



ABU DHABI OIL CO., LTD. (JAPAN)

SUSTAINABILITY REPORT

2018

PEOPLE



PLANET



PROFIT



HEALTH & SAFETY



50 years



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GENERAL MANAGER

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STATEMENT FROM THE GENERAL MANAGER



**HIROYUKI
YAMAMOTO**

Representative
& General Manager,
ADOC



This is ADOC's eighth sustainability report. Looking back and reflecting on the activities undertaken during the past year, I am grateful for what has been achieved. I take this opportunity to thank all those who have contributed towards our progress and shaping ADOC's future.

Safe and Stable Operations

At the end of 2017, ADOC successfully commenced Hail Oil Field production and in 2018 we recorded an increase in production (1.5 times by volume of previous year). Remarkably, this was accomplished without any major incidents. This could be achieved as a result of the combined efforts of all ADOC's and its contractors' staff. Various long-term activities undertaken over the past few years have brought a positive change in the mindset of all ADOC and contractors' staff. I would like to thank ADNOC for their valuable support and SE Department for their pivotal role. I would like to recognise their positive contributions towards creating an improved safety culture within ADOC.

Focus on Emiratization

In compliance with SPC/ADNOC directives, ADOC has taken its drive towards Emiratization a step further focusing more

on the further development of the UAE Nationals in addition to promoting capable UAE Nationals to managerial positions.

Completing 50 years of Business

I consider myself thankful and lucky to be a part of ADOC's 50th anniversary celebrations. Fifty years anniversary, ADOC's golden jubilee, was of course a key milestone. To celebrate this event, a successful reception was held and very well attended by 600 guests, including ADNOC officials. The event reinforced the collaborative model between ADNOC and Japanese entities. Performance and success stories were discussed during the celebrations. ADOC aspires to further improve and live up to the strong expectations from ADNOC.

Over the last year, the communication between ADNOC Group and ADOC has strengthened. This close cooperation with ADNOC is particularly beneficial to ADOC from a knowledge transfer/ gaining information perspective.

Looking Ahead

ADOC will move forward with the same operating philosophy of maintaining safe and stable operations. Emiratization will remain at the fore front as ADOC continues its operations.

ADOC will continue to follow ADNOC's directives and requirements. Key requirements of operating cost optimization (as and where possible) and increasing crude oil production (as much as feasible) will remain the prime focus. In 2018, we achieved the target of increased production, however, we could not achieve the strict cost reduction target set at the beginning of the year. We will endeavour to have more robust policies on cost control in the forthcoming years.

Over the coming years, ADOC's aim will be to unite as 'One Company' with diverse nationalities and stronger ties with ADNOC. The journey will include to become a true 'Multinational company'.

ABOUT THIS REPORT

This report covers ADOC's activities from January 1, 2018 to December 31, 2018, unless otherwise indicated herein. The report has been prepared in accordance with "GRI Standards: Core Option".

We are now in our 8th year of communicating our social, safety and environmental performance to our valued stakeholders in an annual Sustainability Report.

This report covers our Abu Dhabi-based operations, namely; the Abu Dhabi office, Mussafah warehouse, the Central Facilities Platform (CFP), Mubarraz Island processing and support facilities, and the four offshore fields namely Mubarraz, Umm Al Anbar, Neewat Al Ghalan and Hail Field.

Mubarraz Island acts as a fulcrum for processing and other support facilities by gathering the oil from Central Facilities Platform (CFP), Umm Al Anbar Site Terminal and Hail Site Terminal.





REPORTING APPROACH

Transitioning the Sustainability Journey in ADOC

We have taken the feedback from our key stakeholders - employees, suppliers, contractors and shareholders, into account when defining the material topics, reporting content and tried to meet their expectations. In 2018, we reviewed the GRI Standards, mapped the indicators and aligned our reporting in accordance with the GRI Standards: Core option. This change made it also necessary to review the material topics and their boundaries. A materiality assessment, involving our internal as well as external stakeholders was carried out in 2019.

Reporting Framework, Scope and Limitations

We have reviewed the list of material aspects and boundaries which were reported as part of our previous reporting process and revised it to comply with the GRI Standards. In this report, we focus on the most material topics for ADOC and present them in the respective sections. In addition, we have also undertaken the process of mapping our material topics to the United Nation's Sustainable Development Goals (SDGs). We believe that through ADOC's responsible operations, we also contribute positively towards the SDGs.

We continually strive to improve the quality of our data and the way in which it is presented to our stakeholders. This report provides trends and statistics across multiple years to allow our stakeholders to see the continual improvement that we strive for.

We welcome your valuable feedback on our 2018 Sustainability Report. Please contact auhse@adoc.ae with any comments and suggestions.

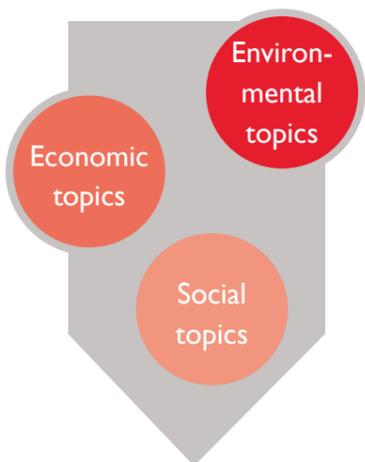
MATERIALITY ASSESSMENT AND STAKEHOLDER ENGAGEMENT

Our communication with internal and external stakeholders took a step forward through our materiality assessment, and engagement sessions. This helped to validate the topics in our sustainability report and ensure we continue to report on topics that are most relevant to our stakeholders.

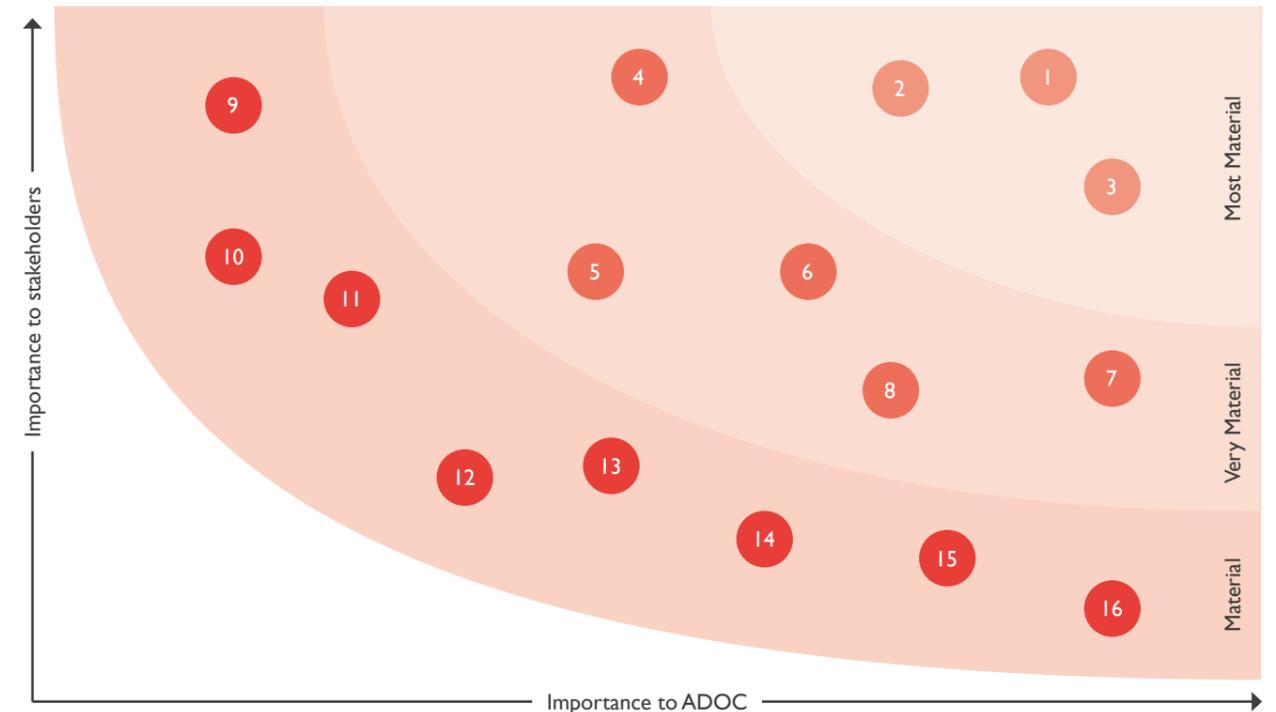
Stakeholder engagement workshops and surveys helped us to gain a better understanding about who our stakeholders are, how they interact with ADOC and what expectations they have of us. We consulted internal stakeholders through workshops and other external stakeholders through surveys, collated and weighted the responses received to prioritise the material topics for ADOC.

Topics related to environmental, social and economic categories were taken into consideration for the assessment and these were analysed to finalise the list of material topics. These have been categorised as material, very material and most material depending on the level of importance to ADOC and its stakeholders. The hierarchy of importance of the material topics is as follows:

Most Material > Very Material > Material



MATERIALITY ASSESSMENT 2018



LEVEL OF MATERIALITY	RANK	MATERIAL TOPIC	REPORTING BOUNDARY
Most Material	1	Non-compliance with regulations	Entire ADOC (HQ + Site Operations)
	2	Asset Integrity and Process Safety	ADOC Site Operations
	3	Occupational Health and Safety Management	Entire ADOC (HQ + Site Operations)
Very Material	4	Water Consumption	Entire ADOC (HQ + Site Operations)
	5	Efforts to promote local suppliers	Entire ADOC (HQ + Site Operations)
	6	Biodiversity Impacts	ADOC Site Operations
	7	Spills from Operations	ADOC Site Operations
	8	OHSTraining and Education	Entire ADOC (HQ + Site Operations)
Material	9	Waste Management	Entire ADOC (HQ + Site Operations)
	10	Green House Gas Emission	ADOC Site Operations
	11	Water Effluents	ADOC Site Operations
	12	Energy Consumption	ADOC Site Operations
	13	Diversity and Equal opportunity	Entire ADOC (HQ + Site Operations)
	14	Human Rights education and training	Entire ADOC (HQ + Site Operations)
	15	Non-discrimination of Employees	Entire ADOC (HQ + Site Operations)
	16	Economic Performance	Entire ADOC (HQ + Site Operations)

ABOUT ADOC

ADOC, Abu Dhabi Oil Co., Ltd. (Japan) is a 100% Japanese Operating Oil Development Company, established on 17th January 1968. ADOC's Head Office is based in Tokyo, Japan.

Abu Dhabi maintains an oil operating system in which the Abu Dhabi National Oil Company (ADNOC), a state-owned corporation that is responsible for the production and marketing of all Abu Dhabi oil and gas exploration and production, is under the control of the Supreme Petroleum Council. The Supreme Petroleum Council is the highest legislative authority in Abu Dhabi Emirate – in charge for formulating and supervising the implementation of Abu Dhabi's petroleum policies. The Emirate of Abu Dhabi is one of the very few locations in the world that allows 100 percent foreign oil companies to develop, produce and export oil. ADOC has established a robust operations system in partnership with ADNOC. Since its establishment, ADOC has been highly regarded for its accomplishments in Abu Dhabi.

ADOC has earned an admirable reputation over the years for safe, effective and reliable operations with particular emphasis placed on health, safety and the environment. Our reputation is supported by our performance and we will strive for continuous improvement.

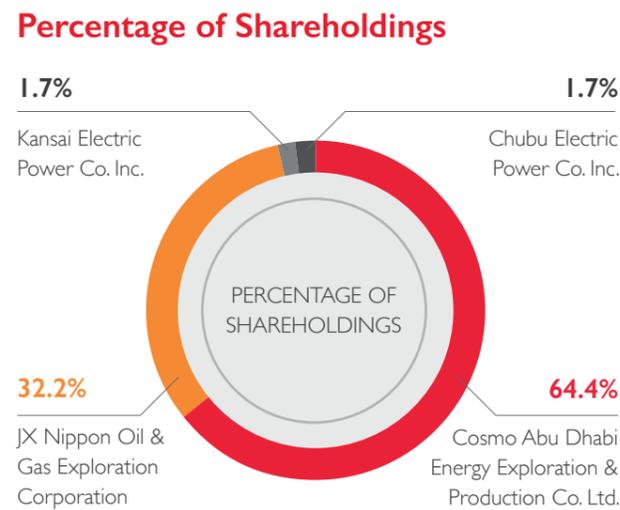


OUR SHAREHOLDERS

ADOC is owned by a number of Japanese shareholders. The primary objective of shareholders is to help the company grow in a safe and sustainable manner.

Our shareholders play a vital role in contributing towards our development in the form of active engagement and participation in key governance functions through annual shareholder meetings.

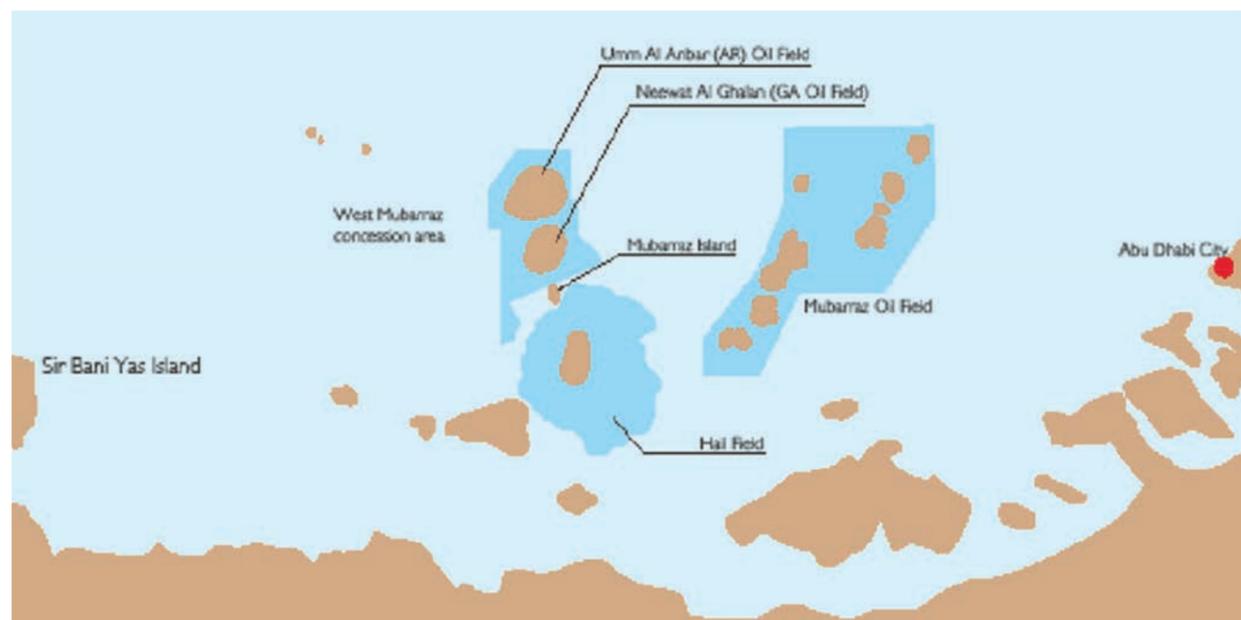
A vital part of this focuses on the decision-making processes relating to the future of ADOC. Shareholdings are presented in the graph below.



OUR OPERATIONS

ADOC currently operates in four offshore fields, Mubarraz, Umm Al Anbar (AR), Neewat Al Ghalan (GA) and Hail, all of which are producing. The Hail field started producing from November 2017. All the fields are located in the west of Abu Dhabi, UAE.

Our main processing and support facilities are located on Mubarraz Island which lies at south of GA field and includes oil and gas processing, crude storage, crude loading, water treatment utilities, accommodation blocks and other associated infrastructure.



Crude oil produced from Mubarraz, AR, GA and Hail fields are processed at Mubarraz Island and shipped as Mubarraz Crude oil. Our field operations are supported by our offices in Abu Dhabi and the warehouse facilities in Mussafah.

ORGANIZATIONAL STRUCTURE

As a reflection of our business needs, there were some changes from 2017 organogram that include the following:

Abolition of Departments

- HD: Hail Field Development Department
- GL: Government & Local Relations Department
- PS: Processing & Technology Department
- MI: Maintenance & Integrity Department

Establishment of Departments

- PI: Processing & Integrity Department
- PJ: Project Department
- PL: Planning & External Relations Department

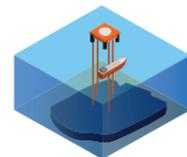


PI (Processing & Integrity Department) will handle operation, maintenance and integrity to improve the overall efficiency instead of MI (Maintenance & Integrity Department) and PS (Processing & Technology Department) previously. PJ (Project Department) will facilitate new major projects. PL (Planning & External Relations Department) will be instead of GL (Government & Local Relations) will additionally have functions to advance midterm management plan.

OUR OPERATIONAL PRIORITIES

The Mubarraz Field

Commercial production commenced in the Mubarraz field in 1973. The Mubarraz Field comprises of the Central Facilities Platform (CFP), which is located in the centre of the field, three production platforms, seven well platform and twelve tripod well platforms. The platforms are connected to CFP through submarine pipelines and cables. The crude oil, formation water and gas from the production wells in Mubarraz Field are gathered at the CFP through sub-sea pipelines and are transported to the final processing facilities at Mubarraz Island. The CFP is equipped with oil, gas and water separators. Power generated in Mubarraz is being distributed in CFP; the generation facilities are available only for back up in case of any emergency. Additional platforms, namely Central Control Room (CCR) Platform, a living quarter platform and BB well platform, are inter-connected by bridges. On the CCR platform, well monitoring and controlling apparatus is installed. The living quarter platform includes accommodation, helipad and other residential facilities. Production and disposal wells are located on the BB well platform. Separated water at the CFP is injected into the underground formation through the disposal well.



Hail Field

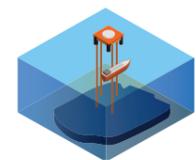
The Hail Field is located south of Mubarraz Island. Early Production from Hail field was achieved in November 2017.



Mubarraz Island

The fluid produced from the Mubarraz, AR, GA and Hail fields are transported via pipelines and gathered at Mubarraz Island where there are processing facilities to refine the fluid into the final crude product and loaded for shipment. Separated water and wastewater at the Mubarraz Island are injected into the underground formation through the disposal well eliminating the effluent to the sea.

There is also a residential facility accommodating approximately 500 personnel, together with sports and recreational facilities including a soccer ground, tennis court and a golf course.



AR & GA Fields

Commercial production commenced in the AR field in 1989 and in the GA field in 1995. AR Site Terminal (ARST) is located at the centre of the AR field and is equipped with oil processing facilities, sweet gas injection facilities and sour gas injection facilities.

The well-head streams from AR & GA fields are gathered at the process facilities at ARST, where both oil and gas are then separated. The separated oil is sent to Mubarraz Island and the gas is sent to the sour gas injection facilities and sweet gas injection facilities through the sweetening units for gas injection into the reservoirs. A causeway provides onshore access from north of Mubarraz Island to the ARST.



Rig Operations

Two offshore rigs are used for drilling new wells or to workover existing wells. We use jack-up type offshore rigs that are designed for operating in the shallow water typical of our fields; this type of rigs are commonly used in the Arabian Gulf.

The rigs consist of a barge-shaped hull with three cylindrical and triangular & truss legs and are equipped with derrick and special devices for drilling and work over operations.

The jack-up rigs are towed to a location with legs up; the legs are then firmly positioned on the sea bottom at the site for work over or drilling operations.

Operational Control after Hail Production



Mr Masaru Hamabuchi

Designation : Head, Processing Group con. Project I Group.

Joined ADOC in 2012; Experience in Japanese refinery for 16 years. Tasks include functional support for operation management and liaison focal for expansion projects.

My duties within ADOC are towards stabilisation and optimisation of the Plant operations. I believe communication is key to success in any business operation. ADOC has an inclusive environment and attracts and retains talented people from many backgrounds and culture. While this promotes cultural diversity, it is also challenging since different people speak different languages.

In ADOC, every person's skills and strengths are mapped, and these are used in the most efficient manner for the overall benefit of the operations and ongoing projects. Many of the staff need support and education to maintain smooth communication within teams. I have personally worked on my English-speaking abilities and improved upon it, so that I could communicate better with the staff.

It has been an absolute pleasure and a matter of pride to be able to attend the 50th year celebrations of ADOC. During the delivery of the Hail Project, we have had to work under intense pressure situations.

However, we have always focused on the philosophy of 'Safety First' and an open 'heart to heart' communication between the operations and project teams. At the start of my tenure with ADOC, I noted that the level of understanding for safety issues was minimal amongst staff and contractors.

However, communicating with people everyday and educating them on simple safety issues resulted in improving the safety consciousness amongst the people. I also realised that while talking to the people motivated them partially, the strongest impact could be created by demonstrating the safe works – on the ground – following safety principles in everyday activities. I have been on the forefront and displaying safe mechanisms of carrying out project tasks.

Plant operations were also optimised through facility modifications (through process) and improvement actions in operating disciplines thereby reducing any potential operational risks.

There is a positive culture shift noted in ADOC towards achieving operational improvements and greater safety awareness. The focus on training and education should remain and further enhanced by sharing knowledge on best practices and new technologies in the international domain. I am very optimistic about the recent organisational changes within ADOC and feel that if each person embraces the change and contributes by performing the duties assigned to each of them, then ADOC will move to the next level of operational excellence.

The secret behind ADOC's success is team spirit. It is OUR success story! "

OUR PRODUCT

Our product is the processed crude oil produced from ADOC's oil fields. This is stored in tanks and loaded on tankers for export through a Single Point Mooring (SPM) facility. Tankers loaded with crude oil at the Emirate of Abu Dhabi exit from the

Arabian Gulf at the Straits of Hormuz, cross the Indian Ocean and pass through the Strait of Malacca delivering the crude oil to Japan. The tankers travel a distance of approximately 11,500 kilometres with a sailing time of approximately 18 days.

ADOC's Business Priorities



* BB is the name of one of ADOC's well platform

ADOC's 50th anniversary celebrations in 2018 and the role of PL Department



Hisham Omar Al Mashjari

Designation : Supervisor, Planning & External Relations Group

Joined in 2018, Supervisor (PL). Current roles and responsibilities include liaising with the regulators for all concessionary affairs and other OPCOs for public relations activities.

Introduction

Since its establishment in 1968, ADOC's contribution to UAE's society has been significant. Corporate Social Responsibility activities include range of initiatives such as mangrove plantation, contribution to educational activities such as the Japanese Language Teaching Program in Applied Technology High School and study visit programs to Japan.

I feel motivated to be working for a company that is well-established and has long heritage and history. ADOC always inspires me to do my best and contribute towards the success of the organisation.

ADOC's 50th Anniversary

We started planning for the 50th anniversary event from April 2018 (around 8 months before the event day). Preparation activities included a range of tasks such as venue selection, co-ordination with AD-GS in selecting a company for venue services such as lighting, audio, photography, preparation of invitee list and sending invitation cards to all invitees, preparation of the 50th anniversary documentary film, selection and preparation of anniversary gifts, co-ordination with AD-GS in selecting live music band and

preparation of other decoration like flower arrangement and ice carving, and organising 50th anniversary committee meetings where all updates were shared among the committee members.

The 50th anniversary event was a great success and was highly appreciated by top management in ADNOC and SPC and our Japanese management and shareholders. We were able to achieve this due to the combined efforts of all departments, working as one team towards achieving this goal. 580 attendees were present in the event.

PL Activities

PL Department is keen to maintain good communication at all times with the offices of ADNOC's and SPC's top executives. PL therefore arranges visits of ADOC's President and other top VIPs to ADNOC CEO and other ADNOC/ SPC Senior Officials.

In addition, PL Department ensures effective liaison between various ADOC departments and SPC/ ADNOC for ongoing tenders, arranging and supervising the in-house tender committee meetings and communicating with ADOC departments for updates in tendering guidelines and regulations. As a part of new improvements in 2018, the In Country Value (ICV) improvement plan was launched.

Conclusion

I look forward to ADOC's future of smooth and safe operations along with increased production. In accordance with ADOC's contributions towards the welfare of both Abu Dhabi society and ADOC staff, I will remain committed to exert my best efforts in carrying out my job in a highly proficient and efficient manner.

COMPLETING 50 YEARS SUSTAINING RESPONSIBLE OPERATIONS

- 1967**

The late Sheikh Zayed Bin Sultan Al Nahyan (the former President of the United Arab Emirates and the former 1973 Ruler of Abu Dhabi), may his soul rest in peace, took the decisive step of allowing the Japanese companies to acquire oil concessions in the Emirate of Abu Dhabi, which until then had been granted only to Western companies.
- 1967**

On 6th December of the same year, an agreement concerning the exploration and development of the Mubarraz oil concession area in Abu Dhabi offshore areas was signed
- 1968**

On 17th January, Abu Dhabi Oil Co., Ltd. (Japan), (ADOC), was established.
- 1969**

In September, the exploratory well No.1 successfully produced the long-awaited crude oil. This underground structure was given the name of Mubarraz Oil Field, and was the first step towards ADOC's success in Abu Dhabi.
- 1973**

In April, ADOC entered into a supplementary agreement which granted ADOC a new concession in the AR Site Terminal area, offshore Mubarraz Island.
- 1973**

In May, the production of oil began, and in June, the first shipment of Mubarraz crude oil left for Japan.
- 1979**

Umm Al-Anbar Oil Field, (AR) started oil production
- 1989**

Neewat Al-Ghalan Oil Field, (GA), of the new concession area started oil production.
- 2012**

On 3rd February, ADOC successfully signed a new Concession Agreement with Abu Dhabi Supreme Petroleum Council to continue production of oil from the existing three oil fields, namely Mubarraz, AR and GA oil fields after the expiry of the current Concession Agreement on 6th December, 2012, for a period of 30 years together with the development of the Hail Field which is adjacent to Mubarraz Island.
- 2013**

Intensive efforts exerted on the Hail Field, located adjacent to ADOC's existing operating fields and for expansion of existing facilities.
- 2013**

A second rig NDF (Noble Dick Favor) was hired and commenced operation since 30th November 2013, in order to increase oil production and recovery.
- 2014**

Various HSE studies were carried out for the Hail Field Development activities, including a 3D Seismic activity, Dredging and Island Construction and Surface Facility Development as part of the HSEIA Phase 1, 2 and 3 studies.
- 2016**

Completed the dredging and reclamation works of the new artificial island and subsequently drilling activities begun. Technical studies - drilling HSEIA (Phases 1, 2 & 3) and Surface Facility Development (HSEIA Phase 2) were completed.
- 2017**

Early Production from Hail field was achieved in November
- 2018**

Hail Field production volume increased by 1.5 times from 2017.

CHAPTER ONE INTRODUCTION

OUR COMMITMENTS AND ENGAGEMENTS

Stakeholder engagement is not only an important aspect of the corporate reporting cycle, but also a mode of connecting an organisation's business strategy and demonstrate how a company is responsive to the legitimate needs and concerns of stakeholders. To sustain in today's challenging business environment, regular interaction with important stakeholder groups is key. In ADOC, we have identified the key stakeholders and stakeholder groups focusing on the following two dimensions:

- The stakeholder's influence on ADOC
- The stakeholder's dependence on ADOC.

This year, ADOC has undertaken additional engagement with both internal as well as external stakeholders as a part of the materiality assessment exercise. We will continue to further strengthen the stakeholder engagement process by providing feedback to the stakeholder groups and resolve their concerns. Our key internal assets are our Emirati staff. In 2018, we also held extensive consultations with our Nationals to cater to their expectations and have robust action plans in place for their career progression.



CORPORATE GOVERNANCE

The Board of Directors has the direct responsibility of governance in ADOC. Resolution of legal and regulatory issues and items in the Articles of Incorporation comes under the purview of the Board of Directors. The Board also establishes management policy and supervises appointed directors.

Regulations governing the Board of Directors stipulate that, in principle, meetings are to be held every quarter, and that extraordinary meetings are to be held when necessary. During meetings, directors make decisions on important organisational-related matters and examine progress on business initiatives and measures for resolving problems.

ADOC is under the umbrella of SPC / ADNOC and governed by the concession agreement. All legal stipulations issued by Federal and Abu Dhabi government are communicated to ADOC through SPC and ADNOC. ADOC is under the jurisdiction of the SPC instructions. SPC and ADNOC communicate all requests in writing to the ADOC General Manager.

The PL department receives all requests and distributes them to the relevant departments for their action; each department is a custodian of all relevant laws and regulations. Any potential issues that may arise are addressed in the weekly departmental managers' meetings.



Membership

GROUPS	DESCRIPTION
International Association of Oil and Gas Producers (IOGP)	The International Association of Oil & Gas Producers (IOGP) is a unique global forum in which members identify and share best practices to achieve improvements in every aspect of health, safety, the environment, security, social responsibility, engineering and operations. ADOC reports IOGP Environment and Safety data every year to ADNOC for reporting to IOGP.

ADOC Stakeholders & Engagement Mechanisms

Within ADOC, we define 'stakeholder' as any person or group of people that may be affected positively or negatively by the aspects of ADOC operation and who have an interest in or have an influence on our activities. We engage with our stakeholder groups in a variety of formal and informal settings every day within the organisation. Below we have identified our key stakeholder group and how we respond to each of them effectively on the sustainability challenges and opportunities.

<p>Our shareholders are always kept informed about our performance against targets through regular meetings.</p>	<p>We encourage open dialogue with our employees. Employees are free to discuss any personal /professional issues with their line manager and our AD department.</p>	<p>We are aware of our obligation to conduct ourselves in a responsible manner. We continue to engage in initiatives which promote social responsibility such as donations and fundraising programmes.</p>	<p>We have open dialogues with all our vendors at all times. The information received is analysed, and any concerns noted and addressed by the company.</p>
<p>Shareholders</p>	<p>Employees</p>	<p>Communities</p>	<p>Suppliers & Vendors</p>
<p>Customers</p>	<p>Academic Institutes</p>	<p>Regulatory Authorities</p>	<p>Media</p>
<p>As our customers are in Japan, our head office in Tokyo mainly engages with them.</p>	<p>We actively participate in career fairs and other promotional activities in various universities and technical institutions offering job opportunities to candidates selected through this process.</p>	<p>Our GL department communicates regularly with the regulatory bodies to ensure ADOC is compliant with all relevant laws and regulations at all times. The GL department makes sure that the articles of the Concession Agreement are met in a timely manner ensuring governmental expectations are always met. We provide prompt responses to all received regulator queries ensuring operations remain compliant, safe and reliable at all times.</p>	<p>ADOC engages in media dialogue as and when required. We routinely publish our technical activities after verifying that the contents are in compliance with ADNOC's respective guidelines.</p>

CHAPTER TWO
PEOPLE

OUR EMPLOYEES

Our HR and AD departments are responsible to provide training and development opportunities, a healthy work environment, fair and generous benefits and compensation structures.

In ADOC, we believe that good quality people are responsible for the success of the company. Manpower planning is critical for maintaining a highly functional workforce. This year, in line with our business plan needs, there was a reduction in workforce from the previous year. We believe that the stabilisation of our organisational restructuring process will thereby result in increased productions and improved efficiencies.

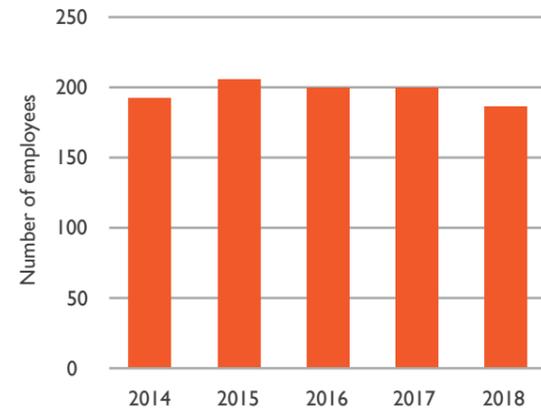
We embrace the responsibility to treat our employees with respect and provide them with rewarding a safe and healthy work environment. We also encourage our employees to be actively involved in HSE related issues and we give an HSE award on a monthly basis.

We strive to foster a company culture, where employees are valued and we invest in their development so they are empowered to share our success.

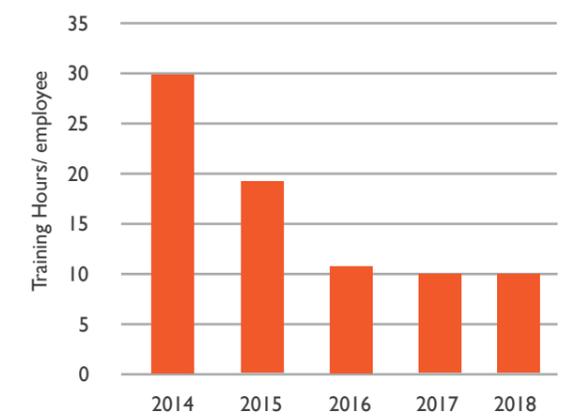


DISTRIBUTION OF EMPLOYEES

Distribution of Fulltime Employment



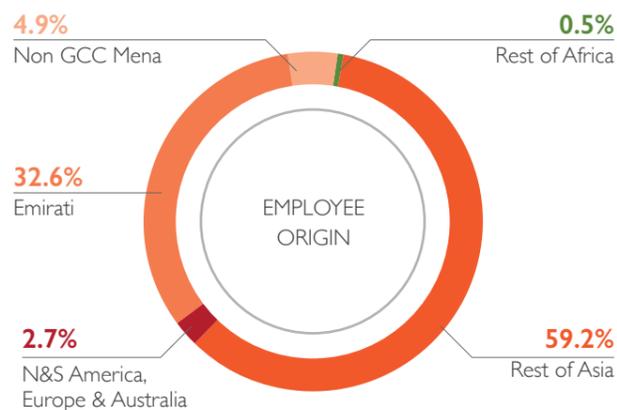
Total Training Hours/ employee



We understand that a highly skilled and motivated workforce is key to any Company's success. ADOC recognises the value of the benefits that we provide beyond wages. Our comprehensive benefits package for full-time employees includes life insurance, healthcare insurance, disability coverage, parental leave, study leave, retirement provision and education assistance.

We implement strict policies addressing the issues related to discrimination, forced labour, or child labour. We have been able to attract global talent from around the world improving our diversity skills. The breakdown of employees by region of origin for 2018 is shown below.

Percentage breakdown of employees by origin



Our workforce reflects different ethnicities, cultures and diversity. We believe this diversity helps as a source of innovation and creativity. In our day to day activities, we come across a diversity of opinions, which may be a result of a variety of ethnic and cultural backgrounds, improves the way we work together every day.

We are committed to recruiting, retaining and developing diverse talent within the workplace. This commitment is critical to developing a 'multinational' culture within ADOC. The above graph further demonstrates our commitment towards achieving increased employee diversity.

Training and Development

Through training, we elevate our employees' abilities by providing supportive learning opportunities. Training programmes allow to strengthen skills that employees need to improve upon. Ongoing training results in better staff retention by keeping them motivated at all times. We offer a wide variety of training opportunities and programmes assisting employees with strengthening their technical and non-technical skills. Our programmes are especially designed to suit different roles in the company.

To achieve this, an Annual Training Plan is prepared by training co-ordinators, based on a Training Needs Analysis exercise. The training needs analysis is a five-step process which consists of the following:



We review the training plan year on year and make improvements to increase the efficiency of the programmes, i.e. abridging courses/ combining topics, thereby reducing the total training costs/ employee, however still providing the required training. Our reduction in training hours/ per employee is also a reflection of our strong recruitment process, i.e. we hire professionals with the right level of skill sets required and strong employee retention that results in staff having the appropriate level of experience through career progression. In 2018, we maintained the same hours of training as the previous year, only with slight increase.

Whistle blowing policy and procedures



ETHICS

To reach our goal of creating safe and stable operations, we collaborate with our employees and suppliers to create transparent partnerships and ensure that our counterparts are treated with respect and dignity. Employees and contractors are bound by principles laid out in the Code of Conduct. The Code of Conduct sets out the initiatives outlined in ADOC's corporate vision with "our ethics" being a key parameter adopted by all ADOC employees.

ADOC believes that for a company to obtain higher corporate value, it is critical for people in that company to adhere to corporate ethics. In this regard, ADOC has set up "Corporate Principles of ADOC", "ADOC Corporate Ethics Regulations" and "ADOC Code of Conduct" is for that purpose and it is our responsibility to act in conforming with these principles and regulations.

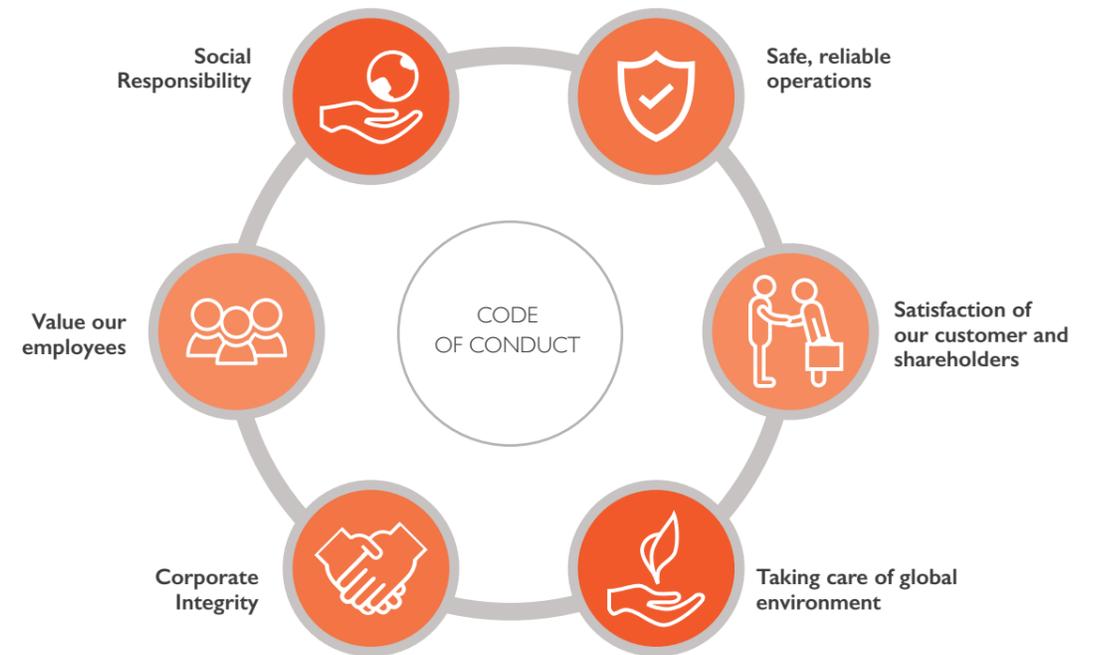
For the purpose of further enhancement of compliance system of the Abu Dhabi Field Office of ADOC, Abu Dhabi Field Office Whistle Blowing Policy and Procedures were enacted on 1st April 2017 by encouraging internal persons to report any frauds or unethical matters of which they are aware or become aware of, providing a confidential means of reporting such matters, and protecting individual who reported such matters in good faith.

ADOC Principles and Regulations Related to Compliance



Code of conduct

ADOC's code of Conduct principles are illustrated below:



Conflicts of interest

Conflicts of interest within ADOC are prevented through our Code of Conduct which prohibits any employees' associates from engaging in activities with the potential to jeopardise our integrity. Transactions with our competitors or other acts that conflict with the interests of ADOC are strictly prohibited.

Human rights

Within our Code of Conduct ethos, Human Rights issues are of paramount importance. At ADOC, we respect all who we interact with while supporting the principles and spirit of the Universal Declaration of Human Rights, which was adopted by the United Nations (UN) in 1948.

Emiratisation

The UAE had launched its Emiratisation drive to create more job opportunities

for Emirati men and women - mainly in the private sector. Federal Law No. 8 of 1980, also known as the Labour Law, states that the Ministry of Human Resources and Emiratisation (MoHRE) will have a special department dedicated to finding adequate job opportunities for nationals. The department must assist employers in fulfilling their need of national workers whenever needed. In realisation that Emiratisation is the top priority of the UAE Government, ADOC's Emiratisation Programme is in line with the directives of the UAE Government and SPC/ADNOC's requirements. The programme aims to ensure that our Emirati employees grow within an attractive working environment. The programme is especially designed to improve skills, competencies, and enhance career progression.

In order to enhance the employability and development of the UAE Nationals within ADOC's existing workforce, the HR department has implemented initiatives such as annual recruiting

plans and a Competency Based Training Programme (CBTP) for both technical and non-technical fields. The CBTP has been providing substantial benefits to the development of the trainees' knowledge, skills and performance.

At the end of 2018, about 33% of our workforce was Emiratis. As compared to 2017, a 4% increase in the number of Emiratis is reflective of ADOC's increased efforts towards Emiratisation.

ADOC is taking part in various career fairs and exhibitions in order to showcase ADOC as a company and also to attract national talent.

In 2018, the Emirati workforce within ADOC has been extensively engaged to understand the different issues faced by them. As a result of the consultation, a five-year manpower intake plan as well as an Action Plan is being formulated to achieve the desired outcome from the Emiratisation programme.



ADOC SNAPSHOT-SHARING EXPERIENCE

Competency Based Training Programme (CBTP) for UAE Nationals

ADOC has developed a strategic business objective in place to implement a CBTP to ensure that the organization remains competitive in the global energy industry.

The CBTP drives continuous improvement to support ADOC's competency goals with regard to:

- Business competencies.
- Health, Safety and Environment (HSE) competencies.
- Personal and Behavioural competencies.
- Job-Specific competencies.

The System is implemented through the CBTP, a structured training programme, which is utilized by personnel as a guide to attaining the competencies required to fulfil their current role within the company.

The CBTP is based on ADOC's core competencies which are Business, HSE, Personal and Behavioural, and Job-Specific competencies. The CBTP contains specific details concerning the competencies required for each job role. Learning and development activities are specified in the CBTP to ensure that personnel attain the competencies required for the specific job role that they fill. In 2018 we had six trainees working on the CBT program.

Five-Year Manpower Plan for UAE Nationals (2019-2023)

	2018	2019	2020	2021	2022
Total Emiratisation Percentage	33%	35,2%	40,4%	42,8%	43,4%
Number of Recruitment of UAE Nationals (Plan)	4	4	4	2	2

Developing Emirati Nationals



Mr. Ebraheem Al Zaabi

Designation : Human Resources & Development Manager

Has been an ADNOC staff for 34 years and was seconded in ADOC 10 years back. His role has been instrumental in the intake and upkeep of UAE Nationals in ADOC.

ADOC is unique from the perspective that a Japanese business is operating within the UAE territory. In ADOC, while HR department looks after the Emiratisation, Administration Department is in-charge of recruitment.

The focus on Emiratisation started 10 years back. There were clear directives from ADNOC and SPC to increase number of Emiratis in ADOC, especially in Technical side and provide appropriate training to them. Prior to that, the recruitment of Emirati Nationals was not focussed on any set criteria for evaluating technical strengths and abilities.

Over the years, various steps have been undertaken to strengthen the process of Emirati intake.

- The first step was to promote ADOC as an organisation to attract the UAE Nationals.
- Secondly, policies were formulated to create uniformity with ADNOC with respect to salaries and other benefits.
- For training and competency building, the CBT programme was launched. This is not a time bound programme and aimed in improving the knowledge and competence of the Emirati Nationals.
- Study leave programme – high achievers from Higher College of Technology (HCT) are recruited while studying, with the commitment that after the

completion of graduation, they will join ADOC.

Going forward, in 2019, we plan to roll out the five-year manpower plan for UAE Nationals. The plan will include the following action items:

- Setting up an individual yearly plan and a joint agreement between the UAE National staff and their Supervisor;
- Interview with UAE Nationals and their Mentors by HR Department;
- Establishment of Emiratisation Committee;
- Establishment of "Future Career Path and Progression Plan" for UAE Nationals;
- Assignment of UAE Nationals in managerial positions and Internal Job rotations; and
- Recruitment of UAE Nationals.

The yearly intake plan requires 4 UAE Nationals/ year, however, last year three Emirati Nationals were recruited.

HR Department representatives have had face to face meetings with all UAE Nationals (both offshore and onshore) to learn about the expectations and concerns (if any) of the Emiratis.

As discussed above, in line with the five-year manpower plan, future career path and progression plan will be of prime focus to retain the UAE Nationals. UAE workforce is keen towards occupying managerial positions; therefore, individual training programmes will be in place, followed by performance reviews (every six months) and appraisal.

Communication is a key issue between Emiratis and Japanese. Therefore, the Japanese Language Teaching Programme (JLTP) programme is instrumental in bridging any gap. It is vital to adopt each other's cultures (Japanese and Emirati) in order to perform successfully and in harmony."

OUR COMMUNITY

Supporting our nearby communities is our commitment as ADOC. We continue to have no disputes with local communities in proximity to our operations in the UAE. Valuing the importance of the society around our operations, we continue to engage and invest in our local communities. We do so by operating ethically and responsibly.

Community Investment



ADOC SNAPSHOT-SHARING EXPERIENCE

Japanese Language Teaching Programme (JLTP) in Applied Technology High School (ATHS)

Our cultural activities focus on the development of the young generation of Abu Dhabi by participating in the educational programmes of some of Abu Dhabi's esteemed educational organisations, namely ATHS.

The objective of the JLTP is to target students with a technical background in Abu Dhabi to teach them the Japanese language and to introduce the Japanese culture to them.

Two female and one male Japanese teachers are teaching the Japanese language to grades 9, 10, 11 and 12 boys and girls, three days per week, after school hours.

Every year, ATHS grade 10 students participate in a two-week Summer Camp at Ritsumeikan Uji High School in Kyoto, Japan to witness life in Japan from an educational, cultural, professional and technological aspect, and interact with Japanese high school students on a daily basis.

Since 2012, five terms are completed as a part of the JLTP at the ATHS, with 57 male students and 36 female students attending the programme during this period.

We hope that in the future UAE students will further strengthen the bilateral relations between the UAE and Japan based on their profound understanding of the Japanese language, culture and through their close interaction in the areas of science and technology.

CHAPTER THREE PLANET

Our environmental stewardship is underpinned by precautionary principle regarding the consumption of water and energy, and the avoidance of air emissions, waste and spills.

The environmental issues of greatest direct significance to ADOC arise from the inherent nature of our production processes which results in air emissions, Green House Gas (GHG) emissions, flaring, and water/wastewater generation.

In addition to these key focus areas, we also manage other environmental issues associated with our operations which include waste management, biodiversity protection, spill prevention, environmental awareness and resource conservation.

We continue to act to minimise carbon emissions from our operations in line with our corporate KPIs.



MANAGEMENT OF ENVIRONMENTAL ASPECTS

In ADOC, we have a culture and policies that make us mindful of the scarcity of natural resources on which we all depend. We have developed robust 2018 HSE targets and objectives and closely examined these targets and objectives throughout the year.

We have been successful in meeting most of the targets, however, unfortunately, due to a spill event occurring at our facilities, we were unable to meet our 'zero spill' target in 2018.

Following the incident, we have taken all necessary corrective actions to control the incident and prevent any such occurrences in the future. We are environmentally aware and aim to comply with all UAE environmental legislation, while also complying with all ADNOC COPs.

ADOC is committed towards proactive environmental management and staff engagement. On one hand we incorporate environmental considerations into our projects, on the other hand we also implement in-house green initiatives to manage our energy, waste, water and other environmental issues for existing operators.

As part of our commitment to the environment we have various on-going programmes to ensure our activities result in minimal harm to the environment. One such initiative is the Mubarraz Cleaning campaign.

Since July 2012 ADOC has been running a voluntary activity to clean our main production site in Mubarraz Island. Till the end of 2018, we have completed such 299 campaigns. All staff (senior, junior, contractors etc.) from across our offices (Tokyo, Abu Dhabi etc.) have been involved in this campaign. This initiative resulted in the following HSE, sustainability and energy use benefits:

- Cost efficiency;
- Environment preservation;
- Waste collection; and
- Waste prevention.

This Cleaning Campaign will be ongoing to improve the environmental and sustainability performance at Mubarraz Island. It is encouraged by the company management. In 2018, no instance of non-compliance with environmental legislation was recorded.



ENERGY

Our energy requirements are met through both direct and

indirect energy consumptions in our operations. Direct energy requirements are generated internally while our indirect energy requirements are fulfilled by the external source - Abu Dhabi Water and Electricity Authority (ADWEA).

We are committed to sustainable and renewable energy usage and we have incorporated ADNOC's energy management initiatives into our business. We reduce gas losses through regular maintenance, gas recovery and minimal flaring. The climate in Abu Dhabi is an excellent means of sustainable power generation and enables us to maximise our energy generation, reducing costs and increasing the amount of product recovered.

In 2018, 31 GJ of renewable energy was generated by utilising solar power. The following graph shows our direct and indirect consumption for the years 2014 – 2018.

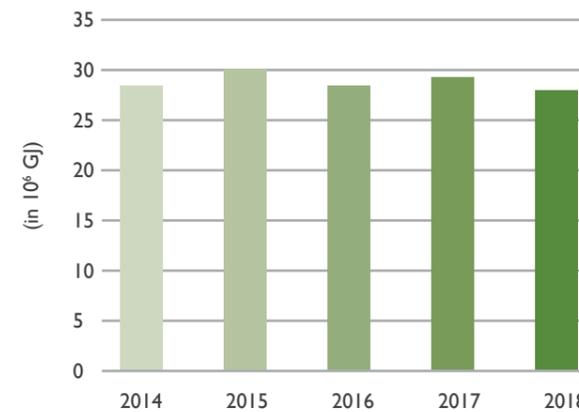
Graphs from 2014 through to 2018 shows a stable trend in our direct energy consumption. Slight increases in consumption noted in 2015 and 2017 due to the increased number of projects in Mubarraz and Hail field development, respectively. The consumption of direct energy decreased by about 5% in 2016, as compared to 2015.

Despite a significant increase in activities, 2017 showed a marginal increase of direct energy consumption of 3%. This is attributed to the energy management initiatives undertaken by ADOC. Despite both activities, we have been able to retain the similar values in the year 2018.

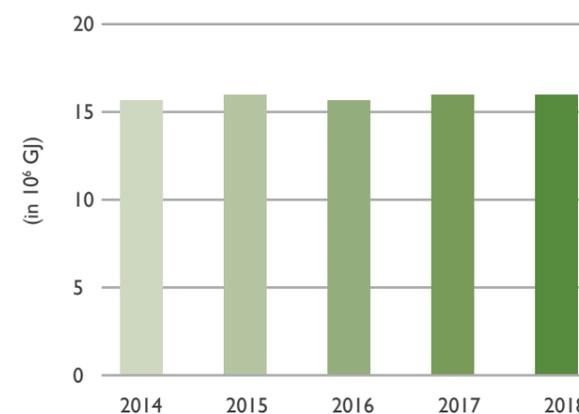
Climate Change

At ADOC, one of our key goals is energy efficiency through continuous improvement. ADOC energy management system incorporates measures to promote energy efficiency. We have taken steps to increase operational efficiency and reduce our overall operational Green House Gas (GHG) emissions.

Direct Energy Consumption



Indirect Energy Consumption



ADOC SNAPSHOT-SHARING EXPERIENCE

Energy Conservation in ADOC

ADOC has established an Energy Management System based on the requirements of the international standards of ISO 50001:2011. This is for managing its facilities through application of the ISO management system in a consistent manner.

In 2014, ADOC started to initiate implementation (Phase 1) of our Energy Management System Manual and Procedures throughout the company. In 2015, ADOC conducted Energy Management System awareness and Internal Auditor training to all key personnel involved in internal and external audits.

In October 2015, the 'Energy Policy' and 'Energy Team' were established and approved by our General Manager. On 9 July 2016, ADOC received the ISO 50001 certificate, which is valid till July 2019. In 2018, we carried out energy review meetings, internal audits, awareness sessions and the second surveillance audit.

Future plan is to conduct the re-certification audit for ISO 50001 :2011 from third party and parallelly plan for the transition from ISO 50001 :2011 (for which ADOC is certified) to ISO 50001 :2018 (new standard) in 2019.

- March 2018**
Energy Review Meeting
EnMS Lead Auditor Training
- April 2018**
ADOC Management Review for EnMS Second Surveillance Audit
- November 2018**
Two EnMS Awareness Training Sessions in Mubarraz Island



GHG EMISSIONS

GHG Emissions
(CO₂ equivalents in 10³)



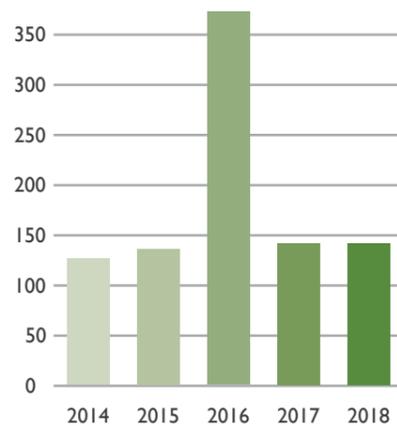
The Graph below depicts the trend of GHG emissions over a five-year period – 2014 to 2018. In 2015 and 2016, we witnessed an increase in our GHG emissions of about 10% compared to 2014. This was as a result of flaring in the Mubarraz Field. We were, however, able to control the flaring emissions resulting in a 2% decrease in 2017 (vs. 2016 figures) and a further 3% decrease in 2018.

Our direct GHG emissions data includes annual emissions of CO₂ and CH₄ from our power generation, combustion processes and flaring. The values were computed by converting to tonnes of CO₂ equivalent values based on the 'Methods for Estimating Atmospheric Emissions from E&P Operations – Report No. 2.59197, September 1994, E&P Forum).

Ozone depleting Substances

Zero emissions of Ozone-depleting substances from our sites in the year 2018. ADOC has retrofitted air-conditioning units by converting Ozone-depleting compounds (HCFCs) to Ozone friendly compounds (HFC).

Flared gas volume
(Value in MMSCFY)



FLARE MANAGEMENT

In line with ADNOC's zero flaring strategy, ADOC conducts non-routine flaring in particular events such as emergency, shut down and start-up operations only and continuous flaring is not undertaken in ADOC. Despite the new Hail Field operation, we remained committed towards flare management. The total volume of flared hydrocarbon for the year 2018 is 150 Million Standard Cubic Feet per Year (MMSCFY). The following graph shows a comparative analysis of our flaring patterns in our sites during the period 2014-2018.

In 2016 we saw a significant increase in gas flared due to the unexpected flaring at Mubarraz Field. This was however tackled efficiently in 2017 and therefore there was a steep decline noted in the flared gas volumes which remained in the same range in the year 2018.

We also record other air emissions resulting from other operational activities such as the utilisation of recovered gas for power generation. Carbon dioxide (CO₂), Nitrogen Oxides (NO_x), Sulphur Oxides (SO_x), Volatile Organic Compounds (VOC), and Methane are monitored on a yearly basis, due to their contributions to the phenomena known as Global Warming Potential (GWP) and their detrimental health effects.

WASTE MANAGEMENT

Effective waste management can not only be beneficial to the business by saving money, but also be beneficial to the environment at the same time. ADOC adheres to legal obligations to effectively manage and dispose of its waste. We understand the importance of disposing waste in a responsible, safe and ethical manner:

ADOC PMS Print Management Solution (PMS)

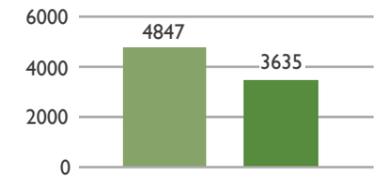
In 2018, AD-IT Implemented Safe Q PMS in Abu Dhabi Main office site through which we studied the printer usage and optimized the number of printers by 45.72 %. We analyzed every print, copy, and scan and applied a set of rules that made us optimize the printers and reduce the usage of paper and energy for operating the printers. The following are the key highlights of the programme:

- Centralized Print Management and advanced document capture and workflow.
- Maximized the productivity, Reduced the costs and increased document Security.
- Protect documents from unauthorized access, Authorize users at printers via Identity card, username/password or combination of both.
- Monitor the who, what, and when every print, copy, and scan action was undertaken.

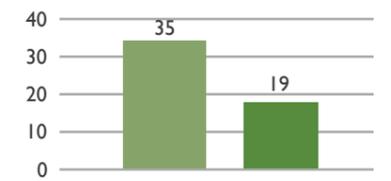
Printer count



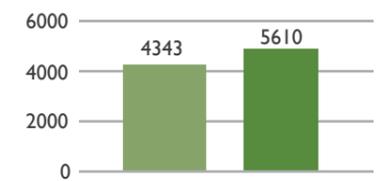
Volume of prints / papers
(in 1000's)



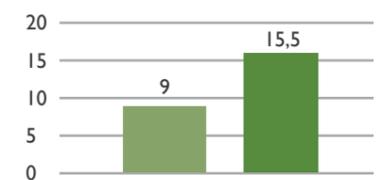
Reduction in device count



Device utilization
(Average number of prints)



User to device ratio



■ Until September 2018
■ After September 2018

101100 gallons of water saved



6 trees saved



Kitchen/ food wastes,
Office waste, Pet bottles



Incineration at Mubarraz and CFP;
Incineration ash sent to BeAAT

Other non-hazardous Wastes
from Mubarraz and CFP



Removed using CWM-approved
Environment Service Provider (ESP)

Hazardous Waste from
Mubarraz and CFP



Sent to BeAAT

Non-hazardous wastes
from Abu Dhabi Office



Removed using CWM-approved
Environment Service Provider (ESP)

Medical Waste from all assets



Removed using CWM-approved
Environment Service Provider (ESP)

HAZARDOUS & NON HAZARDOUS WASTE

Wastes (hazardous and non-hazardous) are generated as a result of ADOC's operations in Abu Dhabi city, Mussafah, CFP, Mubarraz Island and Hail Site Terminal. Our waste management systems are in line with ADNOC's COPs and Federal Regulations of the Emirate of Abu Dhabi. The table below details the different types of hazardous and non-hazardous wastes generated in ADOC.

Types of Hazardous and Non-hazardous wastes generated in ADOC

Hazardous	Non-Hazardous
Empty chemical containers, Asphaltene, Petroleum Hydro Carbon (PHC) sludge, Waste Oil, Grit Blast & Swarf, Tube Light, Incinerator Bottom Ash, Contaminated cotton Rags, Used Filter, Waste Oil, Paint Residues, used batteries, lab chemicals, contaminated metal sheets and barrels, asbestos, etc.	Food/kitchen waste Packaging (bottles, glass, Polyethylene Terephthalate bottles, etc.) Metals and metallic sheets Wood waste (wooden pallets, hardboard plywood) Office Waste

Waste Disposal Methods

In 2018, the quantities of hazardous wastes sent to Central Environment Protection Facility (BeAAT) was 522 tonnes. 722 tonnes of non-hazardous wastes were generated at ADOC sites. The amount of non-hazardous wastes generated varies depending on the manpower present in Mubarraz. The disposal mechanisms are currently being used for the different type of wastes.

Data has been collected for the hazardous wastes over the last five-year period. Per the graphical representation to the left, there have been significant variations in the data reported for the hazardous wastes being sent from our facilities. Compared to 2016, hazardous waste sent in 2017 increased by approximately 75%. Hail Commissioning and operation in 2017 resulted in increased waste quantities that subsequently declined in 2018 by 12%.

Spills

One onshore spill incident (approximately 158 barrels of crude oil) was recorded in 2018. Spill management and recovery are part of ADOC's emergency response plans.

As a part of the spill management measures, the top floating oil was recovered and pumped back to the system. The contaminated soil was removed and collected in steel drums and disposed appropriately.

The top soil was replaced with fresh soil. A detailed investigation report was prepared, action plan formulated, and awareness sessions were carried out to prevent the reoccurrence of such events.

Ensure Zero Oil Spill When De-Oiling SPM Hoses for Hose Replacement Job

In 2018, ADOC carried out SPM Hose Replacement Job as part of the routine SPM maintenance plan. In order to start replacement of SPM hoses it is needed to remove the oil inside the line and that is undertaken by flushing back the oil line using a vessel main pump.

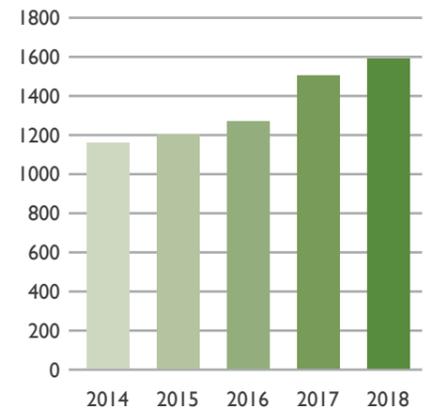
Approximately 430 barrels of oil was in the line and this was pumped out at the rate of ten times of its quantity by sending back to Mubarraz shore tank.

During this job we innovated to ensure there was no oil spill while disconnecting the hoses. We adopted a simple mechanism to completely remove the oil residue in the subsea hose. We successfully achieved our aim for zero oil spill during hose replacement and will continue to innovate our existing methods in our future works without compromising on safety.

Hazardous Waste sent to BeAAT (tonnes)



Water withdrawal (Value in 10³ cubic meters)

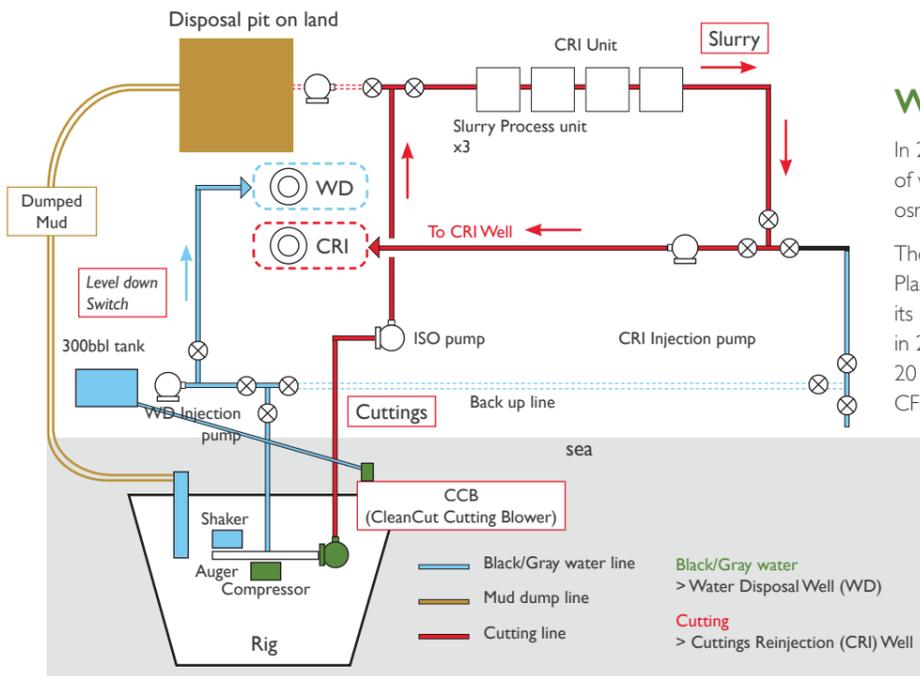


WATER & EFFLUENTS

Water withdrawal

ADOC's conservation principles adopt the approach of minimising water usage wherever possible. The following graphs show the quantities of water withdrawal for the years 2014-2018.

There is an increasing trend noted in the water withdrawal pattern since 2014. The increase has been due to maintenance activities in the worker camps and increase in number of personnel in Mubarraz Island. Compared to 2017, water consumption has increased by 7% in 2018 due to the steep rise in manpower in the Mubarraz island.



Water discharges

In 2018, ADOC discharged 1,224,050 m³ of water (generated as a result of reverse osmosis desalination) into the sea.

The Mubarraz Sewage Treatment Plant (STP) successfully completed its modification and commissioning in 2017. It is operational since August 2017. In addition, installation of new CFP was in progress in 2018.

Zero Discharge for offshore Rig Operation in Hail Field

Hail field is designated as a Marine Protected Area (MPA) and UNESCO Biosphere Reserve and therefore any discharge to this area is strictly prohibited. The zero discharge operations can be achieved while drilling five production wells by offshore rig in the MPA. Firstly, all cuttings are

injected to the formation. Thereafter, all waste water from rig is injected to the formation.

Thirdly, all cement returns are sent to another area or injected into the annulus for top up cementing. As the result of this process, there is no need to dispose any material in the Hail field and the zero-discharge operation may be continued till the end of drilling campaign in Hail

Zero Discharge at Hail Field



Mr. Masahiro Takaki

Designation: Drilling Engineer, Drilling Group

Joined 2015, October; Involved in different offshore activities including the 'Zero Discharge at Hail Field' Project.

During my tenure in ADOC, I have been working on Drilling Engineering – 2 rigs – Dhahi 2 (Mubarraz) and B-152 (Hail Field). I have had the opportunity to work both in Abu Dhabi office as well as offshore. Personally, I find offshore experiences to be more exciting, due to its on-the-ground practical nature.

The Hail field is within the Marawah Protected Area which is rich in biodiversity and supported by marine and coastal environments. No discharges of any sort are permitted within the protected area.

In the Hail field development project, two appraisal wells and eight development wells were planned. There was one water disposal well for grey water and black water and one cutting re-injection well for reinjection of the drill fluids and cuttings. The drill cuttings and fluid are first transferred to land prior to re-injection.

Cuttings Reinjection (CRI) Operation, a Schlumberger developed system, was located on HST to transform the cuttings to slurry. Then, this slurry is pumped back to cuttings re-injection well.

Due to the environmental sensitivity of the area, this process was adopted for the first time in ADOC. This could be achieved through the technical expertise of the international consultants and a specialist supervisor. The project success could also be attributed to appropriate briefing of team members, the use of right equipment team and co-operation between all teams in HST. This could be achieved successfully without any HSE issues or other constraints; no shutdown or other downtime recorded during the process."

BIODIVERSITY

We understand the importance of biodiversity and actively engage in conservation of our environment. Environmental conservation is a crucial part of our sustainability goals. We believe that for us to develop and operate our oil fields in a responsible manner, there should always be a balance between development and environmental conservation. Preserving sensitive habitats and protecting endangered species are an important part of this. We have committed ourselves to conservation of natural resources, ecosystems, wildlife and their habitats.

Mangrove plantation

Since 1983 ADOC has committed itself to the Mangrove Plantation Campaign on the Mubarraz Island. The plantation is an essential part of the preservation of Mubarraz Island's ecosystem. Mangroves provide a buffer system between land and the sea and thus assist in stabilizing these sensitive areas and maintain water quality.

A steady growth has been observed in the mangrove coverage due to proper planning, installation of a nursery, site selection, and site preparation. Our personnel have been involved in continuous surveillance, use of protection measures, and monitoring, using modern technologies. The campaign has improved the environment for small thalassic creatures such as shrimps and crabs. The island is also a haven for numerous migratory birds. A total of 17,949 saplings were transplanted in the months of February and March 2018. We plan to transplant a further approximately 20,000 saplings in 2019. From the year 2005 to the end of 2018, ADOC has planted a total of 497,557 saplings in the Mubarraz Island.

Coral preservation

Coral reefs provide numerous ecosystem services such as fisheries and shoreline protection from the damaging effects of wave action and provide habitats and shelter for many marine organisms. Coral reefs whilst offering these ecosystem services are sensitive to varying water temperatures. ADOC has been involved in investigating the possibility of propagating coral at Mubarraz from as early as 2008. During the period February 2018 – April 2018, monitoring of coral and seagrass was carried out with the help of internal resources. ADOC is planning to conduct exploratory dives in Mubarraz Island, using locally based subject matter experts to identify the future scope for the coral preservation and propagation potential considering the changes in the average weather patterns in the region due to climate change.

Sea grass propagation

Different sea grass species assist in determining the condition of coastal ecosystems. Sea grasses are a vital part of the marine ecosystem, providing numerous ecosystem services

including stabilising the sea bottom, maintaining water quality and providing food and habitat for other marine organisms.

The 'Sea grass propagation Project' was commenced in June 2007 by ADOC. The project included surveys of conditions of sea grass vegetation surrounding the Mubarraz Island followed by the selection of transplantable water areas and expanding the sea grass populations by means of transplantation and proliferation. Our Japanese specialists implemented new technology to develop and enhance the growth of marine biota which indirectly helps maintain the marine food chain to aid the expansion of the marine habitat. Mattresses with chains were installed in 2014 in a bid to further propagate the sea grass in the area. The mattresses add a solid ground for growth and are securely held in place with the addition of chains. We continue to monitor the progress of sea grass propagation.

Similar to the coral reefs, monitoring of sea grass occurred in February 2017 with Taisei and in 2018 with internal resources. ADOC plans to analyse available satellite imagery (>30 years) to map and evaluate short-term (year-to-year) variability and long-term (decadal) trends in seagrass distribution on Mubarraz Shoal. Ground-truthing of seagrass mapping will be undertaken through a semi-intensive field program of spot-checks.

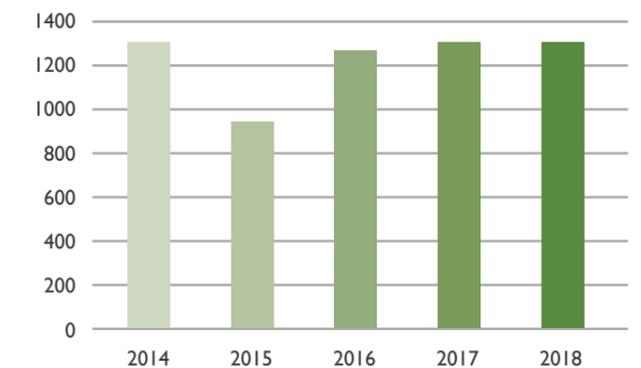
In addition, a seagrass seed bank assessment shall be conducted across Mubarraz shoal by seed density analysis to evaluate the resilience of the seagrass beds to recover from disturbances.

Osprey preservation

We have been continuously carrying out monitoring and preservation of the Osprey inhabiting Mubarraz Island since the year 2005. To further enhance the growth of the inhabiting Osprey, 21 artificial osprey nests were installed around Mubarraz and AR Site Terminal Islands where these nests are periodically monitored. The average number of monthly osprey sightings in 2018 was 25.

The graph above shows the trend in osprey monitoring in ADOC. Over the last five years, there has been continued focus in the monitoring of ospreys.

Osprey Monitoring



The Journey of Coral & Seagrass Preservation

<p>2007</p> <p>Basic survey on seagrass vegetation (standing crop), installation of mattress for transplantation (test transplantation)</p> <hr/> <p>Monitoring of seagrass fixing (on mattress) situation.</p>	<p>2008</p> <p>Relocation of seagrass transplantation mattress (test transplantation), monitoring. Monitoring of transplanted seagrass.</p> <hr/> <p>2009</p> <p>Monitoring of transplanted seagrass, Relocation of seagrass transplantation mattress (scale expansion), Coral basic survey, Development of protection policy, partial coverage of transplantation</p> <hr/> <p>2010</p> <p>Seagrass community expansion: monitoring of transplanted seagrass.</p> <hr/> <p>Coral preservation: coral monitoring.</p> <hr/> <p>Seagrass community expansion: monitoring of transplanted seagrass. Relocation of seagrass transplantation mattress.</p> <hr/> <p>Coral preservation: installation of Algarock. Installation of implanting device. Installation of small pedestal & transplantation</p> <hr/> <p>2011</p> <p>Seagrass community expansion: monitoring of transplanted seagrass Relocation of seagrass transplantation mattress.</p> <hr/> <p>2012</p> <p>Seagrass community expansion: monitoring of transplanted seagrass.</p> <hr/> <p>Coral preservation: coral monitoring.</p> <hr/> <p>Japan Society of Civil Engineers Environmental Award (Relief and conservation project of coral, seagrass community in subtropical isolated islands, Abu Dhabi Oil Co.,Ltd.,Taisei Corp. Fuyo O.D & E)</p> <hr/> <p>2013</p> <p>Seagrass community expansion: monitoring of transplanted seagrass (by ADOC)</p> <hr/> <p>ADNOC HSE AWARD 2012 Group Company and Contract Partnership Award (Nurturing Marine Ecosystems;Taisei Corp. and Fuyo O. D & E through ADOC)</p> <hr/> <p>2014</p> <p>Seagrass community expansion: monitoring of transplanted seagrass</p> <hr/> <p>Installation of seagrass transplantation mattress</p> <hr/> <p>Relocation of seagrass transplantation mattress</p> <hr/> <p>2016 - 2018</p> <p>Monitoring of transplanted seagrass</p> <hr/> <p>Coral monitoring: maintenance of transplanted coral.</p>
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ENVIRONMENTAL IMPACT OF TRANSPORTATION

ADOC continues to monitor emissions as a result of transportation activities such as transport of equipment, materials and personnel. Road vehicles, helicopters, and marine vessels are our primary transportation mechanisms. We are taking proactive measures to reduce our footprint resulting from transportation and carry out regular preventive maintenance of our transportation fleet to preserve their fuel efficiency. There were no spills recorded or significant wastes generated from our vessels.

General Civil Aviation Authority (GCAA) Approval for Mubarraz Heliport



Mr. Khurram Naveed
Designation: PT Officer (Transport and Logistics Group)

Joined ADOC in 2006, have witnessed ADOC's completion of milestone years - 40, 45 and 50 years, development and start production from Hail Field! Involved in Helideck Replacement Project – attaining GCAA Approval for ADOC as PAO (Primary Accountable Organization)

General Civil Aviation Authority (GCAA) issued a directive on 8th January 2015, for the implementation of helicopter landing area regulations (CAAP 70 and 71) and Guidance Material.

As per the regulations, any helicopter landing area must comply with the Civil Aviation Advisory Publications (CAAP) 70 (Onshore Heliports) and CAAP 71 (Offshore Helidecks) standards.

The GCAA based on their research, developed the new standards and guiding material for heliports and helidecks. This process has been conducted in partnership and in consultation with the civil aviation community, a process which has been vital for the promotion of safety in a sector where rapid growth rates continue. The regulation mandated that by 1st January 2018, all existing aircraft landing areas are compliant with the respective standards.

ADOC has one Heliport at Mubarraz Island, one (Super Complex) CFP Helideck, two chartered rigs helidecks, and eight wellhead tower helidecks. Based on the above order, a preliminary action plan was developed comprising the following:

- Mubarraz, CFP and rigs (Phase 1 – priority)
- Well-head towers (Phase 2)

In 2016, GCAA Audit resulted in guidance and recommendations with respect to the standards. All procedures were prepared, gaps were closed following gap analysis, HAZID, Engineering study. Scope of Work (SOW) drafted, and contracts awarded. New equipment was in place and training requirements identified.

Along with physical modifications, documentation such as Operations Manual, SMS, ERP, etc. were developed.

Throughout the process, I was the focal point with GCAA and point of interface with SE (Safety), PI (Maintenance) and DP (Custodian of helidecks) departments. The team was co-operative in addressing this urgency and also regulators provided substantial support to ensure smooth transition. In 2017 October audit, ADOC got the first PAO Approval amongst all oil and gas companies in UAE.

In every project, PT has a very important contribution, by aiding mobilization / demobilization of equipment, manpower – throughout the project lifecycle, therefore PT's role is very critical. 2018 was most eventful year since power shut down and Hail field activities were in full swing.

ENVIRONMENTAL IMPACT OF PRODUCT AND SERVICES

Once the crude oil is loaded onto tankers at our SPM facility bound for Japan, ADOC responsibility comes to a close. Therefore, this section is not applicable to ADOC's operations.

CHAPTER FOUR HEALTH & SAFETY

Our robust Health, Safety and Environment Management System (HSEMS) ensure our ethos of "Safety First" is instilled in the hearts and minds of all that work for us. Our HSEMS procedures are routinely audited with involvement of our HSSE Committee and Sub-Committee ensuring that any suggestions or outcomes are correctly implemented and followed up on.



ADOC'S HSEMS



Our HSSE Policy forms the core of the company's strategic objectives. The Corporate targets and Key Performance Indicators (KPIs) are also based on these commitments. ADOC's sustainability targets are embedded within our HSSE targets. All HSSE related policies are reviewed and approved by the General Manager. HSSE targets are discussed at HSSE Committee meetings and progress on achieving these targets reviewed.

In 2018, we revised our previous policy. The basic structure of the Policy remains the same as previous year and includes the following distinct sections:



The new elements to the Policy content include:

- Commitment to "100% HSE" – recently launched ADNOC Campaign;
- Strengthening of some of the sections considering the wider picture of risk minimisation, occupational health and safety hazards, process safety and sustainable business.

Key issues that are most often classified under the social sphere of sustainability is occupational health and safety and labour relations. In ADOC, our prime focus is on the promotion of the safety, health, and welfare of workers. Our risk management systems will ensure we maintain a safe working environment. Our health programmes not only focus on physical health of our employees but as an employer we are also concerned with our employee's psychological and social health issues.





شركة نفط أبوظبي المحدودة (اليابان)
ABU DHABI OIL CO., LTD. (JAPAN)

<p>Health, Safety, Security and Environment (HSSE) Policy</p> <p>To maintain safe and stable operations with continuous improvement of health, safety, environment, and sustainable performance, ADOC is committed to:</p> <p>HSSE in General</p> <ul style="list-style-type: none"> Providing a proactive HSE Management System and a Security Management System which ensure that all necessary steps are taken to protect our people, the community, and the environment. Enhancing an organizational HSSE culture with commitment to "100% HSE" which involves contribution and participation of all personnel. Ensuring compliance with ADNOC Code of Practices, all applicable laws, regulations, and international standards. Identifying HSE hazards/aspects and minimizing their risks/impacts to the business through effective control. <p>Health, Safety, and Security</p> <ul style="list-style-type: none"> Providing a healthy and safe working environment by mitigating occupational health hazards and safety hazards. Achieving reliable operations by managing the process safety and the integrity of assets. Ensuring the safety and security of our people during any emergency, crisis, or business disruption. <p>Environment</p> <ul style="list-style-type: none"> Adopting the best available technologies and practices to maintain sustainable environment. 	<p>سياسة الصحة والسلامة والأمن والبيئة</p> <p>من أجل الحفاظ على عمليات آمنة ومستقرة مع التحسين المستمر للصحة والسلامة والبيئة والأداء المستدام، تتقدم أدوك بما يلي:</p> <p>الصحة والسلامة والأمن والبيئة بشكل عام</p> <ul style="list-style-type: none"> توفير نظام إدارة الصحة والسلامة والبيئة الاستباقي ونظام إدارة الأمن الذي يضمن إتخاذ جميع الخطوات اللازمة لحماية أفرادنا والمجتمع، والبيئة. تعزيز ثقافة الصحة والسلامة والأمن والبيئة التنظيمية للالتزام بسياسة "100% للصحة و السلامة والبيئة" التي تتضمن مساهمة ومشاركة جميع الموظفين. ضمان الامتثال لمدونة الممارسات لأدوك، ولجميع القوانين المعمول بها واللوائح والمعايير الدولية. تحديد مخاطر الصحة والسلامة والبيئة وتخفيض مخاطرها وتأثيرها على العمل من خلال السيطرة الفعالة. <p>الصحة والسلامة والأمن</p> <ul style="list-style-type: none"> توفير بيئة عمل صحية وأمنة من خلال التخفيف من المخاطر الصحية المهنية ومخاطر السلامة. تحقيق عمليات موثوق بها عن طريق إدارة سلامة الأصول. ضمان سلامة وأمن أفرادنا خلال أي حالة طارئة، وخلال أي أزمة أو أي تعطل للأعمال. <p>البيئة</p> <ul style="list-style-type: none"> اعتماد أفضل التقنيات والممارسات المتاحة لتأمين بيئة مستدامة.
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April 2018

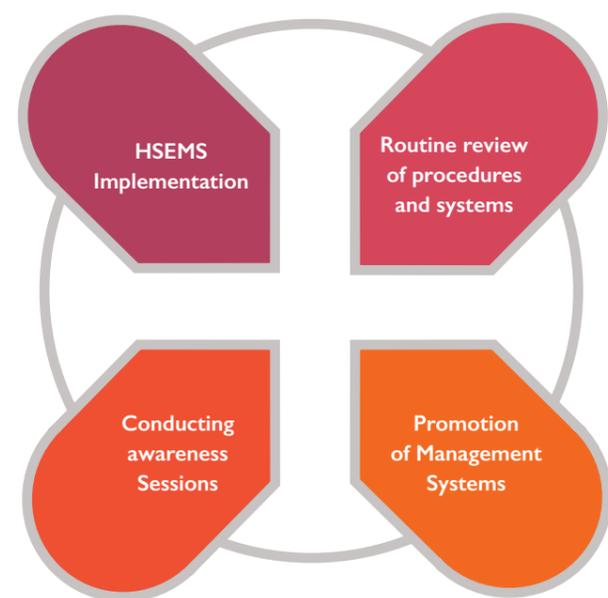


Hiroyuki Yamamoto
Representative & General Manager

هيرووكي ياماموتو
الممثل والمدير العام

أبريل 2018

Safety Management Principles



Safety Performance

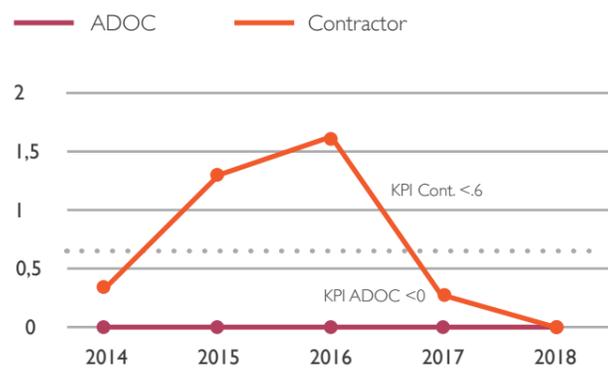
We assess and monitor our safety performance through several parameters as defined in ADNOC COPs. The progress is reported quarterly, as well as annually. We believe it is our proactive approach and implemented safety management system that works towards reducing the likelihood of our employees being harmed at work.

In 2016, the number of LTIs recorded for the contractors was above our Corporate KPI. We have undertaken root cause analysis of such events and implemented a Safety Awareness programme since May 2016 which continued through 2017 and 2018. The summary of our safety performance is shown below.

Our Safety Performance Summary (2014-2018)

PARAMETER	ORGANIZATION	2014	2015	2016	2017	2018	CORPORATE KPI FOR 2018
Fatalities	ADOC	0	0	0	0	0	0
	Contractor	0	0	0	0	0	0
Lost Time Injury (LTI)	ADOC	0	0	0	0	0	0
	Contractor	1	4	8	2	0	≤ 3
Lost Time Injury Frequency (LTIF)	ADOC	0.0	0.0	0	0	0	≤ 0.0
	Contractor	0.30	1.24	1.56	0.23	0.00	≤ 0.60
Total Reportable Injury (TRI)	ADOC	0	0	0	0	0	0
	Contractor	1	8	10	2	4	≤ 9
Near Miss Reports and Safety Observations		304	256	230	345	986	360

Lost Time Injury Frequency (LTIF)



Following the eight contractor LTIs in 2016, to prevent such incidents in future, we have strengthened our contractor HSE management systems and increased safety awareness programmes among all frontline workers.

As a part of continuous efforts, all staff members have been reminded to concentrate on the safety of their day-to-day activities and strive to achieve the 'zero incident' milestone as the evidence of their continuous efforts. Safety lessons from 2016 were shared and call attention meetings were held by the GM and the SE Manager. 'Safety Observation Card' system was implemented throughout our sites and rigorous HSE campaigns undertaken to increase awareness.

As a result of these efforts, 2017 saw significant improvement in the safety performance. Unfortunately, we recorded two contractor lost time injuries in November 2017, however the improvement from 2016 performance was noteworthy. The results were further reinforced in 2018 with no LTIs. We will continue to exert robust efforts to improve the overall injury statistics of ADOC; in 2018 we recorded 1 Medical Treatment Case, 3 Restricted Work Day Cases, and 5 First Aid Cases.

Continuing Safe and Stable Operations



'Pointing and Calling' Awareness Programme

Pointing and calling is a method to join forces and to enhance a sense of oneness and community within a team by confirming our safety slogan through pointing and saying out loud together. This is a well-known method in Japan to enhance team spirit.

Since 2016, in ADOC, we started the implementation of 'Pointing and Calling' after every meeting, tool-box talk and in all the gatherings. This initiative created a positive impact on the safe work culture of ADOC. ADOC recorded a drastic reduction in the Lost Time Injuries (LTIs).

The three main functions of 'pointing and calling':

- The distance between a Performer and the object becomes closer than before by pointing at an object, it enables Performer to focus on the slogan more carefully.
- It attracts attention by voicing.
- The cerebrum gets activated when we vocalize and move our hand.

Heat Stress Management Campaign

Heat Stress Management Campaign was initiated by the SE Department from June 2018 and continued throughout the summer and completed in September 2018. Thermal work limits and Heat Stress Awareness materials were circulated to all staffs. Heat Stress Management inspection was carried out at contractor camps/ worksites in August and September. Provision of rest shelters, dehydration kits, frequent job rotation during work, air conditioning arrangements were checked using guided checklists as part of compliance verification.



Mr. Kimio Sekigami
 Designation: Manager con. Head, offshore Administration Group, and offshore HSE Group
 Previously 3 years as the SE Manager (2015-2018). Role since April 2018 is Superintendent, Offshore Administration. Present role involves the safe and stable production of crude oil and shipment of crude to customers.

I strongly believe that if in ADOC, we follow the HSEMS diligently, we will continuously improve and be successful and achieve great results. As the Site Representative of Mubarraz Island, I regularly visit the sites and maintain a continuous dialogue with the ground staff.

To continue safe and stable conditions offshore, the following must be observed:

- **Staff welfare activities** – Ensuring all staff lead happy and healthy lives in offshore. We make sure that our staff are comfortable and there are good hygiene conditions in the accommodation camps. Proper food and accommodation are provided. Recreational activities such as sports events are organised. Occasionally new year/ national day parties are held.
- **Compliance with Policies and Procedures** – full compliance with ADOC's operating procedures (including the HSEMS) must be maintained.
- **Staff Awareness** – HSE awareness of staff is key to the success of all operations. Each and every worker must ask themselves before starting every task – Is this safe? Am I doing this correctly?
- **Improving Communications** – Communication is key in carrying out the operations. On a daily basis there are various departments such as Administrative, Operations, Maintenance, Procurement, IT that needs to be consulted with to ensure smooth operations. There are multiple nationalities residing in offshore. Keeping this in mind, organisational changes have been made so that the communication issues can be resolved.

Site Safety Awareness on ADNOC Life Saving Rules

17th July 2018 was marked by ADNOC as its 2018 Group-wide Safety Day, with a renewed pledge to keep its people, assets, communities and the environment free from harm. The Safety Day took place one year after ADNOC launched its reinvigorated commitment to '100 percent HSE'.

During the event, a unified set of 10 Life Saving Rules (LSRs) applying across the ADNOC Group was introduced.

ADNOC undertook site safety awareness programmes on

ADNOC LSRs. The ADNOC LSRs have been developed to serve as the Foundation of Workplace Safety, taking into account the controls that must be in place before undertaking and while executing critical tasks. The rules are based on the principles set out in the ADNOC'S Code of Practice.

They aim to prevent harm to people and cover high-risk operations at work. They are:

- Applicable to all ADNOC operations and all contractors
- Mandatory compliance for all workers
- Clear and consistent as set of rules to obey



Muhammed Sazim A



Praveen Kumar

ADNOC's 10 LSRs are as follows:

- 1 Work Authorization
- 2 Safe Mechanical Lifting
- 3 Confined Space
- 4 Toxic Gas
- 5 Energy Isolation
- 6 Driving
- 7 Bypassing Safety Controls
- 8 Line of Fire
- 9 Working at Height
- 10 Hot Work

Health

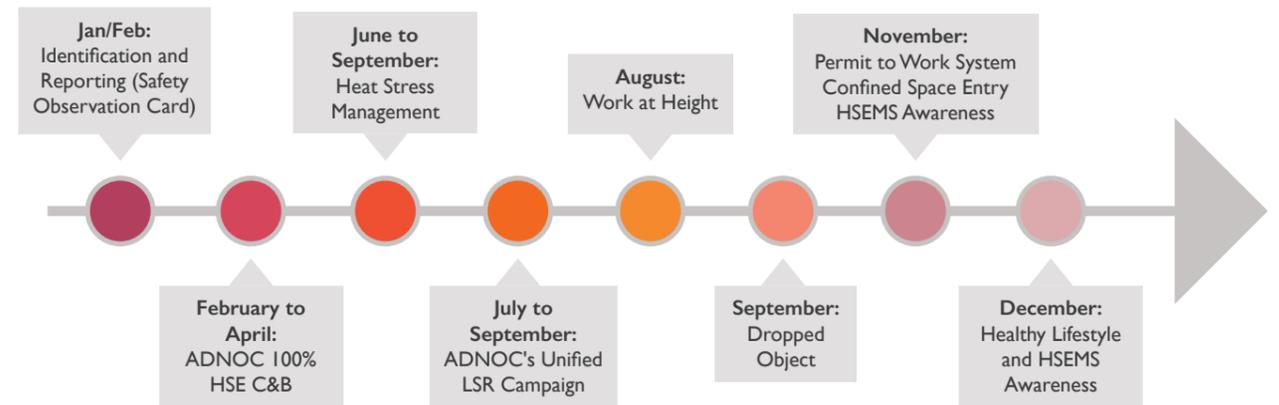
Valuing the health and wellbeing of our employees at ADOC, we have a total of two clinics and one first aid post, which we operate, thus ensuring that our employees are well taken care of. Our clinics are located in the Abu Dhabi office, Mubarratz and the first aid post in CFP facility. All the three locations are audited by Department of Health each year for the licensing.

Our medical doctor is responsible for management of various medical and occupational health issues within ADOC. Health management is primarily governed by the following:

- Company Policies such as Medical, Housekeeping and Infection Control policies;
- ADNOC COPs; and
- Department of Health Regulations.

HSE Awareness Sessions in 2018

A total of 11 awareness sessions were conducted from January to December 2018.



In addition to the above, based on the instruction by ADNOC, ADOC has developed and implemented the ADOC HSE Subordinate Policy for Facial Hair.

ADOC
شركة نفط أبوظبي المحدودة (الإمارات)
ABU DHABI OIL CO., LTD. (JAPAN)

سياسة شركة نفط أبوظبي للصحة والسلامة والبيئة
السياسة: الشعر الوجهي

ADOC HSE SUBORDINATE POLICY: FACIAL HAIR

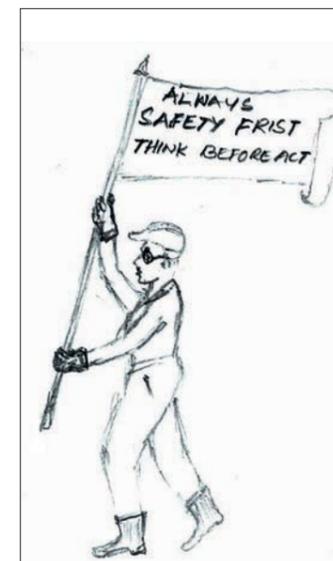
ADOC is committed to ensuring the safety and security of our people during any emergency, crisis, or business disruption, and to complying with ADNOC Codes of Practice, all applicable laws, regulations, and international standards. One of ADNOC's proactive measures is to ensure that respiratory protective equipment is used to its full effectiveness and purpose, which is to provide an effective seal between the face mask and the face. Conditions that may prevent this include hair between the skin and facemask seal such as stubble and beards. A poor seal in a hazardous environment may result in ill health or potentially, asphyxiation due to lack of air supply or ingress of toxic gases. To guarantee the employees' safety through the effective implementation of this policy, ADOC requires that:

تلتزم شركة نفط أبوظبي بالصحة والسلامة والبيئة خلال حالات الطوارئ والأزمات وخلال حالات اضطرابات العمل، كما يلتزم بأفضل الممارسات الدولية لتأمين سلامة الأشخاص وأرواحهم. واحدة من التدابير الاستباقية التي تتخذها شركة نفط أبوظبي لضمان سلامة الأشخاص وأرواحهم هي ضمان استخدام معدات الحماية التنفسية بشكل فعال وفعال. قد تمنع بعض الظروف من تحقيق هذا الغرض، مثل الشعر القصير أو الحلاقة السيئة. قد يؤدي عدم إحكام الختم بين الوجه وبين الجهاز الوقائي في بيئة خطرة إلى الإصابة بالمرض أو حتى الاختناق. لضمان سلامة الموظفين من خلال التنفيذ الفعال لهذه السياسة، تطلب شركة نفط أبوظبي ما يلي:

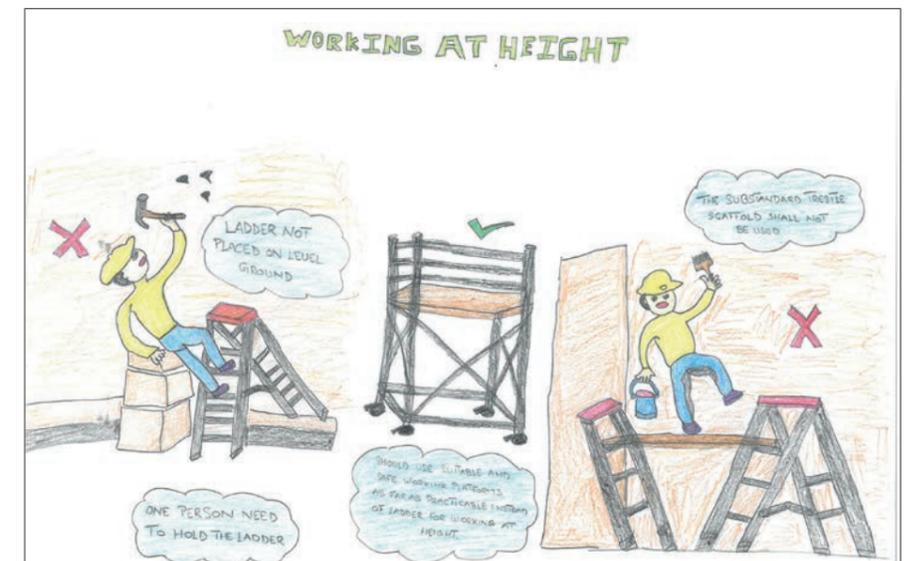
- على جميع الموظفين في العمل وفي المنشآت المعتمدة وفي الأماكن الخطرة الأخرى للمنشآت الحرة النظيفة عند الذهاب إلى العمل، أن يكونوا نظيفي الشعر والوجه عند ارتداء معدات الحماية التنفسية.
- تقع على المشرفين المباشرين مسؤولية ضمان أن الأشخاص الذين يرتدون أجهزة التنفس في مواقع العمل، لا يكون لديهم شعر أو حلاقة سيئة بين الوجه وبين الجهاز الوقائي.
- على زوايا مواقع شركة نفط أبوظبي، اعتماداً على طبيعة العمل وعلى المنطقة التي ستقومون بزيارتها.

Hirotsuki Yamamoto
Representative & General Manager
نوفمبر 2018

هيرويوكي ياماموتو
الممثل العام
نوفمبر 2018



Ambrose Noronha



Rameez Nazim Palekar

EMERGENCY MANAGEMENT

ADOC has developed a robust Emergency Response Plan (ERP) They are for the three main sites, Mubarraz Island (including AR Site Terminal), Mubarraz Offshore Oil Field (Central Facility Platform) and Hail Site Terminal, and the Crisis Management Plan is for overall ADOC facilities. The Facility Response Plans contain response procedure for ADOC site level and the Crisis Management Plan gives response procedures at corporate level.

The following are the objectives of the ERP :



- 01 Control the incident in order to minimize the effects of the incident/ accident and limit damage to people, the environment and property;
- 02 Provide details of the procedures on how to respond to an accident/incident based on the severity level and the roles & responsibilities of ADOC members;
- 03 Provide practical procedures for emergency response in specific emergency situations; and
- 04 Communicate the necessary information to employees, contractors, ADOC CMT-Tokyo, the public, Critical Infrastructure & Coastal Protection Authority (CICPA), police, civil defense, other relevant government departments and agencies.

Further, ADOC also has an Oil Spill Response Plan (OSRP) in place consisting of two response plans: Oil Spill Response Plan for Mubarraz Island, AR Site Terminal and Hail Site Terminal, and Oil Spill Response Plan for CFP and Mubarraz Field. The primary objective of the OSRP is to establish the management organization and response operations necessary to obtain command and control of oil spills in a rapid and effective manner. The OSRP provides the strategy, procedures and supporting information necessary to execute the immediate response.

ADNOC COPs require that Group Companies conduct at least two planned emergency drills annually. ADOC conducted 41 emergency exercises/ drills in the year 2018.

SECURITY

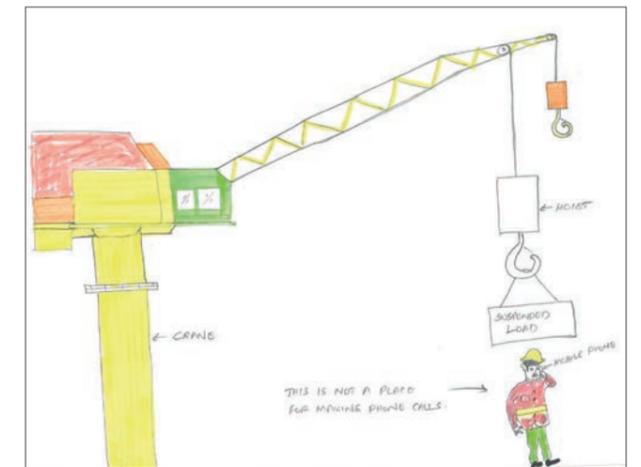
At ADOC, the AD Manager is the person in-charge of Security in our Abu Dhabi office. Our offshore operational sites fall under the supervision of the Critical Infrastructure and Coastal Protection Authority (CICPA).

All access points to Abu Dhabi office are controlled through the Security System and monitor through CCTV surveillance system.

CICPA Security Implementation Project

In 2017, ADOC initiated activities for the CICPA Security Implementation Project. Commencing on September 2017, the project will continue for 30 weeks involving a maximum of 25 people at site.

At the end of 2018, the command and control (C&C) room installation has been completed along with other associated activities. The only remaining works are testing, commissioning and Site Acceptance Test (SAT).



Muhammed Sazim A.

ASSET INTEGRITY

ADOC is committed to ensuring safe and reliable operations through hazard identification and risk management principles.

Any identified risk can only be tolerated if it is demonstrated to be ALARP (As Low as Reasonably Practicable), in our safety-critical and safety involved systems.

The ALARP principle is the major foundation of our HSE Policy ensuring our activities are safety centric, and a principle outlined in ADNOC COPs, UAE legislation and international standards used in the oil and gas industry.

One of the key parameters for achieving our health, safety, environment and business continuity objectives is asset integrity. Asset integrity relies heavily on the performance of critical equipment and systems. ADOC commenced preparation to follow the requirement of ADNOC Integrity committee.

ADNOC formed an Asset Integrity, Reliability Assurance Task Force and conducted Spot verifications in 2018 and ADOC is a part of the Task Force. ADNOC selected six specific areas of the Spot Verification – pressure vessel, pipeline, Fire and Gas (F&G), Emergency Shutdown (ESD), Well and Lifting Equipment.



ADNOC Upstream Assets Integrity, Reliability Assurance Taskforce

'Lifting Equipment' and 'Fire & Gas' systems are recognized amongst the critical Equipment within Oil/ Gas Industry by ADNOC out of six identified critical equipment. The main objective of this verification review is to assure integrity compliance and recommend best practices which can be implemented across Upstream OPCO companies & SPC. Further, it shows the value of corporate assurance implementation outcomes and its positive impact on OPCO's operations.

For both the Lifting Equipment and Fire & Gas system, the following were undertaken:

- Task Force completed Spot Verification at all the sites and completed the review meeting at the respective head office.
- Findings related to the respective procedures and site visits shared with ADNOC.
- Going forward, ADOC to work on the close-out of the findings.

CHAPTER FIVE PROFIT

ECONOMICS

The Abu Dhabi Economic Vision 2030 identifies the Government's immediate economic priorities and aims to achieve effective economic transformation of the Emirate's economic base and bring about global integration and enduring benefits to all.

This was announced by the Government as a long-term plan for the transformation of the emirate's economy, including a reduced reliance on the oil sector as a source of economic activity over time and a greater focus on knowledge-based industries in the future.

Abu Dhabi has a core commitment to build a sustainable and diversified, high value-added economy by 2030.



In line with this vision, ADOC focuses on maximising production and long-term growth.

Positive economic performance has a direct impact on the profitability and reliability of the company and can further improve ADOC's position of that of an oil producer within the UAE.

Critical to becoming and maintaining a leading position is the efficient and effective operation of our Finance & Accounts department.

The key roles of the Finance & Accounts (FA) department are the Management accounts and financial accounts, with emphasis on budget preparation, cost controlling, book-keeping, control and management of company's funds and tax declaration. This function also ensures that the company is in financial good standing. In addition, all payments and receipts for the company are processed by this department.

Additionally, in year 2013, we successfully implemented the Oracle ERP (Enterprise Resource Planning) system and, in year 2014, we started utilising the on-line bank payment system, for staff disbursements and almost all other payments. We have continued to utilise and enhance these systems to ensure that we are efficient, transparent and reliable as a company and an employer. In 2016, we introduced the ADOC budget book, enhanced the Petty cash Fund Procedure' and developed the 'Bad debts Write off' procedure. We continued to use the same systems to make progress and increase efficiencies within the department.

To ensure transparency and compliance at ADOC, the FA department is audited by four different teams of auditors:

- I. Independent External auditors (Abu Dhabi Tax Audit);
- II. SPC nominated auditors (Government/SPC Audit);
- III. Japanese Tax auditors (Japanese GAAP and Tax Law Audit); and
- IV. Internal Auditor

INDIRECT ECONOMIC PERFORMANCE

At ADOC, we presently do not formally measure the indirect economic effect of our activities at local and national level. However, we believe, with our crude oil being exported to Japan, the economic benefits have the potential to reach far beyond the UAE borders. The national and local indirect benefits as we see are as shown in the diagram below:



PROCUREMENT

At ADOC, we engage suppliers as and when required. We have stringent pre-qualification processes in place to ensure all our trade partners meet our quality assurance criteria. We ensure that all our trade partners are registered with us and pre-qualified, ensuring a fair and transparent tendering process that meets international standards in line with our Code of Conduct. ADOC reserves the right to suspend business with any trade partner that is found to engage in activities that compromises our integrity, be it related to Human Rights, the environment or a trade partner's business activities.

We welcome business from our local business partners in order to boost the local economy and contribute to the Emirati community. We have undertaken the following measures to help develop the local supply chain:

- Simplify the procurement process for local suppliers;
- Increase supplier capability to meet our company standards (develop suppliers competency through training to uplift skill levels and enhance the knowledge in Environment, Health and Safety); and
- Assist suppliers in their development (e.g., capacity building, technical assistance or technology transfer, supplier network development, diversification).

Our Purchasing and Transport (PT) department is responsible for the procurement of materials, by ensuring high standards are maintained. A list of all registered suppliers is provided to every department at ADOC.

As part of our efforts to ensure suppliers meet our high standards, we carry out routine audits and engage in regular dialogue.

ADNOC has introduced an In-Country Value (ICV) program for its suppliers. This procurement-led initiative aims to boost ADNOC's ICV contribution by focusing on local supplier selection, development of UAE Nationals, and the localisation of critical functionalities in the oil and gas industry.

From 1 April 2018, all suppliers of goods or services to ADNOC are required to calculate and declare their certified ICV score for the previous financial year, to demonstrate how they are helping to deliver ICV.

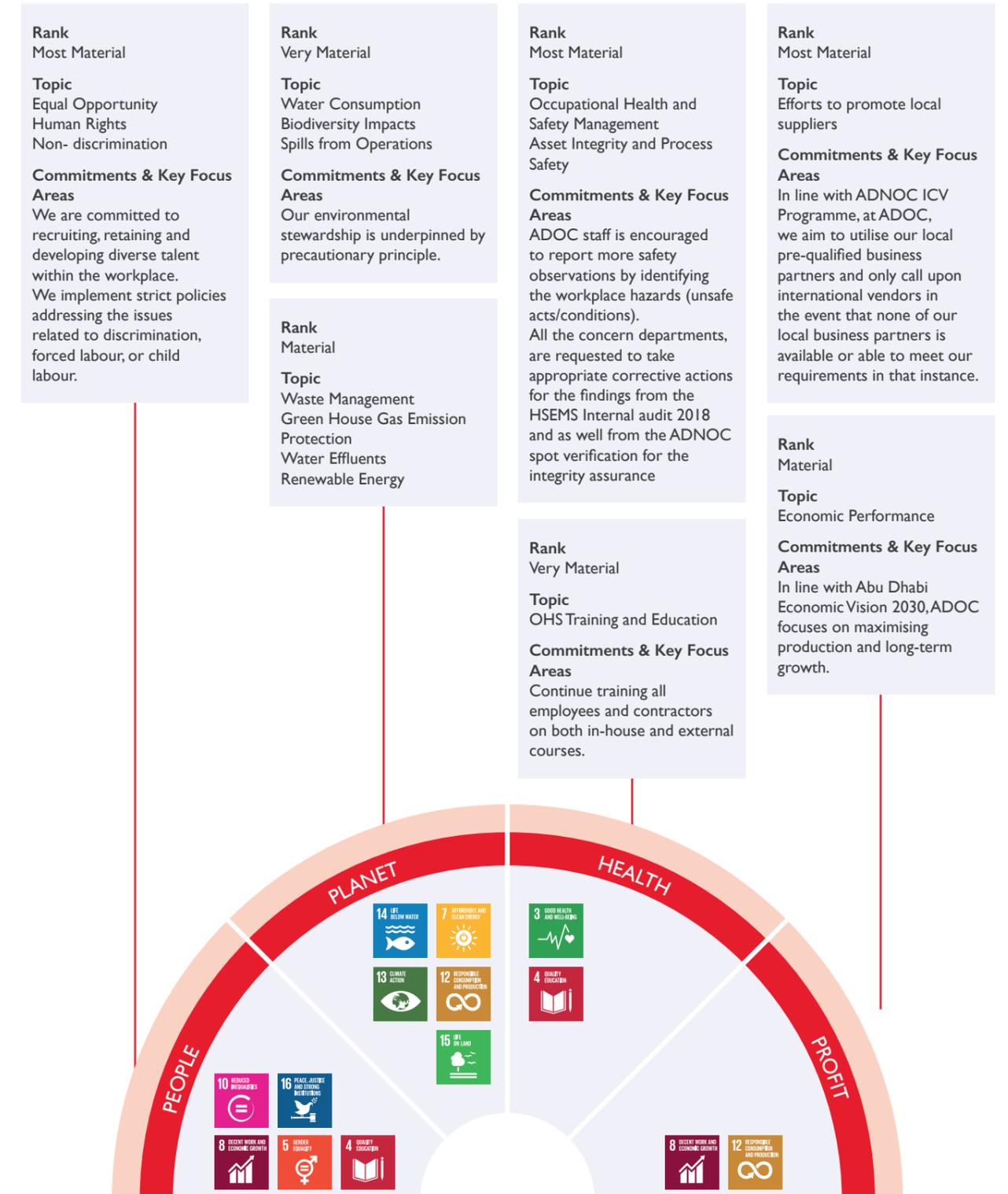
At ADOC, we aim to utilise our local pre-qualified business partners and only call upon international vendors in the event that none of our local business partners is available or able to meet our requirements in that instance. In 2018, about 94% of our total spending on procurement was on local vendors. This is a slight decrease (2%) from our local spend last year. We carry out periodic HSEMS performance appraisal audit and/ or routine visit for suppliers to assess/ evaluate their HSE performance to verify their HSE commitment against ADOC's expectation.

Since 2015, ADOC started registering the vendors those who accept and agree to ADOC's "General Terms and Conditions (GTC) for the supply of goods/ services" – an agreement signed between ADOC and vendors for the procurement of goods/ services. This agreement secures all the legal term issues in line with the procurement requirements by enforcing both parties to commit and abide by the signed agreement.

ABBREVIATION LIST

GCAA	General Civil Aviation Authority as the First Item	MMSCFD	Million Standard Cubic Feet per Day
GHG	Green House Gas	MMSCFY	Million Standard Cubic Feet per Year
GJ	Giga Joules	NOx	Nitrogen Oxides
GRI	Global Reporting Initiative	N₂O	Nitrous Oxide
GWP	Global Warming Potential	OGSS	Oil and Gas Sector Supplement
HCFCs	Hydro Chloro Fluoro Carbons	OPCO	Operating Company
HCT	Higher College of Technology	PAO	Primary Accountable Organisation
HFC	Hydro Fluoro Carbons	PHC	Petroleum Hydro Carbon
HR	Human Resources and Development	PL	Planning and External Relations
H2S	Hydrogen Sulphide	PT	Purchasing and Transport
HSE	Health Safety and Environment	SDG	Sustainable Development Goals
HSEIA	Health Safety and Environmental Impact Assessment	SE	Safety and Environmental Department
HSEMS	Health Safety and Environment Management System	SGIP	Sour Gas Injection Project
HSSE	Health Safety Security and Environment	SIMOPS	Simultaneous Operations
ICV	In Country Value	SMS	Security Management System
IEA	International Energy Agency	SOx	Sulphur Oxides
IOGP	International Association of Oil and Gas Producers	SOW	Scope of Work
IPCC	International Panel on Climate Change	SPC	Supreme Petroleum Council
ISO	International Organisation for Standardisation	SPM	Single Point Mooring
JLTP	Japanese Language Teaching Programme	STP	Sewage Treatment Plant
KPI	Key Performance Indicator	TRI	Total Reportable Injury
LSRs	Life Saving Rules	UAE	United Arab Emirates
LTI	Lost Time Injury	UN	United Nations
LTIF	Lost Time Injury Frequency	VOC	Volatile Organic Compounds
m³	Cubic meter		

ADOC'S ALIGNMENT TO SUSTAINABLE DEVELOPMENT GOALS (SDGs)



GRI INDEX

GRI Standard	Disclosure	Information/ Page number	Omission
GRI General Disclosures			
GRI 102: General Disclosures 2016	102-1 Name of the organisation	Page 8	
	102-2 Activities, brands, products and services	Page 8-12	
	102-3 Location of Headquarters	Page 8	
	102-4 Location of Operations	Pages 8-12	
	102-5 Ownership and legal form	Abu Dhabi Oil Co., Ltd. (Japan) is 100% Japanese operating Oil Development Company.	
	102-6 Markets served	Report covers only those activities which occur in the UAE.	
	102-7 Scale of the Organisation	Pages 10-12, 22	The Net revenues figure has not been disclosed since it is considered confidential by ADOC.
	102-8 Information on employees and other workers	Page 22 164 male and 20 female employees. 12 – Executive & Senior Management, 110 Middle Management, and 62 staff. Direct Hire -182 Employees seconded in the Company - 2	
	102-9 Supply Chain	Pages 10-13	
	102-10 Significant changes to the organisation and its supply chain	Page 11, No changes in the Supply Chain	
	102-11 Precautionary Principle or approach	Pages 42 - 49	
	102-12 External Initiatives	Page 27	
	102-13 Membership of Associations	Page 18	
	102-14 Statement from senior decision maker	Page 3	
	102-16 Values, principles, standards, and norms of behaviour	Pages 24-25	
	102-18 Governance Structure	Page 18	
	102-40 List of Stakeholder Groups	Page 19	
	102-41 Collective bargaining agreements	Employee associations, such as unions and collective bargaining are not permitted in the UAE under the federal law.	
	102-42 Identifying and selecting stakeholders	Page 19	
	102-43 Approach to stakeholder engagement	Page 19	
102-44 Key topics and concerns raised	Not Applicable		
102-45 Entities included in consolidated financial statements	All UAE entities included in consolidated financial statements.		

GRI Standard	Disclosure	Information/ Page number	Omission
	102-46 Defining report content and topic boundaries	Pages 6-7	
	102-47 List of Material topics	Page 7	
	102-48 Restatements of information	None	
	102-49 Changes in reporting	Page 6	
	102-51 Date of most recent report	December 2018	
	102-52 Reporting cycle	Annual	
	102-53 Contact point for questions regarding the report	Page 6	
	102-54 Claims of Reporting in accordance with the GRI Standards	In accordance with "GRI Standards: Core Option"	
	102-55 GRI Content Index	Pages 56 – the end	
	102-56 External Assurance	This report has not undergone an external assurance process.	
Material Topics			
Non-compliance with regulations	103-1 Explanation of the material topics and its boundaries	Pages 6, 7, 55	
	103-2 The management approach and its components	Pages 24, 45, 46, 52	
	103- 3 Evaluation of the Management Approach	Page 30, 42,45, 52	
	Disclosure 307-1 Non-compliance with environmental laws and regulations	Page 30	
Asset Integrity and Process Safety	103-1 Explanation of the material topics and its boundaries	Pages 6, 7, 49	
	103-2 The management approach and its components	Pages 49	
	103- 3 Evaluation of the Management Approach	Pages 49	
	Asset Integrity, Reliability Assurance Task Force updates	Pages 49	
Occupational Health and Safety Management	103-1 Explanation of the material topics and its boundaries	Pages 6,7	
	103-2 The management approach and its components	Pages 40-49	
	103- 3 Evaluation of the Management Approach	Pages 40-49	
	403-1 Occupational health and safety management system	Pages 40-49	

GRI Standard	Disclosure	Information/ Page number	Omission
Water Consumption	103-1 Explanation of the material topics and its boundaries	Pages 6,7	
	103-2 The management approach and its components	Pages 28-35	
	103- 3 Evaluation of the Management Approach	35	
	303-5 Water consumption	ADOC withdraws 50,022 m ³ of municipal water and 1,542,554 m ³ of seawater. Of the municipal water withdrawn, 47,521 m ³ ends up as wastewater and 2,501 m ³ is consumed internally. Of the seawater withdrawn, 1,314,729 m ³ ends up as wastewater and 227,825 m ³ is consumed internally. Therefore, total quantity consumed is 230,326 m ³ .	
Efforts to promote local suppliers	103-1 Explanation of the material topics and its boundaries	Pages 6,7	
	103-2 The management approach and its components	Pages 50-53	
	103- 3 Evaluation of the Management Approach	Pages 50-53	
	204-1 Proportion of spending on local suppliers	Pages 50-53	
Biodiversity Impacts	103-1 Explanation of the material topics and its boundaries	Pages 6-7	
	103-2 The management approach and its components	Pages 28-30,	
	103- 3 Evaluation of the Management Approach	Pages 37-38	
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	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.	
Spills from Operations	103-1 Explanation of the material topics and its boundaries	Pages 6,7	
	103-2 The management approach and its components	Pages 28-30, 34-35	
	103- 3 Evaluation of the Management Approach	Pages 34-35	
	306-3 Significant spills	Pages 34-35	
OHS Training and Education	103-1 Explanation of the material topics and its boundaries	Pages 6,7	
	103-2 The management approach and its components	Pages 40-48	
	103- 3 Evaluation of the Management Approach	Pages 40-44	
	Disclosure 403-5 Worker training on occupational health and safety	Pages 45-48	

GRI Standard	Disclosure	Information/ Page number	Omission
Waste Management	103-1 Explanation of the material topics and its boundaries	Pages 6,7	
	103-2 The management approach and its components	Pages 30, 32-34	
	103- 3 Evaluation of the Management Approach	Page 34	
	Disclosure 306-2 Waste by type and disposal method	Page 34 All hazardous and non-hazardous wastes are sent to BeAAT by ADOC. No reuse/ recycling/ composting/ recovery/ deep well injection, etc. undertaken by ADOC within its premises. Incineration ash is also disposed to BeAAT. Wastes are removed using CWM- approved Environmental Service Provider	
GHG Emissions	103-1 Explanation of the material topics and its boundaries	Pages 6,7	
	103-2 The management approach and its components	Pages 28-30, 32	
	103- 3 Evaluation of the Management Approach	Page 32	
	305-1 Direct (Scope 1) GHG emissions	Gross direct (Scope 1) GHG emissions in metric tons of CO ₂ equivalent. – 230,603 All Gases (CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆) included in the calculation. No Biogenic CO ₂ emissions in metric tons of CO ₂ equivalent: Since ADOC's 5 year trend is shown, base year of 2014 is selected for reporting. There have been no recalculations of base year emissions. The source of Global Warming Potential Values is Greenhouse Gas Protocol, adapted from the IPCC Fifth Assessment Report, 2014. Consolidation approach for emissions undertaken for financial as well as operational control. The values were computed by converting to tonnes of CO ₂ equivalent values based on the 'Methods for Estimating Atmospheric Emissions from E&P Operations – Report No. 2.59197, September 1994, E&P Forum).	

GRI Standard	Disclosure	Information/ Page number	Omission
Water Effluents	103-1 Explanation of the material topics and its boundaries	Pages 7,8, 44	
	103-2 The management approach and its components	Page 44	
	103- 3 Evaluation of the Management Approach	Page 44	
	306-1 Water discharge by quality and destination	Page 44 Water discharges are calculated based on water meter readings. 1,224,050 m3 is recorded to be discharged to the sea. 90,679 m3 is noted to be reused/ recycled. 47,521 m3 is discharged to the sewerage network.	
Energy Consumption	103-1 Explanation of the material topics and its boundaries	Pages 6-7	
	103-2 The management approach and its components	Pages 28-31	
	103- 3 Evaluation of the Management Approach	Page 31	
	302-1 Energy Consumption within the Organisation	Page 31 No electricity/ heating/ cooling/ steam sold by ADOC. • Electricity Used: 62,774.18 + 4.653,468 = 4,716,242.18 kW • Diesel Fuel: 77192 litres • Gasoline: 46894 litres • Jet Fuel: 48,111.57 Imperial Gallon • Diesel Oil: 2,382,479.88 Imperial Gallon • Fuel Consumed in MUB & CFP for the operation: 2,827,305 GJ Source and conversion factors used are as per ADNOC CoPVI-15	
Diversity and Equal Opportunity	103-1 Explanation of the material topics and its boundaries	Pages 6,7, 24	
	103-2 The management approach and its components	Page 24	
	103- 3 Evaluation of the Management Approach	Page 24	
	405-2 Ratio of basic salary and remuneration of women to men	There are no women team members within the Executive and Senior Management Team of ADOC. 100% women staff in middle management team as well as other staff (professional, operational and administrative) receive remuneration as same as that of men of the same level.	

GRI Standard	Disclosure	Information/ Page number	Omission
Human Rights Education and Training	103-1 Explanation of the material topics and its boundaries	Pages 6,7, 22 and 25	
	103-2 The management approach and its components	Pages 22 and 25	
	103- 3 Evaluation of the Management Approach	Pages 22 and 25	
	Disclosure 412-1 Operations that have been subject to human rights reviews or impact assessments	All operations have undergone human rights reviews or human rights impact assessments in 2018	
Non-discrimination of Employees	103-1 Explanation of the material topics and its boundaries	Pages 6,7 and 22	
	103-2 The management approach and its components	Pages 22	
	103- 3 Evaluation of the Management Approach	Pages 22	
	Disclosure 406-1 Incidents of discrimination and corrective actions taken	No significant incidents of discrimination (alleged and subsequently found to be of substance with disciplinary action necessary) were reported to ADOC in 2018	
Economic Performance	103-1 Explanation of the material topics and its boundaries	Pages 6,7, 50-53	
	103-2 The management approach and its components	Pages 50-53	
	103- 3 Evaluation of the Management Approach	Pages 50-53	
	Disclosure 201-1 Direct economic value generated and distributed	As a privately held company, we do not disclose this information.	ADOC is a privately held company. We extract oil and transfer the same to two of our parent companies Cosmo Energy Exploration & Production Co., Ltd. & JX Nippon Oil & Gas Exploration Corporation. Our financial information is reported in sustainability reports of our parent companies. We also work for ADNOC, as an independent operator and our financial information is reported in ADNOC's sustainability report too. We therefore consider this information proprietary and do not wish to report financial figures of ADOC separately as a single entity.
	Disclosure 201-4 Financial assistance received from government	ADOC does not receive any financial assistance	