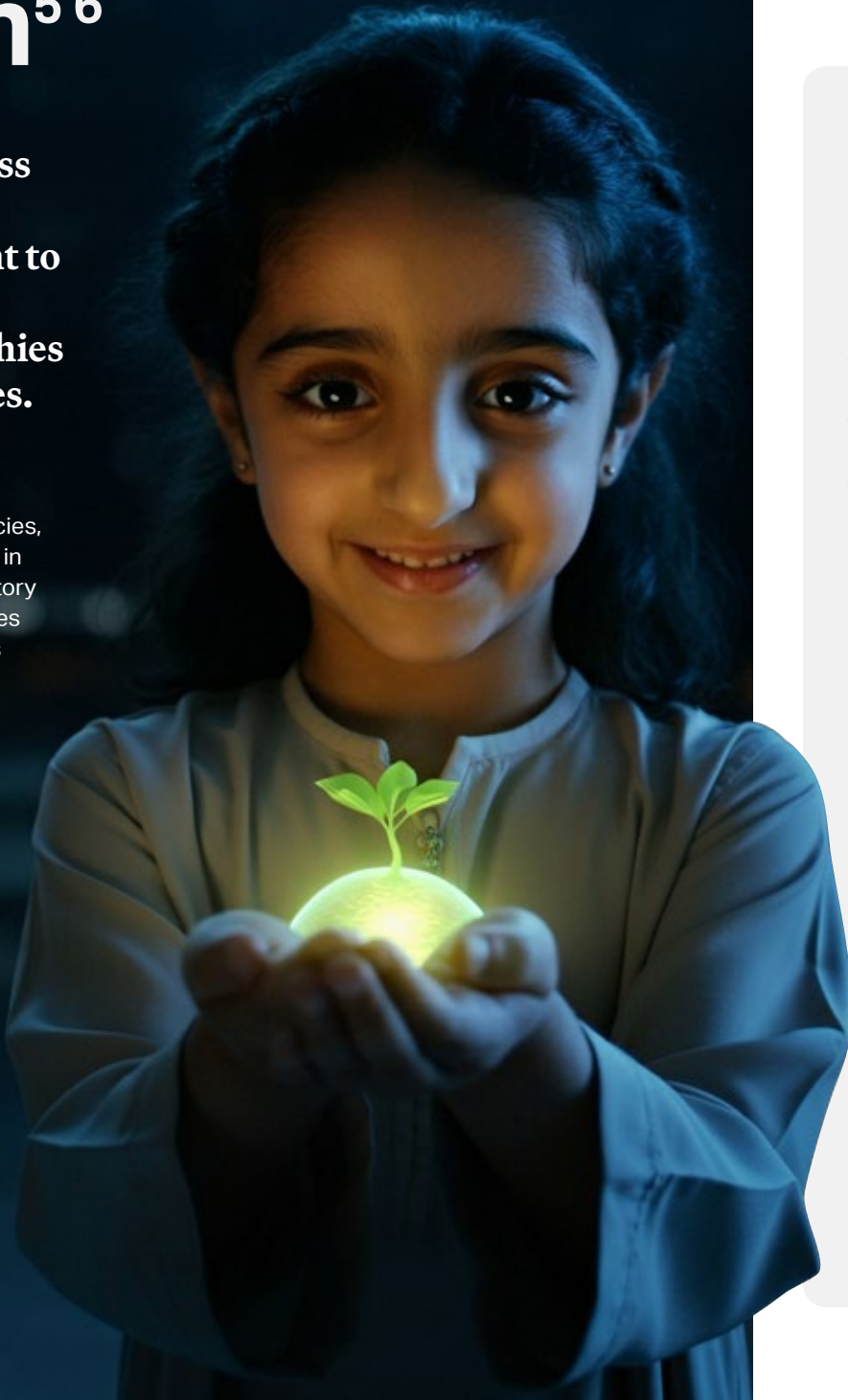


Environmental protection^{5 6}

ADNOC Distribution’s business operations and services are underpinned by a commitment to generate a positive impact on the communities and geographies in which the Company operates.

ADNOC Distribution develops and maintains policies, guidelines, processes and management systems in line with leading practices, standards, and regulatory requirements. This ensures the Company mitigates any adverse environmental impacts caused by its business operations.



Climate risk mitigation

ADNOC Distribution recognizes the physical and transition risks and opportunities posed by climate change and is progressing efforts towards developing a systematic process to identify and assess these risks. This process will enable informed decision making to address potential challenges and capture future opportunities..

Our governance structure is comprised of Board members, Executive Management and working-level Committees to ensure holistic and effective execution of our Sustainability Agenda and future Climate Risk Mitigation & Adaptation plans. The clear allocation of roles and responsibilities enables us to uphold the highest level of integrity and efficiency in our Sustainability Agenda top-down, as well as how it is implemented on an operational level.

The ESG Subcommittee provides leadership from the top to set guiding values and will ensure the future climate risk mitigation and adaptation considerations are incorporated into business priorities and decision-making.

The ESG Subcommittee guides the Executive Committee to accelerate delivery of ESG outcomes by integrating risks and opportunities, investor and stakeholder expectations, and changes in regulatory compliance requirements into the development and management of business-aligned strategies.



Emissions

We minimize GHG emissions caused by our operations through effective measurement, reporting and verification processes, as well as the use of clean energy sources. ADNOC Distribution is actively delivering against its decarbonization roadmap and its 2030 GHG emissions intensity reduction commitment, through PV solar, energy optimization and the use of low carbon fuels. ADNOC Distribution is increasing its share of sustainable infrastructure by increasing its investments in low carbon fuels, EV charging infrastructure, and green hydrogen.




Energy

Management enhances the energy performance of our business operations and services, in line with leading standards to reduce negative environmental impact.

ADNOC Distribution works closely with its partners and suppliers to manage its resource consumption in a responsible manner across its operations, including energy and water consumption, as well as waste management. Ensuring adequate environmental oversight is essential to the Company’s approach. This oversight includes management-level discussions on sustainability, including certified environmental operations, the development of climate risk mitigation tools, and recycling measures. Overall environmental performance is supported by key performance indicators (KPIs) related to energy, emissions, water, and waste.

⁵ ADX ESG Guide: E10 Climate Risk Mitigation
⁶ ADX ESG Guide: E7 Environmental Operations


ADNOC Distribution has achieved ISO 50001 certification, which was successfully renewed in 2024. Our Energy management process is fully aligned with these certification requirements. Energy audits, following ASHRAE standards, were regularly conducted to identify opportunities for improving energy performance.




Decarbonization roadmap

In 2023, ADNOC Distribution developed its decarbonization strategy underpinned by active work to mitigate the impact on climate. In January 2023, the decarbonization roadmap was announced with a target to reduce the Company’s operational GHG intensity by 25% by 2030, by identifying a set of tangible initiatives.

The progress to the targets is reviewed and monitored by the Sustainability Committee and Board level ESG Subcommittee.



⁷ ADX ESG Guide: E3 Energy Usage
⁸ ADX ESG Guide: E4 Energy Intensity
⁹ ADX ESG Guide: E5 Energy Mix



Energy management ^{7 8 9}

As the UAE’s leading mobility retailer, the Company is developing more efficient energy solutions and products, facilitating the global energy transformation to cleaner energy sources (such as electric vehicles), and lowering its organizational energy intensity levels. The Company follows all relevant national visions and strategies, including UAE Energy Strategy 2050, in its energy efficiency policies, programs, and initiatives, as well as its strategic approach to energy management.

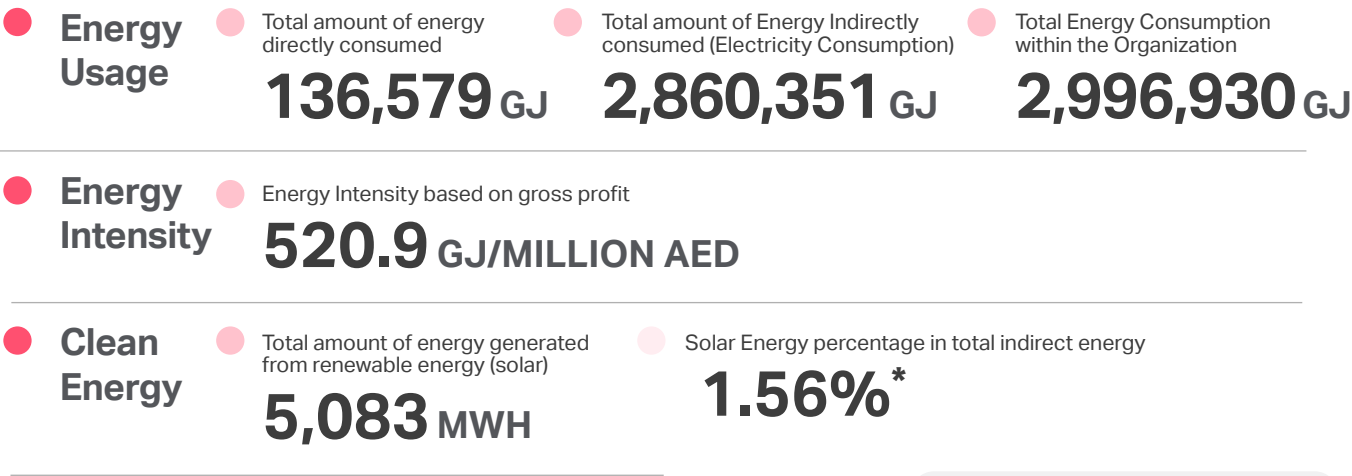
ADNOC Distribution carries out strategic and operational clean energy initiatives to reduce its reliance on conventional energy sources and increase the use of clean energy sources, such as solar energy and carry out energy optimization initiatives. This will support the Company to reach its target of 25% reduction in operational GHG emission intensity by 2030 and helps the Company to meet local, national, and international targets such as UAE’s Net-Zero initiative, and ADNOC’s Net-zero ambition by 2045 and lower its energy costs.

Energy mix

ADNOC Distribution is working on adopting a sustainable energy mix for its fleet of vehicles and using renewable energy in its service stations, in addition to rolling out lower-carbon products for its customers. The approach to a balanced transition underlines ADNOC Distribution’s commitment to driving sustainable growth through constant innovation in new energy solutions. Increasing the consumption of clean energy sources is a critical pillar in the Company’s strategic energy objectives to diversify ADNOC Distribution’s energy mix. To this end, the Company has converted an existing term loan of AED 5.5 billion into a sustainability linked loan (SLL), demonstrating its determination to align its funding objectives with its corporate sustainability strategy. One of the KPIs linked to this loan is the renewable energy sources for own consumption (mwh consumption per year), reinforcing the company’s commitment to increasing the share of renewal and clean energy in its energy mix.

The Company aims to increase the share of renewable energy usage for its operations by installing solar PVs across more service stations, further reducing the Company’s grid electricity energy consumption, and contributing to a reduction in carbon emissions. ADNOC Distribution also aims to optimize energy by identifying Energy Conservation Opportunities (ECOs) at its facilities and retrofitting existing building services. In 2023, ADNOC Distribution partnered with Emerge to install solar panels at its service stations in Dubai as part of a phased approach to solarize its service stations across the UAE. At the end of 2024, the Company has solar photovoltaic panels (PV) installed on 31 of its service stations. The Company aims to install more solar panels on ADNOC Distribution’s stations in 2025 and beyond to increase power sourced by clean energy and contribute to the reduction of emissions.

Below are ADNOC Distribution’s Energy data for 2024:



Energy management systems

An Energy Management System is maintained by ADNOC Distribution to ensure optimization of energy consumption in line with these requirements. The energy performance of the Company is managed through a robust and periodic audit process, and annual external third-party verification. ADNOC Distribution encourages continual improvement in its energy performance by aligning its physical assets in line with international best practices and standards.

*Percentage of Indirect Energy (Electricity Consumption) of 321,070 MWh

ADNOC Distribution is

ISO 50001:2018

certified

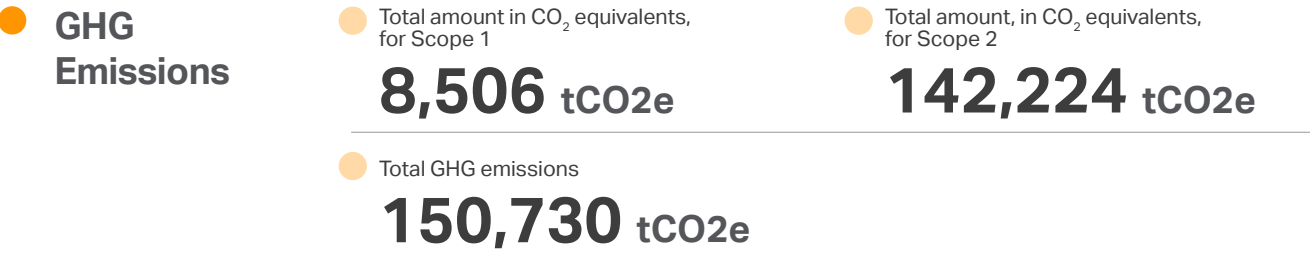
(Energy Management)

Green house gas emissions^{10 11}

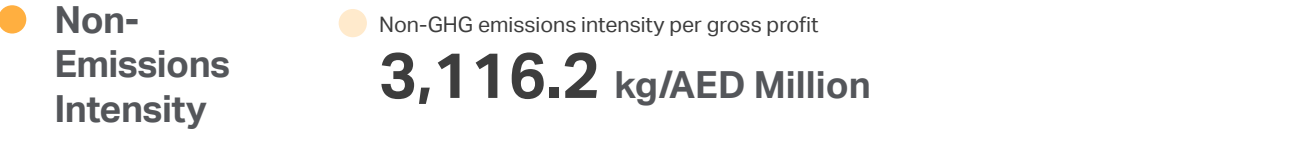
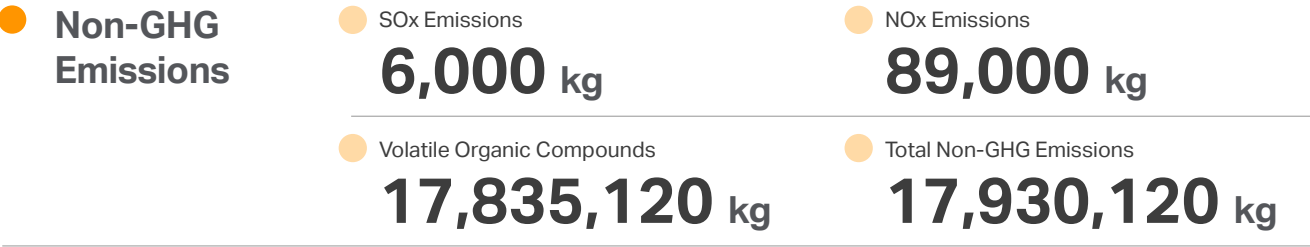
ADNOC Distribution is committed to mitigating the greenhouse gas (GHG) emissions caused by business operations and services, in line with the global, regional, and national climate change plans, including ADNOC’s Net-Zero ambition and the UAE’s National Climate Change Plan 2017-2050. In 2023, the Company launched its decarbonization roadmap with an objective to achieve a 25% reduction in its GHG emission intensity by 2030, demonstrating its commitment to decarbonizing its operations. The Company started the implementation of a set of initiatives to reduce its Scope 1 and 2 emissions, including the use of biofuel in its vehicles: today the Company has 100% of its UAE own fleet powered with biofuel. The Company also partnered with Emerge to install photovoltaic solar panels across service stations in Dubai as part of a phased approach to solarizing our stations in the wider UAE.

Below are ADNOC Distribution data for 2024:

GHG Emissions Data



Non-GHG Emissions Data



¹⁰ADX ESG Guide: E1 GHG Emissions
¹¹ADX ESG Guide: E2 Emissions Intensity

Waste

ADNOC Distribution follows waste management guidelines created by ADNOC Group’s HSE Management System. It also complies with all necessary legal standards for waste management. The Company follows the requirements of several regulatory authorities, including the Abu Dhabi Waste Management Center (Tadweer) and Dubai Municipality. Third-party Environmental Services Providers, approved by Tadweer, transport all waste quantities, and are obliged to comply with applicable legal requirements in Abu Dhabi.

ADNOC Distribution hired a third-party service provider to conduct its environmental assessments and assess the waste produced by its customers to assess the environmental impact resulting from waste generated. ADNOC Distribution is registered with Tadweer’s BOLISATY system, where all waste and related data is tracked from source to destination (place of disposal). Moreover, the Company keeps track of the compliance levels of its contractors by conducting audits and

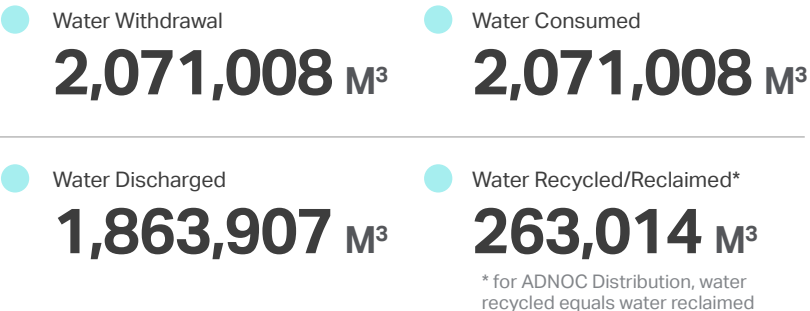
monitoring through Tadweer’s BOLISATY monitoring portal. Additionally, ADNOC Distribution has implemented Reverse Vending Machines (RVMs) at its service stations to facilitate the recycling of plastic bottles and aluminum cans, encouraging public participation in recycling initiatives.

“Reduce, Reuse, and Recycle” is the hierarchy followed by ADNOC Distribution for waste disposal. The business keeps track of its inventory levels and disposes of solid waste and expired chemicals, including firefighting foam, through external third-party contractors who adhere to all relevant legal waste disposal regulations. Additionally, the business periodically audits a list of chosen contractors to ensure compliance. Hazardous solid waste is delivered to Central Environmental Protection Facility BeAAT’s treatment facility, while non-hazardous domestic waste is disposed of in landfills. In addition to recycling used lube oils, the Company also recycles solid waste, including paper and tires through third-party.


Water¹²

ADNOC Distribution is committed to adopting water saving initiatives. This includes installing aerator water savers across all washrooms and mosque ablution areas in service stations, offices, and other sites. The Company also uses treated recycled water to operate its car washing docks, which accounts for 80% of the total water used in this operation.

Below are ADNOC Distribution water data for 2024:



¹²ADX ESG Guide: E6 Water Usage



The total water consumed in 2024 was

1,585,307m³