



أدنوك
ADNOC

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT 2022

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ABOUT THIS REPORT¹

We are pleased to bring you the 4th annual Environmental, Social, and Governance (ESG) Report from ADNOC Distribution, which depicts the progress of our sustainability journey for 2022.

This report reflects our commitment to public disclosure of every aspect of our non-financial performance, which is aligned with the organization's six pillars. They are:



Our strategic sustainability framework highlights our goals, initiatives, and impacts. This report highlights our successes and learnings gained through continuous stakeholder engagement procedures.

From January 1 to December 31, 2022, the reporting period captures ESG data for all ADNOC Distribution services and activities within the UAE. **This report has been prepared with reference to the Global Reporting Initiative (GRI) Standards** (see GRI content Index at the end of this report for full details). Before the effective implementation date of January 1, 2023, we confirmed our reporting to GRI 2021 disclosure standards. The GRI Reporting Principles of Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability Context, Timeliness, and Verifiability were considered when developing the report.

The report is also mapped with the key elements of the Taskforce on Climate-related Financial Disclosures (TCFD), International Integrated Reporting Council (IIRC) and United Nations Sustainable Development Goals (UN SDGs).

Eight UN Sustainable Development Goals (SDGs) were adopted as focus areas by ADNOC Distribution, serving as a reference baseline for our work and objectives. Furthermore, we extensively explore the relevance of our initiatives for their alignment with and contribution to the 2030 Agenda for Sustainable Development. To better understand our sustainability journey, we encourage our stakeholders to contact us through our website. For feedback and queries on this report, you may email ir@adnocdistribution.ae.



Accuracy

The information in the report is consistent with the ESG performance of ADNOC Distribution. The report identifies the data points that have been measured or approximated and emphasizes the approach, if any, of computations.



Balance

The report aims to provide an accurate, fair, and objective depiction of our ESG performance throughout the reporting period.



Clarity

The disclosures offered in the GRI Content Index have been clearly and comprehensively described in the report.



Completeness

The report offers data that makes it possible to evaluate the profound impacts that ADNOC Distribution had throughout the reporting period.



Sustainability context

The study lists several of our approaches and their effects concerning the UN SDGs and other relevant national and international sustainable development frameworks.



Timeliness

Our commitment to providing our stakeholders with timely ESG data is evidenced in this 4th annual ESG report.



1. 2-2 Entities included in the organization's sustainability reporting
2-3 Reporting period, frequency, and contact point

2022 ESG HIGHLIGHTS

ADNOC Distribution takes great pleasure in creating standards for the highest levels of customer service in the UAE. Our primary concerns are the Group's employees, customers, communities, and the environment. Safeguarding and responsible engagement with these stakeholders is fundamental to our ability to remain resilient in the face of global uncertainties.



CLIMATE, EMISSIONS, AND ENERGY

Announced a Decarbonization Roadmap (GHG emissions)

To achieve a 25% reduction in Scope 1 and 2 emissions intensity by 2030 through higher energy efficiency and cleaner fuel initiatives, setting the path to Net-zero by 2050.

2,327 GJ Solar Energy generated and consumed, contributing to a reduction in GHG emissions equal to **291 tons of carbon dioxide equivalent** (tCO₂e).

Rooftop solar PV panels on five service stations.

ADNOC Voyager Green series launched, a 100% carbon-neutral plant-based lubricant range for petrol and diesel engines.

New Euro 5/6 Emission Standard
ADNOC Distribution is the first fuel distribution Company in the UAE to comply with the new Euro 5/6 Emission Standard.



LOCAL ENVIRONMENT

AED 11.3 Million was invested in environment-related infrastructure, improvement initiatives, studies, risk mitigation, and management projects.

80-90% of the water consumed in car wash operations recycled.

100% compliant with the Abu Dhabi Single Use Plastic Policy by removing single-use plastic bags from ADNOC Distribution retail stations.



ECONOMIC AND SOCIAL CONTRIBUTION

Continued investment in the UAE's infrastructure with the addition of 42 new stations, 28 new convenience stores, and the refurbishment of 42 convenience stores in the UAE.

70% In-country value contribution increased in 2022 compared to 61% in 2021.

AED 32,112 Million revenue increase in economic value generated by **53%**.

AED 50,000 increased sales revenues for Al Ghadeer Project, a project established to help low-income women in the field of sustainable crafts, offered free space in ADNOC Oasis Convenience Stores to promote and sell their handicrafts and products to the customers.

AED 2 Million invested in CSR and related sponsorship initiatives.



WORKFORCE DIVERSITY AND DEVELOPMENT

64% Emiratization rate.

427 unique courses and training processes were conducted across various topics and subjects.

42 highly promising fresh graduate talents identified and enrolled at ADNOC Distribution.

Gender Diversity Policy developed a new Gender Diversity Policy to enhance our drive to be an equal opportunities employer.

71 nationalities in ADNOC Distribution's workforce.



BUSINESS SUSTAINABILITY

The first UAE fuel retailer to secure a sustainability-linked loan by converting its existing \$1.5bn loan into a sustainability-linked one.

Cash Flow predictable cash flow generation and strong balance sheet to grow in domestic and international markets, elevate customer experience, invest in developing people and local communities, and sustain attractive dividend payments to shareholders.

ISO 9001:2015 Quality Management Systems.

100% senior management and employee members received anti-corruption training and communication.

Launched an Integrated Management System (IMS) to seamlessly integrate processes in line with our current business, leading industry practices, and internally recognized ISO standards requirements.



HEALTH, SAFETY, AND SECURITY

Zero Fatalities and zero catastrophic incidents.

Zero high-consequence work-related injuries.

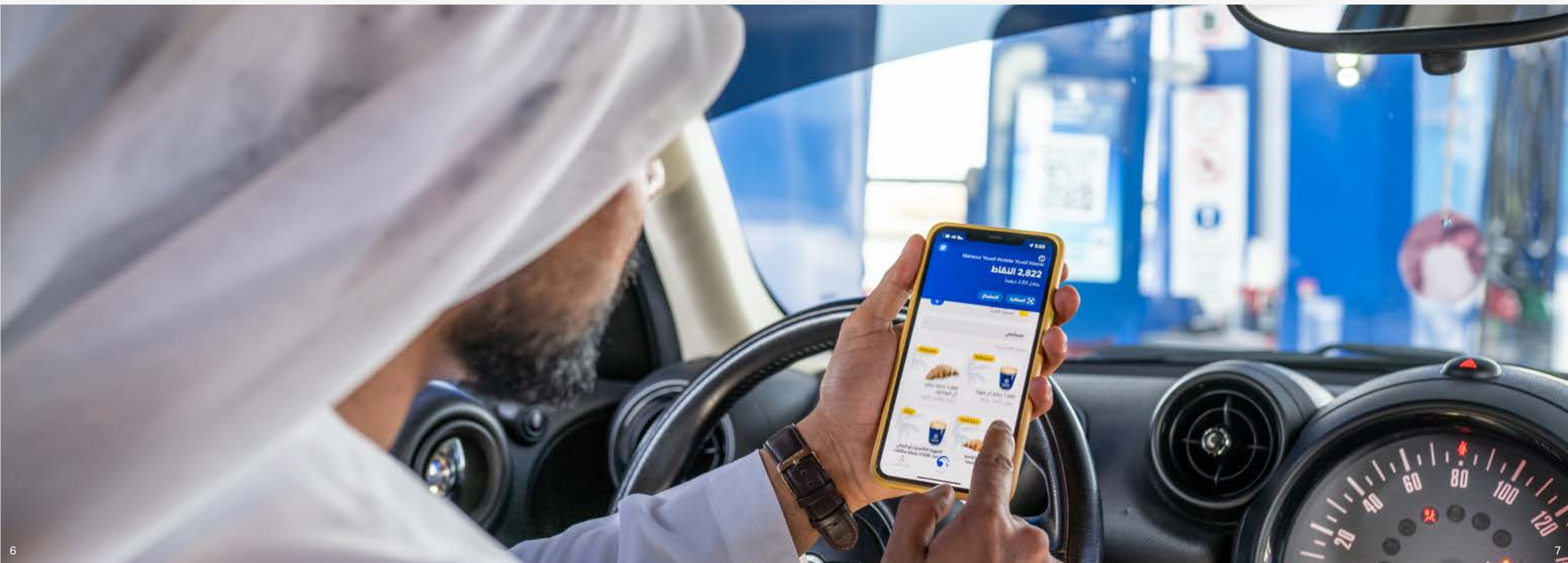
64 HSE Training Courses delivered to over 11,000 employees.

KEY MILESTONES ACHIEVED IN 2022

FULL YEAR

- ▶ Opened 68 new stations across the UAE and KSA (42 in the UAE and 26 in KSA), taking our entire network to 568 (502 in the UAE and 66 in KSA).
- ▶ Opened 28 new convenience stores and refurbished 42.
- ▶ Opened a new flagship station in Dubai that leverages advanced technologies – including smart cameras and digital screens at the pump – to deliver a personalized, digitally immersive, and seamless customer journey. The station also offers impressive sustainability credentials, partially powered by renewable sources – including an energy-generating walkway in the first double-story ADNOC Oasis convenience store.
- ▶ In July 2022, the Company further advanced its international expansion by entering into an agreement with TotalEnergies Marketing Afrique SAS to acquire a 50% stake in TotalEnergies Marketing Egypt LLC (among the top four fuel retail operators in Egypt). The acquisition was completed in Q1 2023.
- ▶ The total number of export network countries of ADNOC Distribution's VOYAGER lubricants portfolio rose to 25 markets in 2022 compared to 19 markets at the end of 2021. The Company also launched a new ADNOC VOYAGER green series, an alternative 100% carbon-neutral plant-based lubricant range for petrol and diesel engines.
- ▶ Reached nearly 1.6 million loyalty members of the ADNOC Rewards program - a 33% increase compared to the end of 2021.

2022 ACHIEVEMENTS:
REAFFIRMING OUR COMMITMENT TO DELIVERING SMART GROWTH, OPERATIONAL EFFICIENCIES, AN ELEVATED CUSTOMER EXPERIENCE, AND ATTRACTIVE SHAREHOLDER RETURNS.



ACHIEVEMENTS BY QUARTERS



Q1

- ▶ Opened 18 new stations in the UAE and KSA.
- ▶ Opened four and refurbished three convenience stores in the UAE.
- ▶ Launched the ADNOC Voyager Green series, which offers customers a 100% carbon-neutral plant-based lubricant range for petrol and diesel engines.
- ▶ New partners added to the ADNOC Rewards program.
- ▶ ADNOC Distribution shares were included in FADX15 Index.



Q2

- ▶ Opened nine new stations in the UAE, including four sites in Dubai.
- ▶ Added 11 new stations in KSA, taking the entire Saudi Arabian network to 66.
- ▶ Opened nine and refurbished two convenience stores in the UAE.
- ▶ ADNOC Rewards program expanded to include a fuel redemption option, whereby customers can pay for their fuel with their ADNOC Rewards points.
- ▶ 100% compliant with the Abu Dhabi Plastic Single Use Policy by removing single-use plastic bags from ADNOC Distribution retail stations.
- ▶ ADNOC Distribution became the first UAE Company to comply with the new UAE Gasoline Standard.



Q3

- ▶ Opened nine new stations in the UAE, of which two were in Dubai, including the Company's flagship station that leverages advanced technologies and has the first double-story ADNOC Oasis convenience store.
- ▶ Opened seven and refurbished six convenience stores in the UAE.
- ▶ Signed an agreement to acquire a 50% stake in Total Energies Marketing Egypt.
- ▶ Launched a series of promotions, including the Let's Go Shop and Win Raffle and comprehensive vehicle inspection, car wash, and lube change offers.
- ▶ Utilized green concrete (eco-friendly concrete) in constructing new service stations in Abu Dhabi, Dubai, and the Northern Emirates.



Q4

- ▶ Opened 21 new stations in the UAE, including two in Dubai, crossing the 500 stations milestone in the country.
- ▶ Opened eight and refurbished 26 convenience stores in the UAE.
- ▶ Successfully refinanced an \$1.5 billion loan for a five-year term, converted later into a Sustainability-Linked Loan, and secured a Revolving Credit Facility (RCF) of AED 2.8 billion from ADNOC PJSC for five years.
- ▶ Added new distributors for ADNOC Voyager lubes, taking the total number of countries it is exported to, to 25.
- ▶ Reached nearly 1.6 million loyalty members of the ADNOC Rewards program, a 33% increase compared to the end of 2021.
- ▶ Launched an Information Vehicle Management System for root optimization and monitoring driver behaviors.
- ▶ Optimized the use of reusable water bottles to eliminate single-use plastics across all locations Offices.

A NOTE FROM THE CEO



WE ARE EXPANDING THE INTEGRATION OF ESG PRINCIPLES ACROSS THE ENTIRE COMPANY THROUGH A COHESIVE OPERATIONAL APPROACH, WHILE ENSURING THE UTILIZATION OF A ROBUST DATA MONITORING SYSTEM TO DRIVE RESULTS.

Eng. Bader Saeed Al Lamki
Chief Executive Officer
ADNOC Distribution

I'm pleased to introduce ADNOC Distribution's 2022 ESG Report for the financial year ending 31st December 2022.

Founded in 1973, ADNOC Distribution is the UAE's leading fuel distributor and convenience store operator. As we prepare to celebrate our Golden Jubilee, we acknowledge the many milestones witnessed throughout the Company's history. Our initial public offering in December 2017 marked a turning point in our journey, accelerating our transformation strategy to become an increasingly business-driven organization.

This progress has further increased our efforts to maintain the sustainability of the business to achieve our strategic goal of becoming the region's leading provider of convenient mobility solutions as ADNOC Distribution continues to evolve. We also remain committed to our overarching vision, which aims to develop and support a sustainable business model that reflects a positive long-term impact to benefit the communities in which we operate.

I am incredibly proud of ADNOC Distribution's achievements as they reflect our alignment with the values of our shareholders and our firm

commitment to embodying our triple-bottom-line operation.

Over the past years, we've paid particular attention to observing, monitoring, and upgrading our Environmental, Social, and Governance (ESG) principles and their overall effect on our performance. We have also aligned our sustainability pillars with the UN Sustainable Development Goals (SDGs), which form a best-practice benchmark. By evaluating eight relevant SDGs focus areas for our business, we can contribute to and positively impact our operations, people, and the environment.

ADNOC Distribution continues to evolve its ESG strategic vision in line with leading local and global ESG agendas, such as the UAE Energy Strategy 2050, the UAE initiative to achieve Net-zero by 2050, the National Climate Change Plan of the UAE 2017-2050, the Environment Vision 2030 and the Abu Dhabi Economic Vision 2030. These and others provide valuable insights and guidance on maximizing our ESG work effectively and efficiently to achieve long-term sustainable growth.

Future-proofing our business for a climate-resilient future. According to The Global Risks Report 2022 by the World Economic Forum, the most significant long-term threat to the world, with the most severe impact over the next decade, is 'climate action failure.' This complex reality has inspired everybody at ADNOC Distribution to identify climate-related risks surrounding our business, objectively assess how they might threaten the Group's operations, and mitigate them by developing viable solutions.

Our approach to a balanced energy transition and operational efficiency will focus on various sustainability initiatives, including adopting circular economy and climate action strategies. This approach includes deploying compressed natural gas (CNG) fuel for vehicles, developing low-carbon and high-performance fuels and lubricants, and introducing an electric charging network to meet the growing demand for electric vehicles (EVs). Collectively, these will accelerate the adoption of clean and renewable energy sources.

We are also pleased to have announced the launch of the ADNOC

Distribution GHG emissions intensity reduction roadmap. It aims to minimize our carbon emissions and energy consumption footprint while fulfilling our climate ambitions of a 25% reduction in carbon emissions intensity emissions, setting the path to Net-zero by 2050.

Nurturing our workforce We have demonstrated a diverse approach to sustainability across our six-pillar ESG philosophy. As our most valuable asset, two of those pillars focus on employee safety and well-being. We are entirely committed to the Health, Safety, and Environment (HSE) of our colleagues by providing 64 HSE training courses to over 11,000 employees. Furthermore, our approach to responsible human capital management includes the integration, promotion, and development of a diverse workforce right across the organization.

There are various policies specifically developed to prioritize our people and their well-being. In 2022, we offered employees 168,224 hours of training and development for their professional career growth, and we achieved a 64% Emiratisation rate. Our goal is to nurture a conducive working culture so that all our employees are afforded the training and space to do their best and build highly successful careers within a safe and respectful environment.

Strengthening Responsible Practices To become a sustainable and resilient business, we must observe responsible practices in all our operations. Furthermore, we recognize that responsible business practices played an essential part in our ability to deliver strong operational and

financial outcomes in 2022. The Company ensures that its operations align with core business principles and ethical standards, including transparency, fairness, integrity, accountability, and disclosure. With the formation of a comprehensive governance framework, we are taking ESG to the next level. Additionally, we anticipate that our approach will encourage greater ESG action amongst other companies in our industry sector.

Forward-Looking Our integrated approach is focused on maximizing our resources while nurturing our people and transitioning to a more climate-resilient operation. We remain committed to engaging and consulting with our stakeholders to identify, assess, and manage our material performance. We also remain fully committed to understanding our impact across ESG focus areas as we maintain our position as the leading fuel distributor and convenience retail operator in the cities and communities where we operate.

As we look to future-proofing the Group's operations for the long-term and to securing sustainable growth, the organization's strategic objectives will always align with global and national agendas on climate action, the transition towards a low-carbon economy, and a steadfast commitment to making a meaningful and lasting contribution to these critical objectives.

ABOUT ADNOC DISTRIBUTION²

OUR BUSINESS JOURNEY

Abu Dhabi National Oil Company for Distribution PJSC (‘ADNOC Distribution’ or ‘the Company’), was founded in 1973. The Company is primarily engaged in the marketing and distribution of fuel to both retail and commercial customers. It also operates non-fuel services at its service stations, including convenience stores, car wash, lube change, vehicle inspection, and leasing of rental properties.

ADNOC Distribution, which has its headquarters in Abu Dhabi, the capital of the UAE, operates 502 service stations and 362 convenience stores across the UAE. The Company also operates 66 retail fuel stations in the Kingdom of Saudi Arabia. Additionally, the business exports lubricants to 25 countries in Asia, Africa, and the Middle East. Furthermore, ADNOC Distribution’s working philosophy is deeply rooted in its basic principles, which inspire and guide everyday behavior. They represent the organization’s collaborative dedication to establishing, achieving, and exceeding its goals and its responsibilities to its stakeholders.

OUR VISION

We harness energy resources in the service of our nation.

OUR MISSION

Through the partnership, innovation, and a relentless focus on high performance and efficiency, we maximize the value of energy resources.

OUR VALUES



PROGRESSIVE

We harness the UAE’s spirit of innovation to ensure our business remains at the forefront of the global energy industry.



COLLABORATIVE

We collaborate closely with our partners and peers, leveraging our strengths to deliver mutually beneficial results.



RESPECTFUL

We encourage a culture of inclusivity and mutual respect and always operate to the highest professional and ethical standards.



RESPONSIBLE

We are committed to identifying ways to make a difference in our community while maintaining an unwavering commitment to health, safety, and the environment.



EFFICIENT

We are a performance-driven Company dedicated to maximizing the value of energy resources for the benefit of our people, community, partners, and nation.

OUR CORPORATE DIRECTION

ADNOC Distribution’s long-term goal is to safeguard its people’s health and safety while reducing potential harm to the community and the environment. This overarching direction is guided by the Group’s corporate policy and core values.

Committed to a robust ESG framework, we embrace a comprehensive viewpoint: sustainability encompasses more than just environmental concerns. It enables our stakeholders to understand how the Company handles opportunities and risks related to ESG factors.





The path towards success in creating value for our stakeholders is aligned with global goals and frameworks and is split into six strategic pillars contributing to eight SDGs.

The robust process of integrating sustainability into our corporate strategies and growth aspirations allows us to achieve a better working world while maximizing the Group’s core capabilities and strengths.



2. 2-1 Organizational details

OUR BUSINESS³

		 Service stations	 Convenience stores
 UAE	2021	462	346
	2022	502	362
 SAUDI ARABIA	2021	40	2
	2022	66	7

SUSTAINABILITY IN THE SUPPLY CHAIN

The Executive Management Team of ADNOC Distribution actively involves stakeholders in managing ADNOC Distribution's processes for identifying and managing impacts on the economy, environment, and people. The Company is also investing in low-emission energy sources, such as converting its vehicles to biofuel and installing solar panels on its stations. Along with managing decarbonization solutions, ADNOC Distribution invests in research and development projects to help identify cleaner and more sustainable fuel options.

Sustainability is embedded in the corporate culture of ADNOC distribution and is integrated into all business functions, policies, and activities. The Company sees sustainability as a strategic growth driver and will continue placing stakeholder value at the forefront of its long-term sustainability successes.

PROCUREMENT PRACTICES (LOCAL PROCUREMENT)

At ADNOC Distribution, procurement procedures act as a centralized function that supports all lines of business by purchasing goods and services from reliable suppliers who follow laws and regulations for sound environmental and social management.

The Supply Chain Division of ADNOC Distribution sources its key fuels from suppliers via chartered marine vessels and the ADNOC Pipeline. The Company stores its fuel products at its eight Supply Chain Terminals in Abu Dhabi, Sharjah, and Ras Al Khaimah. Gasoline is among the products the Company supplies to its service stations, business clients, and airport locations through its own, contracted, and customer-owned road tanker fleet. When necessary, supplies are delivered to clients via marine vessels. ADNOC Distribution also supplies jet fuel to airports from its six Aviation terminals.

ADNOC Distribution's Policies and Procedures directly cover all procurement activities. They aim to increase value throughout the procurement value chain, enhance working capital management, and ensures that commercial considerations guide procurement decisions. ADNOC Distribution seeks to minimize supply chain risk while ensuring the timely provision of goods and services in alignment with its business objectives. It also attempts to maximize value for the country's fuel distribution industry.

ADNOC Distribution is a well-known regional market leader in the downstream marketing and distribution of retail fuels, commercial fuels and finished lubricants, aviation fuels, automotive lubes, compressed natural gas (CNG), and liquefied petroleum gas (LPG). Along with providing high-quality convenience retailing, it also offers allied retail services like car wash, lube change, property management services, and vehicle inspection.

We commit to widening our market reach by growing and expanding in domestic and international markets. ADNOC Distribution's domestic operations span the seven emirates of the UAE, with an additional 66 fuel stations in Saudi Arabia as of 31 December 2022.



ADNOC Distribution also exports its Automotive and Commercial Lubricants to **25 countries in the GCC, Middle East, and North Africa.**

OUR PRODUCTS AND SERVICE OFFERINGS



Fuel services

The major fuels that ADNOC Distribution offers include gasoline (91, 95, and 98 octanes), gas oil, lubricants, CNG, and LPG.



Residential products

The business sells LPG in 25- and 50-pound cylinders to residential customers for home cooking and in bulk for corporate customers.



Convenience stores

ADNOC Distribution runs convenience stores in its stations, in addition to standalone stores that sell fresh food, groceries, drinks, snacks, confectionery items, hot and cold beverages, etc.



Corporate products

For commercial, industrial, and governmental clients, ADNOC Distribution provides and distributes bulk refined petroleum products such as gas oil, gasoline, LPG, and lubricants. Additionally, the business sells lubricant goods under its Voyager brand to commercial, residential, and governmental clients in the UAE. It exports them to 25 nations in the GCC, Africa, Asia, and the Middle East.



Non-Fuel services

Many of the Company's service stations also provide non-fuel services, including car care activities such as car washes and lube changes. Additionally, partners and tenants offer services at the Company's service stations, such as vehicle maintenance, repairs, and tire changes. The Company also manages and leases retail space inside its service stations and operates 32 vehicle inspection and testing centers in Abu Dhabi and the Northern Emirates.



Aviation products

The business manages fueling and distribution services at all Abu Dhabi airports and several airports in the Northern Emirates. It also sells aviation fuel to strategic customers.



Marketing & Distribution of Refined Petroleum Products

- ▶ Gasoline (ULG-91,95,98)
- ▶ Gasoil (Diesel)
- ▶ LPG
- ▶ CNG
- ▶ ADNOC Voyager Lubricants
- ▶ Jet Fuel
- ▶ Kerosene Oil
- ▶ Base Oil



Non-Fuel Retail

- ▶ ADNOC Oasis Convenience Stores
- ▶ ADNOC Lube Change Service
- ▶ ADNOC Car Wash Service
- ▶ Property Management Services to lease space at ADNOC stations
- ▶ ADNOC Vehicle Inspection Services



3. 2-6 Activities, value chain and other business relationships

OUR STRATEGIC PILLARS



DOMESTIC FUEL

Progress as of 2022

- ▶ Expanded by adding 42 new stations across the UAE (8 in Dubai), taking our UAE network to 502 (39 in Dubai)

Objectives

To **maintain** and **grow retail market share** in Abu Dhabi and the Northern Emirates, including network expansion in Dubai.

Target by 2023

- ▶ Single-digit volume growth over 2018 – 2023
- ▶ Maintain leadership position in fuel retail business in UAE by 2023
- ▶ Increase ULG-98 contribution as a percentage of retail gasoline sales by 2023 through increased marketing, use of additives, and international certifications for premium fuels
- ▶ Grow commercial fuel sales in Dubai and the Northern Emirates



DOMESTIC NON-FUEL

Progress as of 2022

- ▶ Expanded store network to 362 (opened 28 new convenience stores in 2022)
- ▶ 42 stores were refurbished in 2022, taking the total number of stores refurbished over 2020-2022 to 193 stores

Objectives

Grow the network of convenience stores and **improve** customer offerings to provide a superior experience.

Target by 2023

- ▶ Complete store network renovation with a new look and feel
- ▶ Optimize product category management
- ▶ Improve fresh food and premium coffee offerings to boost basket size and margins.
- ▶ Increase store conversion rate (fuel to non-fuel conversion)
- ▶ expand into e-commerce and franchisee models



CUSTOMER EXPERIENCE

Progress as of 2022

- ▶ ADNOC Rewards Program continued to grow and enhanced its offerings to reach 1.6 million loyalty members - a 33% increase compared to the end of 2021
- ▶ Continued expansion of online channel presence with up to 3,000 products now available to order from over 200 convenience stores across the UAE
- ▶ Opened a new flagship station in Dubai which leverages advanced technologies – including smart cameras and digital screens at the pump – to deliver a personalized, digitally immersive, and seamless customer journey
- ▶ Launched marketing promotions

Objectives

To **boost customer loyalty** and **improve** the customer experience through various initiatives, including digitalization, rewards, etc.

Target by 2023

- ▶ Extension of the points-based ADNOC Rewards program
- ▶ Growth of e-commerce channels
- ▶ Service expansion for mobile fuel and LPG delivery
- ▶ Implementation of in-store and station smart tech



OPEX⁴ AND CAPEX⁵ EFFICIENCY

Progress as of 2022

- ▶ \$103m in like-for-like OPEX Savings from 2019-2022
- ▶ \$228m in annual CAPEX over 2019-2022, achieving CAPEX efficiencies in building stations through various value engineering initiatives

Objectives

To **optimize OPEX** to transition towards leading cost-efficient fuel retailer – both locally and internationally.

To **improve CAPEX** efficiency and effectiveness in our transition to a sustainable operation.

Target by 2023

- ▶ Savings on OPEX of between \$100 and \$150 million throughout the years 2019 to 2023 compared to 2018, with at least \$25 million like-for-like OPEX savings in 2023
- ▶ Smart, targeted OPEX optimization approaches include examining warehousing costs, reviewing operating models for retail sites, outsourcing, and vendor negotiations, simplifying marketing expenditures and back-office procedures, as well as optimizing utility usage
- ▶ Accelerating expansion CAPEX and improving network efficiency



INTERNATIONAL GROWTH

Progress as of 2022

- ▶ Added 26 new stations in KSA, taking our network in the Kingdom to 66 retail sites
- ▶ Entered into an agreement with TotalEnergies Marketing Afrique SAS to acquire a 50% stake in TotalEnergies Marketing Egypt LLC
- ▶ ADNOC Voyager lubricants exports to 25 countries

Objectives

To **expand the presence** in international markets (GCC, Middle East, Northern Africa, and Asia Region).

Target by 2023

- ▶ Expand more effectively in Saudi Arabia
- ▶ Complete acquisition of a 50% stake in TotalEnergies Marketing Egypt LLC
- ▶ Examine opportunities to expand presence in additional markets throughout the GCC, the Middle East, Northern Africa, and Asia, including potential lubricant export markets

OUR KEY ENABLERS

People and Performance Culture

Our people are our most important asset. We are dedicated to their growth and well being. We do all we can to make them motivated, realize their true and full potential. We strive to have a triumphant team with a great drive for success

Digital and IT Infrastructure

We increase our digital competencies by investing in upgrading IT infrastructures.

Operation and Customer Excellence

We focus on operational excellence to effectively, efficiently, and, most importantly, sustainably accomplish our progressive objectives.

Brand

We continually build our brand through a customer-centric strategy - a differentiated value proposition, marketing, and communications.

Sustainability and CSR

Our corporate social responsibility initiatives focus on boosting ICV, local employment, and entrepreneurship. In addition, we are committed to satisfying the nation's energy needs through sustainable practices.

4. Operating expenses
5. Capital expenditures

ADNOC DISTRIBUTION'S ESG AGENDA

ADNOC Distribution continues to work on its long-term strategies in meeting the global journey to reshaping the energy sector by implementing best practices for integrating sustainability across the value chain.

With all the efforts to improve its sustainability performance and commitment, ADNOC Distribution has developed a comprehensive decarbonization roadmap, in line with its sustainability strategy, to reduce its carbon intensity by 25% by 2030 with a pathway to Net zero by 2050.

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, which are always aligned with the UAE Net-zero by 2050 strategic initiative.

Moreover, during the Abu Dhabi Sustainability Week in January 2023, ADNOC Distribution announced that it converted its \$1.5bn term loan into a Sustainability Linked Loan (SLL), demonstrating its determination to align its funding objectives with the Corporate Sustainability Strategy. The move also serves to future-proof our business and deliver sustainable long-term shareholder value, marking

itself as the first UAE fuel retailer to have a Sustainability Linked Loan.

The Company strongly supports the UAE's National Sustainability Agenda and UAE Net zero Vision by 2050. ADNOC Distribution also aligns with Abu Dhabi National Oil Company's (ADNOC) broader strategic vision, recognizing ADNOC's 2030 Sustainability Strategy as a strong foundation for enabling ADNOC Distribution to improve the overall ESG Performance.



OUR SUSTAINABILITY STRATEGIC FRAMEWORK⁶

In alignment with the Company's overall corporate strategy, ADNOC Distribution has developed a Sustainability Strategic Framework that summarizes short, medium, and long-term goals, objectives, and KPIs for sustainability. The Framework drives progress and strengthens any previously established strategies. The Framework is also instrumental in integrating sustainability within the Group culture and delivering positive ESG impacts through its well-defined implementation cycle.



6. 2-22 Statement on sustainable development strategy

IMPACT SDGS

- 

SDG-5
Gender Equality
- 

SDG-6
Clean Water and Sanitation
- 

SDG-7
Affordable and Clean Energy
- 

SDG-8
Decent Work and Economic Growth
- 

SDG-11
Sustainable Cities and Communities
- 

SDG-12
Responsible Consumption and Production
- 

SDG-13
Climate Action
- 

SDG-17
Partnership for the Goals

THE OBJECTIVES OF THE SUSTAINABILITY STRATEGIC FRAMEWORK ARE CLASSIFIED UNDER SIX PILLARS SPREAD ACROSS ESG DOMAINS AND IN ALIGNMENT WITH 8 UN SDGS WITHIN THE FRAMEWORK.



ENVIRONMENT



1. CLIMATE, EMISSIONS, AND ENERGY

Optimize carbon emissions and energy consumption footprint.

- ▶ Adopt Green Liquid Fuels and plant-based renewable products or green lubricants
- ▶ Develop low carbon alternative fuels/energy portfolio (EV, Hydrogen, LCNG)
- ▶ Reduce GHG emissions and energy intensity

2. LOCAL ENVIRONMENT

Adopt a restorative approach to protect and preserve the local environment.

- ▶ Recycle water used in our operations and reduce in water consumption
- ▶ Reduce waste generation and improve waste disposal methods
- ▶ Promote the conservation of nature and biodiversity

SOCIAL



3. ECONOMIC AND SOCIAL CONTRIBUTION

Develop and deliver Corporate Social Responsibility (CSR) projects in priority areas:

- ▶ Community – support local communities by focusing on social campaigns
- ▶ Environment – support environmental programs contributing to the UAE's 2050 Net-zero emissions goal
- ▶ Economy – create shared value with local businesses, and contribute to the country's economic development by participating in the In-country value (ICV) Program

4. WORKFORCE DIVERSITY AND DEVELOPMENT

Promote Diversity, Equity, and Inclusion.

- ▶ Fairness – be a fair and meritocratic employer
- ▶ Diversity and inclusion – be a diverse and inclusive organization
- ▶ Employee wellbeing – preserve and improve employee wellbeing
- ▶ Employee satisfaction – provide and promote a motivating, engaging, and fulfilling working life

5. HEALTH, SECURITY, AND SAFETY

Demonstrate 100% commitment to HSE as 1st Priority.

- ▶ Planning – implement an HSE five years business plan
- ▶ Execution – comply with HSE lifesaving rules
- ▶ Safety Culture – implement a safety culture transformation strategy
- ▶ Asset Integrity – compliance with asset integrity-related HSE standards

GOVERNANCE



6. BUSINESS SUSTAINABILITY

Adopt best practices for business sustainability.

- ▶ Corporate Governance – adopt global best practices of management and reporting systems.
- ▶ Sustainability Governance - implement a comprehensive sustainability governance Frame-work.
- ▶ IT Transformation – modernize and digitize the IT landscape to act as a critical enabler of growth and efficiency
- ▶ Future-Proofing – strategy to proactively adapt to the energy transition, mobility transformation, digital disruption, and impact of climate change on the business
- ▶ Ethics and Compliance – align policies such as anti-bribery and corruption, ethics and compliance, and transparency with global standards

GOVERNANCE OF THE FRAMEWORK

The Chief Executive Officer (CEO) of ADNOC Distribution is the highest authority responsible for the development, implementation, monitoring, and reporting of sustainability initiatives across the organization.

A corporate-level Sustainability Committee comprising members from executive management has also been established to ensure robust governance of the framework. The committee meets monthly and provides insights and recommendations to the CEO on activities and policies relevant to integrating sustainability across the organization and beyond.



KEY OBJECTIVES OF THE COMMITTEE



COMPOSITION OF THE SUSTAINABILITY COMMITTEE

Chairman	Chief Executive Officer				
Deputy Chairman	Chief Investor Relations Officer				
Committee Members	Chief Financial Officer	Chief Business & Commercial Support Officer	Chief Operating Officer	Chief Marketing Officer	General Counsel
		Senior Vice President Human Capital	Vice President Strategy & Transformation	Senior Vice President Health, Safety & Environment	
Committee Secretary	Sustainability Team				

EXECUTION AND MONITORING THE FRAMEWORK

To monitor key metrics and set internal targets against them, ADNOC Distribution has established an Organizational Performance Scorecard, which includes KPIs on Environment, People, and other metrics such as Safety, Profitability, Performance, and Efficiency.

A Sustainability Committee is also set up to support the implementation of sustainability and CSR initiatives. The members meet monthly or as required and engage with the different business units to ensure that the Sustainability Strategy Framework is understood across the organization and supports various initiatives under each pillar of the Framework.

Sustainability topics are also included as a standing agenda item in the Board of Directors quarterly meetings to review the sustainability performance and progress initiatives.

REPORTING

This year ADNOC Distribution has published its fourth ESG Report. The organization also discloses its key ESG information within its Annual Report and website. ADNOC Distribution aims to expand its ESG reporting journey by continuous improvement in the disclosure of information.

OUR MATERIALITY



THE MATERIALITY ASSESSMENT PROCESS WAS CARRIED OUT (IN 2021) BY IDENTIFYING 37 TOPICS BASED ON THE ABOVE INDICATORS, AND 25 KEY ESG TOPICS

were identified based on extensive stakeholder consultation sessions with ADNOC Distribution's internal and external stakeholders, along with inputs, insights, and feedback from the Sustainability Committee. The key ESG topics are indicated below:



MATERIALITY ASSESSMENT METHODOLOGY⁷

ADNOC Distribution continues to show strong performance on its 25 key ESG topics, which were identified through an extensive materiality assessment process in 2021, following a four-step approach:



7. 3-1 Process to determine material topics
3-2 List of material topics



ENVIRONMENTAL

PILLAR

Energy Management	Develop efficient energy solutions Reduce energy intensity levels Contribute towards the UAE Energy Strategy 2050	Climate, Emissions & Energy
Emissions	Reduce greenhouse gas emissions through products and projects which will provide clean energy options for our customers, including reduction of emissions from own operations through abatement projects	Climate, Emissions & Energy
Water Management	Conserve, manage, and recycle water and continuous adherence to the HSE standards and regulatory compliance	Local Environment
Waste Management	Waste management in compliance with the regulatory requirements Optimize opportunities to reduce and recycle waste across the Company's operations Work on developing an efficient waste management program	Local Environment
Renewables / Clean Tech	Implement clean energy programs such as rooftop solar panels	Climate, Emissions & Energy
Environmental Compliance	Ensure compliance with applicable legal and other requirements by practicing the standard work methodologies	Local Environment
Spills	Maintain strict enforcement of procedures to prevent and mitigate any potential effects of operational spills or minimize impacts that might occur	Local Environment
Climate Risk Mitigation	Adapt with and mitigate climate risks applicable to ADNOC Distribution's business and support energy transition initiatives	Climate, Emissions & Energy
Biodiversity	Protect biodiversity by adhering to the internal biodiversity standards, guaranteeing that no operations performed in any protected areas without affecting the biodiversity	Local Environment



SOCIAL

PILLAR

Occupational Health and Safety	Protect the safety of employees and contractors through diligent planning, identifying potential and existing hazards, and managing risks at every aspect of operational activity Ensure employee and contractor wellbeing by providing access to the health insurance coverage and periodic medical surveillance	Health, Safety, and Security
Customer Health and Safety	Ensure customers wellbeing through various programs and aid offered in service stations (i.e., sanitization kits) and the accessibility of safety data sheets across all products	Health, Safety, and Security
Procurement practices	Ensure supply chain sustainability through robust procurement practices and policies	Economic and Social Contribution
Nationalization	Take part in UAE's vision in enriching national talents and promote the growing presence of UAE Nationals in the workforce to improve its Emiratization performance, ultimately	Workforce Diversity & Development
Diversity and Equal Opportunity	Provide a diverse and inclusive workplace through its policies that would ensure equal opportunities and fair treatment for all the employees	Workforce Diversity & Development
Local Community Impact	Design CSR projects to give more back to the community and that create a meaningful impact on these communities	Economic and Social Contribution
Training and Education	Ensure employees' professional growth through various learning and development programs, as well as maximizing the usage of virtual platforms in adjustment with the current conditions caused by the global pandemic	Workforce Diversity & Development
Employee Turnover	Maintain a healthy working environment that attracts and retains a workforce	Workforce Diversity & Development
Employee Engagement	Engage with employees through diverse forms of communications and regularly check their sentiments to see that their needs are met in professional development, health, and wellbeing	Workforce Diversity & Development



GOVERNANCE

PILLAR

Business Ethics and Integrity	Conduct business transparently and ethically, with the corporate governance framework that sets forth the policies and, most importantly, the code of conduct that guides various aspects in decision making, maintaining good performance, managing risks, and seeing a remarkable ESG Performance	Business Sustainability
Anti-Corruption	Conduct business lawfully, ethically and with integrity, the Anti-Bribery and Corruption policy sets guidelines to ensure that none of ADNOC Distribution's employees or representatives engage in any form of fraud, bribery, or other types of corruption	Business Sustainability
Board Overview	Ensure that the Board has the highest responsibility for decisionmaking on significant business matters, strategic governance, and oversight of executive bodies, as well as superintending the sustainability goals, programs, risks, impacts, and opportunities across the value chain	Business Sustainability
Risk and Crisis Management	Set policies and procedures to make sure that any form of risk or crisis are managed effectively so that there is business continuity	Business Sustainability
Economic Performance	Contribute to nation development by creating shared value, improved InCountry Value through robust governance in place, strategic management, and performance management	Business Sustainability
Anti-Competitive Behavior	Employees are required to comply with competition laws, so the company ensures that there are no anticompetitive behavior, antitrust, or monopoly practices in the company	Business Sustainability
Digitization	<p>Improve the IT landscape to join the emerging trends in digitization and technology</p> <p>Through IT modernization, such programs are implemented to provide timely, accurate data, and mitigate cyber security risk</p>	Business Sustainability

STAKEHOLDER ENGAGEMENT⁸

ADNOC Distribution promotes honest, transparent, and mutually beneficial partnerships with its broad stakeholders. The Executive Leadership Team actively engages with stakeholders in overseeing the Company's processes to identify and manage the impacts on the economy, environment, and people. The Team meets monthly through the Executive Committee Meetings of the Board of Directors and quarterly through Board Meetings.

The relevant stakeholder Groups for the Company include Employees, Shareholders, Customers, Suppliers and Partners, Local Communities, Government (Federal and Local Governments), and Regulatory Authorities.

ADNOC Distribution employs different engagement methods for each stakeholder Group to identify critical concerns raised or their topics of interest and engage with them to address those concerns through differing mechanisms.

ADNOC DISTRIBUTION CONTINUES TO PRIORITIZE ITS LONG-TERM SUSTAINABILITY SUCCESSES THROUGH THE LENS OF CREATING VALUE FOR ITS ESTEEMED STAKEHOLDERS.



8. 2-29 Approach to stakeholder engagement



EMPLOYEES

- ▶ ESG survey
- ▶ Employee wellbeing program
- ▶ Employee engagement survey
- ▶ AskHC portal
- ▶ Trainings & workshops
- ▶ Physical and virtual town halls

Key concerns raised/topics of interest

- ▶ Employee engagement activities that target different segments
- ▶ Ensuring gender diversity and equality across the business
- ▶ Updates regarding fundamental policy changes, employee engagement action plans, personal development opportunities and career progression, rewards, and recognition
- ▶ Employees' suggestions in the Employee Engagement Survey comments that require policy changes

How ADNOC Distribution addresses these concerns

- ▶ Establish different taskforces and committees such as youth, sport taskforce, gender balance, and employee engagement committee
- ▶ Assign employee engagement champions for all Groups and cooperate with Human Capital Business Partners to support post-employee engagement survey activities by developing different initiatives across the Company
- ▶ Identify current performance and implementation of initiatives to increase gender diversity by periodic reporting of gender-related KPIs
- ▶ Periodic communication to employees via internal newsletter, emails, virtual and physical town halls, and CEO updates to raise awareness about policy changes, development opportunities, internal vacancies, people and business updates, and growth potential
- ▶ Addressing employee comments from the Employee Engagement Pulse Survey and coordinating to resolve feedback with the Group task force, including reviewing and modifying policies



CUSTOMERS

- ▶ ESG survey
- ▶ Retail stations
- ▶ Social media
- ▶ Corporate website
- ▶ Customer call centers
- ▶ Customer satisfaction surveys

Key concerns raised/topics of interest

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

How ADNOC Distribution addresses these concerns

- ▶ In line with leading practices, work towards continuously improving and implementing health and safety management systems
- ▶ Identifying and addressing customer needs and expectations by implementing a robust quality management system
- ▶ Enhance customer interactions and service levels through workforce talent and professional development programs



SHAREHOLDERS

- ▶ ESG survey
- ▶ General assembly meetings
- ▶ Investor roadshows
- ▶ Physical and virtual meetings
- ▶ Investor feedback survey
- ▶ Participation in equity conferences
- ▶ Annual Report, Corporate Governance Report, and ESG Report
- ▶ The quarterly earnings release, management discussion, and analysis reports, and quarterly investor presentations
- ▶ Quarterly results conference calls
- ▶ Press releases
- ▶ SMS distribution
- ▶ Email distribution
- ▶ Social media

Key concerns raised/topics of interest

- ▶ Visibility on the Company's growth plans and dividend policy
- ▶ International expansion growth targets and efficient capital allocation
- ▶ Impacts of the energy transition on ADNOC Distribution
- ▶ Development of robust and clearly defined strategies for electric vehicles and hydrogen
- ▶ Regulatory framework for UAE fuel retail sector
- ▶ Sustainability of the backstop guarantee with ADNOC and visibility of cash flows
- ▶ Sustainability of the rent-free arrangements with ADNOC in Abu Dhabi and visibility of cash flows

How ADNOC Distribution addresses these concerns

- ▶ Disseminate information about long-term strategic growth targets during regular investor roadshows and Capital Market Days
- ▶ Provide annual guidance and outlook on the Company's key performance indicators
- ▶ Future-proof the business by launching a sustainability roadmap to decarbonize the Company's operations and investing in electric vehicle charging solutions to meet the evolving needs of EV customers nationwide and unlock new business revenue streams
- ▶ Efficient capital allocation towards growth and investing in value-accretive M&As
- ▶ Updating regular progress against the Company's annual guidance and long-term growth targets, including energy transition and adopting low-carbon products
- ▶ Providing visibility of shareholder returns by implementing a progressive and attractive dividend policy
- ▶ Renewal of the Fuel Supply Agreement with ADNOC for another five years, including the margin backstop guarantee





SUPPLIERS AND PARTNERS

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

Key concerns raised/topics of interest

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

How ADNOC Distribution addresses these concerns

- ▶ Continual assessment and improvement of supply chain management and inventory management
- ▶ Enhancement of tendering process through regular updates in SAP modules
- ▶ Updating internal guidelines to respond to all supplier queries within approved timelines and making centralized announcements and communication to all suppliers
- ▶ On-time replies to suppliers during meetings and through email communications



GOVERNMENT (FEDERAL AND LOCAL GOVERNMENTS) AND REGULATORY AUTHORITIES

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

Key concerns raised/topics of interest

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

How ADNOC Distribution addresses these concerns

- ▶ Investing in expanding the country's networks and renovating the convenience store network to contribute to national infrastructure development, increased employment opportunities, and higher access to fueling and convenience services
- ▶ Providing and developing low carbon and green energy products such as compressed natural gas, lubricants for hybrid engines, green lubricants, and premium products offering improved engine efficiencies such as Octane-98 gasoline
- ▶ Addition of new station formats utilizing the latest innovative technologies with significantly lower carbon footprint and running on significantly less power, such as ADNOC On the go and ADNOC Oasis Autonomous Store
- ▶ Investing in digital solutions to offer greater customer convenience, such as contactless payments, digital ordering, online ordering, self-service checkouts, etc



LOCAL COMMUNITIES

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

Key concerns raised/topics of interest

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

How ADNOC Distribution addresses these concerns

- ▶ Undertook various CSR initiatives such as Pink Caravan Campaign, Reach Campaign, Make Their Life Colorful, and Khalifa Foundation Ramadan Meals Partnership



ALIGNMENT WITH GLOBAL AND NATIONAL PRIORITIES AND OUR CONTRIBUTION

ABU DHABI SECURITIES EXCHANGE (ADX) GUIDELINES

Goals	Focus	ADNOC Distribution's Impact and Contribution
<ul style="list-style-type: none"> Enhance ESG performance of publicly listed companies in the UAE Promote and support voluntary disclosure of ESG data 	<ul style="list-style-type: none"> Guide the disclosure of 31 critical ESG indicators Align disclosures with leading standards (GRI, UN SDGs, WFE, SSEI) 	<ul style="list-style-type: none"> Published annual ESG reports in line with GRI Standards and ADX Guidelines Aiming to seek third-party assurance on ESG disclosures

ABU DHABI ECONOMIC VISION (2030)

Goals	Focus	ADNOC Distribution's Impact and Contribution
<ul style="list-style-type: none"> Provide a framework for the long-term transformation of Abu Dhabi's economy Reduce reliance on the oil sector 	<ul style="list-style-type: none"> Enhance the talents and capabilities of the local workforce Build infrastructure resilience to withstand economic shocks, develop EV charging infrastructure and drive future productivity 	<ul style="list-style-type: none"> Promoted employment of local workforce and instilled talent and development culture Invested in future mobility solutions such as electric vehicle charging stations

ENVIRONMENT VISION 2030

Goals	Focus	ADNOC Distribution's Impact and Contribution
<ul style="list-style-type: none"> Consolidate and coordinate local sustainability response Promote Abu Dhabi's natural heritage by enhancing resource efficiency 	<ul style="list-style-type: none"> Sustainability capabilities across environmental, economic, and social pillars Critical focus on climate change, air and noise pollution, water resources, and waste management 	<ul style="list-style-type: none"> Strengthened the strategic sustainability framework to enhance overall sustainability performance Embarked on a journey of assessing climate change-related risks and opportunities in line with TCFD recommendations Developed a Decarbonization roadmap to accelerate its journey and announced the target to reduce carbon emissions intensity by 25% by 2030

UN SUSTAINABLE DEVELOPMENT GOALS

Goals	Focus	ADNOC Distribution's Impact and Contribution
<ul style="list-style-type: none"> Sets development framework covering 17 broad topics, including affordable and clean energy and climate action Guides organizations in reporting against each topic's indicators 	<ul style="list-style-type: none"> Improve global progress against a diverse set of ESG focus areas Promote organizational involvement in advancing the global ESG agenda 	<ul style="list-style-type: none"> Mapped UN SDG goals and targets with ADNOC Distribution's KPIs, objectives, and sustainability strategy Utilize disclosures such as the annual ESG Report to promote UN SDGs to stakeholders



DEMAND SIDE MANAGEMENT AND ENERGY RATIONALIZATION STRATEGY (DSM)

Goals	Focus	ADNOC Distribution's Impact and Contribution
<ul style="list-style-type: none"> ▶ Reduce electricity consumption in Abu Dhabi by 22% by 2030 ▶ Reduce water consumption in Abu Dhabi by 32% by 2030 	<ul style="list-style-type: none"> ▶ Secure Abu Dhabi's future energy and water resources ▶ Enhance sustainability of water and energy use through the reduction of associated GHG emissions 	<ul style="list-style-type: none"> ▶ Promoted water and energy conservation through various training, awareness campaigns, and water-saving and recycling programs across assets and operations, including using recycled water at our service stations

UAE ENERGY STRATEGY 2050

Goals	Focus	ADNOC Distribution's Impact and Contribution
<ul style="list-style-type: none"> ▶ Increase the contribution of clean energy in UAE's total energy mix from 25% to 50% by 2050 ▶ Increase consumption efficiency of individuals and corporations by 40% 	<ul style="list-style-type: none"> ▶ Reducing the carbon footprint of power generation by increasing clean energy contribution ▶ Invest resources in sustainable energy programs 	<ul style="list-style-type: none"> ▶ To limit the reliance on conventional energy sources, ADNOC Distribution invested in solar energy generation through rooftop installation of solar panels on stations ▶ The Company is implementing energy optimization initiatives to reduce energy consumption

NATIONAL CLIMATE CHANGE PLAN OF THE UAE 2017-2050

Goals	Focus	ADNOC Distribution's Impact and Contribution
<ul style="list-style-type: none"> ▶ Identify, assess, and manage the causes, impacts, and risks of climate change ▶ Plan the UAE's successful transition to a resilient sustainability-driven economy 	<ul style="list-style-type: none"> ▶ Effectively manage the UAE's GHG emissions with minimal disruptions to the economy's growth trajectory ▶ Build a framework for the robust identification and management of climate-related risks across the UAE's economic sectors 	<ul style="list-style-type: none"> ▶ Developed its decarbonization roadmap to reduce carbon intensity by 25% by 2030, setting the path to Net-zero ▶ Invested in new age clean mobility, which contributes to mitigating GHG emissions, such as EV charging stations to futureproof the business while meeting growing customer demands and diversifying revenue streams

UAE NET ZERO BY 2050

Goals	Focus	ADNOC Distribution's Impact and Contribution
<ul style="list-style-type: none"> ▶ Achieve Net zero emissions by 2050 ▶ Align to international decarbonization agendas such as the Paris Agreement 	<ul style="list-style-type: none"> ▶ Reduce GHG emissions across UAE's sectors and industries ▶ Increase the size of UAE's green economy (e.g., clean energy) 	<ul style="list-style-type: none"> ▶ Developed a decarbonization strategy and roadmap to lead a successful transition toward a decarbonized economy ▶ Contribute to the Net-zero ambitions, ADNOC Distribution is building and promoting decarbonized product portfolio such as electric vehicle charging stations, low-carbon and green products such as CNG and green ADNOC Voyager lubricants

UAE CENTENNIAL 2071

Goals	Focus	ADNOC Distribution's Impact and Contribution
<ul style="list-style-type: none"> ▶ Provides a long-term roadmap to enhance the UAE's global reputation and capabilities ▶ Promote skills and talents of the UAE's youth, especially in critical future focus areas such as AI 	<ul style="list-style-type: none"> ▶ Enhance the resilience of the UAE workforce's skills and capabilities ▶ Promote a happy and cohesive society 	<ul style="list-style-type: none"> ▶ Impart future-oriented learning and development programs, promote employment of UAE nationals, and support existing social initiatives in the UAE

UAE STRATEGY FOR THE FOURTH INDUSTRIAL REVOLUTION

Goals	Focus	ADNOC Distribution's Impact and Contribution
<ul style="list-style-type: none"> ▶ To achieve future water and food supply security using bioengineering sciences and advanced renewable energy technologies ▶ Enhance economic security by adopting digital economy and blockchain technologies in financial transactions and services ▶ Develop advanced defense industries by developing national sectors in robotics and autonomous vehicle technologies 	<ul style="list-style-type: none"> ▶ Strengthen UAE's position as a global hub for the 4th Industrial Revolution and adopt leading-edge technologies ▶ Innovative education ▶ Artificial intelligence ▶ Intelligent genomic medicine and ▶ Robotic healthcare ▶ Optimize the utilization of satellite data in planning future cities 	<ul style="list-style-type: none"> ▶ Adopting cutting-edge technologies in the Company's new service stations and convenience stores to provide a seamless and modern experience to its customers, including its ADNOC Oasis autonomous store, which is powered by Artificial Intelligence, and the latest flagship station where customers and staff movement also contribute to providing energy via power-generating walkways

ALIGNMENT WITH THE TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

ADNOC Distribution has embarked on a journey to assess climate change-related risks and opportunities in line with recommendations from the Task Force on Climate-Related Financial Disclosures (TCFD).

TCFD was established by the Financial Stability Board. Its core objective is to guide organizations on how to operate effectively and in a way that contributes to the transition toward a low-carbon global economy. Alignment with TCFD recommendations will enhance climate-related disclosures and improve the management and reporting of climate-related risks. This is an essential step in moving forward together to improve transparency and build a better understanding of potential climate-related impact.

CORE ELEMENTS OF ADNOC DISTRIBUTION'S CLIMATE CHANGE EFFORTS



VALUE CREATION MODEL

As a fully integrated energy Company, ADNOC Distribution is well-positioned to capitalize on emerging opportunities and navigate geopolitical and economic headwinds.

DELIVERING RESPONSIBLE GROWTH

INPUT	ADNOC DISTRIBUTION'S MISSION AND VISION	OUTPUT	OUTCOMES	UN SDGs*
<p>NATURAL CAPITAL</p> <p>1,411,782 GJ/ton Total energy consumption 2,032,157 m³/ton Water consumed</p>		<p>764 tonnes of total waste diverted from disposal (recycling)</p> <p>291 tCO₂e emissions saved in 2022 as a direct result of solar/renewable energy</p> <p>231,359 m³ water recycled</p>	<ul style="list-style-type: none"> ▶ Mitigating global warming ▶ Promoting the use of eco-friendly fuel ▶ Resource stewardship 	
<p>HUMAN CAPITAL</p> <p>13,122 Total employees 168,224 Training Hours 12.82 Training Hours per Full-time employees</p>		<p>64% Emiratization Rate 404 number of employed Emirate Women</p>	<ul style="list-style-type: none"> ▶ Safer working environment ▶ Enhanced employee engagement ▶ Bringing inclusiveness to education ▶ Enhanced workforce demographics 	
<p>INTELLECTUAL CAPITAL</p> <p>+50 partners in ADNOC Rewards program AED 118 million invested in technology infrastructure</p>		<p>94% Customer satisfaction index</p> <p>Providing services and convenience to customers, while delivering high-quality and innovative products and services</p>	<ul style="list-style-type: none"> ▶ Driving innovation culture ▶ Concerted collaborations ▶ Creating a digital ecosystem 	
<p>MANUFACTURED CAPITAL</p> <p>Service stations 502 UAE 66 Saudi Arabia</p> <p>Convenience stores 362 UAE 7 Saudi Arabia</p>		<p>25 Countries Automotive and commercial lubricants are exported to (GCC, Middle East, and North Africa)</p> <p>42 new service stations in the UAE 26 new service stations in Saudi Arabia 42 refurbished convenience stores</p>	<ul style="list-style-type: none"> ▶ World-class infrastructure facilities ▶ Energy security ▶ Strong supplier relationships ▶ Market leader in downstream marketing and distribution 	
<p>FINANCIAL CAPITAL</p> <p>AED 11.3 million on environment-related investments</p>		<p>AED 32,111 million Revenue</p>	<ul style="list-style-type: none"> ▶ Sustainable cash flows ▶ Strong EPS 	
<p>SOCIAL AND RELATIONSHIP CAPITAL</p> <p>AED 2 million CSR Community investment</p>		<p>7 CSR community engagement initiatives</p> <p>1,000 CSR Employee voluntary hours</p>	<ul style="list-style-type: none"> ▶ Building sustainable livelihoods ▶ Enhanced quality of life of people ▶ Effective stakeholder engagement 	

OUR BUSINESS MODEL IS DESIGNED TO DELIVER SUSTAINED GROWTH, BUILDING ON PROGRESS AND EMBRACING THE DIGITAL REVOLUTION TO MAXIMIZE VALUE FOR OUR STAKEHOLDERS

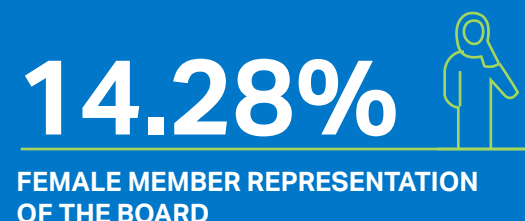
*Impact SDGs: SDG 5 Gender Equality, SDG 6 Clean Water and Sanitation, SDG 7 Affordable and Clean Energy, SDG 8 Decent Work and Economic Growth, SDG 11 Sustainable Cities and Communities, SDG 12 Responsible Consumption and Production, SDG 13 Climate Action, SDG 17 Partnership for the Goals

OUR CORPORATE GOVERNANCE⁹

ADNOC Distribution strongly recognizes the critical role governance plays in creating a culture focused on long-term value creation. A robust governance framework is required to meet stakeholders' and communities' needs and interests. The Company has designed its governance structures and processes to ensure ethical and responsible practices and enhance accountability to inspire positive change in the industry.

The corporate governance framework is developed in compliance with all governance requirements and standards applicable to public joint-stock companies in the UAE. Also, it ensures that the Framework is consistent with leading global practices.

Paving the way for enhanced transparency and building stakeholder trust, ADNOC Distribution publishes an annual Corporate Governance Report detailing the Company's corporate governance processes. For further details on ADNOC Distribution's corporate governance, kindly refer to the 2022 Corporate Governance Report.



9. 2-17 Collective knowledge of the highest governance body
2-18 Evaluation of the performance of the highest governance body

ABOUT THE BOARD OF DIRECTORS¹⁰

The Board of ADNOC Distribution implements and oversees its corporate governance framework. It acts as the highest decision-making body with accountability for the Company's business operations and services, including embedding sustainable strategies across the value chain.

The Board complies with the corporate governance requirements applicable to public joint stock companies listed on the Abu Dhabi Securities Exchange, as set out in the Governance Rules and Corporate Discipline Standards issued on 2 February 2020 pursuant to UAE Securities and Commodities Authority Resolution No. 3/Chairman of 2020 and its amendments (the Corporate Governance Rules).

ADNOC Distribution's Board of Directors comprises **seven directors** elected at the Annual General Meeting on 16th March 2021. **All directors are independent non-executive directors** within the meaning of the Corporate Governance Rules. Pursuant to ADNOC Distribution's Articles of Association, **each director serves a three-year term**, after which a director may be elected to a successive term or terms.



H.E. Dr. Sultan Ahmed Al Jaber
Chairman



H.E. Ahmed Jasim Al Zaabi
Deputy Chairman



H.E. Ahmed Tamim Al Kuttab
Director



H.E. Mohamed Hassan Alsuwaidi
Director



Khaled Salmeen
Director



Mariam Saeed Ghobash
Director



Abdulaziz Abdulla Alhajri
Director

10. 3-3 Management of material topics
2-9 Governance structure and composition
2-11 Chair of the highest governance body

2-12 Role of the highest governance body
2-10 Nomination and selection of the highest governance body

BOARD DIVERSITY¹¹

On 16th March 2021, Ms. Mariam Saeed Ghobash was elected to the Board of Directors. Ms. Ghobash also serves as Chairperson of the Nomination and Remuneration Committee and is a Member of the Executive Committee. Currently, the Company has one female member of the Board of Directors, which complies with SCA's Corporate Governance Rules.¹²

Where Board vacancies arise, ADNOC Distribution will actively seek out excellent female representation while at the same time considering all qualified candidates, regardless of gender, and recognizing that the appointment of directors is a matter reserved for the shareholders of ADNOC Distribution.

COMMITTEES¹³

To assist the Board in discharging its duties, the Board has established the following committees: the Audit Committee, the Nomination and Remuneration Committee, and the Executive Committee, in addition to the Insider Dealing Committee, Sustainability Committee, and CSR Sub-Committee.



Audit Committee (Board Committee)

Assists the Board of Directors in discharging its responsibilities concerning financial reporting, external and internal audits, and internal controls

Nomination and Remuneration Committee (Board Committee)

Determines the balance of skills, knowledge, and experience and the structure, composition, and performance of the Board of Directors and its Committees

Executive Committee (Board Committee)

ERM and oversight of Sustainability Strategy and Plan for the Board

Insider Dealing Committee (Management Committee)

Ensures compliance with the Insider Dealing Policy and Share Dealing Code across all business activities and operations

Sustainability Committee (Management Committee)

To establish and oversee the management of ESG topics and issues. Assists and advises the CEO by formulating recommendations on activities and policies relative to ESG practices and initiatives

Gender Balance Committee (Management Committee)

To drive new initiatives focused on women's empowerment across the organization and unlock the Company's full potential through diversity

CSR Sub-Committee (Management Committee)

Develops and maintains the CSR Strategy, initiatives, and Annual Plan in alignment with ADNOC Distribution's Sustainability Strategy and Plan

ADNOC DISTRIBUTION'S INTEGRATED MANAGEMENT SYSTEM (IMS)

For seamless integration of processes in line with our current business, leading industry practices, and requirements of ISO standards – an internationally recognized benchmark of quality, we have launched the Integrated Management System (IMS). Launch of IMS is a Company-wide project focusing on all ADNOC Distribution functional processes, as well as the following ISO Standards:

- ▶ Environmental Management (ISO 14001)
- ▶ Occupational Health and Safety (ISO 45001)
- ▶ Energy Management (ISO 50001)
- ▶ Security and Resilience (ISO 22301)
- ▶ Asset Management (ISO 55000 and ISO 55001)
- ▶ Collection and Maintenance of Data (ISO 14224)

This project will help us accelerate the realization of ADNOC Distribution's organizational ambitions relating to customer excellence, employee engagement, and operations excellence, and is planned to be conducted in a phased manner under the leadership of the Project Steering Committee, comprising of Chief Business and Commercial Support Officer, SVP of Human Capital, VP of HSE, and VP of Audit and Assurance.

An IMS support team is in place to support the committee in coordination with ADNOC Distribution functions and manage the project delivery.

GOVERNANCE ON ESG¹⁴

Decisions related to managing environmental, social, and governance issues across the value chain are governed by ADNOC Distribution's Board of Directors, the organization's highest decision-making body. The Board oversees ESG targets, programs and initiatives, risks, and progress on a broad range of ESG matters that are important to the business.

ADNOC Distribution established a Sustainability Committee in 2021 to oversee the management of ESG topics at a management level. For further information on our Sustainability Committee, please refer to the **'Governance of the Framework'** section. In addition, ADNOC Distribution has also established the CSR sub-committee to develop, implement and manage CSR strategy and initiatives.

CORPORATE GOVERNANCE AND BUSINESS ETHICS

CORPORATE GOVERNANCE POLICY

Corporate Governance Policy provides clear guidelines on the following:

- ▶ ADNOC Distribution's corporate governance structure and the interface between the Company and its stakeholders
- ▶ The authorities and decision-making mechanisms within the Company and between its stakeholders
- ▶ The role and responsibilities of the Company's corporate governance function

UNDERSTANDING BUSINESS ETHICS AND CODE OF CONDUCT

ADNOC Distribution's Code of Conduct demonstrates its commitment to compliance and ethical behavior. The purpose of the Code of Conduct is to:

- ▶ Set out the minimum standard of conduct that we expect from anyone working for or on behalf of ADNOC Distribution
- ▶ Provide a set of basic rules and standards to ensure that our business is conducted ethically, competently, and in alignment with our core values

The Internal Audit function conducts internal audits for all the operations in the organization based on ADNOC Distribution's code of conduct.

The organization conducts periodic training sessions on the Code for its stakeholders. All employees and suppliers must comply with the Code of Conduct and confirm their compliance annually.

11. 3-3 Management of material topics
 12. Compliant with SCA's Corporate Governance Rules
 13. 3-3 Management of material topics
 2-20 Process to determine remuneration

14. 2-13 Delegation of responsibility for managing impacts
 2-14 Role of the highest governance body in sustainability reporting

GOVERNANCE DRIVEN BY CORE VALUES¹⁵

CORE VALUES DRIVE THE GROUP'S GOVERNANCE FRAMEWORK:

 <p>WE ARE RESPONSIBLE</p> <ul style="list-style-type: none"> ▶ Corporate Governance Policy ▶ Code of Conduct ▶ Gifts and Entertainment Policy ▶ Anti-Bribery/ Anti-Corruption Policy ▶ Energy Management Policy 	 <p>WE ARE RESPECTFUL</p> <ul style="list-style-type: none"> ▶ Business Ethics Processes ▶ Non-Discrimination ▶ Human Rights ▶ Related Party Transactions Policy ▶ Data Privacy Policy and Systems 	 <p>WE ARE PROGRESSIVE</p> <ul style="list-style-type: none"> ▶ Incentives and Compensation ▶ Gender Diversity Policy ▶ Quality Policy Statement ▶ Assets Policy Statement 	 <p>WE ARE COLLABORATIVE</p> <ul style="list-style-type: none"> ▶ In-Country Value Program ▶ Dividend Policy ▶ Equity Overview ▶ Suppliers and Partner Code of Ethics 	 <p>WE ARE EFFICIENT</p> <ul style="list-style-type: none"> ▶ Compliance Investigations Policy ▶ Conflicts of Interest Policy ▶ Whistle-blowing Policy ▶ Insider Dealing Policy
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GIFTS AND ENTERTAINMENT POLICY

As part of ADNOC Distribution's code of conduct framework, the Gifts and Entertainment Policy provide a robust framework for managing the giving and receiving gifts and entertainment in a business context. Anything of value provided or received in the context of business (as opposed to personal) interaction can be included in the definition of gifts and entertainment Policy. On the contrary, anything with no legitimate business reason to offer or accept, inconsistent with ethical, cultural, or professional norms, such as cash or cash equivalents, which may potentially improperly influence and compromise objectivity, is treated as inappropriate.

Appropriate gifts and entertainment can build goodwill in business relationships; however, accepting or offering inappropriate gifts and entertainment breaches the code of conduct and is treated as unethical, putting the organization's reputation at risk. In case of non-compliance or improper offers, all ADNOC Distribution employees must report the matter to their respective line managers, ethics, and compliance representatives or via the Takallam platform.

ANTI-BRIBERY AND ANTI-CORRUPTION POLICY

ADNOC Distribution follows a zero-tolerance approach to fraud, bribery, and all other forms of corruption. The Organization's Anti-Bribery and Anti-corruption Policy delineates the requirements to ensure none of our employees or representatives engage in such activities and expect them to conduct business lawfully, ethically, and with integrity. Further details on ADNOC Distribution's Anti-bribery and Anti-corruption policies and

procedures are detailed in the [anti-corruption](#) section of this report.

ENERGY MANAGEMENT POLICY

ADNOC Distribution is focused on maximizing the value of our hydrocarbon resources for the benefit of our people, our communities and the nation. We seek to do this through its commitment of using energy in the most efficient, cost-effective, and environmentally responsible manner possible. Energy Efficiency is deeply embedded in ADNOC Distribution's culture. The four critical pillars of our growth – People, Performance, Profitability, and Efficiency forms the core of our Energy Management Policy, which further details the Energy Management agenda of the Company. The concept of "efficient energy management" has been applied to a variety of industries. It helps us achieve our goals of maximizing profitability, enhancing our position in the market, and offering the best possible services to our clients. The commitment we have to our workers, the environment, and the communities in which we operate is furthered by our efforts to consume less energy.

NON-DISCRIMINATION

ADNOC Distribution maintains a zero-tolerance approach to any form of discrimination or harassment at the workplace. It actively promotes and supports a core value of non-discrimination across its business activities and services, covering all stakeholders, including employees, customers, and suppliers. The Company's policies, processes, and actions regarding non-discrimination are guided by its core value of 'WE ARE RESPECTFUL' and are directed towards promoting equality and embracing diversity. In 2022, there were no reported cases of discrimination.

HUMAN RIGHTS

ADNOC Distribution operates mainly in the United Arab Emirates (UAE), and human rights policies are aligned with the UAE Labor law. The UAE guarantees human rights under its constitution. It strongly prohibits torture, arbitrary arrest, and detention while protecting civil liberties, including freedom of speech and press, peaceful assembly and association, and religious beliefs. Nine conventions of the International Labor Organization (ILO) related to the rights of workers have been ratified by the UAE, which protects labor rights, implements Labor Laws for the private sector and laborers, and sets up channels to resolve labor disputes.

RELATED PARTY TRANSACTIONS POLICY

The Related Party Transaction Policy of the Company is designed to ensure that:

- ▶ Transactions with related parties are conducted on arm's length terms
- ▶ The Board of Directors and senior management are aware of the steps required to approve transactions with related parties; and
- ▶ A legitimate business case is presented and supports the relevant related party transactions, including their arm's length nature.

In alignment with this policy, we may not enter into a related party transaction unless it has been approved by: (i) our Board of Directors, where the transaction's value does not exceed 5% of the value of our share capital; or (ii) our shareholders at a General Assembly, where the transaction's value exceeds 5% of our share capital.

The preceding requirements do not apply to transactions with ADNOC



15. 2-23 Policy commitments
2-24 Embedding policy commitments
3-3 Management of material topics

and other ADNOC group companies. However, as long as ADNOC owns more than 50% of our shares, we may not enter into transactions with ADNOC or other ADNOC Group companies unless our Board of Directors has approved such transactions. This includes a majority of independent members of the Board of Directors, subject to certain thresholds under our Delegation of Authority Matrix. Refer to ADNOC Distribution's 2022 Corporate Governance Report for further details on the Related Party Transactions Policy.

SUSTAINABILITY-RELATED COMPENSATION AND INCENTIVE SCHEMES¹⁶

ADNOC Distribution's Annual Performance Scorecard includes Environmental, Social, and Governance (ESG) KPIs, such as nationalization, GHG Emission reduction, In-Country-Value contribution, and the variable compensation of executive management is determined by the Nomination & Remuneration Committee of ADNOC Distribution's Board of Directors based on the rating of Performance Scorecard.

DATA PRIVACY POLICY AND SYSTEMS¹⁷

ADNOC Distribution abides by several policies and initiatives to manage data privacy and cybersecurity issues. It believes its customers have a right to know how their information is gathered, analyzed, and used responsibly. The Company's Privacy Policy sets out the basis on which personal data is collected or provided and will be processed to ensure it is protected and processed fairly, transparently, and lawfully. The Company utilizes Information Security Management System (ISMS)

accredited with ISO 27001:2013 Information Security credentials and is fully committed to the objectives of UAE's Personal Data Protection Law.

GENDER DIVERSITY POLICY

ADNOC Distribution is committed to building equality across the organization, constantly recruiting more women in all areas of our business and working on a series of initiatives to advance women's career growth across the Company. We have created a Gender Diversity Policy to support our inclusivity agenda, ensuring female employees obtain all necessary training and development opportunities.

QUALITY POLICY STATEMENT

ADNOC Distribution aims to deliver innovative, value-added products and services for our customers and focuses on the core values: Progressive, Collaborative, Respectful, Responsible and Efficient, with embedded Quality, Health, Safety, Security, and Environmental culture through partnership, innovation, and a relentless focus on high-performance and efficiency to maximize the value of energy resources.

ASSET INTEGRITY POLICY STATEMENT

ADNOC Distribution strives to achieve and sustain the highest standard of Asset Integrity and Maintenance Performance in line with local and international standards to prevent incidents and meet business needs.

IN-COUNTRY VALUE (ICV)

In line with leading practices and following the ICV program pioneered by ADNOC in 2018, the In-Country Value (ICV) Program has been proactively taken up by



ADNOC Distribution. The goal is to achieve optimal value from the nation's oil and gas resources, encourage private-sector partnerships, catalyze socio-economic development, enhance knowledge transfer, and leverage national talent. In 2022, ADNOC Distribution achieved an ICV of 70%, compared to 61% in 2021. Refer to the **ICV Program section** of the report for further details.

DIVIDEND POLICY

ADNOC Distribution's Dividend Policy lays down clear and transparent criteria and methods for distributing profits to serve the interests of both ADNOC Distribution and our shareholders. The payment of dividends is subject to consideration of the following:

- ▶ The cash management requirements of the Company for operating expenses, interest expense, and anticipated capital expenditures; and
- ▶ Market conditions, the then-current operating environment in our markets, and the outlook for the business of the Company.

Moreover, dividend payouts will depend on, among other things, future profits, and the Company's business plan, at the discretion of the Board of Directors and approval of the Shareholders. Under the Articles of Association, the Company may distribute quarterly, semi-annual, or annual dividends to shareholders from operating or accumulated profits. Since its IPO, the Company has historically aimed to pay a dividend twice each fiscal year.

EQUITY OVERVIEW

ADNOC Distribution is a Public Joint Stock Company listed on the Abu Dhabi Securities Exchange (ADX) on December 13, 2017, with the symbol ADNOCDIST.

The Corporation's equity governance is closely monitored following its status as a public-joint stock Company with total paid-up share capital equal to AED 1 billion, divided into 12.5 billion shares, each with a nominal value of AED 0.08. As of December 2022, ADNOC Distribution's market capitalization was AED 55.1 billion. Refer to the 2022 Corporate Governance Report and Annual Report for further details on ADNOC Distribution's Equity Overview.

18. 2-27 Compliance with laws and regulations
19. 2-15 Conflicts of interest

SUPPLIER AND PARTNER CODE OF ETHICS

ADNOC Distribution has formulated the Supplier and Partner Code of Ethics in line with its commitment to act with integrity in everything it does. Working with ADNOC Distribution means that you support this commitment. The Code sets out basic rules and standards necessary to conduct ADNOC Distribution business in an ethical and compliant manner and sets the minimum standard of ethical business practice we expect from any Supplier or Partner. Refer to the section **Procurement Practices** for more details on ADNOC Distribution's Procurement Practices.

COMPLIANCE INVESTIGATIONS POLICY¹⁸

ADNOC Distribution's commitment to operating with integrity involves appropriate investigation, which is essential to addressing allegations of ethical misconduct. Our Compliance Investigations Policy and supporting procedures set out our approach to investigations relating to alleged violations of:

- ▶ ethical business practices
- ▶ integrity in our interactions and arrangements with third parties; and
- ▶ applicable laws, regulations, policies, and procedures regarding ethical business practices and integrity.

In the case of any investigation, all of our personnel are expected to fully and truthfully cooperate and avoid engaging in certain activities that may hinder or interfere with an investigation process.

CONFLICTS OF INTEREST POLICY¹⁹

The Conflicts of Interest Policy delineates requirements for avoiding and managing conflicts of interest

that may arise from other activities, including preventing situations that appear to be a conflict of interest. As Employees, officers, and directors will engage in legitimate social, financial, and business activities outside the scope of their work for us, this policy promptly discloses the appropriate course of action which can be taken to protect ADNOC Distribution's interests.

WHISTLEBLOWING POLICY

Our commitment to integrity is supported by an open, honest, and transparent culture. Our Whistleblowing Policy encourages our employees to report concerns about unethical behavior concerning our business by assuring confidentiality and protecting good faith whistleblowers from retaliation, even if the concerns raised are mistaken. Employees can raise concerns through various channels, including the Takallam reporting platform. In 2022, 17 whistleblowing cases were reported, of which 15 were resolved as of 31 December 2022. The two outstanding cases were closed in January 2023.

INSIDER DEALING POLICY

ADNOC Distribution has a zero-tolerance approach to any activities that prevent the requirement to have fair and transparent dealings in our securities. The obligations and responsibilities of our employees, officers, and directors with respect to dealings in our securities are ensured by ADNOC Distribution's Insider Dealing Policy and Code. The Company set up an Insider Dealing Committee that is aligned with the Insider Dealing Policy to oversee its implementation.

16. 2-19 Remuneration policies
17. Data Privacy Policy & Systems

ENTERPRISE RISK AND CRISIS MANAGEMENT²⁰

The risk management process identifies and mitigates exposure to uncertainty wherever possible and enhances exposure to opportunities by identifying, understanding, and managing risks in alignment with a defined risk management policy and set of procedures.

Protecting and creating value for our stakeholders is our primary purpose in advocating a risk assessment and management culture throughout the business operations. We adhere to our Enterprise Risk Management (ERM) program as a crucial component of the Company's fundamental business operations to reduce the uncertainty brought on by global events, new climate realities, and unheard-of circumstances. We act promptly

on our risk management to ensure that risks and opportunities are effectively managed.

The ERM framework identifies, understands, and manages risks that are a product of impact and likelihood and are continuously updated to proactively stance challenges. ADNOC Distribution's ERM Policy is aligned with national and international best practices, explicitly

referencing the ISO 31000:2018 standard. The Policy defines the goals for risk management, the governance structure, and the duties and responsibilities of the Board of Directors, the audit committee, the management team's ERM function, and the internal audit function. The objective of ERM is to:

Facilitate Risk mitigation projects for ADNOC Distribution



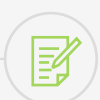
Provide management with transparent and consistent Risk information



Take improvement actions in a coordinated way across Business Units and Divisions



Decision making tool that sustain a focus on high-priority areas of Risk



ERM conducted risk assessments for departments within the Company in 2022 and has developed risk registers highlighting risks, controls, risk rating, and mitigation actions to lower risk levels. Risk mitigation plans are tracked and monitored with departments monthly to track progress and successful closure.

20. 3-3 Management of material topics

UNDERSTANDING RISKS AND THE ERM PROCESS

ADNOC Distribution ERM process has been developed in line with ISO 31000, which defines Risk as the effect of uncertainty on objectives, noting that an effect is a deviation from the expected. It can be positive, negative, or both and can address, create, or result in opportunities and threats. Also, the risk is usually expressed in terms of risk sources, potential Events, Consequences, and Likelihood.



Hazard Risks

Hazard Risks are future Events that will only yield adverse outcomes and must be eliminated. This program is managed by the Health Safety Environment Division.

Uncertainty Risks

Business Risks come in the form of uncertainties, i.e., future Events that may prevent the achievement of short and long-term objectives, which need to be reduced or eliminated. The business Risk program is managed by Strategy and Business Development Divisions.

Opportunity Risks

Opportunity Risks are future Events that may facilitate the achievement of objectives and must be maximized. The opportunity Risk program is managed by Strategy and Business Development Divisions.

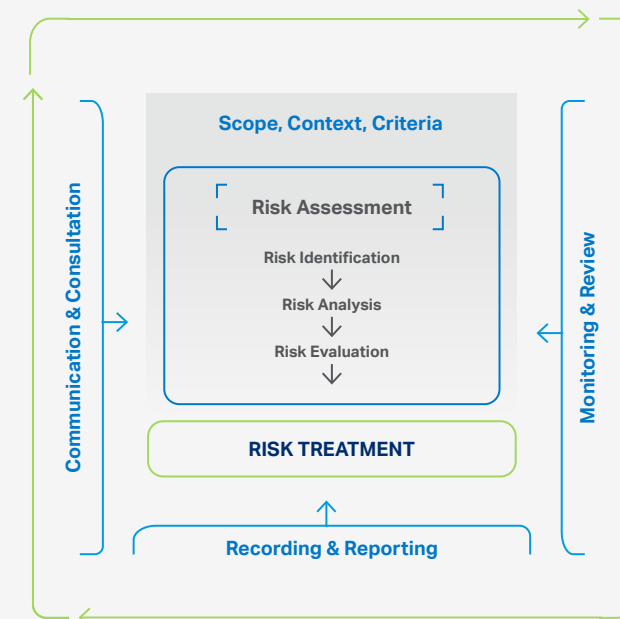
ERM PROCESS

The six sections outlined within the ERM Process guide the management of enterprise Risks in a structured way.

Divisions must follow the steps to understand the requirements when complying with the ADNOC Distribution ERM Policy Framework.

The creation of the ERM Risk Register should be linked to the Business Planning cycle to understand the key Risks that need to be managed in achieving short- and long-term business plans.

The ERM Policy Framework is supported by an ERM Toolkit, which contains all the relevant templates to deliver the requirements.



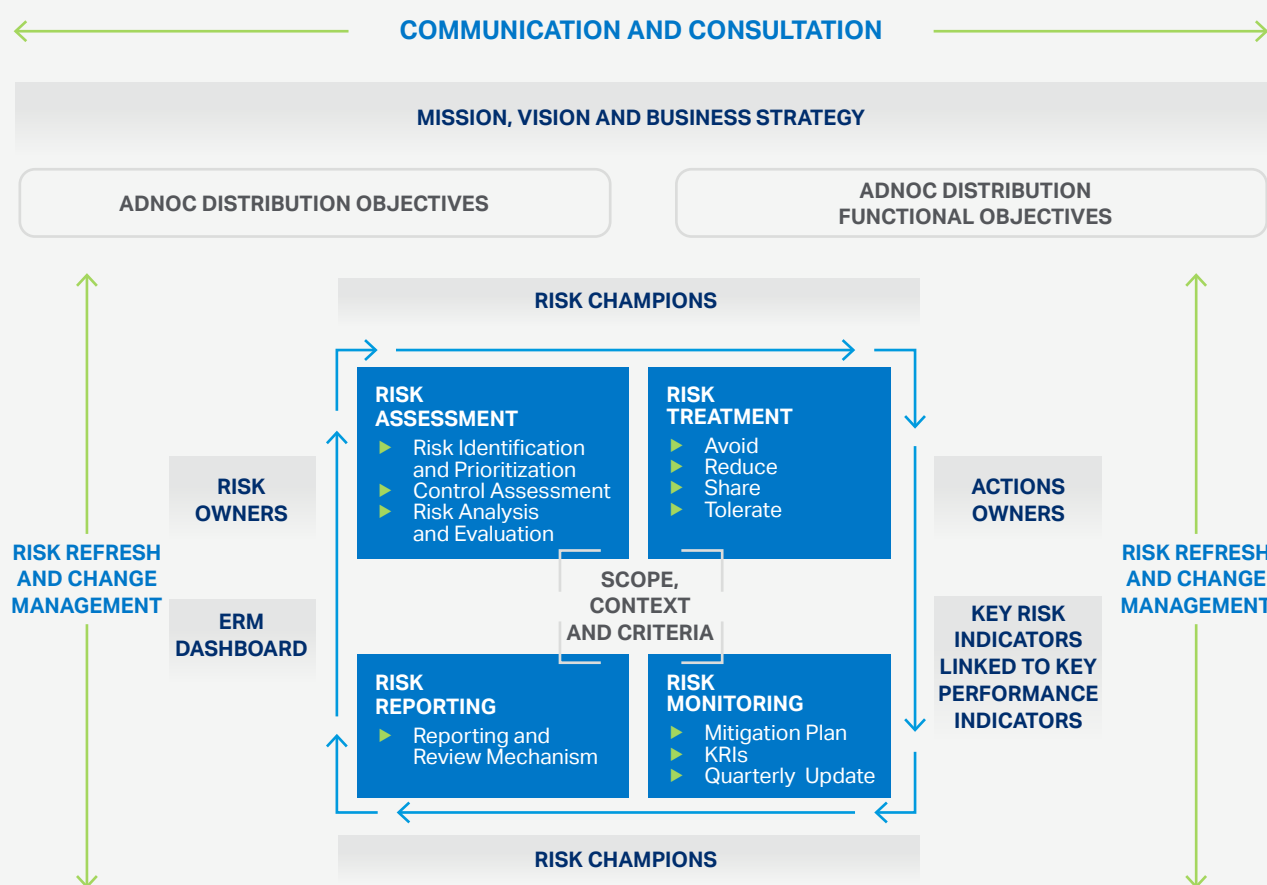
The Scope, Internal and External Context, and Risk Criteria set the scope for the rest of the ERM process to work on the accurate risk-management assessment within our operations. The process has three basic parameters to manage the potential impact of the risks relevant to the organization. The process starts with identifying and assessing risks to observe which might significantly impact our business and their impact in the short, medium, and long run. The potential impact of each regulation or event through risk analysis, the likelihood of its occurrence, and detailed consideration of uncertainties

and risk resources would then be evaluated.

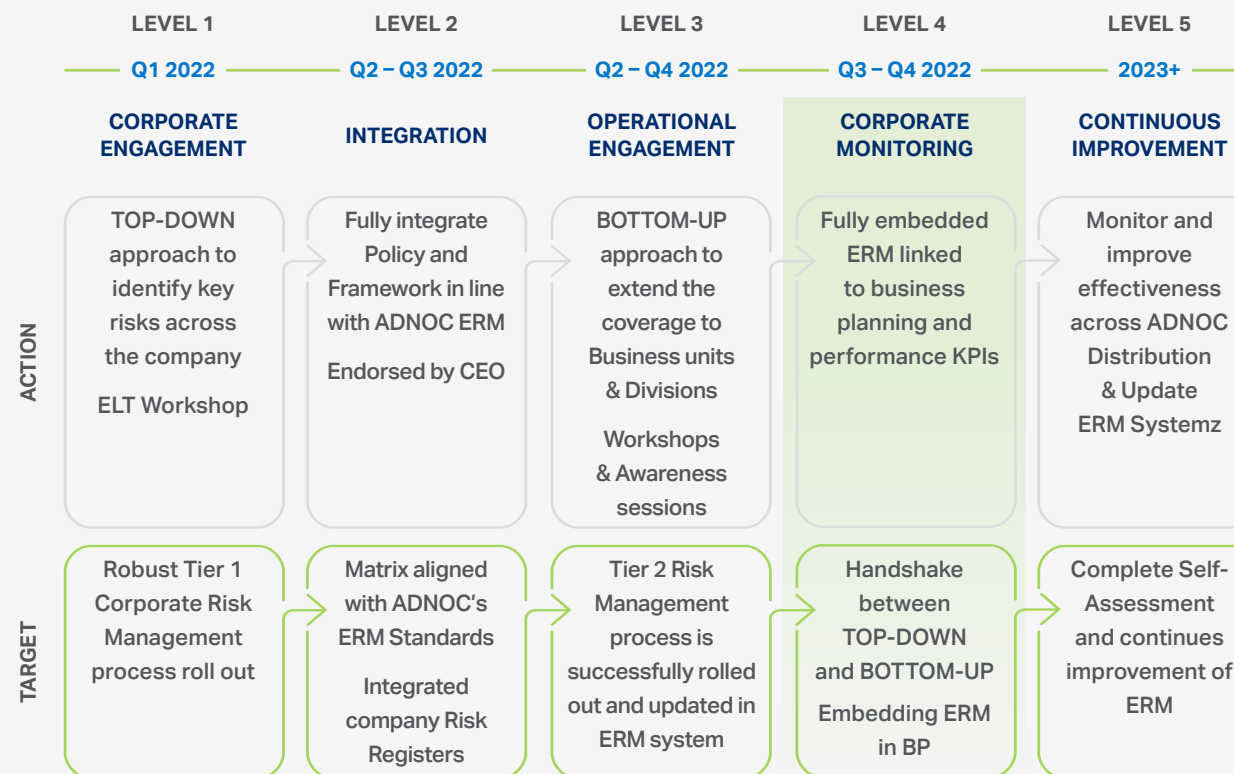
Once the assessments have been analyzed, evaluated, and prioritized, ADNOC Distribution will take appropriate risk responses to mitigate risk to an acceptable level considering a reasonable cost. The four risk responses are risk treatment, transfer, tolerance, and termination. These will be consulted and verified by risk owners and included in the ERM system.

Among the six sections of the ERM process, Communication and

consultation remain among ADNOC Distribution's key priorities to enhance our risk management practice and maintain the trust and confidence of our various stakeholders. We commit to informing them of our risk drivers, including potential impacts on our people and the community, our partners in the business, and the environment, to ensure that we efficiently and sustainably manage our operations. Furthermore, stakeholders' consultation will be progressively improved to consider the long-term sustainable value.



In 2022, ADNOC Distribution conducted a Maturity Assessment for its ERM and developed the ERM Improvement Plan 2022.



ERM GOVERNANCE

ADNOC Distribution utilizes a robust risk management process and governance structure to focus on sustainable growth and create shared value for our stakeholders.

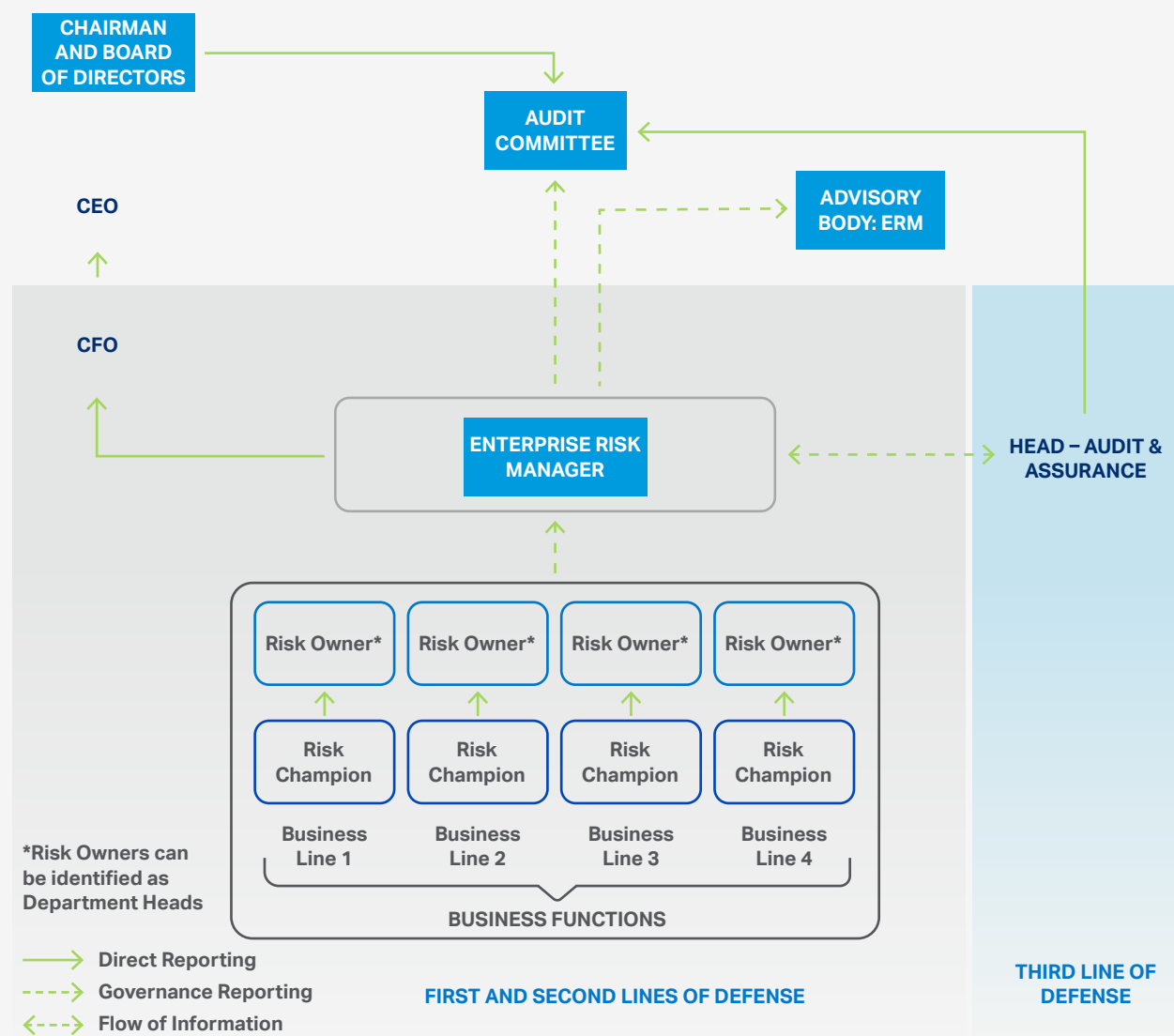
The ERM governance structure includes the following:

- Clear roles and responsibilities of various committees
- Scope, context, and criteria to understand relevance and impact
- Communication and consultation process to maintain confidence and trust and to develop a common understanding



ROLES AND RESPONSIBILITIES

ERM comprises the Board of Directors, Audit Committee, Chief Executive Officer (CEO), Executive Leadership Team (ELT), Enterprise Risk Management Team, Internal Audit function, ERM Coordinators and Integrators.



The roles and responsibilities of different business units are integrated at all operational levels to interlink the risk assessment with the managerial decision-making process. Internal audit, crisis management, business continuity management, and strategic business planning represent the ERM reporting structure.

ERM REPORTING STRUCTURE

Internal Audit

- Updates risk registers to respective Internal Audit function every 3rd quarter of the year
- Communicates key audit findings to the management
- Creates an annual risk-based internal audit plan
- Provide high-level feedback on the ERM process and corporate risk profile

Crisis Management and Business Continuity Management (BCM)

- Conducts Business Impact Analysis (BIA) exercise and BCM
- Communicates any new 'High' or 'High-Medium' rated risks identified during the BIA exercise that has a business impact as per the ERM matrix

Strategic Business Planning

- Identifies any new risks emerging from the Business Plans, considering the cascaded Strategic Business Objectives
- Identifies emerging risks arising from a dynamic business landscape, sectoral advancements, and peer Group benchmarking – both locally and globally



CLIMATE, EMISSIONS, AND ENERGY

Understanding ADNOC Distribution's Environmental Impact and its Management

Managing the environmental impact of our operations is integral to our sustainability strategy. The Company set targets aligned with ADNOC Distribution's Sustainability Strategic Framework to improve the Group's overall environmental performance. The Company has also developed a decarbonization roadmap to reduce energy consumption, minimize emissions, and mark its contribution to solving the issue of climate change.

Climate change is the most impactful challenge facing the world today. The responsibility of reversing this emerging grim reality lies with every individual and entity. As a leading energy player in the UAE, we are committed to minimizing our environmental footprint and leveraging ADNOC Distribution's unique position to support the country's priorities in addressing the climate change. To mitigate any adverse environmental impacts caused by its business operations, ADNOC Distribution continuously works to develop and maintain policies, guidelines, processes, and management systems in line with leading practices, standards, and regulatory requirements.

ENERGY²¹

ADNOC Distribution is reinforcing its position as the UAE's leading fuel and convenience retail operator by developing more efficient energy solutions and products, facilitating the global energy transition to cleaner energy sources (such as electric vehicles), and lowering organizational's energy intensity levels.

The Company aligns its energy efficiency policies, programs, initiatives, and strategic approach to energy management with all applicable national visions and strategies, including UAE Energy Strategy 2050. To substantiate its drive to support a local and national green economy,

ADNOC Distribution's leadership looks to the following environmental policies and visions as the Company navigates through the complexities of the energy landscape, aligned under the following UAE Government initiatives:



Environment Vision 2030
Consolidate and coordinate local sustainability response and promote Abu Dhabi's natural heritage through enhancing resource efficiency.



UAE Net Zero by 2050
Increase Achieve Net Zero emissions by 2050 and align to international decarbonization agendas such as the Paris Agreement.



National Climate Change Plan 2017- 2050
Identify, assess, and manage factors that cause climate change and its impacts, and plan the UAE's successful transition to a resilient sustainability-driven economy.



UAE Energy Strategy 2050
Increase the contribution of clean energy to UAE's total energy mix from 25% to 50% by 2050 and increase the consumption efficiency of individuals and corporations by 40%.



Demand Side Management and Energy Rationalization Strategy (DSM)
Reduce electricity consumption in Abu Dhabi by 22% by 2030 and reduce water consumption by 32% by 2030.

21. 3-3 Management of material topics



OUR ENERGY ACHIEVEMENTS²²

ADNOC Distribution's strategies, initiatives, and programs towards enhancing its energy performance continued to roll out throughout 2022.

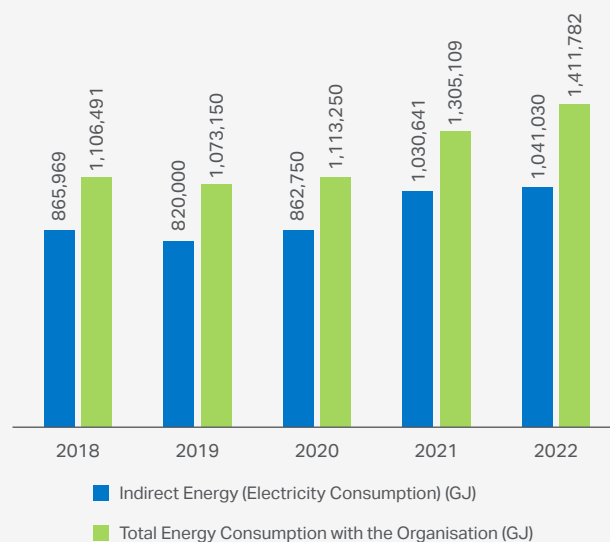
In 2022, the Company saw a reduction in the energy intensity ratio (based on Revenue). This reduction was mainly attributed to the increase in the Company's revenue in 2022 due to higher crude oil prices and volumes sold.

This was also supported by ADNOC Distribution's relentless focus on enhancing the energy efficiency of its business operations, services, and assets through innovative energy solutions and by improving the energy efficiency of physical assets. These include smart metering and energy demand-side initiatives, training, and awareness campaigns.

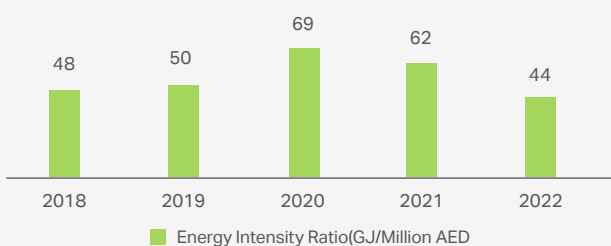
Increasing the consumption of clean energy sources (such as solar energy – refer to section 'Clean Energy') is a critical pillar in the Company's strategic energy objectives to enhance ADNOC Distribution's energy mix by including clean energy sources.

ADNOC Distribution's direct energy and indirect energy (i.e., electricity consumption) have increased over four years due to expanding business operations and growth (approximately 34% increase in service stations in the UAE over 2018-2022). However, the organization's increasing focus on diversifying its energy mix and improvements in energy efficiency across operations and assets is expected to improve its energy performance.

Energy consumption



Energy Intensity Ratio based on Revenue

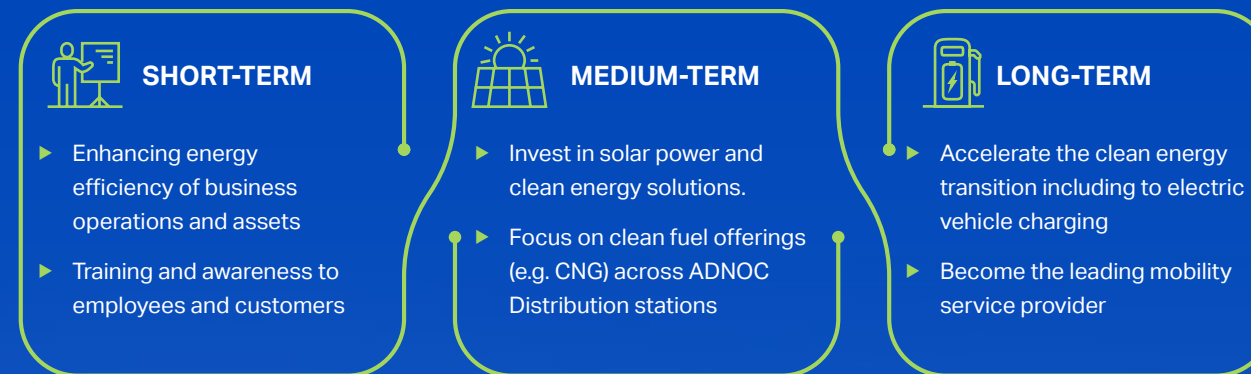


22. 302-1 Energy consumption within the organization
302-3 Energy Intensity

COMMITMENT TO CLEAN ENERGY

ADNOC Distribution is exploring potential partnerships with ADNOC Group and other local entities in the UAE to support the decarbonization agenda by increasing the availability of electricity from clean energy sources. The Company also collaborates with partners to develop an infrastructure for clean energy sources, such as electric vehicle charging stations.

ADNOC Distribution has developed short, medium, and long-term targets to efficiently manage its energy commitments:



CLEAN ENERGY

Thanks to ADNOC Distribution's increased emphasis on using affordable clean energy sources in its business operations, the use of solar energy for electricity has increased gradually over the past four years.

As part of its decarbonization roadmap, the Company has set several initiatives to optimize energy and increase its operations' share of renewable energy usage. They include solar power to reduce reliance on conventional energy sources and promote using clean energy. Such initiatives aim to achieve ADNOC Distribution's target of reducing its emissions intensity by 25% by 2030 and contribute to the broader local, national, and international goals, such as the UAE's Net-zero by 2050 strategy.

In this context, ADNOC Distribution has gradually increased its use of clean energy over the last four years through several initiatives - including installing solar PV panels at its service stations. ADNOC Distribution has also held energy conservation training sessions to promote energy efficiency improvements. It has also launched awareness projects and campaigns directed at its key stakeholders, including all Company employees and customers.



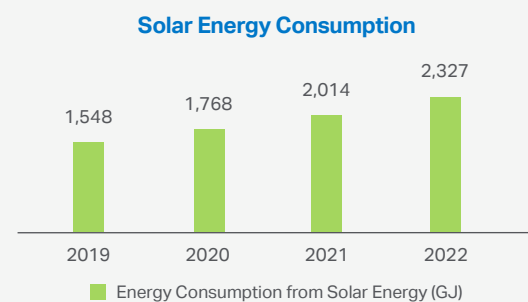
ENERGY EFFICIENCY AND CLEANER FUELS INITIATIVES ARE THE CORE OF ADNOC DISTRIBUTION'S STRATEGY TO ACHIEVE A 25% REDUCTION IN SCOPE 1 AND 2 EMISSION INTENSITY

Case Study/ Initiatives

SOLAR ENERGY CONSUMPTION

In pursuit of its clean energy strategy, ADNOC Distribution has increased its strategic focus and investments in clean power solutions. In 2022, ADNOC Distribution increased its energy contribution from solar energy by 16% to 2,327 GJ, supported by higher number of solar PV panels in its service stations.

The Company aims to increase the share of renewable energy usage for its operations by installing solar PVs across more service stations in 2023 and beyond, 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.



Case Study/ Initiatives

LEED CERTIFIED STATIONS

In 2015, ADNOC Distribution successfully secured the prestigious LEED Building and Construction Certification in energy efficiency for its Yas-1 and Yas-2 solar power at ADNOC distribution service stations by implementing various initiatives and programs such as energy monitoring, smart metering, and the use of technological innovations and tools. Key benefits of the LEED certification program include the following:

- ▶ Improved energy performance of ADNOC Distribution's physical assets, such as buildings, plants, and service stations
- ▶ Build stakeholder confidence and trust in ADNOC Distribution's energy objectives and performance
- ▶ Reduce energy-related costs



EMISSIONS

In alignment with the national, regional, and international climate change plans, including the UAE's Net-zero by 2050 strategic initiative and the UAE's National Climate Change Plan 2017–2050, ADNOC Distribution is dedicated to reducing the greenhouse gas (GHG) emissions across its business operations and services.

OUR AMBITIONS

Clean mobility is the focus area to tackle Scope 1 emissions with initiatives such as introducing biofuels in the ADNOC Distribution vehicle fleet. We will also utilize clean chemical additives across the fleet for cleaner combustion, vehicle fleet management to improve fuel efficiency, and optimizing station refilling from the depot. Moreover, to tackle Scope 2 emissions, the Company focuses on Green Building initiatives such as installing solar panels on gas station roofs to reduce grid electricity, identifying energy conservation opportunities at facilities, and retrofitting existing building services.

In alignment with ADNOC Distribution's Sustainability Strategic Framework and recommendations of its corporate-level Sustainability Committee, the Company has planned initiatives and programs to maintain its commitments toward a cleaner environment.

ADNOC Distribution is looking into potential partnerships with the ADNOC Group and other government entities in the UAE to build a network of hydrogen-fueling infrastructures and other clean energy sources, such as solar energy.

At a customer level, ADNOC Distribution is actively pursuing and promoting the delivery of clean alternative fuels, including low-carbon fuels such as CNG, across its network of service stations and introducing 100% plant-based lubricants.

The Company is also capitalizing on energy transition opportunities, including EV charging while remaining a reliable supplier of our customers' energy needs. In this connection, ADNOC Distribution recently, in January 2023, partnered with TAQA to work together to establish a mobility joint venture, E₂GO, to build and operate EV infrastructure in Abu Dhabi and the wider UAE.



THE COMPANY HAS DEVELOPED A COMPREHENSIVE DECARBONIZATION ROADMAP COMMITTING TO ACHIEVE A 25% REDUCTION IN SCOPE 1 AND 2 EMISSIONS INTENSITY BY 2030 THROUGH HIGHER ENERGY EFFICIENCY AND CLEANER FUELS INITIATIVES AND DEMONSTRATING ITS COMMITMENT TOWARDS SUSTAINABLE GROWTH.





COMPRESSED NATURAL GAS

We plan on establishing CNG service stations and conversion centers across the UAE.

Objective: Facilitate transformation towards clean energy sources and minimize GHG emissions.



ZERO CARBON ELECTRICITY

We plan to increase contribution of decarbonized electricity (from the grid and/or from its own renewable energy sources) where applicable and feasible.

Objective: Facilitate transformation towards clean energy sources and minimize GHG emissions.



OPERATIONAL IMPROVEMENTS

We will assess and implement operational improvements in aviation fuelers if deemed feasible.

Objective: Achieve carbon footprint objectives and targets, contribute to decarbonization agenda.



ENVIRONMENTAL REPORTING AND MONITORING

We will refresh our reporting and monitoring systems to track environmental KPIs in alignment with best practices.

Objective: To support delivery of objectives as defined under sustainability strategic framework.



EMISSIONS BASELINE AND VERIFICATION

We aim to carry out verification of our GHG emissions in line with leading assurance standards.

Objective: Enhance confidence of GHG data and ensure targets and KPIs are SMART.

ADNOC Distribution engaged with an external consultant to establish and assure the baseline of Company's GHG emission roadmap (Year 2021) and the calculation methodology.



USE OF BIO-DIESEL

We will increase the use of bio-diesel, a clean fuel, in our fleet of road tankers.

Objective: Reduce GHG emissions associated with transport and contribute to bio-diesel uptake.



ROADMAP TO NET ZERO BY 2050

Execute the GHG Emission Intensity Reduction Roadmap 2030 and set path to Net zero by 2050.

Objective: To mitigate the impact of Greenhouse Gas (GHG) emissions caused by our business operations and services on climate change.

MANAGING EMISSIONS²³

To effectively manage GHG emissions in alignment with best practices and all relevant legal and regulatory requirements and standards, ADNOC Distribution launched a series of strategic, tactical, and operational initiatives and projects in 2022.

ADNOC Distribution has developed a comprehensive GHG mitigation strategy that will serve as the basis for all its policies, procedures, goals, and initiatives to reduce carbon emissions. Through innovation, the Company is tackling Scope 1 and 2 emissions by adopting a new energy mix to drive growth while mitigating carbon intensity and providing people with the energy they need.

Currently, the Company does not include Scope 3 emissions as part of its recently developed decarbonization roadmap. However, ADNOC Distribution fully understands the importance of Scope 3 emissions reduction and is working on measuring Scope 3 emissions in coming years. By adopting a new energy mix, we can grow our business while mitigating carbon intensity, providing people with the energy they need.

The Company will work with its customers to make reducing carbon intensity a shared ambition. At ADNOC Distribution, we believe that the mobility of the future does not call for a single solution but an array of technologies. The Company is committed to driving an implementable market strategy to grow our business. The Company's current efforts address and manage its Scope 3 emissions by introducing low-carbon products such as CNG, EV, and green lubricants. To build stakeholder confidence and establish accuracy, completeness, and reliability of Scope 1 and Scope 2 data on its operational energy consumption and emissions, ADNOC Distribution has developed a verified methodology for its 2021 energy and emissions data through an independent external consultant.

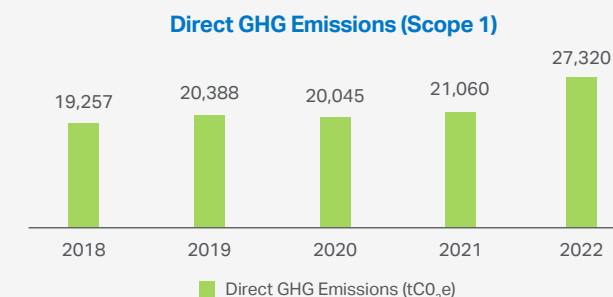
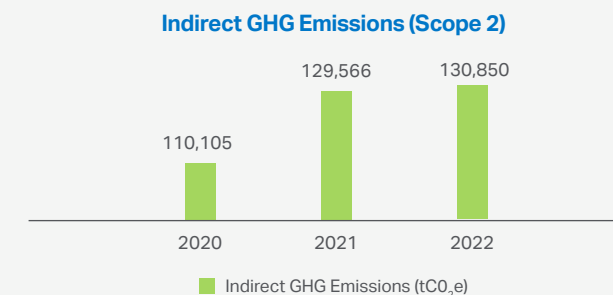
The Company identifies, assesses, measures, and reports its direct GHG emissions (Scope 1) and indirect GHG emissions (Scope 2). ADNOC Distribution measures its GHG emissions in line with leading global practices, including the United States Environmental Protection Agency (EPA) GHG emissions calculator and the relevant grid emission factor for Scope 2 emissions (i.e., Environment Agency - Abu Dhabi

(EAD) and the Abu Dhabi Distribution Company). For fugitive volatile organic component (VOC) emissions, ADNOC Distribution utilizes estimation factors from Australia's National Pollutant Inventory. ADNOC Distribution does not currently monitor its Scope 3 emissions due to its current operational business model.

In 2022, the Company saw increased direct and indirect absolute GHG emissions due to its rapid business expansion. The Company's total direct emissions (Scope 1) increased by 30% in 2022 compared to prior year. This was mainly attributable to maintenance in one of its fuel depots and temporary use an alternative depot, resulting in a longer mileage distance. However, ADNOC Distribution continues to develop and implement initiatives to reduce the emissions caused by its direct fuel consumption and operations.

The Company has a set of initiatives as part of its roadmap to reduce direct emissions through introducing biofuels in the ADNOC distribution vehicles fleet, which is currently in a pilot stage, utilizing clean chemical additives to improve the fleet's combustion process. Fleet management through real-time fleet activities improving fuel efficiency and optimizing station refilling from the depot.

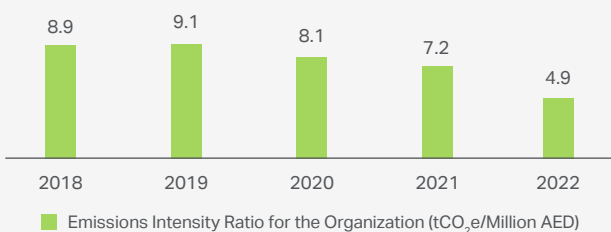
Indirect emissions (Scope 2) - (representing c.80% of ADNOC Distribution's total emissions from scopes 1 and 2) - increased marginally by 1% compared to 2021.



23. 3-3 Management of material topics
 305-1 Direct (Scope 1) GHG emissions
 305-2 Indirect (Scope 2) GHG emissions
 305-4 GHG emissions intensity
 305-6 Emissions of ozone-depleting substances
 305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions

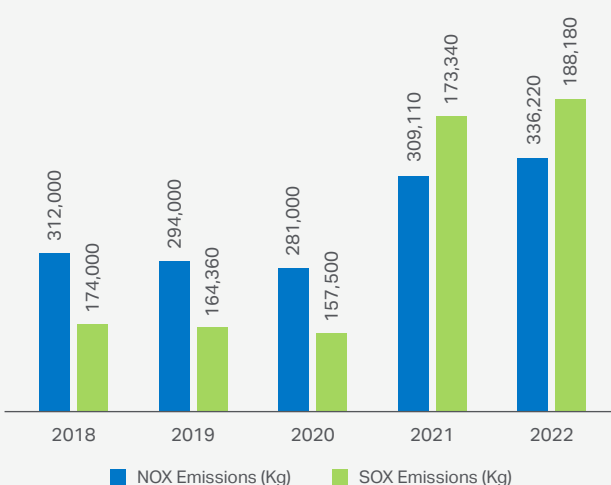
Despite an increase in ADNOC Distribution's direct and indirect emissions in 2022 compared to 2021, its emissions intensity ratio (based on revenues) has steadily decreased since 2019. This is mainly due to higher revenues.

Emissions Intensity Ratio for the organization - Based on revenue



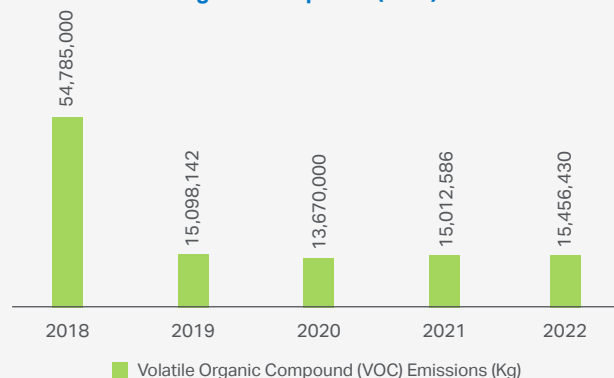
ADNOC Distribution's robust energy management system, global best practice alignment, and compliance with applicable environmental regulations have allowed it to continually manage its nitrogen oxide (NOx) and sulfur oxide (SOx) emissions. In 2022, NOx and SOx emissions slightly increased compared to 2021 due to business expansion.

NOx and SOx Emissions



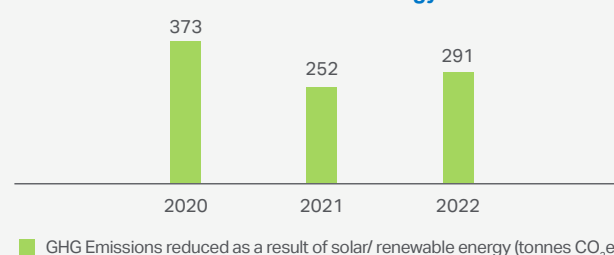
It is worth highlighting that the 2022 fugitive volatile organic component (VOC) emissions remain significantly lower than the 2018 level. However, VOC emissions did increase slightly in 2022 because of the resurgence of mobility following the pandemic. In addition, ADNOC Distribution's VOC emissions have also steadily decreased since 2018 because of tactical and operational improvements and robust emission-related corrective action mechanisms.

Volatile Organic Compound (VOC) Emissions



ADNOC Distribution aggressively refrains from using any chlorofluorocarbons (CFCs) or other compounds that deplete the ozone layer (ODSs). One of ADNOC Distribution's recent projects and activities was the tendering of a significant project that involved installing rooftop solar panels.

GHG Emissions reduced as a result of solar/renewable energy



The Photovoltaic (PV) panels on rooftops of our five service stations caused total GHG emissions reductions of 291 tons of CO₂e in 2022.

As part of the Company's decarbonization roadmap initiatives, we are working on installing more solar panels on ADNOC Distribution's stations in 2023 and beyond to increase power sourced by clean energy and contribute to the reduction of emissions.

Case Study/ Initiatives

CNG SERVICE AND CONVERSION CENTERS



ADNOC Distribution believes that charging stations for electric vehicles and natural gas for vehicles (NGV) will be crucial in transforming the UAE's transportation industry to Net zero emissions by 2050. NGV uses compressed natural gas (CNG) as an alternative fuel for transportation and may be used in both passenger cars and commercial vehicles. It is a safe, affordable, and practical alternative fuel.

ADNOC Distribution offers CNG conversion of vehicles, performed by qualified professionals in alignment with leading European specifications and international standards to encourage the adoption of clean fuels in the UAE. ADNOC Distribution has invested in maintaining advanced capabilities to offer alternative low-emissions natural gas for vehicles.

The Company operates 31 service stations with CNG fueling capacity and continues growing its CNG offering across its network. Between 2018 and 2022, the Company allowed for the cumulative reduction of approximately 131 tons of CO₂ emissions by providing CNG fuels to vehicles.

Case Study/ Initiatives

UTILIZATION OF GREEN CONCRETE IN THE CONSTRUCTION OF ADNOC DISTRIBUTION SERVICE STATIONS

ADNOC Distribution has successfully utilized Green concrete in the construction of its new service stations. Green concrete is a form of eco-friendly concrete that is manufactured using adding supplementary cementitious materials (SCMs) that are more friendly for the environment, and requires less energy for production. Compared to traditional concrete, Green concrete produces less carbon dioxide and is considered to be more durable. The aim of using green concrete is to lessen the burden on natural resources while increase reliance on recyclable materials.

Although utilizing Green concrete in construction was not mandatory for ADNOC Distribution service stations in most of UAE regions, ADNOC Distribution chose to adopt such environmentally responsible initiative in line with the Company's strategic plan to decarbonize its assets and operations. The Green concrete was used in ADNOC Distribution's recent construction projects in Dubai, such as the new flagship station (station# 222) and Al Nahda-1 Service stations, as well as in several other service stations which are under construction in Abu Dhabi and Northern emirates.



Case Study/ Initiatives

DEVELOPMENT OF CARBON-NEUTRAL PLANT-BASED LUBRICANTS



ADNOC DISTRIBUTION HAS BEEN ABLE TO DEMONSTRATE ITS ALIGNMENT WITH THE GLOBAL DIRECTION OF ENVIRONMENT-FRIENDLY OPERATION, AS WELL AS WITH UAE NET ZERO 2050 OBJECTIVE.

In line with UAE Net zero 2050 Objective, this engine oil is branded as ADNOC VOYAGER, having 100% carbon-neutral plant-based engine oil. It was exhibited at the Abu Dhabi Sustainability Event on 17th – 19th January 2022. During the event, it was presented to H.E. Dr. Sultan Al Jaber, Minister of Industry and Advanced Technology, Managing Director & Group CEO of ADNOC, who showed support for the initiative. Furthermore, it was also introduced during the International Petroleum Technology Conference (IPTC) held on 21–23 February 2022 in Riyadh, Kingdom of Saudi Arabia.

Voyager PX Green is developed for petrol engines and Voyager DX Green for diesel engines. They contain zero sulfur and can be immediately applied without any pre-modifications. The new products are part of ADNOC

Distribution's overall strategy to continue expanding its sustainable and environmentally friendly product range, supporting reduced carbon footprint and conforming to the highest levels of quality and efficiency in alignment with international standards. One of the main objectives set for this effort is to continuously develop products that have the least possible environmental impact while meeting industry and application standards. The product was developed to qualify API and OEM specifications for engine oil applications. Though there were some technical roadblocks since the properties and characteristics of these plant-based materials significantly differ from conventional crude-sourced ones, the Lubricants Division leveraged its in-house research team expertise and production facilities to attain success in this innovation.

As the global direction moves to more sustainable operations, carbon-neutral products is the key area where most industry trends converge. This market dynamic is one of the main drivers that has enabled the Lubricants Division to take on this challenge.

THIS INITIATIVE WHICH AIMS TO HELP REDUCE EMISSIONS, IS ALSO ALIGNED WITH UAE NET-ZERO 2050 AMBITION.

REDUCING EMISSIONS THROUGH CLEAN MOBILITY

Case Study/ Initiatives

IVMS: INFORMATION VEHICLE MANAGEMENT SYSTEM: DRIVERS' BEHAVIOR MONITORING

Live and offline monitoring of drivers' behaviors during driving is captured 24x7 and analyzed daily, weekly, and monthly.

Out of these various parameters, Harsh braking (HB) and Harsh acceleration (HA) are the ones that contribute to excessive emissions.

Through effective monitoring and regular coaching, an overall reduction of 14% in HA and HB violations was achieved in 2022 compared to 2021 for ADNOC Distribution owned Heavy Duty Vehicles.

The same strict monitoring for Contracted Heavy Duty Vehicles began in November 2022 and onwards to further cascade the positive environmental impacts.



Case Study/ Initiatives

APPLICATION OF ADBLUE IN ADNOC DISTRIBUTION VEHICLES



AdBlue is a consumable for diesel-engine vehicles worldwide and is injected into the SCR catalyst to break down soot and unburnt fuel into water and nitrogen. Both elements are harmless once they exit the exhaust system of the vehicles. This way, the emissions are controlled.

For ADNOC Distribution 26 Supply Chain Main Fuel transportation Heavy Duty vehicles, AdBlue is regularly added, contributing to reduced hazardous emissions.

Furthermore, as part of the periodic replacement of the older fleet, in the next four years, all the remaining older ADNOC fleet will be replaced and converted to use Ad Blue for their exhaust system.

Efforts are being made to implement the same for all contracted vehicles working for ADNOC Distribution through effective contract management.

CLIMATE AND MITIGATING CLIMATE RISKS²⁴

ADNOC Distribution takes into consideration the threats that climate change brings to its business when establishing its strategic goals and mitigation measures. The Company actively assesses the risks associated with climate change by identifying various scenarios and defining mitigation strategies. These are designed to take advantage of opportunities inherent in transitioning to a low-carbon energy future and increase business resilience. They also aim to invest in R&D projects to help identify more environmentally friendly fuel sources and promote decarbonization strategies.

By investing in future mobility trends, including installing EV chargers at its stations, expanding the CNG fueling network, piloting hydrogen fueling stations, and developing a portfolio of green fuels, the Company is dedicated to supporting the energy transition and mitigating the climate risk.

The Company invests in low-emission energy sources to cut carbon emissions from its operations, such as converting its fleet of vehicles to CNG or EVs and installing solar panels on its stations. In 2022, ADNOC Distribution spent AED 11.3 million on projects involving environmental management, risk mitigation, and infrastructure improvements.



24. 3-3 Management of material topics

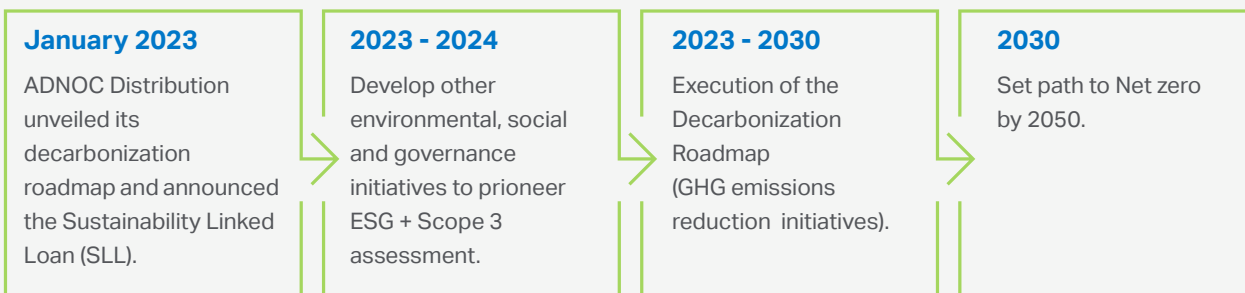
AMOUNT INVESTED (AED)

	2018	2019	2020	2021	2022
ENVIRONMENTAL ASSESSMENT AND AUDIT COST					
ADNOC Distribution has applied its risk principles to understand the human and ecosystem health impacts of the Company's business operations through its HSEIA system.	1,714,783	2,123,572	910,303	385,800	128,060
WASTEWATER MANAGEMENT					
Contractors have been instrumental in developing solutions and procedures for our wastewater management, meeting all legal obligations and industry best practices.	704,533	704,533	704,533	3,000,000	3,000,000
WASTE MANAGEMENT					
Expenditure to support HSE obligations and compliance regulations governing the treatment of hazardous and non-hazardous waste	2,911,710	2,394,000	4,357,574	4,622,199	4,622,199
VAPOUR RECOVERY					
Investment in vapor recovery related installations.	4,500,000	8,000,000	2,300,000	1,400,000	3,500,000

ADNOC DISTRIBUTION'S SUSTAINABILITY JOURNEY TO NET ZERO

Key milestones and announcements

ADNOC DISTRIBUTION'S COMPREHENSIVE SUSTAINABILITY GOALS CONTRIBUTE TO THE UAE'S STRATEGIC VISION AND ADNOC GROUP'S LONG-STANDING COMMITMENT TO ENVIRONMENTAL AND SOCIAL STEWARDSHIP.



GHG EMISSION INTENSITY REDUCTION ROADMAP

ADNOC DISTRIBUTION TO ACHIEVE A 25% REDUCTION IN SCOPE 1 AND 2 EMISSIONS INTENSITY (PER SITE) FROM THE BASELINE YEAR 2021 THROUGH ENERGY EFFICIENCY AND CLEANER FUELS INITIATIVES

SCOPE 1



Clean Mobility

BIOFUEL

Introduce biofuels in ADNOC Distribution in vehicles fleet.

FUEL ADDITIVES

Utilize clean chemical additives to ADNOC Distribution's fleet fuel to improve the combustion process.

VEHICLE FLEET MANAGEMENT

A system providing real-time fleet activities (vehicle monitoring, route optimizations) to improve fuel efficiency and optimize station refilling from the depot.

SCOPE 2



Green Building

PV SOLAR

Solar panels are installed on roofs of service stations to reduce electricity consumption from the grid.

ENERGY INTENSITY OPTIMIZATION

Identify Energy Conservation Opportunities (ECOs) at the Company's facilities and retrofit existing building services to reduce the overall energy consumption of ADNOC Distribution facilities. And for future developments to optimize energy use through energy-efficient systems and optimized building designs.



ADNOC DISTRIBUTION'S SUSTAINABILITY STRATEGY IS ALIGNED WITH ACCELERATE 100X

ACCELERATE 100X

In alignment with ADNOC Group, ADNOC Distribution is adopting a 100X mindset that empowers its employees to embrace disruptive thinking, maximize growth, and future proof its business during the energy transition. "Accelerate 100X" is the next phase of ADNOC's transformation as a reliable and sustainable energy leader in an evolving global energy landscape. At ADNOC Distribution, we will accelerate the ideas and solutions for a low-carbon energy system, and drive decarbonization across our portfolio. This will see us continue to build on a proud legacy of driving economic growth and prosperity for our nation in the decades to come.

Transforming ADNOC Distribution towards a common sustainable future creates Higher Shareholder Value



- ▶ Accelerate network growth and ADNOC Distribution business, both domestic and international, to generate higher profits



- ▶ Drive decarbonization of our assets
- ▶ Reduce our carbon emissions intensity by 25% by 2030
- ▶ Champion sustainability with a low carbon footprint through the robust execution of our ESG strategy



- ▶ Become a leader in EV mobility in UAE
- ▶ Pioneer hydrogen and promote low carbon fuels such as CNG and bio-diesel
- ▶ Expand sustainable finished lubricants such as ADNOC Distribution Green lubricant



- ▶ Implement digitized operating models.
- ▶ Drive data-enabled value creation and monetization
- ▶ Provide superior customer experience and position ADNOC Distribution as a destination of choice in the fuel and convenience retail industry

ADNOC DISTRIBUTION IS THE FIRST UAE FUEL RETAILER TO TAP INTO A SUSTAINABILITY-LINKED LOAN.

ADNOC Distribution obtained positive Second Party Opinion regarding its commitments toward Sustainability Targets and successfully converted its five-year term loan of \$1.5 billion into a Sustainability-Linked Loan (SLL). The Company's targets qualified as ambitious, and ADNOC Distribution aims to achieve this through the following KPIs:



KPI 1

GHG emission intensity reduction per site (Scope 1 and 2 "Tones CO₂e" / Number of sites)



KPI 2

Renewable energy sources for own consumption (MWh consumption per year)



Auto Wash

غسيل آلي



LOCAL ENVIRONMENT

WATER²⁵

Water consumption at ADNOC Distribution is limited to consumption in the Company's offices, service stations, terminals, car wash facilities, and vehicle inspection centers.

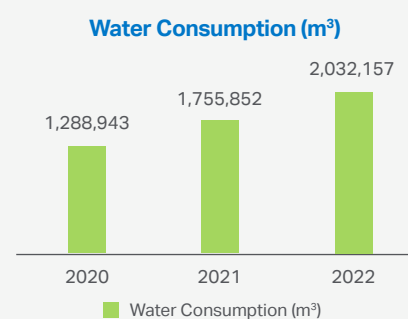
Discharged water that complies with established domestic sewage parameters is handled by verified and approved third-party contractors in municipal sewage treatment facilities. Discharged water exceeding these parameters (including cylinder wash water from the Company's LPG plants is managed as hazardous effluent and safely transported to a third-party licensed treatment facility for appropriate water treatment.

The Company is dedicated to protecting natural resources and refrains from dumping effluents into water bodies. Our HSE guidelines offer a foundation for keeping our sewage discharges within regulatory and legal limits. The HSE Impact Assessment (HSEIA) investigations are the reference for identifying the environmental effects of water use and recommending appropriate restrictions to prevent any permanent effects.

To reduce the consumption of water resources, the Company works on optimizing its water use through several initiatives in alignment with its Health, Safety, and Environment Management System (HSEMS). A key initiative was the introduction of on-site recycling of car wash water

at several service stations, which can be reused for subsequent car wash operations.

The Company periodically monitors and verifies the performance of these on-site water recycling facilities during HSEMS audits.

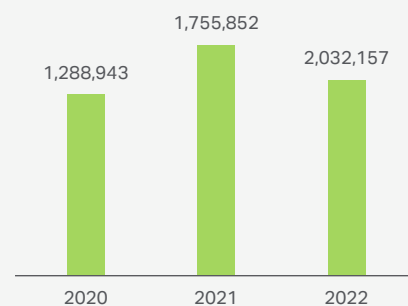


In 2022, ADNOC Distribution's water consumption increased by 16% compared to 2021 due to continued expansion in its network and a higher number of car wash transactions compared to the prior year, which was impacted by COVID-19 restrictions. During HSEMS audits, the Company routinely checks and verifies the effectiveness of on-site water recycling facilities.

Water consumption data for historical years, 2020 and 2021, have been reinstated as a result of improved monitoring mechanisms which include portable water.

Water used by ADNOC Distribution is primarily for domestic purposes, with a significant portion directed towards municipal sewage systems.

Water Discharged into Municipality Sewage



The amount of water that ADNOC Distribution recycles has continuously increased, primarily because of its on-site vehicle wash recycling facilities. To fulfill its commitments and local as well as national targets, the Company continues to aim to recycle more water. ADNOC Distribution recycled 231,359 m³ of water in 2022²⁶. It will continue to improve the performance of its water and effluents in the years to come by looking into future improvement opportunities.

WASTE²⁷



Improve its waste performance across all service stations, terminals, and other assets.



Conserve natural resources to minimize waste generation.



Adopting initiatives such as recycling to minimize the amount of waste sent to landfills.



Comply with legal requirements and adopt global best practices to dispose any generated hazardous waste safely.

Operations, Activities, Services where Waste is Generated



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.

25. 3-3 Management of material topics
303-1 Interactions with water as a shared resource
303-2 Management of water discharge related impacts
303-4 Water Discharge
303-5 Water Consumption

26. Figure based on revised methodology recommended by independent consultant as part of our environmental data baseline establishment project for 2021. Revised methodology is based on total number of cars washed during the year multiplied by an average volume of water used to wash each car. Out of the total water consumed in car wash operations, 80%-90% is recycled.

27. 3-3 Management of material topics
306-1: Waste generation and significant waste-related impacts
306-2: Management of significant waste related impacts

SOLID WASTE GENERATED²⁸

“Reduce, Reuse, and Recycle” is the hierarchy followed by ADNOC Distribution for waste disposal. The waste generated in 2022 increased compared to 2021 due to business expansion and increase in business activities by the tenants at our service stations and depots.

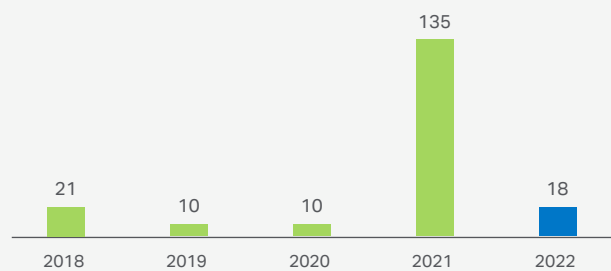
The business keeps track of its inventory levels and disposes of solid waste and expired chemicals, including firefighting foam, through external third-party contractors who adhere to all relevant legal waste disposal regulations. Additionally, the business periodically analyses a list of chosen contractors 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 tyres through third party.

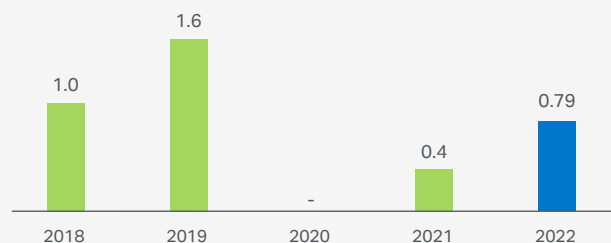


28. 306-3: Waste generated

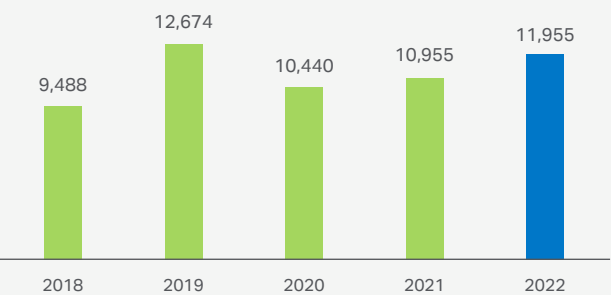
Expired Chemicals (Tons)



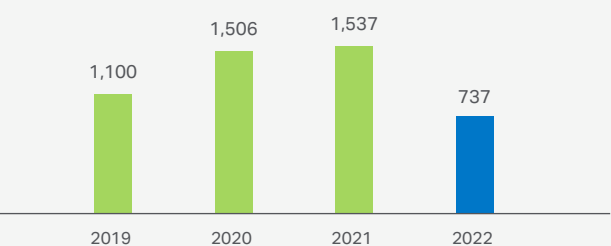
Paper and Cardboard (Tons)



Non-Hazardous Domestic Type Waste (Tons)



Waste Lube Oil (Tons)



ADNOC Distribution prides itself on its commitment to actively improving the environment. Recognized as a Company dedicated to protecting and maintaining the environment would significantly enhance its already esteemed reputation.



Case Study/ Initiatives

SAVE A TREE – A PAPER RECYCLING PROGRAM

ADNOC Distribution began the 'Save a Tree' paper recycling program in 2017, which resulted in recycling approximately half of the Company's paper consumption. The workflow of all incident reports, HSE Observations, or memos which used to be manually disseminated using papers, was made paperless by adopting digital technologies. Recycling stations are established at its head office and many ADNOC Distribution stations, allowing customers and colleagues to dispose of their waste responsibly.

Case Study/ Initiatives

PROJECT CONSTRUCTION IN PAPERLESS ENVIRONMENT

Digital platforms for document exchange (ACONEX and BIM360) between ADNOC Distribution project teams and third parties to massively reduce paper consumption.

Case Study/ Initiatives

OPTIMIZATION OF WATER PLASTIC BOTTLES

This project aims to eliminate the one-time use of plastic water bottles supplied to all offices in ADNOC Distribution by deploying water coolers in all our sites and providing employees with reusable water bottles.

Case Study/ Initiatives

PLASTIC AND SINGLE-USE PLASTIC BAN

ADNOC Distribution is 100% compliant with the Abu Dhabi Single Use Plastic Policy. Alternatives being provided at ADNOC Distribution's service stations to its customers, including reusable plastic bags of a certain thickness at a nominal charge of AED 0.50 to discourage the usage of plastic bags and encourage eco-friendly alternatives.

BIODIVERSITY²⁹



OPERATIONAL SITES OWNED, LEASED OR MANAGED BY ADNOC DISTRIBUTION DO NOT OVERLAP WITH PROTECTED AREAS OR AREAS OF HIGH BIODIVERSITY IN THE REGION

Health, Safety, and Environmental (HSE) standards have been established, to cover the scope of Biodiversity and guide suitable methods and approaches for environmental assessments. The Standard guidelines have been developed considering international best practices and the latest legislative framework for biodiversity or environmental assessment and survey methods. Particularly for the survey component, the framework provided taking into

consideration a risk-based approach. It requires objective, site-specific monitoring, sampling, testing, and scientific analysis throughout the life cycle of the projects. To ensure that the proposed and continuing operations do not change the biodiversity profile of the surrounding environment, including any potential impacts on endangered species, the Company undertakes Health, Safety, and Environmental Impact Assessment (HSEIA) studies and Environmental Impact Identification

(ENVID) studies for critical projects. Moreover, the business regularly examines these reports to ensure its commitment to safeguarding biodiversity. According to the most recent HSEIA investigations, no adverse effects on biodiversity have been identified. ADNOC Distribution abides by the regulations set forth by the Environment Agency of Abu Dhabi (EAD) in the Emirate of Abu Dhabi to ensure that none of the Company's proposed operations harm biodiversity.

29. 3-3 Management of material topics
304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas



ENVIRONMENTAL POLICY, MANAGEMENT SYSTEMS, AND COMPLIANCE

The business operations and services of ADNOC Distribution are governed by a commitment to environmental stewardship aimed at safeguarding and preserving the local environment and managing any potential environmental impacts resulting from the Company's operations and activities.

The Company develops and maintains robust and leading environmental policies, processes, and management systems to ensure the following:



ENVIRONMENTAL COMPLIANCE

ADNOC Distribution makes sure that all of its business operations and activities comply with all applicable legal and regulatory standards established by authorities in the jurisdictions in which it operates. For all physical projects, it conducts Health, Safety, and Environmental Impact Assessment (HSEIA) studies and Environmental Impact Identification (ENVID) assessments to identify potential environmental impacts and predict how they might impact the environment. Then, it takes the necessary control measures to manage those potential impacts in

alignment with leading international standards and global best practices to ensure it doesn't exceed regulatory limits.

The Company periodically reviews HSE Impact Assessment studies to assess the efficacy of any suggested control measures. Roles and duties for managing environmental issues are established inside the Company. Environmental problems are generally addressed by the HSE Department throughout all business assets and operations.

ADNOC Group's HSE Standards are aligned with all applicable legal and regulatory requirements, and the Company adopts global HSE best practices.

ADNOC Distribution ensures that it manages and enhances its environmental performance. It continually complies with all applicable legal and other requirements by developing various systems and processes in line with leading standards and frameworks in pursuit of environmental leadership.



ISO 45001

ADNOC Distribution Health and Safety systems are in line with ISO 45001 and strives to improve employee safety, reduce workplace risks and create better, safer working conditions for all of its employees

ISO 14001

The Company maintains an effective environmental management system in compliance and alignment with ISO 14001

Energy Management Systems

An Energy Management System is maintained by ADNOC Distribution to ensure optimization of energy consumption in line with these requirements

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

American Petroleum Institute (API) Certification

ADNOC Distribution has been a member of the American Petroleum Institute, and has obtained an API lubricants certification since 1993

ADNOC Distribution adopted the API's environmental requirements to align its environmental safety performance with API's best practice frameworks

Case Study/ Initiatives

ADNOC DISTRIBUTION BECOMES THE FIRST FUEL RETAILER IN UAE TO COMPLY WITH UAE NEW GASOLINE STANDARD (UAE.S 5018: 2021) - EURO 5/6 EMISSION STANDARD

The Ministry of Industry and Advanced Technology (MoIAT) released the new UAE Standards for Gasoline in 2022 with an initial implementation date of March 2022. However, based on the feedback and requests from the National Oil Companies, MoIAT decided to postpone the implementation of the Gasoline Standard until November 2022.

Based on these updates, ADNOC Distribution and ADNOC Refining worked to implement the new Gasoline Standard. ADNOC Distribution became ready and started supplying ULG-91, ULG-95, and ULG-98, meeting the new UAE Gasoline Standard (UAE.S 5018: 2021) from June/July 2022, even before the deadline, as the first Company to comply with the new standard in UAE.

Below are the main changes implemented in the new Gasoline Standard:

Parameter	Old Standard	New Standard
Sulfur content (ppm)	50	10
Aromatic content (%V)	40	35
Benzene content (%V)	1.5	1
Manganese content (ppm)	5	2

The new UAE standard and ADNOC Distribution gasoline are aligned with the most up-to-date requirements of the European Gasoline Standard, which meets the conditions set out in the Euro 5/6 Emission Standards.

The new ADNOC Distribution Gasoline will have the following benefits:

1. Reduce the emissions from vehicles equipped with exhaust emission control systems.
2. Protect the Exhaust Emission Control System.
3. Reduce Engine deposits, wear, particle formation, and tailpipe emissions, including HC, CO₂, NO_x, and pre-ignition risk.
4. Improve the Fuel Economy.
5. Reduce the toxic benzene emissions (a human carcinogen) from vehicle exhaust and during refueling.



WORKFORCE DIVERSITY & DEVELOPMENT

EMPLOYMENT³⁰

ADNOC Distribution aims to continue its transformation journey and become an employer of choice in the United Arab Emirates.

At ADNOC Distribution, we understand the critical role that our organization plays in promoting sustainable development and contributing to a better future for all. Our employment policies and practices are aligned with this vision and are designed to promote diversity, equity, and inclusiveness in the workplace.

We have implemented various initiatives to support our employees' well-being, including flexible work arrangements, health and wellness programs, and opportunities for professional development. Our benefits package is designed to provide our employees with comprehensive support, including health insurance, retirement plans, and paid time off.

We are committed to ensuring that our employees are treated fairly and respectfully. We have implemented policies and procedures to prevent discrimination, harassment, and retaliation in the workplace. Our employment practices comply with all applicable laws and regulations, and we regularly monitor and assess our progress in these areas. In addition, we actively engage with our employees and solicit their feedback to continuously improve our employment policies and practices. We believe that our employees are our most valuable asset and are committed to creating a safe, supportive, and inclusive workplace for all.

EMPLOYEE TURNOVER³¹

ADNOC Distribution requires employees who wish to leave the Company to serve a notice period. They will receive a notification letter from our Human Capital Department containing the notice period duration according to their grade category. Employees are well-informed of policy changes with clear communication for notification and acknowledgment. Our Human Capital team works with the Communication and Line Management teams to ensure a proper management communication plan is well-implemented within our business.

EMPLOYEE BENEFITS³²

We believe employee benefits are essential to developing a motivated workforce. Benefits will also help us hire the most talented employees and retain those we consider assets to our Company. Employees benefit from the ADNOC Distribution employee recognition award program and a comprehensive range of benefits and allowances for full-time employees, such as life insurance, health care, disability and invalidity coverage, parental leave, retirement provisions and others.

Full-Time Employee Benefits

Loans/Financial Assistance

- ▶ Personal loan
- ▶ Educational assistance
- ▶ Car Purchase Loan

Medical Benefits

- ▶ Medical Health/Life and Accident Insurance

Employee Allowances

- ▶ General Allowance
- ▶ Social Allowance
- ▶ Statutory Children's Allowance
- ▶ Furniture Allowance
- ▶ Remote Area Allowance
- ▶ Shift allowance
- ▶ Site Transportation Allowance
- ▶ Telephone Allowance
- ▶ Duty Travel Allowance
- ▶ Duty Transportation Allowance
- ▶ Meal Allowance
- ▶ Supplemental Allowance

Other Benefits

- ▶ Professional Membership
- ▶ Long Service Awards
- ▶ Statutory Pension Scheme
- ▶ Farewell Gifts
- ▶ Non-UAE National End-of-Service Benefits
- ▶ Parental Leave

The Company develops programs and policies that support a gender-sensitive and flexible work environment. In 2022, 283 employees took parental leave in line with all applicable legal and regulatory requirements, and 281 employees who did so subsequently returned to the workplace. The organization continues to track the effectiveness of its employees' policies and flexibility arrangements.

Parental Leave	2020		2021		2022	
	F	M	F	M	F	M
Entitled to parental leave	930	10,533	1,239	12,563	1,295	13,027
Took parental leave	82	149	75	155	81	202
Returned to work after parental leave	82	149	75	155	79	202
Returned to work after parental leave and still employed after 12 months	82	149	66	146	72	198



30. 3-3 Management of material topics
 31. 402-1 Minimum notice period
 32. 401-2 Benefits to employees

DIVERSITY AND EQUAL OPPORTUNITY

NATIONALIZATION³³

ADNOC Distribution continues to provide opportunities for UAE's National talents and further develop their skills and capabilities through employment, competency training, and professional development and enrichment. We always aim to invest in the UAE's best talents. These have the potential to serve as our best assets in achieving our overall goals and improving our business operations and activities to ensure business continuity and resilience.

For 2022, we have employed 1,849 UAE Nationals across our business, incurring a 64% Emiratisation rate across our corporate functions. The rate has decreased over the years, but the organization is working to implement our 10-year business plan on recruitment to mitigate the attrition rate of our Emiratis employees.

ADNOC Distribution launched several initiatives that focus on attracting and retaining UAE nationals. As of this year, all service station managers are UAE nationals. The 'Tomoooh' Leadership Training Program is intended to help local talents develop into service leaders. Cohort 3 of this program saw 53 new enrolments in 2022, with 40 completing the program.

Since the launch of the Tomoooh program, more than 350 high-potential UAE Nationals have participated in this program, contributing to the Company's target of achieving 100% Emiratisation among leaders of ADNOC Distribution's service stations in the UAE.

In addition, the Company continued to



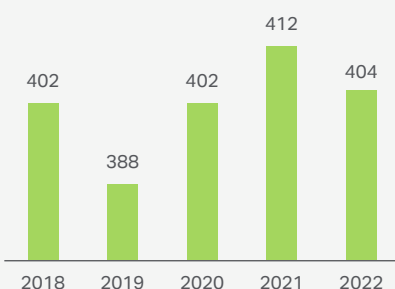
64%

EMIRATIZATION RATE

offer its Fresh Graduate Program for UAE national employees in 2022 – a program we first launched to support local talents in 2021.

In 2022, we successfully identified and enrolled over 42 up-and-coming fresh graduate talents who recently joined ADNOC Distribution.

Number of Employed Emirati Women



33. 3-3 Management of material topics
405-1 Diversity of governance bodies and employees

EMPLOYEE DIVERSITY AND EQUAL OPPORTUNITY^{34 35}

We strive to provide equal opportunity to current and potential employees regardless of age, gender, nationality, and background.

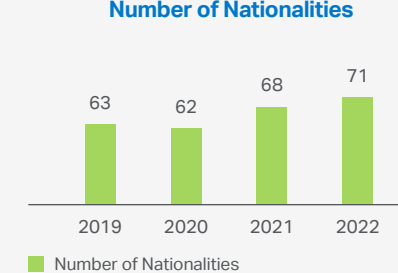
To strengthen this area, we released a new Gender Diversity Policy to further enhance our drive to be an equal opportunities employer and improve transparency.

This new policy will serve as our guide on thinking and decision-making that considers gender diversity.

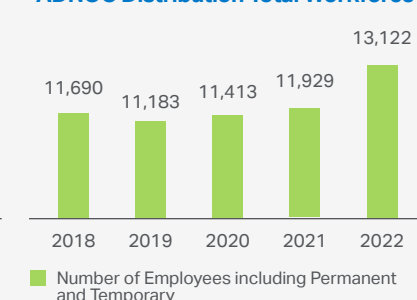
Furthermore, ADNOC Distribution regularly conducts periodic monitoring of employee diversity. In 2022, our workforce included employees from a total of 71 different nationalities

employed across different operations. This brings worldwide exposure to our business, as we boost our local and international brand in the market.

Diversity of workforce - Number of Nationalities



ADNOC Distribution Total Workforce



CLOSING THE GAP³⁶

The Company has taken bold steps to pay employees based on their skill set rather than their gender and to provide equal opportunities to all employees.

We have also attempted to narrow the pay gap between top management and other employees.

In 2022, we saw a change in the gender and CEO pay ratios.

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

2018	6.98:1
2019	8.25:1
2020	7.47:1
2021	10.6:1
2022	9.65:1

Median male compensation to median female compensation

2018	1.00:1
2019	1.01:1
2020	1.04:1
2021	0.93:1
2022	0.96:1

LABOR MANAGEMENT RELATIONS³⁷

Employee Engagement

The Company consistently adheres to labor-management relations, which benefit our people. We aspire to positively impact our employees with our practices to ensure their engagement, Company perspective, and the environment wherein they live and operate. Along with pursuing the best practices across our human capital services, we also ensure that we operate within all significant

local, national, and international laws and regulations. The Human Capital (HC) services work annually to develop employee engagement studies to recognize our employee's insights towards the Company, their engagement level, and how the Company can improve as an employer.

ADNOC Distribution looks forward to anticipated events, commitments,

and initiatives toward improving labor-management performance for 2023. We plan to enhance communications of HC initiatives and policies to ensure awareness among our employees. We also work to improve our employee engagement initiatives for our people by applying HC services excellence, HC customer satisfaction, and enhanced employee engagement.

34. 3-3 Management of material topics
35. GRI 2: Total number of permanent and temporary employees

36. 2-21 Annual total compensation ratio
37. 3-3 Management of material topics

EMPLOYEE ENGAGEMENT SURVEY

ADNOC Distribution adequately addresses labor-management relations and their related impacts. We always rely on our required actions on the annual employee engagement survey, which determines the areas we are doing well and the areas we need to improve. In 2022, the survey focused on the following:



The Company tracks a three-step engagement cycle: Pre-Survey Preparation, Launching, and Post survey (review and action plan) for 2022. This system guides the organization to recognize employees' perception of the Company and how it, as an employer, can improve its position and reputation.

Case Study/ Initiatives

The employee engagement program is one of the most significant projects undertaken in 2022 to improve our labor management performance, by reviewing and refreshing our HC policies along with relevant policies. Also, with the support of consultancy, we managed to organize a comprehensive review and benchmarking study of our policies and developed a set of refined policies to support domestic and international growth. With this, we are ensuring a fit-for-purpose policies for employee benefits and allowances.

Additionally, we were supported by another consultant in reviewing 11 policies and reflecting it with the New Labor Law. Through these initiatives, we are proud to differentiate ADNOC Distribution from other companies in terms of labor management relations policies.

EMPLOYEE ENGAGEMENT PROGRAM

At ADNOC Distribution, the Employee engagement program aims to improve involvement, commitment, and employee belongingness to the organization. This includes a set of efforts such as one-on-one meetings with managers, opportunities for skill development and career progression, a supportive work environment, recognition and rewards, and open communication channels for feedback and suggestions.

Our employee engagement programs aim to create a workplace where employees feel valued, motivated, and fulfilled, leading to higher productivity. Our employee engagement programs include annual surveys, action plans, and implementations. Furthermore, we have empowered various committees and engagement champions under the employee engagement committee to plan and execute employee wellbeing programs.

Ongoing opportunities for teamwork and collaboration, as well as regular check-ins and performance reviews, are in place, fostering a sense of community and providing employees with a clear understanding of their role within the organization. It creates a positive and productive work environment. Furthermore, the Employee Engagement Program makes us a great place to work and stay with the brand.

ADNOC Distribution's 'Ask HC' portal was launched to address employee issues, provide services to Company employees, and resolve any inquiries raised. Through the Virtual Majlis, the Human Capital Group engages with Company employees regularly to update the Company's latest policies.

LABOR CAMPS

As part of its commitment to promoting a safe and healthy work environment, ADNOC Distribution offers an optional accommodation to its employees that adheres to 100% Health, Safety, and Environment (HSE) practices and guidelines. The Company's accommodation facilities are fully air-conditioned and equipped with necessities to ensure the well-being of its employees during their stay. Additionally, by adhering to HSE practices and guidelines, the Company is also mitigating potential risks related to employee health and safety.

ADNOC Distribution recognizes the importance of providing a safe and secure accommodation for its employees, especially those who work in remote locations or require long-term accommodation. Its accommodation facilities are designed to meet the highest HSE standards, with timely maintenance and inspections to ensure their continued safety and suitability.

ADNOC DISTRIBUTION INVESTS IN ITS EMPLOYEES' PROFESSIONAL DEVELOPMENT BY PROVIDING MANY LEARNING AND DEVELOPMENT PROGRAMS AND OPPORTUNITIES.



TRAINING AND EDUCATION³⁸

The Company believes training and development are essential aspects of an organization's growth and success. Its processes help employees to perform their job functions more effectively and efficiently, improving job satisfaction and helping employees to acquire new skills, knowledge, and competencies necessary for personal and professional growth.

Regular and consistent training and development programs can help organizations attract and retain top talent and create a positive work environment. At ADNOC Distribution, we provide training and development opportunities to our employees through in-house programs, workshops, conferences, online courses, and mentoring programs. These programs range from basic job-related training to more advanced management and leadership development programs. Practical training and development programs also help employees align their personal goals with the organization's mission and goals.

Our employees must receive learning and development to ensure

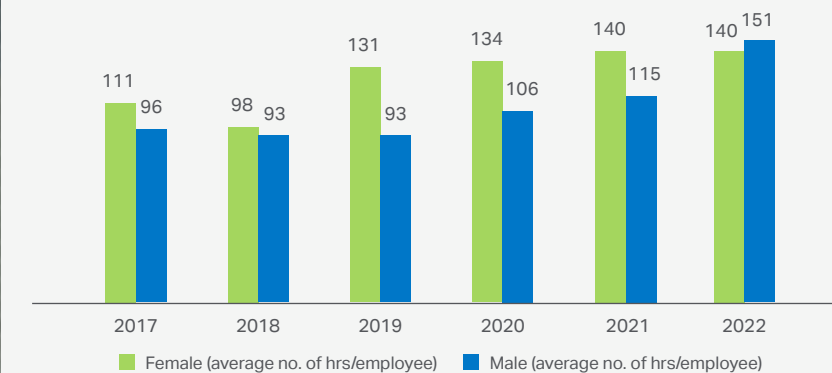
they are equipped with the required skills and capabilities. Hence, we have enabled them to achieve individual development goals by utilizing the SAP Success Factors Personal Development Program (PDP) system to address evolving learning needs.

We will continue to ensure that our staff members have sufficient opportunities to participate in education and development programs and the resources they need to do so successfully.

The procedures for learning and development include identifying the learning needs, designing and developing training programs, and implementing and evaluating training effectiveness.

ADNOC Distribution has provided its employees with practical courses over the past few years as part of the Company's dedication to their continued professional growth and development. Their interpersonal skills will be further developed, and they will be prepared for leadership positions.

Average Hours of Training Provided to Employees (by Gender)



38. 3-3 Management of material topics
404-2 Programs for upgrading employee skills and transition assistance programs

Case Study/ Initiatives

In 2022, as part of the leadership development path for Service Station Managers, we undertook the "Tomoooh" program for 53 UAE nationals with high potential who can play a pivotal role in our expansion ambitions and help us realize the 100% Emiratization goal for leading service stations.

In accordance with the objectives of the UAE government, the People Development Division of Human Capital established a unique learning and development program named "Tomoooh" to upskill and develop our UAE nationals into service leaders at our stations.



The following are examples of additional initiatives made by the Company to promote employee learning and development for 2023:

Retail training academy

- ▶ Identify individual personal roadblocks and employ a range of coaching programs in alignment with the Learning and Development Department
- ▶ Create the coaching calendar and deliver as per the business requirements across the regions
- ▶ Increase the internal training capabilities and facilities
- ▶ Define the core pathway of delivering implementation and excellence on the ground
- ▶ Contribute to the improved performance of the Retail Group

- ▶ Capability Assessment
- ▶ Leadership Programs
- ▶ Acting Opportunity, the successor will gain additional knowledge and experiences

Continue conducting leadership programs mentioned above for leaders

- ▶ Core leadership development programs

Developing internal coaches for front liners

Succession planning (Successor's developments)

- ▶ Talent and Succession Dept. is building a solid successors pipeline to ensure business continuity. The successors' development plan includes
- ▶ Encourage the successors to create their Personal Development Plan (PDP).
- ▶ HIPO program (9 box grid) to cultivate a high-quality talent pipeline



HEALTH, SAFETY, AND SECURITY

CUSTOMER HEALTH AND SAFETY³⁹

Our priority is to provide a safe and healthy place to all stakeholders of ADNOC Distribution, especially our customers. We ensure that all health and safety protocols within our operation's premises are followed by customers, which will help avoid accidents on-site or any adverse health effects. Our Service Station staff are responsible for monitoring

compliance with Safety hazards and caution signs installed in our service stations. Aside from that, we have an annual audit program to verify the HSE Management System (HSEMS) implementation at these stations. All the audit findings are transferred and tracked through the action tracking system.

For 2022, we identified no significant negative impact on Customers from our activities. Hazard control measures are effectively controlled to avoid any potential impact.

- ▶ HSE Policy of ADNOC Distribution
- ▶ Programs and campaigns on customer health and safety for the year 2022

OCCUPATIONAL HEALTH AND SAFETY

ADNOC Distribution's utmost priority is safety, which is embedded in the organization's core values. To protect our employees, contractors, and third parties, we have adopted ADNOC Group's HSE Management System HSEMS, which has a strategic goal and commitment to navigate our programs, practices, and a working culture that promotes safety at each organization's level. We pursue the quality of life and productivity by escalating and defending our people's physical and mental health and overall well-being.

The HSEMS is categorized with various performance indicators and system procedures with alignment to laws and legal requirements, and best practices across the globe. The Health and Safety topics across the organization's assets, operations, and service stations are managed and supervised by the ADNOC Distribution's HSE Division and constantly reviewed and updated if needed.

ADNOC Group HSEMS comprised 78 HSE Standards composing HSE governance, Occupational Health, Environment, Operational Safety, Risk Management, Crisis Management, and Emergency Response. The ADNOC Group HSE Team in Audits and ADNOC Distribution's Internal Audit function are responsible for verifying compliance. Also, ADNOC Distribution has ISO 9001.

The ADNOC HSEMS corresponds with a commonly used high-level framework structure and applies the 'Plan-Do-Check Act' cycle (PDCA) on the requirements of ISO Standard 45001:2018 on Occupational Health

and Safety (OHS) and ISO 14001:2015 on Environmental Management System (EMS). The HSEMS is an integral part of the ADNOC Integrated Management System (IMS), which has its manual that summarizes the "context of the organization," while the IMS framework is for comprehending and achieving the needs and expectations of interested parties.

The scope of HSEMS was depots, service stations, vehicle inspection centers, aviation filling facilities, and project sites. Suppliers or services supplied to various strategic partners are beyond the scope of the Company's HSEMS. ADNOC Distribution looks forward to achieving IMS certifications, OH projects, and an annual monitoring program that will represent commitment towards enhancing the Company's health and safety performance for 2023.

HEALTH AND SAFETY AT WORK

ADNOC Distribution ensures effective implementation and consistent improvement of the HSEMS through our HSE Policy. This statement is communicated to all stakeholders, including employees and contractors, and executed across the organizational boundary.

Health and safety performance data is consistently collected, assessed, and reported to achieve objectives and targets in this topic. ADNOC Distribution's HSE Governance Framework records the goals and targets in terms of health and safety performance, distinctly characterizes the roles and responsibilities for health and safety management beyond the organization, and corresponds

with the Company's overarching sustainability strategy. ADNOC Distribution's Executive Leadership Team, along with these strategies, can evaluate and develop decisions on the efficiency of the procedures set by ADNOC Distribution on handling its performance on safety and health.

ADNOC Distribution ensures effective management of health and safety performance that is executed through a robust process including:

Establish a five-year HSE Business Plan and CAPEX Identification for all HSE Projects.

Cascading of HSE Performance of the Company and contractors across sites.

Constantly track and report development measures and compliance status to ADNOC Distribution's executive management.

Detailed submission of the Annual HSE Performance Report promptly.

Adhere to ADNOC HSE Standards in mitigating risks and monitoring hazards.

All our employees have access to comprehensive and high-quality medical and healthcare services through Daman, with a detailed schedule of benefits available.



39. 3-3 Management of material topics
 416-1: Assessment of the health and safety impacts of product and service categories
 416-2: Incidents of non-compliance concerning the health and safety impacts of products and services

HAZARD IDENTIFICATION AND RISK ASSESSMENT⁴⁰

The organization assesses and determines its HSE risks using a Risk Assessment Matrix. We execute recurring inspections and reviews across the organization's assets and operations, including service stations, using qualitative and quantitative risk assessment tools: QRA, HAZOP, HAZID, JSAs, ENVID (Environmental Impact Identification), OHID (Occupational Health Identification), FERA (Fire & Explosion Risk Assessment) and other leading international risk frameworks.

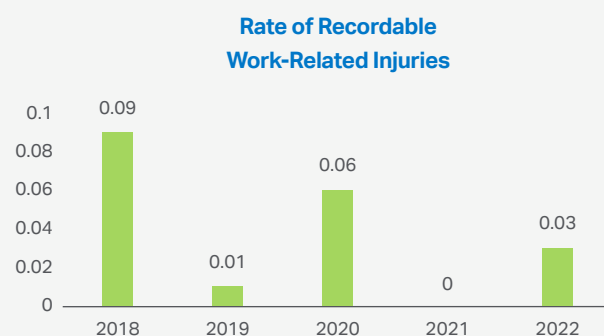
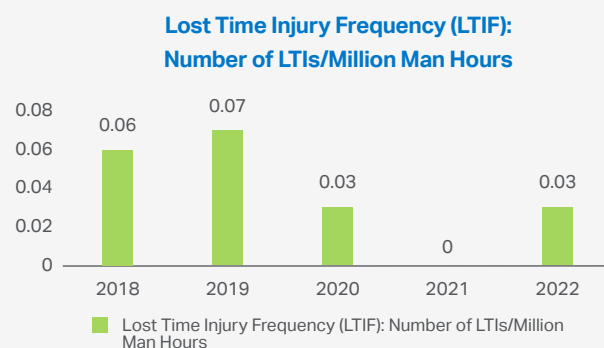
The organization's operations are supervised monthly by qualified and competent HSE Inspectors to safeguard its compliance with the HSE standards and other requirements. Occupational Health Risk Assessments and Occupational Health Identification assessments have been regulated for all facilities, and actions are verified every quarter. At the same time, critical HSE Key Performance Indicators (KPIs), including occupational health, safety, and process safety indicators, are reported and tracked every month.

When any incident happens, an investigation according to the timeline set considering the severity of the incident will be done. A root cause analysis is also conducted to comprehensively identify the underlying causes and contributory factors. It is imperative to promptly respond to any incident with recommendations given to avoid the recurrence of such happening. Organization's HC system is the source of man-hours data for our full-time employees that are used to calculate different KPIs. At the same time, data is collected via the submission of monthly reports for contractors.

ADNOC Distribution employees can effectively report work-related health and safety hazards or any hazardous situation through the organization's One ERP system to ensure immediate identification and implementation of health and safety risks and corrective actions. This is an SAP-based system used to report HSE incidents and observations.

ADNOC Distribution recorded only one minor work-related injury in 2022, while it recorded zero high-consequence work-related injuries during the year, due to its robust and effective HSEMS, which enhances the organization's

initiatives and programs across all sites and assets, and ongoing awareness campaigns and initiatives. Moreover, the Company did not report any employee fatalities. There were also zero recorded cases of ill health among employees.



EMPLOYEE ASSISTANCE PROGRAM

We value the physical health of our employees, which is why we extend our assistance to all employees with health insurance. This will allow them to access extensive medical and healthcare services with the help of our partnered leading health insurance specialist in the UAE. The employee assistance program, with the supervision of ICAS, started during the outbreak of COVID-19 to help employees cope with the adverse effects of the pandemic. We also provided legal advice relating to family and work pressure, managerial skills programs, and even financial inquiries to the employees and their families to cope with anxiety and stress and improve their mental well-being.

EMERGENCY PREPAREDNESS AND RESPONSE

HSEMS has a pivotal framework to establish emergency management during unprecedented times while operating within the organization. The content of crisis management and emergency response includes Oil Spill Response, Fire and Rescue Operations, Emergency Response, Crisis Management Process, and Emergency Response Plan.

TRAINING AND AWARENESS ON HEALTH, SAFETY, AND ENVIRONMENT⁴¹

ADNOC Distribution continually conducts surveys to evaluate employees' insights regarding their daily working health and safety to ensure the effective execution of HSE Management. We regularly coordinate through meetings, feedback forms, and sharing of opportunities, and

conducting leadership site visits to guarantee to employees that we improve our management system regarding health and safety. HSE Awareness Materials and Standards can be accessed on the intranet portal for all staff members and continuously provided printed materials. The related data is ensured to be accessible as this is a crucial element to the Company's overall safety performance. To further enhance these actions, teams are issued with HSE alerts to explain lessons learned from any incidents that may have occurred across the organization.

The Learning and Development Department delivers training that follows Training Matrix Guidelines to

ensure that the courses in respective learning areas are catered to and training audiences are identified. Furthermore, critical HSE issues are presented during the Executive Management Forum, attended by ADNOC Distribution's top management. In 2022, 64 different HSE training courses were delivered to 11,009 employees in the organization.

OIL SPILL RESPONSE⁴²

ADNOC Distribution keeps spill kits on hand at all terminals. There were no major oil spills across ADNOC Distribution in 2022.



40. 403-2 Hazard identification, risk assessment, and incident investigation
 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships
 403-8 Workers covered by an occupational health and safety management system
 403-9 Type of injury, disease, lost days, absenteeism, work-related fatalities
 403-10 Work-related ill health

41. 403-4 Worker participation, consultation, and communication on occupational health and safety
 403-5 Worker training on occupational health and safety
 403-6 Promotion of worker health
 42. 3-3 Management of material topics

ECONOMIC & SOCIAL CONTRIBUTION

ECONOMIC PERFORMANCE⁴³

ADNOC Distribution strives to improve its economic performance by establishing annual goals in business expansion, customer experience, profitability, health and safety, local and international investments, local contributions, employment, and development opportunities for UAE nationals. By engaging with its stakeholders regularly, the Company can prioritize the needs of its customers and communities, achieving its goals and achieving a more significant impact on its stakeholders.

As the largest fuel and convenience retail brand in the UAE and a leading marketer and distributor of fuels, ADNOC Distribution aims to develop a sufficient and resilient infrastructure capable of supporting anticipated economic growth for commercial, industrial, and government customers throughout the UAE. The Company has aligned its vision with the Abu Dhabi Economic Vision 2030, which aims to transform the emirate's economy by establishing a plan that includes less reliance on the oil sector as a source of economic activity. As a result, the long-term plan anticipates a future economy with a greater emphasis on knowledge-based industries.

BUSINESS EXPANSION

ADNOC Distribution operates its service stations across all seven emirates, and it is committed to providing high-quality services to its customers and improving their experience in all locations. Our ambition is to be a regional mobility retailer of choice, an enabler of sustainable mobility, and a provider of exceptional customer experience.

The Company aims to increase access to its service stations, convenience stores, and other car care services. ADNOC Distribution is also committed to renovating its convenience store network, improving product assortments, and offering freshly prepared food and hot beverages in modern environment. While remaining focused on its growth strategy, the Company is committed to optimizing its costs, running its day-to-day operations sustainably, strengthening its brand, and allocating capital efficiently to generate higher shareholder value. With these, ADNOC Distribution remains committed to contributing to the country's economic development by participating in the In-country value (ICV) Program by dealing with local suppliers, increasing job opportunities, and contributing to local communities.



IN 2022, ADNOC DISTRIBUTION ADDED 42 NEW STATIONS IN THE UAE AND 28 NEW CONVENIENCE STORES, REFURBISHED 42 CONVENIENCE STORES AND EXPANDED ITS FRESH FOOD AND HOT BEVERAGES OFFERINGS. IN ADDITION, THE COMPANY EXPANDED ITS PRESENCE OUTSIDE THE UAE BY ADDING 26 NEW STATIONS IN THE KINGDOM OF SAUDI ARABIA.

SUSTAINABLE GROWTH⁴⁴

ADNOC Distribution strives for long-term growth by focusing on the economy, the environment, and the community, thereby safeguarding and improving the quality of life for future generations. By expanding its reach and growing its network to provide increased fuel and retail convenience, the Company delivers sustainable energy to its customers and communities safely and conveniently.

ADNOC Distribution also manages resources efficiently and responsibly by introducing a unique drive-through concept with tablet-based ordering at "On the Go" Stations. These innovative stations allowed the Company to reduce its environmental impact by running on 50% less power than traditional stations, where the Company added 26 new On the Go stations to its portfolio in 2022.

The Company also introduced its flagship station in Dubai, leveraging advanced technologies – including smart cameras and digital screens at the pump – to deliver a personalized, digitally immersive, seamless customer journey.

In line with ADNOC Distribution's commitment to driving sustainability across its business, the station strongly emphasizes renewable power as it is partially powered through built-in photovoltaic (PV) panels and solar and wind-powered trees. Inside the convenience store, customers and staff movement also contribute to providing energy via power-generating walkways; in line with ADNOC Distribution's commitment to driving sustainability across its business, the station places a strong emphasis on renewable power.

ADNOC
On the go

STATIONS RUN ON 50% LESS POWER IN COMPARISON TO TRADITIONAL STATIONS



ADNOC DISTRIBUTION'S FLAGSHIP STATION IS PARTIALLY POWERED THROUGH BUILT-IN PHOTOVOLTAIC (PV) PANELS, IN ADDITION TO SOLAR AND WIND-POWERED TREES



43. 3-3 Management of material topics

44. 201-2 Financial implications and other risks and opportunities due to climate change

ADNOC Distribution continues to acknowledge the external trends that may impact the future demand for fuel products. Current trends include energy transition and changing mobility trends such as electrification, shared mobility, etc. The Company is committed to capitalizing on energy transition opportunities and investing in future mobility trends through installing EV chargers at its stations, expanding its CNG fueling network, piloting hydrogen fueling stations, etc.

This was proven by the Company's recent partnership with TAQA to establish E₂GO, to build and operate electric vehicle charging points in Abu Dhabi and across the wider UAE. In addition, as part of its commitment to decarbonize operations, the Company may be required to invest in low-emission energy sources, such as biofuels, in its fleet. It should also utilize cleaner chemical additives across its fleet to improve the combustion process and enhance fleet vehicle management. It should also use cleaner energy and renewable sources such as PV solar panels on its service stations.

FINANCIAL PERFORMANCE⁴⁵

In 2022, ADNOC Distribution achieved record-breaking financial performance as compared to 2021. The Company achieved a 53% increase in 2022 revenue driven by higher selling prices of fuel products and growth in fuel volumes and non-fuel retail business. It also recorded an increase of 15% year-on-year in EBITDA.

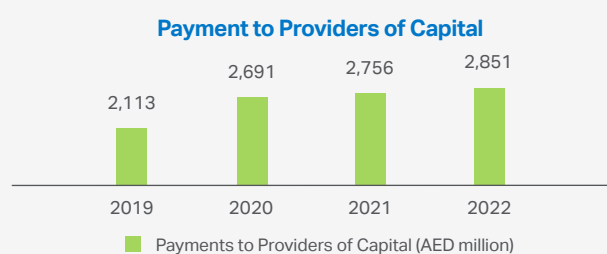
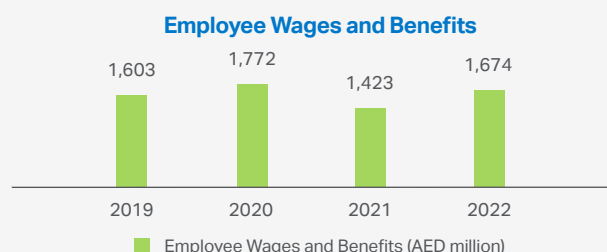
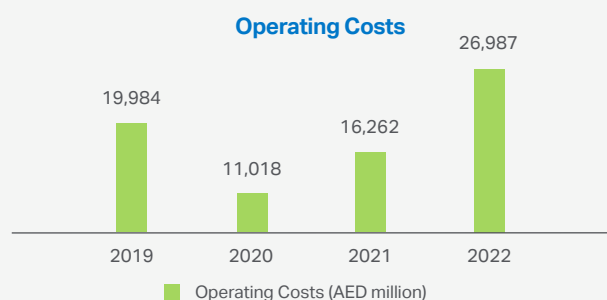
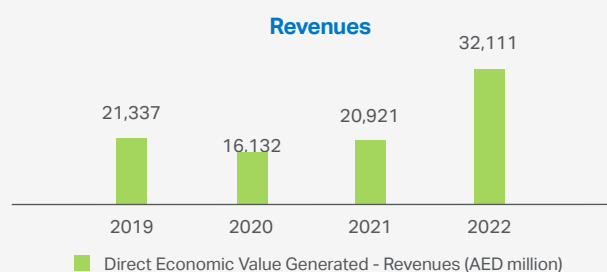
Our CSR investments last year stood at AED 2 million bringing our economic value retained to AED 599 million.

In addition, ADNOC Distribution also achieved 1000 hours of community volunteering by the employee, including senior management, the CEO, customers, and employees' families, exceeding the year's target of 100 hours. This proved that the Company is progressing toward its CSR initiatives.

Operating costs increased in 2022 by 64% compared to 2021 due to the increase in fuel supply costs caused partly by the higher price of crude oil.

Employee wages⁴⁶ and benefits increased in 2022 by 18% in line with the Company's network expansion.

ADNOC Distribution's shared value as Payments to Providers of Capital increased by 3% in 2022 due to higher interest rates.



45. 201-1 Direct economic value generated and distributed

46. Employee wages include staff costs and payment to providers of capital include dividend paid to shareholders and finance cost

FUTURE COMMITMENTS

ADNOC Distribution intends to improve its economic performance further by increasing its EBITDA. The Company will maintain its commitment to contributing to UAE's economic growth and creating more job opportunities. In addition, the Company plans to open 25-35 new stations in 2023.

ADNOC Distribution has a fully operational team in the Kingdom of Saudi Arabia. Following the addition of 64 new stations in Saudi Arabia since the beginning of 2021, the Company is currently working on revitalizing and rebranding its network in the Kingdom.

In Egypt, ADNOC Distribution's recent partnership with TotalEnergies to acquire a 50% stake in TotalEnergies Marketing Egypt reaffirms its commitment to expanding business in attractive international growth markets. Egypt's fuel retail, lubricants, and aviation markets are highly attractive, with potential future growth. Due to its young and expanding population, alongside a series of progressive economic reforms, Egypt has recorded positive GDP growth with a strong outlook. The acquisition of a 50% stake in TotalEnergies Marketing Egypt was completed in Q1 2023.

Beyond that, ADNOC Distribution is evaluating inorganic growth opportunities in international markets, focusing on efficient capital allocation toward growth, including potential export markets for lubricants. The Company is on track to execute a clear and measurable strategy to increase EBITDA to more than AED 3.67 billion (\$ 1 billion) by 2023.



PROCUREMENT PRACTICES

ADNOC Distribution's procurement processes are a centralized function that supports all of the Company's business lines. Vendors and suppliers must declare their compliance with the ADNOC Distribution Code of Conduct during registration, prequalification, and tendering. To support our strong ethics and compliance agenda, ADNOC Distribution requires suppliers and partners to comply with the Supplier and Partner

Business Code of Ethics and conducts Integrity Due Diligence (IDD) analysis before engaging in business or partnership with the Company.

To enhance the In-Country Value (ICV) performance indicators percentage in 2022, the organization identified and granted improvement plans to vendors. Due to this strategy, the Company's ICV contribution grew to 70% in 2022. In 2018,

ADNOC launched the ICV program, a procurement-led initiative to maximize the value of our nation's oil and gas resources. The program has now been adopted by the UAE's Ministry of Technology and Advanced Technology (MoIAT) and has grown beyond the oil and gas industry to encompass other sectors. The program shall ensure a standardized certification procedure to promote economic growth and efficiency in the UAE.

The program delivers ICV by concentrating on three primary objectives:



GDP

(Gross Domestic Product) diversification through increased spending on local goods and services.



Emiratization

Emiratization and personal development opportunities for UAE Nationals in the private sector.



Localization

The localization of strategic capabilities for critical supply chain functions in the oil and gas industry.

To fulfill the program's objectives, ADNOC Distribution intends to improve its ICV % in the following years through proactive interaction with existing suppliers in the local market to increase local spending, employment, and the Company's local supplier base.



SUPPLIER SOCIAL AND ENVIRONMENTAL ASSESSMENT

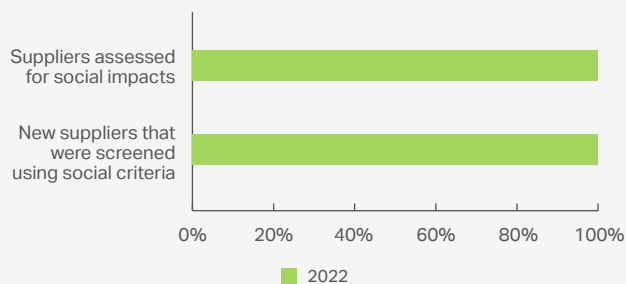
Supplier sustainability assessments provide the Company with a comprehensive understanding of the supplier's strengths and limitations regarding its sustainability performance. They also enable the Company to work with suppliers to discuss how they can enhance their sustainability performance. ADNOC Distribution conducted Supplier Sustainability Assessments throughout 2022 to ensure a sustainable supply chain in our business operations. This assessment increased awareness and understanding of supplier threats and enhanced the Company's supply chain requirements.

Choosing the correct technology suppliers and ensuring they positively impact the Company's sustainability performance becomes critical for every responsible firm as every organization looks to digital transformation and harness technology to gain a competitive advantage.

SOCIAL ASSESSMENT

The social evaluation is a requirement for suppliers to register to acknowledge approval of the ADNOC Suppliers Declaration, which refers to all applicable rules and regulations, including but not limited to those in the UAE. When functioning on behalf of the ADNOC Group, the Supplier shall comply with all applicable laws relating to anti-corruption and improper payments. The Supplier shall ensure that all its employees comply at all times with the ADNOC Group Supplier and Partner Code of Ethics.

The Centralized Registration was used in 2022 to evaluate Suppliers. All suppliers are subject to a biannual HSE evaluation as part of the Agreement execution and must consent to the terms and conditions and HSE standards throughout the tendering process. One of the criteria is the health and well-being of suppliers' employees.



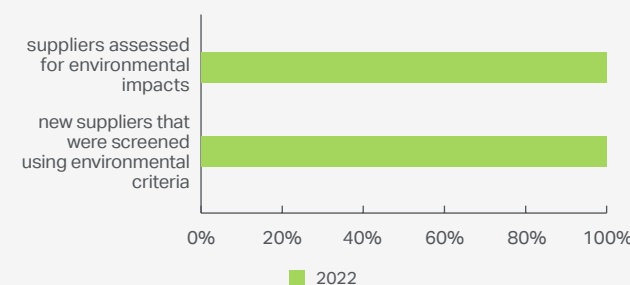
100% OF NEW SUPPLIERS THAT WERE SCREENED USING SOCIAL CRITERIA FOR 2022

100% OF SUPPLIERS ASSESSED FOR SOCIAL IMPACTS FOR 2022

ENVIRONMENTAL ASSESSMENT

Suppliers' adherence to environmental issues is assessed at several points, including during registration, tendering, and execution of agreements. The criteria for suitable categories were given weight in the 2022 assessment at the initial evaluation (Gate 1), the bid evaluation (Gate 2), the performance evaluation, and the HSE audits (Gate 3).

Our assessment report indicated that suppliers were actively involved in sustainability-related concerns. By conducting a thorough evaluation based on our proprietary process, we identified the areas where the supplier's sustainability performance needs improvement. The Company assures that these controls will continue to be used and enhanced in 2023.



LOCAL COMMUNITY IMPACT AND INVESTMENT⁴⁷

ADNOC Distribution is a brand associated with the national pride of the UAE. Decisions are guided by the ideals of cooperation, respect, responsibility, and efficiency, inspired by one of the core Code of Conduct values, "We are Responsible."

CORPORATE SOCIAL RESPONSIBILITY STRATEGY

ADNOC Distribution aligns its Corporate Social Responsibility (CSR) programs with the local and national strategies focusing on the country's overall development and prosperity, including aligning with the national plan such as the 'The UAE 2031' vision and the Abu Dhabi Economic Vision 2030.

100% OF NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA FOR 2022

100% OF SUPPLIERS ASSESSED FOR ENVIRONMENTAL IMPACTS FOR 2022



47. 3-3 Management of material topics
413-1 Operations with local community engagements, impact assessments, and development program

Every year, we set clear targets and have been meeting and performing beyond our agreed targets year-on-year. In 2022, we met our full-year target for CSR Reach by achieving 2.5 million reach through various CSR campaigns held during the year. We aspire to continue the momentum.

OUR CSR OBJECTIVE: CREATE LOCAL OPPORTUNITY, GROWTH, AND POSITIVE IMPACT IN EVERY COMMUNITY WE OPERATE IN AND BUILD A STRONG RELATIONSHIP WITH OUR STAKEHOLDERS

The CSR engagements conducted every year are aligned with UN SDGs and ADNOC CSR pillars of:

- 
Community
 Support local communities by focusing on social campaigns
- 
Environment
 Support environmental programs that contribute to UAE's 2050 Net-zero emissions initiative
- 
Economy
 Create shared value with local businesses

Under the Sustainability Committee, a CSR Sub-Committee has been established to develop CSR strategies, policies, and initiatives while monitoring their implementation. In addition, they are the primary focus for the Group in assisting and advising the CEO to make informed decisions on crucial CSR matters as the Delegation of Authority and the CSR Policy govern them.

Aligning CSR projects with:

- ▶ CSR priority areas (Community, Environment, and Economy)
- ▶ The 8 UN Sustainable Development Goals (SDGs) adopted by ADNOC Distribution



GROWTH AND LEARNING
 Enable the UAE's economic ambitions by supporting STEM education and empowering local business communities



SPORTS, HEALTH, AND WELLBEING
 Invest in sports to enhance the quality of life and well-being of existing and future generations

ADNOC CSR THEMES



CULTURE AND COMMUNITY
 Preserve the cultural heritage and drive cohesive communities where we operate



NATURAL HERITAGE AND ENVIRONMENT
 Protect and preserve the ecosystem in every environment where we operate

ADNOC Distribution maximizes digital platforms such as social media promotions, direct customer engagement with ADNOC Rewards, and announcements on digital devices. During 2022, ADNOC Distribution invested AED 2 million in CSR and related sponsorship initiatives, while employees contributed 1,000 volunteer hours.



Case studies on social initiatives and community development programs by ADNOC Distribution:



STEM SUMMER CAMP COMPETITION – ‘BEAT THE HEAT’

Three student projects to be considered among the ‘Beat the Heat’ measures in next year’s campaign

Participating students are enrolled in a 10-day training program. They attend a series of virtual workshops to provide innovative solutions to help workers at ADNOC Distribution sites overcome the challenging heat conditions in open-air settings during summer. The project falls under ADNOC Distribution’s annual ‘Beat the Heat’ awareness campaign to maintain the health and safety of Company employees whose jobs might require working in open-air settings during the hot summer.

In 2022, 10 projects were presented, of which three were selected as the winners. The winning projects will be considered among the solutions and measures to be deployed in next year’s ‘Beat the Heat’ campaign.



AL GHADEER UAE CRAFTS

We increased sales revenues from Al Ghadeer UAE’s stands at ADNOC Oasis from AED 21,000 to AED 50,000 in one year

ADNOC Distribution extended its partnership with the Emirates Red Crescent project, Al Ghadeer UAE Crafts, for a second year in 2022, following the remarkable success of the cooperation during the first year.

ADNOC Distribution supported the initiative by allocating retail space at select ADNOC Oasis convenience stores in Al Bateen, Mahwi, Al Ain, and Dubai regions to showcase artifacts created by Al Ghadeer’s craftswomen.

In 2022, we increased the number of stands allocated for Al Ghadeer UAE Crafts to showcase their products to 9 at ADNOC Oasis locations, generating sales exceeding AED 50,000 in value.



RAMADAN IFTAR BOXES DISTRIBUTION CAMPAIGN

70 employees spent 60+ volunteer hours to distribute 150,000 iftar boxes in 2022

In collaboration with our partners at the Emirates Red Crescent, ADNOC Distribution employees volunteered to deliver special iftar boxes at select locations within the ADNOC service station network. This offered motorists breaking their fast on the road a healthy and nutritious Iftar meal. The packages included dates and water.

KHALIFA FOUNDATION RAMADAN MEALS PARTNERSHIP

5,000+ LPG cylinders distributed among 194 participating families to prepare 900K+ hot Ramadan Iftar meals

In partnership with the Khalifa bin Zayed Al Nahyan Foundation, ADNOC Distribution provided LPG cylinders to hundreds of participating families, who took part in a cooking challenge to provide hot Iftar meals to thousands of underprivileged fasting people across the UAE.



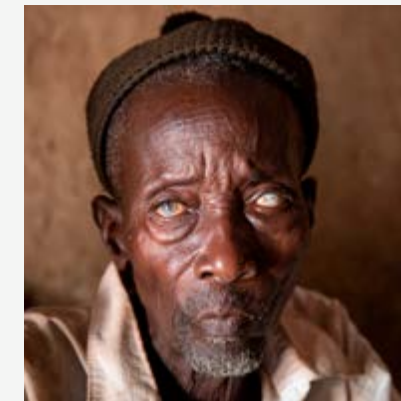
PINK CARAVAN

Since partnering with Pink Caravan in 2011, ADNOC Distribution has contributed AED 260,000+ in direct monetary support, conducting 100K+ clinical examinations, and detecting 100+ cases of breast cancer at an early stage

Pink Caravan is a national campaign during international breast cancer awareness month in October. The initiative was created in 2011 by the Friends of Cancer Patients Group, and we’ve since partnered with them to help raise awareness about the disease. In addition to ADNOC Distribution’s direct monetary contribution to support the cause, the Company also offers physical space at its service stations to enable the campaign’s mobile screening and examination clinics to provide free consultations and health screenings to the public.

In 2022, ADNOC Distribution supported the Pink Caravan with a direct monetary contribution of AED 60,000, providing the required physical space and volunteers’ support to ensure the campaign’s success. This has resulted in conducting 2,505 examinations, 311 screenings, and 604 mammograms, which has saved so many precious

lives through early detection and raised awareness about this dangerous health issue.



REACH CAMPAIGN

Providing community support beyond the physical presence of our network and into the world to combat a global pandemic

An ongoing CSR partnership with the UAE’s Emirates Red Crescent, the Reach Campaign aims to raise awareness of the river blindness disease (caused by the parasitic worm *Onchocerca volvulus*) and provide the necessary support to prevent it from spreading worldwide.

The devastating medical condition affects millions of people worldwide, especially in Africa. However, it can be easily treated at a minimal cost of two dirhams per patient, enough to cure the case and protect the patient from re-contracting it for up to one year. ADNOC Distribution promotes and encourages customers to provide charitable donations to support the cause through the ADNOC Distribution app and by placing special collection boxes across the Company’s national service station network.

In 2022, ADNOC Distribution collected total donations of AED 400,000 to support the Reach Campaign, enough to provide treatment to 400,000+ patients. This included AED 155,271 in donations collected from the physical boxes across the network and was hugely complemented through online donations through the ADNOC Distribution app., with total contributions of AED 244,729.



MAKE THEIR LIFE COLORFUL

Providing support to local communities affected by recent adverse weather conditions in the UAE









A joint initiative between ADNOC Distribution and the Emirates Red Crescent - Volunteer aims to support the local communities affected by the adverse weather conditions that hit parts of the UAE in 2022, including heavy rains and floods in the eastern region. The program provides those in need with moral and in-kind support to help repair damaged houses and provide basic needs in times of need.

BUSINESS SUSTAINABILITY

ANTI-CORRUPTION⁴⁸

ADNOC Distribution has a zero-tolerance approach towards bribery and corruption and is committed to maintaining an effective compliance program to address any bribery and corruption risks. Our commitment to combating bribery and corruption is reflected in our Code of Conduct and the Anti-Bribery and Corruption Policy, Gifts, Entertainment, and Conflict of Interest Policy, which reflects our best practices.

ADNOC Distribution's Codes, Policies, and Programs in countering fraud and corruption include:

 <p>Anti-Bribery and Corruption Policy</p>	 <p>Conflicts of Interest Policy</p>	 <p>Code of Conduct</p>	 <p>Gifts and Entertainment Policy</p>
 <p>Supplier and Partner Code of Ethics</p>	 <p>Takallam – (whistleblowing portal)</p>	 <p>ADNOC Distribution Compliance Policy</p>	 <p>Whistle Blowing and Non-Retaliation Policy</p>

Achievements in 2022 include:

- 01** Rolled out comprehensive policies and procedures such as Integrity Due Diligence, Competition Law, International Trade and Sanctions, Fraud Risk Management, Dawn Raid policy, and practical guides
- 02** Training sessions on Anti-Bribery and Corruption, Gifts and Entertainment, Confidentiality and Social Media Usage, Insider Dealing, Sanctions, and Recusal Procedure Guide
- 03** 100% completion rate achieved for Conflict-of-Interest Declaration for desk-based staff
- 04** Kicked off the Data Privacy Programme to ensure complete alignment and compliance with the new data privacy laws coming into effect in the UAE
- 05** Utilization of data analytics under the Fraud Risk Management program to monitor and control fraudulent activities and theft at ADNOC Distribution service stations.

Finally, the Company also undertakes Integrity Due Diligence on 3rd party transactions. As our M&A activities accelerated in 2022, this has required regularly conducted detailed IDD.



48. 3-3 Management of material topics

COUNTERING FRAUD AND CORRUPTION⁴⁹

Corruption manifests in various ways, including fraud, bribery, money laundering, conflicts of interest, and asset misappropriation. Corruption has serious consequences not only for ANDOC Distribution but also for those involved. All ADNOC Distribution personnel must not engage in, encourage, agree to, ignore, assist, or otherwise be involved in fraud, bribery, or other forms of corruption. ADNOC Distribution has set four fundamentals for countering these risks:



POLICIES

Clear governance policies supplement the Company's actions to combat corruption. The Anti-Bribery and Corruption Policy, Gifts, and Entertainment Policy, and Conflicts of Interest Policy are in full operation and are in line with the Code of Conduct and the Compliance Policy of ADNOC Distribution. These policies reflect best practices and set the standards and rules that all employees must abide by to avoid potential breaches and non-compliance. These policies were launched in 2021 and remain fully operational at ADNOC Distribution.



TRAINING

Anti-Bribery and Corruption Training are conducted regularly or in conjunction with existing policies. These are intended to reflect best practices and ensure the policies' effectiveness.



COMMUNICATION

Policies, programs, and practices regarding anti-corruption are thoroughly cascaded through various mediums: newsletters, group emails, and training, which remind employees of their obligations under the policies and create awareness of any issues or practices that may lead to corruption or fraud.



DISCIPLINARY

Failure to follow the policies will result in disciplinary action. Reports are investigated in alignment with ADNOC Distribution's Compliance Investigation Policy and Procedure, and appropriate recommendations and strategic remediation are guaranteed.

The Company conducted a thorough risk assessment of corruption risks across its operations. Bribery, misrepresentation of information, manipulation, and misuse of employee and customer data, kickbacks, leakage of confidential information, money laundering, and other topics were covered in the risk assessment.

An independent third-party consultant carried out the audit.

In 2022, 100% of ADNOC Distributions operations were evaluated for corruption risks. The findings of the assessment of the controls to mitigate these risks and raising employee awareness about anti-bribery and

corruption will aid in preventing non-compliance. Nonetheless, the Company continues implementing measures based on the results to improve existing controls and mitigation measures.

49. 205-1: Operations assessed for risks related to corruption.

PERSONNEL TRAINING AND COMMUNICATION⁵⁰

ADNOC Distribution emphasizes the significance of workplace ethics. The organization regularly conducts anti-bribery and corruption training and workshops across all business units.

100% of senior management including the Executive Leadership Team, have received anti-corruption training and communication. Furthermore, all senior management who received specific training on gifts and

entertainment, and conflicts of interest have communicated the message to their respective divisions and teams.

100% of ADNOC Distribution employees have completed code of conduct training, which includes topics such as anti-bribery and corruption, gifts and entertainment, and conflicts of interest.

In addition, ADNOC Distribution has

its Supplier and Partner Business Code of Ethics, which suppliers must agree to before entering into business or partnership with the Company. The code of ethics outlines the expectations regarding anti-bribery and corruption that all suppliers and partners must adhere to.



50. 205-2 Communication and training about anti-corruption policies and procedures

REPORTING MECHANISM⁵¹

Takallam is ADNOC Distribution's whistleblower platform. It is supported by the Whistleblowing and Non-Retaliation Policy. The Company encourages employees to report unethical behaviors such as bribery, financial misconduct, and corruption. It also promotes workplace transparency and openness. The Whistleblowing Portal provides a channel for reporting that is guaranteed to be confidential and free of retaliation. In addition to the Takallam portal, employees can report directly to line managers or the compliance department whenever ethical standards are breached. A register for the receipt of gifts and entertainment has been made available for employees. The Compliance Department, in collaboration with the Line Managers, reviews these.

The managers are also responsible for approving conflict of interest and gift and entertainment declarations after receiving advice from the Ethics and Compliance department. Critical issues are communicated to the highest governance body at monthly meetings of the Executive Committee of the Board of Directors and quarterly Board meetings as they occur.

As a publicly listed Company, the requirement to have fair and transparent dealings in our securities is paramount to us. We take a zero-tolerance approach to any activities that would prevent this requirement from being correctly implemented. Accordingly, we have implemented an Insider Dealing Policy to ensure that the obligations and responsibilities of our employees, officers, and directors with respect to dealings in our securities are clearly defined.

ADNOC Distribution maintains an Insider List in compliance with ADX and SCA rules. The compliance department reviews and monitors this list to ensure that all employees classified as Insiders are included. This ensures that adequate measures are in place to prevent Insider dealing. The list is also submitted to ADX quarterly. In alignment with the Insider Dealing Policy, ADNOC Distribution has an established Insider Dealing Committee to oversee the ongoing implementation of this policy.

In 2022, ADNOC Distribution confirmed one non-material incident of corruption involving service station personnel. This incident served as a platform for the Company to reflect on effective methods to ensure that existing controls, such as anti-bribery and corruption policies, procedures, and other mechanisms, are strengthened, reviewed, and

updated regularly in alignment with best practices. Effective remediation strategies were implemented to avoid any future re-occurrence.

ADNOC Distribution conducted various e-learning courses on Anti-Corruption and Bribery, including Gifts and Entertainment, Conflicts of Interest, Confidentiality, and Social Media Usage to all employees.

FUTURE COMMITMENTS

ADNOC Distribution is committed to ensuring all employees receive continuous training and awareness on anti-bribery and corruption matters. All employees must take anti-bribery and corruption courses, including Gifts and Entertainment and Conflicts of Interest. Furthermore, following business needs, the Company will

provide targeted training on Integrity Due Diligence to specific Groups across the organization. These training sessions are intended to raise awareness about potential hazards and to emphasize the value of ethics in the workplace

ANTI-COMPETITIVE BEHAVIOR⁵²

ADNOC Distribution is committed to conducting its business lawfully, ethically, and with integrity. ADNOC Distribution expects everyone working for or representing the Company to act accordingly. ADNOC Distribution has published its Competition Compliance Policy aligned with international laws and standards on anti-competitive practices. This Policy aims to set out ADNOC Distribution's requirements concerning Competition Law compliance.

Most of ADNOC Distribution's revenues (nearly 70% of total fuel volumes) are generated by its retail fuel business, which is regulated by the UAE's Ministry of Energy and Infrastructure. A commercial business sets prices based on global and regional market dynamics. With multiple players in the UAE commercial fuel sector (including demand met by product imports), there is little room for anti-competitive behavior.

As a globally-focused business entering international markets, ADNOC Distribution considers the impact of relevant competition laws on its everyday business. Although it primarily operates in the UAE, the Company is expanding into other jurisdictions worldwide. We must, therefore, comply with competition laws in other countries we intend to work within.



51. 205-3 Confirmed incidents of corruption and actions taken
 2-16 Communication of critical concerns
 2-25 Processes to remediate negative impacts
 2-26 Mechanisms for seeking advice and raising concerns

52. 3-3 Management of material topics
 206-1 Legal actions

DIGITIZATION AND INNOVATION⁵³

ADNOC Distribution continues its efforts to safeguard information systems and data assets in light of recent technological developments and ongoing and future trends. Through digital capabilities, the Company strives to develop new ways to engage with customers and create efficiencies.

In 2022, the Company continued to roll out its convenience stores revitalization program, enhancing its non-fuel offerings and delivering modern, digitally enabled fuel retail convenience to customers to make more out of every visit to an ADNOC Service Station. The Company also accelerated its digital transformation strategy to deliver best-in-class customer service, strengthening its competitive positioning.

In 2022, ADNOC Distribution also opened its new flagship station in Dubai. The Company's station on Sheikh Zayed Road leverages advanced technologies – including smart cameras and digital screens at the pump – to deliver a personalized, digitally immersive, seamless customer journey. The station also offers impressive sustainability credentials, partially powered by renewable sources – including an energy-generating walkway in the first double-store ADNOC Oasis convenience store.

E-COMMERCE ADVANCEMENTS

The Company is pleased with its ongoing success in its e-Commerce journey, which began in April 2020. By the end of 2022, the Company had

completed the onboarding of more than 200 convenience stores in the Talabat delivery app and continues to activate new stores.

With the emerging trends in e-grocery and e-commerce in the UAE, the Company is committed to focusing on superior quality, fast delivery, and offering customers a holistic and seamless retail experience. In addition, we have worked to improve our inventory offering, with up to 3,000 active stock-keeping units (SKUs) now available in aggregator platforms.

Through these, we have introduced new and broader menu offerings with the launch of Barista and Bakeries across up to 100 of the Company's active Talabat-partnered ADNOC Oasis stores – this expansion is a core part of the e-commerce strategy. We also plan to expand our e-commerce reach to more convenience stores across multiple stations, including Dubai and the Northern Emirates.

CYBERSECURITY

ADNOC Distribution's strategy is to provide enterprise infrastructure and services with the necessary controls to protect our physical and virtual workplaces regarding confidentiality, integrity, availability, and data privacy. This is achieved with a dual approach of strengthening our security posture and preparedness to manage potential incidents.

During 2022, ADNOC Distribution achieved multiple milestones in cyber security and data privacy. They include the execution of the Retail Service Station Network and Security Revamp Project for

establishing cyber security controls. They also include the introduction of multiple security layers to provide the highest security standards and protect retail service stations' data. This has also enhanced retail system network management operational efficiencies by integrating security and network management solutions. During 2022, we also continued to operate our testing program and security assessments, which help us proactively address vulnerabilities and security weaknesses before they can be exploited.

Other successful deliveries in 2022 include implementing Amazon Web Services (AWS) Security restrictions for mobile app customer data protection and Payment Card Industry Data Security Standard (PCI-DSS) accreditation. These ensure that the complete customer card payment cycle is secure and the enforcement of enhanced customer password complexity and Multi-Factor Authentication (MFA) for ADNOC wallet customers.

Governance of IT security and risks remains a cornerstone to ensure oversight of its cybersecurity strategy implementation, proactively protecting information assets and creating safe and resilient infrastructure which empowers the business to thrive.



53. 3-3 Management of material topics

ESG PERFORMANCE DATA

TYPE	2018	2019	2020	2021	2022
ENVIRONMENT					
ENERGY CONSUMPTION					
Total Indirect Energy (Electricity Consumption) (GJ)	865,969	820,000	862,750	1,030,640	1,041,030
Total Energy Consumption within the Organization (GJ)	1,106,491	1,073,150	1,113,250	1,305,109	1,411,782
Energy Consumption from Solar Energy (GJ)	NA	1,548	1,768	2,014	2,327
Diesel (L)	6,631,886	7,141,274	6,843,370	6,739,925	9,077,117
Gasoline (L)	590,598	475,512	672,641	997,066	1,206,470
ENERGY INTENSITY					
Energy intensity for the organization (GJ/million AED) – based on Revenue	48	50	69	62	44
EMISSIONS INTENSITY					
Emissions intensity for the organization (tCO ₂ e/million AED) – based on Revenue	8.9	9.1	8.1	7.2	4.9
GREENHOUSE GAS EMISSIONS					
Direct GHG Emissions (tCO ₂ e)	19,257	20,388	20,045	21,045	27,320
Indirect GHG Emissions (tCO ₂ e)	184,249	174,648	110,105	129,566	130,850
NOx emissions (kg)	312,000	294,000	281,000	295,000	336,220
SOx emissions (kg)	174,000	164,360	157,500	165,375	188,180
Volatile Organic Compounds (kg)	54,785,000	15,098,142	13,670,000	15,012,586	15,456,430
WASTE GENERATED (SOLID WASTE)					
Non-Hazardous Domestic Type Waste (Tons)	9,488	12,674	10,440	10,995	11,999
Paper and cardboard (Tons)	1	1.6	N/A	0.52	0.79
Waste Lube Oil (Tons)	N/A	1,100	1,506	1,537	764
Expired Chemicals (Tons)	21	10	10	135	18
Metal Scrap (Tons)	N/A	N/A	N/A	25	0
Tires (Number)	N/A	N/A	N/A	1,360	1,801
Batteries (Number)	N/A	N/A	N/A	215	316
WASTE GENERATED (LIQUID WASTE)					
LPG Cylinders Washing Water (m ³)	2,212	1,720	1,506	2,330	2,436
Wastewater from car wash (m ³)	1,125	1,409	1,355	221,013	231,359
Domestic Sewage (m ³)	1,046,229	1,408,494	1,289,013	1,780,489	1,361,438

TYPE	2018	2019	2020	2021	2022
WATER					
Water consumed from municipal supply (m ³) - including portable water	NA	NA	1,288,943	1,755,852	2,032,157
Water discharged into municipality sewage (m ³)	NA	NA	1,288,943	1,755,852	2,032,157
Water recycled (m ³)	1,125	1,409	1,355	221,013	231,359
ECONOMIC					
DIRECT VALUE GENERATED					
Direct Economic Value Generated (Revenues) (AED million)	22,893	21,337	16,132	20,921	32,111
Operating Costs (AED million) - including COGS	18,512	19,984	11,018	16,462	26,987
Employee Wages and Benefits (AED million)	1,834	1,603	1,772	1,423	1,674
Payments to Providers of Capital (AED million)	1,675	2,113	2,691	2,756	2,851
WORKFORCE DIVERSITY AND DEVELOPMENT					
Total Number of Employees	11,690	11,183	11,413	11,929	13,122
NUMBER OF PERMANENT EMPLOYEES BY GENDER					
Female	811	868	927	1,042	1,172
Male	10,879	10,315	10,464	10,865	11,387
NUMBER OF TEMPORARY EMPLOYEES BY GENDER					
Female	Nil	Nil	3	5	2
Male	Nil	Nil	19	47	1
PART-TIME EMPLOYEES					
Total enterprise headcount held by part-time employees	No part time employment in practice				
WORKERS WHO ARE NOT EMPLOYEES					
Workers who are not employees	607	552	633	526	560
Total enterprise headcount held by contractors or consultants (%)	17.7%	17.1%	16.2%	17.4%	17.9%
NATIONAL EMPLOYEES AS A PERCENTAGE OF EMIRATIZABLE POSITIONS					
Emiratization Rate (%)	74.0%	73.0%	72.0%	67.6%	63.9%
EMIRATI EMPLOYEES (#)					
Male	1,738	1,628	1,565	1,470	1,445
Female	402	388	402	412	404
RATE OF NEW HIRES BY EMPLOYEE CATEGORY					
In Senior Management positions (%)	0.1%	0.1%	0.1%	0.1%	0.1%
In Middle Management positions (%)	0.0%	0.1%	0.1%	0.1%	0.1%
In Professional, Operational, and Administrative positions (%)	2.3%	8.7%	12.4%	15.6%	22.2%

TYPE	2018	2019	2020	2021	2022
RATE OF NEW HIRES BY GENDER					
Female Employees	0.1%	1.1%	1.1%	2.0%	2.0%
Male Employees	2.3%	7.8%	11.5%	13.8%	20.3%
RATE OF NEW HIRES BY AGE GROUP					
Age group of 18-30	1.8%	6.3%	9.4%	11.5%	14.7%
Age group of 31-50	0.5%	2.4%	3.1%	4.3%	7.5%
Age group of 51-60	0.1%	0.1%	0.0%	0.0%	0.1%
MALE REPRESENTATION IN ADNOC DISTRIBUTION'S WORKFORCE					
In ADNOC Distribution's workforce	87%	86%	85%	84%	91%
In entry and mid-level positions	87%	86%	85%	84%	86%
In Senior and Executive Level Positions	94%	100%	93%	93%	95%
FEMALE REPRESENTATION IN ADNOC DISTRIBUTION'S WORKFORCE					
In ADNOC Distribution's workforce	13%	14%	15%	16%	9%
In entry and mid-level positions	13%	14%	15%	16%	15%
In Senior and Executive Level Positions	6%	0%	7%	7%	5%
AVERAGE HOURS OF TRAINING PER EMPLOYEE (BY GENDER)					
Female	NA	NA	134	140	140
Male	NA	NA	106	115	151
AVERAGE HOURS OF TRAINING PER EMPLOYEE (BY EMPLOYEE CATEGORY)					
In Senior Management positions	978	84	105	115	96
In Middle Management positions	103	119	129	142	92
In Professional, Operational, and Administrative positions	93	94	96	114	174
EMPLOYEES WHO RECEIVED PERFORMANCE AND CAREER DEVELOPMENT REVIEW					
Female	NA	NA	63%	87%	100%
Male	NA	NA	79%	91%	100%
TURNOVER					
Total number of employees leaving employment during the reporting period	1,025	1,436	1,141	1,117	1,764
TURNOVER BY EMPLOYMENT CATEGORY					
Senior Management Positions	0.0%	0.1%	0.1%	0.1%	22.0%
Middle Management	0.0%	0.3%	0.1%	0.2%	8.0%
Professional, operational, and administrative staff	8.7%	12.5%	9.7%	12.5%	14.0%
TURNOVER BY GENDER					
Female Employees	0.4%	0.5%	0.6%	1.5%	1.0%
Male Employees	8.7%	12.3%	9.2%	11.3%	12.5%

TYPE	2018	2019	2020	2021	2022
TURNOVER BY AGE GROUP					
Age group of 18-30	3.7%	3.8%	2.0%	3.3%	4.7%
Age group of 31-50	4.3%	7.9%	7.0%	8.8%	8.4%
Age group of 51+	0.8%	1.1%	0.9%	0.6%	0.4%
PARENTAL LEAVE					
Number of female employees entitled to parental leave	NA	NA	930	1,239	1,183
Number of male employees entitled to parental leave	NA	NA	10,533	12,563	11,936
EMPLOYEES WHO TOOK PARENTAL LEAVE					
Female	NA	NA	82	75	81
Male	NA	NA	149	155	202
EMPLOYEES WHO TOOK PARENTAL LEAVE AND RETURNED TO WORK AFTER LEAVE ENDED					
Female	NA	NA	82	75	79
Male	NA	NA	149	155	202
EMPLOYEES WHO TOOK PARENTAL LEAVE AND RETURNED TO WORK AFTER LEAVE ENDED THAT STILL EMPLOYED 12 MONTHS AFTER					
Female	NA	NA	82	66	79
Male	NA	NA	149	146	198
SAFETY					
TOTAL NUMBER OF HOURS WORKED					
Number of hours worked (million-man hours)	34.1	30.4	35.4	32.2	25.6
The number of hours worked by workers, not employees but by work or workplace is controlled by the organization (million-man hours)	8.8	7.3	10.5	8.4	11.0
TOTAL NUMBER OF EMPLOYEE FATALITIES AS A RESULT OF WORK-RELATED INJURY					
Number of Fatalities	0	0	0	0	0
Lost Time Injury Frequency (LTIF) (million manhours)	0.06	0.07	0.03	0	0.03
Rate of Recordable Work-Related Injuries	0.09	0.01	0.06	0	0.03
Number of Recordable Work-Related Injuries	9	3	2	0	1
Number of high-consequence work-related injuries (excluding fatalities)	0	0	0	0	0

TYPE	2018	2019	2020	2021	2022
TOTAL NUMBER OF EMPLOYEE FATALITIES AS A RESULT OF WORK-RELATED ILL HEALTH					
Number of Fatalities	0	0	0	0	0
WORKERS COVERED BY OCCUPATIONAL HEALTH AND SAFETY SYSTEM					
Number of all workers (including those who are not, but workplaces are) covered by the OHS System	3,060	2,928	4,190	2,655	3,613
Percentage of all workers (including those who are not, but workplaces are) covered by the OHS System	27%	22%	26%	18%	14%
WORK-RELATED INJURIES FOR ALL WORKERS WHO ARE NOT EMPLOYEES BUT WHOSE WORK OR WORKPLACE IS CONTROLLED BY THE ORGANIZATION					
Number of Fatalities	0	0	0	0	0
Rate of Recordable Work-Related Injuries	0	0	0	0	0
Number of Recordable Work-Related Injuries	0	0	0	0	0
Number of high-consequence work-related injuries (excluding fatalities)	0	0	0	0	0
Number of Fatalities	0	0	0	0	0
Rate of Recordable Work-Related Ill Health	0	0	0	0	0
Number of Recordable Work-Related Ill Health	0	0	0	0	0
PRODUCTS AND SERVICES					
Percentage of products and services for which health and safety impacts are assessed (%)	100%	100%	100%	100%	100%
BUSINESS SUSTAINABILITY					
BUSINESS PERFORMANCE					
Revenue (AED million)	22,893	21,337	16,132	20,921	32,111
Net Profit (AED million)	2,128	2,218	2,432	2,252	2,748
Total assets (AED million)	15,542	15,026	12,404	13,779	7,820
Total Equity (AED million)	3,588	3,749	3,477	3,202	3,445



LOOKING FORWARD

ADNOC Distribution remains committed to integrating sustainability across its business in 2023 and beyond by engaging with our internal and external stakeholders while assessing material performance and impacts across environmental, social, and governance. We aim to remain the leading fuel and convenience retail operator in our cities and communities.

Looking ahead, the Company is committed to adopting energy

efficiency, emissions reduction, and cleaner fuel initiatives, further proving its dedication to Sustainable Growth. We are constantly working towards transitioning the global energy industry - and energy distribution - to more innovative, efficient, and cleaner sources.

The Company has launched its Decarbonization Roadmap to reduce Scope 1 and 2 emissions intensity by 25% by 2030.

Our goals continue to focus on maximizing our resources while nurturing our people and transitioning to a more climate-resilient operation. The additional strategic objectives are aligned with the global and national agendas on climate change while transitioning toward a low-carbon economy.

Our priority programs for the years ahead, in line with our Strategic Sustainability Framework, include but are not limited to the following:



CLIMATE, EMISSIONS, AND ENERGY

Align with global and national targets on Net zero emissions

Update organization-wide emissions reductions targets

Launch of Decarbonization Roadmap to reduce 25% Scope 1 and 2 emissions by 2030.

ADNOC Distribution is the first UAE Fuel Retailer to convert a USD 1.5 billion term loan into a Sustainability Linked Loan committing to GHG Reduction per site and adoption of renewable energy sources for own consumption.



LOCAL ENVIRONMENT

Continue preserving the natural environment of the new communities we plan to expand to

Continually align our environmental practices with leading standards to mitigate any adverse impacts

The Company is 100% compliant with Abu Dhabi's Single Use Plastic Ban Policy.

First UAE Company to comply with the UAE's new Gasoline Standard (Euro 5/6 Emissions Standard).



ECONOMIC AND SOCIAL CONTRIBUTION

Enhance the contribution of ADNOC Distribution towards local corporate social responsibility programs

Provide suitable employment for highly qualified, competent individuals from a wide range of backgrounds



WORKFORCE DIVERSITY AND DEVELOPMENT

Increase the number of Emirati and female employees in our organization

Develop new training and professional development programs catering to new innovative topics (e.g., alternative energy, AI)



HEALTH, SAFETY, AND SECURITY

Continue achieving our zero-fatality performance target across our operations

Adopt leading security practices and technologies to protect our digital and physical assets, including customer data



BUSINESS SUSTAINABILITY

Develop new product portfolios to ensure the continued success of ADNOC Distribution services and operations

Ensure ADNOC Distribution Board of Directors receive sustainability training and development to ensure prioritization on ESG topics

Launch of ADNOC Distribution's Integrated Management System (IMS) focusing on integrating all the functional business processes in line with the leading industry practices and ISO Standards, including ISO 14001 Environmental Standards and ISO50001 Energy Management Standards.



GRI CONTENT INDEX

Statement of use	ADNOC Distribution has reported the information cited in this GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

DISCLOSURE	PAGE NUMBER(S), LINK, OR DIRECT ANSWER	ALIGNMENT WITH ADX ESG DISCLOSURE GUIDANCE
GRI 2: General Disclosures 2021		
The organization and its reporting practices		
2-1 Organizational details	About ADNOC Distribution	
2-2 Entities included in the organization's sustainability reporting	About the Report	G7. Sustainability Reporting
2-3 Reporting period, frequency, and contact point	About the Report	G8. Disclosure Practices
2-4 Restatements of information	Restatements of water consumption and discharged data for the years 2020 and 2021	
2-5 External assurance	ADNOC Distribution may seek to obtain the same for future reports to enhance its data reliability and stakeholder confidence.	G9. External Assurance
Activities and workers		
2-6 Activities, value chain, and other business relationships	Our Business	
2-7 Employees	ESG Performance Data	S5. Temporary Worker Ratio
2-8 Workers who are not employees	ESG Performance Data	
Governance		
2-9 Governance structure and composition	About the Board of Directors, Committees, Governance on ESG	
2-10 Nomination and selection of the highest governance body	About the Board of Directors	
2-11 Chair of the highest governance body	About the Board of Directors	
2-12 Role of the highest governance body	About the Board of Directors, Stakeholder Engagement	E8. Environmental Oversight G2. Board Independence
2-13 Delegation of responsibility for managing impacts	Governance on ESG	E9. Environmental Oversight
2-14 Role of the highest governance body in sustainability reporting	Governance on ESG	E8. Environmental Oversight
2-15 Conflicts of interest	Conflict of Interest Policy	
2-16 Communication of critical concerns	Reporting Mechanism	
2-17 Collective knowledge of the highest governance body	Our Corporate Governance	

DISCLOSURE	PAGE NUMBER(S), LINK, OR DIRECT ANSWER	ALIGNMENT WITH ADX ESG DISCLOSURE GUIDANCE
2-18 Evaluation of the performance of the highest governance body	Our Corporate Governance	
2-19 Remuneration policies	Sustainability-related Compensation and Incentive Schemes	G3. Incentivized Pay
2-20 Process to determine the remuneration	Committees	
2-21 Annual total compensation ratio	Diversity and Equal Opportunity, Closing the Gap	S1. CEO Pay Ratio
Business Ethics and Integrity	Corporate Governance and Business Ethics	G5. Ethics and Prevention of Corruption
Data Privacy Policy and Systems	Data Privacy Policy and Systems	G6. Data Privacy
Strategy, policies, and practices		
2-22 Statement on sustainable development strategy	Our Sustainability Strategic Framework	
2-23 Policy commitments	Governance driven by our Core Values	
2-24 Embedding policy commitments	Governance driven by our Core Values ADNOC Distribution regularly conducts awareness training, sends frequent emails, and ensures the availability of policy documents internally.	
2-25 Processes to remediate negative impacts	Reporting Mechanism	
2-26 Mechanisms for seeking advice and raising concerns	Reporting Mechanism	
2-27 Compliance with laws and regulations	Compliance Investigations Policy	
2-28 Membership associations	American Petroleum Institute (API), International Air Transport Association (IATA), Joint Inspection Group (JIG), International Association for Stability, Handling and Use of Liquid Fuels (IASH)	
Human Rights	Human Rights	S10. Human Rights
Stakeholder engagement		
2-29 Approach to stakeholder engagement	Stakeholder Engagement	
2-30 Collective bargaining agreements	NA	
GRI 3: Material Topics 2021		
3-1 Process to determine material topics	Materiality Assessment Methodology	

DISCLOSURE	PAGE NUMBER(S), LINK, OR DIRECT ANSWER	ALIGNMENT WITH ADX ESG DISCLOSURE GUIDANCE
3-2 List of material topics	Materiality Assessment Methodology For 2022, ADNOC Distribution leveraged the materiality outcomes for the materiality assessment exercise conducted in 2021.	
ECONOMIC PERFORMANCE		
GRI 3 Material Topics 2021		
3-3 Management of material topics	Economic Performance	
GRI 201: ECONOMIC PERFORMANCE 2016		
201-1 Direct economic value generated and distributed	Financial Performance	
201-2 Financial implications and other risks and opportunities due to climate change	Sustainable Growth	
PROCUREMENT PRACTICES		
GRI 3 Material Topics 2021		
3-3 Management of material topics	Procurement Practices	G4. Supplier Code of Conduct
GRI 204: PROCUREMENT PRACTICES 2016		
204-1: Proportion of spending on local suppliers	In-Country Value (ICV), Procurement Practices	
ANTI-CORRUPTION		
GRI 3 Material Topics 2021		
3-3 Management of material topics	Anti-Corruption	G4. Supplier Code of Conduct G5. Ethics and Prevention of Corruption
GRI 205: ANTI-CORRUPTION 2016		
205-1: Operations assessed for risks related to corruption	Countering Fraud and Corruption	
205-2: Communication and training about anti-corruption policies and procedures	Personnel Training and Communication Supplier and Partner Code of Ethics	
205-3: Confirmed incidents of corruption and actions taken	Reporting Mechanism	
ANTI-COMPETITIVE BEHAVIOR		
GRI 3 Material Topics 2021		
3-3 Management of material topics	Anti-Competitive Behavior	
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016		

DISCLOSURE	PAGE NUMBER(S), LINK, OR DIRECT ANSWER	ALIGNMENT WITH ADX ESG DISCLOSURE GUIDANCE
206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Anti-Competitive Behavior	
ENERGY		
GRI 3 Material Topics 2021		
3-3 Management of material topics	Energy	E7. Environmental Operations
GRI 302: ENERGY 2016		
302-1 Energy consumption within the organization	Our Energy Achievements	E3. Energy Usage E5. Energy Mix
302-3 Energy Intensity	Our Energy Achievements	E4. Energy Intensity
WATER and EFFLUENTS		
GRI 3 Material Topics 2021		
3-3 Management of material topics	Water	
GRI 302: WATER and EFFLUENTS 2018		
303-1 Interactions with water as a shared resource	Water	
303-2 Management of water discharge-related impacts	Water	E6. Water Usage E7. Environmental Operations
303-3 Water Withdrawal	Water, ESG Performance Data	
303-4 Water Discharge	Water	
303-5 Water Consumption	Water	E6. Water Usage
BIODIVERSITY		
GRI 3 Material Topics 2021		
3-3 Management of material topics	Biodiversity	
GRI 304: BIODIVERSITY 2016		
304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity	
EMISSIONS		
GRI 3 Material Topics 2021		
3-3 Management of material topics	Managing Emissions	
GRI 305: EMISSIONS 2016		
305-1 Direct (Scope 1) GHG emissions	Managing Emissions	E1. GHG Emissions
305-2 Energy indirect (Scope 2) GHG emissions	Managing Emissions	E1. GHG Emissions
305-4 GHG emissions intensity	Managing Emissions	E2. Emission Intensity

DISCLOSURE	PAGE NUMBER(S), LINK, OR DIRECT ANSWER	ALIGNMENT WITH ADX ESG DISCLOSURE GUIDANCE
305-5 Reduction of GHG emissions	Managing Emissions, ADNOC Distribution's Sustainability Journey to Net zero, GHG Emission Intensity Reduction Roadmap	
305-6: Emissions of ozone-depleting substances	Managing Emissions	
305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Managing Emissions	
WASTE		
GRI 3 Material Topics 2021		
3-3 Management of material topics	Waste	
GRI 306: WASTE 2020		
306-1: Waste generation and significant waste-related impacts	Waste	
306-2: Management of significant waste-related impacts	Waste	
306-3: Waste generated	Solid Waste Generated	
ENVIRONMENTAL COMPLIANCE		
GRI 3 Material Topics 2021		
3-3 Management of material topics	Environmental Policy, Management Systems, and Compliance	E7. Environmental Operations
GRI 307: ENVIRONMENTAL COMPLIANCE 2016		
307-1: Non-compliance with environmental laws and regulations	0	
RENEWABLES/CLEAN TECH		
Material Topics 2021		
3-3 Management of material topics	Commitment to Clean Energy, ADNOC Distribution's Sustainability Journey to Net zero, GHG Emission Intensity Reduction Roadmap	
SPILLS		
Material Topics 2021		
3-3 Management of material topics	Oil Spill Response	
CLIMATE RISK MITIGATION		
Material Topics 2021		
3-3 Management of material topics	Climate and Mitigating Climate Risks	E10. Climate Risk Mitigation
EMPLOYMENT		
GRI 3 Material Topics 2021		
3-3 Management of material topics	Employment	

DISCLOSURE	PAGE NUMBER(S), LINK, OR DIRECT ANSWER	ALIGNMENT WITH ADX ESG DISCLOSURE GUIDANCE
GRI 401: EMPLOYMENT 2016		
401-1: New employee hires and employee turnover	Employee Turnover, ESG Performance Data	S3. Employee Turnover
401-2 Benefits provided to full-time employees that are not offered to either temporary or part-time employees	Employee Benefits	
401-3: Parental Leave	ESG Performance Data	
LABOR/MANAGEMENT RELATIONS		
GRI 3 Material Topics 2021		
3-3 Management of material topics	Labor Management Relations	
GRI 402: LABOR/MANAGEMENT RELATIONS 2016		
402-1 Minimum notice periods regarding operational changes	Employee Turnover	
OCCUPATIONAL HEALTH and SAFETY		
GRI 3 Material Topics 2021		
3-3 Management of material topics	Occupational Health and Safety	S8. Global Health and Safety
GRI 403: OCCUPATIONAL HEALTH and SAFETY 2018		
403-1 Occupational health and safety management system	Occupational Health and Safety	
403-2 Hazard identification, risk assessment, and incident investigation	Hazard Identification and Risk Assessment	
403-3 Occupational health services	Employee Assistance Program	
403-4 Worker participation, consultation, and communication on occupational health and safety	Training and Awareness of Health, Safety, and Environment	
403-5 Worker training on occupational health and safety	Emergency Preparedness and Response Training and Awareness of Health, Safety, and Environment	
403-6 Promotion of worker health	Training and Awareness of Health, Safety, and Environment	
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Hazard Identification and Risk Assessment	

DISCLOSURE	PAGE NUMBER(S), LINK, OR DIRECT ANSWER	ALIGNMENT WITH ADX ESG DISCLOSURE GUIDANCE
403-8 Workers covered by an occupational health and safety management system	Hazard Identification and Risk Assessment	
403-9 Type of injury, disease, lost days, absenteeism, work-related fatalities	Hazard Identification and Risk Assessment	S7. Injury Rate
403-10 Work-related ill health	Hazard Identification and Risk Assessment	
TRAINING and EDUCATION		
GRI 3 Material Topics 2021		
3-3 Management of material topics	Training and Education	
GRI 404: TRAINING and EDUCATION 2016		
404-1 Average hours of training per year per employee	Training and Education	
404-2 Programs for upgrading employee skills and transition assistance programs	Training and Education	
404-3 Percentage of employees receiving regular performance and career development reviews	ESG Performance Data	
DIVERSITY and EQUAL OPPORTUNITIES		
GRI 3 Material Topics 2021		
3-3 Management of material topics	Diversity and Equal Opportunity, Nationalization	S1. CEO Pay Ratio S2. Gender Pay Ratio
GRI 405: DIVERSITY and EQUAL OPPORTUNITIES 2016		
405-1 Diversity of governance bodies and employees	Diversity and Equal Opportunity, Nationalization	S4. Gender Diversity G1. Board Diversity
NON-DISCRIMINATION		
GRI 3 Material Topics 2021		
3-3 Management of material topics	Non-Discrimination	S6. Non-discrimination
GRI 406: NON-DISCRIMINATION 2016		
406-1 Incidents of discrimination and corrective actions taken	Non-Discrimination	
LOCAL COMMUNITIES		
GRI 3 Material Topics 2021		
3-3 Management of material topics	Local Community Impact and Investment	
GRI 413: LOCAL COMMUNITIES 2016		
413-1 Operations with local community engagement, impact assessments, and development program	Local Community Impact and Investment	S12. Community Investment

DISCLOSURE	PAGE NUMBER(S), LINK, OR DIRECT ANSWER	ALIGNMENT WITH ADX ESG DISCLOSURE GUIDANCE
CUSTOMER HEALTH AND SAFETY		
GRI 3 Material Topics 2021		
3-3 Management of material topics	Customer Health and Safety	
GRI 416: CUSTOMER HEALTH AND SAFETY 2016		
416-1: Assessment of the health and safety impacts of product and service categories	Customer Health and Safety	
416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	Customer Health and Safety	
NATIONALIZATION		
Material Topics 2021		
3-3 Management of material topics	Nationalization	S11. Nationalization
EMPLOYEE ENGAGEMENT		
Material Topics 2021		
3-3 Management of material topics	Employee Engagement	
RISK AND CRISIS MANAGEMENT		
Material Topics 2021		
3-3 Management of Material topics	Enterprise Risk and Crisis Management	
BUSINESS ETHICS AND INTEGRITY		
Material Topics 2021		
3-3 Management of Material topics	Corporate Governance and Business Ethics	
BOARD OVERVIEW		
Material Topics 2021		
3-3 Management of Material topics	About the Board of Directors, Our Corporate Governance	
DIGITIZATION		
Material Topics 2021		
3-3 Management of Material topics	Digitization and Innovation	

ABBREVIATIONS

ADNOC	Abu Dhabi National Oil Company
ADNOCDIST	ADNOC Distribution
ADX	Abu Dhabi Securities Exchange
AED	United Arab Emirates Dirham
AI	Artificial Intelligence
API	American Petroleum Institute
AWS	Amazon Web Services
BCM	Business Continuity Management
BeAAT's	Central Environmental Protection Facility
BIA	Business Impact Analysis
bn	Billion
BP	Business Plan
CAPEX	Capital Expenditure
CEO	Chief Executive Officer
CFC(s)	chlorofluorocarbons
CFO	Chief Financial Officer
CNG	Compressed Natural Gas
CO ₂	Carbon Dioxide
CO ₂ e	Carbon Dioxide Equivalent
CSR	Corporate Social Responsibility
DSM	Demand-Side Management
E2GO	A joint venture between ADNOC Distribution and TAQA to operate electric vehicle charging points in UAE
EAD	Environment Agency Abu Dhabi
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
ECO	Energy Conservation Opportunities
ELT	Executive Leadership Team
EMS	Environmental Management System
ENVID	Environmental Impact Identification
EPA	Environmental Protection Agency
EPS	Earnings per share
ERM	Enterprise Risk Management
ERP	Enterprise Resource planning
ESG	Environmental, Social and Governance
EV	Electric Vehicle
FTE	Full Time Equivalent
FTSE	Financial Times and the London Stock Exchange
GCC	Gulf Cooperation Council
GDP	Gross Domestic Product

GHG	Greenhouse Gas
GRI	Global Reporting Initiative
HA	Harsh Acceleration
HAZID	Hazard Identification
HAZOP	Hazard and Operability Analysis
HB	Harsh Braking
HC	Hydrocarbon
HC	Human Capital
HSE	Health, Safety and Environment
HSEIA	Health, Safety and Environment Impact Assessment
HSEMS	Health, Safety, and Environment Management System
ICAS	International Competitions and Assessments for Schools
ICV	In-Country Value
IDD	Integrity Due Diligence
IIRC	International Integrated Reporting Council
ILO	International Labor Organization
IMS	Integrated Management System
IPO	Initial Public Offering
IPTC	International Petroleum Technology Conference
ISMS	Information Security Management System
ISO	International Organization of Standards
ISS	Institutional Shareholder Services
IT	Information Technology
IVMS	Information Vehicle Management System
JSA	Job Safety Analysis
KPIs	Key Performance Indicators
KSA	Kingdom of Saudi Arabia
LCNG	Liquified Compressed Natural Gas
LEED	Leadership in Energy and Environmental Design
LPG	Liquified Petroleum Gas
LTIF	Lost Time Injury Frequency
M&A	Merger and Acquisition
m ³	Cubic Meter
MFA	Multi-Factor Authentication
MoIAT	Ministry of Industry and Advanced Technology
MSCI	Morgan Stanley Capital International
MWh	Megawatt Hour
NGV	Natural Gas for Vehicles

NOX	Nitrogen Oxides
ODS(s)	Ozone Depleting Substance(s)
OEM	Original Equipment Manufacturer
OHS	Occupational Health and Safety
OPEX	Operating Expenditure
PCI-DSS	Payment Card Industry Data Security Standard
PDCA	Plan-Do-Check Act
PDP	Personal Development Program
PMO	Project Management Office
ppm	Parts per Million
PV	Photo Voltaic
QRA	Quantitative Risk Assessment
R&D	Research and Development
RCF	Revolving Credit Facility
S&P CSA	Standards and Poor Corporate Sustainability Assessment
SCA	Securities and Commodities Authority
SCR	Selective Catalytic Reduction
SDG	Sustainable Development Goal
SKUs	Stock Keeping Units
SLL	Sustainability Linked Loan
SOX	Sulphur Oxides
SSEI	The Sustainable Stock Exchanges initiative
SVP	Senior Vice President
TAQA	Abu Dhabi National Energy Company
TCFD	Task Force on Climate-related Financial Disclosures
tCO ₂ e	Tons on Carbon Dioxide Equivalent
UAE	United Arab Emirates
ULG	Unleaded Gasoline
UN	United Nations
UN SDGs	United Nations Sustainable Development Goals
VOC(s)	Volatile Organic Compound(s)
VP	Vice President
WFE	World Federation of Exchanges

