

أدنوك
ADNOC



شركة بترول أبوظبي الوطنية

Sustainable Development through Partnership and Clean Technologies

Abu Dhabi National Oil Company (ADNOC)

Sustainability Report 2013



**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. General Sheikh
Mohamed bin Zayed
Al Nahyan**
Crown Prince of Abu Dhabi and
Deputy Supreme Commander
of the UAE Armed Forces

“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

About this Report

This Report covers the major issues that reflect ADNOC's significant economic, environmental and social impacts, as well as the issues that would substantively influence the assessments and decisions made by ADNOC's stakeholders. The Report seeks to demonstrate transparency, presenting achievements while also highlighting the areas in which ADNOC believes there is an opportunity to improve.

Reporting approach and the Global Reporting Initiative

ADNOC is a registered Organisational Stakeholder of the Global Reporting Initiative (GRI). Our reporting is prepared in accordance with the GRI Generation 3.1 (G3.1) Sustainability Reporting Guidelines, including the Oil and Gas Sector Supplement. This Report has been checked by GRI to meet the requirements of Application Level 'A'; a copy of the GRI statement is available on page 69. This Report has not been externally assured.

Materiality

Materiality, in the sustainability context, refers to the issues and activities that are considered by our

internal and external stakeholders to be the most significant and relevant to our industry and the local and regional context of our operations.

Report boundary and scope

This Report pertains to ADNOC's performance in the 2013 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 also be noted:

- ADNOC Group Companies: Performance has been included in all sections of this Report.
- Independent Operators: Performance has been 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 Independent Operators' performance has been included with the performance of the ADNOC Group Companies.

- Civil Projects Division (CPD): Performance from construction-related operations undertaken by CPD has been included in the 'People' section of this Report only.
- The Petroleum Institute (PI): Performance has been included in all sections of this Report, unless otherwise stated. PI is excluded from reporting on certain metrics under ADNOC's sustainability reporting guidelines.

Where possible, we have provided 5-year trend data (2009 – 2013), and in some cases earlier years. The reporting on some parameters is provided for the reporting year (2013) only, due to the implementation of revised data collection protocols for which normalisation of prior year data against the revised protocols could not be performed accurately.

Case studies

This Report is supported by case studies focusing on specific activities that explore our approach to sustainable development.

Please direct any questions regarding the ADNOC Sustainability Report 2013 to:

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Message from the Director General



“The United Arab Emirates is a responsible hydrocarbon producer. We are committed to finding and adopting real-world solutions that have economic and environmental returns.”

H.E. Abdulla Nasser AlSuwaidi,
ADNOC Director General

Keynote Address at Signing Ceremony for ADNOC-Masdar Carbon Capture, Usage and Storage Joint Venture Agreement, 10 November 2013

The Emirate of Abu Dhabi is entering a new era of development with great resolve, dedication and determination. It is moving ahead in its journey to success and towards further prosperity and economic development, driven by the inspiration of its leaders and the aspirations of its people. Under the wise leadership of H.H. Sheikh Khalifa bin Zayed Al Nahyan and the oversight of H.H. General Sheikh Mohamed bin Zayed Al Nahyan, Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces, we are already building milestones on the way to achieving the Abu Dhabi Economic Vision 2030, the roadmap for the Emirate's long-term economic growth and progress.

ADNOC is proud to play a central role in helping realise that vision; the role of providing a secure and reliable energy supply to support our nation's development. To meet this commitment in a safe and environmentally responsible manner, and at the scale that will be required, we will build on our strength in developing clean technologies and techniques that will maximise our value, while increasing the safety, efficiency and environmental performance of our operations. Forging strategic partnerships along the way will be integral to our success, as we seek to benefit from applied technologies and to share the expertise and know-how required to manage the complexity of our challenging work environments.

Clean technologies and partnership

The introduction and application of new processes and technologies that can improve the long-term performance of our natural resources and assets, in parallel to delivering energy efficiencies and emission reductions throughout our hydrocarbon value chain, is critical. Across our operations, we are phasing out onsite power generation with more efficient power imports from the national grid.

Approximately 70,000 tonnes of carbon dioxide equivalent (CO₂e) were avoided as a result of adopting this practice in our onshore activities in 2013.

We were also proud to register our second Clean Development Mechanism (CDM) project in 2013, undertaken by ADCO for flare gas reduction at their Shah field. The project will abate approximately one million tonnes of CO₂e over its crediting period of 10 years. Flaring reduction continues to be one of our Group Companies' major priorities. To date we have achieved a 76.4% reduction in flaring across our operations compared to our 1997 levels, despite undergoing significant expansion in our production during this period.

The year 2013 also marked our flagship partnership with Abu Dhabi Future Energy Company (Masdar) for carbon capture, usage and storage (CCUS). The application of CCUS clean technology provides two obvious advantages. Injecting CO₂ safely helps limit emissions in a region that has one of the world's largest carbon footprints per capita. In addition, CCUS enhances oil production through enhanced oil recovery (EOR), while liberating the much needed natural gas to the markets that would otherwise be used for injection into oil fields to maintain production rates and reservoir pressure.

The joint venture is the first phase of an industrial-scale CCUS network planned as part of Abu Dhabi's commitment to decarbonize its economy and create a low-carbon power generation industry. It will also collaborate with ADNOC's Petroleum Institute and Masdar's Institute of Science and Technology

in developing leading edge technologies to optimise CO₂ management in Abu Dhabi.

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 is a pioneer that will create a benchmark for the technical and commercial delivery of these projects region-wide.

Energy integration

ADNOC's long-term strategy is to move towards greater energy infrastructure integration in Abu Dhabi and the wider UAE. We are beginning to recognise the value that energy integration brings through our major projects that include the Integrated Gas Development (IGD) project, which was fully operational this year, and through our collaborations with other domestic players including Union Railway on the sulphur rail line between Shah, Habshan and Ruwais, and with International Petroleum Investment Company (IPIC) on the Habshan-Fujairah pipeline.

These projects provide strategic supply routes for our products to global markets, whilst also creating economic benefits for the country as a whole through employment opportunities and boosting the local and regional supply chain for goods and services.

Safe and responsible operation

We have been in the oil and gas business for over 40 years and our priority is to always operate safely and in an environmentally responsible way. Sadly however, eleven workers lost their lives while working for ADNOC in 2013. I would like to express my sympathy and extend our

condolences to the workers' families, friends and to their communities. 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.

Supporting a knowledge-based society

As we enter a new era in the oil and gas industry, where the extraction of existing and new hydrocarbon reserves becomes more complex and technically challenging, our requirements for technical experts to support our growing operations across the hydrocarbon value chain becomes increasingly important.

ADNOC places great emphasis on implementing a robust strategy for recruitment, development and retention of human capital. ADNOC is also committed to the development of UAE nationals in alignment with the UAE Government's plan to create employment opportunities for Emiratis, known as 'Emiratization'. Our current five year target is to achieve 75% Emiratization across core company positions by the end of 2017.

With our highly motivated and determined manpower, we are confident that the building blocks assembled year after year will contribute to a bright future for the UAE, and will ensure continued prosperity in the years ahead.

Abdulla Nasser AlSuwaidi
Director General

About ADNOC

Abu Dhabi National Oil Company (ADNOC) was established in 1971 to pioneer the petroleum industry in the Emirate of Abu Dhabi, and to develop the in-country value of the United Arab Emirates (UAE) as a whole.



Today 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 (bpd) and an integrated energy infrastructure comprised of 15 specialist subsidiary and joint venture companies, collectively known as the ADNOC Group Companies.

Thriving on a spirit of enterprise and a commitment to safely and reliably deliver energy to our domestic

and global consumers, our Group Companies’ operations cover all aspects of the hydrocarbon value chain, including crude oil and natural gas exploration, production, refining, processing, global marketing, maritime services, and the manufacture of petrochemicals.

ADNOC’s headquarters are located in Abu Dhabi, UAE. Our new head office tower is currently under construction and will provide improved services

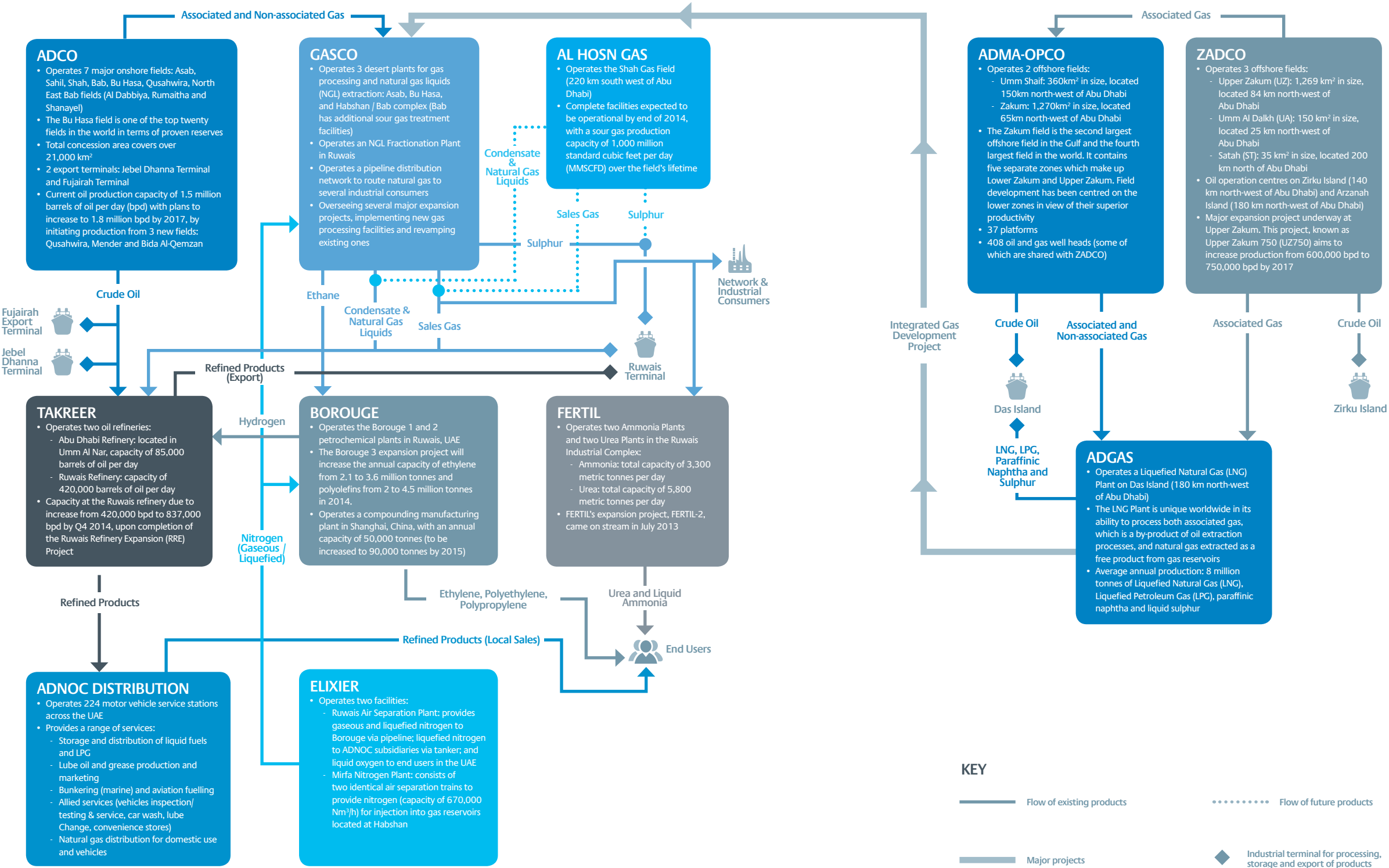
and facilities for our staff, visitors and stakeholders, including a modern underground car park with a capacity for over 1,600 vehicles.

Our major operations are based in the UAE. Some of the ADNOC Group Companies have offices in other countries, such as Borouge which has marketing operations across and representative offices in various countries worldwide.

ADNOC Organisational Structure



ADNOC Group Companies



NDC

- Provides onshore and offshore drilling services to the ADNOC Group Companies
- 2,085,831 feet drilled in 2013
- Operates:
 - 13 offshore jack-up drilling rigs and 2 offshore island drilling rigs
 - 26 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 53 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

ADNOC Major Projects

The world will require all forms of energy to meet the increase in demand that will be driven by population growth, improved living standards and expanded urbanisation.

To help meet the rising global energy demand and secure the gas supplies required to fuel the development of our local economy, ADNOC is collaborating with local oil and gas partners including Dolphin Energy, Emirates LNG, and Abu Dhabi Future Energy Company (Masdar). ADNOC is also engaged in a series of strategic projects that will drive production growth by exploring and developing new hydrocarbon resources, as well as improving the long-term performance of our existing fields.

In recent years, our production growth has emphasised natural gas production, where natural gas is seen as a cleaner fuel amidst rising global concerns surrounding climate change and oil dependency. However we recognise that without gains in efficiency throughout the energy value chain, production growth cannot sustainably curb the upward-sloping energy demand curve we are challenged with today.

ADNOC's strategy therefore places emphasis on integrating clean technologies with our operations, of which notably include our on-going Clean Development Mechanism (CDM) projects and our flagship partnership with Abu Dhabi Future Energy Company (Masdar) for carbon capture, usage and storage (CCUS), as well as moving towards greater energy infrastructure integration in

Abu Dhabi and the wider UAE. We are beginning to recognise the value that energy integration brings through our major projects that include the Integrated Gas Development (IGD) project, and through our collaborations with other domestic players including Union Railway on the sulphur rail line to move granulated sulphur from our sour gas fields in Shah and Habshan to Ruwais, and with International Petroleum Investment Company (IPIC) on the Habshan-Fujairah pipeline. These projects provide strategic supply routes for our products to global markets, whilst also creating economic benefits for the country as a whole through employment opportunities and boosting the local and regional supply chain for goods and services.

Integrated Gas Development Project

The Integrated Gas Development (IGD) Project, implemented by ADGAS, ADMA-OPCO and GASCO, is a mega onshore-offshore project that saw full completion in Q3 2013. As part of this undertaking, additional gas wells were drilled at ADMA-OPCO's offshore Umm Shaif field for gas transfer to ADGAS's new facilities on Das Island and then via a 200 kilometres pipeline to GASCO's Habshan plant for further processing.

The IGD project will ultimately

provide up to 800 million standard cubic feet per day (MMSCFD) of gas for domestic supply.

Shah Gas Development Project

The Shah Gas Development (SGD) Project, implemented by Al Hosn Gas, is a technically-challenging project that aims to extract and process approximately 1,000 MMSCFD of wet gas from the Shah Arab field sour gas reservoir – located 210 km southwest of Abu Dhabi city. From this sour feed gas stream (which contains as much as 23% hydrogen sulphide), the project will provide 500 MMSCFD of clean natural gas for the Abu Dhabi market, making it one of the most critical energy infrastructure projects for the Emirate of Abu Dhabi.

The SGD Project facilities are targeting production commencement in Q4 2014.

Sahil-Asab-Shah Full Field Development Project

The Sahil-Asab-Shah (SAS) Full Field Development Project, implemented by ADCO, is one of the company's major projects in ADCO's strategy to increase onshore oil production to 1.8 million barrels of oil per day (bpd) by 2017. The project involves major installations and modifications to surface handling facilities, aimed at increasing the production capacity at Sahil, Asab and Shah – three of

the major oil fields that constitute ADCO's South East Asset. Covering an extensive area of 7,525 km², the South East asset also includes the oil fields Qusahwira and Mender. Collectively, the asset contributes to almost one-third of the company's daily production.

The Qusahwira oil field was commissioned in Q4 2013 with an initial production capacity of 30,000 bpd, increasing to 53,000 bpd by 2017. Production from Mender is targeted in 2017.

Upper Zakum Full Field Development Project

The Upper Zakum Full Field Development Project, implemented by ZADCO, is a mega offshore project that is central to meeting the company's strategic target of increasing production capacity from the Upper Zakum oil field to 750 thousand barrels of oil per day by 2017, sustainable for 25 years. The project, also known as Upper Zakum 750 (UZ 750), is unique in its application of artificial islands as drilling and production centres (instead of conventional well head platform towers), and its utilisation of new technologies in Extended Reach Drilling (ERD) and Maximum Reservoir Contact

(MRC) to effectively develop the entire field. ERD technology enables wells to be initially drilled vertically following which they can be drilled horizontally to target reservoirs up to several miles away; the innovative MRC technology unlocks tighter areas in the reservoir and reduces

the number of new wells required. The first of the four artificial islands that constitute the UZ 750 Project, the South Island (shown in picture below), was fully completed in 2012. The North Island was completed in 2013; the Central and West Islands are due for completion in early 2014.

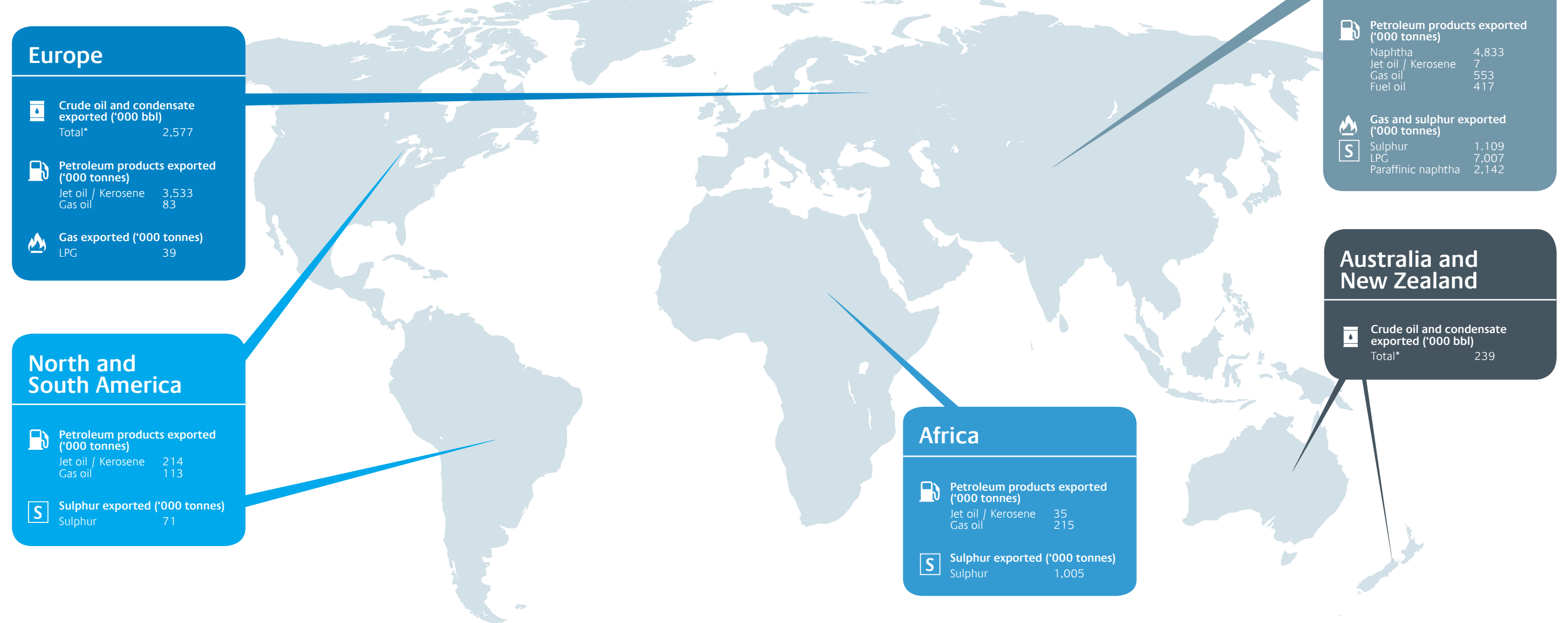
ADNOC-Masdar Carbon Capture, Usage and Storage Joint Venture

In 2013, ADNOC established a joint venture with Abu Dhabi Future Energy Company (Masdar), the Middle East's first project focused on exploring and developing commercial-scale projects for carbon capture, usage and storage (CCUS). The project consists of three core components. First, CO₂ will be captured onsite at Emirates Steel Industries (ESI), the UAE's largest steelmaker facility. Second, the CO₂ will be compressed and transported along a 50 km pipeline to ADCO's onshore oil fields. Third, the CO₂ will be injected into the oil fields for enhanced oil recovery (EOR), which liberates the much needed natural gas to the markets - that would otherwise be used for injection into oil fields to maintain production rates and reservoir pressure. With demand for electricity on the rise due to industrial development, the CCUS project will allow the UAE to preserve its hydrocarbon gas for domestic power generation as gas is used as a feedstock in all of the Abu Dhabi Emirate's power plants.

The joint venture is the first phase of an industrial-scale CCUS network planned as part of Abu Dhabi's commitment to decarbonize its economy and create a low-carbon power generation industry. The project will sequester up to 800,000 tonnes of CO₂ annually. Project completion is set for early 2016.



ADNOC Products and Markets



* ADNOC share of products exported in 2013

Crude oil and condensate

The main onshore grade for our crude oil is Murban. Our offshore grades include Umm Shaif, Lower Zakum and Upper Zakum. ADNOC also produces two grades of condensate; Uweinat and Thamama.

ADNOC has plans to blend crude from the Umm Shaif and Lower Zakum oilfields into a new blend, Das Crude, which will replace the existing Umm Shaif and Lower Zakum grades by Q3 2014. The new blend will be

introduced based on market demand and in view of ADMA-OPCO's growing oil production.

Currently, crude from the Umm Shaif and Lower Zakum fields is transferred to Das Island for processing, storage and export. Mixing the two crudes and consequently storing it in unified tanks will free up two storage tanks on a busy island and secure the space required for accommodating ADMA-OPCO's additional production.

The new mixture will also save a considerable fraction of the loading time needed compared to pumping two different grades into oil tanks. This will ensure better shipment programming and flexibility, as keeping oil tankers beyond the timeframe allowed for loading is avoided.

Petroleum products

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

Sulphur and gas

Sulphur is a valuable by-product of our operations. Sulphur production is set to increase significantly when production commences from the sour Shah Arab field, currently being

developed by Al Hosn Gas. ADNOC also markets its share of Liquefied Petroleum Gas (LPG) and paraffinic naphtha, produced by GASCO and ADGAS.

Petrochemicals

ADNOC petrochemicals are produced by BOROUGE and FERTIL. Borouge is a leading provider of innovative, value creating plastics and has a polyolefins (polyethylene and polypropylene) manufacturing capacity of 2 million tonnes per year (increasing to

4.5 million tonnes by 2014 upon completion of the Borouge-3 project). Borouge's plastics are sold in over 50 countries worldwide, for various applications that include the infrastructure, automotive and advanced packaging industries.

FERTIL manufactures fertilizers for domestic and international consumption. In 2013, FERTIL produced 802,561 tonnes of ammonia and over 1.34 million tonnes of urea.

How we operate

Being a responsible operator requires good corporate governance and leadership in everything we do.



Our approach

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.

8

Independent members of ADNOC's governing board

8

HSEMS elements, covering all aspects of our operations including employee and contractor management

3

Integrated levels of governing HSE performance

3

Tiers for emergency response and crisis management

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.

Under the supervision and guidance of the SPC, the domestic petroleum industry in Abu Dhabi has experienced radical changes. It has evolved from the production and export activities of crude oil to a well-established petroleum industry which includes diversified activities ranging from the production of chemicals and petrochemicals to oil refining, the distribution of products, natural gas processing, support services and maritime transportation.

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.

Under H.H. Chairmanship, the Emiri decree on 25 June 2011 was issued restructuring the SPC with membership from the ADNOC Director General and a further eight independent members.

Financial governance

ADNOC reports directly to the SPC on matters of its financial performance, which are regarded as highly confidential under both ADNOC and Abu Dhabi protocols. An external audit committee, chaired by a member of the SPC, provides independent assurance over ADNOC's financial performance and reports directly to the SPC.

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 efficiently, effectively and economically, and ensures accuracy of the financial reports as well as compliance with the relevant laws and rules and regulations.

ADNOC's operations and major developments are funded primarily from the company's own cash flow. Cash 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 Habroutch Al Suwaidi

H.E. Hamad Mohamed Al Hur Al Suwaidi

H.E. Khalifa Mohamed Khalifa Al Kindi

H.E. Eng. Abdulla Nasser Al Suwaidi

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 forms the basis of our oversight over our operations.

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.

HSE Management System

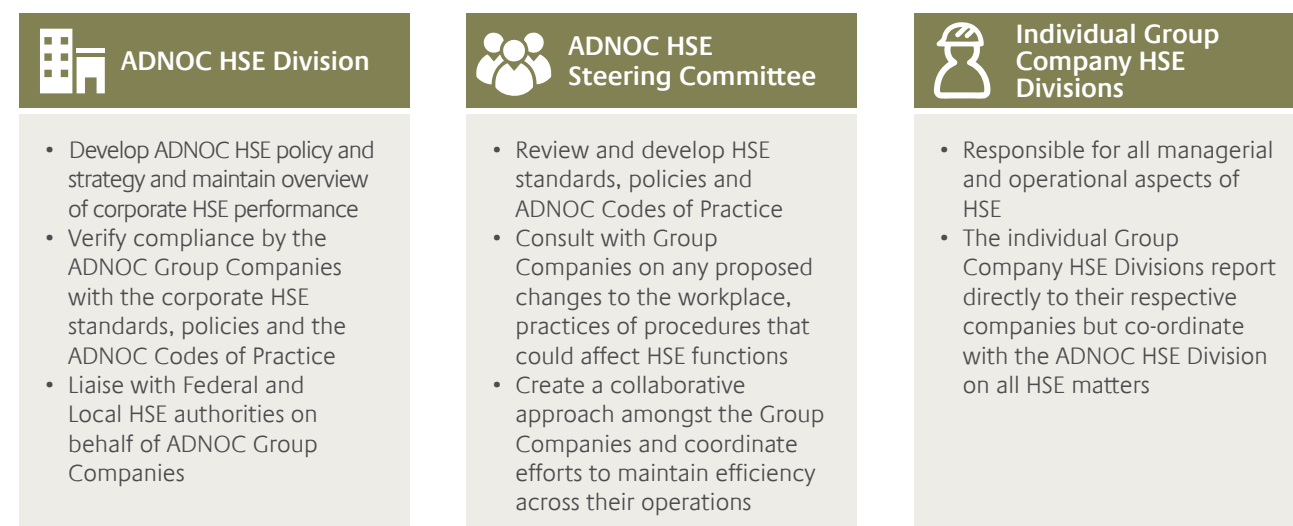
The ADNOC Codes of Practice provide structured guidance for the development of a comprehensive HSE Management System (HSEMS), covering all aspects of employee and contractor activities. The HSEMS is intended to serve as an engine driving

ADNOC HSE policy and strategy. 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 from the ADNOC HSE Division. 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.

Eight Integral Elements of ADNOC HSEMS



HSE governance structure



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).

Our 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 stipulated in the relevant ADNOC Code of Practice.

HSEIAs are 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 the selection and engagement of 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.

While ADNOC has developed a policy to address corruption and takes complaints or allegations very seriously, at present there is no formal anti-corruption training programme or corruption review of ADNOC business units. 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.

Furthermore, an audit committee is in place across each of our Group Companies, reporting directly to the respective Board of Directors on associated matters. ADNOC's Group Companies are also subjected to regular audits by ADNOC's Audit and

Assurance Division (A&AD) where the reliability and integrity of financial and operating information, as well as the means used to identify, measure and report such information, is carefully evaluated. Furthermore the A&AD assists Group Company management in the deterrence of fraud by evaluating controls in relation to the potential risk. Known incidents of fraud or corruption are reported to the ADNOC Head Office for immediate investigation and response.



Managing our contractors

A considerable part of ADNOC's Group-wide operations depends on contractors to carry out a wide 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 our contracts. As a general rule, all contractors working for ADNOC Group Companies are subject to and must adhere with ADNOC's HSE Policy, Codes of Practice, ADNOC standards and procedures, and the UAE's Laws and Regulations. In addition, our HSEMS has specific expectations that have been set to ensure effective management of our contractors' HSE performance. HSE performance.

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 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 developed by ADNATCO & NGSCO for their vessels have been adopted in international maritime security standards, such as the Best Management Practice Guide No. 4 (BMP-4) For Protection against Somalia Based Piracy.

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. They allow environmental, health and safety risks regarding employees, contractors and communities to be assessed and prevented or mitigated. Many of our products are required to have a specific material safety data sheet (MSDS). These MSDSs outline the relevant health, safety and environmental aspects of our products and are available to customers and the transporters of our products.

As our primary activities are in the extraction (and, in some cases, processing) stages of a product's life cycle, the majority of the life cycles of our products occur after the products have left our control. For our petrochemical products, where a closer interaction with consumers

takes place in comparison to our unrefined products, the health and safety (H&S) 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 are assessed for compliance with the associated procedures before entering the market place.

Customer outreach and satisfaction

Customer satisfaction is critical to our outward-facing 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 performing regular customer visits, product trials and technical follow-ups where possible.

Marketing communications

The Group Companies' individual marketing departments strictly adhere to the provisions of signed customer agreements and to applicable laws 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 foreseeable crisis and emergencies. 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 an emergency. ADNOC is therefore in the process of constructing a third OSRC on Zirku Island, which has been strategically selected to ensure maximum coverage across our offshore operations.

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

The competency of our staff is



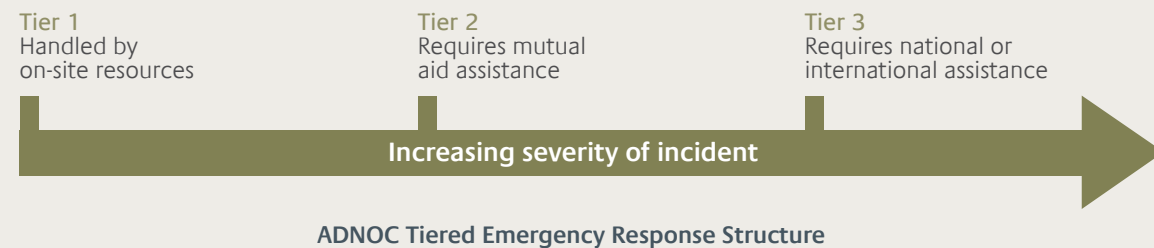
critical to our success in anticipating and effectively responding to crisis situations. Our in-house training programmes are accredited by the UK's Nautical Institute to meet the requirements of the International Maritime Organisation (IMO). With oversight and support from the National Emergency Crisis and Disasters Management Authority (NCEMA), our personnel undertook several national and 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 (Tier 1) and by mutual aid (Tier 2). The final tier (Tier 3) 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 Executive Committee and the UAE Armed Forces.

Securing trade and supply

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 and our Group Companies are currently updating our business continuity plans according to standard UAE codes 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).

ADNOC's organisational leadership stresses the application of a variety of principles, systems and tools for the sustainable improvement of our processes and performance.

Our long-term success is dependent on leading our people, teams and organisation towards operational excellence.

Supervisors at the Zakum West Super Complex



People

Our people are the foundation of our success and their health and safety comes first.



Our approach

Having our people return home safe and well at the end of every work day and enabling them to end their working life fit and healthy is central to everything we do. Regardless of where our people are located or the type of work they undertake, we strive to create a working environment that is free from occupational illness 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. Collectively, these requirements are designed to enable our operations to safely return to full function as soon as possible.

Employing and developing talented and motivated people who share our values is critical to our long-term success. We are committed to providing a work environment in which everyone is treated fairly and with respect and has the opportunity to maximise their potential.

176,000

Employees and contractors across ADNOC and our operating companies

710 million

Man-hours registered

0.09

Lost time injury frequency (per million man hours)

1.9 million

Man-hours of training delivered to our employee and contractor workforce, at a spend of over AED 306 million

AED 17 billion

Employee wages and benefits

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 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

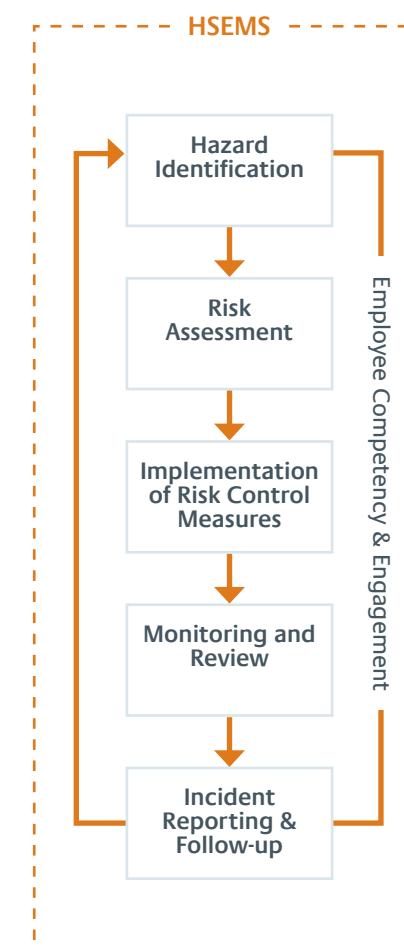
reporting unsafe conditions and taking responsibility for managing these conditions safely.

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. 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.

Managing occupational safety



NDC - SMART Tracking delivers safe and efficient rig moves

The movement of rigs is a high risk operation due to the manpower involved and the large number of loads that are moved simultaneously within a short period of time. Hence, an enhancement of the current vehicle monitoring system, which is applicable to light vehicles only, was essential to monitor heavy truck movement in Abu Dhabi's desert terrain.

In 2013, NDC introduced an 'In Vehicle Monitoring System' (IVMS) which can be used on civil equipment and heavy trucks. The new IVMS improved utilisation of heavy trucks by 20% and decreased lost time due to maintenance from 25% to 4%. The system also allows better trip planning and scheduling, and online and offline tracking of vehicle location, speed and distance.

In addition to improving operator and vehicle safety, the system delivered significant cost benefits to the company by minimizing violations, saving fuel and reducing maintenance downtimes. NDC intends to use the IVMS for all company vehicles, including contracted trucks.

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 (OGP) guidelines for the recording and reporting of occupational injuries and illnesses.

Our 2013 lost time injury frequency (LTIF) of 0.09 injuries per million hours worked improved by 10% compared with 0.10 in 2012, and is lower than the industry benchmark of 0.45 (OGP average). While we continue to see year-on-year improvement, we recognise

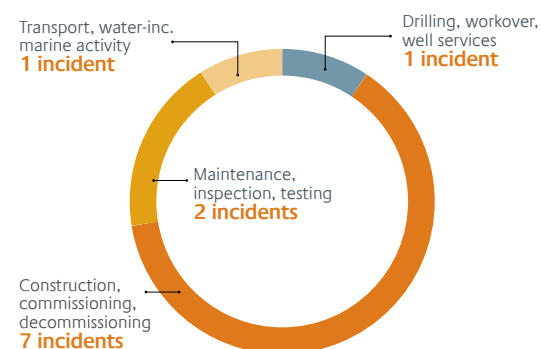
that LTIF is principally an indicator in highlighting broad personal injury trends, and we recognise that lower injury rates alone will not prevent fatalities.

In 2013, there were 11 regrettable work-related fatalities across our operations affecting two company employees and nine contractors. Seven fatalities were industrial accidents during construction and commissioning operations, two were accidents during maintenance and inspection operations, one involved an employee falling from height whilst performing drilling operation, and one was a case of drowning during marine transportation. Our

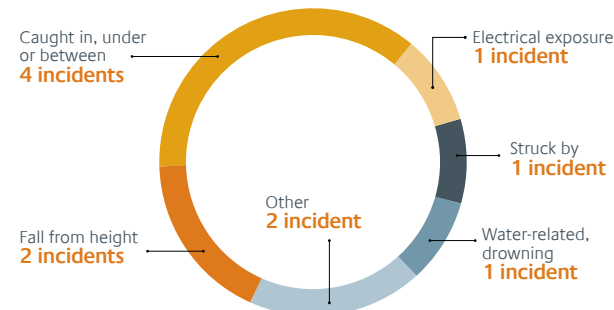
belief that work-related deaths and serious injuries and illnesses are preventable will motivate us to reinforce our emphasis on safety training about hazards on the job and the need for continual vigilance across our operations.

Our fatal accident rate (FAR) – the number of fatalities per 100 million hours worked – increased in 2013 compared to 2012, where we recorded an FAR of 1.55 in 2013 compared to 1.39 in 2012. Our FAR in 2013 remains however lower than the 2013 industry benchmark of 2.12 (OGP average).

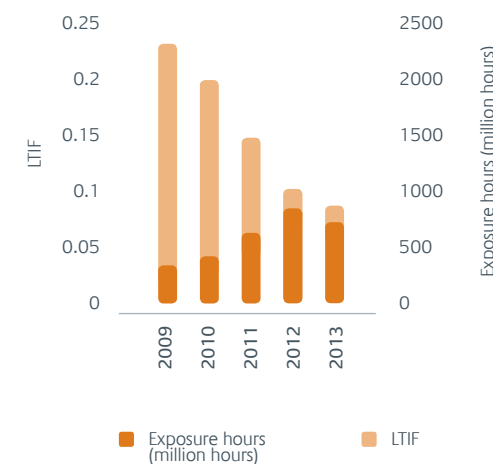
Fatality (by activity)



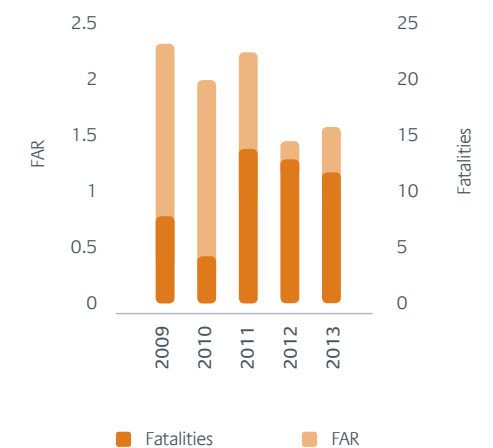
Fatality (by cause)



LTIF - Exposure hours (5 year trend)



FAR - Exposure hours (5 year trend)



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.

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

In 2013, a total of 28 tier 1 and 38 tier 2 process safety events were recorded across our operations. To avoid their recurrence, process safety events are managed through a robust lessons learned program where lessons are learned, shared and acted upon.

ADMA-OPCO - A solution for unpiggable pipelines

Unpiggable pipelines are a significant challenge for the oil and gas industry, especially for aging assets that require frequent inspection.

Across ADMA-OPCO's operations on Das Island, Umm Shaif and Zakum, unpiggable subsea flare lines have mandated long and expensive pipeline shutdowns to be performed in order for pipeline integrity assessments to be conducted, due to access and valve restrictions, multi-diameter designs, impassable fittings and a myriad of other configuration issues. The costs and production losses that are incurred during the shutdown periods have motivated ADMA-OPCO to pursue alternative solutions for their unpiggable pipelines.

In 2013, ADMA-OPCO adopted a new technology, Magnetic Tomography Method (MTM), which identifies corrosion-related features without the need for shutdown. MTM technology assesses the safety and integrity of pressurized pipelines without being influenced by transported product (i.e. gas, oil, water, or other), and remotely registers magnetic field from the mechanically stressed areas of a pipeline. The magnitude of stress caused by pipeline defects can be recorded in accordance with the location and orientation of the area of stress.

ADMA-OPCO is the first to implement MTM technology in the Gulf Region, with 7 successful pipeline inspections performed using this technology in 2013 at a cost saving of over USD 2 million per pipeline inspection compared to the shutdown inspections (excluding production losses). The technology has also helped upgrade integrity assurance and confidence limits of the aged unpiggable subsea flare lines from 65 to 95%.

Focusing on the health and welfare of our people

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

Managing occupational health risks and exposures

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 and international best practices, 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. In that respect, the strategies for control of risks to health follow

the internationally recognised and accepted 'Hierarchy of Control', where elimination or substitution of the occupational health hazard is prioritised. However, in the majority of cases, risk control strategies are based on a hybrid of control elements that is applied in a manner that is tailored to the specific conditions and risk profiles identified at the assessment unit.

Occupational 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.

Occupational health inspections

ADNOC has a dedicated team of occupational health officers that conduct periodic inspections of contractor camp facilities across the ADNOC operating companies.

The inspections are an essential component of our health management assurance system and verify that the working and living conditions are maintained in accordance with ADNOC's comprehensive occupational health and safety standards for food and water quality, housekeeping, lighting, fire protection and general quality of accommodation services.

As part of these inspections, food, water and surface swab samples are collected and analysed at the ADNOC HSE Laboratory and the results, including improvement recommendations, are reported back to the operating companies for their action, where necessary.

Our health performance

In 2013, we recorded an Occupational Disease Rate (ODR) of 0.7 cases per 1 million man-hours, compared with an ODR of 0.46 cases per 1 million man hours in 2012. The increase in ODR rate is partially attributed to improvements in occupational health reporting across our operations, particularly amongst our contractor workforce.

Human Rights

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 and ADNOC takes a firm stance on ensuring no violations of this kind take place amongst our workforce. In 2013, no ADNOC operations were identified as having risk for incidents of forced, compulsory or child labour.

Labour welfare and wellbeing

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 acknowledges the contribution that our international workforce makes 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.



ZADCO - State of the art centralized radiation detection and monitoring system

In the oil and gas industry, workers may be exposed to harmful radiation causing long-term health-related issues. In the past, offshore workers at ZADCO used thermo-luminescent dosimeters (TLDs) to detect radiation exposure. LTDs have some disadvantages where results cannot be analysed immediately and can be affected by environmental factors.

ZADCO invested in a new detection device, Personal Electronic Dosimeters (PEDs), and a state-of-the-art centralized system which provides front-line staff with immediate notification when dangerous levels of radiation are detected. Readings from PEDs are collected and can be viewed at the location of the incident as well as ZADCO's corporate office, allowing effective monitoring of radiation exposure and decreasing the risk of prolonged radiation exposure.

ZADCO introduced 13 devices across 4 of their operating sites in 2012. By 2013, all of ZADCO sites were successfully equipped with PEDs.

Developing our people

Throughout 2013, our workforce comprised over 50,000 employees and 126,000 supervised workers. 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.

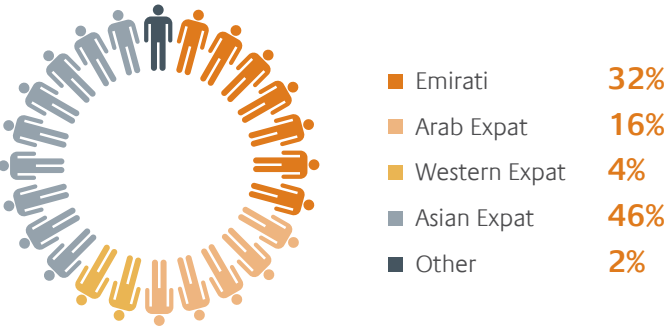
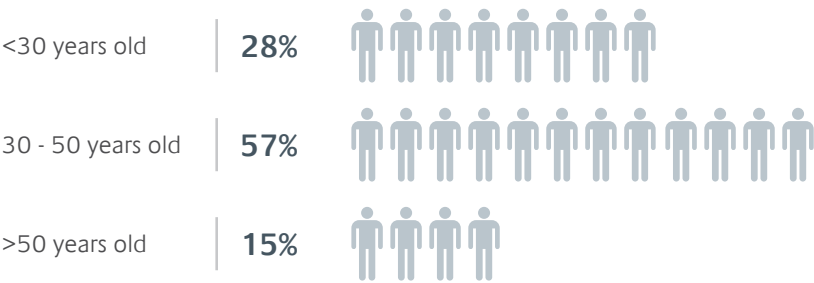
UAE nationals make up 32% of the employees across our operating companies. The rest of our employee workforce comes from around

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.

Approximately 88% of ADNOC's total employees are hired on a permanent contract; the remaining 12% are hired on a fixed-term / temporary basis. All permanent employees are employed as 'full-time' employees, as per ADNOC's recruitment policy.

Employee diversity (by age and nationality)



Training and development

We develop the skills and capabilities of our workforce through regular performance reviews combined with training and development programs. In 2013, 85% 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 2013, the ADNOC Companies spent over AED 306 million to deliver approximately 1.9 million hours of employee training.

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 2013, 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.



Employee hire and turnover

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



Empowering women in the oil and gas industry

The role of women in the oil and gas industry came under the spotlight during the 2013 Abu Dhabi International Petroleum Exhibition and Conference (ADIPEC), during which H.E. Sheikha Lubna bint Khaled Al Qasimi - Minister of International Development and Cooperation - lead the first ever women-dedicated panel entitled 'A Journey to Leadership'.

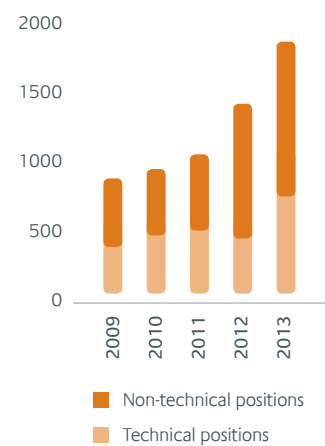
The importance of this topic was also reflected in the award category 'Empowerment of Women in the Gas and Oil Industry', that was newly introduced to the ADIPEC Awards 2013. Under this category, two of ADNOC's operating companies, ADCO and TOTAL ABK, were shortlisted for their efforts towards strengthening women's participation in leadership roles and driving their integration into the oil and gas sector.

Females in the workplace

ADNOC is committed to creating an environment that supports women as they navigate their careers in the oil and gas industry, by strengthening their technical and leadership skills and helping them overcome the challenges.

Female employees made up 8.3% of our employee workforce in 2013.

UAE females across ADNOC positions



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 48 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 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. In 2013, ADNOC 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, the company 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.



The largest portion of national employees within ADNOC and our Group Companies are below the age of 25 years.

This dictates the need by the Training and Development Administration to adopt plans and programmes that speed up our employees' development and prepare them to assume leadership roles in the UAE's oil and gas sector.

Drilling crew at an offshore rig floor



Environment

We seek to minimise the environmental impact of our operations and contribute to lasting environmental benefits.



Our approach

While pursuing our goal to be a global leader in the oil and gas industry, ADNOC has an overriding commitment towards environmental protection and stewardship. This commitment is anchored in our HSE policy and will continue to be one of our foremost priorities. 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 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.

2

Clean Development Mechanism (CDM) projects registered with the UNFCCC to date

76.4%

Reduction in flaring compared to 1995 levels

13%

Reduction in SO_x emissions compared to 2012 levels

16.9 million GJ

Energy savings

AED 584 million

Environmental expenditure, of which 30% was dedicated towards emission abatement and improving energy efficiency

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 2013, our operating

companies invested AED 177 million towards improving energy efficiency, reducing flaring and decreasing GHG emissions; this corresponds to approximately 30% of our total environmental expenditure in 2013.

Flaring

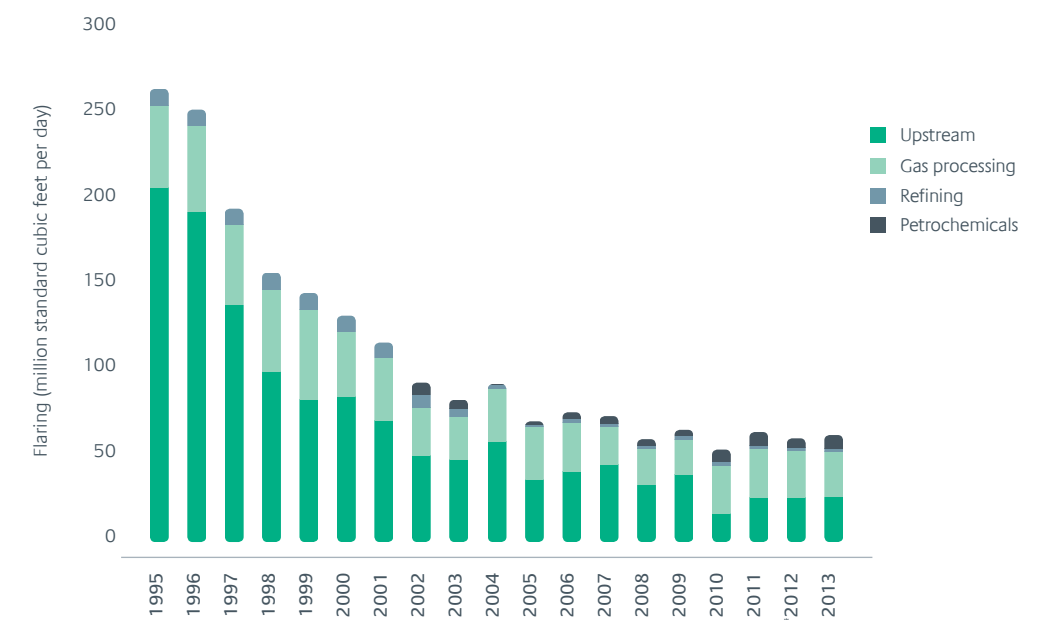
Since we began monitoring our hydrocarbon flaring intensities in 1995 and introducing various flare reduction mechanisms and recovery systems into our processes, we have witnessed a gradual average reduction in our flaring levels, such that our flaring profile in 2013 showed

an overall 76.4% reduction in flaring compared to 1995 levels. This achievement comes despite undergoing a significant expansion in our operations during this period. We aim to continue implementing long-term flare reduction practices in both our existing assets and our future project designs.

Venting

The total volume of vented hydrocarbon in 2013 amounted to 919,590 m³. The total volume of continuously vented hydrocarbon in 2013 amounted to 490,989 m³.

Flaring trend (1995 - 2013)




*Flaring levels in 2012 have been revised in ADNOC 2013 Sustainability Report.

In 2013, flaring across our operations averaged 61.6 million standard cubic feet per day (MMSCFD), an increase of 3.2% from 2012 that is largely accounted for by our expanding upstream and downstream operations.

Flaring targets across our operating companies

| Activity | Operating Company | Flaring target (MMSCFD) | Flaring actual (MMSCFD) |
|----------------|-------------------|-------------------------|-------------------------|
| Upstream | ADCO | 8.38 | 7.03 |
| | ADMA-OPCO | 5.25 | 5.46 |
| | ADOC | 0.6 | 0.33 |
| | BUNDUQ | <2 | 1.7 |
| | TOTAL ABK | 11.5 | 8.7 |
| | ZADCO | 3.87 | 2.77 |
| Gas Processing | ADGAS | 7.8 | 8.7 |
| | GASCO | 22.6 | 17.7 |
| Refining | TAKREER | 3 | 1.9 |
| Petrochemicals | Borouge | 13.91 | 7.53 |

 **ADCO - CDM Registration of Shah Flare Gas Recovery Project**

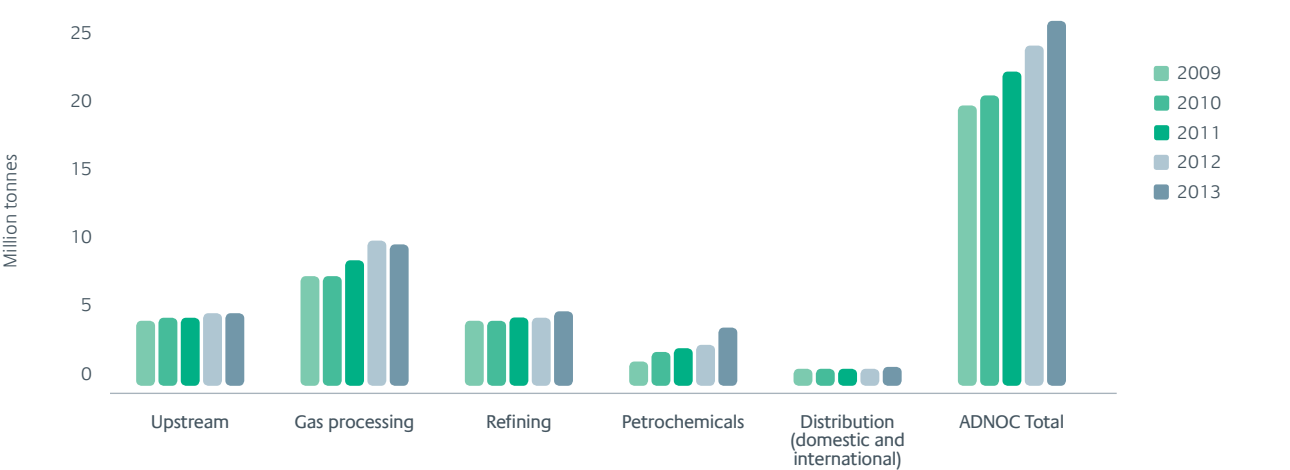
As part of continuing efforts to improve the company’s environmental performance, ADCO established a flare gas recovery system at the Shah Field that utilises spiking gas compressors to avoid flaring approximately 5.1 million standard cubic feet per day (MMSCFD) of associated gas to the atmosphere. The associated gas will be spiked into the main oil line at Asab until the new satellite plant for the Al Hosn Gas 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 CO₂ 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.

GHG emissions (5 year trend)



GHG emission values based on equity share approach and derived using the Intergovernmental Panel for Climate Change (IPCC) 100-year Global Warming Potentials (GWP)

Energy efficiency


Across ADNOC’s operations, we pursue a variety of initiatives to improve our energy efficiency and reduce our energy consumption. These initiatives focus on improving our employees’ energy awareness, integrating green building concepts and designs into our facilities, and optimising the way we operate our facilities using a demand side management approach.

A total of 16.9 million GJ is reported to have been saved across our operating companies in 2013. 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 studying the feasibility of introducing more renewable energy sources into their operations; over AED 7.5 million has been invested into these studies.

In 2013, energy used across our operating companies totalled 931.2 million GJ (of which approximately 30,385 GJ was generated from renewable sources). Approximately 98% of our energy requirements are met by direct energy sources.



 **ADGAS - Improving boiler efficiency using oxygen trim controls**

Air to fuel ratio is one of the main factors affecting boiler efficiency. Although the ratio is set during commissioning, this may fall over time from the optimum because of changes in the fuel gas calorific value, changes in the combustion air temperature, and wear in the control linkages.

Whilst performing routine inspections across their facilities on Das Island, ADGAS observed that the four boilers were functioning below their design efficiency. The boilers were being operated with 2% oxygen (O₂) level in the flue gas when the boilers are most efficient at 0.9% O₂ level. The higher O₂ level in the flue gas was contributing to higher fuel gas consumption, therefore reducing the efficiency of the boilers. This was due to a limitation in the boilers’ combustion control scheme, which is designed for fixed fuel gas consumption.

To mitigate this, new fuel gas analysers were installed and the combustion control scheme was modified to take care of variable fuel gas composition. Further, the magnitude of change was monitored very closely and several oxygen trim cycles were carried out to realize the intended benefits. The energy saved in fuel gas consumption following this modification is approximately 32,000 tonnes per year (equivalent to 1.1 million GJ, 62,138 tonnes of CO₂ equivalent, and approximately AED 3.7 million).

Cutting-edge technologies

The need to invest in new areas of research and development (R&D) in the oil, gas and petrochemical 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 business and industry partners that benefit our operations and research institutions (see page 52 for more information on ADNOC's research institutions).

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 is due to replace existing diesel with 250 and 500 ppm sulphur content by 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 CO₂, 50-80% for CO and 25-60% for NO_x).

Since NGV was first introduced in 2010, a total of 2,878 vehicles have been converted to run on this new product, with 199 new vehicles added to the NGV fleet in 2013.

There are 5 NGV conversion centres in place across Abu Dhabi and Al Ain, with plans in place to expand the network in the future to include the Northern Emirates, where NGV filling stations are already in place.

Our innovative products extend to our petrochemicals, whereby our Group Company Borouge is actively engaged in researching and developing innovative, high



ADNOC-Masdar Carbon Capture, Usage and Storage Joint Venture

ADNOC is seeking to utilise CO₂-enhanced oil recovery (CO₂ 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 CO₂ 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 CO₂ annually.

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 CO₂.

Once CO₂ EOR is proved to be feasible in Abu Dhabi fields, the potential CO₂ 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.

performance polypropylene (PP)-based products for the infrastructure, automotive and advanced packaging industries (see page 54 for more information on ADNOC's R&D institutions).

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 four active CDM projects – of which two (implemented by ADCO and GASCO) have already received certified

emission reduction (CER) credits, and two (implemented by ZADCO) are 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, federal and international 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).



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 comprises of a network of eight monitoring stations (seven fixed and one mobile) for monitoring the ambient air quality in the vicinity of our operating sites' facilities, as well as continuous stack monitoring at major facilities both onshore and offshore. An additional five fixed monitoring stations are expected to be introduced and in operation by 2014.

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

NO_x, SO₂ and VOC emissions


In 2013, the total quantity of nitrogen oxide (NO_x), sulphur dioxide (SO₂) and VOC emissions from ADNOC's operations

amounted to 69,004 metric tonnes, 217,925 metric tonnes and 72,453 metric tonnes respectively.

NO_x and SO_x emissions decreased by 2% and 13% respectively compared to 2012 levels, whilst VOC emissions increased by 4.9% - largely accounted for by an increase in tanker loading and crude oil export by ADCO.

NO_x, SO₂ and VOC emissions (5 year trend)



 **GASCO** - Boosting sulphur recovery efficiency and reducing SO₂ emissions

The Sulphur Recovery Unit (SRU) is an essential step in GASCO's product treatment process, during which acid gases containing toxic H₂S levels are treated and H₂S is converted to sulphur and recovered in liquid form to reduce sulphur emissions. Over time however, the stability of the SRU process at Ruwais was reduced as a result of process control issues, non-linear behaviour of H₂S to SO₂ ratio control, feed flow variations and composition disturbances.

To improve process stability, process uptime and sulphur recovery efficiency, the process control team and operations team initiated a series of initiatives that include replacing the H₂S to SO₂ ratio controller with an air demand controller to eliminate the complex, non-linear function control of excess air; improving H₂S to SO₂ feed forward control; implementing advanced process control in the SRU to improve plant performance, reduce steam consumption and reduce operator intervention; and introducing an online calculation for sulphur dew point temperature based on SULSIM software to improve the clause reactor efficiency.

As a result of these initiatives, major improvements were observed that include 26% reduction in SO₂ emissions; 60% reduction in the standard deviation of H₂S to SO₂ ratio, 11% reduction in steam consumption; 700 metric tonnes per annum reduction in CO₂ emissions; and significant improvement in unit stability during feed disturbances and varying ambient conditions – which in turn reduces the need for operator intervention.

Emissions from Ozone Depleting Substances (ODSs)

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 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

ODS emissions

| | Tonnes | Tonnes (CFC-11 e) |
|--------|--------|-------------------|
| Halons | 0.29 | 2.9 |
| CFCs | 1.5 | 0.3 |
| HCFCs | 20.9 | 1.1 |
| Total | 22.7 | 4.3 |

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 environmentally-friendly refrigerants. No halons or CFCs are planned for use in any future developments and facility upgrades.

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 2013, 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 2013, approximately 4.28 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, where required, to meet ADNOC discharge limits.

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

Volume of water extracted

| | Million m ³ |
|-----------------|------------------------|
| Surface water | 4,241 |
| Ground water | 4.6 |
| Municipal water | 29.4 |
| Total | 4,275 |



Effluent discharge
 Across the ADNOC’s 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 km² 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.

| Volume discharged | | Million m³ |
|------------------------|--|--------------|
| Cooling water | | 4,102 |
| Process effluent | | 15.4 |
| Sewage water | | 9.6 |
| Total Discharge | | 4,127 |

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.

Produced water
 Produced water across our operations is re-injected into deep wells as per ADNOC requirements. In 2013, this amounted to 27.7 million m³. Treatment is practiced where necessary to reduce oil content to permissible levels prior to re-injection.

In 2013, we generated and safely disposed of 48,823 metric tonnes of hazardous waste and 135,360 metric tonnes of non-hazardous waste from our on-going operations.

| Hazardous and non-hazardous waste | | | Tonnes |
|-----------------------------------|-----------------------------|---------------------|---------|
| Hazardous waste¹ | Quantity Generated | | 48,823 |
| | Quantity Treated | By BeAAT | 17,398 |
| | | By self | 1,962 |
| | | Other² | 29,463 |
| Non-hazardous waste¹ | Quantity Generated | | 135,360 |
| | Quantity Treated / Disposed | Composting | 770 |
| | | Recycling | 4,316 |
| | | Incineration | 1,976 |
| | | Landfill | 21,358 |
| | | Other (unspecified) | 106,941 |

1 These quantities exclude drill mud and drill cuttings, which are reported separately.
 2 This largely represents hazardous waste generated from international shipping activities undertaken by ADNATCO & NGSCO and from ADNOC DISTRIBUTION’s fuelling operations across the UAE for which hazardous waste transfer to BeAAT was analysed not cost-effective.

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.

ZADCO - Base oil substitution for zero discharge of drilling waste

When ZADCO began drilling at the South Island (the first of the four artificial islands in Upper Zakum planned to be in production by 2014), it was faced with the challenge of avoiding the use of conventional diesel-based fluid to mix with the non-aqueous fluid (NAF) based mud.

Besides its toxicity and high aromatic content, the use of diesel-based fluid in drilling operations would result in high volumes of hazardous waste due to diesel-contaminated drill cuttings.

In order to resolve this issue in an innovative and cost-effective manner and to meet ZADCO’s drilling target of zero discharge of hazardous waste, ZADCO opted to use highly refined (enhanced) mineral oil instead of diesel to mix the NAF mud. Moreover, ZADCO chose to contain the cuttings on the island by using thermal desorption – hammer mill technology, which makes it possible to treat the cuttings, recover and reuse the base oil into the NAF drilling system; followed by drill cuttings re-injection (CRI) into disposal wells.

This is the first project worldwide where thermal treatment and CRI operation are combined in one project to recover oil before the waste is injected into dedicated formations.

As part of the thermal treatment, 99 - 99.5% of oil in drill cuttings was recovered, and the estimated overall cost saving of using this approach is approximately USD 300,000 per well when compared with the conventional ‘skip and ship’ method.

The new system will be applied to the remaining 360 wells on ZADCO’s artificial Islands, and is being considered for implementation by ADMA-OPCO in regard to their island project.

The project has also been shared with BeAAT, who intend to update parts of the drilling waste handling system accordingly.

| Waste drilling fluids and cuttings | | | Tonnes |
|------------------------------------|----------------|--|---------|
| Oil-based | Drill mud | | 23,480 |
| | Drill cuttings | | 22,996 |
| Water-based | Drill mud | | 202,26 |
| | Drill cuttings | | 119,714 |

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 19 for more information on ADNOC's emergency response and crisis management approach).

Hydrocarbon spills

Across ADNOC's operations in 2013, 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.

Non-hydrocarbon spills

In 2013, 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.

Hydrocarbon 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* |
| Total volume recovered (boe) | 3,705* |
| Recovery rate (%) | 99.7 |

* 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.



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 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 2013, 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 2013.

Operating sites located in or adjacent to protected areas or areas of high biodiversity value

| Operating Company | Site | Location and description | Key elements of BMP |
|-------------------|---------------------------------|--|---|
| ADCO | Qusahwira Oil Field (58 km²) | The Qusahwira and Mender Oil Fields are located in ADCO's South East Bab Asset and are within the proposed Arabian Oryx Protected Area in Umm Al Zamool. Arabian Oryx are listed as vulnerable species on the IUCN Red List of Threatened Species. | <ul style="list-style-type: none">• Desk-top studies to establish species present in ADCO's concession areas (birds, mammals, reptiles, plants).• List of priority species based on IUCN Red List of Threatened Species.• Biodiversity awareness campaigns (targeted at employees and contractors) with a special focus on transportation impacts in biodiversity sensitive areas.• Sign boards in three languages on the rare and endangered species present in Qusahwira. |
| | Mender Oil Field (62 km²) | | |
| | Al Dabbiya Oil Field (296 km²) | The Al Dabbiya Oil Field is 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. | |
| ADOC | Jebbel Dhanna Terminal (49 km²) | The Jebbel Dhanna Terminal is located 40 kilometres east of the Marawah Biosphere Reserve. Sensitive habitats include sea grass and coral reefs. | <ul style="list-style-type: none">• Mangrove plantation project implemented on the island since 1983.• Sea grass plantation and coral reef preservation projects.• Breeding and monitoring of Ospreys. |
| | Mubarraz Island (569 km²) | Mubarraz Island is located in the Marawah Marine Protected Area, which is home to important marine and coastal ecosystems including sea grass meadows, coral reefs and mangroves. | |
| Al Hosn Gas | Shah Arab Gas Field (700 km²) | The Shah Arab Gas Field is 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">• Visual inspections for flora and fauna• Avoiding fencing of the inter-pad lines and transfer lines to maintain gazelle movement through the area.• Minimise off-road driving.• Avoid removal of vegetation; destruction or disturbance to animal burrows or dens; and areas identified as containing desert roses.• Construct laydown areas and temporary access roads after due consideration of ecological constraints in the vicinity.• All sites including temporary laydown areas and access roads to be reinstated to their original condition on completion of works. |
| | Shah Gas Plant (12 km²) | The Shah Gas Plant approximately 30 km from the nearest boundary of the proposed Arabian Oryx Protected Area in Umm Al Zamool. | |
| ZADCO | Zirku Island (8 km²) | 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">• The west coast of Zirku Island was self-declared by ZADCO as a protected exclusion zone.• In partnership with ADNOC trained volunteers conduct visual assessments of the turtles and their nesting grounds, particularly during their spawning season. |

IUCN Red List Species identified across ADNOC's operations

| IUCN classification | No. of species identified | Species |
|-----------------------|---------------------------|---|
| Critically Endangered | 1 | Hawksbill Turtle |
| Endangered | 3 | Green Turtle, Fin Whale, Arabian Tahr |
| Vulnerable | 15 | Saker Falcon, Spotted Eagle, Arabian Oryx, Sand Gazelle, Arabian Gazelle, Mountain Gazelle, Nubian Ibex, Dugong, Fossil Shark, Tawny Nurse Shark, Whale Shark, Leopard Shark, Bowmouth Guitarfish, Dalmatian Pelican, Cairo Spiny Mouse |
| Near-threatened | 8 | Sand Cat, Striped Hyaena, Estuary Cod, Whitecheek Shark, Pygmy Devil Ray, Tiger Shark, Pallid Harrier, Persian Shearwater |
| Least Concerned | >150 | E.g. Red Fox, Desert Hedgehog, Grey Dolphin, Arabian Hare, Wild Cat, Golden Eagle, Mouse-tailed Bat, and Long-legged Buzzard |



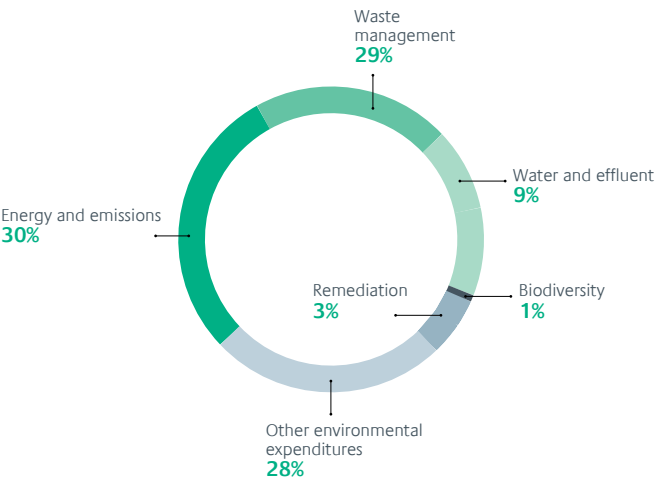
Zirku Island, which serves as ZADCO's main centre for the processing, storage and loading of crude oil from Upper Zakum, Umm Al Dalkh and Satah Fields, may have one of the UAE's largest populations of nesting hawksbill turtles – an internationally protected species. The West Coast of Zirku Island was therefore self-declared to be a protected exclusion zone and 10 monitoring sites have been set up to conduct visual assessments of the nesting sites and to record the number of turtles hatched and released each year. Regular beach clean ups are also undertaken to remove debris that could potentially upset the nesting process. The other very important turtle specie in UAE waters is the Green turtle, which has been observed close to Zirku and Arzanah islands.

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 2013, our operating companies spent approximately AED 584 million in environmental expenditure, with 30% dedicated towards improving our energy efficiencies and emission abatement.

In 2013, ADNOC collaborated 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



ADNOC takes a proactive approach towards enhancing the 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.

ADNOC's mangrove nursery in Al Dabbiya (home to over 3 million seedlings)



Society

Building and maximising in-country value is an essential element in our quest towards sustainable development.



Our approach

As the national oil company of Abu Dhabi, 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.

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

3

ADNOC academic institutes dedicated to providing world-class education and research facilities

1,156

Scholarships awarded to promising candidates as part of ADNOC's Scholarship Programme

89%

Procurement budget spent on local suppliers

AED 137 million

Community investments within the Emirate of Abu Dhabi

74%

Executive and senior management positions across ADNOC operations occupied by UAE nationals

Engaging and supporting our communities

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.

Effectively engaging with our communities

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 and Liwa that are located in the Western Region of Abu Dhabi (known as Al Gharbia).

The community of Ruwais is located approximately 10 km from our petrochemical and refining operations in the Ruwais Industrial Complex. The community of Madinat Zayed is located approximately 20 km from ADCO's production facilities and GASCO's processing facilities in Bab and Habshan respectively. The community of Liwa is located approximately 15 km from our operations at the Shah Gas Field.

With the exception of these three locations, where on-going engagement with the communities is in progress, the majority of ADNOC's operations are conducted in other remote areas of the Western Region.

Our operating companies implement individual practices towards community engagement. In recognition of the shared impacts

Al Hosn Gas - Systematic stakeholder engagement during well clean-up activities

Prior to performing well testing at the Shah Gas Field, Al Hosn Gas conducted an awareness programme with their key stakeholders in the Western Region in order to enhance communication and mutual cooperation. The stakeholders included the Western Region Diwan, Critical Infrastructure and Coastal Protection Authority (CICPA), Police, Civil Defence, Municipality, Tourism Authority as well as local camel farmers. Meetings were held with each of stakeholder group and information on the Company's plans for flaring activities during well testing operations were shared. A pamphlet was produced in three languages (Arabic, English and Urdu) that contained information on the project location (Activity Zone), the timing of flaring activities and associated impacts. A 24 hour emergency telephone number for enquiries was also provided.

The awareness programme enhanced the stakeholders' knowledge about flaring activities and other topics such as hydrogen sulphide risks and mitigation. Al Hosn Gas will continue to maintain communication with stakeholders in the Western Region prior to major phases of the project with expected significant flaring activities. Al Hosn Gas also aims to organise multiple awareness programs for schools in the Western Region to inform children about the Shah Gas Development project and its strategic importance to the Emirate of Abu Dhabi.

that some of our operations have however (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.

Supporting the needs of our communities

We recognise our responsibility to not just manage the impacts of our operations and ensure they do not adversely impact the livelihoods of our communities, but to also support our communities' on-going development.

One of our biggest success stories is the story of Ruwais, a town located 240 kilometres west of Abu Dhabi city. The Ruwais story began in the 1970s, 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 Borouge's petrochemicals plants, TAKREER's Ruwais Refinery, GASCO's NGL fractionation plant, FERTIL's fertilizer plant, as well as a marine terminal and a sulphur handling terminal.

Providing community infrastructure and educational facilities

Recognising the growing need for housing that is required to meet the demands of the booming industry in Ruwais, ADNOC began constructing the Ruwais Housing Complex (RHC), which today represents a multi-

million dollar investment and is a major contributor to the Western Region's local economy.

The RHC was built in two phases between 1979 and 1984, and has been undergoing continual expansion since to meet the growing needs of the local industry. 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 6,900 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 recreational outlets and facilities including parks, gymnasiums (one of which is exclusive for women), sports courts, restaurants and cafeterias, a swimming pool, bowling alley and theatre. There are also several general activity halls available all year round for hosting group activities and cultural events, including live performances.

A wide range of consumer goods are available to the RHC occupants through 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 three schools, of which one - the Glenelg School of Abu Dhabi (GSAD) - is established and funded by ADNOC and the Group Companies (see page 53 for more information on the GSAD). The Higher Colleges of Technology also has colleges in Ruwais for males and females that provide post-secondary education. The schools, private and government, are equipped with modern classrooms and other facilities, such as science laboratories and libraries.

Overall, the Ruwais Housing 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 Ruwais Refinery. The complex also has its own nursery to ensure a regular supply of plants all year round.

Providing community healthcare services

Medical care to citizens of the Ruwais Housing Complex is provided by ADNOC via a purpose-built local clinic and a modern general hospital, the Ruwais Hospital, 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, immunisation and vaccination, school health, dental and physiotherapy services.



ADNOC Medical Services Division - Improving access to remote area medical services

ADNOC Medical Services Division faces the challenge of providing optimal and uninterrupted medical services in remote areas, including Ruwais, where the population is anticipated to rapidly exceed its current 40,000 citizens. This challenge is largely manifested in the allocation and coordination of assets and resources, including the recruitment, training and retention of human capital.

To prepare for the greater demand for health services and the need to provide a more responsive healthcare system, that includes pre-hospital care and emergency preparedness, the following measures have been implemented in 2013:

1. Establishment of a new Satellite Clinics Department – created as an auxiliary entity of the Ruwais Hospital Department with its own manpower, thereby enhancing the services of the Remote Area Medical Services (RAMS) Department
2. Growth in licenced health facilities – five new clinics and one first aid post were added to the existing 10 healthcare facilities managed by ADNOC MSD.
3. Growth in manpower and competence reinforcement – 15% growth in manpower compared to 2012 was achieved, and staff were provided with opportunities to enhance their knowledge through various training programs and courses.
4. Improving operational efficiency – an integrated emergency disaster preparedness plan and ADNOC MSD GIS map were developed.

The above measures will be extended to all new MSD facilities in the pipeline, where applicable, to ensure health facilities in remote locations are in accordance with optimal healthcare standards and within the legal framework.





Developing the Western Region

ADNOC and our Group Companies are committed to working with one of our key stakeholders, the Western Region Development Council (WRDC), and leading the Western Region towards becoming a model of sustainable economic and social development.

With membership in the WRDC Advisory Board, ADNOC aims to create greater prosperity for the region and provide the citizens of the Western Region with a higher quality of life through promoting education and employment, improving regional infrastructure and increasing business efficiency and investments.

To achieve this, our strategy focuses on providing academic institutes (see page 53 for more information on ADNOC's academic institutes in the Western Region), resources,

vacancies and training opportunities to UAE nationals of the Western Region. The region's companies are also given priority to provide contracting and supply services and to execute projects within their fields of specialisation.

ADNOC and our Group Companies also proudly sponsor several high profile annual events in the Western Region that include the Liwa Dates Festival, which showcases our nation's valued desert 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 from across the country with the aim of reviving the UAE's longstanding bedouin culture and ultimately activating the region's economic growth. Side attractions and activities at most of these festivals include traditional bazaars, handicrafts markets, heritage activities, photo competitions, poetry contests and folklore music.

Making a positive contribution to society

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 and gas 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 recognised 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.

In 2013, approximately 74% of executive and senior management positions across ADNOC and our Group Companies were occupied by Emiratis.

ADNOC DISTRIBUTION - Absher Initiative: A partnership to build our national capital

'Absher' is an initiative launched by H.H. Sheikh Khalifa Bin Zayed Al Nahyan, President of the UAE, to promote the employment of UAE citizens and the diversification of their career options under a clear strategy that is integrated with the principles of the UAE Vision 2021.

In 2013, ADNOC DISTRIBUTION partnered with Absher as part of the company's strategy to nationalize its higher and middle management positions, as well as technical and semi-technical positions. ADNOC DISTRIBUTION is also putting efforts to nationalize the supervisory jobs in the 'Service Stations' retail sector, enabling Emirati nationals (both males and females) to become the new face of Service Stations

ADNOC DISTRIBUTION is contributing to Absher by offering flexibility in job locations for UAE nationals and creating more job opportunities. Under this initiative, ADNOC DISTRIBUTION created 376 new positions for UAE nationals in 2013 across Abu Dhabi, Al Ain, the Western Region and the Northern Emirates. These include 176 superintendent and supervisory positions at service stations (established for males), supervisory positions at convenience stores (established for females) and a further 164 positions for both male and female UAE nationals across the company.

The total number of UAE nationals currently employed by ADNOC DISTRIBUTION is 1,318.

Local procurement

Due to the scale of our operations, we have the capacity to collaborate with the private sector, help local businesses grow and to foster the long-term development of our suppliers. Our contracts contain clauses that encourage the participation of locally based small-to-medium enterprises, 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 2013, approximately 89% of the procurement budget across the ADNOC Group Companies was spent on local suppliers; this is equivalent to approximately AED 51 billion.

Our academic and research 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

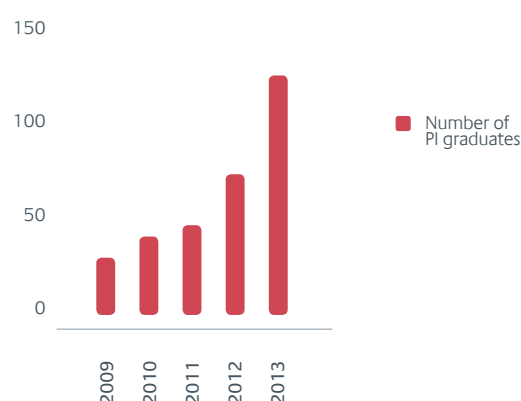
The Petroleum Institute (PI) was launched in 2000 in collaboration with the Colorado School of Mines in the United States of America (USA).

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 the following engineering disciplines: chemical, petroleum, petroleum geoscience, electrical and material science. Master degrees are also available in similar disciplines, with a new degree programme in HSE Engineering introduced in 2011 (see page 53 for more information on this new programme).

In 2013, the PI celebrated the graduation of 121 male and female engineers, with 43.8% representation from UAE nationals. Over 1,050 qualified engineers have graduated from the PI since its inception in the year 2000.

PI graduates (2009 - 2013)



ADNOC Technical Institute

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 Glenelg School of Abu Dhabi

The Glenelg School of Abu Dhabi (GSAD) was founded in 2008 by ADNOC in collaboration with the

Glenelg Country School in Maryland, USA. Its mission is to offer a world-class education to national and expatriate students, preparing them to join prestigious universities worldwide. GSAD has two campuses in the Western Region, at Madinat Zayed and Ruwais. A third campus, in Ghayathi, is due to open in 2014 to further meet the educational needs of the Al Gharbia community.

Advancing HSE performance for ADNOC and the O&G industry

The oil and gas industry is challenged with a rising demand for qualified professionals across a variety of disciplines, with sufficient scientific, engineering and management knowledge in the field of HSE. To help meet this demand, the PI launched a new Master of Engineering (M. Eng) degree programme called 'HSE Engineering', to supply ADNOC Group Companies and the oil and gas industry at large with advanced expertise in this field, capable of designing and implementing optimal and cost-effective engineering and operational solutions within the context of HSE best practice.

The educational content of the programme was informed by surveying the requirements of the ADNOC Group Companies, studying the job market, and surveying existing degree programmes in the region and worldwide to determine credit requirements, subject matter content and other relevant information. The programme was launched in 2011 after being assessed by PI's internal committees and Board of Directors and gaining approval by the UAE Ministry of Higher Education and Scientific Research (MHESR). The programme currently has 50 students enrolled and graduated its first two students in December 2013.

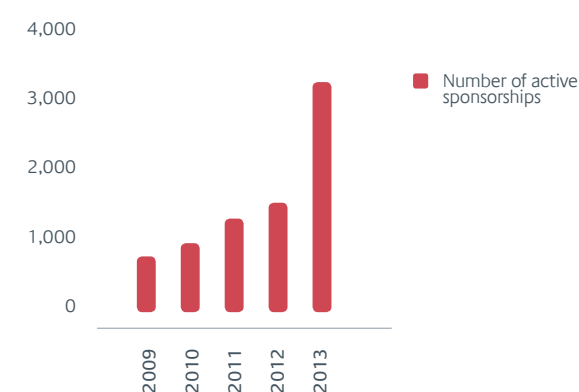
Scholarship and internship programmes

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 over 3,800 active scholarships across undergraduate and postgraduate disciplines around the world, with 1,165 scholarships awarded in 2013 alone.

Number of active sponsorships (2009 - 2013)



Achievers Oasis Programme

ADNOC has an innovative summer training programme known as the Achievers 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.

Since the program was established in 2002, a total of 1,770 participants have taken part in the AOP programme across three regions; Abu Dhabi, Al Ain and the Western Region.

AOP participants (2002 - 2013)



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. With its state-of-the-art equipment, the Borouge Innovation Centre will focus on innovations for compounding as well as innovative plastics solutions for various industries, in close cooperation with Borouge’s customers.

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 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 and the Sustainable Campus Initiative (CSI) with the Environment Agency - Abu Dhabi.

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 2013, ADNOC and our Group Companies contributed over AED 137 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.



From the earliest stages of its development, the UAE realized the importance of the country’s youth to its future progress and socio-economic development. As the national oil company of the UAE, ADNOC is committed towards establishing educational institutions and promoting top quality educational programmes for the benefit of the UAE’s citizens. This is largely achieved through our family of learning institutions.

Primary school students at ADNOC’s Glenelg School of Abu Dhabi



ADNOC HSE Award

ADNOC has an annual internal awards programme known as the ADNOC HSE Awards.



Our approach

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 recognise 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.

17

Award cycles held since the ADNOC HSE Award programme was first created in 1997 to encourage operational excellence

243

Submissions received across eligible members in 2013, with participation in the ADNOC HSE Award programme rising on an annual basis

4

Award groups to recognise achievements in project execution, corporate performance & leadership and partnerships

Recognising outstanding achievements

ADNOC HSE Award

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 system 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.

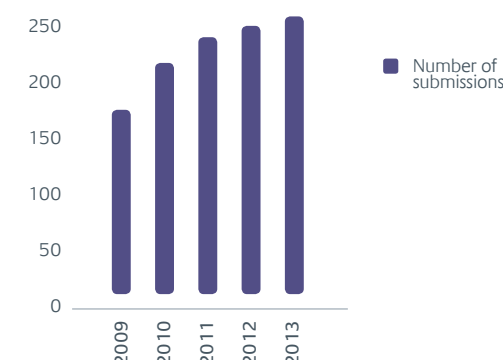
Group 4: Group Company and Contractor Partnerships – awarded to the top two contractors and their respective Group Company for an outstanding partnership in HSE implementation.

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.

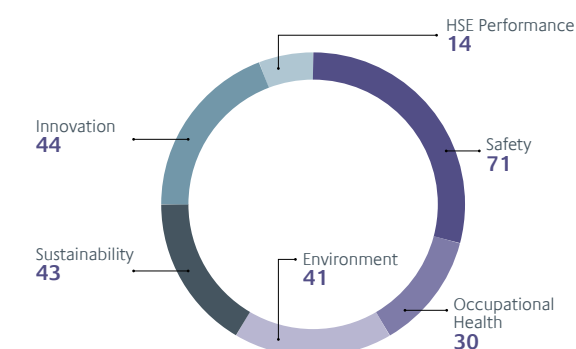
In 2013, a total of 243 submissions were received under the ADNOC HSE Award programme.

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.

HSE Award submissions (5 year trend)



Breakdown of 2013 HSE Award submissions



Innovation



Winner
ADCO with entry “From waste to value – recovery of oil from tank bottom sludge”. ADCO deployed Decanter technology to recover oil from sludge while emptying and cleaning tanks. The method consists of mixing sludge with fresh crude oil using hydraulic driven turbo mixer inside Tank and processing liquid sludge by Decanter unit to separate the sludge into two solids and liquids. Recovered oil sent to the nearest tank. The method resulted in 70% recovery of crude oil that exists in the sludge and reduced amount of sludge for disposal.

Runner-up
AI HOSN Gas with entry “The BowTie lifecycle process”. AI Hosn Gas has developed an extensive process to generate and use BowTies to manage its process risks. As the project progresses from Concept to Operations, the BowTies are systematically updated with active participation of technical authorities from different disciplines. Identified safety controls are classified as HSE Critical Equipment/Systems, Critical Activities or Critical Integrity Activities. Accountable personnel are identified for each control, with relevant supporting documentation. All this information is displayed on the BowTie itself.

Safety



Winner
ZADCO with entry “New era of risk management implemented for high H₂S content fields”. The objective of the project was to develop and implement an enhanced risk management approach that would allow the necessary construction of heavy lifts installation and topside modifications at SATAH Field (15 % H₂S) using simultaneous marine operations without disrupting or shutting down operations. The project has reached around 6 Million Safe Working Hours without LTIs and successfully saved one million barrels of oil.

Runner-up
BOROUGE with entry “Triumph over the hazards of reactor fouling due to polymer chunk”. Borouge was experiencing frequent plant shutdowns due to polymer chunk formation which led to production loss of 35 days in 2012 and exposed personnel to hazardous risks; flammable atmospheres, fires and explosions. A solution was identified that reduced the risk of polymer chunk comprising a design review of plant layout, re-engineering of thermo-wells and modification of process parameters culminating in a significant reduction in personnel risk and improved plant reliability and therefore production, and less plant shutdowns.

Occupational Health



Winner
ZADCO with entry “State-of-the-art centralized radiation detection and monitoring system”. Other than traditional thermo-luminescent dosimeters to detect radiation exposure, ZADCO has introduced the new radiation personal exposure dosimeters system (PEDs). The system provides front-line staff with immediate notification when dangerous levels of radiation are detected, and collects actionable information from the PEDs. The resulting data is viewable at headquarters and at location of event detection, allowing effective monitoring and the ability to link specific task to radiation exposure.

Runner-up
NDC with entry “Management of change in lifestyle”. Trend analysis of pre-employment and periodic medical check-ups data revealed prevalence of overweight and obesity among employees. A structured and systematic health awareness campaign “Management of change in lifestyle” was launched across NDC with the use of WHO criteria. With consent of enrolled employees, BMI of obese turned to overweight limits and were followed up for healthy BMI. Health complications were optimized resulting in increased productivity and reduced absenteeism and the campaign continues.

Environment



Winner
ADMA-OPCO with entry “Care for nature”. Drilling with non-aqueous fluid (NAF) was introduced first time to ADMA-OPCO operations to enable drilling complex wells. The critical challenges during NAF application were to ensure no harm to people; safety of well, rig and equipment; as well as zero spills and confinement operations. The team involved in this operation worked together to identify risks and mitigate them by proper procedures and designing rig-specific fit-for-purpose solutions. This resulted in zero incidents and achieving 100% across all KPIs.

Runner-up
GASCO with entry “Squeeze to get the ultimate performance”. GASCO Ruwais have initiated and implemented several process control initiatives in their NGL process and sulphur recovery units. The H₂S to SO₂ ratio controller was replaced with an ‘air demand controller’ to further improve efficiency and to minimise SO₂ emissions. After replacement of the ratio controller, the SRU process was more stable, there was an improvement of tail gas treatment unit up-time, and there was a significant reduction in SO₂ emissions by 26%.

Sustainability



Winner

NDC with entry "Ground water conservation: saving for the future". The total usable freshwater supply for ecosystems and humans is less than 1% of global resources. Humans are over-consuming natural resources at an unsustainable rate. By 2025, 1.8 billion people will be facing absolute water scarcity, and two-thirds of the world's population could be living under water stressed conditions. NDC installed new sprinkler systems replacing the continuous use of water at desert locations for sand stabilisation, thus minimizing drastically ground water consumption.

Runner-up

ADGAS with entry "Green procurement makes a positive difference". A single valve won't save the world but the right type of valve in all ADGAS operations would make a huge difference. To achieve a comprehensive greening of its purchases, ADGAS developed a long and short term action plans, the main purpose of which is to decrease the negative environmental impacts of ADGAS day-to-day procurement activities. During the implementation stage, ADGAS had conducted an evaluation of its purchasing practices and made changes to its existing policies and procedures.

Corporate Performance and Leadership



HSE Champion & HSE Performance Awards

The HSE Champion Award was received by Mr. Abdullah Salem Al Dhaheri, Chief Executive Officer of **ADNOC DISTRIBUTION**, for his visible efforts and active commitment towards HSE affairs in 2013.

The HSE Performance Award was received by **TAKREER** 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 entities:

ADNATCO & NGSCO, ADNOC DISTRIBUTION, ADOC, ESNAAD, FERTIL, Glenelg School Abu Dhabi, Petroleum Institute and TOTAL-ABK

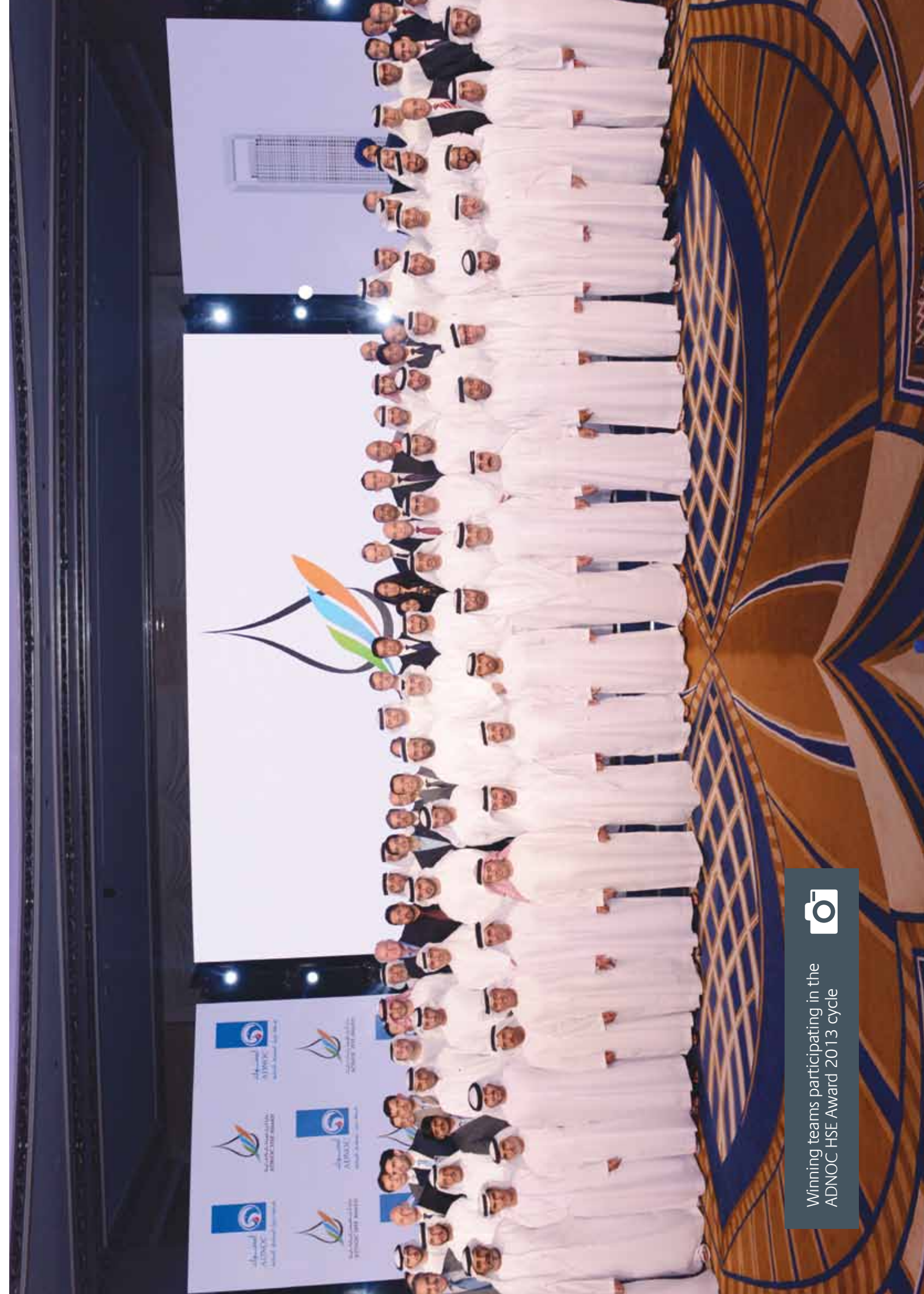
Partnership Awards

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

- **Petrofac International Limited** through **ADCO**
- **Dry Docks World - Dubai** through **NDC**

ADNOC Paperless Initiative

Awards for exceeding the paper reduction target of 20% were given to the following Directorates: **Finance Directorate** (1st place), **Exploration and Production Directorate** (2nd place) and **Petrochemicals Directorate** (3rd place).



Winning teams participating in the ADNOC HSE Award 2013 cycle

GRI Index

| Profile Disclosure | Disclosure | Level of reporting | Location of disclosure in Sustainability Report or cross-reference |
|------------------------|--|--------------------|---|
| Strategy and Analysis | | | |
| 1.1 | Statement from the most senior decision-maker of the organisation. | ● | 4, 5 |
| 1.2 | Description of key impacts, risks, and opportunities. | ● | 4, 5, 10, 11, 17 - 20 |
| Organisational Profile | | | |
| 2.1 | Name of the organisation. | ● | 6 |
| 2.2 | Primary brands, products, and /or services. | ● | 12,13 |
| 2.3 | Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures. | ● | 6 - 9 |
| 2.4 | Location of organisation's headquarters. | ● | 6 |
| 2.5 | Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report. | ● | 6 - 9, 12, 13 |
| 2.6 | Nature of ownership and legal form. | ● | 6, 15 |
| 2.7 | Markets served (including geographic breakdown, sectors served, and types of customers / beneficiaries). | ● | 12,13 |
| 2.8 | Scale of the reporting organisation. | ● | 6, 8 – 13. Financial performance is regarded as proprietary information and is therefore not fully disclosed in this Report. |
| 2.9 | Significant changes during the reporting period regarding size, structure, or ownership. | ● | 4, 5, 10, 11 |
| 2.1 | Awards received in the reporting period. | ● | ADNOC received one award in 2013 - the 'Man of the Year Award' by the Oxford Business Group in their publication 'The Oil & Gas Year Book Abu Dhabi 2013'. |
| Report Parameters | | | |
| 3.1 | Reporting period (e.g., fiscal /calendar year) for information provided. | ● | 1 January - 31 December 2013 |
| 3.2 | Date of most recent previous report (if any). | ● | 10 September 2013 |
| 3.3 | Reporting cycle (annual, biennial, etc.). | ● | Annual |
| 3.4 | Contact point for questions regarding the report or its contents. | ● | sustainability@adnoc.ae |
| 3.5 | Process for defining report content. | ● | 2. The ADNOC Sustainability Report 2013 has been guided by stakeholder feedback as received under the Materiality Test that was performed in 2011 (details of which can be found in the ADNOC Sustainability Report 2011, available at www.adnoc.ae). |
| 3.6 | Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance. | ● | 2 |
| 3.7 | State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope). | ● | 2 |

Indicators in **bold** represent **Core** GRI indicators

● Fully reported ● Partially reported ● Not reported

| Profile Disclosure | Disclosure | Level of reporting | Location of disclosure in Sustainability Report or cross-reference |
|---|---|--------------------|--|
| 3.8 | 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 organisations. | ● | 2 |
| 3.9 | 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. | ● | 2 |
| 3.1 | 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). | ● | 2, 33 |
| 3.11 | Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report. | ● | 2, 33 |
| 3.12 | Table identifying the location of the Standard Disclosures in the report. | ● | 60 - 65 |
| 3.13 | Policy and current practice with regard to seeking external assurance for the report. | ● | The report has not been externally assured. |
| Governance, Commitments, and Engagement | | | |
| 4.1 | Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight. | ● | 15. All members of ADNOC's governance body are males and UAE nationals; there are no minority group members. |
| 4.2 | Indicate whether the Chair of the highest governance body is also an executive officer. | ● | 15 |
| 4.3 | For organisations 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. | ● | 15 |
| 4.4 | Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body. | ● | No formal mechanisms in place. |
| 4.5 | Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance). | ● | Board compensation is not linked to organisational performance. |
| 4.6 | Processes in place for the highest governance body to ensure conflicts of interest are avoided. | ● | 17 |
| 4.7 | 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 Chairman, H.H. Sheikh Khalifa bin Zayed Al Nahyan. |
| 4.8 | 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. | ● | 16 |

Indicators in **bold** represent **Core** GRI indicators

● Fully reported ● Partially reported ● Not reported

| Profile Disclosure | Disclosure | Level of reporting | Location of disclosure in Sustainability Report or cross-reference |
|--------------------|---|--------------------|--|
| 4.9 | Procedures of the highest governance body for overseeing the organisation'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. | ● | 16 |
| 4.1 | Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance. | ● | No formal mechanisms in place. |
| 4.11 | Explanation of whether and how the precautionary approach or principle is addressed by the organisation. | ● | 17, 23 |
| 4.12 | Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses. | ● | In 2009, ADNOC launched the ADNOC Sustainability Performance Initiative. Further information on this Initiative can be found in our inaugural ADNOC 2009 Sustainability Report, available at www.adnoc.ae . |
| 4.13 | Memberships in associations (such as industry associations) and/or national/international advocacy organisations in which the organisation: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic. | ● | 10, 11, 19, 20 |
| 4.14 | List of stakeholder groups engaged by the organisation. | ● | ADNOC stakeholder groups include our employees, suppliers and contractors, customers, government organisations, industry and business partners and the general public. |
| 4.15 | Basis for identification and selection of stakeholders with whom to engage. | ● | ADNOC defines stakeholders as those who are potentially affected (either directly or indirectly) by our operations, or who have an interest in or influence in what we do. ADNOC engages all stakeholder groups through both shared means as well as tailored engagement approaches that are implemented on the level with which the stakeholder group(s) is affected by our operations and the degree of its influence over our operations. Our methods and frequency of communicating to and with stakeholders include market and news releases; analyst briefings; speeches and interviews with senior executives; publications, such as our annual Sustainability Report and operation-based newsletters and reports; representation on specific industry association committees and initiatives; and our Company website, www.adnoc.ae . Employees and contractors are also communicated with via a variety of additional channels, including the intranet, e-mail, newsletters, and employee perception surveys to facilitate employee feedback and engagement with management. |
| 4.16 | Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group. | ● | See response to 4.15. |
| 4.17 | Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting. | ● | 47 |

Economic

Indicators in **bold** represent **Core** GRI indicators

● Fully reported ● Partially reported ● Not reported

| Profile Disclosure | Disclosure | Level of reporting | Location of disclosure in Sustainability Report or cross-reference |
|--|---|--------------------|---|
| Disclosure on Management Approach | | ● | 10 - 13, 15, 46, 48 - 54, 63 – 65. Volume of estimated proved reserves is considered commercially sensitive to ADNOC and our Group Companies and is therefore not disclosed in this Report. |
| EC1 | 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. | ● | 22, 46. Some parameters relating to ADNOC's financial performance are regarded as highly confidential under both ADNOC and Abu Dhabi protocols, and are therefore not disclosed in this Report. |
| EC2 | Financial implications and other risks and opportunities for the organisation's activities due to climate change. | ● | 44. Efforts underway to provide disclosure on this indicator by 2017. |
| EC3 | Coverage of the organisation's defined benefit plan obligations. | ● | 30 |
| EC4 | Significant financial assistance received from government. | ● | ADNOC receives little direct support from the government. Its operations, new capital investments and major developments are funded primarily from the company's own cash flow. |
| EC5 | 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. |
| EC6 | Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation. | | 52 |
| EC7 | Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation. | ● | 51, 52 |
| EC8 | Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement. | ● | 48, 50 - 55 |
| EC9 | Understanding and describing significant indirect economic impacts, including the extent of impacts. | ● | 48, 50 - 55 |
| OG1 | Volume and type of estimated proved reserves and production. | ● | Volume of estimated proved reserves is considered proprietary information and is therefore not disclosed in this Report. |
| Environmental | | | |
| Disclosure on Management Approach | | ● | 17, 18, 23 – 29, 30, 33 |
| EN1 | Materials used by weight or volume. | ● | 35, 39. Since energy is the dominant input and output in our business, it is difficult to see the value of a total materials indicator by weight or volume for our sector. |
| EN2 | Percentage of materials used that are recycled input materials. | ● | Although we recycle used oils, the percentage is low compared to our overall materials use and it is not material on a global basis. Since energy is the dominant input and output in our business, the value of reporting on this indicator for our sector is limited. |
| EN3 | Direct energy consumption by primary energy source. | ● | 35 |
| EN4 | Indirect energy consumption by primary source. | ● | 35 |
| EN5 | Energy saved due to conservation and efficiency improvements. | ● | 35 |

Indicators in **bold** represent **Core** GRI indicators

● Fully reported ● Partially reported ● Not reported

| Profile Disclosure | Disclosure | Level of reporting | Location of disclosure in Sustainability Report or cross-reference |
|--------------------|---|--------------------|--|
| 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 |
| EN7 | Initiatives to reduce indirect energy consumption and reductions achieved. | ● | 35 |
| EN8 | Total water withdrawal by source. | ● | 39 |
| EN9 | Water sources significantly affected by withdrawal of water. | ● | 39 |
| EN10 | Percentage and total volume of water recycled and reused. | ● | 39 |
| EN11 | Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. | ● | 42, 43 |
| EN12 | Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas. | ● | 43 |
| EN13 | Habitats protected or restored. | ● | 43, 44 |
| EN14 | Strategies, current actions, and future plans for managing impacts on biodiversity. | ● | 43, 44 |
| EN15 | Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk. | ● | 43 |
| EN16 | Total direct and indirect greenhouse gas emissions by weight. | ● | 34 |
| EN17 | Other relevant indirect greenhouse gas emissions by weight. | ● | Efforts underway to provide disclosure on this indicator by 2016. |
| EN18 | Initiatives to reduce greenhouse gas emissions and reductions achieved. | ● | Efforts underway to provide full disclosure on this indicator by 2016. |
| EN19 | Emissions of ozone-depleting substances by weight. | ● | 39 |
| EN20 | NO _x , SO _x , and other significant air emissions by type and weight. | ● | 38 |
| EN21 | Total water discharge by quality and destination. | ● | 40 |
| EN22 | Total weight of waste by type and disposal method. | ● | 40, 41 |
| EN23 | Total number and volume of significant spills. | ● | 42 |
| 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 organisation's discharges of water and runoff. | ● | 40 |
| EN26 | Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation. | ● | 36 |

Indicators in **bold** represent **Core** GRI indicators

● Fully reported ● Partially reported ● Not reported

| Profile Disclosure | Disclosure | Level of reporting | Location of disclosure in Sustainability Report or cross-reference |
|--|---|--------------------|--|
| EN27 | Percentage of products sold and their packaging materials that are reclaimed by category. | ● | Efforts underway to provide disclosure on this indicator by 2016. |
| EN28 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations. | ● | No fines received in 2013. |
| EN29 | Significant environmental impacts of transporting products and other goods and materials used for the organisation's operations, and transporting members of the workforce. | ● | Efforts underway to provide disclosure on this indicator by 2016. |
| EN30 | Total environmental protection expenditures and investments by type. | ● | 44 |
| OG2 | Total amount invested in renewable energy. | ● | 35 |
| OG3 | Total amount of renewable energy generated by source. | ● | 35 |
| OG4 | Number and percentage of significant operating sites in which biodiversity risk has been assessed and monitored. | ● | 43 |
| OG5 | Volume of formation or produced water. | ● | 40 |
| OG6 | Volume of flared and vented hydrocarbon. | ● | 33 |
| OG7 | Amount of drilling waste (drill mud and cuttings) and strategies for treatment and disposal. | ● | 41 |
| OG8 | Benzene, Lead and Sulfur content in fuels. | ● | 27, 60 |
| Labor Practices and Decent Work | | | |
| Disclosure on Management Approach | | ● | 22 - 30 |
| LA1 | Total workforce by employment type, employment contract, and region, broken down by gender. | ● | 28, 30. Data is reported for employees and contractors based in the UAE only. A breakdown by gender is not available for permanent employees. ADNOC does not deem it material to report on this parameter considering the majority of ADNOC's employees (88%) are employed on a permanent contract. |
| LA2 | Total number and rate of new employee hires and employee turnover by age group, gender, and region. | ● | 29 |
| LA3 | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations. | ● | 30. Benefits provided to full-time employees that are not provided to temporary or part-time employees differ by Group Company and have been excluded from the scope of this Report. |
| LA4 | Percentage of employees covered by collective bargaining agreements. | ● | Employee associations, such as unions and collective bargaining, are not permitted in the UAE under Federal Law. |
| LA5 | 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 a minimum number notice period. However, ADNOC's operating companies implement procedures to ensure employees are suitably 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. | ● | 23 |

Indicators in **bold** represent **Core** GRI indicators

● Fully reported ● Partially reported ● Not reported

| Profile Disclosure | Disclosure | Level of reporting | Location of disclosure in Sustainability Report or cross-reference |
|--|--|--------------------|--|
| LA7 | Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender. | ● | 24 – 26. Rate of absenteeism are not included in this Report. |
| LA8 | Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases. | ● | 48, 49 |
| LA9 | Health and safety topics covered in formal agreements with trade unions. | ● | Trade unions do not exist and is illegal in the UAE. |
| LA10 | Average hours of training per year per employee by gender, and by employee category. | ● | 29. The breakdown of employee training by gender is material for our individual ADNOC reporting entities but is not considered material for ADNOC at an organisational level. ADNOC only reports total spend towards training as such. |
| LA11 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings. | ● | 29 |
| LA12 | Percentage of employees receiving regular performance and career development reviews, by gender. | ● | 29 |
| LA13 | Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity. | ● | 15 |
| LA14 | Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation. | ● | 28 |
| LA15 | Return to work and retention rates after parental leave, by gender. | ● | Efforts underway to provide disclosure on this indicator by 2016. |
| Human Rights | | | |
| Disclosure on Management Approach | | ● | 18, 22, 27, 28, 46, 52. Employee associations, such as unions and collective bargaining, are not present in the UAE. |
| HR1 | Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening. | ● | 18 |
| HR2 | Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken. | ● | 18 |
| HR3 | 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 at this point offer any training on human rights issues. |
| HR4 | Total number of incidents of discrimination and corrective actions taken. | ● | No significant incidents of discrimination were reported to ADNOC in 2013. |
| HR5 | 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. | ● | 27. Employee associations, such as unions and collective bargaining, are not permitted in the UAE under Federal Law. |
| HR6 | 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. | ● | 27 |

Indicators in **bold** represent **Core** GRI indicators

● Fully reported ● Partially reported ● Not reported

| Profile Disclosure | Disclosure | Level of reporting | Location of disclosure in Sustainability Report or cross-reference |
|--|---|--------------------|--|
| HR7 | 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. | ● | 27 |
| HR8 | Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations. | ● | 18. Security for ADNOC's onshore and offshore facilities is provided by CICPA; any training for security personnel (related to human rights or otherwise) is conducted by CICPA. |
| HR9 | Total number of incidents of violations involving rights of indigenous people and actions taken. | ● | No incidents or complaints to report in 2013. |
| HR10 | Percentage and total number of operations that have been subject to human rights reviews and/ or impact assessments. | ● | 27 |
| 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. |
| HR11 | Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms. | ● | 47. No grievances related to human rights were received in 2013. |
| Society | | | |
| Disclosure on Management Approach | | ● | 14, 17, 19 – 21, 37, 46 – 50. ADNOC operations are mostly located in remote onshore and offshore areas, none of which involve voluntary or involuntary resettlement. |
| SO1 | Percentage of operations with implemented local community engagement, impact assessments, and development programs. | ● | 47 |
| SO2 | Percentage and total number of business units analysed for risks related to corruption. | ● | 17 |
| SO3 | Percentage of employees trained in organisation's anti-corruption policies and procedures. | ● | There is no formal anti-corruption training programme for ADNOC employees as of current. |
| SO4 | Actions taken in response to incidents of corruption. | ● | 17 |
| SO5 | 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 2013. |
| SO8 | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations. | ● | No fines or non-monetary sanctions were received in 2013. |
| SO9 | Operations with significant potential or actual negative impacts on local communities. | ● | 47. No operations were identified to have significant potential or actual negative impacts on local communities in 2013. |
| SO10 | Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities. | ● | 47. See response to SO9. |
| OG10 | Number and description of significant disputes with local communities and indigenous peoples. | ● | No disputes to report in 2013. |
| OG11 | Number of sites that have been decommissioned and sites that are in the process of being decommissioned. | ● | No sites were decommissioned nor in the process of being decommissioned in 2013. |

Indicators in **bold** represent **Core** GRI indicators

● Fully reported ● Partially reported ● Not reported

| Profile Disclosure | Disclosure | Level of reporting | Location of disclosure in Sustainability Report or cross-reference |
|--|--|--------------------|---|
| OG12 | 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 2013. |
| OG13 | Number of process safety events, by business activity. | ● | 25 |
| Product Responsibility | | | |
| Disclosure on Management Approach | | ● | 18, 36 |
| PR1 | 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. | ● | 18 |
| 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 2013. |
| PR3 | Type of product and service information required by procedures and percentage of significant products and services subject to such information requirements. | ● | 18 |
| 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 2013. |
| PR5 | Practices related to customer satisfaction, including results of surveys measuring customer satisfaction. | ● | 18 |
| PR6 | Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship. | ● | 18 |
| 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 2013. |
| PR8 | Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data. | ● | No complaints received in 2013. |
| PR9 | 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 2013. |
| OG14 | Volume of biofuels produced and purchased meeting sustainability criteria. | ● | No biofuels produced or purchased by ADNOC in 2013. |

Indicators in **bold** represent **Core** GRI indicators

● Fully reported ● Partially reported ● Not reported



Statement GRI Application Level Check

GRI hereby states that **Abu Dhabi National Oil Company (ADNOC)** has presented its report “Abu Dhabi National Oil Company (ADNOC) 2013 Sustainability Report” to GRI’s Report Services which have concluded that the report fulfills the requirement of Application Level A.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 14 August 2014




Ásthildur Hjaltadóttir
Director Services
Global Reporting Initiative

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world’s most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 14 August 2014. GRI explicitly excludes the statement being applied to any later changes to such material.

Acronyms and Abbreviations

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

| | |
|------------------------|--|
| CO₂ | Carbon Dioxide |
| CO₂e | Carbon Dioxide Equivalent |
| CoP | Code of Practice |
| COP | Conference of Parties (UNFCC) |
| CPD | Civil Projects Division |
| CSR | Corporate Social Responsibility |
| LEG | Liquefied Ethylene Gas |
| E&P | Exploration and Production |
| EOR | Enhanced Oil Recovery |
| ERD | Extended Reach Drilling |
| FAR | Fatal Accident Rate |
| G3.1 | Generation 3.1 (GRI indicators) |
| GHG | Greenhouse Gas |
| GNRD | Group Nationals Recruitment Department |
| GRI | Global Reporting Initiative |
| GSAD | Glenelg School of Abu Dhabi |
| GWP | Global Warming Potential |
| H₂S | Hydrogen Sulphide |
| HAAD | Health Authority of Abu Dhabi |
| HCFC | Hydrochlorofluorocarbon |
| HR | Human Resources |
| HSE | Health, Safety and Environment |
| HSEIA | Health, Safety and Environment Impact Assessment |
| HSEMS | Health, Safety and Environment Management System |
| IOC | International Oil Company |
| IGD | Integrated Gas Development |
| ILO | International Labour Organisation |
| IMO | International Maritime Organisation |
| IPCC | Intergovernmental Panel for Climate Change |
| IPIC | International Petroleum Investment Company |

| | |
|-----------------------|---|
| IUCN | International Union for Conservation of Nature |
| KPI | Key Performance Indicator |
| km | Kilometre |
| km² | Square kilometre |
| kWh | Kilowatt hour |
| LNG | Liquefied Natural Gas |
| LTi | Lost Time Incident |
| LTIF | Lost Time Incident Frequency Rate |
| m³ | Cubic metre |
| Masdar | Abu Dhabi Future Energy Company |
| MMSCF | Million Standard Cubic Feet |
| MMSCFD | Million Standard Cubic Feet per Day |
| MSBPD | Million Standard Barrels per Day |
| MSD | Medical Services Division |
| MSDS | Material Safety Data Sheet |
| MWh | Megawatt hour |
| NAF | Non-aqueous Fluid |
| NCEMA | National Emergency Crisis and Disaster Management Authority |
| NGL | Natural Gas Liquid |
| NGV | Natural Gas for Vehicles |
| NO_x | Nitrogen Oxides |
| NORM | Natural Occurring Radioactive Material |
| NRC | National Recruitment Committee |
| OBM | Oil Based Mud |
| O&G | Oil and Gas |
| ODS | Ozone Depleting Substance |
| OGP | Oil and Gas Producers (Association) |
| OGSS | Oil and Gas Sector Supplement |

| | |
|-----------------------|---|
| OHRA | Occupational Health Risk Assessment |
| OSRC | Oil Spill Response Centre |
| PI | Petroleum Institute |
| PP | Polpropylene |
| ppm | Parts per million |
| RAA | Remote Area Allowance |
| RAMS | Remote Area Medical Services |
| R&D | Research & Development |
| RHC | Ruwais Housing Complex |
| RHD | Ruwais Hospital Division |
| RWDC | Restricted Work Day Case |
| SAS | Sahil, Asab and Shah Fields |
| SGD | Shah Gas Development |
| SO₂ | Sulphur Dioxide |
| SO_x | Sulphur Oxides |
| SPC | Supreme Petroleum Council |
| SRU | Sulphur Recovery Unit |
| TLD | Thermo-luminescent Dosimeters |
| TRIR | Total Recordable Incident Rate |
| TWL | Thermal Work Limit |
| UAE | United Arab Emirates |
| UK | United Kingdom |
| UNFCC | United Nations Framework Convention on Climate Change |
| USA | United States of America |
| UZ | Upper Zakum |
| VMD | Vehicle Monitoring Devices |
| VOC | Volatile Organic Compound |
| WBM | Water Based Mud |
| WRDC | Western Region Development Council |
| YFEL | Young Future Energy Leaders |

Report Contributors

The reporting entities that have participated in the provision of the ADNOC 2013 Sustainability Report contents and 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 | |
|---|---|
| Internal Entity | Page No. |
| ADNOC | 4, 36, 37, 45, 46 (right), 50, 51, 55, 56, 58, 59 |
| ADCO | 48 |
| ADGAS | 49 |
| ADMA-OPCO | Cover page, 14 (left and right), 17, 18, 19, 20, 21, 22 (right), 30, 31, 35, 40 |
| ADNOC DISTRIBUTION | 6 |
| GASCO | 29, 35, 48 |
| Petroleum Institute | 46 (left), 53 |
| ZADCO | 11, 22 (left), 26, 27, 32 (right and left), 42, 44 |
| External Entity | Page No. |
| The National (Delores Johnson - Photographer) | 36 |

Reader Survey

As an on-going endeavour to engage our stakeholders and to improve our annual Sustainability Report, we welcome your feedback. Please complete the survey below and return to sustainability@adnoc.ae

Please tell us about yourself (optional)

- ☐ ADNOC Employee
- ☐ ADNOC Customer
- ☐ ADNOC Supplier or Contractor
- ☐ Government Representative
- ☐ Member of Professional Association
- ☐ Member of General Public

1) What are your reasons for reading this report?

- ☐ I wanted to understand specific sustainability issues of ADNOC
- ☐ I wanted a more general understanding of ADNOC
- ☐ I used it for research
- ☐ Other: _____

2) What issues are you most interested in regarding ADNOC's performance

- ☐ Environmental impact
- ☐ Labour relations
- ☐ Social impact
- ☐ Economic performance
- ☐ Other: _____

3) Did this report adequately meet your expectations?

- ☐ Yes
- ☐ No
- Please explain: _____

4) Do you have any suggestions to improve this report?

Thank you for completing this survey.