



## ADNOC GROUP SUSTAINABILITY REPORT 2015

TAKING INNOVATION TO NEW HEIGHTS





Late Sheikh Zayed Bin Sultan Al Nahyan  
(May Almighty Allah rest his soul in peace)  
Founder of the United Arab Emirates



HH Sheikh Khalifa Bin  
Zayed Al Nahyan  
President of the United Arab Emirates



HH Sheikh Mohammed  
Bin Zayed Al Nahyan  
Crown Prince of Abu Dhabi and  
Deputy Supreme Commander  
of the UAE Armed Forces

Cover photo

**"The Falconer of Liwa"** - courtesy of James Thomas Ryan (ZADCO). The photo received the Special Recognition Prize in the 2015 ADNOC Sustainability Photo Contest



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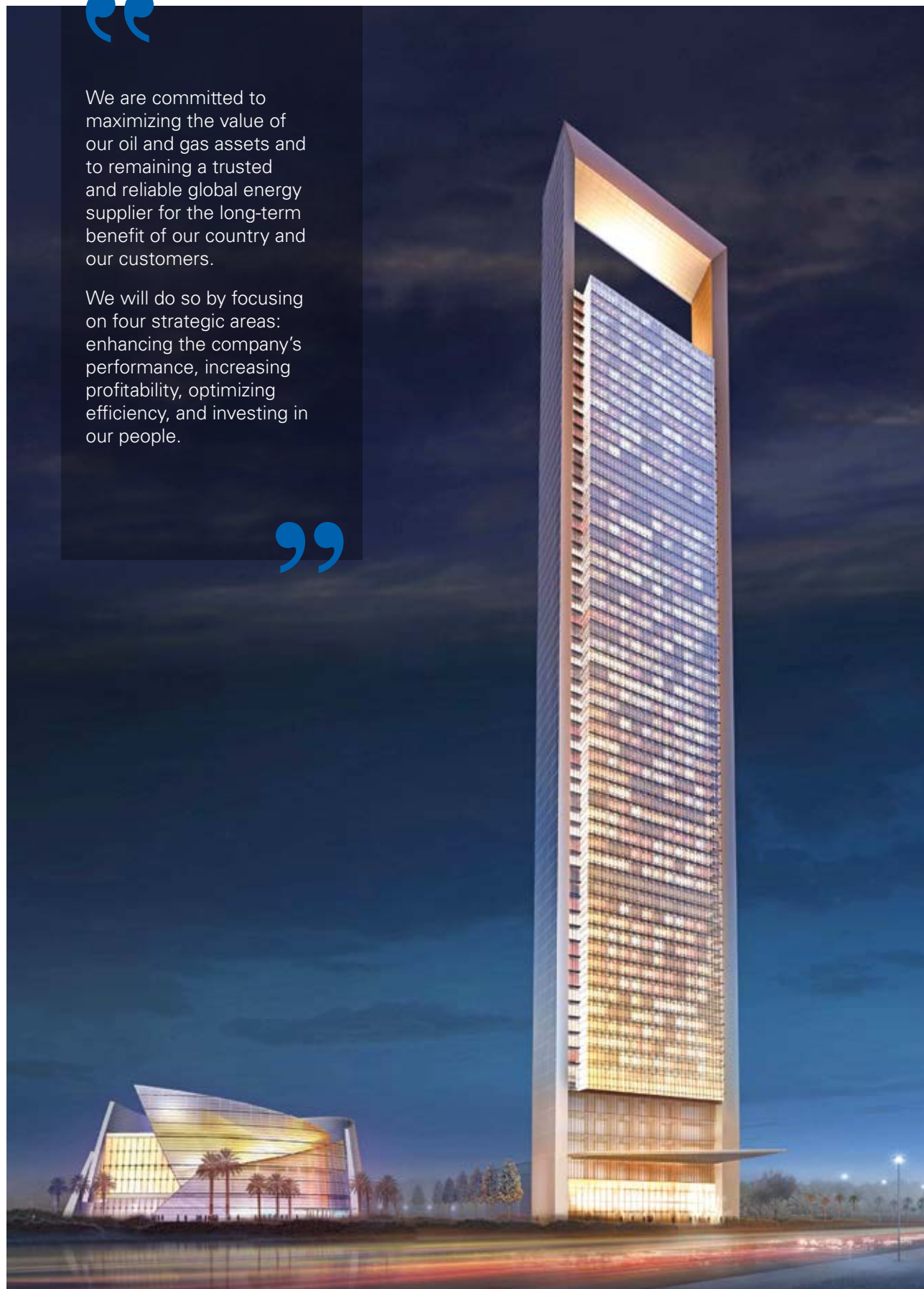
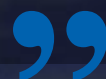






We are committed to maximizing the value of our oil and gas assets and to remaining a trusted and reliable global energy supplier for the long-term benefit of our country and our customers.

We will do so by focusing on four strategic areas: enhancing the company's performance, increasing profitability, optimizing efficiency, and investing in our people.



## CEO MESSAGE

For over four decades, ADNOC has played a fundamental role in helping establish the UAE's robust economic foundation and empowering sectors that are contributing to our country's ambitious socio-economic development objectives. As we look ahead into the future, we remain committed to creating lasting and sustainable value for our people, our business and society.

Our core mission is to be a responsible and reliable energy provider dedicated to maximising the value of Abu Dhabi's oil and gas resources, for the benefit of our country and our customers. To this end, we are focused on creating a more profitable upstream, a more valuable downstream and a more sustainable and economic gas supply, without compromising HSE or the integrity of our assets.

It is our duty to ensure that people have access to safe and secure energy, both today and tomorrow, to enable continued economic prosperity. This role comes with many responsibilities - to our shareholders, neighbours, customers and communities. Improving operational efficiencies and optimising our assets are central to ADNOC becoming the most efficient, performance-driven, and profitable business that it can possibly be.

Central to this is our continued pursuit of excellence in HSE. It is not only the right thing to do, but will be one of the key success factors in achieving our business objectives. Having our people return home safely at the end of every work day and enabling them to stay healthy are fundamental to everything we do. In addition, we are enhancing the skills of our employees and upgrading their capabilities so that they can achieve their full potential.

Protecting the natural environment is an important responsibility, and we will strive to protect the ecosystem across our operations and throughout the life of our assets. We are proactive towards marine development and have a portfolio of carbon sequestration and biodiversity enhancement projects. As we increase production of oil and natural gas to meet the growing energy demand, we will continue to manage our own greenhouse gas emissions, and contribute to effective long-term solutions to address climate change risks.

As the national oil company of Abu Dhabi, ADNOC has a wider role in driving the creation of long term, sustainable in-country value. We do this by developing knowledge, through education and research; job creation and

advancing local talent; investing in the local supply chain, and creating critical infrastructure to support our economy's growth and development.

Working in synergy with our group of companies and strategic partners we are determined to identify opportunities where we can leverage the expertise, knowledge and insights of the men and women who work for ADNOC, to pioneer new ways to address current and future challenges. By pushing our boundaries further than ever before, we will ensure the company's long-term resilience and sustain our competitive edge, enabling us to deliver greater value to our stakeholders and our shareholders.

**Dr. Sultan Ahmed Al Jaber**  
Chief Executive Officer



## Highlights

- 20 diversified and integrated Group Companies
- >3.15 million barrels of oil per day (bpd) ranking ADNOC among the biggest oil and gas producers world wide
- 3 academic and training centres providing a skilled workforce to the UAE's local oil and gas industry
- 4 research and innovation centers covering all aspects of ADNOC's petroleum value chain

# ABOUT ADNOC

Abu Dhabi National Oil Company (ADNOC) was established in 1971 under the UAE's wise leadership. Today it is one of the world's leading integrated oil and gas companies, with an oil production of over 3.15 million barrels per day and an energy infrastructure comprised of 20 specialist subsidiary and joint venture companies known as ADNOC's Group Companies.

Thriving on a spirit of enterprise and a commitment to safely and reliably deliver energy to our domestic and global consumers, our Group Companies' operations encompass a portfolio of world-class projects and assets that cover all aspects of the hydrocarbon value chain, including crude oil and natural gas exploration, production, refining, processing, manufacture of petrochemicals and marketing.

ADNOC's headquarters are located in Abu Dhabi and so are our major group-wide operations.



## 20 GROUP COMPANIES

ADNOC's business model of collaboration with international oil majors across our group of companies has enriched our collective experience. Our long-standing relationships are true partnerships that go back to the birth of our company and have been part of ADNOC's successful growth.



## >3.15 MILLION BPD

We are focussed on maintaining our current level of production and are committed to achieving our 2018 production target, with due consideration of prevailing market conditions. ADNOC has always been an agile company capable of adjusting to the market and ensuring that our supply is aligned with projected demand.



## 3 ACADEMIC & TRAINING INSTITUTES

Investing in education is one of ADNOC's strategic priorities. We are very proud of our family of educational institutes that were established by ADNOC to nurture a specialised, competitive and highly professional young workforce for the local oil and gas industry, and help create educated and engaged UAE citizens.

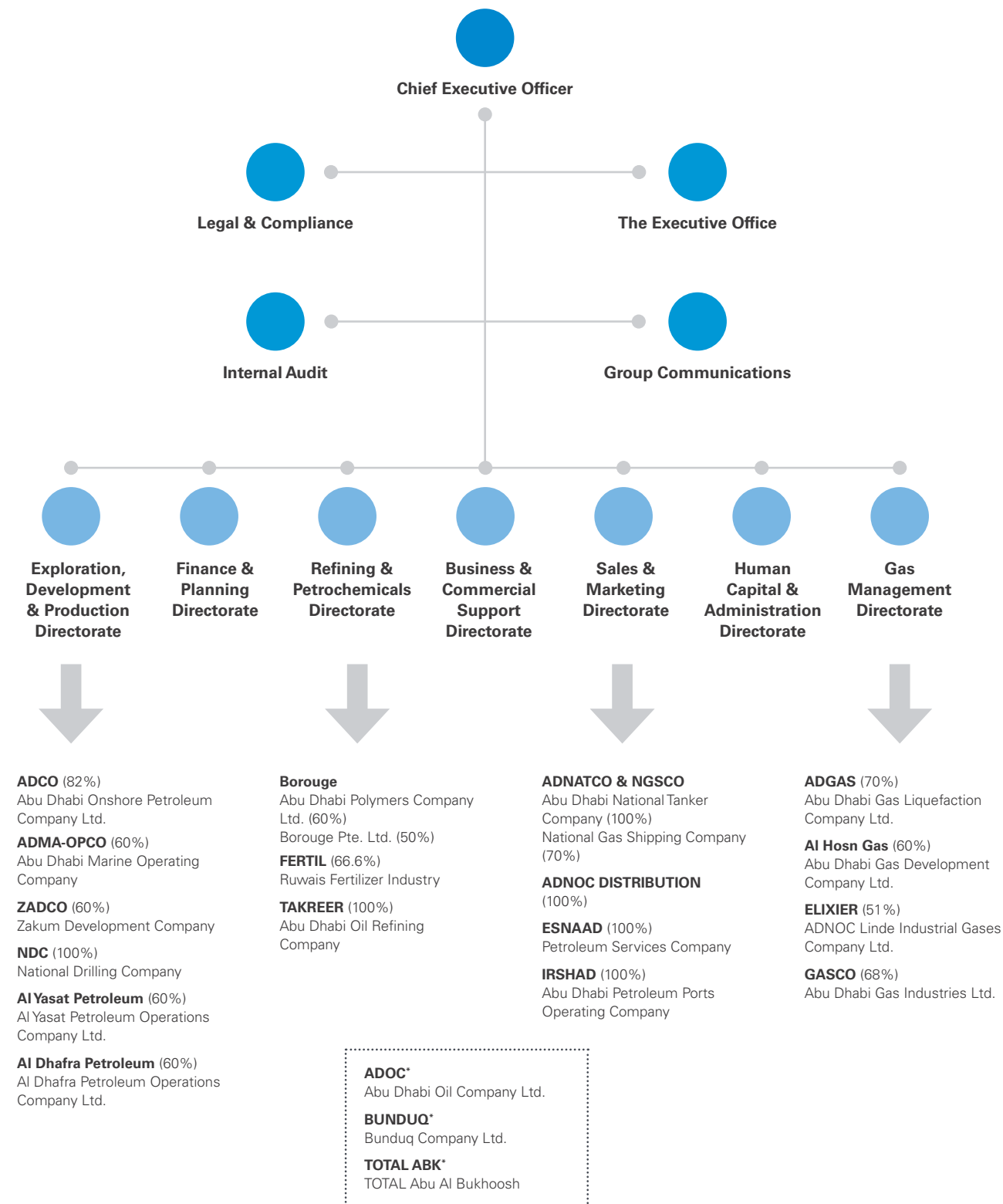


## 4 RESEARCH & INNOVATION CENTERS

ADNOC's world-class research and innovation ecosystem includes the Petroleum Institute Research Centre, the Borouge Innovation Centre, the TAKREER Research Centre, and ADNOC R&D Hub ( which oversees a portfolio of research project for ADCO, ADGAS, ADMA, Al Hosn Gas, GASCO and ZADCO).



## ADNOC Organisational Structure



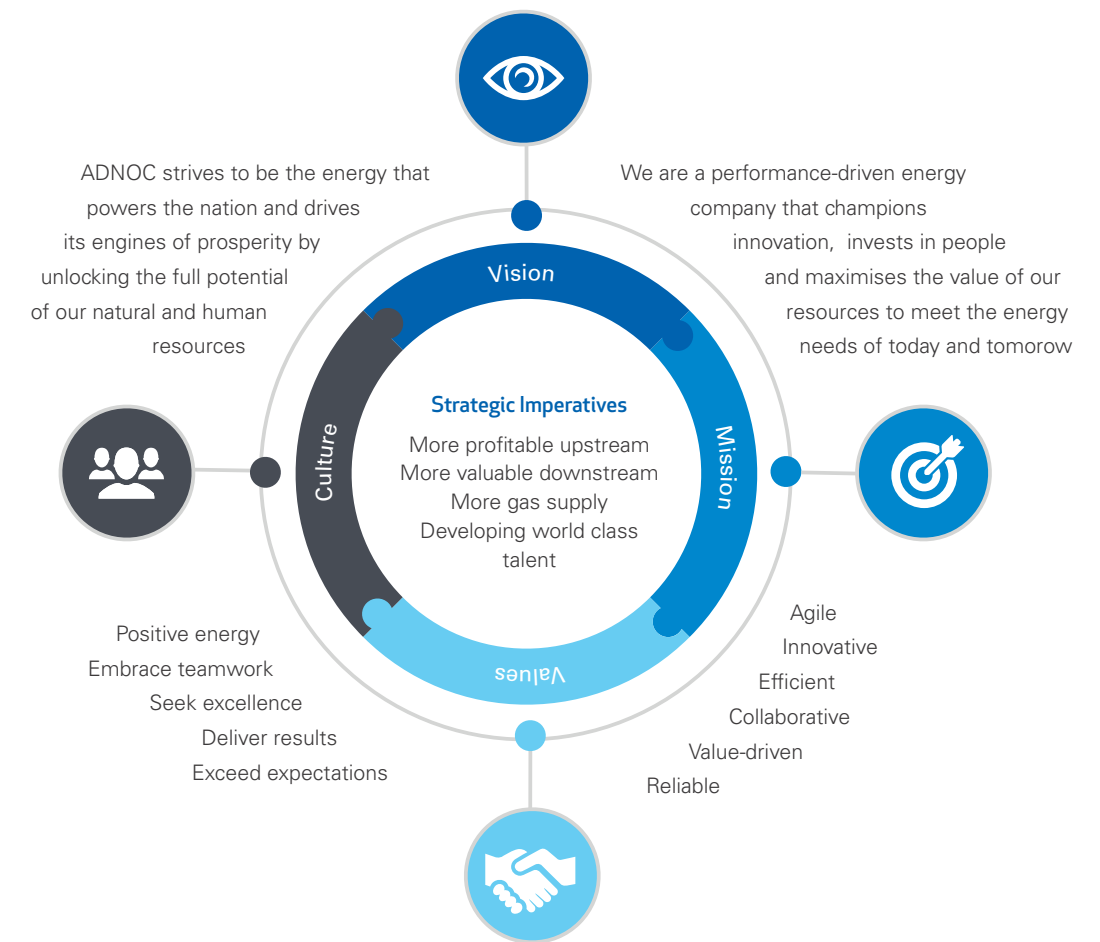
(%) ADNOC share of ownership in each Group Company  
 \*Independent Operators operate under ADNOC HSE Unit directions for HSE matters

## Vision, Mission, Values & Culture

Our Vision, Mission, Values and Culture were developed to build on ADNOC's history of success and its continued role as an important cornerstone of the UAE economy.

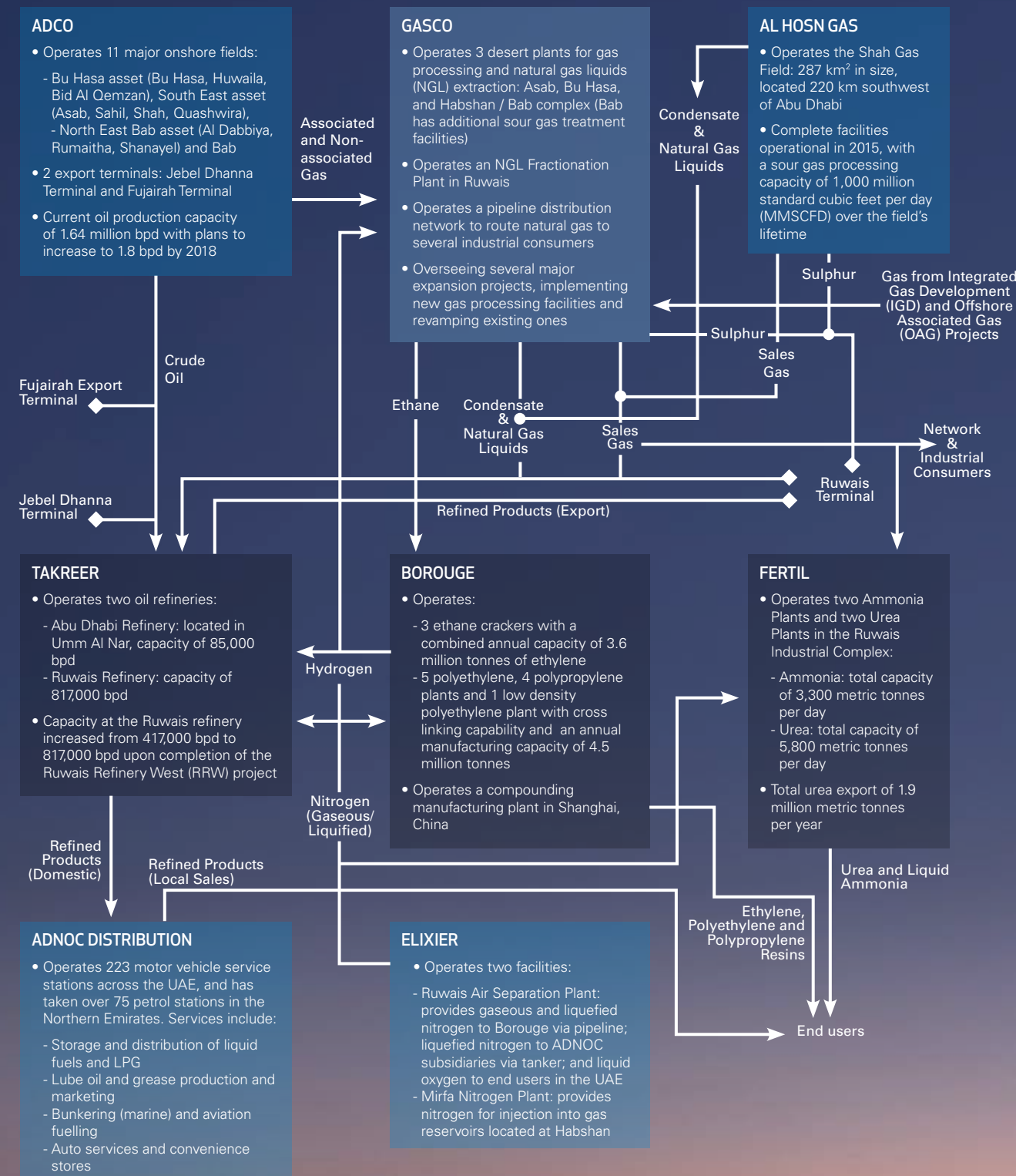
They form the pillars of our new operating model, organizational structure and strategic imperatives.

Our company culture reflects who we are and our operating values define what we represent.

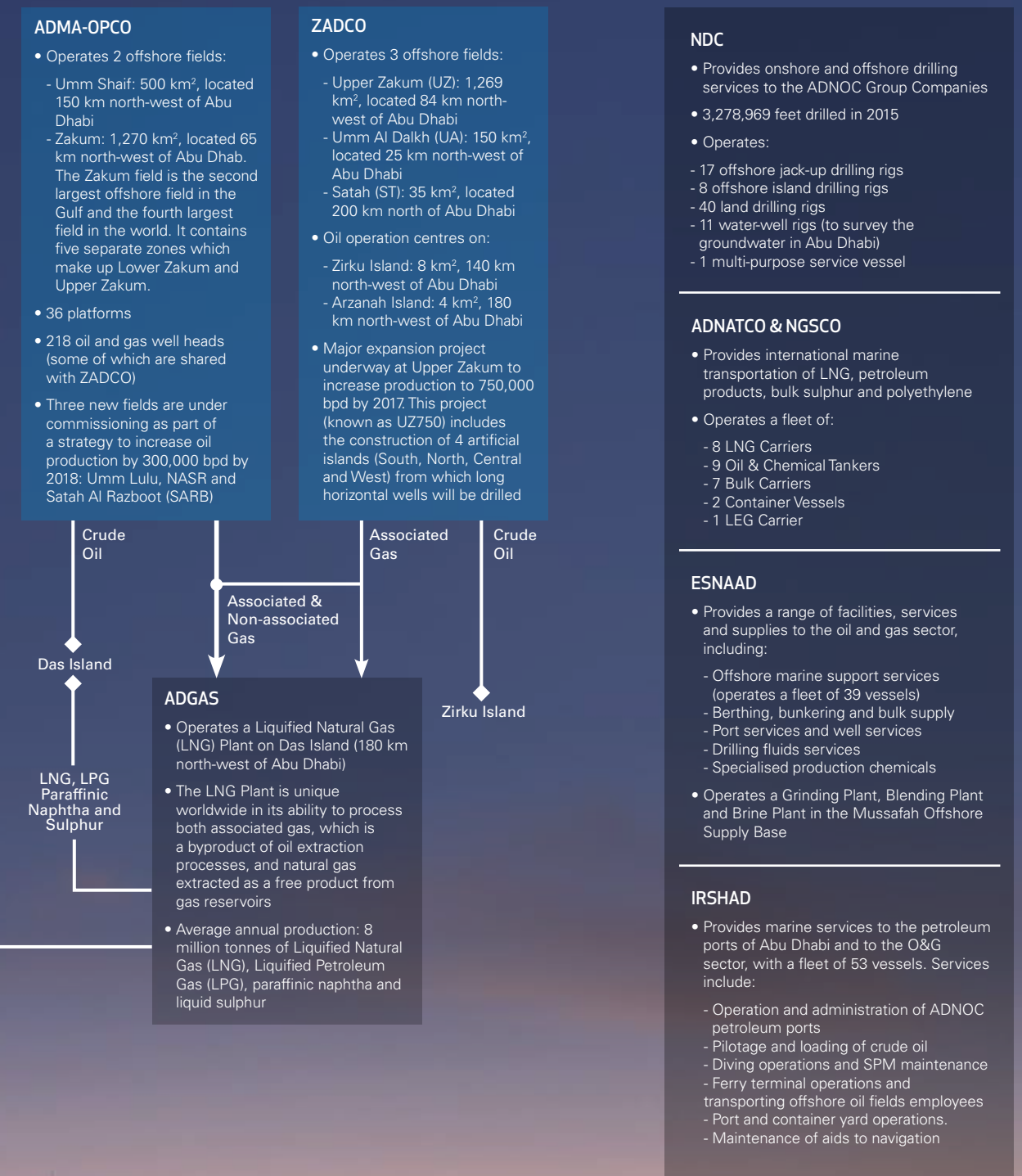


# ADNOC Group Companies

## Onshore



## Offshore



This illustration excludes assets which are still in developmental stages (Al Yasat Petroleum and Al Dhafra Petroleum), and excludes the Independent Operators (ADOC, Bunduq and TOTAL ABK).

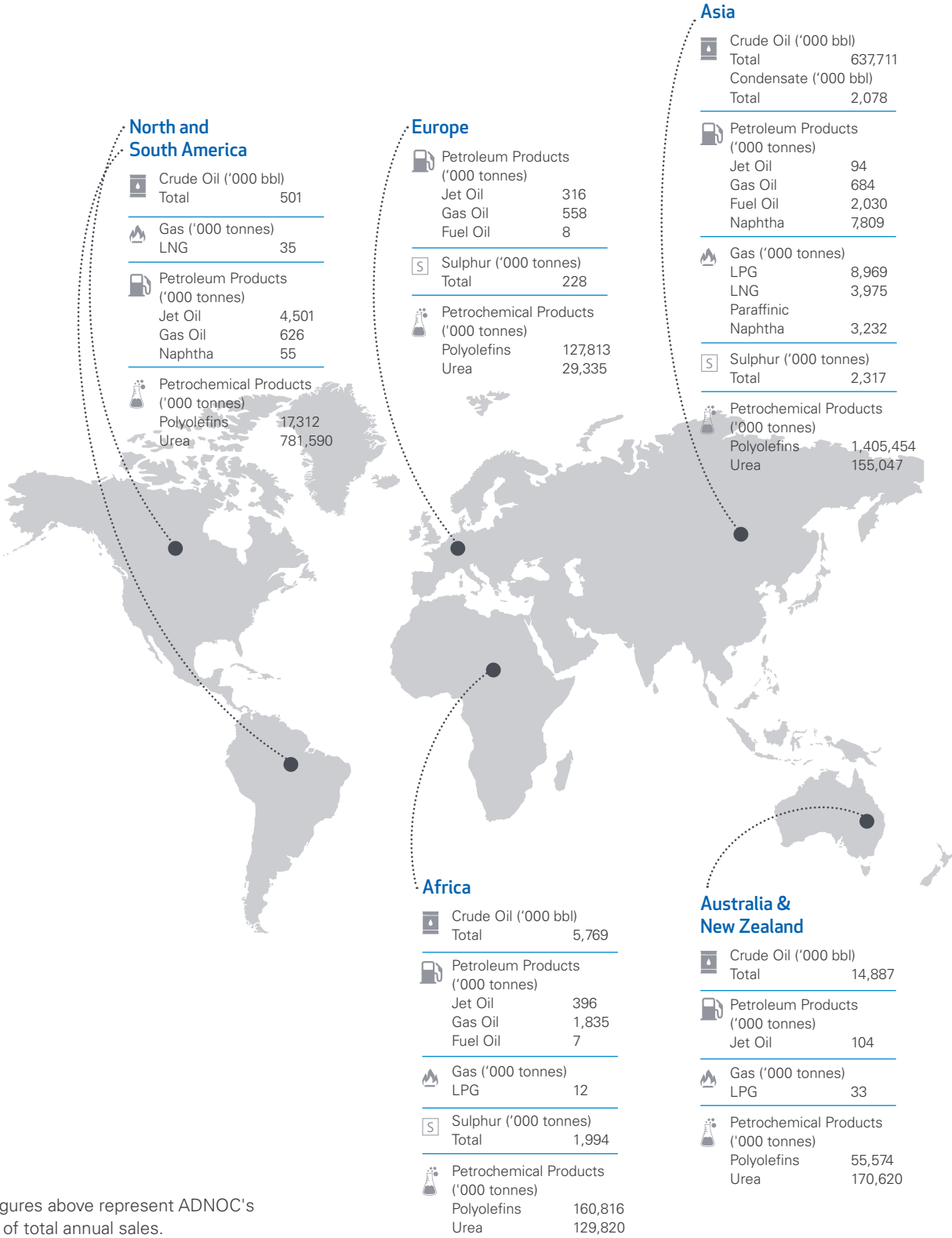
→ Flow of products    ♦ Industrial terminal for processing, storage and export of products





Products and Markets

The ADNOC Group is a reliable energy provider to the UAE and to the world. Our oil, gas, refined products and petrochemicals are sold across six continents and contribute to empowering economies and industries all over the world.



The figures above represent ADNOC's share of total annual sales.

Stakeholders

As an energy supplier, we have many responsibilities — to our employees, contractors and partners, the government and regulators, industry partners and to our communities.

Working together with our stakeholders allows us to appreciate different viewpoints and maintain a global perspective. It also helps us build mutually beneficial and long-lasting relationships and create opportunities that are aligned with their interests. This is fundamental towards helping us continue to improve our company.

We use a variety of mechanisms to engage our stakeholders, including internal and external one-on-one and group dialogues and briefings, senior executive speeches and press releases, community consultations, email communications, publications such as the Annual Sustainability Report and our quarterly newsletters.



Local communities

Our relationships with communities are important for all our activities, but particularly for major new projects where our presence may bring about changes in the local areas, such as jobs and support for community development, as well as increased road traffic and changes in the landscape. We engage with local communities through public consultations and meetings with local representatives.

See page 46 to learn more about how ADNOC engages with local communities.

Industry

We work through industry groups to help establish standards and address complex energy challenges, and we are members of industry bodies such as the International Association of Oil & Gas Producers (IOGP) and the American Petroleum Institute (API). Our Group Companies are also members of the industry associations relevant to their operations.

Academic and training institutes

In addition to establishing our three academic institutes, which include the Petroleum Institute, we collaborate with research institutions on various initiatives across the UAE to encourage more youth towards innovation and excellence on future energy and sustainable development.

Customers

ADNOC's millions of customers range from consumers purchasing our fuels and lubricants to large-scale industrial customers of oil, natural gas and petrochemicals. Through our concerned Group Companies, we engage with customers about supply chain management, GHG emissions and the sustainability of our products across their life cycle.

Employees

Our nearly 65,000 employees are the drivers for our continued business success. We keep our employees informed about the context within which they work and have established channels for our employees to raise concerns across our operating sites. We have an ongoing dialogue with our employees about a wide range of issues, including benefits, development opportunities and diversity.

Suppliers, contractors and partners

Like our industry peers, ADNOC rarely works in isolation; approximately 400 million man hours were recorded by the contractor workforce across our group-wide operations in 2015. Safe

and responsible operations depend on the capability and performance of our suppliers, contractors and partners. To this end, we set operational standards through legally binding agreements. Training and dialogue also help build the capability of our contractors.

Governments and regulators

We engage with the local and federal government on many fronts and aim to maintain dialogue with all relevant government agencies, ministries at every stage of our operations. We engage in policy debates that are of concern to us and the communities in which we operate, such as climate change and energy, water management, security and nationalisation.



## Highlights

- 15 independent members of ADNOC's governing board (the SPC)
- 8 HSEMS elements, covering all aspects of our operations including employee and contractor management
- 3 integrated levels of governing HSE performance
- 3 tiers for emergency response and crisis management

# HOW WE OPERATE

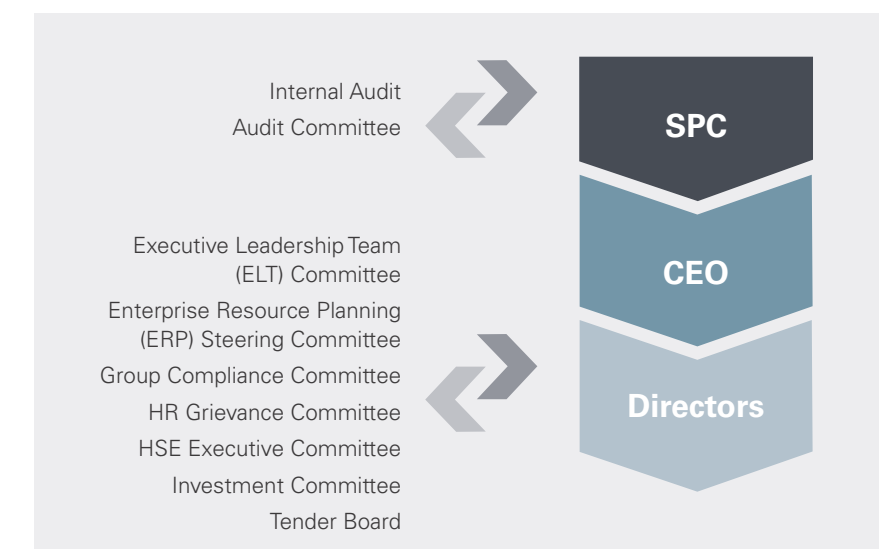
Our role in supplying energy comes with many responsibilities - to our shareholders, customers and communities. Our employees, technical expertise, financial strength, and the management practices that we build into the fabric of our operations are central to establishing a high-performance culture and to creating long-term value for ADNOC and our stakeholders.

Achieving this requires a driven corporate governance structure that promotes the company's vision and objectives; robust processes to effectively manage our HSE, security, quality and reputational risks; and effective emergency response practices that can be quickly mobilized in the event of an incident.

As we strive towards operational excellence, we will continue to seek new and improved ways that will help us perform better. We expect the same from our contractors and suppliers.

## ADNOC's Governance Structure

The Supreme Petroleum Council (SPC) functions as ADNOC's governing board and oversight committee. The Council is the highest authority responsible for the petroleum industry in the Emirate of Abu Dhabi; it formulates and oversees the implementation of Abu Dhabi's petroleum policy across all areas of the petroleum industry to ensure that the set goals are accomplished.





### Financial governance

ADNOC reports directly to the SPC on matters of strategy and financial performance, which is regarded as highly confidential under both ADNOC and Abu Dhabi protocols.

An independent audit committee, appointed by the SPC, reviews ADNOC's financial performance and reports, as appropriate. Additionally, the Abu Dhabi Accountability Authority (ADAA) provides independent external assurance that ADNOC's activities are managed economically, and ensures accuracy as part of its mandate to review key government owned entities.

ADNOC's operations and major developments are funded primarily from the company's own cash flow. Surpluses are available for distribution as dividends. These are paid to the Abu Dhabi Investment Authority (ADIA) and Abu Dhabi Investment Council (ADIC), two of Abu Dhabi's sovereign wealth funds.



### Risk identification and mitigation

At ADNOC, we place great emphasis on the identification and mitigation of HSE risks at every stage of our operations to ensure that hazards are identified and the associated risks mitigated to a level which is as low as reasonably practicable (ALARP).

ADNOC activities, including new project developments and major modifications to existing facilities, are subjected to compulsory Health, Safety and Environmental Impact Assessments (HSEIAs).

The framework by which HSEIAs should be prepared prior to submission to ADNOC is clearly stipulated in the relevant ADNOC Code of Practice. HSEIAs are thoroughly reviewed by the ADNOC HSE Unit and the ADNOC HSE Steering Committee, and must ultimately be approved by the ADNOC HSE Steering Committee before project execution can proceed.

## Operating framework

Our commitment to an outstanding performance is built from the solid foundation of our long-standing Health, Safety and Environment (HSE) policy, and is the foundation of our oversight over our operations. This policy is also embedded within our operating standards and our management systems.

### Codes of Practice

To ensure that all aspects of health, safety and environmental management are carried out successfully and consistently across the oil and gas sector in Abu Dhabi, ADNOC established a centralised framework of operational standards against which compliance is mandatory.

These standards provide a comprehensive cover of petroleum industry activities with distinct HSE risks or impacts, and their requirements adhere to UAE Federal Laws and Regulations. The operational standards are collectively known as the ADNOC Codes of Practice.

### HSE Management System

The ADNOC Codes of Practice provide structured guidance for the development of a comprehensive

HSE Management System (HSEMS), covering all aspects of employee and contractor activities. The HSEMS is intended to serve as an engine driving ADNOC HSE policy implementation and continuous improvement in performance.

**The ADNOC HSEMS framework is comprised of 8 integral elements.**

Once the HSEMS is established, the ADNOC Group Companies are expected to evaluate their individual performance via a self-assessment protocol. The scores and the HSEMS overall are audited regularly by a dedicated team of experts appointed by the ADNOC HSE Unit, with representation from the ADNOC Directorates and the ADNOC Group Companies. The Group Companies are also required to audit

their own performance, in accordance with annual and five year plans that are agreed upon with the HSE Unit.

#### ADNOC HSEMS Framework

- Leadership & Commitment
- Policy & Strategic Objectives
- Organisation, Resources & Competence
- Risk Evaluation & Management
- Planning, Standards and Procedures
- Audit
- Implementation & Monitoring
- Management Review

#### HSE Governance Structure

##### ADNOC HSE Unit

Develop ADNOC HSE policy and strategy and maintain overview of corporate HSE performance

Verify compliance by the ADNOC Group Companies with the corporate HSE standards, policies and the ADNOC Codes of Practice

Liaise with Federal and Abu Dhabi HSE authorities on behalf of ADNOC Group Companies

##### Individual Group Company HSE Divisions

Responsible for all managerial and operational aspects of HSE

The individual Group Company HSE Divisions report directly to their respective companies but co-ordinate with the ADNOC HSE Unit on all HSE matters

##### ADNOC Group HSE Steering Committee

Consult with Group Companies on any proposed changes to the workplace, practices or procedures that could affect HSE functions

Create a collaborative approach amongst the Group Companies and coordinate efforts to maintain efficiency across their operations





Operating with integrity

ADNOC is fully committed to operating with integrity and our operations specifically prohibit engaging in unethical conduct. This extends to all aspects of our activities, including how we engage third parties and contractors, the security practices that we enforce, and how we manufacture and deliver our products.



Corruption and anti-competitive behaviour

Our procedures require appropriate due diligence in selecting and engaging third parties, the maintenance of accurate and reasonably detailed records of expenditure and the implementation and maintenance of specific approval requirements for our transactions.

ADNOC policy bans employees from making use of their jobs or positions to acquire an illicit personal benefit or interest, financial or otherwise, from any gift, commission or donation made by any person who has a working relationship with ADNOC.

The ADNOC Disciplinary Code specifies that misusing a position in ADNOC or a Group Company in order to receive personal benefits from other employees or outsiders will result in dismissal without notification or benefits.

ADNOC Group Companies are subjected to audits by ADNOC's Internal Audit Unit in addition to regular audits by their respective internal audit functions where the reliability and integrity of financial and operating information, as well as the means used to identify, measure and report such information, are carefully evaluated. Furthermore, these internal audit functions assist Group Companies Audit Committees and

senior management in the deterrence of fraud by evaluating the effectiveness of controls in relation to the potential risks. Known incidents of fraud or corruption are investigated and reported to the concerned authority in the relevant Group Company or ADNOC Head Office for appropriate action.

Security

Security for ADNOC's onshore and offshore facilities is provided by the Critical Infrastructure and Coastal Protection Authority (CICPA), which was established in 2007 to ensure the safe and uninterrupted operation of assets critical to the economy of Abu Dhabi.

The CICPA, a separate body of the government of Abu Dhabi, works closely with ADNOC to develop plans and procedures regarding the security of ADNOC installations.

The international shipment of our products necessitates that ADNOC adopt the highest security arrangements across our maritime operations, especially in the wake of piracy attacks that have become a substantial threat to the shipping industry in recent years. To ensure their safety in international waters, ADNATCO & NGSCO's vessels are fitted with the latest and most rigid non-lethal security measures. The unique security designs developed by ADNATCO & NGSCO have contributed towards establishing international maritime security standards, such as the Best Management Practice Guide No. 4 (BMP-4) For Protection against Somalia Based Piracy.

Managing our contractors

A considerable part of ADNOC's group-wide operations depends on contractors to carry out a wide variety of work. We strive to maintain a stable and fair business relationship with our contractors throughout all stages of our projects, from procurement to delivery.

The majority of our contractors' work is carried out in and around areas of relatively high risk. Particularly for large and long-term contracts, there is a need for early identification of clear and common HSE objectives and it is imperative to include these in the contract.

Product stewardship

We seek to work with those involved in the life cycles of our products to enhance environmental and social performance along the supply chain and to promote responsible product use and management.

Our internal audits and management systems are central to our approach to product stewardship. Many of our products are required to have specific material safety data sheet (MSDS). These MSDSs outline the relevant health, safety and environmental

aspects of our products and are available to our customers and to those who transport our products.

Both our refined and unrefined products undergo comprehensive quality assurance and quality control testing before entering the marketplace, to ensure international and customer specifications are strictly met.

Customer outreach and satisfaction

Customer satisfaction is critical to our outward-facing companies' (namely ADNOC Distribution, Borouge and FERTIL) as our success at home and abroad is determined to a large extent by the reputation of our products and our commitment towards customer service excellence.

Our Group Companies' approach towards customer satisfaction is complemented with other methods such as performing regular customer visits, product trials and technical follow-ups where possible.

Marketing communications

The Group Companies' individual marketing departments strictly adhere to the provisions of signed customer agreements and to applicable laws

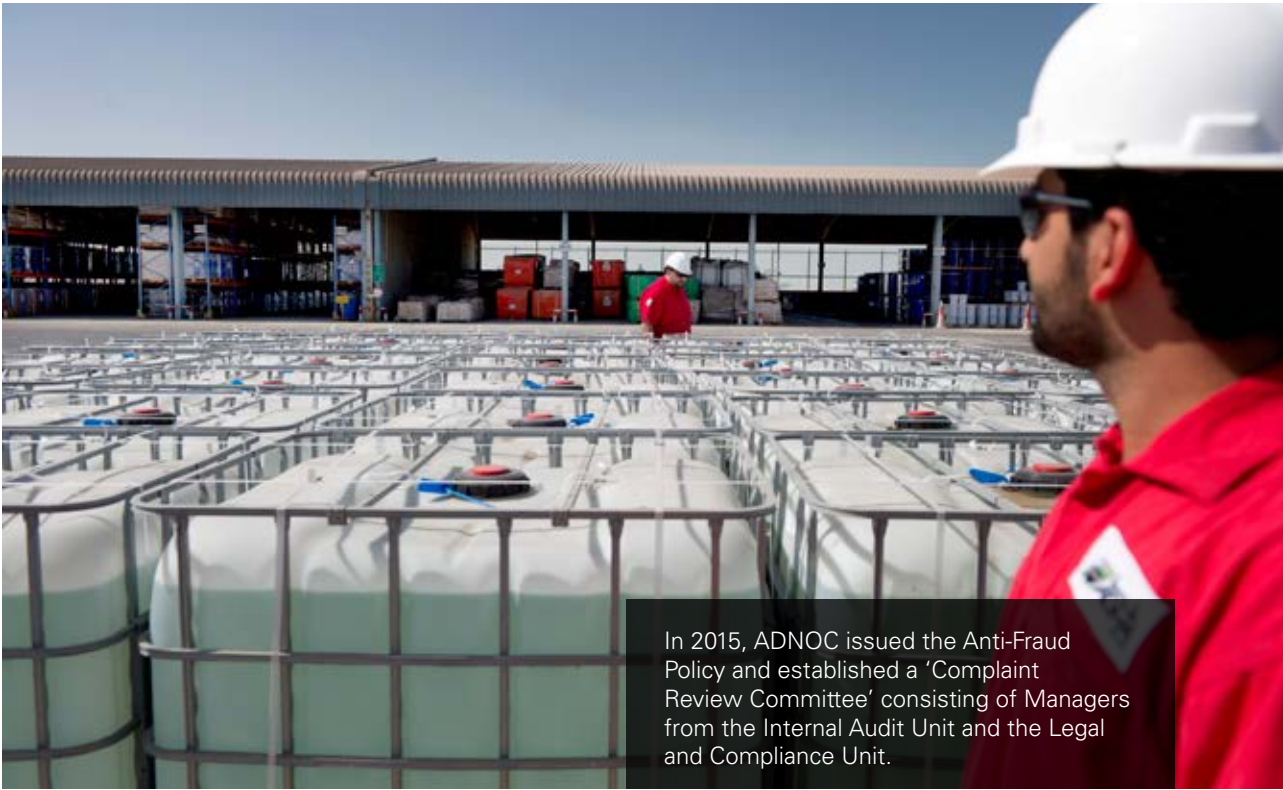
Life cycle of products

As our primary activities are in the extraction and processing stages of a product's life cycle, the majority of the life cycles of our products occur after they have left our control.

For our petrochemical products, where a closer interaction with consumers takes place, the health and safety impacts are assessed for improvement during the marketing and promotion; storage; distribution and supply; and use and disposal stages as well as during their manufacturing and production stage.

and standards related to advertising, promotion and sponsorship. On a voluntary basis, ADNOC Distribution makes reference to the British Code of Advertising, Sales Promotion and Direct Marketing that has been developed by the UK Advertising Standards Authority (ASA).

Contractors working for ADNOC and our Group Companies are subject to the ADNOC HSE Policy, HSE Codes of Practice, ADNOC standards and procedures, and UAE Laws and Regulations. In addition, specific HSEMS expectations have been set to ensure effective management of contractors' HSE performance.



In 2015, ADNOC issued the Anti-Fraud Policy and established a 'Complaint Review Committee' consisting of Managers from the Internal Audit Unit and the Legal and Compliance Unit.



## Emergency response and crisis management

Our operations are required to have systems in place to identify, manage and effectively respond to incidents, emergencies and crises. Collectively, these requirements are designed to enable our operations to safely return to full function as soon as possible.



in 2015 to share knowledge with international professionals.

### Tiered emergency response structure

Crisis management is dominated by a three-tier response structure where high level leadership commitment, constant communication, mutual aid assistance, and clear accountabilities on preparedness and response are key.

The philosophy of the tiered response structure is that every facility has the capacity to provide an immediate response, directly supported where needed by a corporate response organisation and by mutual aid. The final tier of emergency response is provided via ADNOC's promotion and expansion of its relationships with the regional and international oil industry and oil spill response providers.

### Resources and capabilities

Our corporate teams are strategically established across the Abu Dhabi Emirate, with two major oil spill response centres (OSRCs) located at Mussafah and Ruwais, a response outpost at Al-Dabbiya, and a response vessel anchored between Zirku Island and Das Island for quick initial response. A third oil spill response centre is under construction at Zirku Island and is expected to be in full operation by the end of 2016.

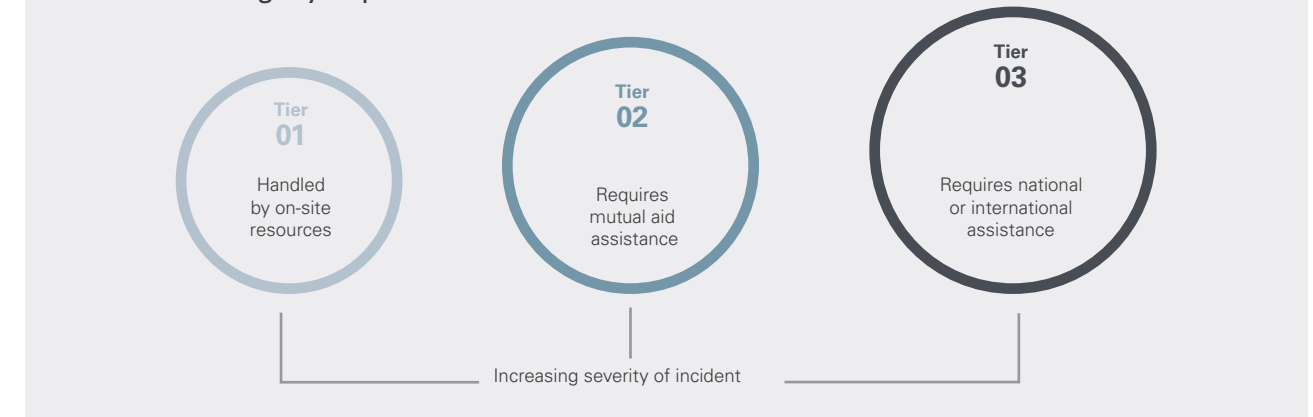
The sensitive nature of Abu Dhabi's marine environment demands that ADNOC's Crisis & Emergency Management Teams be on stand-by and ready to mobilize at all times. As the size and complexity of our operations grows (particularly with the expansions witnessed across the ADNOC Group Companies' island structures and offshore installations), so must our speed of an response in the event of an emergency. ADNOC is therefore

in the process of constructing a third OSRC on Zirku Island, which has been strategically selected to ensure maximum coverage across our offshore operations.

Considering the high level of integrated activities performed across ADNOC's offshore operating companies, ADNOC also has an Offshore Mass Evacuation Plan (OMEP) in place to improve preparedness in the unlikely occurrence of an event that requires mass evacuations.

The competency of our staff is critical to our success in anticipating and effectively responding to crisis situations. Our in-house training programmes are accredited by the UK's Nautical Institute to meet the requirements of the International Maritime Organization (IMO). With oversight and support from the National Emergency Crisis and Disasters Management Authority (NCEMA), our personnel undertook several international exchange programs

### ADNOC Tiered Emergency Response Structure



### Collaboration and mutual aid

The potential threat of emergencies does not only exist within ADNOC's operations, but also exists as a result of the industrial, commercial and political activities surrounding ADNOC's areas of operation. ADNOC's Corporate Crisis Team therefore works closely with the UAE National Crisis & Emergency Management Authority (NCEMA), the Maritime Security Executive and the UAE Armed Forces.

### Business continuity management

ADNOC plays a central role in developing the UAE's economy and in stabilising international oil trade. Interruptions in ADNOC's supplies could have an adverse impact on oil trade in international markets.

With governmental direction, ADNOC developed a Businesses Continuity Management Policy and is revising its business continuity plans in alignment with the UAE Business Continuity Management Standard 7000:2015 to

ensure that our operations will continue to fulfil our commitments towards local, regional and international customers.

The plans are built with due consideration of critical business units and processes, to ensure their uninterrupted operation in the event of various scenarios that might affect our business continuity. Such scenarios are actively prepared for by our participation in regular exercises jointly with the National Crisis & Emergency Management Authority (NCEMA).



### Strengthening international collaboration

ADNOC is a founding member of the Regional Clean Sea Organization (RECSO), a leading non-profit environmental organization established by major oil and shipping companies in the GCC region that functions on the concept of 'mutual aid'. Jointly with the 13 members, ADNOC contributes towards the largest ready reserves of oil spill response resources in the world, and providing direct access to world-class services and expertise that can be mobilized quickly for member companies to contain and clean up a major oil spill.



## Highlights

- >65,000 employees and 165,000 contractors across ADNOC and Group Company operations
- 535 million man hours recorded across our employee and contractor workforce
- 2.5 million man hours of training delivered to our employees at a total spend of AED 309 million
- 120 labour welfare inspections across our onshore and offshore labour camps



# PEOPLE

The continued success of our company is embedded in our commitment to health and safety and our dedication to providing a work environment in which everyone is treated fairly and has the opportunity to maximise their potential.

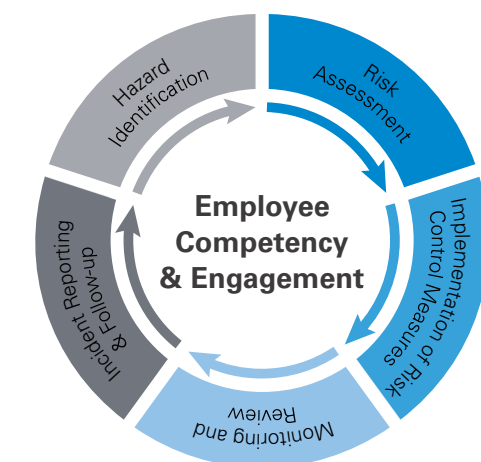
Having our people return home safe and well at the end of every work day and enabling them to end their working life fit and healthy is central to everything we do. Regardless of where our people are located or the type of work they undertake, we strive to create a working environment that is free from occupational illness and injury.

This is reflected in the processes and controls we have in place throughout our organisation. Our principles and requirements for safe, reliable and compliant operations are part of our HSEMS against which all ADNOC operations are required to align. Our operations are also required to have systems in place to identify, manage and effectively respond to foreseeable crises and emergencies. Collectively, these requirements are designed to enable our operations to safely return to full function as soon as possible.

## Keeping our people and operations safe

We are relentless in our pursuit of safety so every employee and contractor goes home from work each day safe and healthy. This commitment also extends to members of the communities where we operate. We strive to create and maintain an injury-free work environment and to apply robust operating and maintenance practices across our facilities and work places.

### Managing occupational safety





Managing our occupational safety risks

The risks inherent to our operations include a number of hazards that may have a low probability of occurrence but carry extremely serious consequences in the event they do occur.

Hazard identification, risk assessment and implementation of risk control measures based on the appropriate risk control hierarchy, are central to our management of occupational safety. These requirements are integrated in our ADNOC Codes of Practice and our group-wide HSEMS, the latter of which our operations are required to have in place and implement.

ADNOC requires all operations to have a system in place that encourages employees and contractors, where relevant, to participate in identifying and reporting unsafe conditions and take responsibility for managing these conditions safely. An essential principle of our employee engagement principle is empowering our employees to intercede or refrain from a job or task based on their view that the work is considered to pose a threat to HSE, without threat of reprisal. This principle is stated explicitly in ADNOC's HSE Policy.

Road safety

Incidents involving motor vehicles remain one of the most significant causes of injury and fatality in the oil and gas industry. As part of the second revision to the ADNOC Codes of Practice Manual, a new Code of Practice was developed to provide our Group-wide operations with a consistent framework for assessing and controlling the health and safety risks associated with road transport activities.

Our safety performance

The year 2015 was one of the safest years for our operations on record. Our lost time injury frequency (LTIF) and fatal accident rate (FAR) of 0.10 and 0.93 respectively were 36% and 64% lower than the respective industry benchmarks reported by the International Oil and Gas Producers Association (IOGP).

This is testament to the strong leadership across our operating sites and to the progress we have made in creating an engaged and vigilant workforce. Sadly however, we deeply regret that two employees and three contractors lost their lives while working for ADNOC in 2015, reminding us that we need to progress further and work aggressively to achieve our goal of everyone going home safe and healthy every day.

Process safety and asset integrity

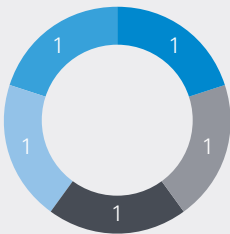
In 2015, a total of 28 tier 1 and 38 tier 2 process safety events were recorded across our operations.

At ADNOC, we manage and safeguard the integrity of our facilities, operating systems and processes by applying industry-wide and international safety standards and procedures throughout our facility and asset design, construction, start-up activities and modifications. These include Control of Major Accident Hazards (COMAH)

regulations and studies.

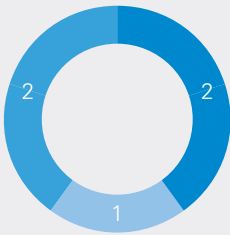
Preventing loss of containment of materials is a primary goal of industrial process safety management programmes. A thorough understanding of the hazards, identification of a complete range of failure events, detailed analysis of the consequences of failure events, and the analysis of process risks accounting for all the safeguards can help significantly in preventing and mitigating loss of containment incidents.

Fatalities (by activity)



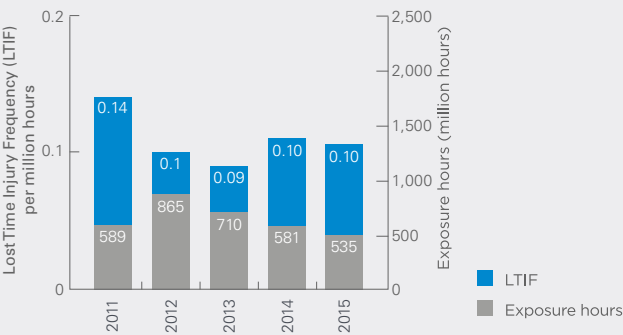
- Drilling, workover, well services (1 incident)
- Production operations (1 incident)
- Construction, commissioning decommissioning (1 incident)
- Maintenance, inspection testing (1 incident)
- Transport by land (1 incident)

Fatalities (by cause)

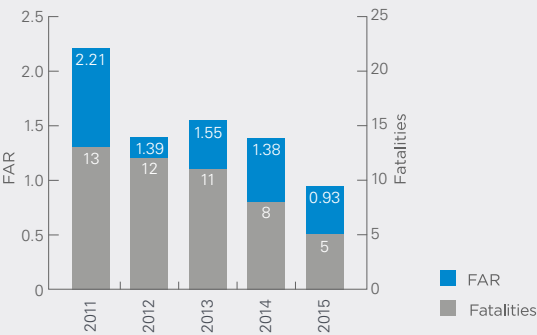


- Explosions or burns (2 incidents)
- Struck by (2 incidents)
- Fall from height (1 incident)

LTIF - Exposure Hours



FAR - Fatalities



Engaging our workforce on safety

Engaging our employees and contractors is an essential feature of our occupational safety management approach. In addition to ensuring their competence of performing tasks and activities in a safe manner, people who carry out HSE-critical activities or are engaged with HSE-critical installations are in a unique position to identify the strengths and weaknesses of existing safety regimes, and hence assist in identifying and implementing opportunities for improvement.



# Focusing on the health and welfare of our people

The acute and immediate nature of serious accidents makes them an obvious health and safety focus; however the life-altering disabilities that can result from chronic exposure to health risks are equally important.

## Managing occupational health risks and exposures

Our operations are required to identify and establish an inventory of all current or anticipated agents that are potentially hazardous to health, and assess the health risk associated with exposure to these agents.

This is followed by the implementation of effective control measures to eliminate or minimise the health risks to as low as reasonable practicable (ALARP), and then a regular review of the effectiveness of these control measures. This process, known as occupational health risk assessment (OHRA), is required for all ADNOC's projects and operations.

Our screening criteria and occupational exposure limits are aligned with local regulatory limits or are set by ADNOC wherever regulatory limits are absent or found not to provide sufficient protection against the hazardous agents inherent in our operations. Our priority is to control occupational exposures at their source; in situations where we cannot control the source by engineering methods or otherwise, a range of measures are employed including the provision of personal protective equipment (PPE).

## Health surveillance

As part of an effective occupational health risk management program, health surveillance is required where the OHRA process has identified personnel exposed to extreme, high or medium risks to health.

ADNOC's health surveillance is a two-programme that is built on medical examinations and screening (conducted at pre-employment stage and then regularly throughout employment history); and biological monitoring and health surveillance tests. Depending on the type of exposure, the latter may involve biochemical analysis and more

sophisticated investigative tools such as audiometric testing, X-ray, MRI imagery etc. The medical data obtained through these surveillance measures provides a powerful tool for assessing the exposure risks present in the workplace and for evaluating the adequacy of control measures in minimising those risks.

## Human rights and labour welfare

ADNOC has a zero tolerance stance towards human rights abuses or claims of abuse, and significant measures are taken to safeguard human rights across our operations and sphere of influence.

Whilst employee labour associations and collective bargaining agreements are not permitted in the UAE under Federal Law, the principle of 'Decent

117 occupational health inspections

2,040 food, surface swab and water samples collected for the chemical and bacteriological laboratory analysis

120 labour welfare inspections

94 inspections onshore camps

26 inspections offshore camps

Work' is integrated in all aspects of our relationships with our employees, and extends to our contractor workforce as well. Suspected cases of human rights violations are thoroughly investigated by ADNOC. Entities found not to be compliant with ADNOC's policy of promoting and upholding respect for human rights are blacklisted from providing services to ADNOC and our Group Companies.

ADNOC does not hire anyone under the legal working age of 18. Forced, compulsory and child labour are strictly forbidden under the UAE Federal Labour Law and ADNOC takes a firm stance on ensuring no violations of this kind take place amongst our workforce. In 2015, no ADNOC operations were identified as being at risk of incidents involving

forced or compulsory labour.

## Non-retaliation and grievance

A combination of measures is applied to ensure our employees' job satisfaction and to ensure their job concerns are suitably addressed. These include open forums, workshops, employee satisfaction surveys and regular performance appraisals.

Procedures for confidential employee grievance are embedded in ADNOC's HR Policy, which extends to our Group Companies and Independent Operators, and ensures a fair and impartial approach.



## Labour welfare and wellbeing

ADNOC acknowledges the contribution that foreign workers make to our operations and is committed to protecting their rights and empowering them to fully benefit from their residency in the UAE over the duration of their work on our projects. ADNOC has a Labour Welfare Unit that was established to oversee the welfare and labour conditions of suppliers, contractors and workers employed by contractors on ADNOC projects.

The labour welfare team, with representation from ADNOC welfare specialists and from our operating companies, oversees various welfare aspects including wages and payment, annual leave, and labour living conditions, amongst others. The labour welfare team refers to the UAE Federal Labour Law, international best practice, and ADNOC Codes of Practice as reference to define decent and fair practice as well as violations of workers' rights. These principles are clearly set out in ADNOC's contractual agreements and their practice is evaluated prior to the decision making process of whether or not to proceed with an investment.

## Occupational health practises

ADNOC launched an internal, group-wide occupational health audit to improve and further standardise reporting practices across our projects and operations, including our contractor workforce, and to ensure that occupational health risks are well managed and our group companies comply with the relevant legal requirements.



Developing our people

We are committed to our employees’ professional development and supporting their career goals. We seek to foster a diverse workforce of highly talented individuals committed to achieving our business priorities. We use a long-term, career-oriented approach that includes recruiting outstanding talent and developing individuals by providing them the opportunity to complete a wide range of assignments. Our employee culture is grounded in a shared commitment to safety, integrity, and collaborative and high-quality work.

We are a performance driven organization that invests in our people, leveraging our expertise, knowledge and insights to optimise our performance and unlock the full potential of our natural and human resources.

Workforce diversity

Throughout 2015, our workforce comprised over 65,000 employees and 165,000 contractors.

Our employees come from around the world. ADNOC places high value on the benefits that diversity brings, offering differing perspectives on problem-solving, opportunities for team-building that extend beyond the workplace, and creating a work environment where people are motivated to excel and perform to their full potential.

Training and development

In 2015, the ADNOC Group Companies spent AED 309 million to deliver 2.5 million hours of employee training.

Across ADNOC and our Group Companies, we provide a broad range of opportunities for our people - from on-the-job learning and mentoring programs for our graduates and future leaders through to online and classroom-based courses. Through our internal training systems, we provide learning opportunities focussed on technical, compliance and leadership skills, as well as functional skills that cover financial and legal aspects.

ADNOC also has a three to four year core training programme specially formulated for promising new graduates (known as ‘entry point’ employees) who are keen to serve the UAE’s national oil and gas economy. In 2015, there were 1,807 entry point employees across the ADNOC Group Companies participating in this programme, known as the

Competence Assurance Management System (CAMS).

Employees can also apply for study leave should they chose to further their education whilst working for ADNOC. In 2015, there were 368 employees on full-time and 343 employees on part-time study leave.

Empowering our female workforce

In recent years, more women have started to fill our technical positions in engineering disciplines and geosciences, and non-technical support positions. Women represented 10.3% of our employees in 2015.

Women play a critical role in our organisation’s development and make a unique contribution to traditionally male-dominated workplaces. ADNOC is committed to creating inclusive workplace policies that support women as they navigate their careers in the oil industry and participate in leadership roles, by strengthening their technical and leadership skills and helping them

overcome the particular challenges associated with historically male-dominated organisations.

Working in remote locations

The remote nature of many of our operations often requires us to widen our recruitment options and employ skilled people who can advance our safety and production requirements while residing outside the community and working in remote locations.

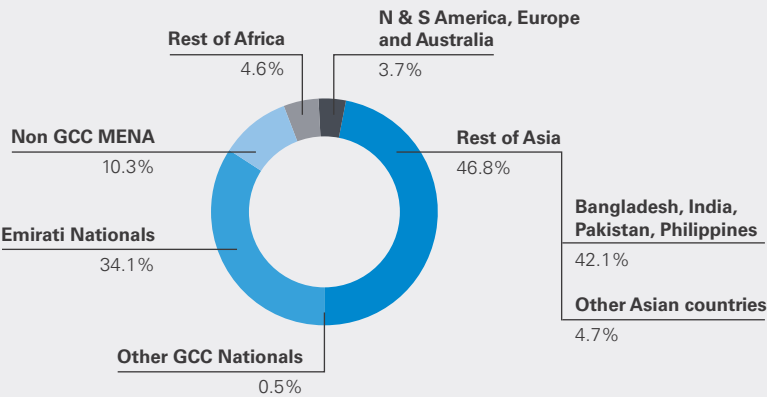
Employee diversity by age

31%  
< 30 years old

56%  
30 – 50 years old

13%  
>50 years old

Breakdown by nationality



Women in industry

In 2015, ADNOC supported the ‘Women in Industry’ conference – an annual event which is held during the Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC). ADNOC hosted a roundtable discussion during the conference on topics that include leadership strategies, overcoming cultural differences in the workplace and barriers to success in the workplace, and achieving a work-family life balance.

In order to attract the qualified workers we need in today’s competitive labour market, ADNOC places paramount importance on being able to offer appropriate accommodation, remote area allowance (RRA) and lifestyle choices that provide our people with a suitable work-life balance at these locations (see page 44 for more information on ADNOC’s housing and lifestyle provisions for workers and their families).

Benefit plan obligations

ADNOC seeks to be an employer of choice and our minimum wage and compensation packages are highly competitive with market rates in the oil and gas sector.

ADNOC’s entry-level compensation package is highly

competitive. Standard ADNOC benefits for employees include life insurance, health care, disability coverage and leave policies (e.g. annual leave, maternity leave, sick leave, and Hajj travel), educational assistance and retirement provisions. ADNOC provides housing for the majority of employees either through direct provision or a stipend.

For UAE nationals, ADNOC contributes to a pension programme that is managed by the Abu Dhabi Retirement Pensions and Benefits Fund (ADRPBF), an entity of the Abu Dhabi Government. Expatriate employees receive the company’s end of service benefits, which equate to one month of salary for every year worked, increasing to 1.5 months of salary for every year worked after three years of service.



## Highlights

- AED 698 million in environmental expenditure
- 13% reduction in flaring compared to 2014 levels
- 578 million GJ consumed (of which 548 million GJ is direct energy and 22 million GJ is indirect energy)
- 10.9 million GJ energy savings (corresponds to 1.9% of energy consumed)
- 13 air quality monitoring stations
- 2.3 million mangrove seedlings across our nurseries

# ENVIRONMENT

Protecting the natural environment is a huge challenge for all of us, and at ADNOC we are determined to play a constructive part in delivering reliable, affordable and positive energy, and we have come a long way to ensuring environmental issues are key components of our corporate culture. As we seek to increase production of oil and natural gas to meet growing global energy demand, we will continue to take steps to reduce flaring and the GHG intensity of our operations, and contribute to effective long-term solutions to manage climate change risks.

As part of our HSEIA process, our operations are required to assess the environmental impact and risks of new projects and substantially altered existing projects, and ensuring environmental risks are managed to an acceptable level and do not result in unacceptable consequences to the environment. This is supplemented with continuous environmental monitoring during the development and active phases of our projects, through to decommissioning.

## Biodiversity and ecosystem services

Biodiversity and ecosystem services are important for society, and we work to protect them across our operations and throughout the life of our assets. ADNOC also takes a proactive approach towards marine development and has a portfolio of carbon sequestration and biodiversity enhancement projects across the Emirate of Abu Dhabi.



**2.3 million** mangrove seedlings across ADNOC's nurseries in Al Dabbia and Zirku Island, with 550,000 planted across the Emirate of Abu Dhabi



**1 hectare** of seagrass plantation, established in a process that involves the relocation of mature plants taken from healthy donor beds to the restoration site



**184** artificial coral reef structures deployed in the Western Region of Abu Dhabi - in three locations; namely Makasib Island, Rock Mosfayer and north-west of Nitah Island



Biodiversity protection

ADNOC's group-wide operations are located in diverse terrestrial and marine environments, some of which contain ecosystems with outstanding biological, geographical or social value, including species designated as protected by the International Union for Conservation of Nature (IUCN).

The Environmental Impact Assessment (EIA) studies performed as part of ADNOC's mandated HSEIA process integrate biodiversity considerations including the identification of protected areas and endangered species, their roles in different ecosystems and habitats, their vulnerabilities and cultural significance. These findings are then integrated into biodiversity management plans to ensure potential impacts are first avoided or secondly, minimised, throughout the lifetime of our projects from initial planning to final decommissioning. There are no significant biodiversity impacts from ADNOC's activities to report in 2015.

See page 19 for more information on ADNOC's HSEIA process.

Working in sensitive areas

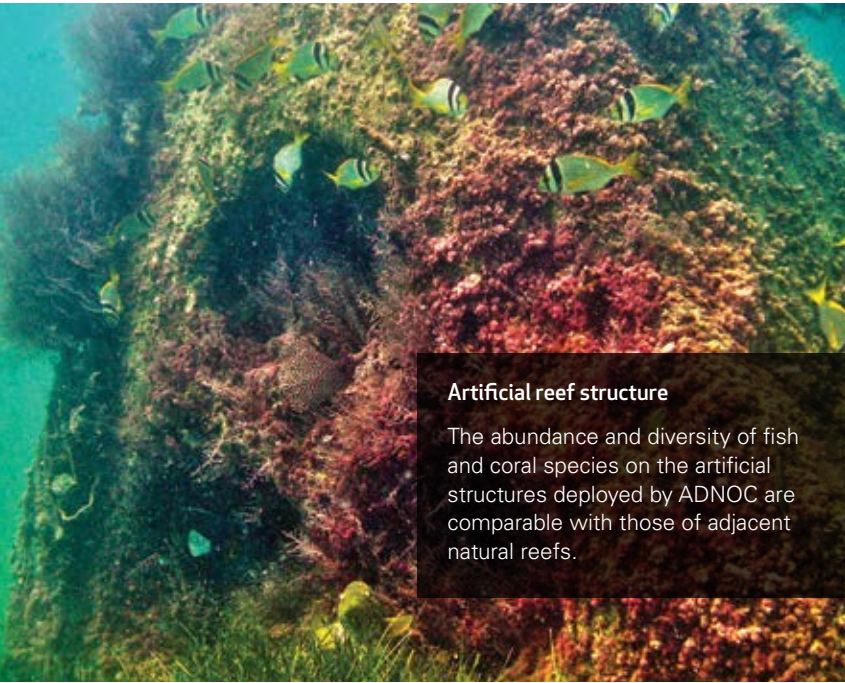
Eight of our major group-wide operations are located within or adjacent to the boundary of a protected area, including one new drilling project which commenced in 2015 that took place on Hail Island, within the Marawah Marine Protected Area.

We require executive approval before any physical activities take place wherever our planned activities may enter a protected area, and work collaboratively with the Environment Agency Abu Dhabi (EAD) throughout the impact identification, assessment and mitigation phases of these projects. We continue to engage with the EAD for monitoring purposes after our activities begin to ensure best practices in biodiversity conservation are in place.



Blue Carbon Sequestration Projects

Blue carbon is the carbon stored in the world's oceans and marine ecosystems. The value of these ecosystems as carbon sinks and important habitats for maintaining coastal health and biodiversity is integrated in ADNOC's marine development plans with a series of mangrove and seagrass plantation projects undertaken by our teams in Abu Dhabi and across ADNOC's concession areas.



Artificial reef structure

The abundance and diversity of fish and coral species on the artificial structures deployed by ADNOC are comparable with those of adjacent natural reefs.

Developing the marine environment

ADNOC's Marine Environment Development Team undertakes marine biodiversity enhancement projects across the Emirate of Abu Dhabi that include mangrove and seagrass plantation, coral reef rehabilitation, and the deployment of artificial reef and fish habitat structures.

Mangroves, coral reefs and seagrass ecosystems are common in the Arabian Gulf and among the most biologically diverse and economically valuable ecosystems on earth, providing vital ecosystem services that include coastline protection from storms and erosion, and habitats, spawning and nursery grounds for economically important fish species. Maintaining and enhancing these ecosystems is therefore an established discipline in ADNOC's environment development team, which was established in 2009.

Monitoring Hawksbill Turtle Nesting Sites

Zirku and Arzana Islands are important nesting grounds for Hawksbill Turtles, which are listed as critically endangered species by the IUCN. The coastal areas of the islands have been declared as protected exclusion zones to ensure disruptions from human activity on the island does not impact the turtles' nesting behaviour. These efforts are monitored with annual visual assessments of the turtles and their nesting grounds, particularly during their spawning season.

|  | Protected area  | ADNOC operations within the boundary of the protected area |                           | ADNOC operations adjacent to the protected area (within 50 km) |   |
|--|---|--|---------------------------|--|---|
| Arabian Oryx Protected Area (Onshore)    | Located in Umm Al Zamool, 290 km south of Abu Dhabi, the sanctuary is home to the Arabian Oryx, one of the largest desert animals in the Arab region and is classified a vulnerable species by the IUCN.  | Qusahwira and Mender Oil Fields (ADCO)                     | Extractive                | Shah Arab Gas Field (Al Hosn Gas)                              | Extractive                                    |
|  |   |  |                           | Shah Gas Plant (Al Hosn Gas)                                   | Processing and production                     |
| Marawah Marine Protected Area (Offshore) | Located in the UNESCO Marine Biosphere Reserve, a 4,255 km² reserve which comprises a range of unique marine and coastal habitats including sand flats, mangroves, sea grass beds and coral reefs, and is especially important to migratory and endangered marine species such as the Green Turtle and vulnerable species such as the Dugong. | Hail Island (Al Hosn Gas)                                  | Exploratory drilling      | Jebel Dhanna (ADCO)  | Storage and loading including port operations |
|  |   | Mubarraz Island (ADOC)                                     | Processing and production | Al Dabbiya Oil Field (ADCO)                                    | Extractive                                    |



Engaging on climate change policy and planning

The UAE has been at the forefront of climate change negotiations, with ADNOC playing an active role in supporting the UAE in local, regional and global efforts that encourage sound policy solutions for addressing the risks of climate change, particularly in the context of rising energy demand and global economic growth.

Engaging stakeholders

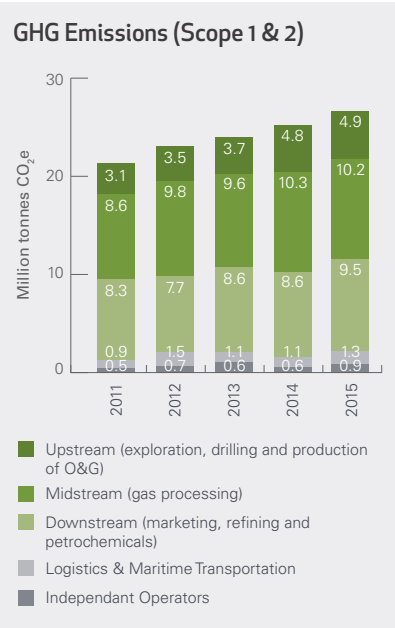
ADNOC engages a variety of stakeholders – including governments, policymakers, consumers, academia and the public – on climate change issues of direct relevance to its Group of Companies, and aims to make a meaningful contribution in climate change forums and collective efforts dedicated towards setting domestic initiatives and targets.

Our organisation also subscribes to trade associations that engage on climate change issues globally, including the American Petroleum Institute (API) and the International Oil and Gas Producers Association (IOGP). Additionally, we contribute to a wide range of academic and policy organizations that research and promote dialogue on domestic and foreign policy issues.

Managing GHG emissions across our operations

In 2015, ADNOC’s net equity share of GHG emissions across our group-wide operations was 26.8 million metric tonnes of CO<sub>2</sub> equivalent.

We recognize the short-term and long-term warming effects of methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs) and carbon dioxide (CO<sub>2</sub>), and their combined role in climate change, and take a holistic approach to our GHG management by tracking and understanding our direct (scope 1) and indirect (scope 2) emissions on a CO<sub>2</sub> equivalent basis. We report GHG emissions from our share of equity-accounted entities as well as our three independent operators.



Halon Phase-Out Program

In 1997, ADNOC initiated a phase-out programme for halons (an ozone layer depleting substance). With the exception of ADMA-OPCO and ZADCO, who are actively exploring viable alternatives that are appropriate for their complex offshore operations, all our ADNOC Group Companies operate halon-free.

The halon stock remaining in our facilities is 30,000 tonnes. This is largely accounted for by ZADCO at their Upper Zakum and Zirku crude oil storage tanks, and by ADMA-OPCO. The halon stock is planned to be phased-out by December 2017 under a progressive offshore halon phase-out strategy.

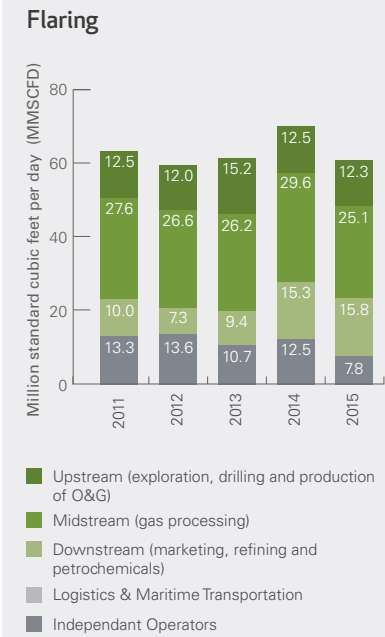
The majority of our GHG emissions come from fuel combustion and flaring, which occur at various stages of our hydrocarbon value chain. In the near and medium term, we are working to increase energy efficiency while reducing flaring, venting and fugitive emissions in our operations. Longer term, we are conducting and supporting research to develop breakthrough technologies such as carbon capture and storage, where our joint venture known as ‘Al Reyadah’ with Masdar is being established as the Middle East’s first specialised company focused on exploring and developing commercial-scale projects for CCUS. The joint venture’s first project, with Emirates Steel Industries (ESI), will sequester 800,000 tonnes of CO<sub>2</sub> annually.

We are also working towards improving our emission monitoring technology, with a planned move towards adopting an integrated predictive emission monitoring system (PEMS) and continuous emission monitoring system (CEMS) across our assets and emission sources by Q4 2017.

Flaring

In 2015, the flaring volume from our combined upstream, midstream and downstream operations averaged 61 million standard cubic feet per day (MMSCFD), which represents a 13% reduction on 2014 levels.

In addition to adhering to the prudent practices of a responsible operator in preserving the environment and limited resources, it is in our commercial interest to minimise losses of gas and to keep processes such as flaring to a minimum.



ADNOC CCUS Project - Quick Facts

The ESI CCUS is the Middle East’s first commercial scale CCUS facility and the only CCS project outside of North America

Completion is set for Q2 of 2016

Project is the first time injected CO<sub>2</sub> will be used for EOR in the region

Project will sequester 800,000 tonnes of CO<sub>2</sub> annually and liberate natural gas for power generation

Project will include a compression facility and a 45 km pipeline

Construction contract for the facility is worth AED 450 million



The UAE’s delegation to COP21

ADNOC’s climate change team was part of the UAE’s delegation envoy to the 21<sup>st</sup> session of the Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change (UNFCCC), which took place in Paris in December 2015

ADNOC ISO 50001 EnMS

In 2015, we made significant progress towards realising our energy efficiency goals by obtaining our group-wide ISO 50001 certification in energy management. The energy management system (EnMS) will ensure that energy efficiency is built into the very fabric of our business and operations, from resource-efficient production all the way to the transportation and use of our products. It will also help us make a significant contribution towards resource and climate protection.



Managing our environmental performance

Our commitment to operating in an environmentally responsible manner is anchored in our HSE Policy and ADNOC Codes of Practice Manual, which require our facilities to be designed, operated and managed with the goal of protecting the environment and preventing environmental incidents.

Non-GHG emissions and air quality monitoring

ADNOC established an Air Quality Monitoring System (AQMS) in 2008. The system comprises of a network of thirteen monitoring stations (ten fixed and three mobile) for monitoring the ambient air quality in the vicinity of our facilities.

The AQMS enables ambient air quality and meteorological data from all monitoring stations to be sent on a real-time basis, including providing a simulation tool to develop and implement an air quality management program.

Water management

In 2015, approximately 5.3 billion m³ were withdrawn to support our operations. Over 99% of this water is extracted from the sea and used for cooling purposes, and is then discharged back to the sea after undergoing treatment to ensure accordance with ADNOC’s discharge limits. The net water consumption at our operations was 78 million m³, representing a continued decline since 2011.

We are committed to minimizing the impacts of our water withdrawals, consumption and discharges. We use alternative water sources where appropriate and seek opportunities to reduce, reuse and recycle water. We assess actual costs, quality and availability, as well as potential trade-offs, such as varied operational efficiencies, increased energy use or the consequences of producing more concentrated waste streams.

Across our operations, there is one sensitive water body which may be affected by the withdrawal of water. This is the Liwa groundwater aquifer (located immediately north of Liwa, and covering a surface area of about 1,800 km²), from which ADCO withdraws water to perform their operations in the Bu Hasa and Asab fields. To conserve the fresh water resources, water supply wells are drilled in the brackish zone of the reservoir where the salinity exceeds 15,000 ppm.

Produced water

Produced water across our operations is re-injected into deep wells. In 2015, this amounted to 25.3 million m³. Treatment is practiced where necessary to reduce oil content to permissible levels prior to re-injection.

Waste management

In 2015, a total 32,908 metric tonnes of hazardous waste and 41,288 metric tonnes of non-hazardous waste were generated from our operations.

To ensure the centralised management of ADNOC’s hazardous waste, ADNOC established the Central Environment

Protection Facility (known as BeAAT) in Ruwais. Operated by TAKREER, BeAAT offers a range of treatment processes in a single site. Our first waste management priority is to avoid its generation, and then to reuse or recycle waste wherever possible. ADNOC also implements a life cycle approach towards waste management that facilitates an optimisation of costs, resources and environmental and social benefits.

Spill prevention and response

When assessing our potential impacts to water or land, spill prevention is a top priority. This is addressed by outlining procedures for the proper inspection and maintenance of equipment, providing comprehensive training materials for our operators, emphasizing regular performance of tests and drills, and allowing us to maintain a relentless focus on safety (see page 22 for more information on ADNOC’s emergency response and crisis management approach).

Hydrocarbon spills

20 incidents of which 3 were significant (>100 boe)

Nearly 100% recovery achieved for significant spills

Minimal environmental impact

Non-hydrocarbon spills

2 spill incidents involving chemical solvents

Minimal environmental impact





## Highlights

- 3 ADNOC academic institutes dedicated to providing world class education and research facilities
- 4,285 active scholarships
- 1,241 graduates from the Petroleum Institute
- 79% executive and senior management positions occupied by UAE nationals
- AED 95 million in sponsorships and donations within the Emirate of Abu Dhabi



# SOCIETY

As the national oil company of Abu Dhabi, ADNOC has an important role to play in driving the creation of long term, sustainable in-country value. We accomplish this in several ways that include: investing in education and research; job creation; advancing local talent and the local supply chain; developing critical infrastructure to support our economy's growth and development; and the sharing of knowledge, best practice and technology across the local oil and gas industry.

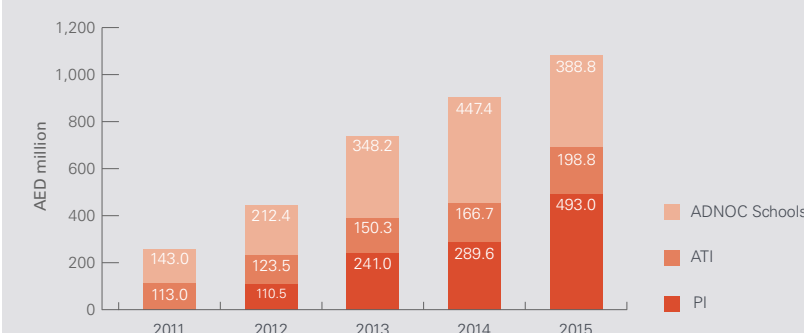
The broad and long-lasting socio-economic benefits generated by our operations are never delivered at the expense of our commitment towards being a responsible corporate citizen. We strive to demonstrate this commitment through practical actions undertaken in partnership with our stakeholders to ensure that our operations are aligned with their interests and that we continue to build mutually beneficial relationships. Our aim is to create opportunities that positively enhance the lives of people who work for us and live near our operations, as well as the society overall.

## Building a knowledge-based economy

Innovation, research, science and technology are the pillars of a knowledge-based, highly productive and competitive UAE economy. This principle is embedded in ADNOC's efforts to establish a world-class education and energy research ecosystem that harnesses the talent and creativity of Emiratis and supports the needs of the expansion and development projects in the oil and gas sector.

Our investments in education and academia have therefore grown year on year, with our growing family of academic institutes that include the Petroleum Institute (PI), ADNOC Technical Institute (ATI) and our ADNOC Schools which are established across four locations in the Emirate of Abu Dhabi.

Funds towards ADNOC's academic institutes





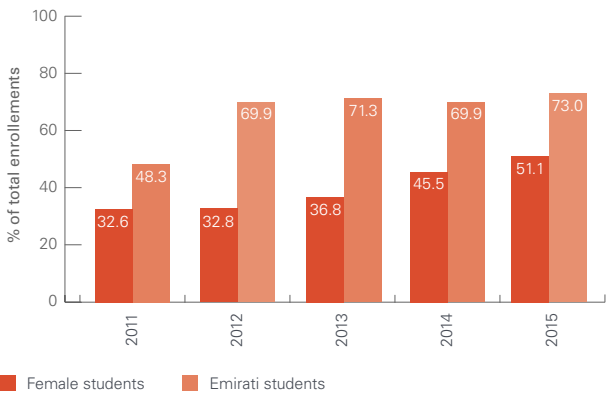
Building on its foundations as one of the world’s biggest oil companies, to establish a pioneering academic, research, development and innovation hub in Abu Dhabi is a logical extension of ADNOC’s existing capabilities that will stand proudly alongside the UAE’s declared ambition to put the first Arab probe on Mars by 2021.

**The Petroleum Institute University and Research Centre**

The PI has graduated over 1,400 engineers since its establishment in 2001.

The Petroleum Institute University and Research Center (PI) was established with a goal of becoming a world-class institution in both engineering education and energy industry research. PI currently has more than 2,000 undergraduate and graduate students, over 200 faculty members, and has quickly become a leading teaching and research institution in the Middle East region.

Enrollment of female and emirati students in the PI



**ADNOC Technical Institute**

The ATI produces entry-level technicians in the oil and gas industry and provides an alternative to conventional academic education for male UAE nationals.

The ADNOC Technical Institute was established in 1978 as the first vocational training institute in Abu Dhabi to offer programmes that meet the needs of ADNOC and its Group Companies for skilled national manpower. Since its establishment, the ATI has trained more than 3,500 technical staff in a range of disciplines. The Group Companies assist the ATI by providing job instructional training opportunities for trainees in relevant areas within each company’s operational sites.

**The ADNOC Schools**

ADNOC Schools have one branch in the capital city of Abu Dhabi and three branches in the Western Region (Ruwais, Madinat Zayed and Ghayathi), across which there are over 6,000 students enrolled.

The ADNOC Schools were founded in 2008 by ADNOC with the goal to provide a challenging and rigorous academic curriculum to highly qualified Emirati and expatriate students, preparing them to join prestigious universities worldwide.

**Driving research and development**

Over the last decade, ADNOC has moved swiftly to build the foundations for a world-class energy research ecosystem in Abu Dhabi, and allocated significant funding towards this that has grown year-on-year.

At the core of this research strategy is the delivery of a roadmap for exploiting our oil reservoirs to levels far beyond current levels to reach 70% recovery rates.



**Abu Dhabi Solar Challenge**

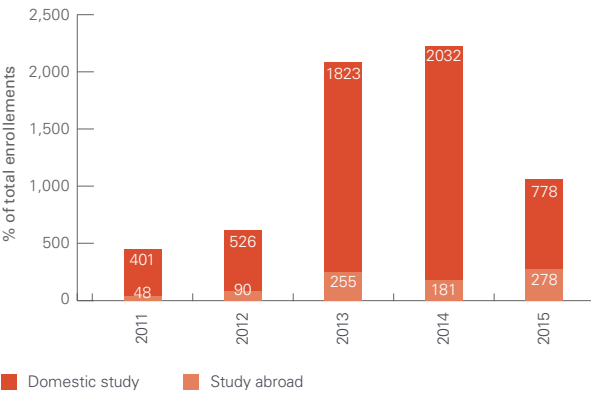
PI’s Solar Car Team participated in the first ever solar car race to take place in the UAE. The event, sponsored by ADNOC, took place over three days and drew 20 universities from around the world to compete in a 1,200 km race. The PI finished in second place overall, with a two and half minute offset from the winning team: University of Michigan (UM) Solar. The PI team also received the Best Qualifying Lap Timing and the Spirit of the Event Awards, as well as the prestigious Shell Innovation Award.

**ADNOC Scholarship Programme**

We established our Scholarship Programme in 1974, sponsoring talented UAE nationals to pursue their post-secondary education in reputable academic institutions locally and abroad, and to specialise in the various technical disciplines essential to the oil and gas industry.

There are 5,299 active scholarships across undergraduate and postgraduate programmes around the world, with 1,056 scholarships awarded in 2015 alone.

Number of new scholaships awarded annually

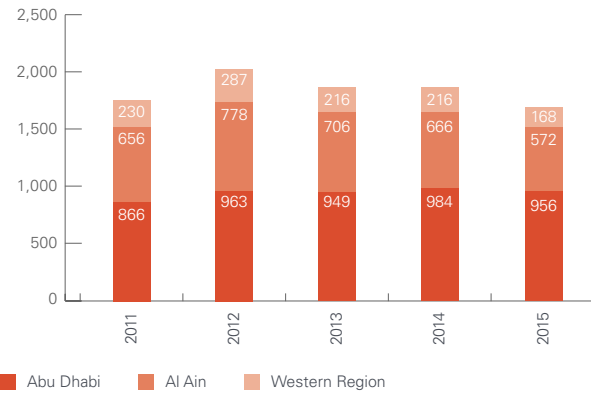


**ADNOC Achievers’ Oasis Programme**

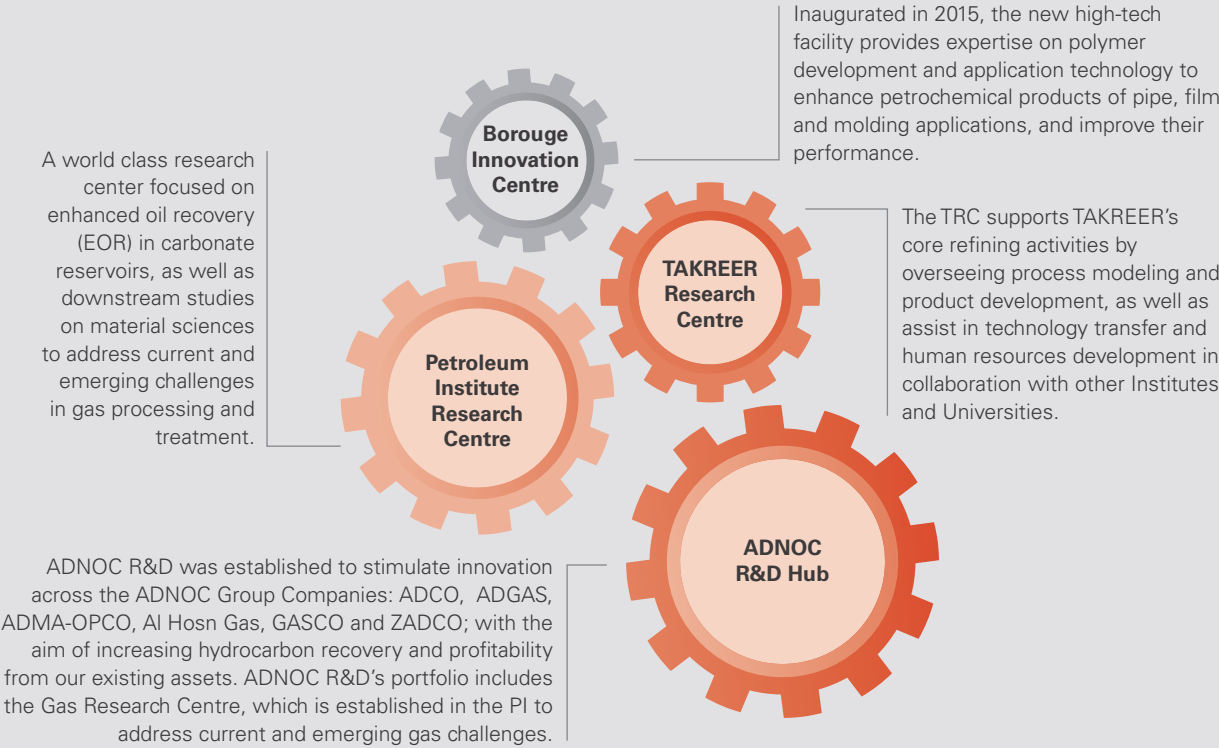
Established in 2002, the Achievers’ Oasis Programme is an innovative summer Programme which aims to motivate young UAE nationals to pursue studies in the fields of engineering, exploration and production and management engineering. Graduates from the AOP often go on to join the Petroleum Institute, enrol in local universities or are awarded scholarships abroad to pursue their university studies.

In 2015, a total of 1,696 students participated in the AOP programme across Abu Dhabi, Al Ain and the Western Region.

AOP Participants



**ADNOC’s research, development and innovation centres cover the upstream and downstream aspects of our petroleum value chain**





Local economic growth and development

ADNOC, together with the wider energy sector, provides fundamental support in deepening and broadening the domestic industrial base, and driving the country’s broader socio-economic development. Our projects help create jobs and develop new skill sets among the local population, while at the same establishing key infrastructure that benefits the wider economy.

Developing the local economy and infrastructure in the places we work

The city of Ruwais is one of ADNOC’s success stories. It represents a multi-million-dollar investment and serves as a major contributor to the local economy of the Western Region and the UAE overall.

ADNOC’s downstream oil and gas facilities are based in the Ruwais Industrial Complex (RIC), which is located in the Western Region of Abu Dhabi, 240 kilometres southwest of the main city. They include Borouge’s polyolefins plant, TAKREER’s Ruwais Refinery, GASCO’s NGL fractionation plant, FERTIL’s fertilizer plant, as well as a marine terminal and a sulphur handling terminal.

To meet the rising demand for residential services to support the RIC’s employees and their families, ADNOC established the Ruwais Housing Complex (RHC) in 1980 and gradually developed the local services and infrastructure, transforming Ruwais from

a remote desert site to a fully-integrated community and modern industrial city.

Developing local content

ADNOC’s target is to achieve 75% Emiratisation across core ADNOC and Group company positions by the end of 2017.

The need to create jobs and to develop a national workforce with the right capabilities and skill set to address the oil industry’s technical challenges and complexities was recognized in 1999, when ADNOC’s Group Nationals Recruitment Department (GNRD) was established. The role of the GNRD today is to oversee and facilitate the government’s ‘Emiratization’ efforts.

ADNOC’s 2017 Emiratization plan is passed down to each of the Group Companies in the form of annual plans. Each company prepares the annual intake plan at the beginning of the year and the progress on recruitment is monitored on a monthly, quarterly and annual basis.

Ruwais Housing Complex

Distributed over 15 km²

24,000 residents across 56 nationalities

8 schools which provide elementary to secondary education

1 hospital and medical centre (administered by ADNOC’s Medical Services Unit)

1 shopping mall with over 261 outlets

4 recreation centres and clubs (two of which are exclusively for women)

Public services including stationed offices for civil defence, police, Emirates Post, sharia court and transportation

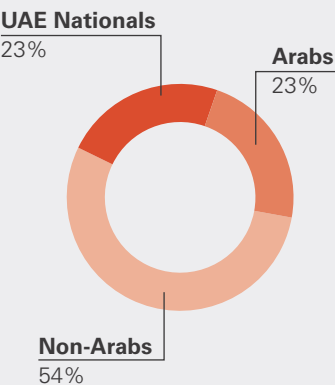
Other community services including mosques, banks, travel agencies, public parks and spaces etc.



Ruwais Housing Complex

The RHC was strategically planned and developed to meet the residential needs of our employees and their families.

Population of RHC



Supporting the economic development of the Western Region

ADNOC and our Group Companies have a permanent presence in the Western Region and are committed to working with one of our key stakeholders, the Western Region Development Council (WRDC), and leading the Western Region towards becoming a model of sustainable economic and social development. To achieve this, our strategy focuses on providing resources, vacancies and training opportunities to UAE nationals of the Western Region. The region’s companies are also given priority to provide contracting and supply services and to execute projects within their fields of specialization.

The ADNOC Group also proudly sponsors several high profile annual events that include the Liwa Dates Festival, which showcases our nation’s valued fruit and encourages more sustainable cultivation and irrigation practices; the Al Dhafra Camel Festival, a unique festival with the world’s only camel beauty contest; and the Al Gharbia Falconry Festival, which provides an opportunity for falconers, experts and researchers to enjoy the celebrated art of falconry.

The festivals attract nationals, expatriates and tourists with the aim of celebrating the UAE’s longstanding bedouin culture, reviving the role of poetry and its influence on UAE culture, introducing and preserving the authentic camel breeds of Asayil and Majaheem, and ultimately activating the region’s economic growth.



Developing the local supply chain and our procurement practices

Approximately 79% of the procurement budget across the ADNOC Group Companies was spent on local suppliers in 2015; this is equivalent to approximately AED 47 billion.

Our goal is to build and maintain a qualified, competitive and sustainable supply chain. Due to the scale of our operations, we have the capacity to help local businesses grow and to foster the long-term development of our suppliers. Our local procurement plans enhance the opportunity for economic participation of locally based small-to-medium enterprises in our businesses and we aim to bridge the gap between their capacity and our supply requirements.

Whilst many of our larger contracts are granted to leading engineering companies from around the world, these companies often use local suppliers for the provision of services,

labour and other amenities. ADNOC defines a local supplier as a provider of materials, products and services that is based in the UAE or has a local sponsor in the UAE. The sponsorship arrangement often requires the supplier to share a percentage of the contract with their sponsor, ensuring that at least some of the value of any contract is realised locally.

Strategically investing in what matters most

Our strategic community investments complement our business and reflect our economic and social interests and goals. We focus a significant portion of our spending on education, where funding of our academic institutes and programmes in 2015 exceeded AED 1 billion.

We supplement our corporate-led initiatives with philanthropic programmes as well, and continue to improve our understanding of our

impacts in order to maximise the long-term sustainability and benefits of our efforts. Our sponsorships and donations towards important community events and causes (excluding academic scholarships) in 2015 amounted to AED 95 million. They include contributions to the Ministry of Labour and Social Affairs, Children with Special Needs Centre, the Red Crescent, hospitals, educational organisations such as Zayed University, Higher Colleges of Technology, and Abu Dhabi Educational Zone as well as cultural and sports clubs.

Additionally, ADNOC and our Group Companies develop infrastructure that provides local communities and businesses with benefits such as roads, hospitals, mosques and schools. Our indirect impacts are difficult to quantify because of their wide-ranging scale and diversity. ADNOC also provides humanitarian aid and relief assistance towards international causes around the world.



Managing our community impacts

The success and sustainability of our operations go hand in hand with our ability to manage socioeconomic impacts and address the interests of our stakeholders and communities. Proactively identifying, avoiding and managing potential impacts, while also enhancing community benefits, is integral to developing long-term positive relationships and opportunities.

Dialogue with our key stakeholders

Our stakeholders’ expectations serve as the foundation for our commitment to operate in a manner that is both environmentally and socially responsible.

ADNOC prioritizes stakeholder groups that work for us, including our people and contractors, as well as the communities that live near our operations. These include the communities of Ruwais, Madinat Zayed, Liwa and Shuweihat – which are collectively located in the Western Region of Abu Dhabi, also known as Al Gharbia.

As part of any proposed project activity, we seek to engage with stakeholders on a regular basis to share information and identify the potential impacts of our projects and the ways to eliminate, reduce or remedy those impacts. We then integrate the results of these discussions into our project decision-making process. Early consultation allows us to avert or reduce our impact on communities, prevent project disruptions, avoid delays, reduce costs and prevent the escalation of issues.

Our operating companies implement individual and collective practices towards community engagement, in recognition of the shared impacts that some of our operations have (such as Ruwais, for example, where several Group Companies operate jointly in the Ruwais Industrial Complex).

Location relative to our operations

**Shuweihat**  
4 km from a new sour gas well being operated by ADNOC

**Ruwais**  
10 km from Borouge and Fertil’s petrochemical facilities and TAKREER’s refining operations, collectively based in the Ruwais Industrial Complex

**Liwa**  
15 km from the Shah Gas Field operated by Al Hosn Gas

**Madinat Zayed**  
20 km from ADCO’s production facility and GASCO’s processing facilities in Bab and Habshan respectively

4 km

10 km

15 km

20 km

Working with the community of Al Gharbia

Our diverse and large scale energy projects in Al Gharbia are driving forces for the region’s socio-economic development, whose citizens are amongst ADNOC’s most valued stakeholders.

In 2015, ADNOC and our Group Companies undertook our first group-wide stakeholder engagement campaign in Madinat Zayed. The campaign set a precedent for ADNOC’s engagement practices in the region, by collaborating and engaging with a spectrum of parties and regional representatives individually and collectively in a traditional setting that enabled the effective sharing of knowledge and viewpoints. These include members of government and public bodies, members of the general public, and the student community across schools, colleges and universities.

The goal of the campaign was to raise awareness on ADNOC’s current and future operations in Al Gharbia; our HSE and crisis management and emergency response procedures; and ADNOC’s group-wide socioeconomic development plans and opportunities in the region.

Under the principal theme of ‘we care for our community’, we drew on our group-wide expertise to develop tailored activities that helped support our goals. The three-month campaign concluded with an exhibition that brought all parties together in a central location in Madinat Zayed, to showcase the winning projects and the results achieved by the campaign, and to engage in open dialogue on issues of potential concern to the community, particularly those related to ADNOC’s operations in Al Gharbia.

The dialogue sessions were conducted in a traditional ‘Barzah’ setting (with one day designated for men and the other exclusively for women), and covered topics such as HSE and emergency response procedures, local hiring plans and processes, potential plans to expand fuelling facilities to better meet the community’s energy needs, and opportunities for collaboration with local product and service providers.



Senior representatives from ADNOC as well as CEOs from across the Group Companies participated in discussing the issues raised during these sessions.

An impact and recommendations report was prepared to help better understand and address the community’s requirements. The process will also help inform the development of a centralised and group-wide stakeholder engagement procedure which will be undertaken by ADNOC in co-ordination with our major stakeholder groups.

The procedure will set the objectives and means for a proactive stakeholder engagement approach and establish a formal means through which potential grievances can be raised.

In order to maximise the long-term benefits of our engagement efforts, we are designing more robust impact measurement and evaluation plans and incorporating our findings in future programs and campaigns, both in Madinat Zayed and elsewhere across Al Gharbia, as planned in 2016.

Campaign Activities

Environment Essay Competition

The winner, Ms. Aisha Al Hosani from the Higher College of Technology, shared her essay writing talents on climate change in the opening ceremony on the first day of the exhibition

Innovation Competition

A series of innovative model designs were constructed by students from universities in colleges on environmental issues water desalination, hazardous waste handling and sustainable cultivation

Art from Recycled Waste Competition

ADNOC partnered with ‘Abu Dhabi Art Hub’, a local artist community that specialises in visual art projects, to conduct a series of workshops in secondary schools on recycling waste to art

Drawing Competition

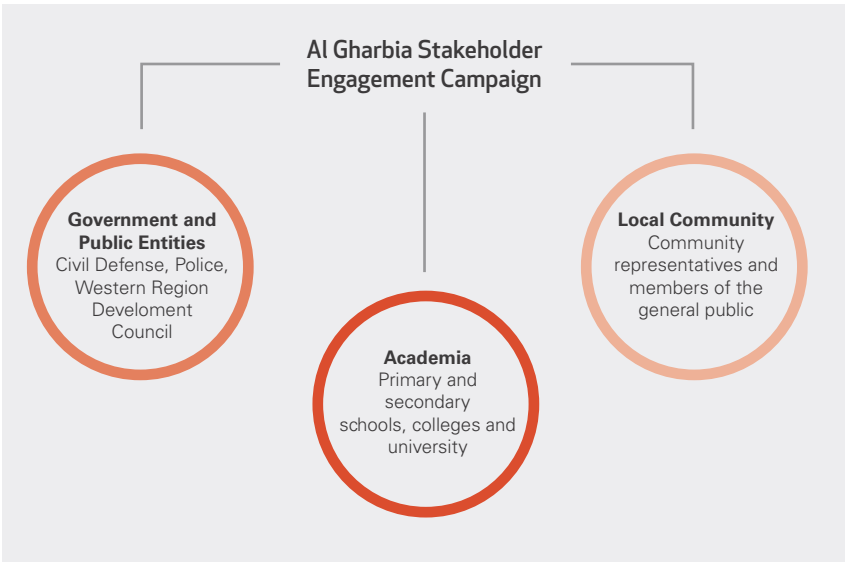
Primary school students were engaged on the basic principles of sustainability and participated in a drawing competition to encourage the visualisation and application of sustainability in their daily endeavours

Exhibition

Information booths across medical, crisis management, HSE and HR functions were organised to educate visitors on ADNOC’s efforts across these areas. A tour of ADNOC’s newly installed air quality monitoring station was provided, in addition to training on first aid and firefighting to encourage HSE practices at home.

Barzah

A traditional tent-style setting was arranged to engage in open dialogue with members of the general public, which commenced with a traditional poetry reading and concluded with a communal donor.





## Highlights

- 19 award cycles held since the ADNOC HSE Award programme was first created in 1997 to encourage operational excellence
- 240 submissions received across eligible members in 2015
- 4 award groups to recognise achievements in project execution, corporate performance and partnerships

# HSE AWARD

Pursuing and sustaining excellence in HSE performance requires continuous improvement and unremitting focus. Leaders at every level of our organisation must continue to demonstrate their commitment towards establishing a high performance HSE culture with distinctive core capabilities and best-in-class standards and systems.

Recognising and appreciating our group-wide efforts towards operational excellence is an important component of reinforcing ADNOC's commitment towards sustainable business practices. The ADNOC HSE Award programme was therefore established to recognize and reward outstanding achievements, promote knowledge sharing of best practices, and foster an atmosphere of friendly competition amongst the ADNOC Group Companies and our Independent Operators in their quest for sustainable development.

## Recognizing outstanding achievements

The ADNOC HSE Award program was created in 1997 and has since evolved substantially. Submissions were initially accepted under one category only: HSE Performance. Today the Award has expanded to include four main groups:

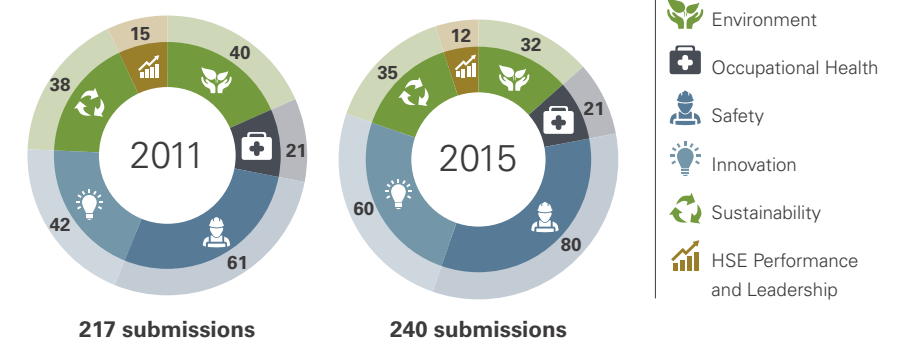
**Projects** - awarded across five categories: Innovation, Safety, Occupational Health, Environment and Sustainability.

**Corporate Performance and Leadership** - awarded across two categories: HSE Performance and HSE Champion.

**Special Recognition** - awarded to companies who submitted high quality projects that scored within the top five in their category.

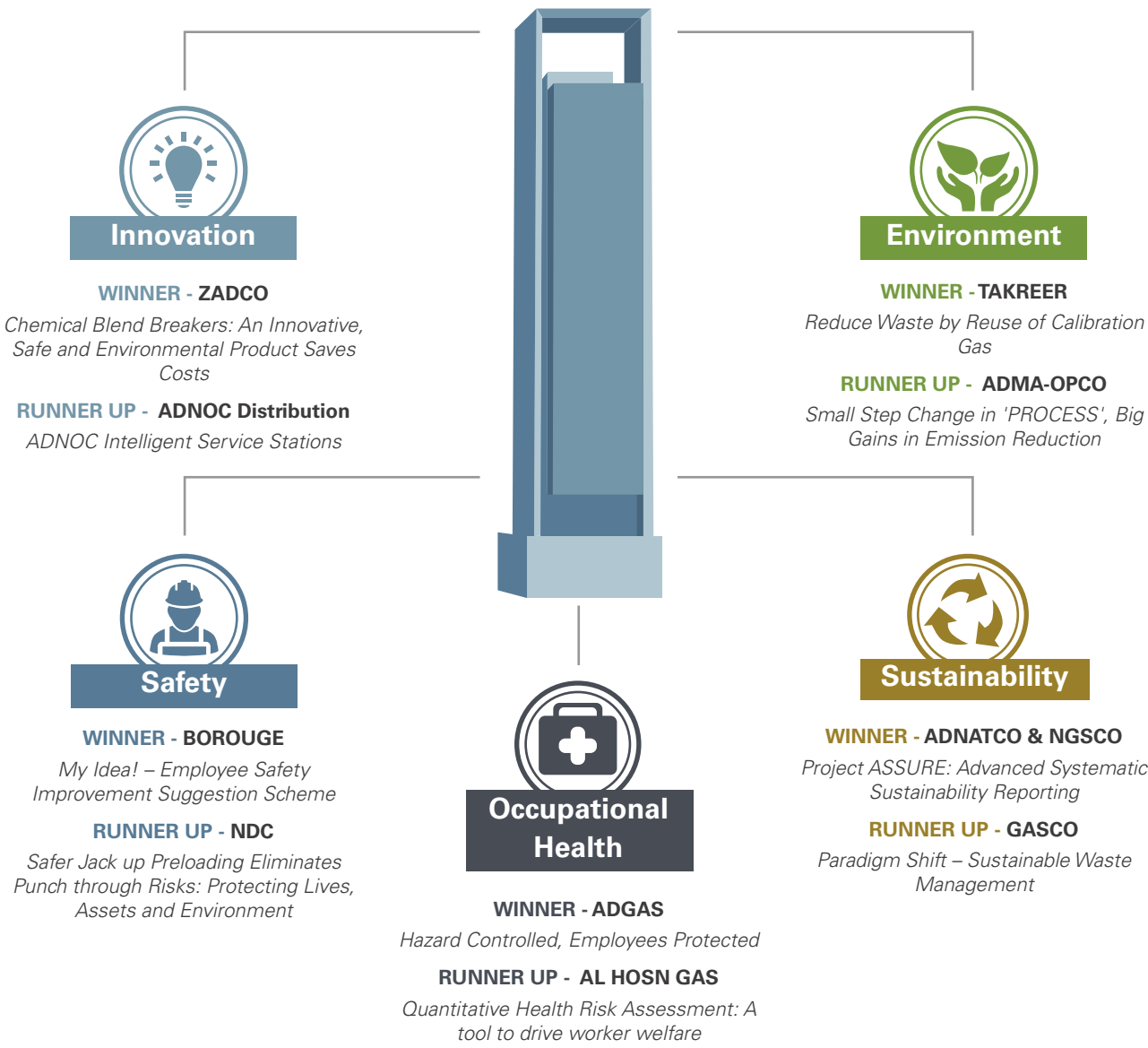
**Group Company and Contractor Partnerships** - awarded to the top two contractors and their respective Group Company for an outstanding partnership in HSE implementation.

### HSE Award Submissions





Projects



Corporate Performance and Leadership

**HSE Champion**

**Mr. Ateeq Belal Al Qemzi**  
*SVP – Terminal Pipelines Operation, ADCO*

**HSE Performance**

**ADNATCO & NGSCO**

Special Recognition

**ADNOC - Medical Services Unit**  
**ADCO**  
**TOTAL - ABK**

Partnership Awards

**A.Hak Industrial Services Middle East LLC** through **ADMA-OPCO**  
**TWMA Middle East Ltd.** through **ESNAAD**



Group photo of ADNOC HSE Award winning teams at the award ceremony on 18th May, 2016



# ACRONYMS AND ABBREVIATIONS

|                |   |                        |  |                       |   |                       |   |
|----------------|---|------------------------|--|-----------------------|---|-----------------------|---|
| <b>ADAA</b>    | Abu Dhabi Accountability Authority              | <b>CICPA</b>           | Critical Infrastructure and Coastal Protection Authority | <b>IPIC</b>           | International Petroleum Investment Company                  | <b>OBM</b>            | Oil Based Mud   |
| <b>ADIA</b>    | Abu Dhabi Investment Authority                  | <b>CO</b>              | Carbon Monoxide  | <b>IUCN</b>           | International Union for Conservation of Nature              | <b>O&amp;G</b>        | Oil and Gas   |
| <b>ADIC</b>    | Abu Dhabi Investment Council                    | <b>CO<sub>2</sub></b>  | Carbon Dioxide   | <b>KPI</b>            | Key Performance Indicator                                   | <b>ODS</b>            | Ozone Depleting Substance                             |
| <b>ADNOC</b>   | Abu Dhabi National Oil Company                  | <b>CO<sub>2</sub>e</b> | Carbon Dioxide Equivalent                                | <b>km</b>             | Kilometre   | <b>OHRA</b>           | Occupational Health Risk Assessment                   |
| <b>ADRPBF</b>  | Abu Dhabi Retirement Pensions and Benefits Fund | <b>CoP</b>             | Code of Practice (ADNOC)                                 | <b>km<sup>2</sup></b> | Square kilometre  | <b>OSRC</b>           | Oil Spill Response Centre                             |
| <b>ADWEA</b>   | Abu Dhabi Water and Electricity Authority       | <b>COP</b>             | Conference of Parties (UNFCC)                            | <b>kWh</b>            | Kilowatt hour   | <b>PI</b>             | Petroleum Institute                                   |
| <b>AED</b>     | Arab Emirates Dirham                            | <b>CPU</b>             | Civil Projects Unit                                      | <b>LNG</b>            | Liquefied Natural Gas                                       | <b>ppm</b>            | Parts per million                                     |
| <b>AGHSESC</b> | ADNOC Group HSE Steering Committee              | <b>CSR</b>             | Corporate Social Responsibility                          | <b>LTI</b>            | Lost Time Incident  | <b>RAA</b>            | Remote Area Allowance                                 |
| <b>ALARP</b>   | As Low as Reasonably Practicable                | <b>E&amp;P</b>         | Exploration and Production                               | <b>LTIF</b>           | Lost Time Incident Frequency Rate                           | <b>R&amp;D</b>        | Research & Development                                |
| <b>AOP</b>     | Achievers Oasis Programme                       | <b>EOR</b>             | Enhanced Oil Recovery                                    | <b>m<sup>3</sup></b>  | Cubic metre   | <b>RHC</b>            | Ruwais Housing Complex                                |
| <b>API</b>     | American Petroleum Institute                    | <b>FAR</b>             | Fatal Accident Rate                                      | <b>Masdar</b>         | Abu Dhabi Future Energy Company                             | <b>RWDC</b>           | Restricted Work Day Case                              |
| <b>AQMS</b>    | Air Quality Management System                   | <b>G3.1</b>            | Generation 3.1 (GRI indicators)                          | <b>MMSCF</b>          | Million Standard Cubic Feet                                 | <b>SAS</b>            | Sahil, Asab and Shah Fields                           |
| <b>ATI</b>     | ADNOC Technical Institute                       | <b>GHG</b>             | Greenhouse Gas   | <b>MMSCFD</b>         | Million Standard Cubic Feet per Day                         | <b>SO<sub>2</sub></b> | Sulphur Dioxide                                       |
| <b>BAP</b>     | Biodiversity Action Plan                        | <b>GNRD</b>            | Group Nationals Recruitment Department                   | <b>MSBPD</b>          | Million Standard Barrels per Day                            | <b>SO<sub>x</sub></b> | Sulphur Oxides  |
| <b>Bbl</b>     | Barrel  | <b>GRI</b>             | Global Reporting Initiative                              | <b>MSU</b>            | Medical Services Unit                                       | <b>SPC</b>            | Supreme Petroleum Council                             |
| <b>BeAAT</b>   | Central Environment Protection Facility         | <b>HR</b>              | Human Resources  | <b>MSDS</b>           | Material Safety Data Sheet                                  | <b>SRU</b>            | Sulphur Recovery Unit                                 |
| <b>BMI</b>     | Body Mass Index                                 | <b>HSE</b>             | Health, Safety and Environment                           | <b>MWh</b>            | Megawatt hour   | <b>UAE</b>            | United Arab Emirates                                  |
| <b>BMP</b>     | Best Management Practice                        | <b>HSEIA</b>           | Health, Safety and Environment Impact Assessment         | <b>NAF</b>            | Non-aqueous Fluid   | <b>UNFCC</b>          | United Nations Framework Convention on Climate Change |
| <b>boe</b>     | Barrel of oil equivalent                        | <b>HSEMS</b>           | Health, Safety and Environment Management System         | <b>NCEMA</b>          | National Emergency Crisis and Disaster Management Authority | <b>UZ</b>             | Upper Zakum   |
| <b>BPD</b>     | Barrels per day                                 | <b>IGD</b>             | Integrated Gas Development                               | <b>NGL</b>            | Natural Gas Liquid  | <b>VOC</b>            | Volatile Organic Compound                             |
| <b>CAMS</b>    | Competence Assurance Management System          | <b>ILO</b>             | International Labour Organisation                        | <b>NGV</b>            | Natural Gas for Vehicles                                    | <b>WBM</b>            | Water Based Mud                                       |
| <b>CCUS</b>    | Carbon Capture, Usage and Storage               | <b>IOGP</b>            | International Oil and Gas Producers (Association)        | <b>NO<sub>x</sub></b> | Nitrogen Oxides   | <b>WRDC</b>           | Western Region Development Council                    |
| <b>CFC</b>     | Chlorofluorocarbon                              | <b>IPCC</b>            | Intergovernmental Panel for Climate Change               | <b>NORM</b>           | Natural Occurring Radioactive Material                      |                       |   |
| <b>CNG</b>     | Compressed Natural Gas                          |                        |  | <b>NRC</b>            | National Recruitment Committee                              |                       |   |





## Independent Assurance Statement

ADNOC’s 2015 Sustainability Report (the Report) has been prepared by the management of ADNOC, which is responsible for the collection and presentation of the Report’s information. Our responsibility, in accordance with ADNOC’s management instructions, is to carry out a ‘limited level’ assurance engagement on specific aspects of the Report (as defined under the scope of work below). We do not accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance any such third party may place on the Report is entirely at its own risk.

### Our scope of work

The scope of our assurance covers:

1. Data and information relating to ADNOC’s sustainability performance, namely the following 10 performance indicators, as defined by the Global Reporting Initiative (GRI) G3.1 for the period of 1 January 2015 to 31 December 2015:

#### Environment

- ▶ EN3: Direct energy consumption by primary energy source
- ▶ EN5: Energy saved due to conservation and efficiency improvement
- ▶ EN8: Total water withdrawal by source
- ▶ EN16: Total direct and indirect greenhouse gas emissions by weight
- ▶ OG6: Volume of flared and vented hydrocarbon

#### Social

- ▶ LA1: Total workforce by employment, type, employment contract, and region, broken down by gender
- ▶ LA7: Rates of injury, lost days and total number of work-related fatalities, except occupational diseases and absenteeism by region and by gender
- ▶ LA10: Average hours of training per year per employee by gender and by employee category

#### Economic

- ▶ EC7: Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation
- ▶ EC8: Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro-bono engagement

2. The Company’s internal processes and controls relating to the collection and collation of the above sustainability performance indicators.

### What we did to form our conclusions

We have planned and performed the assurance engagement in accordance with the International Federation of Accountants’ International Standard for Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000).

In order to form our conclusions we undertook the steps outlined below:

1. Interviewed a selection of executives and senior managers at ADNOC and 12 Group Companies headquarters in Abu Dhabi to understand the current status of social, ethical, environmental, health and safety activities, as well as the progress made on these fronts during the reporting period. The 12 selected Group Companies included ADCO, ADGAS, ADMA-OPCO, ADNOC Distribution, AI HOSN GAS, Borouge, FERTIL, GASCO, NDC, TAKREER, TOTAL ABK, ZADCO.
2. Reviewed a selection of Group Company-level documents relating to social, ethical, environmental and health and safety aspects, which reflects ADNOC’s overall performance in these areas, to understand the progress made across the organization and to test the coverage of topics within the report.
3. Reviewed data samples and processes relating to the indicators identified under the scope of work, to test whether they had been collected, consolidated and reported appropriately at ADNOC level.
4. Reviewed and challenged supporting evidence for a selection of two to five indicators for each of the selected Group Companies, from the list under the scope of work.

### Level of assurance

Our evidence gathering procedures were designed to obtain a ‘limited level’ of assurance (as defined by ISAE 3000) for the purpose of devising our conclusions. The extent of evidence gathering procedures performed is less than that of a reasonable assurance engagement (such as a financial audit) and therefore a lower level of assurance is provided for the aspects described under the scope of work.

### The limitations of our review

Our work did not include physical inspections of any operating assets and we did not verify the accuracy of source data. Our review was limited to the headquarter offices of ADNOC and the selected Group Companies in Abu Dhabi. Our assurance activities relating to energy consumption, environmental emissions, and GHG emissions assessed the collation and accuracy of data conversion only.



### Our conclusions

Based on the scope of our review, our conclusions are outlined below:

#### Completeness and accuracy of performance information

*How plausible are the statements and claims supporting indicators identified under the scope of work?*

- ▶ We have reviewed information or explanation on selected statements on ADNOC’s sustainability activities presented in the report and we are not aware of any misstatements in the assertions made.

*How complete and accurate are the disclosures covered under the scope of work in the report?*

- ▶ We are not aware of any material reporting units that have been excluded from the Group Company-level disclosures relating to the topics considered under the scope of work as presented in the report.
- ▶ Nothing has come to our attention that causes us to believe that the disclosure relating to the above topics has not been collated properly by ADNOC.
- ▶ We are not aware of any errors that would materially affect the disclosures related to the above topics.

### Observations and areas for improvement

Our observations and areas for improvement will be raised in a report to ADNOC’s management. Selected observations are provided below. These observations do not affect our conclusions on the report, as set out earlier in this statement.

#### Observations

- ▶ We have seen a reduction in errors materially affecting disclosures due to clearer guidelines in the ADNOC Code of Practice (CoP) on sustainability reporting and improved understanding of the reporting process.
- ▶ ADNOC organized a group wide GRI G4 training course to help build sustainability reporting capacities in the Group Companies reporting teams. This process increased awareness on leading practices in sustainability reporting and assurance across the Group Companies.

#### Areas for improvement

- ▶ ADNOC could consider developing the materiality analysis by adopting the GRI G4 materiality process and incorporating external stakeholder views to delineate the most material issues for the company.
- ▶ We recommend integrating key sustainability indicators into a sustainability data management software that could streamline data collection and reduce the risk of misstatements.

### Our independence

This is the second year that Ernst & Young (Middle East) has provided independent assurance services in relation to ADNOC’s Sustainability Report. We have provided no other services relating to ADNOC’s approach to sustainability reporting.

### Our assurance team

Our assurance team has been drawn from our Middle East Clean Energy and Sustainability practice, which undertakes similar assurance engagements with a number of significant international businesses.

EY  
Abu Dhabi, United Arab Emirates



# ABOUT OUR REPORTING

Sustainability reporting represents a valuable tool in helping drive better business performance. This report covers the major issues that are of significance to ADNOC and its Group Companies, and is guided by a content selection process as described below.

### Content selection process

We have continued to develop and formalise our approach to determining the content of our reporting. In order to identify and prioritise the issues on which we need to report we considered various inputs. These were:

- Stakeholder concerns: we have considered the issues of importance to our stakeholders that have arisen in our regular interaction with them.
- High-profile issues raised in broader contexts, such as national development plans and strategies, or topics highlighted by the media or by non-governmental organisations.
- Issues raised in internal discussions among management and employees about the most important developments in the course of the reporting period. This includes internal business developments and priorities, as well as issues arising from ADNOC's day-to-day interaction with external stakeholders.
- GRI guidance, which sets out potentially material 'aspects' and indicators to report against as well as guidance on how to identify, prioritise and validate relevant topics.

We develop a consolidated list of issues from the inputs and then use a materiality matrix to assess how each issue features in our reporting. In line with GRI guidance, we have also considered whether the impact of an issues is felt primarily within the organisation, outside, or both.

### Reporting guidelines and standards

ADNOC is a registered Organisational Stakeholder of the Global Reporting Initiative (GRI). Our reporting is prepared in accordance with the Global Reporting Initiative GRI G3.1 Sustainability Reporting Guidelines, including the Oil and Gas Sector Supplement. Several aspects of this Report have been externally assured; a copy of the Assurance Statement is available on page 54.

### Report boundary and scope

This report pertains to ADNOC's performance in the 2015 calendar year, and covers our operations in the United Arab Emirates and elsewhere where specified. Where limitations have been identified in the scope of our data, it has been stated in the report.

The following should be noted about the performance data gathered from the sustainability reporting units that have contributed towards the content of this report:

- ADNOC Headquarter Office: Performance is included in all sections of this report.
- Group Companies: Performance is included in all sections of this report, with the exception of Al Hosn Gas, whose performance has been excluded from the 'Environment' section of this report as 2015 was the first year of production and the company did not reach steady-state operation during this period. Their (Al Hosn Gas) performance will be included in full in our 2016 report.
- Independent Operators: Performance is included in the 'People' section (in full), 'Environment' section (in full) and 'Society' section (in part) of this report.
- Academic Institutes: Performance is included in the 'Society' section of this report only, unless otherwise stated.

### Material issues for 2015

The following issues, shown in alphabetical order, reflect the key material topics identified. Each issue contains a number of dimensions which we seek to cover in our reporting, both in print and online.

- Economic contribution
- Social investment and community engagement
- Greenhouse gas emissions and flaring
- Personal and process safety
- Workforce health
- Workforce training and development
- Operating efficiency
- Recruitment and Emiratization

# REPORT CONTRIBUTORS

The reporting entities that have participated in the provision of the ADNOC 2015 Sustainability Report content and/or in the report's internal verification include the ADNOC Directorates, the ADNOC Group Companies, the Independent Operators, and the ADNOC Academic and Training Institutes.

### Group Companies



Al Dhafra Petroleum Operations Company Ltd.      Al Yasat Petroleum Operations Company Ltd.

### Academic & Training Institutes



### Independent Operators





**Please direct any questions regarding this publication to:**

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