



2018

**SUSTAINABILITY REPORT**  
Bundug Oil Producing Company  
Transforming our business for  
**A SUSTAINABLE FUTURE**



# A

## BOUT THIS REPORT

Bundug Company Limited (hereafter referred to as “Bundug”) is pleased to present its fifth annual sustainability report.

This report provides a summary of our performance on our most material economic, social and environmental issues from 1 January to 31 December 2018, and contains forward-looking statements on commitments for 2019. Unless specified, references in this report to “we,” “us” and “our” refer to the activities of Bundug in the United Arab Emirates (UAE) at the El Bundug offshore oil field, office headquarters in Abu Dhabi, and warehouse in Mussafah.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. GRI is the world’s most widely used and recognized guidelines for sustainability reporting. See Appendix 2 for the GRI content index.

We welcome your feedback and questions on the information contained in this report. Please contact us at: [hse\\_mail@bundug.ae](mailto:hse_mail@bundug.ae)

## 2018 PERFORMANCE HIGHLIGHTS

### CREATING ECONOMIC VALUE



- Increased total crude oil production by 2.2%
- Launched gas injection program to enhance oil recovery
- Launched a study to supply power to Bunduq's offshore wellhead platform using wave-wind technology
- Achieved ISO 9001 certification for our Logistics and Finance Sections
- Updated our contractor management system

### CONTRIBUTING TO SOCIAL DEVELOPMENT



- 98% of total procurement spending was on local suppliers
- 20 nationalities are represented in our workforce
- Conducted one hana-iku session at the Zayed Higher Organization
- 30 employees participated in the ADNOC Marathon
- Over 50 employees participated in our health and fitness campaign and 'Movember' men's cancer awareness campaign

### PROTECTING OUR PEOPLE



- Recorded zero contractor and employee injuries
- Achieved 10,000 days with zero lost time injuries in our warehouse
- Employees submitted 1,561 safety observations, a 22% increase from 2017
- Participated in ADNOC's '100% HSE' campaigns
- Completed over 100 emergency preparedness drills

### PRESERVING THE ENVIRONMENT



- Achieved ISO 50001 energy management system certification
- Reduced gas flaring by 17%
- Launched waste segregation and recycling program and diverted 2.4 tons of waste from landfill
- Reduced water discharge through well reinjection
- Recorded zero oil spills

## MESSAGE FROM OUR GENERAL MANAGER



“The renewal of the concession agreement has been accompanied with great confidence and enthusiasm, which are manifested in our numerous plans to sustain the El Bunduq oil field for the next 20 years.”

It is with great pleasure, as Bunduq’s incoming General Manager, to have the opportunity to present Bunduq’s fifth annual sustainability report. Through this report, we communicate our sustainability journey and demonstrate our commitment to national and global sustainable development goals.

It was a pivotal year as we concluded negotiations and signed the concession renewal agreement, securing our operating rights to the El Bunduq oil field for the next 20 years through 2038. We are grateful for the cooperation demonstrated by all parties to reach this milestone for the company considering the current geopolitical climate.

The renewal of the concession agreement has been accompanied with great confidence and enthusiasm, which are manifested in our numerous plans to sustain the El Bunduq oil field for the next 20 years. To do so, we are utilizing innovative technologies to address the primary technical challenges we face offshore in maintaining asset reliability and suitable reservoir pressure. We have a robust asset integrity management system in place and conduct risk-based inspections on an ongoing basis. In 2018, we completed critical repairs on high risk wells and decided to implement our water-alternate-gas injection system in 2020. By employing enhanced oil recovery techniques through this system, we will be able to increase the sweep efficiency in the reservoir and bolster our production capability.

In addition, we actively seek opportunities to utilize renewable energy to increase the share of clean energy used within our operations. In 2018, we completed a study on wave-wind turbine technology and began investigating additional opportunities to utilize solar energy on our wellheads to operate pumps. In 2019, we will determine an appropriate course of action following a thorough assessment of the results.

While crucial work and research continues offshore, onshore we have developed our workplace transformation program which aims to enhance our overall organizational efficiency. We

successfully implemented key components of the transformation program, and its implementation will continue into 2019. One of the key intended outcomes of the program has been to empower our employees, and we have made great strides on this front during the year.

We continue to demonstrate progress at Bunduq in other areas of our business as well, especially in health and safety. In 2018, we completed the year with no injuries across all of our key metrics. Our exemplary performance is attributable to our strong emphasis on proactive safety management, our comprehensive safety programs, and the vigilance displayed by all employees and contractors.

Looking ahead, 2019 will be a critical planning year as we prepare for major offshore site turnarounds that will further help to ensure the safety, reliability, and efficiency of our operations.

I would like to extend my sincerest appreciation to the entire Bunduq team and to all our stakeholders for their trust and support during this transformational year.

**Yutaka Yamada**  
General Manager

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# A

BOUT US



Bunduq Company Limited (Bunduq) was established in 1970 under a concession agreement between the Emirate of Abu Dhabi (UAE) and the State of Qatar (Qatar) to develop and operate the offshore El Bunduq oil field.



## MISSION

Our mission is to explore, develop and produce hydrocarbon resources in a steady, safe and cost-effective manner. To achieve our mission, we employ leading technology and sustainability principles with the core aim of maintaining our Health, Safety and Environmental (HSE) performance.

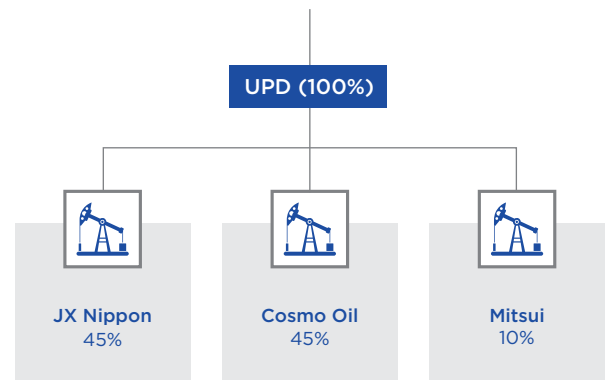


## SHAREHOLDER STRUCTURE

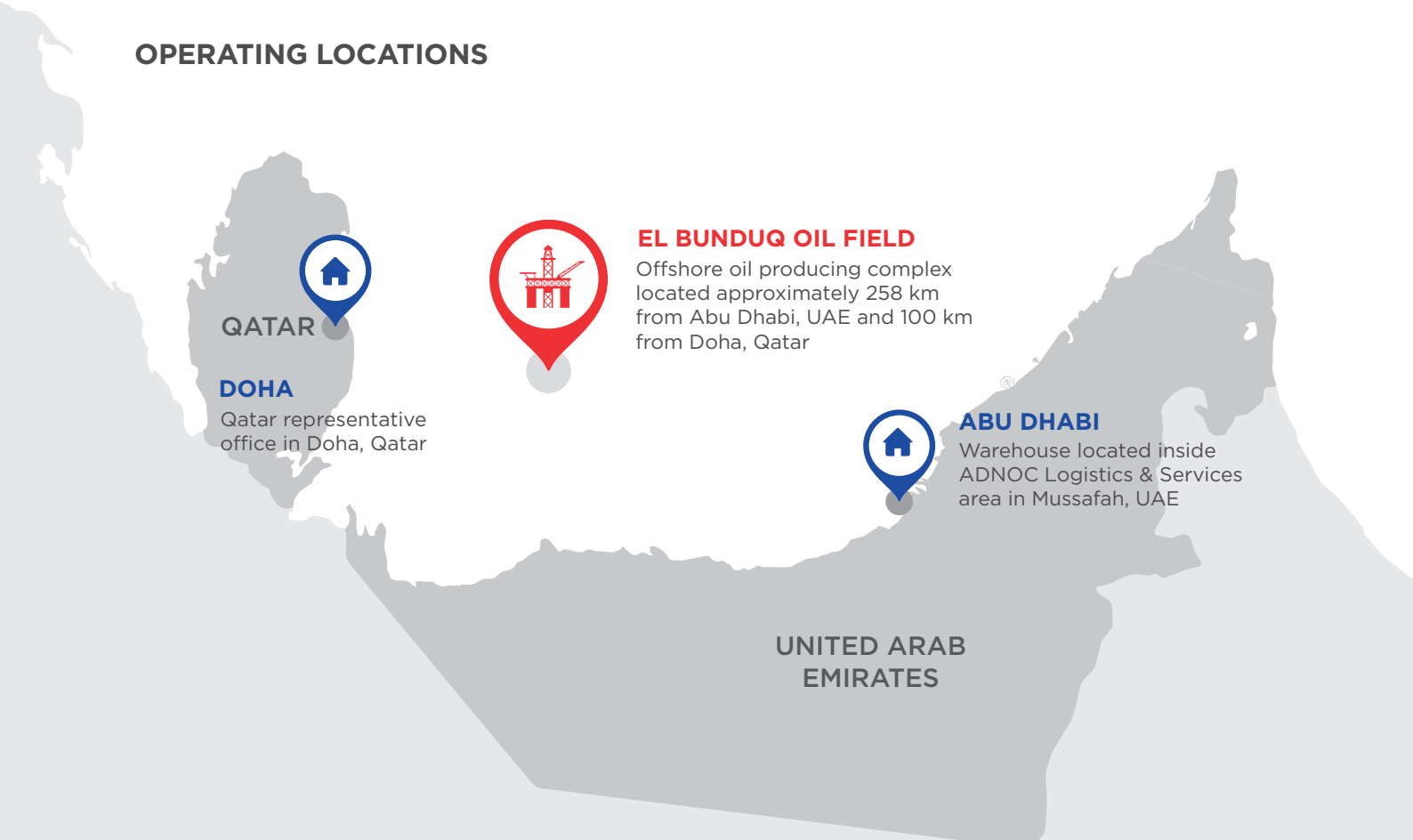
The offshore El Bunduq oil field is jointly owned by the UAE and Qatar with United Petroleum Development Company Limited (UPD) from Japan, as the sole shareholding concessionaire and intermediary.

The Supreme Petroleum Council (SPC) and Abu Dhabi National Oil Company (ADNOC) in the UAE and Qatar Petroleum (QP) in Qatar govern Bunduq's operations and business activities on behalf of their respective countries.

### Bunduq Company Limited



## OPERATING LOCATIONS



**QATAR**

### DOHA

Qatar representative office in Doha, Qatar

### EL BUNDUQ OIL FIELD

Offshore oil producing complex located approximately 258 km from Abu Dhabi, UAE and 100 km from Doha, Qatar

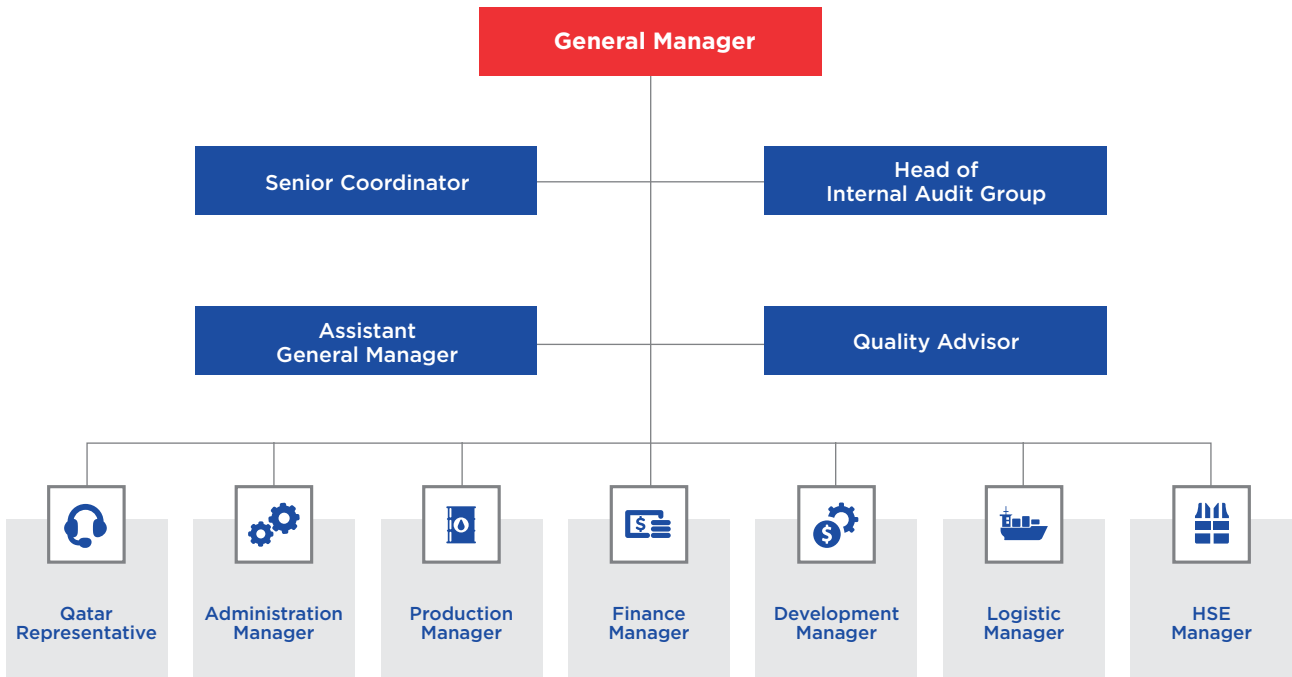
### ABU DHABI

Warehouse located inside ADNOC Logistics & Services area in Mussafah, UAE

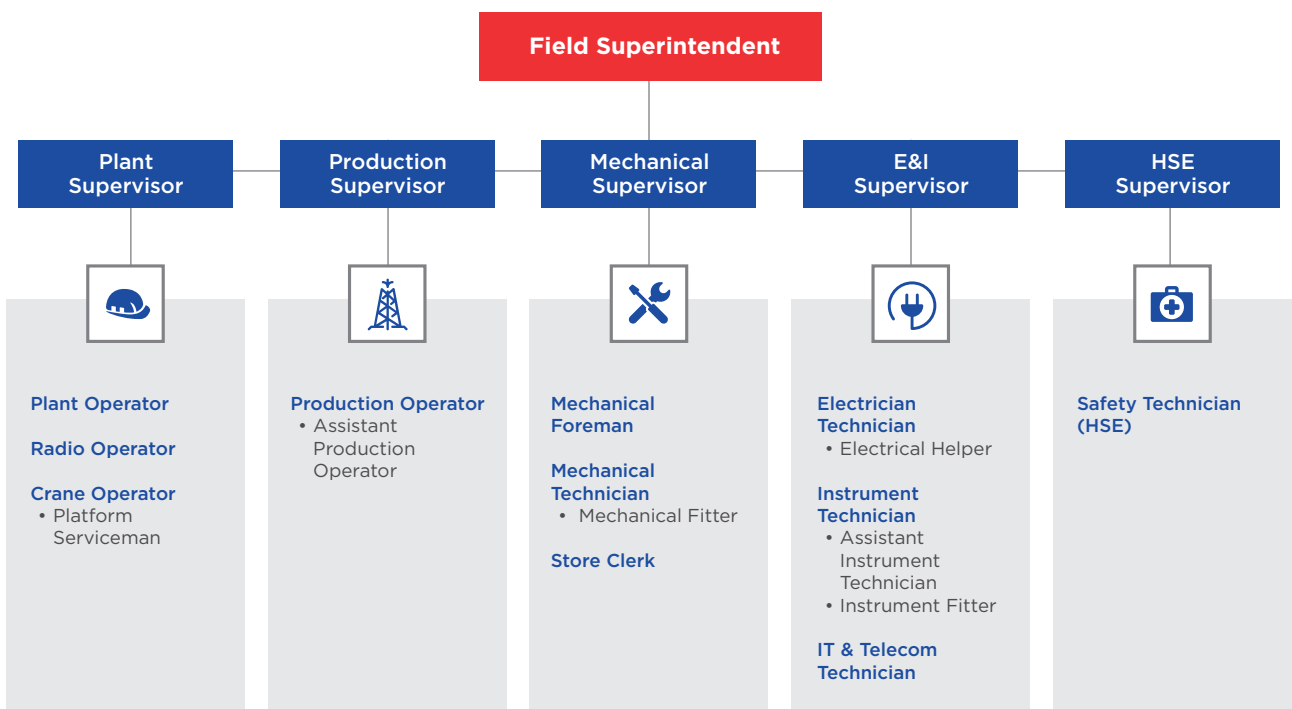
UNITED ARAB EMIRATES

# Organizational structure

## BUNDUQ'S HQ ORGANIZATIONAL CHART



## BUNDUQ'S OFFSHORE ORGANIZATIONAL CHART





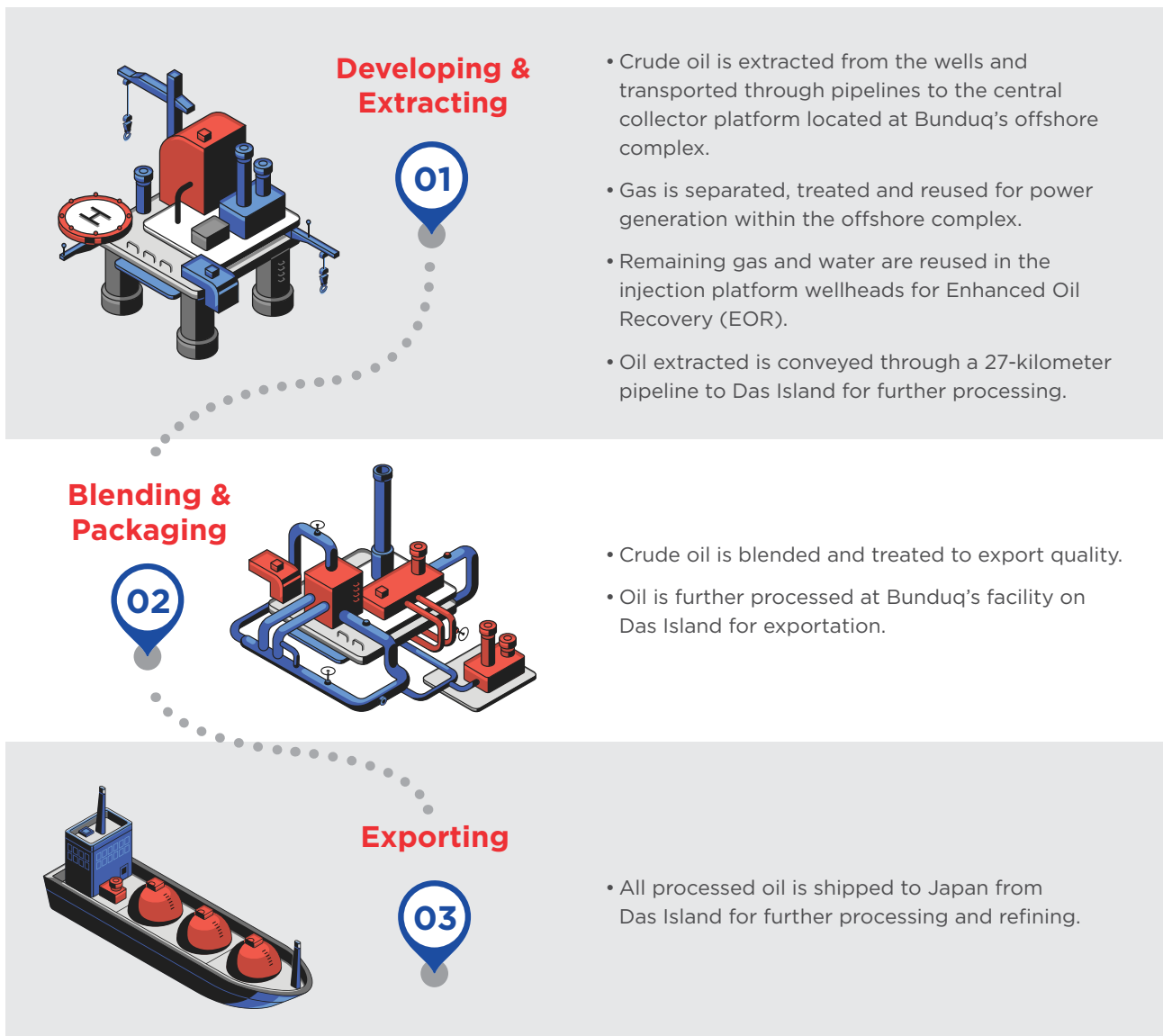
# Value chain

Bunduq is an upstream operator specializing in the production and exportation of crude oil from the offshore El Bunduq oil field. We also support various hydrocarbon and drilling exploration projects on an individual basis.

Situated in the offshore El Bunduq oil field is a large complex of six platforms. The complex includes: a platform for facilities, offices, and accommodation; a platform for gas sweetening, flaring, and water and gas injection; and a central collector platform. The complex is also connected to several single and wellhead platforms that bring the hydrocarbon resources to the surface.

## BUNDUQ'S VALUE CHAIN

Our primary product, crude oil, is used in thousands of applications and helps to drive economic growth and improve living standards globally. It is our aim to make sure that we are contributing to these positive impacts efficiently and as responsibly as possible.



# Core values

Our core values are reflected in the principles embedded in our code of conduct. The code and the principles upholding it help guide Bunduq and its employees to act honorably and ethically. All

employees are required to acknowledge reading and understanding Bunduq’s code of conduct on an annual basis as part of their performance appraisal.

## BUNDUQ’S CODE OF CONDUCT PRINCIPLES



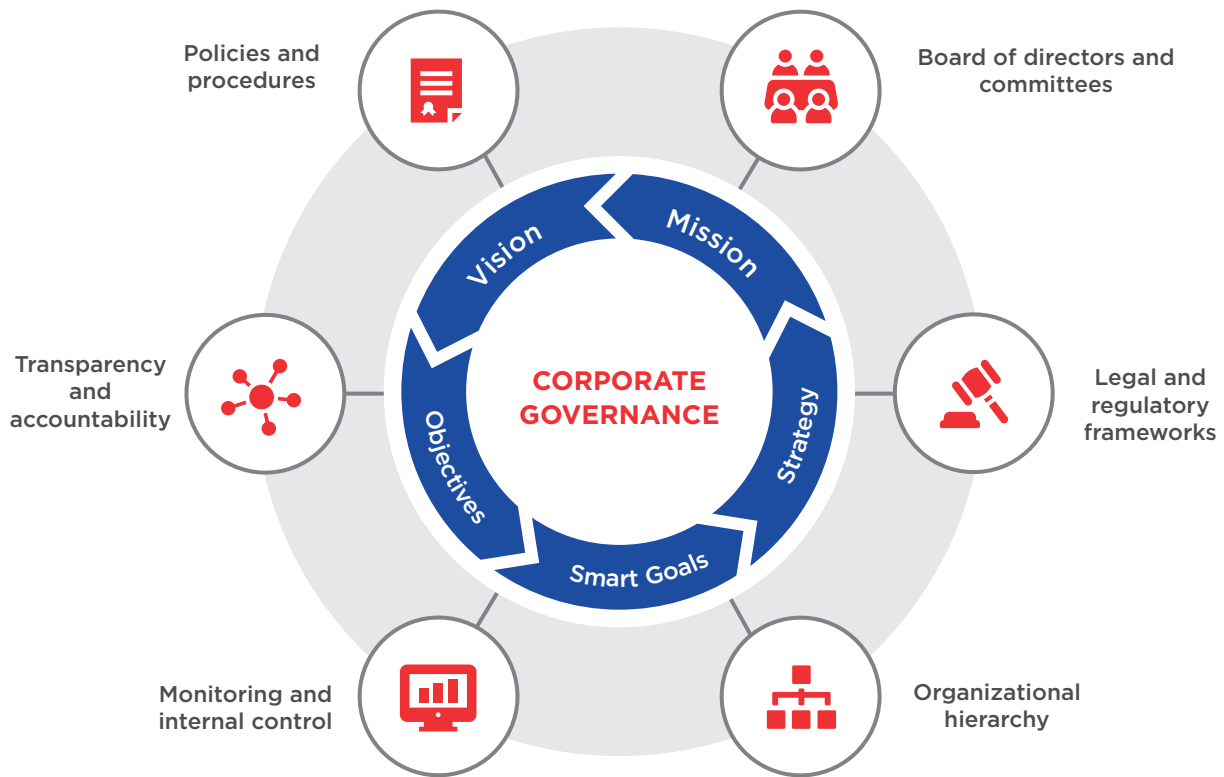
# Corporate governance

We strive to deliver value to our shareholders and other stakeholders while maintaining their trust. To accomplish both, we have developed a corporate governance framework to ensure we are implementing strong practices, upholding our values, and operating with integrity. (See opposing page for a diagram of the framework.) In addition to our core values, Bunduq’s key governance principles are based on the legal framework set forth in the concession agreement.

**Zero incidents of corruption reported** 



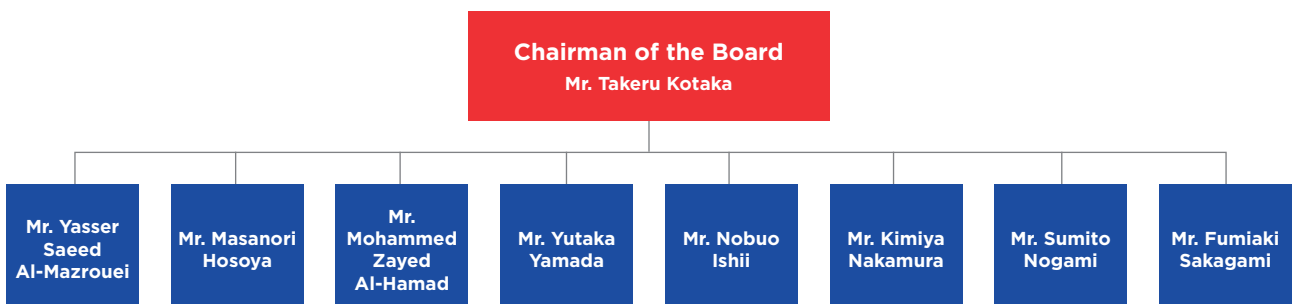
## BUNDUQ'S CORPORATE GOVERNANCE FRAMEWORK



Our board of directors is the highest governing authority at Bunduq and is responsible for guiding the strategic direction of the company and the successful implementation of our corporate governance framework. The board consists of nine members from

ADNOC, QP, and UPD, and includes Bunduq's GM. Biannual meetings are held to review and monitor Bunduq's operational, financial, and health and safety performance, to ensure the company is delivering on its mandate and protecting shareholders' interests.

## BUNDUQ'S BOARD OF DIRECTORS





## OUR APPROACH TO SUSTAINABILITY



“As we endeavor to operate our business more sustainably, we continue to search for innovative ways to integrate sustainable practices and technologies into our operations. This is bolstered by our efforts to embed sustainability within our corporate culture. We want to empower our employees to think about the future and how we can shape it for the better.”

Yutaka Yamada, GM

We continue to implement initiatives and communicate our sustainability performance on Key Performance Indicators (KPIs) in our annual sustainability report to maintain accountability and identify opportunities for improving our sustainability performance.



## Sustainability governance

Sustainability performance is primarily managed by three topic-specific committees. Our HSE Steering Committee is responsible for our sustainability governance structure. These committees meet to discuss performance on our material sustainability issues within their mandate. The HSE Steering

Committee then shares the key findings on our sustainability performance with the board for guidance and decision-making.

Below is an overview of each of the three committees tasked with managing sustainability at Bunduq.



### HSE Steering Committee

The HSE Steering Committee is responsible for ensuring that we operate safely and sustainably. The committee is chaired by the GM and meets biannually to discuss topics related to employee health and safety performance, asset and well integrity, safety related training requirements, and compliance.

To ensure we manage our HSE performance effectively, onshore and offshore HSE sub-committees were formed.



### Technical Advisory Committee (TAC)

The TAC is responsible for ensuring that we maintain regulatory compliance and demonstrate transparency. The committee consists of representatives from QP, ADNOC and UPD, and meets biannually to discuss overall company performance, strategic planning, and budget allocation.



### Tender Committee

In line with our code of conduct, we strive to ensure the procurement process is transparent and competitive. The Tender Committee oversees procurement and is responsible for reviewing and approving all bids for contracts valued over USD 250,000. The committee evaluates all supplier bids against our commercial, technical, quality, and safety requirements.

As an oil and gas producing company operating in the Middle East, we acknowledge that our operations have inherent economic, social, and environmental impacts. In response, we have developed various sustainability

initiatives and commitments for monitoring and mitigating those impacts, as well as environmental targets in line with ADNOC's requirements.

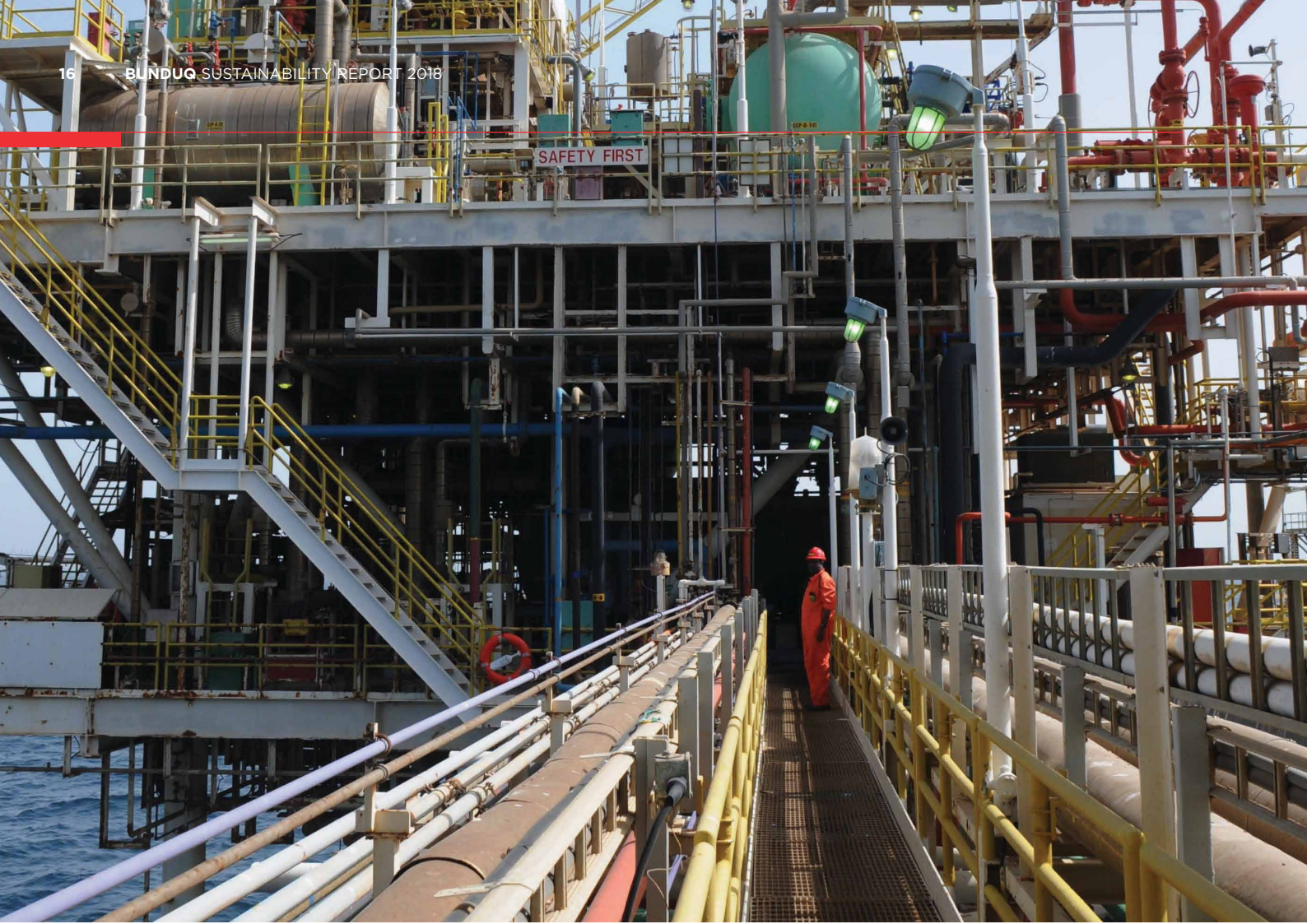
# Progress on our 2018 sustainability commitments

We aim to create a positive legacy in our countries of operation and globally. To demonstrate our contribution, we have mapped our sustainability commitments to the national development objectives set forth in the UAE Vision 2021 and the Qatar National Vision 2030, as well as the global Sustainable Development Goals (SDGs).

Our annual sustainability commitments are included in our HSE plan and cascade across all sections. The HSE Section is responsible for reviewing, monitoring, and regularly presenting the plan to senior management at HSE Steering Committee meetings.

## 2018 SUSTAINABILITY COMMITMENT UPDATES

UAE Vision 2021	Qatar National Vision 2030	Initiatives	2018 progress	Alignment with the SDGs
 <p>UNITED IN RESPONSIBILITY</p>	 <p>HUMAN DEVELOPMENT</p>	<p>Conduct a materiality maturity assessment</p> <p>Conduct two hana-iku sessions</p>	<p><b>ACHIEVED</b></p> <p>We conducted one hana-iku session.</p>	     
 <p>UNITED IN KNOWLEDGE</p>	 <p>ECONOMIC DEVELOPMENT</p>	<p>Implement the asset integrity management system for wells</p> <p>Achieve a nationalization target of 40%</p> <p>Implement a quality management system in the Finance Section</p> <p>Control inventory levels</p> <p>Implement the restructure strategy</p>	<p><b>ACHIEVED</b></p> <p><b>ACHIEVED</b></p> <p><b>ACHIEVED</b></p> <p>We are on-track to minimize our inventory by 25% by 2020.</p> <p><b>ACHIEVED</b></p>	  
 <p>UNITED IN PROSPERITY</p>	 <p>ENVIRONMENTAL DEVELOPMENT</p>	<p>Reduce non-hazardous waste by 20% by recycling plastic, paper, and aluminium cans</p> <p>Reduce routine flaring to an average of 2.0 million standard cubic feet per day (MMSCFD)</p> <p>Achieve zero oil spills to the sea</p> <p>Digitize our archives</p> <p>Install renewable energy source at the offshore complex</p>	<p>We recycled 2,400 kg of non-hazardous waste.</p> <p>We reduced our flaring volume to an average of 2.13 MMSCFD.</p> <p><b>ACHIEVED</b></p> <p><b>ACHIEVED</b></p> <p>Ongoing studies are still underway for a wave-wind turbine and solar powered wellheads.</p>	     
 <p>UNITED IN DESTINY</p>	 <p>SOCIAL DEVELOPMENT</p>	<p>Maintain zero lost time injuries</p> <p>Ensure emergency preparedness</p> <p>Synergize the use of Das Island medical facilities</p> <p>Launch an HSE challenge for employees</p> <p>Develop a contractor HSE scorecard</p> <p>Implement water-alternate-gas (WAG) injection system</p> <p>Finalize the formalization of standard operating procedures</p>	<p><b>ACHIEVED</b></p> <p>We completed over 100 drills and exercises across our operations.</p> <p>After further investigation, new approaches to improve medical services offshore are being considered.</p> <p><b>ACHIEVED</b></p> <p><b>ACHIEVED</b></p> <p>Moved to 2020.</p> <p><b>ACHIEVED</b></p>	 



## OUR SUSTAINABILITY COMMITMENTS FOR 2019

Benefits: Environmental Economic Safety Social

### CREATING ECONOMIC VALUE

Maintain proper inventory control



Develop a solution to enhance offshore medical services



### CONTRIBUTING TO SOCIAL DEVELOPMENT

Effectively implement multi-tasking initiative by creating job cards for all sections



### PROTECTING OUR TEAM

Reach 1,500 WATCH (Watch Carefully, Act-Timely, Think Safety and Create a Hazardless-Environment) observation submissions



Conduct HSE critical equipment and systems gap analysis



### PRESERVING THE ENVIRONMENT

Conduct an energy management training session





# Understanding our most material issues

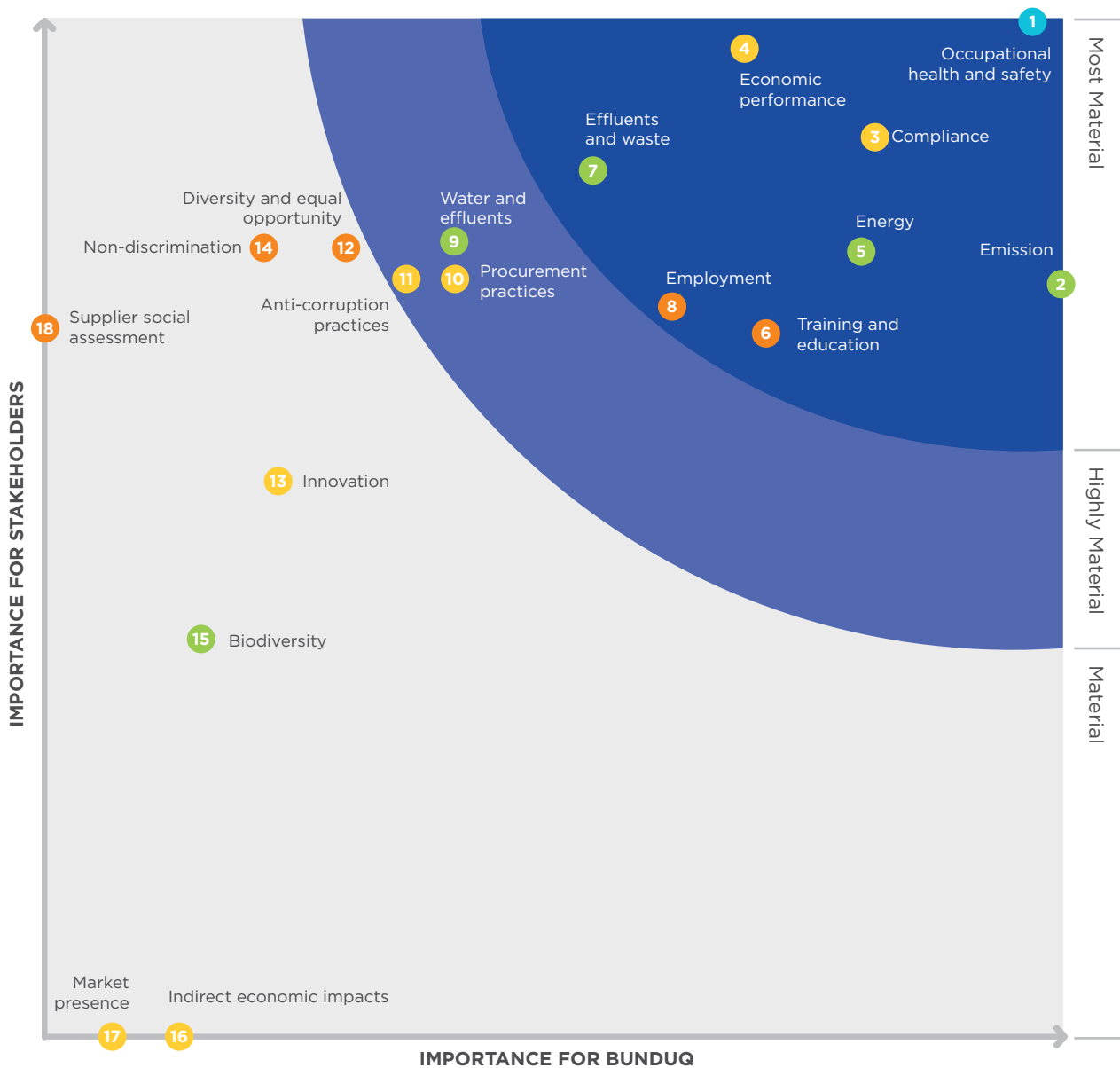
To ensure that we are managing and reporting on the sustainability issues most relevant to our business and stakeholders, we work to conduct a materiality review or assessment on an annual basis. In 2018, we conducted a formal materiality assessment. The results are reflected in the matrix below.

The analysis identified our most material issues as occupational health and safety, emissions, compliance, economic performance, and energy.

See Appendix 1 for more information on our materiality process.

## 2018 MATERIALITY MATRIX

Topic theme: ● Environmental ● Economic ● Safety ● Social





**C**REATING  
ECONOMIC VALUE



“We have been working to transform our company and make investments that will secure our ability to continue to create economic value well into the future. By integrating sustainability into our wider corporate strategy, and by focusing on reservoir productivity and asset and well integrity, we are positioning ourselves for continued growth and success as a good corporate citizen.”

**Kenji Kawashima,  
Senior Coordinator**

## HIGHLIGHTS



**2.2%**

Total crude oil production increase



Launched **gas injection enhanced oil recovery program**



Launched **wave-wind technology study**

As the main operator of the El Bunduq oil field, we have a responsibility to create shared economic value for our shareholders, our concession agreement partners, and the national interests they represent. With the renewal of this agreement in 2018, we must continue to identify innovative ways to increase the lifetime of the field for the next 20 years by sustaining reservoir pressure, maintaining the reliability of our physical assets, and by ensuring business continuity through developing our local supply chain and human capital.

Our long-term objectives for creating economic value align with national development agendas outlined in the UAE Vision 2021 and the Qatar National Vision 2030. Our key contributions to national development derive primarily from the direct revenue generated for our host governments, wages paid to employees and how these are indirectly injected into the local economy, employee human capital development, and payments made to local suppliers of goods and services and how these indirectly contribute to local economic development.

## Business strategy and outlook

We continue to focus our efforts on developing the best technical solutions for field optimization with the most commercially viable options as part of our corporate strategy.

Bunduq's business strategy includes our plans, challenges and opportunities to continue operating El Bunduq oil field in light of declining hydrocarbon reservoir volumes and aging assets. Investing in technology to enhance oil recovery and maintaining the reliability of our assets are our primary objectives, while cost optimization remains an important element of our strategy and continues to be translated into synergistic and digitalization initiatives.

Quality management is an essential component of our overarching strategy, and we implement quality management systems to support and harmonize our internal processes while improving resource allocation and efficacy. We continue to seek International Organization for Standardization (ISO) 9001 certification for quality management across the business. In 2018, our Logistics and Finance Sections but both obtained ISO 9001:2015 certification.

## OUR STRATEGIC PRIORITIES



Formulating an EOR centric field development plan



Enhancing the reliability of our assets



Forming synergies across our operations



Digitizing our processes and documents



Investing in our employees and knowledge transfer

## CASE STUDY

# Securing our operations



### Interview with Yutaka Yamada, GM

#### Can you provide some background on the significance of the concession agreement that was renewed this year?

It goes without saying that the extension of the concession was essential for Bundoq. The concession refers to the agreement signed between several stakeholders and shareholders, which allows us to continue to develop and operate the EI Bundoq oil field shared by Qatar and the UAE through 2038. This concession replaces the original concession agreement signed in 1953 between the ruler of Abu Dhabi and D'Arcy Exploration Company Limited, which was amended several times since then.

Given the duration of time that has passed since the previous concession agreement was signed, and amid the current geopolitical climate, the negotiations were not without their challenges; however, this is to be expected as with any agreement of this magnitude and importance. All parties worked together, and in the end, we reached an agreement that is for the mutual benefit of all stakeholders and shareholders. Moreover, we are confident that we will continue to generate economic value for both countries which will positively impact a much wider range of stakeholders.

#### What went into securing the concession agreement?

A tremendous amount of work went into the planning and finalization of the agreement. Planning began early in 2017 and discussions continued up until the finalization of the agreement in March 2018. We could not be prouder and more appreciative of our team and everyone who made this a success. It was a project that demanded a great deal of focus and attention.

#### With the concession secured, what does this mean for Bundoq's operations over the next 20 years?

We will continue to do what we have been doing. With the concession secured, we have the confidence to make the investments needed to sustain production levels for the coming 20 years. We will continue to research and implement new enhanced oil recovery technologies, and we have several studies and plans underway. We will also continue to focus on asset maintenance and replacement, and we have systems in place to help identify asset integrity risks, thereby protecting the reliability of our operations.

There is a strong emphasis on overcoming technical challenges, but we are simultaneously focusing on our organizational efficiency as well. We have been making important administrative adjustments to help us in this regard. Taking these two aspects together, we are working towards achieving operational excellence.

# Innovation

## INNOVATION PROJECTS IN 2018

Benefits:  Environmental  Economic  Safety  Social



### SAP SYSTEM

Automated processes and tasks such as online payments



### WASTE SEGREGATION AND RECYCLING PROJECT

Segregated waste and commenced recycling operation



### INVENTORY CONTROL

Began centralizing and monitoring the budget through inventory control



### SOLAR PUMPS

Conducted study to identify new opportunities to install solar panels on wellhead towers to supply power to pumps



## HIGHLIGHT

### Subsurface studies explore new opportunities

In 2019, we conducted two major subsurface studies of strategic importance:



#### Inactive well utilization planning

The purpose of the first study was to review and evaluate all non-producing or idle wells to assess their potential for future utilization. From this study, it was possible to identify opportunities to increase oil production by recovering remaining oil within the idle wells, and to identify wells to abandon and secure where oil recovery is not possible, thereby mitigating well integrity risks. In total, six of the nine wells under study were selected for future utilization but will require restoration which is mostly anticipated to commence after 2020.



#### Pressure maintenance and production planning

The purpose of the second study was to identify new opportunities to utilize EOR methods, such as WAG injection, to maintain a suitable level of pressure within the reservoir and subsequently maximize overall oil production at the El Bunduq oil field. On the basis of this study, one WAG well has been scheduled for drilling and completion in 2019, along with two wells in 2020.



“We seek innovative solutions because they enable us to continue to deliver on our mandate more efficiently. We have launched a number of leading studies focused on renewable energy that we hope will not only lead to the accelerated uptake of renewable energy at Bunduq but will also serve as a model for other companies in the region.”

**HANAN AL ENAZI** | Electrical Engineer

## Supporting local suppliers

Our procurement aims are two-fold, to uphold the highest standards from our suppliers and to work with local suppliers, i.e. businesses registered in the Emirate of Abu Dhabi, whenever possible. We offer flexible payment mechanisms and shorter pre-qualification

and registration periods to promote local suppliers. By prioritizing local suppliers, we enhance our contribution to national economic growth and employment indirectly.



### Local procurement at Bunduq

	2015	2016	2017	2018
Proportion of procurement expenditure on locally based suppliers (%)	72%	57%	98%	98%

## Procurement practices

We do not have a supplier code of conduct; however, all registered and new suppliers must pass a strict HSE evaluation. For details on this process, see page 38 in the ‘Protecting our people’ section of this report. Additional details on procurement at Bunduq can also be found on page 13 in the ‘Our approach to sustainability’ section.



# Local talent development



“At Bunduq, we encourage hiring local talent to increase in-country value. Providing meaningful employment opportunities and enhanced skill development for national hires is a cornerstone of our nationalization program.”

**HYATT AL SHIHRI** | Administration Manager

We realize that a strong national workforce is essential for business continuity and continued growth in a knowledge-based economy. Since its inception, Bunduq has contributed to building expertise in the oil and gas sector, and we continue to do so through our Learning and Career Development (L&CD) Section.

The L&CD team supports nationals’ professional development through targeted Career Development Plans (CDPs), on-the-job training, sponsorships, scholarships, and attachments.

Developees receive a CDP to accelerate the uptake of skills and competencies required on the job. During the year, we focused our efforts on supporting our national developees progress to the next level. In 2018, we had 13 developees, and 11 developees progressed to the next stages in their CDPs. We are on track to graduate all of our current developees into permanent positions, a key milestone in our developees’ progression plans. For illustrative overviews of our approaches to local talent development, please see the diagrams on the pages that follow.



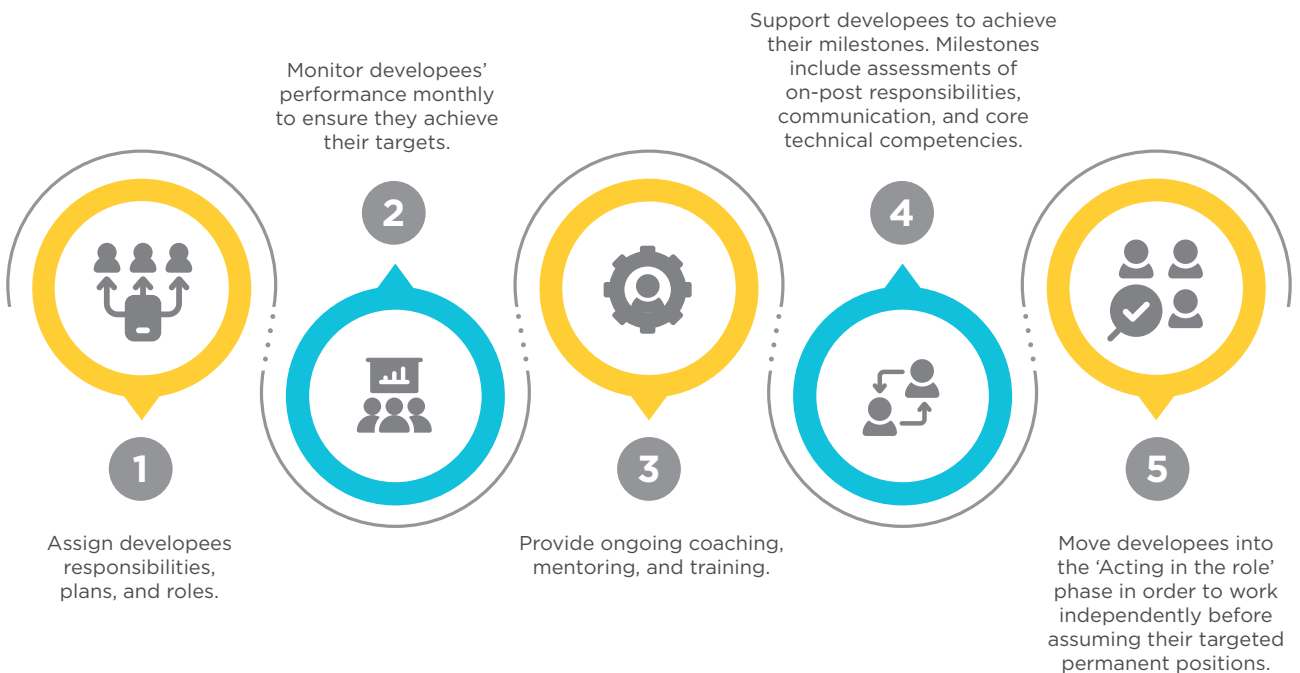
## National workforce at Bunduq

	2015	2016	2017	2018
Number of developees	22	20	12	13
Nationalization rate (%)	38%	40%	39%	40%
Proportion of nationals in senior positions (%)	18%	47%	18%	63%





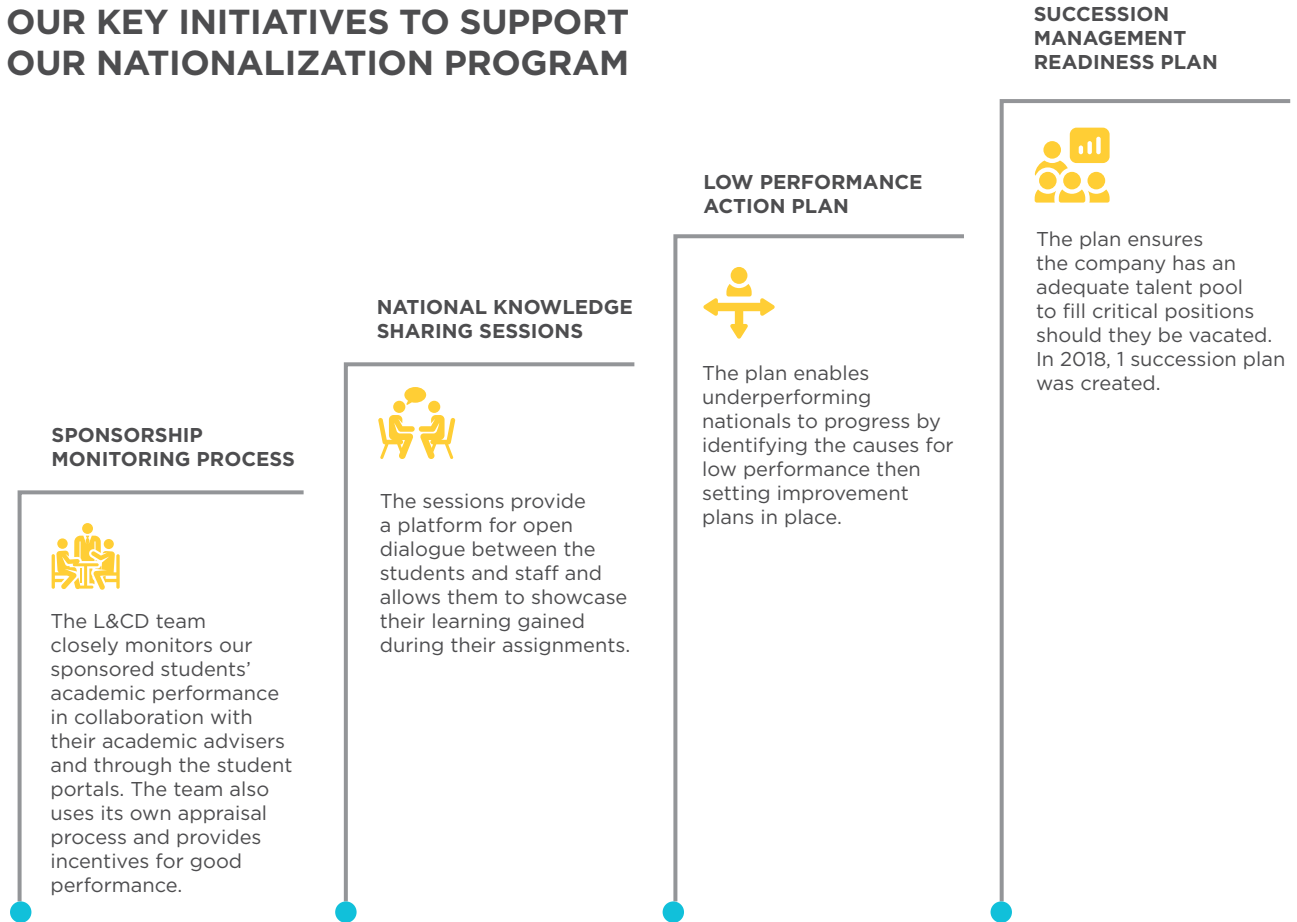
## BUNDUQ'S CAREER DEVELOPMENT PLAN FOR NATIONALS





## Bunduq’s nationalization program

### OUR KEY INITIATIVES TO SUPPORT OUR NATIONALIZATION PROGRAM



### OUR KEY NATIONALIZATION SUPPORT FUNCTIONS



## C ONTRIBUTING TO SOCIAL DEVELOPMENT



“At Bundug, we invest in the personal and professional growth of our employees to secure a sustainable future for the company. This commitment to our people also extends to the communities we operate in, and we engage in activities to support wider social development. Whether inside or outside of Bundug, it is people that are the foundation to transforming society and the businesses that operate within it.”

**Assma Al-Adawi,  
Quality Management System Specialist**

## HIGHLIGHTS



**565**

hours of training provided to our employees



**94,035**

AED spent on our employee training programs



**ZERO**

grievances and incidents of discrimination reported

Our employees are critical to our business success - it is through their commitment and ingenuity that we move towards achieving our strategic vision.

We recognize the invaluable contribution of our employees, which is why we focus heavily on their development and invest in their potential. By investing in our employees, we can better attract and retain talented individuals that are motivated while simultaneously demonstrating our values.

Our competitive employment packages, training programs and inclusive working environment position Bunduq as an attractive employer in the region. We provide equal job opportunities to all new joiners

irrespective of gender. We deliver the same benefits to our male and female staff including salary packages, health insurance, disability coverage, study leave, and retirement and education assistance.

We have a responsibility to ensure that our employees have an enriching work experience. We also strive to support broader social development and facilitate opportunities for our employees to give back to the community.

### HIGHLIGHT

## Workplace transformation

By the close of 2018, we completed the planning for a major organizational restructuring to be fully implemented in 2019. The process was challenging but it has presented new growth opportunities for our employees. In general, the planned restructure will enable a more efficient and interdependent work environment.

The restructure will help us 'right size,' contributing to a leaner workforce, which is reflected in a decrease in our total workforce. Despite the planned restructure, we will continue all scholarship, international assignments and other academic programs without disruption.

By the close of 2020, we aim to achieve the primary objectives of the restructure, which are to:

1. Optimize manpower cost
2. Minimize redundancy
3. Maintain a single representative for each technical and non-technical task

# Workforce diversity

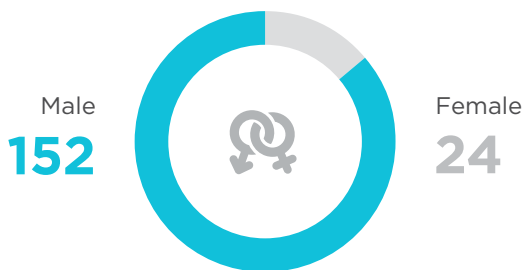
We believe that a diverse team adds value by supporting better decision-making and contributing to greater innovation. In 2018, we had a total workforce of 176 full-time employees, representing 20 nationalities.

The majority of our workforce is stationed in our offshore complex. Considering the physical demands, location and cultural context, Bunduq is similar to other upstream oil and gas companies in that it tends to attract young male employees who are fit to do the strenuous work required in our offshore complex. However, this has not stopped us from actively encouraging and recruiting women to join our team, especially in office-based positions, while giving them ample opportunities to visit the offshore complex and warehouse.

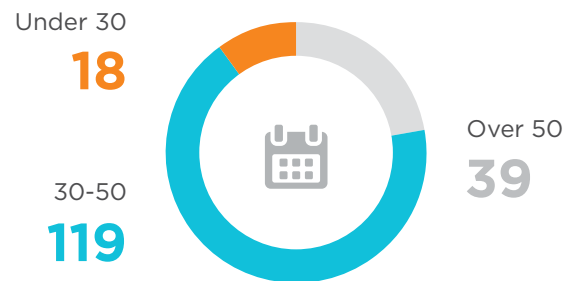


## BUNDUQ EMPLOYEE PROFILE

Employee breakdown by gender



Employee breakdown by age group



Employee breakdown by nationality



Employee breakdown by employment category

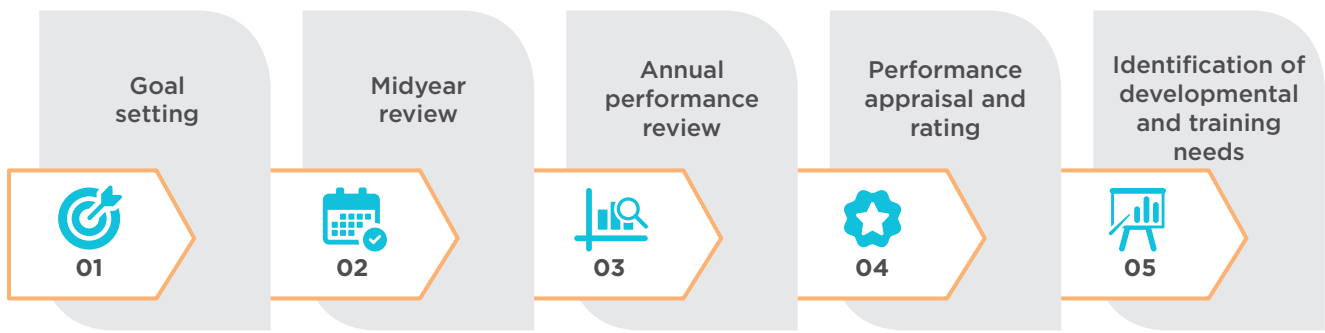


# Employee attraction and retention

We make every effort to create a welcoming environment that values talent, and believe an effective mentoring program is key to this goal. Our approach to mentorship helps our new joiners learn our corporate traditions and acquire the skills they need to excel in their jobs. Our young employees also have the additional benefit of gaining from the knowledge and experience of our long-serving employees.

To maintain a workforce of motivated and talented individuals that fit our corporate culture, we have a performance management system to ensure consistent and continuous professional development for all our employees. For a high-level overview of the employee performance appraisal process, see the diagram below.

## EMPLOYEE PERFORMANCE APPRAISAL PROCESS



### Employee attraction and attrition at Bunduq

	New hires	Turnover
<b>By gender</b>		
Male	9	20
Female	0	3
<b>By age group</b>		
Under 30 years	0	4
30-50 years	8	11
Over 50 years	1	8
<b>By employment level</b>		
Executive and senior management	1	1
Middle management	4	6
Staff (professional, operational and administrative employees)	4	16
<b>Total</b>	<b>9</b>	<b>23</b>

# Employee training and development

Bunduq has a human capital strategy in place to ensure that our employees are equipped with the evolving requirements of the business. Our L&CD team is responsible for implementing this strategy and managing Bunduq’s training and development programs.

In 2018, we continued to rely on in-house resources to deliver training as part of our cost optimization strategy. Most training delivered centered around effectively harnessing multitasking opportunities.

## Training at Bunduq

	2015	2016	2017	2018
<b>Average hours of training per employee</b>	42	13	9	3
<b>Average hours of training by gender</b>				
Male	41	11	7	2
Female	48	25	23	11
<b>Average hours of training by employment level</b>				
Executive and senior management	41	0	0	0
Middle management	43	3	1	6
Staff (professional, operational and administrative employees)	41	16	45	3
<b>Total cost to deliver employee training programs (AED)</b>	2,339,394	619,401	310,537	94,035
<b>Total number of training hours delivered</b>	<b>10,824</b>	<b>2,894</b>	<b>1,743</b>	<b>565</b>

# Grievance mechanisms

We have well-established channels for employees to raise a grievance should one arise. We have a grievance policy that outlines the process for raising concerns. For a high-level overview of the escalation process, see the diagram below.

No major grievances or incidents of discrimination requiring corrective action were raised in 2018.

## BUNDUQ’S GRIEVANCE ESCALATION PROCEDURE



# Employee engagement

We organize an annual award ceremony to recognize and reward our employees' contributions to Bunduq and each other. There are four award categories:

- Bunduq HSE awards
- Long-serving employee awards
- Coach and developpee awards
- WATCH high quality submission awards

We also have a reward and recognition procedure which serves to acknowledge and promote positive behaviors among our employees. It provides an incentive mechanism that reinforces and rewards significant initiatives and work achievements. Selected individuals are awarded for their contributions at an annual event.



"We seek to engage and involve our employees in every step of our transformation process by keeping them updated, and by providing them the support they need through one-on-one coaching sessions and other in-house trainings. This helps our people maintain their performance and increase their agility by accustoming them to change and growth."

**NABILA ALSAADI** | Human Resources/Learning and Career Development Officer

## HIGHLIGHT

### Empowering employees

As part of our workplace transformation program, we have developed a holistic engagement program and revised our human resources policy. The engagement program will focus on the technical ladder and personal growth opportunities for our employees. It is scheduled to be implemented in 2019. This will enable our employees to manage their own work flow and streamline operations.



# Social responsibility

As part of our contribution to social development, we make an annual financial contribution to ADNOC and QP who utilize the funds to deliver their corporate responsibility programs. We also arrange for opportunities and encourage our employees to volunteer their time in support of charitable initiatives.

## 2018 COMMUNITY INITIATIVES

We work to launch initiatives to support local community development. In 2018, we conducted the following activities:



### BLOOD DONATION CAMPAIGN

We hosted a blood donation in collaboration with the Abu Dhabi Blood Bank. 12 employees donated blood. The event is hosted annually and helps the bank maintain stock levels.



### HANA-IKU

We conducted one session at the Zayed Higher Organization for 150 people with special needs of various ages. Hana-iku is a Japanese education style that helps to foster a sense of beauty and appreciation for life. The participants engaged in a hands-on activity to create flower arrangements for Mother's Day.



### JAPANESE LANGUAGE SESSION

To further enhance our close relationship with Japan and improve communication within the business, several Bunduq employees participated in Japanese lessons to learn the basics of the language.









**P**  
ROTECTING  
OUR PEOPLE



“The health, safety and well-being of our employees cannot be understated. We work hard to ensure that our employees return home safe every day, which is why we are always seeking to strengthen our approach to building a safety culture and prevent workplace and occupational injuries.”

**Ahmed Roble, Safety Engineer**

## HIGHLIGHTS



**52%**  
of suppliers passed our HSE evaluation



**ZERO**  
lost time injury frequency rate



**ZERO**  
fatalities

Ensuring the health, safety and well-being of our employees is at the core of everything we do at Bunduq. Our HSE Steering Committee is responsible for ensuring that we operate safely and sustainably<sup>1</sup>. On a day-to-day basis, the HSE Section is accountable for managing and mitigating Bunduq’s HSE risks. The

HSE Section sets annual plans and communicates the responsibilities needed to support each section to achieve their HSE objectives and improve our HSE performance. For a high-level overview of our approach to occupational health and safety, see the diagram below.

## BUNDUQ’S APPROACH TO OCCUPATIONAL HEALTH AND SAFETY



Our approach to health and safety and our HSE culture is driven further by our HSE policy and HSE programs. Our overall approach, policy and programs support

employees’ awareness and HSE performance improvements. For a high-level overview of our HSE programs, see the diagram below.


## BUNDUQ’S HSE OPERATIONS

- |                                      |                         |                                      |                                |
|--------------------------------------|-------------------------|--------------------------------------|--------------------------------|
| Air quality management systems       | Risk assessments        | Noise assessments                    | Health risk assessment plans   |
| Waste and oil spill management plans | Tool box talks          | Heat stress management programs      | WATCH observation systems      |
| HSE audits                           | HSE awareness campaigns | Food quality and hygiene inspections | Emergency response plans       |
| HSE inspections                      | HSE training programs   | Periodical medical check-ups         | Indoor air quality assessments |

<sup>1</sup> For more information on our HSE Steering Committee, see page 13 in the ‘Our approach to sustainability’ section of this report.

# Safety performance

In 2018, we had an exemplary safety record, we experienced zero injuries and fatalities, a clear sign of the effectiveness of our health and safety systems and programs.

 <b>Health and safety performance at Bunduq</b>	2015	2016	2017	2018
Lost time injuries (LTIs)	0	0	1	0
Lost time injury frequency (LTIFR) per one million man-hours	0	0	0.9	0
Total recordable injuries (TRI) <sup>2</sup>	4	3	2	0
Total recordable injury rate (TRIR) per one million man-hours	2.3	1.1	1.7	0
Occupational illnesses and diseases	0	1	6	0
First aid injuries	1	2	1	0
Medical treatment cases	4	3	1	0
High potential near-miss incidents	0	0	1	0
Work-related fatalities	0	0	0	0
<b>Total hours worked</b>	<b>1,856,400</b>	<b>1,305,418</b>	<b>1,164,028</b>	<b>1,343,393</b>

## Proactive safety

We encourage our employees to report unsafe acts or conditions that may harm workers or damage assets or the environment. An inventory of critical behaviors is maintained which lists improper uses of tools and equipment, permit to work and personal protective equipment requirements, as well as other critical behaviors and conditions. We also have the WATCH observation program in place which allows employees to report unsafe behaviors and operational hazards observed in the workplace.

Every employee is required to submit at least two WATCH observation reports during a year. All WATCH observation reports are reviewed within 24 hours, and we work to resolve any issues identified as efficiently as possible. The most impactful WATCH observations are recognized and awarded annually. In 2018, our employees recorded a total of 1,561 WATCH observations, a 22% increase from the previous year. In response, various awareness campaigns and sessions were held to address the most widely recorded behavioral incidents observed.

<sup>2</sup> TRI include first aid injuries and medical treatment cases e.g. treatment by medical professionals.

# Asset integrity management

We concentrate on process safety to ensure both the safety of our employees and assets. This involves applying good design principles and robust operation, maintenance and engineering practices, to maintain safe and reliable operations. Our Risk Based Inspection (RBI) approach to asset verification allows us to identify the most critical elements of our assets and to develop adequate rehabilitation plans to mitigate process failures and major accident risks.

With the concession agreement renewal in 2018, we are accountable to maintain the integrity and reliability of our assets and wells for the coming 20 years. In 2017, we implemented our asset integrity management system and identified six high-risk wells that required immediate attention. In 2018, we completed the repairs in the six high-risk wells and implemented RBI on our assets.



“Bundug’s well integrity management system is a crucial element of our strategy, helping to ensure our operations will continue well into the future. We manage well integrity, adhering strictly to local legislation as well as industry best practices.”

**YASUHIRO KUNO** | Drilling and Operations Superintendent

## HIGHLIGHT

### Making piping more sustainable and durable

In 2018, we installed epoxy coated pipes in one of our high-risk wells to prevent scale deposition on the downward safety valve. This will make future valve replacement easier and contribute to well maintenance. As a result, safety risks have also been reduced.



# Contractor health and safety management

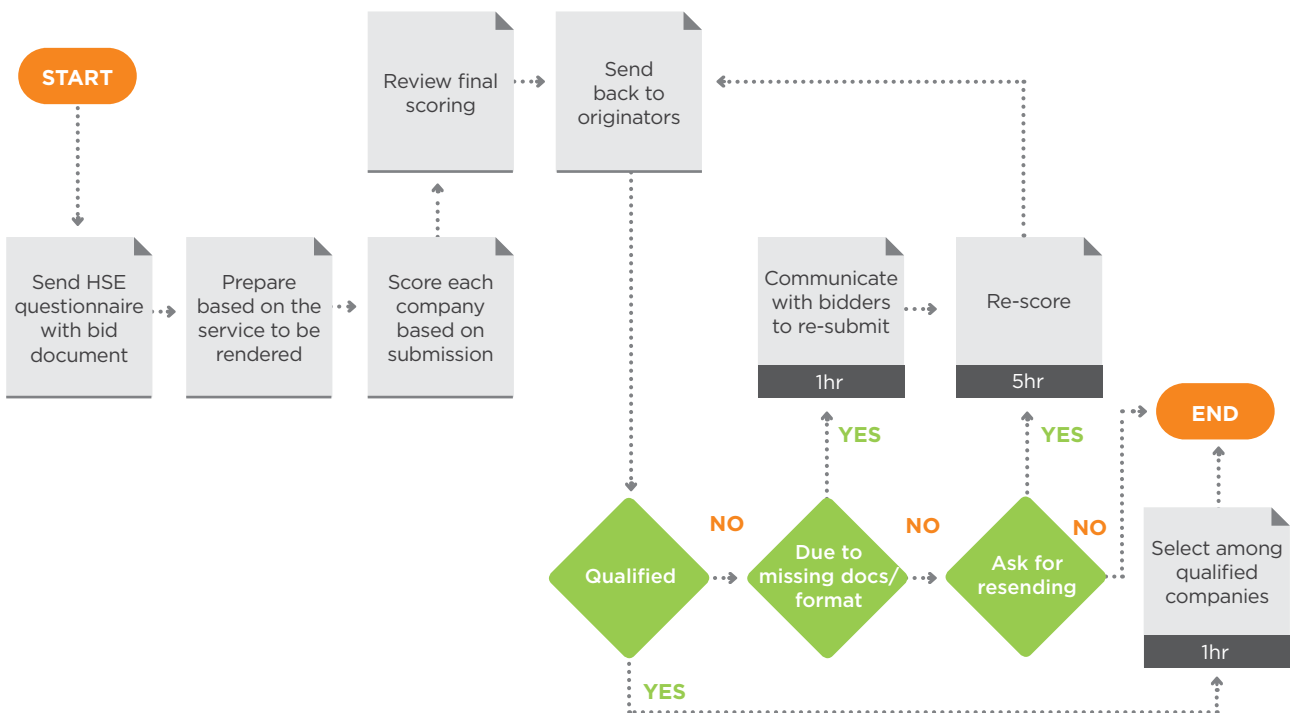
We evaluate all potential contractors against a stringent list of health and safety performance criteria as part of our contractor selection process. The goal of the health and safety risk evaluation is to ensure that any contractor we may do business with has HSE risks that are as low as reasonably practicable.

Mobilizing our contractors on-site is contingent on the receipt of an appropriate HSE plan and suitable interface arrangements. All awarded contractors receive HSE inspections by Bunduq with follow-up actions to remediate any non-conformity with our contractual requirements. For a high-level overview of our contractor HSE screening process, see the diagram below.

During the past year, we have developed an HSE scorecard to evaluate the performance of contractors following the completion of projects. The scorecard serves as an important analysis tool to better understand contractors' approach to safety management and their subsequent performance, and to help inform future decision-making by enabling us to work with contractors that have demonstrated operational excellence in health and safety firsthand.

In 2018, we evaluated all new suppliers against our HSE requirements. Of the 58 new suppliers that were evaluated, 52% passed our HSE evaluation.

## BUNDUQ'S CONTRACTOR HSE SCREENING PROCESS



The above process is in line with ADNOC's Code of Practice (CoP) for awarding and managing contractors.

# Emergency preparedness

Emergency response and crisis management are critical components of a robust safety culture. Our constant target is to prevent all emergencies through adequate monitoring and planning, and as a result, we endeavor to remain prepared to address any situation by conducting regular emergency response activities.

In 2018, Bunduq became certified as a Primary Accountable Organization for its offshore helidecks (CAAP71) by the General Civil Aviation Authority (GCAA). As part of certification, Bunduq must maintain aviation safety management policies, procedures and structures in accordance with GCAA requirements.

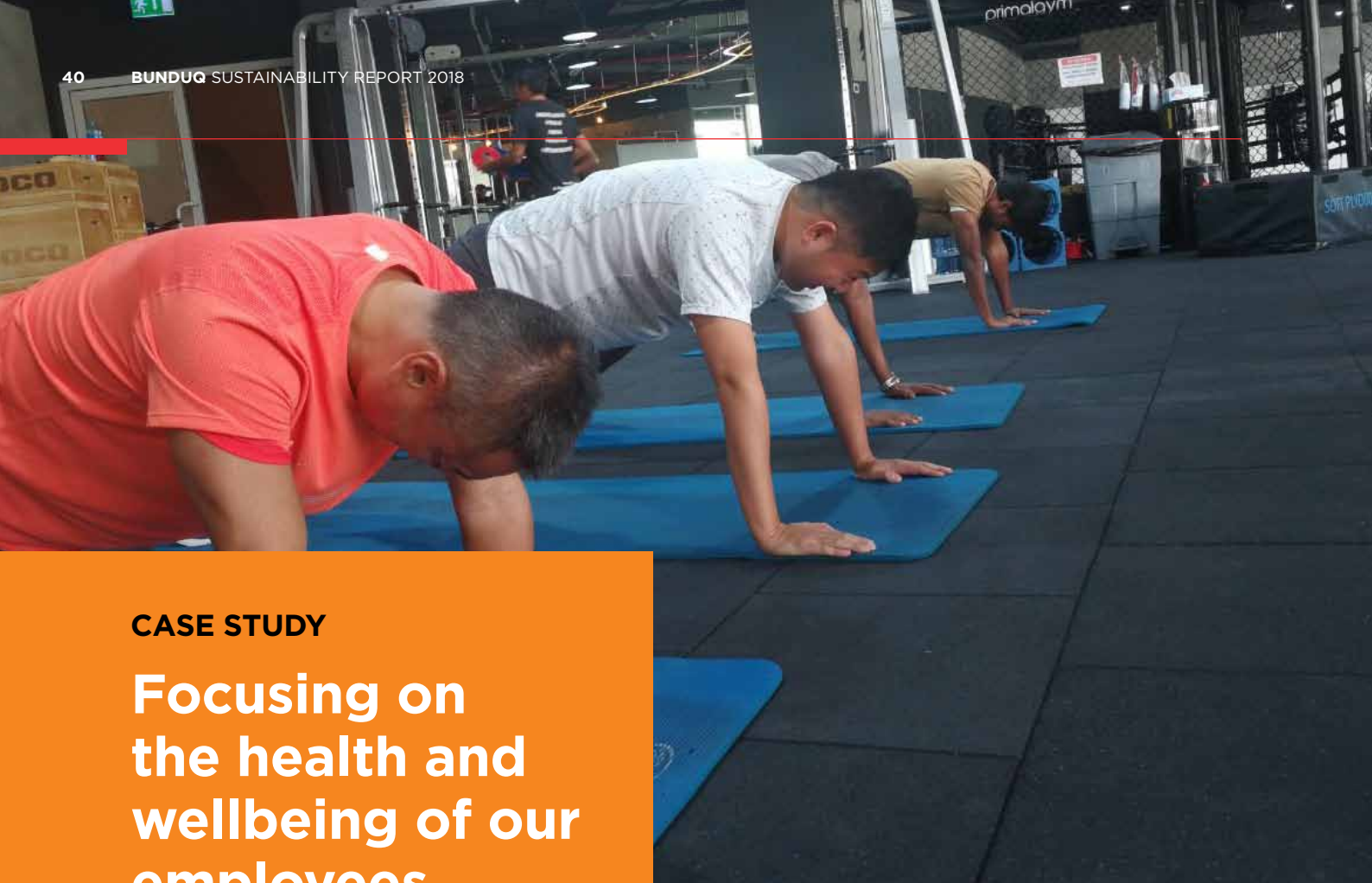
## 2018 EMERGENCY RESPONSE ACTIVITIES

HSE AUDITS	5	
HSE ALERTS	32	
HSE TRAININGS	13	

# Employee health and well-being

We understand that ensuring the health and well-being of our employees is critical to maintaining a motivated and productive workforce. Our offshore staff receive general health check-ups to ensure they are medically fit for work and to detect the onset of disease or other medical conditions. In addition to these examinations, ongoing health awareness campaigns are conducted to support employee health and well-being.





## CASE STUDY

# Focusing on the health and wellbeing of our employees

We have launched several initiatives and campaigns to facilitate employees' ability to improve their health and wellness:

### ADNOC '100% HSE' CAMPAIGNS

We participated in several campaigns launched as part of ADNOC's 100% HSE campaigns to increase our people's awareness. Campaigns we have recently participated in include:

- Heat stress campaign
- 'ADNOC Values' campaign

### ADNOC MARATHON

Our people, along with their families, were encouraged to compete in this year's ADNOC Marathon. A total of 30 employees and their family members competed across all four of the race categories. A wide range of ages were represented from ADNOC employees and their family members – the oldest being 60 years old and the youngest being four years old.

### FITNESS CHALLENGE

We ran a 3-month fitness challenge to encourage our people to pursue healthier lifestyles by exercising more and eating healthier. 50 employees competed in our fitness challenge which focused primarily on weight loss. Group exercise sessions took place at a local fitness center. In total, a 23% reduction in BMI was achieved by the participants.

### 'MOVEMBER'

A companywide men's health campaign was conducted to raise awareness of men's health issues and encourage physical activities. As part of this internationally renowned event, we also organized a football tournament.







**P** RESERVING  
THE ENVIRONMENT



“As a company extracting hydrocarbon resources in a marine environment, we endeavor to minimize and mitigate our impact on the marine ecosystem. We have robust systems in place to reduce the chances of an oil spill from occurring. Through our environmental regeneration efforts, we built an artificial coral reef to support marine life and biodiversity.”

**Aitzaz Raza,**  
Environmental Engineer

## HIGHLIGHTS



**ZERO**

oil spills



**17%**

flaring volume reduction



**7%**

GHG reduction

As an energy intensive industry, we have a responsibility to reduce our carbon footprint and the adverse environmental impacts inherent to our production activities. We continuously monitor and strive to improve our environmental performance and abide by ADNOC's environmental requirements.

Our environmental impacts include, but are not limited to, air emissions released to the atmosphere from flaring and other combustion sources, as well as plant effluents discharged to the sea. Other environmental impacts include waste generation, water withdrawal, and noise generated from plant equipment.

# 2015-2020 environmental plan: 2018 updates

To ensure we improve our environmental performance, Bunduq adopted a 5-year environmental plan.

## BUNDUQ'S 2015-2020 ENVIRONMENTAL PLAN

Our plan consists of eight initiatives covering five priority areas.

Priority areas	Initiatives	Status	2018 progress	2019 plans
<b>Climate change adaptation and mitigation</b>	Implement ISO 50001	<b>ACHIEVED</b>	Measured energy savings of 278 Gigajoule (GJ).	Achieve 913 GJ in energy savings from efficiency measures.
	Install wind-wave turbines at wellhead	Ongoing	Conducted a wind-wave turbine study.	Install wave-wind turbines pending management approval.
<b>Ambient air quality and pollution management</b>	Reduce acid gas flaring	Ongoing	Commissioned an acid gas unit and reduced flaring to 2.13 MMSCFD.	Achieve 2.0 MMSCFD target as a result of the acid gas unit.
	Implement leak detection and repair (LDAR) for passing valves	<b>ACHIEVED</b>	Launched the LDAR preventative plan.	Repair passing valves identified during the study.
<b>Biodiversity conservation</b>	Install artificial fish reef	<b>ACHIEVED</b>	<b>ACHIEVED</b>	No action required.
<b>Waste management</b>	Segregate and recycle waste using colored bins	<b>ACHIEVED</b>	<b>ACHIEVED</b>	Maintain segregation rate.
<b>Marine water quality management</b>	Treat offshore food waste	<b>ACHIEVED</b>	<b>ACHIEVED</b>	Maintain zero food waste to sea.
	Manage and prevent oil spills	<b>ACHIEVED</b>	Achieved zero oil spills and completed two rounds of preventative maintenance.	Maintain zero oil spills and complete one round of preventative maintenance.

# Environmental compliance

Our HSE Section is responsible for ensuring compliance with all applicable environmental legislation in the UAE and Qatar, ADNOC's CoP requirements, as well as emerging legislation. We have a zero tolerance policy for environmental non-compliance and we remain in full compliance with all relevant legislation.



# Flared gas

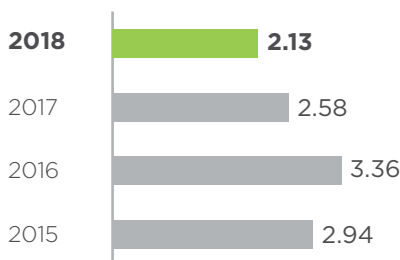
Flaring is a common practice at offshore oil and gas extraction sites to safely release pressure and other byproducts from the oil production process. Gases, namely Hydrogen Sulfide (H<sub>2</sub>S) and Carbon Dioxide (CO<sub>2</sub>), are routinely flared as part of the gas sweetening process offshore. Low pressure flaring is primarily used; however, in rare emergency cases high pressure flaring is utilized.

In 2017, we set a commitment to reduce our routine flaring to an average of 2.0 MMSCFD in 2018. In 2018, we reduced our average to 2.13 MMSCFD, nearly reaching our target. By the end of 2019, we are scheduled to further reduce flaring by modifying our acid gas compressor, allowing us to treat acid gas and route it to a production separator. Our ultimate objective is to eliminate hydrocarbon flaring in the long term and meet ADNOC's ambitious zero flaring target.

We track other air pollutants from flares using a predictive emissions measurement system which allows real-time monitoring, data analysis and reporting in compliance with ADNOC's CoP.

## FLARED GAS VOLUME (MMSCFD)

**2.13** ↓



## Flared gas volume

	2015	2016	2017	2018
<b>Volume of continuously flared hydrocarbon (m<sup>3</sup>)</b>	26,493,200	27,937,121	20,997,793	18,012,650
Volume of hydrocarbon flared in relation to volume of oil and gas produced - m <sup>3</sup> /million barrel of oil equivalent (mboe)	4,277,742	4,794,658	3,549,593	2,990,151
<b>Total volume of vented hydrocarbon (m<sup>3</sup>)</b>	0	0	0	0
Volume of continuously vented hydrocarbon (m <sup>3</sup> )	0	0	0	0
<b>Total volume of flared hydrocarbon (m<sup>3</sup>)</b>	<b>30,330,458</b>	<b>34,880,696</b>	<b>26,584,708</b>	<b>22,067,321</b>

# Greenhouse gas emissions

Our direct greenhouse gas (GHG) emissions, namely CO<sub>2</sub>, Methane (CH<sub>4</sub>) and Nitrous Oxide (N<sub>2</sub>O), are generated from the combustion of fuel and flaring at the El Bunduq oil field. Our indirect GHG emissions are generated as a result of consuming purchased electricity at our onshore sites.

In 2018, our GHG emissions decreased by 7%, this reduction was the result of a reduction in unplanned flaring.

## GHG emissions by type (tons CO<sub>2</sub> equivalent)

	2015	2016	2017	2018
CO <sub>2</sub>	104,012	142,825	113,514	107,031
CH <sub>4</sub>	11,550	21,175	12,000	9,300
N <sub>2</sub> O	596	1,192	596	596
<b>Total GHG emissions</b>	<b>116,158</b>	<b>165,192</b>	<b>126,110</b>	<b>116,927</b>

# Effluents and waste

All waste is properly collected and segregated into hazardous and non-hazardous waste. Non-hazardous waste is stored, transported and disposed at TADWEER’s municipal landfill, while hazardous waste is transported to BeAAT at Ruwais’s waste treatment facility.

In 2018, the amount of overall waste produced by Bunduq increased by 25% compared with the previous year. Although total waste increased, we commenced our recycling program and were able to divert 2.4 tons from landfill.

## Waste generated at Bunduq (metric tons)

	2015	2016	2017	2018
Total hazardous waste	3	11	9	13
Total non-hazardous waste	273	302	214	265
<b>Total waste generated</b>	<b>276</b>	<b>313</b>	<b>223</b>	<b>278</b>



“When the waste segregating and recycling project was first introduced, we did know the exact size of an impact it would have on landfill diversion, after not even one year we were able to recycle 2.4 tons of non-hazardous waste.”

**JASIM AL RAEESI** | Health, Safety and Environment Manager

## CASE STUDY

# Improving waste management

As part of our efforts to improve waste management at Bunduq, we have launched a series of initiatives over recent years:

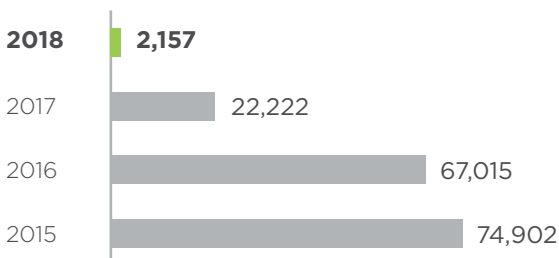
### E-WASTE RECYCLING CAMPAIGN

We have put in place initiatives to recycle e-waste, which have supported our efforts to divert waste from landfill. As part of our broader digitalization efforts, we have also prevented e-materials from entering the waste stream entirely. From 2015 to 2018, we have reduced the amount we spend on toner by 97%, which directly correlates to our overall consumption.

### TONER CONSUMPTION

Cost (AED)

**2,157** ↓



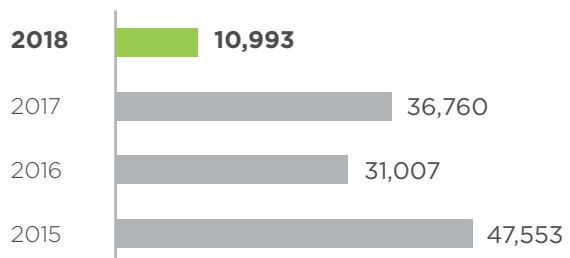
### MOVING TOWARDS BECOMING A PAPERLESS OFFICE

As a result of our digital archiving project and broader digitalization efforts, we have dramatically reduced the amount of paper we consume. From 2015 to 2018, we have reduced the amount we spend on paper by 77%, which directly correlates to our overall consumption.

### PAPER CONSUMPTION

Cost (AED)

**10,993** ↓



### FOOD WASTE TREATMENT PLANT

With the aim of reducing offshore waste, we have a food waste treatment plant which has reduced food waste by an average of 150 kg/week.

### WASTE SEGREGATION BINS

The recent installation of waste segregation bins has helped to divert 2.4 tons of waste from landfill. The successful implementation of this program has been supported by training sessions for both onshore and offshore staff.

### SURPLUS MATERIAL DISPOSAL

Our Logistics Section has been implementing a strategy to control inventory volume by reducing the value of inventory by 25%, from USD 20 million to USD 15 million by the year 2020. We are on track to deliver against this important cost optimization objective, which diverts obsolete inventory from landfill by recycling and/or sale to be used by other companies.

# Energy use and energy efficiency

Enhancing energy efficiency across our operations is important to improving our environmental performance, as well as optimizing our costs. Our energy mix consists of diesel and jet fuel used for transportation, purchased electricity from the Abu Dhabi Water and Electricity Authority for our onshore sites, and natural gas for power generation at our offshore complex.

As a result of our energy management system and other collaborative and synergistic initiatives, we have steadily improved the energy efficiency of our operations. Achieving ISO 50001 energy management system certification will further support the energy efficiency gains we have made over the past years. In 2018, total energy consumption decreased by 5%, despite an increase in total production.

## Energy use at Bunduq (GJ)

	2015	2016	2017	2018
Direct energy (from stationary combustion and mobile sources e.g. vessels and helicopters)	1,373,532	1,595,513	1,452,428	1,382,071
Indirect energy (purchased electricity)	5,470	2,187	3,186	2,343
Renewable energy	1	1	1	1
<b>Total energy used</b>	<b>1,379,003</b>	<b>1,597,701</b>	<b>1,455,615</b>	<b>1,384,415</b>

### HIGHLIGHT

## Renewable energy studies update

Our Production Section has ongoing studies investigating the potential to introduce renewable energy sources into our operations at our offshore complex. In 2018, we completed a feasibility study on wave-wind technology. In 2019, we plan to decide whether to move ahead with the installation of a wave-wind turbine at our wellheads. Using wave-wind turbines would enable an off-the-grid energy solution as the energy would be generated from water movement in the Arabian Sea.

In 2018, we also investigated opportunities to utilize solar power at our wellheads to operate pumps. Further studies and plans are underway to expand the use of solar energy at our offshore complex.

## Light shutdown at wellheads

In 2018, we launched an initiative to shut off all unnecessary lights at our wellheads. Since implementing this initiative, we have saved 0.05% of the total energy consumed compared to our 2014 baseline, which is approximately 710 GJ/year.



## Oil spills

In 2018, we avoided the release of oil to the sea. Periodic pipeline inspections and preventive maintenance on oil spill response equipment continued in 2018. In 2019, we plan to conduct one round of preventative maintenance on oil spill equipment.

## Biodiversity

Our operations are not located in or near areas of high biodiversity value or protected areas.

## Water and effluents

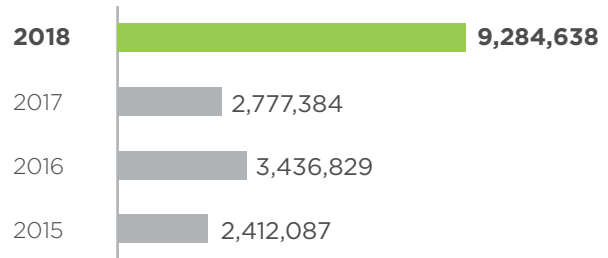
Our offshore production processes, such as EOR and cooling, require large amounts of water. We recognize the water intensive nature of our production processes and seek innovative ways to conserve this valuable resource. To meet our operational demands, we predominantly use seawater for production activities and desalinate a portion for domestic use on the offshore complex. Our onshore sites use water purchased from the local municipality.

In 2018, seawater withdrawal increased dramatically as a result of increased rig and barge activities, which have extensive cooling requirements.

Water temperature can have a significant impact on marine life. To mitigate against the potential negative effect of water discharged to the sea, we test all water discharge for temperature, as well as other important metrics such as biological oxygen demand, chemical oxygen demand and dissolved oxygen to assess potential impacts on marine life.

### SEAWATER WITHDRAWAL (m<sup>3</sup>)

**9,284,638** ↑





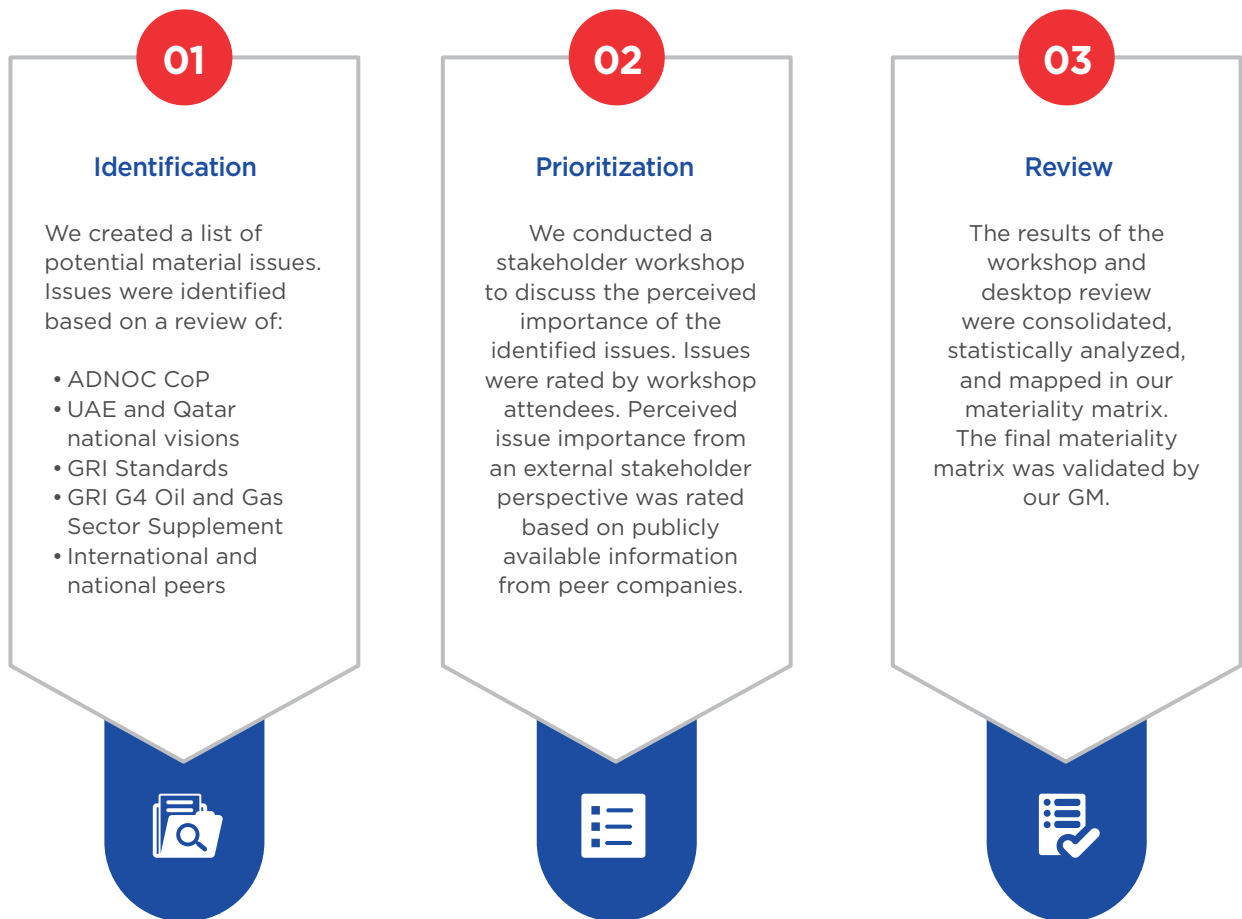
# Appendix 1: Materiality definitions and methodology

## Definitions of materiality

For the purposes of this report, we use the GRI definition of material topics: “those that reflect the organization’s significant economic, environmental and social impacts; or that substantively influence the assessments and decisions of stakeholders.”

## Materiality process

Our most recent materiality analysis aligns with the GRI Standards, and followed three key steps:



## Materiality analysis results and reporting boundaries

Reporting boundary: ● Bunduq (entire organization) ● Bunduq (offshore operations only)

Materiality level	Rank	Material topics	Concerned stakeholders	Reporting boundary
Most material	1	Occupational health and safety	Employees, government, contractors	●
	2	Emissions	Government, local communities	●
	3	Compliance	Shareholders	●
	4	Economic performance	Shareholders, government, employees	●
	5	Energy	Government, shareholders	●
	6	Training and education	Employees	●
	7	Effluents and waste	Government, employees, local communities	●
	8	Employment	Employees	●
Highly material	9	Water and effluents	Government, local communities	●
	10	Procurement practices	Government, suppliers	●
	11	Anti-corruption practices	Government, shareholders	●
Material	12	Diversity and equal opportunity	Employees	●
	13	Innovation	Government, shareholders	●
	14	Non-discrimination	Employees	●
	15	Biodiversity	Government, local communities	●
	16	Indirect economic impacts	Government, local communities	●
	17	Market presence	Government	●
	18	Supplier social assessment	Shareholders	●

## Stakeholder engagement

We value the relationships we have with our stakeholders and strive for ongoing and open dialogue. These interactions shape the way we run our business and how we report each year on our sustainability performance.

Stakeholder group	Why we engage them	How we engage them	Stakeholder concerns	Our response - see section
 <b>Government agencies in the UAE and Qatar</b>	To be updated with any new legislation or regulation that may impact our business and to shape future policy decisions	<ul style="list-style-type: none"> <li>• Direct meetings</li> <li>• Working group meetings</li> <li>• National events</li> <li>• Mandatory reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Business ethics and transparency</li> <li>• Compliance with regulations</li> <li>• Resource conservation</li> <li>• Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>• About us</li> <li>• Our approach to sustainability</li> <li>• Creating economic value</li> <li>• Contributing to social development</li> <li>• Protecting our people</li> <li>• Preserving the environment</li> </ul>
 <b>Shareholders</b>	To share our annual performance updates transparently and to strengthen our relationship with them	<ul style="list-style-type: none"> <li>• Board Advisory</li> <li>• Committee meetings</li> <li>• TAC meetings</li> <li>• Annual report</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate governance</li> <li>• Risk management</li> <li>• Sustained revenues</li> <li>• Business ethics and transparency</li> </ul>	<ul style="list-style-type: none"> <li>• About us</li> <li>• Our approach to sustainability</li> <li>• Creating economic value</li> </ul>
 <b>Employees</b>	To involve employees in decisions that shape the future of Bunduq	<ul style="list-style-type: none"> <li>• Internal events</li> <li>• Performance appraisals</li> <li>• Training and development</li> </ul>	<ul style="list-style-type: none"> <li>• Employment packages</li> <li>• Working conditions</li> <li>• Career development</li> <li>• Health and safety</li> <li>• Local employment</li> </ul>	<ul style="list-style-type: none"> <li>• About us</li> <li>• Our approach to sustainability</li> <li>• Contributing to social development</li> <li>• Protecting our people</li> </ul>
 <b>Suppliers/ vendors/ contractors</b>	To work together toward delivering safe and responsible operations	<ul style="list-style-type: none"> <li>• Procurement evaluation process</li> <li>• Direct meetings</li> <li>• Contracts</li> </ul>	<ul style="list-style-type: none"> <li>• Health and safety</li> <li>• Transparent operations</li> <li>• Clear procurement requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Creating economic value</li> <li>• Protecting our people</li> </ul>
 <b>Local communities and schools</b>	To understand our communities' expectations and needs to engage them in community building initiatives that cater to their needs	<ul style="list-style-type: none"> <li>• Environmental awareness at schools</li> <li>• Donations</li> <li>• Community investments</li> </ul>	<ul style="list-style-type: none"> <li>• Education</li> <li>• Provide employment opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Creating economic value</li> <li>• Contributing to social development</li> <li>• Preserving the environment</li> </ul>

# Appendix 2:

## GRI content index

GRI Standard	Disclosure	Definition	Page number(s)	Omission
<b>General Disclosures</b>				
GRI 102: General disclosures 2016	<b>Organizational Profile</b>			
	102-1	Name of the organization	6	
	102-2	Activities, brands, products, and services	9	
	102-3	Location of headquarters	2	
	102-4	Location of operations	7	
	102-5	Ownership and legal form	7	
	102-6	Markets served	9	
	102-7	Scale of the organization	9, 28	
	102-8	Information on employees and other workers	28	
	102-9	Supply chain	9	
	102-10	Significant changes to the organization and its supply chain	No significant changes	
	102-11	Precautionary principle or approach	13, 43	
	102-12	External initiatives	Not applicable	
102-13	Membership of associations	Not applicable		
<b>Strategy</b>				
102-14	Statement from senior decision-maker	4		
<b>Ethics and Integrity</b>				
102-16	Values, principles, standards, and norms of behavior	10		
<b>Governance</b>				
102-18	Governance structure	8		
<b>Stakeholder Engagement</b>				
102-40	List of stakeholder groups	51		
102-41	Collective bargaining agreements	Collective bargaining is illegal in the UAE and Qatar		
102-42	Identifying and selecting stakeholders	51		
102-43	Approach to stakeholder engagement	51		
102-44	Key topics and concerns raised	17, 50-51		

GRI Standard	Disclosure	Definition	Page number(s)	Omission
GRI 102: General disclosures 2016	<b>Reporting practices</b>			
	102-45	Entities included in the consolidated financial statements	Not applicable	
	102-46	Defining report content and topic boundaries	49-50	
	102-47	List of material topics	17, 50	
	102-48	Restatements of information	No restatements	
	102-49	Changes in reporting	No significant changes	
	102-50	Reporting period	2	
	102-51	Date of most recent report	2017	
	102-52	Reporting cycle	Annual	
	102-53	Contact point for questions regarding the report	2	
	102-54	Claims of reporting in accordance with the GRI Standards	2	
	102-55	GRI content index	52-57	
	102-56	External assurance	This report has not been assured by a third party	

## MATERIAL TOPICS

### GRI 200: Economic Topics

#### Economic Performance

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	19, 50	
	103-2	The management approach and its components	19	
	103-3	Evaluation of the management approach	19	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed		Bundug does not publicly disclose financial data

#### Market Presence

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	23-25, 50	
	103-2	The management approach and its components	23-25	
	103-3	Evaluation of the management approach	23-25	
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community	23	

GRI Standard	Disclosure	Definition	Page number(s)	Omission
<b>Indirect Economic Impacts</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	22-25, 32, 50	
	103-2	The management approach and its components	22-25, 32	
	103-3	Evaluation of the management approach	22-25, 32	
GRI 203: Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts	22-25, 32	
<b>Procurement Practices</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	22, 38, 50	
	103-2	The management approach and its components	22, 38	
	103-3	Evaluation of the management approach	22, 38	
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	22	
<b>Anti-Corruption Practices</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	10-11, 50	
	103-2	The management approach and its components	10-11	
	103-3	Evaluation of the management approach	10-11	
GRI 205: Anti-Corruption Practices 2016	205-3	Confirmed incidents of corruption and actions taken	10	
<b>Innovation</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	19-21, 50	
	103-2	The management approach and its components	19-21	
	103-3	Evaluation of the management approach	19-21	
<b>GRI 300: Environmental Topics</b>				
<b>Energy</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	43, 47, 50	
	103-2	The management approach and its components	43, 47	
	103-3	Evaluation of the management approach	43, 47	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	47	

GRI Standard	Disclosure	Definition	Page number(s)	Omission
<b>Water and Effluents</b>				
GRI 103: Management Approach 2018	103-1	Explanation of the material topic and its boundary	43, 48, 50	
	103-2	The management approach and its components	43, 48	
	103-3	Evaluation of the management approach	43, 48	
	303-1	Interactions with water as a shared resource	48	
	303-2	Management of water discharge-related impacts	48	
GRI 303: Water and Effluents 2018	303-3	Water withdrawal	48	
<b>Emissions</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	43-45, 50	
	103-2	The management approach and its components	43-45	
	103-3	Evaluation of the management approach	43-45	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	45	
	305-2	Energy indirect (Scope 2) GHG emissions	45	
<b>Effluents and Waste</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	43, 45, 50	
	103-2	The management approach and its components	43, 45	
	103-3	Evaluation of the management approach	43, 45	
GRI 306: Effluence and Waste 2016	306-2	Waste by type and disposal method	45	
	306-3	Significant spills	48	
<b>Biodiversity</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	43, 48, 50	
	103-2	The management approach and its components	43, 48	
	103-3	Evaluation of the management approach	43, 48	
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	48	
<b>Environmental Compliance</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	43-44, 50	
	103-2	The management approach and its components	43-44	
	103-3	Evaluation of the management approach	43-44	
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	44	

GRI Standard	Disclosure	Definition	Page number(s)	Omission
<b>GRI 400: Social Topics</b>				
<b>Employment</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	27-31, 50	
	103-2	The management approach and its components	27-31	
	103-3	Evaluation of the management approach	27-31	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	29	
<b>Occupational Health and Safety</b>				
GRI 103: Management Approach 2018	103-1	Explanation of the material topic and its boundary	35-40, 50	
	103-2	The management approach and its components	35-40	
	103-3	Evaluation of the management approach	35-40	
	403-1	Occupational health and safety management system	35-40	
	403-2	Hazard identification, risk assessment, and incident investigation	35-40	
	403-3	Occupational health services	35-40	
	403-4	Worker participation, consultation, and communication on occupational health and safety	35-40	
	403-5	Worker training on occupational health and safety	35-40	
	403-6	Promotion of worker health	35-40	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	35-40	
GRI 403: Occupational Health and Safety 2018	403-9	Work-related injuries	36	
<b>Training and Education</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	27, 30, 50	
	103-2	The management approach and its components	23-25, 27, 30	
	103-3	Evaluation of the management approach	23-25, 27, 30	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	30	
<b>Diversity and Equal Opportunity</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	27-30, 50	
	103-2	The management approach and its components	27-30	
	103-3	Evaluation of the management approach	27-30	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	8, 11, 28	



GRI Standard	Disclosure	Definition	Page number(s)	Omission
<b>Non-Discrimination</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	27-30, 50	
	103-2	The management approach and its components	27-30	
	103-3	Evaluation of the management approach	27-30	
GRI 406: Non-Discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	30	
<b>Supplier Social Assessment</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	22, 38, 50	
	103-2	The management approach and its components	22, 38	
	103-3	Evaluation of the management approach	22, 38	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	38	
<b>Socioeconomic Compliance</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	10-11, 50	
	103-2	The management approach and its components	10-11	
	103-3	Evaluation of the management approach	10-11	
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	Zero incidents reported in 2018	


## Appendix 3:


# List of abbreviations


Abbreviation	Details
ADNOC	Abu Dhabi National Oil Company
BeAAT	Central Waste Management Facility in Ruwais
BMI	Body Mass Index
CDP	Career Development Plan
CH <sub>4</sub>	Methane
CO <sub>2</sub>	Carbon Dioxide
CoP	Code of Practice
EOR	Enhanced Oil Recovery
GCAA	General Civil Aviation Authority
GHG	Greenhouse Gas
GJ	Gigajoule
GM	General Manager
GRI	Global Reporting Initiative
H <sub>2</sub> S	Hydrogen Sulfide
HSE	Health, Safety and Environment
ISO	International Organization for Standardization
KPI	Key Performance Indicator
L&CD	Learning and Career Development
LDAR	Leak Detection and Repair
LTI	Lost Time Injury
LTIFR	Lost Time Injury Frequency Rate
M <sup>3</sup>	Cubic Meter
MBOE	Million Barrel of Oil Equivalent
MENA	Middle East and North Africa
MMSCFD	Millions of Standard Cubic Feet Per Day
N <sub>2</sub> O	Nitrous Oxide
QP	Qatar Petroleum
SDGs	Sustainable Development Goals
SPC	Supreme Petroleum Council
TAC	Technical Advisory Committee
TRI	Total Recordable Injuries
TRIR	Total Recordable Injury Rate
UAE	United Arab Emirates
UPD	United Petroleum Development Company
WAG	Water-Alternate-Gas
WATCH	Watch Carefully, Act-Timely, Think Safety and Create a Hazardless-Environment
WIMS	Well Integrity Management Systems





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