

أدنوك  
ADNOC



شركة بترول أبوظبي الوطنية

2014

ADNOC SUSTAINABILITY REPORT

—  
RISING TO THE ENERGY CHALLENGE



H.H. Sheikh Khalifa bin  
Zayed Al Nahyan

President of the United  
Arab Emirates



Late Sheikh Zayed bin  
Sultan Al Nahyan

(May Almighty Allah rest his  
soul in peace)  
Founder of the United  
Arab Emirates



H.H. Shaikh Mohamed Bin  
Zayed Al Nahyan

Crown Prince of Abu Dhabi and  
Deputy Supreme Commander  
of the UAE

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“The Emirate of Abu Dhabi will continue to work towards its own comprehensive, multifaceted vision. That vision is to continue to create a confident, secure society and to build a sustainable, open and globally competitive economy.”

H.H. Sheikh Khalifa bin Zayed Al Nahyan

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**Cover photo**

‘The Wisdom Tree’ - courtesy of Rashed Saad Al Sumaiti, winner of the 2014 ADNOC Sustainability Photo Contest





## CONTENTS

Introduction from the Director General	7
About ADNOC	8
How we operate	16
People	24
Environment	34
Society	44
ADNOC HSE Award	54
GRI Index	60
Acronyms and abbreviations	70
Independent assurance statement	72
About our reporting	74
Report contributors	75







"As a key player in the energy industry, we have a responsibility to protect and shape future energy markets and to carve a pathway that will deliver a sustainable supply of energy to the world in the most efficient way possible."

H.E. Abdulla Nasser AlSuwaidi, ADNOC Director General  
Opening speech at Abu Dhabi Petroleum Exhibition and Conference (ADIPEC), 9<sup>th</sup> November 2014



## Introduction from the Director General

Welcome to ADNOC's Sustainability Report for 2014. At ADNOC, we regularly pass milestones that are important reminders of the value we bring to our society and economy. This report is an opportunity to reaffirm the commitments we make to our stakeholders regarding our sustainability performance. Our success along this path is owed to the UAE's wise leadership and is reinforced by our technological expertise, operational excellence, HSE performance, long term strategic plans, global reach and the unwavering ethical standards and management practices we build into the fabric of our operations.

### The energy transition

Modern society consumes energy on a much wider and more complex scale than ever before. By 2050, the world's population is projected to rise from 7 billion to nearly 9 billion. As a key player in the energy industry, ADNOC has a responsibility to protect and shape future energy markets in the face of population growth and short term instabilities and challenges, such as the recent decline in oil price that was experienced towards the end of 2014, and to carve a pathway that will deliver a sustainable supply of energy to the world in the most efficient way possible.

To meet these needs and transition towards a lower carbon future, our energy policies and investments must adopt real world solutions with tangible economic and environmental benefits. To this end, ADNOC's new joint venture company with Abu Dhabi Future Energy Company (Masdar) named 'Al Reyadah', which means 'leadership' in Arabic, has been established to undertake a network of carbon capture, usage and storage (CCUS) projects in the Emirate of Abu Dhabi. The first of these projects is currently underway, and aims to capture 800,000 tonnes of CO<sub>2</sub> annually upon its completion in 2016. The captured CO<sub>2</sub> will be compressed and transported to oil fields operated by ADCO, one

of ADNOC's Group Companies, where it will be used to enhance oil recovery and ultimately be stored underground.

### More collaboration

As a company with global outreach, we have a significant role to play in the energy transition. ADNOC's ability to innovate combined with our experience of working in partnership with others means that we can be essential participants in the emerging energy system. In 2014, ADNOC's fully owned refining subsidiary company TAKREER entered a joint venture partnership with Total, Etihad Airways, Boeing and Masdar Institute of Science and Technology to deliver a sustainable and commercially viable aviation biofuel supply chain in the UAE. The initiative, named 'BIOjet Abu Dhabi: Flight Path to Sustainability' is the first in the Middle East and is aligned with the Abu Dhabi Economic Vision 2030, which seeks to develop sustainable energy sources to diversify the UAE's economy and increase workforce opportunities for Emiratis.

### Responsible operations

At ADNOC, we have long been known for our strong focus on safety with the goal of no harm to people our communities and the environment. This is a strategic HSE objective that is embedded in our company

culture and has long been part of our day-to-day operations. In 2014, we re-launched the revised ADNOC HSE Codes of Practice Manual, which represents the foundation for a stronger and more robust governance of HSE in all aspects of our operations.

Understanding the impacts of our activities, both positive and negative, is an important component of how we operate. We are taking significant steps to reduce our flaring emissions and are engaging the communities which may be affected as a result of our operations in the local area. In 2014, ahead of drilling a new gas well in the Shweihat area of the Western Region, we undertook a series of dialogues with them to ensure their requirements were met and concerns adequately addressed. The support of our communities is imperative to the long term success of our business. Across all of these issues and more, our aim is to maintain a company that is resilient in challenging times and continues to deliver on-going returns for our stakeholders and the economy and society at large, whilst supporting our work to respect and protect the environment.

Abdulla Nasser AlSuwaidi  
Director General

About ADNOC

ADNOC is one of the world’s leading oil and gas companies, with an annual oil production of over 2.7 million barrels per day and an integrated energy infrastructure comprised of 15 specialist subsidiary and joint venture companies known as the ADNOC Group Companies.

We aim to create long-term value for stakeholders by helping to meet the growing demand for energy in a safe and responsible way. We strive to be a world-class operator, a responsible corporate citizen and a good employer.

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 cover all aspects of the hydrocarbon value chain, including crude oil and natural gas exploration, production, refining, processing,

manufacture of petrochemicals and global marketing.

ADNOC’s headquarters are located in Abu Dhabi, UAE. Our new head office, which is being constructed towards LEED certification standards, will provide improved services and facilities to our staff, visitors and stakeholders. Our major operations are based in the UAE.

Upstream

Upstream encompasses high-quality exploration

opportunities, a portfolio of world-class projects and a diverse set of producing assets. Upstream also operates the infrastructure necessary to deliver oil and gas to the market.

Downstream

Downstream is the business that manufactures oil products and petrochemicals, and supplies fuels, lubricants and other high-value products and feedstocks to our local and global consumers.



EXPLORATION AND PRODUCTION

- Exploring for oil and gas onshore and offshore
- Developing fields
- Producing oil and gas



PROCESSING AND REFINING

- Gas processing and natural gas liquid (NGL) extraction
- Refining crude oil into various products including fuels and lubricants



PETROCHEMICALS PRODUCTION

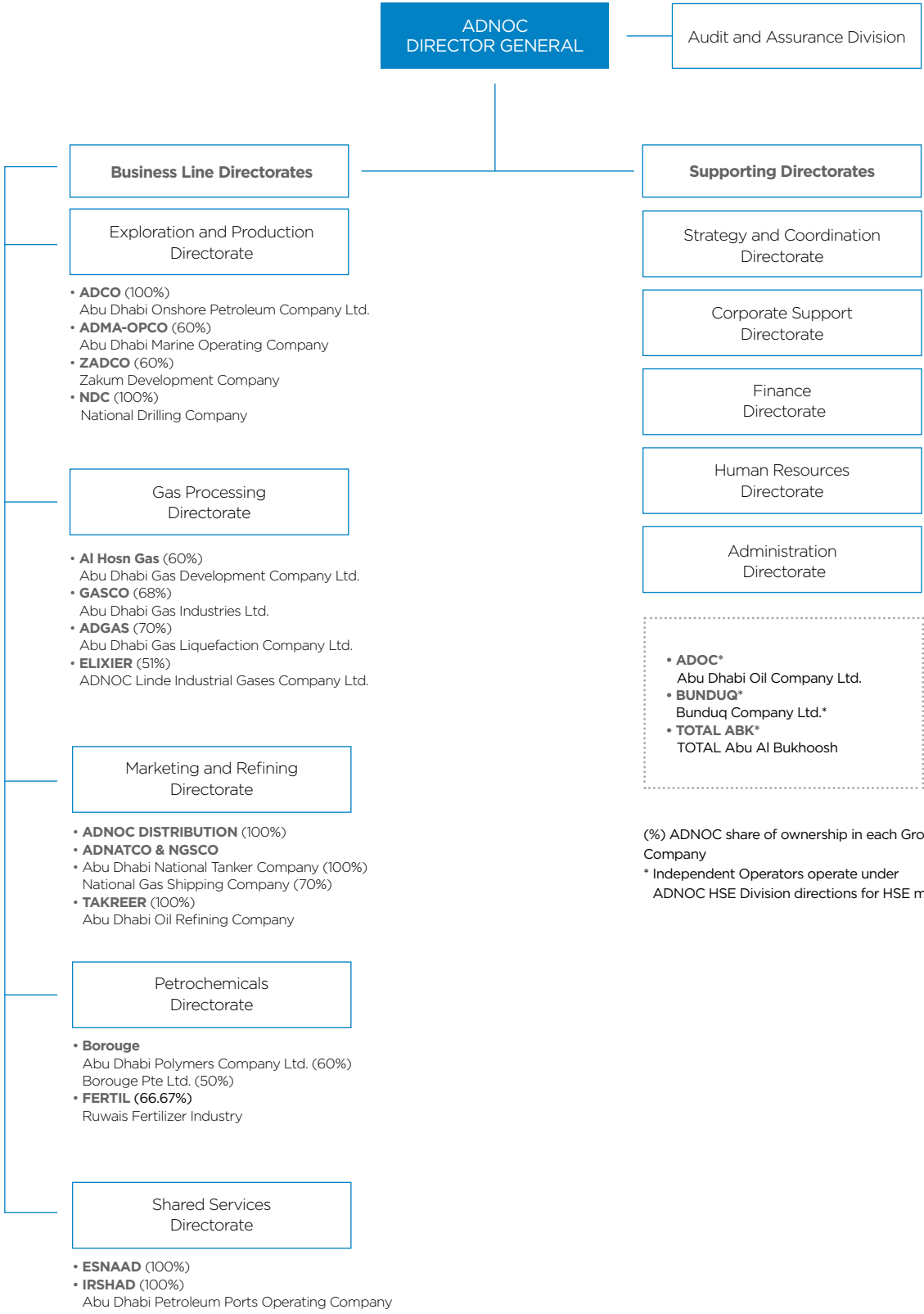
- Producing petrochemicals (polyolefins including polyethylene and polypropylene as well as urea and ammonia)



MARKETING AND DISTRIBUTION

- Shipping and trading
- Supply and distribution

ADNOC ORGANISATIONAL STRUCTURE

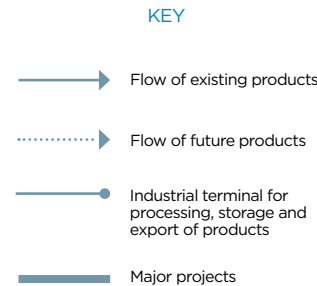
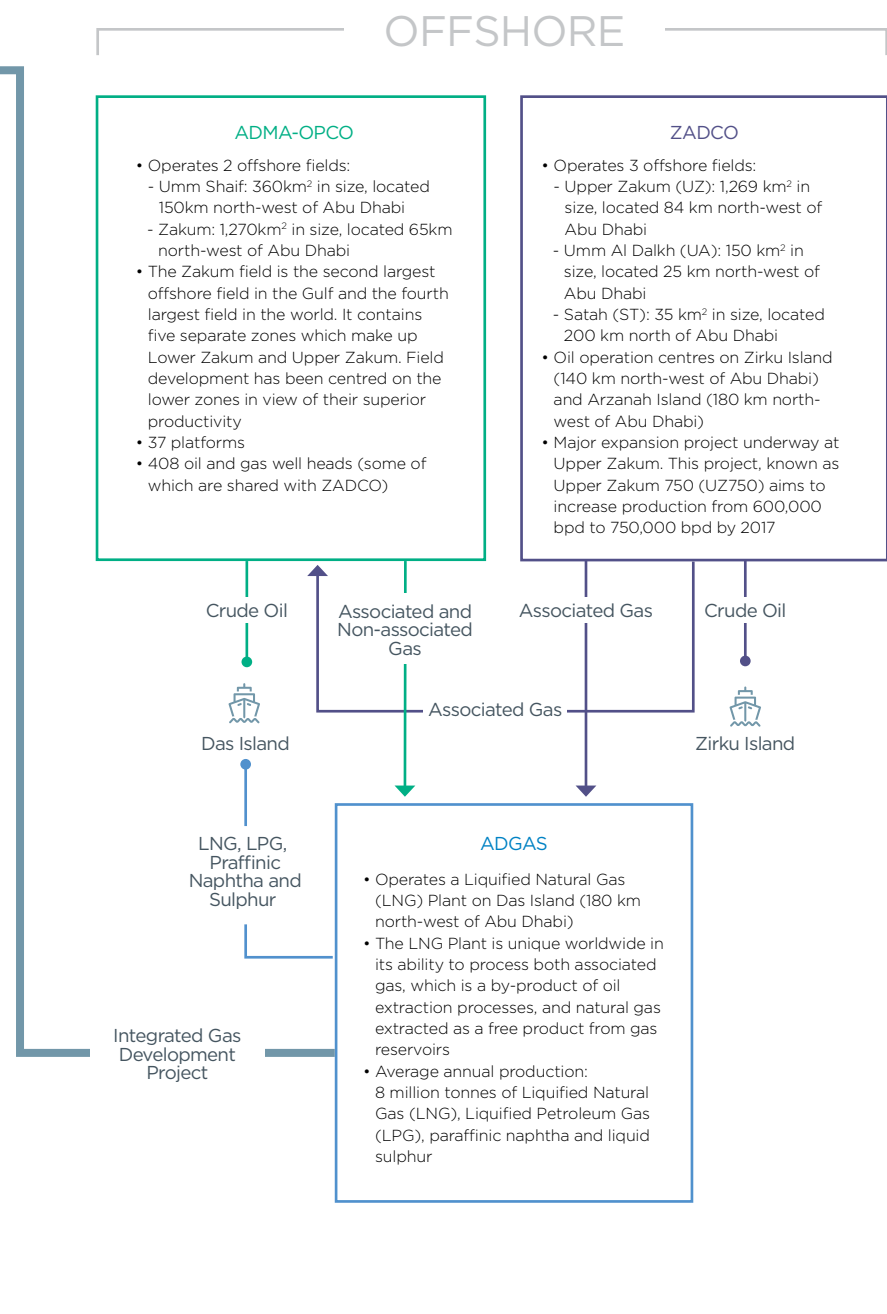
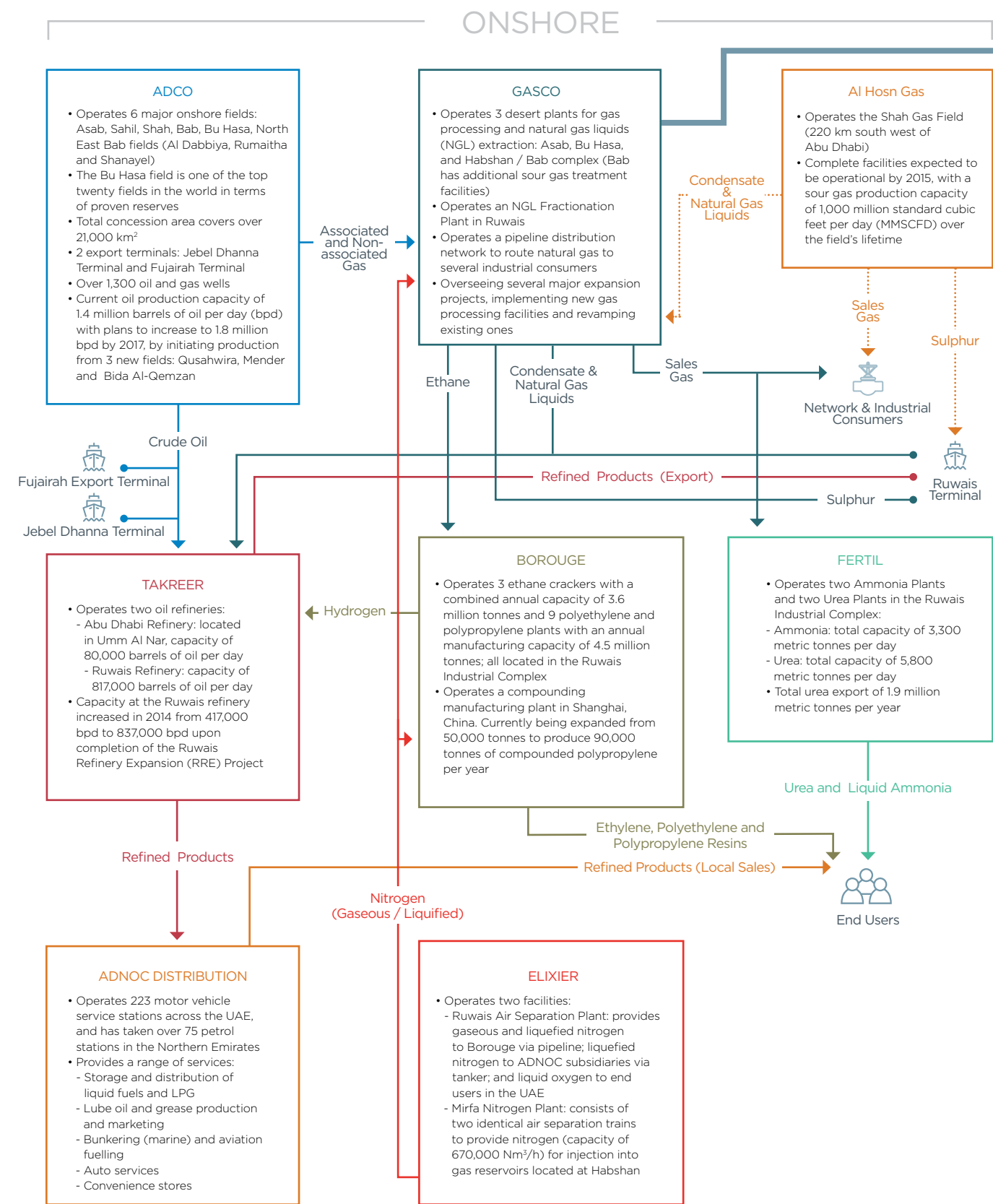


(%) ADNOC share of ownership in each Group Company  
\* Independent Operators operate under ADNOC HSE Division directions for HSE matters



ADNOC Group Companies

Integrated energy infrastructure comprised of 15 Group Companies operating onshore and offshore and covering all aspects of the petroleum value chain.



**NDC**

- Provides onshore and offshore drilling services to the ADNOC Group Companies
- 2,617,120 feet drilled in 2014
- Operates:

  - 15 offshore jack-up drilling rigs and 4 offshore island drilling rigs
  - 33 land drilling rigs
  - 5 water-well rigs (to survey the quality, quantity and distribution of groundwater in the Emirate of Abu Dhabi)
  - 1 multi-purpose service vessel

**ADNATCO & NGSCO**

- Provides international marine transportation of LNG, petroleum products, bulk sulphur and polyethylene
- Operates a fleet of:

  - 8 LNG Carriers
  - 9 Oil & Chemical Tankers
  - 7 Bulk Carriers
  - 2 Container Vessels
  - 1 LEG Carrier

**ESNAAD**

- Provides a range of facilities, services and supplies to the oil and gas sector, including:

  - Offshore marine support services (ESNAAD operates a fleet of 47 vessels)
  - Berthing, bunkering and bulk supply
  - Port services
  - Well services
  - Drilling fluids services
  - Specialised production chemicals

- Operates a Grinding Plant, Blending Plant and Brine Plant in the Mussafah Offshore Supply Base

**IRSHAD**

- Provides marine services to the petroleum ports of Abu Dhabi (Ruwais, Jebel Dhanna, Das Island, Zirku Island, Zakum Field and Mubarratz) and Fujairah Port
- Services include:

  - Pilotage, berthing / unberthing of O&G tankers and the loading of oil products
  - Offshore terminal maintenance, inspection and associated diving operations
  - Operational and technical management of a fleet of 50 vessels of which 10 ASD Tugs, 4 tail back boats and 4 pilot boats are ADNOC owned

## Products and markets

Transporting oil, gas and petroleum products is a challenge we meet every day to meet our customers' needs while upholding stringent environmental and safety standards.

### North and South America

Crude oil exported ('000 bbl)  
4,875

Refined products exported ('000 tonnes)  
Jet oil: 123

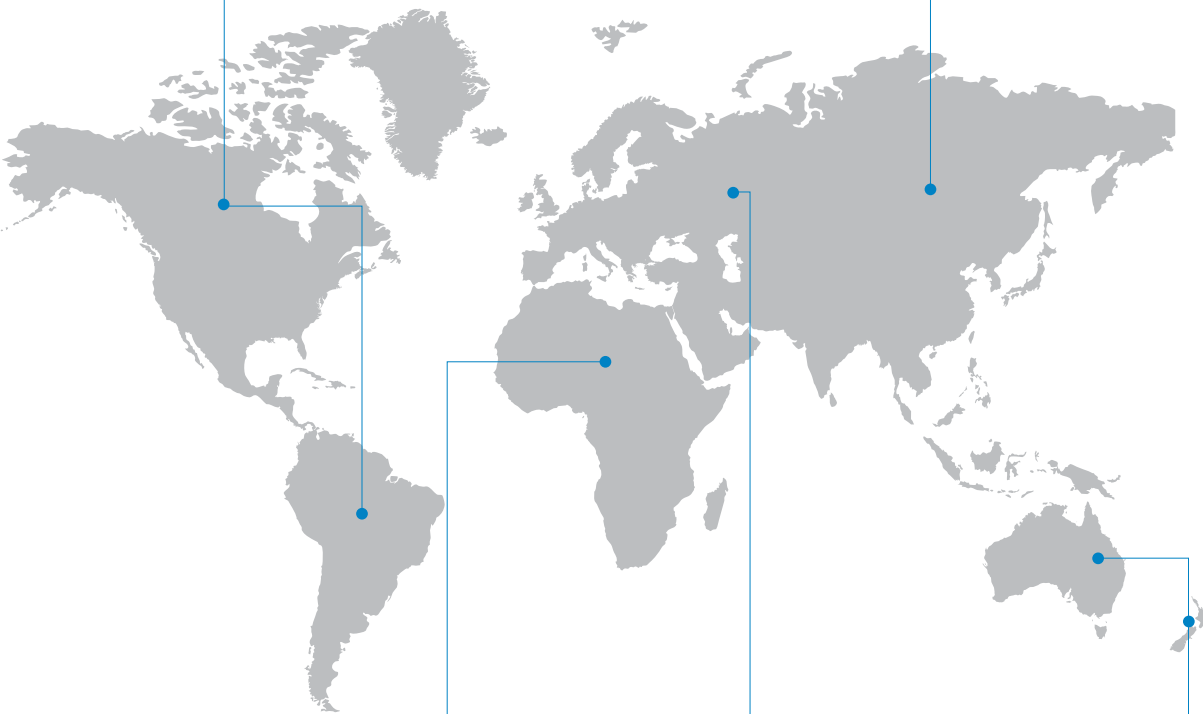
Sulphur exported ('000 tonnes)  
Sulphur: 42

### Asia

Crude oil exported ('000 bbl)  
697,231

Refined products exported ('000 tonnes)  
Naphtha: 4,850  
Jet oil: 36  
Gas oil: 472  
Fuel oil: 572

Gas and sulphur exported ('000 tonnes)  
Sulphur: 711  
LPG: 7,411  
Paraffinic naphtha: 2,467



### Africa

Crude oil exported ('000 bbl)  
5,045

Refined products exported ('000 tonnes)  
Jet oil: 332  
Gas oil: 240

Gas and sulphur exported ('000 tonnes)  
LPG: 40  
Sulphur: 1,401

### Europe

Crude oil exported ('000 bbl)  
3,054

Refined products exported ('000 tonnes)  
Jet oil: 2,032

### Australia and New Zealand

Crude oil exported ('000 bbl)  
15,597



## First shipment of new 'Das Crude' blend

ADNOC successfully exported the first shipment of its new blend 'Das Crude', produced by ADMA-OPCO, on July 4<sup>th</sup> - a date which coincides with the 52<sup>nd</sup> Anniversary of ADMA-OPCO's first crude shipment from Das Island.

Das Crude is a blend of the previous Umm Shaif and Lower Zakum grades, and was introduced to the market in line with SPC directives for a competitive specification that matches international standards and increases flexibility and profitability.

ADMA-OPCO's plan to increase production is another reason for creating the new blend. The company has plans to boost production by 100,000 bpd at the Lower Zakum field, reaching 425,000 bpd by 2016. In addition, the new production planned from Nasr Field, expected at 65,000 bpd over the coming few years, along with the current Umm Shaif production of 275,000 bpd, will bring the total ADMA-OPCO oil production coming to Das Island for processing, storage and export up to around 765,000 b/d, which is part of the company's overall scheme to increase production to 1 million barrels per day.

## Crude oil and condensate

The main onshore grade for our crude oil is Murban. Our offshore grades include Das Crude (a newly introduced high quality crude blend from the Umm Shaif and Lower Zakum oilfields) and Upper Zakum.

## Petrochemicals

ADNOC's petrochemicals are produced by Borouge and FERTIL.

Borouge is a leading provider of innovative, value creating plastics. Borouge's petrochemical manufacturing plant is located in Ruwais. In 2014, Borouge took an unprecedented step forward and expanded the petrochemical plant's annual capacity by a further 2.5 million tonnes per year from the previous 2 million tonne per year capacity, under the name 'Borouge 3 Expansion Project'. As a result, the Ruwais facility is the largest fully-integrated single-site polyolefins complex in the world with a capacity to produce 4.5 million tonnes of polyethylene and polypropylene annually.

FERTIL is a leading producer and supplier of granular urea and ammonia fertilizers in the Middle East with global exports to the Indian sub-continent, Far East, Africa, USA, Latin America and Australia. About 6% of its annual production is marketed locally within the United Arab Emirates, while 94% is exported.

## Petroleum products

ADNOC's refined products are produced by TAKREER. They are sold domestically by ADNOC DISTRIBUTION and are also exported to international markets.

## Gas and sulphur

Sulphur is a valuable by-product of our operations. Sulphur production is set to increase significantly when production commences from the sour Shah gas field, currently being developed by Al Hosn Gas. ADNOC also markets its share of liquified petroleum gas (LPG) and paraffinic naphtha, which are produced by GASCO and ADGAS.



Stakeholders

As an energy supplier, we have many responsibilities - to our employees, contractors and partners, government and regulators, industry and community.

Working together with our stakeholders allows us to appreciate different viewpoints and maintain a global perspective on our most material topics. 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, and publications such as the Annual Sustainability Report and our quarterly newsletters.

Employees

Our nearly 60,000 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. See pages 30 - 33 for more information.

Suppliers, contractors and partners

Like our industry peers, ADNOC rarely works in isolation. For example, the Shah Gas Development Project operated by Al Hosn Gas employed over 43,000 contractors at its peak in 2014. 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. See pages 20 - 21 for more information.

Government and regulators

We engage with the local and federal government on many fronts, and aim to maintain dialogue with all ministries, government agencies and regulatory departments 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 carbon and water management, security and nationalisation. See page 38 for more information.

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 47 - 48 for more information.

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).

Academic 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. See page 50 - 52 for more information.

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, among other topics. See page 21 for more information.

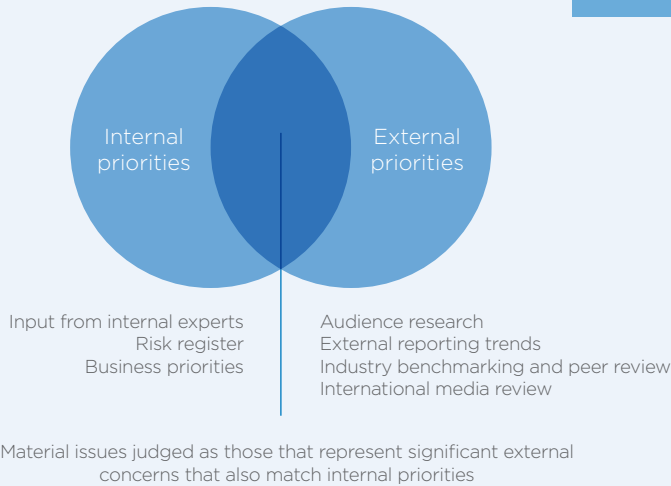
Material topics

A key step in developing the content of this Sustainability Report is ensuring the content focuses on the sustainability challenges and subjects that matter most to our stakeholders and people who have an interest in our activities.

We use a structured approach to select the report's content, which is informed by internal priorities as well as external focus areas, as highlighted in international reporting standards, local and federal policies and regulatory

frameworks, industry and peer reporting practices, media coverage and public domain. The information is gathered in different ways including formal meetings, workshops and online feedback.

Our approach to materiality



2014 Material topics

- We identified the following issues as being of high concern to stakeholders and of high significance for ADNOC, and are therefore emphasized in this report:
- Occupational health and safety management
  - GHG emissions
  - Hydrocarbon flaring
  - Energy consumption
  - Energy efficiency
  - Water consumption
  - Local communities engagement
  - Employment
  - Training and development
  - Emiratization



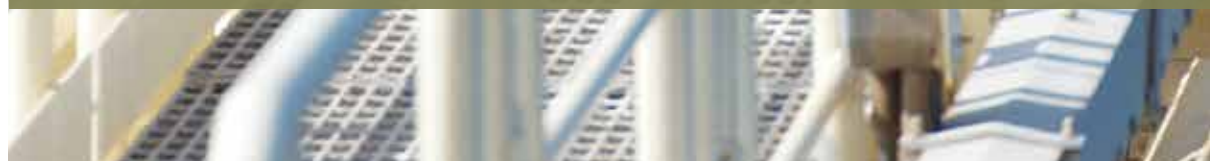




## HOW WE OPERATE

Our role to supply energy comes with many responsibilities — to our shareholders, neighbours, 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 our contractors, suppliers and vendors to do likewise.



## Corporate governance

We are committed towards the highest level of corporate governance and strive to foster a culture that values and rewards personal and corporate integrity and respect for others.

### Supreme Petroleum Council

The Supreme Petroleum Council (SPC) is the highest authority responsible for the petroleum industry in the Emirate of Abu Dhabi. The Council formulates and oversees the implementation of Abu Dhabi's petroleum policy and follows up its implementation across all areas of the petroleum industry to ensure that the set goals are accomplished.

The SPC functions as ADNOC's governing board and oversight committee. H.H. Sheikh Khalifa Bin Zayed Al-Nahyan, the president of the UAE and Ruler of Abu Dhabi, is the chairman of the SPC.

### 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, as part of its mandate to review key government-owned entities, the Abu Dhabi Accountability Authority (ADAA) provides independent external assurance that ADNOC's activities are managed economically, and ensures accuracy of the financial reports as well as compliance with the relevant regulations.

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.

## Supreme Petroleum Council

### Chairman

H.H. Sheikh Khalifa bin Zayed Al Nahyan

### Members

H.H. Sheikh Sultan bin Zayed Al Nahyan  
H.H. General Sheikh Mohammed bin Zayed Al Nahyan  
H.H. Sheikh Mansour bin Zayed Al Nahyan  
H.H. Sheikh Hamed bin Zayed Al Nahyan  
H.H. Sheikh Mohamed bin Khalifa bin Zayed Al Nahyan  
H.E. Mohamed Habrout Al Suwaidi  
H.E. Hamad Mohamed Al Hur Al Suwaidi  
H.E. Khalifa Mohamed Khalifa Al Kindi  
H.E. Eng. Abdulla Nasser Al Suwaidi

## Highlights

- **8 independent members of ADNOC's governing board**
- **8 HSEMS elements, covering all aspects of our operations**
- **3 integrated levels of governing HSE performance**
- **3 tiers for emergency response and crisis management**





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.

ADNOC 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 has 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.

The ADNOC Codes of Practice Manual was first launched in 2003. The Manual was updated and re-launched in 2014 in response to ADNOC's growing operations and new operating conditions and environments,

as well as emerging industry-wide best practice. As part of this update, seven new ADNOC Codes of Practice were introduced, some of which are highlighted in this report.

HSE Management System

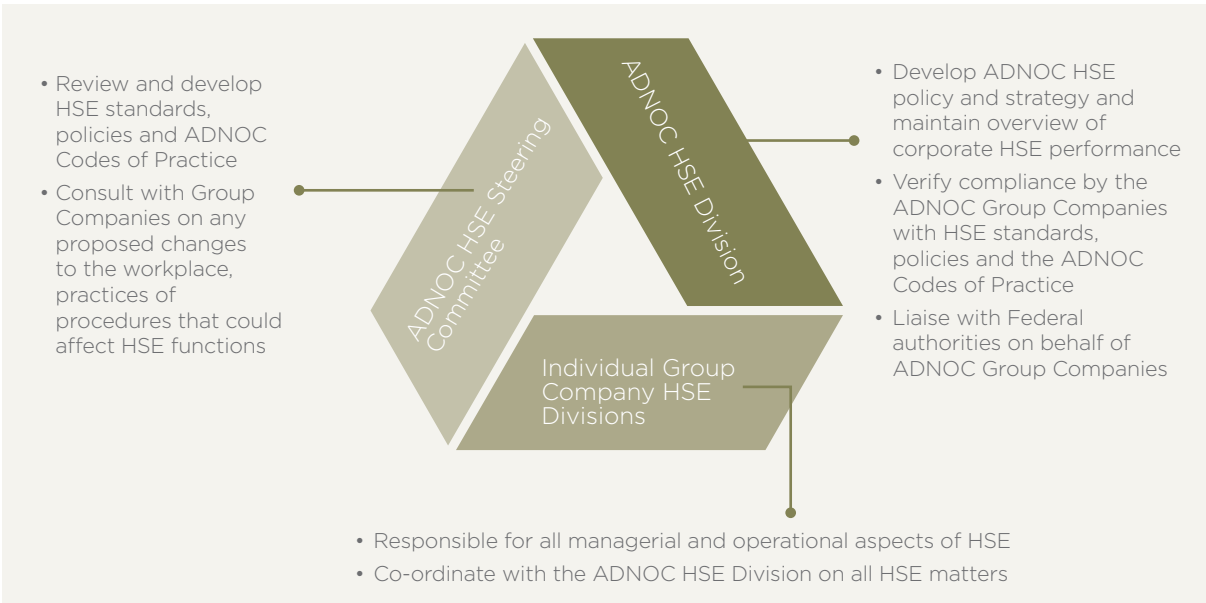
The ADNOC Codes of Practice provide structured guidance for the development of a comprehensive HSE Management System (HSEMS), covering all aspects of employee and contractor activities. The HSEMS is intended to serve as an engine driving ADNOC HSE policy implementation and continuous improvement in performance.

Once the HSEMS is established, the ADNOC 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 Division, with representation from the ADNOC Directorates and the ADNOC operating companies. The operating companies are also required to audit their own performance, in accordance with annual and five year plans that are agreed upon with the HSE Division.

The ADNOC HSEMS framework is comprised of 8 integral elements, as presented below.

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



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.



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 Company 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 Division and the ADNOC HSE Steering Committee, and must ultimately be approved by the ADNOC HSE Steering Committee before project execution can proceed.

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 expenditures 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 accepting, directly or indirectly, any gift, commission or donation from any person who has work relations with ADNOC.

The ADNOC Disciplinary Code specifies that misusing a position in ADNOC or a Group Company for the acquisition or acceptance of bribes or personal benefits from other employees or outsiders will result in dismissal without notification or benefits.

ADNOC's Legal Division is responsible for ensuring

ADNOC's operations and activities are in compliance with the law and that ADNOC Group Companies abide by their contractual agreements. It also helps to ensure the legal protection of ADNOC's national and international interests.

ADNOC Group Companies are subjected to audits by ADNOC's Audit and Assurance Division (A&AD) 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 the Group Companies' audit committees and respective senior management in the deterrence of fraud by evaluating controls in relation to the potential risks.

Known incidents of fraud or corruption are investigated and reported to concerned authority in Group Companies or the 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. 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 the biggest 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 that have been adopted by their vessels 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 variety of works. 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' works are 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. As a general rule, all contractors working for ADNOC Group Companies will be subject to ADNOC HSE Policy, HSE Codes

HSE Scorecard Program

Al Hosn Gas

The management of contractor's safety is fundamental in 'high-risk' industries especially the drilling industry. In January 2014, 'Al Hosn Gas Drilling HSE Scorecard Program' was developed to encourage contractors to better manage and measure HSE performance.

The criteria were selected to be appropriate for the drilling activities and a monthly performance report was issued at different levels of the organization (i.e. management, front line supervision, etc.). By grading each contractor's effort in several key areas, focus and attention can be brought to bear on performing activities that will help to avoid accidents.

Historically, safety performance was measured through lagging indicators, for example recordable incident rate (RIR) or lost work case rate were reported. The new scorecard uses a balanced blend of lagging and leading indicators which address the ADNOC HSEMS requirements on contractors. Six parameters were selected for the new scorecard program:

- Management commitment and staffing for safety
- HSE Management System implementation and understanding
- Transportation safety
- HSE Critical Equipment and Systems
- Action closeout
- Incident and Near Misses

The HSE scorecard program registered improvement in all key parameters. In addition, some specific performance enhancements have been identified such as: timely resolution of HSE issues, improvement in lessons learned sharing, etc. These efforts played a key role in accomplishing an 'accident free' year for several of Al Hosn Gas contractors.



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.

Product stewardship

We seek to work with those involved in the life cycles of our products to enhance environmental and social performances 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.

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.

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

Saving resources with Borstar® enhanced polyethylene

Borouge

Environmental concerns have led to governments taking steps to deal with issues of packaging waste and recycling. One effect of the environmental legislation has been to reduce the amount of packaging by lightweight or down gauging of materials. Specific to the plastic flexible consumer or industrial packaging industry, converters have felt the need to continuously down gauge the package thickness or to increase the amount of recycled content, whether due to cost savings initiatives or a push by their end users / brand owners. Borstar Enhanced Polyethylene (PE) and other more advanced materials in the market can perform this function. Increasingly, film converters will be using more advanced polyolefin's in their formulations to fulfill sustainability objectives. The Borstar polymerization process enables Borouge to combine the product properties of various conventional PEs into one unique product family

The industrial packaging segment, especially the Heavy Duty Shipping Sacks (HDSS) segment, is a major user of PE film packaging, considering the number of petrochemical plants existing today and the quantity of chemical products that they produce. HDSS used to be 180-200 microns about 10-15 years ago, and its thickness has gradually been reduced to around 140-160 microns currently, mainly due to a combination of cost saving effort as well as introduction of advanced polymer resin with superior mechanical properties. Borouge has worked to reduce the thickness of its own HDSS. Driving this effort mainly through the Product Handling Network, and supported by our Procurement function and packaging suppliers, the solution is now ready to reduce our HDSS thickness from 150 to 130 microns. By using a combination of FB2230 & FB1350 in the film formulation, the down-gauged Borouge HDSS is still more than able to meet our stringent specifications. Using a base capacity of 4.5 mil MT of resin (equivalent to 150 million HDSS per year), this initiative is expected to generate material savings of 2,175 metric tonnes per year for Borouge itself.

Group 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 24/7 call centres, 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 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).

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.

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.

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 grow (particularly with the expansions witnessed across the ADNOC Group Companies' island structures and offshore installations), so must our speed of response in the event of 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.

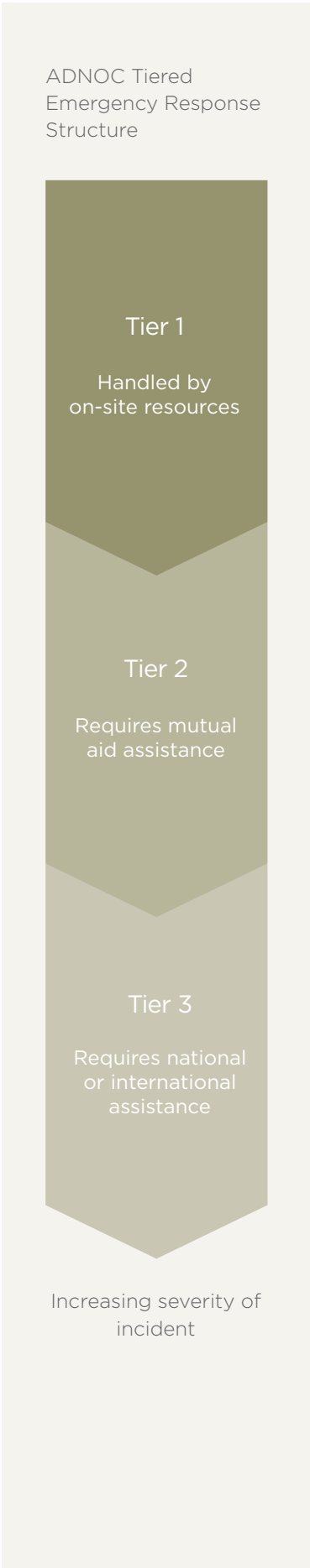
Considering the high level of integrated activities performed across ADNOC's offshore operating companies, ADNOC also has an Offshore Mass Evacuation Plan (OMEP) in place to improve preparedness in the unlikely occurrence of events that require mass evacuations.

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 programmes in 2013 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 will provide an immediate response capability directly supported by a corporate response organisation and by mutual aid. The final tier of response is attained by promoting and expanding relationships with the regional and international oil industry and oil spill response providers.



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 Abu Dhabi Maritime Security Council and the UAE Armed Forces.

Furthermore, 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.

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 adverse impact on oil trade in international markets.

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

Abu Dhabi Shoreline Survey

The ADNOC Crisis and Emergency Division initiated Phase I of the 'Abu Dhabi Shoreline Survey Project' in 2014, where a team of 15 trained specialists walked the shoreline of the emirate performing mapping for different shorelines types and identifying key response strategies as part of contingency planning objectives.

Phase 2 is expected to take place in 2015 in cooperation with the Japan Cooperation Centre, Petroleum (JCCP), where critical areas will be identified and their surface current measured to further enhance the information available.





## PEOPLE

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 are 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 or 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 with. 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

Driven by our leadership, safety is a fundamental value and personal responsibility for all ADNOC employees and our contractors. 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 our occupational safety risks

The risks inherent to our operations include a number of hazards that, although many may have a low probability of occurrence, can have extremely serious consequences. 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 also integral to our Group-wide HSE Management System and ADNOC Codes of Practice which all our operations are required to have in place and implement.

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.

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 taking 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

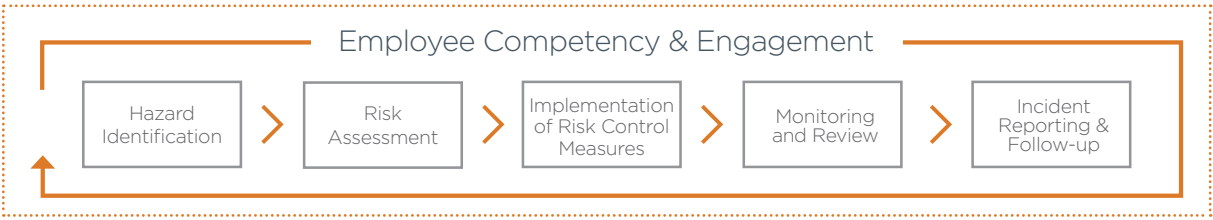
Incidents involving motor vehicles remain one of the most significant causes of injury and fatality in the oil and gas industry. As part of the second revision to the ADNOC Codes of Practice Manual, a new Code of Practice was established in 2013 to provide our Group-wide operations with a consistent framework for assessing and controlling the health and safety risks associated with road transport activities. This Code of Practice was established to supplement an existing Code of Practice that mostly covered the aspects of road transport operations, including risk assessments, driver training and management systems.

### Highlights

- **>60,000 employees across ADNOC operations**
- **581 million man hours recorded**
- **2.3 million man hours of training delivered at a total spend of over AED 447 million**
- **AED 17 billion in employee wages and benefits**



Managing occupational safety



Our safety performance

Our expectation for safety outcomes and for definitions that classify incidents is that they are applied uniformly across our operations. We adopt the International Association of Oil and Gas Producers (IOGP) guidelines for the recording and reporting of occupational injuries and illnesses.



Our 2014 lost time injury frequency (LTIF) of 0.11 injuries per million hours worked is lower than the industry benchmark of 0.36 (IOGP average). While we continue to see year-on-year improvement, we recognise that LTIF is principally an indicator in highlighting broad personal injury trends, and we recognise that lower injury rates alone will not prevent fatalities.

Four fatalities occurred during maintenance, inspection and testing activities; two fatalities occurred during land transportation; and one fatality occurred during each of drilling

activities and construction activities. Our belief that work-related deaths and serious injuries and illnesses are preventable will motivate us to reinforce our emphasis on safety training about hazards on the job and the need for continual vigilance across our operations.

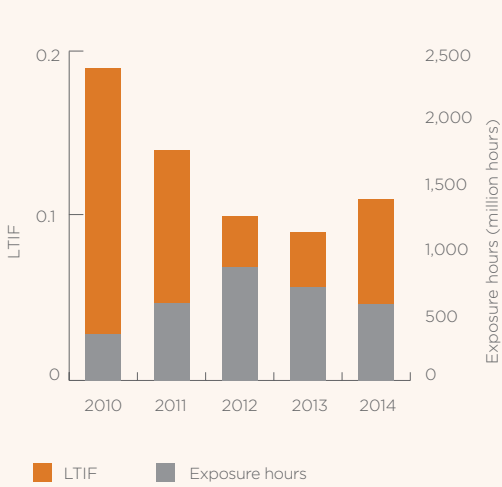
Our fatal accident rate (FAR) – the number of fatalities per 100 million hours worked – decreased in 2014 compared to 2013, where we recorded an FAR of 1.38 in 2014 compared to 1.55 in 2013, and is higher than the industry benchmark of 1.03 (IOGP average).

Taking fireground safety to a new dimension

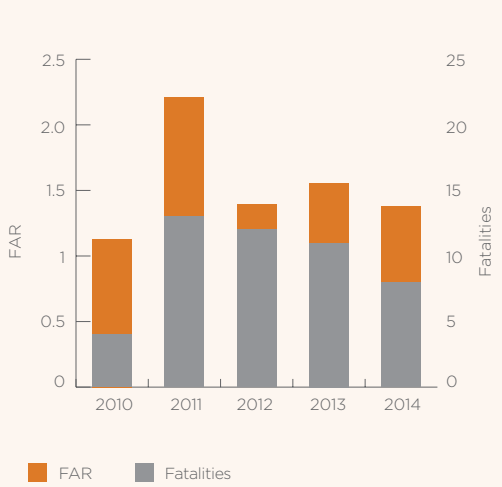
GASCO

Rapid Deployment and Telemetry Systems are designed to enhance crew safety during operational activities involving Breathing Apparatus (BA). Rapid deployment allows for the immediate deployment of resources if crew sizes are restricted and quick intervention is required. If resources are available or the incident is protracted, Telemetry Entry Control can be used. The system transmits electronic data between each BA set and the Entry Control Officer (ECO), which allows for greater command and control, and improved health and safety of the deployed personnel. Not only does this project allow for the ECO to monitor real time air consumption of the wearer(s), time-to-whistle and remaining cylinder pressure, but it also allows users themselves to activate distress warnings, which would be transmitted to the ECO. The telemetry entry control board also allows the entry control officer to activate each wearers emergency distress alarm, for example if the entry control officer notices a structure becoming unsafe he will be able to notify all SCBA personnel to evacuate the area.

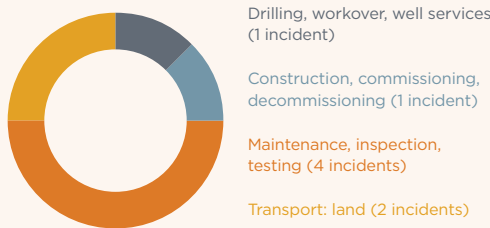
LTIF – Exposure Hours



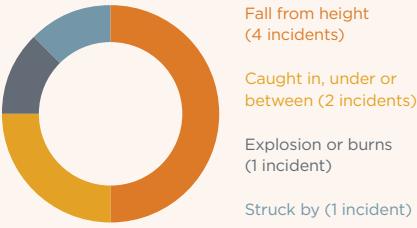
FAR – Exposure Hours



Fatality (by activity)



Fatality (by cause)



Process safety and asset integrity

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.

In 2014, a total of 14 tier 1 and 22 tier 2 process safety events were recorded across our operations.

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.



Preventing loss of containment of materials is a primary goal of industrial safety management programs.



## Keeping our people and operations safe

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

Numerous agents pose a hazard to our workers' health and well-being, regardless of whether they are in an office, a workshop or in a process plant. These agents are broadly classified into five categories: physical, chemical, biological, ergonomic and psychosocial (work-related stress).

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 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 new and existing 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 to 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 programme, 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-tier 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.

### Our health performance

In 2014, ADNOC initiated a Group-wide internal audit of occupational health performance reporting practices to standardize reporting across our projects and operations, including our contractor workforce. The findings of this audit are underway and will be disclosed in our forthcoming 2015 report.



Our priority is to control occupational exposures at their source.

### Elimination of chemical exposure hazard

#### FERTIL

Hydrazine, a chemical oxygen scavenger, was conventionally used by FERTIL to reduce the O<sub>2</sub> content in boiler feed water systems, thereby reducing the possibility of pitting corrosion.

Following an international trend to restrict the use of Hydrazine due to its health hazards, FERTIL initiated a study to identify an alternative compound with similar performance.

The replacement product, CORTOL OS5601, was tested successfully and found to pose no handling hazards and no environmental damage in case of chemical spillage. Furthermore, the performance of this replacement product outperforms Hydrazine at O<sub>2</sub> scavenging in lower temperatures.



### Human rights

Whilst employee labour associations and collective bargaining agreements are not permitted in the UAE under Federal Law, the International Labour Organisation (ILO) principle of 'Decent Work' is integrated in all aspects of our relationships with our employees, and extends to our contractor workforce as well.

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. 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 No. 8 of 1980, and ADNOC takes a firm stance on ensuring no violations of this kind take place amongst our workforce. In 2014, no ADNOC operations were identified as having risk for incidents of child, forced or compulsorily labour.

### 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 Unit, 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 Unit 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 defined 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.





Developing our people

Throughout 2014, our workforce comprised over 60,000 employees and over 97,500 contractors. Employing and developing people with exceptional skills and who share our values is critical to our long-term success.

Diversity and equal opportunity

ADNOC has a clear employment structure of 'job grades' whereby employees are assigned specific grades on the basis of their entry level experience and qualifications.

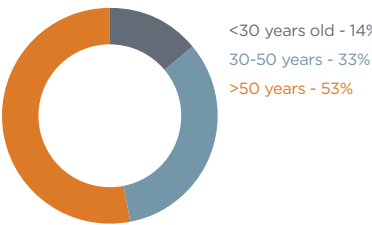
Our employees come from around the world, primarily Asia, Europe and other Arab countries. Equal opportunity is ensured for ADNOC's employees with no difference applied on the basis of gender, age or origin. For example, job grades and basic salaries, including minimum amount paid, are the same for male and female employees. ADNOC is also committed to providing an environment that enables all employees to pursue their careers free from any form of discrimination.

Training and development opportunity

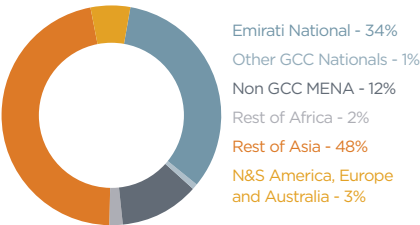
We develop the skills and capabilities of our workforce through regular performance reviews combined with training and development programs. In 2014, 83 per cent of employees participated in a formal performance review process. This process includes a review of an employee's development plan, which may include participation in training programs to maximise their performance and potential.

Training programmes and development opportunities are designed and implemented at the operation level to support each job requirement. In 2014, the ADNOC Companies spent over AED 447 million to deliver in excess of 2.3 million hours of employee training.

Employee diversity by age



Breakdown by nationality



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 2014, there were 3,840 entry point employees across the ADNOC Group Companies participating in this programme, known as the Competence

Assurance Management System (CAMS) programme.

Some of the ADNOC Companies also offer programmes to assist with pre-retirement planning and budgeting. Furthermore, ADNOC goes beyond legal requirements to support individuals in transition.

New drilling training centre inaugurated in the Western Region

NDC

Drilling is the backbone of ADNOC's operations. To support the expansion of ADNOC's onshore and offshore projects, NDC established a new Drilling Training Centre at Bu Hasa (in the Western Region).

Equipped with six training halls, four laboratories, and additional facilities capable of accommodating more than 300 trainees, this new drilling centre aims to provide specialised technical training to NDC's employees and reinforce their continued development, thereby strengthening the capabilities of the national workforce and qualifying young national talents to resume key positions in the technical and managerial professions in the company.

NDC is proud that today, its rigs are being operated by competent UAE nationals from drillers to rig managers, in land rigs, offshore rigs and island rigs.

Employee hire and turnover

Category		Rate of employee hire (%)	Rate of employee turnover(%)
Gender	Male	87	94
	Female	13	6
Age	Under 30 years old	51	27
	30-50 years old	46	52
	Over 50 years old	3	21
Position	Executive and Senior Management	-	1
	Middle Management	13	16
	Staff	87	83

Empowering our female workforce

Across our 60,000 employees, women play a critical role in our organisation's development and bring high value to traditionally male-dominated workplaces. ADNOC is committed to creating an environment that supports 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 challenges.

In 2014, women represented 10.1% of our employee workforce.

Demonstrating leadership in female workforce empowerment, ADCO received the award for 'Empowering Women in the Oil and Gas Industry' in the annual Abu Dhabi International Petroleum Energy Conference (ADIPEC)

Awards programme, which plays an influential role in shaping the future of the oil and gas industry, both regionally and internationally, by recognising best practice and providing a platform for achievers to share their knowledge and experience with their peers.

ADCO is the first energy company and the third company in the public sector to introduce a child nursery on site.







wage is highly competitive with market rates in the oil and gas sector. ADNOC provides housing for the majority of employees either through direct provision or a stipend.

ADNOC recently revised its benefits package across all employee positions in the company, to include additional provisions aimed at better serving our employees' needs and lifestyle requirements.

For UAE nationals of all pay grades, 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.



**ADNOC recently revised its benefits package across all employee positions in the company, to include additional provisions aimed at better serving our employees' needs and lifestyle requirements.**

### 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.

Confidential employee grievance is embedded in ADNOC's HR Policy, which extends to our Group Companies and Independent Operators, and ensures a fair and impartial approach. ADNOC does not currently have a policy to cover collective bargaining agreements.

### Working in remote locations

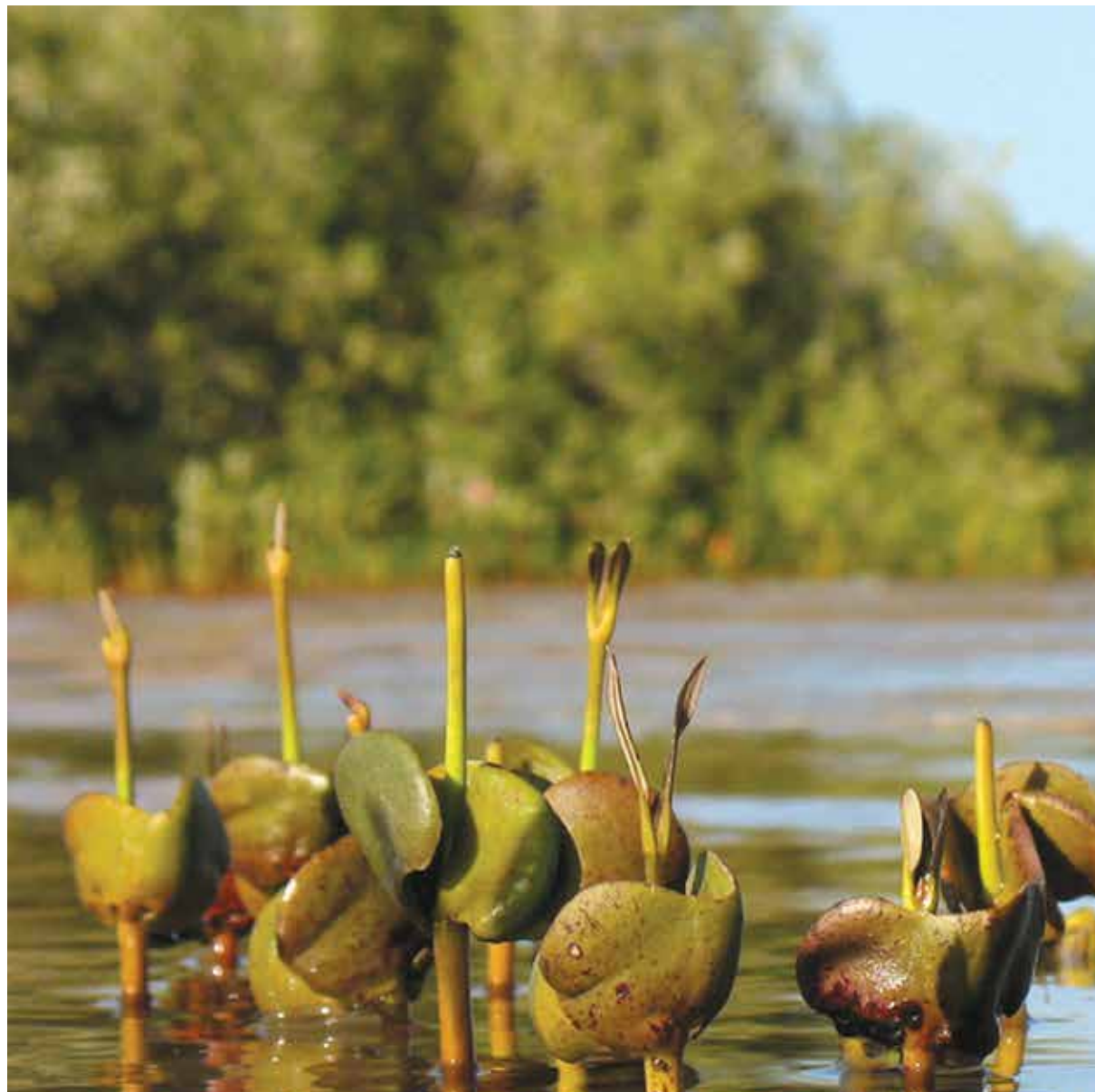
The remote nature of many of our operations often means that the skilled workforce needed to advance our safety and production requirements is not available at these locations. This requires us to widen our recruitment options and employ people who choose to reside outside the community and work in remote locations. In order to attract the qualified workers we need in today's competitive labour market, ADNOC places paramount importance on being able to offer accommodation, compensatory Remote Area Allowance (RRA) and lifestyle choices that provide our people

with a suitable work-life balance at these locations (see page 46 for more information on ADNOC's housing and lifestyle provisions for workers and their families).

### Benefit plan obligations

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. Our minimum





## ENVIRONMENT

We operate our facilities with integrity and with the goal of preventing environmental incidents. The principle of Pollution Prevention and Control (PPC) is central to how we operate, and we concentrate our efforts on taking a proactive approach towards environmental protection rather than one that focuses on remedial efforts alone. At the same time, we ensure to have the ability to respond quickly and effectively when incidents do occur.

Our operations are required to assess the environmental risks and impacts of new projects and substantially altered existing projects, and to ensure our risks are managed to an acceptable level and do not result in unacceptable consequences to our people, environment, assets and our reputation. This is supplemented with continuous environmental monitoring during the development and active phases of our projects and through to decommissioning.

## Managing climate change risks

Working in an energy-intensive industry, we recognise that major challenges and opportunities lie ahead in addressing climate change risks, particularly in the context of rising energy demand and global economic growth.

### Managing GHG emissions across our operations

ADNOC's strategy to manage climate change risks is focussed on improving greenhouse gas (GHG) management by increasing our energy efficiency and implementing proven emission-reducing technologies in the short term, and promoting renewable energy and innovation in our technologies in the long-term.

The majority of our GHG emissions come from fuel combustion, flaring and venting, which occur at various stages of our hydrocarbon value chain. In 2014, our operating companies invested approximately AED 125 million towards improving energy efficiency, reducing flaring and decreasing GHG emissions; this corresponds to approximately 20% of our total environmental expenditure in 2014.

In 2014, the GHG emissions across our operations amounted to 24.8 million tonnes CO<sub>2</sub> Eq, derived based on the equity

share approach and using the Intergovernmental Panel for Climate Change (IPCC) 100-year Global Warming Potentials (GWP).

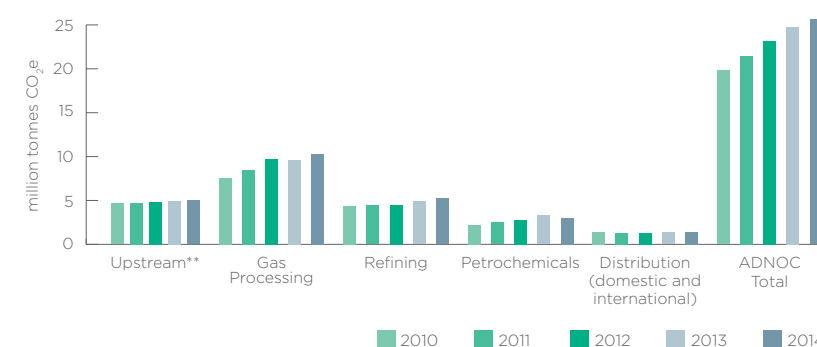
### Flaring

In 2014, flaring across our operations averaged 69.9 million standard cubic feet per day (MMSCFD), an increase of 13.5% from 2013 levels (where 61.6 MMSCFD was recorded). The increase is largely accounted for by our expanding gas processing and petrochemical production operations.

### Venting

Venting is sometimes required and is important for the safe operation of our well sites and operations. In 2014, the total volume of vented hydrocarbon in 2014 amounted to 471,732m<sup>3</sup>, a decrease of 48.7% from 2013 levels. The total amount of continuously vented hydrocarbon in 2014 amounted to 457,600 m<sup>3</sup>.

GHG emissions (5 year trend)\*



\*Limited assurance was performed for the GHG emissions reported in 2014 only (refer to page 72 for External Assurance Statement); the 5 year trend may therefore not be representative of ADNOC's GHG emissions over this period.

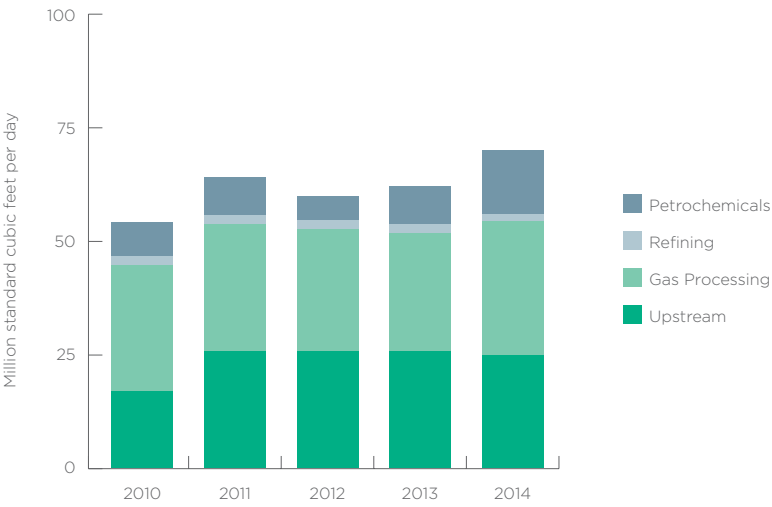
\*\* GHG emissions from ADNOC's upstream operations were revised for the period 2010 - 2014 to exclude emissions from our independent operators. The values will therefore differ from those disclosed in previous ADNOC Sustainability Reports.

## Highlights

- **Over 21.6 million GJ energy savings**
- **AED 637 million in environmental expenditure**
- **2 Clean Development Mechanism (CDM) projects registered with the UNFCCC to date**
- **18% Reduction in NO<sub>x</sub> emissions compared to 2013 levels**



Flaring (5 year trend)



Energy efficiency

Across ADNOC's operations, we pursue a variety of projects to improve our energy efficiency and reduce energy consumption; these largely focus on optimising the way we operate our facilities and on replacing on-site power generation with higher efficiency imports from the national grid. A total of 21.6 million GJ is reported to have been saved across our operating companies in 2014.

We also developed a new Code of Practice in 2013 for implementing Energy Management Systems, targeting a long-term improvement in our energy efficiency profile. Our operating companies are also integrating more renewable energy options into their operations. Over AED 18.5 million has been invested into this transition process in 2014.

In 2014, energy used across our operating companies totalled 532.5 million GJ from direct energy sources (of which approximately 31,284 GJ was generated from renewable sources), and 17.5 million GJ from indirect energy sources.

The need to invest in new areas of research and development (R&D) in the oil and gas industry is high on ADNOC's

agenda and plays a leading role towards enabling cutting-edge technologies, new innovations and solutions to climate change challenges to be introduced and commercially deployed.

ADNOC continuously seeks opportunities for research collaborations with our partners in the oil and gas industry that benefit our operations and research institutions (see page 52 for more information on ADNOC's research institutions).

Going forward, the challenge will be to make CCUS projects both commercially viable and attractive to invest in. To this end, the joint venture between ADNOC and Masdar will create a benchmark for the technical and commercial delivery of CO<sub>2</sub>.

Once CO<sub>2</sub> EOR is proved to be feasible in Abu Dhabi fields, the potential CO<sub>2</sub> demand from ADNOC's operations may rise on the back of expanding oil production in the future, and Abu Dhabi will thus create a commercial playing field that will enable other companies, project developers and investors to enter the market on a commercial basis.

CDM Registration of Shah Flare Gas Recovery Project

ADCO

As part of continuing efforts to improve the company's environmental performance, ADCO established a flare gas recovery system at their Shah Field that utilises spiking gas compressors to avoid flaring approximately 5.1 million standard cubic feet per day (MMSCFD) of associated gas to the atmosphere. The associated gas will be spiked into the main oil line at Asab until the new plant for the Al Hosn Shah Gas Development Project is commissioned.

The spiking gas project was registered under the Clean Development Mechanism (CDM) of the United Nations Framework Convention on Climate Change (UNFCCC) in July 2013, and will generate approximately 110,000 Carbon Emission Reduction (CER) units (one carbon credit per one tonne reduction of CO<sub>2</sub> equivalent). In addition to eliminating flaring and GHG emissions, the project also delivers strategic social and economic benefits for associated industries and the UAE overall. These include generating employment opportunities for skilled and unskilled workers (up to 6,000 people were involved in the construction phase of the project); freeing up natural gas for downstream industries to assist meeting domestic gas requirements; and contributing towards capacity building in terms of technical knowledge and project management skills. At a capital outlay of approximately AED 315 million, the spiking gas project is a clean and robust technology that aims to encourage and promote the deployment of similar systems across ADNOC's operations and in other industries of the UAE.

Improving product performance

ADNOC develops products that reduce energy use and emissions throughout our customers' activities and supply chains. These include Green Diesel – a new fuel developed by TAKREER which contains a maximum of 10 parts per million (ppm) sulphur content and introduced to the local market in 2014; and Natural Gas for Vehicles (NGV) – a new fuel that was introduced by ADNOC DISTRIBUTION in 2010 and delivers significant reductions in emissions when compared to petrol-fuelled cars (20-25% for CO<sub>2</sub>, 50-80% for CO and 25-60% for NO<sub>x</sub>).

Since NGV was first introduced in 2010, a total of 3,428 vehicles have been converted to run on this new product, with 480 new vehicles added to the NGV fleet in 2014. There are 9 NGV conversion centres in place across Abu Dhabi, Al Ain and Sharjah, with plans in place to expand the network in the future.

Our innovative products extend to our petrochemicals, whereby our Group Company Borouge is actively engaged in researching and developing innovative and high performance polypropylene (PP)-based products for the infrastructure automotive and advanced packaging industries (see page 21 for more information on substitute with Borouge's products).

Engaging in climate change policies

The issues associated with climate change are a challenge for governments and industries worldwide, and public policy will play a key role in reducing GHG emissions in the future.

ADNOC is taking a proactive approach toward adopting globally recognised GHG management tools and strategies, starting with our growing portfolio of Clean Development Mechanism (CDM) projects. ADNOC has two active CDM projects – implemented by ADCO and GASCO – and an addition one by ZADCO which is currently undergoing accreditation. We aim to build our portfolio of CDM projects, focussing our efforts on projects that provide long-term environmental benefits and cost-effective gains.

ADNOC also engages with policy makers on climate change policies at a local and federal level, including environmental regulators and the ministries of environment and water, energy and foreign affairs, and aim to make a meaningful contribution towards the collective efforts involved in setting domestic initiatives and future GHG management targets.

ADNOC is also an active envoy to the UAE's delegation at major international climate change forums and negotiations, including the Conference of Parties (COP) meetings held under the United Nations Framework Convention on Climate Change (UNFCCC).

Carbon capture, usage and storage

ADNOC is seeking to utilise CO<sub>2</sub>-enhanced oil recovery (CO<sub>2</sub> EOR) as part of a joint venture with Abu Dhabi Future Energy Company (Masdar) through a pioneering carbon capture, usage and storage (CCUS) project. Located in Abu Dhabi, the capital of the United Arab Emirates, the project will compress and transport CO<sub>2</sub> captured from the Emirates Steel Industries (ESI) to be used for enhanced oil recovery in ADCO's onshore fields. Due for completion by 2016, the project will sequester up to 800,000 tonnes of CO<sub>2</sub> annually.

Al Dhaffa Energy Efficiency Program

ADNATCO & NGSCO

ADNATCO & NGSCO initiated a three-phase energy efficiency program in 2012 across their shipping fleet. The company engaged a third party specialized in energy efficiency management with the aim of identifying current gaps, setting a base line and implementing recommendations and industry best practices.

- Phase one – Identify quick wins
- Phase two- Establish roles & responsibilities
- Phase three- Install energy efficiency devices

At the completion of phase one, the improvement achieved since the start of the project was translated to a saving in the fuel consumption of 3,788 metric tonnes thus reducing CO<sub>2</sub> emission by 11,797 metric tonnes that amount to USD 2.5 million.

At the completion of phase two, the improvement achieved since the start of the project was translated to a saving in the fuel consumption of 7,306 metric tonnes thus reducing CO<sub>2</sub> emission by 21,915 metric tonnes that amount to USD 4.6 million

The project is currently in phase three, whereby many devices are in the installation process, including ship performance monitoring system, Coriolis mass fuel flow meters, Torque meters and Kwh meters.

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 foster appropriate operating practices and training, and require our facilities to be designed, operated and managed with the goal of preventing environmental incidents.

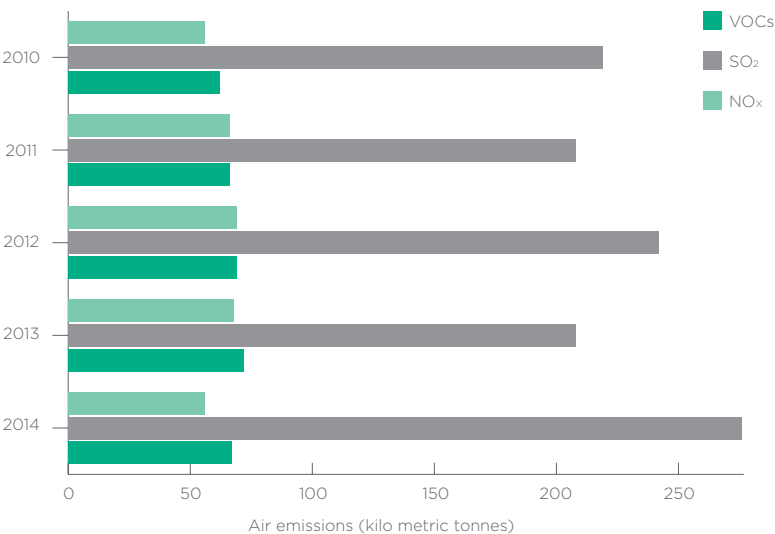
Air emission monitoring

ADNOC established an Air Quality Monitoring System (AQMS) in 2007. The system started with eight stations (six fixed and two mobile).

An additional five stations (four fixed and one mobile) are expected to be fully operational by the end of 2015. All thirteen stations will then be integrated to one network that can broadcast data on the web in real-time basis.

NO<sub>x</sub>, SO<sub>2</sub> and VOC emissions

In 2014, the total quantity of nitrogen oxide (NO<sub>x</sub>), sulphur dioxide (SO<sub>2</sub>) and VOC emissions from ADNOC's operations amounted to 56.7 kilo metric tonnes, 276.2 kilo metric tonnes and 68.9 kilo metric tonnes respectively.



Emissions from ozone depleting substances

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

Companies operate halon-free. The halon stock remaining in use is approximately 20.3 tonnes. This is largely accounted for by ZADCO's halon stock at the Upper Zakum and Zirku crude oil storage tanks, which is planned to be phased-out by the first quarter of 2015 under a new progressive halon phase-out strategy.

Our operating companies are also investing in replacing existing chlorofluorocarbon (CFC) and hydrochlorofluorocarbon (HCFC) units with alternative refrigerants of lower ozone depleting and global warming potentials). No halons or CFCs are planned for use in any future developments and facility upgrades.

Take off your SO<sub>x</sub> and NO<sub>x</sub> knockout

Takreer has adopted a SCR (Selective Catalytic Reduction) DeNO<sub>x</sub> process – the most efficient method in the market - to comply with ADNOC Code of Practice on NO<sub>x</sub> (350mg/Nm<sup>3</sup>) emissions.

This process, with accompanying technology, is credited with reducing NO<sub>x</sub> content from 170mg/Nm<sup>3</sup> of flue gas to 50 mg/Nm<sup>3</sup>. The active product in this process is ammonia, which is toxic to handle, as a feed.

Hence, Ruwais Refinery West has invested in a hydrolyser skid to generate ammonia from urea solution, in a safe, contained environment. In doing so, RR West has further reduced the NO<sub>x</sub> content of its already NO<sub>x</sub> compliant flue gas stack.



	ODS emissions (tonnes)	CFC-II Equivalent (tonnes)
Halons	0.8	7.9
CFCs	2.3	0.3
HCFCs	19.5	1.0
Total	22.6	9.2

Water and wastewater management

The sustainability of our operations relies on our ability to obtain the appropriate quality and quantity of water and to use this resource responsibly. In 2014, approximately 10.1 million cubic metres of water was recycled and reused across our

operations; this corresponds to 6.8% of our total internal water consumption.

Water withdrawal

In 2014, approximately 4.7 billion cubic metres of water was extracted to support our operations. Over 99% of

the total water withdrawn is extracted from the sea and used as cooling water.

Most of this water is then discharged back to the sea after undergoing treatment, as required, to meet ADNOC discharge limits.

Major streams	Volume extracted (million m <sup>3</sup> )
Surface water	4,689
Ground water	3.8
Municipal water	23.2
Total	4,716

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 km<sup>2</sup>), 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.

Effluent discharge

Across the ADNOC Company operations, there is one sensitive water body that may be significantly affected by effluent discharge. This water body is

the Marawah Marine Protected Area, located 100 km west of Abu Dhabi, which lies within ADOC's concession area. The Marawah Marine Protected Area is approximately 4,255 km<sup>2</sup> in size. To minimise their impact, ADOC's wastewater discharges are regulated and are in accordance with the discharge limits and criteria stipulated in the ADNOC Codes of Practice.

Major streams	Volume discharged (million m <sup>3</sup> )
Cooling water	4,631
Process effluent	29
Sewage water	32
Total discharge	4,692



Produced water

Produced water across our operations is re-injected into deep wells as per ADNOC requirements. In 2014, this amounted to 27.7 million m<sup>3</sup>. Treatment is practiced where necessary to reduce oil content to permissible levels prior to re-injection.

Waste management

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. 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.

In 2014, a total 54,867 metric tonnes of hazardous waste and 122,956 metric tonnes of non-hazardous waste were generated from our operations.

Hazardous and non-hazardous waste treatment

			Tonnes
Hazardous Waste <sup>1</sup>	Quantity Generated		54,867
	Quantity Treated	By BeAAT	46%
		Directly by Group Company	6.5%
		Other <sup>2</sup>	47.5%
Non-hazardous Waste <sup>1</sup>	Quantity Generated		122,956
	Quantity Treated / Disposed	Directly by Group Company	3.8%
		Other <sup>3</sup> (unspecified)	96.2%

<sup>1</sup> These quantities exclude drill mud and drill cuttings, which are reported separately below  
<sup>2</sup> This largely represents hazardous waste generated from international shipping activities undertaken by ADNATCO & NGSCO and from ADNOC DISTRIBUTION's nation-wide fuelling operations for which hazardous waste transfer to BeAAT was analysed not cost-effective and alternative waste treatment options were implemented.  
<sup>3</sup> This represents treatment by municipal / authorised external waste management facilities for which breakdown by treatment option is not available

Drilling waste

The choice of drilling fluid to be used in our operations (water-based drilling fluids, oil-based drilling fluids, or a combination of both) is made with due regard of ADNOC's strategic HSE objective to minimise the use of oil-based mud in our operations. Rigorous risk assessments of different drilling fluid systems are undertaken, which consider and

seek to balance the potentially conflicting health, safety and environmental requirements that each system presents.

ADCO, ADMA-OPCO and ZADCO use a combination of oil-based muds (OBM) and water-based muds (WBM) in their fields. OBM is recovered, reconditioned and reused in future wells. OBM drill cuttings are treated by a thermal

desorption technique in ADCO's Thermal Desorption Plant (for ADCO cuttings), and BeAAT (for ZADCO's cuttings). No oil-based drilling mud and cuttings are discharged to the environment.

Al Hosn Gas and our Independent Operators (ADOC, BUNDUQ and TOTAL ABK) use only water-based muds to perform their drilling activities.

Waste drilling fluids and cuttings

		Tonnes
Oil-based	Drill mud	32,321
	Drill cuttings	78,427
Water-based	Drill mud	283,733
	Drill cuttings	188,669

Spill prevention and response

When assessing our potential impacts to water or land, spill prevention is a top priority. ADNOC's HSEMS requirements help prevent spills by building in layers of redundancy, 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

Across ADNOC's operations in

2014, a total of 38 hydrocarbon spill incidents were recorded, of which 37 were to land surfaces and one was to a water body. None of the spill incidents, including significant spill incidents, occurred in environmentally sensitive locations or protected areas. Minor adverse environmental impact was reported for all spill incidents.

To water surfaces	
Total number of spill incidents	1
Total volume released (boe)	0.13
Total volume recovered (boe)	0
Recovery rate (%)	0
To land surfaces	
Total number of spill incidents	37
Total volume released (boe)	3,715 <sup>a</sup>
Total volume recovered (boe)	3,705 <sup>a</sup>
Recovery rate (%)	99.7

<sup>a</sup> The volumes released and recovered relate to only 21 out of the 37 incidents; the volumes corresponding to the remaining 16 incidents could not be quantified.

Non-hydrocarbon spills

In 2014, there were 13 non-hydrocarbon spill incidents, of which 12 were chemical spills and one involved leakage of sulphur. The quantity of material released in 9 of the chemical spill incidents (chemical spills) could not be quantified; the other three chemical spill incidents in which a total of 8.2 boe was released had an average 15% recovery rate with minor environmental impact incurred.

efforts are supplemented with regular inspections to monitor and mitigate potential adverse ecological impacts that may arise throughout project lifetimes.

Across ADNOC's operations in 2014, there were a total of eight operating sites located in or adjacent to (within a 50 km radius) protected areas or areas of high biodiversity value. Biodiversity action plans (BAPs) are in place across all eight operating sites, and no significant biodiversity impacts from activities were reported in 2014.

Biodiversity

Our operating companies operate in a variety of terrestrial and marine environments which range from areas of low biodiversity value to those of high ecological sensitivity. Our operating companies take every care to integrate biodiversity considerations and management plans into their HSEIA process, in order to ensure their operating environments are unharmed and capable of delivering their ecological services. These

ADNOC also takes a proactive approach towards enhancing the productivity and biodiversity of Abu Dhabi's marine environment, and has a dedicated team of marine experts whose role is to complement marine protection activities through a number of rehabilitation and proliferation projects that involve mangrove and seagrass plantation, and the deployment of artificial reef and fish habitat structures across ADNOC's concession areas.



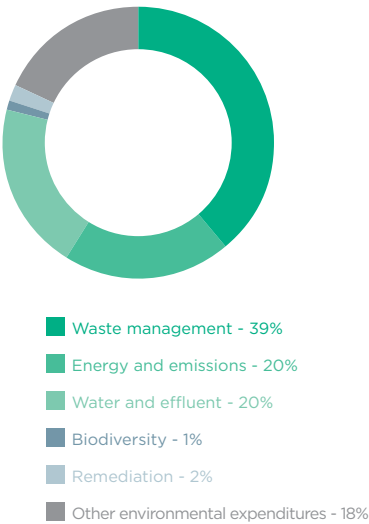
Operator	Site	Location and description	Key elements of BMP
ADCO	Qusahwira Oil Field (58 km <sup>2</sup> )	Located in ADCO's South East Bab Asset and are within the proposed Arabian Oryx Protected Area in Umm Al Zamool.	<ul style="list-style-type: none"><li>• Desk-top studies to establish species present in ADCO's concession areas (birds, mammals, reptiles, plants).</li><li>• List of priority species based on IUCN Red List of Threatened Species.</li><li>• Biodiversity awareness campaigns (targeted at employees and contractors) with a special focus on transportation impacts in biodiversity sensitive areas.</li><li>• Sign boards in three languages on the rare and endangered species present in Qusahwira.</li></ul>
	Mender Oil Field (62 km <sup>2</sup> )	Arabian Oryx are listed as vulnerable species on the IUCN Red List of Threatened Species.	
	Al Dabbiya Oil Field (296 km <sup>2</sup> )	Located in ADCO's North East Bab Asset, 40 kilometres east of the Marawah Biosphere Reserve. The environment features sensitive habitats that include deserts, sea, mangroves, salt marshes, coral reefs and sabkha.	
	Jebbel Dhanna Terminal (49 km <sup>2</sup> )	Located 40 kilometres east of the Marawah Biosphere Reserve. Sensitive habitats include sea grass and coral reefs.	
ADOC	Mubarras Island (569 km <sup>2</sup> )	Located in the Marawah Marine Protected Area, which is home to important marine and coastal ecosystems including sea grass meadows, coral reefs and mangroves.	<ul style="list-style-type: none"><li>• Mangrove plantation project implemented on the island since 1983.</li><li>• Sea grass plantation and coral reef preservation projects.</li><li>• Breeding and monitoring of Ospreys.</li></ul>
Al Hosn Gas	Shah Gas Field (700 km <sup>2</sup> )	Located approximately 10 km from the nearest boundary of the proposed Arabian Oryx Protected Area in Umm Al Zamool.	<ul style="list-style-type: none"><li>• Visual inspections for flora and fauna.</li><li>• Avoiding fencing of the interpad lines and transfer lines to maintain gazelle movement through the area.</li><li>• Minimise off-road driving.</li><li>• Avoid removal of vegetation; destruction or disturbance to animal burrows or dens; and areas identified as containing desert roses.</li><li>• Construct laydown areas and temporary access roads after due consideration of ecological constraints in the vicinity.</li><li>• All sites including temporary laydown areas and access roads to be reinstated to their original condition on completion of works.</li></ul>
	Shah Gas Plant (12 km <sup>2</sup> )	Located approximately 30 km from the nearest boundary of the proposed Arabian Oryx Protected Area in Umm Al Zamool.	
ZADCO	Zirku Island (8 km <sup>2</sup> )	Zirku Island is an important nesting ground for Hawksbill Turtles, which are listed as critically endangered species on the IUCN Red List of Threatened Species.	<ul style="list-style-type: none"><li>• The west coast of Zirku Island was self-declared by ZADCO as a protected exclusion zone.</li><li>• In partnership with ADNOC trained volunteers conduct visual assessments of the turtles and their nesting grounds, particularly during their spawning season.</li></ul>



Environmental expenditure

We are investing heavily in a wide range of technologies and environmental practices in an effort to minimise and mitigate the impacts of our operations. In 2014, our operating companies spent approximately AED 637 million in environmental expenditure, of which 20% was dedicated towards emission abatement and improving our energy efficiencies. ADNOC is currently collaborating with federal entities for the purpose of initiating a study to determine the financial implications of climate change on the current and future operations of the oil and gas sector in the Emirate of Abu Dhabi.

Environmental expenditure by category



BIOjet Abu Dhabi: Flight Path to Sustainability

TAKREER

For the first time ever in the UAE, biofuel was produced at the Takreer Research Center (TRC). This was made possible with a collaboration between Etihad Airways, Boeing, Takreer (TRC), Total, and Masdar Institute of Science and Technology.

'BIOjet Abu Dhabi' was announced on January 19, 2014 one day after Etihad Airways conducted a demonstration flight with a Boeing 777 powered in part by the first UAE-produced bio kerosene from an innovative plant biomass-processing technology. The biofuel was partially converted from biomass by Total and its partner Amyris. Takreer undertook the final distillation to produce 600 litres of biofuel which was blended with normal jet fuel in a ratio of 1/10, adding the UAE to a handful of countries that have produced and flown on their own bio kerosene.

The BIOjet Initiative is aligned with the Abu Dhabi Economic Vision 2030, which seeks to develop sustainable energy sources to diversify the UAE economy and increase workforce opportunities for Emiratis.







## SOCIETY

ADNOC has an important role to play in driving the creation of in-country value. We accomplish this in several ways that include the transfer of knowledge and technology, investing in education and research, job creation and development of local talent and the local supply chain, developing critical infrastructure to support our economy's growth and development, and the establishment of best practices across the oil and gas industry.

We strive to demonstrate our commitment towards being a responsible corporate citizen 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.

## Engaging our communities

ADNOC's duties and responsibilities in the energy sector are never carried out at the expense of our responsible corporate citizen commitment. We maintain a dynamic and proactive engagement in our society, and are proud of our role towards providing a better future for the citizens of our nation while safeguarding our environment and resources for the generations to come.

### Dialogue with our key stakeholders

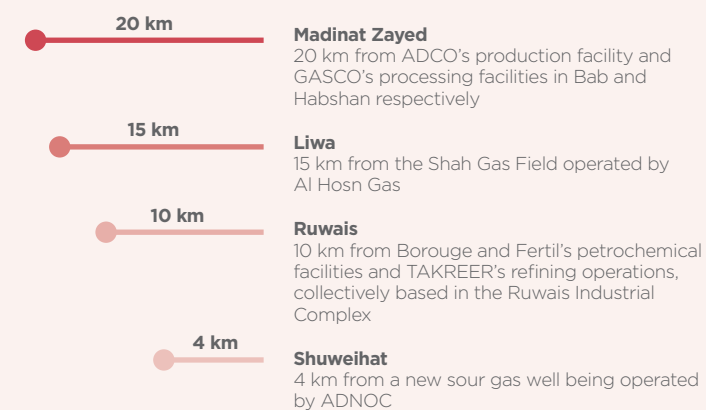
Maintaining good relationships with our stakeholders is a key component of how we perform our operations, and ADNOC prioritizes stakeholder groups that work for us, including our people and contractors, as well as the communities that live near our operations. These include the communities of Ruwais, Madinat Zayed, Liwa and Shuweihat – which are collectively located in the Western Region of Abu Dhabi (also known as Al Gharbia).

Our operating companies implement individual 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),

ADNOC is in the preliminary stage of developing a centralised and Group-wide stakeholder engagement procedure in co-ordination with our major stakeholder groups. The procedure, which will set the objectives and means for a proactive stakeholder engagement approach, aims to establish dialogue with our stakeholders concerning our current, planned and proposed future activities, and enable the exchange of viewpoints, as well as establish a formal means through which potential grievances can be raised and adequately addressed.

### Location relative to our operations



### 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**
- **69% executive and senior management positions occupied by UAE nationals**
- **AED 114 million in community investments within the Emirate of Abu Dhabi**



## Developing the local economy and infrastructure in the places we work

One of our biggest success stories is the transformation of Ruwais, located 240 kilometres west of Abu Dhabi city, from a remote desert site to the modern industrial city it is today. The Ruwais story began in 1979, when plans were laid to transform the remote desert site into the self-contained and modern industrial town of today, that is geared towards fulfilling the downstream requirements of key downstream oil and gas facilities including TAKREER's Ruwais Refinery, GASCO's NGL fractionation plant, FERTIL's fertilizer plant, as well as a marine terminal and a sulphur handling terminal.

Industry needs people and so Ruwais has also been developed into a model 'new town' with a population of several thousand. The Ruwais Housing Complex (RHC), covering an area of six square kilometers, is located 10 kilometres away from the industrial plants and was developed by ADNOC as a major contributor to the national economy and represents a series of multi-million-dollar investments by the company.

RHC was built in two phases between 1979 and 1984. In line with ADNOC's policy of ensuring that employees and their families have the very best of social and welfare facilities, all efforts have been made to make it a fully-integrated community. The complex has over 7,000 residential units, ranging from one-bedroom apartments to four-bedroom, double-story 'executive' villas. All have modern furnishing and fittings and are pleasantly set amidst landscaped grounds.

RHC has a number of recreation parks and a green

## Awareness campaign in Shuweihat ahead of gas drilling activities

As part of ADNOC's expansion plans to develop gas reservoirs in order to meet the increased demand for gas in the next decade required to support domestic economic growth, ADNOC is planning to drill a gas well in the Shuweihat area in cooperation with our partners (Wintershall -Middle East and OMV Abu Dhabi). The proposed well site is in a remote location, but with a main highway located 1.5 km away, and nearby residential areas located approximately 4 km from the well site.



belt around the perimeter covers 140 hectares and is planted with more than 22,000 trees. To ensure a regular supply of plants all year round, the complex has its own nursery to propagate seeding.

Although families who live in RHC are some 250 kilometers away from Abu Dhabi, a wide range of consumer goods have been made available. The complex has three commercial centers with more than 40 shops and two supermarkets selling everything from foodstuffs to electrical goods, household items and fashion-wear. The educational needs

of Ruwais children, from nursery through to secondary level, are met by a total of 10 schools.

The schools, private and government, are equipped with modern classrooms and other facilities, such as science laboratories and libraries. RHC has two recreation centers, one exclusively for women. The other is open to all and facilities include a swimming pool, gymnasium, theatre, bowling alley, general activity halls, tennis courts, library, restaurants and cafeterias. Cultural events, often involving troupes and performers from overseas, are staged regularly



at the recreation centers. The complex has all the ancillary services required of a modern town, including a well-maintained road network, street lighting in all areas, and a sewage system which includes a treatment plant for recycling sewage water for irrigation purposes. Electricity and desalinated water supplies are provided directly from the refinery.

## Providing community healthcare services

Medical care to citizens of the Ruwais Housing Complex is provided by ADNOC via a modern general hospital, the Ruwais Hospital, and a purpose-built clinic; both of which are administered by ADNOC's Medical Services Division. Ruwais Hospital provides the full range of general and emergency medical services, including cardiology, maternity, pediatrics, dentistry and ophthalmology, on both an out-patient and in-patient basis.

The emergency department, staffed by highly-skilled medical officers and well-trained nurses, is open 24 hours a day and operates a round-the-clock ambulance service, not only for ADNOC employees and their families but the whole of the immediate neighborhood. Ambulance crews are on hand, for example, to attend to road accidents along the nearby highway between Tarif and Sila. The RHC clinic, which is open six days a week and is fully integrated with Ruwais Hospital, provides a comprehensive health-care programme to all residents of the housing complex. It offers a wide range of general practitioner and specialist services, including nursing and child welfare, immunization and vaccination, school health, dental and physiotherapy services.

## SMART Service Stations

### ADNOC DISTRIBUTION

Aligned with the UAE's vision for 'Smart Cities', ADNOC Distribution's SMART Service Stations Program will kick start in Abu Dhabi in 2016 and then extend to all other emirates. The new service stations will provide world-class facilities that conform to international hygiene, safety, security, and eco-friendly standards. The stations will offer enhanced designs and integrate innovative technologies such as radiofrequency identification (RFID)-based authorization and payment, near field communication (NFC) readiness, as well as B2B/ B2C e-commerce platforms - all designed for the comfort and convenience of our customers and partners.





### Liwa Dates Festival: Supporting sustainable agriculture and economic development in the Western Region:

In 2014, ADNOC extended the platinum sponsorship to the 10th edition of the Liwa Date Festival, which was held under the patronage of HH Sheikh Mansour bin Zayed Al Nahyan Deputy Prime Minister and Minister of Presidential Affairs. The festival, which aims to preserve the UAE's authentic heritage of palm tree cultivation, inspires local farmers in the Western Region to adopt more sustainable cultivation and irrigation practices to help improve the quality of the UAE's dates.

### Preserving the UAE's cultural heritage and reviving the local economy of the Western Region

ADNOC and our Group Companies also proudly sponsor several high profile annual events that include the Liwa Dates Festival, which showcases our nation's valued fruit; the Al Dhafra Camel Festival, a unique

festival with the world's only camel beauty contest; the Al Gharbia Watersports Festival, a 10-day event that attracts amateurs and professionals in watersports from around the world; 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.



### Investing in our youth

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 of benefit to the wider economy.

Overall, ADNOC serves as the primary engine for the organic growth of Abu Dhabi and has plans to invest billions of Dirhams annually into the local economy, in line with the Abu Dhabi 2030 Plan for the development and growth of the Emirate.

### Local hiring and competency development

The Emirate's population is young and growing, and requires jobs. At the same time, the requirements for technical experts in the emirate are increasing as the era of easy oil is coming to an end and the extraction of existing and new hydrocarbon reserves becomes more complex and technically challenging.

The need to create jobs on the one hand and to develop a national workforce with the right capabilities and skill set for the oil industry on the other was recognized as early as 1999, when ADNOC's National Recruitment Committee (NRC) and the Group Nationals Recruitment Department (GNRD) were established to oversee and facilitate the government's newly introduced 'Emiratization' efforts.

The current five year target is to achieve 75% Emiratization across core ADNOC and Group Company positions by the end of 2017. This plan is passed down to each of the Group Companies in the form of annual plans. Each company prepares the annual intake plan in the beginning of the year and the progress on recruitment is monitored on a monthly, quarterly and annual basis.



### Young ADIPEC Program

#### ADNOC

ADNOC is a founding sponsor of 'Young ADIPEC', a feature that provides students from schools across Abu Dhabi from the ages of 14 to 17 with the opportunity to gain hands-on experience in the energy sector through a series of fun and engaging activities, including educational field trips, site visits and competitions, and which culminates at the region's leading industry exhibition – ADIPEC, the Abu Dhabi International Petroleum Exhibition and Conference, which was held at ADNEC during 10-13 November 2014. The aim of this program is to build the youth's interest in the oil and gas sector and develop it into a later career path.

The program hosted 240 students from Abu Dhabi and the Western region in 2014, a 35 per cent increase from last year. Such programs play a critical role in attracting the younger generation to the energy sector and setting up a substantial local talent pool for the future. The next generation of engineers had the opportunity to meet H.E. Sheikh Nahyan, patron of the Young ADIPEC program, and demonstrate their skills and abilities in a host of industry-related activities. Students from visiting schools were inspired by the Minister's visit, presenting to him some of their achievements in the programme, from their expertise in the energy sector to the cutting-edge videos from their site visits.



In 2014, approximately 69% of executive and senior management positions across ADNOC and our Group Companies were occupied by Emiratis.

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 leaving the country is realised locally.

In 2014, approximately 89% of the procurement budget across

the ADNOC Group Companies was spent on local suppliers; this is equivalent to approximately AED 51 billion.

### Academic institutes

We are very proud of our family of educational institutions. These 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 citizens for Abu Dhabi.

#### The Petroleum Institute (PI)

The Petroleum Institute (PI) was launched in 2000 in collaboration with the Colorado School of Mines in the United States of America (USA). The PI has the goal of creating a world-class institution in engineering, education and research areas of significance to the oil, gas and broader energy industries. The PI currently offers bachelor degrees in chemical, electrical, mechanical, petroleum engineering and petroleum geosciences, as well as master degrees in chemical, electrical, mechanical and petroleum engineering.

In 2014, the PI celebrated the graduation of 209 engineers with 43.5% representation from UAE nationals.

### Women in Science and Engineering Teams participate in the first GCC Hybrid-Electric Car Race

#### Petroleum Institute

The PI's Women in Science and Engineering Program (WiSE) is a unique model of operations dedicated to the support of female undergraduate students pursuing their studies at PI. It aims to provide the encouragement and environment allowing female students to succeed academically, professionally and personally. Every female student is automatically a member of the WiSE community once she joins the PI. In 2014, two WiSE teams from the PI, and a third (all male) team participated in the GCC's first hybrid-electric car challenge. The teams spent five months designing and constructing their single-seat lightweight hybrid cars to stringent race design and safety rules. The two stage competition opened with the Electric Grand Prix (E-GP), with teams trying to drive their vehicles as far as possible in one hour, using only the energy stored in their batteries. The second day was the Hybrid-Electric Grand Prix (HE-GP), where teams combined petrol and electric power to travel the maximum distance on the least amount of energy in three hours. The challenge, hosted by PI and held in collaboration with Abu Dhabi National Energy Company PJSC TAQA, brought together students from 11 universities across the GCC.



#### ADNOC Technical Institute (ATI)

The ADNOC Technical Institute (ATI) 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. The ATI produces entry-level technicians in the oil and gas industry and contributes to the community by providing an alternative to conventional academic education for UAE male nationals. The institute has a current capacity of 750 students. 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 (JIT) opportunities for trainees in relevant areas within each company's operational sites.

#### ADNOC Schools

'ADNOC Schools' was founded in 2008 by ADNOC in collaboration with the Glenelg Country School in Maryland, USA. Its mission is to offer a world-class secondary education to national and expatriate students, preparing them to join prestigious universities worldwide. ADNOC Schools has one branch in the capital city of Abu Dhabi and three branches in the Western Region (in Ruwais, Madinat Zayed and Ghayathi), across which there are over 6,000 students enrolled.

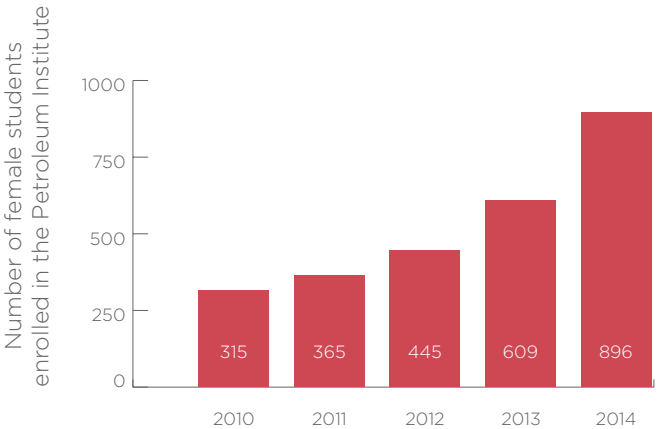
### Scholarship and internship programmes

#### ADNOC Scholarship Programme

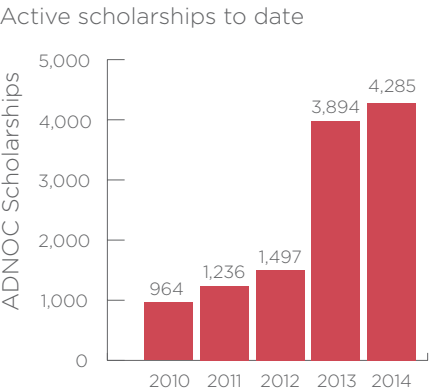
ADNOC started its Scholarship Programme in 1974, sponsoring talented UAE nationals to pursue their post-secondary education in reputable academic institutions locally (internal scholarships) and abroad (external scholarships), and to specialise in the various technical disciplines essential to the oil and gas industry. The first graduating class of 10 students was in 1979.

Today there are 4,285 active scholarships across undergraduate and postgraduate programmes around the world, with 1,302 scholarships awarded in 2014 alone.

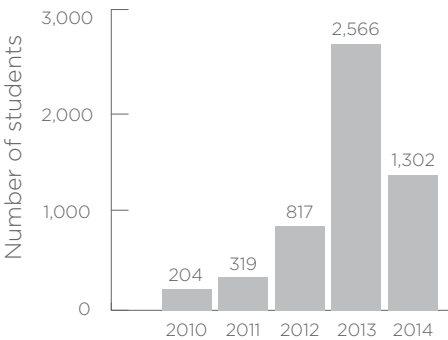
Enrolment of female students in PI (5 year trend)



Scholarships awarded (5 year trend)



Yearly intake of new students





### Achiever Oasis Programme (AOP)

ADNOC has an innovative summer training programme known as the Achiever's Oasis Programme (AOP) which was established in 2002. The programme aims to motivate young 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.

The AOP awards financial incentives in addition to free summer courses during the

elementary, preparatory and secondary school education stages. The AOP students are given a stipend, while outstanding students are rewarded with bonuses and incentives.

In 2014, a total of 1,866 students participated in the AOP programme across three regions; Abu Dhabi, Al Ain and the Western Region.

### Focusing on research and development

The focus on research and development (R&D) is a key priority for ADNOC and several R&D centres have been launched by our Group Companies, including at Abu

Dhabi Oil Refining Company (TAKREER) – which is seeking to become a leading research centre in the field of refining technology, process and product development, and at Borouge – whose Abu Dhabi Innovation Centre seeks to develop the competence of polymer science in the UAE in partnerships with European innovation centres as well as local and international educational institutions, including the PI.

To carry out successful R&D one needs researchers, and to build a sustainable R&D environment that benefits the country as a whole, one needs to develop and utilize local talent. As such, ADNOC is seeking closer collaboration with academia and support

from the government in order to develop a long-term strategy that supports these ambitions.

Our efforts haven't stopped there however. Major contracts signed in recent years with international oil companies (IOCs) call for training and personnel development of Emiratis, and support in the research and development (R&D) sphere. To this end, ExxonMobil, for example, agreed to support the establishment of a specialized R&D facility at the Petroleum Institute when it signed an agreement with ZADCO giving it a 28% share in the Upper Zakum field development.

### Our broad socio-economic contributions

ADNOC supports initiatives launched by other local entities in the Emirate of Abu Dhabi and across the UAE to encourage more youth towards innovation and excellence on future energy and sustainable development projects. This includes our support of the Young Future Energy Leaders (YFEL) programme by Masdar's Institute of Science and Technology.

ADNOC also makes significant contributions to the community such as 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. In 2014, ADNOC and our Group Companies contributed over AED 114 million towards community initiatives.

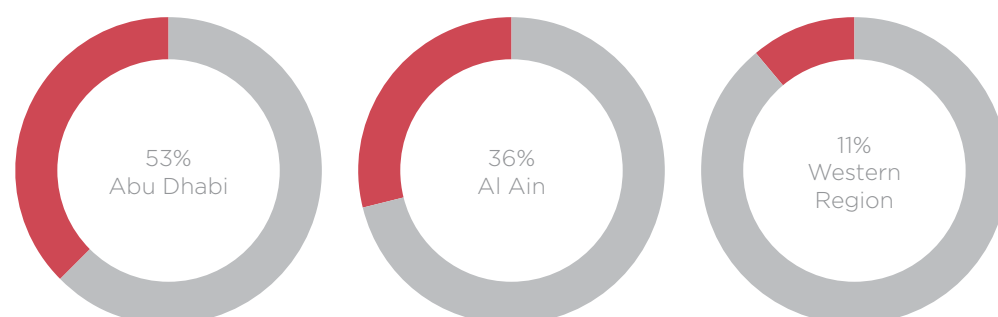
Additionally, ADNOC and our Group Companies develop infrastructure that provides local communities and businesses with benefits such as roads, hospitals, mosques and schools. Our indirect impacts are difficult to quantify because of their wide-ranging scale and diversity. ADNOC also provides humanitarian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

## Sustainable Campus Initiative

### Borouge

To strengthen and build sustainable leadership capacity amongst the youth in the UAE, in 2014 Borouge launched, together with the Environment Agency – Abu Dhabi, the Sustainable Campus Initiative, thereby supporting universities to manage their environment footprint and engage in community projects. The goal of the Sustainability Campus Initiative is to strengthen and build leadership capacity amongst the Emirate's Youth to address issues of environmental sustainability and be the main agent of change in the Emirate in working towards and shaping sustainable communities. The initiative involves a self-audit within the campuses first and a subsequent correction plan followed by a community engagement project embedding a sustainability mind-set in the local communities.

AOP Participants in 2014







## ADNOC HSE Award

Pursuing and sustaining excellence in HSE performance requires continuous improvement and unrelenting 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 pertaining to best practice, 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 programme was created in 1997 and has since evolved remarkably. Submissions were accepted then under one category, HSE Performance, only.

Today the programme has expanded to include four main award groups:

- Group 1: Projects – awarded across five categories: Innovation, Safety, Occupational Health, Environment, and Sustainability.
- Group 2: Corporate Performance and Leadership – awarded across two categories: HSE Performance and HSE Champion.
- Group 3: Special Recognition – awarded to companies who submitted high quality projects that scored within the top five in their category but did not get either first or second prizes in any of the main categories.
- Group 4: Group Company and Contractor Partnerships – awarded to the top two contractors and their respective Group Company for an outstanding partnership in HSE implementation.

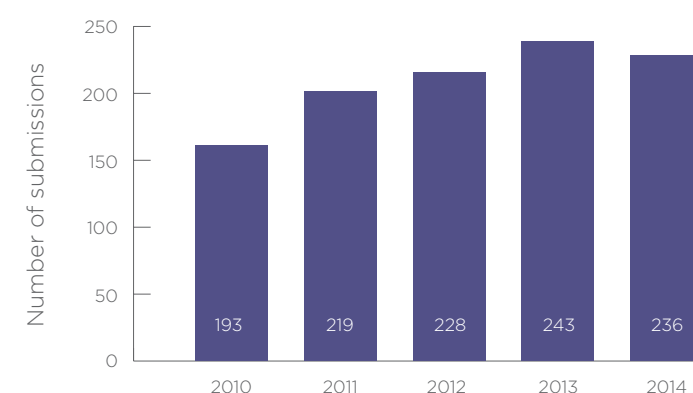
The success of our programme over the years has helped drive an increase in the number of award submissions, reflecting an increase in sustainable practices across our participants. In 2014, a total of 236 submissions were received under the ADNOC HSE Award programme.

Submissions are evaluated by an independent judging panel, whose recommendations inform a second round of judging that is performed by the ADNOC Director General and by ADNOC Senior Management. Awards are distributed in an annual ceremony to commemorate the participants' efforts and their achievements.

### Number of submissions

Environment - 42  
Occupational Health - 31  
Safety - 65  
Innovation - 54  
Sustainability - 32  
HSE Performance & Leadership - 21

HSE Award submissions (5 year trend)



### Highlights

• 18 award cycles held since 1997 to encourage operational excellence

• 4 award groups to recognise achievements in project execution, corporate performance and partnerships

• 236 submissions received in 2014

## Innovation



### Winner

TOTAL-ABK with entry "Drifting buoys: Innovation and technology at the service of oil spill response". Being located nearby international marine borders, TOTAL-ABK oil spill contingency plan has to be significantly efficient and robust. To further strengthen our capability to respond in case of oil pollution, we integrated drifting buoys into our tools. These devices will be positioned within the oil slick and will drift with it according to wind and sea currents. Sending up to 96 accurate positions daily they can provide 24h localization, thus significantly contributing to an optimized response.

### Runner-Up

ZADCO with entry "Enhanced gas lift surface safety systems – minimizing risk during artificial island SIMOPS". The project utilizes a unique combination of Lift Gas Safety System and Annulus Monitoring System to prevent venting pressurized lift gas during either a dropped object or an unplanned incident leading to loss of piping or well integrity. The system allowed for complete removal of the gas bleed line to the production header and enhanced safety to the Island operations through containment of the annulus lift gas inventory within the well itself with no pressurized surface lines remaining exposed.

## Safety



### Winner

GASCO with entry "Taking fire-ground safety to a new dimension". Rapid Deployment and Telemetry Breathing Apparatus Entry Control Systems are designed to enhance personnel safety during BA operational activities. Rapid Deployment allows for the immediate deployment of resources if crew sizes are restricted and quick intervention is required. If resources are available or the incident is protracted, Telemetry Entry Control is used. This system ensures that our emergency responders are controlled and accounted for maintaining their safety.

### Runner-Up

BOROUGE with entry "e-PTW: Supporting operational excellence". e-PTW manages one of the most essential/critical safety processes in Borouge. An extensive review/optimization of the policies/procedures was performed and a fully integrated e-PTW System was implemented in Borouge. The new system fully integrates the Permit-to-Work System to the Energy Isolation Management with an embedded Task Risk Management that is also tightly integrated with SAP with real time updates, assisting in getting a better overview on the status of the maintenance jobs.

## Occupational Health



### Winner

NDC with entry "Reducing strain and back pain in the Rig Operation". Manual handling is known cause of chronic back pain among Floor-men. One of conventional heavy tools used on Rig Floor are manual slips. Although trained on kinetic, some Floor-men still adopted awkward body postures while using these tools. Through scientific studies, mechanized powered slips were introduced. Its use eliminates awkward body postures and minimizes strains on back. Consequently, Incidents of back pain, morbidity and absenteeism were reduced. Health performance and productivity increased drastically.

### Runner-Up

ADMA-OPCO with entry "Process cards trump health risks". These pocket sized cards are tailor-made for each job and all associated activities of that job. The cards are designed with pictographs of the work that is being carried out. It also shows the danger level of each activity, as well as what protection a worker needs to implement. The listed precautions and pictures will provide a reminder to the worker and supervisor to monitor the workers' compliance.

## Environment



### Winner

ADCO with entry "Achieving sustainable zero flaring through spiking gas compressor at ADCO Shah Field". Gas flaring from oil industry represents 1.5% of the global Green House Gas (GHG) emissions. In efforts to improve the environmental performance, ADCO commissioned spiking gas compressors in 2014 in Shah Field. The project resulted in recovery of 5.1 MMSCFD flared gas (~ 2.5 million household gas cylinders), reduction of 110,000 tons of CO<sub>2</sub> per year and improved local air quality. Further the project was registered under Clean Development Mechanism (CDM) to claim carbon credits.

### Runner-Up

ADNOC Distribution with entry "Gas delivery in a more sustainable way!". ADNOC Distribution designed a new enhanced and safe intake system for CNG Station. This new concept incorporated as a pilot measure in one of daughter stations and significant energy saving and reduction in HSE risk was noted, which include:

- 232,650 kWh saved / year / station
- 176 tonnes CO<sub>2</sub> emissions reduced / year / station
- AED 76,309 saved / year / station
- Reduced maintenance costs and improved safety



## Sustainability



### Winner

Borouge with entry "ADNOC partnership in a sustainable supply chain". Borouge and FERTIL processes for importing raw material have been greatly enhanced with this sustainable initiative. This remarkable change will result in following benefits over five year period:

- 11,000 tonnes of hazardous chemicals no longer being transported via Abu Dhabi roads.
- Number of journeys made by trucks on Abu Dhabi roads reduced by 17,500 trips.
- Reduction of 79% in CO<sub>2</sub> emissions.
- Cost saving potential of AED 45 million

### Runner-Up

ADNOC DIST with entry "Fuel up your car and your conscience". ADNOC Distribution as a major fuel distributor incorporated a "Think Green and Build Green" concept by integrating LEED design concepts at two new service stations in Yas Island. The following benefits were harvested:

- A 50% reduction in water consumption (from 100 to 50 m<sup>3</sup>/day)
- A 40% reduction in the overall energy use (from 4,400,000 to 2,600,000 kWh/year)
- The use of insulating concrete blocks reduced energy consumption by 20-30% (54,534 kWh/year)
- Gasoline vapor recovery (35,700 liters/ year)

## Corporate Performance and Leadership



The HSE Champion Award was received by Mr. Abdalla Saeed Al-Suwaidi, Chief Executive Officer of NDC, for his visible efforts and active commitment towards HSE affairs in 2014.

The HSE Performance Award was received by ADOC (Japan) to commemorate their efforts in adhering to and upholding ADNOC standards and international best practice.

### Special Recognition Awards

Special Recognition Awards were presented to the following Group Companies:

- ADNATCO & NGSCO
- TAKREER
- ESNAAD
- ADGAS
- FERTIL
- Al Hosn Gas

### Partnership Awards

Partnership Awards were presented to the following contractors and their respective companies:

- IMI through TOTAL-ABK
- Drydocks World through NDC





GRI Index

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure in Sustainability Report or cross-reference
Strategy and Analysis			
<b>1.1</b>	Statement from the most senior decision-maker of the organization.	●	6,7
<b>1.2</b>	Description of key impacts, risks, and opportunities.	●	6,7, 19 – 23
Organizational Profile			
<b>2.1</b>	Name of the organization.	●	8
<b>2.2</b>	Primary brands, products, and/or services.	●	10 – 13
<b>2.3</b>	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	●	8 – 11
<b>2.4</b>	Location of organization's headquarters.	●	8
<b>2.5</b>	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	●	8, 12 – 13
<b>2.6</b>	Nature of ownership and legal form.	●	9, 17
<b>2.7</b>	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	●	12 – 13
<b>2.8</b>	Scale of the reporting organization.	●	8, 10 – 13. Financial performance is regarded as proprietary information and is not fully disclosed.
<b>2.9</b>	Significant changes during the reporting period regarding size, structure, or ownership.	●	6, 7, 10, 11
<b>2.10</b>	Awards received in the reporting period.	●	No awards received.
Report Parameters			
<b>3.1</b>	Reporting period (e.g., fiscal/calendar year) for information provided.	●	1 January 31 – 2014 December 2014
<b>3.2</b>	Date of most recent previous report (if any).	●	4 September 2014
<b>3.3</b>	Reporting cycle (annual, biennial, etc.)	●	Annual
<b>3.4</b>	Contact point for questions regarding the report or its contents.	●	sustainability@adnoc.ae
<b>3.5</b>	Process for defining report content.	●	14 – 15
<b>3.6</b>	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	●	74

● Fully reported ● Partially reported ● Not reported Indicators in **bold** represent core GRI indicators

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure in Sustainability Report or cross-reference
<b>3.7</b>	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	●	74
<b>3.8</b>	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	●	74
<b>3.9</b>	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	●	74
<b>3.10</b>	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	●	74, 35
<b>3.11</b>	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	●	74, 35
<b>3.12</b>	Table identifying the location of the Standard Disclosures in the report.	●	60 – 69
<b>3.13</b>	Policy and current practice with regard to seeking external assurance for the report.	●	72 – 73
Governance, Commitments, and Engagement			
<b>4.1</b>	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	●	17. All members of ADNOC's governance body are males and UAE nationals; there are no minority group members.
<b>4.2</b>	Indicate whether the Chair of the highest governance body is also an executive officer.	●	17
<b>4.3</b>	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	●	17
<b>4.4</b>	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	●	No mechanisms in place

● Fully reported ● Partially reported ● Not reported Indicators in **bold** represent core GRI indicators



Profile Disclosure	Disclosure	Level of reporting	Location of disclosure in Sustainability Report or cross-reference
<b>4.5</b>	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	●	Board compensation is not linked to organisational performance.
<b>4.6</b>	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	●	19
<b>4.7</b>	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	●	Members of ADNOC's governance body are appointed by the SPC Chariman, H.H. Sheikh Kkalifa bin Zayed Al Nahyan.
<b>4.8</b>	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	●	18
<b>4.9</b>	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	●	18
<b>4.10</b>	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	●	No formal process in place.
<b>4.11</b>	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	●	19, 25
<b>4.12</b>	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	●	In 2009, ADNOC launched the ADNOC Sustainability Performance Initiative. Further information can be found in our inaugural ADNOC 2009 Sustainability Report at <a href="http://www.adnoc.ae">www.adnoc.ae</a>
<b>4.13</b>	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	●	14 – 15, 22 – 23
<b>4.14</b>	List of stakeholder groups engaged by the organization.	●	14 – 15
<b>4.15</b>	Basis for identification and selection of stakeholders with whom to engage.	●	14 – 15

● Fully reported ● Partially reported ● Not reported Indicators in **bold** represent core GRI indicators

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure in Sustainability Report or cross-reference
<b>4.16</b>	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	●	14 – 15
<b>4.17</b>	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	●	14 – 15
Economic			
<b>Disclosure on Management Approach</b>		●	12, 13, 17, 45, 52, 53. Volume of estimated proved reserves is considered proprietary information and is not fully disclosed in this report.
<b>EC1</b>	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	●	45, 53. Some parameters relating to ADNOC's financial performance are regarded as proprietary information and are not fully disclosed in this report.
<b>EC2</b>	Financial implications and other risks and opportunities for the organization's activities due to climate change.	●	43. Full disclosure on this indicator is planned in 2017.
<b>EC3</b>	Coverage of the organization's defined benefit plan obligations.	●	32 – 33
<b>EC4</b>	Significant financial assistance received from government.	●	17. ADNOC receives little direct support from the government.
<b>EC5</b>	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	●	The UAE has no minimum wage. ADNOC's entry level wage is highly competitive with market rates in the oil and gas sector.
<b>EC6</b>	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	●	50
<b>EC7</b>	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	●	49, 50
<b>EC8</b>	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	●	46 – 48, 51 – 53
<b>EC9</b>	Understanding and describing significant indirect economic impacts, including the extent of impacts.	●	46 – 48, 51 – 53
<b>OG1</b>	Volume and type of estimated proved reserves and production.	●	Volume of estimated proved reserves is considered proprietary information and is not disclosed in this report.
Environmental			
<b>Disclosure on Management Approach</b>		●	16, 17, 34 – 36
<b>EN1</b>	Materials used by weight or volume.	●	Since energy is the dominant input and output of operations, the value of a total materials indicator by weight or volume for our sector is limited.

● Fully reported ● Partially reported ● Not reported Indicators in **bold** represent core GRI indicators



Profile Disclosure	Disclosure	Level of reporting	Location of disclosure in Sustainability Report or cross-reference
<b>EN2</b>	Percentage of materials used that are recycled input materials.	●	Although we recycle used oils, the percentage is low compared to our overall material use and it is not material in a global basis. The value of reporting on this indicator for our sector is limited.
<b>EN3</b>	Direct energy consumption by primary energy source.	●	36
<b>EN4</b>	Indirect energy consumption by primary source.	●	36
EN5	Energy saved due to conservation and efficiency improvements.	●	36
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	●	36, 37
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	●	36, 37
<b>EN8</b>	Total water withdrawal by source.	●	39
<b>EN9</b>	Water sources significantly affected by withdrawal of water.	●	39
EN10	Percentage and total volume of water recycled and reused.	●	39
<b>EN11</b>	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	●	41
<b>EN12</b>	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	●	41, 42
EN13	Habitats protected or restored.	●	41, 42
<b>EN14</b>	Strategies, current actions, and future plans for managing impacts on biodiversity.	●	41, 42
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	●	41, 42
<b>EN16</b>	Total direct and indirect greenhouse gas emissions by weight.	●	35
<b>EN17</b>	Other relevant indirect greenhouse gas emissions by weight.	●	Disclosure on this indicator is planned in 2016.
<b>EN18</b>	Initiatives to reduce greenhouse gas emissions and reductions achieved.	●	35 – 37. Full disclosure on this indicator is planned in 2016.
<b>EN19</b>	Emissions of ozone-depleting substances by weight.	●	38 – 39
<b>EN20</b>	NO <sub>x</sub> , SO <sub>x</sub> , and other significant air emissions by type and weight.	●	38

● Fully reported ● Partially reported ● Not reported Indicators in **bold** represent core GRI indicators

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure in Sustainability Report or cross-reference
<b>EN21</b>	Total water discharge by quality and destination.	●	39
<b>EN22</b>	Total weight of waste by type and disposal method.	●	40
<b>EN23</b>	Total number and volume of significant spills.	●	41
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	●	40
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	●	39
<b>EN26</b>	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	●	21, 38, 43
<b>EN27</b>	Percentage of products sold and their packaging materials that are reclaimed by category.	●	Disclosure on this indicator is planned in 2016.
<b>EN28</b>	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	●	No fines received in 2014.
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	●	Disclosure on this indicator is planned in 2016.
EN30	Total environmental protection expenditures and investments by type.	●	43
<b>OG2</b>	Total amount invested in renewable energy.	●	36, 43
<b>OG3</b>	Total amount of renewable energy generated by source.	●	36, 43
<b>OG4</b>	Number and percentage of significant operating sites in which biodiversity risk has been assessed and monitored.	●	41, 42
<b>OG5</b>	Volume of formation or produced water.	●	40
<b>OG6</b>	Volume of flared and vented hydrocarbon.	●	35, 36
<b>OG7</b>	Amount of drilling waste (drill mud and cuttings) and strategies for treatment and disposal.	●	40
<b>OG8</b>	Benzene, Lead and Sulfur content in fuels.	●	38

● Fully reported ● Partially reported ● Not reported Indicators in **bold** represent core GRI indicators

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure in Sustainability Report or cross-reference
Labor Practices and Decent Work			
Disclosure on Management Approach		●	24 – 33
<b>LA1</b>	Total workforce by employment type, employment contract, and region, broken down by gender.	●	30, 31. A breakdown by gender is not available for permanent employees. The value of reporting on this aspect of the indicator is limited considering the majority of ADNOC's employees are employed on a permanent contract.
<b>LA2</b>	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	●	31
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	●	32 – 33. Benefits provided to full-time employees that are not provided to part-time or temporary employees vary by Group Company has have been excluded from the scope of this report.
<b>LA4</b>	Percentage of employees covered by collective bargaining agreements.	●	Employee associations are not permitted in the UAE under Federal Law. ADNOC has no collective bargaining agreements as such.
<b>LA5</b>	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	●	The ADNOC Management of Change Protocol does not stipulate the minimum notice period. However, ADNOC's operating companies implement procedures to ensure employees are informed of changes well in advance of their implementation.
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	●	25
<b>LA7</b>	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	●	26, 27. Absenteeism rate and occupational disease rate are not included in this report.
<b>LA8</b>	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	●	30 – 32
LA9	Health and safety topics covered in formal agreements with trade unions.	●	Trade unions are not permitted in the UAE under Federal Law.
<b>LA10</b>	Average hours of training per year per employee by gender, and by employee category.	●	30, 31. The breakdown of employee training by gender is not material for ADNOC at an organisational level. ADNOC reports on training expenditure only.
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	●	30, 31
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	●	30, 31
<b>LA13</b>	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	●	17

● Fully reported ● Partially reported ● Not reported Indicators in **bold** represent core GRI indicators

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure in Sustainability Report or cross-reference
<b>LA14</b>	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	●	31
<b>LA15</b>	Return to work and retention rates after parental leave, by gender.	●	Disclosure on this indicator is planned in 2016.
Human Rights			
Disclosure on Management Approach		●	20, 21, 29, 30, 45, 46
<b>HR1</b>	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	●	20, 21
<b>HR2</b>	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	●	20, 21
<b>HR3</b>	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	●	ADNOC does not directly provide trainings on human rights issues.
<b>HR4</b>	Total number of incidents of discrimination and corrective actions taken.	●	No incidents of discrimination were reported to ADNOC in 2014.
<b>HR5</b>	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	●	29. Employee associations are not permitted in the UAE under Federal Law.
<b>HR6</b>	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	●	29
<b>HR7</b>	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	●	29
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	●	20. Security for ADNOC's onshore and offshore facilities is provided by CICPA; trainings on human rights and otherwise are provided by CICPA.
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	●	No incidents or complaints to report in 2014.
<b>HR10</b>	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	●	29
OG9	Operations where indigenous communities are present or affected by activities and where specific engagement strategies are in place.	●	ADNOC does not have operations in areas where indigenous communities are present or could be affected.

● Fully reported ● Partially reported ● Not reported Indicators in **bold** represent core GRI indicators



Profile Disclosure	Disclosure	Level of reporting	Location of disclosure in Sustainability Report or cross-reference
<b>HR11</b>	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	●	45, 46. No grievances related to human rights were received in 2014.
Society			
	<b>Disclosure on Management Approach</b>	●	16, 19, 22, 23, 37, 44 – 53. The majority of ADNOC's operations are located in remote onshore and offshore areas, none of which involved voluntary or involuntary resettlement.
<b>SO1</b>	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	●	45, 46
<b>SO2</b>	Percentage and total number of business units analyzed for risks related to corruption.	●	19
<b>SO3</b>	Percentage of employees trained in organization's anti-corruption policies and procedures.	●	There is no formal anti-corruption training programme as of current
<b>SO4</b>	Actions taken in response to incidents of corruption.	●	19
<b>SO5</b>	Public policy positions and participation in public policy development and lobbying.	●	37
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	●	ADNOC does not provide financial support or in-kind contributions to any political parties.
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	●	No cases of anti-competitive behavior, anti-trust and monopoly practices were received in 2014.
<b>SO8</b>	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	●	No fines or monetary sanctions were received in 2014.
<b>SO9</b>	Operations with significant potential or actual negative impacts on local communities.	●	45, 46. No operations were identified to have significant potential or negative impacts on local communities in 2014.
<b>SO10</b>	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	●	45, 56. See response to SO9.
<b>OG10</b>	Number and description of significant disputes with local communities and indigenous peoples.	●	No disputes to report in 2014.
<b>OG11</b>	Number of sites that have been decommissioned and sites that are in the process of being decommissioned.	●	No sites were decommissioned or in the process of being decommissioned in 2014.
<b>OG12</b>	Operations where involuntary resettlement took place, the number of households resettled in each and how their livelihoods were affected in the process.	●	No operations involving voluntary or involuntary resettlement took place in 2014.
<b>OG13</b>	Number of process safety events, by business activity.	●	27

● Fully reported ● Partially reported ● Not reported Indicators in **bold** represent core GRI indicators

Profile Disclosure	Disclosure	Level of reporting	Location of disclosure in Sustainability Report or cross-reference
Product Responsibility			
	Disclosure on Management Approach	●	21, 37
<b>PR1</b>	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	●	21
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	●	No incidents to report in 2014.
<b>PR3</b>	Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements.	●	21
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	●	No incidents to report in 2014
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	●	21
<b>PR6</b>	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	●	21
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	●	No incidents to report in 2014
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	●	No incidents to report in 2014
<b>PR9</b>	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	●	No incidents to report in 2014
<b>OG14</b>	Volume of biofuels produced and purchased meeting sustainability criteria.	●	43

● Fully reported ● Partially reported ● Not reported Indicators in **bold** represent core GRI indicators

Acronyms and abbreviations

<b>A&amp;AD</b>	Audit and Assurance Division
<b>ADAA</b>	Abu Dhabi Accountability Authority
<b>ADIA</b>	Abu Dhabi Investment Authority
<b>ADIC</b>	Abu Dhabi Investment Council
<b>ADNOC</b>	Abu Dhabi National Oil Company
<b>ADRPBF</b>	Abu Dhabi Retirement Pensions and Benefits Fund
<b>ADWEA</b>	Abu Dhabi Water and Electricity Authority
<b>AED</b>	Arab Emirates Dirham
<b>AGHSESC</b>	ADNOC Group HSE Steering Committee
<b>ALARP</b>	As Low as Reasonably Practicable
<b>AOP</b>	Achievers Oasis Programme
<b>API</b>	American Petroleum Institute
<b>AQMS</b>	Air Quality Management System
<b>ASA</b>	Advertising Standards Authority
<b>ATI</b>	ADNOC Technical Institute
<b>BAP</b>	Biodiversity Action Plan
<b>Bbl</b>	Barrel
<b>BeAAT</b>	Central Environment Protection Facility
<b>BMI</b>	Body Mass Index
<b>BMP</b>	Best Management Practice
<b>boe</b>	Barrel of oil equivalent
<b>BPD</b>	Barrels Per Day
<b>CAMS</b>	Competence Assurance Management System
<b>CCUS</b>	Carbon Capture, Usage and Storage
<b>CDM</b>	Clean Development Mechanism
<b>CFC</b>	Chlorofluorocarbon
<b>CNG</b>	Compressed Natural Gas
<b>CICPA</b>	Critical Infrastructure and Coastal Protection Authority

<b>CO</b>	Carbon Monoxide
<b>CO<sub>2</sub></b>	Carbon Dioxide
<b>CO<sub>2</sub>e</b>	Carbon Dioxide Equivalent
<b>CoP</b>	Code of Practice (ADNOC)
<b>COP</b>	Conference of Parties (UNFCC)
<b>CPD</b>	Civil Projects Division
<b>CSR</b>	Corporate Social Responsibility
<b>E&amp;P</b>	Exploration and Production
<b>EOR</b>	Enhanced Oil Recovery
<b>ERD</b>	Extended Reach Drilling
<b>FAR</b>	Fatal Accident Rate
<b>G3.1</b>	Generation 3.1 (GRI indicators)
<b>GHG</b>	Greenhouse Gas
<b>GNRD</b>	Group Nationals Recruitment Department
<b>GRI</b>	Global Reporting Initiative
<b>GSAD</b>	Glenelg School of Abu Dhabi
<b>H<sub>2</sub>S</b>	Hydrogen Sulphide
<b>HAAD</b>	Health Authority of Abu Dhabi
<b>HCFC</b>	Hydrochlorofluorocarbon
<b>HR</b>	Human Resources
<b>HSE</b>	Health, Safety and Environment
<b>HSEIA</b>	Health, Safety and Environment Impact Assessment
<b>HSEMS</b>	Health, Safety and Environment Management System
<b>IOC</b>	International Oil Company
<b>IOGP</b>	International Association for Oil & Gas Producers
<b>IGD</b>	Integrated Gas Development
<b>ILO</b>	International Labour Organisation
<b>IMO</b>	International Maritime Organisation
<b>IPCC</b>	Intergovernmental Panel for Climate Change

<b>IPIC</b>	International Petroleum Investment Company
<b>IUCN</b>	International Union for Conservation of Nature
<b>KPI</b>	Key Performance Indicator
<b>km</b>	Kilometre
<b>km<sup>2</sup></b>	Square kilometre
<b>kWh</b>	Kilowatt hour
<b>LNG</b>	Liquefied Natural Gas
<b>LTI</b>	Lost Time Incident
<b>LTIF</b>	Lost Time Incident Frequency Rate
<b>m<sup>3</sup></b>	Cubic metre
<b>Masdar</b>	Abu Dhabi Future Energy Company
<b>MMSCF</b>	Million Standard Cubic Feet
<b>MMSCFD</b>	Million Standard Cubic Feet per Day
<b>MSBPD</b>	Million Standard Barrels per Day
<b>MSD</b>	Medical Services Division
<b>MSDS</b>	Material Safety Data Sheet
<b>MWh</b>	Megawatt hour
<b>NAF</b>	Non-aqueous Fluid
<b>NCEMA</b>	National Emergency Crisis and Disaster Management Authority
<b>NGL</b>	Natural Gas Liquid
<b>NGV</b>	Natural Gas for Vehicles
<b>NO<sub>x</sub></b>	Nitrogen Oxides
<b>NORM</b>	Natural Occurring Radioactive Material
<b>NRC</b>	National Recruitment Committee
<b>OBM</b>	Oil Based Mud
<b>O&amp;G</b>	Oil and Gas
<b>ODS</b>	Ozone Depleting Substance
<b>OGSS</b>	Oil and Gas Sector Supplement (GRI)

<b>OHRA</b>	Occupational Health Risk Assessment
<b>OSRC</b>	Oil Spill Response Centre
<b>PI</b>	Petroleum Institute
<b>PP</b>	Polpropylene
<b>ppm</b>	Parts per million
<b>RAA</b>	Remote Area Allowance
<b>RAMS</b>	Remote Area Medical Services
<b>R&amp;D</b>	Research & Development
<b>RHC</b>	Ruwais Housing Complex
<b>RHD</b>	Ruwais Hospital Division
<b>RWDC</b>	Restricted Work Day Case
<b>SAS</b>	Sahil, Asab and Shah Fields
<b>SGD</b>	Shah Gas Development
<b>SO<sub>2</sub></b>	Sulphur Dioxide
<b>SO<sub>x</sub></b>	Sulphur Oxides
<b>SPC</b>	Supreme Petroleum Council
<b>SRU</b>	Sulphur Recovery Unit
<b>TLD</b>	Thermo-luminescent Dosimeters
<b>TRIR</b>	Total Recordable Incident Rate
<b>TWL</b>	Thermal Work Limit
<b>UAE</b>	United Arab Emirates
<b>UK</b>	United Kingdom
<b>UNFCCC</b>	United Nations Framework Convention on Climate Change
<b>USA</b>	United States of America
<b>UZ</b>	Upper Zakum
<b>VMD</b>	Vehicle Monitoring Devices
<b>VOC</b>	Volatile Organic Compound
<b>WBM</b>	Water Based Mud
<b>WRDC</b>	Western Region Development Council
<b>YFEL</b>	Young Future Energy Leaders



## Independent Assurance Statement

ADNOC's 2014 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 the ADNOC sustainability performance, namely the following 10 performance indicators, as identified within the Report's Global Reporting Initiative (GRI) G3.1 Index, for the period of 1 January 2014 to 31 December 2014:

#### 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 data.

### What we did to form our conclusions

We performed our work using our Sustainability Assurance Methodology (EY SAM™), which is based on our professional experience and international assurance best practice, including reference to the ISAE 3000.<sup>1</sup>

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

1. Interviewed a selection of executives and senior managers at ADNOC and 10 Operating Companies' (OPCOs) 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 10 selected OPCOs included ADCO, ADGAS, ADMA-OPCO, ADNOC Distribution, Borouge, GASCO, NDC, TAKREER, TOTAL ABK, ZADCO.
2. Reviewed a selection of OPCO-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 ADNOC's processes for determining material issues to be included in the Report.
4. 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.
5. Reviewed and challenged supporting evidence for a selection of two to five indicators for each of the selected OPCOs, 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 ISAE3000) 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 of 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 OPCOs' in Abu Dhabi. Our assurance activities relating to energy consumption, environmental emissions, and GHG emissions assessed the collation and accuracy of data conversion.

### Our conclusions

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

#### Materiality

*Has ADNOC provided a balanced representation of material issues concerning its sustainability performance?*

- ▶ We are not aware of any material aspects concerning ADNOC's sustainability performance which have been excluded from the Report.
- ▶ Nothing has come to our attention that causes us to believe that ADNOC's management has not applied its processes for determining material issues included in the Report.

*Has ADNOC responded to stakeholders' concerns?*

- ▶ We are not aware of any additional issues of stakeholders' interest that are not currently included in the Report's scope and content.

#### 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 is data covered under the scope of work in the Report?*

- ▶ We are not aware of any material reporting units that have been excluded from the OPCO-level data 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 data relating to the above topics has not been collated properly by ADNOC.
- ▶ We are not aware of any errors that would materially affect the data 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

- ▶ ADNOC has processes in place to identify and engage with stakeholders across the organization. ADNOC has conducted the materiality analysis based on benchmarking against its peers and feedback from internal stakeholders (employees).

- ▶ We have seen a common structured data collection process for ADNOC and the selected OPCOs in attaining quality data related to the above topics.
- ▶ ADNOC's Annual HSE Award program has driven improvements in HSE performance, including energy conservation activities. This has assisted ADNOC to encourage OPCOs to look for continuous HSE improvements.

### Areas for improvement

- ▶ We recommend strengthening the stakeholder engagement and materiality process by extending it to external stakeholders as per GRI 3.1, in order to provide additional inputs for forthcoming sustainability reports.
- ▶ ADNOC could consider recommending that OPCOs' implement an internal assurance process at their level to supplement the existing assurance process at ADNOC level, in order to reduce the risk of misstatement.
- ▶ We recommend examining the feasibility of implementing an integrated sustainability information management software that could incorporate key sustainability indicators.
- ▶ ADNOC could consider updating its' ADNOC Code of Practice (CoP) on sustainability reporting to add further clarity to definitions and calculation methodologies amongst its' OPCOs. This will reduce reliance on estimations for the purpose of calculating certain metrics, such as energy consumption, GHG emissions and volume of flared and vented hydrocarbon.

### Our independence

This is the first 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 global Climate Change and Sustainability practice, which undertakes similar assurance engagements with a number of significant Middle East and international businesses.



**EY**  
Abu Dhabi, United Arab Emirates

<sup>1</sup> International Federation of the Accountants' International Standard for Assurance Engagements Other Than Audits and Reviews of Historical Financial Information (ISAE 3000)

About our reporting

This report covers the major issues that reflect ADNOC's material topics, and is guided by a content selection process as described below.

Reporting framework

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 External Assurance Statement is available on page 72.

Report boundary and scope

This report pertains to ADNOC's performance in the 2014 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 headquarters: Performance is included in all sections of this report.
- Group Companies: Performance is included in all sections of this report
- Independent Operators: Performance is included in the 'People' section (in full), 'Environment' section (in full) and 'Society' section (in part) of this report. The term 'ADNOC Operating Companies' has been used where the performance of the Independent Operators has been included with that of the ADNOC Group Companies.
- Academic Institutes: Performance is included in the 'Society' section of this report only, unless otherwise stated.

Content selection process

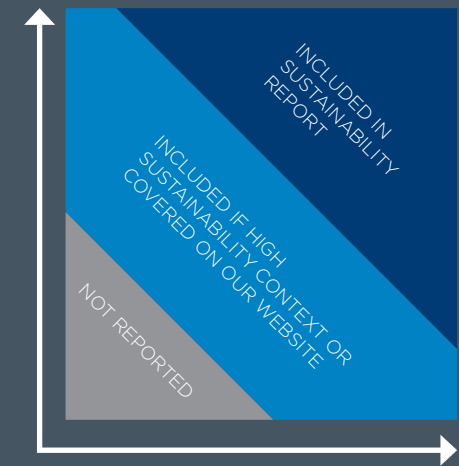
Our reporting focuses on the environmental and social challenges that matter most to our key stakeholders. These include local communities, partners, government and non-government organisations, customers, employees, media, academics, contractors and suppliers.

We use a thorough process to select content for our reporting based on information from external and internal sources. This process includes:

- Step 1:** identify and understand topics of significance to our external stakeholders through a range of stakeholder engagements and reviews.
- Step 2:** Identify topics of significance to ADNOC's business through our established internal processes.
- Step 3:** Combine the results into a matrix and assess each topic in terms of its wider economic, environmental and social impact.
- Step 4:** We include all the highest priority topics in our report. Those at the next level of importance are included if they have a higher weight in "sustainability context".

Further information about this step and the material topics reflected in this report can be found on page 15 of this report.

**Step 5:** Our Internal Review Committee reviews the content selection to ensure that coverage is complete, relevant and balanced.



Report contributors

The reporting entities that have participated in the provision of the ADNOC 2014 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 Institutes.

Group Companies



Independent Operators



Academic Institutes



Photo contributors

Entity	Page No.	Entity	Page No.
ADNOC	7, 22, 33, 44, 48, 49, 52, 54 - 59	Borouge	19
ADCO	31	ESNAAD	26
ADGAS	24, 25, 29	GASCO	29
ADMA-OPCO	4, 5, 13, 14, 16, 17, 23, 25, 31	Petroleum Institute	46, 51
ADNOC DISTRIBUTION	47	TAKREER	6, 43
Al Hosn Gas	20	ZADCO	35, 39

ADNOC 2014 Sustainability Photo Contest Winners

- Cover Photo: 'The Wisdom Tree' - courtesy of Rashed Saad Al Sumaiti (ADCO)
- Page 34: 'Mangrove Seedlings' - courtesy of Amgad Ali Al Shaffai (ADNOC)



Please direct any questions regarding this publication to:

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