including an AI Avatar) to deliver instant, reliable answers; retrieve documents and data from a curated repository; and streamline routine queries and day-to-day tasks.

### Key features:

- Intuitive, user-friendly interface that reduces the learning curve and boosts productivity
- Consistently up-to-date content to support timely decisions
- Hands-free interaction via robust voice recognition

### Impact:

Enhances compliance and policy adherence, accelerates information retrieval, improves user experience, and advances Finance's digital transformation reinforcing governance while increasing operational efficiency. Complementing this internal capability, in 2024 we introduced ARIF, one of the world's first AI investor relations chatbots, delivering dynamic insights in English and Arabic and simplifying access to strategy, performance, and disclosures for investors and analysts. Together, these chatbots enhance compliance and policy adherence, accelerate information retrieval, improve user experience, and advance Finance's digital transformation.



# Data Privacy and Cyber Security

Cybersecurity and data privacy are foundational to digital transformation and to the confidence our stakeholders place in us. Our enterprise-wide program protects the confidentiality, integrity, and availability of data across retail, digital, and operational environments, safeguarding payments, customer information, and critical infrastructure.

These efforts are backed by sustained Investment in digital transformation (annual) AED 95M, to include the tools, talent, and controls needed to protect our ecosystem.

We operate an ISO 27001 certified Information Security Management System (ISMS) and must comply with the UAE Personal Data Protection Law (PDPL). Our Privacy Policy sets out how personal data is collected, used, and protected, reflecting our commitment to fair, transparent, and lawful processing and to privacy-by-design principles across platforms.

In 2025, we further strengthened our cybersecurity position across the business. We enhanced threat intelligence, introduced real-time monitoring, and improved incident response to accelerate detection and recovery. To protect digital transactions, we upgraded our Payment Card Industry Data Security Standard (PCI DSS) certification to the latest version, for more secure and seamless payment processing. We expanded multi-factor authentication (MFA) and strengthened password protocols to protect customer and employee accounts. A comprehensive cybersecurity posture analysis of the AWS private cloud was completed to strengthen cloud controls. In addition, a third-party data privacy platform was deployed to manage the data protection program, and Data Protection Impact Assessments (DPIAs) were initiated where required.

Given the critical nature of our operations, we conducted targeted cybersecurity assessments of our Operational Technology (OT) and Industrial Control Systems (ICS), identified vulnerabilities, and implemented protective measures to enhance site resilience.

Building on this foundation, our digital incident response capabilities include business continuity and contingency plans, emergency response plans, and incident response procedures, with annual testing. External verification and vulnerability analysis are performed, and we seek to maintain PCI DSS compliance to ensure IT compliance. Our IT infrastructure and information security management systems undergo annual internal and external audits.

Penetration testing and simulated hacker attacks are conducted as part of third-party vulnerability analysis. A preventive control is in place to assess new projects that involve processing personal data through a Data Protection Impact Assessment (DPIA).

For customer data privacy, online opt-in and optout options are provided, and individuals may request access to their personal data, have inaccuracies corrected, and request deletion. Information is designed to be retained in line with departmental data retention schedules and applicable requirements.



**Zero**  
clients,  
customers,  
and employees  
affected by breaches



**100%**  
of employees  
provided with digital,  
cybersecurity, and  
privacy awareness/  
training



**Zero**  
data privacy  
breaches



**100%**  
compliance  
with standards  
(e.g., ISO)

Total number of substantiated complaints received concerning breaches of customer privacy:



**Zero**  
complaints  
from regulatory  
bodies



**Zero**  
complaints  
received from  
outside parties  
and substantiated by  
the organization



**Zero**  
identified  
leaks, thefts,  
or losses of  
customer data

# Cyber Security Governance

Our enterprise AI governance framework, anchored in ADNOC's values and ADNOC Group standards, defines roles and accountabilities across the AI lifecycle from use case selection and data stewardship to model development, testing, deployment, and monitoring.

It sets requirements to prevent high-risk outcomes and embeds compliance with applicable legal and regulatory obligations. Continual monitoring and robust cybersecurity controls safeguard our models, data, and infrastructure to help enable the safe, responsible, and commercially viable adoption of AI solutions that are aligned with our strategy and trusted by stakeholders.

This AI governance operates within our broader cybersecurity and privacy oversight, underpinned by regular, formal reporting from management to the Board that provides better visibility into our security posture, key risks, remediation progress, and compliance status. Together, this integrated approach enables timely, informed decisions at the highest level and reinforces stakeholder trust.

## Oversight and accountability

### Board and executive oversight

Governance of IT security and risk is overseen by the Board through structured management reporting and is led by Saeed Al Ahbabi, Chief Shared Services & Technical Officer. This ensures accountability for strategy, resourcing, and performance.

### Management committees

Digital Division convenes regular Information Security Risk and Compliance Committee meetings to review risk exposure, control effectiveness, exceptions, and improvement plans, escalating material items to the executive and Board as required.

### Group alignment

At the ADNOC Group level, periodic Information Security Management Review meetings provide consolidated oversight of information security responsibilities across Group companies and reinforce consistent standards.

### Policy framework

Our cybersecurity and privacy policies are aligned to our ISO 27001-certified ISMS, the UAE PDPL, and internal Cybersecurity Management Standard. They set out roles and responsibilities, risk-based controls, compliance requirements, and continuous improvement expectations.

## Integration with business strategy

Cybersecurity, data privacy, and AI governance are integrated with our business strategy to protect our operations, customers, and partners while enabling secure, scalable innovation. We apply a risk-based approach to safeguard the confidentiality, integrity, and availability of information across enterprise IT, cloud, retail payments, and OT/ICS environments, to support the reliability of critical services and continuity of operations. Transparency in how data is collected, analyzed, and used

is embedded across our processes, and privacy and security-by-design principles are built into new platforms and services to maintain compliance and strengthen stakeholder trust.

We extend this discipline to AI, applying dedicated cybersecurity principles that protect models, data, and interfaces throughout the AI lifecycle. Controls are tailored to each asset's risk profile and span systems, applications, APIs, data sources, and the broader AI ecosystem, including third-party providers.

## AI Policy

Our AI policy aligns with the Cybersecurity Management Standard and our Information Security Management System, reinforcing resilience against vulnerabilities while enabling responsible, commercially viable innovation.

ADNOC Distribution has identified eight (8) core principles to guide the way it approaches the development, deployment and use of AI:



Transparency



Explainability



Confidentiality, Privacy and Data Protection



Human-Centeredness



Accountability



Fairness and Non-discrimination



Robustness, Safety and Security



Environmental and Social Sustainability

These principles are meant to provide an ethical foundation and strong cybersecurity measures. The standard also requires adherence to governance processes, personal data protection, vulnerability management, and a commitment to training and awareness. Compliance issues can be reported through the Thakallam hotline.

## Approach to ensure safe and ethical AI deployment

Security is integrated early in the design of systems and solutions to establish a secure foundation from the start. We deploy advanced threat detection and prevention technologies, conduct regular vulnerability assessments and penetration testing, and maintain robust incident response plans for rapid threat mitigation. Ongoing monitoring and adherence to international standards underpin our resilience and readiness.



### Prevention and Mitigation

All our staff must comply with our AI policy and related standards, which define governance, technical and non-technical safeguards, data and access management, and operational practices to ensure AI solutions are used properly, effectively, and safely. Data Protection Impact Assessments (DPIAs) are initiated where required.



### Incident Handling and Remediation

Any deviations or breaches must be reported. For example, if an AI tool is used without prior approval, the relevant business function must self-report to Group D&CS so that immediate remedies, treatments, and lessons learned can be applied.



### Managing Positive Impacts

We design AI systems with high-quality data, clear ethical guardrails, and robust fail-safe mechanisms. Continuous monitoring and iterative improvement help ensure alignment with organizational goals and operational excellence. Our policy also provides for user identification of AI-generated content and addresses potential bias, data privacy, and cybersecurity risks.

Recognizing that people are a key line of defense, we broadened employee training including phishing simulations and awareness initiatives to build a resilient security culture. We strive to embed accountability and vigilance across the organization, equipping employees to identify risks and act decisively to safeguard personal data. We pair strong governance with a culture of security. Employees receive role-appropriate training and awareness, supported by policies, simulations, and clear escalation channels. We conduct ongoing risk assessments, control testing, and compliance reviews, and we maintain structured incident response processes to contain threats and accelerate recovery. Our program is strengthened by continued monitoring and alignment with international standards and applicable regulations.

Training covers data handling principles, regulatory requirements, and best practices for maintaining privacy in everyday operations. In 2025, 100% of employees were trained on cybersecurity strengthening stakeholder confidence and safeguarding our information assets.

## Information security Policy and privacy Policy framework

We safeguard our operations and stakeholder data through a regularly improving security and privacy framework that embeds clear accountability across our workforce and supply chain. This approach underpins resilience, builds trust, and drives compliance across our key markets, including the UAE, KSA, and the EU. Our Information Security Policy is supported by robust processes and advanced tools for prevention, detection, and rapid response. We maintain a Data Privacy Policy to comply with GDPR. Our Ethics & Compliance function is introducing a Data Protection & Privacy Policy tailored to UAE and KSA requirements.

Information security is a shared responsibility reinforced through our culture and Supplier Code of Conduct, with explicit roles and obligations for employees and suppliers. We actively monitor systems, enforce strong access and protection controls, and maintain tested incident and breach response protocols. We deliver ongoing staff training on data handling, privacy obligations, and security best practice to sustain awareness and compliance. Policies, controls, and training are reviewed regularly to address emerging risks, regulatory changes, and stakeholder expectations, supporting legal compliance.



# Research and Development

**Our Research and Development is the engine behind our Green Mobility Initiative, a nationwide transformation to decarbonize transportation in alignment with the UAE's Net Zero by 2050 Strategy, the National Hydrogen Strategy, the UAE's Third Nationally Determined Contributions (NDCs), and updated commitments under the Paris Agreement.**

By advancing both hydrogen and electric mobility, the initiative tackles one of the country's most material emission sources while diversifying energy and strengthening the UAE's clean-tech leadership.

We deployed two clean fuel technologies: hydrogen fueling and electric vehicle (EV) charging infrastructure - creating dual pathways for energy diversification, and customer choice.



## Hydrogen focus Implementation timeline

### 2023

ADNOC launched the UAE's first public hydrogen refueling station (pilot program) in Masdar City

### 2024–2025

The pilot program expanded to hydrogen-powered buses in Abu Dhabi, in partnership with the Integrated Transport Centre (ITC)

sectors. This project advances long-term transport decarbonization nationally by demonstrating a scalable, renewable hydrogen supply chain. The Masdar City pilot station is powered by alkaline water electrolysis a proven, scalable method that produces hydrogen at >99.99% purity using desalinated water and solar electricity, providing renewable lifecycle emissions. The system produces approximately 4 - 4.5 kg of green hydrogen per hour, with annual capacity of ~35,000 kg, enabling real-time refueling of hydrogen buses operated by the ITC. Refueling is demand-responsive, supported by on-site storage and digitally managed flow systems for stable, safe, and efficient operations.

## Technology stack and verification

- Blockchain-based emissions and attribute tracking using the I-TRACK (HX) standard from the I-REC Foundation, providing traceability across production, transport, and consumption
- Carbon intensity accounting certified under ISO/TS 19870:2023, achieving an independently verified value of 0.88 kg CO<sub>2</sub>e/kg H<sub>2</sub>—far below global grey hydrogen benchmarks (>30 kg CO<sub>2</sub>e/kg H<sub>2</sub>)
- Third-party verification by Bureau Veritas and environmental assurance under ISO 14071, reflecting alignment with international best practices

## Innovation and strategic significance

A cornerstone of the Green Mobility Initiative is the first-of-its-kind piloting of hydrogen production and distribution infrastructure in the UAE's fuel retail and public transport



This hydrogen pilot positions us as a regional leader in clean mobility innovation by delivering tangible infrastructure and establishing the technical and compliance foundations for hydrogen as a mainstream mobility fuel. The station and systems are designed for modularity and replication, enabling rapid scale-up across future service station locations. Together, these innovations integrate clean energy technologies and digital systems into a replicable model that supports national energy transformation priorities and sets a regional benchmark. In parallel, the EV charging program is a strategic and scalable pillar of the Green Mobility Initiative, expanding low-carbon mobility in line with national decarbonization goals. Solar energy, delivered in partnership with EWEC and Masdar-Emerge, helps EV

charging provided through the network to be powered by clean, renewable electricity.

The EV network is equipped with advanced capabilities - charge point management systems, data analytics, and plug-and-charge - to enhance reliability, performance, and customer experience. Additional features, including automated maintenance and dynamic load management, are being deployed to further strengthen operational resilience and infrastructure uptime. ADNOC Distribution is increasing investment in clean tech during 2025 and progressing toward a target of 402 EV charging points installed. The use of modular fast and super-fast charging enables rapid scaling across urban areas and highway corridors.



# Way Forward

**Our path forward will continue to uphold our steadfast commitment to sustainability, innovation, and deliver exceptional experiences for our stakeholders.**

We will build on our core strengths and expand and enhance our EV charging and mobility solutions, prioritizing reliability, and seamless digital integration that aligns with evolving customer expectations. We expect that growth will be maintained through judicious planning, disciplined operational management, and improving our other services in food, retail, and convenience services around core offerings.

Digital transformation remains a key enabler for ADNOC, with focused investments in workforce upskilling, fostering innovation, and strengthening governance frameworks to drive clear visibility into value creation and impact. Our operational resilience will be sustained through rigorous asset management, proactive risk mitigation, and ongoing process optimization that drives efficiency, safety, and cost-effectiveness.

Advancing decarbonization and environmental stewardship is central to us and aligned with UAE's National Goals, with accelerated scaling of renewables, low-carbon fuels, circular resource use, water recycling, and biodiversity initiatives.

We also seek to deepen community engagement through long-term partnerships that emphasize road safety, environmental responsibility, and support for inclusive enterprise, while enriching customer trust via regular service enhancements and robust data privacy measures. Simultaneously, we will optimize financial capital to accelerate innovation, expand digital capabilities, and unlock value from its real estate and asset base.

We believe that together, these priorities compose a holistic roadmap that integrates sustainability, technology, and customer centricity, positioning ADNOC Distribution as a resilient and responsible leader in the evolving energy and mobility landscape, committed to creating enduring value.