

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) REPORT 2020



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A NOTE FROM THE CHAIRMAN



DR. SULTAN AHMED AL JABER

CHAIRMAN
ADNOC DISTRIBUTION

As an industry-leading fuel distributor and convenience retailer, we have a responsibility to ensure that sustainability is at the heart of everything we do.

We are committed to making a lasting difference in the communities in which we operate, in a socially and environmentally responsible way. Beyond understanding and managing the environmental effects of our operations, we must ensure that we create opportunities for sustainable growth, including projects that will support and enable the energy and mobility transition.

We consistently integrate best-in-class Health, Safety and Environmental (HSE) standards, to ensure that we protect our people and our customers, whilst protecting our environment and maintaining continuity of our business. Our goal is clear: to bring modern, fresh, digitally-enabled fuel retail convenience to customers.

We will continue to create smart, sustainable growth that contributes to the diversification of the UAE economy, while ensuring the protection of our planet and its many ecosystems.



A NOTE FROM THE CHIEF EXECUTIVE OFFICER



BADER AL LAMKI

CHIEF EXECUTIVE OFFICER
ADNOC DISTRIBUTION

Twenty-twenty was unique for companies around the world, including ADNOC Distribution. The COVID-19 pandemic brought new challenges, which accelerated an agile mindset to protect our staff and customers, while continuing to deliver our smart growth strategy and keep the nation moving. We supported the tremendous efforts of the UAE government and the nation through one of our most difficult years. Environmental, social, and governance-related contributions remained integral throughout this, and this was, perhaps, especially so during the unprecedented circumstances.

Demonstrating the nation's economic agility

As the UAE's largest fuel and convenience retailer, ADNOC Distribution played a crucial role in ensuring the continuous provision of essential goods and services to communities across all seven emirates. This is demonstrative of the company's high levels of resilience and sustainability. Despite this, the company met

its goals: profitable growth, employment opportunities for UAE nationals, enhance the customer experience, and, above all else, adhere to the highest levels of health and safety. ADNOC Distribution recorded a total revenue of AED 16,132 million in 2020. In-country value (ICV) contribution further increased to AED 803 million which went back into the national economy.

Responding to the COVID-19

Throughout 2020, the health and safety of its employees and customers remained at the forefront of the company's strategy. The company's full network of service stations remained open, ensuring emergency services, and customers were able to conduct essential journeys.

COVID-19 also had a significant impact on consumer behavior, amid new social distancing norms and a strong adherence to safety. ADNOC Distribution evolved its business model and accelerated its digital transformation strategy to support this, with the launch of new services to enhance customer experience and provide safe, convenient access to necessities.

A significant moment in the fight against COVID-19 was undoubtedly the company's achievement as the first fuel retailer in the world to have vaccinated 100% of its frontline service station staff, reflecting its

unwavering desire to support the ongoing efforts of the nation's recovery.

Fueling a sustainable future

The company's sustainable strategic framework and pillars stem from a vision to support socio-economic development while protecting and conserving the environment and focusing on the safety and wellbeing of its people.

Our role further evolves with the country's efforts to develop lower emission and more efficient energy solutions. ADNOC Distribution continues to work towards developing an advanced green fuels portfolio, including a growing compressed natural gas (CNG) network and a commitment to increasing access to electric vehicle charging, demonstrating its progress towards a lower carbon energy future.

Lessons over the past year must be leveraged to serve as a reminder of our ability to overcome all obstacles and emerge ever more successful. The company is determined to deliver on expectations from the energy industry, with a concentrated focus on benefiting and empowering the local communities we serve. ADNOC Distribution vows to engage with all insights of this report to deliver exceptional performance in a responsible way and create long-term sustainable value for its stakeholders.





INTRODUCTION



OVERVIEW OF ADNOC DISTRIBUTION

Headquartered in the nation's capital, the Abu Dhabi National Oil Company for Distribution PJSC (ADNOC Distribution) operates 445 service stations and 326 convenience stores spanning the United Arab Emirates and two service stations in the Kingdom of Saudi Arabia (as of 31 December 2020). Marketing and distributing fuels, lubricants, and supporting services, ADNOC Distribution remains the partner of choice for retail, corporate, government, and aviation customers.

The organization's core values are firmly embedded in its operating philosophy, inspiring and informing ADNOC Distribution's daily conduct.



OUR VISION

We harness energy resources in the service of our nation.



OUR MISSION

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



OUR VALUES

We have identified five core values that underpin our Vision:



Progressive

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



Collaborative

We work in close collaboration with our partners and peers, leveraging our collective 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 that can make a difference to 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, our community, our partners and our nation.



OUR BUSINESS

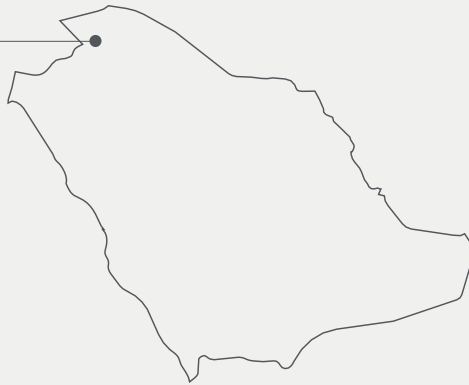
ADNOC Distribution is a regional leader in the downstream marketing and distribution of retail fuels, automotive lubricants, commercial fuels and lubricants, aviation fuels, compressed natural gas (CNG) for vehicles, and liquefied petroleum gas (LPG), along with convenience retailing and allied retail services such as car wash, lube change and vehicle inspection services.

As of 31 December 2020

SAUDI ARABIA

2

Service stations with agreements to acquire **35 fuel stations** in 2021



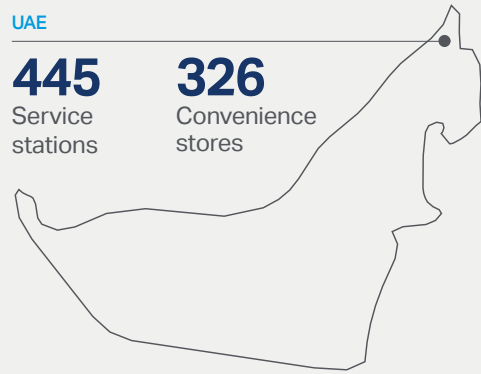
UAE

445

Service stations

326

Convenience stores



GCC, MIDDLE EAST, AND NORTH AFRICA

Automotive and Commercial Lubricants exported to **14 countries in the GCC, Middle East and North Africa**

Our Product & Service Offerings



MARKETING & DISTRIBUTION OF REFINED PETROLEUM PRODUCTS

Gasoline (ULG-91,95,98)

Gasoil (Diesel)

LPG

CNG

ADNOC Voyager Lubricants

Jet Fuel

Kerosene Oil

Baseoil



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

HOW WE CREATED VALUE IN 2020

OUR FINANCIALS



AED 16,132
million in revenues

AED 13,005
million in economic value distributed*

AED 3,189
million EBITDA, an increase of **12.3%** compared to 2019

AED 2,479
million in dividends distributed to shareholders

OUR PRODUCT SALES



8,657
million liters of fuel sold

22
million Metric Standard Cubic Meters (MMSCM) of CNG fuel sold

OUR INFRASTRUCTURE



8
supply chain terminals operated within the UAE

15
new trucks added to My Station fleet to offer mobile fueling for Abu Dhabi customers

38
energy efficient 'ADNOC On the Go' stations launched

31
service stations with CNG fueling capacity maintained

OUR 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)

* Through local purchasing of cost of goods, staff salary, marketing & distribution cost and other operating expenses.





STRATEGIC PILLARS - ADNOC Distribution's Performance and Plans



GROW MARKET SHARE IN THE UAE

PERFORMANCE IN 2020

In 2020, ADNOC Distribution opened **64** new fuel stations and **62** convenience stores across the UAE

PLANS IN 2021 AND BEYOND

Continuing with its strong growth trajectory, ADNOC Distribution is strongly positioned to gain further market share in Dubai and Northern Emirates while defending its market position in Abu Dhabi.



GROW INTERNATIONALLY

ADNOC Distribution entered into a definitive agreement to acquire **15** service stations in the Kingdom of Saudi Arabia in December 2020. The company announced the signing of two additional definitive agreements to acquire 20 service stations in Saudi Arabia in February 2021.

ADNOC Distribution plans to open **40 - 45** service stations in Saudi Arabia in 2021. Beyond these, the company is currently exploring more opportunities to grow internationally including the expansion of its lubricants exports to multiple markets besides organic and inorganic growth opportunities in key international markets such as KSA and others.



UNLOCKING VALUE FROM ASSETS

ADNOC Distribution refurbished **100** convenience stores in 2020, offering a modern store layout, a digitally enabled shopping experience, payment solutions and freshly prepared food. The company also introduced a new engineering strategy designed to optimize space utilization and reduce energy consumption in service stations.

The UAE Energy Strategy 2050 has been a guiding force for ADNOC Distribution's energy efficiency program and will continue to influence the company's systematic approach to energy management



OPEX AND CAPEX EFFICIENCY

ADNOC Distribution realized like-for-like operating expenses (OPEX) with savings of **AED 57 million** in 2020. The company incurred a CAPEX of **AED 962 million** in 2020, mainly driven by growth CAPEX in relation to the development and construction of new service stations. The company opened **38** ADNOC On the Go service stations in 2020, which are less capital intensive compared to traditional service stations and consume significantly less energy to run.

ADNOC Distribution aims to make its operations leaner and more efficient. After realizing like-for-like OPEX savings of **AED 422 million** over 2018 - 2020, the company targets achieving additional like-for-like OPEX savings of up to **AED 92 million** in 2021 and up to **AED 312 million** over 2021 - 2023. The company plans to continue to improve its CAPEX efficiency, including the rolling out of less capital intensive new service station formats, such as ADNOC On the Go and the mobile fuel station concept 'My Station'.

STRATEGIC PILLARS	GROW MARKET SHARE IN THE UAE	GROW INTERNATIONALLY	UNLOCK VALUE FROM ASSETS	OPEX AND CAPEX EFFICIENCY
	01	02	03	04
	<p>Maintain retail market share in Abu Dhabi and Northern Emirates, Grow in Dubai</p> <p>Drive higher volumes in commercial fuels and lubricants</p> <p>Increase Non-Fuel Retail contribution</p>	<p>Grow internationally in markets such as KSA, as well as explore other markets in GCC, Middle East and Northern Africa and Asia region</p> <p>Lubricants Exports</p>	<p>Maximize ROCE* through</p> <ul style="list-style-type: none"> - Network Portfolio Optimization - Property Services transformation - Fuel Premiumization & portfolio management 	<p>To be lean & efficient</p> <p>OPEX: Optimize to transition towards leading cost efficient fuel retailer</p> <p>CAPEX: efficient and focused CAPEX investments to drive higher returns from every dollar</p>
	OBJECTIVES			

* Return on Capital Employed



KEY ENABLERS

01	02	03	04	05
People and Performance Culture	Digital and IT Infrastructure	Operation and Customer Excellence	Brand	Sustainability and CSR
<p>Our people are our key strength and our most important asset. We are committed to investing in our people so they thrive, feel valued & realize their full potential; re-igniting their passion and motivation to create a winning team which continues to drive growth.</p>	<p>We invest in the modernization of IT infrastructure and building world-class digital capabilities.</p>	<p>We focus on operational excellence to implement our strategic growth initiatives effectively, sustainably and efficiently.</p>	<p>We continue to build on the ADNOC brand equity through a customer centric approach, differentiated customer value proposition and targeted advertising and communications.</p>	<p>Our corporate social responsibility initiatives are focused in the pillars of Economy and Community service, wherein we are committed to increase In-country value, promote local employment and entrepreneurship. In line with our de-carbonization strategy we are committed to meet the energy needs of our nation in a sustainable manner through advancing the use of solar energy, installation of Electric Vehicle chargers and the use of smart technology.</p>

ABOUT THIS REPORT

Our Performance



ADNOC Distribution demonstrated strength, resilience, and accelerated delivery of its strategic smart growth plans throughout 2020, despite continued market uncertainty caused by COVID-19. The principles of safety and

customer-centricity is core to its future planning. To deliver on promises to customers, the company increased its service station network and modernized its ADNOC Oasis convenience stores, offering customers greater

convenience, together with a fresh, modern environment to make more out of every visit to an ADNOC Service Station. The company demonstrated commitment to shareholders by providing extended dividend visibility for 2022.

Our Purpose



We are dedicated to the implementation of a de-carbonization roadmap and big data platform for sustainability reporting, to satisfy global expectations in transforming the energy sector to

incorporate responsible practices. In the coming years, the company aims to optimize its energy consumption and reduce Green House Gas (GHG) emissions intensity. In addition, it will apply a comprehensive reporting

framework to ensure accountability. ADNOC Distribution looks forward to contributing directly to international net-zero emission ambitions.

Our Reporting



This ESG report contains data for all ADNOC Distribution services and operations within the UAE, captured in a reporting cycle spanning January 1 – December 31, 2020. This report incorporates the Abu Dhabi Securities Exchange (ADX) ESG guidelines, covering all 31 ESG Key Performance Indicators (KPIs),

and duly addresses the United Nations Sustainable Development Goals (UN SDGs). To substantiate its evolving duties towards ESG disclosure, the ADNOC Distribution 2020 ESG Report is also reported in accordance with the Global Reporting Initiative (GRI) standard's core option. While this report has

not been externally assured by an independent auditor, ADNOC Distribution may seek to obtain the same for future reports to enhance its data reliability and stakeholder confidence. Please refer to the indices at the end of the report, where ADNOC Distribution's disclosures are mapped.

Our Contact Details



ADNOC Distribution acknowledges and appreciates the valuable contributions made by its stakeholders who have aided

in improving the company's sustainability performance, and whom this report is designed for. Your feedback on our performance

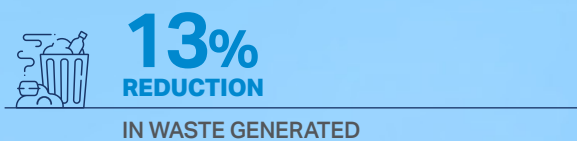
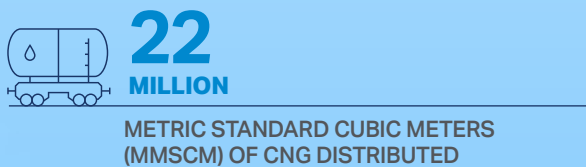
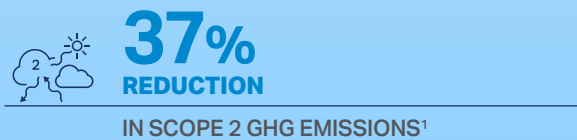
is always welcomed and can be communicated directly to the company through email at: ir@adnocdistribution.ae



2020 PERFORMANCE SNAPSHOT

ADNOC Distribution's 2020 financial results depicted an organization built to withstand global disruptions, through embedded flexibility in its operational model and by vesting customer and employee interests within the business' core agenda.

Key Performance Indicators



1. Supply side operational improvements have resulted in the revision of the scope 2 emission factor which resulted in supporting the company's lower carbon emissions performance in 2020



Key Milestones in 2020



SPECIAL REPORT: ADNOC DISTRIBUTION'S APPROACH TO COVID-19

Lockdown restrictions and safety measures put in place to contain the spread of COVID-19 posed unprecedented challenges. In addition to the impact this had on day-to-day life, the pandemic also lent to volatility in the supply and distribution channels in the fuel and convenience retail sector. This influenced changes to ADNOC Distribution's overall business strategy, as the company placed increased emphasis on ESG considerations to assist its mass efforts to combat the spread of the virus and support community resilience.

Employee Safety



By prioritizing the physical, mental, and emotional welfare of its employees, ADNOC Distribution was able to sustain the productivity of its most important asset – the ADNOC Distribution family. The company took swift action to implement rigorous policies to support remote working, enabling office employees to work from home where applicable, and developing a strategy to gradually reintroduce employees back to the workplace in alignment with internal safety requirements and the national lockdown and social distancing measures, as announced by the Federal Government. The company provided personal protective equipment (PPE) to its employees and performed daily cleaning and sanitation of all work sites, including head office, service stations, and depots.

The company initiated a 24/7 COVID-19 hotline, processing over 2,500 calls since its inception and conducting more than 100 collaborative meetings to generate a coordinated internal response. ADNOC Distribution conducted over 23,000 PCR tests for employees and contractors visiting company sites during 2020, playing an active role in proactive testing and infection prevention. Thermal screening, temperature

checks, social distancing measures, and a robust vaccination program were all critical components of ADNOC Distribution's approach to safeguarding its employees' wellbeing. These were further supported by regular communication on safety measures through e-mail, SMS, e-learning platforms, brochures, and posters and developing recommendations on COVID-19 mindful practices.



100%

**FRONTLINE
STAFF VACCINATED**



Customer Health



The company’s response ensured that its full network of service stations and convenience stores remained open to make services accessible to the healthcare sector, frontline workers and to ensuring

customers had convenient access to undertake essential journeys. Furthermore, the company implemented a range of measures to respond to evolving customer needs, including the introduction

of new services and enhancing the digital experience to provide even greater health and safety for employees and customers.



Conducting daily deep-cleaning of sites



Facilitating contactless payment solutions



Offering complementary car interior sanitation services



Introducing online grocery ordering and delivery



Launching an ‘essential products’ range in ADNOC Oasis stores at discounted prices



Expanding on mobile fuel delivery services within Abu Dhabi

Following an initial suspension, based on health and safety guidance and in line with the UAE government’s efforts to reopen the economy, ADNOC Distribution has successfully and safely relaunched services that were suspended during the peak of COVID-19.





ADNOC Distribution formed a number of key collaborations in the past year, including a partnership with delivery service providers Talabat and Carriage to offer home delivery services to customers across the UAE. The service brings everyday essentials

directly to customers' doorsteps from more than 100 ADNOC Oasis convenience stores nationwide. Delivered through the Talabat and Carriage apps and websites, customers can order more than 1,700 ADNOC Oasis products, including daily groceries,

snacks as well as hot and cold beverages. ADNOC Distribution remained steadfast in its efforts to deliver added convenience to help consistently address and overcome them while adhering to the highest levels of health and safety regulations.

Community Security



The company worked alongside Emirates Red Crescent to offer complimentary hand sanitizer at service stations, and also provided free car sanitation services.

ADNOC Distribution showed support for the UAE's healthcare sector and offered its gratitude

for its valuable efforts. The company supported national emergency response ambulances refueling at ADNOC Distribution service stations and distributed complimentary hot beverages to all medical professionals at ADNOC Oasis convenience stores on World Health Day.







STRATEGIZING SUSTAINABILITY

STRATEGY AND SUSTAINABILITY

Accountability and transparency continue to underpin ADNOC Distribution's sustainability ethos. At present, the company is in the advanced stages of developing consolidated Environmental, Social and Governance (ESG) ambitions based on its sustainable strategic framework and integrating it with its corporate strategy.

ADNOC Distribution maintains its affiliation with Abu Dhabi National Oil Company's (ADNOC) overarching strategic vision in an effort to contribute to the UAE's National Sustainability Agenda. The company sees ADNOC's 2030 Sustainability Strategy as a solid foundation to reinforce its commitment and the way forward to improve the company's overall ESG performance.

ADNOC Distribution's Sustainability Strategic Framework is based on six pillars:



CLIMATE, EMISSIONS & ENERGY

Taking initiative to track and reduce GHG Emissions and Energy Intensity, while taking steps to adopt greener fuels in a phased manner.



LOCAL ENVIRONMENT

We adopt engineering standards that mitigate risk of contamination to the local environment around our stations, as well as promoting initiatives that protect and preserve the environment.



ECONOMIC & SOCIAL CONTRIBUTION

We have a detailed annual plan comprising multiple projects. Through these initiatives, we reach out to one million plus beneficiaries.



WORKFORCE DIVERSITY & DEVELOPMENT

We focus on diversity to enhance gender balance, localization and have human capital initiatives to achieve our diversity & inclusion (D&I) goals.



HEALTH, SAFETY & SECURITY

HSE is our top priority. It is an integral part of everything we do. We have robust processes comprising risk assessment, monitoring, reporting and response plan.



BUSINESS SUSTAINABILITY

We conduct Strategic Planning and performance management through Enterprise Risk Management (ERM), Delegation of Authority (DOA) and Governance Policies.

To monitor and review metrics based on key performance indicators (KPIs), ADNOC Distribution established the Organizational Performance Scorecard. The Scorecard is a tool of the company's internal governance process. The company is undertaking key initiatives to reduce GHG emissions and taking concrete steps to reduce its energy intensity in line with the de-carbonization strategy. Oversight and progress on our ESG goals is monitored through the following governance structures:

- The Board of Directors approved the Code of Conduct, which sets out ADNOC Distribution's values. It also approved the company's Vision, Mission, Strategies, Policies, and Goals. The Board ensures that sustainability targets remain mutually beneficial and serve key local, national, regional, and international directives. The Board is overall responsible to approve the company's sustainability strategy and oversee its progress.
- ADNOC Distribution's CEO is responsible for developing and implementing a company-wide Sustainability Strategy, while also delegating the responsibility of consultation between different stakeholders. The CEO is also responsible for monitoring and reporting on the progress of key

initiatives under economic, environmental, and social areas. The CEO has sub-delegated some of these responsibilities to key executive management team members to assist in driving sustainability strategy of the company as well as in implementation, tracking and reporting of key initiatives.

- ADNOC Distribution is in the process of formalizing Corporate-level Sustainability Committees comprising of members from the Executive Leadership team. The committee will assist the CEO in embedding sustainability and ESG concepts within every facet of the Company's future planning. The Sustainable Committee will also promote a proactive approach to integrate sustainability across all operational streams. The committee will also be responsible for monitoring and reporting progress on implementation of ADNOC Distribution's Sustainability Strategy to concerned stakeholders as well as collecting, reviewing, and acting on feedback from shareholders and investors on ADNOC Distribution's ESG activities and way forward, while also ensuring alignment to ADNOC's 2030 Sustainability Strategy, Abu Dhabi Economic Vision 2030 and external ESG guidelines and regulatory requirements.



MATERIALITY

To ensure compliance with the leading ESG frameworks and guidelines, ADNOC Distribution has elected to carry out a materiality assessment to highlight the topics that matter most to the relevant stakeholders, as well as to create a structure to its sustainability reporting that promotes reliability and organized growth.

Our Materiality Methodology



With assistance from an external agency, ADNOC Distribution conducted a materiality assessment that incorporated identifying commonly reported topics within its specialized industry and discussing with middle and higher management what topics they deemed material. The exercise culminated in the identification of 22 material topics, building upon the Abu Dhabi Stock Exchange (ADX) Guidelines, with

Global Reporting Initiative (GRI) and non-GRI topics alike. The non-GRI topics were linked to ADNOC Distribution's study of new and emerging trends in ESG and were designed to be relevant to these unprecedented times we are experiencing.

ADNOC Distribution believes that these outcomes well-inform its sustainability reporting at present

and encourages the company to continue developing the materiality process in the future. ADNOC Distribution will conduct a more robust format of stakeholder engagement in the future, allowing it to gain valuable insights to help make informed decisions across the value chain.



Our Stakeholder Engagement



While the pandemic hindered usual routes of stakeholder engagement, ADNOC Distribution was quick to evolve its models of outreach to facilitate safety, as well as a platform to share and exchange stakeholder

perspectives. In 2021, we will continue to prioritize our long-term sustainability successes through the lens of creating value for our esteemed stakeholders.

OUR STAKEHOLDERS



CUSTOMERS

HOW WE ENGAGE

- Retail outlets
- Social media
- Corporate website
- Customer call centers
- Customer satisfaction surveys

OUR ENGAGEMENT

ADNOC Distribution is a customer facing business which requires ongoing interaction with customers on a daily basis. As the UAE's leading fuel retailer with presence across all seven emirates, the company has a comprehensive communication approach where customer feedback is actively reported to management to ensure quick and efficient action is taken. This helps us to continuously upgrade the customer experience through monitoring their behavior and the market trends, as well as eliminating any shortcomings that might jeopardize the customer journey.

Due to the restrictions imposed by COVID-19 during the year 2020, ADNOC Distribution focused on virtual engagement activities with its customers. We engaged with 2,465 customers through customer satisfaction surveys that confirmed ADNOC Distribution's leadership position in the UAE's fuel retail sector with an overall customer satisfaction rate of 53%.

The company responded well to customers evolving needs and offering new services such as online delivery from C-stores, mobile delivery of fuel and LPG cylinders, offering contactless payment options, improving the cleanliness of our service stations and providing car sanitization services, offering points based customer loyalty program, improving the online customer experience, improving C-store offerings and continuously investing in digital innovation.

We understand the importance of maintaining the momentum by improving on other areas such as frontline staff training, category management, and expanding ADNOC Rewards offerings in the coming year.

ADNOC Distribution continues to provide superior customer experience while focusing on its local and international growth and offering an exceptional level of service.

OUR STAKEHOLDERS



EMPLOYEES

HOW WE ENGAGE

- **The Employee engagement survey** for 2020 was focused on three factors: **Say, Stay and Strive**, with clear definitions for each dimension in the survey questions. The company has followed a clear employee engagement cycle:
 1. Pre survey preparation in year 2020,
 2. During launching (encouragement) in year 2020, and;
 3. Post survey (review and action plan) for year 2021.
- Ensure the involvement of the company leadership and line management during and after the survey to drive action plans.
- Virtual meetings & townhalls, for example
 1. Weekly meetings
 2. Monthly meetings
 3. Virtual majlis – all about our people
- Establishing employee engagement sub-committees, such as the Gender Balance and Youth Committee in addition to the Main Employee Engagement Committee.
- Encourage and plan for the internal mobility based on clear mechanism and criteria.
- Management of the COVID-19 campaign / wellbeing, including COVID-19 testing & re-testing.
- Development of the company staff skills and competencies by providing exposure such as international assignment, training programs, E-learning on topics such as code of conduct and declaration and development of customized trainings programs based on identified needs.
- Regular internal communications on the changes and introduction of new policies and systems.
- Virtual sessions to provide clarity on the performance management system as part of the employees preparation for the objectives setting, mid-year review and end of the year review of performance.
- Development of the suitable employee recognition award programs.

OUR ENGAGEMENT

ADNOC Distribution considers employee engagement a key priority. The company strives to increase its employee engagement levels by continually implementing several initiatives which aim to increase the alignment with industry best practices.

Through the Employee Engagement Survey, conducted annually, customized analysis that measures the employee engagement level in a group, departmental and divisional wise are shared with all leadership, line managers and their employees to build an open communication platform, to listen to employees' ideas and opinions and come up with the best employee engagement initiatives to implement during the year.

OUR ENGAGEMENT (Cont.)

The concerned line management is the custodian of the developed Action Plan and owns the implementation. An Employee Engagement Committee is established to oversee the overall employee engagement action plan, as well as having sub-committees to assist in implementation.

The 'AskHC' portal in 2020 was introduced for the purpose of providing excellent services to company staff and to resolve any inquiries raised.

The Human Capital Group engages with company employees and updates them regularly with the latest policies, through the virtual majlis, held under the theme 'All about our people', and ensures the involvement of the immediate line management.

OUR STAKEHOLDERS



SHAREHOLDERS

HOW WE ENGAGE

- General assembly meetings
- Investor roadshows
- Virtual meetings
- Participation in equity conferences
- Annual Report, Corporate Governance Report and ESG Report
- Quarterly earnings release, management discussion and analysis reports and quarterly investor presentations
- Quarterly results conference calls
- Press releases
- Email distribution

OUR ENGAGEMENT

ADNOC Distribution went public on 13 December 2017 on the Abu Dhabi Securities Exchange (ADX). ADNOC continues to be the majority shareholder, currently owning 77% of the shares, while remaining shares are owned by institutional and individual shareholders based in the UAE and internationally.

During 2020, and COVID-19, it was important to engage with shareholders and investors and maintain open Communications channels with the markets to provide updates on measures taken to build business resilience during and post-pandemic. A proactive Investor Relations strategy was key to sustaining "investor" trust and maximizing shareholder value, particularly during volatile market conditions and global uncertainty.

Our key interactions with our shareholders include:

- The publishing of our Annual Report, Corporate Governance Report and ESG Report, giving them meaningful insights into our performance,

OUR ENGAGEMENT (Cont.)

business and sustainability strategy, governance framework, risk management processes.

- Our dedicated Investor Relations Department engages with our current and potential shareholders through various investor roadshows and conferences, which take place quarterly. Most of these engagements were done virtually during 2020, utilizing different modern virtual platforms.
- The senior management of the company host earnings call after every quarter to provide our current and potential shareholders updates on ADNOC Distribution's business, strategy and operational updates, and our financial performance and outlook.
- A key questionnaire is sent out after every meeting or conference call with each investor, to measure their engagement and feedback, which is then shared with both the Executive Leadership team and the Executive Committee.
- Important and material updates about the company are published on our website and through Abu Dhabi Stock Exchange disclosure system, in line with best in class transparency and disclosure standards.
- A dedicated Investor Relations email ID is provided on our website through which our shareholders can reach out to us for any potential query on business performance, dividend payments and share price related queries.

OUR STAKEHOLDERS



SUPPLIERS AND PARTNERS

HOW WE ENGAGE

- Bids and tenders
- Supplier portals
- Post award communications

OUR ENGAGEMENT

ADNOC Distribution works with local suppliers to create employment opportunities for local talent and to support the UAE's GDP diversification.

Our suppliers and partners:

- Extend our commitment to ethical business practices, safe working conditions and fair employee welfare through our Suppliers and Partners Code of Ethics.
- Register their complaints and suggestions through our dedicated online system, helping us understand their concerns.
- Are able to contact a toll-free hotline or dedicated email service to communicate all queries, suggestions and grievances. To evaluate the effectiveness of this supplier hotline, an annual 'Suppliers Satisfaction Survey' is conducted.
- All queries from partners and suppliers specific to ADNOC Distribution can be communicated directly to the Vendor Management team through the Procurement Support department for all contractual tenders or execution agreements.

OUR STAKEHOLDERS



GOVERNMENT (FEDERAL AND LOCAL GOVERNMENTS) AND REGULATORY AUTHORITIES

HOW WE ENGAGE

- Annual and quarterly reports
- Public reporting
- Face-to-face meetings

OUR ENGAGEMENT

Through our Annual Report, Corporate Governance Report and ESG Report, we provide regular updates on our performance and growth.

OUR STAKEHOLDERS



LOCAL COMMUNITIES

HOW WE ENGAGE

- Employee volunteering
- Community program sponsorships
- CSR events

OUR ENGAGEMENT

Through ADNOC Distribution's Corporate Social Responsibility (CSR) activities, we remain connected with our local communities, collaborating and working with community members. In 2020, our CSR outreach efforts were focused, like many, on supporting a nation through the fight against COVID-19. We launched a number of campaigns throughout the year to raise awareness, combat the spread of the disease, and offer support to the communities we serve.



Our Key Material Issues



Through the 22 material topics shortlisted below, ADNOC Distribution represents the development of the topics considered last year, through the

added lens of the GRI framework and five new topics based on industry and regional best reporting practices:



ECONOMIC & GOVERNANCE

Board Overview

Ensuring a representative and diverse board helps to keep the company productive and accountable.

Data Privacy

ADNOC Distribution believes that its customers have a right to know how their information is gathered, analyzed, and used responsibly.

In-Country Value (ICV)

Through its ongoing ICV commitments, ADNOC Distribution meticulously measure its contributions towards the local economy.

Supplier Code of Conduct

Assimilating ethics, compliance, and transparency through supply chains is of utmost priority.

Economic Performance

Acknowledging ADNOC Distribution's strong economic performance over the past year, the company believes that resilience and capacities are evident in its financial metrics.

Digital and IT Modernization

ADNOC Distribution seeks to automate and innovate its processes to deliver the greatest amount of positive impact to the society.

Ethics and Prevention of Corruption

ADNOC Distribution makes active efforts to oppose corruption and develop appropriate streams for whistleblowing.

Procurement Practice

Optimizing ADNOC Distribution's operating and capital expenditures, inventories and electing local suppliers is a critical part of the company's procurement strategy.





ENVIRONMENT

Emissions

Through its decarbonization strategy, ADNOC Distribution is taking tangible steps to reduce carbon emissions.

Environmental Policy

Embedding a consistent environmental compliance agenda across the company fosters a unified approach to environmental management across its business chains.

Energy

Reducing the company's energy intensity levels is critical to its future planning.

Waste

ADNOC Distribution adheres to waste related regulations while building its own waste collection and disposal targets.

Water

Given regional water pressures, ADNOC Distribution monitors and manages its water flows with responsibility and efficiency.

Climate Risk Mitigation

ADNOC Distribution keenly invests its resources into climate change adaptation strategies, disaster management plans, and sustainable development projects.



SOCIAL

Diversity and Inclusion

Through a diverse and inclusive workforce, ADNOC Distribution encourages creative thinking and a conducive work culture.

Health and Safety

ADNOC Distribution's health and safety practices have always been a key priority.

COVID-19 Response

ADNOC Distribution has segmented its COVID-19 response to protect and assist its employees, customers and the communities it serves.

Employment

ADNOC Distribution's employment policies reflect local and national regulations pertaining to hiring practices.

Local Communities

ADNOC Distribution makes sure that the communities it serves are supported and see minimal harm from operations and is vital to its purpose.

Learning and Development

To ensure that employees continue their journey of professional development, ADNOC Distribution has instated a number of training programs to cater to their varying needs and professional requirements.

Non-Discrimination

Understanding the value of its greatest asset, ADNOC Distribution's family have the right to a working environment free of prejudice and bias.

Nationalization / Emiratization

ADNOC Distribution seeks to employ UAE citizens in a meaningful and efficient manner.

ALIGNING WITH POLICIES, FRAMEWORKS, AND INITIATIVES

At a local and national level, the company aims to support key leadership mandates and directives, as well as those that are relevant to its business operations. By working towards achieving these common goals, ADNOC Distribution joins the effort to create a more sustainable future for generations to come.

At the Abu Dhabi Level



ABU DHABI ECONOMIC VISION 2030



AIMS

The Government of Abu Dhabi announced the 'Abu Dhabi Economic Vision 2030' to set in place a long-term plan for the transformation of the emirate's economy, including a reduced reliance on the oil sector as a source of economic activity over time and a greater focus on knowledge-based industries in the future.



FOCUS

- Building an open, efficient, effective, and globally integrated business environment.
- Driving significant improvement in the efficiency of the labor market.
- Developing a sufficient and resilient infrastructure capable of supporting anticipated economic growth.
- Developing a highly skilled, highly productive workforce.



ADNOC DISTRIBUTION'S IMPACT AND CONTRIBUTION

- ADNOC Distribution successfully increased its ICV contribution to the economy during 2020.
- ADNOC Distribution opened 64 new stations across the UAE during 2020 to support infrastructure development in the country, increased employment opportunities and the overall contribution to the local economy.
- ADNOC Distribution surpassed its previously set targets for Emiratization in the past year.
- ADNOC Distribution is presently working towards setting up electric vehicle (EV) charging facilities in its stations and providing alternative fuel options such as CNG to support a low-carbon economy.



ENVIRONMENT VISION 2030



AIMS

The 'Environment Vision 2030' was developed to consolidate a coordinated local response to the three pillars of sustainability: environmental, economic, and social vision. The strategy aims to preserve and enhance Abu Dhabi's natural heritage in the efficient use of resources and contributing to a better quality of life for all.



FOCUS

- Climate change - minimizing the impact of climate change.
- Clean air and noise pollution - contributing to safe and healthy living conditions.
- Water resources - efficient management and conservation of water resources.
- Waste management - enhanced value creation through optimized material flows and waste management.



ADNOC DISTRIBUTION'S IMPACT AND CONTRIBUTION

- ADNOC Distribution's decarbonization strategy is underpinned by active work to mitigate the impact of climate change.
 - ADNOC Distribution's 'ADNOC On the go' service stations are fitted to responsibly utilize and manage resources, using as few as possible to their highest efficiency.
 - ADNOC Distribution use treated recycled water to operate car washing docks,
- accounting for 80% of the total water used in this operation.
- ADNOC Distribution conducted thorough Environmental Assessment Studies during the year 2020 to monitor air quality and take the necessary steps to limit potential impact from its operations.





DEMAND SIDE MANAGEMENT AND ENERGY RATIONALIZATION STRATEGY (DSM)



AIMS

Launched in 2013, the DSM aims to reduce electricity consumption by 22%, and water consumption by 32%, by 2030.



FOCUS

- Managing the emirate's resources by rationalizing consumption and raising energy efficiency.
- Enhancing energy security in the nation.
- Reducing greenhouse gases.
- Conserving water.



ADNOC DISTRIBUTION'S IMPACT AND CONTRIBUTION

- Introducing grid spray pattern and installing aerator water savers to reduce water consumption by more than 80% in ADNOC service stations.
- ADNOC Distribution also treated recycled water to operate its car washing docks, accounting for 80% of the total water used in this operation.



ABU DHABI SECURITIES EXCHANGE (ADX) GUIDELINES



AIMS

To promote sustainable financial markets, ADX has designed the guidelines, and subsequent disclosures, to align with local and national mandates. The disclosures guide Abu Dhabi's listed companies' sustainability reporting journeys.



FOCUS

- Promoting sustainability reporting.
- Encouraging market education.



ADNOC DISTRIBUTION'S IMPACT AND CONTRIBUTION

- 2020 marks ADNOC Distribution's second ESG report, made in compliance with the ADX Guidelines and disclosures.
- To extend commitment to responsible and complete disclosure, ADNOC Distribution is delivering this ESG reporting in compliance with the GRI Core Option.



At UAE Level



UAE ENERGY STRATEGY 2050



AIMS

The strategy aims to increase the contribution of clean energy in the nation's total energy mix from 25% to 50% by 2050 and reduce carbon footprint of power generation by 70% and saving AED 700 billion by 2050.



FOCUS

- The strategy targets an energy mix that combines renewable, nuclear, and clean energy sources to meet the UAE's economic requirements and environmental goals as follows:
 - 44% clean energy.
 - 38% gas.
 - 12% clean coal.
 - 6% nuclear.



ADNOC DISTRIBUTION'S IMPACT AND CONTRIBUTION

- ADNOC Distribution continues to invest in solar power solutions. It operates three solar powered service stations in Dubai and one at Yas North service station in Abu Dhabi.



UAE VISION 2021



AIMS

The 'Vision' aims to make the UAE among the best countries in the world by the Golden Jubilee of the Union. In order to translate the Vision into reality, its pillars have been mapped into six national priorities, which represent the key focus sectors of government action in the coming years.



FOCUS

- World-class Healthcare.
- Competitive Knowledge Economy.
- Safe Public and Fair Judiciary.
- Cohesive Society and Preserved Identity.
- First-rate Education System.
- Sustainable Environment and Infrastructure.



ADNOC DISTRIBUTION'S IMPACT AND CONTRIBUTION

- ADNOC Distribution continues to contribute to the achievement of the UAE's overall economic goals. This enhanced the country's leading position in business,

corporate innovation and helped it to evolve into a global destination for a wide range of new businesses.



NATIONAL CLIMATE CHANGE PLAN OF THE UAE 2017-50



AIMS

'National Climate Change Plan of the UAE 2017-2050' is the UAE's comprehensive framework to address the causes and impacts of climate change, plan the transition into a climate resilient green economy and achieve a better quality of life.



FOCUS

- Manage GHG emissions while sustaining economic growth.
- Minimize risks and improve capacity of adaptation to climate change
- Enhance the UAE's economic diversification agenda through innovative solutions



ADNOC DISTRIBUTION'S IMPACT AND CONTRIBUTION

- ADNOC Distribution fueled 22 Million Metric Standard Cubic Meters (MMSCM) of CNG to vehicles during the year 2020 that reduced approximately 90 tons of CO2 emissions.

- Through the year, ADNOC Distribution expanded its fueling infrastructure across the UAE and launched more 'ADNOC On the go' stations to embed energy efficient offerings within its portfolio.



UAE CENTENNIAL 2071



AIMS

The 'UAE Centennial 2071' forms a clear map for the long-term government work, to fortify the country's reputation and its soft power. The plan aims at investing in the future generations, by preparing them with the skills and knowledge needed to face rapid changes and to make the UAE the best country in the world by the next centennial in 2071.



FOCUS

- Future-focused Government.
- Excellent Education.
- A Diversified Knowledge Economy.
- A Happy and Cohesive Society.



ADNOC DISTRIBUTION'S IMPACT AND CONTRIBUTION

- ADNOC Distribution's partnership with the Emirates Red Crescent launched a health and safety awareness campaign where volunteers gave away PPE to customers at ADNOC service stations and shared valuable information on how to maintain a hygienic lifestyle.



ALIGNMENT TO UNITED NATIONS SUSTAINABILITY DEVELOPMENT GOALS

The United Nations Sustainable Development Goals (UN SDGs), also known as the 2030 Agenda for Sustainable Development, comprises 17 Global Goals, 169 associated targets, and 230 individual indicators. In 2020, ADNOC Distribution enhanced its alignment to the framework, with contributions to additional valuable synergies to peg its operations and purpose to global welfare. The UAE is one of the many countries to have ratified and adopted these goals. ADNOC Distribution's position, and contributions to the UAE's position on supporting the SDG's are mapped out in this section.



Mapping Our Material Topics to the UN SDGs



SDG PRIORITY AREA



SDG 3: Good Health and Well-Being

DRIVERS AND COMMITMENTS

As the world grappled with the COVID-19 pandemic, the UAE's coronavirus response was marked by quick action to safeguard the population and support its companies in doing the same.

ADNOC DISTRIBUTION'S CONTRIBUTION IN 2020

ADNOC Distribution ensured that its service stations remained open to make services accessible to the healthcare sector, emergency services and customers who had to undertake essential journeys.

From sanitation of stations, the provision of PPE, to offering new digital payment and online shopping solution, ADNOC Distribution demonstrated its agility and attention towards its stakeholders during the pandemic.

SDG PRIORITY AREA



SDG 5: Gender Equality

DRIVERS AND COMMITMENTS

The UAE was recently ranked first among Arab countries in the advancement towards bridging the gender gap and striving for gender equality according to the World Economic Forum. The nation understands that there is yet much to be done and supports continued efforts towards equality.

ADNOC DISTRIBUTION'S CONTRIBUTION IN 2020

To mark the significance of the Emirati women shaping the nation and the ADNOC Distribution workforce, the company hosted a special session called 'Achievement knows no bound' on the occasion of Emirati Women's Day.

ADNOC Distribution invited Eng. Maryam Al Balooshi, Environment Manager, General Civil Aviation Authority (GCAA), as a guest speaker to inspire the audience. The session also showcased management voices who expressed their gratitude and conviction in the strengths and value of contributions made by Emirati women to the company and the nation.

SDG PRIORITY AREA



SDG 6: Clean Water and Sanitation

DRIVERS AND COMMITMENTS

The UAE Water Security Strategy 2036 aims to reduce total demand for water resources by 21 %, increase the water productivity index to USD 110 per cubic meter, reduce the water scarcity index by three degrees, increase the reuse of treated water to 95 % and increase national water storage capacity up to two days.

ADNOC DISTRIBUTION'S CONTRIBUTION IN 2020

ADNOC Distribution committed to adopting water saving initiatives since 2019 and continues to do so today. This includes installing aerator water savers across all washrooms and mosque ablution areas in ADNOC service stations, offices, and sites.

SDG PRIORITY AREA



SDG 7: Affordable and Clean Energy

DRIVERS AND COMMITMENTS

The UAE Energy Strategy 2050 is the first unified energy strategy in the country that is based on supply and demand. It aims to increase the contribution of clean energy in the total energy mix from 25% to 50% by 2050 and reduce carbon footprint of power generation by 70%. It also seeks to increase consumption efficiency.

ADNOC DISTRIBUTION'S CONTRIBUTION IN 2020

ADNOC Distribution continues to invest in solar power solutions with a total of three solar powered stations being currently operated in Dubai in addition to one at Yas North service station in Abu Dhabi where Japanese photovoltaic cells were installed.

SDG PRIORITY AREA



SDG 8: Decent work and Economic Growth

DRIVERS AND COMMITMENTS

The nation is expected to completely recover and boost its economy after the disruption caused by the COVID-19 pandemic. As the UAE continues on a path of progress, it calls upon companies within the country to step up as well.

ADNOC DISTRIBUTION'S CONTRIBUTION IN 2020

ADNOC Distribution continued its trajectory of growth during the year 2020 by opening 64 new stations in the UAE, out of which 20 new stations were opened in Dubai.

SDG PRIORITY AREA



SDG 12: Responsible Consumption and Production

DRIVERS AND COMMITMENTS

To manage energy consumption and balance supply and demand, Abu Dhabi has embarked on a Demand Side Management and Energy Rationalization Strategy to reduce electricity consumption by 22% and water consumption by 32% by 2030 (from the 2013 baseline).

ADNOC DISTRIBUTION'S CONTRIBUTION IN 2020

In 2020, ADNOC Distribution introduced a new engineering strategy, designed to optimize space utilization and reduce energy consumption in service stations.

We use a specialized recycling services provider to handle paper waste. The company also contracted a specialized service provider; to collect and recycle lube waste from its sites that resulted in recycling 1,506 tons of lube waste.

SDG PRIORITY AREA



**SDG 13:
Climate Action**

DRIVERS AND COMMITMENTS

The UAE government places climate change at the top of the government's list of policy priorities, evident from the establishment of the Ministry of Climate Change and Environment (MOCCA) in 2016.

ADNOC DISTRIBUTION'S CONTRIBUTION IN 2020

ADNOC Distribution is undertaking initiatives to reduce GHG emissions and taking concrete steps including installation of EV chargers at ADNOC service stations and providing alternative fuel options such as CNG to reduce its carbon footprint in line with the decarbonization strategy.



BUILDING OUR DIGITAL CAPACITY

Automation and digitalization have grown to be integral components of ADNOC Distribution’s future planning. As a leading fuel and retail distributor in the region, ADNOC Distribution regards its digital capabilities as a key driver of efficiency, sustainable performance, and innovation.

Leveraging technology to drive sustainable performance



The company invested a total of AED 240 million during 2020 to digitalize its operations and IT infrastructure. ADNOC Distribution’s digital transformation strategy, which aligns closely with its business strategy, has been a key factor fueling this investment as it allowed the company to navigate through a challenging year.

ADNOC Distribution formed its Digital Division in 2020, which allowed the company to focus on the end-value delivered to customers through its digital platforms, as well as to measure benefits, rate of investment,

cost optimization potential, and profitability metrics associated with the automation of its offerings. The Digital Division operates all digital marketing promotions and solutions to improve customer experience. In addition, the division was vital in conducting safe and proficient remote-working policies during the COVID-19 pandemic. The Digital Division and Artificial Intelligence (AI) & Analytics team work together to advise budget allocation to digital initiatives, supported by senior management, and employ specialized resources in the field of digital transformation to further enhance its sustainability agenda.

Operations and departments that underwent digital transformations in 2020:



INTERNAL

Finance
 Human Resources
 Procurement



EXTERNAL

Retail
 Fuel and Shared Services Rewards
 ADNOC ‘On the Go’ Stations
 Refurbishment of C-Stores
 Fuel Demand Prediction
 Advanced Analytics to Measure Consumer Behavior and Sentiments

ADNOC Distribution's IT Security ensures the protection of its critical information systems and data assets. The company successfully launched both the secure remote workplace program and the Security Awareness Campaign and took proactive steps to keep employees informed of any heightened cybersecurity risks imposed by the COVID-19 and the remote-working scheme. The IT department is responsible for optimizing the digital experience at all ADNOC service stations, as ADNOC

Distribution continues its journey as a customer-centric, technology-enabled retail fuel service provider. Accordingly, the company has established security architecture at its service stations to ensure critical operational technology (OT) infrastructure and best-practices are maintained.

ADNOC Distribution significantly enhanced the cybersecurity capabilities of its smart services during 2020, by performing periodic penetration testing and risk

assessment, mainly on its mobile application and its supporting infrastructure. This contributed to the efficiency of the company's on-the-go fueling services with credit top-up operations, smart tagging integration, loyalty reward points system, and more.

ADNOC Distribution Fuel Demand Prediction Solution



ADNOC Distribution adopted an advanced AI and machine-learning Fuel Prediction Model to improve fuel demand accuracy across the UAE. Utilizing the Internet of Things (IoT) and fuel sales real-time data, the model provides a smart intelligent dashboard, with all the vital pieces of information needed to run operations and guided decisions with almost no human interference. To date, the solution has collected, stored, and analyzed over half a billion fuel sales transactions and extracted insights to achieve a fuel demand accuracy rating of 95%.

During the national COVID-19 lockdown period, the first pilot test was conducted and, subsequently, supported a reduction of lost sales due to run out, by giving the Operations and Retail teams early warning of upcoming demand and stock requirements.







ECONOMIC & GOVERNANCE FRAMEWORK

OVERVIEW

By defining and adhering to the company's established guides on corporate governance, ADNOC Distribution is empowered to enhance accountability, create value, and reflect the interests of all stakeholders and the communities it serves. The framework is built upon the application of a wide range of policies to ensure information transparency, ethical workings, and accountability are integrated throughout the company.

ADNOC Distribution reports on changes within the corporate governance framework in its annual Corporate Governance Report. This section provides general insights into ADNOC Distribution's corporate governance processes and their implementation.

For further details on ADNOC Distribution's Corporate Governance, kindly refer to the 2020 Corporate Governance Report: https://www.adnocdistribution.ae/media/3601/adnoc-distribution_corporate-governance-report-2020_english.pdf



Our Corporate Governance Overview

We are committed to a corporate governance framework that is compliant with all corporate governance requirements, that are applicable to public joint stock companies in the UAE, and that are consistent with international best practices. Ensuring that all roles and responsibilities are accounted for, to achieve complete ESG embedment, ADNOC Distribution's corporate governance framework is structured to designate duties within its senior management personnel. The Board oversees sustainability targets, programs, risks, and progress on a broad range of sustainability matters that are important to its business, while the Executive Committee assists the Board on this and meets in between scheduled Board meetings. The Committee ensures that sustainability is integrated into the company's vision of creating shared value for stakeholders.

To guide the company's engagement efforts, the Committee meets to discuss avenues and priorities on stakeholder engagement. ADNOC Distribution prides itself in maintaining just and transparent remuneration policies, basing its performance criteria for remuneration on OPEX and CAPEX targets, as well as EBITDA.



Corporate Governance Policy

Consolidating a company-wide approach to business and operational management, ADNOC Distribution's Corporate Governance Policy provides clear guidance on: (a) the Company's corporate governance structure and the interface between the company and its stakeholders; (b) the authorities and decision-making mechanisms within the company and between its stakeholders; and (c) the role and responsibilities of the company's corporate governance function.



Code of Conduct

Through the ADNOC Distribution Code of Conduct, the company translates its mission, values, and principles to best-practices in standards of professional conduct. It demonstrates ADNOC Distribution's commitment to compliance and ethical behavior in all that it does. Approved by the Board, the Code of Conduct (a) sets out the minimum standard of conduct that the company expects from anyone working for or on behalf of ADNOC

Distribution; and (b) provides a set of basic rules and standards that are designed to ensure that the business is conducted in an ethical and compliant manner and in accordance with the company's core values. All Vendors and suppliers are obliged to comply with ADNOC Distribution Code of Conduct through declaration during registration, prequalification and tendering. The Code of Conduct and Supplier & Partner Code of Ethics are made available to all employees, suppliers, and partners, and are published on the ADNOC Distribution website for public access. In addition, ADNOC Distribution conducts frequent trainings for the benefit of our stakeholders on the Code of Conduct.



Non-Discrimination

One of the ADNOC Distribution Code of Conduct core values, 'We Are Respectful', guides the company's policies and procedures pertaining to a zero-tolerances approach to discrimination or harassment of any kind in the workplace. The company expects all employees to adhere to this principle and conduct themselves with honesty and integrity.



Related Party Transactions Policy

Our Related Party Transaction Policy is designed to ensure that: (a) transactions with related parties are conducted on arm's length terms; (b) the Board of Directors

and senior management are aware of the steps required to approve transactions with related parties; and (c) a legitimate business case is present and which supports the relevant related party transactions, including their arm's length nature. In accordance 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 foregoing requirements do not apply to transactions with ADNOC and with other ADNOC group companies. However, for so long as ADNOC owns more than 50% of our shares, we may not enter into transactions with ADNOC or other ADNOC group companies unless such transactions have been approved by our Board of Directors, including a majority of the independent members of the Board of Directors.



Insider Dealing Policy

ADNOC Distribution places immense importance on procedures to ensure fair and transparent dealings in its securities. The company follows a zero-tolerance approach to any activities which would prevent this requirement from being properly implemented. The Insider Dealing Policy defines the obligations and responsibilities of company employees, officers and directors with respect to dealings in its securities, and establishes an Insider Dealing Committee to oversee the ongoing implementation of this policy.



Anti-Bribery and Corruption Policy

Consistent with ADNOC Distribution's commitment toward ethical and compliant operation, the company follows a zero-tolerance approach to fraud, bribery, and all other forms of corruption. The ADNOC Distribution Anti-Bribery and Corruption Policy sets forth its requirements to ensure that none of its employees or representatives engage in any of these activities.



Compliance Investigations Policy

ADNOC Distribution's commitment to operating with integrity includes investigating, where necessary, allegations of ethical misconduct. The company's Compliance Investigations Policy and supporting procedures set forth its approach to investigations relating to alleged violation of: (a) ethical business practices; (b) integrity in company interactions and arrangements with third parties; and (c) applicable laws, regulations, policies and procedures relating to ethical business practices and integrity. This policy requires employees to cooperate fully and truthfully with all inquiries and to avoid engaging in certain activities that may hinder or interfere with an inquiry.



Conflicts of Interest Policy

The ADNOC Distribution Conflicts of Interest Policy sets forth the company's principles for the prevention and management of conflicts of interest, including the avoidance of situations that merely have the appearance of a conflict of interest. The company mandates that conflicts of interest must be promptly disclosed so that the appropriate course of action can be taken to protect ADNOC Distribution's interests.



Whistleblowing Policy

The established Whistleblowing and Non-Retaliation Policy encourages ADNOC Distribution employees to report concerns about unethical behavior, assuring swift actions guaranteeing confidentiality and protecting against retaliation. The company has several avenues for employees to bring matters to attention, including reporting directly to the Compliance Manager, contacting the Legal & Compliance Division, communicating with line managers, and utilizing the Takallam reporting platform. The Takallam whistleblowing platform is available to all staff and is accessible online and by telephone.



Data Privacy

Due to the COVID-19 pandemic, ADNOC Distribution embarked on a number of policies and initiatives to improve its cyber security position and ensure business continuity.

These included the establishment of a secure remote-working program, a Security Awareness Campaign, and other major projects to improve the network access control and security. The company's robust policy structure has earned it the ISO27001:2013 Information Security certification, which feeds into the company's Information Security Management System (ISMS). This endorsement serves to confirm that ADNOC Distribution is actively protecting and securing its stakeholders' information.



Supply Chain and Procurement Practices

The Supply Chain Division within PSCM Group in ADNOC Distribution is engaged in sourcing main fuels from supplier(s) using chartered Marine vessels and ADNOC Pipeline and then storing at its eight Supply Chain Terminals that are geographically located in the emirates of Abu Dhabi, Sharjah and Ras al Khaimah. The products range includes Gasolines (ULG91, ULG95 and ULG98), Gasoil (Diesel), Kerosene and JetA1, which are then supplied to its service stations, corporate customers, and airport locations through company owned, contracted and customers owned road tanker fleet. In some cases, supplies to customers are also made through Marine vessels. ADNOC Distribution's procurement practices support all Company business lines as a centralized function, sourcing materials and services from reputable vendors committed to regulations and expectations of appropriate environmental and social management. All procurement activities are governed directly by ADNOC Distribution Policies and Procedures, which aim to

achieve value throughout the procurement value chain, improve working capital management, and ensure that commercial considerations drive procurement decisions. In 2020, there was no change in Supply Chain locations or Operations within ADNOC Distribution. In the interest of localizing ADNOC Distribution's supply chain 94% of total procurement spend has been awarded to UAE-based and registered suppliers in the past year.



Equity Overview

ADNOC Distribution is a Public Joint Stock Company. It was listed on the Abu Dhabi Securities Exchange (ADX) on the 13 December 2017 under the symbol ADNOCDIST. The company's paid-up share capital

is AED 1 billion, divided into 12.5 billion shares, each with a nominal value of AED 0.08. The Company's equity governance is supervised stringently in compliance of being a public-joint stock company. During 2020, there was no change in the company's issued share capital. On 14 September 2020, the major shareholder ADNOC completed a private placement of 10% of ADNOC Distribution shares to institutional investors through a block placement on ADX. This placement increased ADNOC Distribution's free float equity shares from 10% to 20%. On 27 May 2021, ADNOC placed an additional 3% of ADNOC Distribution shares to investors. Presently, ADNOC remains a strategic and committed shareholder with 77% ownership in ADNOC Distribution. Remaining shares are held publicly by Institutional and Individual investors.



In-Country Value (ICV)

ADNOC Distribution's In-Country Value (ICV) program is aligned with ADNOC's ICV program launched in January 2018 and is aimed at encouraging private-sector partnerships, catalyzing socio-economic development, improving knowledge transfer, and generating skilled jobs for UAE nationals. ADNOC Distribution's strategy and planning is driven by increasing ICV contribution year-on-year. ADNOC Distribution has conducted category management and collected spending analysis to drive partnerships with local manufacturers during the year 2020. The company achieved an ICV of 40% during the year 2020, amounting to AED 803 million in total, while working with 235 ICV certified suppliers.



BOARD OF DIRECTORS IN 2020

The ADNOC Distribution Board of Directors comprised of seven Directors in 2020, who are all independent and non-executive within the definition of Resolution No. (3/R.M) of 2020 of the Securities and Commodities Authority of the UAE (the SCA and the Corporate Governance Rules). As per the company's Articles of Association, each Director serves a three-year term, after which they may be elected to a successive term, or terms.

The Board of Directors was elected on November 2017 for a three-year term, with the exception of Mr. Khaled Salmeen and Mr. Ahmed Jasim Al Zaabi who were appointed on 5 February 2019 and 30 April 2019 respectively, to serve the remaining term of the Directors they replaced. Notwithstanding the three year term the Board of Directors was elected for, an approval was obtained from SCA in October 2020 to enable the existing Board of Directors to continue to hold office until the next scheduled General Assembly meeting (held in March 2021).

COMPOSITION OF THE BOARD OF DIRECTORS IN 2020



H.E. DR. SULTAN AHMED AL JABER
CHAIRMAN

MR. JASSIM ALSEDDIQI
DIRECTOR

MR. KHALED SALMEEN
DIRECTOR

MR. DAVID-EMMANUEL BEAU
DIRECTOR

MR. ABDULAZIZ ABDULLA ALHAJRI
DIRECTOR

MR. PEDRO MIRÓ ROIG
DIRECTOR

MR. AHMED JASIM AL ZAABI
DIRECTOR

Female Representation on the Board



In 2020, there was not any female representation on the Board of Directors. However, shareholders elected Ms. Mariam Ghobash to join the Board on 16 March 2021 as the company's first female Board member. Bringing with her a wealth of knowledge and experience, Mariam Ghobash was elected as the Chairwoman of the Nomination and Remuneration Committee of our Board as well as member of the Executive Committee. Integrating

diversity and gender balance within the Board is a core goal and ADNOC Distribution is committed to seeking more opportunities to include female representation in its decision-making roles. To this end, where vacancies arise, the company actively seek out greater female representation while, at the same time considering all qualified candidates, irrespective of gender.





SOCIAL COMMITMENTS



GIVING BACK TO OUR COMMUNITIES

As determined by one of ADNOC Distribution's core Code of Conduct values – "We are Responsible" – the company's decision-making is guided by principles of collaboration, respect, responsibility, and efficiency. With operations across the UAE and the Kingdom of Saudi Arabia (KSA), ADNOC Distribution measures its success in terms of the quality and value it provides to society. ADNOC Distribution seeks to support the communities it serves through a range of outreach efforts that focus on employment prospects, development programs, and local supply initiatives. The company engages with its stakeholders and customers in a personalized manner to better understand their needs and expectations, fulfilling these requirements by contributing provisional support, medical assistance and more. The company follows up on every corporate social responsibility (CSR) activity it conducts through an impact report, which details the progress of the project, its achievements, and the impact that it reflected on the targeted communities.

Building Local Capacity



ADNOC Distribution continuously seeks to align its CSR agenda with the priorities of local and national strategies such as the UAE Vision 2021, and the Abu Dhabi Economic Vision 2030, all of which focus on enhancing the country's overall development and prosperity. In 2020, ADNOC Distribution invested AED 1.2 million in CSR initiatives.

**ADNOC
DISTRIBUTION
INVESTED
AED 1.2
MILLION
IN CSR INITIATIVES**



Social initiatives and community development programs by ADNOC Distribution:



**1,000
PACKAGES**

CARE PACKAGES FOR MEDICAL PROFESSIONALS AS A TOKEN OF APPRECIATION

Campaigns for frontline and healthcare workers

In the early days of the COVID-19 pandemic, employees volunteered their time and effort to assemble and distribute 1,000 care packages to medical professionals as a token of appreciation. The packages were distributed in hospitals and medical establishments across the UAE, including in the Sheikh Khalifa Medical City and Al Ruwais Hospital.

In addition, ADNOC Distribution offered free hot beverages to healthcare and emergency services workers at ADNOC Oasis service stations, providing over 50,000 cups and 10,000 KitKats in partnership with Nestlé UAE.



50k CUPS 10k KITKATS

FREE HOT BEVERAGES TO HEALTHCARE AND EMERGENCY SERVICES WORKERS AT ADNOC OASIS SERVICE STATIONS



SERVICE OFFERINGS

COMPLIMENTARY INTERNAL CAR SANITIZATION SERVICE

Sanitization service offerings

As hygiene became an utmost concern during the operation of the national sterilization program, we expanded our offerings to include

a new internal car sanitization service, complimentary with any car wash.





100,000
WATER BOTTLES



30,000
WAQAIYA KITS

PERSONAL PROTECTIVE
EQUIPMENT (PPE) TO UAE
COMMUNITIES

Protecting and equipping communities

Distribution of 100,000 water bottles and 30,000 Waqaiya kits containing personal protective equipment (PPE) to UAE communities to safeguard the wellbeing of people across the UAE.



مدينة الشيخ خليفة
KHALIFA MEDICAL CITY



GATE
1

145



PROMOTING A DIVERSE AND INCLUSIVE WORKFORCE

ADNOC Distribution understands the immense potential value in celebrating and promoting diversity and inclusivity within its team of more than 10,000 employees, which helps to build a collective consciousness and understanding of its importance in the company's ongoing progress and future growth.

The ADNOC Distribution employee engagement survey has delivered positive results, and responses highlight that the company's employees are positive about ADNOC Distribution's working environment, feel as though they are integral to the organization, and are motivated to reflect the excellence and quality that ADNOC Distribution stands for. The company invests heavily in employee training and development programs and enforces strict non-discriminatory policies and gender diverse values across its business operations.

Closing the Gap

ADNOC Distribution saw minor changes in its gender pay ratio, as well as its CEO pay ratio. In 2020, CEO pay was around 7.5 times higher than the median full-time equivalent compensation, reducing the gap relative to the previous year. However, gender pay ratio saw a slight increase by 0.03, where men's total compensation was found to be around 1.04 times higher than that of women. We are seeking to reduce the pay gap in the company by providing fair opportunities to our staff irrespective of gender.

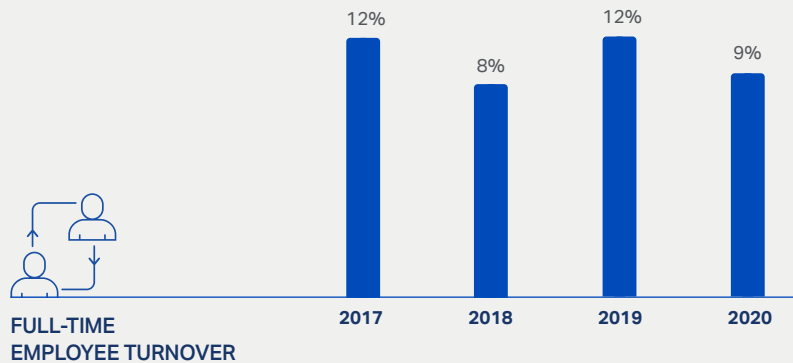
	CEO total compensation to median Full Time Equivalent (FTE) total compensation	Median male compensation to median female compensation
2017	6.21 : 1	0.96 : 1
2018	6.98 : 1	1.00 : 1
2019	8.25 : 1	1.01 : 1
2020	7.47 : 1	1.04 : 1

Note: Above statistics are based on non-service station employees (but includes UAE nationals in service stations)



Employee Turnover

Despite the market volatilities in 2020, ADNOC Distribution saw lower employee turnover in comparison to the previous year, with a 9% turnover rate in the number of full-time employees and a 1% turnover rate in contractors and consultants brought on-board. There was notable stability in Middle Management and Senior Management roles, with each displaying a turnover rate of just 0.1%. The employee turnover rate in professional, operational, and administrative roles also declined to 10% compared to 13% last year.



Overall, the company succeeded in maintaining a healthy employee retention rate, which reflects

their dedication towards ADNOC Distribution's mission, values, and purpose.

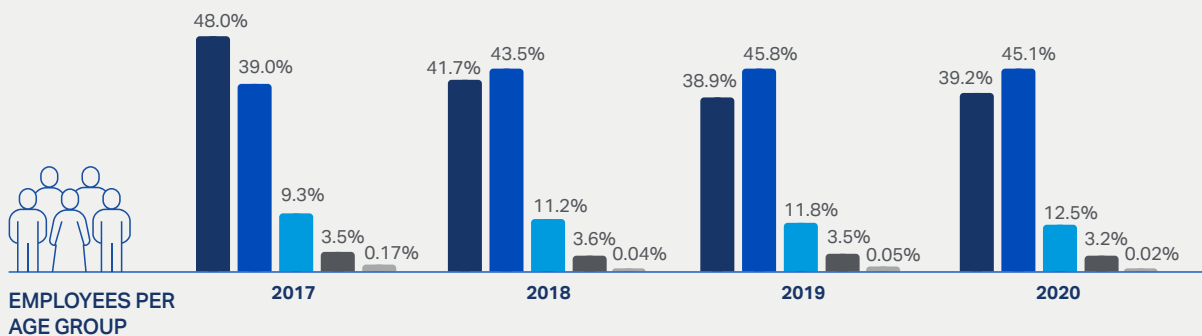
Diversity

ADNOC Distribution takes pride in its diverse and exceptional talent pool, which is a reflection of the strength and growth of the company's business and a testament to its status as a preferred workplace of choice. The company is equally proud to promote an inclusive working

environment in which talented individuals can thrive. ADNOC Distribution understands the value and creativity brought to its brand through the diversity of its workforce. Echoing the UAE's respect and appreciation for personal differences, strengths, and abilities, ADNOC Distribution

actively promotes a working environment that represents the diversity seen in the customers and communities that it serves. In 2020, the company's workforce represented a total of 62 nationalities.

- Age group 18-30 years
- Age group 31-40 years
- Age group 41-50 years
- Age group 51-60 years
- Age group 60+ years

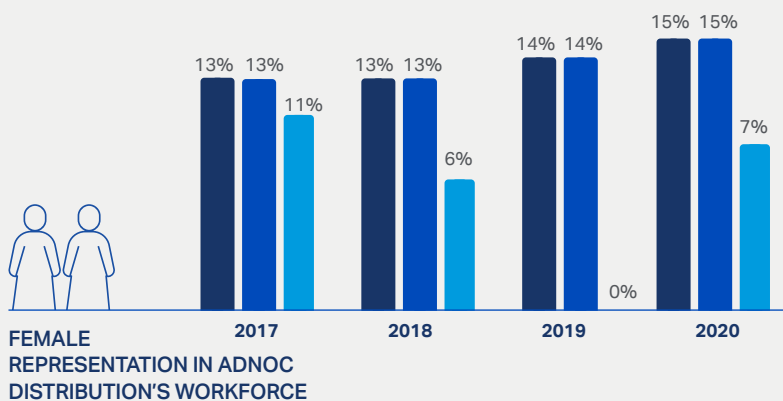


Gender Balance

The company strives to ensure that talent and performance are recognized and rewarded, irrespective of gender. Being the first fuel distribution company in the region to recruit women at its service stations, ADNOC Distribution has always focused on supporting women and giving them the right opportunities to excel in their respective careers. Female representation in ADNOC Distribution's workforce improved further in 2020, with just 1% of female employees leaving their positions, compared to 9% of male employees. By bridging the gap between talent and opportunity, ADNOC Distribution looks forward to achieving even higher rates of female representation going forward. As part of its efforts to achieve a higher equity of female representation, ADNOC Distribution has developed professional

assistance platforms to support women in the company, and also works to provide female employees with access to a range of dedicated and tailored trainings to unlock their potential.

- % of Females in ADNOC Distribution's workforce
- % of Females in entry and mid-level positions
- % of Females in senior and executive level positions

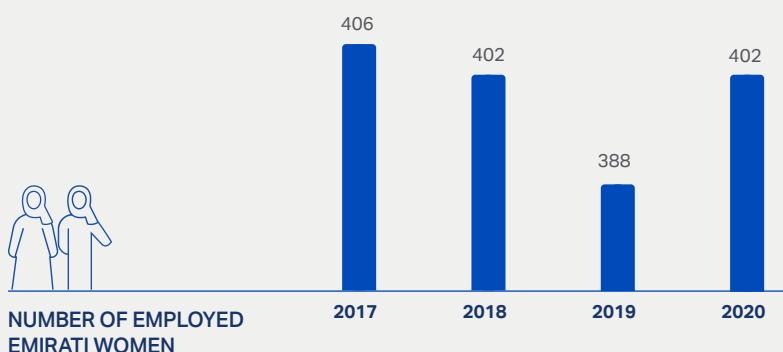


Note: Above statistics are based on non-service station employees (but includes UAE nationals in service stations)

Emiratization

ADNOC Distribution firmly believes in the long-term strategic value of enriching national talent and upgrading their professional capacities. In order to further UAE nationals' presence within its workforce, ADNOC Distribution places great emphasis on its Emiratization performance and metrics. The company's commitment to drive its ICV targets and achievements has allowed it to create additional employment opportunities for UAE nationals in the private sector. Emirati employees comprised of 72% of the ADNOC Distribution workforce in 2020, including 100% of service station managers. In line with its commitment to increase female

representation, ADNOC Distribution witnessed an increase in the Emirati women employed within its workforce demographic by 4% in 2020.

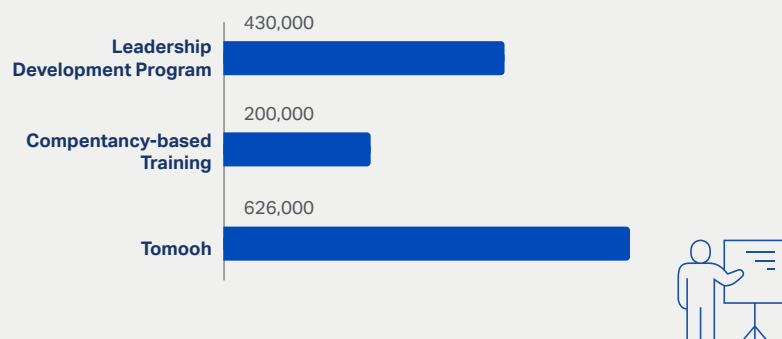


Learning and Development

Balancing internal and external learning objectives, ADNOC Distribution continues to safely and efficiently offer HSE certifications, function-specific certifications, as well as Train the Trainer programs. The company conducted a total of 433 courses and trainings in 2020, covering various subjects and competencies. By employing resources that support the achievement of business continuity and resilience goals, ADNOC Distribution has been able to develop new succession planning models to retain and advance its human capital. A group of exceptionally performing employees were elected and

offered special training programs to help them further develop their interpersonal and professional skills and to prepare for future leadership positions. ADNOC Distribution

identified 77 talented employees through the succession-planning scheme in 2020, out of which 59 are UAE nationals and 10 are women.



INVESTMENT INTO TRAINING AND DEVELOPMENT FOR EMIRATIS (AED)

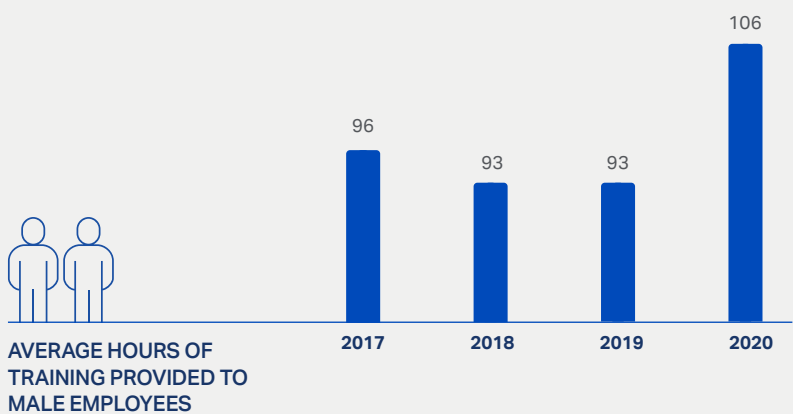
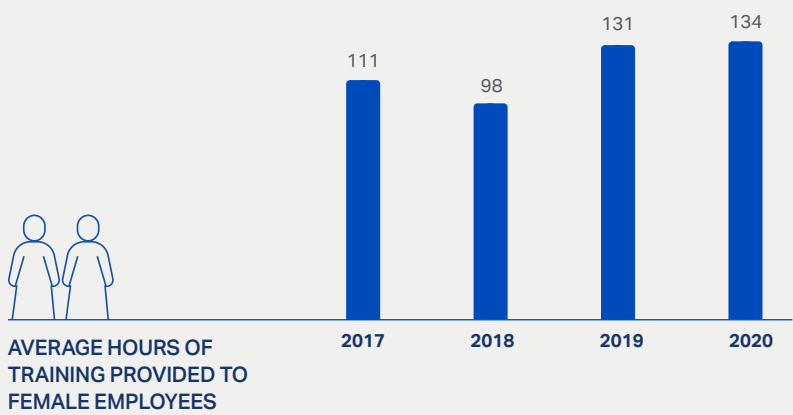


ADNOC Distribution launched 'Tomooh' in 2020, a program that offers a leadership training curriculum designed to help UAE nationals acquire competencies to undertake future leadership roles. The initiative enabled 75 women and 179 men, who completed the first phase of the course, take up leadership roles at ADNOC service stations. 'Tomooh' consisted of virtual classroom training on leadership and management, interpersonal skills, finance, operations, human resources, sales, and marketing. As part of experiential learning, trainees received intensive on-site training at service stations across the UAE. Through this initiative, a total of 254 UAE nationals have successfully completed the course and were assigned leadership roles across the company's network of service stations nationwide. The company plans to welcome 90 talented

UAE nationals to our organization, providing them intensive and interactive training to help them enhance their core competency as leaders.

Through targeted competency-based training, ADNOC Distribution sees it that Emirati employees are empowered to develop specific skills based on business needs, through self-assessment, line manager's review, and following a Personal Development Plan (PDP). As part of its commitment to employee development practices, ADNOC Distribution launched its Leadership Academy to help staff apply managerial concepts across all company operations. ADNOC Distribution launched an e-Learning mobile application to boost employees' commitment to continue pursuing their personal

and professional development goals in 2020 to counter the adverse effects of COVID-19 and its implications on their learning. Similarly, the ADNOC Future Leaders (AFL) program continues to achieve longevity in our workforce via knowledge-sharing, effective talent development platforms, and growth opportunities. To reflect changing business environments, our leaders are encouraged to attend executive leadership programs, coaching, mentorship, and experiential learning which would help them develop the capabilities they need to lead with confidence, embrace innovation, and drive results. ADNOC Distribution also ensured the completion of 100% of its employees' regular performance.



WORKER WELFARE

The UAE Federal Labor Law strictly prohibits any form of forced, compulsory, or child labour. ADNOC Distribution abides by all human rights regulations and ensure that no violations occur across any of its workplaces, amongst employees, or amid the company's extended contractor workforce.

Fair Labour Practices



All of ADNOC Distribution's vendors and partners are expected to strictly follow its Supplier and Partner Code of Ethics, which define our zero-tolerance policies for any human rights breaches and specify all mandatory guidelines to conduct business in a responsible and ethical manner. Any supplier or partner that is not compliant is blacklisted from offering services to ADNOC Distribution.

Strict procedures to guarantee the welfare of people obligates that:

- All suppliers and partners must not use, employ or seek to exploit in any way the services of child, under-age, and slave or trafficked labour.
- All suppliers and partners must comply with all applicable labour laws, and related laws and regulations, in particular, those relating to working and living conditions, wages, working hours and the payment of overtime.
- All suppliers and partners must comply with the terms of the contract that is agreed with the people working for them, and the law.
- Everyone working for ADNOC Distribution's suppliers and partners must be paid no less than the prescribed minimum wage in a timely manner, and given holidays, leave and medical cover in accordance with applicable laws.



HEALTH AND SAFETY

Spanning precautionary policies implemented and occupational risks anticipated in offices, service stations, terminals, and vehicle inspection centers, the company has established a comprehensive HSE Management System that is regularly updated and enhanced to fit changing circumstances. ADNOC Distribution's HSE division holds supervisory and advisory roles to control the Health & Safety risks.



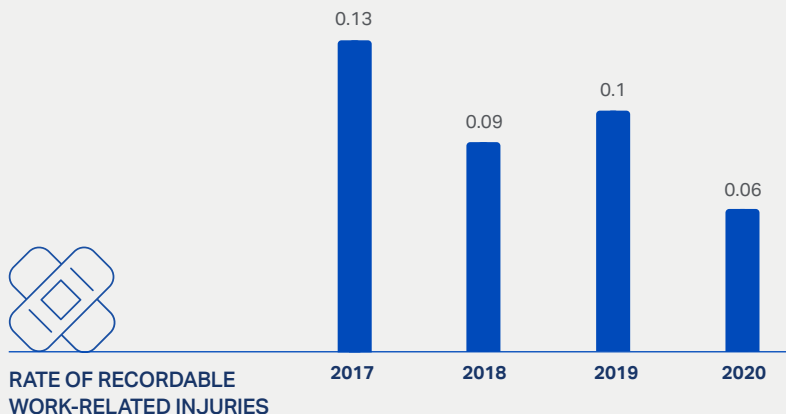
Safety Performance

ADNOC Distribution monitors and reports its HSE performance via the ADNOC HSE Management System, which compiles indicators and procedures referred to in a variety of international best standards. Through this approach, the Executive Leadership Team is able to evaluate, endorse, and make decisions about significant matters related to effectiveness of how ADNOC Distribution is handling its safety performance. Data on safety performance is collected and analysed in line with the ADNOC Distribution HSE Governance Framework which highlights safety performance objectives and targets, established as part of commitment to 100% HSE in alignment with Sustainability Strategy.

ADNOC Distribution's obligations towards managing its safety performance cover the following domains:

- The Five-Year HSE Business Planning and reporting KPIs (with targets)
- Ensure identifying CAPEX for HSE Projects as a part of the Five-Year Business Plan
- Ensure HSE Performance inputs cascade from the site(s) as well as from the Contractors
- Follow-up on improvement measures and reports compliance status to senior management
- Ensure verification/validation of reported performance data and,
- Ensure submission of Annual HSE Performance Report to senior management.

A risk assessment is performed by reviewing the method statement of activity. Occupational and process health and safety is reported on a quarterly basis. Occupational Health Risk Assessments (OHRA) and occupational health identification (OHID) are conducted for all facilities, controlling health hazards as per study requirements. Organizational employees data is extracted from the Human Capital attendance system, while contractor figures are compiled through the monthly reports submitted by each contractor. Employees working for strategic partners are excluded from the assessment as their working premises and supervision are not controlled by ADNOC Distribution.

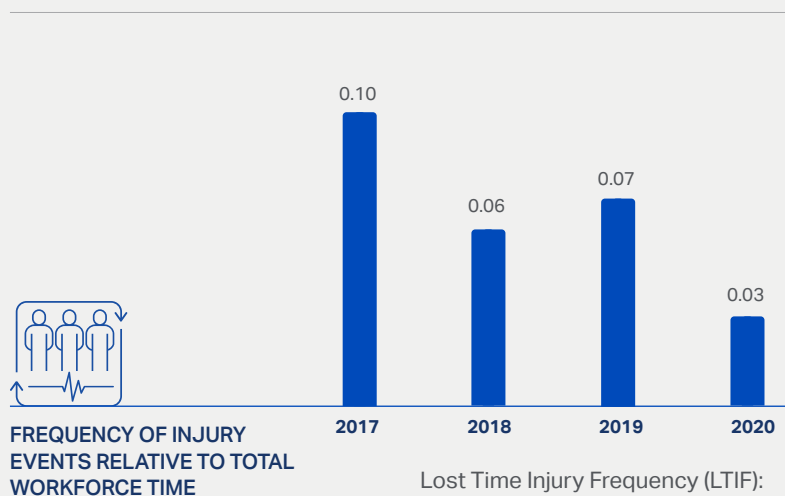


Total Recordable Incidents Rate (TRIR): Number of Recordable Incidents*/ Million Man Hours

* Recordable incidents are a sum of Loss Time Incidents, Restricted worker cases and medical treatment cases

ADNOC Distribution saw an overall decrease in the rate of recordable work-related injuries by 40% in 2020, compared to the previous year. This reflects an overall decrease in injury events relative to working hours. These figures are directly reflective of ADNOC Distribution's robust safety precautions as well as a change in working patterns due to COVID-19 related lockdown measures and social distancing mandates. In addition, ADNOC Distribution delivered yet another year of zero employee fatalities as a result of work-related injuries. Continuing with this trajectory, the company recorded zero cases of work-related ill-health amongst its employees during 2020. The company continues to closely monitor safety performance and investigates all incidents, duly supervising lost time injury (LTI), restricted workday cases (RWCs), and medical treatments taken by employees.

ADNOC Distribution ensure all employees are provided with suitable insurance, related to their working conditions, and offers health club membership discounts to keep employees healthy and ensure their overall wellbeing.



Lost Time Injury Frequency (LTIF):
Number of LTIs*/ Million Man Hours

* Lost Time Injury is the sum of Fatalities, Permanent Total Disabilities, Permanent Partial Disabilities and Lost Workday Cases.

Health and Safety Management



In compliance with the HSE Management System, ADNOC Distribution manages its HSE with respect to the processes, commitments, goals, responsibilities, and resources effectively. All programs, projects, and initiatives dependent upon worker health and safety are dealt with as per the HSE Management System requirements.

Management of HSE risks are evaluated by the periodic internal audits, the results of which are evaluated in external audits annually. The HSE Management System is subject to change in the event that it is needed to best protect our people.

Audits and incident investigations are used to trigger any modification in existing HSE Management Standard documents.

ADNOC Distribution follows its occupational health and safety policy to which the terms are as follows:

- Pursuing the goal of no harm to people and the community.
- Protecting the environment and supporting the UAE's commitment to address the global challenge of climate change.
- Implementing cost-effective measures to improve energy

efficiency and promote the use of renewable energy.

- Ensuring compliance with all applicable laws, regulations, policies and procedures relating to HSE.
- Having world-class emergency response, crisis management and business continuity measures in place.
- Managing risks through effective controls and minimizing impacts to our businesses.

- Focusing on incident prevention by managing process safety and the integrity of the company's assets.
- Promoting sustainability, corporate social responsibility and the welfare of the company's workforce.
- Embedding a 100% HSE culture that empowers employees and contractors to intervene and stop any unsafe work.
- Developing and sustaining HSE critical competencies in the company's employees.
- Holding all levels of management, supervisors, and employees accountable for HSE performance.

- Setting targets for HSE performance and continuous improvement.
- Engaging business partners who are also committed to 100% HSE.

Guided by leading standards, ADNOC Distribution inaugurated a new HSE Management System in 2020. All components of the model were developed after consulting with Subject Matter Experts (SMEs) from all ADNOC Group companies. HSE Observations and incidents are reported according to the standard requirements.

All of our employees, contractors, and customers in ADNOC Distribution Service Stations, Terminals, Vehicle Inspections

centers are covered in HSE Management System.

All activities are evaluated through OHRA for the identification and control of occupational health risks; in turn, all risks are evaluated with reference to ADNOC Distribution Risk Assessment Matrix. We use a variety of qualitative and quantitative risk assessment tools to manage the company's occupational health and safety e.g. QRA, HAZOP, HAZID, JSAs etc.

Training and Awareness on Health, Safety, and Environment



To ensure employees are aware and engaged in the company's commitments to HSE, ADNOC Distribution regularly conducts employee surveys to engage with the workers on their perspectives and concerns regarding their working safety. The company also conducts regular coordination meetings and leadership site visits to assimilate HSE awareness across the organization.

Accessibility of our HSE data is crucial to overall safety performance. The company ensures that HSE standards and awareness materials are readily available on its intranet portal for all of our staff members to access. Along with these resources, teams are provided with HSE alerts to discuss lessons learned from any incidents that occur within scope.

While ADNOC Distribution does not yet operate a Safety Committee to manage training and awareness on HSE, the company ensures that all critical HSE issues are presented in the Executive Leadership Forum, attended by management.

All HSE trainings are delivered by the Learning & Development Department, as approved by the HSE training matrix. Specific HSE training is identified for all organizational hierarchies in the Training Matrix Guidelines. Based on the matrix, the training audiences are identified and catered to with the following division/topic-centric learning areas:

- HSE Induction & Required Trainings for Site Access
- HSE Governance & Administration

- Process Safety and Risk Assessment & Management System (RAMS)
- Work Management System (WMS)
- Operations Safety
- Logistics Safety (Road, Marine, and Air)
- Environment
- Occupational Health & Industrial Hygiene
- Crisis Management & Emergency Response



PROTECTING THE ENVIRONMENT





MANAGING OUR ENVIRONMENTAL IMPACT

Since its IPO in December of 2017, ADNOC Distribution has viewed its position as an industry leader in the UAE as one that mandates responsible conservatorship of our environment and ecosystems. As part of the company's HSE policy, ADNOC Distribution is dedicated to protecting the environment and supporting the UAE's commitment to addressing the global challenge of climate change.

Leveraging the UAE Vision 2021 and the UAE Strategy for Green Development, ADNOC Distribution has embedded its decarbonization strategy in its long-term business planning. In addition, the company began the development of its Environmental Risk Profile in 2020, with the aim to assess environmental effects that might be caused by each station and the reciprocating actions to remedy them. ADNOC Distribution is expecting to complete the Environmental Risk Profile project in 2021 and plans to deploy its findings across 200 of its service stations in the first phase, while expanding internal strategies and KPIs to strengthen the company's overall environmental performance.

Environmental Oversight



ADNOC Distribution's governance structure places the onus on leadership to manage and execute all environmental agendas and plans. As per the Delegation of Authority HSE department is tasked with implementing, tracking, and reporting all ecological initiatives.

To identify the most material environmental issues and develop relevant programs to support their handling, ADNOC Distribution's leadership team seeks guidance from the sustainability strategy pillars to implement a coordinated response as follows:



1. CLIMATE, EMISSIONS AND ENERGY

Become the leading fuel distributor in emissions management and energy efficiency.

To offer a higher number of less energy intensive fuel stations, ADNOC Distribution launched 38 brand new 'ADNOC On the go' service stations across the country in 2020.



2. LOCAL ENVIRONMENT

Minimize impact on the local environment through sustainable biodiversity, water, and waste management.

ADNOC Distribution began applying the HSE Impact Assessment (HSEIA) for its terminals and plants during 2020 to evaluate the condition of the soil, groundwater and ambient air at select sites.

Environmental Operations



ADNOC Distribution received relevant certifications in a variety of management systems to corroborate its environmental priorities.



ISO 31000 Risk Management

ADNOC Distribution's Enterprise Risk Management (ERM) policy was designed in accordance with the ISO 31000 standard, ensuring that the company reports on business continuity from an environmental standpoint.



ISO 50001 Energy Management Systems

ADNOC Distribution received the ISO 50001 certification, enforcing a thorough audit process. Investing in a state-of-the-art Energy Management System is one of the key tools to optimize the company's energy consumption in line with the ISO 50001 requirements which is annually reviewed through external verification. ADNOC Distribution also adopted the ISO 50001 for buildings, service stations, depots, and plants to encourage a continuous improvement in energy performance.



American Petroleum Institute (API) Certification





ADNOC Distribution became an API member and received its first API lubricants certification in 1993. Since then, the company has adhered to the best-practice frameworks stipulated by the API to regulate its environmental safety behavior across the board.



ADNOC Distribution's operations comply with UAE and global environmental regulations. The company plans to add more environmental applicable accreditations and frameworks to its code in the future in accordance with its HSE Strategic Objectives including a focus on its capacity to control waste treatment and disposal as per international standards.

Climate Risk Mitigation



	AMOUNT INVESTED (AED)			
	2017	2018	2019	2020
<p>Nature of Investment WASTE MANAGEMENT</p>  <p>Description of Investment Expenditure to support HSE obligations and compliance regulations governing the treatment of hazardous waste.</p>	78,000	2,911,710	2,394,000	4,357,574
<p>Nature of Investment ENVIRONMENTAL ASSESSMENT AND AUDIT COST</p>  <p>Description of Investment ADNOC Distribution has been able to apply its risk principles to understand the human and ecosystem health impacts of the company's business operations through its HSEIA system.</p>	NIL	1,714,783	2,123,572	910,303
<p>Nature of Investment OPERATING EXPENSES</p>  <p>Description of Investment Hiring technical specialists has given the company the ability to integrate expert third-party recommendations to its climate-risk management profile.</p>	1,000,000	1,000,000	1,000,000	716,000
<p>Nature of Investment WASTEWATER MANAGEMENT</p>  <p>Description of Investment Contractors have been instrumental in developing solutions and procedures for our wastewater management, meeting all legal obligations and industry best-practices.</p>	704,533	704,533	704,533	704,533

ADNOC Distribution understands the risks that climate change poses to its business and takes its considerations seriously while setting its strategic targets and mitigation plans. The company actively analyzes climate change risks by identifying different scenarios and accordingly define mitigation strategy to leverage on opportunities created by energy transition towards low carbon future

and thus build business resilience. It seeks to invest in research and development activities to help determine more environmentally friendly fuel options, as well as managing solutions to aid decarbonization. The company considers achieving its targets and rolling out of its EV chargers and green fuels portfolio is of utmost importance in supporting its climate risk mitigation values.

ADNOC Distribution invested a total of AED 6.7 million on climate-related research and project activities in 2020, its largest annual contribution to this cause to date. To contribute to the overall improvement of air quality, ADNOC Distribution continues with its investments into vapor recovery technologies, leading to the injection of AED 2.8 million in 2020.



MODERATING OUR ENERGY USE

In order to substantiate its drive to support a local and national green economy, ADNOC Distribution's leadership look 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:



UAE Vision 2021

Through the pillar of 'Sustainable Environment and Infrastructure', ADNOC Distribution seeks to improve air quality metrics along with growing their contribution to clean energy



UAE Energy Strategy 2050

In line with the nation's objectives of moving away from conventional energy, ADNOC Distribution seeks to employ a diversified energy portfolio, channeling investments towards alternative sources of power and related infrastructure.



National Climate Change Plan 2017- 2050

In an acknowledgement of the national GHG emissions part of the key climate priorities of the plan, ADNOC Distribution acts on its moral responsibility to establish an integrated reporting system for energy consumption and associated carbon footprints.



Abu Dhabi Demand Side Management and Energy Rationalization Strategy (DSM)

ADNOC Distribution supports the national efforts for energy security by retrofitting its existing service stations and offices to be more energy efficient.



Environment Vision 2030

ADNOC Distribution's energy strategy is guided by the priority areas of the Environment Vision 2030, such as minimizing the impact of climate change, ensuring clean air, efficient management and conservation of water resources, and waste management.



Greenhouse Gas Emissions

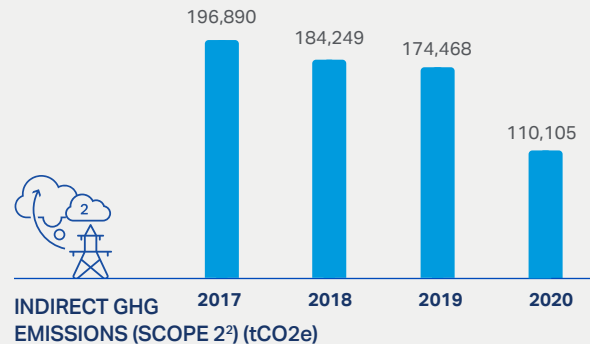
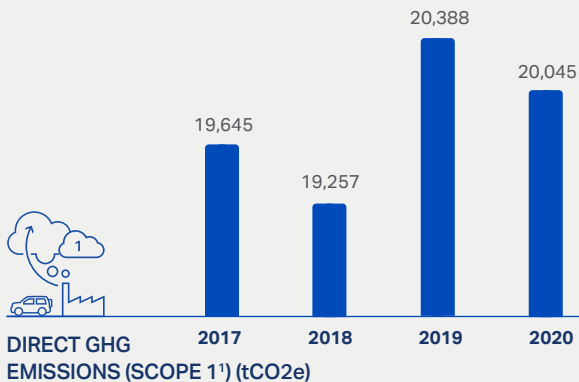


The company plans to introduce real-time emission monitoring technologies within its operating model in the future. Meanwhile, it currently uses standard determination factors to estimate the carbon emissions resulting from operations. ADNOC Distribution also plans to seek assurance of its emission data by an independent third party. Further details of this methodology are:

- For direct GHG emissions (scope 1), ADNOC Distribution uses the United States Environmental Protection Agency's simplified GHG calculator.
- For fugitive volatile organic component (VOC) emissions, ADNOC Distribution uses Australia's National Pollutant Inventory.
- For indirect GHG emissions (scope 2) related to electricity consumption, ADNOC

Distribution relies the factors set by the utility distribution company, Abu Dhabi Distribution Company.

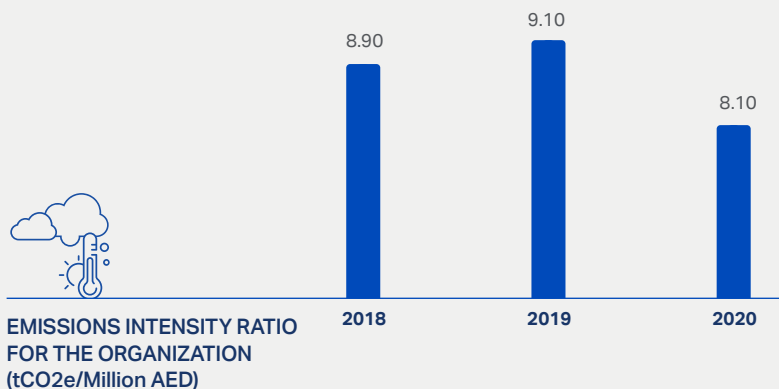
At present, all the divisions related to fuel retail, supply chain, production, natural gas, and aviation are working on emissions reduction projects based on targets that are set by the company's leadership for 2021.



1. Scope 1 calculations take into consideration CO₂, CH₄, and N₂O.
 2. Supply side operational improvements have resulted in the revision of ADNOC Distribution's scope 2 emissions factor which resulted in lower carbon emissions performance in 2020

11% ↓

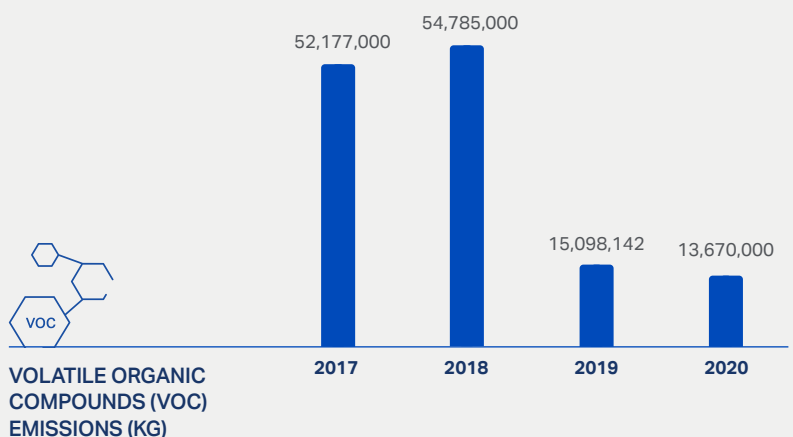
ADNOC DISTRIBUTION RECORDED DECREASE IN CARBON EMISSIONS INTENSITY



Following year-on-year increases, global carbon emissions saw a decrease in 2020 due to the implications of the COVID-19 pandemic. This trend is reflected in ADNOC Distribution's metrics, along with the culminated effect of emissions reduction technologies and energy-efficient projects. In line with the company's success in achieving lower carbon emission levels in 2020, ADNOC Distribution

recorded an 11% decrease in carbon emissions intensity based on revenues. Supply side operational improvements have resulted in the revision of ADNOC Distribution's scope 2 emissions factor which resulted in supporting the company's lower carbon emissions performance in 2020. Given the company's current operational model, it didn't record any emissions related to the scope 3.

By avoiding chlorofluorocarbons (CFCs) and other ozone-depleting substances (ODSs), ADNOC Distribution continues to play an active role in preserving the UAE's atmosphere. Evident in our reducing Nitrogen Oxides (NOx), Sulfur Oxides (SOx), and VOC rates, ADNOC Distribution is dedicated to improving the overall air quality nationwide.



Energy Mix

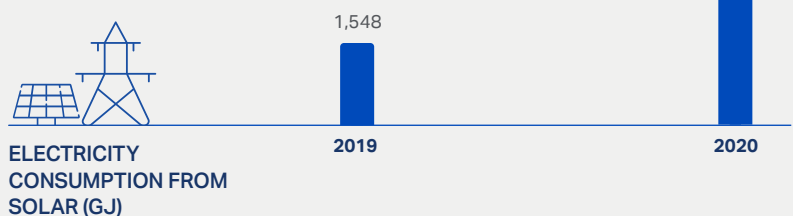
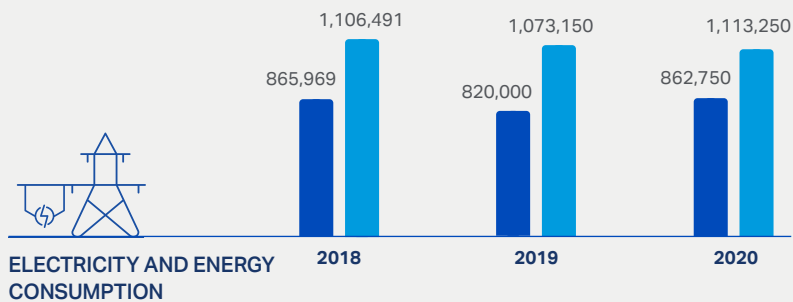


ADNOC Distribution's energy mix and the sources of energy that the company uses by generation type comprises mainly of electricity from the grid and partially from power generated from renewable sources.

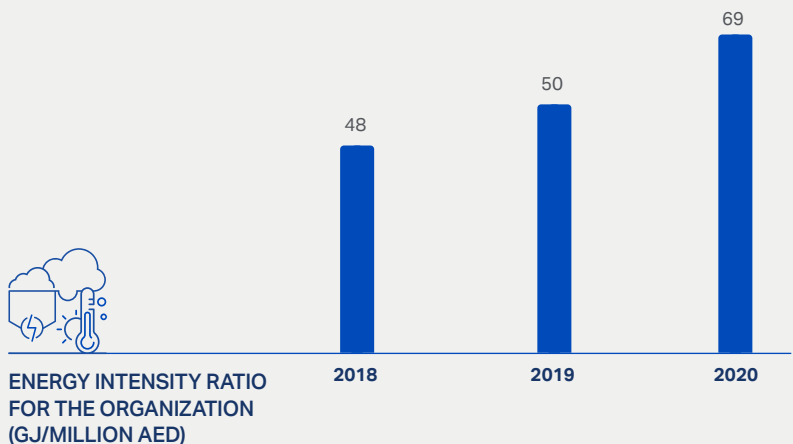
Measuring direct energy from its transport fleet and indirect energy consumption from the electricity usage at the company's offices, service stations, vehicle inspection centers, terminals and plants, ADNOC Distribution expects every member of its team to take part in the effort to conserve and monitor energy consumption.

As 2020 marked the opening of 64 new ADNOC service stations and 62 new C-stores, ADNOC Distribution's indirect energy consumption has increased in line with growth of its service operations. As a result, the company recorded a 4% increase in the total energy consumed across its operations to 1,113,250 GJ. ADNOC Distribution continues to prioritize the use of renewable energy sources through solar PV, which accounted for 1,768 GJ in 2020, an increase of 14% compared to 2019. The company plans to develop an ambitious yet attainable energy consumption target and mix to reflect its responsibility towards reaching a net-zero carbon-emission future as it progresses further towards achieving its Sustainability Strategy.

- Total Electricity Consumption (GJ)
- Total Energy Consumption within the Organisation (GJ)



Despite ADNOC Distribution's efforts to reduce carbon emissions intensity, the company recorded an increase in its energy intensity, which is calculated based on revenue. This is due to significant expansion in its operations and partly attributed to lower revenue incurred due to lower fuel product prices, linked to international crude oil prices. While the company continues to adopt innovative practices to lower its energy intensity ratio, it views its performance in light of its expansion and responsible capital allocation strategy. The company continues with its efforts to implement more progressive energy-efficient practices within its business operations.



MAPPING OUR WATER RESOURCES

Water Usage



ADNOC Distribution makes use of water supplies in various capacities including, but not limited to, the scope of offices, service stations, terminals, and vehicle inspection centers, along with value added services such as car washes at service stations. The company records its water consumption by compiling data on the volume of our water usage on a monthly basis, factoring in the practice of discarding all used water into municipal sewage systems in accordance with governing laws and regulations. As the company does not utilize any industrial effluents in its operations, domestic sewage is within the regulatory limits to be discharged in municipality sewage systems.

However, ADNOC Distribution has integrated water treatment process within its car wash facilities to recycle and reuse water. Similarly, the process for cylinder washing at the company's LPG bottling plants includes an authorized third-party service provider to ensure that the soap and other total suspended solids (TSS) are treated to ensure safe water disposal.

As the company receives its supplies from local water distribution entities, ADNOC Distribution focused its sustainable water planning agenda on controlling and minimizing its water waste streams and duly disposing of these quantities as per international standards. ADNOC Distribution does not discharge any of the water waste resulting from operations into any water body. The company deploys water saving technologies to minimize

its water consumption. In an effort to automate its water moderation, the company has also installed sensors at the facets of its service stations.

ADNOC Distribution's obligation towards responsible water consumption and production is upheld by its HSE Management System and HSE Standards, which dictate the supervision of water-related activities through focused policies, internal commitments, set targets, responsibility matrices, and programs, described and specified

in the HSE Management System. In parallel, ADNOC Distribution relies on its HSEIA studies and their subsequence findings to alert on any definite or potential water-related impacts as a result of our operations.

The company's water metrics are stated in monthly reports, completed under the direction of audits to enforce a level of compliance, and referring to data gathered considering our records of expense.

	Volume (m ³)			
	2017	2018	2019	2020
Activity WATER CONSUMED				
Source Water from municipal supply	1,039,017	1,046,229	1,408,494	1,289,013
Activity WATER RECYCLED				
Source Wastewater recycled and reused	1,039	1,125	1,409	1,355
Activity WATER DISCHARGED/ RECLAIMED				
Source Wastewater end to sewage	1,039,017	1,046,229	1,408,494	1,289,013

ADNOC Distribution also witnessed a decrease in its water consumption levels in 2020, rationalized by the COVID-19 lockdown measures and social distancing protocols that hindered customers from visiting its service stations. The company

continues to demonstrate a strong performance in water management as a result of its ongoing HSE efforts, asset integrity standards and environmental site assessment surveys.

MITIGATING OUR WASTE

By aligning with various national and international mandates and legislature to promote a safe and coordinated response to waste, the company targets mass treatment of waste along with the reduction of hazardous disposal in our ESG and operational strategies.

Waste Streams



ADNOC Distribution's waste streams come from varied sources, including its workforce, customers, and different industrial activities. The company's solid and liquid waste, generated from operations, is dealt with based on local regulations, authorizing several cooperative contracts with licensed environmental service providers to acquire waste collection services in conformity with the applicable legal requirements. The waste services providers that ADNOC Distribution elects to work with are authorized by regulators and partake in waste operation tracking and monitoring through the BOILSATY System for all in-Emirate occurrences. Following the requirements of its HSE Management System, ADNOC Distribution reports on its waste

measures on a monthly basis, which is corroborated by frequent audits. Data on waste managed in Abu Dhabi is extracted from the Tadweer portal, while information from other Emirates is estimated by approximating per service station consumption.

All waste generated from the company's operations occurs from internal activities. The domestic waste is generated by employees and customers as part of ADNOC Distribution's activities in service stations and offices, while hazardous waste is generated from industrial operations such as the processes at the lube and grease plant, the CNG operations and waste lube from lube changing services.

ADNOC Distribution's waste principles abide by the following hierarchy: 'reduce, reuse, and recycle', landfill, municipal sewage network. ADNOC Distribution is working towards achieving an Enterprise Resource Planning (ERP) paperless business environment to deter printing and instead electronically distribute memos and circulars. The company's last resort on the disposal and discard of hazardous waste is sending it to ADNOC's waste treatment facility, The Central Environment Protection Facility (BeAAT) sewerage and its solid waste treatment plant, which manages industrial waste across the UAE. Statistics to support ADNOC Distribution's waste management performance can be found below:



TYPE	2017	2018	2019	2020	MODE OF DISPOSAL
WASTE GENERATED (SOLID WASTE)					
Non Hazardous Domestic Type Waste (Tons)	9,097	9,488	12,674	10,440	Landfill
Paper and cardboard (Tons)	1	1	1.6	NA	Recycled
Waste Lube Oil (Tons)	NA	NA	1,100	1,506	Recycled
Expired Chemicals (Tons) ¹	NA	21	10	10	Sent to BeAAT
WASTE GENERATED (LIQUID WASTE)					
HAZARDOUS LIQUID WASTE					
LPG Cylinders Washing Water (m ³)	4,145	2,212	1,720	1,506	Sent to BeAAT
NON HAZARDOUS LIQUID WASTE					
Wastewater from car wash (m ³)	1,039	1,125	1,409	1,355	Treated and Reused
Domestic Sewage (m ³)	1,039,017	1,046,229	1,408,494	1,289,013	Discharged in municipality sewage system

1. In 2020 chemical waste disposal process was initiated but not transferred to BeAAT. Stored in Lube & Grease Plant



DATA PERFORMANCE TABLES

TYPE	2017	2018	2019	2020
TURNOVER BY EMPLOYMENT CATEGORY				
Senior Management positions	0.0%	0.0%	0.1%	0.1%
Middle Management positions	0.0%	0.0%	0.3%	0.1%
Professional, operational, and administrative staff	12.8%	8.7%	12.5%	9.7%
TURNOVER BY GENDER				
Female employees	0.7%	0.4%	0.5%	0.6%
Male employees	12.2%	8.7%	12.3%	9.2%
TURNOVER BY AGE GROUP				
Age group of 18-30	5.2%	3.7%	3.8%	2.7%
Age group of 31-40	5.0%	3.6%	5.9%	5.0%
Age group of 41-50	1.6%	0.7%	2.0%	1.3%
Age group of 51-60	0.9%	0.5%	1.0%	0.8%
Age group of 60+	0.2%	0.3%	0.1%	0.1%
RATE OF NEW HIRES BY EMPLOYEE CATEGORY				
In Senior Management positions	0.0%	0.1%	0.1%	0.1%
In Middle Management positions	0.0%	0.0%	0.1%	0.1%
In professional, operational and administrative positions	2.9%	2.3%	8.7%	12.4%

TYPE	2017	2018	2019	2020
RATE OF NEW HIRES BY GENDER				
Male employee	2.9%	2.3%	7.8%	11.5%
Female employee	0.0%	0.1%	1.1%	1.1%
RATE OF NEW HIRES BY AGE GROUP				
Age group of 18-30	1.8%	1.8%	6.3%	10.1%
Age group of 31-40	1.0%	0.3%	2.0%	2.2%
Age group of 41-50	0.1%	0.2%	0.4%	0.3%
Age group of 51-60	0.0%	0.1%	0.1%	0.0%
NATIONAL EMPLOYEES AS A PERCENTAGE OF EMIRATIZABLE POSITIONS				
Emiratization Rate	73.0%	74.0%	73.0%	72.0%
AVERAGE HOURS OF TRAINING PER EMPLOYEE				
Senior-Management	135.5	97.6	83.7	105.3
Middle-Management	117.0	103.0	119.0	129.9
Professional, operational, and administrative staff	94.0	93.0	94.0	96.0
TOTAL NUMBER OF EMPLOYEE FATALITIES AS A RESULT OF WORK-RELATED INJURY.				
Number of fatalities	0.0	0.0	0.0	0.0

Note: All above statistics are based on total number of staff

TYPE	2017	2018	2019	2020
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MALE REPRESENTATION IN ADNOC DISTRIBUTION'S WORKFORCE

In ADNOC Distribution's workforce	87.0%	86.6%	86.2%	85.2%
In entry and mid-level positions	87.0%	87.0%	86.0%	85.0%
In senior and executive level positions	89.0%	94.0%	100%	93.0%

TEMPORARY WORKER RATIO

Total enterprise headcount held by part-time employees.		no part time employment in practice.		
Total enterprise headcount held by contractors and/or consultants.	19.4%	17.7%	17.1%	16.2%

ENERGY INTENSITY

Energy intensity for the organization (GJ/million AED) - based on EBITDA		399.0	378.0	349.0
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EMISSIONS INTENSITY

Emissions intensity for the organization (tCO ₂ e/million AED) - based on EBITDA		73.0	68.0	41.0
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DIRECT ENERGY CONSUMED WITHIN THE ORGANIZATION

Diesel (L)		6,631,886	7,141,274	6,843,370
Gasoline (L)		590,498	475,512	672,641

Note: All above statistics are based on non-service station employees (but includes UAE nationals in service stations)

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), LINK, AND/OR DIRECT ANSWER
GRI 101: FOUNDATION 2016		
GENERAL DISCLOSURES		
GRI 102: GENERAL DISCLOSURES 2016	102-1 Name of the Organization	Abu Dhabi National Oil Company for Distribution PJSC (ADNOC Distribution).
	102-2 Activities, brands, products, and services	12
	102-3 Location of Headquarters	Abu Dhabi
	102-4 Location of Operations	12
	102-5 Ownership and Legal form	Please refer to Corporate Governance Report 2020 for more details.
	102-6 Markets served	12
	102-7 Scale of the organization	12 - 13
	102-8 Information on employees and other workers	62-64, 86-88
	102-9 Supply chain	52-53
	102-10 Significant changes to the organization and its supply chain	12, 53
	102-11 Precautionary Principle or approach	74-77
	102-12 External initiatives	36-45
	102-13 Membership of Association	13
	102-14 Statement from Senior Decision Maker	4-5
	102-15 Key Impacts, risk, and opportunities	6
	102-16 Values, principles, standards, and norms of behavior	10
	102-17 Mechanisms for advice and concerns about ethics	52
	102-18 Governance structure	26-27, 50

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), LINK, AND/OR DIRECT ANSWER
GRI 101: FOUNDATION 2016		
GENERAL DISCLOSURES		
GRI 102: GENERAL DISCLOSURES 2016	102-19 Delegating authority	26-27, 50, 74
	102-20 Executive-level responsibility for economic, environmental, and social topics	26-27, 74
	102-21 Consulting stakeholders on economic, environmental, and social topics	28-33
	102-22 Composition of the highest governance body and its committees	54, (Please refer to Corporate Governance Report 2020 for more details).
	102-23 Chair of the highest governance body	54, (Please refer to Corporate Governance Report 2020 for more details).
	102-25 Conflicts of interest	52
	102-26 Role of highest governance body in setting purpose, values, and strategy	Board of Directors approve the Code of Conduct which sets out ADNOC Distribution's values. They also approve the company's Vision, Mission, Strategies, Policies, and Goals.
	102-28 Evaluating the highest governance body's performance	Annual review of Board performance is managed by Nomination and Remuneration Committee (NRC) with internal review every 3rd year. NRC is responsible for arranging training & awareness sessions for Board members as appropriate.
	102-30 Effectiveness of risk management processes	The Board delegates oversight & review of risk management to the Audit Committee, which reports to the Board.
	102-31 Review of economic, environmental, and social topics	Conducted on quarterly basis.
	102-32 Highest governance body's role in sustainability reporting	The Board of Directors approve and oversee Sustainability Strategy.
	102-33 Communicating critical concerns	Management can report on cases via Board Committees to the Board.
	102-40 List of stakeholder groups	29-33
	102-41 Collective bargaining agreements	No collective bargaining agreement in UAE.
102-42 Identifying and selecting stakeholders	28-33	
102-43 Approach to stakeholder engagement	28-33	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), LINK, AND/OR DIRECT ANSWER
GRI 101: FOUNDATION 2016		
GENERAL DISCLOSURES		
GRI 102: GENERAL DISCLOSURES 2016	102-44 Key topics and concerns raised	28-35
	102-45 Entities included in the consolidated financial statements	ADNOC Distribution Global Company LLC (excluding KSA operations).
	102-46 Defining report content and topic Boundaries	16
	102-47 List of material topics	34-35
	102-48 Restatements of information	GHG Emissions for 2019; given the change in emission factor for Electricity purchased through ADDC. 2017-2019 female representation at Senior and Executive level due to change in categorization. 2017-2019 full time employee turnover due to change in scope from non-service station staff to all employees
	102-49 Changes in reporting	Additional material topics added as per peers benchmarking and relevance to company's stakeholders.
	102-50 Reporting period	2020
	102-51 Date of most recent report	8th November 2020
	102-52 Reporting cycle	1st January to 31st December
	102-53 Contact point for questions regarding the report	ir@adnocdistribution.ae
	102-54 Claims of reporting in accordance with the GRI Standards	16
	102-55 GRI content index	89-97
	102-56 External Assurance	ADNOC Distribution may seek to obtain the same for future reports, to enhance its data reliability and stakeholder confidence.

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), LINK, AND/OR DIRECT ANSWER
MATERIAL TOPICS		
GRI 200 ECONOMIC STANDARD SERIES		
ECONOMIC PERFORMANCE		
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its boundary	7,13
	103-2 The management approach and its components	7,13
	103-3 Evaluation of the management approach	7,13
GRI 201: ECONOMIC PERFORMANCE 2016	201-1 Direct economic value generated and distributed	7,13
PROCUREMENT PRACTICES		
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its boundary	52
	103-2 The management approach and its components	52
	103-3 Evaluation of the management approach	52
GRI 201: ECONOMIC PERFORMANCE 2016	204-1: Proportion of spending on local suppliers	53
ANTI-CORRUPTION		
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its boundary	52
	103-2 The management approach and its components	52
	103-3 Evaluation of the management approach	52
GRI 205: ANTI-CORRUPTION 2016	205-3: Confirmed incidents of corruption and actions taken	ADNOC Distribution recorded no material incidents in relation to corruption in 2020

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), LINK, AND/OR DIRECT ANSWER
MATERIAL TOPICS		
GRI 300 ENVIRONMENTAL STANDARD SERIES		
ENERGY		
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its boundary	26-27, 74-75, 78, 80 - 81
	103-2 The management approach and its components	26-27, 74-75, 78, 80 - 81
	103-3 Evaluation of the management approach	26-27, 74-75, 78, 80 - 81
GRI 302: ENERGY 2016	302-1 Energy consumption within the organization	81, 88
	302-3 Energy Intensity	81, 88
WATER & EFFLUENTS		
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its boundary	26-27, 82-83
	103-2 The management approach and its components	26-27, 82-83
	103-3 Evaluation of the management approach	26-27, 82-83
GRI 303: WATER & EFFLUENTS 2018	303-1 Interactions with water as a shared resource	82
	303-2 Management of water discharge-related impacts	83
	303-3 Water Withdrawal	82
	303-4 Water Discharge	82
	303-5 Water Consumption	82
EMISSIONS		
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its boundary	26-27, 74-75, 78-79
	103-2 The management approach and its components	26-27, 74-75, 78-79
	103-3 Evaluation of the management approach	26-27, 74-75, 78-79

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), LINK, AND/OR DIRECT ANSWER
MATERIAL TOPICS		
GRI 300 ENVIRONMENTAL STANDARD SERIES		
EMISSIONS		
GRI 305: EMISSIONS 2016	305-1 Direct (Scope 1) GHG emissions	79
	305-2 Energy indirect (Scope 2) GHG emissions	79
	305-4 GHG emissions intensity	79, 88
	305-5 Reduction of GHG emissions	79 - 80
	305-6: Emissions of ozone-depleting substances	80
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	80
WASTE		
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its boundary	83
	103-2 The management approach and its components	83
	103-3 Evaluation of the management approach	83
GRI 305: WASTE 20200	306-1: Waste generation and significant waste-related impacts	83
	306-2: Management of significant waste-related impacts	83
	306-3: Waste generated	84
	306-4: Waste diverted from disposal	84
	306-5: Waste directed to disposal	84

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), LINK, AND/OR DIRECT ANSWER
MATERIAL TOPICS		
GRI 400 SOCIAL STANDARD SERIES		
EMPLOYMENT		
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its boundary	62-64
	103-2 The management approach and its components	62-64
	103-3 Evaluation of the management approach	62-64
GRI 401: EMPLOYMENT 2016	401-1: Total Turnover with Breakdown - Direct employees	63, 86-87
OCCUPATIONAL HEALTH & SAFETY		
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its boundary	20-22, 68-70
	103-2 The management approach and its components	20-22, 68-70
	103-3 Evaluation of the management approach	20-22, 68-70
GRI 403: OCCUPATIONAL HEALTH & SAFETY 2018	403-1 Occupational health and safety management system	20-22, 68-70
	403-2 Hazard identification, risk assessment, and incident investigation	20-22, 68-70
	403-3 Occupational health services	20-22, 68-70
	403-4 Worker participation, consultation, and communication on occupational health and safety	70
	403-5 Worker training on occupational health and safety	70
	403-6 Promotion of worker health	68
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	68
	403-8 Workers covered by an occupational health and safety management system	68
	403-9 Type of injury, disease, lost days, absenteeism, work-related fatalities	68-69, 87
	403-10 Work-related ill health	69

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), LINK, AND/OR DIRECT ANSWER
MATERIAL TOPICS		
GRI 400 SOCIAL STANDARD SERIES		
TRAINING & EDUCATION		
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its boundary	65-66
	103-2 The management approach and its components	65-66
	103-3 Evaluation of the management approach	65-66
GRI 404: TRAINING & EDUCATION 2016	404-1 Average hours of training per year per employee	66, 87
	404-2 Programs for upgrading employee skills and transition assistance programs	65-66
	404-3 Percentage of employees receiving regular performance and career development reviews	66
DIVERSITY & EQUAL OPPORTUNITIES		
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its boundary	63-64
	103-2 The management approach and its components	63-64
	103-3 Evaluation of the management approach	63-64
GRI 405: DIVERSITY & EQUAL OPPORTUNITIES 2016	405-1 Diversity of governance bodies and employees	63-64, 88
NON-DISCRIMINATION		
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its boundary	35
	103-2 The management approach and its components	51
	103-3 Evaluation of the management approach	62
GRI 406: NON-DISCRIMINATION 2016	406-1 Incidents of discrimination and corrective actions taken	ADNOC Distribution recorded no material incidents in relation to discrimination in 2020

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S), LINK, AND/OR DIRECT ANSWER
MATERIAL TOPICS		
GRI 400 SOCIAL STANDARD SERIES		
LOCAL COMMUNITIES		
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its boundary	58-60
	103-2 The management approach and its components	58-60
	103-3 Evaluation of the management approach	58-60
GRI 413: LOCAL COMMUNITIES 2016	413-1 Operations with local community engagement, impact assessments, and development program	33, 58-60

ADX GUIDELINES CONTENT INDEX

ADX GUIDELINES	DISCLOSURE	PAGE NUMBER(S), LINK, AND/OR DIRECT ANSWER
ENVIRONMENT	E1 GHG Emissions	79
	E2 Emissions Intensity	79, 88
	E3 Energy Usage	81, 88
	E4 Energy Intensity	81, 88
	E5 Energy Mix	81
	E6 Water Usage	82
	E7 Environmental Operations	74-76
	E8 Environmental Oversight	26-27, 74
	E9 Environmental Oversight	26-27
	E10 Climate Risk Mitigation	76
SOCIAL	S1 CEO Pay Ratio	62
	S2 Gender Pay Ratio	62
	S3 Employee Turnover	63, 86-87
	S4 Gender Diversity	63-64, 88
	S5 Temporary Worker Ratio	88
	S6 Non-Discrimination	51
	S7 Injury Rate	69
	S8 Global Health & Safety	68-70
	S9 Child & Forced Labor	67
	S10 Human Rights	67
	S11 Nationalization	87
	S12 Community Investment	58-60
GOVERNANCE	G1 Board Diversity	54-55
	G2 Board Independence	54
	G3 Incentivized Pay	Yes, annually through corporate performance scorecard which includes key ESG related targets
	G4 Supplier Code of Conduct	52
	G5 Ethics & Prevention of Corruption	52
	G6 Data Privacy	52
	G7 Sustainability Reporting	Yes

ADX GUIDELINES	DISCLOSURE	PAGE NUMBER(S), LINK, AND/OR DIRECT ANSWER
	G8 Disclosure Practices	The company has published Sustainability Reports in line with GRI for the years 2014, 2015 and as per ADX ESG Guidelines for year 2019
GOVERNANCE	G9 External Assurances	ADNOC Distribution may seek to obtain external assurance for future reports, to enhance its data reliability and stakeholder confidence.

