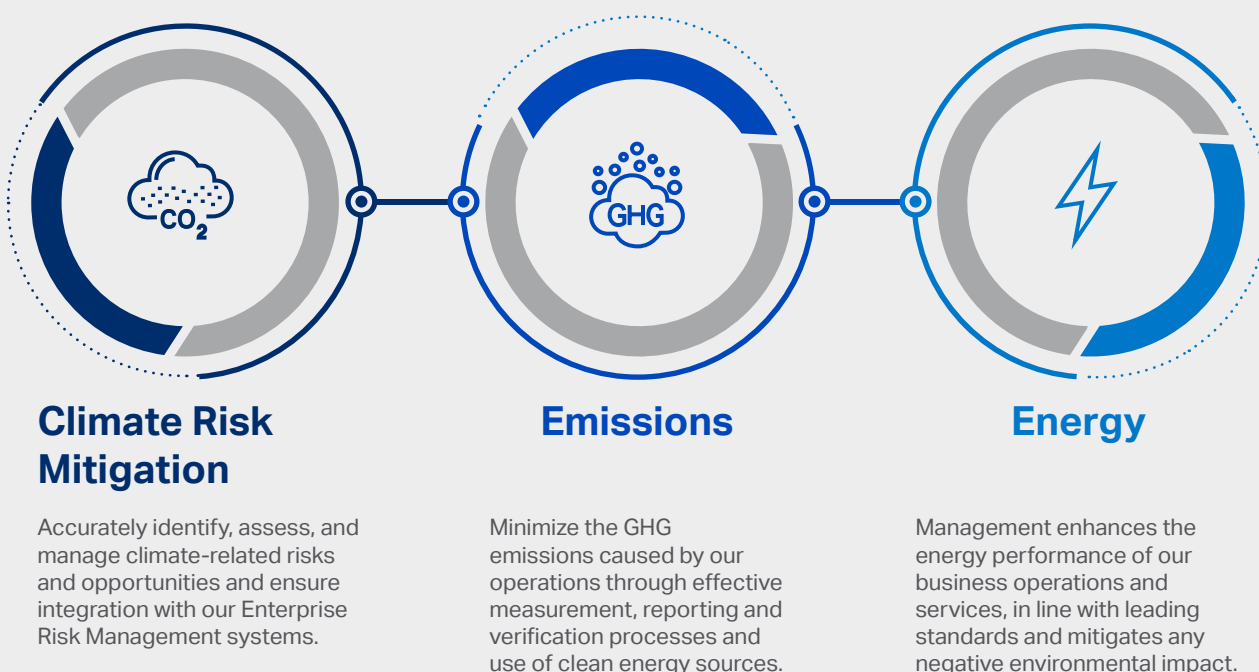


PROTECTING ENVIRONMENT^{21 22}

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 to ensure it mitigates any adverse environmental impacts caused by its business operations.



ADNOC Distribution works closely with its partners and suppliers to manage its resource consumption in a responsible manner, including the use of energy and water, and management of waste throughout its operations. Ensuring adequate environmental oversight is essential to the Company's approach, including management-level discussions on sustainability, including certified environmental operations, 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.

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 carbon footprint 25% by 2030, by identifying a set of tangible initiatives.

21. ADX ESG Guide: E10 Climate Risk Mitigation

22. ADX ESG Guide: E7 Environmental Operations

ENERGY MANAGEMENT^{23 24 25}

As the UAE’s leading mobility retailer, the Company is developing more efficient energy solutions and products, facilitating the global energy transition 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 GHG emission intensity by 2030 and helps the company to meet local, national, and international targets such as UAE’s Net-Zero by 2050 strategic initiative 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 enhance ADNOC Distribution’s energy mix by including clean energy sources. To this end, the Company has converted an existing term loan of \$1.5 billion into a Sustainability Linked Loan (SLL), demonstrating its determination to align its funding objectives with the 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 has partnered with Emerge to install solar panels at its service stations in Dubai as part of its phased-out approach to solarize its service stations across the UAE. At the end of 2023, the Company has solar photovoltaic panels (PV) installed on 31 of its service stations, of which 26 were installed in 2023. The Company aims to install more solar panels on ADNOC Distribution’s stations in 2024 and beyond to increase power sourced by clean energy and contribute to the reduction of emissions.

Below are ADNOC Distribution’s Energy data for 2023:

Energy Usage	Total amount of energy directly consumed	GJ	357,985
	Total amount of energy indirectly consumed	GJ	1,015,492
Energy Intensity	Energy Intensity based on revenue	GJ/Million AED	39.7
Clean Energy	Total amount of energy generated from renewable energy (solar)	GJ	2,369

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.



23. ADX ESG Guide: E3 Energy Usage

24. ADX ESG Guide: E4 Energy Intensity

25. ADX ESG Guide: E5 Energy Mix

GREEN HOUSE GAS EMISSIONS^{26 27}

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 UAE's recently announced Net-Zero by 2050 strategic initiative 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 heavy 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 GHG Emission data for 2023:

GHG Emissions	Total amount in CO ₂ equivalents, for Scope 1	tCO ₂ e	25,359
	Total amount, in CO ₂ equivalents, for Scope 2 (if applicable)	tCO ₂ e	123,241
Emissions Intensity	Total GHG emissions per output scaling factor	tCO ₂ e/Million AED	4.3

WASTE

ADNOC Distribution follows the waste management guidelines created and included in the HSE Management System of ADNOC Group. 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 determine 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. "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, cardboard, plastic and metals through third-party.

WATER²⁸

ADNOC Distribution is committed to adopting water saving initiatives. This includes installing aerator water savers across all washrooms and mosque ablution areas in ADNOC service stations, offices, and 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. The total water consumed in 2023 was 1,792,265 m³.

26. ADX ESG Guide: E1 GHG Emissions

27. ADX ESG Guide: E2 Emissions Intensity

28. ADX ESG Guide: E6 Water Usage