

# Sustainability Report 2025

Strengthening Value Through Governance,  
Data Integrity, and Sustainable Growth



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# ESG at a Glance



## ENVIRONMENTAL (E)

**Reducing Footprint.  
Improving Efficiency.**

- ~7% reduction in water & electricity consumption
- Energy-efficient building maintenance and HVAC optimisation
- Eco-friendly logistics operations
- Electric mobility transition:
- Focus: Energy efficiency
- Emissions reduction
- Sustainable infrastructure

Focus: Energy efficiency

- Emissions reduction
- Sustainable infrastructure

## SOCIAL (S)

**Empowering People.  
Supporting Communities.**

- 224 employees across the Group
- +11% increase in training hours,
- Employee wellbeing & community initiatives:
- We increased UAE National Employees to 4.5%

## GOVERNANCE (G)

**Strong Oversight.  
Responsible Leadership.**

- Board-led oversight
- ESG integrated into:
  - Enterprise Risk Management
  - Performance monitoring

Focus: Transparency

- Accountability
- Risk management

## LOOKING AHEAD

- Expand electric vehicle adoption
- Further optimise energy & water consumption
- Strengthen ESG data maturity and assurance readiness
- Deepen ESG integration across subsidiaries

# Introduction

Hily Holding PJSC proudly presents its Sustainability Report for the year ended 31 December 2025, reflecting a year of strong momentum, visible progress, and purposeful execution across the Group. Building on previous reporting cycles, 2025 represents a defining chapter in Hily Holding's sustainability journey—one characterised by measurable impact, operational excellence, and confident leadership.

Sustainability is embedded at the heart of how the Group operates, invests, and grows. Across our subsidiaries, ESG considerations actively guide decisions related to energy efficiency, people development, community engagement, and governance practices. This integrated approach allows Hily Holding to deliver business performance while strengthening resilience, reputation, and long-term value creation.

This report highlights the Group's achievements during the year and demonstrates continued alignment with the Global Reporting Initiative (GRI Standards 2021), the Abu Dhabi Securities Exchange (ADX) ESG Disclosure Guidance, the United Nations Sustainable Development Goals (UN SDGs), and UAE Vision 2030, reinforcing our commitment to transparency, accountability, and sustainable growth.



# About Hily Holding PJSC



Hily Holding PJSC is a UAE-based public joint stock company with diversified operations spanning:

- FMCG and food trading (Abu Dhabi National Foodstuff),
- Logistics and warehousing (5PL Logistics Solutions),
- Real estate management and development (Dana Plaza Real Estate).

The Group operates across the UAE and GCC, supported by centralized governance, shared services, and a strong internal control environment.



# Governance & Leadership Statement

## Chairman's Statement



“At Hily Holding PJSC, sustainability is not an aspiration—it is a responsibility that guides how we lead, invest, and grow.” 2025 was a year of meaningful progress and confident execution for Hily Holding PJSC. Guided by a clear vision and strong governance, the Board of Directors continued to champion sustainability as a cornerstone of the Group’s long-term strategy. Our focus remained on building a resilient organisation—one that delivers sustainable financial performance while creating positive environmental and social impact.

The progress achieved across our subsidiaries—from enhanced energy efficiency and cleaner technologies to strengthened workforce engagement and community initiatives—reflects the dedication of our management teams and employees. These achievements demonstrate the Board’s commitment to responsible oversight and disciplined growth.

As we look ahead, we remain confident in the Group’s ability to navigate evolving regulatory expectations, market dynamics, and stakeholder priorities. Sustainability will continue to underpin value creation, risk management, and long-term success for our shareholders and communities.

# Management Statement

“In 2025, we transformed sustainability from intent into execution—delivering results that matter across our operations, people, and communities.”

Throughout 2025, management focused on embedding sustainability into day-to-day operations and decision-making. ESG priorities were integrated into planning, budgeting, and performance management, enabling tangible improvements across environmental efficiency, employee development, and operational resilience.

The year saw the successful delivery of key initiatives, including reduced energy and water consumption, expanded safety and training programmes, enhanced community engagement, and the introduction of electric vehicles and environmentally friendly equipment. These achievements were supported by strengthened data governance, internal controls, and cross-functional collaboration. Management remains committed to building on this momentum by leveraging innovation, investing in our people, and continuously improving sustainability performance across the Group.

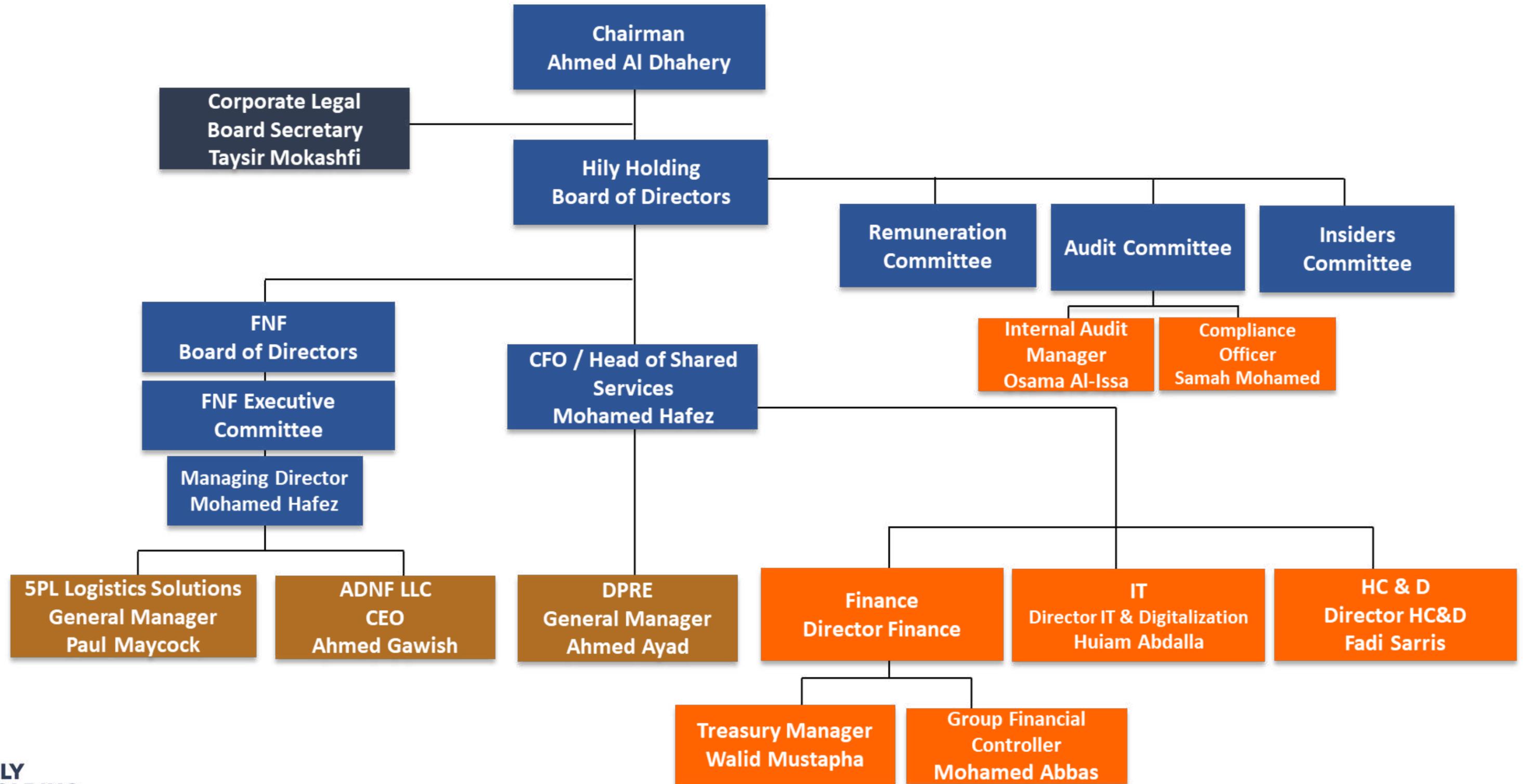
In 2025, management focused on transforming sustainability from a reporting exercise into a driver of operational performance and efficiency. Across the Group, ESG considerations were integrated into planning, budgeting, and day-to-day decision-making, enabling measurable improvements in environmental performance, employee engagement, and operational resilience.

Key initiatives delivered during the year—including reduced energy and water consumption, expanded training and safety programmes, enhanced community engagement, and the introduction of electric vehicles and environmentally friendly equipment—demonstrate our commitment to turning strategy into action. These efforts were supported by stronger data governance, internal controls, and cross-functional collaboration.

Management remains committed to continuous improvement. By leveraging innovation, investing in our people, and maintaining disciplined execution, we aim to further strengthen Hily Holding’s sustainability performance and deliver lasting value for all stakeholders.

Management focused on integrating ESG metrics into financial planning, risk management, and operational decision-making. Sustainability objectives are now embedded into performance management and budgeting processes across the Group.

# ORGANIZATIONAL STRUCTURE



# BOARD OF DIRECTORS



Ahmed Bin Ali Al  
Dhahry  
**Chairman of the Board**



Shukri Salem Musabah  
Humaid AlMeheiri  
**Board Member**



Mohammed Ali Al  
Hosani  
**Board Member**



Mohamed bin Ali Al  
Dhahry  
**Board Member**



Mohamed Rashed  
Darwish Ahmed AlKetbi  
**Board Member**



Mariam Naser Hasan Naser  
AlZaabi  
**Board Member**



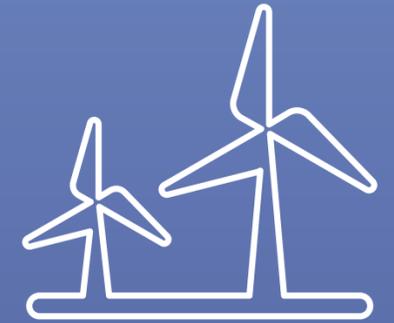
Abdulla Saeed Eid Saeed  
AlGhfeli  
**Board Member**

# Scope & Reporting Methodology



**Reporting Period:** 1 January 2025 – 31 December 2025

**Boundary:** Hily Holding PJSC and its wholly owned subsidiaries



## Improvements Introduced in 2025

- Formal ESG data ownership and RACI matrix,
- Quarterly ESG data validation

## Reporting Standards



- GRI Standards (2021),
- ADX ESG Disclosure Guidance.



# Materiality Assessment (Enhanced)

In 2025, Hily Holding conducted a structured materiality assessment using a quantitative scoring methodology.



## Methodology

1. Stakeholder identification (Board, management, employees, suppliers, customers, regulators)
2. Identification of ESG topics
3. Scoring based on:
  - Impact on business value (1–5),
  - Stakeholder priority (1–5).
4. Validation by senior management and Audit Committee

## Material Topics Identified

- Climate change & emissions,
- Supply chain sustainability,
- Employee health, safety & wellbeing,
- Ethical business conduct & compliance,
- Data privacy & cybersecurity.



# Sustainability Governance



## Governance Structure

- **Board of Directors (oversight),**
- **Audit Committee (ESG & ICFR oversight)**
- **Internal Controls Committee,**
- **Sustainability Working Group.**

# Environmental Performance (E)

## Resource Consumption and Efficiency

During 2024 and 2025, Hily Holding PJSC and its subsidiaries continued to focus on improving energy and water efficiency across operations.

### Indicator

Water & Electricity Consumption (AED)

2024

2025

Change

2,279,063.56

2,097,805.88

↓ approx. 7%

*The reduction in consumption was achieved through improved maintenance practices, energy-efficient systems, and upgraded equipment across the Group.*



# Environmental Initiatives

- Dana Plaza Real Estate prioritised environmentally friendly and energy-efficient maintenance of buildings and air-conditioning systems across its properties.
- 5PL Logistics Solutions LLC enhanced environmental performance through eco-friendly cooling systems, electric forklifts, and the rehabilitation of warehouse facilities using next-generation cold storage machinery to reduce electricity consumption and emissions.
- Hily Holding PJSC commenced the gradual conversion of its Group vehicle fleet to electric vehicles, starting with three electric cars, with plans to expand the electric fleet in future phases.

*These initiatives support reduced emissions, improved energy efficiency, and a lower environmental footprint in line with Board directives and sustainability objectives.*



# Social Performance (S)

## Workforce Overview (2025)

<u>Indicator</u>	<u>Numbers</u>
Total Employees	224
Male Employees	200
Female Employees	24
UAE Nationals	12

## Training & Development

Training hours increased by approximately 10% during 2025 compared to the previous year. Employees received training across key areas including:

- First aid training,
- Emergency preparedness and response,
- Fire safety training,
- Mock drill – emergency fire scenarios,
- Essential food safety training.

# Social Performance (s)



**E-Invoice Awareness**



**Fire Safety**



**Emergency Preparedness**



**Fire Drill**



**First Aid**

# Social Performance (S)

## Community & Social Engagement

Throughout 2025, the Group actively promoted social responsibility and employee wellbeing through various initiatives, including:

- Planting activities conducted within and outside company premises,
- Blood donation day organised for employees and members of the wider community,
- Healthy food day held to promote staff wellbeing and awareness of healthy lifestyle choices.

These initiatives reflect the Group's commitment to employee engagement, community contribution, and social wellbeing.

## Health, Safety & Wellbeing

- Zero fatalities reported,
- Ongoing safety awareness and compliance training,
- Enhanced emergency preparedness across sites.

# Social Performance (s)



**Suhoor 2025**



**UAE National Day 2025**



**UAE National Day 2025**



**KCAL Event - Healthy Food Awareness**



**Willis Health Screening**



**Soccer Team Practice 2025**



# Human Rights, Diversity & Inclusion

- **Zero incidents of child or forced labour**
- **Strengthened supplier social assessments**
- **Emiratisation initiatives enhanced**
- **Equal opportunity and non-discrimination policies reinforced**

# Economic Performance (G)

## Financial Highlights

<u>Indicator</u>	<u>2024</u>	<u>2025 (Estimated)</u>
Revenue	AED 119.8m	AED 111.1m
Net Profit	AED 35.8m	AED 24.9m
Total Assets	AED 1.13bn	AED 1.21bn

## Sustainable Finance

- ESG considerations integrated into capital allocation,
- Climate-related risks assessed within enterprise risk management.

# Risk Management & Internal Controls

In 2025, Hily Holding PJSC further strengthened its risk management and internal control framework to enhance oversight, accountability, and operational resilience across the Group. The Company continued to apply a structured control environment aligned with internationally recognized best practices, including the COSO framework, to ensure the reliability and integrity of financial and non-financial information.

During the year, ESG-related risks were formally integrated into the Group's enterprise risk register, reinforcing the linkage between sustainability performance and overall risk management. This integration supports proactive risk identification, mitigation planning, and informed decision-making at both management and Board levels.

## Audit & Assurance

- External audit conducted in accordance with ISA,
- Internal Audit performed ESG data reviews,
- Preparation initiated for limited external ESG assurance in 2026.

## Outlook for 2026

- External ESG assurance,
- Scope 3 emissions assessment,
- Science-based targets roadmap,
- Full integration of ESG KPIs into executive performance metrics.

# Appendices – ADX ESG Disclosures

## Environmental Metrics

Metric	Calculation	Metric Unit	GRI 2021 Standards	UN SDGs
<b>E1. GHG Emissions</b>	E1.1 Total amount in CO2 equivalents (Scope 1) E1.2 Total amount in CO2 equivalents (Scope 2) E1.3 Total amount in CO2 equivalents (Scope 3, if applicable)	Metric tons CO2e	GRI 305	SDG 13
<b>E2. Emissions Intensity</b>	Total GHG emissions per output scaling factor Total non-GHG emissions per output scaling factor	kg CO2e	GRI 305	SDG 13
<b>E3. Energy Usage</b>	Total direct energy consumed Total indirect energy consumed	MWh	GRI 302	SDG 7, 12
<b>E4. Energy Intensity</b>	Total direct energy usage per output scaling factor	kWh	GRI 302	SDG 7
<b>E5. Energy Mix</b>	Energy usage by generation type	%	GRI 302	SDG 7
<b>E6. Water Usage</b>	Total water consumed Total water reclaimed	Thousand m <sup>3</sup>	GRI 303	SDG 6, 12
<b>E7. Environmental Operations</b>	Formal Environmental Policy? Waste / Water / Energy / Recycling policies? Recognised energy management system?	Yes / No	GRI 2-23, 2-24	SDG 12, 13
<b>E8. Environmental Oversight (Management)</b>	Does management oversee sustainability issues?	Yes / No	GRI 2-13	SDG 16
<b>E9. Environmental Oversight (Board)</b>	Does Board oversee sustainability issues?	Yes / No	GRI 2-12	SDG 16
<b>E10. Climate Risk Mitigation</b>	Total annual investment in climate-related infrastructure, resilience, and product development	AED million	GRI 201-2	SDG 13

# Social Metrics

Metric	Calculation	Metric Unit	GRI 2021 Standards	UN SDGs
<b>S1. CEO Pay Ratio</b>	CEO total compensation to median FTE compensation Reported in regulatory filings?	Ratio / Yes-No	GRI 2-21	SDG 8
<b>S2. Gender Pay Ratio</b>	Median male compensation to median female compensation	Ratio	GRI 405-2	SDG 5
<b>S3. Employee Turnover</b>	Year-over-year change (Full-time) Year-over-year change (Part-time) Contractors turnover	%	GRI 401-1	SDG 8
<b>S4. Gender Diversity</b>	Total headcount women Entry/mid-level women Senior/executive women	%	GRI 2-7, 405-1	SDG 5
<b>S5. Temporary Worker Ratio</b>	% Part-time employees % Contractors	%	GRI 2-7, 2-8	SDG 8
<b>S6. Non-Discrimination</b>	Company follows non-discrimination policy?	Yes / No	GRI 406	SDG 5, 10
<b>S7. Injury Rate</b>	Frequency of injury events per 1 million hours worked	Incident Rate	GRI 403	SDG 3
<b>S8. Global Health &amp; Safety</b>	Occupational health & safety policy?	Yes / No	GRI 403	SDG 3
<b>S9. Child &amp; Forced Labour</b>	Child/forced labour policy? Covers suppliers?	Yes / No	GRI 408, 409	SDG 8
<b>S10. Human Rights</b>	Human rights policy? Covers suppliers?	Yes / No	GRI 2-23, 2-24	SDG 10
<b>S11. Nationalisation</b>	Percentage of national employees	%	—	SDG 8
<b>S12. Community Investment</b>	Community investment as % of revenues	%	GRI 413	SDG 11

# Governance Metrics

Metric	Calculation	Metric Unit	GRI 2021 Standards	UN SDGs
<b>G1. Board Diversity</b>	% Board seats held by women % Committee chairs held by women	%	GRI 405	SDG 5
<b>G2. Board Independence</b>	CEO prohibited from Board Chair? % Independent Directors	Yes/No / %	GRI 2-9, 2-11	SDG 16
<b>G3. Incentivised Pay</b>	Are executives incentivised on sustainability?	Yes / No	—	SDG 16
<b>G4. Supplier Code of Conduct</b>	Required supplier code? % certified suppliers	Yes/No / %	—	SDG 12
<b>G5. Ethics &amp; Prevention of Corruption</b>	Anti-corruption policy? % workforce certified	Yes/No / %	GRI 205	SDG 16
<b>G6. Data Privacy</b>	Data privacy policy? GDPR compliance steps?	Yes / No	—	SDG 16
<b>G7. Sustainability Reporting</b>	Does company publish sustainability report?	Yes / No	GRI 2-5	SDG 12
<b>G8. Disclosure Practices</b>	Provides data to reporting frameworks? Focus on UN SDGs? Sets targets & reports progress?	Yes / No	—	SDG 12, 13
<b>G9. External Assurance</b>	Are sustainability disclosures externally assured?	Yes / No	GRI 2-5	SDG 16



**Thank you**

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