

ESG GOVERNANCE

For ADNOC Distribution, governance is not just a compliance exercise, it is the way we create resilient, sustainable growth. Our governance framework is designed to comply with the UAE Capital Market Authority Corporate Governance Rules and regulations applicable to publicly listed companies in the UAE.

Guided by national priorities and informed by international good practice, we embed ethics, transparency and accountability into decision-making across the Company. This enables disciplined execution, effective risk management and long-term value creation for shareholders and stakeholders.

The Board of Directors sets the Company's strategic direction and oversees performance, risk and culture. The Board is responsible for oversight across key areas of our business including sustainability. It reviews robust systems of internal control and compliance, prudent capital allocation and responsible conduct throughout the organization.

Supported by its committees, the Board monitors the Company's sustainability priorities and key risks, including health and safety, operational reliability, market and financial resilience and technology and cybersecurity.



Priorities & Key risks

- Health and safety
- Operational reliability
- Market and financial resilience
- Technology and cybersecurity

Embedding sustainability within governance

The Board of Directors of ADNOC Distribution provides oversight of sustainability, climate and broader ESG performance across the Company and its supply chain. The Board approves the Company's sustainability strategy, reviews that goals and targets align with relevant local, national, regional and international guidelines and oversees execution through regular performance reviews and transparent disclosures.

This approach embeds sustainability into strategic decision-making, risk management and operational planning.



ESG Subcommittee to Executive Committee

In September 2024, the Executive Committee established an ESG Subcommittee to advance the Company’s ESG agenda. The ESG Subcommittee advises the Executive Committee on effectiveness of the Company’s ESG strategy, integration of the sustainability agenda across the board, and oversees delivery of ESG-related targets and practices.

Composition: The ESG Subcommittee must have at least four members, all with the expertise and competence relevant to its remit. Members may be non executive directors or other qualified individuals, provided the Subcommittee includes at least one independent, non executive director.

2025 ESG Subcommittee members are:

- Ms. Paula Disberry (Chairwoman)
- Mr. Ibrahim N Al Zubi
- Mr. Ayman Dabash
- Mrs. Thuraya Al Maskari

Activities and cadence: In 2025, the Subcommittee met to review and discuss the Company’s sustainability strategy, decarbonization targets, climate risk assessment, and energy management updates and planning for 2026. The ESG Subcommittee typically meets quarterly.

Sustainability Committee

The Sustainability Committee, a management level committee comprising of members of executive management, leads implementation of the ESG strategy.

Its remit includes decarbonization, energy and water efficiency, waste reduction, tenant metering, climate related risks, local community engagement, CSR and sustainability policies and procedures. Meeting monthly or as required, the Committee embeds sustainability goals across operations, oversees implementation of key initiatives and frameworks and strengthens proactive systems to integrate sustainability throughout the value chain. It also supports identification, assessment and monitoring of strategies and material risks that could impact the Company’s sustainable performance.

The Chief Executive Officer of ADNOC Distribution oversees the formulation and execution of the Company wide Sustainability Strategy and reports on progress across economic, environmental and social priorities.

The CEO delegates certain responsibilities to members of the Executive Management team to drive implementation of our sustainability strategy, track performance and report on key initiatives.



ADNOC Distribution further strengthened its sustainability governance with Athmane Benzerroug, Chief Strategy, Transformation and Sustainability Officer. In this role, he steers sustainability vision, identifies key priorities and navigates the targets and champions a sustainability focused culture across the Company and among stakeholders enhancing cross functional alignment, execution discipline and transparent performance reporting.

Key objectives of the Sustainability Committee



Implementation and evaluation of the framework

We manage enterprise performance through a single Organizational Performance Scorecard that integrates sustainability priorities into how we plan, execute and measure results. The scorecard focuses on indicators that are material to our business and stakeholders, supporting accountability and informed decision-making across the company. The firm has incorporated key sustainability objectives such as reducing greenhouse gas emissions, energy intensity, enhancing health and safety performance, fostering employee engagement, embedding artificial intelligence, increasing customer satisfaction, endorsing Emiratisation, contributing to in-country value and corporate governance into its yearly performance scorecard.

Governance and oversight are embedded into this approach. Sustainability and climate risk are standing agenda items at quarterly Board of Directors meetings and monthly Executive Committee meetings. These forums review performance against our scorecard, evaluate progress and steer initiatives to address risks and capture opportunities. By integrating these objectives into our enterprise scorecard and subjecting them to regular Board and Executive Committee oversight, we align sustainability with strategy, strengthen resilience in a changing energy landscape and deliver long-term value for our stakeholders and the UAE economy.

Values in action

Our policies for ethics, energy and human right

- **Code of conduct**

Approved and overseen by the Board, our [Code of Conduct](#) translates our values into clear behavioral and legal standards for employees, suppliers, contractors and partners. Reviewed annually, it covers business integrity (including anti bribery and conflicts of interest), fair competition, data protection, human rights and labor practices and HSE.

We embed the Code through mandatory training and annual attestations for employees and suppliers. We intend for concerns to be raised confidentially without

fear of retaliation; our policies require that breaches be investigated and subject to consequence management.

The Code underpins trusted, compliant operations and sustainable value.

- **Energy management policy**

We seek to prioritize energy efficiency across our operations in an effort to maximize the value of our resources while minimizing environmental impact.

Anchored in our core values, we intend to optimize energy use to enhance profitability, strengthen our market position and deliver high-quality services. This commitment creates shared value for our employees, customers, the communities where we operate and the nation.

- **Human rights policy statement**

We strive to respect and promote human rights across our operations and value chain. In line with the UN Global Compact Human Rights Principles, we expect all employees, suppliers and business partners to comply with our Code of Ethics and Supplier Code of Conduct.

Concerns can be raised confidentially and anonymously, 24/7, without fear of retaliation, through our ethics helpline and other reporting channels.

- **Non-discrimination**

In accordance with the Company's Code of Conduct, ADNOC Distribution maintains zero tolerance for discrimination, harassment and bullying across all operations.

We aim to foster a respectful, inclusive workplace for employees, customers, contractors, partners and suppliers. We are required to make employment decisions based on merit and to not tolerate adverse treatment on the basis of characteristics such as gender, nationality, ethnicity, religion, age, disability or any other status protected by law. The guidelines on non-discrimination, reflected in its policies, processes and activities actively foster equality and diversity through various initiatives.

We embed behavior change principles in customer service training, including explicit guidance on preventing discrimination and harassment.

Concerns can be raised through our established reporting channels, including options for confidentiality and anonymity, with strict non retaliation protections.

- **Gender diversity**

ADNOC Distribution is committed to gender diversity and equality across our Board and our workforce. We focus on increasing female representation especially in leadership while providing equal opportunities, development and advancement for all employees.

Our Gender Diversity Policy covers Board nominations and a comprehensive approach to gender diversity, equal pay and equal opportunity within the Company. In line with UAE Securities and Commodities Authority requirements for listed firms, we aim to include at least one female member on our Board of Directors.

- **Sustainability-related compensation and incentive schemes**

Our annual performance scorecard incorporates ESG KPIs into its executive compensation structure, linking variable pay to performance on environmental, social and governance objectives. The significant KPIs include reducing greenhouse gas emissions, energy intensity, enhancing health and safety performance, fostering employee engagement, embedding artificial intelligence, increasing customer satisfaction, endorsing Emiratisation, contributing to in-country value and corporate governance. The variable compensation of CEO and executive management is determined by the Remuneration Committee of the Company's Board of Directors, based on the score of the annual performance scorecard. The performance scorecard includes predefined corporate performance indicators on efficiency, operation, peoples, finance and sustainability.



Human rights

Respect and promote human rights across operations and value chain; concerns can be raised confidentially 24/7



Anti-corruption and fraud management

ADNOC Distribution maintains a zero-tolerance policy towards bribery and corruption, as detailed in its Anti-Bribery and Corruption Policy. Additionally, the Fraud Risk Management Policy provides rigorous oversight and controls to help prevent fraudulent activities. Integrity Due Diligence (IDD) assessments are conducted for third-party engagements, underscoring the company's diligence in maintaining ethical transactions. In 2025, the Company also performed a detailed risk assessment within its operation with procedures in place to address corruption that are assessed to be low, medium, and high risk. The risk assessment encompassed corruption, ethics, bribery, fraud, falsification of data, manipulation, business ethics, improper use of employee and customer data, kickbacks, unauthorized disclosure of confidential information, money laundering, among other issues. The audit was conducted by an independent external consultant.

Whistleblower protections

The Takallam platform, governed by the Whistleblowing and Non-Retaliation Policy, provides employees and stakeholders with a confidential channel to report unethical behavior. This mechanism promotes transparency and encourages reporting on issues such as financial misconduct, corruption, bribery, fraud, falsification of data, manipulation, discrimination, harassment, improper use of employee

and customer data, kickbacks, unauthorized disclosure of confidential information and money laundering. The platform offers safe, confidential and retaliation-free reporting.

Critical issues are communicated to the highest governance body during monthly Executive Committee meetings and quarterly Board meetings. In addition to using the Takallam portal, employees can report ethical violations directly to their supervisors or the compliance department. There is also a register for logging received gifts and entertainment, which is reviewed collectively by line managers and the Compliance Department. Line managers approve conflict of interest, gift and entertainment declarations based on advice from the Ethics and Compliance department.

When a potential violation is raised, our processes expect that the Ethics and Compliance team appoints an investigation focal point and lead investigator based on the nature of the complaint. A fact-finding exercise is conducted to determine the root cause of the issue. If required, a full investigation is launched. An Investigation Committee, led by Ethics and Compliance and comprising relevant stakeholders, reviews the case, interviews witnesses and suspects and creates an investigation report.

This report is presented to the Investigation Review Board (IRB), which reviews the findings and makes disciplinary recommendations and corrective actions to the CEO. The Ethics and Compliance team then follows up with the relevant business units to review for implementation of the corrective actions.

Anti-competitive behavior

The Competition Compliance Policy is designed such that ADNOC Distribution's operations adhere to local and international anti-competitive laws, establishing a fair marketplace.

The pricing in the Company's commercial business is based on global and regional market trends. Given the presence of multiple operators in the UAE commercial fuel sector which is governed by the UAE's Ministry of Energy and Infrastructure, there is minimal scope for anti-competitive conduct.

ADNOC Distribution seeks to consider the impact of relevant competition laws on its daily operations. Although its primary base is in the UAE, the Company has expanded into international jurisdictions. Consequently, we have implemented measures to drive compliance with the competition laws and regulations in these new regions.

Refresher courses are provided to educate all employees of ADNOC Distribution about competition compliance policies and adhere to both local and international competition laws. Specific employees, who are directly involved in or can significantly impact competitive strategies, receive focused compliance training, which can be completed either in-person or via e-learning.

Integrity and ESG due diligence on M&A

The Company performs ESG Integrity Due Diligence (IDD) on third-party financial transactions. Our M&A activities include thorough IDD assessments focusing on financial integrity with environmental, social and governance criteria. ADNOC Distribution includes the completion of necessary Anti-Trust filings within pertinent jurisdictions in its processes.

This action highlights the Company's dedication to transparency throughout these transactions and compliance with Anti-Trust regulations, while also aligning with the Company's ESG financial risk appetite, which is critical for effective risk management and the successful execution of M&A transactions.

Integrated Management System (IMS)

The Integrated Management System certifications of ADNOC Distribution encompass areas such as environmental management, data collection for maintenance, business continuity management, occupational health and safety management, energy management and asset management. The implementation of the IMS is an organization-wide initiative covering all functional processes within the Company at the following set of ISO Standards:

● ISO 14001

Environmental management

● ISO 14224

Collection and maintenance of data

● ISO 22241

Diesel engines — NOx reduction agent AUS 32

● ISO 55000 and ISO 55001

Asset management

● ISO 17025

Testing & calibration laboratories

● ISO 22301

Business continuity

● ISO 19650

Building Information Modelling – BIM

● ISO 50001

Energy management

● ISO 9001

Quality management systems

● ISO 45001

Occupational Health and Safety

● ISMS ISO 27001

Information security management systems

● ISO 45001

Occupational Health and Safety (OH&S) management system