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2016 SUSTAINABILITY PERFORMANCE REPORT



CONNECTING GLOBALLY,
ENERGISING SUSTAINABILITY



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2016 SUSTAINABILITY PERFORMANCE REPORT



Thank you for taking the time to read
our report, if you would like to give us
feedback, please email us at:
group.sustainability@enoc.com

CONNECTING GLOBALLY,
ENERGISING SUSTAINABILITY



H.H. Sheikh Khalifa bin Zayed Al Nahyan
President of the UAE and Ruler of Abu Dhabi



H.H. Sheikh Mohammed bin Rashid Al Maktoum
Vice-President and Prime Minister of the UAE, and Ruler of Dubai



H.H. Sheikh Hamdan bin Mohammed Al Maktoum
Crown Prince of Dubai



H.H. Sheikh Hamdan bin Rashid Al Maktoum
Deputy Ruler of Dubai and UAE Minister of Finance

A welcome note from our Group CEO

Welcome to ENOC's inaugural 2016 Sustainability Performance Report. I am delighted to share this report with you which summarises our sustainability performance for the year 2016. Although this is our first published report, improving sustainability performance has always been our priority focusing on our people and community. Since 2008, we have undertaken strategic standalone initiatives such as our approach to Energy & Resource Management in accordance with international standards and expanding our Corporate Social Responsibility (CSR) programmes. Over the past decade, we have recorded significant achievements as a Group; I am particularly proud of our carbon savings which totalled 103,000 tons CO₂e in the past three years. This report represents a key milestone for ENOC in that, during 2016 we established a dedicated Sustainability Office within ENOC Group which will help to manage our performance in relation to environmental, economic and social issues.

The year 2016 was very successful for ENOC and our financial performance was excellent despite the pressure on oil and gas prices globally. We were able to maintain a strong financial position due to our optimized approach towards supply and trading of products and increasing sales volumes. Our striving for continuous improvement, along with the removal of government subsidies on diesel and gasoline fuel, saw us refresh our corporate strategy, mission and values aligned with sustainability ambitions of Dubai and UAE through the Dubai Plan 2021 and UAE Vision 2021. This was an important step for ENOC and the new strategy sees us expanding our retail sector in the UAE and undertaking a major expansion at our Jebel Ali refinery. Moving forward we also recognise the importance of controlling the value chain and as such we brought in the exploration and production arm of Dragon Oil into the ENOC umbrella. This acquisition transforms ENOC in to a fully integrated Oil & Gas company and we move forward Connecting Globally our operations as ONE ENOC. These strategic projects are integral to ENOC's role in meeting the UAE's energy needs and will contribute to making ENOC a more sustainable organisation.

Challenges are always upon us but it is our response that defines us all as individuals and as a corporation. As an organisation, we are committed to continuously improving our sustainability performance which means we recognise positive change and adapt to it. One of the positive outcomes of 2016 for us has been our alignment to the National Agenda. This has enabled us to incorporate elements of sustainability in our business to improve economic performance, minimize environmental impact, achieve Emiratization goals and ensure social wellbeing.

Our approach to Health and Safety across ENOC is a first priority for our staff regardless of cost and we achieved some fantastic milestones at sites within our network, such as achieving Lost Time Injury rate of 0.102 against a target of 0.131. Furthermore, the targeted training that we provided our staff on firefighting at our retail sites meant that we were able to effectively handle 95 % of fires without involving the Civil Defence.

While we had a good health & safety performance within our operations, we sadly lost a member of our team in a fatal road accident in Morocco outside the boundary of ENOC facility. To prevent such incidents even outside our operations, we undertook a detailed root cause analysis to identify lessons to be learnt and update appropriate training to ensure our staff are safe from the hazards they are exposed. By sharing the lessons learnt we are seeking to foster a culture of openness and transparency. This is emphasised by the launch of our new ENOC Code of Business Conduct in 2016. I see this as a tool to help our staff and stakeholders operate in an ethical manner that aligns with ENOC's ethos. The culture of openness is supported by an employee hotline and our internal audit team that report objectively to the ENOC board on areas of concern.

I look forward to sharing our successes with you in subsequent years and I am excited by the opportunities that exist for us at ENOC and our society around us. We have actively invested time and resources into our communities with a distinct focus on launching effective CSR initiatives. In addition to supporting Dubai's social causes through special needs support programmes, partnerships with NGOs and event sponsorships, we have focused on the youth in our communities by offering scholarships and training in life and technical skills to help develop the people around us.

It is my belief that by looking after our people and Connecting Globally with our communities, we at ENOC can Energize Sustainability within our operations and continue to be a successful company. Thank you for taking the time to read our report and I hope to continue to share our performance with you in subsequent years.

“As an organisation, we are committed to continuously improving our sustainability performance which means we recognise positive change and adapt to it.”



H.E. Saif Humaid Al Falasi
Group Chief Executive Officer
ENOC

Foreword from our Executive Director – EHSSQ & Corporate Affairs

As we issue ENOC's first Sustainability Performance Report, I would like to reflect on the journey that we have taken as an organisation to reach this point. Sustainability at ENOC is deeply ingrained. Our approach to the environment, health and safety was well established since the start of our operations and the foundation for Energy & Resource Management was laid way back in 2008 when we were mandated as the energy partner of choice. Over recent years, our journey has adapted to the changing dynamics of global energy-related issues and the consumer-led demand for cleaner energy.

Part of this evolution saw the Group shift from merely completing EIAs for environmental compliance to a performance based system that has seen us develop an energy and resource management focus and then a clean energy focus. This led to the development of steering committees on Energy & Resource Management and in 2010 we began to work with the Dubai Supreme Council of Energy, which increased our sustainable energy awareness and made sustainability motivational and inspirational. This process helped us to align with Dubai Demand Side Management Strategy 2030 to reduce our energy consumption. These changes mean that today ENOC is starting to lead the way in operational efficiency by embedding far-reaching practical measures that are reducing consumption and emissions. We are starting to apply Lean Six Sigma to our business to continually improve and build capacity in our people.

The implementation of phase one of the Lean Six Sigma programme means that we will have credible projects coming to the fore that will help our Group operate more efficiently. The integration with Dragon Oil will increase our resource capacity and will be a critical component in our growth between now and 2020. The expansion of the refinery will improve our energy efficiency even more. So, these are really exciting times for ENOC and for our journey towards greater sustainability performance. The CEO's commitment to creating the Sustainability Group within ENOC is one of our greatest successes in 2016, reflecting the entire Group's belief in the incredible importance of sustainability. I am glad that we have developed this first Sustainability Performance Report as it is the outcome of the real change that has been happening within ENOC. We continue to mature as a business and we are addressing a number of sustainability issues, including health and safety.

I'm pleased to say that Loss Time Injury (LTI) rates have been decreasing whilst there have been historical challenges around process safety initiatives. As a proactive measure ENOC has embraced the American Petroleum Institute (API) standards around process safety and we are training our people accordingly. This has helped in the prevention and escalation of incidents and, looking ahead, will help us to better manage our plants and continue to keep our communities and people safe. Apart from above lagging indicators, we also use leading indicators related to Health & Safety training, audits & emergency drills completed and health surveillance check-ups to ensure that we are moving in the right direction.

Not only are we devoted to keeping our people safe but we also want to give our people and communities good careers that will inspire others to be sustainable. We believe that any organisation which does not add value to the society, should not exist. Social investment has been key to our Corporate Governance because the risk of losing the talent that we have strongly invested in is a setback in our ability to fulfil our mission, vision and objectives. Manpower development is therefore very important and essential from a CSR perspective. We are now working with a number of important partners on initiatives that can help us to retain the very best people, including Carbon Ambassador Programs with DEWA. We have also been very proactive in creating sporting and activity based initiatives to help sustain employee wellness through our ENOC Wellness and Social Affairs (EWSA) programs.

Whilst we continue to invest in our business and our people there will continue to be operational challenges for us to face as an organisation as we mature and change. One of the foreseeable challenges that we face will be the successful integration of Dragon Oil into the business and how this will impact upon existing segments. We will also focus on integrating sustainability and improving EHS performance at our expanding network of service stations. Some of these changes have come about through our approach to innovation and this will need continued support and structure to ensure that we harness the good ideas that our people bring. Other operational challenges will need to be addressed as we continue to grow and our response to changing regulations, security and risk management will help us meet the challenges of today and tomorrow.

These initiatives and many more are discussed in detail in this first 2016 Sustainability Performance Report and I hope that you enjoy reading it.

“ I am glad that we have developed this first Sustainability Performance Report as it is the outcome of the real change that has been happening within ENOC. We continue to mature as a business and we are addressing a number of sustainability issues, including health and safety.



Dr Waddah Ghanem Al Hashmi
Executive Director - EHSSQ & Corporate Affairs

Foreword from our Chief Sustainability Officer

ENOC's Sustainability Performance Report has gradually evolved since I joined the organization in 2003. The Group's first steps in the field of environment accountability focused on compliance, before moving on to the development of a proactive energy and resource management culture. Over time, we have matured into a group with a comprehensive sustainability platform, in tandem with a highly active Corporate Social Responsibility (CSR) function.

I have been with ENOC throughout the course of this journey, starting as a Junior EHS Officer through to my current role as Chief Sustainability Officer; and the progression, from environmental consciousness and regulatory compliance to the development of a much more meaningful concept of sustainability, has been steady over a period of fifteen years – an evolution which has helped employees understand and adopt the concept of sustainability, as well as its practical applications, in a progressive manner.

Gender equality is an equally important part of ENOC's sustainability policy. Management within the Group has positively embraced all aspects of the Group's equality practices by entrusting the responsibility of sustainable performance management to me, a UAE national female and Chemical Engineering Graduate.

This report reflects ENOC Group's objective to develop a highly detailed, comprehensive in-house assessment which evaluates its progress in the sustainability space.

In the first stages of its development, the challenge was to spread the message of sustainability across the Group, which comprises of more than 20 business units engaged in diverse activities. We began by assessing the level of internal understanding, starting with senior management and found that by gaining an understanding of awareness at senior levels, we were able to deduce the quality and quantity of information and awareness across each business unit. This exercise was followed by a workshop in which all internal and external stakeholders were asked to give their feedback on their perception of ENOC as a sustainability-conscious organisation.

In the second stage, we looked at how our peers and competitors were presenting their sustainability activities. This helped us understand what works best and led to the inclusion of high quality data in the report. We then formed Sustainability Governance Committees at management level and appointed sustainability 'champions' – employees with a breadth of expertise and views on sustainability – within the Group. Moreover, sustainability related indices were integrated with business

Key Performance Indicators (KPIs) and we have built upon the understanding and importance of these.

The diversity of business units, however, has been a major challenge in the process of data consolidation and presentation. This is something we have focused on in our sustainability journey, and we continue to explore various ways of optimising data management across the Group.

Whilst producing a Sustainability Performance Report gives credibility to ENOC's sustainability functions, other projects have been developed behind the scenes. Energy and Resource Management has been a major focus area throughout 2016, during which we have raised the bar for energy and resource efficiency target from as low as 0.4 % to 3 % reduction from the baseline of 2013.

Improving the Group's CSR platform has also been a focus in 2016. While ENOC has undertaken CSR activities over the years, we have decided to target and rationalise our programmes to reflect our commitment towards sustainable growth. As such one of the key focus areas was to support educational programs at both secondary school and university levels.

As a national energy company, ENOC is committed to contributing to the national development agenda. We realise the impact industry has on energy consumption and believe that we have an important role to play in terms of resource management and rationalisation of consumption. Through our Energy Efficiency & Resource Management efforts, we have been successful in applying innovative and highly effective energy reduction practices across our growing retail network. We have successfully installed vapour recovery units, more efficient water recycling systems, efficient waste management systems and solar powered equipment to minimise the impact of our retail network expansion.

Producing this Sustainability Performance Report is a step towards demonstrating our commitment to sustainable development. ENOC has followed the internationally recognised and accepted Global Reporting Initiative (GRI) standards, which has helped us make an accurate and realistic assessment of our efforts; whilst also acting as a true benchmark for future programs.

The extractive and energy industries may or may not reach a point where they can fully offset their carbon footprint; however, by increasing operational efficiencies, developing innovative ways to significantly reduce our own energy consumption and minimise environmental impact, ENOC Group can continue to build a business that is sustainable, responsible and positive for society.

“Producing this Sustainability Performance Report is a step towards demonstrating our commitment to sustainable development.”



Alia Ali Busamra
Manager - Group Sustainability
Chief Sustainability Officer



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Footnote denotes GRI G4 indicators



01

About ENOC

Over
10,000
employees
with **57**
nationalities

247
million
barrels
sold in 2016

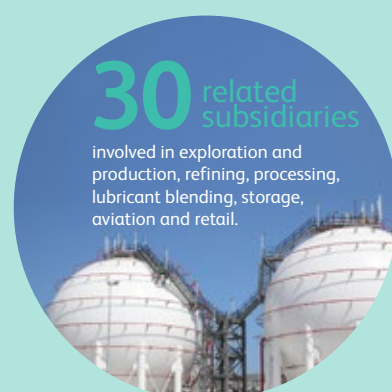
90
million
customers
served
every year

Present in
60
countries

Emirates National Oil Company (ENOC) has been operating for over 30 years and is now an international integrated oil and gas company that covers the energy value chain. The Group's business operations include more than 30 related subsidiaries involved in crude oil exploration & production, condensate processing, lubricant blending, storage, aviation and retail. Servicing thousands of customers in over 60 markets, the Group employs a workforce of over 10,000 employees and is deploying its world-class customer service, latest innovations and technologies, and best practices to empower the UAE's social and economic development.

ENOC at a Glance

Emirates National Oil Company Limited (ENOC) L.L.C. is a leading international oil and gas company based in the United Arab Emirates (UAE), operating across the energy sector value chain. We are a wholly owned company of the Government of Dubai, operating since the 1970's and fully incorporated into the Emirate in 1993.



Over the past 30 years, ENOC Group has evolved from a local oil and gas player to a diversified and integrated international operator with industry-leading operations across all major aspects of the energy sector value-chain. We have aligned our vision of growth with Federal and Emirate-level policies that have allowed us to foster a culture of world-class customer service and adopt the latest innovations, technologies and best practices.

Our vision highlights ENOC's flexible and forward-looking approach; and establishes the Group's core purpose and what we want to be known for – not just a supplier of products and services but an energy partner that adheres to the Government's vision for sustainable long-term development. At the same time, it crystallises our core purpose: to create value for ourselves, for shareholders, and for those who work with us. The commitment to industry-leading performance reflects growth ambitions, inspiration in delivery, competitiveness and the provision of best-in-class products and services.

The decrease in the oil price affected many companies globally and locally. This global trend, coupled with a desire to align with the UAE and Dubai regulatory policy; served as a catalyst to review our strategic alignment. This has focused on four principal areas:

- **Deregulation:**
UAE withdrawal of petrol price subsidies in August 2015
- **Acquiring full ownership of Dragon Oil:**
In line with ENOC's goal of being an integrated upstream and downstream operator
- **Adapting to changes in the geopolitical environment:**
Resulting in sound management of potential risks and opportunities.
- **Dubai agenda:**
Working in alignment with the Dubai Plan 2021

Sustainability in our Vision and Mission



Our Vision

To be an innovative energy partner, delivering sustainable value and industry leading performance.



Our Mission

To deliver world-class sustainable and integrated energy solutions. We do so by striving for excellence in operations, innovation and happiness for our employees, customers and partners.

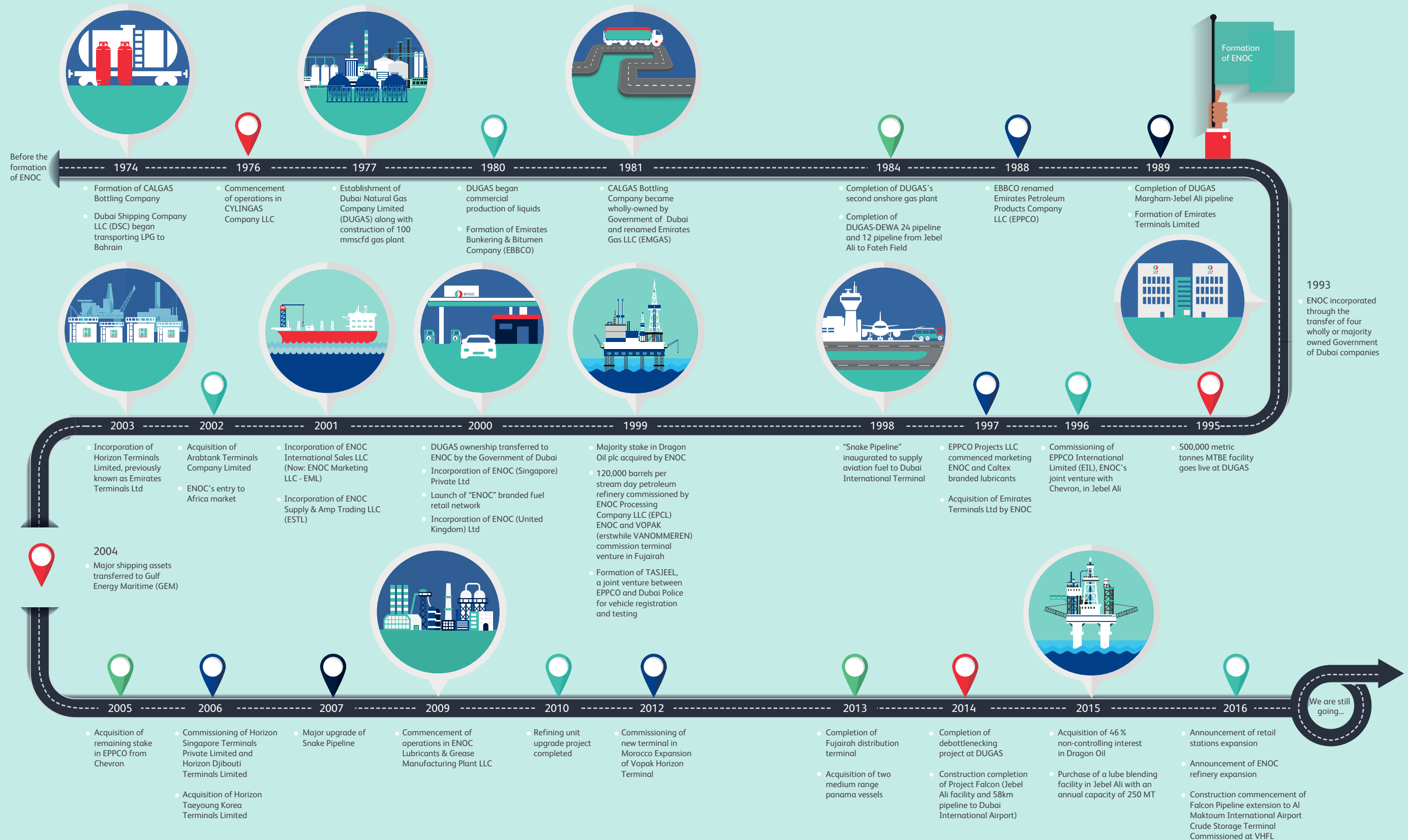
Against this background, we finalised our new vision, mission, and strategic goals during 2016. As such, sustainability is central to our mission and vision. We understand that being a world-class sustainable and integrated energy partner supersedes the bottom line. It means running a responsible business that manages its social, economic and environmental impacts in addition to its financial health – ensuring that ENOC continues to meet Dubai's growing energy needs for generations to come.

The concept of being an "energy partner" refers not only to our core business as a supplier of products and services; it also references our long-term commitments. We are moving beyond simply being energy providers; we are now connecting with consumers, stakeholders and shareholders to build a better future. The word "innovative" highlights the way we do this through a flexible, forward-thinking approach. "Delivering sustainable value" is our core remit – to continuously create value for

ourselves, our shareholders, and those who work with us. We believe this is a vital element in establishing business excellence. This complements our efforts towards establishing "Industry-leading performance", reiterating our ambitions as a high-performing, competitive, best-in-class business.

Within this framework, we also delineated our strategic goals aimed to direct our business as we move forward. Our highest-level goal is to serve the growing energy needs of Dubai and contribute to the achievement of Dubai Plan 2021. This is more than an ambition – it is what motivates us. This is backed up by our business goal: to build world-class capabilities to grow profitably and sustainably, both domestically and internationally. We will not allow our business to stagnate; rather we will continue to expand by broadening our business horizons, while maintaining our robust presence at home.

Our Journey So Far



Our Strategic Objectives

We are continuously seeking to develop ourselves as a dynamic, innovative and environmentally responsible player in the market place. To do this we have developed strategic objectives that allow us to maintain business growth, contribute to the UAE's economy and look after our people and the environment that we live in. The strategic objectives that we have set for ourselves are:

Strategic Goals

Serve growing energy needs of Dubai and contribute to the achievement of Dubai Plan 2021

Build world-class capabilities to profitably and sustainably grow both domestically & internationally

Foster operational excellence, governance and world-class EHS standards

Develop the 'ONE ENOC' culture: integrated as one team along the value chain

Maximise happiness and value delivered to employees, customers and partners.

2016 Highlights


2016 was a significant year for ENOC.
Highlights include:


247 million
barrels in
2016

ENOC Sales Volume increased from 132 million barrels in 2012 to 247 million barrels in 2016


600+
the Emirati
workforce

% of Emiratis has increased by 14 % since last year. The total Emirati workforce at ENOC is now 600+


6.7 million kWh
of energy savings
in 2016

Attaining Excellence in Energy Management with a total of 6.7 million kWh of energy savings in 2016


AED 2.9 million
in savings

Total savings of AED 2.9 million through Innovation programs in 2016


0.102
Lost Time
Incident Rate

0.102 Lost Time Incident Rate and Employee Satisfaction Index of 79 % We continued to keep our staff happy and safe


1386 total
number of
female
employees

19 % increase in the number of female employees since 2014. The total number of female employees at ENOC is now 1386


20+
Social
Initiatives

Over 20 Social Initiatives delivered in 2016


81%
Customer
Satisfaction

81 % Customer Satisfaction Index in 2016


210,000
BPD

210,000 bpd the refinery capacity after expansion by 50 % Initiated the expansion of ENOC's Jebel Ali refinery

Our Business

The Group currently operates two business arms:

1. Energy Business
2. General Services

Our energy business currently comprises different business segments of Exploration and Production, Supply Trading and Processing, Terminals, Fuel Retail, Aviation and Products.

Beyond our oil and gas operations, we have established a solid presence in related fields and subsidiary enterprises. Current activities include convenience store franchises (ZOOM), added value propositions, automotive services including Tasjeel and Autopro, and our tank fabrication services through Cylingas.

Energy Business

Exploration & Production (E&P)

ENOC has a strategically important role in the UAE's goal of increasing energy security through our ongoing exploration and production activities which continued during 2016. The Group has acquired an E&P arm - Dragon Oil having about 90,300 barrels per day producing asset in offshore Turkmenistan and exploration assets in Iraq, Algeria, Tunisia, Egypt, and Afghanistan.

ENOC's E&P activities are headquartered in Dubai, UAE, with a representative office in London, UK. There are also several offices around the region where E&P activities are carried out.

We also operate a number of joint ventures through production sharing agreements and contractor sharing agreements across our E&P sites, as well as holding 100 percent operation at the Turkmenistan field.

Dragon Oil's principal producing asset is the Cheleken Contract Area in the eastern region of the Caspian Sea, offshore Turkmenistan. Ongoing exploration assets include Iraq, Algeria, Tunisia, Afghanistan and Egypt, where E&P activities are currently underway.

Supply, Trading and Processing (STP)

Regarded as the core of our operations, the Supply, Trading and Processing (STP) segment lends impetus to ENOC's growth by maximising returns on midstream and downstream assets. STP leads the three vital operations of supply, trading and processing by promoting value added business propositions. Within this segment of the business we have two distinct processing functions - the ENOC Processing Company EPCL which refines our products and DUGAS which produces our methyl-tertiary butyl ether (MTBE) additives. These activities provide ENOC with the core products that are then traded and supplied to competitive markets within the UAE and internationally.

The business segment plays a critical role in managing the supply side of ENOC's other operations at our various geographical locations. Operating two plants to international standards, the segment produces many refined products found at the ENOC retail network, at Dubai and other regional airports and within local industry. The STP segment utilizes our strong strategic position in the market by delivering optimal product supply to the rest of ENOC's operations across the UAE and internationally.

90,300
BPD
from Dragon Oil
in 2016

Terminals

Drawing on the growth of the UAE as a strategic hub for global trade and as part of our goal towards meeting the fast-growing demand for bulk liquid terminalling, we established Horizon Terminals Limited (HTL) in 2003. Operating from the UAE as a holding company, Horizon has consolidated the company's existing terminalling investments and is expanding the business globally. Since its incorporation, HTL has expanded from its terminals in the UAE and Saudi Arabia, to cover Singapore, Djibouti and Morocco. Our global terminal storage capacity in 2016 was 6.8 million cubic meters.

Horizon aims to become the largest independent terminal service provider for bulk oil storage in the Middle East, Africa and the Mediterranean, while maintaining a leading position in the Far East region. HTL's terminals are classified in two divisions as UAE and International Terminals.

6.8
million
cubic meters
storage capacity

Fuel Retail

ENOC manages and operates 112 ENOC and EPPCO service stations in the UAE, handling approximately 90 million transactions each year. In line with our new strategy of providing fuel and non-fuel services to consumers, we plan to increase our UAE footprint by 40 percent to add 54 new service stations by 2020.

The segment's first GCC service station opened in Saudi Arabia in 2013. We currently have five service stations in Saudi Arabia, with plans to build nine more during 2017.

Operating under ENOC's Retail business unit, EPPCO Distribution delivers fuel to the ENOC and EPPCO retail network, utilising our fleet of more than 50 tanker trucks.

We deliver quality fuels including Special ULG 95 and Super ULG 98 in the motor gasoline category; and Diesel Gas Oil (Ultra Low-Sulphur Diesel) 10 ppm sulphur. Company fleet vehicles supply white oils such as gasoline, diesel, kerosene and Jet A1, while contracted vehicles deliver black products including Fuel Oil 180 centistoke (cSt) and Asphalt 60/70.

In 2016, our highest selling product is Special ULG 95, with retail sales of approximately 2.16 million m³. With increasing demand, fuel deliveries are carried out 24/7, and each site receives two to three deliveries of 10,000 Imperial Gallons (IG) per day to avoid the risk of interrupting supplies.

Demand for Super ULG 98 is concentrated in areas such as the Green Community and Dubai Internet City. Daily volumes delivered to those sites are around 14,000 IG.

ENOC supplies low sulphur diesel gas oil with a sulphur content less than 10 ppm. Associated benefits include reduced sulphur dioxide emissions, reduced particulate emissions, lower oxides of nitrogen and hydrocarbon emissions, and lower maintenance costs through reduced engine wear. The daily volume of diesel delivered is around 414,000 m³/year.

Aviation

Our aviation business has been a leading marketer and supplier of Jet A-1, JP-8 in the UAE since 1995.

After establishing a track-record of significant growth and success in the UAE, ENOC Aviation's current supply network covers 117 airports across 17 countries, supplying more than 5.2 million m³ of jet fuel per year - Jet A-1 and JP18 - through more than 300 fuelings daily.

The aviation business also offers a range of commercial services to its customers, including market studies for start-up aviation fuel supply projects, fuel marketing to airlines and fuel hedging, as well as a comprehensive range of technical services. These include consultancy on quality control, operations and EHS issues; consultancy on the design and upgrading of static and mobile facilities, including specifications; the provision of aviation

quality control and operations manuals; quality control and operations training; inspections; assistance in the design of refueling vehicles and fuel systems; feasibility studies for new aviation fuel infrastructure projects; and project management services for grass roots projects and upgrades.

Our aviation business is comprehensively customer focused, with care and quality of service at the heart of all of our activities. These hallmarks are firmly embodied in ENOC Aviation's staff, technology, assets and systems; and are further reinforced by associate membership of the Joint Inspection Group. This dedication to quality is well recognised by airlines, with the organisation being awarded Best Regional Jet Fuel Marketer in Africa/Middle East for six consecutive years.

5.2
million
cubic meters of
jet fuel supplied

General Services

As well as our core fuel business we currently have a portfolio of over 377 non-fuel service outlets across the region.

Convenience Stores

As a part of our commitment to provide quality products and services to customers on the move, the ZOOM brand was developed. ENOC operates a successful network of ZOOM convenience stores across the UAE; offering customers a wide range of both local and international brands. ZOOM stores can be found at ENOC/EPPCO service stations, Dubai Metro and at high-street locations in residential, commercial and hotel/leisure communities and as our customers' friendly neighbourhood stores.

Franchises

ENOC offers an extensive network of franchising opportunities of its retail stores across the UAE. We offer carefully tailored franchise packages especially designed to suit market conditions in this competitive region.

All franchises are fully supported by our comprehensive back-up programmes, allowing prospects to confidently acquire franchises from a wide choice of respected brands.



Automotive Services

ENOC's services to its consumers go beyond simply producing and supplying the fuel they need to drive. As part of ENOC's wider business activities, it operates two automotive services for its customers in the UAE:

- 1. AUTOPRO:** offers a range of automotive services at a number of locations, catering to customers' automotive needs from a quick, basic car wash to maintenance and repair services. AUTOPRO's outlets can be found at many of ENOC and EPPCO service stations so customers can quickly and easily source both the technicians, the facilities and the expertise they need to keep their vehicles clean and properly maintained.
- 2. TASJEEL:** provides a comprehensive range of vehicle testing and registration services for car owners across a network of outlets, enabling them to undertake a wide variety of mandatory tests required for vehicle registration. All services are in full compliance with RTA and Federal traffic regulations, meaning customers will be able to ensure full legality of their vehicles at any one of the many TASJEEL outlets across Dubai and the Northern Emirates.

Fabrication Services

As part of the ENOC Group, Cylingas, has an impressive 42-year heritage in engineering, design, fabrication and supply of static equipment manufacturing. Cylingas services also include vertical and horizontal storage tanks for petroleum and chemical products, pressure vessels, columns, skid-mounted units and modules as well as piping and structural products. We have a dedicated 300,000 sq.ft modern manufacturing and fabrication unit in Dubai.

Cylingas is a leading entity in the regional oil, gas and petrochemical industry. Cylingas is certified to ISO 9001:2008, ISO 14001:2015 and OHSAS 18001:2007 and is also a member of the British Safety Council and accredited by ASME.



Our Products

We offer a comprehensive range of products catering to customer requirements across a number of industries and markets, both in the UAE and further afield in the Middle East region. By covering the management, operations and sales of products such as jet fuel, liquefied petroleum gas (LPG), lubricants, bulk fuel and alternative fuels such as compressed natural gas (CNG), we are committed to providing products of the highest quality that adhere to all international safety and quality standards.

All ENOC products are regularly tested and certified by international quality standards auditors, in addition to ongoing in-house controls ensuring consistency and maintenance of standards. All of our products are supported by comprehensive after-sales services and a team of qualified, experienced staff.

To ensure seamless production, supply and service, we established our own state-of-the-art ENOC Lubricant and Grease Manufacturing Plant (ELOMP), located in Fujairah. The plant boasts an annual capacity of 250 metric tons of blending and filling. One of the biggest single plants in volume capacity in the MENA region, it features a fully automated blending facility utilising Simultaneous Metering Blending (SMB) coupled with an Automatic Batch Blender (ABB) and a Drum Decanting System (DDS). The ELOMP facility has received ISO 9000:2008, ISO 14001:2004, ISO 50001 and OHSAS 18001 certifications; and has been awarded the Dubai Quality Award Appreciation Programme Certificate, reinforcing its high quality standards and commitment to excellence.

ELOMP supports the company's commitment to quality through a range of comprehensive programs, incorporating analytical studies. The facility also houses a fully-equipped quality control laboratory that specialises in lubricant testing. These include the testing of incoming base oils, additives and chemicals, fresh and used lubricants; and grease. This on-site laboratory carries an ISO 17025:2005 certification.

World's largest
250 MT
Blending and Filling
Plant, located in Fujairah

ENOC Lubricants and Industrial Products

Our current product range comprises lubricants and industrial products, which are manufactured and distributed by two ENOC divisions: ENOC Lubricants Marketing and ENOC Industrial Products Marketing (EIPM).

ENOC Lubricants markets a diverse portfolio of lubricants and greases that are designed for applications in many sectors including automotive, industrial, marine, heavy duty diesel engines and commercial use. ENOC Lubricants has a presence in 60 countries across the Middle East, Africa, South East Asia, Commonwealth of Independent States (CIS) and the Indian Subcontinent.

ENOC Industrial Products Marketing (EIPM) consists of two business units: ENOC Commercial Distribution L.L.C. and ENOC Bunkering International (EBI).

ENOC Commercial and Industrial Products (ECIP) provides tailor-made fueling solutions, has invested in and built more than 200 fueling stations across the UAE and caters to unique requirements such as differing types of tanks, dispensers and automation systems.

EBI supplies fuel to a broad range of marine vessels, including offshore supply boats, container liners, tankers, Navy and Coastguard ships; using a network of transport options including road tanker trucks and pipelines.

Emirates Gas L.L.C. (EMGAS) - has been the leading supplier of Liquefied Petroleum Gas (LPG) products in the UAE since 1974. In 2016, EMGAS supplied about 54,000 tons of LPG to the households and is the preferred supplier of prompt, reliable and safe LPG in the country.

EMGAS has the largest distribution network in the UAE with four filling plants across Dubai and the Northern Emirates. It has the largest fleet of LPG tankers in the UAE, Djibouti and Somalia that safely and efficiently cater to Bulk LPG Central Gas systems across the UAE. EMGAS has international certified management systems including ISO 9001 (QMS), ISO 14001 (EMS), OHSAS 18001 and 10002 (Customer Care System).

54,000
total tonnage of household
gas cylinders sold in 2016

Our Global Footprint



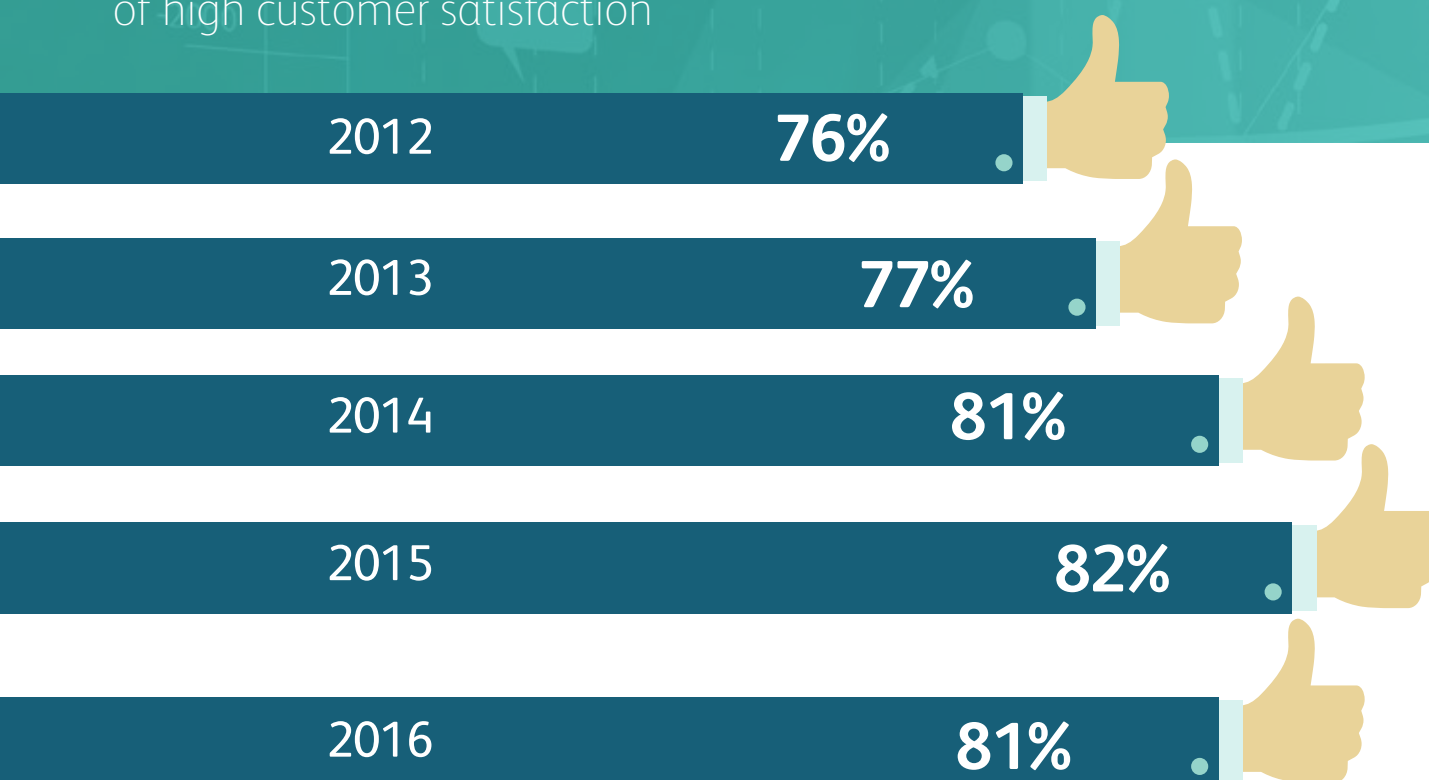
- Exploration & Production
- Supply, trading & Processing
- Terminals
- Marketing
- Retail

Satisfying our Customers

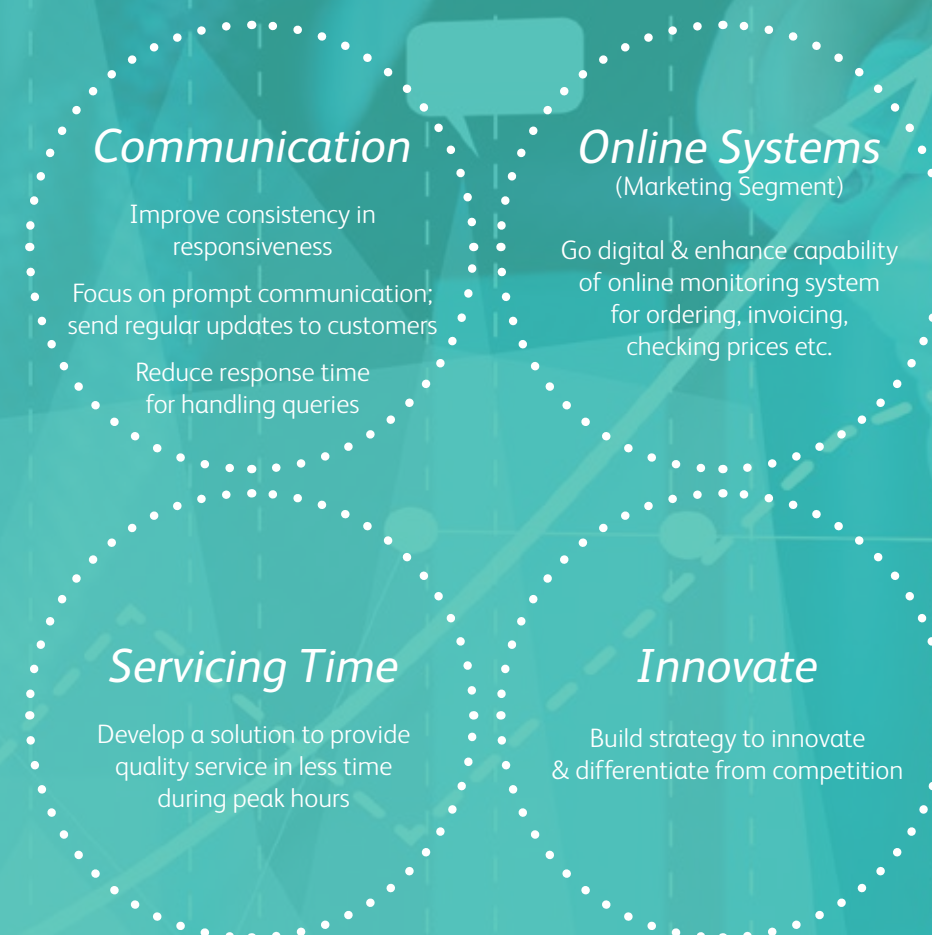
The Group customer satisfaction study is conducted across our business servicing external customers. In 2016, the fifth wave of the study was conducted to gauge the performance of 11 ENOC business segments across the Group to assess the strengths of servicing, detect areas of improvement and identify new opportunities. This was conducted at a time when consumer confidence was low due to the impact of a low oil price, seeing many infrastructure projects halted, numerous redundancies, with increased inflation resulting in a higher cost of living. These factors were explored as part of our customer satisfaction survey conducted with a specialist stakeholder loyalty company. Through the study and the market intelligence gathered, it is evident that every investment is being debated and re-considered which essentially challenges the efforts to improve customer satisfaction.

Through the study it was evident that declining customer confidence in 2016 due to a deflated oil price and an attractive remittance rate has reduced people's disposable income and therefore reduced spending in the region, creating a more challenging business environment. Initial increases in customer satisfaction that were seen in 2015 were however maintained in 2016.

Our performance is also a reflection of high customer satisfaction



The key learnings and recommendations from the survey are:



We will be working on the above recommendations in 2017 and beyond as we aspire to make our customers even more happy and satisfied with the products and services they receive.

Moving Forward

Over the next five years, the Group will focus on expanding capacities to support domestic energy demand in alignment with Dubai Plan 2021 and in preparation for EXPO 2020. This includes a 50 % capacity increase of ENOC's Jebel Ali refinery to reach 210,000 barrels per day, as well as the construction of Project Falcon's 16km jet fuel pipeline extension to Al Maktoum Airport.

A key component of the Group's strategic direction is to expand its retail network within Dubai to deliver an increasing range of offerings, including non-fuel and other supplementary services. This includes ongoing renovation of major service stations in Dubai and the construction of 54 new stations by 2020.



02

Reporting Approach

78

External stakeholders consulted for Sustainability

496

stakeholder views on Material issues

19

KPIs in ENOC Sustainability Index

We have adopted the internationally recognised Global Reporting Initiative (GRI) for our first report. Within this section of the report we outline the framework, scope and limitations of the report, as well as our approach to stakeholder identification and engagement. The process by which we have determined our material topics is highlighted and how we have ingrained this into our business operations through Key Performance Indicators (KPIs).

ENOC has been developing its approach to sustainability over a number of years and we are delighted to have developed this inaugural ENOC Sustainability Performance Report, which covers our operations in the UAE and the overseas terminals in KSA, Morocco, Djibouti and Singapore.

Our report focuses primarily on our economic, social and environmental performance for the year 2016. There are also several historic and ongoing sustainability initiatives featured in this report. Whilst this is our inaugural report, sustainability performance has been a key consideration in our approach to business for several years. We have worked hard to tackle key concerns around our environmental performance. Robust environmental protection and health and safety programmes have long been implemented and managed across the organisation as part of our routine operations. We have also monitored and managed the health and safety of our staff through effective training and reporting of incidents for many years.

Our focus to promote energy efficiency and conservation initiatives within our operations drastically increased after experiencing first-hand the spectacular impact of our Energy & Resource Management (E&RM) projects in reducing energy demand and operational costs. In recent years, we have focused on energy and resource management to drive ever-greater levels of energy efficiency across our operations; and we have previously published an Energy and Efficiency report in 2015 that presents our achievements in this regard. We strongly believe that embedding sustainability and corporate responsibility into our operations gives a positive impact in the communities we operate in - and ultimately on our business performance. This report is a key step in our journey towards becoming a more sustainable, responsible organisation.

Starting the Sustainability Transition in ENOC

In 2016 we identified the need to present our sustainability performance to stakeholders formally, further to the grassroots work undertaken in previous years around Energy and Resource Management, CSR initiatives and managing the health and safety of our people.

In 2016, we established a 'Group Sustainability' Office within ENOC Group. This new function, with the support of our leadership, embarked upon a programme involving active stakeholder engagement and awareness-raising on the importance of sustainability across our organisation. The stakeholder engagement exercise helped us to review the level of our employees' understanding on sustainability, which helped to shape our training programmes in an effort to raise this amongst the workforce. This programme has helped lay strong foundations within ENOC to gain a common understanding of the function and to develop the Group's sustainability goals and objectives.

For the benefit of all our stakeholders, we have now captured our business performance in line with internationally recognised guidelines for this first report and we are committed to continuing to report on progress in the coming years.

Reporting Framework, Scope and Limitations

This report is structured in line with the Global Reporting Initiative (GRI) G4 Sustainability Reporting Guidelines 2014. GRI G4 is a globally recognised framework for reporting an organisation's economic, social, and environmental performance. We are self-declaring our report to be 'In Accordance – Core' with the Guidelines, which is confirmed by 'GRI Check'. A complete GRI content index is included at the end of this report. The scope of our report has the following limitations:

- This report does not include information on our upstream business – Dragon Oil, which was in the process of integration with ENOC in 2016.
- Data from contractors, suppliers and clients are not included in this report unless otherwise stated as we are still gathering this information.

In this inaugural Sustainability Report, we acknowledge that there are gaps around the above limitations that will need to be addressed in the future. We are committed to actively improving our existing data collection mechanisms to ensure a higher level of disclosure on our performance in future reports.

Materiality Assessment and Stakeholder Engagement

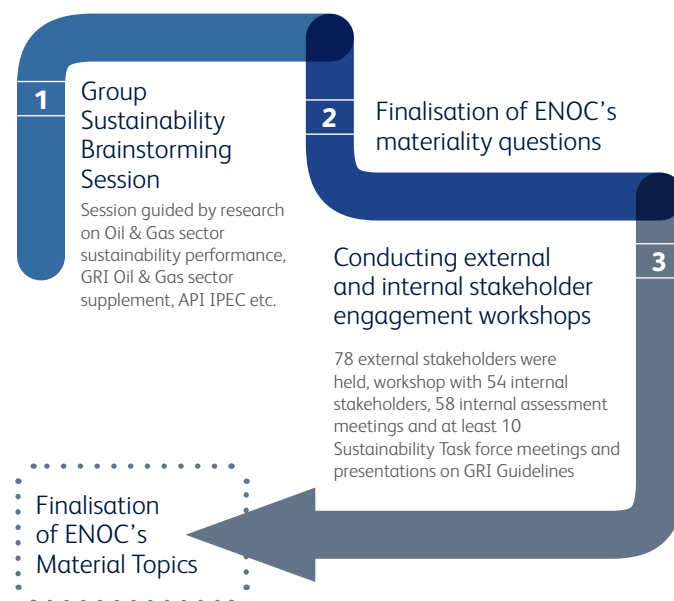
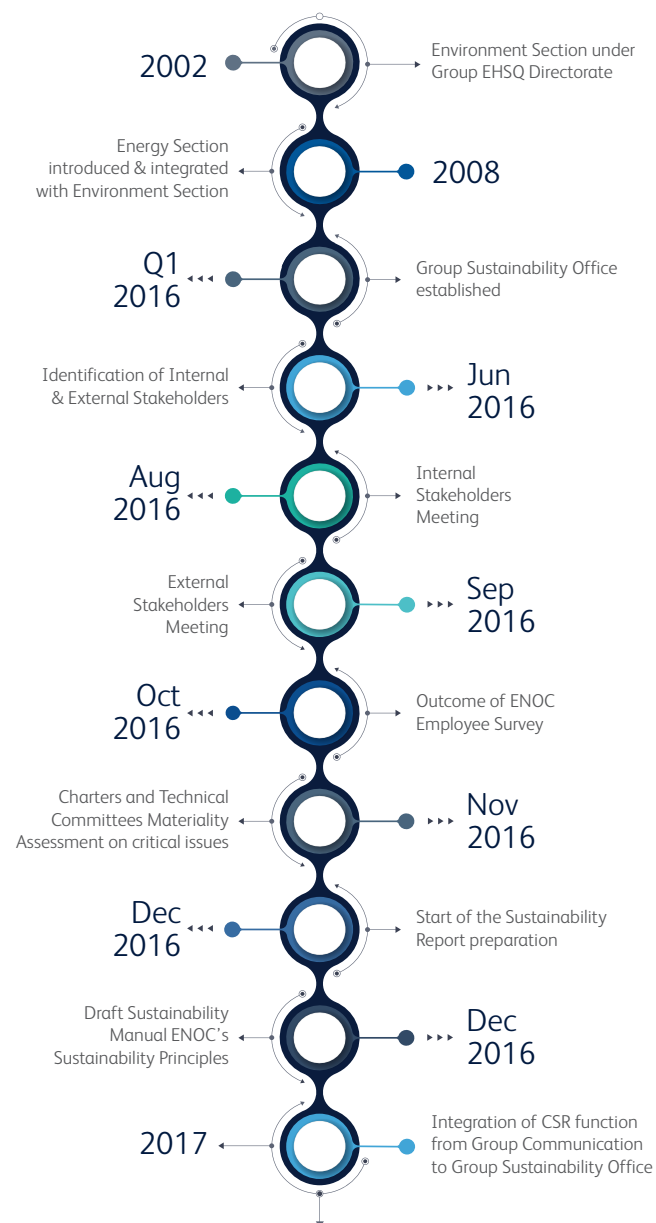
Our report covers the core and additional indicators of GRI G4. The G4 reporting guidelines allow us to focus on what is material to our company. The Group Sustainability Office at ENOC developed a set of informed questions prior to undertaking the materiality assessment process, guided by global research on the sustainability performance of the oil and gas sector and other internationally recognised standards.

ENOC Materiality Process

As part of our assessment process, we undertook a stakeholder engagement exercise to ensure that our stakeholders have clearly defined input mechanisms.

This enables all stakeholders to understand our strategies and goals, so that they are able to provide pertinent feedback on how best to achieve them.

Chapter 02 Reporting Approach



Internal Stakeholders Meeting
22nd August 2016



External Stakeholders Meeting
26th Sep 2016



Outcome of Employee
Engagement Survey
Oct 2016

Stakeholder engagement workshops and surveys helped us to gain a better understanding about who our stakeholders are, how they interact with ENOC and what expectations they have of us. We conducted a survey of more than 2,000 ENOC employees to garner opinion on sustainability issues affecting the organisation. These issues have been covered within our materiality assessment and we can continue to discuss these with our stakeholders. Direct engagement with our stakeholders will, in future years, assist us in achieving our strategic objectives of becoming an innovative energy partner, delivering sustainable value and industry-leading performance. The creation of Technical Committees and Charters has helped us to govern and focus our sustainability efforts across the company.

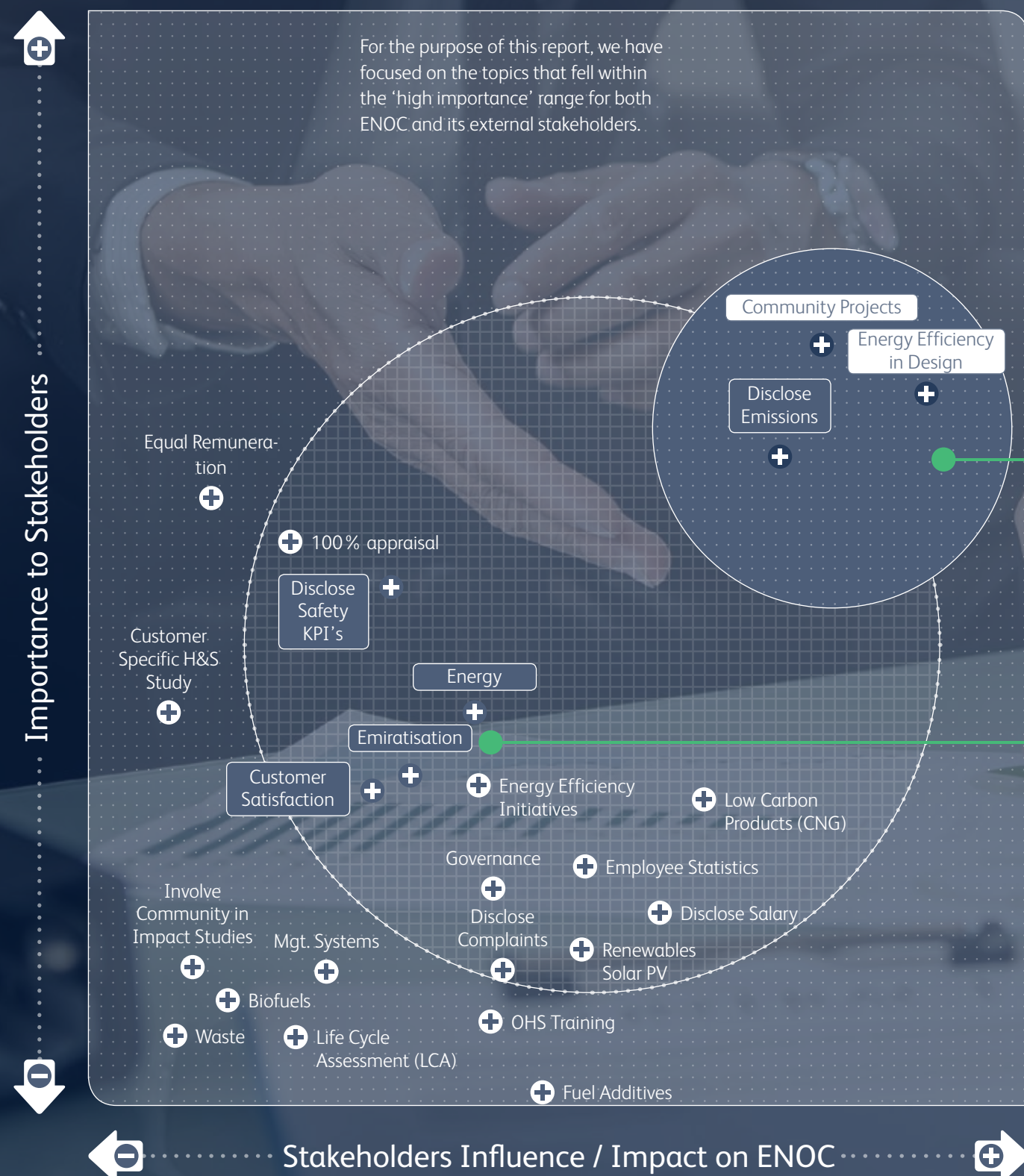
ENOC's External Stakeholder Categories



Our stakeholder engagement program reaches out across the organisation, including the ENOC leadership team and employees. External stakeholders include investors, shareholders, partners, international agencies, government regulatory bodies, local communities, suppliers and contractors, NGO associations and customers. Through detailed analysis of workshops and surveys, we were able to rationalise the material topics applicable to our business, identify the key sustainability issues we face and transparently assess progress made.

This assessment has enabled us to review our progress against sustainability issues and policy requirements in the Emirate, the UAE and our peers (ADNOC group of companies, BP, Shell, Chevron, KOC, Saudi Aramco) and other major Dubai based organisations such as DEWA and the RTA. By conducting this review we are confident that ENOC's sustainability processes and practices are in line with global or industry specific trends and that the Group is making impactful progress.

The Outcome of Materiality Analysis



Material Topics

Following on from the Stakeholder Engagement and Materiality Assessment, we refined the material topics as follows:

Environmental



- Reduce energy demand
- Reduce air emissions
- Reduce water consumption
- Reduce waste generation

Social



- Improve staff development
- Improve staff retention
- Improve Emiratization and gender equality
- Improve Health and Safety

Economic



- Improve Community Investment
- Reduce corruption events
- Improve green procurement
- Improve customer satisfaction

To measure performance within ENOC, we have developed Key Performance Indicators (KPIs) against each of these material topics and included them in the scorecard of segments, business units and individual departments.

The KPIs associated with each of the topics identified are:

Environment



Social



Economic

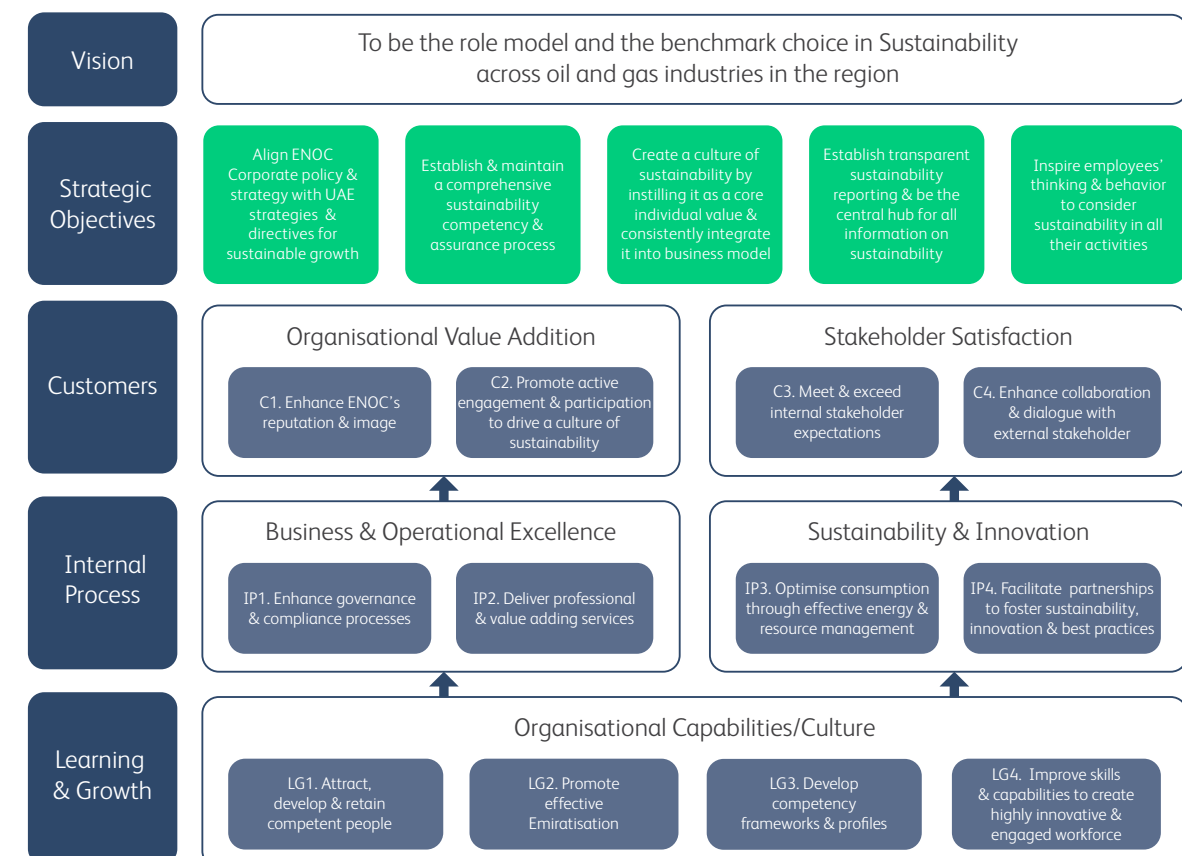


The material topics have been aligned with GRI reporting requirements. The KPI outcomes and data associated with each topic have been incorporated in our sustainability index.

| Sl. No | Description of KPI | Measurement unit |
|---------------------------|--|---|
| Environmental KPIs | | |
| 1 | Thermal energy consumption per unit reduction | GJ/ton or GJ/m ² |
| 2 | Electrical energy consumption per unit reduction | kWh/ton or kWh/m ² |
| 3 | Energy demand reduction from baseline | % (GJ/GJ) |
| 4 | Renewable energy generation against consumption | % (kWh/kWh total) |
| 5 | GHG emission per unit reduction | tCO ₂ e/ton or tCO ₂ e/m ² |
| 6 | Air emissions (SOx, NOx, PM, CO) above legal limit | % number of source above limit |
| 7 | Recycled water usage compared with total water consumption | % Water reuse |
| 8 | Waste reduced compared with baseline | % Waste reduction |
| 9 | Flare gas reduction compared with the baseline | % Flare reduction |
| 10 | Amount of green procurement vs. Total procurement | % Green procurement (AED/Total AED) |
| Social KPIs | | |
| 11 | Employees who are UAE Nationals | % Emiratisation |
| 12 | Number of employees left the company | % turnover |
| 13 | Training hours per employee | Hours per employee |
| 14 | Score from the customer satisfaction survey | Score |
| 15 | Ratio of the basic salary and remuneration of women to men | % salary ratio |
| 16 | Number of potential corruption events | Number |
| 17 | LTI Incident Rate (people safety) | Incidents per 1 million man-hours |
| 18 | Process Safety Incidents (process safety) | Rate |
| Economic KPIs | | |
| 19 | Community investment | % investment against revenue |

Each year we will review the material topics to ensure that they are up-to-date and reflect the sustainability issues at that time. The detailed KPI-driven outcomes will also enable us to manage and plan our sustainability activities in subsequent years. Our strategic roadmap to achieve this is outlined below:

Group Sustainability Office Strategic Map



03

Governance, Risk Management & Ethics



Established Group
Sustainability Office
and Charter in

2016

9

dedicated
Committees
focussed on
Sustainability
issues

800

ENOC ETHIC

(800 3662 38442)
ENOC's dedicated
Hotline Number

Ensuring that we run our business in a responsible and ethical manner is paramount to us and we have invested significant effort in establishing a governance structure that allows us to capture sustainability issues across the business. This is outlined in the following section through the presentation of our Board of Directors, our Group Sustainability office, our related Committees, approach to risk management and code of business conduct.

Corporate Governance

Corporate governance is an essential driver of value at ENOC, whose governance structure ensures that the Group is ultimately accountable to its key stakeholders. The Group's policies, procedures and management systems all contribute to the efficiency and effectiveness of its operations.

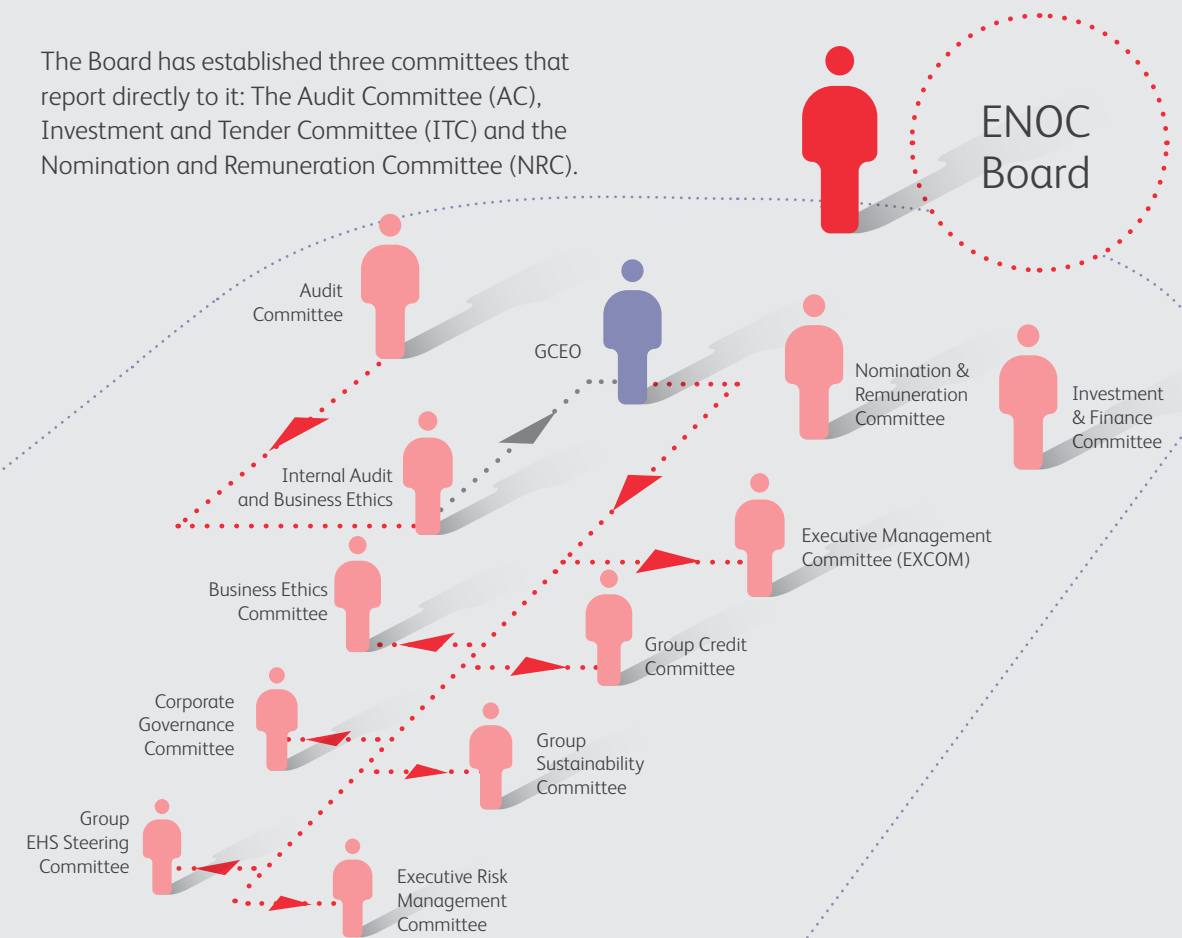
The Board of Directors, which is made up of experienced business leaders, each with diverse skill sets and competencies, oversees ENOC's performance objectives, initiatives, financial plans, budgets, investments, risk management and corporate governance practices. As such, the Board takes responsibility for the preservation and enhancement of the value of the company, relying on senior management, external advisors and auditors to ultimately satisfy ENOC's key stakeholders.

We believe that corporate governance sets the stage for effective and efficient leadership, which is critical to the success of today's organisations. Our Board is the highest-level authority within the Group and our Board members are our corporate stewards, overseeing all aspects of the Group's management.

In addition, all major leadership decisions for ENOC are taken collectively by the Board. These include choosing management individuals, setting the strategic direction for the company, establishing policies, setting the ethical tone for the organisation and monitoring corporate outcomes. The Board also reviews and approves ENOC's strategic planning, financial performance and reporting, organisational structure, risk management and oversees policies, control framework, and compliance.



The Board has established three committees that report directly to it: The Audit Committee (AC), Investment and Tender Committee (ITC) and the Nomination and Remuneration Committee (NRC).



ENOC Board of Directors



H.H. Sheikh Hamdan bin Rashid Al Maktoum
Deputy Ruler of Dubai, and UAE Minister of Finance, Chairman of ENOC Group



H.E. Saeed Mohammed Al Tayer
Vice Chairman of ENOC Group



Hussain Hasan Mirza Al Sayegh
Board Member, Chairman of the Audit Committee



Ahmed Sharaf
Board Member, Chairman of the Investment & Finance Committee and Member of the Audit Committee



Dr Abdul Rahman Al Awar
Board Member, Chairman of the Nomination & Remuneration Committee, Member of the Investment & Finance Committee and Member of the Audit Committee

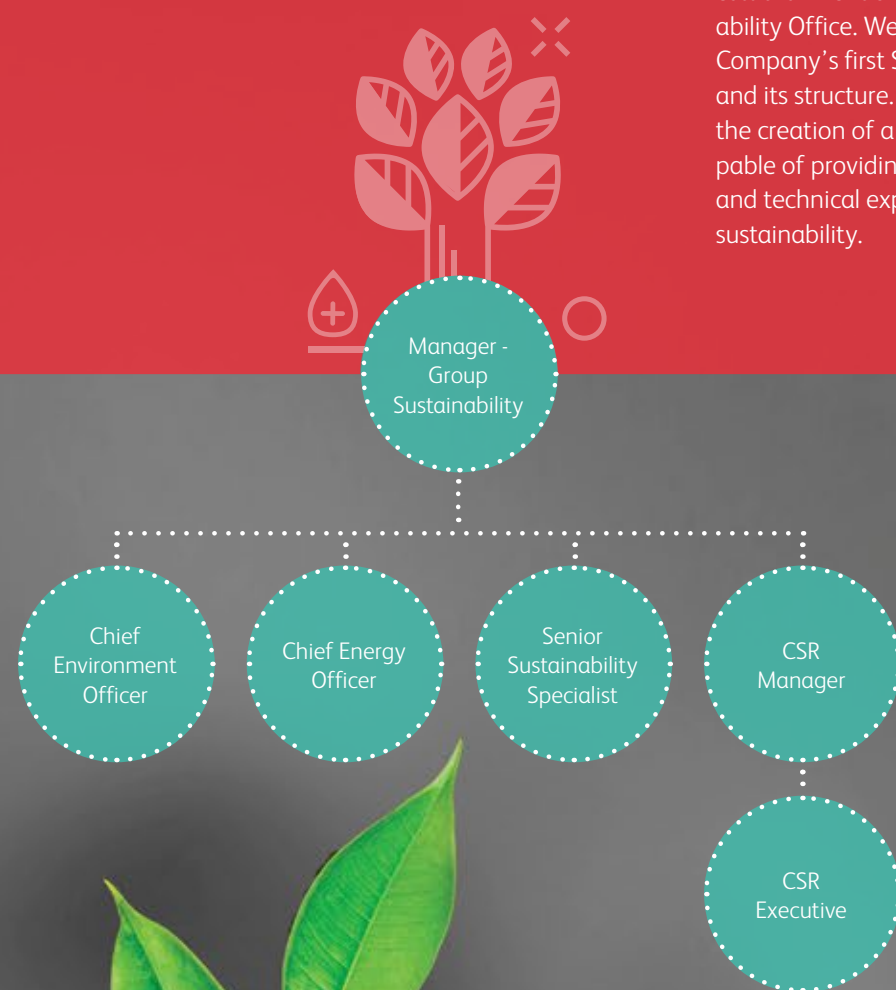


Ahmad Al Muhairbi
Board Member, Member of the Nomination & Remuneration Committee and Member of the Investment & Finance Committee



H.E. Abdulrahman Al Saleh
Board Member, Member of the Investment & Finance Committee

Sustainability Governance



In recognition of the importance of strong sustainability leadership, we developed a Sustainability Governance Structure in 2016, which led to the establishment of the Group Sustainability Office. We then developed the Company's first Sustainability Charter and its structure. This process included the creation of a dedicated team capable of providing professional services and technical expertise in the field of sustainability.

ENOC's Sustainability Group includes nine main committees at the Group level, each playing a specific role in fulfilling the Group's strategic goals and aligning its policies and strategies with the Dubai government's strategies and directives for sustainable growth.

These committees are:

- ENOC Sustainability Leadership Committee
- ENOC Sustainability Reporting Task force
- ENOC Carbon Abatement/ Climate Change Technical Committee
- ENOC Environment Technical Committee
- ENOC Energy & Resource Management Steering Committee
- ENOC Energy & Resource Management Technical Committee
- ENOC Fuel Efficiency Technical Task force
- ENOC Corporate Social Responsibility Steering Committee
- ENOC Corporate Social Responsibility Technical Committee



Risk Management

As part of its approach to Risk Management, ENOC has adopted an Enterprise Risk Management (ERM) framework to address the full spectrum of risks that face our business. The Company's integrated, structured and disciplined approach to risk management ensures that potential risks that may adversely impact our strategic efforts will be responded to quickly and positively.

In addition, opportunities that may provide avenues for growth and development are channelled back into the strategy and objective-setting process. Additionally, in view of the current economic scenario and competitive environment, a cohesive approach to risk management ensures that resources are channelled to address key strategic, reputational, operational and financial risk in the most effective and efficient manner.

The key risks that we have identified for our business can be summarised as follows:

Exploration & Production (E&P)

Risk !

Mitigation ✓

- ! A prolonged low oil price environment.
- ✓ The Board intends to retain appropriate levels of cash resources along with optimising short-term business plans.
- ! Dependency on our primary producing asset, the Cheleken Contract Area, offshore Turkmenistan.
- ✓ The Board has adopted a clear strategy for growth and regularly reviews investment opportunities.
- ! Not maintaining compliance in overseas jurisdictions.
- ✓ Implementing a robust and comprehensive corporate compliance programme to identify, assess, and mitigate compliance-related risks.

Supply, Trading & Processing

- ! Availability of regular condensate feedstock.
- ✓ Hedging for exposure, thereby bringing the open position to acceptable level, as well as conducting regular counter-party reviews.
- ! Lack of continuity and consistency of supply from the refinery and the DUGAS plant.
- ✓ Investments in expansions and undertake adequate protective and safety measures. We conduct regular EHS audits as they are of paramount importance in pre-empting and countering hazards at the processing units and inventory storage locations.

Terminals

- ! Reduced demand from oil price volatility.
- ✓ Ensuring that our operations run seamlessly in diverse social and political environments.
- ! Concentration within limited markets.
- ✓ Long-term contractual arrangements and provision of various ancillary services that help in retaining customers.
- ! Operations in countries that are susceptible to social and political uncertainties also pose a key threat.
- ✓ Maintaining a close watch on pertinent developments as well as constant liaison with authorities.

- ! Product spills and adverse impacts on environment and resultant implication on reputation, business, and profitability are also key risks.
- ✓ Operational controls such as automated systems, periodic infrastructure programmes, regular operational audits, and other EHS measures.

- ! Competition and credit risk.
- ✓ High barriers of entry which makes it more difficult for competition to establish facilities. In most contracts, lease payments are taken upfront for the storage period, coupled with the potential lien on the product in the event of non-recoveries.

Marketing

- ! Competition, price volatility, credit default, and product failure.
- ✓ Retain market share by providing high-quality service at competitive prices. Where possible, price volatility risk is mitigated by undertaking hedges, while robust credit reviews, regular follow-up, and monitoring ensure that credit exposure is kept to the minimum.
- ! Expansion of international business into areas of greater risk profile for socio-political, working culture, and the availability of skilled local workers.
- ✓ Dialogue with each country's regulatory authorities, and employee training and development.
- ! Manufacturing and blending plants' risks associated with poor infrastructure and poor EHS performance.
- ✓ Periodic preventive maintenance, operation audit, EHS audits, and staff training to ensure that both plants operate smoothly and safely.

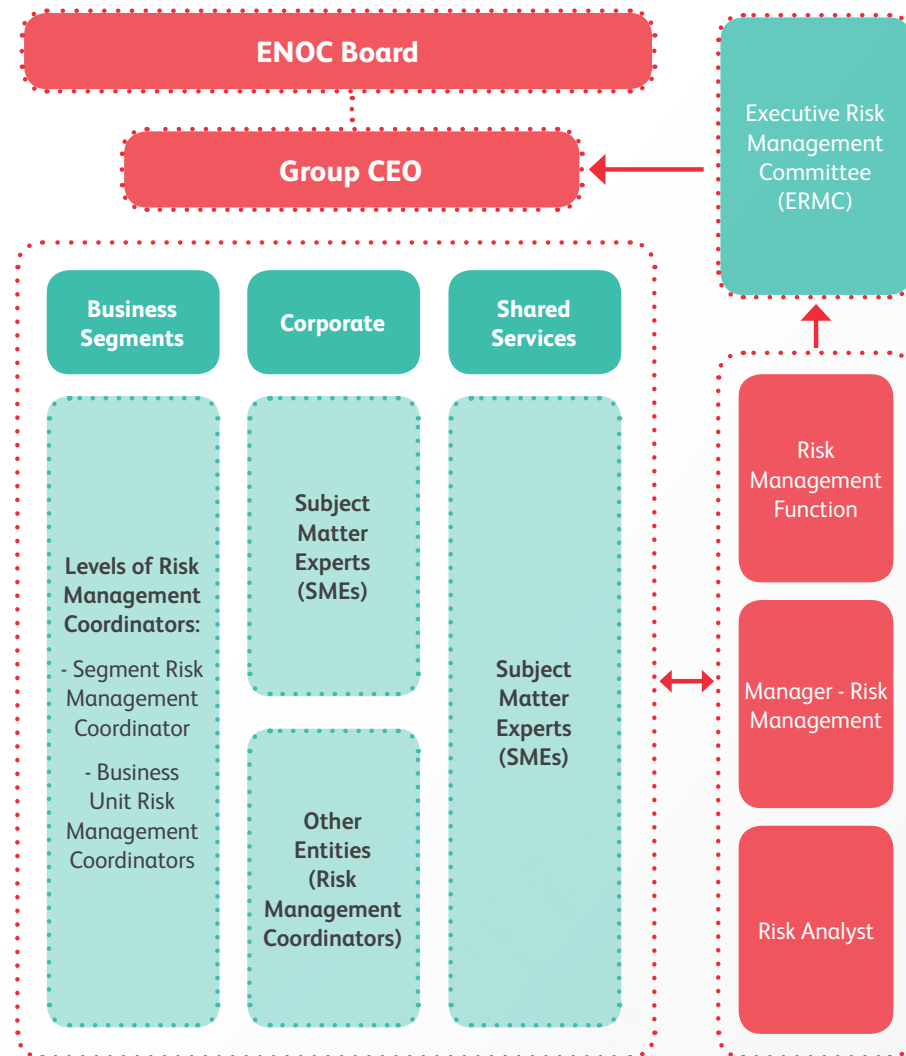
Retail

Key risks identified and adequately mitigated are primarily those associated with retail sites and forecourt operations, where activities range from fuelling vehicles to selling items at convenience stores.

- ! The company's IT infrastructure is critical to the functioning of this segment, as is safeguarding operations against fraud as large volumes of product sales and financial transactions take place every day.
- ✓ To mitigate EHS risks, forecourts are regularly and thoroughly maintained and monitored.
- ! Retail segment also has a growing network of ENOC petrol stations and ZOOM convenience stores in Saudi Arabia. Similar to the Marketing segment, key risks arise from socio-political factors, working culture, and the availability of skilled local workers.
- ✓ Mitigating factors include interaction with local regulators and employee training and development.
- ! Risk in the automotive services area is mainly associated with customer satisfaction and efficient turnaround times. The Tasjeel vehicle registration service encounters risks in competition, the financial viability of business collaboration, and non-compliance with policies and procedures.
- ✓ Close monitoring of the business environment through system-based and manual controls ensures these risks are continuously managed

We believe that everybody has a role to play in the group's ERM by understanding the risks and opportunities facing our businesses, assessing exposure and taking action to effectively respond in order to preserve and maximise value.

Risk Management Governance Structure



ENOC's Code of Business Conduct

The ENOC Code of Business Conduct (COBC) represents the Group's ethics and commitment towards its stakeholders. All employees, at every level and across every area of our businesses uphold the highest ethical standards in their day-to-day activities.

The Code should be understood as an internal baseline for ethical conduct, whilst business policies and practices may also require more strict compliance than required by the Code, in those instances, entities must follow the stricter policy, practice or law.

Whilst the Code of Business Conduct provides clear guidance on day-to-day activities, it is supplemented by very specific governance policies, which include:



ENOC Anti-Fraud Policy and Fraud Framework 2015

The Anti-Fraud Policy is established in 2015 to facilitate the development of controls which will assist in the detection, prevention and investigation of fraud or suspected fraud involving ENOC and its wholly owned Subsidiaries.



ENOC Conflict of Interest Policy 2016

The Conflict of Interest Policy of ENOC was finalized in 2016, which requires ENOC employees refrain from any use of their positions, information, privileges or influence for personal gains or benefits or from extending illegitimate support to any familial, professional, business or financial connections.



ENOC Whistle-blowing Policy 2015

ENOC encourages its employees through its Whistle-blowing Policy of 2015 to use internal reporting mechanisms to raise genuine concerns promptly, rather than wait for proof. The Whistle-blowing Policy provides a transparent procedure for reporting and addressing concerns that are in ENOC's interest.

The rights of our employees and ENOC's rights as an employer are governed by the laws of the country of employment, the policies of the employing entity and the individual's written employment contract.

We seek to support one another in our business by keeping our employees informed and providing regular updates on policy changes and developments, as well as e-Learning opportunities. The production of a quarterly newsletter is an important and popular medium, which encourages active engagement across the Group. The 'Ethics Week' edition in October 2016, highlighted several important milestones:



ENOC Ethics Hotline Reporting Mechanism

Our Ethics Hotline has been designed to cultivate a positive work environment by enabling employees to report any unethical conduct or a violation of our codes in an easy and confidential manner.

The Hotline is a confidential, multi-lingual and independent platform available through phone and via an online reporting system. It is managed by an external service provider with professional and experienced consultants

who are able to obtain sufficient information effectively and take initiative in appropriately dealing with sensitive disclosures. The reporter can follow up on the case and interact confidentially with ENOC's Business Ethics & Compliance team through the online system.

We also maintain an independent e-mail address wherein employees can directly write-in and address any questions they have relating to ethics policies across the Group.

Our reporting mechanisms

EthicsPoint Website: www.enoc.ethicspoint.com

Email: ethicsenquiry@enoc.com

Hotline Number: 800 ENOC ETHIC (800 3662 38442)

Singapore 1800 3662 222

ENOC Ethics Code Elements

PEOPLE

- Fair Treatment
- Tolerance
- Alcohol and Drugs
- Workplace Violence Prevention
- Environment, Health and Safety (EHS)
- People in Practice

INTEGRITY

- Conflict of Interest
- Business Courtesies, Gifts and Entertainment
- Employment of Immediate Relatives
- Outside Activities
- Integrity in Practice

THIRD PARTY RELATIONS

- Suppliers
- Supplier Selection
- Customers
- Business Partners
- Third Party Relations in Practice

INFORMATION MANAGEMENT

- Records Management
- Proprietary and Confidential Information
- Use of IT and Security
- Public Statements
- Social Media
- Information Management in Practice

TRUST

- Company Property
- Personal Information and Data Privacy
- Intellectual Property Et Trademarks
- Trust in Practice

COMPLIANCE

- Whistle Blowing
- Anti-Fraud
- Anti-Corruption Compliance
- Antitrust and Competition Laws
- Audits & Investigation (External, Internal Er Government)
- Compliance in Practice



ETHICS POLICY

ENOC is committed to uphold the highest ethical standards of business conduct in everything we do and comply with all applicable laws and regulations. Our Ethics Policy helps define our commitment to support a culture of openness, trust and integrity in all we do.

ENOC Code of Business Conduct affirms our long standing commitment to carry out our business activities in accordance with the highest ethical practices thereby providing a solid foundation for future growth.

The Code and our ethical principles are the values that set the ground rules for *The Way We Lead...* As such we shall:

| | |
|---|---|
| GENERAL Ensure awareness and compliance with the Code and report any non-compliances in a timely manner | Encourage ethics education and participation in awareness and trainings programs |
| PEOPLE Maintain fair treatment and use merit, experience and work related criteria as the bases for all employment-related decisions as well as promote tolerance | Commit to operational excellence while protecting and preserving natural environment and promoting health, safety and security |
| INTEGRITY Establish a Conflict of Interest Disclosure Program for timely disclosure and management of conflicts | Understand and evaluate the ethical issues associated with gifts and entertainment |
| THIRD PARTY RELATIONS Conduct business with customers, suppliers, partners, investors and the community with the highest levels of integrity and dedication to excellence | Compete with ethical and professional standards and generate business based on superior services and products with competitive prices |
| INFORMATION MANAGEMENT Communicate in an accurate, honest and consistent way with our stakeholders via ENOC's official communication channels | Safeguard ENOC's propriety and confidential information and use it solely for legitimate business reasons |
| TRUST Protect company assets and use it responsibly for authorized business purposes | Ensure ENOC intellectual property and trademark are protected and utilised for ENOC competitive advantage |
| COMPLIANCE Offer independent and secure ENOC Ethics Hotline reporting mechanism via toll free and web based reporting mechanisms | Prohibit corruption, bribes, facilitation payments and fraud |

ENOC Code of Business Conduct builds on the Core Values of ENOC – Team Work, Integrity, Transparency, Respect and Customer Focus – that serve as pillars of our company's growth and success.

Saif Al Falasi
Group Chief Executive Officer
2016

Hotline Reporting Tools: Ethics Point Website: www.enoc.ethicspoint.com, Hotline Number: 800 3662 38442

04

Fuelling our Economy



\$13.8bn

Economic
Value Generated
in 2016

17%

compound annual
growth in fuel sales

87%

of ENOC's procurement
was from local
suppliers in 2016

\$615,000

invested in
CSR projects
and initiatives

Our business success is often measured in financial performance and our 2016 performance is underpinned by steady growing sales volumes, resulting in healthy profitability. Our volume growth is particularly impressive, with 2016 figures showing an increase of 87 percent from four years earlier. Like every business, we need to ensure that we are profitable, however this is not at any cost and we are ensuring that we are a sustainable company by focussing on green procurement and giving back to our communities through CSR programs.

Overview of ENOC's Economic Performance

Pushing volumes higher in domestic and international markets and recording strong profitability.

A key measure of the Group's sustainability is its ability to develop in an economically viable manner; operating effectively today to create a better tomorrow. ENOC's 2016 financial results were characterised by steadily growing sales volumes, robust capital structure, and healthy profitability.

\$1.1bn

Net economic
value generated
for shareholders
in 2016

**\$462
million**

Net economic value
retained by ENOC
in 2016

**\$654
million**

Invested across
ENOC businesses
in 2016

**247
million barrels**

Sales volume
achieved in
2016

Although the Group's revenue has declined due to the steep fall in oil prices, the economic value generated for shareholders reached a record high fuelled by growth in fuel sales volumes. This shows ENOC's resilient business structure even during the downturn in the oil & gas industry and challenging economic times. We expect the acquisition of Dragon Oil will contribute significantly to the Group's performance moving forward. The economic performance presented in this years' report includes Dragon Oil performance unlike the rest of the report while excludes Dragon Oil. Unlike financial indicators, we are in the process of collating the Dragon Oil's environmental and social indicators as per GRI G4 guidelines. As we continue to integrate our operations with Dragon Oil as one ENOC group, in subsequent years Dragon Oil performance will be included in other sections of the report.

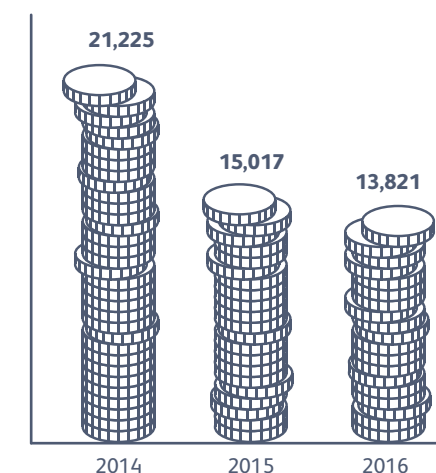
The UAE economy switched into a lower gear during 2016 as modest growth among key trading partners and low oil prices continued to dampen economic activity. However, increased oil sales volume helped to cushion the fall in prices.

Building on the strong base of achievements during the previous year, ENOC continued to consolidate its gains. Despite fuel sales volumes growth of approximately 11 percent in 2016, the Group's overall economic value generation (including Dragon Oil) declined from US\$15 billion in 2015 to US\$13.8 billion in 2016 because of approximately a 17% drop in oil prices from \$54 to \$45 per barrel of crude oil. However, ENOC's economic performance has remained resilient throughout the downturn in the oil and gas industry, with healthy profitability and continued strength of capacity utilisation in the downstream segment.

Fuel sales volumes showed compound annual growth of 17 percent between 2012 and 2016, although revenues over the period declined because of the steep fall in oil prices, from \$99/bbl in 2014 to \$45 in 2016 (Brent crude). Nevertheless the net economic value generated for shareholders reached \$1.1 billion in 2016 of which \$462 million was retained by ENOC.

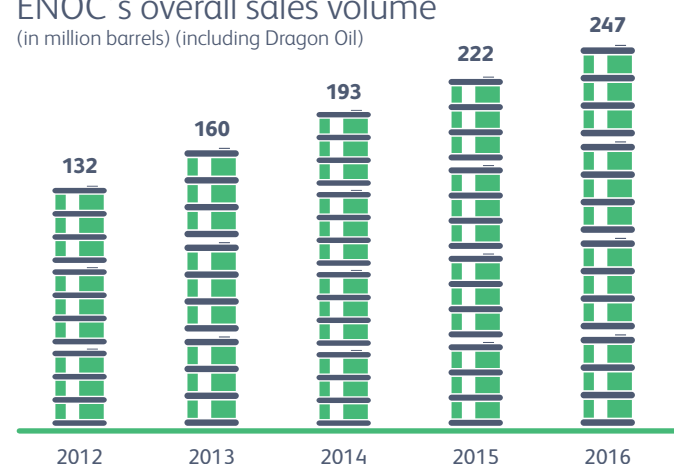
The Group's record of strong year-on-year growth in volumes over the past decade is indicative of its ability to remain competitive in the long-term.

Direct Economic Value
(In millions of \$USD, including Dragon Oil)

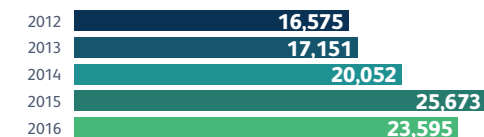


Refining, processing, and trading profitability remained subdued in 2016 due to lower refining and MTBE margins and plant shutdowns for maintenance. Losses on commodity oil derivatives were recognised because of the sharp fall in oil prices as of 31 December 2016. The corresponding gain on underlying physical inventories remained unaccounted in the consolidated financial statements, in accordance with International Financial Reporting Standards.

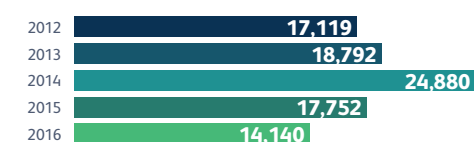
ENOC's overall sales volume
(in million barrels) (including Dragon Oil)



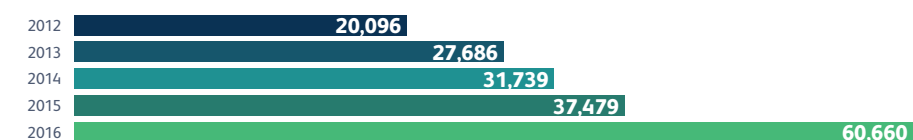
Trading volumes naphtha
(kilo billion barrels)



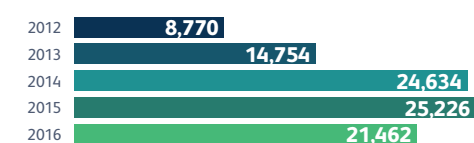
Trading volumes jet fuel
(kilo billion barrels)



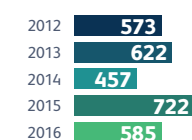
Trading volumes crude
(kilo billion barrels)



Trading volumes diesel
(kilo billion barrels)



MTBE production
(kilo metric tonnes)



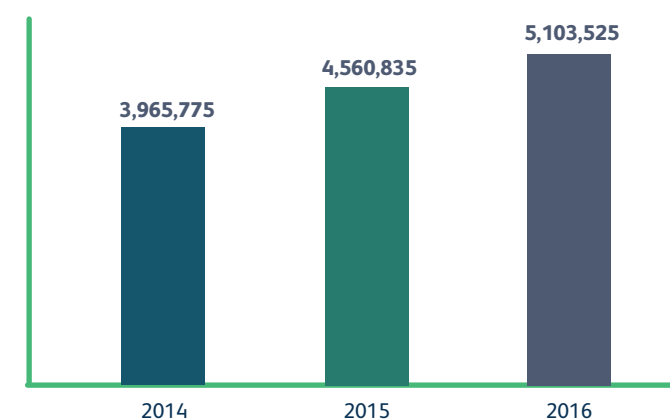
Refinery throughput
(kilo billion barrels)



ENOC's terminal assets continued their high, industry-leading capacity usage due to maximising spot-marketing and sub-lease opportunities. Profitability from this segment improved due to better rates for long-term contracts and premium customer service.

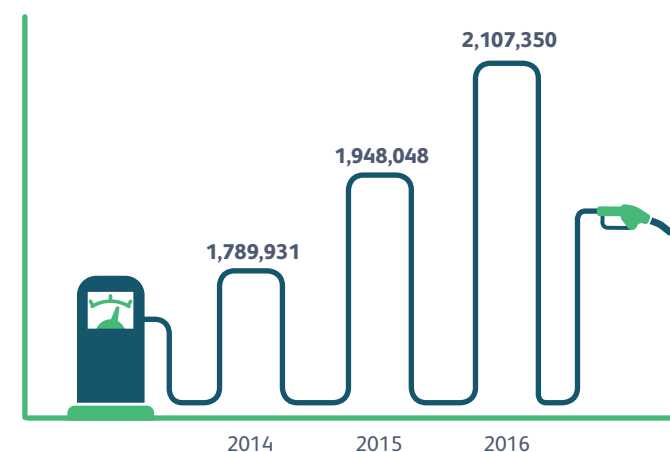
The Group's Marketing segment demonstrated strong volume growth in the international and domestic markets while retaining all major customers at home and abroad. Volumes pertaining to aviation refuelling, lubes marketing and gas distribution increased in most markets.

Marketing throughput
(in metric tonnes)



ENOC's retail network is fundamental to achieving growth in fuel and non-fuel businesses. In 2016, the Group continued to focus on its strategic expansion programmes for the UAE and Saudi markets.

Retail throughput
(in metric tonnes)



Overview of ENOC's Economic Performance

\$USD '000 (2014-2016)

| | 2014 | 2015 | 2016 |
|---|----------------|----------------|----------------|
| Direct Economic Value Generated | 21,224,870 | 15,016,721 | 13,820,633 |
| Economic Value Distributed to: | | | |
| Community investments (Excluding Dragon Oil) | 609 | 729 | 615 |
| Suppliers | 19,755,536 | 13,595,543 | 12,221,429 |
| Manpower (Payment to and provision for employees) | 292,593 | 357,307 | 333,474 |
| Lenders | 76,768 | 56,621 | 123,053 |
| Government | 34,898 | 58,830 | 67,413 |
| Shareholders | 204,460 | 161,922 | 612,170 |
| Economic Value Retained | 860,006 | 785,769 | 462,479 |

Note: The above figures include Dragon Oil except for Community investments

Cash flow, Financing, and Capital Expenditure

Liquidity management across major lines of business remained robust in 2016. Cash generation during the year enabled the Group to continue strategic investments, in addition to paying dividends to shareholders. ENOC commands strong debt servicing capacity, while optimisation between short-term and long-term debt has continued. ENOC's average cost of debt also remains very competitive.

As part of ENOC's commitment to delivering on its mandate to secure energy for the UAE and contribute to the nation's clean energy goals, the Group began the expansion of its Jebel Ali refinery. With completion expected in 2019, the expansion will add a new condensate processing line to the existing facility, increasing daily capacity

by 50 percent to 210,000 barrels. This project will ensure that the refinery's production – including gasoline, jet fuel, and diesel – not only complies with the stringent Euro5 standards in the local and international markets, but is also capable of meeting higher domestic demand, in addition to retaining the flexibility to tap international market opportunities.

In total, ENOC invested \$654 million across its portfolio of businesses in 2016, down from \$751 million in 2015. In addition to the 50 % expansion of the Jebel Ali refinery, the Group has invested heavily in its service station expansion programme and increased storage capacity for its products with 488,000m³ additional crude capacity as part of the Vopak Horizon facility investment.



Euro5 standards for vehicles further restrict emissions of carbon monoxide, hydrocarbons, oxides of nitrogen and particulate matter which are considered harmful to human health.

ENOC Growth Strategy

As a part of its growth strategy, the Group focused its investments in 2016 on its home base of Dubai. These included asset expansion programmes (refinery, service station network, and storage capacity), increasing the market share of diesel, jet fuel, LPG and other products; and ensuring high profitability. By 2020 in UAE alone ENOC plans to

add 54 new retail stations by 2020 taking the overall growth of retail stations owned by ENOC to 40 %. To meet the increasing demand of aviation fuel in Dubai for the new Dubai World Central (DWC) airport, ENOC is committed to build a 16 km pipeline exclusively to DWC supplying the aviation fuel.

40%

Increase in retail sites by 2020

16km

ENOC is committed for building pipeline to DWC Airport

210,000 bpd

Plans for refinery expansion from 140,000 bpd

2017-2021

- 1) Focus Efforts and Investments in Dubai
- 2) Integrated International Expansion
- 3) Value Chain Integration

Beyond 2021

- 1) Continue to reinforce position in Dubai
- 2) Expand internationally
- 3) Expand upstream portfolio

To be an innovative energy partner, delivering **sustainable value** and industry leading performance

ENOC's Value Chain

2016 saw ongoing work with governments and suppliers to reduce costs and increase efficiencies along the value chain – and to do so in a way that benefited all others across the supply chain. As part of its Growth Strategy, ENOC also worked towards value chain integration. In the forthcoming years, priority will be given to generating value by creating synergies between upstream and downstream businesses. Subsequently it will be possible to explore additional growth opportunities in upstream to further balance the value chain and capture opportunities in the current low-price market environment.

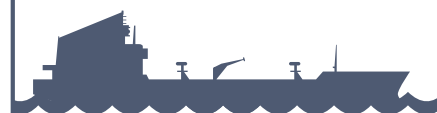
Upstream

Exploration & Production

ENOC subsidiary Dragon Oil has a producing asset in offshore Turkmenistan and exploration assets in Iraq, Algeria, Tunisia, Egypt, and Afghanistan.



DRAGON OIL CAMP



Midstream

Procurement

Procurement of raw materials such as refinery feedstock is an essential component of the procurement process, along with supply chain management.



RAW MATERIAL SUPPLIER



UTILITIES SUPPLIER



FINISHED PRODUCT SUPPLIER

Processing

Daily processing capacity will grow by 50 percent to 210,000 barrels when refinery expansion is completed in 2019, helping to meet growing domestic and international demand for refined products.



FEEDSTOCK

POWER PLANT

REFINERY

REFINED PRODUCTS
(Naphtha, Diesel, Jet, Reformate, Propane, Butane, LPG, Sulphur, Fuel Oil)



FEEDSTOCK

POWER PLANT

MTBE PLANT

FINISHED PRODUCTS
(MTBE, Condensate)



FEEDSTOCK

LUBES BLENDING PLANT



FINISHED PRODUCTS
(Lubricants)

Downstream

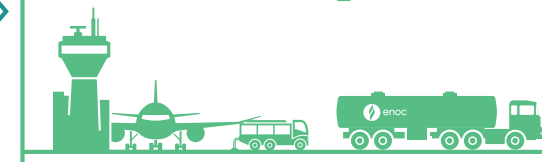
Sales

Customers in 60 markets from industrial conglomerates to household consumers benefit from ENOC's unwavering focus on service quality.



TRADERS REFINERIES OIL & PETROCHEMICAL COMPANIES

INDUSTRIAL CONSUMERS TRANSPORT COMPANIES



AIRLINES REFUELLERS

INDUSTRIAL CONSUMERS RE-DISTRIBUTORS



HOUSEHOLD CONSUMERS INDUSTRIAL CONSUMERS

INDIVIDUAL CONSUMERS

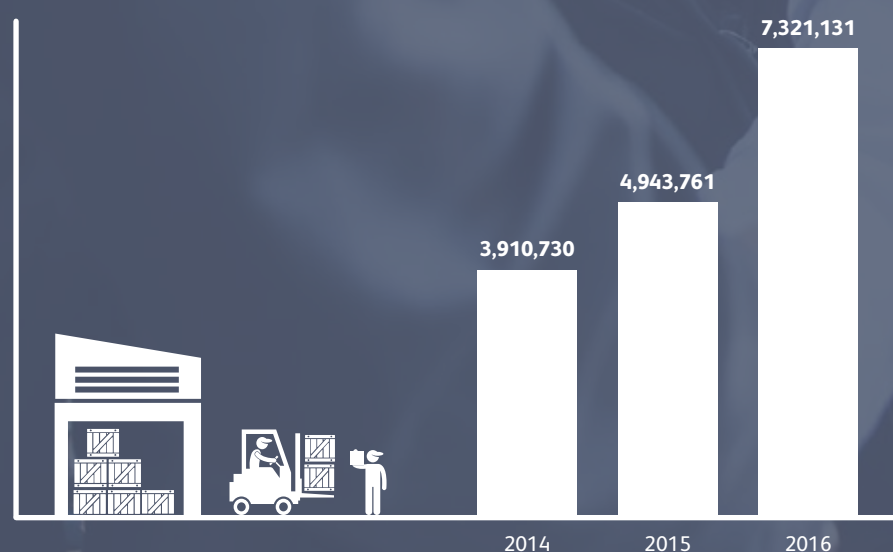
Promoting Local Suppliers

87%
of ENOC's total suppliers in 2016 were local

As a Dubai based company, ENOC has a proud history of supporting local suppliers and manufacturers, including small and medium sized enterprises. The Group continued to support Dubai-based businesses throughout 2016. Significant effort was placed on promoting local suppliers and service providers to support the jurisdictions in which we operate, especially Dubai.

In 2016, the Group recognised its responsibility for supporting local suppliers and contractors, and subsequently favoured local materials and service providers through its procurement selection process. ENOC remains committed to continually increasing the percentage of local suppliers by engaging with its stakeholders and building long-term relationships.

ENOC annual procurement spend on Dubai SME vendors
(in USD)



G4-12, G4-DMA Procurement Practices, G4-EC9

Greening Our Procurement



At ENOC, sustainable procurement is not simply about being 'green', it is also about:

- Purchasing that is socially and ethically responsible;
- Minimising environmental impact through the supply chain and in its life cycle;
- Delivering economically sound solutions; and
- Maintaining good business practice.

Sustainable procurement helps the Group save costs and resources by reducing or eliminating waste. It also ensures that the Group is continually assessing and reassessing the need to buy, thereby reducing quantities, saving energy and water, promoting reuse and recycling, minimising packaging and optimising transport. These minimise risks across the supply chain, help to reduce greenhouse gas emissions, minimise illegal and unsustainable use of natural resources and help to reduce pollution.

The 'Supplier Code of Conduct' developed by ENOC Business Ethics & Compliance is an integral part of Supplier Relationship Management. This is aimed at providing clear insights and a deeper understanding of the values, responsibilities, obligations and ethical standards at ENOC, for its vendors. It highlights the Group's approach towards fair treatment, the environment, health and safety standards, workplace conduct, conflicts of interest, and more, to ensure that the Group nurtures effective and rewarding collaborations.

ENOC Supplier Code of Conduct



PEOPLE

Fair Treatment
Tolerance
Wages and Working Hours
Environment, Health and Safety (EHS)



INTEGRITY

Conflict of Interest
Business Courtesies, Gifts and Entertainment



THIRD PARTY RELATIONS

Suppliers
Vendor Selection
Asset & Information Management
Property and Proprietary Information



COMPLIANCE

Anti-Corruption Compliance
Risk Management & Audits
Whistleblowing
Antitrust and Competition

'ENOC recognises key suppliers for adding value: 15 strategic suppliers win awards for exceptional performance'

ENOC honoured 15 strategic suppliers, selected from 158 shortlisted vendors, for their exceptional performance and added-value to ENOC's business through innovation. The key suppliers receiving recognition include MEOS Est, Kosan International SRL, Emirates Transport and Abu Dhabi National Insurance Co. The suppliers were awarded based on their performance and contribution to strengthening ENOC's operational business at the 'Strategic Suppliers Recognition Award' ceremony.

The recognition ceremony was a part of the strategic 'supplier relationship management' programme which aims to nurture ENOC's partnerships and continuously strengthen the quality of services received.

Green Procurement Committee

ENOC's Green Procurement Committee was established in 2016, in collaboration with the Dubai Supreme Council of Energy (DSCE). Its objectives are to deliver on joint, ambitious energy efficiency targets. DSCE promotes procurement practices in government entities that embed energy and water-use efficiency and other environmental considerations.

ENOC is also a member of the Green Public Procurement for Energy and Water Efficiency (GPPEWE), established by DSCE. The Group's role is therefore to stimulate the development and implementation of minimum threshold standards that will allow for energy and water savings in tenders wherever applicable.

ENOC takes its commitment to green procurement principles seriously and in 2016 ENOC set up a team for Green Procurement Practices, to support Green Public Procurement (GPP). ENOC was a pioneer in creating the "Green Procurement Officer" position within ENOC to advise ENOC business units and departments on green purchase and act as a gate keeper for such purchases.

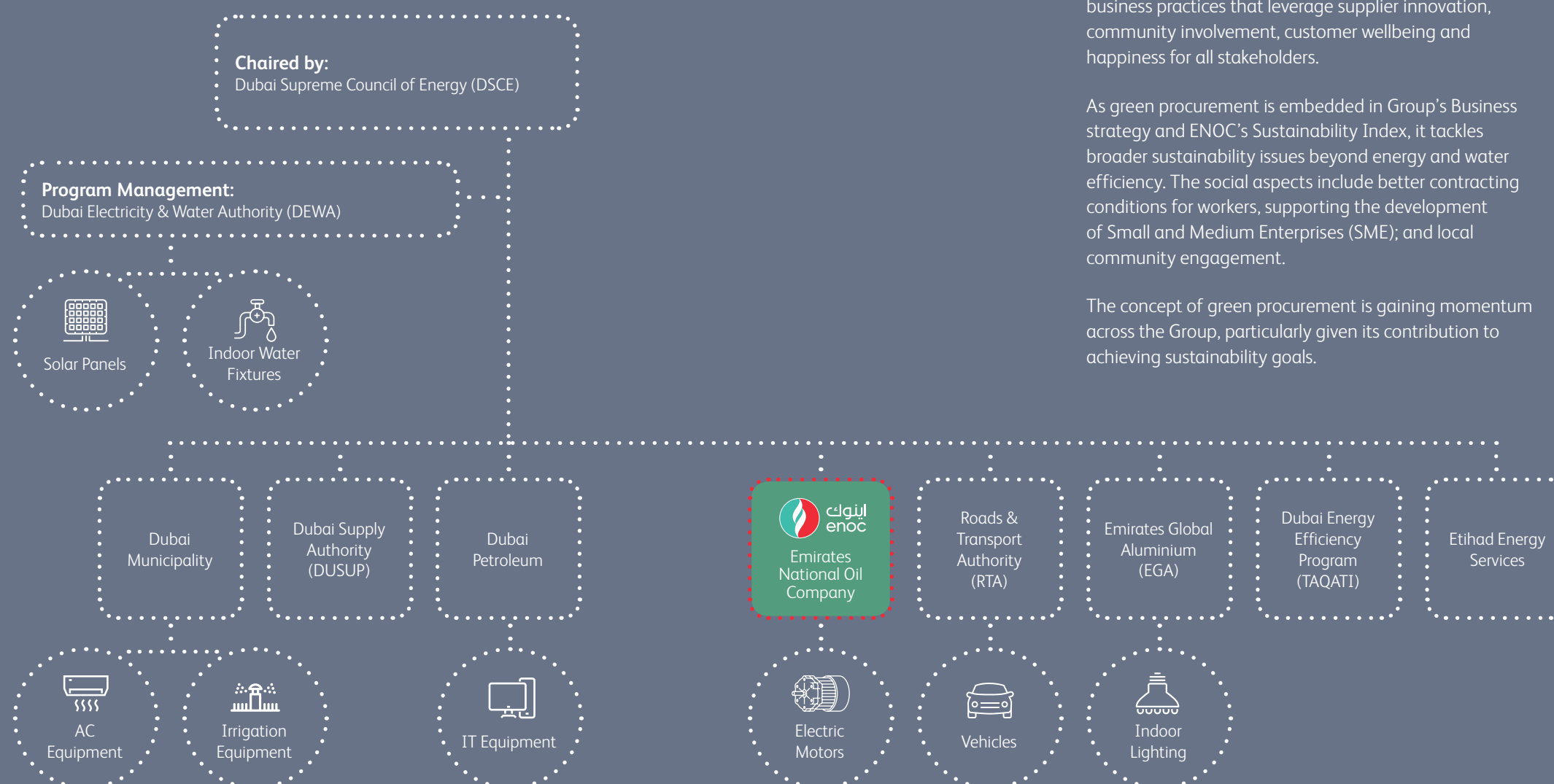
This pioneering step was appreciated and supported by the Dubai Government. ENOC plays an integral role in Dubai's Green Procurement Committee (GPC) that coordinates common efforts of promoting Green Public Procurement for Energy & Water Efficiency (GPPEWE) in Dubai. The GPC was chaired by Dubai Supreme Council of Energy (DSCE) and it was an important supporting tool for realising the savings from Dubai's Demand Side Management (DSM) Strategy. Each of the members have a mandate to develop the specific criteria for certain products and ENOC has drafted the criteria for energy efficient electric motors.

The green procurement effort within ENOC is led by Procurement & Contracts with support from different

business units and key corporate departments to ensure that the guidelines are followed across the entire organisation to maximize effect. Our sustainable sourcing includes the deployment of green procurement practices that follow the highest international standards, to generate cost savings, avoid supply risks and reduce the Group's social and environmental impact. ENOC is proud to state that in 2016 of all the procurement in selected energy consuming equipment, 25 % of procurement were green. In 2017, ENOC aims to increase the proportion of green procurement to 30 %.

ENOC is proactive in its support of GPP, incorporating green procurement guidelines and practices within the revised Group Procurement Procedures (2016), in addition to ensuring that procurement processes encompass green criteria and life-cycle costs within technical specifications and bid evaluation. ENOC's Group Procurement works as a 'central gate keeper' for purchase requisitions, reviewing green procurement criteria compliance whenever appropriate.

ENOC's role in Dubai's Green Procurement Committee



The Group aims to be a role model for green procurement through both committee involvement and business practices that leverage supplier innovation, community involvement, customer wellbeing and happiness for all stakeholders.

As green procurement is embedded in Group's Business strategy and ENOC's Sustainability Index, it tackles broader sustainability issues beyond energy and water efficiency. The social aspects include better contracting conditions for workers, supporting the development of Small and Medium Enterprises (SME); and local community engagement.

The concept of green procurement is gaining momentum across the Group, particularly given its contribution to achieving sustainability goals.

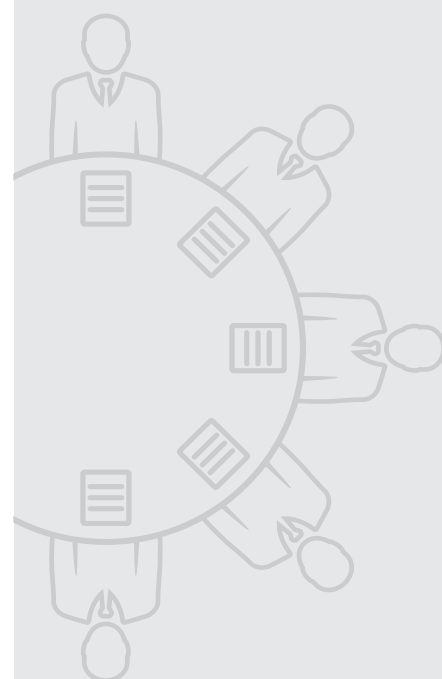
Being Alert to Corruption

At ENOC, employees and suppliers are expected to abide by the highest standards of business ethics; explicitly banned from engaging in any form of non-ethical behaviour such as bribery. All possible practices, including providing facilitation payments or offering, promising, or authorising anything of value directly or indirectly to obtain or retain business, are strictly outlawed. ENOC employees and suppliers are expected to abide by anti-corruption laws and regulations at all times.

In 2016, there were no incidents of employee dismissals due to corruption within the Group. One business partner contract was not renewed due to violations related to corruption. This incident further reinforces the Group's commitment towards enforcing its Supplier Code of Conduct and zero tolerance towards corruption.



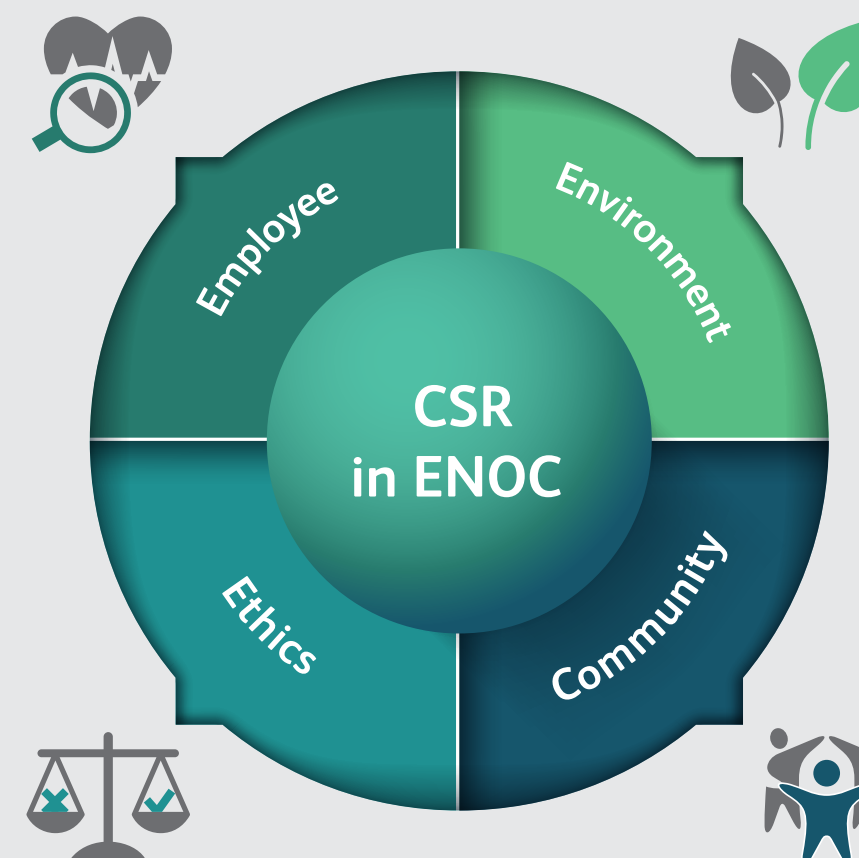
Investing in Our Communities



ENOC regularly supports social activities that bring the community together and encourages people to be environmentally responsible. Corporate Social Responsibility (CSR) plays an increasingly important role within the Group. In line with our vision to be an innovative energy partner, delivering sustainable value, CSR comes as a core value across the entire organisation. All business units are committed to building long-standing collaborations and CSR partnerships that focus on the following primary components: employees, community, environmental and ethics.

ENOC continuously strives to build and maintain promising partnerships with government authorities, businesses, NGOs and communities. These relationships make an important contribution to the Group's journey towards achieving its mission and vision: 'To deliver world-class sustainable and integrated energy solutions. We do so by striving for excellence in operations, innovation and happiness for our employees, customers and partners'.

The main focus areas within ENOC's CSR programs are to improve the impact on:



To enable the Group to follow through with its strategic CSR objectives, in 2016 ENOC's CSR and sponsorships policies were reviewed and redrafted. This paved the way towards the formation of new CSR Guiding Principles and a Steering Committee. The Guiding Principles enabled ENOC to communicate its organisational CSR approach and enhance the momentum and progress of its CSR initiatives.

Whilst the Group's CSR Guiding Principles act as a core operating standard for CSR, the new CSR Steering Committee consults and steers CSR processes across the organisation. The Committee is made up of several key ENOC employees, chaired by the Executive Director of EHSSQ & Corporate Affairs and Executive Director of Shared Services, who provide insights into their segment activities.

The Committee has played an integral role in the formation of CSR programmes, in addition to ensuring adherence to CSR policies and guidelines. It also assesses CSR activities' alignment with ENOC's mission, vision and core values; and works towards supporting initiatives that represent positive brand equity for ENOC.

By using its CSR Guiding Principles, the Group has been able to identify partnerships that have the potential to create sustained, effective CSR initiatives that will bring value to the Group and to the communities it works in.

It is recognised that the Group's core business of hydrocarbons utilises natural resources. As such, ENOC see it as our moral responsibility to give something back to our communities. Whilst it fuels the economy through innovative products and services and provides jobs for the local community, the Group is committed to doing more. Supporting those in need is a key commitment, which can be achieved by making a positive difference in the communities we operate in.

*This is supported by
 a six-step process:*

- 1 – Build association: strategic partners, join networks (NGOs), awards
- 2 – Leverage: policies, matrix, guiding principles
- 3 – Invest: media channels, sponsorships, partnerships
- 4 – Communicate: awareness, campaigns, joint activities
- 5 – Evaluate and recommend: KPIs, Steering Committee, and strategy
- 6 – Report: white papers, editorials, interviews, panels/round tables, events on the impact of ENOC's CSR activities

Using the above approach, ENOC's CSR programs touched upon key issues like youth education, food programme for communities, wellness of employees and partnerships with NGOs.

*We achieved several milestones in these programs and have invested about **\$615,000** on CSR initiatives in 2016.*



| | | |
|---|--|--|
| Education: More than 1.1 million community members were educated on the UAE's night life creatures in Dubai Aquarium & Underwater zoo | Strategic Educational Partner with EEG Number of school teams participating in Inter School Environmental Public Speaking Competition increased from 16 teams to 77 teams from 2001-2016 | Educational Agreement with BuiD 17 students and selected professionals visited Scandinavian countries to learn on international Green Practices (district heating, waste recycling, offshore wind farms etc.) |
| World Food Programme Food distribution to 57,000 people in 2016 | Multiple University Visits (Cass Business School, Duke University, Zayed University and Sam Huston University) | Several Community Initiatives Such as blood donation, Ramadan welfare activities distributing 7,000 meals in trucks, 500 meals a day in tents, 500,000 Iftar Boxes and dates & water distribution in retail stations |

ENOC's Partners

ENOC works with several partners in the region ranging from NGOs to educational institutes to connect and give back to the community.



EMGAS, a wholly owned subsidiary of Emirates National Oil Company (ENOC), was awarded the Dubai Chamber CSR Label Award in recognition of the company's Corporate Social Responsibility policies and practices in 2016. It is the 6th consecutive year that the award had been received. The award recognises organisations that have made a positive impact on the community and demonstrated a commitment to CSR best practices.



EMGAS awarded the Dubai Chamber CSR Label Award in 2016



Dubai Aquarium and Underwater Zoo

ENOC partnered with EMAAR on the UAE's Night Creatures exhibit at Dubai Aquarium & Underwater Zoo in The Dubai Mall as part of its commitment to promoting educational initiatives and raising awareness of social and environmental causes. This opportunity to work with Dubai Aquarium & Underwater Zoo offers a platform to promote the UAE's National identity and play a role in educating the UAE's future generations about the country's rich and diverse wildlife.



05

Sustaining our Environment

1554

tons of waste reduction from 2015 to 2016

A cumulative savings of
AED 28 million
till 2016

Since 2014, our specific emissions intensity (kgCO₂e/ton) reduced by
15%

Managing our impact on the environment is very important to us and this chapter of our report highlights the key areas that we are focussed on to reduce that impact. Through our policies and performance goal setting, we have been able to manage our energy consumption, the emissions that we generate, the water that we use and the waste that we produce. By focussing on these topics and by setting challenging KPIs across these topics we fully expect to reduce our impact on the environment in the future. Our performance in these areas is shared in this chapter and we recognise the importance of the need to sustain our environment for today and tomorrow.

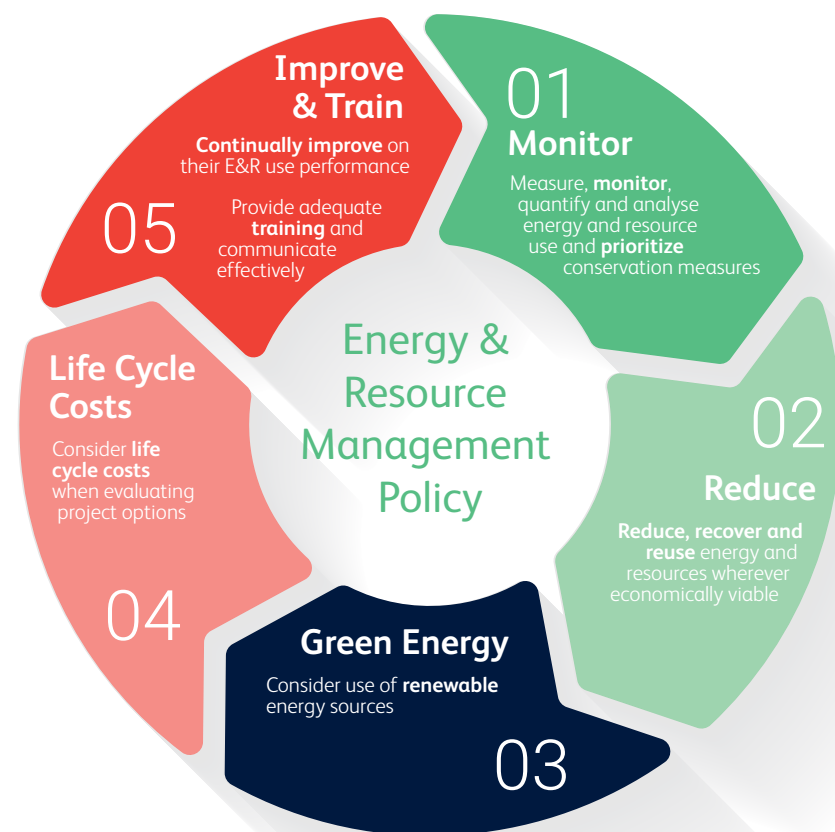
Managing our impact upon the environment is something we are very conscious of at ENOC and it has been at the forefront of our business approach for a number of years. We recognize that we must look after the earth so that earth can look after us and the generations to come. Our operations might have the potential for ENOC to affect the land, water and air, so we have put in a number of measures to try and eliminate or minimize that potential. Ultimately, we seek to reduce our air emissions and generation of greenhouse gasses by reducing the amount of energy and water we use in our processes and the amount that is wasted. Furthermore, we want to reduce the amount of solid waste that we generate and manage the waste generated responsibly.

Adhering to Policies and Commitments

Our approach to managing the environment is embedded in our Vision and Mission which translates into our Policies and Commitments that we have developed and adhere to. We have well established committees and task forces to address specific concerns around minimizing our impacts and we have set objectives and targets to help improve our performance with respect to our environmental impacts. We have specific policies to address our energy and EHSSQ performance, those are:

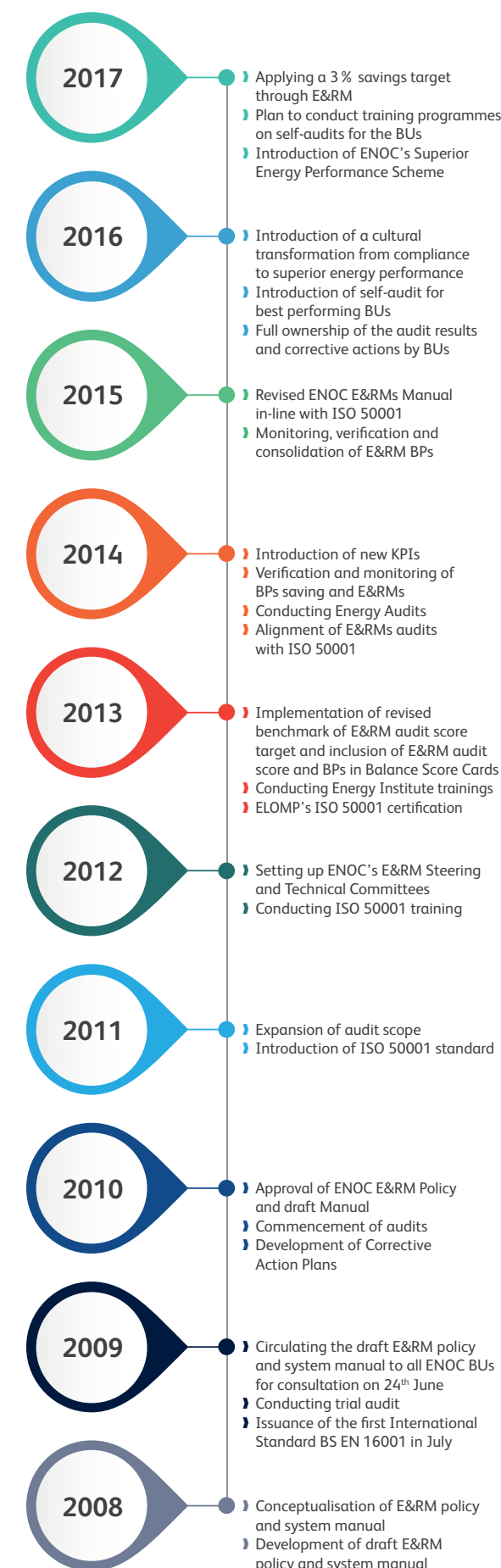
1. The ENOC Energy & Resource Management (E&RM) policy focuses on reducing the energy and resource footprint of operations.
2. The Group's Environment, Health, Safety, Security and Quality (EHSSQ) Policy which includes the Company's commitment to business and operational excellence and being 'best-in-class' for stakeholder satisfaction, prosperity and sustainable growth.

ENOC embraced our approach to Energy and Resource Management (E&RM) as early as 2008 with the framing of the Energy and Resource Policy, addressing:



At the time, there were no internationally accepted standards for energy and resource management. The first such standard, BS EN 16001, was issued in July 2009 and the ISO 50001 standard was launched in June 2011. ENOC has been pro-actively setting the right framework for managing energy and resource management within its operations by aligning with these standards.

Our E&RM Journey



ENOC is committed to using cost-effective methods to proficiently manage energy and water consumption through operational alignment with internationally recognised policies and strategies. We were aware that making a policy and putting it up on walls does not result in any improvements as such. Hence, the Energy and Resource Management System (E&RMs) Manual was concurrently developed, issued for consultation and formally released as early as 2010.

The manual consisted of both management system elements, its expectations and also audit criteria and protocol. Audits against the draft manual commenced from 2009 itself. All these activities took place at a time when there were no international standards on energy management. However, in June 2011 the international standard ISO 50001 was issued and in subsequent years E&RM manual was aligned with ISO 50001. E&RM is also a performance commitment in ENOC reflected as a KPI in the score card. ENOC has set a target of reducing energy consumption by 3 % by end of 2017 from 2013 as baseline.

Commitment to E&RM was one of the key foundation for ENOC's sustainability journey. The commitments in the Group's E&RM is achieved through the formation of several technical Committees and task forces. In total, the Group Sustainability Office is driving nine committees, including the E&RM Steering and Technical committees to manage the E&RM issues.

The committees are led by ENOC Sustainability Leadership Committee headed by Group CEO. The committee is tasked with governing and approving sustainability policies and frameworks. It provides oversight, advice and assistance to the ENOC Board.

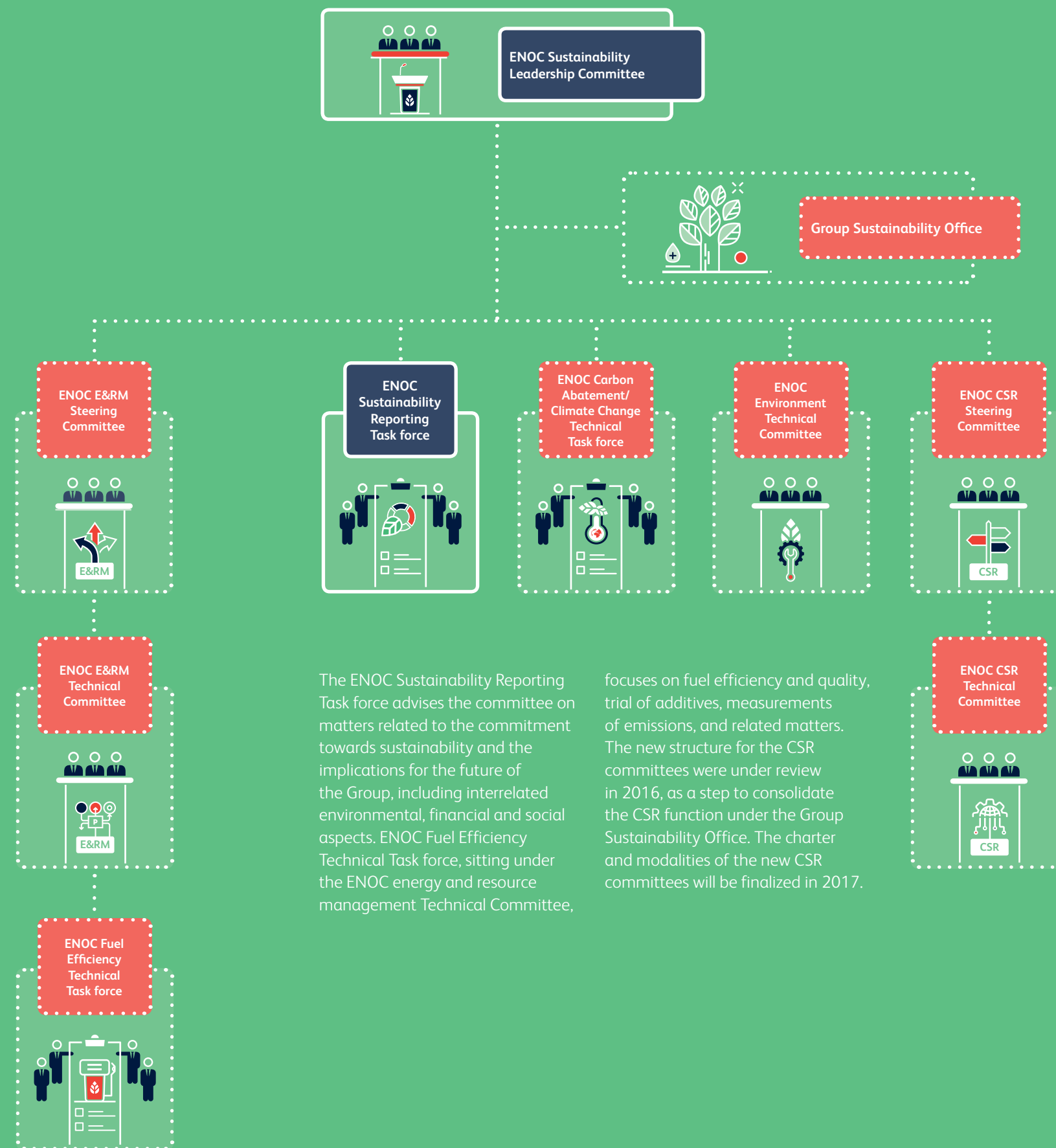
Each committee below the Sustainability Leadership Committee has a defined role in addressing the important sustainability issues and providing support to the group to achieve sustainability goals.

ENOC Carbon Abatement/Climate Change Technical Task force which is chaired by Executive Director of EHSSQ & Corporate Affairs is the second top level committee. The task force plays an important role in advising both ENOC management and the Sustainability Leadership Committee on emission targets and progress. It also ensures ENOC's strategies aligned with UAE government strategies including the Carbon Abatement Strategy which is set to reduce carbon emissions by 16% from Business As Usual (BAU) by 2021.

Energy and Resource Management Steering and Technical Committees manage the ENOC's energy and resource management strategy, establishing key performance indicators and enhancing energy and resource management competency at every level. This committee is responsible for developing a long-term plan to ensure energy management practices and projects are aligned with the requirements and strategies of the Dubai Supreme Council of Energy (DSCE), such as the Dubai Demand Side Management Strategy (DSM), and Group Sustainability guidelines.

The issues related to the environment are managed by the ENOC Environment Technical Committee focussing on waste management, soil and water contamination and the control of air emissions. This committee also assists ENOC's business units in tackling critical environmental issues and ensuring that practices, guidelines and manuals with respect to environmental matters are established and in compliance with government requirements and international standards.

ENOC's Sustainability Committees



Setting Objectives and Targets

Disclosure of ENOC's EHSSQ key performance indicators (KPIs) in the Group's Annual Reviews and this first Sustainability Report illustrate ENOC's commitment to openness and transparency in reporting sustainability performance. In the forthcoming years we will align our environmental targets with the material topics identified in Section 2 of this report (Reporting Approach) and included in the Sustainability Index within the Annual Performance Scorecards for each of the Business units. The material topics will be reviewed on an annual basis to ensure that they are still relevant to ENOC and the business climate that we will be operating in. This allows us to capture and address sustainability issues that evolve over time and by continually reviewing these targets, we can set relevant goals and targets, such as we have this year with high profile topics such as GHG emission reduction, deregulation of national oil prices and alignment with recent policy changes.

For this report and through the materiality discussions conducted as part of our drive on sustainability, we have identified a need to closely manage the following four key environmental topic areas so that we can understand and then push for better performance:



Reducing our Energy & Emissions

This section of our report, details the performance trends in these areas over the last three years as we identify targeted priorities.

Our diversified nature of business involves the consumption of energy resources and the generation of pollution up to acceptable levels. However, as a responsible corporate organisation we always strive to control & manage this so as not to generate excessive emissions and over utilize the energy resources.

Understanding our energy demand and emissions generation is the first step in taking actions to improve. Through our Group Sustainability Reporting Task force we have identified Sustainability Champions from different Business Units (BUs) under the ENOC Group who are best placed to understand the data and make informed improvements. For a number of years we have collected data on our energy consumption across the business and this can be summarised as follows:

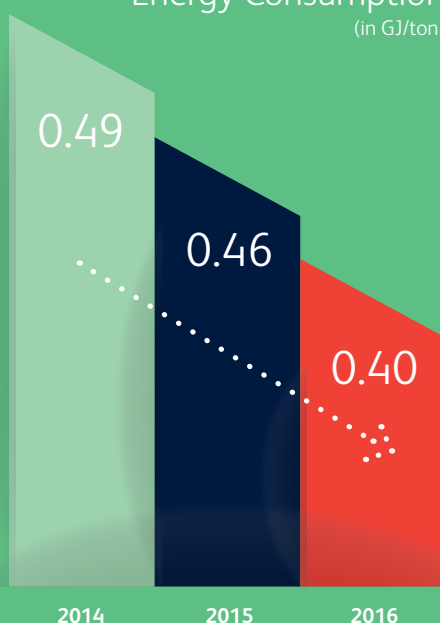
| | 2014 | 2015 | 2016 |
|--|-------------------|-------------------|-------------------|
| Total Energy Consumption (GJ) | | | |
| Total Direct Energy Consumption | 19,820,377 | 21,296,717 | 19,128,335 |
| Total Indirect Energy Consumption | 523,441 | 500,704 | 547,083 |
| Total Energy Consumption | 20,343,819 | 21,772,768 | 19,675,418 |
| Energy Intensity (GJ/ Metric Tons of production) | 0.49 | 0.46 | 0.40 |

| | | | |
|--|----------------|----------------|----------------|
| Direct Energy Consumption (GJ) | | | |
| Retail | 83,234 | 91,710 | 89,644 |
| Marketing | 51,907 | 53,793 | 63,178 |
| Terminals | 56,699 | 75,317 | 77,686 |
| Supply Trading & Processing (STP) - (EPCL & DUGAS) | 19,628,537 | 21,051,245 | 18,869,851 |
| Corporate Real Estate | Not Applicable | Not Applicable | Not Applicable |
| Cylingas | Not Available | 29,138 | 27,977 |

| | | | |
|--|---------|---------|---------|
| Indirect Energy Consumption (GJ) | | | |
| Retail | 241,164 | 255,781 | 267,733 |
| Marketing | 54,756 | 55,075 | 55,764 |
| Terminals | 84,512 | 96,550 | 107,993 |
| Supply Trading & Processing (STP) - (EPCL & DUGAS) | 89,382 | 38,664 | 60,682 |
| Corporate Real Estate | 49,691 | 50,149 | 50,472 |
| Cylingas | 3,936 | 4,485 | 4,440 |

Our energy intensity has decreased over the last three years with an almost 19 % reduction in the Giga Joules energy consumed per tonne of production.

ENOC Group Specific Energy Consumption (in GJ/ton)



Our biggest consumer of energy is the STP segment that includes the EPCL Refinery and DUGAS. This is expected due to the nature of this energy intensive processing to refine the products that are utilised by the other segments of our business. We have taken several Energy & Resource management measures which has resulted in the reduction in the overall specific energy consumption.

Our Initiatives in Sustainability

Waste Heat Recovery in our Refinery operations

The EPCL Naphtha Hydrotreater de-bottlenecking project was conceived to increase the capacity of the unit. In order to implement this project within a brief shutdown time, it was necessary to find alternatives to supply the additional energy needed by enhancing the internal heat integration without modifying any of the three furnaces of the unit.

After considering environmental and commercial factors, it was decided, among other modifications, to recover waste heat from the flue gas outlet of existing furnaces by installing a dedicated waste heat recovery system within the EPCL Naphtha Hydrotreater unit.

In this case, the energy demand saving in terms of natural gas consumption was 0.52 MMscfd (equivalent to 2.7 M AED/y) and from an environmental perspective, existing flue gas temperatures were reduced from 250°C to 150°C.



Our Initiatives in Sustainability

Greening our Buildings

In a project that commenced early 2015 and ran through to mid- 2017, ENOC aimed to convert two of its older buildings; Houses I and II into green buildings. With structures that are more than a decade old, they were fitted out with old chiller systems and electrical machinery, which had lacked metering for significant energy users, and had a high water usage, among other issues common to older buildings. ENOC saw retrofitting as both a challenge and an opportunity.

ENOC developed and implemented a structured approach and implemented several measures such as optimising the scheduling of HVAC systems, sensor-based lighting controls, a variable speed pumping system, occupancy-based temperature controls, LED lighting, and water-efficient fixtures such as waterless urinals. Both ENOC House I and II achieved ENERGY STAR scores of 85 in recognition of the significant electricity and water savings, which generated approximately 12 % and 7 % reductions respectively over 2013.

Post-implementation, the performance of the buildings was evaluated with respect to the LEED Existing Buildings: Operations and Maintenance (EBOM) standard and an application was submitted to Green Business Certification Inc. (GBCI), the certification body under the United States Green Building Council (USGBC). ENOC House I and II were then awarded as the LEED Gold rated building in April 2017, validating ENOC's approach.

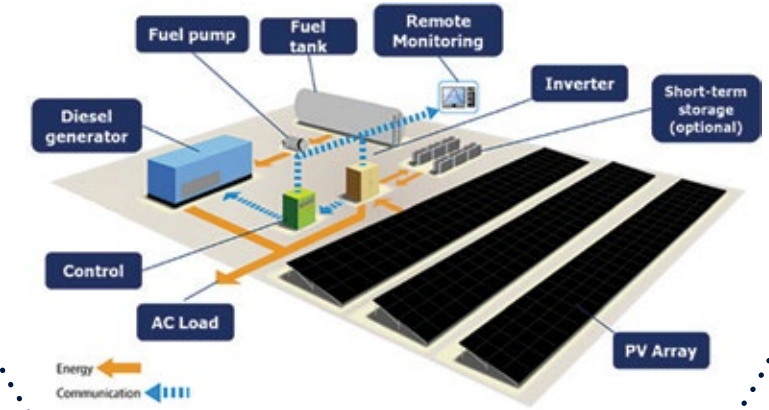
Our Initiatives in Sustainability

Integrating Renewable Energy

Cylingas, which is the Engineering, Procurement and Construction (EPC) arm of ENOC generally operates in remote sites for project execution. Due to the lack of access to the electrical grid, sites depend on diesel as fuel for construction and office supply for power generation. Cylingas implemented a novel idea in 2016, to utilize a

solar-hybrid supply system for remote sites which will reduce fuel costs and carbon emissions and initiate an industry-wide culture of adopting energy conservation in construction sites using clean energy resources such as solar power systems. In 2016, Cylingas implemented a smart power system producing electricity which consisted of solar panels erected on a

50 m² space equivalent to 25kW with hybrid manager controls and remote monitoring. We are in the process of introducing alternative renewable energy sources and also continuing to embark upon energy saving programmes.



Total savings achieved
AED 28 million
with payback
of 2 years

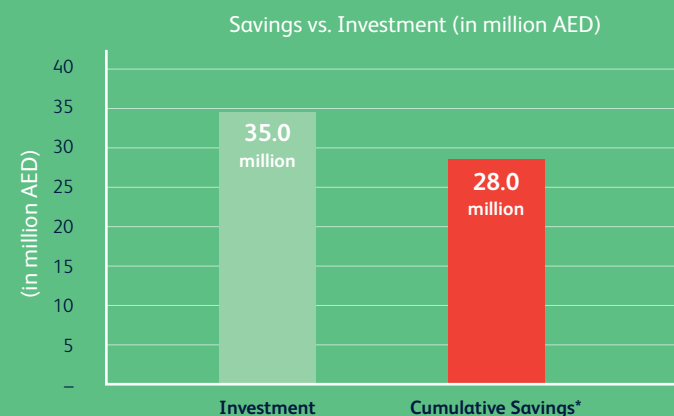
Our Achievement in E&RM

Over the past nine years, ENOC has made extensive efforts in the field of energy conservation and efficiency. This began with the formulation of the Energy and Resource Management (E&RM) Policy in 2008, developing the E&RM framework, implementing quick wins and adopting specific projects leading to substantial savings through resource conservation. All our E&RM efforts resulted in cumulative savings of a staggering AED 28 million on energy and water bills between 2014 and 2016.

These efforts were mostly within our internal operations. ENOC aspires to project these successes within the public domain to spread awareness among the Group's external and internal stakeholders; and demonstrate ENOC's stance as a socially responsible corporate citizen.

E&RM Performance in Numbers

(in AED)



Since 2014 (cumulative for 3 years)

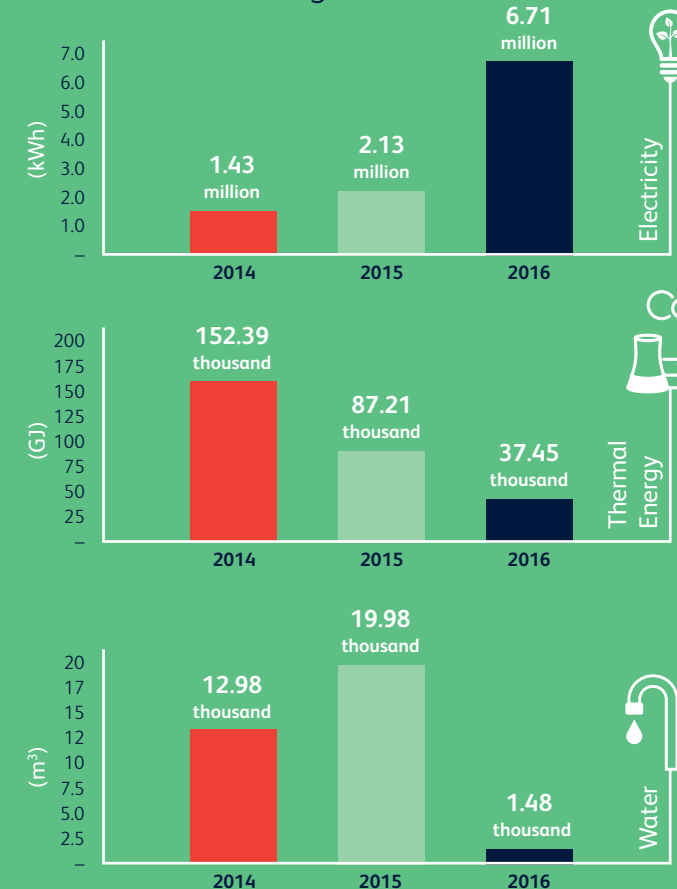
Total savings achieved

~ **AED 28 million with payback of 2 years**

Total carbon emission abated

~ **103,000 tonnes of Carbon Emissions (tCO₂e)**

ENOC E&RM Savings



Equivalent to
2.4 million trees
grown for 10 years**



Equivalent to
40 million litre
of gasoline savings**



Equivalent to
360 million km
driven by average
passenger car**

* Calculated based on savings achieved since 2014.

** Calculated based on EPA conversions (<https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>).

Our Emissions Footprint

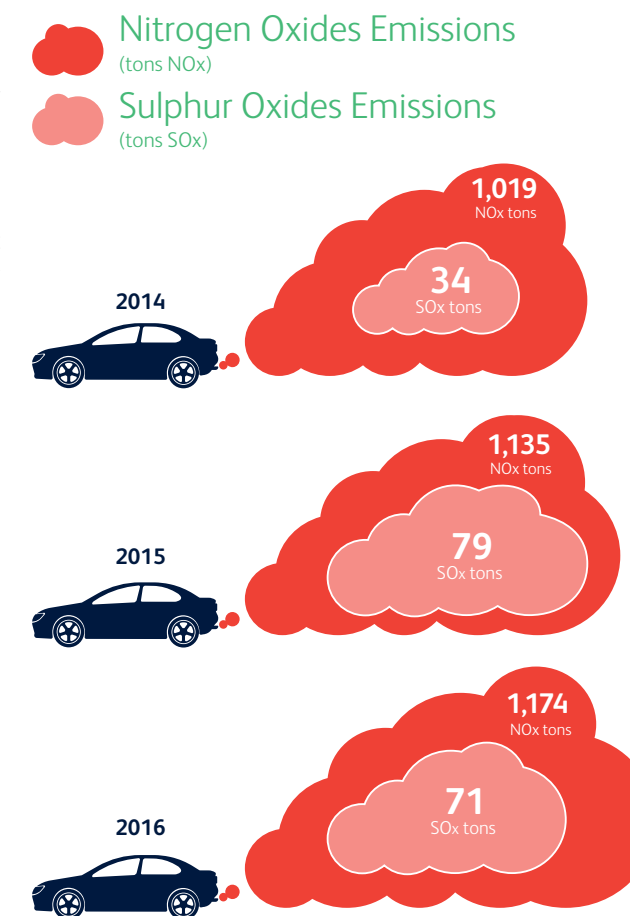
Understanding our emissions footprint is important to us as we take actions to reduce emissions thereby minimizing our impact on the environment. One of the most critical concerns of ENOC's is our impact upon climate change and our contribution of greenhouse gasses (GHGs) on the environment. Since 2014, our efforts in E&RM projects have helped us to reduce our specific emissions intensity (kgCO₂e/ton) by 15%. The Company has a Carbon Abatement/Climate Change Technical Committee which serves to ensure that we are in line with national and international requirements and standards and that we analyse our GHG emissions to seek ways to reduce this impact. In 2016, ENOC's GHG emission is only 906,255 tCO₂e which is only 2% of Dubai's GHG emissions.

| | 2014 | 2015 | 2016 |
|--|---------|---------|---------|
| GHG Emissions for the ENOC Group and Segments (tCO ₂ e) | | | |
| ENOC Group | 900,309 | 949,419 | 906,255 |
| Retail | 41,023 | 43,753 | 45,324 |
| Marketing | 11,768 | 11,955 | 12,751 |
| Terminals | 18,084 | 21,206 | 23,214 |
| Supply Trading & Processing (STP) - (EPCL & DUGAS) | 821,687 | 864,614 | 814,953 |
| Others BUs | 7,746 | 7,892 | 10,012 |

| | 2014 | 2015 | 2016 |
|---|-------|-------|-------|
| GHG Emissions Intensity for the ENOC Group and Segments (kg CO ₂ e/ MT production) | | | |
| Retail | 21.53 | 20.17 | 18.37 |
| Retail | 22.9 | 22.5 | 21.5 |
| Marketing | 3.0 | 2.6 | 2.5 |
| Terminals | 0.61 | 0.63 | 0.64 |
| Supply Trading & Processing (STP) - (EPCL & DUGAS) | 126.3 | 126.1 | 140.4 |

Emissions
of ENOC Group
906,255
tCO₂e
in 2016

In addition to our GHG emission's management we recognise that the burning of fossil fuels produces harmful Nitrous Oxides (NOx) and Sulphur Dioxides (SOx) and also emits Volatile Organic Compounds (VOCs). Our performance in this respect is illustrated as follows:



Our main sources of SOx is from the combustion of diesel in mobile vehicles and from refinery operations. In our refinery, we are in the process of implementing sulphur hydrotreaters to reduce the sulphur content in diesel oil to meet the product specifications of Ultra Low Sulphur Diesel (ULSD). Our NOx emissions are mainly due to the combustion of fuel sources in our furnaces, diesel generator sets, boilers etc. and we are actively pursuing technologies to reduce our NOx emissions further although our emissions are well below the limits. Our 2016 SOx emissions were comparatively low due to the planned shutdown and maintenance of our largest emission generating assets at the refinery and the DUGAS plant.

Petroleum processing involves operations in closed containers, storage tanks, piping systems and relevant filling equipment. As a result, due to volatile nature of the petroleum products handled by ENOC, there are emissions of Volatile Organic Content (VOC) during handling. ENOC is taking every measure to reduce the VOC emissions and in 2016 we estimate the VOC emissions from our operations to be about 1,700 tons per year. We are considering advanced Vapour Recovery systems to reduce the emission of VOCs by capturing the vapour displaced during transfer and converting it back to saleable fuel. Consequently, this is an eco-friendly investment that also has a significant impact on revenue generation.

Flaring

Two of our Business Units, EPCL & DUGAS, have to flare occasionally as per their operation & maintenance requirements. The volumes of hydrocarbon flaring have been estimated to be as follows:

| | 2014 | 2015 | 2016 |
|---------------------------|---------------|--------------|---------------|
| Flaring (Metric Tons) | | | |
| DUGAS | 5,018 | 5,261 | 6,746 |
| EPCL | 5,593 | 2,558 | 6,285 |
| ENOC Group (Total) | 10,611 | 7,819 | 13,031 |

There is a significant rise in flaring volumes noted at DUGAS in 2016. This rise may be attributed to the additional flaring of regeneration gases during an unexpected shutdown in 2016. To address this issue, we have installed a new flare gas monitoring system and anticipate that this loss will be reduced from 2017 onwards.

In absence of a proper monitoring mechanism for the measurement of flaring volumes from DUGAS, we have estimated volumes using internationally accepted methodologies.

Reducing Emission Intensity for our Customers

Bio-diesel and Compressed Natural Gas (CNG)

As part of our journey towards increasing sustainability, we at ENOC are committed to providing our customers with fuel related products which help reduce emissions and their impact on the quality of air. In order to fulfil our commitment, we have embarked on several initiatives to help lower greenhouse gases as well as other emissions found to be harmful to the environment.

In the forthcoming years, we plan to start the commercial supply of bio-diesel to our customers. Studies show that bio-diesel outperforms gasoline, ethanol, and conventional diesel in reducing climate-altering carbon dioxide emissions and in overall fuel-efficiency. ENOC 'Biodiesel15' was piloted successfully with DP World's fleet in 2016 and our business teams are in discussions with our customers and government entities, such as Imdaad, and the Road and Transport Authority (RTA) to encourage use of the bio-diesel, which requires no engine modification before switching to it.



25-40% reduction
in carbon emissions
by switching
to CNG

Our Business Unit Emirates Gas (EMGAS) is championing the use of Compressed Natural Gas (CNG) as the green fuel of choice to assist in combating air pollution and reducing greenhouse gases (GHG) emissions. EMGAS has been promoting CNG use since April 2016, given its credentials as an environmentally friendly fuel.

In 2014, EMGAS established its first CNG Mother Station at DUGAS in Jebel Ali, with a capacity of 15,000 m³ to fuel approximately 1,500 –1,600 vehicles per day. This facility distributes CNG to customers including DP World, RTA and Dubai Airports. In addition to this, three dedicated CNG Daughter Stations were installed at the premises of EMGAS customers for quick and efficient distribution of CNG, with the first station launched in September 2016 at Emirates Driving Institute (EDI). In an exciting development in 2016, EMGAS signed an agreement with United Motors for the supply of CNG as a fuel for a Government Company using an Original Equipment Manufacturer (OEM) CNG Bus for Public Transport.

Each of these projects contributes to the reduction in carbon emissions significantly, ranging from 25 - 40 % depending on the kind of vehicle, as well as reaping the additional benefits attributed to CNG such as decreased waste production and reduced maintenance.



Using our Water Efficiently

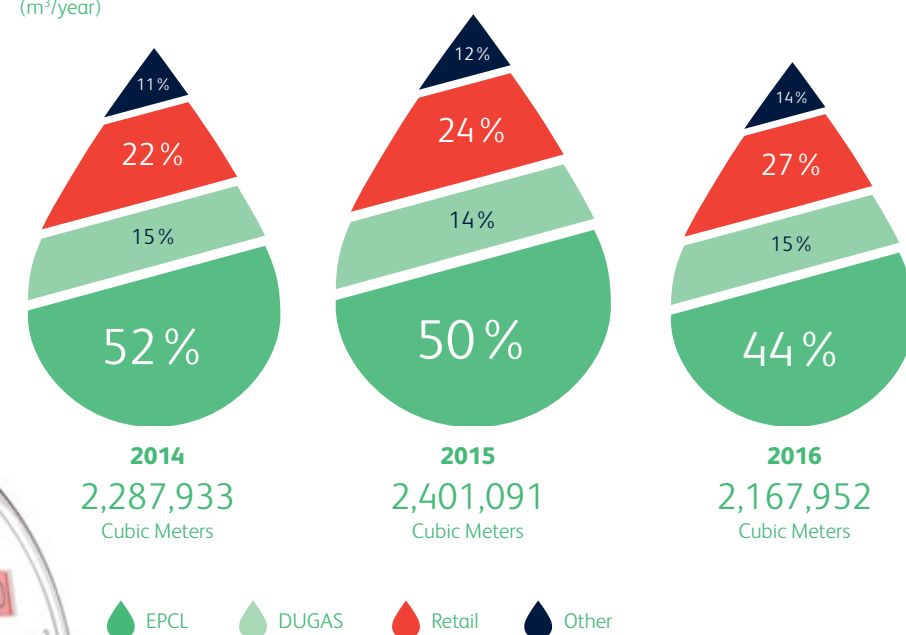
Water is a scarce and precious resource for us in the UAE and this has instilled an approach to the management of water within ENOC, that encourages efficient water use in our operations and we seek to reduce the losses that we generate or waste. We are constantly looking at initiatives to save water or recover the water we do use.

One such initiative is the way in which our retail sector reduces water consumption. New service stations can recycle car-wash water and customers can choose a waterless system where use of an all-in-one, eco-friendly liquid saves water and prevents detergents from polluting the environment; the 'No-Wet' system cleaning liquid is made from all natural ingredients and does not contain petroleum distillates, silicone, abrasives, harmful chemicals or detergents.

Performance

The Group's water use for 2016 amounted to approximately 2.2 million m³ with EPCL, Retail and DUGAS accounting for 44%, 27% and 15% respectively; our other business segments accounted for the remaining 14%.

ENOC Water Use (m³/year)



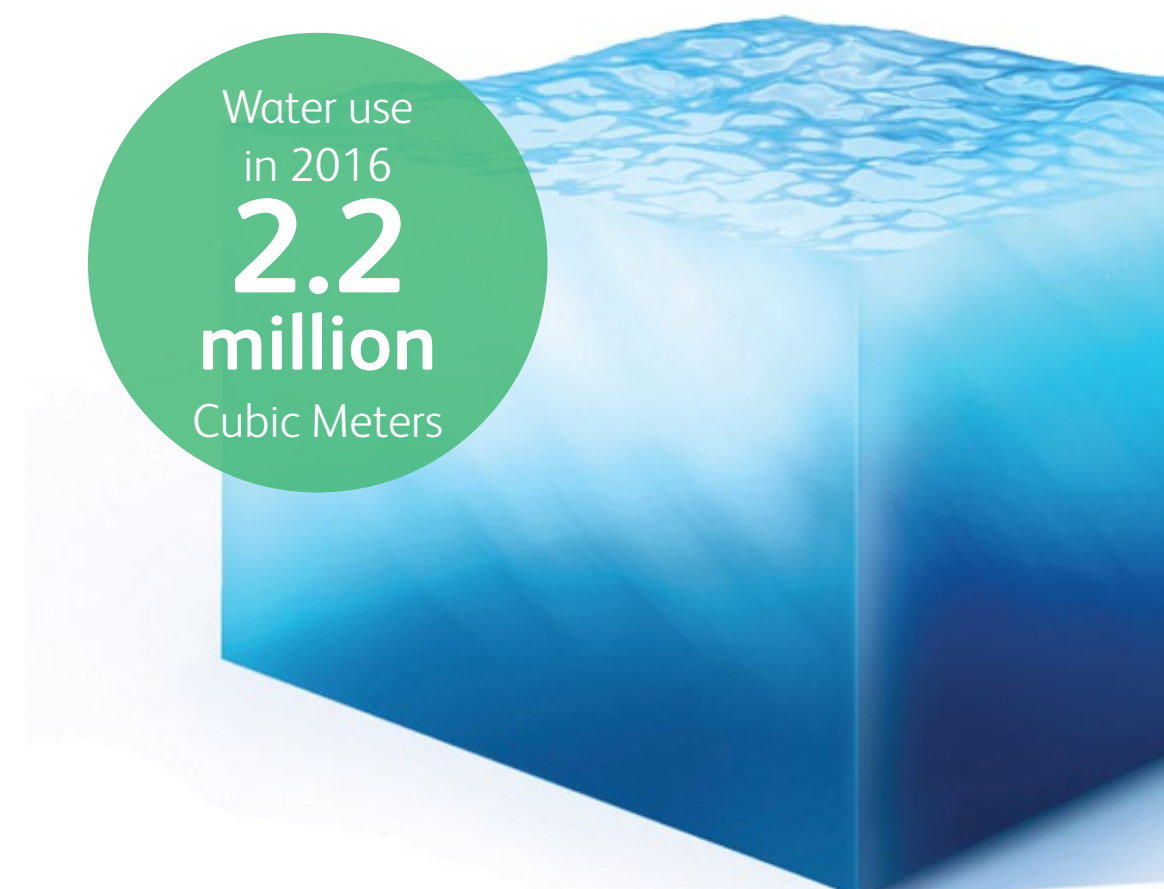
This is the first time that we have consolidated water use across the ENOC Group and obtaining this information across multiple sites and geographies has been challenging. In 2016 our water use is about 2.2 million cubic meters. The major user of water is the EPCL and we include a discussion on this segment's water trends as well as some of the other key contributors to our water use. In future years, as we obtain more data we will be looking at these trends and setting appropriate goals and targets for reduced water use wherever appropriate.

EPCL is the Group's largest user of water with more than one million cubic metres per annum across the last three years. The nature of activities at EPCL is process intensive, requiring a large amount of water for effective refining of our products. EPCL water use in 2016 was 16% lower than the 1.2 million cubic metres used in 2015 due to the planned shutdown.

Water use of our other Supply, Trading and Processing business segment unit, DUGAS, increased in 2016. DUGAS used 4% more water in 2016 (344,496m³) compared with 2015 (332,204m³) and 9% more compared with 2014 (315,998m³).

Water consumption across our Retail business segment has increased steadily to 612,385m³ in 2016 from 573,037m³ in 2015 and 478,974m³ in 2014. This increase is due to the addition of seven new retail sites into our network. This means that we have expanded operations including car wash and we have used additional water for the increased customer throughput and additional 1,000 staff operating at these sites over the past two years.

Water use
in 2016
2.2
million
Cubic Meters



Wastewater

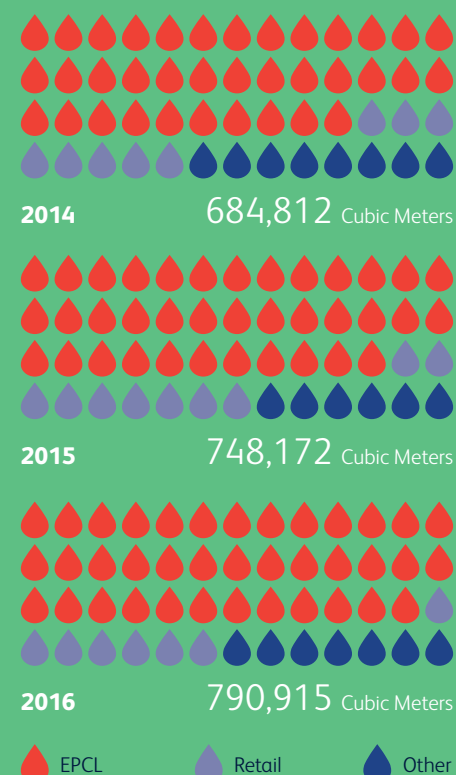
Wastewater is a by-product of many processes at our facilities and we have invested in the responsible management of wastewater to minimise our impact on the environment. We have established a wastewater treatment plant at our DUGAS facility with a capacity to treat an average of 77 m³/day (123 m³/day max) and also at our staff accommodation complexes in Dubai. Wastewater treated at our DUGAS facility is utilised in irrigation activities.

Whilst we continue to look at ways to reduce the generation of wastewater it is a necessary by-product in some instances.

Coupled with the increase in the number of service stations that we operate, wastewater generated by the ENOC Group has increased consistently by 6 % over the past two years, with our Retail business segment accounting for 77 % of the Group's total wastewater

Wastewater Generated

(Cubic Meters/year)



generated amount, followed by EPCL with 13 % and our other business segments accounting for the remaining 10 % in the past year.

Our Retail business segment generated 603, 840m³ of wastewater mainly from the car-washes in 2016, steadily increasing from 499, 501m³ in 2014 and 556,238m³ in 2015. This steady increase has been a result of the expansion of our retail network by seven sites over the past three years, in addition to employing 1,000 more personnel for this business segment during this period.

Wastewater generated by EPCL from processes and sewage decreased by 12 % in 2016 to 104, 204m³ compared with the amount generated in 2015 (118,503m³) and 6 % compared with the amount generated in 2014 (110,231m³). The decrease in the past year has been attributed to the planned shutdown.

The trend in wastewater volumes generated from processes and sewage at EPCL is similar to the trend for water usage, with the planned shutdown bringing a 12 % reduction in 2016 (0.10 million cubic metres) compared with 2015 (0.12 million cubic metres) and a 6 % reduction when compared with 2014 (0.11 million cubic metres).

Our Terminals business segment generated 22 % more wastewater in 2016 (41,211m³) compared with 2015 (32,463, m³; 2014: 36,248m³) primarily due to the Phase 3 Infrastructure Project and tank cleaning for inspection and maintenance at KSA.

ENOC Signs MoU with UAE Ministry of Energy for 'Atmata' Automation Initiative

ENOC is set to collaborate with the UAE Ministry of Energy's new smart governance system involving thorough reporting of energy and water consumption amongst government stakeholders in the country. Referred to as "Atmata", Arabic for 'automation', the initiative will be the first step in achieving the UAE's goal towards building a diversified and sustainable knowledge economy as outlined in UAE Vision 2021.

Atmata is an electronic system that will standardise data related to ENOC's oil, gas and refining production, as well as electricity and water usage on a periodical basis. Atmata will serve as a baseline to measure the country's progress in mitigating the impact of climate change; an essential component to helping the UAE reach its target of 24 % percent reduction in carbon emissions by 2021 as part of the COP21 Paris Agreement.



Managing our Waste Generation

The generation of waste across our operations, is something that we at ENOC are currently examining in detail. We recognise that by utilising only what we need through operational efficiencies, we can manage our waste production effectively, however there will always be some level of discarded material that will be considered as waste and that we need to manage. At ENOC we manage our waste in a responsible manner by ensuring that we are in compliance with local regulations and that we use approved and licenced waste collection and treatment companies to handle our waste. Our waste streams include solid and liquid wastes and are categorised as non-hazardous or hazardous. Each waste stream generated across the Group is managed in accordance with the waste categorisation. Where possible we seek to reuse or recycle wastes prior to disposal or treatment.

We have a number of initiatives across the business that allow us to recycle waste including the reuse of wooden pallets, the recycling of metal drums, recycling clays and also recycling plastic, paper and cardboard. We constantly make our BUs aware about Waste Management through our different training programs.

With this being our first sustainability report, we have sought to gather as much information as possible on the initiatives that we undertake and the performance that we achieved. In doing this exercise we have identified that our data on waste statistics and tracking waste can be improved and this is one of the initiatives that we are putting in place. To date we are only able to report with confidence on some of the programmes that we have implemented and this will improve as data becomes more consistent and readily available.



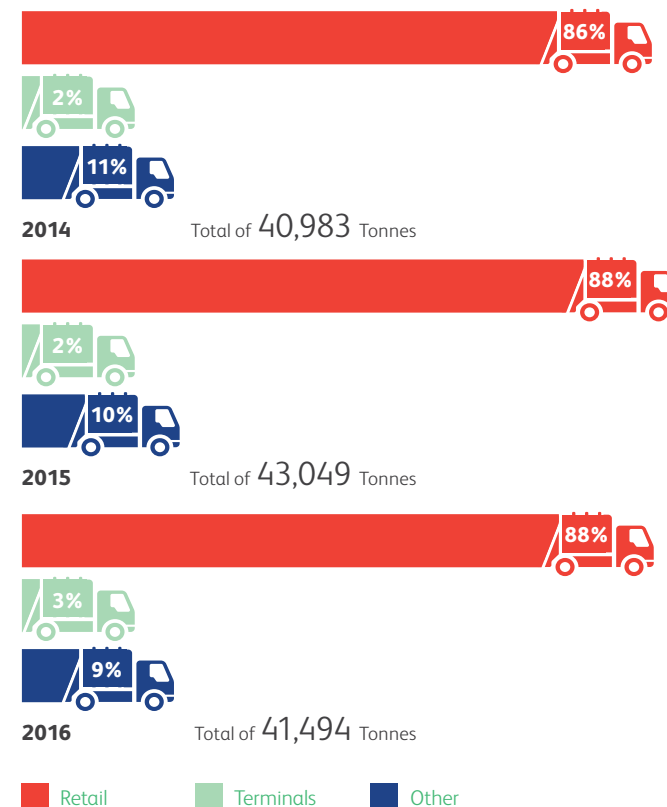
ENOC is a strategic partner with the Emirates Environment Group. In 2016, EEG was able to collect 27.3 tons of aluminium cans avoiding 664 m³ of landfill spaces. The resulting GHG emissions saved is equivalent to 411 tCO₂e.

Performance

ENOC Group's waste generation increased by 4 % during the year to 41,494 tonnes, with our Retail business segment accounting for 88 % of this (waste from retail stations and ZOOM stores), followed by our Terminals business segment with 3 % and our other business segments with 9 %.

Waste Generated

(Tonnes)



Waste generation for our Retail segment has been in the same range over the past three years with 38,713 tonnes generated in 2016, a 3 % change since 2015 (37,636 tonnes) and 35,265 tonnes in 2014. This is despite an increase in the number of service stations coming online in recent years. The majority of this waste is classed as non-hazardous waste.

Waste generation by our Terminals business segment has been steadily increasing over the past three years, amounting to 1,172 tonnes in 2016 compared with 985 tonnes and 892 tonnes in 2015 and 2014 respectively.

We have made concerted efforts to reduce our waste generation and in particular there has been a steady decrease in waste generated by DUGAS. Waste reduction efforts by DUGAS have been realised over the past two years, with the amount of waste generated here almost halving since 2014 (618 tonnes in 2014 and 353 tonnes in 2016). These efforts include improved waste segregation practices through awareness campaigns and training sessions for employees. Furthermore, there was also a decrease in sandblasting grit disposed of in 2016 by DUGAS, contributing to the reduction in waste generated.

The breakdown of that waste generated in ENOC is as follows:

| | 2014 | 2015 | 2016 |
|--------------------------|---------------|---------------|---------------|
| Waste Generated (tonnes) | | | |
| Total Hazardous | 2,452 | 1,987 | 1,636 |
| Total Non-hazardous | 39,858 | 41,061 | 38,531 |
| TOTAL | 40,983 | 43,048 | 41,494 |



There has also been a marked decrease in scrap generation by EMGAS since 2014, which has resulted in the amount of waste generated here decreasing by more than 60 % in 2016 to 33 tonnes. The amount of waste generated by EPCL during 2016 decreased by 20 % to 624 tonnes (2015: 783 tonnes; 2014: 890 tonnes) due to a shut down during the year.

These targeted efforts in waste reduction will be applied across other business segments to examine where else we can reduce waste over the coming years. At present our recycling rate across the business is an area that we would like to improve upon and we will be gathering additional information to understand that better in the coming months.

Spill Prevention in ENOC

ENOC has clear requirements and procedures to prevent operational spills. We have ongoing programmes in place to maintain and improve our facilities and pipelines. In 2016, we are glad to report that there are no major spills which can be classified as Process Safety incidents occurred in our operations. However, ENOC has strictly implemented preventive measures to avoid spills or minimize its impact that might happen due to reasons such as operational failure, accidents or unusual corrosion. ENOC has developed procedures for the proper inspection and maintenance of equipment along with comprehensive training for our operators, emphasizing regular performance of tests and drills, and allowing us to maintain integrity of the equipment to prevent spill incidents.



Way Forward to Improve our Environment Performance

The data presented in this report is a record of our environmental performance under ENOC's Sustainability Index performance management system. ENOC is investing significant effort in terms of time and money to take the next step in our sustainability journey; one area this will have a direct impact on improving our environmental performance is in the transition to measuring ENOC's Sustainability Index with its Key Performance Indicators and targets for our business segments. For example, over the last 8 years ENOC has set a quantifiable target for Energy & Resource Management and in 2017 this metric has matured as ENOC's Sustainability Index taking into consideration of our different business segments and now exists as a variable set of targets depending on operations (Energy Intensity, Emission Intensity, Water, Waste, Green Procurement, Flaring etc.). We have an ambitious target in E&RM to reduce our energy consumption by 12% in 2021 from 2013 baseline.

12%*
Reduction Target
in Energy Consumption
from 2013 base line
by 2021

*aspirational and under
internal consultation



In addition to matured thinking around environmental performance KPIs, ENOC has identified a need to improve our understanding of what drives performance and trends at a fundamental level to help us know whether our proactive measures are driving a change in performance or whether it is some other variable.

06

Inspiring People



Achieved
33
hours of training per
employee in 2016

ENOC's goal is
to achieve
50%
Emiratisation
by 2021

In 2016, we set
a record in
recruitment of
144
UAE Nationals

Lost-time injury
rate of
0.1020
against the target
of 0.1314

In 2016, a total of
527
internal and external
EHS audits were
completed, compared
to the target of 434

At the heart of our business are the people that we work with and those that we interact with. We want to ensure the sustainability of ENOC by attracting and retaining the best people to work for us and keep them safe. This chapter outlines how we look after our people as an equal opportunities employer offering challenging and inspiring careers. It details the rewarding development programmes that help shape our leaders of tomorrow. Providing a safe and healthy place to work helps us to keep staff happy and this section of the report also details our key health and safety performance across the company for 2016.

One ENOC

In line with our business aims and social commitment, we employ qualified, skilled and dedicated workforce of the UAE nationals and expatriates, all committed to the highest standards of quality and professionalism.

We have designed a flexible work environment, including variable working hours and remote working options, to facilitate collaboration and boost productivity. We have targeted training programmes and internal mobility options that encourage our employees to become involved in every area of business operations from corporate leadership to everyday management. Cross-functional opportunities range from trading, processing, marketing, distribution, retail operations to administrative and technical support functions.

We want to attract the best individuals to work with us at ENOC and continue in our growth and the growth of our nation. By providing stimulating careers for everyone and looking after our employees, we hope to inspire those around us in our families and communities and the generations to come.

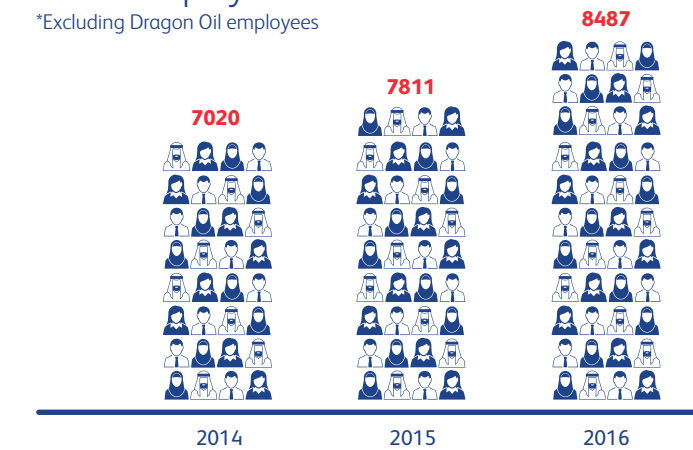


Our Workforce

Our successful growth in product volume sales and new projects has meant that ENOC has seen a year-on-year rise in manpower with a 20% increase in the last three years.

ENOC Employee Numbers

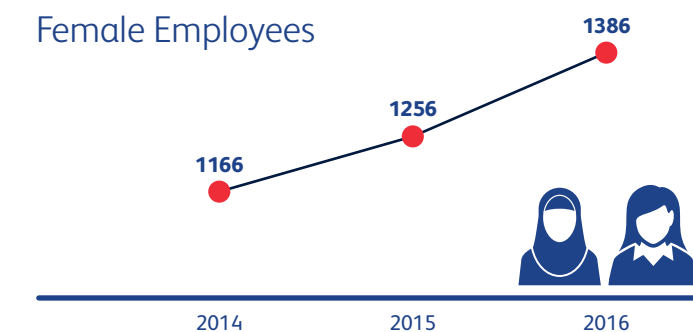
*Excluding Dragon Oil employees



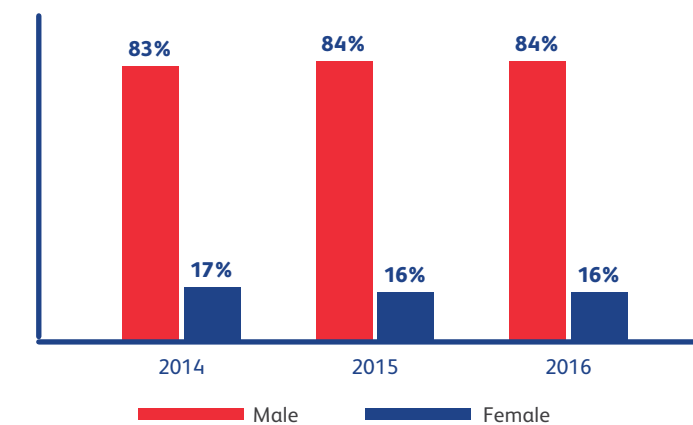
Ensuring Equal Opportunity

ENOC offers a diverse range of career opportunities for talented, bright and ambitious individuals and we employ a diverse mix of people from across the globe. Whilst we recognise that the male to female ratio at present is heavily weighted towards males, we are working on increasing that through the establishment of a ENOC Women Committee to identify and address any barriers to female careers at ENOC. We are pleased to say that remuneration for employees is not influenced by gender. ENOC follows a strong policy where the pay is for the job and skills rather than the gender

Total Number of Female Employees



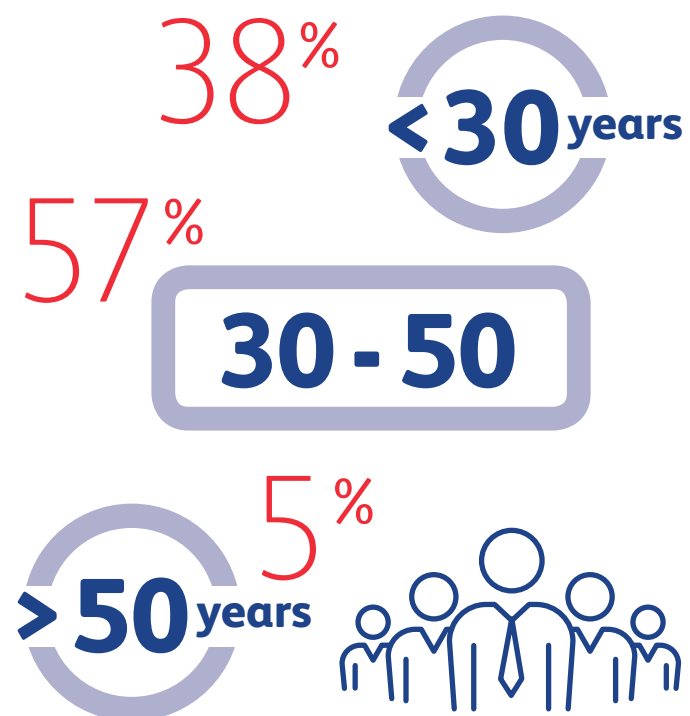
Percentage of Male and Female Employees in ENOC



Diversity Employee Age

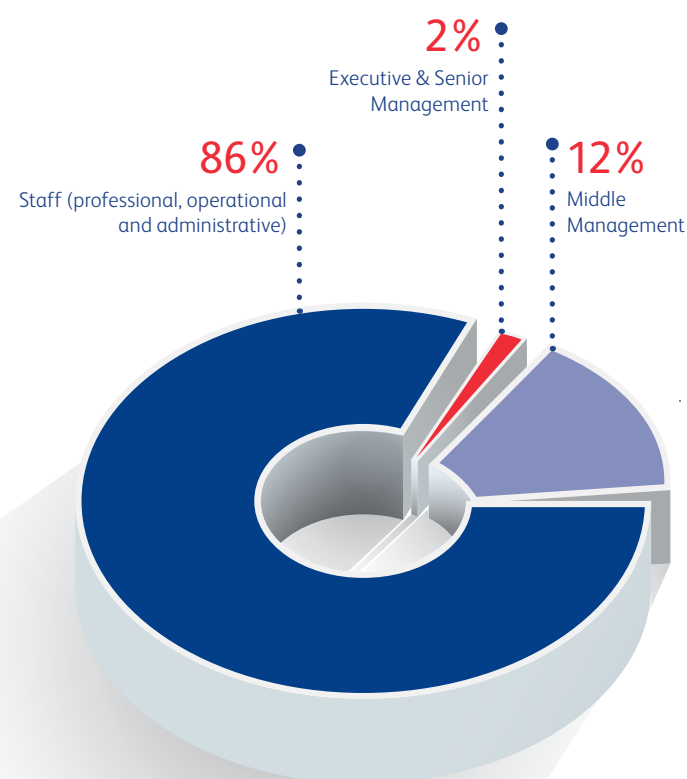
It is becoming increasingly common to include a diverse age group within a workforce to create professional environments that are rich with experience and maturity as well as including the high energy level of young professionals. ENOC employs workers in different ranges of age to help create a dynamic workforce with a diverse range of skill sets. ENOC strongly believes that young people can play an important role in ENOC operations and future expansions. Approximately 38% of the ENOC workforce is less than 30 years of age to encourage involvement of youth and their development.

At ENOC, we value that different generations bring different skills and talents to our organisation and therefore we aim to have the right age demographic. The following table presents the age distribution of ENOC employees.



Employee Diversity by Employee Type

Within ENOC we strive for the right balance between technical staff and management to ensure smooth delivery of operations. While our hard working employees focus on the planning and execution of tasks and operations the timely support and decisions from our management assist in successful project completions. By developing an accountable leadership function across the organisation we ensure that we have the resources to fulfil our operational demands in a timely manner.



Building Leadership in ENOC 2016 Leadership Culture Survey Outcome

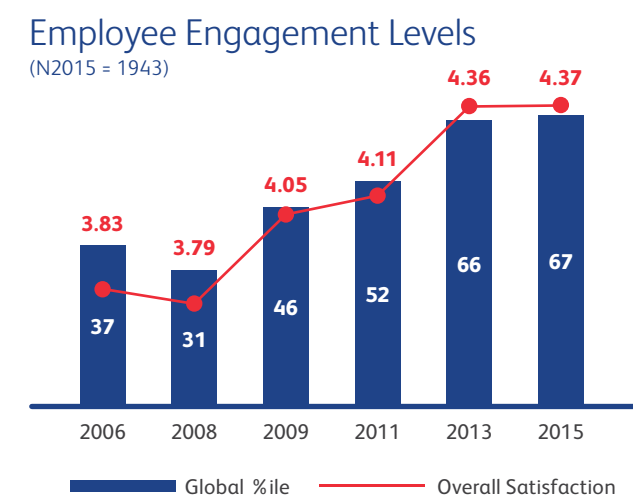
Group HR invited our Group's managers and above to take part in a voluntary Leadership Culture Survey as part of ENOC's continued efforts to build a robust Leadership Framework; the survey focused on Leadership Capability and Effectiveness. The response rate of about 50% gives us confidence that the survey results are representative of the overall leadership culture.

This survey provided insights into current Leadership Culture versus Desired Leadership Culture, both at the Group and Departmental level and by demographic categories. The results from this survey are being used to establish a robust Leadership Development Model and Framework for ENOC Group into 2017 and beyond and enable us to focus our leadership development efforts in specific areas. The Leadership Culture Survey tells us how our people view current leadership culture and compares that in reality to the optimal culture desired. The "gap" between data on the current culture and the desired outcome instantly reveals key opportunities for leadership development.

Improving Employee Engagement Survey Outcome

ENOC has been working towards building a winning performance culture and since 2006 we have been undertaking employment engagement surveys to garner unbiased information about how our employees relate to the company. We have analysed the results and used them to focus our efforts on improving employee engagement with the company. This has seen us make steady improvements in a number of areas and improve from a 37th percentile ranked company to a 67th ranked company and we are now considered close to best practice.

Our improvements since 2006 in employee engagement is shown below:

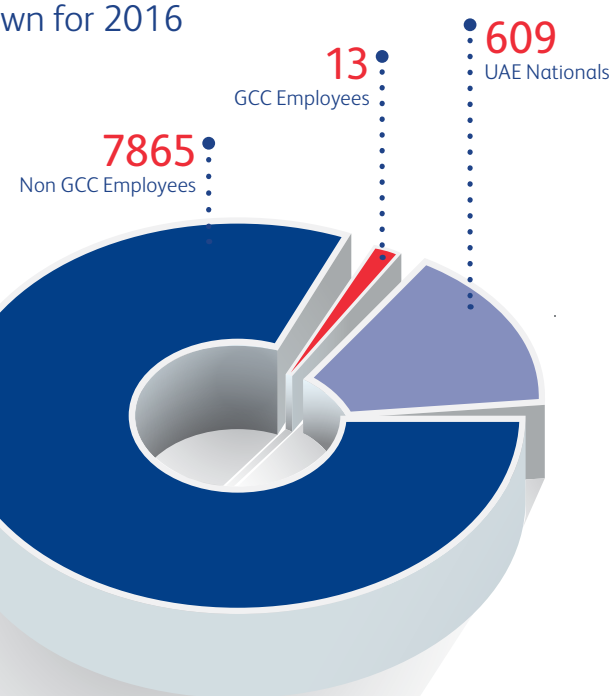


While there are still some areas for improvement, the general upward trend is something that we are very proud of and will continue to focus on. We recognise that meeting our ambitious business goals cannot be achieved without the full engagement of our staff.

Employee Diversity by Nationality

ENOC aims to create an inclusive environment that attracts and retains talented people from different nationalities and cultures. We focus on engagement and development not only within Dubai, but also our international operations enabling our people to work more effectively across geographies and cultures. We encourage a diverse range of nationalities as we believe that cultural diversity is critical to successful and productive operations. We currently employ staff from 57 different countries.

Total ENOC Employee Nationality Breakdown for 2016



In particular the Executive and Senior Management of ENOC is made up of 55 UAE (42 %) Nationals, 2 GCC Nationals and Non GCC Nationals make up the remaining 74.

Developing Our Employees

At ENOC, learning and development is a key enabler to support all aspects of our organisation; it facilitates multifaceted development and job satisfaction with a focus on enabling learning and development for people as individuals. This has created far more exciting and motivational opportunities - for our people as employees and as an employer. Our people are critical to our success and we maintain a continued focus on training, development, and career opportunities.

Training and Developing our Employees

We understand that good training and development programmes can help ENOC keep the right people and contribute to generate steady growth and profit for ENOC. Securing top talent within the business has become increasingly competitive which means employee training and development programmes are more important than ever in supporting Employee retention and personal fulfilment.

In 2016, ENOC provided 98 training programmes over the course of the year against the plan of 78 programs. Both internal and external training programs offered is about 670 days or 5,360 training hours equivalent to 33 hours of training per employee.

ENOC's Talent Development Team from the Human Resources Department has developed a 'Talent Development Training Offering Guide' which forms an integral part of ENOC Performance Management Programme (PMP). In addition, as a part of the career development framework, the 'Learning Path' needs to be completed by all employees at the planning phase in Oracle, to help support the achievement of Key Performance Indicators (KPIs) and behavioural expectations. In order to complete the Learning Path, our employees need to identify the behavioural competencies that they need to develop and the technical competencies which they need to master. The learning path is a key component in providing a platform to do this.

The training offering guide focuses on soft skill development for our employees; however, the 'Learning Path' portal provides the opportunity to make additional training requests which are then processed through the Human Resources Department.

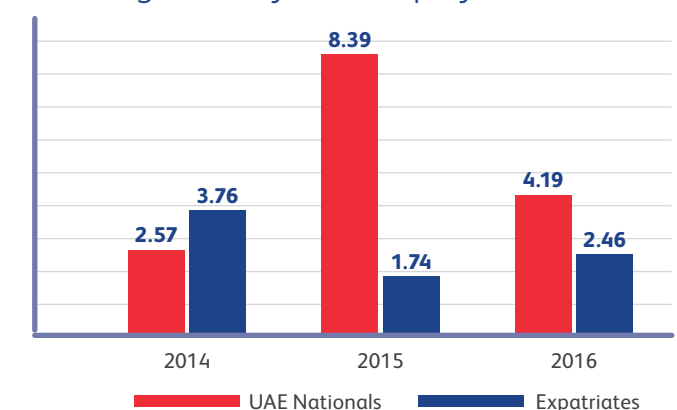
To evaluate the effectiveness of the training programmes, we undertake regular feedback surveys with the participants. We are enhancing the existing Learning management

system functionalities to cater to our employees' different requirements; Group IT is supporting this initiative by working on the automation and integration of these functionalities. This enhancement by IT will help the Group to have a more secure, centralised and simplified automatic system for handling Learning requirements, Personal Development Plans etc. for our employees across the group.

Over the last three years we have provided planned training for our employees and for two of those years the success of our training programmes has been evident in the higher than expected levels of participation in our provided training.

| Training | 2014 | 2015 | 2016 |
|--------------------------------------|-------|------|-------|
| Actual Programmes | 107 | 117 | 98 |
| Planned Programmes | 94 | 121 | 78 |
| Actual versus Planned Programmes (%) | 124 % | 97 % | 126 % |

Training Mandays Per Employee



Energy Institute (EI) UK -
Training on Energy
Management



As part of our focus on people, we need the right skill sets in teams of engineers, operators, analysts, and technology professionals who interpret data and spearhead the energy management plan across our operations. The Energy Institute (EI) one of the leading professional body for the energy industry developed a series of training modules specifically related to the major energy-consuming equipment in ENOC's operations. The training were delivered over a period of five days and structured to impart advanced knowledge around assessing the energy performance of each piece of energy-consuming equipment used in ENOC's operations so that employees felt competent in their understanding of the equipment.

Retaining Our Employees

Whilst we continue to attract and develop our employees, we do see people leave the business for a number of reasons. Therefore, we understand that retention at different levels needs to be addressed, with targeted strategies developed for each level. We have adopted strategies such as robust training and development mechanisms, competitive compensation packages and other welfare initiatives to improve employee retention. Due to this, improved performance was noted in 2016.

| | End of 2014 | End of 2015 | End of 2016 |
|------------------|-------------|-------------|-------------|
| Total Workforce* | 7020 | 7811 | 8487 |
| Attrition* | 1026 (15%) | 1068 (14%) | 876 (10%) |

*Excluding Dragon Oil

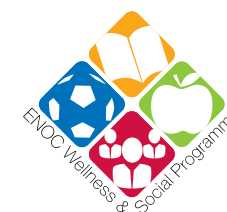
Looking after our employees is one of the key aspects for retaining our staff. As mentioned previously, we provide planned training to help our employees develop their technical skills, we are also conscious of the need to provide a safe and healthy workplace for our employees. During 2016 ENOC created the Wellness and Social Affairs Office with the goal of improving worker happiness; initiatives during the Office's first year included sports activities, interdepartmental tournaments,

Women's Day, Happiness Day, reading programmes for children and leadership awards for the company and neighbours. As well as supporting our employees, this new Office helps ENOC contribute to the national goal of making the UAE one of the five happiest countries in the world by 2021. Although the activities of this Office have been embedded within ENOC since 2013, the office was formally established in 2016. To measure the success of our new Office, we conducted a feedback survey in 2016.



International Women's Day 2016

For a Happy ENOC ENOC Wellness and Social Affairs (EWSA)



ENOC created a function called 'Wellness & Social Affairs (EWSA)' in 2009 to take on employee wellness activities. This function launched a survey to:

- Gather feedback of staff who have participated in EWSA activities in 2016;
- Future expectations of employees who have participated in EWSA activities;
- Understand the reasons staff did not participate in EWSA activities and events; and
- Receive feedback and suggestions for enhancement for future use.

The overall satisfaction rate from the survey was noted to be almost 90% indicating the high levels of satisfaction from the staff who responded regarding events and activities planned by EWSA.

ENOC Internal Cricket Tournament 2016



Ensuring the satisfaction of our employees, helps retain them and whilst providing a happy place for them to work. In 2016, the Customer Satisfaction Index (CSI) achieved through our annual satisfaction survey conducted by the Human Resources Department was 79%.

ENOC Internal Football Tournament 2016



ENOC Family Olympics Day 2016



Focusing on Emiratization

Emiratization Strategy 2017 – 2021

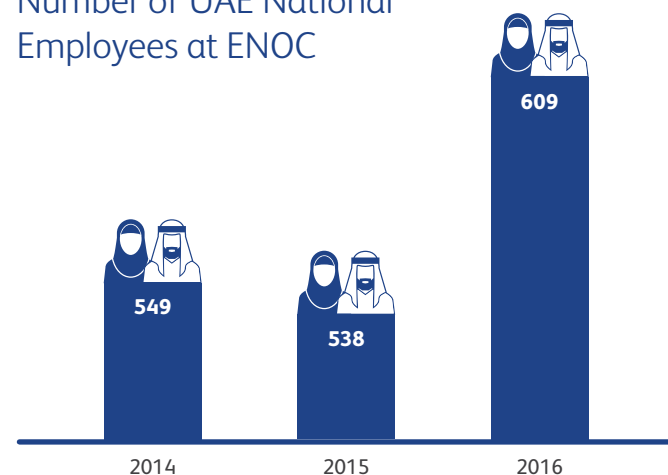
To enable us to align with Dubai's Strategic Plan 2021, a high level Emiratization Strategy was developed for our vision and strategic direction. With the goal of achieving 50% Emiratization by 2021, the strategy provides an overview of how various HR systems from Employer Branding to manpower planning and career and competency development will be integrated to deliver on this strategic plan. With this blueprint in mind, HR processes will be remodelled to assist the business in assessing and executing its five-year Emiratization plan. The proportion of UAE Nationals in our workforce has grown by 11% over the past few years, while the attrition rate has shown a marked decline.

We recognise however that we need to attract more UAE National talent into our organisation if we are to meet the 50% target in the next 5 years.

In early 2016, we launched a revised National Development Programme (NDP) and framework to ensure its alignment with the overarching Emiratization strategy. The strategy addresses more holistically areas related to employee attraction, development, and retention, while building strategic alliances with external agencies that support our Emiratization agenda.

ENOC is committed to ensuring the long term investment in education and capability building and hence we are working together to ensure the continued success of development and Emiratization initiatives.

Number of UAE National
Employees at ENOC



2010
NDP Began

2016
NDP Re-alignment with
the Emiratization strategy
(2017-2021)

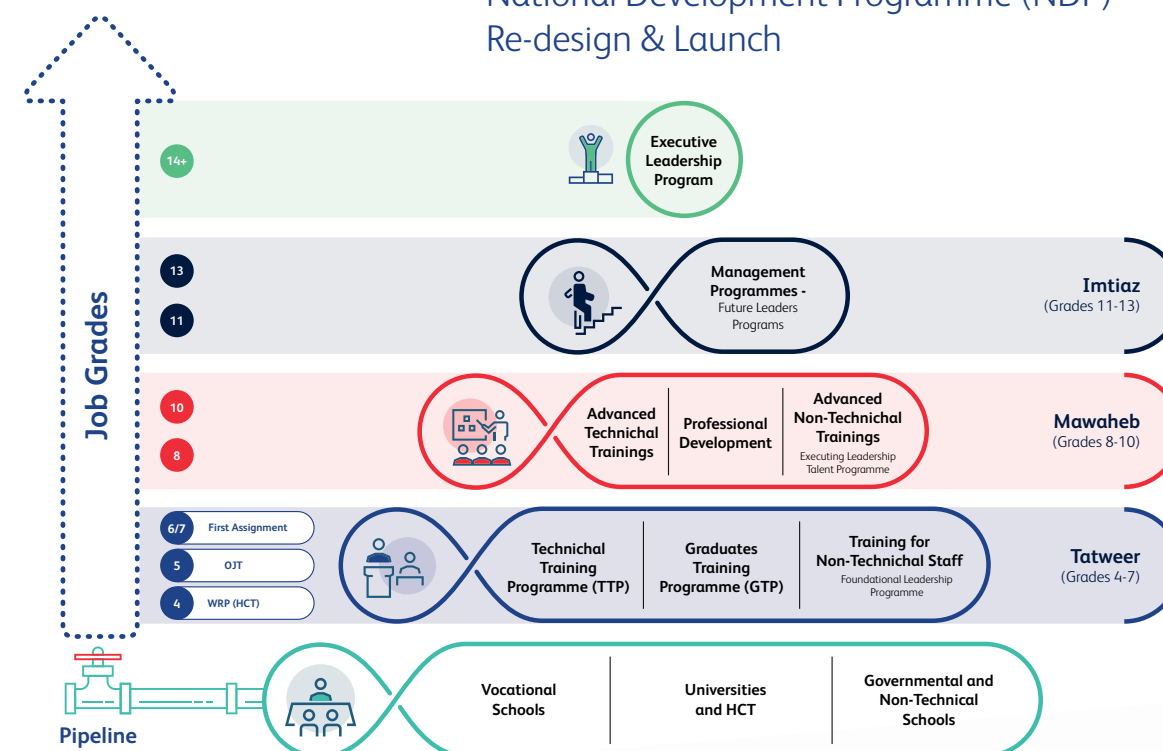
>150 participants
45 grade confirmations
29 career moves
21 participants completing
Graduate Development
Programme

Aligning with the National agenda on Emiratization

Work Readiness Programme (WRP) for Oil & Gas Technicians

Following an extensive review of the Technical Training Centre (TTC) programme done in collaboration with Centre of Excellence for Applied Research & Training (CERT) a new programme in collaboration with Higher Colleges of Technology (HCT) was developed and approved for implementation. This 12 month programme for High School graduates from Secondary Technical Schools (STS) will train participants for vocational technical certifications in two career paths, namely mechanical and process control.

National Development Programme (NDP) Re-design & Launch



Abbreviations

ELP: Executive Leadership Program
OJT: On-the Job Training
WRP: Workforce Recruitment Program
HCT: Higher Colleges of Technology

The new framework is a mechanism for strengthening competency in current roles and progression of employees in all major disciplines in the company, and is based on competency assessment in technical, behavioural and leadership traits.

Attracting Young UAE Nationals Work Placement Programmes

As part of our wider service to the community, ENOC provides training opportunities for young UAE National students from various local colleges/ institutions. ENOC coordinates with local colleges and universities for the intake of students and places them for their training and development at appropriate business departments based on their discipline. Thus students are given more practical training to help them link their theoretical studies to hands-on work environments and help them with their career planning. These vocational training programmes are designed by Talent Management in coordination with the National Development Programme while considering the students' discipline and interest. These work placement programmes also help to attract

young UAE Nationals for any potential permanent operational positions and help ENOC support its Emiratisation strategy further.

Currently more than 13 work placements are taking place across ENOC with up to 20 placements available.

Our main aim behind the work placement is to help the development of young UAE Nationals with their career planning and to help ENOC prepare a pipeline of future employees. Such work placement programmes are a great opportunity for the organization, local institutions and students to build enhanced relationships and future collaboration, supporting the Dubai 2021 plan of building competent, skilled, engaged and empowered employees.

British University in Dubai (BUiD)

The Power of Sharing Knowledge

ENOC signed a Memorandum of Understanding (MoU) with British University in Dubai (BUiD) in March 2016, to sponsor an adventurous knowledge-exchange initiative. The participants in this programme travelled over 7,000 kilometres to Scandinavia on the inaugural Sustainability Summer School International trip, organised under the patronage of H.H. Sheikh Hamdan bin Rashid Al Maktoum, Deputy Ruler of Dubai and UAE Minister of Finance and Industry. The trip to Scandinavia

was organized to identify and learn of the number of green initiatives that are well embedded into the culture in Scandinavia. This included the distribution of green energy across the city of Vulkan in Norway. These learnings translate into valuable contributions to the Government's goal to make Dubai one of the top ten sustainable cities in the world by 2020 and reinforce the UAE's position as a leader in promoting sustainability and innovation.



Scandinavia

G4-DMA Employment, Training and Education, G4-LA10

Levels of ENOC's National Development Programmes

We launched a number of strategic talent management initiatives in 2016 such as the design of ENOC Leadership Culture Framework, the continued development of a robust framework of behavioural and functional competencies, and the introduction of a talent assessment framework for NDP.

TATWEER is the base of ENOC's National Development Programme and is the first level of the Foundation Leadership framework. It consists of three programmes:



Technical Training Programme (TTP)

ENOC have collaborated and signed a Memorandum of Understanding (MoU) with the Vocational Education Development Centre (VEDC) as an initiative to contribute to the development of the intellectual, practical, creative and leadership skills of UAE talent into the workforce and provide them with the training and career development programmes to help in advancing the economic and industrial growth of the UAE.

As part of this initiative a technical work placement programme for final Vocational Secondary Schools and colleges (STS/Institution of Applied Technology (IAT)/Higher College of Technology) was initiated for pre-engineering backgrounds of electrical, mechanical and instrumentation. The purpose of this technical work placement was to provide an opportunity to students to:

- Gain practical experience;
- Develop workplace skills;
- Increase self-confidence;
- Increase understanding of the work involved in a particular field;
- Increase the ability to work effectively as a member of a team;
- Develop a greater understanding of work life issues;
- Develop communication skills;
- Get real work-based expertise and meet experienced people who work in the field; and
- Go through skills and strengths assessments or any other diagnostics to bring out positive things that will help the student to succeed.

Currently there are 15 students on the programme and a further 15 due to join a new batch in July 2017. In 2016 the newly revamped Technical Training Programme (TTP) was launched in conjunction with HCT as part of TATWEER.

G4-DMA Employment, Training and Education, G4-LA10

Graduates Development Programme (GDP)

The ENOC GDP seeks to enhance and broaden critical skills and competencies of fresh graduates who have the potential to become senior level employees in the organisation.

The programme attracts fresh graduates who are passionate about professional development and who aspire to work in a challenging industry. It develops an individual's career path through:

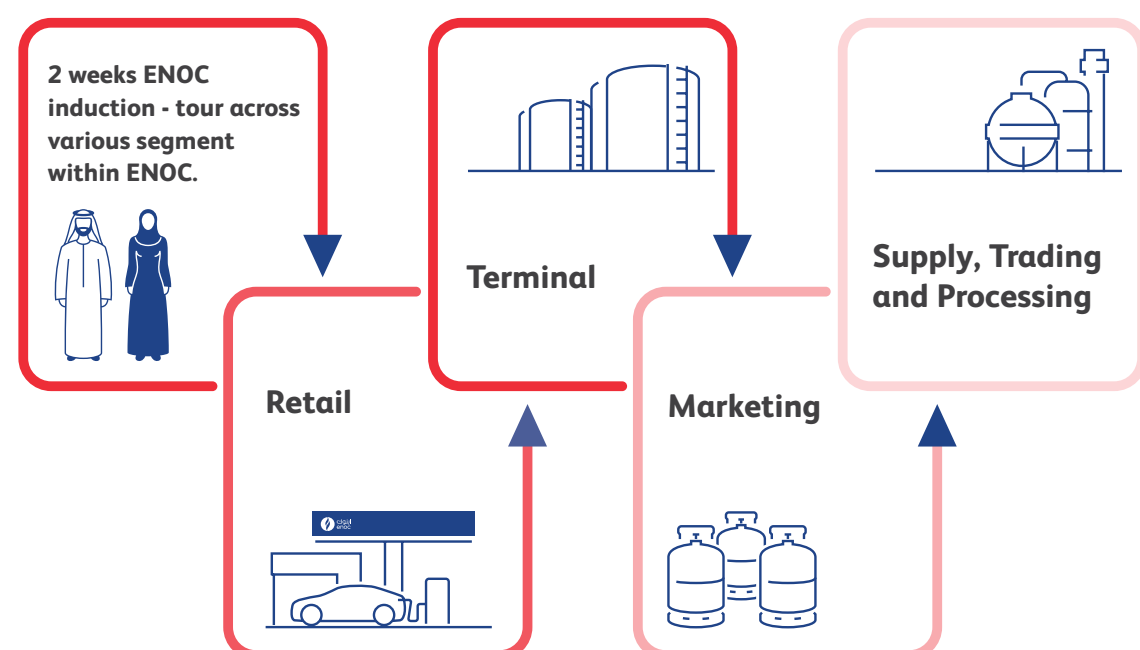
- Experience that helps develop strong knowledge of the company and personal growth as they progress toward future leadership roles with ENOC;
- Exposure to various business units in the company;
- Self-development; joining different training courses and coaching sessions; and
- Continued growth; receiving guidance and involved in different programmes.

The programme's key elements are to attend an allocated department's induction and other orientation programmes within ENOC segments to help graduates have a deep understanding of the company.

We have also revamped our ENOC GDP (Graduate Development Programme), and also reviewed its approach to ancillary programmes such as Mawaheb (Grade 8-10) and Imtiaz (Grade 11-13).

The six month rotational programme is designed to expose graduates to the entire value chain of ENOC, allowing them to apply their knowledge and broaden their understanding of ENOC's business while enhancing their ability fulfil future management and leadership roles. Graduates that engage in the programme will enhance their knowledge and skills around business performance and leadership that will stand them in good stead for a career in the company. Equipping graduates with these skills means that we can further develop the future leaders of the company to meet ENOC's evolving business needs.

In 2016 we started the GDP with two graduates as a pilot study; both graduates completed the programme successfully with a greater knowledge about ENOC and readiness to embark on business working experience. Our target group for 2017 is around 20 graduates.



Foundation Leadership Programme (FLP)

The programme aims to enhance nationals in the company from the basic level to the professional level (grades 4-7). This programme will ensure that employees acquire the required professional and leadership skills which they can exhibit in their current and or future roles. Additionally, the programme will prepare and focus on talented employees for career development and growth in the organization.

After a main English language assessment (reading and speaking), a talent pool will be allocated and enrolled into the foundation level of leadership programme which contains numbers of courses and soft-skills training, such as:

- Values and Career;
- Business Etiquette;
- How to Set SMART Goals;
- Problem Solving & Decision Making; and
- Customer Services.

Based on defined criteria and after meeting with management, a list of nominees will be agreed on. Our target is to launch the programme during Q3 of 2017 and our target for the first batch will be around 20 nationals.



Protecting the Health & Safety of our People

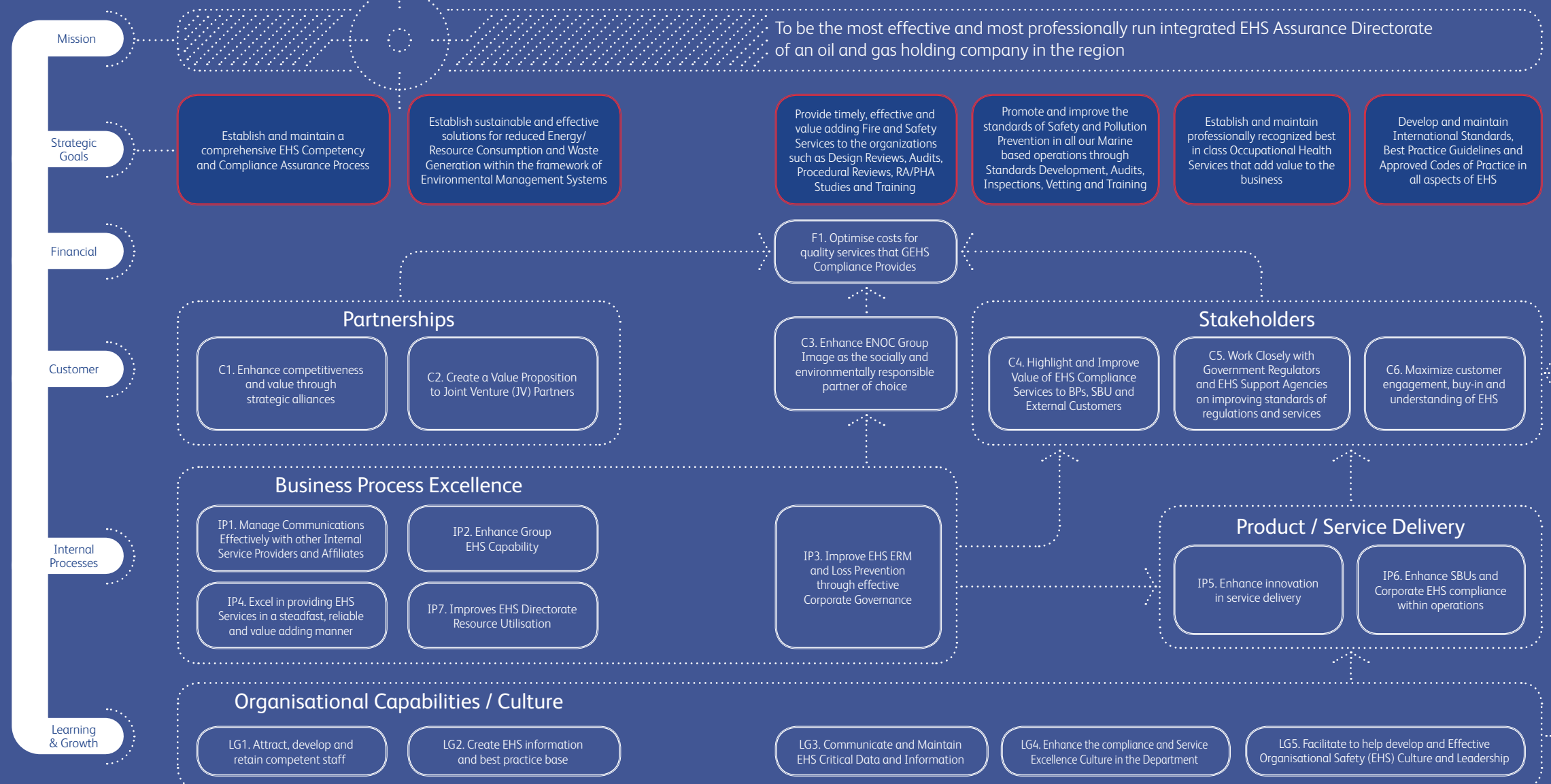
Environment, Health and Safety is at the top of the Group's values ENOC is committed to achieving business and operational excellence, providing 'best-in-class' products and services and maintaining an overall sustainable growth. We ensure our operations, products, assets and services are safe, secure, environmentally sound and conform to all applicable laws and regulations.

In line with the above commitments, we at ENOC ensure Environment, health, safety, security and quality imperatives remain integral components of our business planning, strategic and operational objectives.

All levels of ENOC management are supported in the assurance of their HSE performance by the ENOC Group Environment Health and Safety (GEHS) Assurance; the directorate acts as an independent appraisal function that reviews and evaluates the effectiveness of EHS management systems, documented processes, operations, control systems, management reviews and field verification audits.



Group EHS Assurance Strategy Map



Safety

We measure our safety performance as part of our Key Performance Indicators across the business. It is an integral part of understanding how safe our employees are and what we need to focus on to improve things.

There was sadly one fatality in 2016 in which a member of our team lost his life in a vehicle accident at an overseas port facility outside ENOC's boundary of operation. We investigated this incident to seek ways in which this could be avoided in the future and issued an ENOC EHS alert so that others could learn from this. We continually monitor our health and safety statistics to better understand our high priority and risk topics that will impact our employees and our business.

This includes items such as:

- Motor Vehicle Accidents
- Fatalities
- Permanent total Disabilities
- Permanent Partial Disabilities
- No. of Lost Day cases
- No. of days lost from lost day cases
- Medical Treatment Injury
- Restricted work day cases
- Restricted work days
- Near Miss
- Fires Non-Process Safety
- EHS Inspections completed
- Internal and External EHS Audits completed
- EHS promotions and Campaigns
- EHS BU Steering Committee meetings
- Closure of corrective actions
- EHS Training IBU Leadership Initiative
- Emergency Drill

Our performance for the last three years is presented below:

| | Loss Time Injury Rate (LTIR) | EHS KPIs Achieved |
|------|------------------------------|-------------------|
| 2014 | 0.044 | 96 % |
| 2015 | 0.1003 | 97 % |
| 2016 | 0.102 | 96 % |

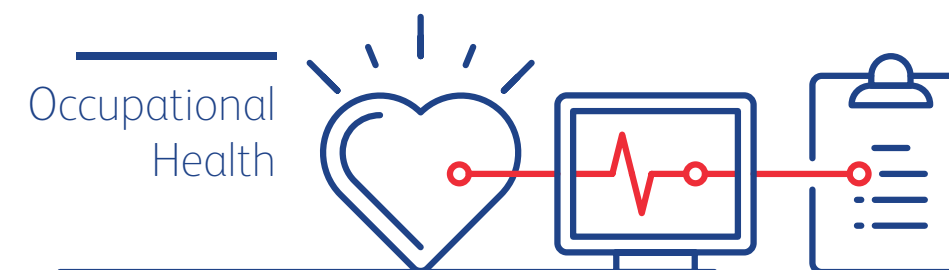
The Loss Time Injury Rate (LTIR) Group Target for 2016 was achieved. The indicators for 2016 were as follows:

Internal and External EHS Audits
target 434, achieved 527

EHS Promotions and Campaigns
target 186, achieved 371

Emergency Drills completed
target 206, achieved 278

EHS Related Training Hours
target 53,500, achieved 89,098



628 pre-employment and 918 in-employment Routine Health Check-ups

4,242 Health Evaluations

17 audits examining emergency medical systems and the occupational health element of management systems



In 2016, the occupational health services provided by us were both pro-active and reactive, focussing on the concept that prevention and early management of health conditions is the key to optimising the health of the workforce, ensuring that they are fit to effectively carry out their work and that the job is not adversely affecting their health. In 2016, the services included routine health check-ups, 628 pre-employment and 918 in-employment and 4,242 health evaluations, 27 audits and several trainings.

We also contracted a Clinical Psychologist to deliver the Employee Assistance Programme which enables employees to deal with a variety of psychological health issues and the negative impact on their health and work performance. In 2016, over 350 support consultations were carried out by the service.

The Occupational Health team actively participated in Medical Board meetings, providing the health elements of cases being considered for retirement on medical grounds, along with briefing the medical board on health issues within the business.

The section organised two one day and two half day Occupational Health seminars which accrued training hours required for medical licensing for ENOC employees and contributed to ENOC's Corporate Social Responsibility efforts in providing training to medical personnel from a range of businesses within the UAE and Gulf Region.

A train the trainer campaign on Heat Stress was carried out providing training and health education materials for Business Units to conduct training on heat stress at their sites. Campaigns were also carried out on wellbeing and ergonomics. The Occupational Health section was a facilitator for a number of ENOC Wellness Committee initiatives including their influenza vaccination programme. It also facilitated a further influenza vaccination programme initiated by the Human Resources Department.

The Occupational Health Services Centre has maintained its ISO 9001 and ISO 14001 accreditation along with its Association of Occupational and Environmental Clinics accreditation. Some of the team also participated as internal auditors for other ENOC Business Units.

Industrial Hygiene

ENOC's Industrial Hygiene (IH) function was reorganised in 2016 to use a team of external Industrial Hygiene specialists to support our Industrial Hygienist in setting up an Industrial Hygiene Framework and undertake exposure assessments in the field.

ENOC's Exposure Assessment Plan has been developed and a number of on-site assessments have been carried out which included occupational noise, volatile organic compounds and ventilation effectiveness. By end of this year, the IH baseline data will be collected at all our operational sites.

Fire Safety & Fire-fighting Training

Our Fire and Safety (F&S) section as a service provider, arranges training programmes for the employees of affiliates, business units and corporate departments. The subjects covered include Defensive Driving, Permit to Work system, Management of Change, Construction Safety, Static Electricity, etc. The team witnessed an increasing demand from affiliates for such sessions in last few years.

As part of Government industry cooperation and Corporate Social Responsibility (CSR), ENOC's Fire and Safety section continues to maintain close interaction with the Civil Defence and Dubai Police. This allows ENOC to demonstrate our industry specific hazards to obtain effective support from these authorities.

Every year the Fire and Safety section conducts bilingual training programmes for the staff and officers of Dubai Police and UAE Civil Defence covering key specialised topics such as risk assessment, and incident investigation.

In 2016, we continued with our audits and annual test programmes as per the plan for the year and conducted 3 audits and 10 Adequacy tests. In addition to this, the F & S section also provided technical support in conducting tests on the fire protection system for newly commissioned tanks at the Joint Industry Fuel Farm (JIFF), Dubai International airport.

New fire-fighting courses were created to meet our obligations to all ENOC Business Units to ensure all employees are trained and ready to respond effectively and in a safe manner when any fire emergency occurs.

In addition to providing firefighting training to our business units, we were also involved in observing and participating in fire emergency drills and providing our feedback to the concerned business units and ways to improve.

Emergency Management



Based on the audit findings of past years, it was observed that the majority of our facilities do not have actionable Pre Incident Plans (PIPs) for tackling various emergencies. It was also concluded that operating units do not have requisite resources and competencies to develop these plans in-house. In order to support business units, we took initiative to engage an independent consultant to prepare PIPs for potential incidents. A total of about 200 plans have been prepared by the specialist consultant for 8 different facilities so far. The project is scheduled for completion in early 2017 with the subsequent commencement of the roll-out of these plans.

Roll out of Emergency Management Plan

As a follow up to the launch of ENOC's Crisis Management Plan in 2015, an Emergency Management Plan was rolled out across the Group starting from highest level of senior management involving EXCOM Members and working closely with government authorities such as National Crisis and Emergency Management Authority (NCEMA), Ministry of Interior (MoI) and Ministry of Energy (MoE).

2,053
participants
in Fire Fighting
training in 2016

In 2016, 30 sessions
on various topics were
conducted at locations
such as Dubai, Morocco,
Fujairah, Djibouti, and
Saudi Arabia.

List of Acronyms

| | |
|--------|--|
| AC | Audit Committee |
| ADNOC | Abu Dhabi National Oil Company |
| AED | United Arab Emirates Dirham |
| ASME | The American Society of Mechanical Engineers |
| AVGAS | Aviation Gasoline |
| BU | Business Unit |
| BUID | British University in Dubai |
| CEO | Chief Executive Officer |
| CERT | Centre of Excellence for Applied Research & Training |
| CIS | Commonwealth of Independent States |
| CNG | Compressed Natural Gas |
| CO | Carbon Monoxide |
| COBC | Code of Business Conduct |
| COP | Conference of the Parties |
| CSI | Customer Satisfaction Index |
| CSR | Corporate Social Responsibility |
| cSt | Centistoke |
| DDS | Drum Decanting System |
| DEWA | Dubai Electricity and Water Authority |
| DSCE | Dubai Supreme Council of Energy |
| E&P | Exploration and Production |
| E&RM | Energy and Resource Management |
| EBI | ENOC Bunkering International |
| EBOM | Existing Buildings Operations and Maintenance |
| ECIP | ENOC Commercial and Industrial Products |
| EDI | Emirates Driving Institute |
| EEG | Emirate Environment Group |
| EHS | Environment, Health and Safety |
| EHSSQ | Environment, Health, Safety, Security and Quality |
| EIPM | ENOC Industrial Products Marketing |
| ELOMP | ENOC Lubricant and Grease Manufacturing Plant |
| ELP | Executive Leadership Programme |
| EMGAS | Emirates Gas L.L.C. |
| EMS | Environment Management System |
| ENOC | Emirates National Oil Company (ENOC) L.L.C. |
| EPC | Engineering, Procurement and Construction |
| EPCL | ENOC Processing Company L.L.C. |
| EPPCO | Emirates Petroleum Products Company |
| ERM | Enterprise Risk Management |
| ERMC | Executive Risk Management Committee |
| EWSA | ENOC Wellness and Social Affairs |
| FLP | Foundation Leadership Programme |
| GBCI | Green Business Certification Inc |
| GCC | The Cooperation Council for the Arab States of the Gulf |
| GDP | Graduates Development Programme |
| GDP | Gross Domestic Product |
| GPP | Green Public Procurement |
| GPPEWE | Green Public Procurement for Energy and Water Efficiency |
| GHG | Green House Gases |
| GJ | Giga Joules |

| | |
|--------------------|--|
| GRI | Global Reporting Initiative |
| HCT | Higher Colleges of Technology |
| HR | Human Resources |
| HSE | Health, Safety and Environment |
| HSSEQ | Health, Safety, Security, Environment and Quality |
| HVAC | Heating, Ventilation, and Air Conditioning |
| IAT | Institute of Applied Technology |
| IG | Imperial Gallons |
| IH | Industrial Hygiene |
| ISO | International Organization for Standardization |
| IT | Information Technology |
| ITC | Investment and Tender Committee |
| JIFF | Joint Industry Fuel Farm |
| KPI | Key Performance Indicator |
| kWh | Kilowatt hour |
| LPG | Liquefied Petroleum Gas |
| LTI | Lost Time Injury |
| MoE | Ministry of Energy |
| MoI | Ministry of Interior |
| MoU | Memorandum of Understanding |
| MTBE | Methyl-Tertiary Butyl Ether |
| NCEMA | National Crisis and Emergency Management Authority |
| NDP | National Development Programme |
| NGO | Non-governmental Organisation |
| NOx | Nitrogen Oxides |
| NRC | Nomination and Remuneration Committee |
| OEM | Original Equipment Manufacturer |
| OHSAS | Occupational Health and Safety Assessment Series |
| OJT | On-the Job Training |
| PIP | Pre Incident Plans |
| PM | Particulate Matter |
| PMP | Performance Management Programme |
| ppm | Parts per million |
| RM | Risk Management |
| QMS | Quality Management System |
| RTA | Road and Transport Authority |
| SOx | Sulphur Oxide |
| SMB | Simultaneous Metering Blending |
| SME | Subject Matter Expert |
| STP | Supply, Trading and Processing |
| STS | Secondary Technical School |
| tCO ₂ e | Tonnes Carbon Dioxide Equivalent |
| TTC | Technical Training Centre |
| UAE | United Arab Emirates |
| ULG | Un-Leaded Gasoline |
| USGBC | United States Green Building Council |
| USD | United States Dollar |
| VEDC | Vocational Educational Development Centre |
| VOC | Volatile Organic Compounds |
| WRP | Workforce Recruitment Programme |

GRI Content Index



| Indicator | Description | Comments | Page |
|---|--|--|----------|
| General Standard Disclosures | | | |
| Strategy and Analysis | | | |
| G4-1 | Statement from the most senior decision maker | Covered | 4-5 |
| Organisational Profile | | | |
| G4-3 | Name of the Organisation | Covered | 13,14 |
| G4-4 | Brands, products and services | Covered | 22-29 |
| G4-5 | Location of the organisation's headquarters | Covered | 20 |
| G4-6 | Countries in which the organisation operates | Covered | 28-29 |
| G4-7 | Nature of ownership and legal form | Covered | 14 |
| G4-8 | Markets served | Covered | 102-105 |
| G4-9 | Scale of the organisation | Covered | 14 |
| G4-10 | Total workforce by employment type, employment contract and region, broken down by gender | Covered | 102-105 |
| G4-11 | Zero; employee associations, such as unions and collective bargaining are not permitted in the UAE under the federal law | Collective bargaining agreements are not included in UAE labour law | – |
| G4-12 | Organisation's supply chain | Covered | 62-64 |
| G4-13 | Significant changes since previous report | Not Applicable. This is ENOC's first report | – |
| G4-14 | Whether precautionary approach has been used | ENOC endeavours to use the precautionary principles in all its operations and activities (as applicable) | 48-50 |
| G4-15 | Externally developed charters the organisation is signatory to | Covered | 18-19 |
| G4-16 | Memberships of associations | Covered | 72 |
| Identified Material Aspects and Boundaries | | | |
| G4-17 | Entities included in the consolidated financial statements | Covered | 35 |
| G4-18 | Process for defining report content and boundary | Covered | 34-41 |
| G4-19 | List material aspects | Covered | 40 |
| G4-20 | Internal boundary for material aspects | Covered | 36-40 |
| G4-21 | External boundary for material aspects | Covered | 36-40 |
| G4-22 | Effect of any reinstatements in the previous report | Not Applicable. This is ENOC's first report | – |
| G4-23 | Any significant changes from previous reporting period in terms of scope and boundary | Not Applicable. This is ENOC's first report | – |
| Stakeholder Engagement | | | |
| G4-24 | List of stakeholder groups | Covered | 36-39 |
| G4-25 | Basis for selection of stakeholders | Covered | 36-39 |
| G4-26 | Approach to stakeholder engagement | Covered | 36-39 |
| G4-27 | Topics of concerns of stakeholders | Covered and undertaken benchmarking studies | – |
| Report Profile | | | |
| G4-28 | Reporting period | Covered (1 st January to 31 st December 2016) | – |
| G4-29 | Date of most recent report | This is ENOC's first report | – |
| G4-30 | Reporting cycle | Covered (annual) | – |
| G4-31 | Contact point | Covered | Backpage |
| G4-32 | GRI Content and "in accordance" option and external assurance | Covered | 122-123 |
| G4-33 | Policies regarding external assurance | Covered; This report is not externally assured | – |
| Governance | | | |
| G4-34 | Governance structure of the organisation | Covered | 44-47,50 |

| Indicator | Description | Comments | Page |
|---|--|---|-----------------|
| Ethics and Integrity | | | |
| G4-56 | Organisation's values, principles, standards and norms of behaviour | Covered | 50-52 |
| Category: Economic | | | |
| G4-DMA | | Covered | 56-61 |
| Economic Performance | | | |
| G4-EC1 | Direct economic value generated and distributed | Covered | 60 |
| G4-EC2 | Financial implications and other risks and opportunities for the organisation's activities due to climate change | In process and will endeavour to include in our 2018 report | 86 |
| Indirect Economic Impacts | | | |
| G4-EC7 | Development and impact of infrastructure investments and services supported | Covered | 60-61,69,71 |
| Procurement Practices | | | |
| G4-EC9 | Proportion of spending on local suppliers at significant locations of operation | Covered | 64 |
| Material to ENOC | Green Procurement vs Total Procurement | Covered | 40-41,65-67 |
| Category: Environmental | | | |
| G4-DMA | | Covered | 76-97 |
| Energy Management | | | |
| G4-EN3 | Energy consumption within the organisation | Covered | 81-82 |
| G4-EN4 | Energy consumption outside of the organisation | Covered | 81 |
| G4-EN5 | Energy intensity | Covered | 82 |
| G4-EN6 | Reduction of energy consumption | Covered | 84-85 |
| Material to ENOC | Integrating renewable energy | Covered | 41,76,77, 84-85 |
| Water Management | | | |
| G4-EN8 | Total water withdrawal by source | Covered | 90-91 |
| G4-EN9 | Water sources significantly affected by withdrawal of water | None | – |
| G4-EN10 | Percentage and total volume of water recycled and reused | Covered | 90-91 |
| Air emissions | | | |
| G4-EN15 | Direct greenhouse gas (GHG) emissions (Scope 1) | Covered | 86 |
| G4-EN16 | Energy indirect greenhouse gas (GHG) emissions (Scope 2) | Covered | 86 |
| G4-EN17 | Other indirect greenhouse gas (GHG) emissions (Scope 3) | Covered | 86 |
| G4-EN18 | Greenhouse gas (GHG) intensity | Covered | 86 |
| G4-EN19 | Reduction of greenhouse gas (GHG) emissions | Covered | 86,91 |
| G4-EN21 | NOx, SOx, and other significant air emissions (including VOC) | Covered | 87 |
| G4-EN24 | Total number and volume of significant spills | Covered | 96 |
| Flaring | | | |
| OG-6 | Volume of Flared and Vented Hydrocarbons | Covered | 88 |
| Effluents and Waste Management | | | |
| G4-EN22 | Total water discharge by quality and destination | Covered | 92-93 |
| G4-EN23 | Total weight of waste by type and disposal method | Covered | 95 |
| G4-EN24 | Total number and volume of significant spills | Covered | 96 |
| G4-EN25 | Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally | None | – |
| Category: Social | | | |
| G4-DMA | | Covered | 100-119 |
| Labour Practices and Decent Work | | | |
| G4-LA1 | Total number and rates of new employee hires and employee turnover by age group, gender, and region | Covered | 106-108 |
| Occupational Health and Safety | | | |
| G4-LA6 | Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work related fatalities, by region and by gender | Covered | 116 |
| G4-OG13 | Number of process safety events, by business activity | Covered | 96 |
| Training and Education | | | |
| G4-LA9 | Average hours of training per year per employee by gender, and by employee category | Covered | 106 |
| G4-LA10 | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings | Covered | 108-113 |
| Material to ENOC | Emiratization | Covered | 108-113 |
| Equal remuneration for Women and Men | | | |
| G4-LA13 | Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation | Ratio was 1 for similar experience and skill | – |
| Anti-corruption | | | |
| G4-SO3 | Total number and percentage of operations assessed for risks related to corruption and the significant risks identified | Covered | 68 |
| G4-SO4 | Communication and training on anti-corruption policies and procedures | Covered | 52 |
| G4-SO5 | Confirmed incidents of corruption and actions taken | No corruption events recorded in 2016 | – |
| Product and Service Labelling | | | |
| G4-PR5 | Results of surveys measuring customer satisfaction | Covered | 30-31 |



A CARBON NEUTRAL REPORT

2016 SUSTAINABILITY PERFORMANCE REPORT

Connecting Globally, Energising Sustainability

The development of 2016 Sustainability Performance Report is completely carbon neutral. All significant emissions related to raw materials, supply-chain and report production have been offset meticulously by ENOC. This was done through purchase and retiring of equivalent Certified Emissions Reductions from the United Nations Framework Convention for Climate Change.

ENOC believes that offsetting carbon emissions will play a part in advancing green technologies, supporting clean-job growth and driving the economy towards low-carbon development.



United Nations
Framework Convention on
Climate Change



This first report on our Sustainability performance represents a key milestone for ENOC. Sustainability is our top priority and to manage Sustainability issues effectively we had established a dedicated Sustainability Office in 2016 to improve our environmental, economic and social performance. This inaugural sustainability report therefore is the effort to consolidate our performance as ONE ENOC towards sustainability.

It is my belief that by looking after our people and Connecting Globally with our communities, we at ENOC can Energize Sustainability within our operations and continue to be a successful company. Thank you for taking the time to read our report and I hope to continue to share our performance with you in subsequent years.

Saif Humaid Al Falasi
Group Chief Executive Officer
ENOC



This report is a carbon neutral report. All significant emissions related to its development have been offset through purchase of CERs from the UNFCCC.



ENOC's Sustainability Performance Report is produced from 100% FSC certified paper products. FSC® certification assures that wood and paper products come from renewable materials and/or well-managed forests.