Climate Change

Salik contributes to combating climate change by leveraging its free-flow gate system and steadily increasing the share of renewables in its energy consumption. This innovative approach aligns with global efforts to minimise environmental impact and promote sustainable urban mobility.

The Company's initiatives, such as the solar panel project and support for electric vehicles, address the growing demand for low-carbon solutions. These efforts support the UAE National Energy Strategy 2050, the UAE Climate Change Adaptation Strategy, and the Green Mobility Strategy 2030 while responding to market trends and tapping into emerging consumer preferences for sustainable practices.

In its climate-related actions, Salik is currently focused on reducing dependency on non-renewable energy sources for toll gates and minimising electricity consumption. The Company is also developing its climate change approach and plans to conduct a climate scenario analysis in the coming years.

Salik's Board of Directors and executive management are responsible for overseeing climate-related issues. The Nomination, Remuneration, and ESG Committee monitors ESG factors, including climate issues, which are discussed at least annually in the Board meetings. Salik has appointed a Director of Strategy, Growth & ESG in a senior management role responsible for developing and implementing the ESG strategy, including initiatives related to climate change.

Salik faces significant challenges from extreme weather events and other climate-related physical risks that can impact its operations, infrastructure, and workforce. These risks highlight the importance of resilience and proactive measures to ensure business continuity and employee well-being. To mitigate these risks, Salik implements comprehensive emergency response mechanisms and maintains robust insurance coverage. The Company conducts emerging risk workshops for employees and develops business continuity plans for extreme weather events that are tailored to address various scenarios, including natural disasters and infrastructure failures, ensuring a swift and effective response to minimise disruptions. Regular assessments of physical and IT infrastructure are conducted to identify vulnerabilities and strengthen resilience against climate-related risks.

The life and well-being of employees remain a top priority for Salik. The Company invests in creating favourable working conditions in its office. The employee training programmes equip staff with the skills necessary to handle emergencies effectively and ensure their safety. Salik also prioritises proactive communication with stakeholders to maintain transparency and public trust during climate-related emergencies.

Future Sustainability Forum 2024

In December 2024, Salik became the official mobility partner of the Future Sustainability Forum 2024 hosted by DIFC held at Madinat Jumeirah, in line with its commitment to advancing sustainable transportation solutions and enhancing environmental consciousness within the UAE's mobility sector.

The Future Sustainability Forum convened global leaders, industry experts, and key decision-makers to promote sustainable practices across diverse sectors. As the event's official mobility partner, Salik is integral in fostering a greener and more resilient economy while reducing its carbon footprint in support of the UAE's Net Zero 2050 initiative.

GHG Emissions

Salik plays an important role in reducing GHG emissions and enhancing air quality in Dubai by streamlining traffic flow and promoting seamless mobility.

By optimising toll operations and minimising congestion, Salik helps to reduce vehicle idling times, which in turn lowers fuel consumption and decreases emissions of CO_2 and other greenhouse gases and air pollutants. This efficient toll system contributes to smoother, faster commutes, allowing vehicles to move more freely and reducing the environmental impact of prolonged traffic jams. As one of the players in Dubai's sustainable mobility strategy, Salik aligns with the city's vision of a cleaner, greener future, directly supporting efforts to improve air quality and overall public health.

In 2024, the Company adopted a new GHG emissions assessment methodology and recalculated the previous year's data.[1] Salik's GHG emissions are relatively low and are associated primarily with the energy consumption of toll gates, the office at Festival Tower, and data centres. Scope 1 emissions include those from fuel consumption of the Company-owned vehicles (the amount of refrigerant leakage from the centralised AC system is negligible and was not included in calculations). Scope 2 emissions are calculated from grid electricity consumption using location-based methods.[2]

In 2024, Salik's Scope 1 emissions from the Company-owned vehicles increased by 3.9 times, reaching 15.39 tCO_2e. This increase was largely due to a low base effect, as the Company only acquired vehicles in Q3 2023.

The Scope 2 emissions increased by 8.4% to 426.99 tCO_2e due to the expansion of the Company's operations and workforce, bringing total GHG emissions (Scope 1 + Scope 2) up by 11.2% to 442.38 tCO_2e. The assessment of Scope 3 emissions is still in progress.

GHG emissions intensity saw a moderate increase of 2.3% in 2024, reaching 193.02 gCO_2e per AED 1,000 of revenue (2023: 188.7 gCO_2e).

To cut GHG emissions, Salik implemented server virtualisation, consolidating ten virtual machines onto a single physical server. This strategic shift reduced hardware usage by 50%, surpassing the initial 40% target. Looking ahead, the Company aims to transition to a hybrid infrastructure by 2026 to further enhance sustainability.

Salik's move towards a paperless system (see 'Waste Management') has also contributed to emissions control. The Smart Salik App and website enable customers to complete all transactions digitally, with each self-service transaction saving an estimated 12 $kgCO_2e$—amounting to an annual saving of 4.9 tCO_2e.

Further supporting carbon reduction efforts, in 2023 Salik took part in the Dubai Financial Market's (DFM) Voluntary Carbon Credits Trading Pilot Programme. The Company purchased and fully retired 715 units of Carbon Retirement Rights (CRRs)[3], equivalent to 715 tCO_2e, for the internationally certified DEWA Chiller Station L project in Jebel Ali. By enhancing turbine efficiency with an innovative air chilling system, this project enables the same electricity output with reduced fossil fuel consumption. As a result, Salik effectively offset 85.1% of its total GHG emissions for 2023 and 2024 combined.

In 2025, the focus will be on reducing Scope 2 emissions and refining data collection processes. Salik also plans to establish preliminary targets for Scope 1 and Scope 2 emissions in line with SBTi while continuing to assess Scope 3 emissions. Once the Scope 3 analysis is finalised, the Company will adjust and confirm its overall targets accordingly.

[1] The toll gate emissions data in the 2023 annual report included shared power metering readings for the Airport Tunnel and Al Maktoum Bridge (Sharjah) toll gates. This was due to a single RTA account for the DEWA meter covering the entire tunnel infrastructure and bridge. This approach introduced some variability in the data. To improve the accuracy of these calculations, Salik revised its methodology in 2024. The updated approach focuses specifically on Salik toll gates, employing benchmarking against roadside equipment with comparable lanes in the existing toll gate infrastructure, particularly in cases where shared DEWA meters are used.

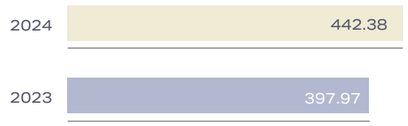
[2] The DEFRA emission factor 2024 was used to account for Scope 1 emissions from petrol consumption of the company-owned vehicles. For Scope 2 emissions, the DEWA Grid Emission Factor 2023 was utilised, reflecting the carbon intensity associated with electricity consumption from the Dubai Electricity and Water Authority's grid. The energy generated by solar panels was excluded from the Scope 2 calculation, because it is consumed entirely within the Company and is considered GHG emission-free.

[3] One Carbon Retirement Rights (CRRs) unit purchased by Salik in 2023 is equivalent to one tCO_2e of Certified Emission Reductions (CERs).

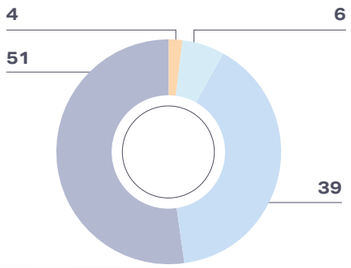
GHG emissions, tCO_2e[1]

	2023	2024	Δ 2024 to 2023
Scope 1	3.98	15.39	+286.7%
Scope 2, including:	393.99	426.99	+8.4%
‣ Scope 2: Office spaces	24.26	26.79	+10.4%
‣ Scope 2: Data centres	147.77	173.83	+17.6%
‣ Scope 2: Toll gates	221.96	226.36	+2.0%
Total emissions (Scope 1 + Scope 2)	**397.97**	**442.38**	**+11.2%**

Total GHG emissions, tCO_2e



Total GHG emissions breakdown in 2024, %



Watch a video on Salik's role in Dubai Green Future

Energy Efficiency

Salik takes a responsible approach to resource usage, taking various measures to promote energy efficiency and increase the share of renewables in the energy mix.

In 2024, Salik's total electricity consumption increased by 10.1% to 1,089.89 MWh due to the growth in the Company's operations. The increase was primarily driven by data centres, while the largest consumer—toll gates—saw demand grow by only 5.0%. This was achieved despite the addition of two new gantries, thanks to their higher energy efficiency. The increase in employee count contributed to the rise in electricity consumption and the associated GHG emissions in office spaces. However, due to the Company's energy efficiency actions, the energy intensity of Salik's operations remained effectively at the previous level of 0.48 kWh per AED 1,000 of revenue (2023: 0.47).

Salik's Jebel Ali toll gate served as a pilot project, incorporating solar energy to meet 19.1% of its power needs. The two new toll gates, at Business Bay and Al Safa are conceptualized and designed to use solar power to meet at least 90% of their total energy needs. Although the new toll gates began operating in November 2024, they remained in a testing phase through year-end, so solar generation data from that period are excluded. Salik is currently assessing the feasibility of converting all existing toll gates to solar power and will evaluate the project's technical viability.

The Company's office at Festival Tower is in the perusing stage for a LEED Gold-certified building. It is designed with sustainable materials and optimised for natural light. Equipped with cutting-edge technology, the office features motion-sensor lighting, energy-efficient HVAC systems, 5-star energy-rated appliances and biometric security features. Implementing biometric security optimises associated energy consumption by replacing conventional access card systems.

In 2024, the Company introduced a new environmental initiative: switching off office lights from 9:00 AM to 4:00 PM during summer months (July and August) to reduce its carbon footprint and promote energy conservation in the workplace. In 2025, Salik will implement scheduling and continuous monitoring of electricity usage at the headquarters.

Aiming to establish an IT infrastructure aligned with ESG principles, Salik has prioritised efficient and sustainable components for its data centres[2]. Dell servers, APC UPS, Cisco firewalls, switches, Lenovo T14 laptops, and LG TVs were selected for their strong performance, energy efficiency, and low carbon footprint, as well as the manufacturers' circular economy approach.

As part of its commitment to energy efficiency, Salik not only optimises its internal operations but also promotes sustainable practices externally. To encourage the adoption of electric vehicles, Salik continued to exempt owners from paying the tag activation fee. As of 31 December 2024, the number of EVs with free tags from Salik increased by 27.9% compared to 2023.

[1] The 2023 numbers were calculated in accordance with The GHG Protocol Corporate Accounting and Reporting Standard and ISO 14064-1:2018. For Scope 1 emissions, particularly from company-owned vehicles, the emission factor based on the UK's Department for Environment, Food & Rural Affairs (DEFRA) guidelines was used. For Scope 2 emissions, the DEWA Grid Emission Factor was used.

[2] Salik's infrastructure is hosted within the Traffic Management Centre (TMC), the South Ancillary Building (SAB), and the RTA Headquarters (RTA HQ). Under the revised methodology, only energy consumption figures specifically attributed to Salik's equipment and operations in these data centres are included in the calculation.