



# 2018 SUSTAINABILITY PERFORMANCE REPORT

CONVERGE TO INSPIRE



2018  
**Sustainability  
Performance**  
Report



CONVERGE TO INSPIRE



HH Sheikh Khalifa bin Zayed Al Nahyan  
*President of the UAE and Ruler of Abu Dhabi*



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



HH Sheikh Hamdan bin Mohammed Al Maktoum  
*Crown Prince of Dubai*



HH Sheikh Hamdan bin Rashid Al Maktoum  
*Deputy Ruler of Dubai and UAE Minister of Finance*



## ENOC Board of Directors



**HH Sheikh Hamdan bin Rashid Al Maktoum**

Deputy Ruler of Dubai, and UAE Minister of Finance, Chairman of the Board



**H.E. Saeed Mohammed Al Tayer**  
Vice Chairman



**H.E. Abdulrahman Al Saleh**  
Board Member



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



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



**Dr Abdulrahman A. Al Awar**  
Board Member, Chairman of the Nomination & Remuneration Committee and Member of the Audit Committee and Member of the Investment Committee



**H.E. Ahmad Buti Al Muhairbi**  
Board Member, Member of the Nomination & Remuneration Committee and Member of the Investment & Finance Committee

## ENOC Executive Management



**Mr Saif Humaid Al Falasi**  
Chief Executive Officer, ENOC Group



**Tayyeb Al Mulla**  
Managing Director, Supply, Trading and Processing



**Yusr Hussain Sultan Al Junaidy**  
Managing Director, Horizon Terminals ENOC Group



**Zaid Alqufaidi**  
Managing Director, ENOC Retail



**Hesham Ali Mustafa**  
Executive Director, Shared Services Centre, Group HR and New Business Development ENOC Group



**Burhan Al Hashemi**  
Managing Director, ENOC Marketing



**Mohammad Sharaf**  
Group Chief Financial Officer



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## A Welcome Note from our Group CEO

Over the past decade, ENOC has evolved to become a responsible and sustainable energy partner. Our nation has always had sustainability deeply rooted within our values, inspired by our leaders like the father of our nation, His Highness Sheikh Zayed bin Sultan Al Nahyan. With recent global developments, sustainability has risen to the top decision-makers' agendas, and we, at ENOC, are proud to be supporting these efforts both locally and internationally.

Energy providers today are faced with the challenge of responding to growing energy demands, ensuring access to energy for all, while at the same time, minimizing their emissions in response to the Paris Climate Action agreement. ENOC plays a crucial role in working closely with our industry partners to ensure we are an innovative energy partner, delivering sustainable value and industry-leading performance.

Despite the downward pressure on oil prices in 2018, the Group's revenues for the year reached US\$21.35 billion, representing a 28% increase over 2017. This is a highly creditable performance and a testament to ENOC's diverse and flexible business model and its ability to extract value across the energy spectrum.

Our upstream operations produced more than 88,600 barrels of oil per day, an increase of 3% compared to 2017, and the segment's contribution to Group's profit remained higher than in the previous year. Meanwhile good progress was made in expanding our refinery at Jabal Ali and completion of our new jet fuel pipeline to Al Maktoum Airport remains on track.

ENOC's commitment to sustainable leadership involves a holistic approach to sustainability, including environmental, social and governance issues. This year, we have also undertaken a mapping of our sustainability actions against the United Nations Sustainable Development Goals (SDGs), in line with the UAE government's commitment to supporting these SDGs. Our understanding of our impacts against the SDGs across our value chain will bring to light all opportunities and ENOC's potential to support the call for action in supporting the UAE's contributions to the SDGs.

ENOC actively promotes an organizational culture that is aware of the sustainability issues, has successfully developed environment-friendly products like our ENOC Biodiesel5, and is also proud to have incorporated sustainability-related KPIs based on which we evaluate our performance each year. It is our pride to have successfully implemented the ENOC Sustainability Index this year, which establishes KPIs for sustainability performance embedded into the scorecards of our various corporate departments, business units and business

segments. Our dedication to sustainability has enabled us to save AED 71.4 million since 2013 in Energy and Resource Management initiatives.

Health and safety remain a vital component of our operations and we are constantly doing our best to ensure that our employees and contractors work under the safest conditions. We implemented a 'fit for purpose' training along with line management audits to prevent any accidents and we aspire to accomplish a zero-fatality future. Specifically in the mid and downstream, our Lost Time Injury Frequency Rate (LTIFR) has reduced from 0.36 in 2017 to 0.09 in 2018, allowing us to achieve the lowest annual LTIFR since 2014. An achievement largely driven by the implementation of leadership site safety visits and safety observation programs.

Our survey of customer satisfaction once again showed how much we are appreciated by our communities and by residents and citizens of the UAE, maintaining a healthy 82%. Since 2012, we have improved customer satisfaction by 6%, an encouraging indicator for us all.

Human capital is vital to our efforts in meeting the UAE's energy needs and sustaining economic growth, and we were delighted to receive our first applications for the ENOC Energy Scholarship Programme, a post-graduate Master's degree in Energy from Heriot-Watt University in Dubai. Four UAE nationals are now enrolled in the programme, and we remain on track towards achieving our target of 50 percent Emiratisation by 2021.

ENOC is committed to the development of the communities that we are part of, investing more than US\$3 million in social and environmental programs across various countries.

**“** We thank all our stakeholders, both internal and external, who have played a vital role in ENOC's sustainability journey and invite you to gain a better understanding of our efforts and achievements through our 2018 Sustainability Performance Report at ENOC.

We also strongly believe in investing in our young leaders who will shape the future of our organization and nation.

In 2018 we embarked upon a disruptive innovation journey with NEXT, an accelerator which we believe will represent a quantum leap in our growth strategy, business development and operational efficiency. Moreover, we are expanding our use of the latest solar technology across our fuel station network, and are continuing to launch innovative, convenient and accessible refueling services such as the compact station in Arabian Ranches. Due to the compact size of the station, we can better serve the needs of the communities that have limited space and no available plots to build a standardized petrol station.

We thank all our stakeholders, both internal and external, who have played a vital role in ENOC's sustainability journey and invite you to gain a better understanding of our efforts and achievements through our 2018 Sustainability Performance Report at ENOC. As we look forward, we welcome your valuable feedback and active collaboration to help us continue steering our sustainability focus in the right direction.

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





## ENOC Sustainability Index

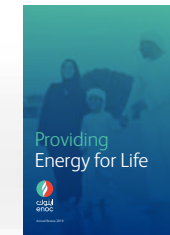
We are very proud to present the results of the first full year of the Sustainability Index at ENOC. Throughout this report, we reflect upon the results and achievements against the targets we have set for ourselves. For more information on the Sustainability Index and why we have chosen these targets, please refer to chapter 2.

	S.No.	Sustainability Index KPIs	Unit	Target	ENOC Group Performance	
				2018	2018	
Environmental	1	Thermal Energy Consumption per unit	GJ/ton (<)	-1.0%	-5.8%	●●
	2	Electrical Energy Consumption per unit	kWh/ton (<)	-1.0%	-1.6%	●●
	3	Energy demand reduction from baseline	% (>)	3.0%	6.7%	●●
	4	Renewable energy generation	% (kWh/kWh <sub>total</sub> ) (>)	0.1%	0.11%	●●
	5	GHG emission per unit reduction	kgCO <sub>2e</sub> /ton (<)	-1.0%	-5.9%	●●
	6	Air emissions (SO <sub>x</sub> , NO <sub>x</sub> , PM, CO)	% number of source	0	0	●●
	7	Water recycled	% Water/ton (<)	5.0%	18.6%	●●
	8	Waste recycle	% Waste recycle (>)	5.0%	36.2%	●●
	9	Flare gas reduction	% Flare reduction (<)	-5.0%	2.5%	●●
	10	Amount of green procurement	% Green procurement (>)	70.0%	71.0%	●●
Social	11	Employees who are UAE Nationals	Number	To achieve 50% by 2021	722.0	●●
	12	Number of employees left the company	% turnover (<)	10.0%	9.0%	●●
	13	Training hours per employee	hrs per FTE (>)	7.0	23.3	●●
	14	Score from the Customer Satisfaction survey	Score	80%	82.0%	●●
	15	Gender diversity ratio	% Women (>)	20.0%	16.3%	●●
	16	Completion of COBC training	% Completion (>)	100.0%	90.0%	●●
	17	LTI Incident Rate (people safety)	Rate per million-man hours	0.33	0.090	●●
	18	Process Safety Incidents (process safety)	Rate per million-man hours	Report only	0.070	●●
Economic	19	Community investment	% investment against previous year's economic value retained	0.2%	1.38%	●●

● Dark green - Exceeded target ● Light green - Achieved target ● Light red - Achieved close to target ● Dark red - Achieved far below target

## Report Overview

ENOC is committed to diligently communicating our disclosures to our stakeholders, to provide meaningful insight into our business and performance. This report is one of the three key reports that ENOC publishes, featuring our financial, sustainability and energy efficiency performance.



ENOC's Annual Review gives update regarding our business and operational review, value chain and ENOC group's business and corporate segments.



First published in 2016, ENOC's Sustainability Performance Report is a GRI compliant report published annually, including disclosures on our response to environmental, social and economic issues.



Published since 2015, ENOC's Energy and Efficiency Report is a bi-annual report that presents our achievements and updates in energy and resource management.

To view our latest reports, please visit

<https://www.enoc.com/en/media-centre/enoc-reports-publications>

## Reporting Framework and Limitations

This report has been prepared in accordance with the GRI standards: Core option. We have also drawn guidance from the sustainability reporting guidance published by IPIECA, the industry association for environmental and social issues, as well as established alignment to the UN Sustainable Development Goals.

The scope of this report has the following limitations:

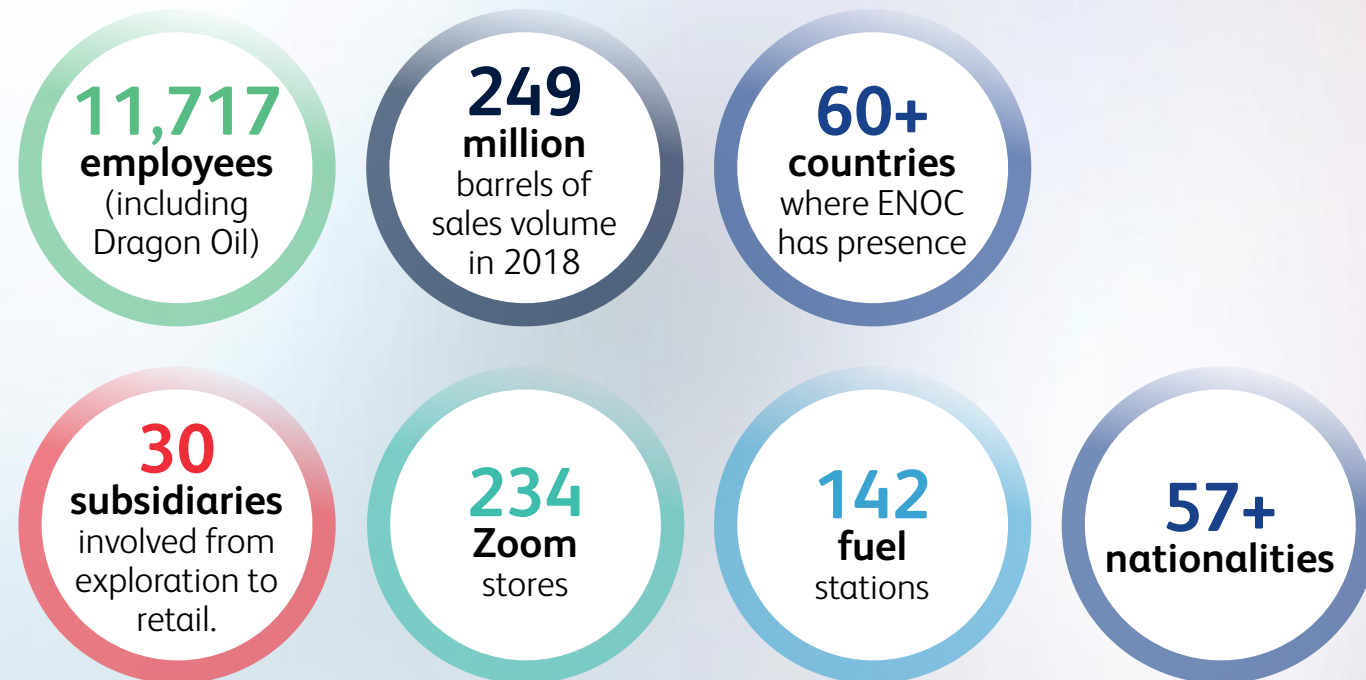
- Information on our upstream business, Dragon Oil, only includes the Turkmenistan operation.
- Data from contractors, suppliers and clients are not included in this report unless otherwise stated as we are still gathering this information. ENOC is committed to improving our existing data collection mechanisms to strengthen disclosure on our performance in future reports, as well as reporting on the other Dragon Oil operations.
- The financial data included in this report covers all the subsidiaries of ENOC Group, consolidated on line by line basis. In respect of the joint ventures and associated companies, only ENOC's shares in net results have been considered.





## 2018 Highlights

### Key ENOC Highlights



### Sustainability Related Highlights





# We are ENOC

ENOC Group has a rich history that goes back more than 25 years, in which we have grown from a local oil and gas company to the globally active organization we are today. Throughout our history, sustainability has always been part of our mindset and it is now more important than ever before. As such sustainability has a central role in our long-term growth strategy, which we align with global sustainability initiatives such as the Sustainable Development Goals (SDGs) and local initiatives including UAE Vision 2021, UAE Energy Strategy 2050, Dubai Plan 2021, Dubai Integrated Energy Strategy 2030, and Dubai Clean Energy Strategy 2050. As part of our continuous commitment to sustainability, we are reporting for the first time on our alignment with the SDGs.

01



**149 million**  
customers served in 2018

**11,717**  
employees  
(including Dragon Oil)

**142**  
Fuel stations

Global presence  
**60+** countries



## Sustainability is Purpose

Emirates National Oil Company Limited (ENOC) L.L.C. is an internationally operating integrated energy company based in the United Arab Emirates (UAE) that was founded in 1993 and is a wholly-owned entity of the Government of Dubai. ENOC's operations cover all aspects of the energy value chain, from exploration and production to delivering our products to the end-users. This is our third Sustainability Performance Report, where we report on the progress that we have made in 2018. To showcase our progress, we have highlighted our achievements throughout the front and back of our report – through our Sustainability Index. We start with a reflection on our achievements for 2018. At the end of the report, we look forward towards upcoming initiatives and set targets for the next year.

Sustainability is embedded within ENOC's mission and vision. We are driven by our responsibility to meet Dubai's growing energy needs today and those of future generations. This means that we need to manage our social, economic and environmental impacts.

## 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



To be at the forefront of our industry's advancements, we have embedded these essential concepts within our vision:

"To be an  
Innovative,  
Energy Partner,  
Delivering Sustainable Value  
and  
Industry-Leading  
Performance"



### Innovative

We are innovative in our ways of implementing green technologies to become more resource-efficient.



### Energy Partner

Our partnerships go beyond delivering our products and services. We have established partnerships with our consumers, stakeholders and shareholders to create a sustainable future for over 25 years.



### Delivering Sustainable Value

This is our core remit, with sustainability being the foundation of business excellence and allowing us to continuously create long-term value for our stakeholders.



### Industry-Leading Performance

We pride ourselves of our high performing, competitive and industry-leading organization.





## Strategizing for a Sustainable Future

We regularly evaluate our strategic focus to assess if they are still aligned with our ambitions and if they are adept to deal with external factors such as changing oil prices and energy demand. After reviewing the strategic focus this year, we concluded that a revision was not necessary.

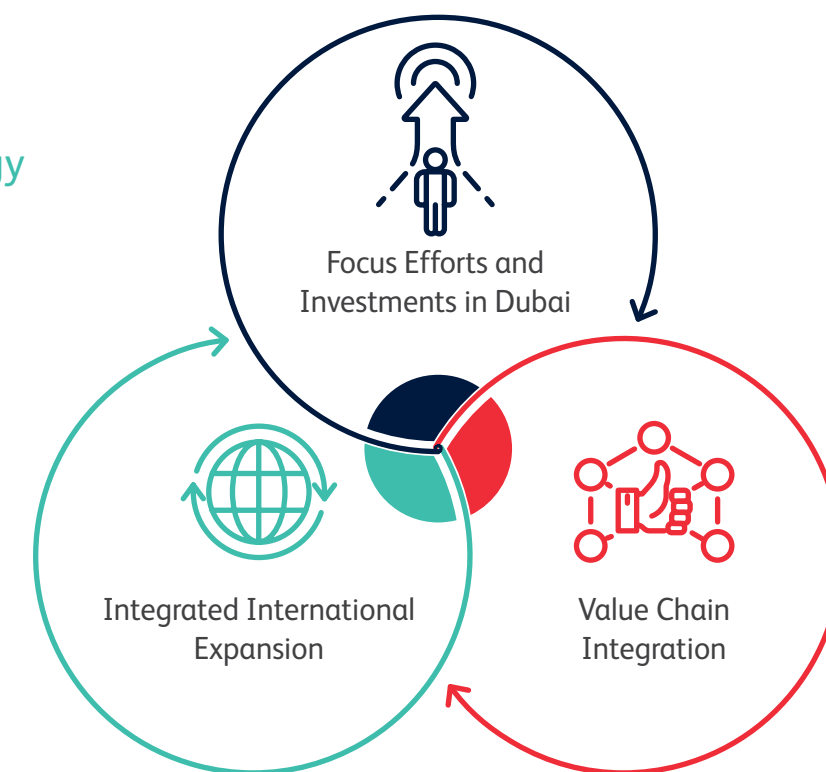
Our long-term growth strategy is defined based on core principles, including mobility, renewables, and technology, that contribute to Dubai's long-term vision.

Core Principles	2018 Achievements in reflection to our core principles
Looking at ongoing and future trends, <b>mobility</b> will be an important focus area, this includes electric, self-driving and autonomous vehicles.	We have installed electric vehicle chargers at 11 of our retail stations across UAE, to encourage electric vehicles deployment in Dubai and also committed to provide chargers in future stations.
We concentrate on <b>renewables</b> to address global warming, climate change, regulations and resource availability.	We have installed solar panels at 9 of our current retail stations (equivalent to 1 MW), and the trend will continue for all our upcoming stations. Also, we have installed solar PV in our operational sites like DLPP in Jebel Ali and have plans for install in other sites in 2019.
As a constantly evolving sector, we must keep ourselves up to date with the newest <b>technologies</b> , such as Blockchain, artificial intelligence and cyber security.	Having officially launched our digital venture accelerator program, ENOC Next, this year, we have been working on the development of projects related to online car insurance incentivizing users to drive less and an on-demand automotive refueling service, both launching later next year.

We constantly reiterate our **long-term vision** as a demonstration of our commitment to the location in which we work. As a city which constantly looks to the future, Dubai has committed itself to multiple visions and plans, such as the Dubai Plan 2021, Dubai 2030 Industrial Strategy, Dubai Clean Energy Strategy 2050, and RTA Mobility Plan.



Built on our core principles, ENOC's strategy for 2017-2021 has three key priorities to maintain our strategic long-term vision:



During 2018, our strategic focus concentrated on:

- Serving the growing energy needs of Dubai and contributing to the achievement of Dubai Plan 2021, deploying the latest digital technologies that are using big data to drive efficiencies.
- Building world-class capabilities to grow profitably and sustainably both domestically and internationally.
- Fostering operational excellence, governance, and world-class EHS standards.
- Developing the 'One ENOC' culture – integrating our employees as one team along the value chain.
- Maximizing happiness and value delivered to employees, customers and partners.

The oil industry itself is undergoing major changes that will have a long-term impact on the industry players. To better place ENOC a decade down the line, we will continue to further explore the strategic options prioritized last year and develop a roadmap to widen the scope of our operations. Digitization and the use of big data to find better and more efficient business processes are at the heart of these efforts.



In 2018, a series of 7 segment-wide workshops were organized to brainstorm ideas along ENOC's long-term strategic thinking for 2030 and beyond. During a cross-segment workshop, the 277 initiative ideas from each segment were reviewed in a tradeshow format and further refined and ranked by participants. The criteria based on which the ideas were prioritized include the ability to generate returns in 5-10 years' time, existence of related capabilities and competencies that can implement the initiative, has the potential to mitigate impending risks, and contributing to diversification of service offerings to create competitive advantage.

ENOC Next workshops organized in London, 2018

Upon presenting the top ideas to the EXCOM members and senior leadership, the top 10 strategic priority options identified for the long term are:

INVEST	 <b>Digitization</b>	Adopting emerging technologies such as Blockchain, AI, Big Data Analytics, and adopting new SAP system.
	 <b>ENOC Next</b>	Innovating new digital ventures.
	 <b>On Demand</b>	Adapting new business models enabling services to reach customers' doorsteps.
	 <b>Trading Diversification</b>	Expanding trade portfolio to include agro, metals, fertilizers, etc.
EXPLORE	 <b>Renewables</b>	Adopting renewable energy solutions such as hydrogen, solar, wave, thermal, biofuels, battery manufacturing.
	 <b>Research and development</b>	Establishing Research and Development (R&D) center by collaborating with industry leaders and academic institutions.
	 <b>Petrochemicals</b>	Manufacturing and trading of petrochemicals.
BUILD SELECTIVELY	 <b>International expansion</b>	Expanding business across emerging economies.
	 <b>Gas expansion</b>	Exploring our LNG market.
	 <b>Venture capital</b>	Establishing an innovation and venture capital fund to invest in upcoming startups.



#### ENOC Next

Officially launched in 2018, the ENOC Next accelerator was formed in alignment with Dubai Future Foundation's Dubai 10X initiative that aims to place Dubai Government entities 10 years ahead of the rest of the world across all sectors. The program also falls under the vision of Dubai Government to promote Innovation, Digitalization and Alternative Fuels. Such an innovation platform is key to ensuring the long-term resilience of the business in responding to disruptions in the energy sector such as autonomous vehicles, as well as increased

competition accrued due to diversifying traditional business. Led by ENOC's New Business Development department, in partnership with BCG Digital Ventures, will work together through a tried-and-tested process aiming to identify and contribute towards new business ventures that are tested for feasibility, ready for investment decisions and will leverage ENOC's core asset base. The ENOC Next program is expected to develop 3 to 5 new digital ventures, 2 of which will be launched in 2019.



## Mapping and Aligning to UN SDGs

The energy sector plays a crucial role in driving the sustainable development agenda, as it has a central role in the economic development of global and national economies. The Agenda 2030 for Sustainable Development that established the 17 UN Sustainable Development Goals (SDGs) emphasizes that economic development must be accompanied by social inclusion and environmental stewardship.

The UAE government's position and commitments on sustainability are key to the UAE's development journey. In commitment to supporting the 17 UN SDGs, the UAE government launched the national agenda, UAE Vision 2021, with 6 goals and 52 National KPIs, interlinked with the SDGs. Furthermore, Dubai's Vision 2021 is also mapped to 12 of the UN SDGs, to which ENOC has established alignment. The energy sector, and the private sector in general, have been under scrutiny for their role in its sustainable development. The introduction of SDGs emphasizes the immense potential of achieving sustainable development if the private sector were to do business responsibly.

ENOC's transition from looking at environment stewardship to embracing energy and resource management, and eventually moving to a broader outlook at sustainability including the social and economic aspects, has allowed the organization to explore the essence of the SDGs. In our commitment to be a sustainable energy partner, ENOC is in the process of looking towards a structured process to align itself with the UN SDGs through its operations, energy resource management initiatives and investments.

Given the dynamic nature and global footprint of our organization, our scope of work is relevant to all the SDGs to varying degrees. However, we believe that by focusing on the priority SDGs illustrated below, ENOC can be more impactful in its contributions to the SDGs, both on a local and global context.







Large square: Priority SDGs for ENOC; Medium square: Second Tier SDGs; Grey Square: Limited impact




While we indirectly contribute to the SDGs by aligning to the national and Emirate-level agendas, ENOC has also mapped its direct impact on the SDGs, measured by our Sustainability Index KPIs.

### ENOC impact on UN Sustainable Development Goals (SDGs)

Selected SDG	Alignment to SDGs	ENOC KPIs measuring impact
Priority SDGs		
<p><b>SDG 7</b> Affordable &amp; Clean Energy</p>	<p>'ENOC's energy and resource management (E&amp;RM) initiatives are in clear alignment to the goals and targets of SDG 7 that ensures access to affordable, reliable, sustainable and modern energy for all. By increasing our investment and efforts in improving energy efficiency, by increasing the share of renewable energy in the energy consumption mix, and by ensuring wider access to the community, ENOC commits its contributions to SDG 7.</p>	<p>Thermal energy consumption per unit reduction (GJ/tonne)</p> <p>Electrical energy consumption per unit reduction (kWh/tonne)</p> <p>Energy demand reduction from baseline (% reduction)</p> <p>Renewable energy generation against consumption (% generation)</p>
<p><b>SDG 8</b> Decent Work and Economic Growth</p>	<p>By enhancing our economic performance, we are able to provide decent jobs for our employees, as well as invest in our national talent. Our robust strategy that looks at diversified business lines helps us avoid over-reliance on oil and gas operations, allowing for local entrepreneurs and the community to identify new opportunities across our supply chain.</p>	<p>Employees who are UAE Nationals (Proportion of employees who are UAE Nationals)</p> <p>Number of employees retained in the company (Proportion of employees leaving the company)</p>
<p><b>SDG 12</b> Responsible Consumption &amp; Production</p>	<p>In light of ENOC's E&amp;RM initiatives effectively making use of natural resources, and in alignment with Dubai Demand-Side Management (DSM) Strategy also aimed at efficient energy and water resources across the city, ENOC effectively contributes to SDG 12, ensuring responsible consumption and production of energy. ENOC's efforts in looking at efficient waste management through waste audits, in adopting and annually reporting on sustainable practices and by ensuring that people have access to relevant information and awareness for sustainable development.</p>	<p>Waste reduced compared with baseline (Recycled water usage compared to total water consumption)</p> <p>Amount of green procurement vs. Total procurement (Amount of green procurement vs. Total procurement)</p>
<p><b>SDG 13</b> Climate Action</p>	<p>To tackle one of our biggest negative contributions to the SDGs, ENOC's strategy is in sync with UAE's national strategy and NDCs, while our energy and efficiency initiatives and reduction in flaring are focused on reducing our emissions across our production and operations. Our biofuel product (Biodiesel5) also helps the end-users to reduce their emissions, who have a higher contribution to emissions collectively. We also aim to reduce the Sulphur content in our refinery products.</p>	<p>GHG emission per unit reduction (tCO<sub>2</sub>e/tonne) GHG emission per unit reduction</p> <p>Air emissions (SO<sub>x</sub>, NO<sub>x</sub>, PM, CO) above legal limit (tCO<sub>2</sub>e/tonne)</p> <p>Flare gas reduction compared with the baseline (%)</p>
<p><b>SDG 17</b> Partnerships for the Goals</p>	<p>Based on the themes of the various partnerships and community investment initiatives organized by the Group Sustainability Office (GSO) as well as other ENOC business units, we contribute to SDG 17. With the establishment of ENOC's upcoming CSR Strategy in 2019, we would be able to further streamline our priority SDGs themes for community investments and derive social value on investment from them.</p>	<p>Community Investments (% of Economic value retained)</p>



ENOC impact on UN Sustainable Development Goals (SDGs)		
Selected SDG	Alignment to SDGs	ENOC KPIs measuring impact
Second Tier SDGs		
 <b>SDG 4</b> Quality Education	ENOC invests in building the employee competencies in emerging fields such as renewable energy, new energy efficient technology, etc., to train our employees for the future. On a broader level, ENOC also invests in various education related community initiatives for youth.	Training hours per employee (hrs/employee)
 <b>SDG 5</b> Gender Equality	In order to encourage participation and employment of women in our industry, ENOC promotes gender-balanced work environment and recruitment practices, increasing the proportion of female employees.	Women to men ratio
 <b>SDG 6</b> Clean Water & Sanitation	Water being an important resource across our value chain, plays a crucial role in the industry, and in relation to energy efficiency. ENOC has included this KPI to emphasize the significance of waste consumption and waste water management.	Recycled water usage compared to total water consumption
 <b>SDG 9</b> Facilitate sustainable and resilient infrastructure	Given our active role with the national and local governments, we help build the right policies for the future-proof and resilient city, as well as invest in building the appropriate infrastructure.	Reflected in ENOC strategy

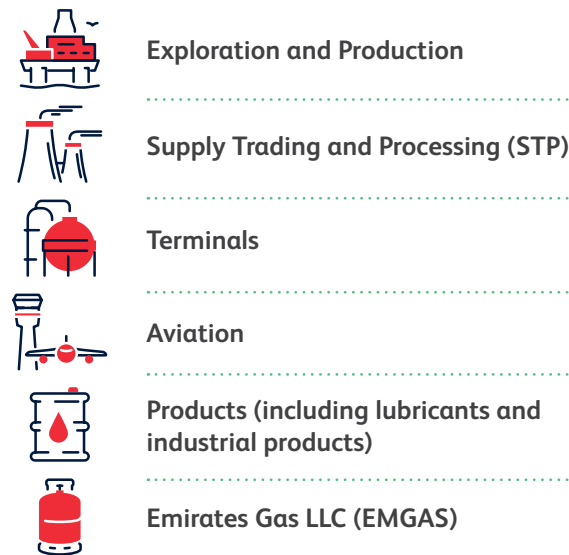
ENOC impact on UN Sustainable Development Goals (SDGs)		
Selected SDG	Alignment to SDGs	ENOC KPIs measuring impact
Second Tier SDGs		
 <b>SDG 10</b> Reduce inequality within and among	Through our community initiatives, we aim to reduce inequalities within the society by contributing to people of determination.	Our CSR programs focused on education and youth from different sectors of society
 <b>SDG 14</b> Sustainably use the oceans, seas	We aim to reduce our impact on the marine biodiversity that may be affected due to our exploration and other upstream functionalities.	Programs to reduce spills in ENOC operations
 <b>SDG 16</b> Peaceful and inclusive societies	By embedding strong anti-corruption laws, and encouraging our suppliers, contractors and our own business units to conduct business in an ethical and fair manner, we contribute to SDG 16.	Completion of e-learning modules on ENOC Code of Business Conduct (%)

## Our Business

ENOC Group's has a substantial operational footprint including more than 30 related subsidiaries involved in refining, lubricant blending, storage, aviation and retail. Our operations are split into two main business arms:

### 1. Our Energy Operations

With the goal of providing energy to fuel Dubai's exponential growth, ENOC continues to play a critical role in the development of the Emirate and is involved in multiple facets of the energy value chain. Our upstream and midstream operations include:

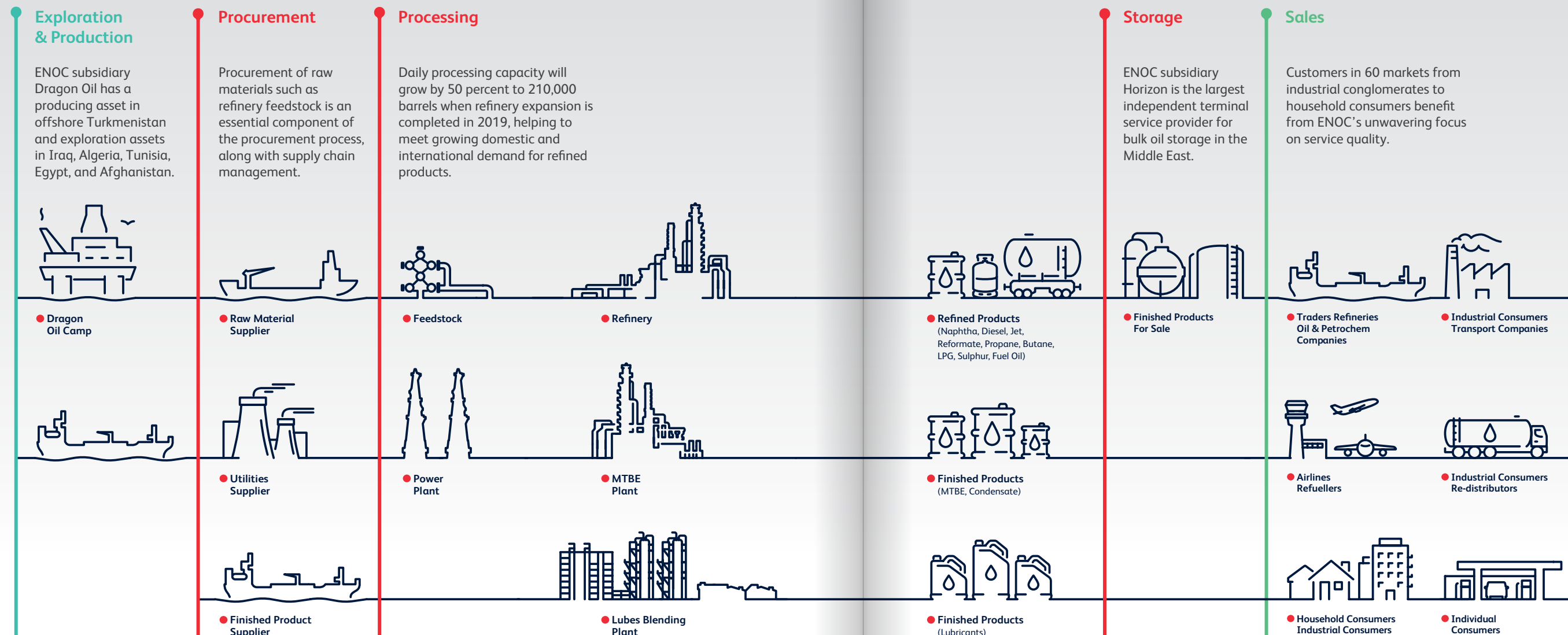


### 2. Downstream Services

In addition to our upstream and midstream services, we have downstream services focusing on the sales of our products to a wide range of customers, from industrial conglomerates to household consumers. This

includes our retail operations at our service stations, the convenience store franchises (Zoom) and automotive services including Tasjeel and Autopro.

## ENOC's Value Chain





## Energy Operations



### Exploration and Production (E&P)

ENOC recognizes the importance of E&P in their value chain and with the acquisition of Dragon Oil in 2015 has further strengthened its position in this area. Besides our E&P operations through Dragon oil, we operate joint ventures through production sharing agreements and contractor sharing agreements across several E&P sites.

The Group's main producing assets include the Cheleken Contract Area in the eastern region of the Caspian Sea, offshore Turkmenistan in addition to ongoing E&P operations in Iraq, Algeria, Tunisia, Afghanistan and Egypt.

Dragon Oil's long-term strategy has been to boost production to 300 thousand bopd and in 2018, it took a significant step towards achieving that target.

Late in 2017, Dragon Oil entered a dialogue with Egypt's state oil company and British Petroleum (BP) in relation to the purchase of several BP's producing assets in Egypt. The sale process was highly competitive, but after having conducted a detailed analysis, Dragon Oil submitted its offer in late 2018 and was successful. The positive outcome achieved from this process was a testament to Dragon Oil's positive track record in Egypt, its strong relationship with the government, its respect for the local community and its ability to continually meet its obligations.

In Turkmenistan, the company completed 19 development and appraisal wells in the Dzheitan (Lam) and Dzhygalybeg (Zhdanov) fields during 2018. Three drilling rigs were deployed, including two jack-up rigs and one platform-based rig. Based on the results of the recent assessment by an independent energy consultant, the 2018 year-end oil and condensate 2P reserves were still appreciable, after having allowed for the 2018 production of 32 million barrels. The oil and condensate contingent resources (2C) were 351 million barrels (31 December 2017: 174 million).

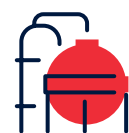


### Supply, Trading and Processing (STP)

Our Supply, Trading and Processing (STP) segment is crucial in managing the supply side of the Group's operations. Within this business segment we have two processing plants - the ENOC Processing Company EPCL which refines our products and DUGAS which produces our methyl-tertiary butyl ether (MTBE) additives. The products produced by these plants are distributed through ENOC's retail networks, at airports in Dubai and surrounding regions, and to domestic industries.

ENOC has invested in the expansion of the EPCL processing plant in recent years to ensure that it is ready to meet the future demand for energy and is able to produce against the latest standards, including the stringent Euro5 standards. The expansion will result in an increased capacity to produce 213,500 barrels per stream day (bpsd), the current capacity is 140,000 bpsd. Investments in the DUGAS production facility were done as recent as 2017, when the spherical tank project added an additional storage of 4,200 tons of pressurized propane. As a result, DUGAS is the largest propane storage company in Dubai and the Northern Emirates.

In addition to our processing operations, we also operate Supply and Trading as part of STP. Supply and Trading has a paramount role within STP, as they are responsible for a cost-effective and uninterrupted supply of feedstock for the processing plants. They are also responsible for identifying and establishing business opportunities through strategic partnerships with governments, international oil companies and traders..



### Terminals

In 2003, ENOC established Horizon Terminals Limited (HTL) as a reaction to the growing demand for bulk liquid storage and Dubai's strategic geographical position as a major trade hub. Since then, our terminals operations have seen considerable growth both locally and globally. HTL has started out with terminals in the UAE and Saudi Arabia, but has since expanded with facilities in Singapore, Djibouti and Morocco.

HTL has a leading position in the Far East region and through its UAE and International Division want to grow to become the largest independent terminal service provider for bulk oil storage. In 2018 our global terminal storage capacity was 6.30 million cubic meters.

Horizon continued to explore other expansion opportunities, in line with the Group's strategic goals, although the pricing environment tightened with the entry of private equity players into the market. The Al Maktoum International Airport pipeline project continued to progress well and remains on schedule and on budget. Once complete, it will enable ENOC to support the new airport's jet fuel requirements. Horizon has also approved further investment in the existing terminal in Saudi Arabia (ArabTank terminal), to provide tankage services to new customers through long-term binding contracts. Towards the end of 2018, Horizon's Operational Excellence Management system was finalised. This is a fully integrated system designed to raise standards of safety, sustainability and resilience, which will be rolled during the current year.



### ENOC's Aviation Business

ENOC Aviation, the specialized aviation fuels division of ENOC, was established in 1995 and has been the leading marketer and supplier of aviation fuel in Dubai for commercial airlines, military and general aviation ever since.

ENOC Aviation's has been steadily growing over the past 13 years and we have seen a significant increase in the network we have supplied and our offerings. Our offerings to numerous international renowned airlines form part of an integrated supply chain- from procurement, shipping, refining, storage, distribution to into-aircraft services.

In addition to its core services, the aviation business has increased its service offerings to include market studies for start-up projects, fuel inspections, assistance in the design of refueling vehicles and marketing to airlines and fuel hedging, as well as a comprehensive range of technical consulting services, including:



Consultancy on quality control, operations and EHS issues;



Consultancy on the design and upgrade of static and mobile facilities, including specifications;



Provision of aviation quality control and operations manuals;



Quality control and operations training fuel systems;



Feasibility studies for new aviation fuel infrastructure projects; and



Project management services for grass roots projects and upgrades.

After establishing a record of significant growth and success in the UAE, ENOC's aviation business and impressive supply network has now grown to cover 152 airports across 25 countries.

EPPCO Aviation refuels about 14 million litres to over 330 flights every day, which is more than half of all flights departing from Dubai International Airport.





## Products

ENOC offers a wide range of products to ensure we continuously meet customer demands across several industries and markets, both in the UAE and the Middle East region. ENOC covers the management, operations and sales of a multitude of products such as jet fuel, liquefied petroleum gas (LPG), lubricants, bulk fuel. In addition, we have been working to provide alternative fuel offerings such as compressed natural gas (CNG), ensuring our commitment to providing core and alternative products of the highest quality while adhering to the highest international safety and quality standards.



### A. Lubricants

ENOC Lubricants carries a wide range of lubricants and industrial products that are designed for application in the automotive, industrial and marine sectors, as well as heavy-duty diesel engines for commercial use. The portfolio also includes green products, such as Protec Green and Vulcan Green.

The manufacturing and distribution are handled by two ENOC divisions: ENOC Lubricants Marketing and ENOC Industrial Products Marketing (EIPM) and covers more than 60 countries across the Middle East, South East Asia, Commonwealth Independent States (CIS) countries and Africa.

Our extensive marine lubricants portfolio – and deep expertise in technical support for the maritime sector – spans more than 100 ports in 23 countries, providing specific solutions geared towards achieving optimal performance for the shipping industry.

### B. Industrial Products

ENOC Industrial Products Marketing (EIPM), a subsidiary of ENOC, provides industrial products to clients in the region and is made up of two business units: ENOC Commercial and Industrial Products (ECIP) and ENOC Bunkering International (EBI).

ENOC Industrial Products division has also successfully launched Biodiesel5, an advanced alternative green fuel product commonly used for diesel engines.

EIPM products: The product range includes ultra-low-sulphur diesel, fuel oil, bitumen, kerosene and unleaded gasoline. The business is among the first to introduce 10 ppm diesel to its large customer base in the UAE, in support of the UAE's sustainability agenda.

ECIP provides leading custom fueling solutions across 200 fueling stations across the UAE, catering for various tank types, dispensers and automation systems while EBI supplies fuel to marine vessels, including offshore supply boats, container liners, tankers, navy and coastguard ships through a vast network of road tanker trucks and pipelines.



### Emirates Gas LLC (EMGAS)

EMGAS has the largest distribution network for Liquefied Petroleum Gas (LPG) in the UAE with 4 filling plants across Dubai and the Northern Emirates and has been the leading supplier of LPG products in the country since 1974. It also counts on the biggest fleet of LPG tankers to safely and efficiently cater to Bulk LPG Central Gas systems across the UAE and prides itself on its industry-leading EHS measures.

Alongside conventional LPG - in both cylinders and in bulk - EMGAS is a leading supplier of pioneering new products that have a considerably reduced impact on the environment such as:

- Compressed Natural Gas (CNG)
- Cutting Edge Gas (CEG)
- Commercial propane
- Pro-power forklift cylinders
- CoolGas
- Emirates gas aerosol propellant (EGAP)

In 2018, EMGAS introduced shrink-wrapped seals attached to LPG cylinder valves, including a hologram – the first time this feature has been applied in the UAE. The innovation reduces risks to users, maintains EMGAS brand image, and helps authorities to differentiate originally filled cylinders as these seals are extremely difficult to duplicate. EMGAS also launched lightweight composite cylinders for direct distribution to specific communities that are safer than the traditional metal version. They are produced from helically woven fibres combined with resin, making them uniquely secure. Labelled explosion-proof, the cylinders can withstand double the pressure of regular metal equivalents.





## Retail Services

Our diverse portfolio of retail services includes outlets across the country and the region, comprising of service stations, convenience stores, fast-food outlets, carwash centers, automotive maintenance, and vehicle testing and registration.

Facilities	Service	Dubai UAE	Abu Dhabi UAE	Northern Emirates UAE	Saudi Arabia
Fuel Retail					
ENOC	Petrol stations	69	-	6	16
EPPCO	Petrol stations	42	-	11	-

Facilities	Service	Dubai UAE	Abu Dhabi UAE	Northern Emirates UAE	Saudi Arabia
Wider business					
ZOOM	On-site at ENOC and EPPCO petrol stations	100	-	17	14
	Stand-alone	45	11	3	-
	Dubai Metro	43	-	-	-
	Franchisee	1	-	-	-
Pronto	On-site	41	-	2	-
	Stand-alone	24	6	2	-
	Franchisee	-	-	-	-
Paavo's Pizza	Food and beverage	11	-	-	-
Popeye's	Food and beverage	13	-	-	-
AutoPro	Vehicle maintenance	38	-	1	-
Car wash	Washing/cleaning	36	-	3	-
Quick oil change	Oil change and accessories	20	-	2	-
Tasjeel	Testing/registration	11	-	7	-





## Fuel Retail

With over 128 service stations in the UAE and 14 in the Kingdom of Saudi Arabia, ENOC retail has a significant presence in the region and locally through EPPCO and ENOC stations. Our retail stations have a leading share (69%) of the Dubai market by volume, selling close to 3.2 billion liters in 2018 and refueling more than 79 million vehicles. Additionally, our subsidiary EPPCO Distribution delivers fuel to the ENOC and EPPCO retail network, relying on a fleet of more than 50 tanker trucks.

ENOC Retail is constantly pushing to innovate in design and construction of its fuel stations to meet the growing demand of its customers while also exploring the potential boundaries of technological innovation. ENOC Retail has opened 19 new service stations in the UAE in 2018. As such, we are on track to continue to expand and grow our UAE footprint by 40 percent by adding 54 new service stations by 2020 (compared to 2017), ensuring we maintain our position as a leading fuel retail provider in the region.

## Convenience Stores'

ENOC operates ZOOM, the leading homegrown convenience-store network in the UAE, for the past 25 years. The Zoom stores can be found at our ENOC/EPPCO service stations, Dubai Metro and high-street locations throughout the UAE and serve approximately 44 million customers yearly at over 200 locations. With 224 outlets across the UAE and Saudi Arabia, our stores are located at ENOC and EPPCO petrol stations, Dubai Metro stations, and residential, commercial

and hotel/leisure communities. These stores offer leading international brands and an enhanced customer experience at the convenience of our customers. ENOC has also expanded its convenience store offerings into Saudi Arabia.

In addition to the standard offerings, there are currently 15 ZOOM service counters that serve as a one-stop-shop for integrated convenience where customers can pay credit card and utility bills, airline tickets and gift cards, top-up mobile wallets, or recharge local and international phone credits. This initiative is in line with ensuring ZOOM is leading the industry into a new age of enhanced customer experience and service excellence. We are planning to expand this with another 25 service counters in the coming period.

During 2018, ZOOM underwent a brand re-launch and was repositioned as "your neighbour". The brand strategy is to focus on the community and consumer experience while celebrating food and the unique offerings with "a whole lotta lovin". The store layout was reviewed bringing in vibrant fun colors to the mix and expanding the fresh food corner.

ZOOM is also the first retailer to accept NOL payment at its outlets in 2018.

## Pronto

With 78 locations across the UAE, the Pronto coffee-shop and fresh bakery concept is designed to complement ZOOM outlets, found both as part of ZOOM convenience stores and as standalone cafe venues.

## Franchises

ENOC offers franchising opportunities of its retail stores across the UAE to maximize non-fuel offerings at our stations and beyond. Our franchises are fully supported by our comprehensive back-up programs, benefiting from our in-depth knowledge in retailing while leveraging the growing retail business in the region. These opportunities include the franchising of internationally recognized brands such as Paavo's Pizza, which currently has eleven locations with plans to open four more in 2019, or Popeye's which has thirteen locations in Dubai and plans to open seven more in 2019.

## Automotive Services

In addition to our convenience store and franchising services, ENOC operates AutoPro and Tasjeel, two leading automotive services for its customers in the UAE:

### a. Autopro:

From carwash to maintenance and repair services, AutoPro's 38 centers across Dubai and Sharjah provide a wide range of automotive services. AutoPro's outlets can be found at ENOC and EPPCO service stations to ensure optimal access to technicians, the facilities and the

expertise they need to keep their vehicles clean and properly maintained.

AutoPro is looking to expand the way in which it can serve and approach its customers. In 2018, AutoPro has introduced a mobile unit for tyre and battery repair called 'AutoPro on Demand', with two vans on the roads of Dubai.

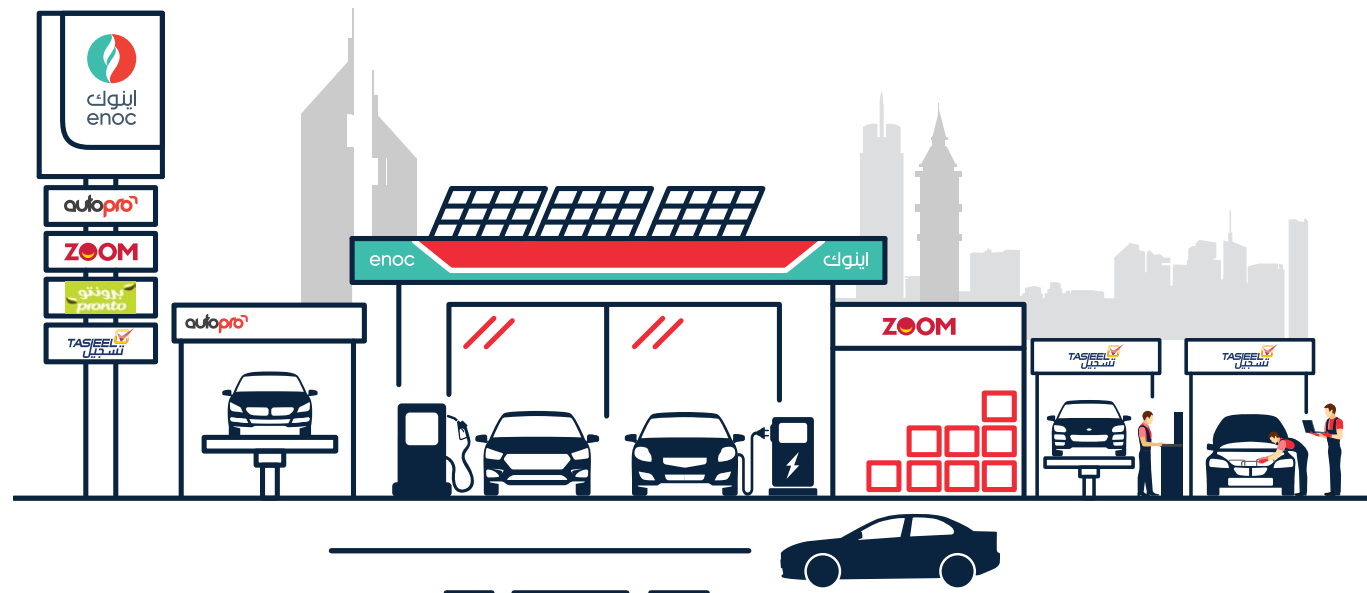
### b. Tasjeel:

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.

### Tasjeel has opened 4 new locations in 2018:

1. Jan 2018 'Dubai Municipality' vehicle testing center.
2. April 2018 'Discovery Garden'.
3. Aug 2018 'Abu Shagara'.
4. Aug 2018 'City of Arabia'.

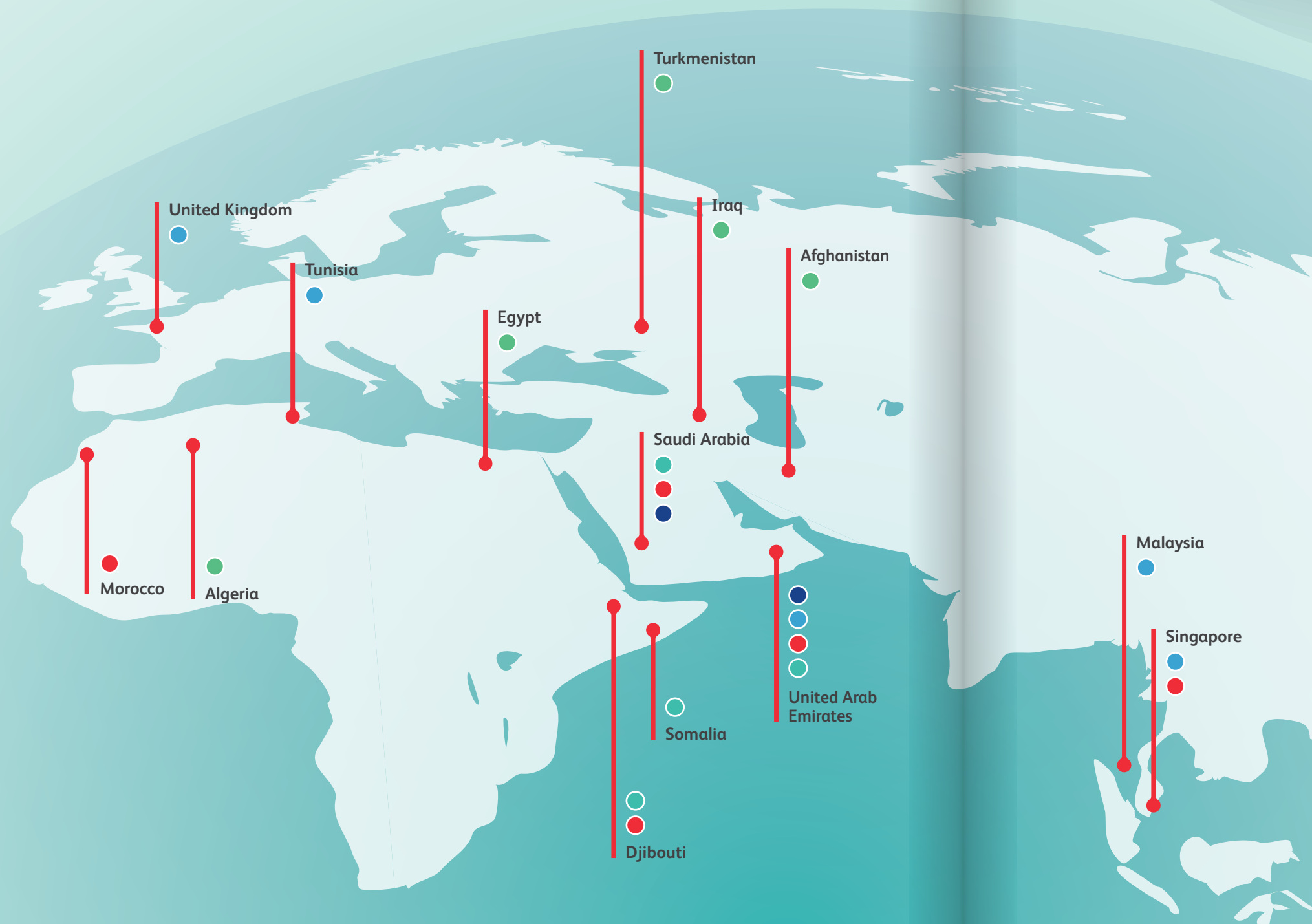
There are currently 14 TASJEEL centers across Dubai and the Northern Emirates.



## Our Global Footprint

ENOC has **on-the-Ground Operations** in Over **10 Countries** and an Extended **Presence** in **60+ Countries** Across the Globe.

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





# Prioritizing What Matters Most

With our third Sustainability Performance Report, we continue to showcase our commitment to sustainability, which is emphasized through the implementation of our Sustainability Index, which had been previously developed based on ENOC's material issues. Having consulted our stakeholders to ascertain our material issues last year, we have extended the materiality process to Dragon Oil stakeholders in 2018 and have consolidated our results. The scope of our report remains unchanged and covers all facets of our operations.

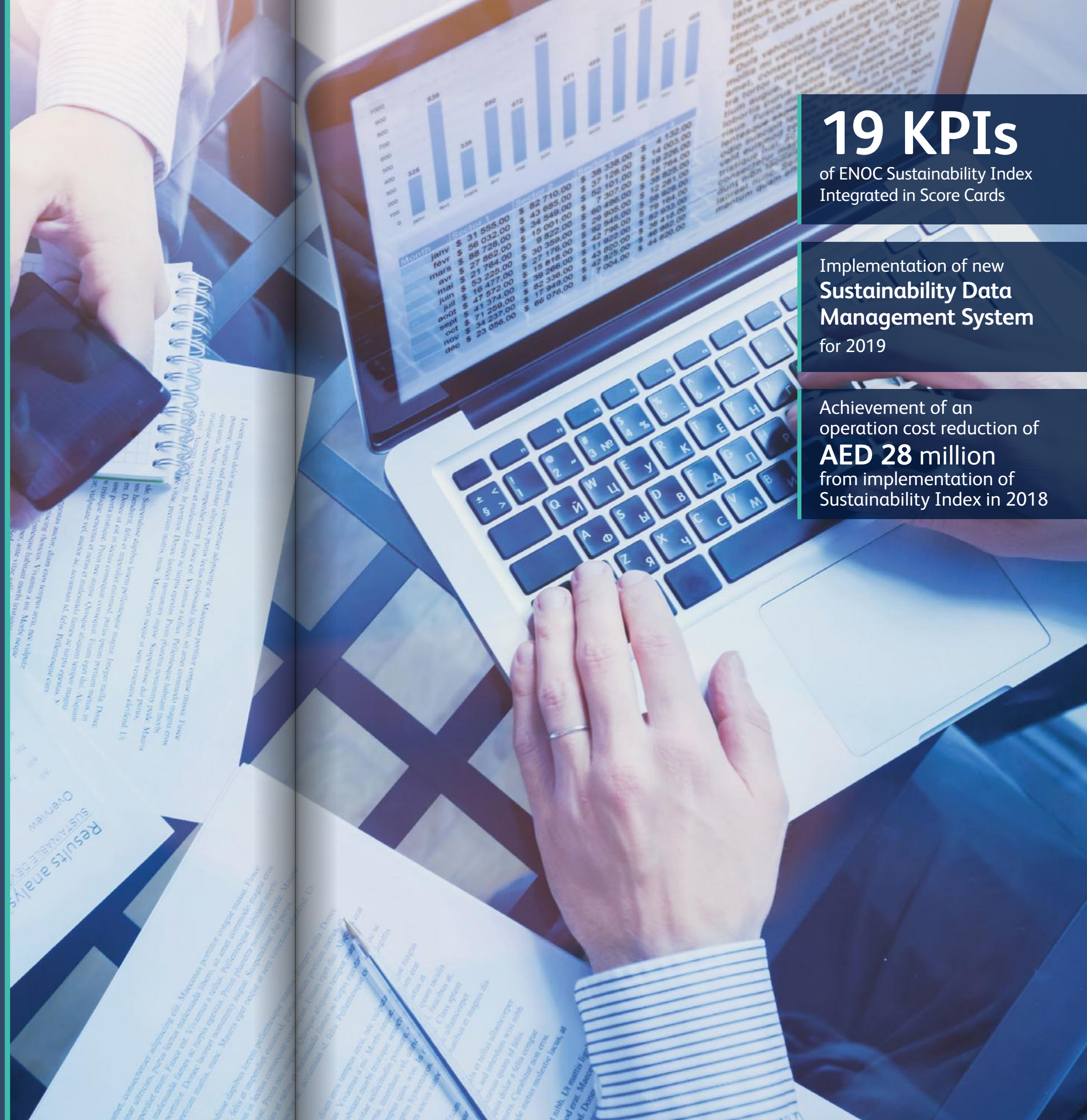
02

## 19 KPIs

of ENOC Sustainability Index  
Integrated in Score Cards

Implementation of new  
**Sustainability Data  
Management System**  
for 2019

Achievement of an  
operation cost reduction of  
**AED 28 million**  
from implementation of  
Sustainability Index in 2018



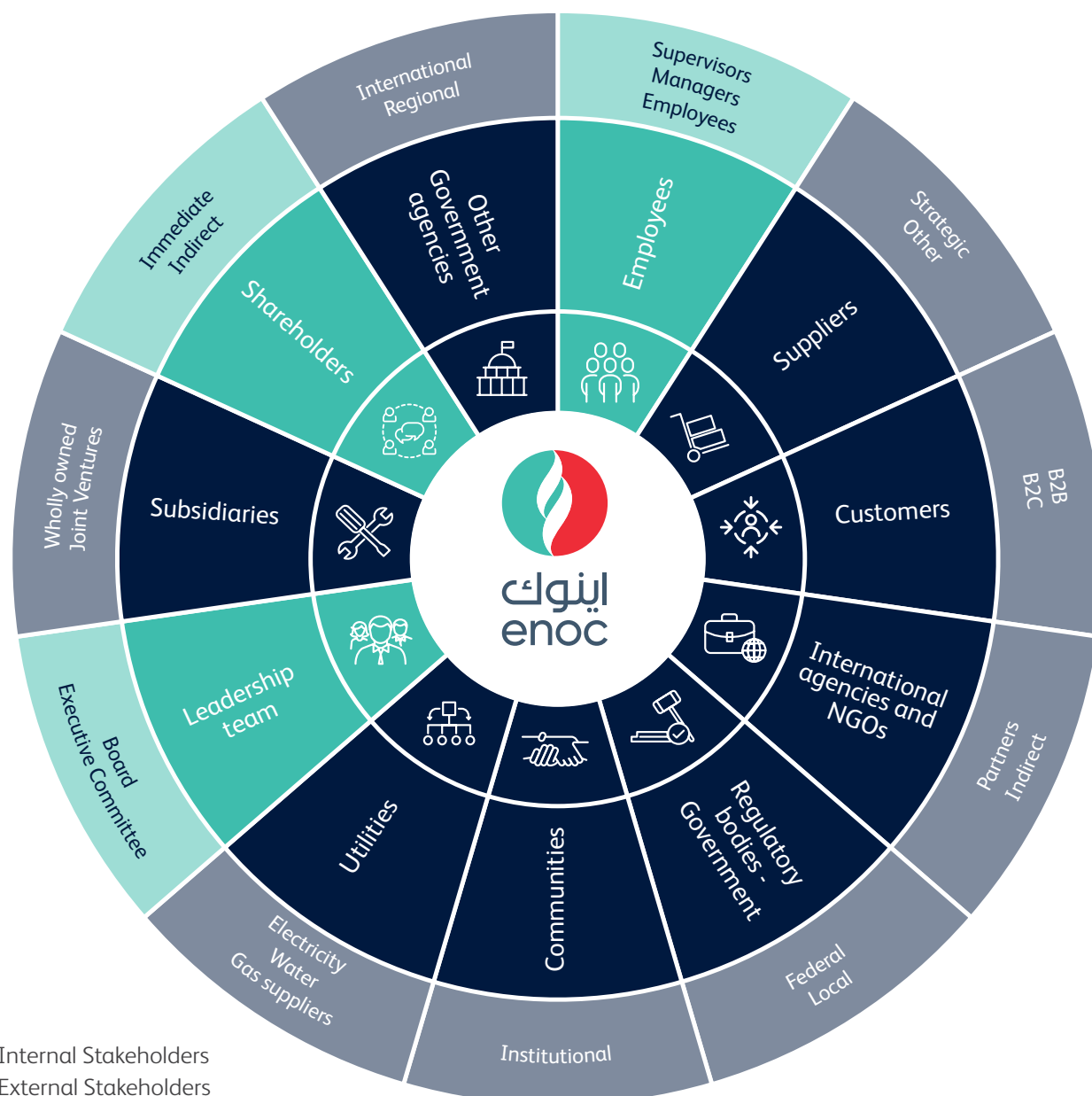


## Stakeholder Engagement

ENOC ensures to constantly engage with both internal and external stakeholders to effectively address, understand and respond to their needs. We value our relationship with our stakeholders, which is why we have a continuous and open dialogue with them. Our approach to our stakeholders is tailored to their needs and our existing relationship. We have divided our stakeholders into two groups, our employees (internal stakeholders), which includes everyone in our organization up to the leadership team, and our external stakeholders. This second group consist of all our stakeholders beyond the organization's walls, including investors, shareholders, partners, international agencies, government regulatory

bodies, local communities, suppliers, contractors and Non-Governmental Organizations (NGO) associations. Having two-way communication with our employees ensures that we are able to understand what goes on in our company and react to that.

Our relationship with our external stakeholders helps to keep up with the latest legislation and ensures that we have a license to operate. It also ensures that we can meet the needs of our customers and create value for our shareholders. ENOC organized its first stakeholder engagement workshop with external stakeholders during 2016 which was attended by about 92 stakeholders. In 2017, external stakeholders were again engaged with them during the sustainability report launch event.



“

*“We are really impressed with the depth and level of disclosure on your sustainability strategy and approach.... ENOC really takes it to the next level.”*

External Stakeholder feedback on ENOC Sustainability Performance Report 2017

In 2018, ENOC extended the stakeholder engagement to upstream operations, engaging Dragon Oil stakeholders in Turkmenistan. ENOC's Group Sustainability Office (GSO) visited Dragon Oil facilities in Turkmenistan twice in 2018 to aid in ENOC's integration process on the front of Energy and Resource Management (E&RM) as well as other sustainability aspects. The team, jointly led by Group Sustainability from ENOC and HSE department from Dragon Oil, visited ten facilities in two different locations. During the visit, we also rolled out an employee materiality and feedback survey for Dragon Oil employees including Turkmenistan operations.

These visits also aimed to evaluate the maturity of Energy Resource and Management (E&RM) at Dragon Oil and to provide guidance and expertise to identify potential opportunities for energy efficiency initiatives and best practice operations. ENOC plans to conduct similar workshop on an annual basis to continuously seek feedback from its stakeholders. In 2019, the engagement plan is to delve deeper into CSR issues and formalize the CSR strategy for ENOC based on the feedback from communities, NGOs and Government regulators.



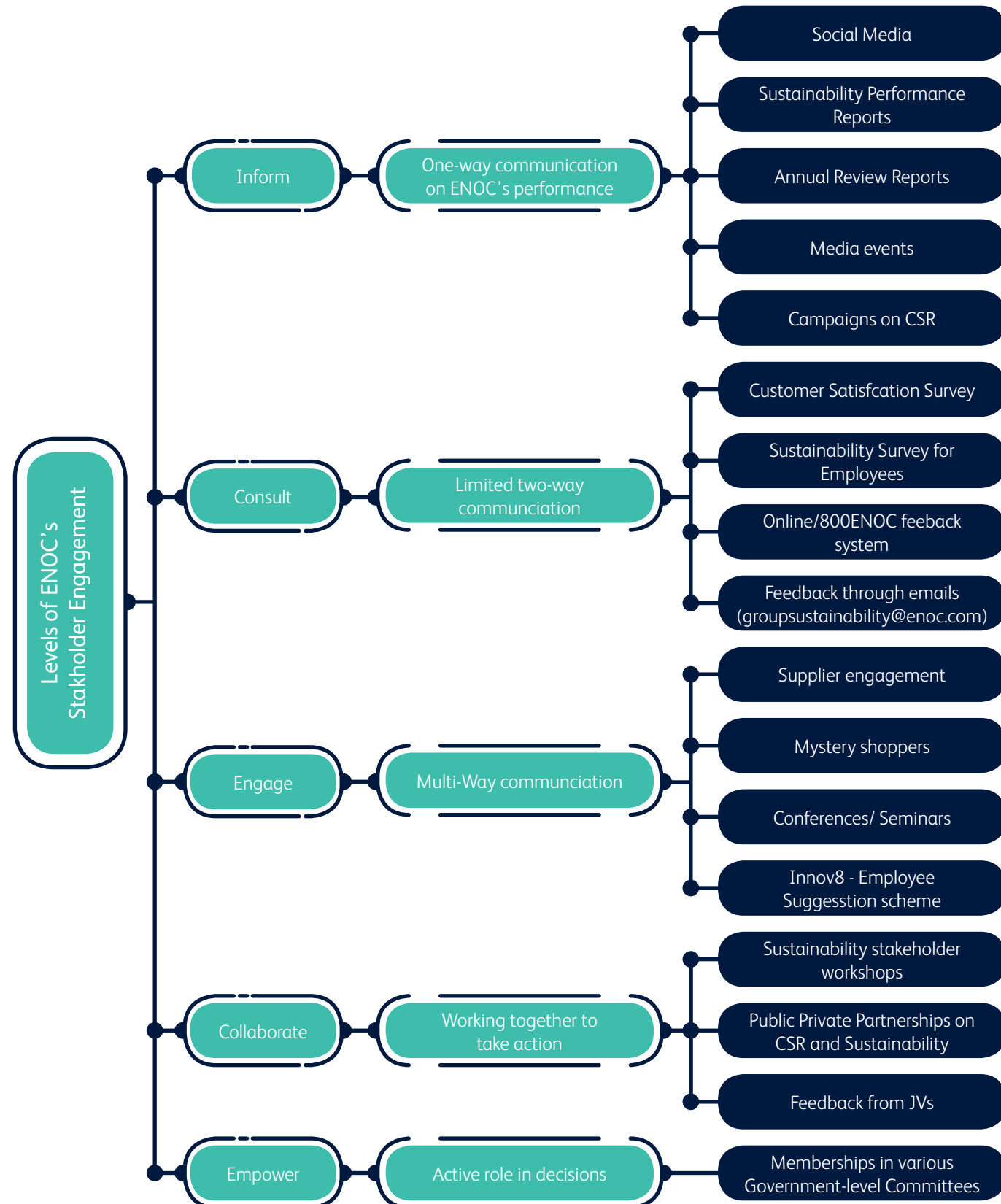
GSO team visit to Dragon Oil Offshore Platform (LAM 21, 22)



Stakeholder Engagement visit to Hazar by GSO team with Dragon Oil CEO and Management team

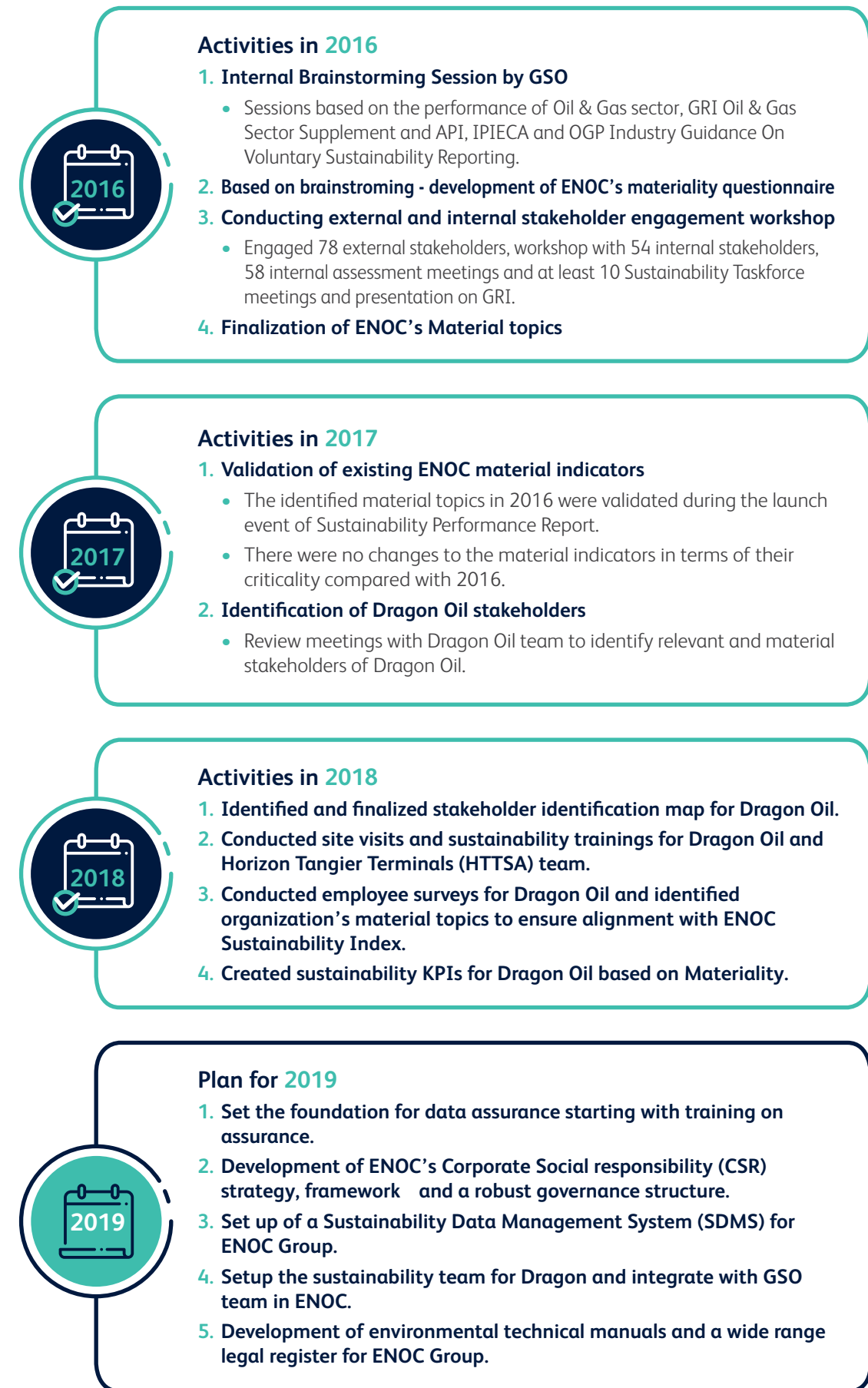


We have extensive mechanisms to engage our internal stakeholders through various channels e.g. the Innov8 employee suggestion platform, employee engagement survey, employee townhall and sustainability surveys, as well as our external stakeholders through stakeholder engagement meetings, 800 ENOC feedback system for customers and suppliers. ENOC representation in several Dubai committees and interaction with NGOs/international organizations. In 2018, we introduced online engagement tool - to get feedback from employees (www.enoc.ethicspoint.com). For ensuring effective feedback, we have direct engagements with the external stakeholders through live polling in events) and 800ENOC feedback system for Customers/Suppliers. These channels are used by our external stakeholders to directly report concerns or grievances to ENOC.



Dragon Oil was not fully integrated within ENOC Group when we carried out our materiality alignment in 2016. In order to ensure that the topics material to Dragon Oil are sufficiently reflected in our materiality matrix we carried out a separate assessment (upstream specific indicators) for them in 2018.

The activities carried out since 2016 and the plan for 2019 is described below:





## Materiality Assessment

As part of ENOC's materiality assessment, we engage with our internal and external stakeholders with the aim of getting a clear understanding of the sustainability issues that are of a concern to them. We use the outcomes of this process to shape the contents of this report, and to shape our sustainability performance focus areas, which are driven by our Sustainability Index Key Performance Indicators (KPIs).

The materiality assessment has been carried out by the Group Sustainability Office (GSO) in accordance with the requirements of the Global Reporting Initiative (GRI) Standards on Materiality. The process of collecting ENOC's materiality topics was initially conducted in 2016 by undertaking a stakeholder engagement session and survey to understand what topics our stakeholders identified as most and least material to the organization. In addition to stakeholder consultation, we have carried out a benchmark against local and international oil companies, and several industry standards.

Since 2016, we have constantly followed up on the results of our materiality assessment and have undertaken yearly reviews and made revisions whenever we deemed necessary. We have made the decision to not conduct a full materiality refresh until 2019 to ensure

we have enough time to properly reflect on how we have addressed the actions related to the material topics identified and to give us an opportunity to effectively achieve these targets. Based on the engagement, investment in community infrastructure and energy efficiency has been identified as critical aspect, to which the following actions were taken:

- Development of specific energy efficiency standard manual for procurement of energy intensive equipment to ensure minimum energy and environment footprint.
- Developed a procurement guidebook for electric motors – 'Criteria for Electric Motors Guidelines' detailing the minimum standards for the purchase of energy efficient electric motors.
- Inclusion of a mandate to spend a proportion of economic value retained on community infrastructure projects in scorecard of ENOC and business units.
- Executed projects like 'Ramem' with the objective of renovating the houses in Al Aweer belonging to less fortunate families.

Dragon Oil was not fully integrated within ENOC Group when we carried out our materiality assessment in 2016. In order to ensure that the topics material to Dragon Oil are sufficiently reflected in our materiality matrix we carried out a separate assessment (upstream specific indicators) for them in 2018. The results of the Dragon Oil materiality assessment are explained further in the chapter.

Going beyond our internal stakeholders, we have also actively engaged with various community entities in 2018 to build effective partnerships, which is better illustrated in our community investment chapter.

## ENOC's Material Topics

Based on the materiality assessment, the sustainability topics with the highest priority are included in the sustainability performance report and lower priority issues are covered less comprehensively. The results of our materiality exercise yielded the following matrix classifying the importance of ENOC's most material issues.

### Regulatory Indicators



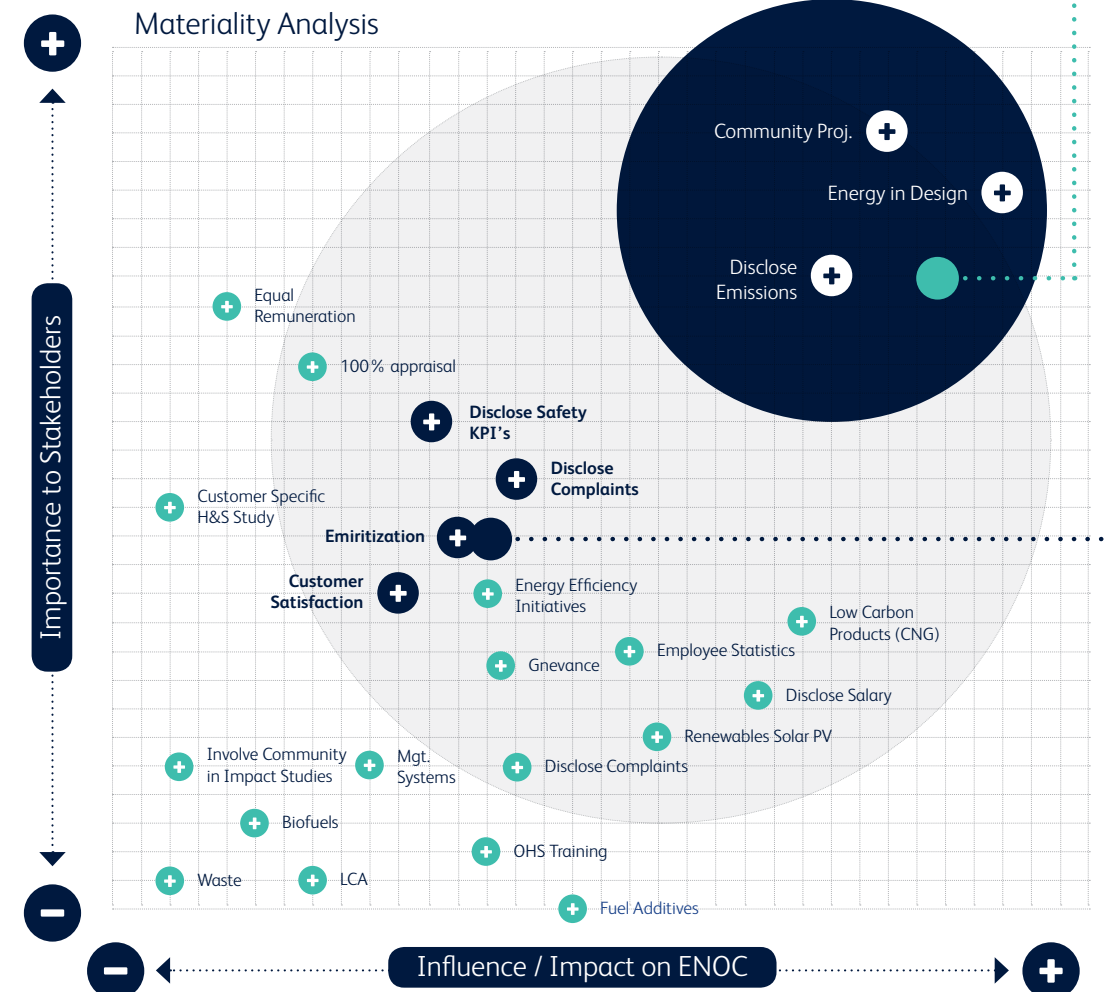
Indicators which are related to compliance and Government mandates

### Critical Indicators



Indicators which are critical to sustain and improve business performance

### The Outcome Materiality Analysis



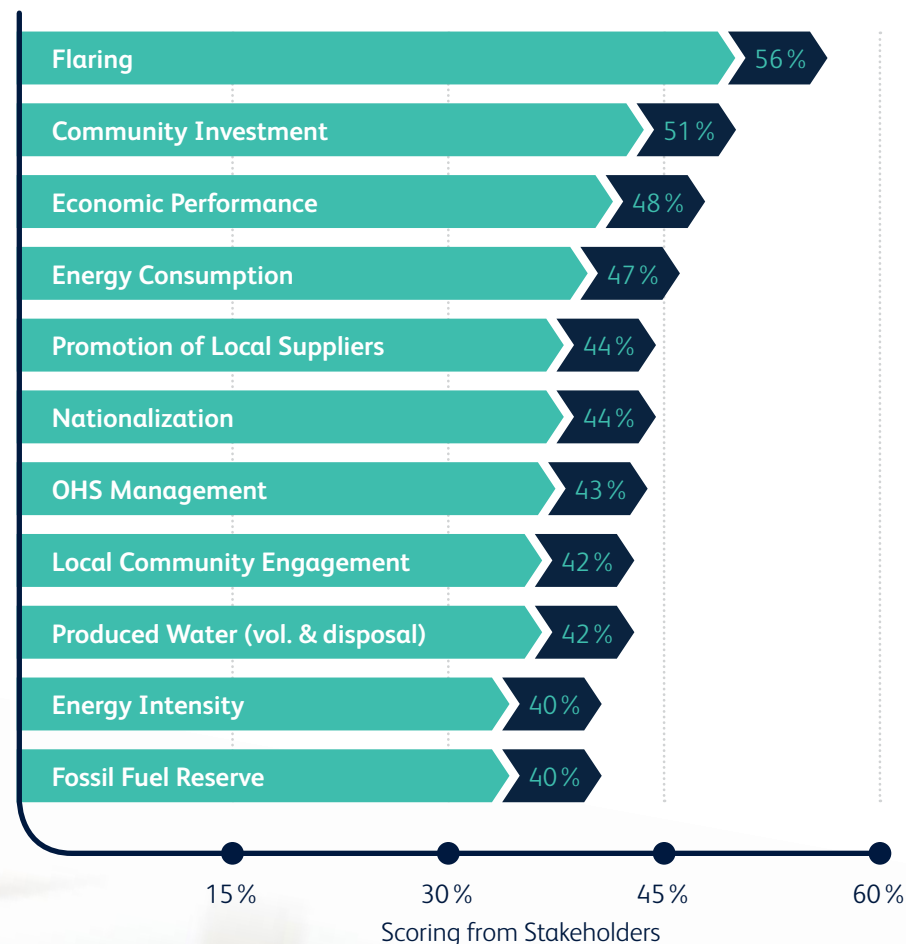


## Dragon Oil's Material Topics

In 2015 ENOC was in the process of acquiring Dragon Oil and a high priority was put in place to ensure a successful integration into ENOC's operations. As part of this process, ENOC carried out a materiality analysis at Dragon Oil to ensure that their material topics are sufficiently covered in the sustainability strategy. Before undertaking the assessment ENOC conducted an extensive sustainability training program by GSO team and conducted several Dragon Oil site visits across a number of facilities to ensure that their employees were up to date on the sustainability topics relevant to their operations. After completion of this process, the materiality assessment was carried out through a survey in 2018 among the Dragon Oil employees.

The following 10 topics were identified as most material to Dragon Oil and are outlined in order of importance, from highest to lowest. Furthermore, we have mapped the topics to the KPIs in the Sustainability Index.

Dragon Oil - Top Material Indicators



## ENOC Sustainability Index

One of the key drivers of ENOC's sustainability strategy is the Sustainability Index. We developed our Sustainability Index in 2017 to ensure that we have a focused and structured approach to addressing issues and areas that we impact the most. The basis for our Sustainability Index is our materiality assessment, which allows us to ensure we have covered the most important topics in our index. The material topics are translated into 19 environmental, social and economic KPIs. Since the Sustainability Index covers all aspects of our sustainability objectives, it allows us to monitor our overall performance instead of different topics in isolation. The Sustainability Index helps individual departments and business units ensure they are performing efficiently by incorporating the Sustainability Index into their performance scorecards.

The targets for the KPIs in the Sustainability Index are updated annually to reflect ENOC's sustainability strategy, and ENOC's Group Sustainability Office (GSO) holds the responsibility to monitor the progress against these targets. The sustainability strategy reflects the developments in the Oil and Gas sector in the Middle East and the directives that support the UAE's ambitions for sustainable growth, such as the UAE Vision 2021. ENOC's sustainability strategy aims to operationalize the KPIs that are identified in the Sustainability Index, with the underlying emphasis on transforming the Group into a more performance-based organization.

The overall achievement target for the Sustainability Index for 2018 was to achieve 80% of all set targets. ENOC managed to achieve a highly encouraging result of 88% and managed to surpass the targets that were set out. We intend to continually push and improve by setting higher benchmarks for ourselves and excel in our sustainability performance. In 2018, there was also an additional emphasis on establishing and aligning KPIs for Dragon Oil with ENOC's existing KPIs.

2018 was the year of embedding the Sustainability Index within ENOC's Scorecard, and implementing it with specific targets for the 19 KPIs. More than 40 meetings were conducted with Business Units to discuss the specific targets, conduct quarterly review and communicate the final results of the Index. Just in the first attempt of integrating Sustainability Index, ENOC as a group was able to achieve an operation cost reduction of about AED 28 million.

The Index has indeed helped to screen opportunities, from how we can make ENOC operations more efficient, starting from reducing our energy intensity to reducing our flaring emissions. We factor in energy consumption and carbon emissions into all our business decisions, including for future projects and procurement.





	Focus areas	KPI	Measure	Related Material Topic
Environmental	1	Thermal energy consumption per unit reduction	GJ/ton or GJ/m <sup>2</sup>	Reducing energy demand
	2	Electrical energy consumption per unit reduction	kWh/ton or kWh/m <sup>2</sup>	Reducing energy demand
	3	Energy demand reduction from baseline	% (GJ/GJ)	Reducing energy demand
	4	Renewable energy generation against consumption	% (kWh/kWh total)	Reducing energy demand
	5	GHG emission per unit reduction	tCO <sub>2</sub> e/ton or tCO <sub>2</sub> e/m <sup>2</sup>	Reducing air emissions
	6	Air emissions (SOx, NOx, PM, CO) above legal limit	% of source above limit	Reducing air emissions
	7	Recycled water usage compared with total water consumption	% Water reuse	Reducing water consumption
	8	Waste reduced compared with baseline	% Waste reduction	Reducing waste generation
	9	Flare gas reduction compared with the baseline	% Flare reduction	Reducing air emissions
	10	Amount of green procurement vs. Total procurement	% Green procurement (AED/Total AED)	Increasing green procurement
Social	11	Employees who are UAE Nationals	% Emiratization	Improving Emiratization and gender equality
	12	Number of employees left the company	% turnover	Increasing staff retention
	13	Training hours per employee	Hours per employee	Improving staff development (training and engagement)
	14	Score from the customer satisfaction survey	Score	Enhancing customer satisfaction
	15	Women to men ratio	% of women to men employees	Improving Emiratization and gender equality
	16	Completion of Code of Business Conduct Training	% of employees	Minimizing corruption events
	17	LTI Incident Rate (people safety)	Incidents per 1 million man-hours	Minimizing health & safety incidents
	18	Process Safety Incidents (process safety)	Rate	Minimizing health & safety incidents
Economic	19	Community Investment	% investment against economic value retained	Increasing community investment

## Sustainability Data Management System

The data needed for this report requires collaboration from a range of business units throughout ENOC. The data collected falls under three main categories: environment, social and economic.

With ENOC's dedicated Sustainability Champions and the oversight of the Group Sustainability Office, there is a clear reporting hierarchy established that enables us to collect relevant and accurate data. All environmental data is collected by the Sustainability Champions in all business units and reviewed by GSO. This includes information on electricity, emissions, water, and waste.

Currently, sustainability data is collected through pre-set templates that are populated by various data owners across various departments and business units, that are then consolidated by Group Sustainability Office (GSO) for reporting and performance tracking purposes.

### New Sustainability data management system

In 2019, ENOC will introduce a new integrated sustainability data management system which is being developed to streamline the data collection further and will cover the performance indicators of ENOC and Dragon Oil. The Sustainable Data Management System will simplify the data collection process and will be crucial in monitoring ENOC's performance against the Sustainability Index.

### Expected Benefits of the Sustainability Data Management System:

- Significantly improve the quality and accuracy of sustainability performance data.
- Reduce time spent by BUs and Group Sustainability team on filling excel sheets and reporting performance by almost 60 %.
- Improve Business Units performance on a month on month basis instead of waiting for Q-o-Q analysis.
- Easily identify additional E&RM projects and track their progress – could result in increasing E&RM projects savings to AED 20 million year on year.
- Reduce waste disposal costs by at least 20 % and water cost by another 30 %.
- Real time generation of reports, dashboards and other metrics (including KPIs, indexes, indicators etc.).





## Chapter 03

# Building Resilience

Robust corporate governance and effective risk management are crucial to the long-term development of an organization, especially in a dynamic sector such as energy. In our commitment to building trust and confidence among our stakeholders, ENOC has been invested in establishing a strong governance structure that will hold the organization accountable to high standards of excellence and performance as well as reinforce our ONE ENOC culture. By recognizing and managing our risks effectively, we aspire to build resilience that will enable us to overcome our challenges and future proof our growth.

# 03



**Finalized 43**  
Business Impact Analysis  
(BIA) and Business  
Continuity Plans (BCP)

**Completed 6**  
**BCM training**  
sessions & 4 test exercises

**Contributing to**  
**7 Dubai level**  
**committees**  
to tackle sustainability issues

**Partnered with**  
**5+ international**  
Oil & Gas associations  
and members



## ENOC's Corporate Governance

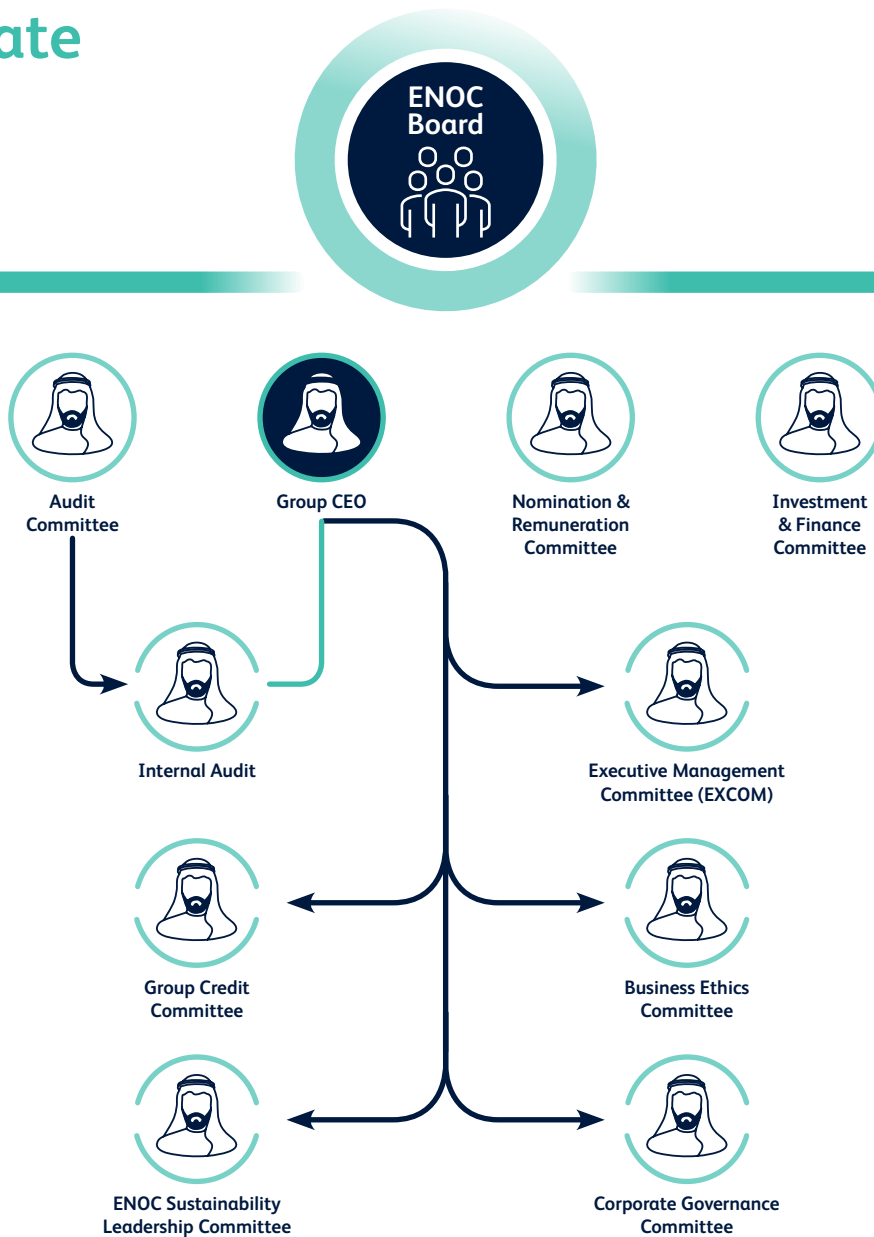
At ENOC we believe that a strong corporate governance framework is paramount to our long-term success: it helps us to establish a durable relationship built upon trust with our stakeholders inside and outside the company.

As such, ENOC's governance framework is instrumental in driving our ONE ENOC culture. Our governance framework is developed to be clear and well-understood, undergoing regular review to reflect changes across ENOC's business units, regulation, best practices, and the external environment.

Our Board of Directors has the highest responsibility within ENOC and is assigned with the task to create long-term value for our stakeholders. The board consists of seven experienced business and government leaders from across the UAE, whose main activities include setting the strategic direction for ENOC as well as assigning top management positions, monitoring current performance and carrying out our shared values.

In order to successfully carry out their task, the board is supported by the senior management team and external parties, including our auditor's assurance to oversee ENOC's overall performance objectives, organizational initiatives, annual budgets, and financial plans, investments, financial performance reviews, risk management practices, and corporate governance initiatives.

ENOC's governance structure includes three independent committees reporting directly to the board, as well as five corporate committees that report to the Group CEO.



ENOC Board of Directors with our Group CEO

## ENOC Board of Directors



**HH Sheikh Hamdan bin Rashid Al Maktoum**  
Deputy Ruler of Dubai, and UAE Minister of Finance, Chairman of the Board



**H.E. Saeed Mohammed Al Tayer**  
Vice Chairman



**H.E. Abdulrahman Al Saleh**  
Board Member



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



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



**Dr Abdulrahman A. Al Awar**  
Board Member, Chairman of the Nomination & Remuneration Committee and Member of the Audit Committee and Member of the Investment Committee



**H.E. Ahmad Buti Al Muhairbi**  
Board Member, Member of the Nomination & Remuneration Committee and Member of the Investment Committee



**Mr Saif Humaid Al Falasi**  
Chief Executive Officer, ENOC Group

## ENOC Executive Management



**Tayyeb Al Mulla**  
Managing Director, Supply, Trading and Processing



**Yusr Hussain Sultan Al Junaidy**  
Managing Director, Horizon Terminals ENOC Group



**Zaid Alqufaidi**  
Managing Director, ENOC Retail



**Hesham Ali Mustafa**  
Executive Director, Shared Services Centre, Group HR and New Business Development ENOC Group



**Burhan Al Hashemi**  
Managing Director, ENOC Marketing



**Mohammad Sharaf**  
Group Chief Financial Officer



## Integrating Sustainability in ENOC Insights from our Chief Sustainability Officer

ENOC have embarked on a journey to become the region's sustainable energy partner of choice. Through the theme of this year's report, Converge to Inspire, ENOC aim to highlight its sustainability efforts across the Group that will inspire the industry with its leading performance.

ENOC is always working towards inspiring energy in the industry. As an oil and gas company, ENOC needs to respond to the growing energy demand of the people to sustain the region's growth. Catering to one of the busiest airports in the world, with an increasing number of visitors to Dubai, even ENOC's aviation business faces a higher demand to fulfill. With the advent of electric vehicles in the market, the energy demand is also diversifying beyond ENOC's core product offerings. To match this growing demand, ENOC is increasing its capacity and expanding its retail network across newer markets such as Saudi Arabia, efficiently running operations to optimize energy consumption and cost.

On the other hand, ENOC is also committed to reducing its footprint towards building a sustainable city. In alignment with national agenda as well as Dubai based strategies, such as Dubai Integrated Energy Strategy 2030, Dubai Clean Energy Strategy 2050 and Dubai Carbon Abatement Strategy 2021, ENOC aim to help accelerate the reduction

“Through the theme of this year's report, Converge to Inspire, ENOC aim to highlight its sustainability efforts across the Group that will inspire the industry with its leading performance.”

in energy and water consumption by 30% in 2030. To accomplish this target, ENOC is investing in various energy efficiency initiatives and are also enhancing infrastructure accordingly, such as powering all upcoming retail stations through solar panels. With refinery expansion to be commissioned in the next year, ENOC aim to match refinery specifications with the EURO V standards which will help to reduce emissions from products. ENOC have launched innovative and sustainable products such as Biodiesel5 for the business to business (B2B) sector and are working to further develop other such products.

Despite challenging market conditions, ENOC achieved a 3 percent increased production as well as a 28 percent increase in revenues this year, compared to 2017. ENOC continue to support local suppliers as well as aim to set an industry benchmark with green procurement practices. ENOC constantly look to strengthen corporate governance and business ethics framework and have also integrated Code of Ethics with that of Dragon Oil to set Group-wide standards for ethical conduct.

In 2018, ENOC have continued to strengthen energy resource management efforts to enable business units to reach the Superior Energy Performance (SEP) standards and have achieved highest ever energy savings of AED 11.2 million. Though efforts were primarily focused on energy efficiency, ENOC has not forgotten its environmental responsibility, and have made strides to reduce environmental impact by tackling critical issues across all business units. To aid this, ENOC has invested in several environment-specific training to improve the competency level of people across the Group, so that they could be better responsible for their own business unit's performance. Through the year, ENOC's Human Resource team revised the competency framework for workforce, across sustainability pillars of energy management, environment, CSR and overall sustainability, which will be launched in the upcoming year.

From a community perspective, ENOC themed Corporate Social Responsibility (CSR) campaigns in relevance to the Year of Zayed, celebrating the values and message that His Highness Sheikh Zayed had stood for. ENOC has also embedded its environmental and educational focus within these CSR initiatives to not only help ENOC to engage with community stakeholders but also to create awareness of sustainability mission among employees. ENOC recognize that measuring and reporting social impact is important to the success of CSR initiatives, which is why ENOC aim to prioritize community investments based on social return on investments in the future. With the newly established volunteering policy, ENOC hope to foster CSR into day-to-day activities and spark employee responsibility, in contribution to commitment to be a socially responsible business.

Going beyond current frameworks, ENOC is currently looking at better alignment with the UN Sustainable Development Goals, as well as other new strategies that are being formulated within the UAE that ENOC aim to consider and contribute to. ENOC also want to better manage sustainability data from across all business units, for which a new Sustainability Data Management System will be implemented in the next year.

With the release of last year's sustainability report, ENOC received positive feedback from its external stakeholders, including banks, who have expressed their appreciation for the transparent reporting of risks and non-financial performance, leading them to offer discounted rates on loans that contribute positively to the environment. Leveraging such feedback, ENOC's Group Treasury department is looking to establish green financing structures to support ENOC's green projects in the coming years.

Looking forward, ENOC wants to build on the success of energy management, by building One CSR strategy in the next year, followed by the development of environmental strategy to tackle critical environmental issues. Following this strategy, ENOC aims to create a forum enabling dialogue between government entities as well as business units, to solve Group-wide environmental challenges in a way that will have better impact on the overall society. In the upcoming years, ENOC will also look to explore waste to energy projects based on the results of visibility studies that will help to identify biggest source and types of waste. Through this, ENOC can also innovate other sustainable products like biodiesel, effectively managing waste as well as becoming self-sufficient with all resources obtained locally. ENOC wants to inspire Oil and Gas industry to tackle their critical issues, not only to reduce their emissions, but also to save costs and explore newer opportunities that will lead to an enhanced circular economy.

**Alia Ali Busamra**  
Manager - Group Sustainability  
Chief Sustainability Officer

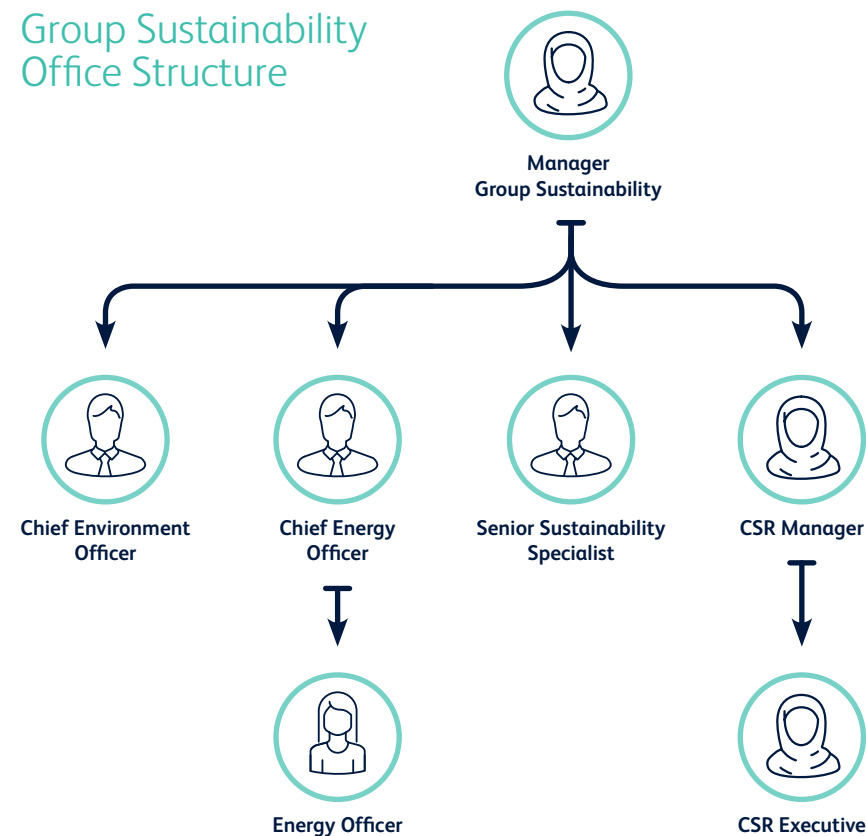


## ENOC Sustainability Governance

ENOC's sustainability efforts have increased significantly over time, from initially focusing on solely environmental protection and compliance to having embedded sustainability across the group and its operations. Our ambition and dedication to sustainability requires a structured governance approach and has resulted in the establishment of the Group Sustainability Office (GSO) in 2016. GSO is responsible for energy, environment, sustainability as well as our corporate social responsibility (CSR) commitments across the Group.

GSO's role in providing direction and maintaining strong governance across the group was vital in attaining ENOC's 2018 sustainability achievements. By bringing together several steering and technical committees and taskforces for accomplishing successful sustainability initiatives, GSO operates as a catalyst that drives the Group's sustainability endeavors. To ensure the business units efforts are aligned with ENOC's sustainability objectives, GSO's dedicated team of professionals provide tailored services and technical expertise to the Group and all business segments in the field of sustainability.

## Group Sustainability Office Structure



## Key Achievements of GSO in 2018:

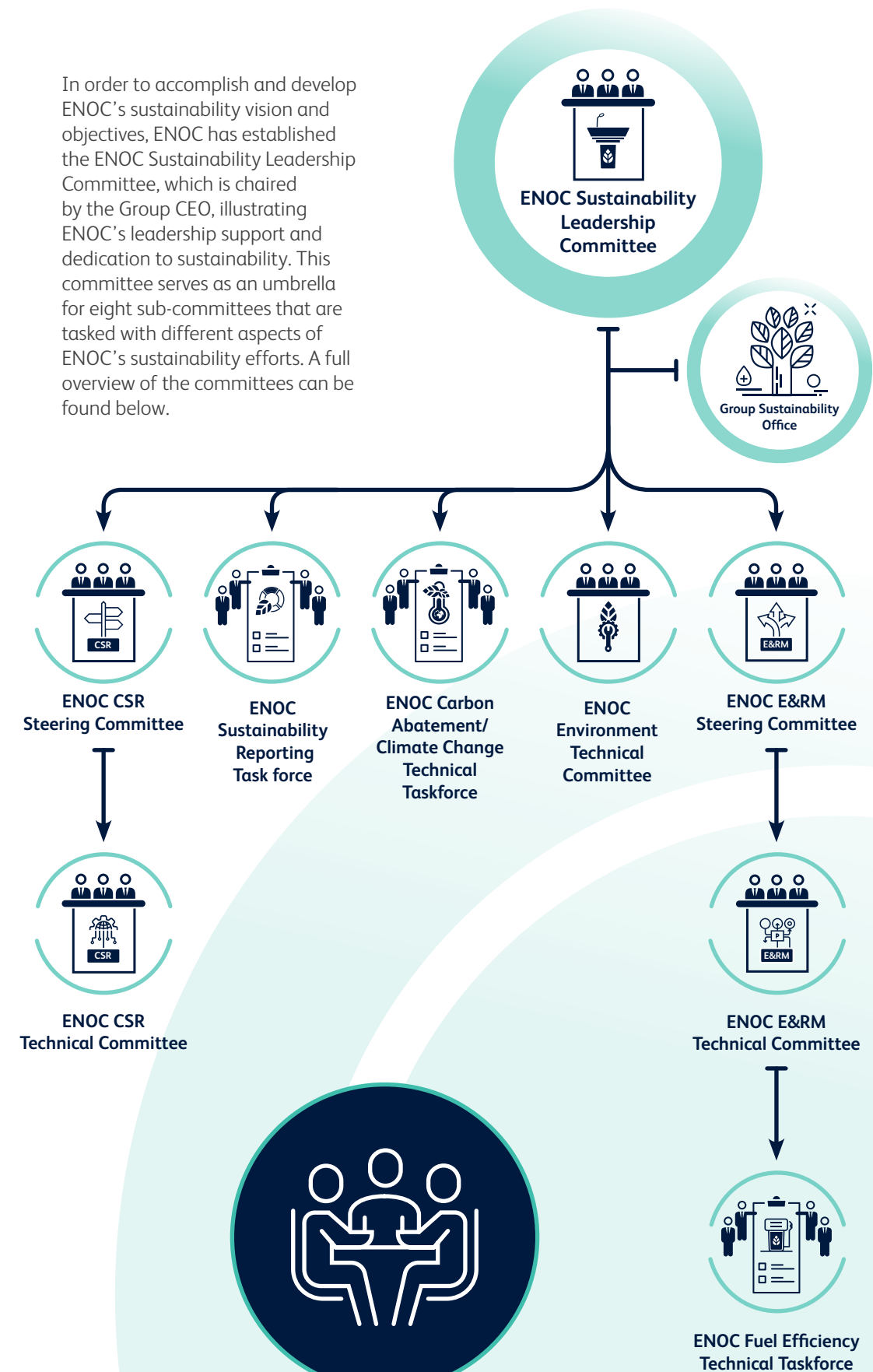
- Successful Integration of the Sustainability Index in Score card across and set targets across the group (business units, departments, etc.).
- Development of ENOC Sustainability Data Management System.
- Conducted Employee Survey for Dragon Oil on Sustainability.
- Rolled out a detailed training program for Dragon Oil on sustainability.
- Identification of material indicators for Dragon Oil through site visits and interaction for with stakeholders.
- Data validation of Dragon Oil data for past 4 years.
- Successful launch of and completion of 15+ CSR strategic initiatives and projects as part of Year of Zayed.
- Successful enrollment of 4 UAE Nationals in ENOC Energy Scholarship program with Heriot-Watt University Dubai.



ENOC Group Sustainability Office members



In order to accomplish and develop ENOC's sustainability vision and objectives, ENOC has established the ENOC Sustainability Leadership Committee, which is chaired by the Group CEO, illustrating ENOC's leadership support and dedication to sustainability. This committee serves as an umbrella for eight sub-committees that are tasked with different aspects of ENOC's sustainability efforts. A full overview of the committees can be found below.





The committees are divided into five streams:



1

### Energy & Resource Management (E&RM) Committees

ENOC's E&RM Committees are made of ENOC E&RM Steering committee, ENOC E&RM Technical Committee, and ENOC Fuel Efficiency Technical Taskforce. The E&RM committees are responsible for managing ENOC's energy and resource management strategy by establishing key performance indicators and enhancing energy and resource management competencies at every operational level. Whereas, ENOC's Fuel Efficiency Technical Taskforce, specifically looks at improving fuel efficiency and quality, trial of additives, measurement of emissions, and other related matters.

#### Key Achievements in 2018:

- Acted as a catalyst to drive E&RM savings in ENOC reaching AED 11.2 million in 2018 – an all-time high since the ENOC started tracking E&RM initiatives.
- Launched ENOC Superior Energy Performance (SEP) scheme to all Business Units and rated them.
- Pursuit of ISO 50001 – Attained Energy Management System Certification for 6 Business Units.



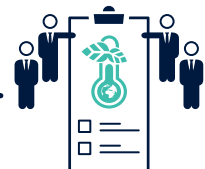
2

### ENOC Environmental Technical Committee

ENOC's Environmental Technical Committee was formed to focus on issues such as waste management, soil and water contamination, and the control of air emissions. The committee plays a crucial role in assisting ENOC's business units in tackling critical environmental issues and ensuring that practices, guidelines and manuals used to manage environmental matters are established and in compliance with government requirements and international standards.

#### Key Achievements in 2018:

- Analyzed all business units' environmental concerns and identified the business units with most critical environmental problems.
- Identified problems around waste management, Nitrogen Oxides (NOx) control, and other environmental monitoring issues.
- Developed and reviewed designs for environmental control systems.
- System Certification for 6 Business Units.
- Established improved waste management system for managing solid as well as liquid waste.



3

### ENOC Carbon Abatement / Climate Change Technical Force

This committee was established to guide ENOC management and the Sustainability Leadership Committee on emission targets and progress thereof. Ensuring ENOC's strategies alignment with UAE Government strategies, especially the Dubai Carbon Abatement Strategy which is set to reduce carbon emissions by 16% by 2021 (BAU), the committee continues to support the Group in accelerating its journey towards achieving its sustainability objectives.

#### Key Achievements in 2018:

- Developed measures to reduce emissions at business units, especially Diesel Oxidation Catalyst (DOC) emissions in terminals and retail stations.
- Review of new technology called Vapor Adsorption System which uses activated carbon for Volatile Organic Compounds (VOCs) recovery.
- Introduced mandatory installation of vapor recovery systems as a standard for all upcoming retail stations.
- Initiated a feasibility study for installing vapor recovery systems for terminals which is under process.



4

### ENOC Sustainability Reporting Taskforce

ENOC Sustainability Reporting Taskforce advises the Sustainability Leadership Committee on matters related to ENOC's sustainability commitments and the associated environmental, financial and social implications for the future of the Group. The committee also ensures the accuracy of the data collected for the development of ENOC's annual Sustainability reports.

As an outcome of this committee, ENOC aspires to move to a paper free sustainability data collection system by developing a Sustainability Data Management System in 2019.

#### Key Achievements in 2018:

- Review of different software systems for sustainability data management and selection of the best fit system for ENOC.
- Development of the upcoming Sustainability Data Management System (SDMS) in 2019.



5

### Corporate Social Responsibility (CSR) Steering and Technical Committees

The CSR Steering and Technical Committees ensures alignment of ENOC's CSR programs and activities to the vision and strategy of the UAE and ENOC's vision and mission to reflect the culture of 'One ENOC'.

The committees play a significant role in effectively communicating and executing ENOC's CSR strategy and defining targets to develop long-term plans for the company's CSR endeavors.

#### Key Achievements in 2018:

- Focused on the transition from transactional CSR to transformational CSR which set the foundation for stakeholder engagement.
- Setting the foundation for the development of ONE ENOC CSR strategy.
- Development and implementation of the Year of Zayed theme on a monthly basis by conducting various activities across all the business units.
- Collaborated with Group Finance Team for the development of CSR codes to track CSR spending across all ENOC's business units aiming to track ENOC's progress and compliance with Sustainability Index targets.



ENOC E&RM Steering Committee members









## Accelerating Dubai's Energy Landscape

ENOC is dedicated to meet the energy demands of Dubai for many generations to come. We fulfill this vision by embedding sustainability throughout our core business processes. We further mobilize this vision by sharing our knowledge across a diverse number of Dubai level committees, contributing to Dubai's sustainability vision as captured in the Dubai Plan 2021, the Dubai

Integrated Energy Strategy 2030 (DIES 2030) and Dubai Demand Side Management Strategy 2030 (DSM 2030).

As a key member of the Dubai Supreme Council of Energy (DSCE), ENOC plays a dual role of actively contributing to Dubai's sustainability vision as well as sharing technical industry-level expertise in its advisory role to DSCE.

The various DSCE committees that ENOC contributes to include:

DSCE Committees	2018 achievements
 <b>Dubai Supreme Council of Energy (DSCE) Advisory Committee</b>	ENOC, as a member of the DSCE Advisory Committee, provides counsel and recommendation to DSCE on energy programmes and helps develop methodology framework to ensure effectiveness of the programmes.
 <b>Dubai Supreme Council of Energy (DSCE) Integrated Gas Supply Committee</b>	As a member of this committee, ENOC helps develop the Dubai Integrated Gas Strategy 2030, to secure a sustainable supply of gas.
 <b>Demand Side Management (DSM) Executive Committee</b>	In contribution to the Dubai DSM Strategy 2030, ENOC has been investing in various energy efficiency measures across the Group, such as green solar-powered stations, retrofitting our facilities with HVAC systems and LED lighting, and setting green procurement standards.
 <b>Dubai Carbon Abatement Strategy (CAS) - Technical Committee</b>	Through our energy and resource management initiatives, we have been able to reduce our Group's carbon emissions by 11 % from last year, excluding our exploration subsidiary, Dragon Oil.
 <b>Green Procurement Committee</b>	In contribution to the Green Public Procurement for Energy and Water Efficiency (GPPEWE), ENOC has provided subject matter expertise to develop a procurement guidebook for electric motors-Criteria for Electric Motors Guidelines' detailing the minimum standards, for the purchase of energy efficient electric motors, which has been widely adopted by all the Government entities in Dubai.
 <b>Dubai Supreme Council of Energy (DSCE) Committee for CNG</b>	ENOC has been supplying Compressed Natural Gas (CNG) as an alternative clean fuel under its subsidiary Emirates Gas. With ENOC's contribution, this committee has developed supporting materials for CNG penetration in the industry.

## Collective Action

Beyond ENOC's local contributions, ENOC also engages with various international entities to advocate and develop international practices and industry standards for environmental protection and operational safety. These include:

### Oil Companies International Marine Forum (OCIMF)

In its commitment to practicing and promoting highest marine safety standards, ENOC has been an active member of OCIMF – an international organization widely recognized for its expertise in the safe and environmentally responsible transport and handling of hydrocarbons in ships and terminals since 2007. Being one of the most active members in the region, ENOC sits on OCIMF's Ports and Terminals Committee, General Purpose Committee, Environment Committee and most recently in 2015, has been nominated to be on the Executive Committee which is exclusively limited to top 15 members only.

ENOC believes in the importance of strengthening the UAE's maritime industry, given the strong reliance of the of the energy sector on it for transport of fuels. Every year, ENOC organizes the Marine Conference in partnership with OCIMF, to provide a platform for industry experts to come together and discuss opportunities, trends and pressing challenges that could impact the sector. The 11<sup>th</sup> edition of the ENOC Marine Conference organized on December 5<sup>th</sup>, 2018, saw over 130 industry professionals from around the world gathered to discuss some of the key factors associated with mooring operations and highlighted latest industry trends to assist with mooring design. Experts also shed light on operational trends, health and safety, developments and best practices in the maritime industry.



130+ industry professionals attending the 11<sup>th</sup> ENOC Marine Conference cohosted by the Oil Companies International Marine Forum (OCIMF) in Dubai





## International Petroleum Industry Environmental Conservation Association (IPIECA)

ENOC has been working very closely with IPIECA on a number of programs, including the MARPOL Marine Rules Regulations 2020. In this context, ENOC sponsored and supported the Marine Fuels Workshop on the Impact of International Maritime Organization (IMO) 2020, led by IPIECA.



## Energy Institute (EI)

ENOC hosted the first two editions of the Middle East HSE and Sustainability Forum in partnership with the Energy Institute during May 2017 and October 2018. Over the three-days technical conference, more than 100 experts from around the world gathered to discuss how the regional energy industry played a key role in fostering operational excellence, ethical governance and adopting world-class HSE standards to ensure that employees, contractors, communities and assets are protected. Through this event, ENOC, which also leads the local chapter of Energy Institute, actively advocated for increased safety guidance in an industry that is faced with advancing complexity and environmental challenges. Some of the topics discussed at this forum included the outlook for the energy sector in the GCC, the impact of the Paris Agreement on climate change on the oil and gas industry, methods to manage health hazards and reduce their impact on workers' wellbeing, best practices in assessing and mitigating hazards, major accidents and environmental impacts, HSE leadership and unlocking young future talent.

Some of our active memberships pursued by our upstream subsidiary, Dragon Oil, also includes:

### 1. International Association of Oil & Gas Producers (IOGP)



### 2. Oil Spill Response Ltd.



### 3. Society of Petroleum Engineers



## Minimizing Risk, Building Trust

### Risk Management

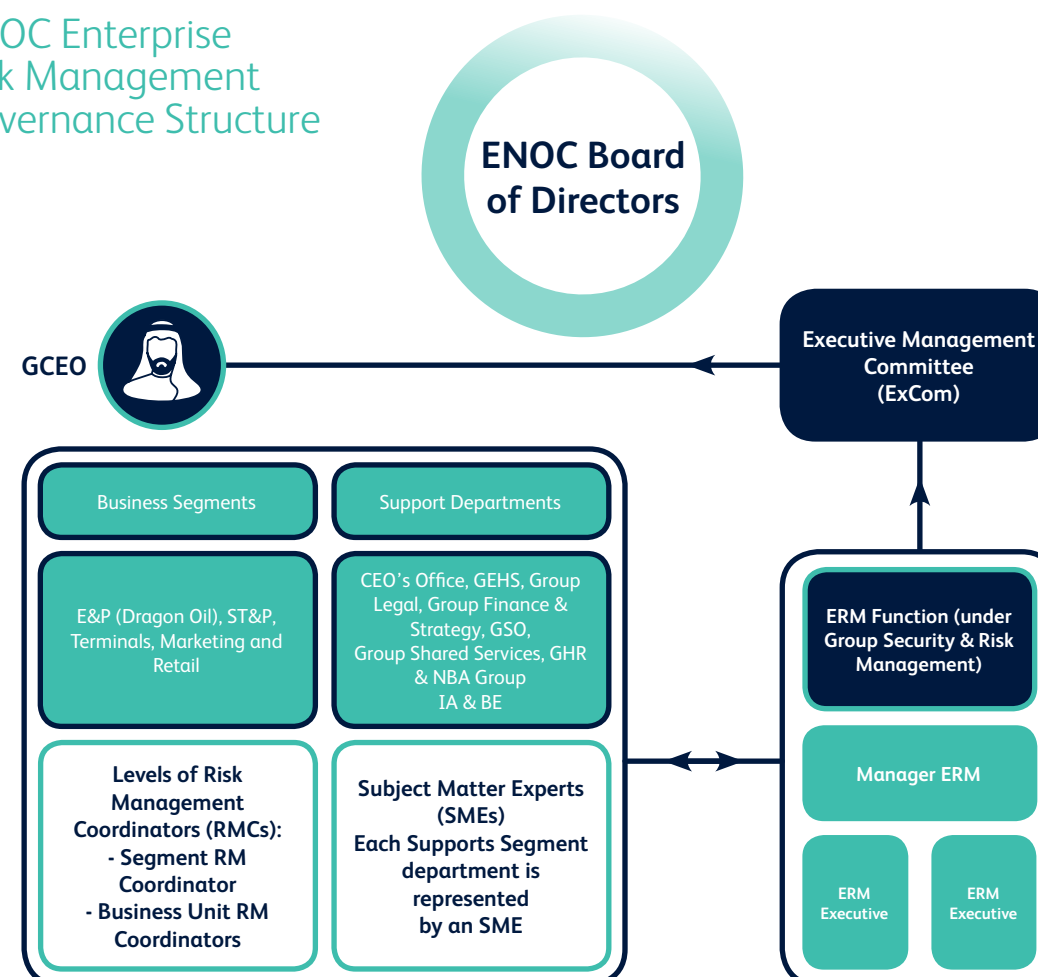
ENOC is naturally exposed to a lot of external factors, both from a geopolitical and economic point of view. In 2018 the oil price has been highly volatile, and the economy has slowed down, partially due to global developments such as the US-China Trade War, re-imposition of partial sanctions against Iran, uncertainty over Brexit, turmoil in European countries, extreme weather conditions and regional political unrest. These developments all have the potential to negatively affect our business and shareholder value. It is therefore essential to manage these risks in an effective and structural manner.

Our Risk Management Department has the responsibility to manage our Enterprise Risk Management (ERM) Policy through the Risk Management Framework. Our Framework ensures that we can mitigate risks, while we ensure that opportunities for growth and development are

fed back into our strategy and objective-setting process. The ERM Framework offers a procedure for detecting, analyzing, assessing, monitoring and reporting all risks at ENOC. During 2018 the ENOC ERM Framework has been updated to comply with ISO 31000:2018. In addition to ISO 31000, the Framework is also based on Committee of Sponsoring Organizations of the Treadway Commission (COSO) ERM Framework; and the PricewaterhouseCoopers (PwC) Business Risk Model.

On top of our ERM Policy, our Framework also includes an ERM Manual and Risk Management Guidelines. The ERM Manual is developed to provide guidance for those responsible for risk management processes. The Risk Management Guidelines have a wider audience – they provide each business unit with procedures and tools to recognize, assess and address risks affecting their operations.

### ENOC Enterprise Risk Management Governance Structure





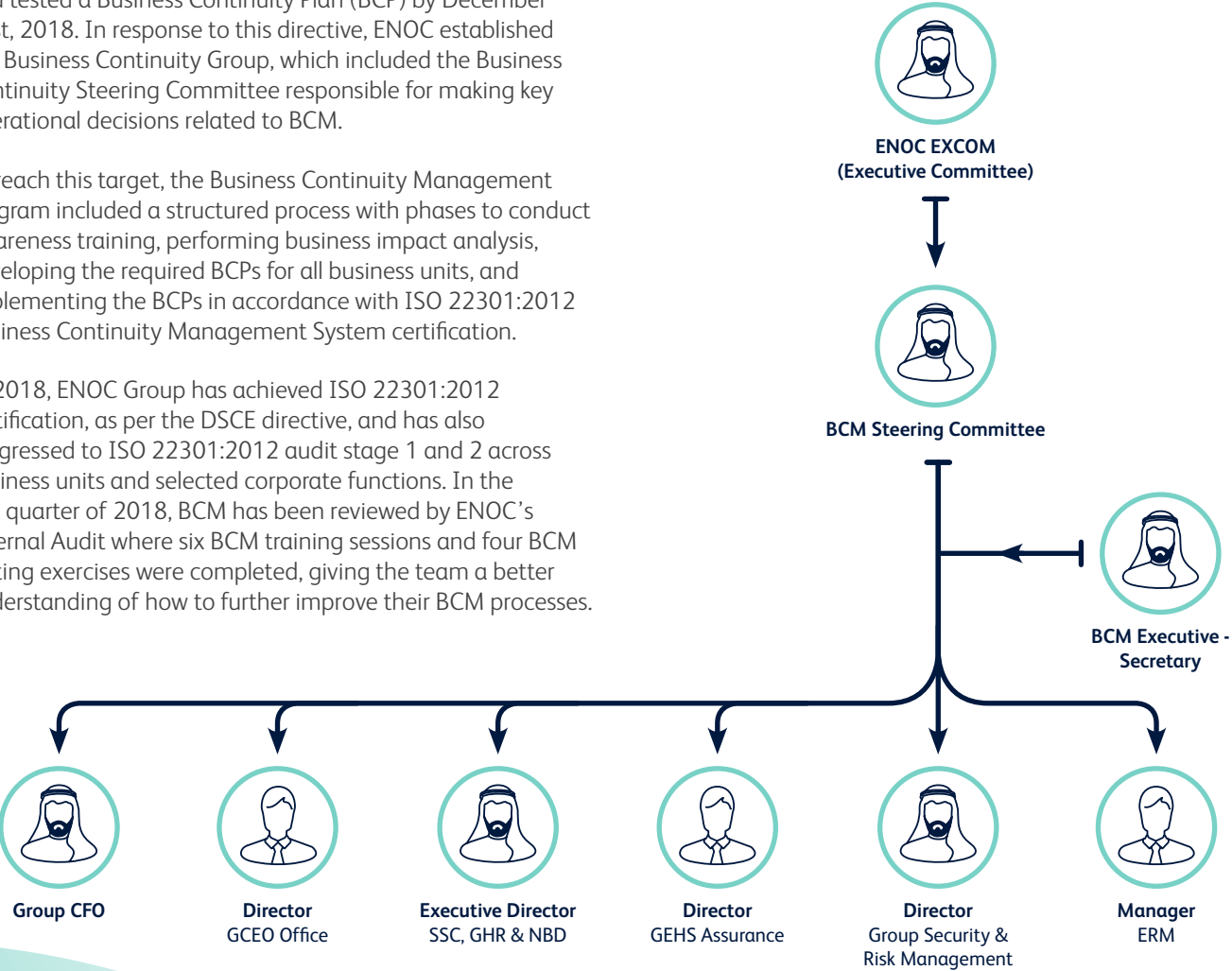
## Business Continuity Management (BCM)

Under the directive of the Dubai Supreme Council of Energy (DSCE), all businesses were mandated to have a finalized and tested a Business Continuity Plan (BCP) by December 31st, 2018. In response to this directive, ENOC established the Business Continuity Group, which included the Business Continuity Steering Committee responsible for making key operational decisions related to BCM.

To reach this target, the Business Continuity Management Program included a structured process with phases to conduct awareness training, performing business impact analysis, developing the required BCPs for all business units, and implementing the BCPs in accordance with ISO 22301:2012 Business Continuity Management System certification.

In 2018, ENOC Group has achieved ISO 22301:2012 certification, as per the DSCE directive, and has also progressed to ISO 22301:2012 audit stage 1 and 2 across business units and selected corporate functions. In the last quarter of 2018, BCM has been reviewed by ENOC's Internal Audit where six BCM training sessions and four BCM testing exercises were completed, giving the team a better understanding of how to further improve their BCM processes.

## ENOC Business Continuity Management Steering Committee Structure



By the end of the year, BCM finalized all Business Impact Assessments (BIAs) and BCPs for the business units. Further BCM testing exercises have been scheduled for 2019, to study various scenarios such as disruptions in the supply chain, jet fuel spillage and power outage at ENOC head offices.

### Factbox

In 2018, Kush Srivastava from ENOC Business Continuity Management team won the Award for Public Sector Professional at the BCI Middle East Awards. This award is a testimony of the business continuity focus of ENOC Group and its endeavor to protect its critical businesses from any unexpected adverse events and emergencies.



## Top Enterprise Level Risks

ENOC's enterprise-level risks are categorized into four main risk categories: strategic, operational, financial, and compliance risks. Inherent risks are initially identified for each business unit and are rated based on their likelihood of occurring and their impact on ENOC. The Residual risk is the risk corrected for mitigating measures and controls, or in other words, how well prepared and equipped is ENOC to deal with these risks.

Concentration risk, the risk associated with a high dependency on one business, has continued to remain the top risk for ENOC in 2018, as it has been the previous two years. Out of the five risks that have increased since 2017, cyber and infrastructure risks have become more prominent.

Risk	Enterprise Level Risks-ranking based on Residual Assessment	Risk Category	Inherent Risk Rating in 2018	Residual Risk Rating in 2018	Trend in Residual Rating (out of 10)			
					2016	2017	2018	2016- 2018 Trend*
R1	Concentration Risk	Strategic	Significant	Moderate	1	1	1	●●●
R2	Cyber Risk	Operational	Significant	Moderate	6	3	2	●●●
R3	Commodity Pricing Risk	Strategic	Significant	High	2	5	3	●●●
R4	Health & Safety Risk	Operational	Significant	Moderate	3	6	4	●●●
R5	Infrastructure Risk	Operational	Significant	High	10	8	5	●●●
R6	Competition Risk	Strategic	Significant	Moderate	7	2	6	●●●
R7	Business Interruption Risk	Strategic	High	Moderate	8	9	7	●●●
R8	Credit & Default Risk	Financial	High	Moderate	5	7	8	●●●
R9	Reputation Risk	Strategic	High	Moderate	9	4	9	●●●
R10	Regulatory Non-Compliance Risk	Compliance	High	Moderate	4	10	10	●●●

- Significant** Risks which are inherently significant and current treatment mechanisms (controls) are inadequate and/or absent to mitigate these risks.
- High** Risks which are inherently high or significant and current treatment mechanisms (controls) range from satisfactory to inadequate.
- Moderate** Risks which are inherently range from low to significant and current treatment mechanisms range from good to inadequate.

\* Lower the number, higher the risk ranking.



## Cyber Security

In 2018, ENOC introduced a risk based and intelligence led approach to cyber security through the Group Security Policy with the aim of protecting ENOC Group's employees, sites, assets as well as information and intellectual property against damage caused by intentional or deliberate acts. This was then followed by an Information and Cyber Security Framework to align ENOC's information and cyber security programs with ENOC business strategy and Dubai Cyber Security Strategy.



## Risk Management in Dragon Oil

Dragon Oil manages its risk within its own Enterprise Risk Management (ERM) framework. Like ENOC Group, Dragon Oil is exposed to a variety of risks and manages these to an acceptable level. Risks that Dragon Oil is exposed to include oil and gas industry-specific risks as well as business-specific risks. These risks are mitigated through controls to an acceptable level or accepted if proper management leads to value creation.

Dragon Oil's ERM Framework has remained unchanged during 2018 but will be revised in 2019. The ERM Framework is built upon three core components: Governance, Process, and Culture & Compliance. Through these three components, the Framework provides a structure that includes the tools for effective risk management.

## Dragon Oil's ERM Framework

**1-2 Governance:** The Board is committed to risk management by setting up a clear structure and defining roles and responsibilities.

**3-6 Process:** The ERM process provides a consistent approach to risk management from identification, mitigation to reporting.

**7-9 Culture & Compliance:** Dragon Oil leadership drives a culture of risk management by a topdown commitment and seeks assurances that responses to critical risks are acceptable.



Dragon Oil monitors their risks through a Risk Heat Map. This Risk Heat Map was established in 2017 and groups potential risks based on their likelihood and impact, taking in to account the controls that are in place to manage these risks.

## Risk Categories Chart

<b>R2</b> Single Asset	<b>R4</b> Marketing and Sales	<b>R7</b> HSE Limitations
<b>R1</b> Reserve Uncertainty and Production	<b>R5</b> Limited Pool of Contractors	<b>R8</b> Technology Deployment/Innovation
<b>R3</b> Organisational Growth/Competency	<b>R6</b> Facility Integrity Management	<b>R9</b> Non-compliance with Internal Policies and International Laws and Regulations

## Net Risk Heat Map

Likelihood	Highly Likely	Probable	Possible	Unlikely	Remote
Impact					
	Very Low	Low	Moderate	High	Very High

Acceptable Risk
Risk to be Monitored  
Reduce Whenever Possible
Unacceptable Risk  
Mitigation Required



## Key Risks and Control Actions Taken in 2018 to Mitigate the Risks

ENOC Group		
<b>Cyber Security</b>	<ul style="list-style-type: none"> <li>Insufficiency of Technology processes and legacy infrastructure vulnerable to cyber-attack</li> <li>High threat profile of ENOC as a critical infrastructure provider</li> <li>Lack of required manpower with the right capabilities to deal with such high level risk profile</li> <li>Threat actor can use existing gaps in the system, components and configurations to obtain access to sensitive information, sabotage critical systems or alter records</li> </ul>	<ul style="list-style-type: none"> <li>Information and cyber security governance framework, policy manual and IT/OT reference architecture</li> <li>Establishment of SOC, secure remote access, DDOS protection, vulnerability management, endpoint security protection, full disk encryption, security proxy and web filter and security awareness sessions and correspondents</li> <li>Assessments and audits such as ISR compliance audit, IT AV&amp;PT audit, OT audits and IT/OT connectivity assessment, security code review</li> <li>Invested in manpower requirements to support cyber security program</li> <li>Advance security controls such as endpoint detection and response, User and Entity Behavior Analytics, APT detection solution, Data loss prevention and MDM</li> <li>Working with regulatory bodies such as aeCert and DESC to share threat intelligence</li> </ul>
<b>Commodity and Pricing Risk</b>	<ul style="list-style-type: none"> <li>Implementation of sanctions has resulted in sourcing of condensate from alternate regions leading to higher product prices and additional logistical costs</li> <li>Weak global growth outlook, effect of high oil prices on demand, protectionist trade policies and recessionary triggers are some key factors contributing to commodity price risks</li> </ul>	<ul style="list-style-type: none"> <li>Sourcing of best possible alternates and blending to control margins</li> <li>ST&amp;P Risk Management Committee meetings review current market trends and look into implementation of hedging strategies and monitoring of strategic stock levels</li> <li>One P&amp;L concept introduced to reflect group wide profitability on product lines and eliminate additional intermediate costs and transfer pricing issues</li> <li>Alternate sources of condensate procurement are constantly being considered by ST&amp;P</li> </ul>
<b>Reputation Risk</b>	<ul style="list-style-type: none"> <li>ENOC being a diversified government owned O&amp;G entity, is exposed to a wide array of different stakeholders</li> <li>ENOC represents the government of Dubai in the energy sector and any adverse impact will lead to an adverse impact on Dubai's image</li> <li>Risk of loss of reputation if a disaster were to happen that hampers operations and/or leads to injuries and fatalities</li> <li>Risk of ENOC handling customer and supplier data with a potential of these being misused</li> <li>ENOC's reputation is also at stake when it comes to establishing business associations with partners across the globe</li> </ul>	<ul style="list-style-type: none"> <li>Group Communications is monitoring signs of negative media coverage and proactive action is taken to safeguard ENOC's image</li> <li>Quality reviews and checks are undertaken across all businesses that are directly associated with customers and suppliers to ensure product and service standards are maintained</li> <li>Feasibility studies cover ensuring that adequate background checks are done on business partners prior to establishing business associations</li> <li>System controls and periodic maintenance to ensure data integrity at all times</li> </ul>
Exploration & Production (Dragon Oil)		
<b>Concentration Risk</b>	<ul style="list-style-type: none"> <li>Currently majority of production (avg. 90,000 bpd) from a single asset- Turkmenistan</li> <li>Predominant reliance on limited logistical channels</li> </ul>	<ul style="list-style-type: none"> <li>Production has commenced in Iraq (8,000bpd) to diversify production regions</li> <li>Exploration underway in Algeria, Egypt, Tunisia, Afghanistan, Sudan and Australia</li> <li>Investments of close to US\$13 billion planned for 2019</li> <li>In addition to the primary route in Azerbaijan, Russia is also included as product transportation route</li> </ul>
Supply Trading & Processing		
<b>Concentration Risk</b>	<ul style="list-style-type: none"> <li>Risk of availability risk of economically priced quantities of feedstock as a result of sanctions</li> <li>Regional political developments resulting in discontinuation of sourcing in GCC</li> </ul>	<ul style="list-style-type: none"> <li>Diversification of procurement sources USA, Australia etc.</li> <li>Overall costs are being controlled by blending appropriate quantities off the strategic stocks</li> </ul>
<b>Environment, Health and Safety Risk</b>	<ul style="list-style-type: none"> <li>Safety &amp; Environmental hazards in the refinery / plant &amp; inventory storage locations.</li> <li>Tank B incident in November 2018. Loss of man-hours, facility shutdown and adverse impact on reputation</li> </ul>	<ul style="list-style-type: none"> <li>EPCL: Annual EHS Management program. Inspections with JAFZA authorities. Ongoing trainings to EPCL staff on HSE aspects.</li> <li>DUGAS: Necessary procedures are in place Daily EHS inspection. All incidents and near misses are reported.</li> </ul>

<b>Infrastructure Risk</b>	<ul style="list-style-type: none"> <li>Risk of ageing facilities which have been in place for 30 plus years and these may not be able to support the current and future operational requirements of the business</li> <li>Upkeep of Operational Technology (OT) applications that don't fall under the IT Disaster Recovery Plan</li> </ul>	<ul style="list-style-type: none"> <li>Necessary policies and procedures in place to ensure that infrastructure is effectively and efficiently maintained</li> <li>Preventive maintenance programs, monitoring mechanisms etc.</li> <li>Refinery expansion plan underway and replacement of tanks being considered</li> </ul>
<b>Business Interruption Risk</b>	<ul style="list-style-type: none"> <li>ESTC &amp; EPCL – Disruptive events / situations such as issues arising with regards product shipped and handled</li> </ul>	<ul style="list-style-type: none"> <li>ESTC &amp; EPCL – Defined backup practices with alternative sources and policies and procedures</li> <li>EPCL – Arrangement with multiple suppliers. Process coordination meetings</li> <li>DUGAS –Maintenance program for tank and jetty. Tie up with ENOC on other berths</li> </ul>
<b>Credit &amp; Default Risk</b>	<ul style="list-style-type: none"> <li>Counterparties may not honor deal commitments.</li> <li>An outdated list of authorized counterparties will be futile in evaluating</li> <li>Group Companies may default thereby causing huge losses</li> </ul>	<ul style="list-style-type: none"> <li>A Credit Board is constituted to evaluate all counterparties before initiating trade deals</li> <li>List of authorized counterparties is circulated to all traders</li> <li>Details of all new counterparties to the Credit Board for evaluation</li> <li>All counterparties evaluated on the «anniversary basis» or as needed</li> <li>Diversify customer base</li> </ul>
<b>Regulatory Non-Compliance Risk</b>	<ul style="list-style-type: none"> <li>Risk of non compliance with Sanctions on sourcing cargoes</li> <li>Possibility of traders entering into deals which are not in the benefit of ESTC thereby resulting in the company having to face huge losses</li> </ul>	<ul style="list-style-type: none"> <li>Sourcing of condensate from sanctioned areas has been ceased.</li> <li>Traders are provided with a copy of the Trading Mandate, policies and procedures on joining the company.</li> <li>All Traders are made to sign a «Recruitment &amp; Authorization Letter» affirming their awareness and understanding of the policies and procedures</li> </ul>
Terminals		
<b>Concentration Risk</b>	<ul style="list-style-type: none"> <li>Risk of concentration with one single large customer or change in customer needs</li> <li>Exposure to loss due to participation in a narrow market consisting of a limited group of counterparties</li> </ul>	<ul style="list-style-type: none"> <li>Major customers are strategic and often shareholders also.</li> <li>Selective and prudent customer selection process is in place.</li> <li>HTL has contractual product lien protection, and the ability to replace customers with relative ease.</li> </ul>
<b>Environment, Health and Safety Risk</b>	<ul style="list-style-type: none"> <li>Health &amp; Safety issues across all Terminal entities which could potentially lead to liabilities and loss of business and reputation.</li> <li>Unsafe facilities and product handling related hazards could result in incidents</li> </ul>	<ul style="list-style-type: none"> <li>Numerous HSE controls in place - procedures, personnel training, Safety Management Systems, auditing and compliance.</li> <li>Constant risk that requires continual monitoring, vigilance and attention by the organization to remain in control</li> </ul>
<b>Infrastructure Risk</b>	<ul style="list-style-type: none"> <li>Ageing storage tanks at critical junctures of the supply chain.</li> <li>Reliance on tankage and TTLR at EIL is critical to supply of MOGAS and Jet A1- for system business.</li> <li>Upkeep of OT applications</li> </ul>	<ul style="list-style-type: none"> <li>Necessary policies and procedures in place to ensure that infrastructure is effectively and efficiently maintained</li> <li>Preventive maintenance programs, monitoring mechanisms etc.</li> <li>Alternate arrangements of MOGAS and Jet supply from HEFD/HEFT as part of BCP</li> </ul>
<b>Competition Risk</b>	<ul style="list-style-type: none"> <li>Risk of Competition from other global Terminal players.</li> <li>Competitive advantage may be impaired.</li> <li>New storage capacity targeting same customer base.</li> <li>Storage demand being impacted by global slow down.</li> </ul>	<ul style="list-style-type: none"> <li>Risk potential exists in certain operating areas and not in others.</li> <li>Key customers are with HTL for strategic reasons in addition to commercial.</li> <li>Focus on service excellence as a retention mechanism.</li> <li>Existing rates are reasonably competitive.</li> <li>Strategic positioning and strong barriers to entry in locations where HTL has already established itself.</li> </ul>
<b>Business Interruption Risk</b>	<ul style="list-style-type: none"> <li>Single points of failure (SPOF) Inadequate Mutual Aid mechanism in terms of addressing issues with allocation of resources and back up facilities (JAFZA).</li> <li>Risks associated with tank storage areas, administration building and general facility.</li> <li>Stoppages in operations due to bad weather, sabotage, terrorist attacks etc.</li> </ul>	<ul style="list-style-type: none"> <li>Back up systems in place such as Diesel generators, UPS battery systems.</li> <li>Terminal contracts and insurance covers force majeure and this level of business interruptions.</li> <li>Discussions on with neighboring companies and ENOC Affiliates located in JAFZA.</li> <li>Terminal security and surveillance systems for early warning / detection</li> </ul>



<b>Credit &amp; Default Risk</b>	<ul style="list-style-type: none"> <li>❗ Non recovery leading to bad debts, write offs and loss of business</li> </ul>	<ul style="list-style-type: none"> <li>✅ Key customers are selected and are usually shareholders.</li> <li>✅ Exposure is limited to individual trading customers.</li> <li>✅ Some credit controls in place and HTL have option of contractual lien on any product in storage.</li> <li>✅ Usually advance recoveries made.</li> </ul>
<b>Regulatory Non-Compliance Risk</b>	<ul style="list-style-type: none"> <li>❗ Risk of non compliance to regulatory requirements in countries where Terminal Segment is conducting operations (JAFZA, Port of Fujairah, Djibouti, Morocco etc.)</li> </ul>	<ul style="list-style-type: none"> <li>✅ Robust compliance of policies &amp; procedures in place.</li> <li>✅ Liaison with JV partners in overseas Terminal locations also ensures that compliance is ensured and up-to-date information is retained on regulations impacting the business</li> </ul>
<b>Marketing</b>		
<b>Concentration Risk</b>	<ul style="list-style-type: none"> <li>❗ EA Business prospects are significantly lined to the Dubai economy</li> <li>❗ Activity is currently concentrated at the DIA with DWC gradually emerging as a key area of operations</li> </ul>	<ul style="list-style-type: none"> <li>✅ Business expansion to other locations across the region is part of the Business Strategy and AFM &amp; EA has diversified into other markets with either direct fueling or partner agreements.</li> <li>✅ Currently aviation fueling activity is being done at 152 airports across 25 countries. Latest addition - Egypt</li> </ul>
<b>Environment, Health and Safety Risk</b>	<ul style="list-style-type: none"> <li>❗ HSE risk is identified as a 'Moderate' to 'Significant' risk from a Segment perspective.</li> <li>❗ HSE risks at ELOMP - Fire incident that could lead to injury, property damage. Unsafe practices , inappropriate operational controls</li> </ul>	<ul style="list-style-type: none"> <li>✅ Excellent EHS controls in place across all Business Units within Marketing which has ensured no incidents. Moreover all Business Units have scored high on the EHS Index as well</li> </ul>
<b>Infrastructure Risk</b>	<ul style="list-style-type: none"> <li>❗ Risks associated with operational stoppage due to IT /ABB system failure or breakdown (ELOMP). Risks associated with piracy during logistics and delays in supply.</li> </ul>	<ul style="list-style-type: none"> <li>✅ Daily back up procedures executed.</li> <li>✅ IT maintenance plans in place. Preventive breakdown maintenance plans in place</li> </ul>
<b>Competition Risk</b>	<p><b>AFM</b></p> <ul style="list-style-type: none"> <li>❗ Entry of players in the Dubai Aviation Fuel Market (DWC &amp; DIA).</li> <li>❗ Shift of large volumes on account of competitive pricing.</li> </ul> <p><b>Gas Marketing</b></p> <ul style="list-style-type: none"> <li>❗ Competitors enter the market on the back of lower costs and low operational standards.</li> <li>❗ Loss of volumes and business for EMGAS</li> </ul> <p><b>Industrial Products Marketing</b></p> <ul style="list-style-type: none"> <li>❗ Failure in delivery of goods.</li> <li>❗ Higher than expected COGS.</li> <li>❗ Loss of clients and business opportunities, bad reputation, not good for brand image.</li> <li>❗ Loss of diesel volumes to small licensed operators</li> </ul> <p><b>Lubes Marketing</b></p> <ul style="list-style-type: none"> <li>❗ Risk of product cost reduction by competitors</li> </ul> <p><b>EPPCO Projects LLC</b></p> <ul style="list-style-type: none"> <li>❗ Other players Entry into DIA &amp; DWC (Aviation).</li> <li>❗ Tough competition from international brands (Total, Shell etc.) (Lubes)</li> </ul>	<p><b>AFM</b></p> <ul style="list-style-type: none"> <li>✅ New entrant requires infrastructure support locally which is a challenge and this could delay entry. Existing infrastructure is already being utilized to full capacity by ENOC and other suppliers within the JIFF</li> </ul> <p><b>Gas Marketing</b></p> <ul style="list-style-type: none"> <li>✅ Marketing Strategy, liaison with Govt regulatory bodies, Safety seminars</li> </ul> <p><b>Industrial Products Marketing</b></p> <ul style="list-style-type: none"> <li>✅ Professional Staff Sales and Training, Product &amp; Service Innovation, marketing ideas, good consumer relationships management, market research, trust clients, customer service, good product quality</li> </ul> <p><b>Lubes Marketing</b></p> <ul style="list-style-type: none"> <li>✅ Long term toll blending arrangements in place to secure product sourcing and keep competition at bay</li> </ul> <p><b>EPPCO Projects LLC</b></p> <ul style="list-style-type: none"> <li>✅ Dependent on other players decision and government directive (Aviation)</li> <li>✅ Building customer relationship to enhance brand loyalty</li> <li>✅ Provide superior add on services (Lubes)</li> </ul>
<b>Business Interruption Risk</b>	<ul style="list-style-type: none"> <li>❗ Product &amp; Service failure risk across all Marketing business units.</li> <li>❗ New government regulations that could lead to business interruptions.</li> <li>❗ Loss of off take due to change in demand.</li> <li>❗ Interruptions due to capacity curtailment etc.</li> <li>❗ Stock Outs.</li> </ul>	<ul style="list-style-type: none"> <li>✅ Established procedures and compliance</li> <li>✅ Liaison with regulatory bodies to be prepared for changes and amendments</li> <li>✅ Consolidate market position in international markets and look for further global expansion</li> <li>✅ Hospitality arrangements and alternate product supply strategies.</li> <li>✅ Increase in plant capacities</li> </ul>
<b>Credit &amp; Default Risk</b>	<ul style="list-style-type: none"> <li>❗ Significant overdue balances especially from government entities. Could potentially results in non recovery and bad debts.</li> <li>❗ Cost of borrowing is to be incurred by ENOC and this also gives rise to liquidity issues.</li> </ul>	<ul style="list-style-type: none"> <li>✅ Credit Risk Committee and strict compliance to Credit Policy.</li> <li>✅ Bank guarantees, letters of credit, advances, contracts, GT&amp;C, credit limits, revise and circulate credit policy, credit tracking system.</li> <li>✅ Significant emphasis on Marketing exposures at ENOC Group Credit Committee meetings</li> </ul>



<b>Regulatory Non-Compliance Risk</b>	<ul style="list-style-type: none"> <li>❗ Risk of non compliance to government regulations and regulatory body laws pertaining to aviation operations, gas marketing, distribution of industrial products and lubes etc. as well as compliance to international laws</li> </ul>	<ul style="list-style-type: none"> <li>✅ Compliance to regulations laws and rules being ensured across all Marketing business units i.e. e.g. those pertaining to operations at the DIA, distribution of gas and industrial products. Policies &amp; procedures in place</li> </ul>
<b>Retail</b>		
<b>Environment, Health and Safety Risk</b>	<ul style="list-style-type: none"> <li>❗ Risk to customers, staff, suppliers and contractors from operational activities and exposure to heat, VOC etc.</li> <li>❗ Tasjeel – Non adherence to safety standards while testing vehicles. Loss of business and reputation due to mishaps.</li> <li>❗ F&amp;B /Franchise – Risks associated with F&amp;B items which contravene health norms and lead to reputation issues</li> </ul>	<ul style="list-style-type: none"> <li>✅ Established Policy and Procedures in place, all associated risks from site operations and activities have been identified in the Risk Register, effective monitoring and controlling through KPI's.</li> <li>✅ Strict procedures followed on safety in F&amp;B and Franchise activities</li> <li>✅ Tasjeel – Good HSE controls in place and no related instances in the past.</li> </ul>
<b>Infrastructure Risk</b>	<ul style="list-style-type: none"> <li>❗ Risk of inability to expand and grow business due to infrastructure limitations.</li> <li>❗ Data integrity issues with implementation of new systems that has resulted in upload issues, un-invoiced amounts and reconciliation problems</li> </ul>	<ul style="list-style-type: none"> <li>✅ Expansion and refurbishment of Retail Network. Weekly project tracking mechanisms. •Network planning and management of Government Authorities relationships. Dedicated engineering team under Network Planning.</li> <li>✅ Even though there are measures in place to address various IT related issues, additional plans such as improved systems and controls are being implemented to address issues.</li> </ul>
<b>Competition Risk</b>	<ul style="list-style-type: none"> <li>❗ Competition in business units - Retail Operations &amp; Marketing, Tasjeel, Food &amp; Beverage and Franchise.</li> <li>❗ Loss of revenues and profitability leading to Brand Erosion.</li> <li>❗ Other players entry into Dubai Retail Space (opening of 3 retail outlets in 2018).</li> </ul>	<ul style="list-style-type: none"> <li>✅ Knowledge of Market trends</li> <li>✅ Periodical Surveys</li> <li>✅ Customer retention programs (proprietary Cards), World Class Offers.</li> <li>✅ Expansion of Retail network is underway.</li> </ul>
<b>Credit &amp; Default Risk</b>	<ul style="list-style-type: none"> <li>❗ Bad debts impact on the bottom line</li> <li>❗ Erosion of profits</li> <li>❗ Cost spend on debt recovery</li> </ul>	<ul style="list-style-type: none"> <li>✅ Adequacy of easy realizing collaterals</li> <li>✅ Effective IT systems to lock account if it breaches maximum threshold</li> <li>✅ Effective collection team for collections</li> </ul>
<b>Regulatory Non-Compliance Risk</b>	<ul style="list-style-type: none"> <li>❗ Risk of non compliance of regulatory laws specially those pertaining to Retail Site Operations, Tasjeel and Autopro activities, Food &amp; Franchise business</li> </ul>	<ul style="list-style-type: none"> <li>✅ Mitigating controls such as regular maintenance programs, health and safety norms, operations audits etc in place to ensure compliance with regulations.</li> </ul>



# Managing our Environmental Impact

The Energy and Resource Management (E&RM) program is at the heart of our sustainability strategy. Through this program, we are able to limit the negative environmental impacts of our operations, while generating substantial savings. In 2018, we were saving more than AED 11 million on Energy and Resource Management adding up to a cumulative savings of 71.4 million since 2014. We will keep investing in our E&RM program as we are convinced it has the potential to support ENOC to achieve even greater savings in the future. Our overall environmental performance is further supported through the Sustainability Index, where we have included 10 Key Performance Indicators (KPIs) related to energy, emissions, water, and waste.

04



**71.4** million AED  
cumulative E&RM savings  
achieved since 2014

**11.2** million AED  
saving in E&RM  
projects in 2018

**23.3%** reduction  
in energy intensity  
since 2014

**16.7%** reduction  
in water intensity  
since 2014



As one of the leading energy companies in the UAE, ENOC has the responsibility to minimize its impacts on the environment and leverage its unique position to support the UAE in addressing climate change. Managing our environmental impact is an integral part of our way of doing business and has been embedded throughout our operations, where we try to minimize our emissions to air, waste generation, energy, and water consumption. This approach has also proven itself to make sense from a business perspective, as our reduced resource dependency has also translated itself in substantial financial savings.

The way we embed sustainability into our daily operations is driven by our two key policies, including:

- 1** ENOC Energy Resource Management (E&RM) policy, focusing on energy efficiency and savings.
- 2** ENOC Environment, Health, Safety, and Quality (EHSQ) Policy, focusing on ENOC's compliance to international and local standards for environmental protection and employee safety.

These policies are supported by objectives and targets included in our Sustainability Index scorecard that are aimed at improving our overall environmental performance and are managed by specially assigned task forces and committees. In this chapter we highlight our achievements on energy and emissions management over the past five years. We also highlight our performance on the management of other resources such as reducing water consumption and waste intensities.





## Energy & Resource Management: A performance commitment



ENOC's E&RM Journey started with the development of the very first E&RM policy and system manual in 2008. Since the introduction of this manual, we have been committed to continuously develop and update this document with the latest standards. The current version of our Energy and Resource Management System Manual, which allows us to manage resource consumption in line with international policies and in a cost-effective way, is developed based on ISO 50001:2011.

As part of our E&RM policy, one of our targets included getting all business units certified to the latest international standards. To this end, all of our business units submitted their plans for achieving ISO 50001: 2011 certification. In 2018, Dubai Processing Plant LLC, ENOC Corporate Real Estate and 19 Retail units received their certification.

To build success we require a full commitment from all our business units and employees. To achieve this, we have introduced self-audits, which give the business units and employees ownership and responsibility for the success of their E&RM journey. To ensure the self-audits are a successful mechanism, it is important to have qualified auditors that evaluate the E&RM Systems uniformly across all business units. As a result, three E&RMS self-audit training sessions were conducted this year for ENOC employees across the business units. A total of 34 assessors attended the training with 13 of them passing with a score of 70% or more.

As part of our commitment to the E&RM journey, we want to share insights into our initiatives and efforts with the wider public. One of the ways we can achieve this is through the publication of the third edition of our Energy and Efficiency Report 2019, which highlights the numerous initiatives and savings achieved over the past two years from 2017 to 2019 which was launched at the ENOC Energy Award event in 2019.

Note: You can read our Energy and Efficiency Report 2019  
<https://www.enoc.com/en/media-centre/enoc-reports-publications>



## ENOC Energy Award

The ENOC Energy Award is a demonstration of the efforts and achievements of ENOC and its employees in energy efficiency and resource conservation across the organization. Under the guidance provided by the leaders of the UAE and their vision and initiatives, such as the UAE Vision 2021, UAE Energy Strategy 2050, Dubai Plan 2021, Dubai Clean Energy Strategy 2050, Dubai Integrated Energy Strategy and the Dubai Demand Side Management Strategy 2030, the internal ENOC Energy Award highlight the efforts put in place by ENOC's individual employees and business units and reward the most innovative and successful projects.

Established in 2012, the ENOC Energy Award continues to grow, much like the contributions of our winners to Energy and Resource Management, in the hopes of improving ENOC's performance. Over the years, the Award program has evolved constantly by recognizing key areas for improvements, which are then translated into new award categories. In turn, these new categories propel participants to operationalize their ideas into novel improvements.



Following the introduction of the Superior Energy Performance scheme across the organization, the Energy Award criteria and categories were realigned with the updated criteria and newly introduced categories, promoting a competitive spirit in monitoring and verifying energy savings and improved energy performance. The various categories covered by the award include green equipment investments, exceptional efforts at reducing energy costs as well as best business plans. Furthermore, individual awards are also granted to recognize managerial leadership, technical committee members and engineers who excel in their field.

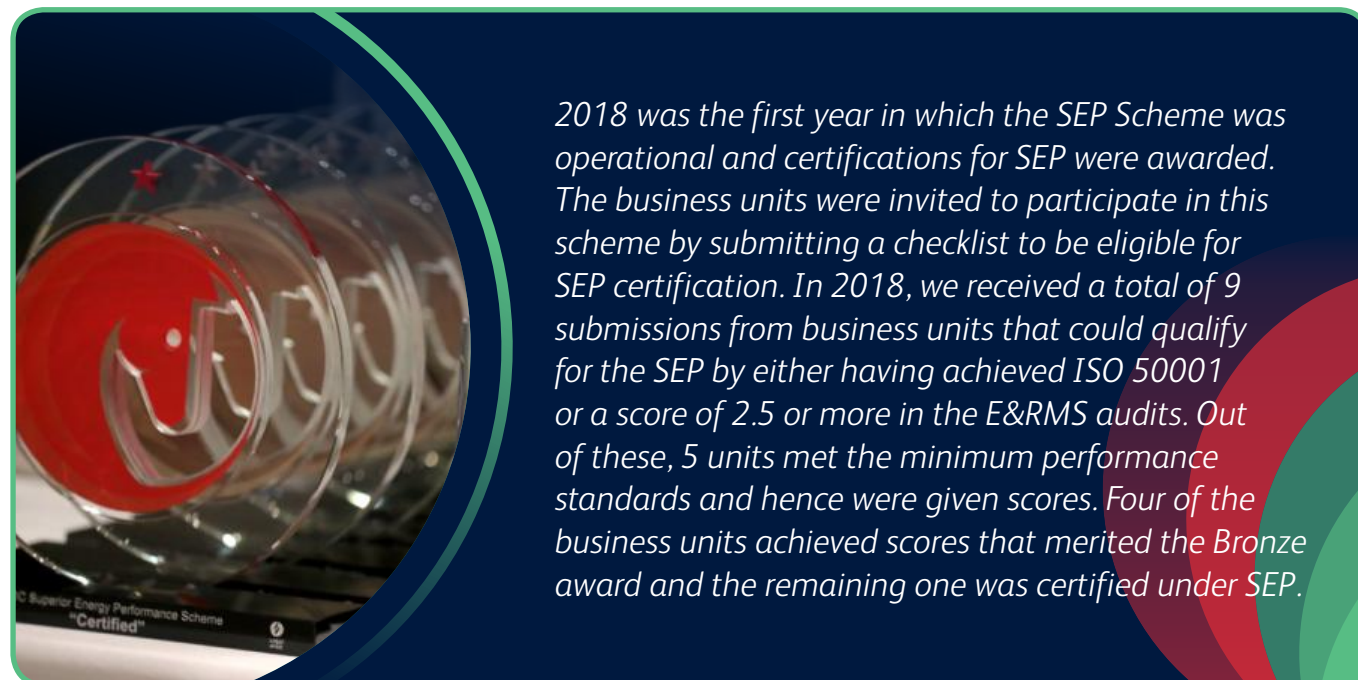


## Energy & Emissions

Due to the nature of our business, energy usage and emissions constitute the biggest overall impact we have on the environment. Since the introduction of the E&RM functionality to the existing scope of environment protection and quality assurance in 2008, we have worked on building a strong foundation for energy efficiency efforts across our value chain by putting in place an E&RM policy manual, a working framework, and the E&RM management system in alignment with ISO 50001. Over the years, the business units across ENOC's operations have implemented various E&RM projects that have helped ENOC achieve 71.4 million in cumulative savings over the last five years. In the various

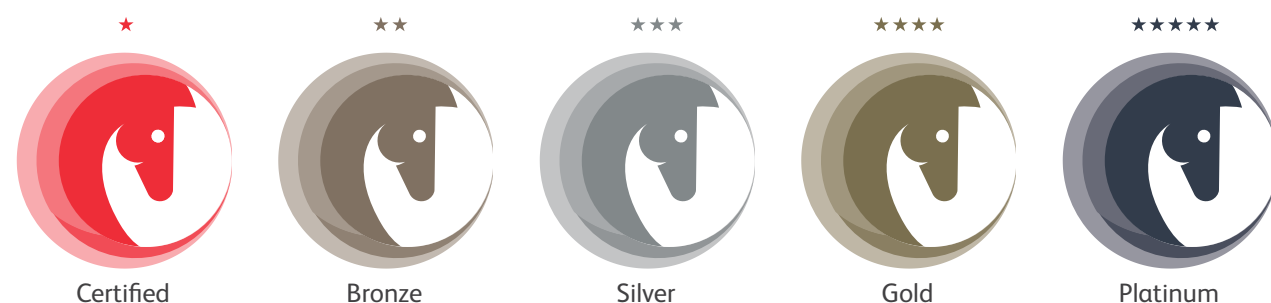
aspects of ENOC's dynamic operations across the value chain, the business units have reached varying levels of maturity in terms of energy efficiency, constantly looking to build up their competencies further.

To continue pushing the high performing business units to even higher standards and benchmarks, ENOC introduced the Superior Energy Performance (SEP) scheme which was developed in 2017. This scheme is aligned with the US Department of Energy Advanced Manufacturing Program and it provides guidance, tools and protocols to drive sustained savings in alignment with the ISO 50001: 2011 energy management system.



2018 was the first year in which the SEP Scheme was operational and certifications for SEP were awarded. The business units were invited to participate in this scheme by submitting a checklist to be eligible for SEP certification. In 2018, we received a total of 9 submissions from business units that could qualify for the SEP by either having achieved ISO 50001 or a score of 2.5 or more in the E&RMS audits. Out of these, 5 units met the minimum performance standards and hence were given scores. Four of the business units achieved scores that merited the Bronze award and the remaining one was certified under SEP.

The SEP Scheme awards each business unit on their scoring of the 7 enablers and 3 results criteria and awarded a certification level starting from:



### ENOC Group Energy Consumption #

ENOC Group Energy Consumption	2014	2015	2016	2017	2018
ENOC Total Direct Energy Consumption (GJ)	23,177,646	24,515,107	22,213,639	23,035,376	20,604,084
ENOC Total Indirect Energy Consumption (GJ) – Grid electricity	457,062	500,704	547,083	529,381	473,339
ENOC Total Energy Consumption (GJ)	23,634,708	25,015,810	22,760,722	23,564,757	21,077,423
Dragon Oil Total Energy Consumption (GJ)	2,182,923	2,325,794	2,110,338	1,973,339	2,158,388

### Direct Energy Consumption (GJ)

Retail	1,313	4,767	6,582	9,207	8,332
Marketing	55,701	59,167	63,163	69,444	75,949
Terminals	163,246	160,984	160,960	146,108	141,931
STP	22,957,386	24,265,535	21,954,957	22,781,737	20,377,871
Cylingas	-	24,652	27,977	28,880	-
Dragon Oil	2,150,996	2,292,671	2,078,287	1,932,634	2,115,347

### Indirect Energy Consumption (GJ) - Grid Electricity

Retail	241,164	255,781	267,733	255,207	300,082
Marketing	54,756	55,075	55,764	43,893	34,027
Terminals	58,524	96,550	107,993	110,871	105,162
STP	48,990	38,664	60,682	92,110	11,843
Corporate Real Estate	49,691	50,149	50,472	23,556	22,226
Cylingas	3,936	4,485	4,440	3,745	-
Dragon Oil	31,928	33,123	32,052	40,705	43,041

# Where updated or new data is available we restate figures for previous years to improve the accuracy of our reporting.

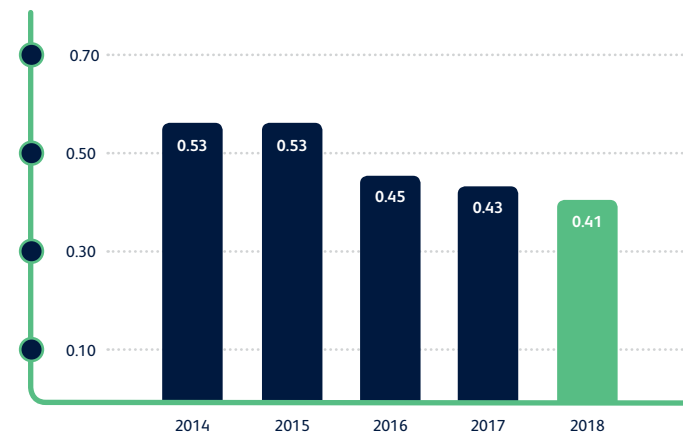
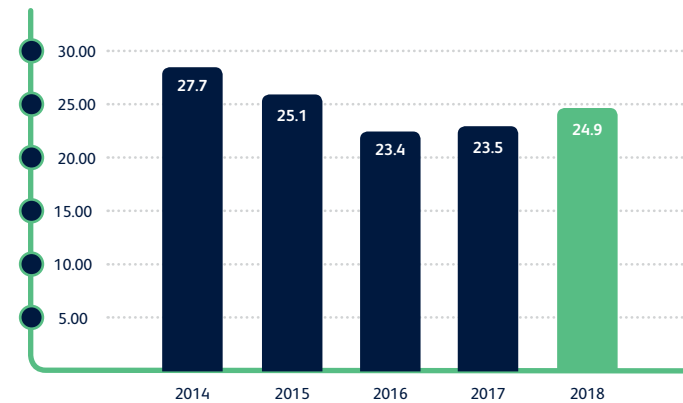
As part of our E&RM program, we are investigating ways of improving the energy intensity of our various facilities by adopting new methods and green technologies. In the upstream operations at Dragon Oil, we replaced our diesel generators with gas engine generators and installed a waste heat recovery system to improve thermal efficiency, with the aim of reducing our flaring at our exploration sites.

Refining products is a very energy-intensive process and as such, it is not a surprise that the biggest contribution to our energy consumption comes from our refinery plants ENOC Processing Company LLC (EPCL) Refinery and DUGAS, which form the Supply Trading and Processing (STP) segment. In 2018, STP was responsible for over 90 % of our total energy consumption.

At our EPCL industrial facilities, we have adopted Energy Efficient Design for our current and upcoming developments, along with other green building measures such as installing high efficiency heating, ventilation and cooling (HVAC) systems, daylight sensors to control lighting, and building form and fabric with better thermal insulation. At our Morocco terminals, we replaced all the existing 2400-Watt ATEX projectors with LED lamps to reduce our electricity consumption.

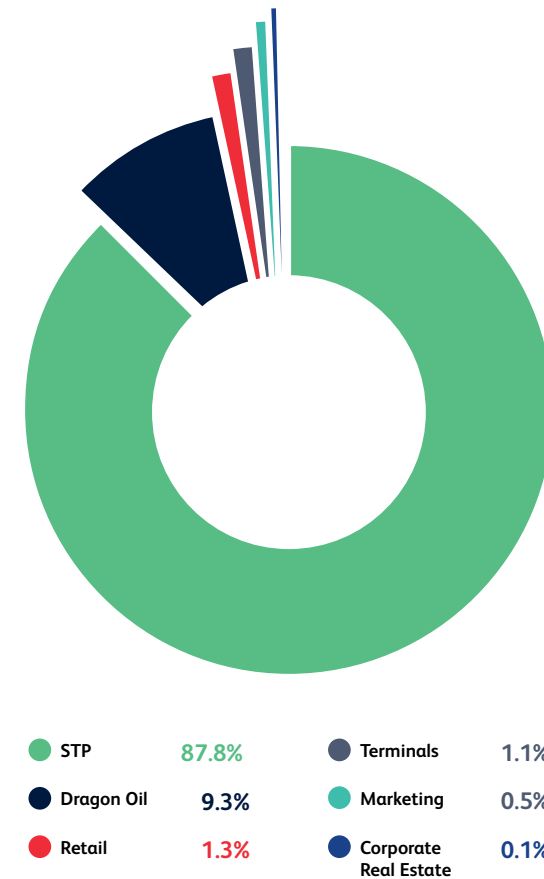
As a result of our E&RM efforts, there has been a year-on-year 5 % decrease in energy consumption per tonne of production for ENOC Group. Since 2014, the Group has achieved an overall decrease of 23 % in energy intensity. However, the energy consumption at our Dragon Oil exploration segment has increased for the year owing to our expansionary plans with new wells being drilled and due to increased water-cut of the oil produced.



ENOC Group specific energy consumption  
(in GJ/tonne)Dragon Oil energy intensity  
(in GJ/bopd)

ENOC has always strived to align itself and contribute to the national mandates and agendas of the UAE - specifically the UAE Energy Plan 2050. In line with these efforts and as part of our role as the key energy infrastructure partner to the Dubai Government, we are proud of our progress with both supporting and achieving the targets of the UAE Energy Plan 2050 – which aims to cut carbon dioxide emissions by 70%, increase clean energy use to 50% and improve energy

Total energy consumption (%)



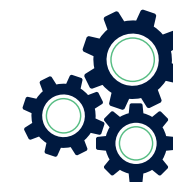
efficiency by 40% against consumption on a 'business as usual' case. The ongoing initiatives to improve energy efficiency include, waste heat recovery at ENOC's refinery operations, greening our buildings and integrating renewable energy sources into ENOC's operations. An in-depth overview of the energy-saving efforts initiated by ENOC is published in our Energy and Efficiency Report 2019.



## Monitoring our Energy Consumption

Business units are required to measure, monitor and analyse energy and resource use to reduce energy and resource consumption in a sustainable manner as part of the requirements of ENOC's Energy and Resource Management Policy. For the organization to identify relevant saving opportunities, it is critical to have a detailed understanding of the breakdown of energy consumption by different areas of our operations. To get a more detailed understanding of that data, we have introduced smart monitoring systems at our retail sites and energy monitoring systems at the AutoPro and Sharjah Auto Village sites in efforts to understand our areas of high energy consumption and achieve our annual target of 3% energy savings. This also supports the sites in achieving the requirements for ISO 50001:2011.

### Installing an energy monitoring system minimises:



#### Equipment issues

Efficiency issues can include operational issues, such as equipment drifting away from best efficiency operating set points.



#### Maintenance issues

Maintenance issues such as air-conditioning faults that affect energy consumption.

## Energy and Resource Management Savings

ENOC is always looking for innovative solutions to further reduce the use of energy and resources throughout the organization. The initiatives that have been implemented this year have resulted in annual savings of 18,654,991 kWh, 519,163 GJ of thermal energy and 13,813 m<sup>3</sup> of water. The past year has seen ENOC's E&RM savings increase to AED 11,169,505 compared to AED 10,609,846 in 2017. This means that we have been able to improve upon last year's result, an impressive outcome considering that our average annual savings were around AED 3 million before 2017. These savings also highlight the residual benefits of efficient and reduced use of resources as they have contributed to cumulative savings achieved from E&RM of about AED 71.4 million, which is much ahead of the AED 25 million planned initial savings target. In addition, we have spent around AED 75 million to achieve these targets, a figure which is significantly higher than our planned investment of AED 55 million.

ENOC is proud of its E&RM program and the resulting savings in both the use of resources and its costs. To celebrate our achievements and those that have worked hard to reach them, we have released our third Energy and Efficiency Report in 2019. Throughout this chapter, we will highlight some of the cases that illustrate our E&RM program, but for a full overview, we encourage you to read our full report which can be found in the link below:

<https://www.enoc.com/en/media-centre/enoc-reports-publications>



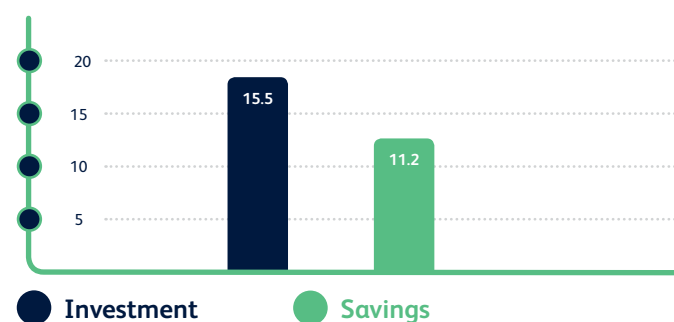


### Introducing Satellite Refuelling Station

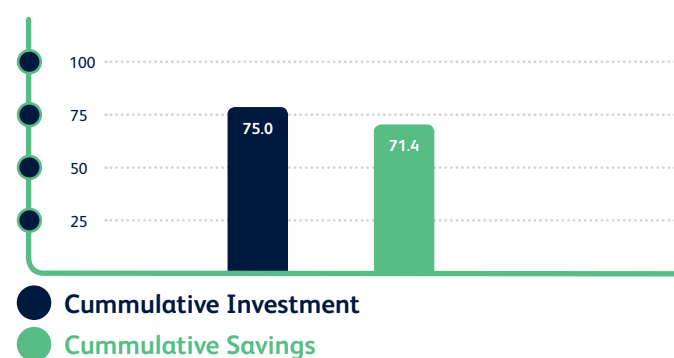
EPPCO Aviation, a joint venture of ENOC and Chevron is the largest fuel supplier at Dubai International Airport. EPPCO Aviation's primary depot is located in the operational area of the Dubai airport away from the runway necessitating a higher number of longer trips made from the primary depot to the fuelling point. The location of the primary depot meant that fuelling vehicles had to regularly travel between 20 to 30 minutes from the primary depot to the fuelling point (aircraft). To minimize such unproductive travel, EPPCO Aviation led the effort and collaborated with Dubai Airport authorities on the installation of a satellite station near the runway. The project resulted in an annual savings of 88,659 liters of diesel equivalent to AED 228,873.

For more information about this initiative, please refer to the corresponding article in *ENOC's 2019 Energy & Efficiency report*.

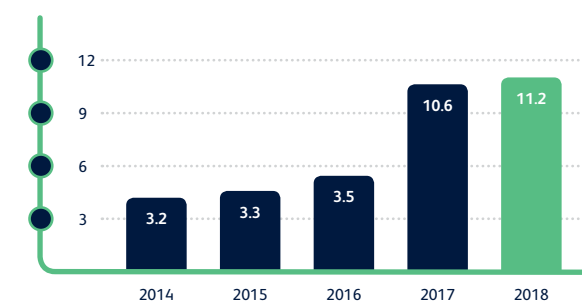
ENOC Group - E&RM savings vs investment in 2018 (million AED)



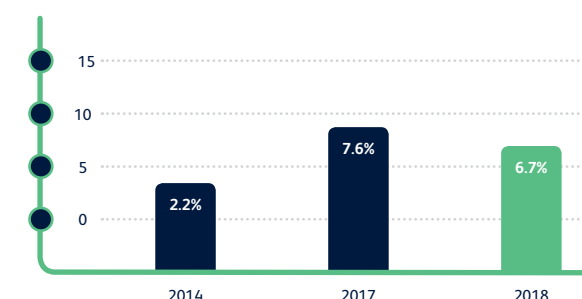
E&RM - cumulative achievement in 2018 since 2013 (million AED)



E&RM Savings (million AED)



E&RM Savings Against 2013 Baseline (%)



### Managing and Reducing our Emissions

Reducing our emissions is one of the main actions we can take to reduce our impact on the environment. To effectively reduce our emissions, it is important to have an understanding of our emissions footprint. Since 2014, our efforts in E&RM projects have helped us reduce our specific emissions intensity (kgCO<sub>2</sub>e/ton production) by 24%.

In addition to our E&RM programs, we are actively managing our emissions through our Carbon Abatement/Climate Change Technical Committee, which ensures that we are in line with national and international requirements and standards with regards to climate change.

Green House Gas Emissions for the ENOC Group and Segments (tCO<sub>2</sub>e)<sup>#</sup>

GHG Emissions for the ENOC Group and Segments (tCO <sub>2</sub> e)	2014	2015	2016	2017	2018
<b>ENOC Group</b>	1,013,568	1,053,472	1,003,152	1,013,946	901,264
Retail	34,933	37,289	39,141	37,481	43,855
Marketing	12,051	11,955	12,750	11,502	10,523
Terminals	24,074	27,575	29,406	28,725	27,574
Supply Trading & Processing - STP (EPCL & DUGAS)	934,765	966,929	911,843	930,147	816,101
Other BUs	7,746	9,724	10,012	6,091	3,210
<b>Dragon Oil</b>	1,344,837	1,840,398	2,213,869	1,742,788	2,564,268

Green House Gas Emission Intensity for the ENOC Group and Segments (kgCO<sub>2</sub>e/ton)<sup>#</sup>

GHG Emissions intensity for the ENOC Group and Segments (kg CO <sub>2</sub> e/ton production)	2014	2015	2016	2017	2018
<b>ENOC Group</b>	22.90	22.44	19.66	18.61	17.51
Retail	19.83	19.44	18.86	18.66	18.97
Marketing	3.2	2.9	2.8	2.4	2.2
Terminals	0.76	0.76	0.76	0.70	0.70
Supply Trading & Processing - STP (EPCL & DUGAS)	101.5	146.1	113.8	144.0	148.8
<b>Dragon Oil</b>	17.07	19.86	24.52	20.76	29.60

<sup>#</sup> Where updated or new data is available we restate figures for previous years to improve the accuracy of our reporting.



The Supply Trading and Processing (STP) business segment, which is the highest contributor to our Green House Gas (GHG) emissions intensity across the Group saw a decrease of 12% in absolute GHG emissions from the previous year mainly due to the planned shutdown of the DUGAS and EPCL facilities.

Over the years ENOC has launched several initiatives to increase the share of green energy as a percentage of the total energy consumption. One example of this is the

increased use of solar energy across the whole value chain, from production and services to building energy performance. In 2018 a solar photovoltaic (PV) energy system was commissioned at the Dubai Lubricants Processing Plant-Jebel Ali (DLPP-JA), covering most of the energy needs of the plant. Further, several retail stations have been equipped with Solar PV panels since to reduce their dependency on electricity from the grid. As a result, grid electricity consumption has drastically reduced, resulting in a decrease in the GHG emissions intensity across these operations.



## Rethinking Sustainability: ENOC Compact Stations

Due to an ever-expanding population in Dubai and an influx of visitors expected for EXPO 2020, space constraints often cause difficulties and building full-sized service stations not feasible. As a result, ENOC has worked to identify a solution to overcome this problem with the aim of allowing us to reach all our customers in the most efficient way possible – as a result ENOC Retail introduced its first compact fuel station in the Arabian Ranches community in Dubai in December 2018. Due to the compact size of the station, it can serve communities that have limited space and no available plots to build a standardized petrol station. The station is fully sustainable and is the first solar-panelled canopy

compact petrol station in the UAE. Additionally, there are several innovative technologies included that contribute to enhancing energy efficiency, such as the Vapor Recovery System - a process that enables the recovery of 70% gasoline vapor emissions. With the introduction of these stations, ENOC is better equipped to serve the needs of our communities while ensuring innovation and energy efficiency remain at the core of our principles.

For more information about this initiative, please refer to corresponding article in *ENOC's 2019 Energy & Efficiency report*.



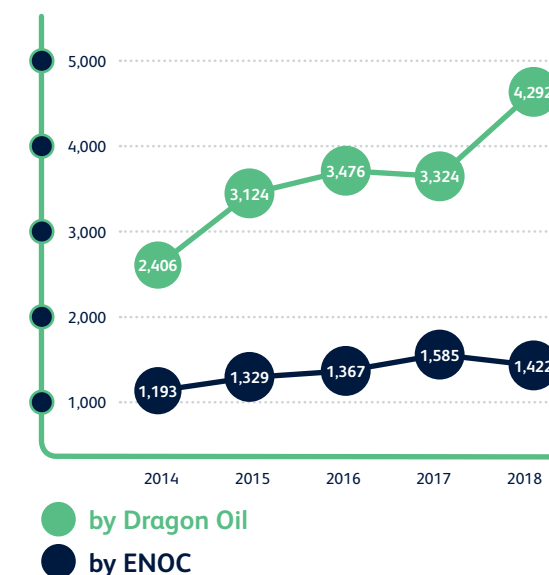
NO<sub>x</sub> SO<sub>x</sub>

## Other Emissions and Volatile Organic Compounds (VOCs)

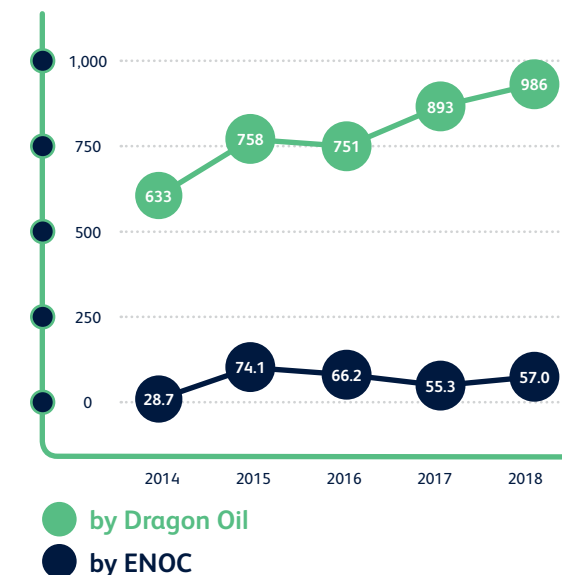
Due to the volatility of the petroleum products handled by ENOC and the nature of our operations, fugitive emissions are emitted from a number of VOCs during refining and handling processes, accounting for 3,602 tons in 2018. Our refinery operations combust fuels in our furnaces, diesel generator sets, flare exhausts and boilers.

During the combustion process, Nitrogen Oxides (NO<sub>x</sub>) and Sulphur Oxides (SO<sub>x</sub>) are emitted to the atmosphere. ENOC is in the process of implementing sulphur hydro-treaters to reduce the sulphur content in diesel oil to meet the product specifications of Ultra Low Sulphur Diesel (ULSD) for use in our refinery operations.

Nitrogen Oxides emitted (metric ton NO<sub>x</sub>)



Sulphur Oxides emitted (metric ton SO<sub>x</sub>)





## Flaring

Flaring constitutes a part of the operational and maintenance requirements of three of our business segments: EPCL, DUGAS, and Dragon Oil. As we do not currently have in place an accurate monitoring mechanism for the measurement of flaring volumes from DUGAS, we have partially estimated volumes using internationally accepted methodologies. In 2018 we have installed new flowmeters to measure and monitor our flaring in DUGAS and updated the emission

factors for flaring. We have applied this retrospectively, with a restatement of the previous year’s performance emissions. As a result of online flare monitor system, during 2018, there was a big increase in flaring volumes in DUGAS (threefold) which is also partially contributed by planned shutdown. EPCL witnessed an increase of more than 50 % due to flaring during the maintenance activities and preparation of new expansion plant tie-in.

Flaring (Metric ton)					
Entity	2014	2015	2016	2017	2018
DUGAS	2,215	2,322	2,977	5,224	21,763
EPCL	5,593	2,558	6,285	5,910	6,609
ENOC Group (excluding Dragon Oil)	7,808	4,880	9,262	11,134	28,371
Dragon Oil	430,876	607,875	750,088	581,615	876,417



### Achieving Zero Flaring Offshore

Dragon Oil was utilizing Diesel Generators (DGs) for their offshore platform (LAM 28) operations, however, due to diesel fuel costs, logistical hassles and the hazards associated with diesel storage, Dragon Oil’s operations management saw the necessity for the outdated DGs to be updated. This would provide several benefits, including cost reduction, greenhouse gas reduction as well as an increase in thermal efficiency. In order to achieve this Dragon Oil installed gas engine generators that utilized low-pressure flare gas as fuel for continuous operation at the offshore platforms (with a net-zero operational cost). Additionally, a waste heat recovery system was included to improve the thermal efficiency of the gas engines. By utilizing the waste heat energy of flue gas and heat from jacket cooling water, the thermal energy efficiency of the gas engine can be increased from 35 % to 75 %. By installing three gas generators of 1 MW capacity instead of DGs, Dragon Oil was able to achieve significant financial benefits from savings on the diesel cost, which amounted to approximately \$2 million per annum. Additional cost benefits were achieved by utilizing the waste heat from two generators for process heating.

For more information about this initiative, please refer to the corresponding article in *ENOC’s 2019 Energy & Efficiency report*.



### Biodiesel5 – Taking Green Efforts to Customers

Biodiesel5 demonstrates ENOC’s ingenuity and work ethic to stay ahead of an ever-evolving market while facilitating ENOC’s strategy to provide alternative clean fuel options to its customers and contribute to the reduction of negative environmental impacts. ENOC worked jointly with the Emirates Standardization and Metrology Authority (ESMA) alongside other stakeholders and manufacturers to establish a national standard and specification to

develop a more reliable and cleaner product blend. The environmental impacts of Biodiesel5 are positive – reducing emissions of harmful particulates, such as CO<sub>2</sub> to the environment and also enhance lubricity extending engine life.

For more information about this initiative, please refer to corresponding article in *ENOC’s 2019 Energy & Efficiency report*.

Environmental Benefits	
Property	Biodiesel5
<b>Regulated by RTA</b>	
Total Unburned Hydrocarbons (HC)	4 % Reduction
Carbon Monoxide	5.3 % Reduction
Particulate Matter	3.1 % Reduction
<b>Non- Regulated</b>	
Sulphate	5 % Reduction
Polycyclic aromatic hydrocarbons (PAH)	3.1 % Reduction
Ozone Potential of speciated HC	2.5 % Reduction

*\*Estimated from B20 results*







## Water Reduction and Recycling

Globally, and especially in the UAE, water scarcity continues to be a growing concern. The UAE is among the top water-scarce countries in the world and has one of the world's highest per capita water consumption - this is reflected in Dubai's Demand Side Management (DSM) target to achieve a 30% water savings by 2030. As a result, responsible water use is of high importance for ENOC and have incorporated it in our Sustainability Index, where we aim for a 5% year-on-year reduction.

Responsible water use means reducing the use of water at our operations and finding opportunities to increase water reuse and recycling where possible. We have initiatives incorporated across our value chain, from water reduction efforts at our refinery processes to the use of recycled water and innovative techniques at our carwash facilities.

### Reducing our Water Consumption

In 2018, the Group's water consumption amounted to just above 2 million m<sup>3</sup> (excluding Dragon Oil) with EPCL, Retail, and DUGAS accounting for about 46%, 33%, and 15% respectively. Our other business units accounted for the remaining 5%. Year-on-year, the Group's water use has decreased by 7%.

About half of the total water use within ENOC is accounted for by EPCL, which has consumed about 0.97 million m<sup>3</sup> per annum over the last four years. Although refinery processes at EPCL are inherently water-intensive, ENOC remains dedicated to reducing the water consumption as much as possible. Our continued efforts in EPCL have led to a reduction of 14% in 2018 compared to our 2014 baseline. DUGAS water consumption, also part of our STP business unit decreased by 17% from around 379,000 m<sup>3</sup> during 2017 to 316,000 m<sup>3</sup> during 2018. This decrease, however, has been partially aided by a planned shutdown and avoiding leakages in internal water network.

Water consumption across our Retail business units have increased by 6% to about 697,629 m<sup>3</sup> in 2018 from approximately 657,409 m<sup>3</sup> in 2017. This is mainly due to the continued growth of our Retail service offerings where ENOC has had to cater for additional carwash facilities and additional water use due to increased customer throughput and staff operating at these sites.

Water consumption (Cubic meters - m<sup>3</sup>) #

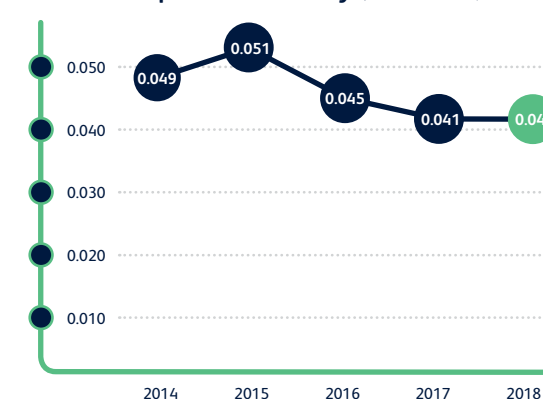
Entity	2014	2015	2016	2017	2018
<b>ENOC Total</b>	<b>2,168,256</b>	<b>2,388,923</b>	<b>2,294,534</b>	<b>2,259,190</b>	<b>2,099,949</b>
EPCL	1,130,332	1,214,340	1,019,829	1,068,738	971,044
Retail	458,003	556,483	601,289	619,439	654,295
DUGAS	315,998	332,204	344,496	378,917	316,227
Other	263,923	285,896	328,920	192,096	158,383
Dragon Oil	257,398	279,860	265,777	209,991	249,176

# Where updated or new data is available we restate figures for previous years to improve the accuracy of our reporting.



Through our efforts and approach to promoting water efficiency and despite the growth of our network, we have been able to decrease the Group's water intensity (m<sup>3</sup> consumed per tonne of production) by 2% between 2017 and 2018. This is further reflected when looking at the improvements made over the past five years – our water intensity has reduced from 0.049 m<sup>3</sup>/ton of production during 2014 to 0.041 m<sup>3</sup>/ton of production during 2018, which is a 16.7% decrease.

ENOC Group water intensity (in m<sup>3</sup>/ton)



Dragon Oil water intensity (in m<sup>3</sup>/bopd)



### Wastewater

Our retail business remains the main contributor to our wastewater generation, in 2018 it accounted for 80% of the Group's wastewater. Therefore, we have identified this as one of the main priorities of water reduction and recycling efforts. These efforts have been successful in the last few years, despite the increase in the number of service stations that we operate wastewater generated by the Retail segment has decreased slightly. The installation of wastewater recycling facilities at service stations and the adoption of the 'No-Wet' car wash system has contributed to this reduction. In the coming years, we are looking for carwash systems that help us improve our performance even further.

Wastewater generated (Cubic meters - m<sup>3</sup>)

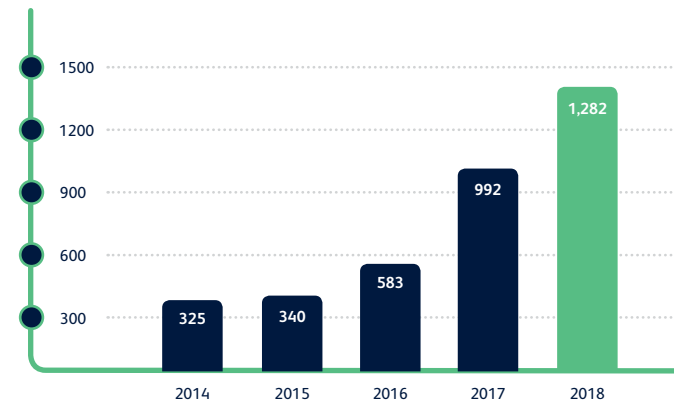
Entity	2014	2015	2016	2017	2018
Retail	500	556	604	614	608
Others	203	209	220	182	46
EPCL	110	119	104	118	107
Dragon Oil	328	344	586	410	494



Besides our retail operations, wastewater is a by-product of many processes across our facilities and operations and we have invested heavily in the responsible management of this wastewater to minimise our negative impact on the environment. If we can't avoid producing wastewater we aim to recycle as much wastewater as possible.

In 2018, the wastewater generated by EPCL from processes and sewage decreased by 9% to around 107,000 m<sup>3</sup> compared with the amount generated in 2017 (approximately 118,000 m<sup>3</sup>). However, the amount of wastewater generated in 2018 was affected by the planned shutdown, so when comparing wastewater generation between 2017 when EPCL was in full operation and 2018, wastewater generation has remained relatively constant.

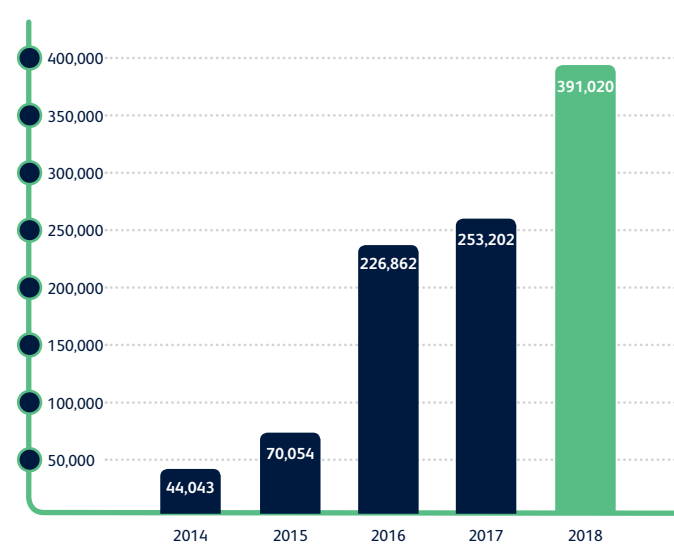
**Dragon Oil produced water**  
Cubic meters (000's m<sup>3</sup>)



## Recycling Water

Our priority is to use less water in our processes and reduce the amount of wastewater that we produce, however, this can only be avoided up to a certain point. One of the measures that we have taken to mitigate this is to recycle wastewater and use it in our processes wherever we safely can. Examples of our water recycling initiatives include the use of recycled water in our car washing facilities and the use of recycled water for irrigation at our DUGAS and EPCL operations. As we have been increasing our efforts on recycling water we have started measuring our progress as well. Our efforts have been successful: in 2018 we saw the amount of recycled water at our STP operations almost doubling. At our retail operations, the amount of recycled water went up from about 202,000 m<sup>3</sup> to 391,000 m<sup>3</sup>, which is an increase of about 54%. Currently, we have a recycling rate of 19% for the Group, which is a major improvement compared to the 2014 baseline, when we only recycled 2% of our water.

**Recycled water (in m<sup>3</sup>)**



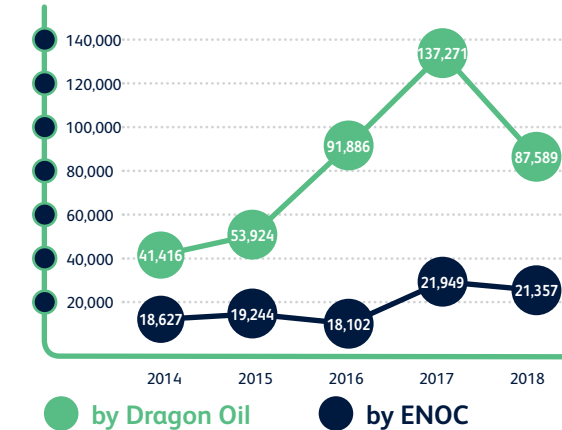
We are currently investigating more ways of recycling and using recycled water. For example, EPCL is generating treated water at a rate of 400 cubic meters per day, which is of irrigation quality. However, most of this water is currently being disposed to the sea. GSO has already proposed an alternative technology along with studies on Return on Investment (RoI) to EPCL for the utilization of this treated water.

## Reducing, Reusing and Diverting Waste

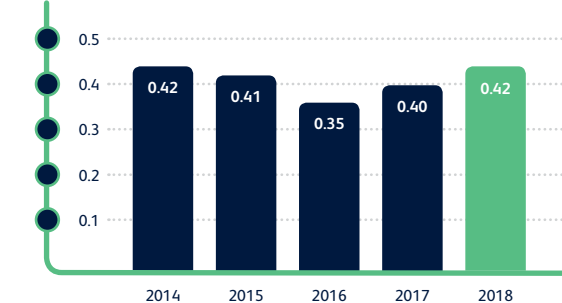
At ENOC, we have committed ourselves to minimizing our waste volumes, in line with UAE's Vision 2021 aim to increase the percentage of treated waste from total waste generated to 75%, by ensuring that we undertake recycling and reusing at any available opportunity. We recognise that we can manage our waste production effectively by using only what we need through operational efficiencies; however, there will always be some level of discarded material that will be considered as waste as a result of the nature of our operations. We manage our waste responsibly by ensuring that we comply with local regulations and that we use approved and licenced waste collection and treatment contractors to handle our waste. Our waste streams include solid and liquid waste of both a hazardous and non-hazardous nature. Each waste stream generated across the Group is managed according to the category of waste (recyclables, non-recyclables, hazardous and non-hazardous) and we provide internal training on waste management in this regard to our business units.

ENOC Group's waste generation decreased by 3% during the year to nearly 21,350 ton, with our Retail business unit accounting for 60% of this, primarily being waste from visiting customers to retail stations and ZOOM stores. Our waste generation intensity was 0.42 kg/ton in 2018.

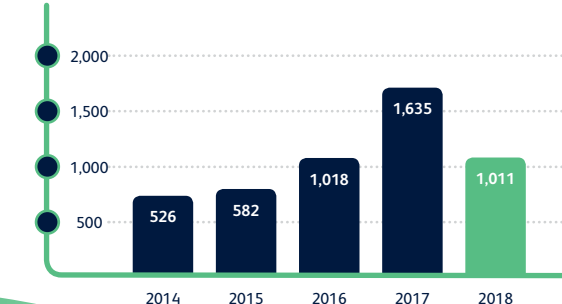
**Waste generated (in ton)**



**ENOC Group waste intensity (in kg/ton)**



**Dragon Oil waste intensity (kg/bopd)**





The breakdown of that waste generated in ENOC is as follows, with non-hazardous general waste from our retail service stations and ZOOM stores accounting for over 48 % of our total waste:

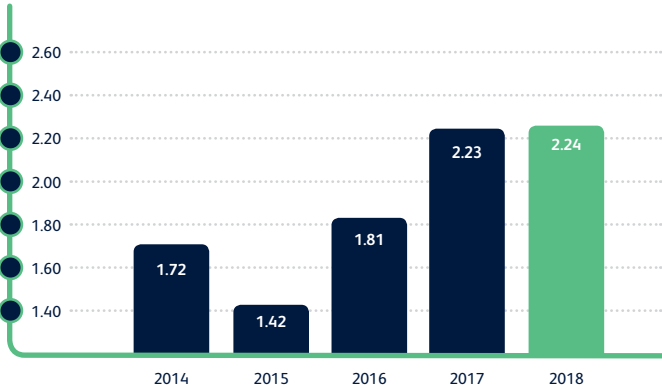
Waste Generation (tons) #					
ENOC Group	2014	2015	2016	2017	2018
Total Hazardous Waste Generated	2,919	2,530	2,569	7,194	7,442
Total Non-hazardous Waste Generated	15,708	16,715	15,533	14,754	13,915
Total Waste Generated	18,627	19,244	18,102	21,949	21,357

Dragon Oil					
Total Hazardous Waste Generated	38,857	49,835	88,584	131,604	83,858
Total Non-hazardous Waste Generated	2,559	4,089	3,302	5,666	3,731
Total Waste Generated	41,416	53,924	91,886	137,271	87,589

# Where updated or new data is available we restate figures for previous years to improve the accuracy of our reporting.

Dragon Oil has its own landfill waste disposal facilities, which have been developed by Dragon Oil in 2013. The safe disposal of the waste generated by Dragon Oil is of utmost importance and is managed by a dedicated team.

Dragon Oil environmental expenditure (million AED)



We are continuously investigating ways of further reducing the generation of waste and improve the ways of disposal through assessments at all levels of our organization, internal audits and awareness programs. An example of this is the audit that we carried out at our EPPCO Aviation Al-Minhad facility, where we assessed the waste streams that were generated from normal operations and maintenance activities. During this assessment, we ensure that the management of these waste streams complies with the regulatory requirements at the UAE (Federal) and Dubai Municipality levels. Furthermore, we look for opportunities for reducing waste and efficient disposal. At this site it was evident that there were a lot of encouraging operational controls in place, however, we also found that there was still ample opportunity for improvement in the segregation, handling, storage, transportation and disposal of above-mentioned waste. Together with the site, we have formulated a plan with concrete steps to roll out the improvements to the waste management process.

In the coming years, we will keep looking for further improvements in our waste management process throughout our value chain. Audits have been planned for the later part of 2019 at ten of our petrol stations outside the UAE to get a better understanding of the waste stream at these locations.



## Spill Prevention and Preparedness at ENOC

As a result of the nature of our organization, ENOC emphasizes the importance of ensuring all prevention and preparedness spill measures are adhered to and implemented across our entire value chain. We have in place stringent requirements and procedures to prevent and mitigate the potential effects of operational spills. ENOC ensures that there is a strict implementation and guideline of preventive measures across all our facilities and pipelines to avoid spills or minimize its impact that might occur due to operational failure, accidents or unusual corrosion. These measures include:

- Proper inspection and maintenance of equipment along with comprehensive training for our operators.
- Emphasizing regular performance of tests and drills.
- Maintaining the integrity of the equipment to prevent spill incidents.

Despite our best preventative measures and efforts, we had a minor spill in 2018 at our Dragon Oil facility (0.6m<sup>3</sup> of hydrocarbon), which was immediately attended to and treated by our team.

In other downstream and midstream operations of ENOC, there were no major spills in 2018 and ENOC has an oil-spill preparedness and response plan to address any spill situation during operational activities on land or sea.

ENOC continued its membership with Oil Spill Response Services Ltd (OSRL) as a corporate member. Our membership with OSRL helps us to conduct Annual Preparedness Review to ensure familiarity with mobilization procedures and discuss common response issues. It also positioned ENOC on positive reinforcement of active collaboration with local and national authorities in support of the International Convention on Oil Pollution Preparedness, Response and Co-operation (OPRC).

### ENOC involvement with OSRL was on following levels:

1. OSRL Shareholder Meetings.
2. Annual Preparedness Reviews (APRs).
3. Participation in Member and Technical Forums.
4. Conferences and Exhibitions.
5. Collaborative Exercises to develop stronger working relationships.
6. Web Channels (webinars and social media updates).



## Environmental Audits

Internal environmental audits are an important mechanism to ensure continual improvement of the business processes and monitoring of our environmental performance. In 2018 we collaborated with two teams on the following audits:

### Integrated EHS Management Review (IMS) audits with Group EHS Assurance Team:

In collaboration with Group EHS Assurance Team, we conducted IMS audits at EPCL, HTTSA, ATTL, and HDTL. These audits were prime examples of a successful collaboration between departments, two members of the GSO team complemented the GEHS Assurance teams on the audits. During these audits, the teams were able to provide valuable recommendations to improve the sustainability performance and reduce any environmental risks.

### IMS Audits with Group Quality and Business Excellence team:

In collaboration with Group Quality and Business Excellence (QBE) team, we conducted IMS audit as per ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007 requirements at 9 sites of respective business units to ensure compliance as well as to detect various Environmental and other relevant issues in line with the requirements of these standards.

## Awards and Recognition

### Sustainability Performance Benchmarking – Request from External Organizations

Given our stellar performance in managing sustainability several government agencies approached ENOC to learn the best practices from GSO team. Some of these organizations are:

1. Government of Ajman - Municipality & Planning Department
2. Abu Dhabi Sewerage Services Company (ADSSC)
3. Kuwait Oil Company (KOC)

During these interactions, ENOC shared its approach on integrating sustainability within the operations, learned about the best practices adopted by these organizations, and discussed steps to replicate those success stories in ENOC operations.



Ajman Municipality team visiting ENOC



### Recognition for Excellence in Sustainability – Golden Peacock Global Award

Our year on year sustainability performance was impressive and we as ENOC won consecutively the prestigious Global Peacock Global Award for Sustainability in 2018. The award was presented in a ceremony held in London.

The award was received by Dr. Waddah on behalf of ENOC management. More than 208 applications were submitted for annual Golden Peacock Awards. After scrutiny, 91 of the 208 applications were shortlisted for final selection through a 3 tier Assessment Process and we were glad to top the overall scoring and achieving the award for 2018.

### Innovating for Sustainable Future- Ideas UK's Idea of the Year Award 2018

ENOC won the prestigious 'Idea of the Year' award at the 32nd edition of Ideas UK event held in 2018 at Manchester, England. The Group was awarded in the 'Digital and Technology' category for the development and implementation of innovative solutions across their petrol stations. The suggestion solution involved vapor recovery system based on 'Refrigeration Condensation Principle' that is designed to capture displaced or excess vapors that emerge from inside a motor vehicle fuel tank. The award also acknowledged the installation of solar PV panels at retail stations, generating 126kWp of power and reducing dependency on DEWA's power grid.





# Empowering Our People

ENOC's aim is to create an organizational culture that enables employees to take risks, think differently and grow along with ENOC's business, whilst maintaining high standards of quality and professionalism. With the continued growth of ENOC's business, we require fresh minds and creative talents to support our business development. ENOC's diverse teams of employees are 11,717 strong with a 5% increase in the proportion of female colleagues in the workforce from that of 2017. In addition, the number of UAE nationals we employed in 2018 has increased by 12.5% as compared to 2017. Health and Safety remains of utmost importance for our organization, and we continue to undertake the most appropriate measures to achieve excellence in our Health and Safety performance.

# 05



**11,717**  
**Employees**  
at ENOC Group in 2018

**97 UAE**  
Nationals, the highest ever to  
be recruited in a given year

**0.09** <sup>LTIFR</sup>  
**in 2018, the**  
**lowest** since 2014

**23.5** hours of training  
**provided per**  
**employee**  
(excluding Dragon Oil)



## One Unified Workforce

ENOC strives to create a work environment that not only boosts the employees' productivity but also enables them to maintain a healthy work-life balance. We understand that our employees are our most valuable asset and in order to attract and retain talent we need to offer the training and talent management to match that. In 2017 we introduced LinkedIn E-Learning, a platform that offers more than 5000 courses for our employees to undertake. Since its introduction, the average number of courses undertaken by our employees went up from two to over five.

We have also worked on the introduction of a new Talent Management Strategy in 2017, which contributed to an increase in employee satisfaction levels from 4.3 % in 2017 to 4.48 % in 2018, especially in the areas related to job and skills alignment, customer focus, leadership and mission alignment. Additionally, our turnover rate remained on the same level as the previous years, at 7 %, which reflects employees' pride in being associated with the ENOC brand and an increasing aspiration to sustain long-term careers within the organization.

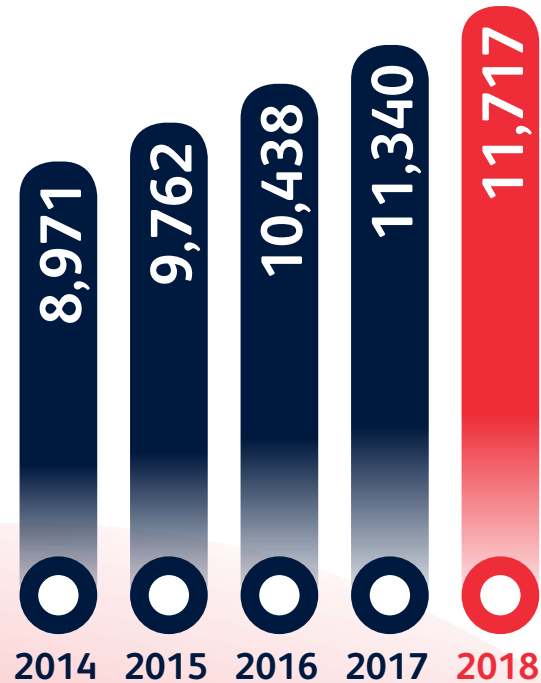
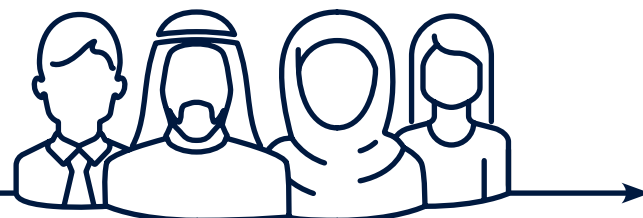
ENOC also prides itself on being an equal opportunity employer, ensuring we do not discriminate towards employees or applicants and encourage career growth and talent development. In addition, we have a strong rewarding system which recognizes our employees' achievements and offers cross-functional opportunities over the entire value chain of the ENOC group.

## Our People

ENOC's growing workforce has been instrumental in allowing us to explore new opportunities as we expand our business.

We have observed a rapid growth of the number of people we employ since 2014, with an increase of 23 % due to the increase in sales and ongoing project growth. In 2018 ENOC's workforce increased by 3 % to 11,717 including the integration of the 2,291 employees of Dragon Oil.

ENOC employee numbers\*  
\*All including Dragon Oil employees



## Inclusion & Gender Diversity at ENOC

Due to the diverse nature of our operations, ENOC's workforce comprises of individuals from a wide range of backgrounds.

As such, diversity and inclusion are instilled in our core values and we strongly believe that diversity, creativity, and innovation are key to ENOC's continued growth in the market.



جائزة اينوك للمرأة في الطاقة  
ENOC Women in Energy Awards



### ENOC Women in Energy Awards

With women constituting close to 14.2 % of our total employee workforce across the Group, ENOC constantly strives to build an encouraging work environment for women to thrive in the energy sector. Acknowledging the need to build a platform that recognizes the achievements of women in the male-dominated energy industry, the ENOC Women in Energy Awards was launched. As an important step taken towards supporting women in alignment with UAE's efforts to be among the top 25 nations worldwide for women's empowerment, the award program was open to both UAE nationals and expatriate women who have been in energy-related roles for a minimum of three years,

currently working in any of the eight-member organizations of Dubai Supreme Council of Energy (DSCE). The inaugural award cycle held in 2018 recognized eight across three categories in business, professional and social aspects, for positively impacting their stakeholders, demonstrating technical skills, taking risks to further their career and demonstrating a vision for the future of women in energy.





## Gender Diversity

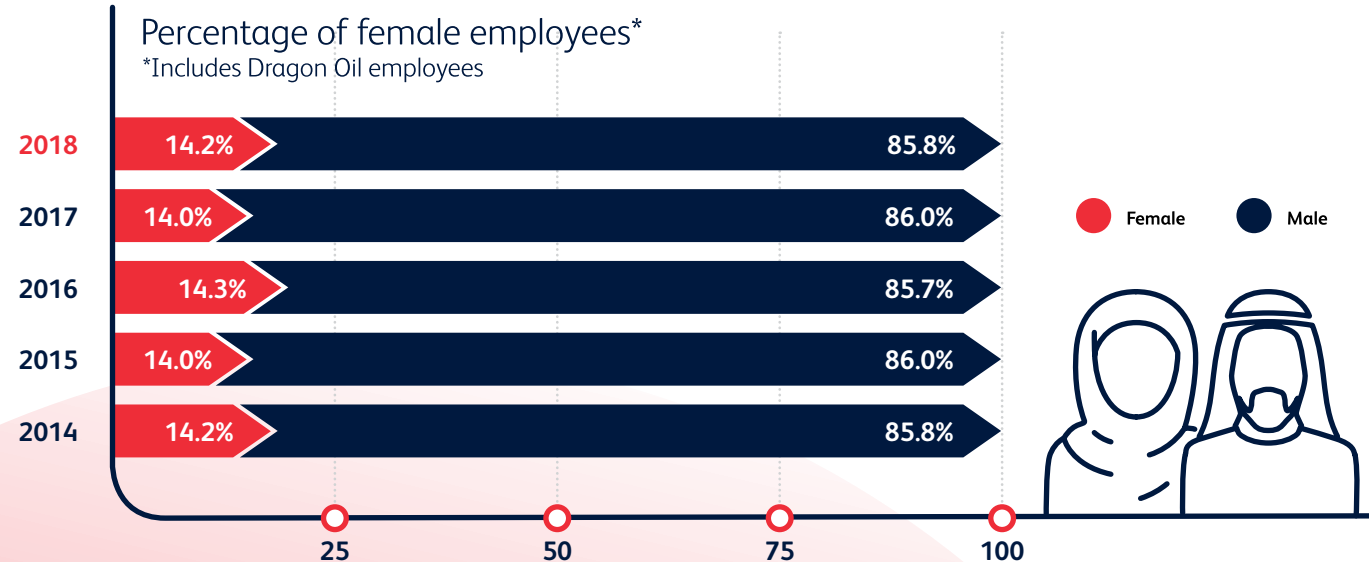
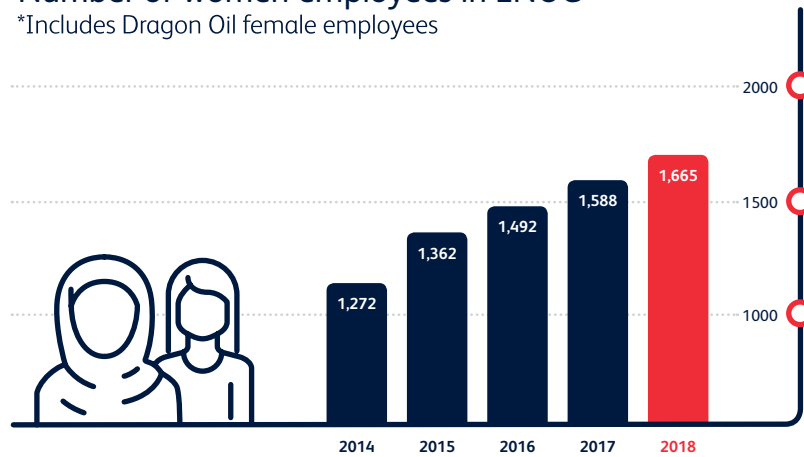
In a male-dominated industry such as oil and gas, ENOC leads the region by example in ensuring good female representation across our businesses. ENOC Women's Committee continues to encourage women in the field by acknowledging their remarkable efforts and providing adequate support to maintain work-family balance. The committee's 'Women in Energy Award' was introduced in October 2017 and is aimed at recognizing and honoring the exceptional performance of women across the UAE's energy sector.

The overall women representation at ENOC has remained stable and currently accounts for 14.2% of our total workforce. Our corporate offices have a strong female representation, where women account for 50% of the Internal Audit and Business Ethics team, 56.5% of Group Communications Team, 38% in Group Human resource department, 33% of Group Strategy and Finance team, and 23% of the management department, which includes Group EHS, Legal, Management, and Regulatory Affairs, and the CEO Office.

Additionally, ENOC's strong policy to award salaries based on the job and skill set rather than on gender eradicates the gender pay gap in our business. We have assessed our performance using the 'pay for job' framework, the results of this indicate that there is no systematic difference in the compensation received by male and female employees.

### Number of women employees in ENOC\*

\*Includes Dragon Oil female employees



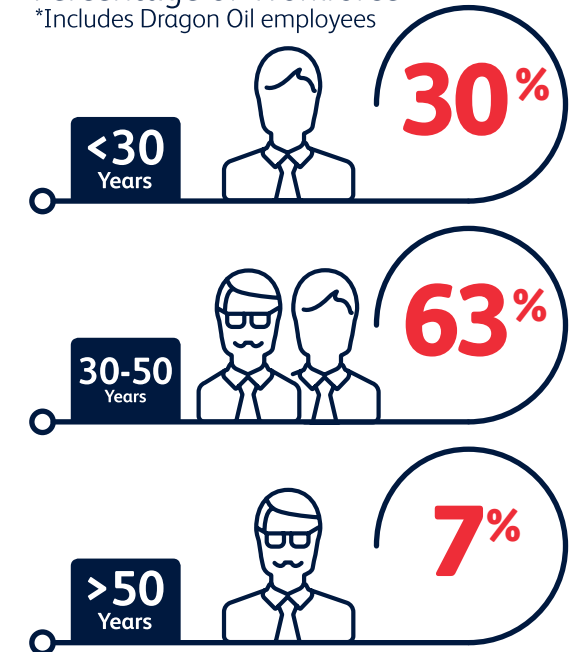
## Employee Diversity by Age

ENOC continues to ensure that our young professionals are given the platform to contribute to our development and we strongly believe that youth is vital to help shape the direction of our organization. As a result, 30% of our workforce is younger than 30, 63% belong to the age group 30-50, and the remaining 7% comprises of ENOC employees above the age of 50. Regardless of age, ENOC believes it is important to invest in all employees' development to create a future-proof workforce that balances experience with future leaders.

By employing people with diverse age, ENOC aims to create a dynamic, multi-generational workforce with a range of skill sets to increase ENOC's overall performance. This gives us an opportunity to leverage on the experienced understanding of the industry, as well as innovative mindsets to be agile as an organization for the future. Our workforce grows younger by the year, reflective of the rising youth population in the region.

### Percentage of Workforce

\*Includes Dragon Oil employees



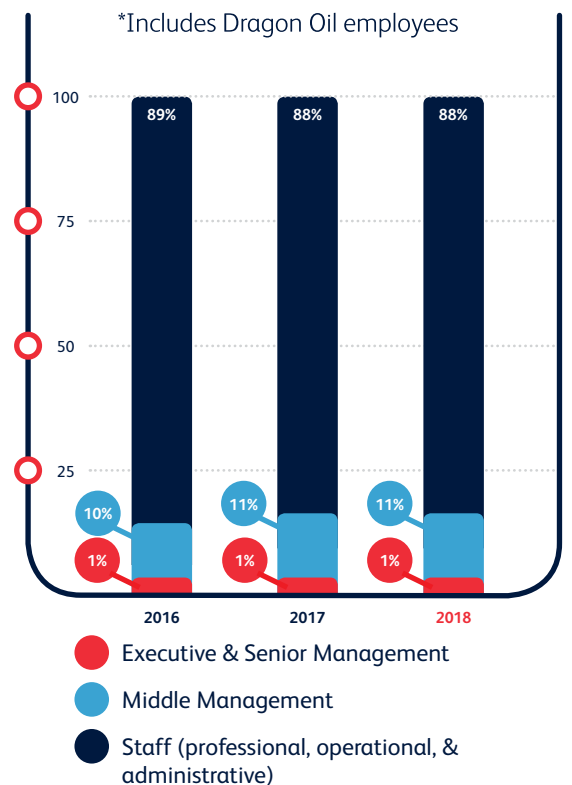
## Employee Diversity Based on Organizational Levels

At ENOC we want our employees to take ownership of their role and responsibilities. Therefore, we forego the traditional top-down approach and continue to adhere to a lean management approach. We have established an environment of openness, where new ideas are appreciated, and employees are supported on a continuous path of learning and development.

The majority of our staff (88%) concentrates on the development and implementation of tasks and operations and rely on the timely support and decisions from middle management (11%) to assist in successful project completions. The leadership team, including at the senior and executive levels, accounts for 1% of our workforce with their sole focus being on providing strategic leadership and direction to the rest of the Group to fulfil operational demands.

### Employees by employment type\*

\*Includes Dragon Oil employees





## Leadership Culture Survey

The Leadership Circle Profile 360 instrument, which was established in 2017 to support the Leadership Culture Survey, continues to deliver detailed feedback for individual leadership development. The survey provided insights into current and desired Leadership Culture, both at the Group and Departmental level and by demographic categories.

The Leadership Survey was taken by 515 participants, followed by 12 executive interviews and 5 debriefing workshops. The Leadership survey shows ENOC management team's intention to move ahead with the needed change in Leadership Culture. To foster the change, following activities were conducted in 2018 to further advance the program:

1. 360 feedback surveys were initiated for middle management and up.
2. Coaching and mentorship programs have been initiated for middle management and up.
3. Customized executive leadership development opportunities have been extended for middle management and up.
4. Top 5 desired competencies have been integrated with the executive performance management process.

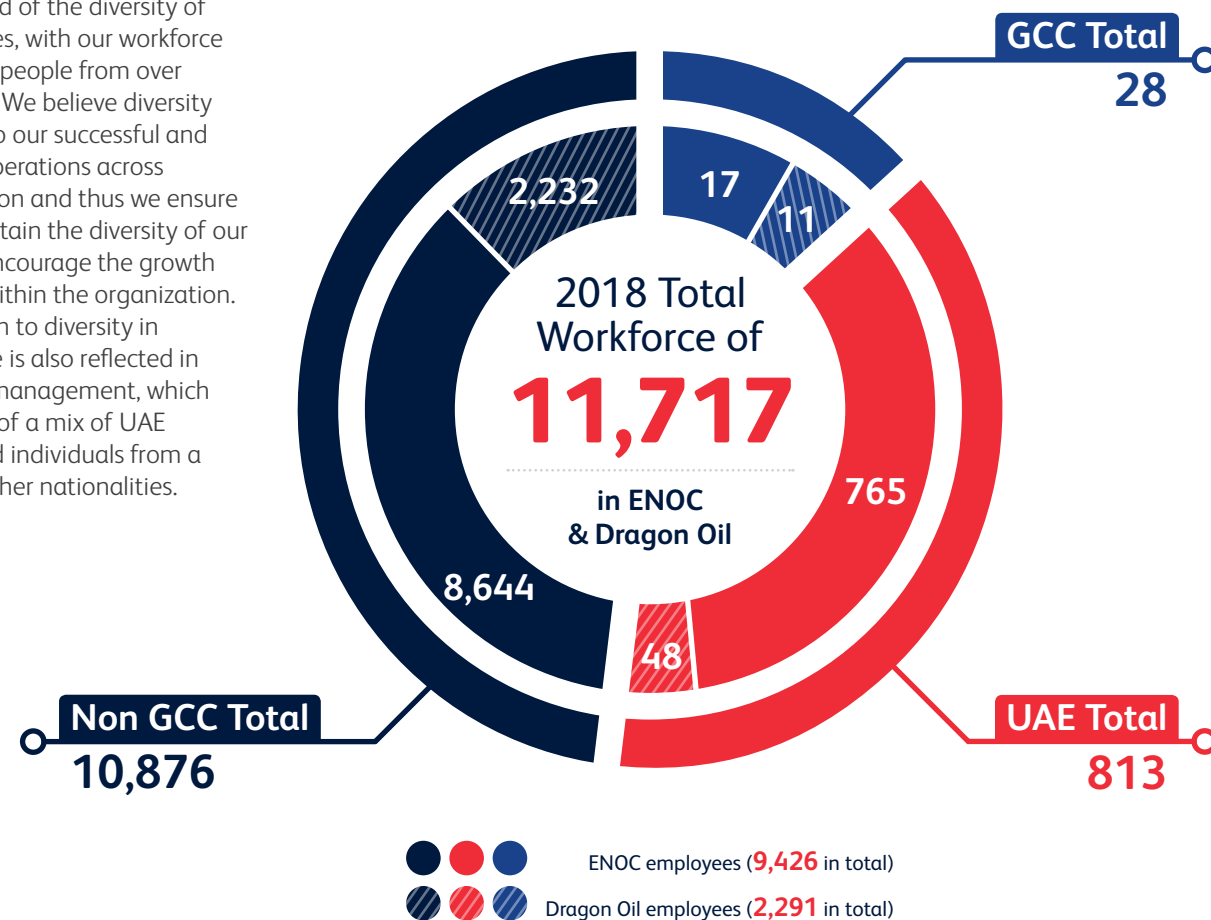
- Strategic Focus
- Purposeful & Visionary
- Sustainable Productivity
- Fosters Team Play
- Decisiveness

The talent management strategy is undergoing a best practice review and a revised framework is targeted to be released at the end of 2020.



## Our Diverse Pool of Employees

ENOC is proud of the diversity of our employees, with our workforce consisting of people from over 60 countries. We believe diversity contributes to our successful and productive operations across different region and thus we ensure that we maintain the diversity of our teams and encourage the growth of diversity within the organization. This approach to diversity in the workforce is also reflected in ENOC's top management, which is comprised of a mix of UAE nationals and individuals from a number of other nationalities.

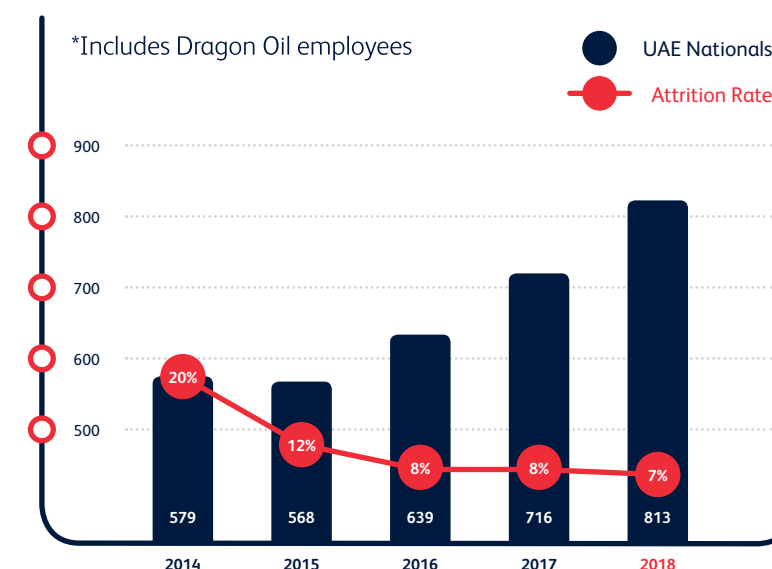


## Emiratization at ENOC

We constantly strive to provide sufficient and adequate incentives to attract UAE nationals to work within the organisation, and also provide sufficient learning and development opportunities to Emiratis currently working with us. In line with our target to achieve 50% Emiratization by 2021 and contributing to the UAE National Agenda 16, we have introduced several initiatives focused on attracting and retaining UAE nationals in the last few years. In 2018, ENOC was successful in attracting a high number of job applications from UAE nationals through various forums such as career fairs, university associations and in-house programmes. Our presence at the 2018 career fair alone received 2,702 applications from UAE Nationals. Subsequently, during the year ENOC welcomed 176 nationals in various roles throughout the organisation.

ENOC's other efforts are tailored towards ensuring active engagement of our nationals through programs like the Technical Training Programme, our Graduate Development Programme, our Summer Internship Programme and the Secondment Programme (see "UAE National Development Programmes"), in partnership with universities and other institutions. This year, we have also inaugurated the first cohort of the ENOC Energy Scholarship winners, more of which can be read in the community investment chapter. This has resulted in high retention rate and lead to a net increase in the UAE national headcount by 14% since 2017 and an overall increase of 40% since 2014. Including Dragon Oil employees, the number of UAE employees stands at 813 for 2018; which accounts for 7% of the overall workforce. The UAE national attrition rate for ENOC was also at the lowest at 7% for 2018.

This brings us closer to achieving the ENOC Emiratization Strategy 2017- 2021, capitalising on our access to the local talent pool and aligning the strategic direction of the Group with the Dubai Plan 2021.







## UAE National Development Programmes

Our efforts for attracting and retaining UAE nationals at ENOC

In 2018, ENOC collaborated with several universities for internship and work placement programs, which has strengthened ENOC's position as a company that actively promotes UAE National career development.

ENOC launched the Technical Training Program (TTP) by collaborating with the Centre of Excellence for Applied Research and Training and the Higher Colleges of Technology. The primary objective of TTP was to ensure that the oil and gas technicians were competent to execute future on-site work. Numerous Emiratis have embarked upon their career by successfully completing this program with a portion of them securing full-time jobs.

The Graduate Development Program has paved the way for workers to help them hone their expertise in

corporate and support specializations. Approximately 43 UAE nationals were inducted into this program and were able to acquire an insight into non-technical areas of work. Post evaluation of their level of job knowledge and capability, they were selected to perform different roles according to their preference.

Other initiatives that have been introduced include our Secondment Program, Summer Internship Program, and Work Placement Program. These programs offer ambitious youth an opportunity to experience the unique working environment at ENOC. These opportunities within the various facets of the business enable young individuals to build their career paths and pursue opportunities in which they have shown interest.



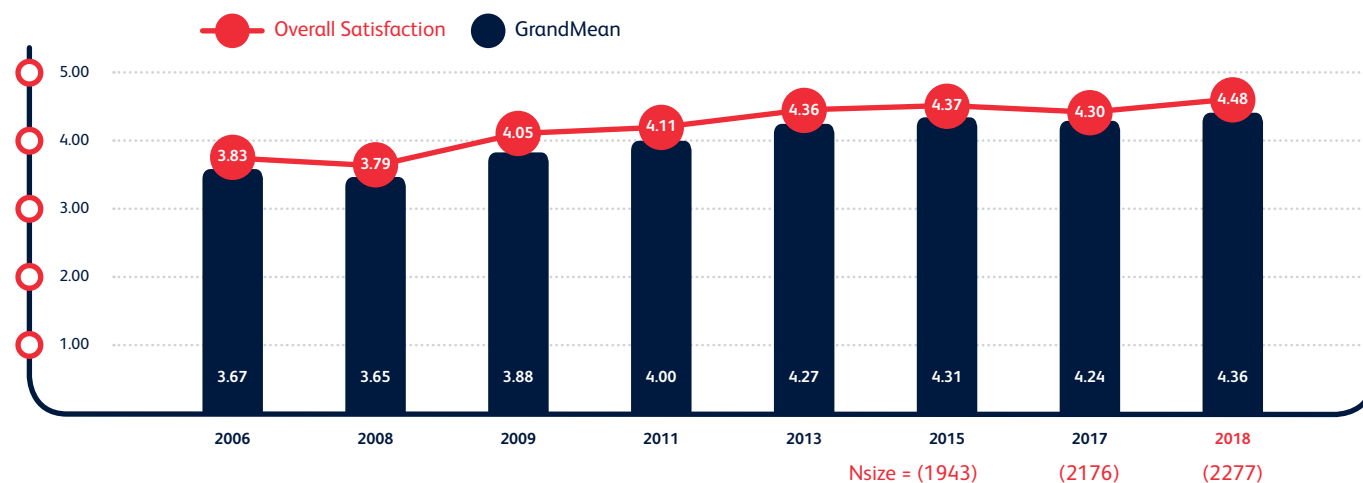
## Employee Engagement

Following the establishment of ENOC Employee Engagement Survey in 2006, we have conducted surveys every two years to gather data about our personnel's satisfaction.

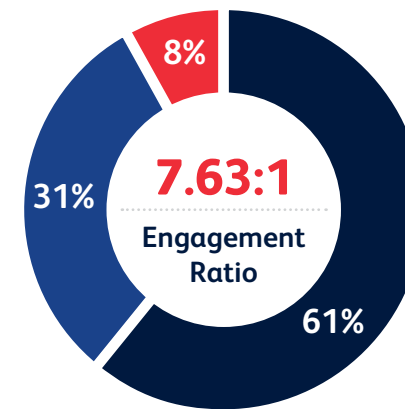
Given the importance of employee engagement to our firm, we decided to hold the survey on an annual basis from

2018 onwards. To increase our reach, we have assigned email addresses to 1200 employees. This doesn't only enable them to participate in the online version of the engagement survey, it also makes it easier for them to participate in organizational activities as well as send and receive feedback. The survey was sent to employees across the Group's operations including

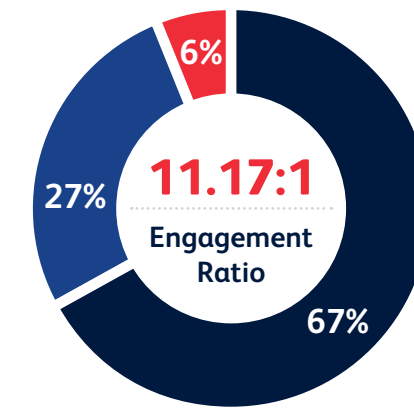
the UAE, Saudi Arabia, Morocco, Djibouti, and Singapore, receiving a response rate of 83% in five different languages. The top factor identified by employees that boosted their engagement with ENOC, was their confidence in ENOC's leadership abilities, showing an increase from 4.3 in 2017 to 4.5 in 2018.



ENOC Group in the chart above excludes employees from 4 International Terminals - Arabtank, Horizon Djibouti Terminals (HDTL), Horizon Singapore Terminals PTE, Horizon Tangiers Terminal and GTS.



2017

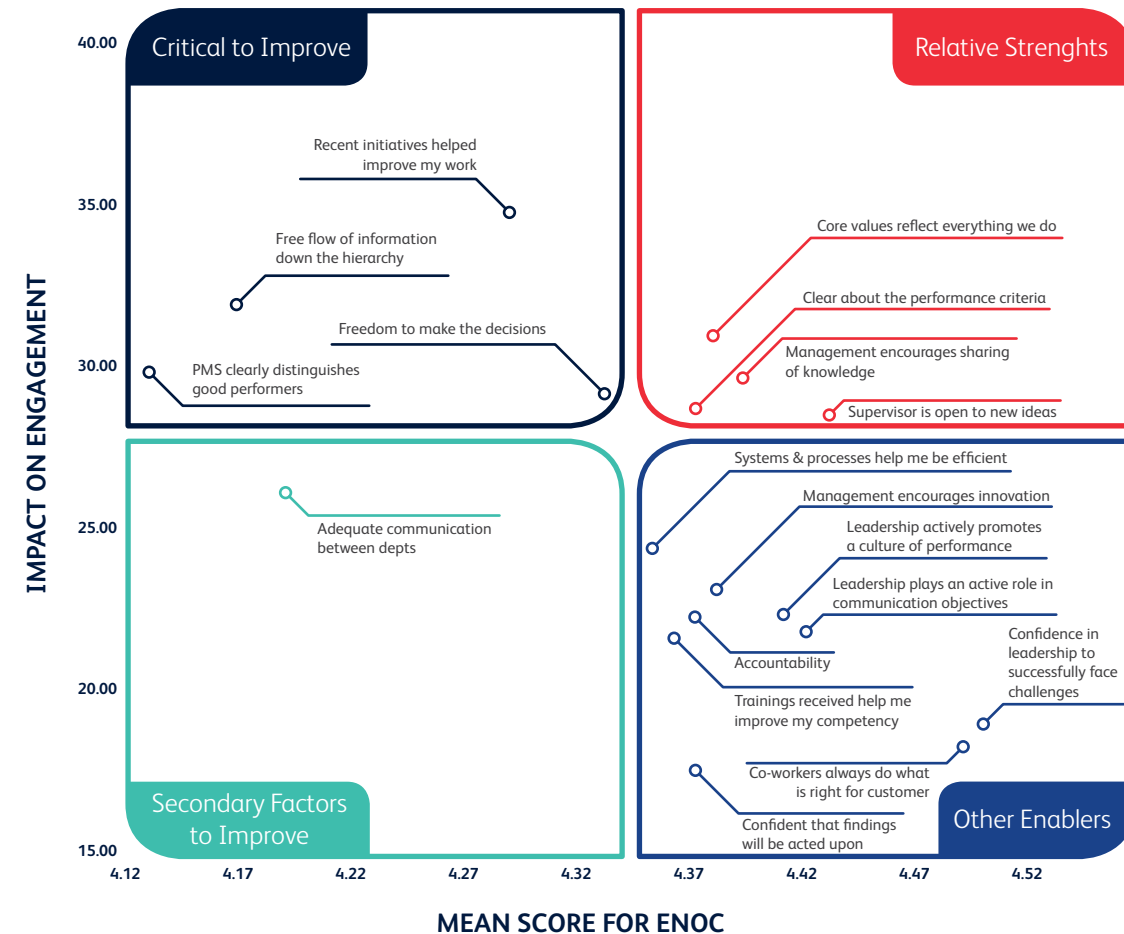


2018

..... ● Engaged ● Not Engaged ● Actively Disengaged

Overall, the results were very positive. Our ratio of engaged employees to disengaged employees showed a significant increase from 7.63:1 in 2017, to 11:1 in 2018; a ratio considerably higher than the global benchmark. These results confirm that we have created the right organizational environment for employees to continue to feel motivated to do their best.

## Employee Engagement Analysis



The survey helped ENOC identify the current areas of strength and those areas that require further improvement. In 2019, ENOC aims to prioritize improvement in the areas that are critical, such as increasing communication throughout the organization and increased freedom in decision making.



## Performance & Innovation

Based on the results from last year's engagement survey, we have continued developing the performance management system as this was identified as one of the most critical engagement enablers that we could improve upon. We have further refined our reward management program to better align business goals and individual performance, rewarding employees for their direct contribution to

key operational deliverables. Performance differentiation is an important focus area of the ENOC Leadership, with employee feedback from recent engagement surveys taken into consideration in the decision-making process.

Managers are encouraged to hold open conversations regarding performance, address poor performance and adhere

to internal guidelines to ensure employees receive a fair and transparent review. This approach applies equally to reward systems, which acknowledges outstanding performance more than average performance. Customized job-based incentive programs further help to establish a healthy competitive environment for improved performance.

## Utilizing Technology Processes

Taking into consideration the diverse ways that people consume information today and the evolving nature of the ENOC employer brand, we now have a presence across a wide range of platforms from the more traditional ENOC Career Portal, to active social media interactions, industry forums, university visits and career fairs. We receive more than

40,000 applications every year from prospective job seekers, cementing our status as an employer of choice.

With extensive automation in employee services and administrative matters, employees can fulfil almost all their requirements online. These enhancements will deliver significant

cost benefits and enhance resource efficiency across the Group's activities. In 2018 we undertook the highest process automation and improvement projects, totalling more than 36 processes. These have resulted in improved data accuracy, quicker customer resolutions and improved quality in decision making.



## Training and Development

### Employee Training

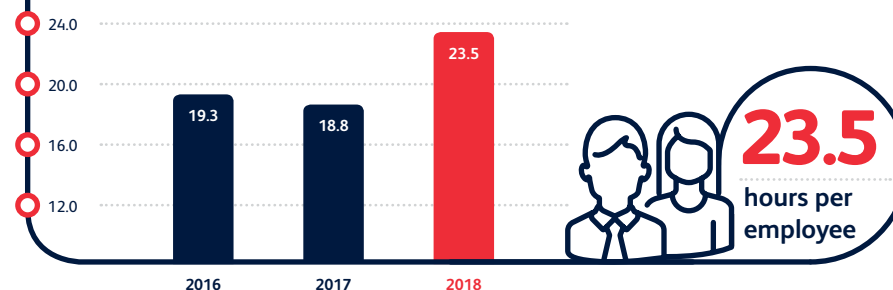
At ENOC, the training and development of our employees is of utmost importance to ensure our employees achieve their full potential through honing their skills and capabilities. We recognize the importance of providing our employees with opportunities to learn to develop and grow their capabilities within the organization and allow them to set and achieve personal development targets. We continue to provide our employees with ample opportunities to undertake courses and training and provide them with the necessary resources to do so.

#### 2018 ENOC Training Snapshot

Total Training Hours	44,940
Total Internal Training Hours	35,550
Total External Training Hours	9,390

**44,940**  
hours of training

#### ENOC Training Hours per Employee



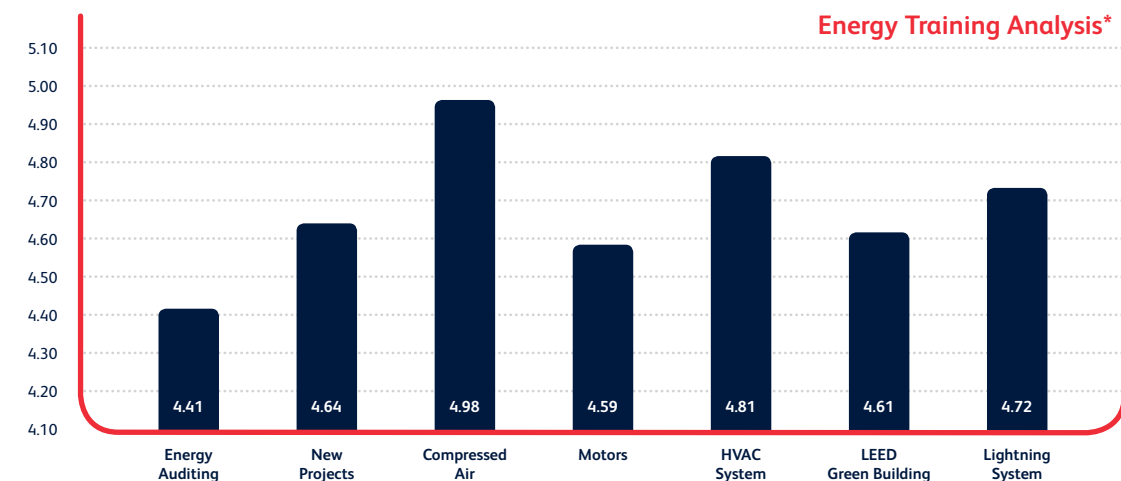
## Training our Champions

In 2018, ENOC delivered 14 specific trainings in E&RM across varied topics to 70 employees drawn from various business units of ENOC. This year, we noticed a positive change in the number of BUs wishing to raise awareness among their employees in E&RM and conducted 6 separate Energy Awareness training sessions in various Business Units, upon their request. In addition, ENOC has also delivered specific trainings on topics such as Sustainability Reporting and Introduction to GRI standard, Introduction to Corporate Social Responsibility and Introduction to Green Procurement.

On the environmental front, we have organized 34 training sessions to train more than 500 employees on Environmental Awareness, Waste Management, Air emission Control, Wastewater Management and on Effectiveness of ISO 14001:2015.

Additionally, as part of improvement plans, it was decided that qualifying Business Units will carry out self-audits of their E&RM System. However, for quality reasons it was necessary to ensure that auditors are qualified and would uniformly evaluate the E&RMS systems across all BUs. To ensure this, we conducted 3 E&RMS self-audit training session this year. A total of 34 assessors attended the trainings with 13 of them passing with score of 70% or more.

On the technical topic related to the major energy-consuming equipment in ENOC's operations - a total of 11 training modules have been developed. Since 2016, about 600 qualified engineers have been trained in these modules. The feedback from the attendees were extremely positive with an average rating of 4.68 on a scale of 1 to 5, with 5 being 'excellent'.



Environmental training conducted by Mr. Brijesh Dhruve for ATTL - 2018

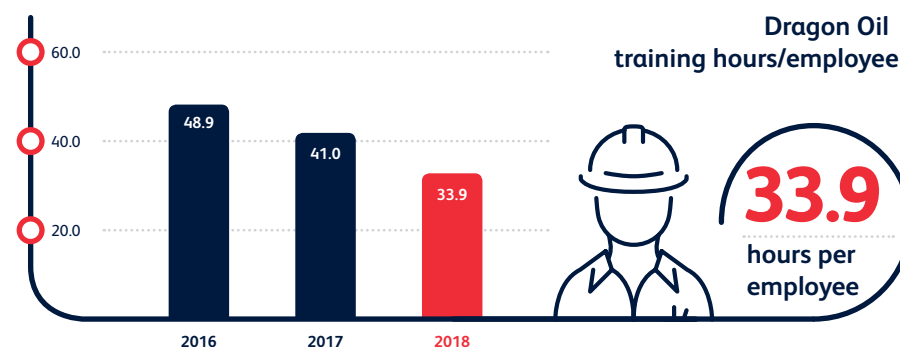




On the exploration front, Dragon Oil organized a total of 122 training sessions for its employees, out of which 51 were conducted internally and 71 externally. A total of 77,745 training hours were accomplished at Dragon Oil in 2018, under the categories of technical, non-technical and HSE, and involving Dragon Oil employees from 22 of its departments. As a result of the reduced number of projects during the year, there was a significant reduction in number of trainings conducted for our employees. Subsequently, the percentage of per employee training hours at Dragon Oil reduced from 41 % in 2017 to 33.9% in 2018.



2018 Dragon Oil Training Snapshot						
Training Category	External		Internal		Total	
	No of Training	No of Attendees	No of Training	No of Attendees	No of Training	No of Attendees
Technical	44	128	26	700	70	828
HSE	6	32	38	3,427	44	3,459
Non-Technical	1	1	7	405	8	406
Total	51	161	71	4,532	122	4,693



## LinkedIn Learning

Our 'LinkedIn e-Learning', platform established in 2017 has helped us extend learning and development opportunities to ENOC employees in different geographical locations, offering a wide range of courses that aim to contribute to personal as well as professional development. The platform offers a library of more than 5000 courses and is continuously updated to ensure relevance with industry practices. The courses range across a wide variety of industries delivered by some of the top specialists in the world, university professors and best-selling authors.

The subjects are divided into three main categories:

- 1- Management courses – including courses on HR, Finance, Leadership, Project Management, and Six Sigma.
- 2- Information Technology (IT) courses - Blockchain, Crypto Currency, Mobile Apps Development, and IT Security.
- 3- Creative courses – this includes courses on Photography, Videography, Graphic Design, Strategic Marketing, and Photoshop.

The eligibility criteria to use the platform depends on the status of employment of the employee (i.e. whether he is on Full-time ENOC Payroll basis and holds Grade 6 and above). ENOC's LinkedIn e-Learning is now being offered to almost 1300 employees, with 1100 users being ENOC employee users and 200 Dragon Oil employees.



### Before the introduction of LinkedIn Learning (2017)

- Employees had to choose between 37 course offerings by the Learning & Development Team.
- 5 courses were offered a week on average (due to space limitation).
- A total of 265 sessions (from the 37 courses) were conducted by the Learning and Development team annually.
- The average employee attended on average 2 courses a year due to budget, time, course and employee availability.
- The only visible demand from our employees was based on what was offered.

### After the introduction of LinkedIn Learning (2018)

- In 2018, ENOC Employees went through 3,961 courses. A total of 802 courses were completed from over 5000+ courses to choose from.
- They have no limitation to the amount or number of courses they can explore. Around 100 courses were viewed a week, out of which around 25 courses were completed.
- The average employee finished 5.33 courses in 2018 as the cost was only \$77 with access to any course with unlimited repetition.
- We have a better understanding of our employees' needs and gaps regarding training courses, some of which we never considered offering.



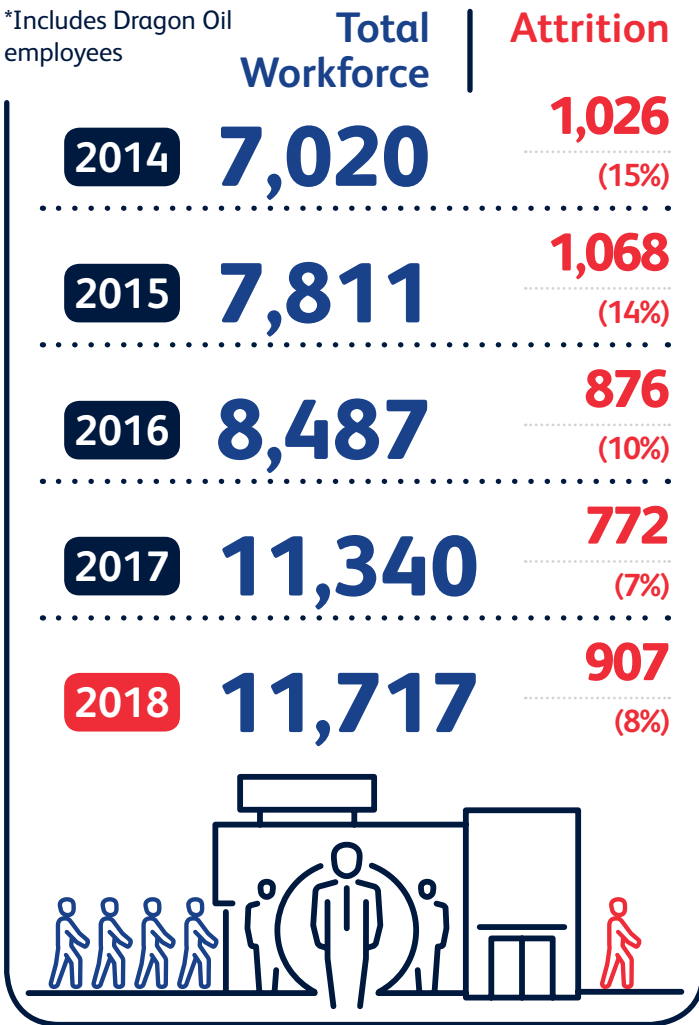
### Dragon Oil Educational Assistance Program

Dragon Oil has the tradition to award five scholarships each year to Dragon Oil employees who aspire to study abroad. After receiving the all the applications the selection committee of Dragon Oil awarded the scholarships to five employees have applied to study in the following disciplines: Construction and Design of Oil and Gas Wells; Development and Operation of Oil and Gas fields; Master of Science of Technologies of Oil, Gas and Solid fuel processing and refining; Safety of Technological processes and operations; MSC. Petroleum Engineering.



### Employee Retention

We are continuously looking for ways to increase our retention rate, by offering new ways of learning (LinkedIn E-learning) or offering improved performance rewards. By monitoring our employee's engagement and satisfaction we are constantly trying to increase our employee retention rate. In 2018, our retention rate went slightly up, however our overall workforce grow by 3 %.



Sustainability training organized by GSO at Dragon Oil

Session on Back problems by doctor from Zulekha Hospital for EMGAS employees

### Employee Happiness And Wellness

ENOC is invested in the health and wellness of its employees. New ideas from employees are appreciated and supported, creating a working environment that fosters performance excellence. Our employees' wellbeing and happiness being of utmost importance to us, we ensure to provide employees with an environment that enables them to align their individual goals and aspirations with those of the organization.

With the objective of promoting employee happiness and wellbeing, ENOC Wellness and Social Affairs (EWSA) department organizes a schedule of events during the year that enhances team spirit and camaraderie. The International Day of Happiness was celebrated at ENOC House and Retail sites on 20th March 2018 to inspire and advance the global happiness movement.



Dubai Fitness Challenge 2018

A 4-week weight loss competition was organized for all SSC, GHR and NBD employees as a part of Ramadan Campaign in May 2018 and top three Fitness Challenge winners were awarded in June 2018. ENOC's participation at the Dubai Fitness Challenge in November 2018 involved various functional movement for wellbeing training and sports activities and was organized across ENOC offices. One of our business units, EMGAS, had also launched its own employee wellness program in 2018 including activities such as full-body exercise and yoga stretches in the morning, daily safety pledge that will reinforce the employee commitment to improving workplace safety, and medical checkups for distributor staff at Umm Al Quwain plant.

Happiness day celebrations



Morning exercises





## Honoring ENOC Employees' Competence, Commitment, Achievements – ENOC Elite Award

In 2018, a total of 110 employees were honored for their long employment service with the group and 15 employees were awarded for their excellence in performance and engagement. Employees were also recognized for championing the ENOC Group's core values and for accomplishments that have received accolade from external parties.

The ENOC Elite Award assesses employees on five criteria: performance and achievement, initiative, co-operation with others, involvement and responsibility and supervisory capabilities. Submissions are evaluated by an independent and external assessment panel, where employees demonstrate their ability to overcome challenges, contribute to improving productivity and quality, innovate to generate revenue, reduce costs and enhance customer satisfaction. In addition, ENOC continues to encourage and reward the business units and departments which participate in international competitions and bring laurels to our organization.



## Health and Safety at Work

ENOC has a strong governance structure in place to ensure our employees work in a healthy and safe work environment. Safety performance is a vital aspect of our Key Performance Indicators (KPIs) across the business which are set by the Environment, Health and Safety (EHS) Assurance Directorate and approved by the Group CEO, Executive Directors as well as the EHS Steering Committee and the EHS KPI Committee.

We utilize both leading and lagging indicators within the organization to measure our safety performance. Leading Indicators give a reflection of the work and effort put in to create a safe working environment that is free of incidents while lagging indicators measure the actual performance (i.e. the occurrence of incidents). Working with this mix of indicators allows us to understand how we currently perform and more importantly how we can further improve our performance. The below overview gives the results for ENOC, excluding Dragon Oil.

### Leading Indicators:

KPI	Definition	ENOC target 2018	ENOC Actual 2018
Major Emergency Drills	Major Drill which includes emergency services (1 per facility per annum)	23	26
EHS Training	8 hours for office staff, 3 days for field staff. Includes permanent contractors	68,376 hours	124,352 hours
Business Unit Leading Indicators – For Managers (10% of staff)	Conduct Safety Meeting	875	458
	Number of Safety Observations	1,750	600
	Closure of Corrective Actions	80 %	81 %

### Lagging Indicators:

KPI	Definition	UNIT ENOC target 2018	ENOC Actual 2018
Fatalities	Total number of Work-Related Fatalities – Company employees and contractors	0	0
Lost Time Injuries (LTI Frequency Rate)	The number of lost-time injuries (fatalities plus lost day work cases plus permanent or partial disability incidents) per 1 million-man hours	0.33	0.09
Process Safety Incidents	Total number of Tier-1 Process Safety Incidents (Fatalities, LTIs, Fire/ Explosion leading to damages over \$100,000 or release of LPG/NG >500KG; Gasoline >1000 kg in one hour) per 1 million-man hours	Report only	0.07
Hipo Near Miss	An event that has the potential, in slightly different circumstances – to result in consequences that would have led to a major incident such as fire, toxic release, casualties, etc.	Report only	2
Motor Vehicle Accident Frequency Rate (MVAFR)	The number of catastrophic or major or serious motor vehicle accidents involving rollover or major damage making it immobile, fatality or personal injuries beyond First-aid per million km's driven.	0.10	0.08

ENOC has been able to improve the performance on two of its leading indicators; Major Emergency Drills and EHS Training, exceeding the targets set for 2018. As part of our drive to continually improve our performance, we want to further increase the involvement of our managers, which is measured with the introduction of three new leadership indicators. The performance on these indicators have not yet achieved our targets, however ENOC will continue to work towards improving our performance in the coming years. Committed to enhancing EHS best practices and improving fire emergency response, the Group works closely with Dubai Civil Defense in formulating various training modules for supervisors (emergency responders), forecourt and non-forecourt site staff (initial fire responders) and for fire wardens at staff accommodations.

### Safety at Dragon Oil

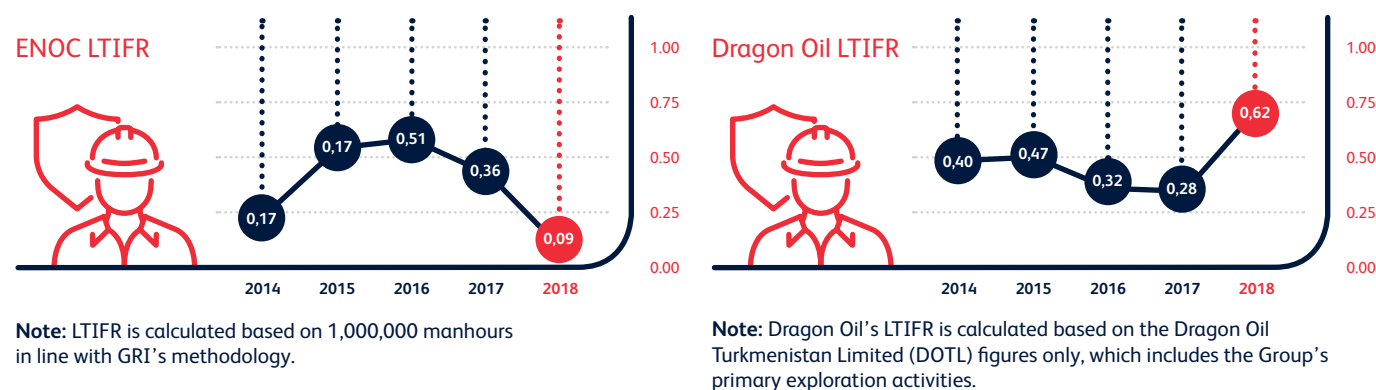
We regret to have to report one fatality at Dragon Oil during 2018. 2018 was a transitional year for Dragon Oil, with a lot of employees leaving the company, leading to a smaller workforce and a reduction in the total manhours worked. Unfortunately, the frequency of lost time injuries did not go down at the same rate, leading to a relatively high LTIFR for 2018. To prevent similar

ENOC's major achievement in considerably improving safety performance this year is best illustrated with the reduction in Lost Time Injury Frequency Rate (LTIFR) which has reduced from 0.36 in 2017 to 0.09 in 2018, allowing us to achieve the lowest annual LTIFR since 2014. An achievement largely driven by the implementation of leadership site safety visits and safety observation programs. Other key achievements include a zero lost time injury at EMGAS during 2018.

With the introduction of the Sustainability Index, two key KPIs that measure people's safety and process safety were included to track HSE performance, measured by the lost time injury frequency rate (LTIFR) and the process safety incident rate respectively.

fatalities, Dragon Oil established improved and advanced safety standards and measures for the following year. Subsequently, we launched various safety campaigns within the organizations, initiated safety leadership training for our line management staff, implemented behavior-based safety programs, and will be revamping our risk management system in 2019.





## EHS and Quality Policy Launched in 2018

In the first quarter of 2018, ENOC launched its updated group-wide EHS and Quality policy, focusing on the integration of ENOC and Dragon Oil EHS Management System. The previously existing ENOC EHSSQ Policy and Dragon Oil EHS Policy were reviewed with the purpose of identifying the gaps based on EHS best practices, especially in Exploration and Production, and building relevant capabilities.

Major changes include the movement of the security function from the previously existing Environment, Health, Safety, Security and Quality (EHSSQ) department to the scope of Group Security. The policy was also amended to reflect the Group's strategic objectives and focuses on continuous improvement which will be documented and reviewed periodically. The new Environmental Health, Safety and Quality (EHSQ) policy enables the identification, mitigation, and management of risks throughout the organization by controlling the design, construction, operation and maintenance of assets, supported by appropriate emergency response systems and facilities. One of the key aspects of the new EHSQ policy is the ownership and accountability of EHSQ embedded within all levels of ENOC management, employees and contractors.

## Emergency Preparedness and Response Section (EPRS)

ENOC's Emergency Preparedness and Response Section (EPRS) provides specialist advice and support services to ENOC business units in achieving emergency preparedness and response capabilities within their local operations in the UAE and abroad, safety programs, and will be revamping our risk management system in 2019.

## Environmental Health and Safety Training

EHS training is mandatory for all ENOC staff, comprising 8 hours of training for office staff and 3 days of training for field staff, also including permanent contractors. In 2018, 124,352 hours of EHS training was accomplished, more than doubling the targeted training hours for the year.

At Dragon Oil, HSE training is provided over 48 competencies including Oil Spill response and management, emergency response, offshore marine safety, fire-fighting certification, confined space entry, crane operator recertification, etc. In 2018, (3,459 employees) had completed HSE training across various work locations in Turkmenistan, UAE, Russia, and others.

## Retail Heroes

Retail Heroes was a Corporate Social Responsibility (CSR) initiative introduced by the Retail EHSQ from 28th April to May 4<sup>th</sup> which promoted employee health and safety at ENOC Retail. The week-long campaign was conducted across Dubai and the Northern Emirates with the underlying focus on promoting awareness of the importance of petrol station safety.

This ensured our staff are aware of the consequence of their negligence and are awarded accordingly for their hard work to ensure the safety of their petrol stations. The initiative included an award ceremony which took place in Movenpick, where the 72 Retail Heroes were rewarded by Retail Managing Director for saving retail stations from fire incidents in the previous year.



ENOC Retail Heroes Award ceremony

## Occupational Health

The Occupational Health and Safety (OHSC) department conducted five major health campaigns this year consisting of 29 sessions delivered at ENOC accommodations and corporate offices and attended by over 1,200+ staff. The year also saw the addition of a new occupational health nurse, and weekly journal club conducted to discuss cases of occupational health or other medical topics. The first OHSC Awards was held in December 2018 to recognize business partners and their contributions to the success of OHSC in 2018. Upcoming events planned for 2019 include audit of medical centers in India and Philippines and the installation of a new Occupational Health software.

The OHSC department also organized eight different awareness campaigns in 2018, on the topics of key health issues, such as diabetes, ergonomics, breast cancer awareness, flu vaccination, etc. A total of 1,272 employees benefitted from these campaigns, engaged through 29 sessions or lessons.

### Completed Health Evaluations in 2018

Evaluation Type	Total
Autopro Vision & Hearing	8
Fire Fighter Screen	169
First Responder Screen	25
Follow Up	119
Management Referral	291
Pre-Employment - Field	165
Pre-Employment - Normal	444
Routine - Field	288
Routine - Normal	791
Self-Referral	126
Specialist Referral	22
Verification of External Evals	1873
<b>Grand Total</b>	<b>4321</b>







## Middle East HSE and Sustainability Forum

In October 2018, ENOC hosted the second edition of the Middle East HSE and Sustainability Forum in partnership with the Energy Institute. Over the three-day technical conference, more than 100 experts from around the world gathered to discuss how the regional energy industry plays a key role in fostering operational excellence, ethical governance and adopting world-class EHS standards to ensure that employees, contractors, communities, and assets are protected. Through this event, ENOC, which also leads the local chapter of Energy Institute, actively advocated for increased safety guidance in the industry that is faced with advancing complexity and environmental challenges.

Saravanan Pandian from Group Sustainability Office on the Middle East HSE and Sustainability Forum panel



Some of the topics discussed at this forum included the outlook for the energy sector in the Gulf Cooperation Countries (GCC), the impact of the Paris Agreement on climate change on the oil and

gas industry, methods to manage health hazards and reduce their impact on workers' wellbeing, best practices in assessing and mitigating hazards, major accidents and environmental impacts, HSE leadership and unlocking young future talent.

Our GCEO and senior leadership attending the Middle East HSE & Sustainability Forum in 2018



## Retail Fuel Industry Safety Conference 2018

ENOC Group hosted the first joint Retail Fuel Industry Safety Conference in 2018 to discuss the best industry safety practices and potential challenges within fuel retail operations. Inaugurated by H.E. Dr. Matar Al Neyadi, Undersecretary of the UAE Ministry of Energy (MoE), the conference was jointly organized and attended by key strategic partners and federal authorities including representatives from the MoE, Dubai Civil Defense (DCD), Dubai Electricity & Water Authority (DEWA), Advanced System

Engineering Group (ASEG), Emarat & Abu Dhabi National Oil Company as well as officials from ENOC Group. The conference addressed key issues facing EHS and safety at service stations; including incidents such as vehicle fires, nozzles detachment incidents. Industry experts also shed light on the importance of enforcing no-smoking policies, the rise of retail automation and disruptive technologies such as Radio Frequency Identification payment systems and digitization and their impact on safety.



ENOC GCEO presents the token of appreciation to H.E. Dr. Matar Al Neyadi, Undersecretary of UAE Ministry of Energy



Presenter from Dubai Civil Defense speaking about safety in petrol station

"Hosting an event to focus on safety in the fuel retail offers a platform for key industry experts and representatives from government entities in the UAE to discuss recent trends and shed light on best practices in the sector. We are confident that this conference will not only ingrain principles of safety and sustainability but will contribute to elevating best practices to ensure the safety and happiness of people in the UAE."

H.E. Dr. Matar Al Neyadi,  
Undersecretary of the UAE Ministry of Energy



# Growing in Prosperity

ENOC strives to enhance value to all our stakeholders, including our employees, customers and shareholders. Our 2018 results show a positive upward trend and demonstrate the value of a broad-based strategy designed to deliver value at every touch point of our operation. 2018 has seen a 29% increase in revenues from last year, reaching US\$21.355 billion.

**28%** increase  
in revenue

**256 million**  
barrels of sales in 2018

**90%**  
of procurement obtained  
from local sources

Achieved  
**82%** in annual  
customer satisfaction  
survey in 2018

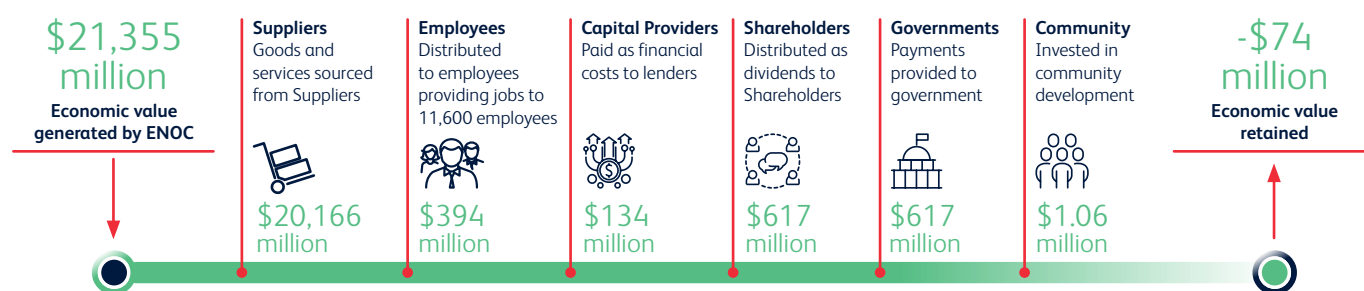
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## ENOC's 2018 Economic Overview

The oil and gas sector is largely dependent on global developments and economic growth. 2018 started off well, with oil prices rising to levels almost reaching the heights seen prior to 2014, only to go down significantly at the end of the year caused by the fear of oversupply amid geo-political tensions and increased US oil production. Locally, we saw a slowdown in the growth of the economy in the Gulf countries.

In this economic environment and despite the growing domestic competition, ENOC's revenues increased from 2017 by 29% to reach over US\$21 billion. ENOC's sales volume for the year grew to 256 million barrels, from 249 million barrels in 2017, a 2.8% increase. Cash generation during the year enabled the Group to undertake various capital expenditures and payment of dividends to shareholders.



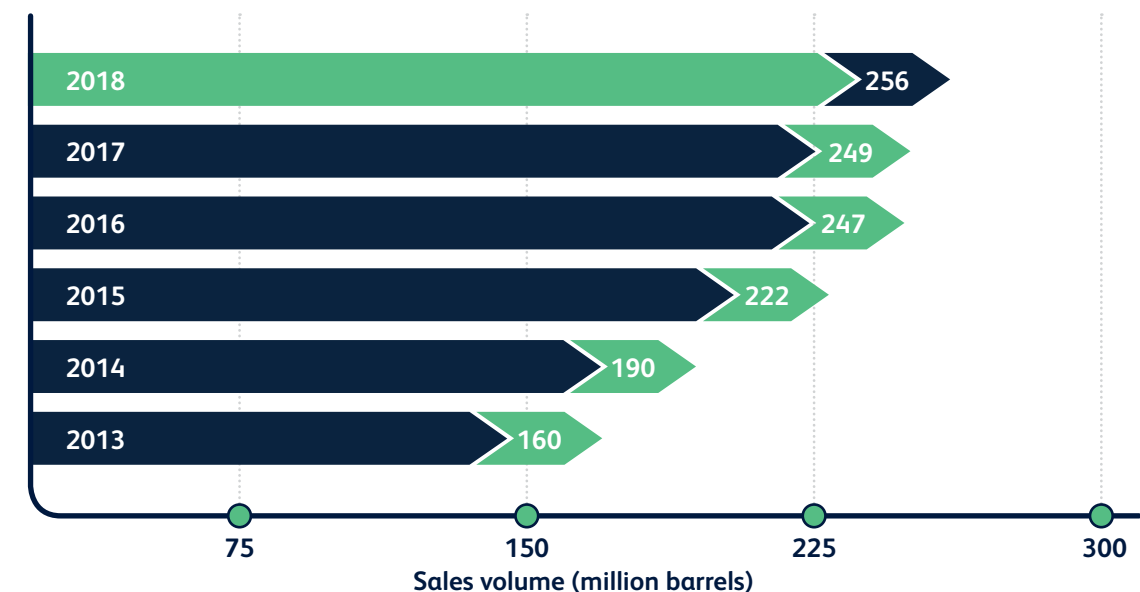
### Value generated and distributed

	2014	2015	2016	2017	2018
<b>Direct Economic Value Generated</b>					
Revenues (USD'000)	21,224,870	15,016,721	13,824,619	16,710,374	21,355,053
<b>Economic Value Distributed to</b>					
Suppliers (USD'000)	19,755,536	13,595,543	12,221,429	15,311,107	20,166,602
Employees (USD'000)	292,593	357,307	333,474	366,921	394,986
Lenders (USD'000)	76,768	56,621	126,185	126,292	134,231
Government (USD'000)	34,898	58,830	67,413	77,090	115,597
Shareholders (USD'000)	204,460	161,922	612,170	513,970	617,074
Community Investments - Excl. Dragon Oil (USD'000)	609	729	615	1,413	1,070
<b>Economic Value Retained</b>					
Economic value Retained (USD'000)	860,006	785,769	463,333	313,581	-74,497

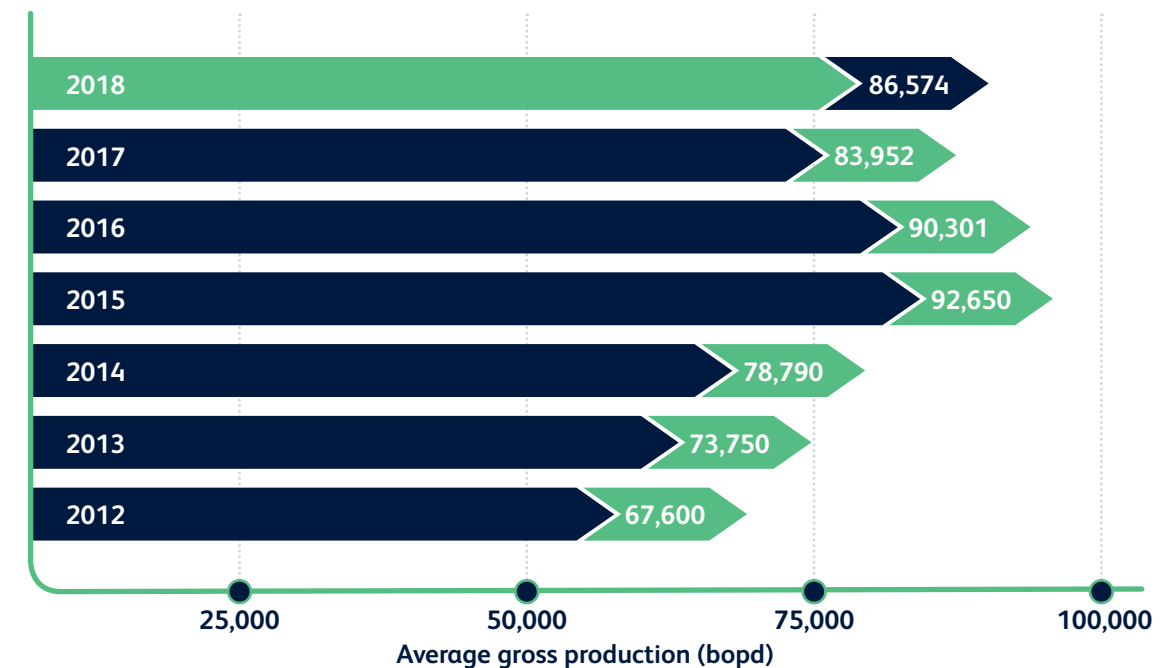
## Economic performance of our value chain

Our average gross production levels from our exploration business in 2018 was 86,574 barrels of oil per day (bopd), a 3% increase from the previous year, increasing the contribution to the Group's profit. However, due to a sharp fall in oil prices in the last quarter of 2018 and the oversupply in the commodities market, the profitability from our supply and trading activities declined at the end of the year. Our terminal network also faced challenges due to tankage oversupply and low fuel oil volumes as a result of newly released International Maritime Organization (IMO) regulations leading to a drop in rates and release of storage space in both Singapore and Fujairah. The impact of the newly launched VAT on the Group was felt most significantly in the retail segment, whose sales were also affected by the introduction of duties on soft drinks and tobacco products. On the other hand, the retail segment of ENOC had a busy year, opening new stations and Food and Beverage (F&B) outlets as well as activating several campaigns to promote its various brands.

### ENOC Overall Sales Volume



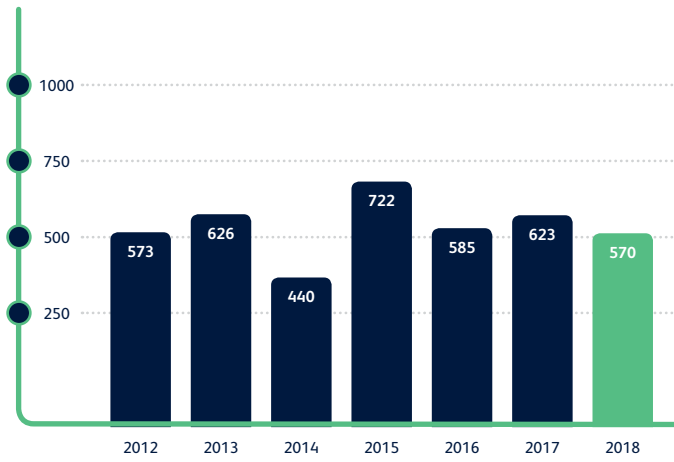
### a. Exploration and Production



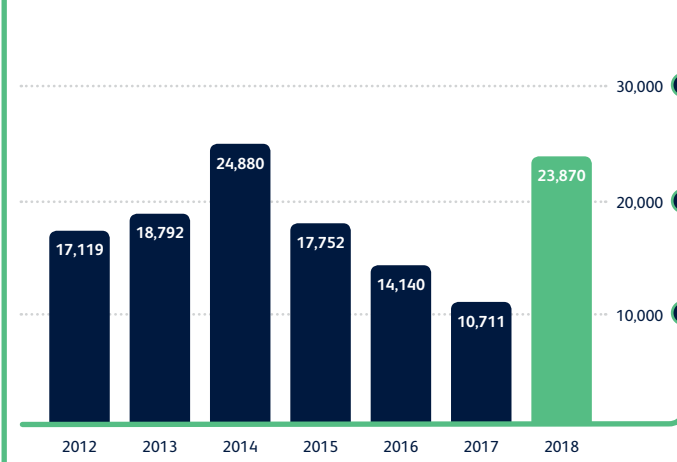


## b. Supply Trading and Processing

MTBE production (kMT)



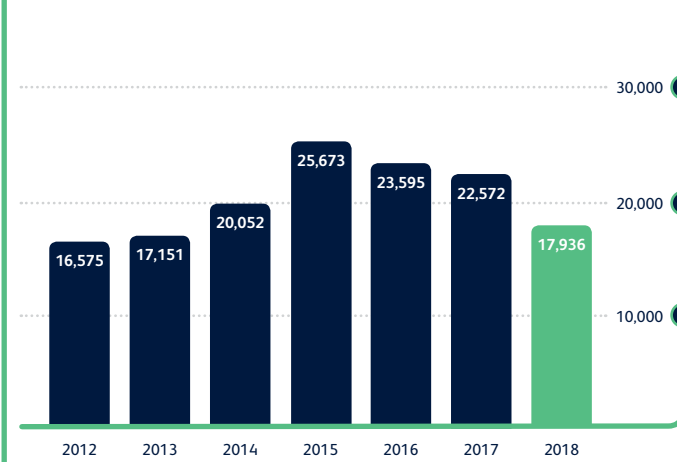
Trading volumes - jet fuel (kbbbls)



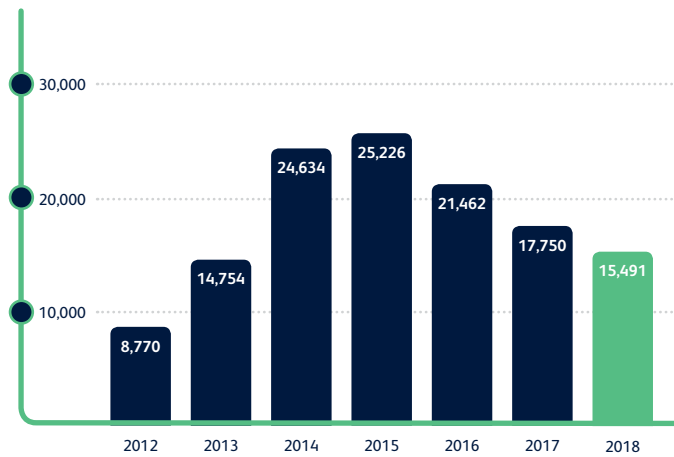
Refinery throughput (kbbbls)



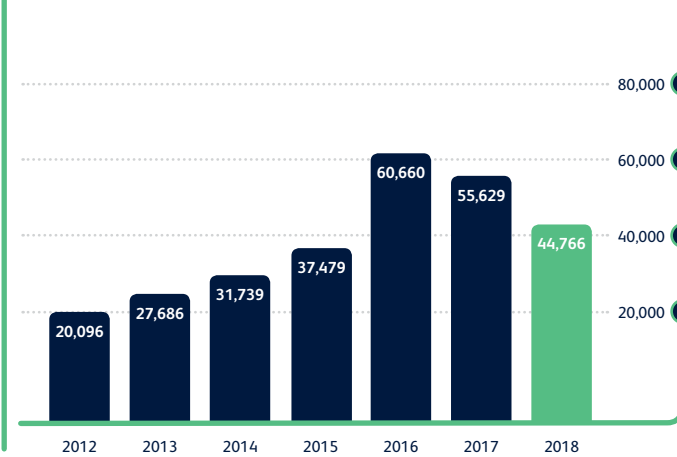
Trading volumes - naptha (kbbbls)



Trading volumes - diesel (kbbbls)

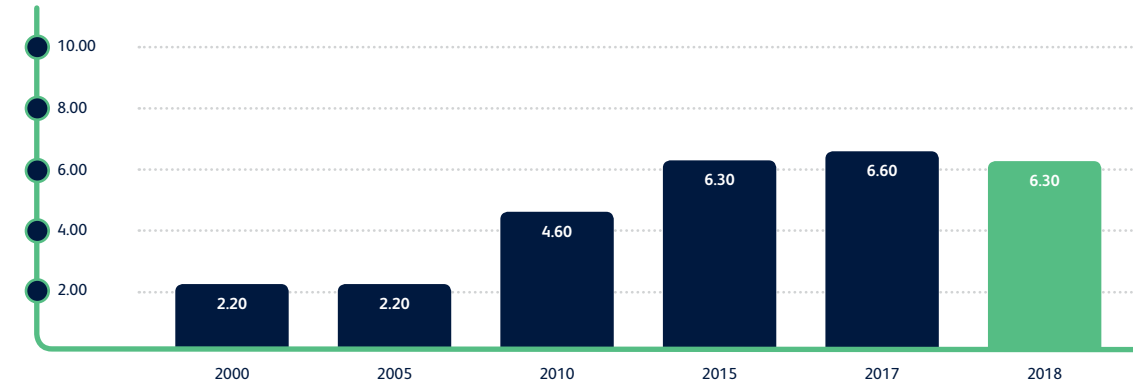


Trading volumes - crude (kbbbls)



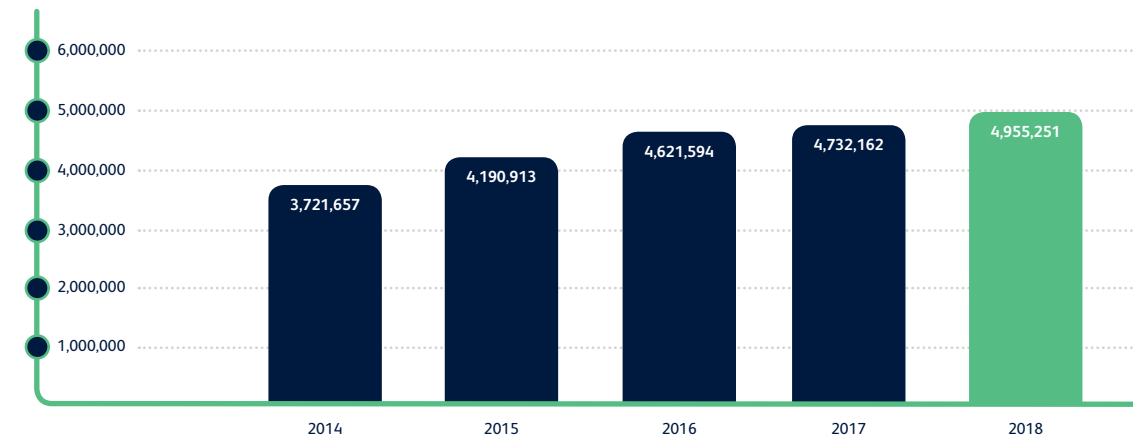
## c. Terminals

Terminals leasable capacity (Million CBM)



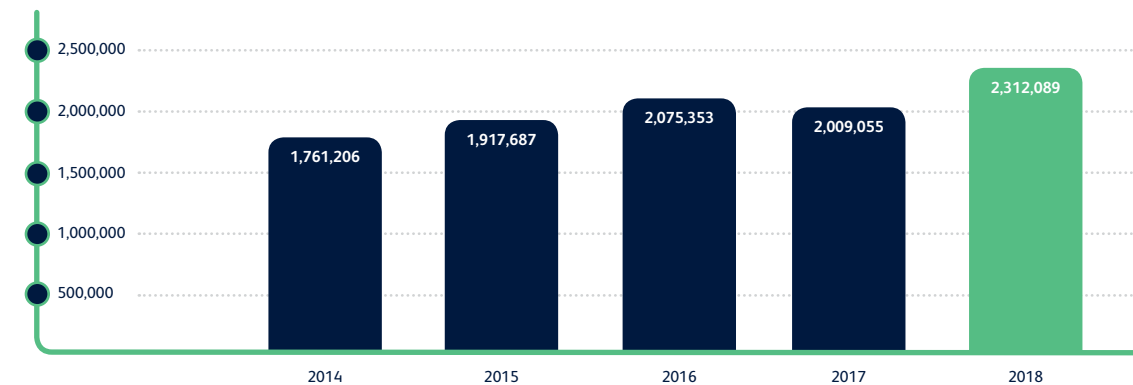
## d. Marketing

Marketing throughput (in metric ton)



## e. Retail

Retail throughput (in metric ton)



For detailed information on our segment-wide financial and operational performance, please visit our [Annual Review 2018](#).



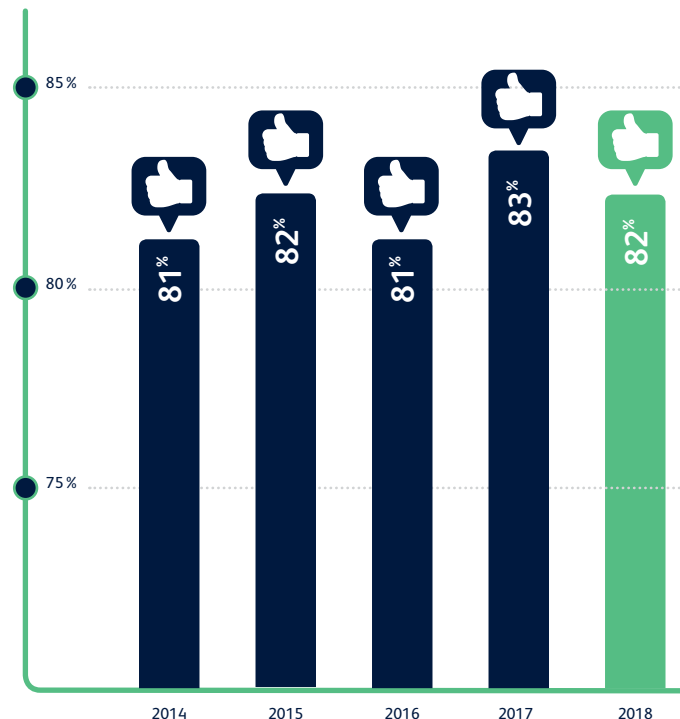
## Customer Satisfaction

As part of ENOC's commitment to delivering world-class sustainable and integrated energy solutions through the provision of products and services to its customers, ENOC has made a priority of measuring customer satisfaction in assessing the performance of ENOC's 11 business segments. We measure customer satisfaction among our businesses in three ways, with our Group Customer Satisfaction Index (CSI), the Loyalty Index, and the Net Promotor Score (NPS).

The 2018 rendition of the CSI allows ENOC to continue developing its strength of services, to recognize areas to improve on, and to identify new opportunities to improve customer satisfaction.



CSI Percentages



In the oil and gas sector, customer satisfaction largely depends on measures such as fuel prices, inflation and interest rates. Yet, despite the unfavorable market indicators of 2018 showing a declining UAE GDP growth rate and an overall increase in fuel prices of 60 % since January 2016, ENOC's CSI remains stable at 82 %, with some subdivisions achieving a high CSI rate of 84 %, including Lubricants, Emirates Industrial Products Marketing (EIPM), the carwash, and Zoom at the fuel station.

Another Key Indicator for customer satisfaction is the loyalty of our customers, which we measure on a regular basis on business unit level. The outcomes for 2018 were satisfactory, with outstanding performance of the following business units:

- Retail's Tasjeel, Lubricants and Lube Service with 96 % customer loyalty;
- EIPM, ENOC Aviation and Prowash with 95 % customer loyalty; and
- ENOC Lubricants Manufacturing Plant (ELOMP) and Forecourt with 94 % customer loyalty.

The last measure we use to measure customer satisfaction is the Net Promotor Score (NPS), which measures the likelihood that our customers would recommend our products and services to other people. Overall, we see that we have a positive score for all our business units, however ENOC Lubricants, EIPM and ENOC Aviation rate among the highest in our portfolio.

## Green Procurement

ENOC understands that in order to make a real impact and difference when it comes to the environment, it should look beyond its own operations. Therefore, ENOC has invested a lot in its green procurement practices in recent years. ENOC has set up a dedicated team for Green Procurement Practices, supporting Green Public Procurement (GPP) as well as creating the 'Green Procurement Officer' position within ENOC to advise ENOC business units and departments on green purchasing.

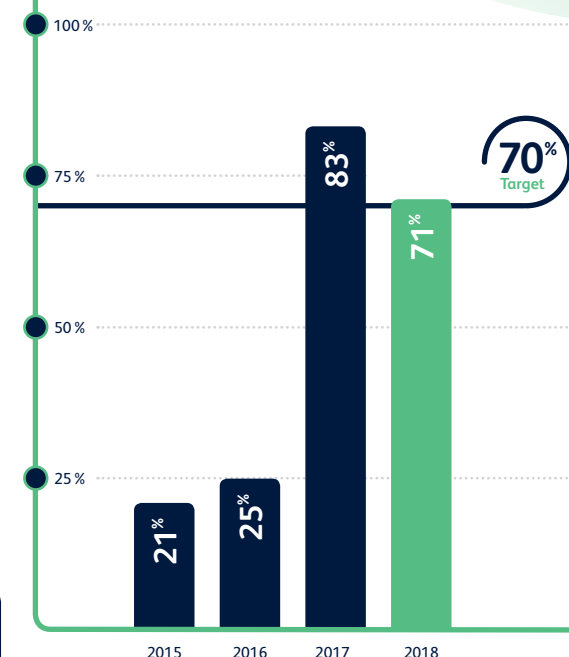
Through our active engagement with the Dubai Supreme Council of Energy (DSCE), ENOC established a Green Procurement Committee that embeds considerations related to energy efficiency, water-use efficiency, and other environmental aspects within the government procurement practices. ENOC's sustainable procurement efforts led by the Group Procurement and Contracts department follow the ASHARE Standard 90.1- 2013, Energy Star and LEED (v4) and ENOC's Purchase and Design Energy Efficiency Standards (GPP Standard) to generate cost savings, avoid supply risks and reduce ENOC's environmental impact across its supply chain.



"Green Procurement is an important aspect of fulfilling our sustainable ambitions. We have reached a very high share of Green Procurement for the last two years and with our new target, we have committed ourselves to continue to deliver on our ambitions."

**Hamid Al Haddad**

Green Procurement Officer,  
ENOC Group Procurement



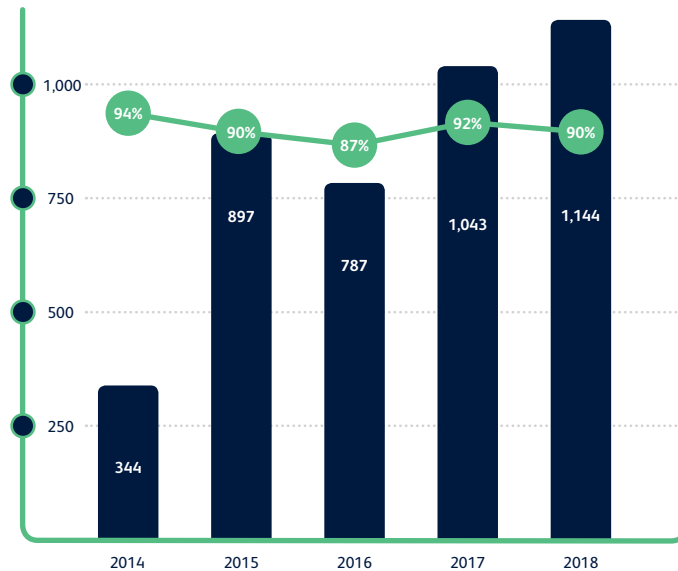
Our efforts have paid off, in the last two years ENOC has achieved a green procurement share well above the predetermined target of 30 %. The proportion of ENOC's green procurement purchases compared to the total procurement purchases amounted to 71 % in 2018. All the tenders raised in 2018 for the product categories of lights, Heating Ventilation and Cooling (HVAC), commercial pumps, electric motors, refrigerator equipment, water fixtures, and electric vehicles were green tenders. As a result, ENOC achieved a high green procurement share for two years in a row. This encouraged us to increase our 2019 target for green procurement to 70 %.





## Local Procurement

ENOC is keen to support local suppliers and vendors across all business units, including small and medium scale enterprises. In 2018, almost 90% of ENOC's total procurement were sourced locally, amounting to AED 1.1 billion.



● ENOC Local Procurement (in million AED)\*

● % of local procurement

\* These figures do not include Dragon Oil figures

In the case of Dragon Oil, their local procurement included sourcing from seven countries which they conducted their primary operations in. These included Afghanistan, Algeria, Egypt, Iraq, Tunisia, Turkmenistan, and the UAE. With Turkmenistan and the UAE acting as their leading local suppliers. In 2018, total local procurement for Dragon Oil accumulated to \$25 million.



To read more about ENOC's Supplier Code of Conduct, please visit

<https://www.enoc.com/en/Contractors-and-Suppliers>

## Business Ethics

### ENOC's Code of Business Conduct

Guided by the ONE ENOC model, ENOC's Code of Business Conduct (COBC) encourages transparency, consistency, and impartiality to benefit all of ENOC's internal and external stakeholders, including employees and investors. Central to ENOC's expansion and success is its dedication towards ethical compliance across all business units ensuring support towards ENOC's corporate values.

The COBC is supplemented with clear-cut governance policies to support all potential scenarios that may arise, providing guidance on how to handle such situations effectively within the workplace. The governance policies include:

1. ENOC Anti-Fraud Policy and Framework
2. ENOC Conflict of Interest Policy
3. ENOC Whistleblowing Policy
4. ENOC Gifts and Entertainment Policy

The Anti-Fraud Policy was revised in 2018 to clearly define ENOC stakeholders, external parties and the responsibilities of managing all activities related to cybersecurity.

In order to maintain a sustainable supply chain, ENOC expects high ethical standards from its suppliers, vendors, and contractors. ENOC's Supplier Code of Conduct is built on the four pillars of providing people with a safe working environment and fair treatment; maintaining integrity without conflict of interest; protecting information in third party relations; and complying with anti-corruption and anti-trust regulations.



"We are very excited by the success of the Ethics Month. Not only were we able to raise the awareness on business ethics and reach more employees than ever before, we also took the next steps in our One ENOC philosophy by introducing the ENOC Code of Business Conduct at Dragon Oil."

**Hend Ali Al Rumaithi**

Director - IA & Chief Ethics & Compliance Officer

### Dragon Oil Code of Conduct Launch

On the 1st of October, during the Ethics Month, ENOC launched the Code of Business Conduct for Dragon Oil, further integrating Dragon Oil into the ENOC Group. The launch was further supported by a Dragon Oil Management Session, four training sessions that were attended by 162 Dragon Oil employees and the introduction of e-learning courses for Dragon Oil employees.

## Ethics Governance

In order to oversee issues regarding business ethics and compliance, ENOC has a Business Ethics Committee (BEC) established to revise policies, inspect reported cases and resolve any conflicts of interest; as well as to supervise the Retail Ethics sub-committee, which maintains a careful watch on fraud and corruption associations with the sector. The BEC also comprises of expert committee members including the Group Chief Executive Officer (GCEO), the Chief Ethics & Compliance Officer (CECO), the Group HR Director, the Legal Group Director and the Chief Financial Officer (CFO). The BEC is chaired by the GCEO, with the manager of Ethics & Compliance functioning as the secretary. The BEC is a pillar to ENOC's ethical culture and is supported by an extensive communication network that reaches employees through e-newsletters, emails, press releases, posters, e-learning modules, and awareness sessions.

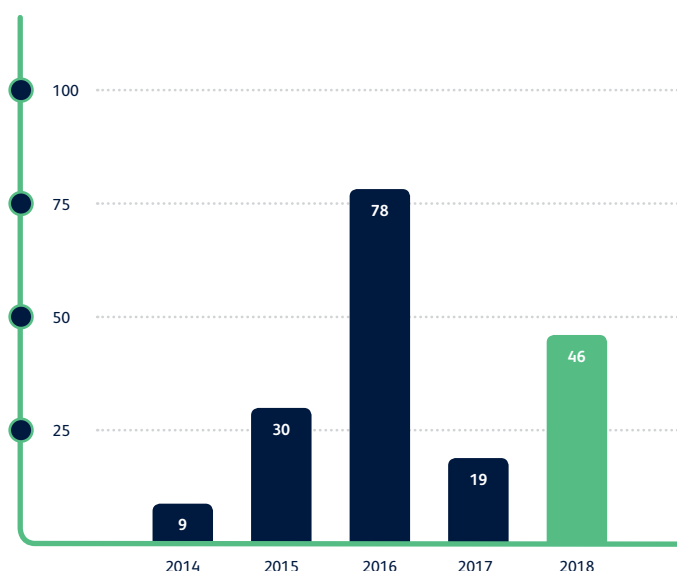




## Corruption Awareness

To emphasize the importance of ethics within the workplace, as well as to reinforce it into the overall culture of our business, ENOC's Business Ethics and Compliance (BE&C) team regularly organize training and awareness sessions across the business units. With ENOC's newly established e-learning modules, there is less ambiguity over acceptable and ethical behavior. The e-learning modules are comprised of various mandatory as well as recommended optional training, including a COBC game, a series of online investigations, and modules on data privacy & security.

### BE&C Training and Workshops conducted:



ENOC's ethics-related training during the 2018 year thoroughly covered a variety of issues. Multiple face-to-face training sessions were conducted, such as the ENOC Compliance Due Diligence session, and eight Business Ethics Induction sessions. The necessity of live training sessions and workshops conducted has reduced due to the introduction of e-learning training.



## E-learning

ENOC's COBC and Conflict of Interest Video e-learning courses are developed to raise awareness on both policies. Employees are expected to go through the mandatory COBC and Conflict of Interest video courses, as well as the optional modules on various compliance topics. In 2018, the proportion of overall employees who have completed both the mandatory courses was added to the Ethics Sustainability Index, which stands at 90% across the Group. From the optional modules, employees have the possibility to investigate courses relating to fraud awareness, privacy, information management, anti-bribery, corruption and how to conduct an effective investigation.

The introduction of the e-learning platform in 2017 has greatly improved the ability of employees to complete their training, despite busy schedules and off-site work. This has resulted in a higher employee engagement with business ethics and compliance and has improved employees understanding of these topics.

## Ethics Month

Following the success of the 2017 Ethics Week, which was organized to raise awareness on the COBC and Business Ethics and Compliance policies, ENOC hosted an entire month of activities during October 2018. The 2018 edition of the event saw the participation of over 600 employees in 20 workshops and 2 overseas visits. The Ethics Month covered four key topics, including how to build an ethical corporate culture, cybersecurity, effective investigation and interviewing techniques, and ethical compliance awareness on ENOC's COBC. Over 20 workshops were organized, including 11 workshops on sexual harassment and internal reporting, 5 workshops on business conduct as well as ethics and compliance policies, 2 investigation technique workshops and 2 fraud awareness workshops.

During the 2018 Ethics Month, ENOC also launched the ENOC Code of Business Conduct at Dragon Oil as well as Arab Tank Terminal Limited and carried out overseas visits to Horizon Djibouti Terminal and the Arab Tank Terminal Limited. These visits turned out to be successful and visits to Singapore, Morocco as well as Turkmenistan are scheduled for 2019.

The end of Ethics Month was celebrated with a closing ceremony on the 4th of November to instill key learnings from the month. During the ceremony, attendees were guided through the month's journey and subject to further workshops on cultivating an Ethical Mindset, as well as a presentation on Real Life Cybercrime Case Studies by E&Y. Afterward, a panel discussion was held, titled 'how to build an ethical corporate culture', with panelists including Mubadala, Jumeirah Group, Shell EP International Limited, MasterCard, PepsiCo MENA and PwC.

## ENOC's Ethics Hotline and Reporting Mechanism

Essential to assuring an organization is functioning as an ethical business, is providing an accessible, yet anonymous, means of reporting any suspicious activity of unethical conduct. Through ENOC's Ethics hotline, which is available via phone and an online reporting system, managed by an external service provider to guarantee independence and confidentiality. The external service provider is comprised of qualified consultants trained to collect relevant information and to act effectively to deal with sensitive disclosures.



ENOC Ethics Month 2018 events



**ENOC Ethics Hotline**

**United Arab Emirates:**  
800 ENOC ETHIC  
(8003662 38442)

**Singapore:**  
1800 ENOC CBC  
(1800 3662 222)

**ENOC Ethics Hotline  
Online Reporting Tool:**  
[www.enoc.ethicspoint.com](http://www.enoc.ethicspoint.com)

Furthermore, all employees are accounted for, with the hotline working as a multi-lingual, confidential and independent platform. To ensure clarity throughout the procedure, the reporter can follow-up on the case and safely interact with ENOC's BE&C team through the online system or email the independent address with any queries. In 2018 alone, there were more than 100 cases reported through the hotline. This tool is also open for ENOC suppliers and vendors to report violations of the ENOC Supplier Code of Conduct.



# Investing in the Future of our Communities

ENOC's efforts for Corporate Social Responsibility has seen remarkable initiatives in the year 2018, complemented by the increased volunteering participation of our employees. This year we have made large investments in the education of our national youth, which we strongly believe in. Our business units and subsidiaries across our Group have also taken great efforts in their CSR activities, building the momentum for our upcoming One CSR Strategy.

07

**\$1.34 million**  
invested by ENOC for  
community investments in 2018

**\$2.99 million**  
invested by Dragon Oil in  
CSR projects in 2018

**2500+**  
**employee volunteer**  
hours dedicated to CSR  
initiatives by GSO

Successful completion of  
**15+** CSR initiatives  
and projects as part of  
**Year of Zayed**





## Corporate Social Responsibility at ENOC

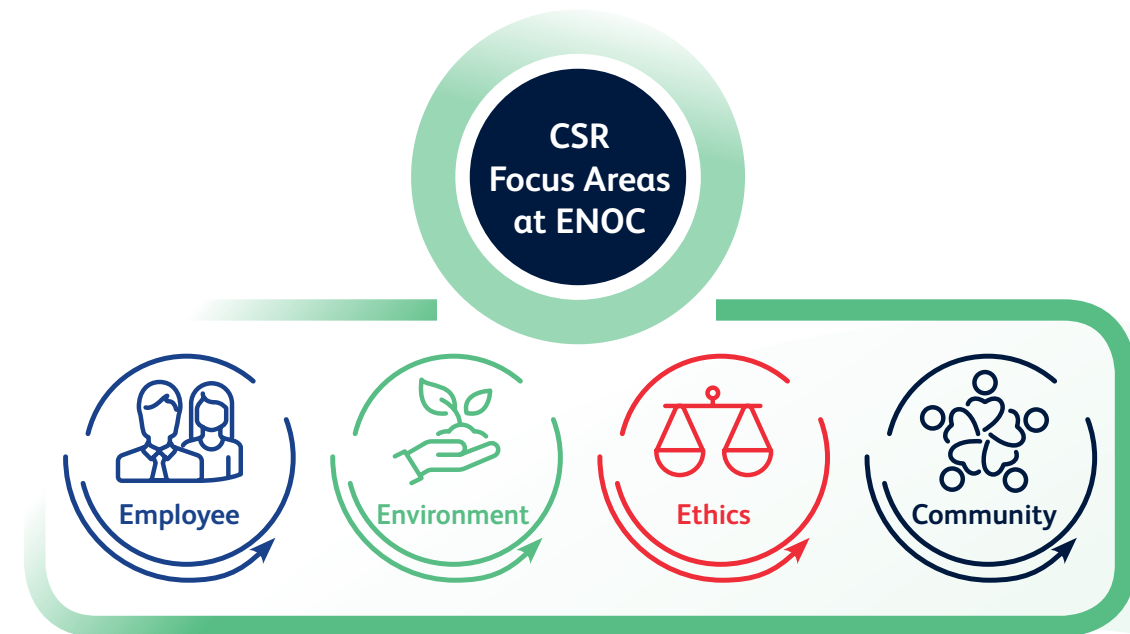
Corporate Social Responsibility (CSR) at ENOC goes beyond philanthropic activities and aims to create value for the stakeholders at ENOC. To be in a better position to achieve this, ENOC moved its CSR function from Group Communications to Group Sustainability Office (GSO) in 2017. In 2018, ENOC took the next steps in materializing these ambitions, by revamping the existing CSR Steering Committee and creating a new CSR Technical Committee. The CSR Steering Committee has an advisory role under direct supervision and sponsorship of the Group CEO, on the other hand, the CSR Technical Committee has an important role in driving initiatives from business units and promoting the importance of community development. Both committees have an important role in aligning ENOC's CSR programs and activities to the vision and strategy of the UAE and ENOC's vision and mission and to reflect the culture of 'One ENOC'. They are responsible for executing ENOC's CSR strategy and defining targets to develop long-term plans for the company's CSR programs.

ENOC's commitment to CSR was recognized at the Arabia CSR Award (Energy Sector) for the third consecutive year, as well as the Golden Peacock Award in 2018. The Arabia CSR Award is one of the region's most coveted CSR & Sustainability awards that underlines the importance of CSR by recognizing the most successful and innovative CSR pioneers in the Arab World and ENOC is proud to continue to showcase its CSR excellence by continually being recognized at these awards. While our CSR activities are in alignment with the global SDG commitment, the national agenda of

Vision 2021 and with the Dubai Plan 2021, our community initiatives have also proactively contributed to enhancing our One ENOC culture.

One of our active business units, EMGAS was also awarded the CSR label in 2018 by the Dubai Chamber of Commerce and Industry (DCCI) for adopting CSR best practices as measured by DCCI CSR framework, across four impact areas - Workplace, Marketplace, Community and Environment. EMGAS is the only company to have won the label award for 8<sup>th</sup> time in succession.

Over the years, ENOC has been evolving from a profit-focused company to become a sustainable business, shifting its CSR focus from philanthropic donations to corporate community investments, initiated through strategic partnerships. As one of the biggest CSR contributors in the region, our community investments are increasingly more impact-driven, as we are keen on measuring the social return on investment from these projects, reassuring ourselves if we are making the right impact. With our various business units and subsidiaries across the world taking initiative to enhance our social engagement, ENOC has the potential to make meaningful difference to those communities. By measuring the social impact of our upcoming programs, we aspire to differentiate our CSR programs from others in the region. We are also keen on extensively engaging our internal and external stakeholders in the upcoming year, in the process of building our CSR strategy.



### Transformational steps for CSR Strengthening CSR function across the lifecycle

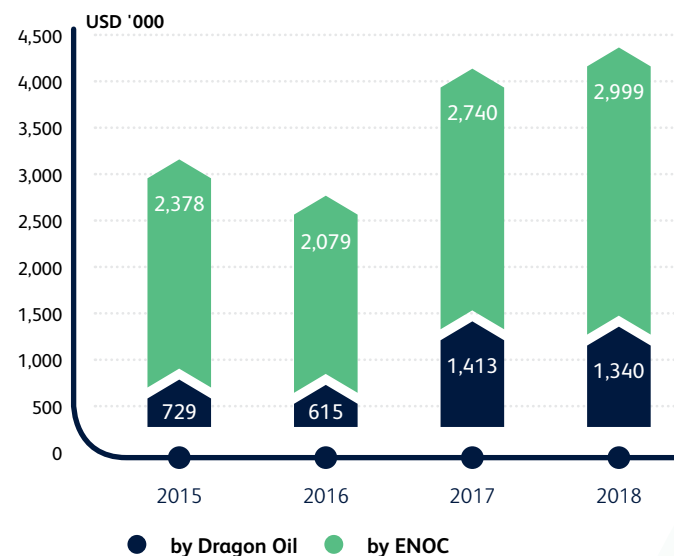


ENOC receiving Golden Peacock Award for CSR in 2018



## Community Investments

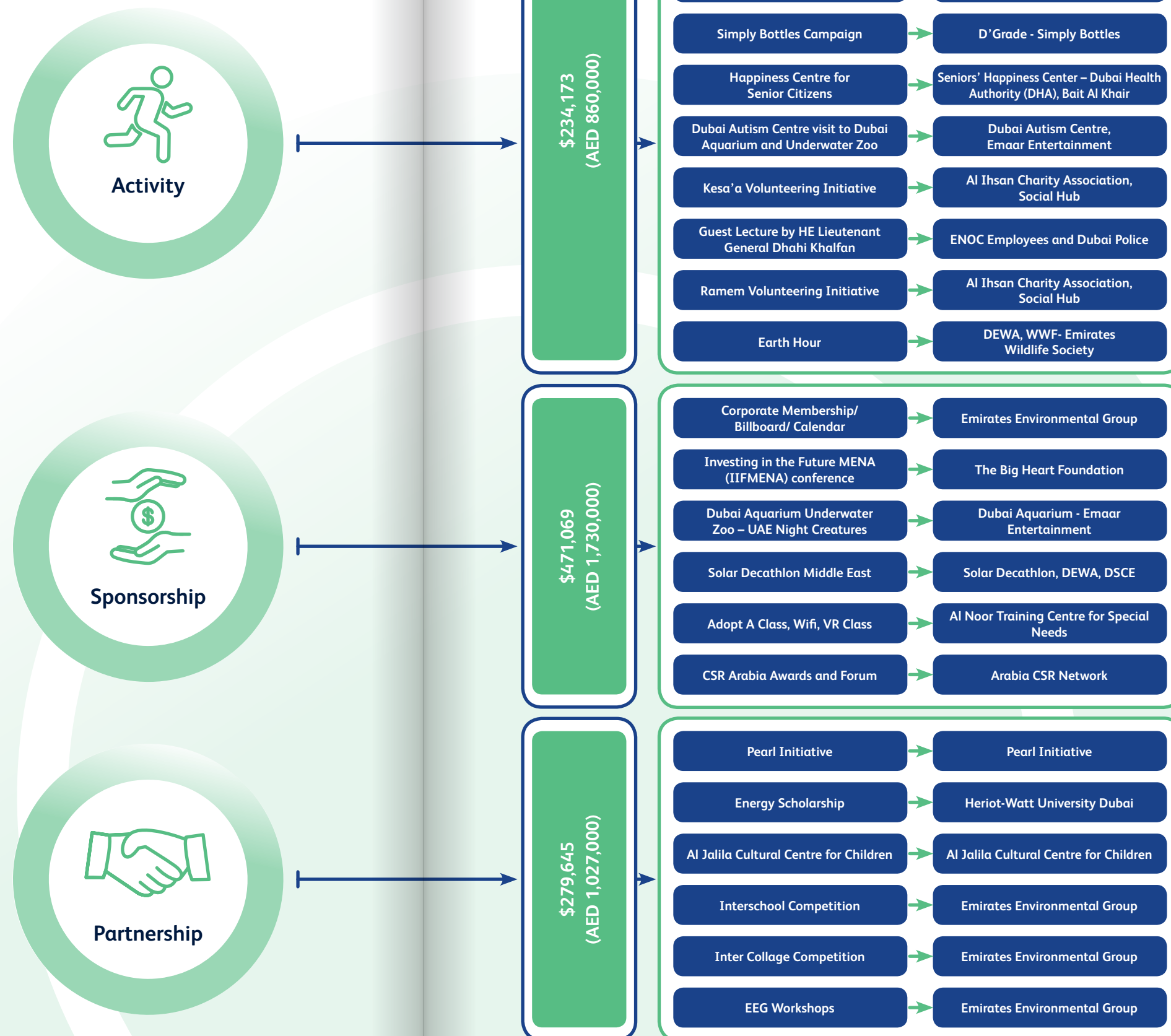
In 2018, ENOC had spent US\$1.34 million worth of community investments (excluding Dragon Oil), in addition to which Dragon Oil has invested US\$2.99 million. With the inclusion of the community investment KPI on the Sustainability Index, CSR initiatives and engagements at ENOC are expected to create bigger and more tangible impact in the upcoming years.



ENOC has not only invested through monetary means, but it has also mobilized its workforce by implementing the official ENOC Volunteer Leave Policy, which enables ENOC's employees to participate in volunteering activities. We are very proud to have been able to support over 1250 ENOC employee volunteers to engage in 2,500+ community service hours during 2018.

## CSR Stakeholders

We aim to reach a wide range of stakeholders through our CSR activities, the illustration below gives an overview of the stakeholders that we have reached out through 2018.



Note: The above breakdown of CSR spending does not include that of ENOC Retail.





August: Celebrating a Month of Women Empowerment



July: Month of Education



December: Our Nation



October: Celebrating his Values



September: Our Environment



November: Honoring his Leadership



## Year of Zayed (2018)

In commemoration of the late Sheikh Zayed's 100<sup>th</sup> birth anniversary, 2018 was declared as the Year of Zayed. ENOC honored this commemoration by embarking on 15 initiatives over 6 months in the second half of 2018, observing a theme connecting to Sheikh Zayed each month.

15 initiatives over 6 months



## Chapter 07

Investing in the future of our communities



### July - Month of Education

The theme for July was selected as education marking the launch of the ENOC Energy Scholarship Program. 200 young aspiring Emiratis from across UAE applied for the opportunity to pursue a master's degree in Energy at the Heriot-Watt University Dubai.

Employees attending ENOC Energy Scholarship Workshop



Additionally, with the aim of raising awareness on HH Late Sheikh Zayed's role in building the nation's educational institutes, ENOC conducted an internal awareness quiz, where winners had the opportunity to visit an exhibition at Etihad Museum dedicated to the Year of Zayed highlighting the major milestones and achievements in his life.



"We communicate with the community through multiple channels to learn more about the challenges they face. Based on our insights, we work with various stakeholders to support underprivileged sections of the community. We are delighted to work with ENOC Group to support Emirati single women who face financial challenges."

**Ahmad Julfar**

Director-General, Community Development Authority



YEAR OF  
**ZAYED**



With Heriot Watt University team



Announcing Year of Zayed quiz winners



### August - Celebrating a Month of Women Empowerment

In reference to the Emirati Women's Day celebrated on August 28th, the theme of women empowerment was chosen for August, realizing HH Late Sheikh Zayed's vision for an inclusive and advanced society.

#### Financial Aid to Single Mothers

In collaboration with the Community Development Authority of Dubai (CDA), ENOC celebrated the Emirati Women Day by providing 100 selected single Emirati mothers with Union Coop cash cards worth 2,500 AED each. The initiative aims to support single mothers, who are supporting a family of four members or more, and yet have a goal to achieve financial independence and security.

**Emotional Intelligence Training Workshop**  
All-female employees at ENOC were invited to an Emotional Intelligence Training Workshop conducted by Rita Baki from Change Associates. This workshop gave female employees the tools necessary for breaking career barriers and improving their work-life balance to advance in their career paths.



ENOC female employees attending Emotional Intelligence Workshop



### September - Our Environment

#### Simply Bottles Campaign

To support this month's theme of the environment, ENOC launched the 'Simply Bottles' campaign. This campaign was done in an effort to divert as much recyclable waste from the landfill, and to reduce carbon footprint in the ENOC offices. This campaign required a partnership with DGrade, a company that specializes in converting used plastic water bottles into clothing. This initiative promoted the reduction of plastic water bottles through an internal competition, with the plastic bottles consumed being placed into designated recycling bins. In September, 3,000 polyester blend t-shirts were fabricated out of 12,000 bottles- the equivalent of 200kg.



Participating in Simply Bottles Campaign







## October – Celebrating his Values

### Visit to Happiness Centre for Senior Citizens

ENOC embodies the values esteemed by the UAE and its founding fathers by integrating all members of society, including the elderly and people of determination. ENOC celebrated the International Day for Older Persons with the Happiness Center for Senior Citizens run by Dubai Health Authority in Al Mamzar. In a collaboration with Beit Al Khair and Hind bint Maktoum School, elderly citizens at the center engaged in traditional games after sharing stories from their pasts.



ENOC employees visit to Happiness Centre for Senior Citizens

### Visit to Dubai Aquarium for students of Dubai Autism Centre

Contributing to the aim of creating a culture of happiness, more than 10 ENOC volunteers accompanied 18 children from the Dubai Autism Center for a tour at the Dubai Aquarium Underwater Zoo. The activity aided in expanding and enhancing the students' social skills by offering the chance to interact and communicate with the public and volunteers.



ENOC volunteers with students of Dubai Autism Center

عام زايد



YEAR OF ZAYED



## November – Honoring his Leadership

Continuing with the theme of honoring HH Late Sheikh Zayed, the month of November commemorated his leadership and inspired ENOC employees to emulate his positive vision.

### Guest Lecture by HE Lieutenant General Dhahi Khalfan

November marked the release of the book by H.E Lieutenant General Dhahi Khalfan, Deputy Chairman of Police and General Security of Dubai, titled 'Soft Power in the Leadership Qualities of Zayed: 110 Leadership Qualities' who emphasized the leader's esteemed qualities and influential approaches in developing his homeland and people. We were honored to welcome H.E Lieutenant General Dhahi Khalfan for a guest lecture at ENOC, which was attended by a number of ENOC's senior officials.

ENOC Group CEO receives the signed book from H.E Lieutenant General Dhahi Khalfan



### Kesa'a Volunteering Initiative

Inspired by his guest lecture, ENOC also introduced Kesa'a, a volunteering initiative to distribute clothes donations to more than 3,000 people in need. In addition to the mentionable cause, this initiative involved more than 500 people of determination volunteering to iron and pack more than 7,000 garment pieces.



ENOC volunteers in Kesa'a Initiative



## December – Our Nation

In the true spirit of the UAE's National Day, the month of December saw the launched of two major initiatives.

### Ramem Volunteering Initiative

The Ramem initiative required the collaboration of more than 650 volunteers to renovate 30 houses in Al Aweer. The renovations involved painting and drawing on the houses of less fortunate families, as well as installing 30 solar LED lights to improve the living environment for the residents and their quality of life.

### Year of Zayed Billboard

The second major initiative was the launch of the "One Hundred Years, One Legacy". By partnering with the Emirates Environmental Group (EEG), ENOC converted more than 1,000 pictures of HH Late Sheikh Zayed drawn by school children and children of determination into a billboard displayed on Sheikh Zayed St. for one month. After the one month period, the billboard was reconstructed into 200 unique bags available for purchase. 20% of the proceeds went into funding waste management programs at EEG, while 73% of proceeds were divided into funding 3 separate educational programs at Al Noor Training Centre for Special Needs Children, Dubai Autism Center and the Senses Centre.

In addition to the Year of Zayed themed initiatives, ENOC also actively engaged with various local projects and campaigns in partnership with its key stakeholders.

ENOC volunteers in Ramem Initiative





## Key CSR Activities Across the Group

ENOC has embarked on a wide array of CSR activities throughout 2018, however they all have been selected to fit within ENOC's vision of the future, with an emphasis on a safe and sustainable future.

### Solar Decathlon Middle East

ENOC was one of the strategic platinum sponsors for the Solar Decathlon Middle East, an international collegiate competition that challenges student teams to design and build highly efficient and innovative houses powered by renewable energy, as a way to promote innovative research in sustainability. The renowned student competition was held in Dubai for the first time in the Middle East following a partnership with the U.S. Department of Energy, Dubai Electricity, Water Authority (DEWA) and the Dubai Supreme Council for Energy (DSCE), in alignment to the Dubai Clean Energy Strategy. Our contribution enabled the successful execution of the event's first edition that was held from 14th-29th November 2018, with 15 teams from 28 universities across 11 countries competing against each other for a prize pool of AED 10 million.

The competition challenged students to design and build solar-powered houses that were judged on four key categories: innovation, green mobility, building efficiency, and water conservation measures. Multiple workshops were conducted by ENOC and other partners to inspire the designs and prototypes prior to the competition.

Utilizing the latest innovations in technology, teams submitted their design, and the winners were announced on 28th November 2018 in the presence of HH Sheikh Mansoor bin Mohammed bin Rashid Al Maktoum. The public had the opportunity to visit the solar houses that were displayed at the Mohammed bin Rashid Solar Park.



ENOC Group CEO welcoming H.E. Sheikh Mansoor bin Mohammed bin Rashid Al Maktoum to Solar Decathlon Middle East



Top management dignitaries lighting candles during the Earth Hour 2017 event at Bay Avenue Park, Dubai



One ENOC  
One Earth  
One Hour

ENOC Participating in Earth Hour

### Earth Hour

ENOC has been a proud participant of the annual Earth Hour initiative in the UAE since 2008. The Earth Hour initiative is organized in collaboration with various government entities, NGOs and individuals.

From our international terminals to our service stations, ENOC switches off all lights and non-essential power-consuming equipment during the Earth Hour, in efforts to help reduce electricity consumption. These facilities include carwash areas, food courts, convenience stores, quick oil change, pylon signs and offices across Dubai and the Northern Emirates. This annual event is one of the many ways through which we contribute to raising awareness on climate change among our internal and external stakeholders, indicating our efforts to reduce our carbon footprint.

Apart from switching off the lights, ENOC also organizes various initiatives to commemorate the Earth Hour celebrations. With 2018 being the Year of Zayed, Earth Hour marked special importance to ENOC that year to follow in the footsteps of our founding father, HH Sheikh Zayed bin Sultan

Al Nahyan, in taking care of the environment and providing a sustainable lifestyle for its citizens. In 2018, ENOC partnered with Al Jalila Cultural Centre for Children (AJCCC) and students from Jumeira Modern Girls School to plant a 100 trees within the premises of AJCCC, as part of the Earth Hour initiatives.

During 2018, ENOC organized internal events like departmental pop-quizzes, where employees were awarded on the spot; while also participating in the public Earth Hour celebrations at Marasi Promenade, Business Bay, where ENOC had its external booth. ENOC Group CEO joined other esteemed government officials and leaders in the Earth Hour walk during the event.

Through the Earth Hour initiative, Dubai Electricity and Water Authority (DEWA) recorded an electricity consumption savings of 323 MW in 2018 across Dubai, with ENOC significantly contributing to the achieved savings.

### The Family Village

ENOC offered annual membership to 135 parentless children from 'The Family Village' in partnership with Al Jalila Cultural Centre for Children (AJCCC), where they have the opportunity to express their creativity and talent in art, music, and crafts. 'The Family Village' is a 'hope for the future' project which offers a healthy home for Dubai's orphans, by providing them with proper nutrition, care, and love. Through this initiative, ENOC hopes to enrich the children's lives and cultivate their sense of membership in the society.

ENOC employees volunteering at Al Jalila Cultural Centre for Children





## Emirates Environmental Group (EEG)

As Emirates Environmental Group (EEG)'s strategic education partner, ENOC is one of the key sponsors of EEG's biannual Inter School Environmental Public Speaking Competition and the Inter College Environmental Public Speaking Competition, as well as the Annual Student Workshops program. In the year 2018, ENOC had invested AED 315,000 in sponsorship of EEG's youth and student-related programs, educating over 900 students from 87 schools and 51 universities across UAE, GCC, and MENA. Following the successful collaboration between the two entities over the past few years, ENOC renewed the partnership in 2018. In alignment with SDG 4: Quality Education, the aim of these public speaking competitions and panel discussions for students is to provide a platform to raise awareness, develop research skills to innovate solutions for environmental issues faced in the world today. The event was marked as carbon neutral.



In order to demonstrate our environmental commitment, ENOC partnered with Emirates

Environmental Group (EEG) to plant 1000 indigenous Sidra Trees in a protected reserve in the Emirate of Ras Al Khaimah. The planted trees contributed to strengthening of local floral biodiversity in the region and the breeding of bees, carbon sequestration, preventing desertification and helping clean our air.



## Investing in the Future MENA 2018

ENOC partnered with The Big Heart Foundation to sponsor the Investing in the Future 2018 (IIFMENA) conference. The Big Heart Foundation is a non-profit organization established by Her Highness Sheikha Jawaher Al Qasimi to provide humanitarian aid. The international conference addressed the role of youth engagement in progressing towards community and regional development. In a true show of collaboration, the event was honored by the presence of His Highness Dr. Sheikh Sultan bin Muhammad Al Qasimi, amongst prominent members of youth organizations; actors from civil society, the private sector and governments; and representatives from the United Nations.



## A Socially Responsible Ramadan Across ENOC

ENOC observes the holy month of Ramadan by setting up a wide range of initiatives with the intention of fostering solidarity across the UAE. Ramadan 2018 saw the sponsorship of an iftar tent in Fujairah distributing around 3000 iftar meals; the distribution of 75,000 boxes of water and dates to motorists at Dubai's service stations 30 minutes prior to iftar; and the introduction of ENOC's Ramadan Truck which covers 18 neighborhoods across Dubai to distribute 6,000 meal boxes to locations including labor sites, mosques, special needs centers and ENOC service stations. In collaboration with Al Ihsan Charity, 64 volunteers from ENOC also distributed 600,000 essential care packages which include dates, water, prayer beads, tea bags, and tea mugs. In another partnership with Bait Al Khair, ENOC promoted donations of AED 15 for 'Iftar Saa'em' or AED 20 for 'Zakat Al Fitr' across its service stations, raising AED 90,000/- in donations. Emirates Gas (EMGAS), a subsidiary of ENOC, extended its annual distribution of free vouchers to 1000 underprivileged families in Dubai, Ajman, Fujairah, and Umm Al Quwain, which granted a free refill for a 22kg LPG cylinder.



## Blood Donation Campaigns

In collaboration with The Dubai Health Authority's Blood Donation Center (DBDC), EIPM and Group Communications hosted a Blood-Donation Drive at ENOC Head Office. Under the theme of "With a simple act of kindness, you can save a life", the event had more than 90 donors contributing to save the lives of patients in need of blood transfusion. At our industrial site, EPCL had also organized a blood donation drive at our refinery located in Jebel Ali involving more than 60 donors.



## International Plastic Bag Free Day at ZOOM

To raise awareness on the effects of plastic pollution, on the 3rd of July 2018- International Plastic Bag free day, ZOOM had stopped the use of plastic bags throughout its outlets in the UAE. ZOOM outlet staff in Jumeirah Lake Towers conducted an environmental awareness program by executing a 'Plastic-free day' campaign and distributed complimentary paper bags for over 10,000 customers. This initiative aimed to enhance sustainability culture across stores, onto our customers. 10 ZOOM stores are currently plastic-bag free, while other stores have been using biodegradable plastic bags. Upcoming plans include introducing canvas bags to eliminate using plastic bags across all ZOOM stores.



## My Vehicle, My Responsibility

In 2018, ENOC's car-registration business service, Tasjeel, introduced the 'My Vehicle, My Responsibility' initiative in collaboration with Sharjah Police to raise awareness on registering vehicles on time to ensure that the vehicles are road-safe. Targeting mechanical failures as one of the biggest preventable causes of vehicle accidents and the estimated 50,000 vehicle users in Sharjah who did not have their vehicles tested, spot checks were organized in various parts of Sharjah with the help of Sharjah Police and awareness flyers were distributed.

For the upcoming year, ENOC business units intend to conduct CSR programs spread across the capacities of social causes of women empowerment, orphans wellbeing and people of determination and blood donation. We are incredibly proud of our business units' achievements so far and excited to witness their continued contribution to the community wellness spectrum in the coming years.





## CSR Activities Outside the UAE

Apart from local initiatives within UAE, ENOC's CSR initiatives also cover other international communities through the involvement of ENOC's Dragon Oil upstream subsidiary and terminal business units. Dragon Oil Turkmenistan plays a key role in the local development of Hazar, Turkmenistan. Since the installation of a desalination plant at Hazar in 2011, Dragon Oil has spent around US\$35.4 million on CSR projects, which is an additional US\$2-3 million annually beyond the minimum CSR obligations.

Over the years, Dragon Oil has been involved in the construction of Hazar hospital, and the refurbishment of Hazar polyclinic as well as multiple schools and kindergartens. The company has also enabled a number of sports federations and national sports teams to participate in domestic and international competition, as Dragon Oil is an official partner for the fifth Asian Indoor and Martial Arts Games.



Refurbished school in Hazar



## Environmental Focus

Members of the management team at Dragon Oil took part in a tree-planting campaign launched by the President of Turkmenistan after the opening of the Kiyanly Gas Chemical Complex. Other ecological promotions include the International Earth Day preparations and a Carbon Monoxide Awareness Campaign for employees and Hazar residents alike. As a testament to Dragon Oil's dedication to the region, company officials conduct regular meetings with the Balkan Suw Water Service of Hazar, to improve the local water supply and sewage system. There have also been efforts at improving Turkmenistan's environment through talks with the State Committee for Environmental Protection and Land Resources of Turkmenistan.



Tree planting in Turkmenistan

## Investing in the Development of Turkmenistan

Dragon Oil is committed to advancing itself and its host country and takes responsibility for the future of Turkmenistan. A meeting was conducted with the Deputy Head of the Migration Service of Turkmenistan, the Head of the Ashgabat Division of Migration Service of Turkmenistan, the Head of Administration for the Balkan Region Hyakim and the Mayor of Hazar to discuss outstanding issues in Ashgabat and the wider region.



Young athletes participating at the All-Turkmenistan DOTL Cup

## Taking Care of the Community

Other mentionable CSR initiatives include donations to 3 organizations in support of physically challenged athletes in Turkmenistan. Furthermore, by supporting Yenme, a local charitable organization, 10 patients who needed urgent medical treatment were provided for. In other partnerships, Dragon Oil provided necessary furniture and washing machines to the Balkanabad Orphanage, renovated the Hazar Youth Center and refurbished the Music School of Hazar.



Renovated Music School of Hazar



Refurbishment of Hazar Polyclinic

## Striving for a Healthy Future

Dragon Oil also actively invests in CSR initiatives that promote a healthy lifestyle. The annual All-Turkmenistan DOTL Cup saw over 400 young athletes competing against each other in a region that does not see many community programs. Dragon Oil also provided kickboxing uniforms and gear to the Turkmenabat Sports School, allowing young athletes to participate in local and international competitions. During the month of April, Dragon Oil funded a girls' volleyball team from the Balkan Regional 'Turkmenistan' Youth Physical Training Sports Organization to participate in the 9th Spartakiad for the nation's high school students. Additionally, Dragon Oil also helped the Hazar Youth Sports Organization send athletes to the Turkmenistan Youth Games in Ashgabat.

Dragon Oil's continuous involvement in the development of Turkmenistan is much appreciated by its local community. The company was asked by the Hazar city council to participate in cultural events to honor the 73rd Victory Day, with the privilege to witness a ceremony for the war veterans, who were presented with gifts and flowers.



## Investing in Youth Education Hazar Youth Scholarship Program

Dragon Oil's CSR program works to benefit deserving and intelligent young minds. Of these note-worthy efforts is the Hazar Youth Scholarship Program, which is an ongoing outreach program launched in 2015 to develop the youth's knowledge of the Oil and Gas sector. Full scholarships are awarded to Turkmen residents of Hazar aged 17 to 21 to study in the esteemed Tomsk Polytechnic University (Russian Federation). As of 2018, more than 20 students are completing their bachelor's degree with the support of Dragon Oil. This summer, the Training & Development department extended its usual support to CSR and conducted entrance examinations on Math, Chemistry, Physics and the Russian language in collaboration with Tomsk Polytechnic University. Based on the evaluation of exam results along with other critical indicators the Selection Committee members awarded the scholarship to 10 Khazar people. As of today, total number of people who have been sponsored by Dragon Oil through the scholarship is 31.

Dragon Oil Scholarship winners



Hazar Youth Scholarship winners



## Aspirations of Our Young Energy Leaders

**Haatem Al Ramsi**  
(Plant Engineer, DUGAS)



**Ahmad Salah bin Zaal**  
(Maintenance Supervisor,  
Horizon Terminals)



**Rehab Jasim**  
(External Student)



**Ahmed Mohsen**  
(Graduate Development  
Program, GSO)



ENOC Energy Scholarship winners

## ENOC Energy Scholarship

Following the MOU signed by ENOC with Heriot-Watt Dubai in 2017, the ENOC Energy Scholarship was launched in 2018 to offer scholarships to UAE Nationals to pursue their MSc in Energy. The inaugural cycle of the scholarship covers the tuition fees of approximately AED 350,000 per program, for up to four winners. The applications were open to UAE national employees at ENOC as well as to UAE national undergraduate students in their final year, who have previously majored in disciplines such as Chemical, Mechanical, Electrical, Energy, Environment or Sustainability.

The winners of the Energy scholarship's first cycle include Ahmed Mohsen, who currently works at the ENOC's Group Sustainability Office; Ahmad Salah bin Zaal from Horizon Terminals Limited; Haatem Al Ramsi from Dubai

Natural Gas Company Limited (DUGAS); and Rehab Jasim, a recent graduate from Higher College of Technology who will be joining ENOC upon successful completion of her master's program. The evaluation panel that selected the scholarship winners consisted of members from across ENOC, Dubai Supreme Council of Energy, Heriot-Watt University and the Ministry of Energy.

The purpose of this scholarship is to develop a pipeline of young energy leaders to lead ENOC's innovative research and energy resource management initiatives, in response to the growing needs for local and innovative talent in the energy sector. In the upcoming years, ENOC seeks to build upon its pilot cycle and expand our investment in future energy leaders through this scholarship.



## Insights from Young ENOC Volunteers

Two of our most ardent ENOC volunteers include young Mansour and Hind Mubarak Busamra, who have accompanied ENOC employee volunteers at numerous CSR initiatives. Currently, in Grade 5 and Grade 2 at the Dubai International School respectively, the young volunteers have had early exposure to volunteering through their aunt, Ms Alia Busamra. Volunteering has quickly become one of their favorite hobbies. Their presence at the ENOC volunteering initiatives encourages fellow employee volunteers to better connect with the project beneficiaries, especially other young children. Through these experiences, these young volunteers have learned key skills and values such as team-work, environmental stewardship, tolerance towards underprivileged and people of determination, and respect for elderly people. Upon being asked about their comments about their volunteering experience, Mansour and Hind express that it would be more encouraging to see more adults volunteering at such events, also accompanied by their children. These experiences give them hope that no matter their profession, everybody can be a model citizen and contribute to the development of their communities and people.

Actively participating in Ramem Initiative



Hind and Mansour joining the Kesa'a Initiative



### Hind Mubarak Busamra

"ENOC activities are very motivating and nice. I learnt how to protect and save the environment, how to keep the earth clean, help people and others, make the houses beautiful for people living there, how to plant the trees and put the right quantity of water, cooperate with others and support needy people and give them my clothes which are not needed. I wish ENOC continues similar initiatives so that we can always participate, and I thank ENOC for initiating such activities as they were very motivational and innovative."

### Mansour Mubarak Busamra

"I volunteer at ENOC because I like helping others, ENOC is the only company which I know running such volunteering activities which are unique in nature. I learned how to serve others and do good deeds, I learned the meaning of teamwork, it makes me happy, how to deal with others in a humble and kind way especially when dealing with people with determination"

Hind and Mansour participating in ENOC Earth Hour







## Looking Forward

We are looking forward to continuing our sustainability journey in 2019 and beyond. Over next two years we have set ourselves the following targets:

Group-wide launch of the 'One ENOC' CSR Strategy

Setting up a Sustainability Index and KPI targets for Dragon Oil

Transitioning from yearly goals to long term goals

CSR events commemorating the Year of Tolerance

Launch of the Ghaf-tree inspired futuristic service station at the Expo 2020 site

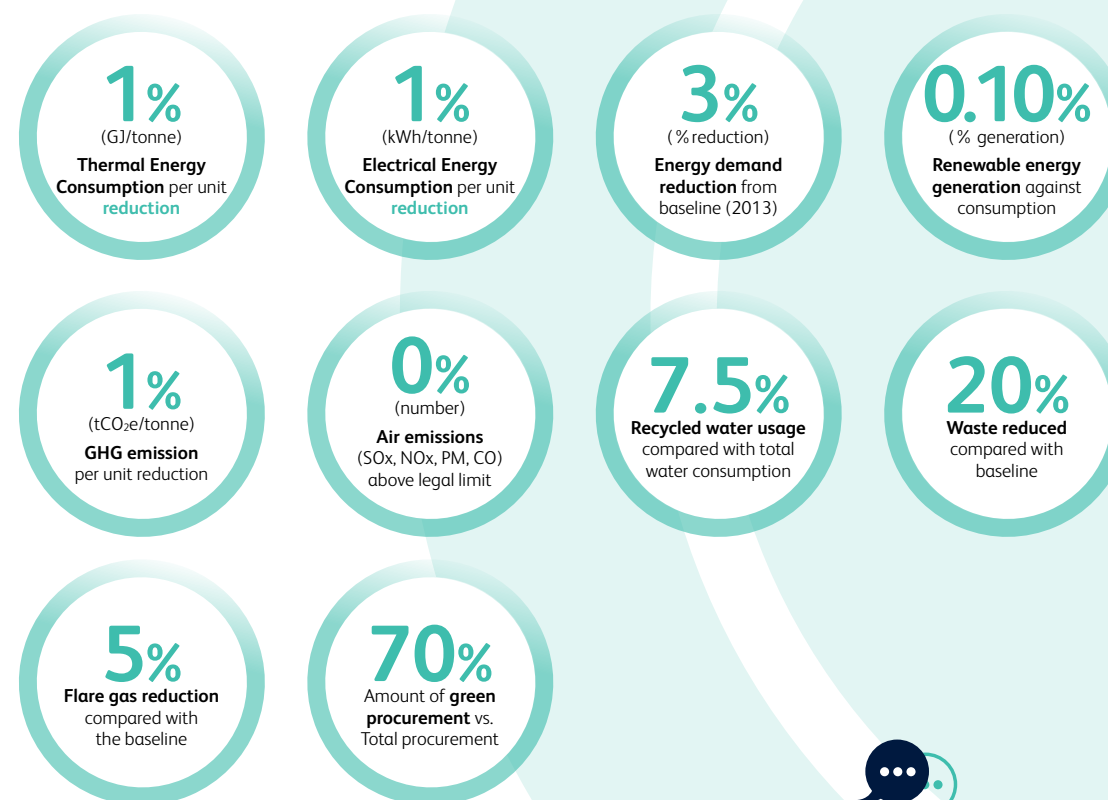
Independent assurance of material indicators in our sustainability report

### Upcoming One CSR Strategy

Following the key steps taken in 2018, such as rolling out the ENOC Volunteer Leave Policy, 2019 will see a more active and integrated CSR function across the ENOC Group through the formulation of the 'One ENOC CSR Strategy and Framework'. This will enable ENOC to drive as well as to measure the social impact that it has on the community, especially within the key focus areas that are important for our national development. The upcoming year will also further promote employee volunteering by encouraging our employee engagement at our various CSR events. The development and implementation of impactful CSR flagship programs will not only help us in better engaging our employees but also enable the ENOC Group to lead by example in becoming a responsible business. We look forward to embracing the spirit of inclusive development in commemoration of the theme of the Year of Tolerance.

## Sustainability Index Targets for 2019

### Environmental



### Social



### Economic KPIs



The overall Sustainability Index target for 2019 has been raised from 2018 to achieve 90% of the targets, with a minimum cut-off of 80% and stretch up to 100%. This was a 10% increase from the 2018 targets.



## List of Acronyms

<b>AED</b>	United Arab Emirates Dirham
<b>AJCCC</b>	Al Jallila Cultural Centre for Children
<b>AFM</b>	Aviation Fuel Marketing
<b>API</b>	American Petroleum Institute
<b>APR</b>	Annual Preparedness Review
<b>APT</b>	Advanced Persistent Threat
<b>ATTL</b>	Arab Tank Terminals Limited
<b>B2B</b>	Business to Business
<b>B2C</b>	Business to Consumers
<b>BAU</b>	Business as Usual
<b>BCG</b>	Boston Consulting Group
<b>BCM</b>	Business Continuity Management
<b>BCP</b>	Business Continuity Plans
<b>BE&amp;C</b>	Business Ethics & Compliance
<b>BIA</b>	Business Impact Analysis
<b>BP</b>	British Petroleum
<b>BPSD</b>	Barrels per stream day
<b>BU</b>	Business Unit
<b>CAP</b>	Carbon Ambassador Programme
<b>CDA</b>	Community Development Authority
<b>CECO</b>	Chief Ethics & Compliance Officer
<b>CEG</b>	Cutting Edge Gas
<b>CEO</b>	Chief Executive Officer
<b>CFO</b>	Chief Financial Officer
<b>CIS</b>	Commonwealth Independent States
<b>CNG</b>	Compressed Natural Gas
<b>CO</b>	Carbon Monoxide
<b>CO<sub>2</sub></b>	Carbon Dioxide
<b>COBC</b>	Code of Business Conduct
<b>COGS</b>	Cost of Goods Sold
<b>COSO</b>	Committee of Sponsoring Organizations of the Treadway Commission
<b>CSI</b>	Customer Satisfaction Index
<b>CSR</b>	Corporate Social Responsibility
<b>DDoS</b>	Distributed Denial-Of-Service
<b>DCCI</b>	Dubai Chamber of Commerce & Industry
<b>DCD</b>	Dubai Civil Defence
<b>DEWA</b>	Dubai Electricity and Water Authority
<b>DESC</b>	Dubai Electronic Security Center
<b>DFF</b>	Dubai Future Foundation
<b>DGs</b>	Diesel Generators
<b>DHA</b>	Dubai Health Authority
<b>DIA</b>	Dubai International Airport
<b>DIES</b>	Dubai Integrated Energy Strategy

<b>DLPP</b>	ENOC Dubai Lubricants Processing Plant, Jebel Ali
<b>DOC</b>	Diesel Oxidation Catalyst
<b>DSCE</b>	Dubai Supreme Council of Energy
<b>DSM</b>	Demand Side Management
<b>DUGAS</b>	ENOC Dubai Natural Gas Company Limited
<b>DWC</b>	Dubai World Central
<b>EA</b>	EPPCO Aviation
<b>EBI</b>	ENOC Bunkering International
<b>ECIP</b>	ENOC Commercial and Industrial Products
<b>EEG</b>	Emirate Environment Group
<b>EGAP</b>	Emirates Gas Aerosol Propellant
<b>EHS</b>	Environment, Health and Safety
<b>EHSQ</b>	Environment, Health, Safety & Quality
<b>EIPM</b>	ENOC Industrial Products Marketing
<b>ELOMP</b>	ENOC Lubricant and Grease Manufacturing Plant
<b>EMGAS</b>	Emirates Gas LLC
<b>ENOC</b>	Emirates National Oil Company
<b>E&amp;P</b>	Exploration and Production
<b>EPCL</b>	ENOC Processing Company LLC.
<b>EPPCO</b>	Emirates Petroleum Products Company
<b>EPRS</b>	Emergency Preparedness and Response Section
<b>E&amp;RM</b>	Energy and Resource Management
<b>ERM</b>	Enterprise Risk Management
<b>ESMA</b>	Emirates Standardization and Metrology Authority
<b>ESTC</b>	ENOC Supply and Trading LLC
<b>EWSA</b>	ENOC Wellness and Social Affairs
<b>EXCOM</b>	Executive Management Committee
<b>E&amp;Y</b>	Ernst & Young
<b>F&amp;B</b>	Food & Beverage
<b>GCC</b>	The Cooperation Council for the Arab States of the Gulf
<b>GCEO</b>	Group Chief Executive Officer
<b>GEHS</b>	Group Environment Health and Safety
<b>GHG</b>	Green House Gases
<b>GJ</b>	Giga Joules
<b>GPP</b>	Green Public Procurement
<b>GPPEWE</b>	Green Public Procurement for Energy and Water Efficiency
<b>GQ</b>	Group Quality
<b>GRI</b>	Global Reporting Initiative
<b>GSO</b>	Group Sustainability Office
<b>GT&amp;C</b>	General Terms and Conditions
<b>HCT</b>	Higher Colleges of Technology
<b>HDTL</b>	ENOC Horizon Djibouti Terminals Limited
<b>HSE</b>	Health, Safety and Environment

<b>HTTSA</b>	Horizon Tangier Terminals SA
<b>HTL</b>	ENOC Horizon Terminals Limited
<b>HVAC</b>	Heating Ventilation and Air Conditioning
<b>IA</b>	Internal Audit
<b>IMO</b>	International Maritime Organization
<b>IMS</b>	Integrated Management System
<b>IOGP</b>	International Association of Oil & Gas Producers
<b>IPIECA</b>	International Petroleum Industry Environmental Conservation Association
<b>ISO</b>	International Organization for Standardization
<b>ISR</b>	Information Security Regulation
<b>IT</b>	Information Technology
<b>JAFZA</b>	Jebel Ali Free Zone
<b>JIFF</b>	Joint Industry Fuel Farm
<b>JVs</b>	Joint Ventures
<b>KOC</b>	Kuwait Oil Company
<b>KPI</b>	Key Performance Indicator
<b>KSA</b>	Kingdom of Saudi Arabia
<b>kWh</b>	Kilowatt hour
<b>LED</b>	Light Emitting Diode
<b>LEED</b>	Leadership in Energy and Environmental Design
<b>LPG</b>	Liquid Petroleum Gas
<b>LTJ</b>	Lost Time Injury
<b>LTIFR</b>	Lost Time Injury Frequency Rate
<b>MARPOL</b>	Maritime Pollution
<b>MDM</b>	Mobile Device Management
<b>MENA</b>	Middle East and Northern Africa
<b>MoE</b>	Ministry of Energy
<b>MOGAS</b>	Motor Gas
<b>MTBE</b>	Methyl-Tertiary Butyl Ether
<b>MW</b>	Mega Watt
<b>NBD</b>	New Business Development
<b>NDP</b>	National Development Programme
<b>NGO</b>	Non-governmental Organisation
<b>NOx</b>	Nitrogen Oxides
<b>NPS</b>	Net Promoter Score
<b>OCIMF</b>	Oil Companies International Marine Forum
<b>OHS</b>	Occupational Health & Safety
<b>OPRC</b>	Oil Production, Response and Cooperation
<b>OSHAS</b>	Occupational Health and Safety Assessment Series

<b>OSRL</b>	Oil Spill Responses Services Ltd
<b>OT</b>	Operational Technology
<b>P&amp;L</b>	Profit & Loss
<b>PM</b>	Particulate Matter
<b>PV</b>	Photovoltaic
<b>PwC</b>	PricewaterhouseCoopers
<b>QBE</b>	Quality and Business Excellence
<b>RFID</b>	Radio Frequency Identification
<b>RM</b>	Risk Management
<b>RoI</b>	Return on Investment
<b>SCOC</b>	Supplier Code of Conduct
<b>SDG</b>	Sustainable Development Goals
<b>SDMS</b>	Sustainability Data Management System
<b>SEP</b>	Superior Energy Performance
<b>SI</b>	Sustainability Index
<b>SME</b>	Subject Matter Expert Small and Medium Enterprises
<b>SOC</b>	Security Operations Center
<b>SOx</b>	Sulphur Oxides
<b>STP/ST&amp;P</b>	Supply, Trading and Processing
<b>tCO<sub>2</sub>e</b>	ton carbon dioxide equivalent
<b>TTP</b>	Technical Training Programme
<b>UAE</b>	United Arab Emirates
<b>UK</b>	United Kingdom
<b>ULSD</b>	Ultra Low Sulphur Diesel
<b>USD</b>	United States Dollar
<b>VAT</b>	Value Added Tax
<b>VA&amp;PT</b>	Vulnerability Assessment and Penetration Testing
<b>VOC</b>	Volatile Organic Compounds
<b>WWF</b>	World Wildlife Fund



# GRI Content Index

## ENOC 2018 Sustainability Performance Report

GRI Content Index for GRI Standards 'In Accordance' – Core Option			
GRI Standard	Disclosure	Chapter, URL(s) and/or Omission	Page Number(s)
GRI 101: Foundation 2016			
General Disclosures			
GRI 102: General Disclosures	<b>Organizational Profile</b>		
	102-1 Name of the organization	• Chapter 1: We are ENOC, Sustainability is purpose	16
	102-2 Activities, brands, products, and services	• Chapter 1: We are ENOC, Our Business	26
	102-3 Location of headquarters	• ENOC Complex, P.O. Box 6442 Dubai, United Arab Emirates	-
	102-4 Location of operations	• Chapter 1: We are ENOC, Our Global Footprint	36
	102-5 Ownership and legal form	• Chapter 1: We are ENOC, Sustainability is purpose	16
	102-6 Markets served	• Chapter 1: We are ENOC, Our Business, Our Global Footprint	26, 36
	102-7 Scale of the organization	• Chapter 1: We are ENOC, Our Business • Chapter 5: Empowering our people, Our People • Chapter 6: Growing in Prosperity, ENOC's 2018 Economic Overview	26, 96, 120
	102-8 Information on employees and other workers	• Chapter 5: Empowering our people, Our People	98
	102-9 Supply chain	• Chapter 1: We are ENOC, ENOC Value Chain	26
	102-10 Significant changes to the organization and its supply chain	• Chapter 1: We are ENOC, Our Business	26
	102-11 Precautionary Principle or approach	• Chapter 3: Building Resilience, Key Risks and Control Actions Taken in 2018 to Mitigate the Risks	68
	102-12 External initiatives	• Chapter 3: Building Resilience, Accelerating Dubai's Energy Landscape	60
	102-13 Membership of associations	• Chapter 3: Building Resilience, Collective Action	61
	<b>Strategy</b>		
	102-14 Statement from senior decision-maker	• Foreword from our Group CEO	8
	102-15 Key impacts, risks, and opportunities	• Chapter 3: Building Resilience, Key Risks and Control Actions Taken in 2018 to Mitigate the Risks	68
	<b>Ethics and Integrity</b>		
	102-16 Values, principles, standards, and norms of behavior	• Chapter 1: We are ENOC, Sustainability is Purpose	16
	102-17 Mechanisms for advice and concerns about ethics	• Chapter 6: Growing in Prosperity, Business Ethics	126
	<b>Governance</b>		
	102-18 Governance Structure	• Chapter 3: Building Resilience, ENOC's Corporate Governance	56
	102-19 Delegating authority	• Chapter 3: Building Resilience, ENOC's Corporate Governance	56
	102-20 Executive-level responsibility for economic, environmental, and social topics	• Chapter 3: Building Resilience, ENOC's Corporate Governance	56
	102-21 Consulting stakeholders on economic, environmental, and social topics	• Chapter 2: Prioritizing what matters most, Stakeholder Engagement • Chapter 7: Investing in the future of our communities, CSR Stakeholders	42, 134
	102-22 Composition of the highest governance body and its committees	• Chapter 3: Building Resilience, ENOC's Corporate Governance	56
	102-23 Chair of the highest governance body	• Chapter 3: Building Resilience, ENOC's Corporate Governance	56
	102-24 Nominating and selecting the highest governance body	• Chapter 3: Building Resilience, ENOC's Corporate Governance	56

GRI Content Index for GRI Standards 'In Accordance' – Core Option			
GRI Standard	Disclosure	Chapter, URL(s) and/or Omission	Page Number(s)
GRI 101: Foundation 2016			
General Disclosures			
GRI 102: General Disclosures	<b>Governance</b>		
	102-25 Conflicts of Interest	• Chapter 3: Building Resilience, Business Ethics	126
	102-26 Role of the highest governance body in setting purpose, values and strategy	• Chapter 3: Building Resilience, ENOC's Corporate Governance	56
	102-27 Collective knowledge of highest governance body	• Chapter 3: Building Resilience, ENOC's Corporate Governance	56
	102-28 Evaluating the highest governance body's performance	• Chapter 3: Building Resilience, ENOC's Corporate Governance	56
	102-29 Identifying and managing economic, environmental, and social impacts	• Chapter 2: Prioritizing what matters most • Chapter 4: Managing our Environmental Impact • Chapter 5: Empowering our people • Chapter 6: Growing in Prosperity • Chapter 7: Investing in the future of our communities	40, 72, 96, 118, 130
	102-30 Effectiveness of risk management processes	• Chapter 3: Building Resilience, Key Risks and Control Actions Taken in 2018 to Mitigate the Risks • Chapter 4: Managing our Environmental Impact	68
	102-31 Review of economic, environmental, and social topics	• Chapter 5: Empowering our people • Chapter 6: Growing in Prosperity • Chapter 7: Investing in the future of our communities	72, 96, 118, 130
	102-32 Highest governance body's role in sustainability reporting	• Chapter 3: Building Resilience, ENOC Sustainability Governance	56
	102-33 Communicating critical concerns	• Chapter 3: Building Resilience, Key Risks and Control Actions Taken in 2018 to Mitigate the Risks	68
	102-34 Nature and total number of critical concerns	• Chapter 3: Building Resilience, Key Risks and Control Actions Taken in 2018 to Mitigate the Risks	68
	102-35 Remuneration policies	• Responsibility of the Nomination and Remuneration Committee	N/A
	102-36 Process for determining remuneration	• Determined by the Nomination and Remuneration Committee	N/A
	102-37 Stakeholders' involvement in remuneration	• Engaged by the Nomination and Remuneration Committee	N/A
	102-38 Annual total compensation ratio	• Responsibility of the Nomination and Remuneration Committee	N/A
	102-39 Percentage increase in annual total compensation ratio	• Responsibility of the Nomination and Remuneration Committee	N/A
	<b>Stakeholder Engagement</b>		
	102-40 List of stakeholder groups	• Chapter 2: Prioritizing what matters most, Stakeholder Engagement	42
	102-41 Collective bargaining agreements	• The UAE Federal laws does not allow the formation of trade unions.	-
	102-42 Identifying and selecting stakeholders	• Chapter 2: Prioritizing what matters most, Stakeholder Engagement	42
	102-43 Approach to stakeholder engagement	• Chapter 2: Prioritizing what matters most, Stakeholder Engagement	42
	102-44 Key topics and concerns raised	• Chapter 2: Prioritizing what matters most, Materiality Assessment	46
	<b>Reporting Practice</b>		
	102-45 Entities included in the consolidated financial statements	• ENOC's 2018 Annual Review ( <a href="https://www.enoc.com/en/media-centre/enoc-reports-publications">https://www.enoc.com/en/media-centre/enoc-reports-publications</a> )	-
	102-46 Defining report content and topic Boundaries	• Reporting Framework and Limitations	11
	102-47 List of material topics	• Chapter 2: Prioritizing what matters most, Materiality Assessment	46
	102-48 Restatements of information	• Chapter 4: Environmental Performance, Energy & Emissions; Reducing, Reusing and Diverting Waste	78, 91
	102-49 Changes in reporting	• Reporting Framework and Limitations	11
	102-50 Reporting period	• 1 January- 31 December 2018	-
	102-51 Date of most recent report	• 2017 Sustainability Performance Report (1 January – 31 December 2017)	-
	102-52 Reporting cycle	• Annual	-
	102-53 Contact point for questions regarding the report	• Email: <a href="mailto:group.sustainability@enoc.com">group.sustainability@enoc.com</a> Telephone: 800-ENOC (3662) (local) +9714 3374400 (international) Connect through our social media channels	-
	102-54 Claims of reporting in accordance with the GRI Standards	• Reporting Framework and Limitations	11
	102-55 GRI content index	• GRI Content Index within 2018 Sustainability Performance Report	154
	102-56 External assurance	• This report is not externally assured. ENOC aspires to get its next year's report assured by independent assurers.	-



GRI Content Index for GRI Standards 'In Accordance' – Core Option			
GRI Standard	Disclosure	Chapter, URL(s) and/or Omission	Page Number(s)
<b>Material Topics</b>			
<b>GRI 200 Economic Standard Series</b>			
<b>Economic Performance</b>			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	• Chapter 6: Growing in Prosperity, ENOC's 2018 Economic Overview	120
	103-2 The management approach and its components	• Chapter 6: Growing in Prosperity, ENOC's 2018 Economic Overview	120
	103-3 Evaluation of the management approach	• Chapter 3: Building Resilience, ENOC's Corporate Governance • Chapter 6: Growing in Prosperity, ENOC's 2018 Economic Overview	54, 120
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	• Chapter 6: Growing in Prosperity, ENOC's 2018 Economic Overview	120
	201-2 Financial implications and other risks and opportunities due to climate change	• Chapter 3: Building Resilience, Accelerating Dubai's Energy Landscape	60
<b>Indirect Economic Impacts</b>			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	• Chapter 6: Growing in Prosperity, ENOC's 2018 Economic Overview	120
	103-2 The management approach and its components	• Chapter 6: Growing in Prosperity, ENOC's 2018 Economic Overview	120
	103-3 Evaluation of the management approach	• Chapter 6: Growing in Prosperity, ENOC's 2018 Economic Overview	120
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	• Chapter 6: Growing in Prosperity, ENOC's 2018 Economic Overview	120
	203-2 Significant indirect economic impacts	• Chapter 6: Growing in Prosperity, ENOC's 2018 Economic Overview	120
<b>Procurement Practices</b>			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	• Chapter 6: Growing in Prosperity, Green Procurement, Local Procurement	125, 126
	103-2 The management approach and its components	• Chapter 6: Growing in Prosperity, Green Procurement, Local Procurement	125, 126
	103-3 Evaluation of the management approach	• Chapter 6: Growing in Prosperity, Green Procurement, Local Procurement	125, 126
GRI 204: Procurement Practices	204-1 Proportion of spending on local suppliers	• Chapter 6: Growing in Prosperity, Local Procurement	126
<b>Anti-Corruption</b>			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	• Chapter 6: Growing in Prosperity, Business Ethics	126
	103-2 The management approach and its components	• Chapter 6: Growing in Prosperity, Business Ethics	126
	103-3 Evaluation of the management approach	• Chapter 6: Growing in Prosperity, Business Ethics	126
GRI 205: Anti-Corruption	205-1 Operations assessed for risks related to corruption	• Chapter 6: Growing in Prosperity, Business Ethics	126
	205-2 Communication and training about anticorruption policies and procedures	• Chapter 6: Growing in Prosperity, Business Ethics	126
<b>GRI 300 Environment Standard Series</b>			
<b>Energy Management</b>			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	• Chapter 4: Managing our Environmental Impact, Energy & Emissions	78
	103-2 The management approach and its components	• Chapter 4: Managing our Environmental Impact, Energy & Emissions 3rd edition of ENOC Energy & Efficiency Report 2019 ( <a href="https://www.enoc.com/en/media-centre/enoc-reports-publications">https://www.enoc.com/en/media-centre/enoc-reports-publications</a> )	78
	103-3 Evaluation of the management approach	• Chapter 3: Building Resilience, ENOC Sustainability Governance • Chapter 4: Managing our Environmental Impact, Energy & Emissions	56, 78

GRI Content Index for GRI Standards 'In Accordance' – Core Option			
GRI Standard	Disclosure	Chapter, URL(s) and/or Omission	Page Number(s)
<b>Material Topics</b>			
<b>GRI 300 Environment Standard Series</b>			
GRI 302: Energy	302-1 Energy consumption within the organization	• Chapter 4: Managing our Environmental Impact, Energy & Emissions	78
	302-2 Energy consumption outside of the organization	• Chapter 4: Managing our Environmental Impact, Energy & Emissions	78
	302-3 Energy intensity	• Chapter 4: Managing our Environmental Impact, Energy & Emissions	78
	302-4 Reduction of energy consumption	• Chapter 4: Managing our Environmental Impact, Energy & Emissions	78
	302-5 Reductions in energy requirements of products and services	• Chapter 4: Managing our Environmental Impact, Energy & Emissions	78
<b>Water</b>			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	• Chapter 4: Managing our Environmental Impact, Water Reduction and Recycling	88
	103-2 The management approach and its components	• Chapter 4: Managing our Environmental Impact, Water Reduction and Recycling	88
	103-3 Evaluation of the management approach	• Chapter 4: Managing our Environmental Impact, Water Reduction and Recycling • Chapter 3: Building Resilience, ENOC Sustainability Governance	56, 88
GRI 303: Water	303-1 Water withdrawal by source	• Chapter 4: Managing our Environmental Impact, Water Reduction and Recycling	88
	303-2 Water sources significantly affected by withdrawal of water	• Chapter 4: Managing our Environmental Impact, Water Reduction and Recycling	88
	303-3 Water recycled and reused	• Chapter 4: Managing our Environmental Impact, Water Reduction and Recycling	88
<b>Emissions</b>			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	• Chapter 4: Managing our Environmental Impact, Energy & Emissions	78
	103-2 The management approach and its components	• Chapter 4: Managing our Environmental Impact, Energy & Emissions • Chapter 3: Building Resilience, ENOC Sustainability Governance	78
	103-3 Evaluation of the management approach	• Chapter 4: Managing our Environmental Impact, Energy & Emissions	56, 78
GRI 305: Emissions	305-1 Direct (Scope 1) GHG emissions	• Chapter 4: Managing our Environmental Impact, Energy & Emissions	78
	305-2 Energy indirect (Scope 2) GHG emissions	• Chapter 4: Managing our Environmental Impact, Energy & Emissions	78
	305-3 Other indirect (Scope 3) GHG emissions	• Chapter 4: Managing our Environmental Impact, Energy & Emissions	78
	305-4 GHG emissions intensity	• Chapter 4: Managing our Environmental Impact, Energy & Emissions	78
	305-5 Reduction of GHG emissions	• Chapter 4: Managing our Environmental Impact, Energy & Emissions	78
	305-6 Emissions of ozone-depleting substances (ODS)	• Currently not reported. As ENOC's sustainability data management process matures, ODS emissions will be reported on.	-
	305-7 Nitrogen oxides (NOX), sulphur oxides (SOX), and other significant air emissions	• Chapter 4: Managing our Environmental Impact, Energy & Emissions	78
<b>Effluents and Waste</b>			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	• Chapter 4: Managing our Environmental Impact, Reducing, Reusing and Diverting Waste	91
	103-2 The management approach and its components	• Chapter 4: Managing our Environmental Impact, Reducing, Reusing and Diverting Waste • Chapter 3: Building Resilience, ENOC Sustainability Governance	91
	103-3 Evaluation of the management approach	• Chapter 4: Managing our Environmental Impact, Reducing, Reusing and Diverting Waste	56, 91
GRI 306: Effluents and Waste	306-1 Water discharge by quality and destination	• Chapter 4: Managing our Environmental Impact, Reducing, Reusing and Diverting Waste	91
	306-2 Waste by type and disposal method	• Chapter 4: Managing our Environmental Impact, Reducing, Reusing and Diverting Waste	91
	306-3 Significant spills	• None	-
	306-4 Transport of hazardous waste	• Chapter 4: Managing our Environmental Impact, Reducing, Reusing and Diverting Waste	91
	306-5 Water bodies affected by water discharges and/or runoff	• None	-
	OG6 Volume of Flared and Vented Hydrocarbon	• Chapter 4: Managing our Environmental Impact, Flaring	86



GRI Content Index for GRI Standards 'In Accordance' – Core Option			
GRI Standard	Disclosure	Chapter, URL(s) and/or Omission	Page Number(s)
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GRI 400 Social Standard Series			
Employment			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	• Chapter 5: Empowering our people, One Unified Workforce	98
	103-2 The management approach and its components	• Chapter 5: Empowering our people, One Unified Workforce	98
	103-3 Evaluation of the management approach	• Chapter 5: Empowering our people, One Unified Workforce	98
GRI 401: Employment	401-1 New employee hires and employee turnover	• Chapter 5: Empowering our people, One Unified Workforce	98
Occupational Health and Safety			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	• Chapter 5: Empowering our people, Health and safety at work	112
	103-2 The management approach and its components	• Chapter 5: Empowering our people, Health and safety at work	112
	103-3 Evaluation of the management approach	• Chapter 5: Empowering our people, Health and safety at work	112
GRI 403: Occupational Health and Safety	403-1 Workers representation in formal joint management-worker health and safety committees	• Chapter 5: Empowering our people, Health and safety at work	112
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related	• Chapter 5: Empowering our people, Health and safety at work	112
		• Chapter 5: Empowering our people, Health and safety at work	112
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GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	• Chapter 5: Empowering our people, Training and Development	106
	103-2 The management approach and its components	• Chapter 5: Empowering our people, Training and Development	106
	103-3 Evaluation of the management approach	• Chapter 5: Empowering our people, Training and Development	106
GRI 404: Training and Education	404-1 Average hours of training per year per employee	• Chapter 5: Empowering our people, Training and Development	106
	404-2 Programs for upgrading employee skills and transition assistance programs	• Chapter 5: Empowering our people, Training and Development	106
Equal Remuneration for Women and Men			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	• Chapter 5: Empowering our people, Gender Diversity	100
	103-2 The management approach and its components	• Chapter 5: Empowering our people, Gender Diversity	100
	103-3 Evaluation of the management approach	• Chapter 5: Empowering our people, Gender Diversity	100
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	• Chapter 5: Empowering our people, Gender Diversity	100
	405-2 Ratio of basic salary and remuneration of women to men	• Chapter 5: Empowering our people, Gender Diversity	100

# A Carbon Neutral Report

## 2018 SUSTAINABILITY PERFORMANCE REPORT Converge to Inspire

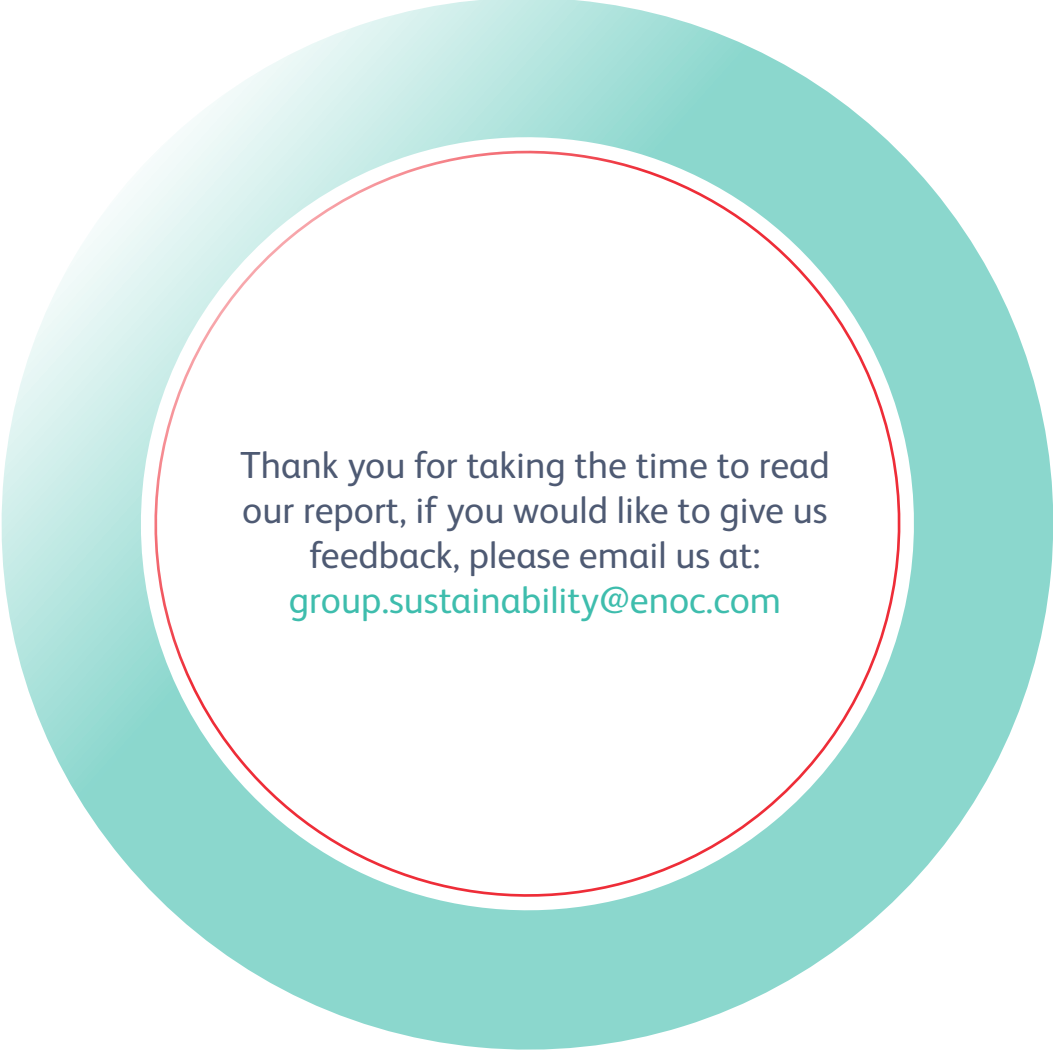
The development of 2018 Sustainability Performance Report is completely carbon neutral. All significant emissions related to raw materials, supply-chain and report production have been offset meticulously by ENOC. This was done through purchase and retiring of equivalent Certified Emissions Reductions 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





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](mailto:group.sustainability@enoc.com)





I am delighted to present our ENOC Sustainability Performance Report 2018, which we are proudly publishing for the third year in a row. This year, ENOC's Sustainability Performance Report is focused on the impact created, converging ONE ENOC efforts to become an inspiration and a leader to the Oil & Gas sector.

Over the past decade, ENOC has evolved to become a responsible and sustainable energy partner. Our nation has always had sustainability deeply rooted within our values, inspired by our leaders like the father of our nation, His Highness Sheikh Zayed bin Sultan Al Nahyan.

We are very proud of the results of the first full year of the Sustainability Index at ENOC. With recent global developments, sustainability has risen to the top decision-makers' agendas, and we, at ENOC, are proud to be supporting these efforts both locally and internationally.

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



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*ENOC's Sustainability Performance Report is produced from sustainable paper products. The wood and paper products used for producing this report come from renewable materials and/or well-managed forests.*