

PROCUREMENT PRACTICES¹⁸

ADNOC Distribution's procurement processes are a centralized function that supports the Company's business lines.



Vendors and suppliers are required to comply with ADNOC Distribution Code of Conduct by declaration to the code during registration, pre-qualification, and tendering. To oversee issues in ethics and compliance, ADNOC Distribution ensures that suppliers and partners must adhere to the Supplier and Partner Business Code of Ethics and must undergo Integrity Due Diligence (IDD) prior to entering business or partnership with the Company.

The Code outlines the guidelines against bribery and corruption which all suppliers and partners must adhere to. With the increase of M&A activities, detailed IDD activities were performed.

The Company also conducts trainings for the stakeholders on the Code of Conduct. Moreover, the Code of Conduct and Supplier & Partner Code of Ethics are made accessible to all employees, suppliers, and partners through the website.

IN-COUNTRY VALUE

ADNOC Distribution follows ADNOC's Corporate Procurement initiative, which emphasizes the selection of local suppliers and contribution to In-Country Value (ICV) with the aim of creating additional employment opportunities for Emiratis in the private sector and supporting the UAE GDP diversification through sourcing more goods and services within the UAE.

In 2023, the Company has achieved an In-Country Value to c.70% of total spend during the year. The Company will continue to identify opportunities to further increase spending on local suppliers and to enhance the ICV contribution.

18. ADX ESG Guide: G4 Supplier Code of Conduct